

**DISKIN PROPERTY RESEARCH**  
**REAL ESTATE MARKET ANALYSTS**  
2938 WELLINGTON CIRCLE  
TALLAHASSEE, FL 32309-6885

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**APPRAISAL REPORT FOR**  
**EAST FLAGLER MOSQUITO CONTROL DISTRICT**  
**24 UTILITY DRIVE**  
**PALM COAST, FLAGLER COUNTY, FLORIDA**

**DATE OF REPORT**  
**AUGUST 28, 2014**

**DATE OF VALUE**  
**AUGUST 28, 2014**

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August 28, 2014

Joseph Cash  
Director  
East Flagler Mosquito Control District  
24 Utility Drive  
Palm Coast, FL 32137

Re: Appraisal Report  
Property Located at 24 Utility Drive  
Palm Coast, Flagler County, Florida

Dear Mr. Cash:

As you requested, we have completed a detailed investigation, analysis, and appraisal of the above-mentioned property. The purpose of this report is to provide an opinion of the market value of the fee simple interest of the subject property in Palm Coast, Flagler County, Florida.

We incorporate the following extraordinary assumption into this report.

The subject site was assembled in two transactions. Both deeds contained reservations that allow the grantor to take back the properties at their discretion, in exchange for a new site and fair market value for the existing improvements. This is an undesirable condition for the property. The client has been made aware of the condition and a remedy is currently being pursued concerning this issue. The extraordinary assumption for this report is that the reservation will be removed in a timely manner. The value conclusion for the subject is based on a title free of this restriction. If the reservation is not removed, the value conclusion for the subject could be considerably different. We reserve the right to revisit our analysis if the reservation is not removed.

**Extraordinary Assumption** - According to The Dictionary of Real Estate Appraisal, Fifth edition, published by the Appraisal Institute, an Extraordinary Assumption is defined as:

*An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.*

Letter to Mr. Cash  
August 28, 2014  
Page Two

For this appraisal report, our findings and conclusions are summarized as outlined in USPAP, Standards Rule 2-2(a). All supporting documentation remains in our files; that information becomes part of this report by reference.

We certify that we have no past, present, or contemplated future interest in the subject property. Our compensation for this assignment is not contingent on the opinion of value offered.

For information concerning the subject property, we relied on the Flagler County Property Appraiser's Office and an on-site inspection. The full scope of this assignment is presented in greater detail later in this report.

We appreciate the chance to work with you on this matter. If questions remain, please contact us at your convenience.

Cordially,

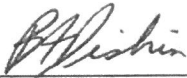
A handwritten signature in black ink, appearing to read "B. Diskin".

Barry A. Diskin, Ph.D., MAI, CRE  
State-Certified General Real Estate Appraiser—RZ270

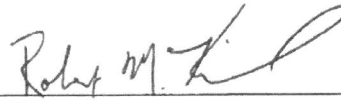
## CERTIFICATION

We certify that, to the best of our knowledge and belief:

- The statements contained in this report are true and correct.
  
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
  
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
  
- We have not performed any services involving the property that is the subject of this report within the last three years.
  
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
  
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
  
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
  
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.
  
- Use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
  
- Rob Kissel inspected the property that is the subject of this report.
  
- No one provided significant appraisal assistance to the persons signing this certification.
  
- As of the date of this report, Barry A. Diskin and Robert M. Kissel have completed the continuing education program of the Appraisal Institute.



Barry A. Diskin, Ph.D., MAI, CRE  
State-Certified General Real Estate Appraiser-RZ270

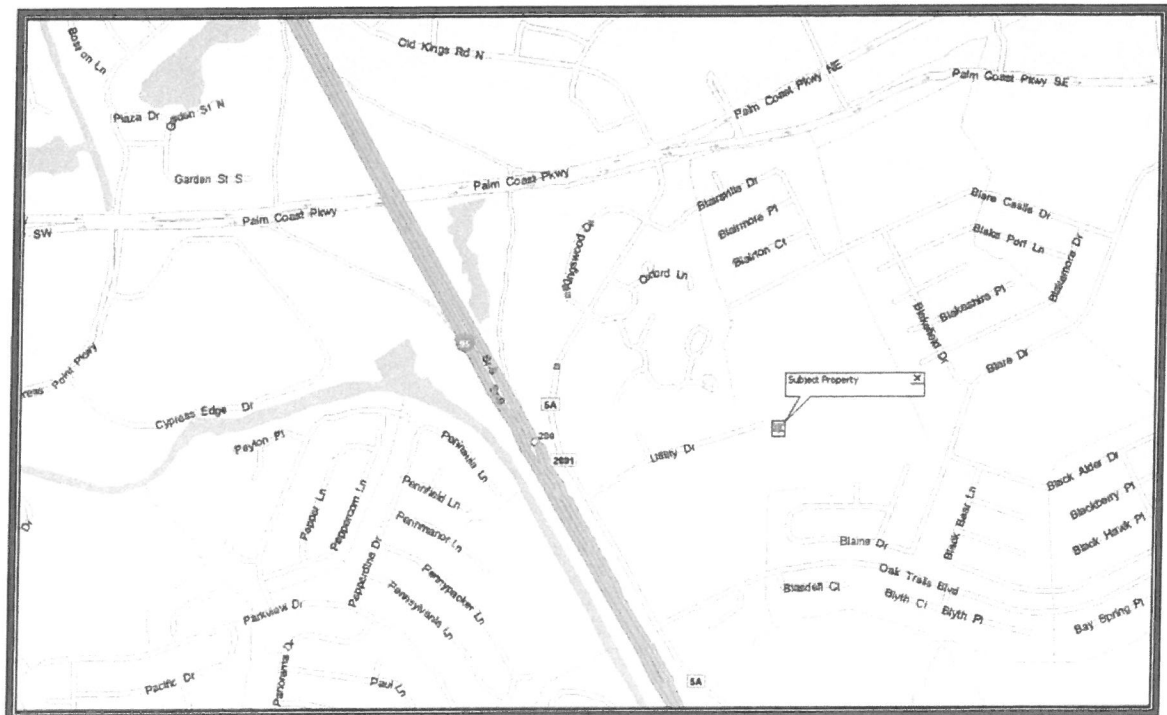
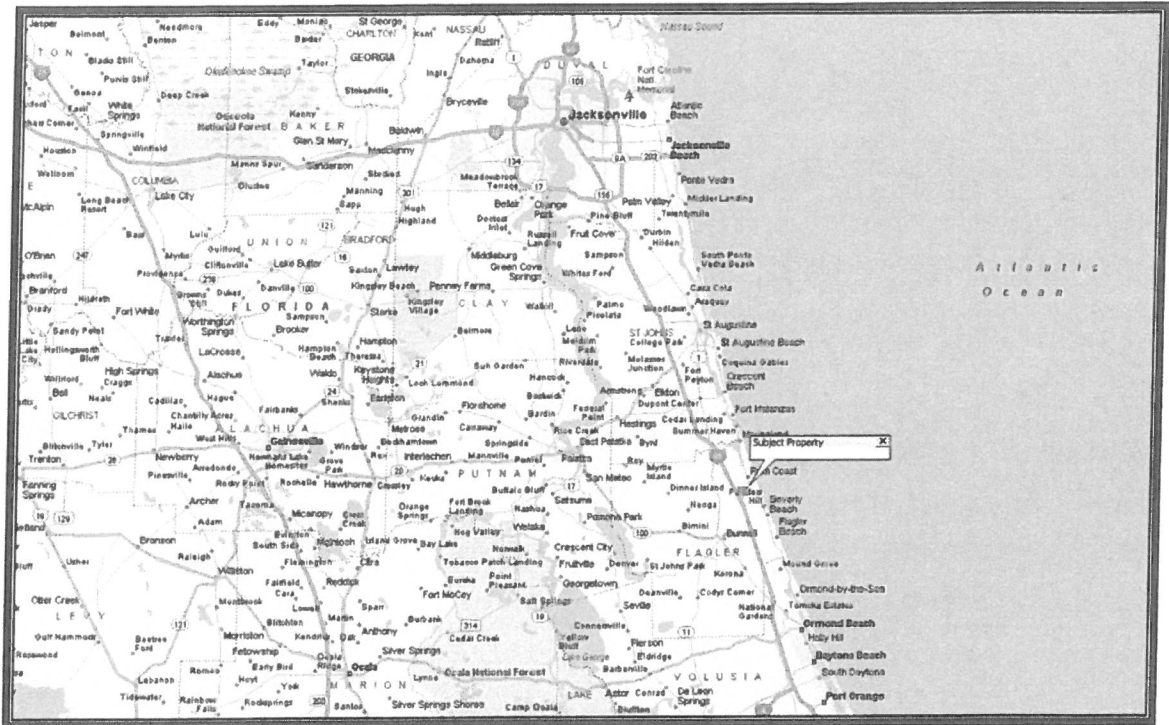


Robert M. Kissel  
State-Certified General Real Estate Appraiser-RZ2479

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*Real Estate Market Analysts*

## SUBJECT LOCATION MAPS





**Subject Photographs**



**Primary Office and Service Garage**



**Office Building**



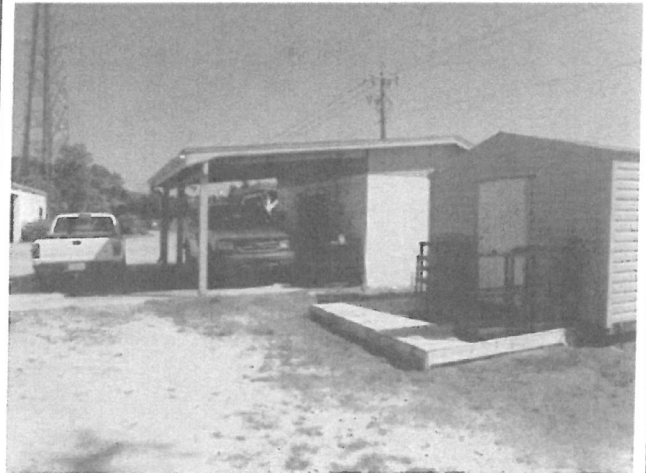
**Pesticide Storage Building**



**Equipment Storage Pole Barn**



**Additional Equipment Storage Barn**



**Additional Storage**

Client - Joseph Cash  
Director  
East Flagler Mosquito Control District  
24 Utility Drive  
Palm Coast, FL 32137

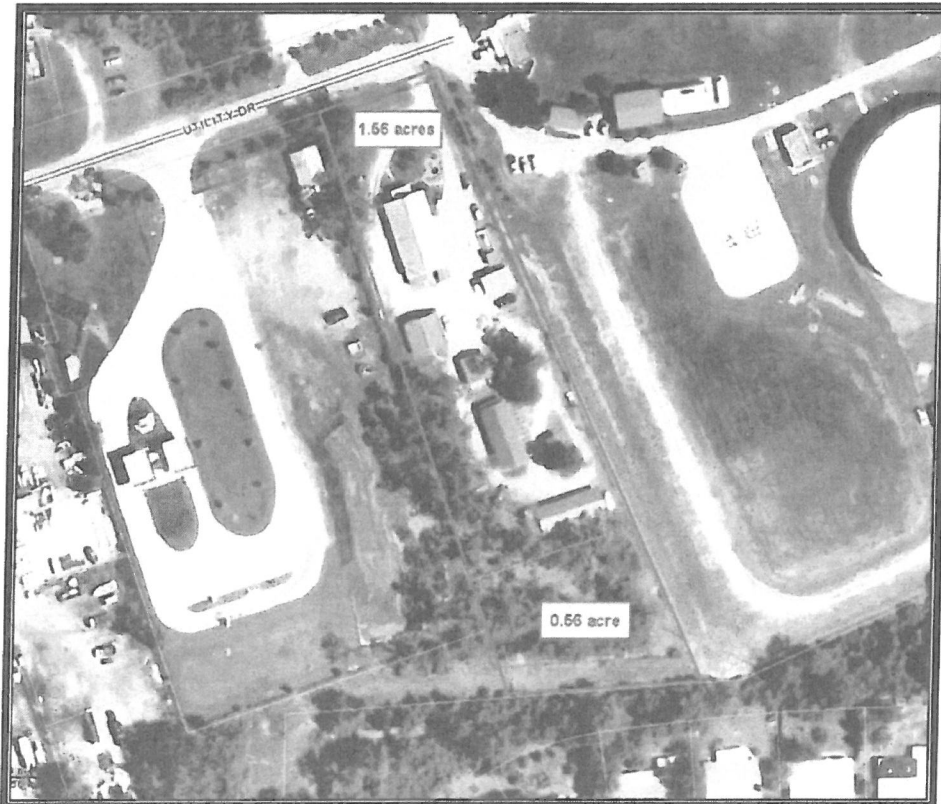
Appraisers - Barry Diskin and Rob Kissel

Inspected by - Rob Kissel on August 22, 2014

### Subject Parcel

The subject parcel is located at the eastern terminus of Utility Drive, approximately one-third of a mile east of Old Kings Road (County Road 5-A) in Palm Coast, Florida. This site, which is owned by East Flagler Mosquito Control District, is located adjacent to the western boundary of a City of Palm Coast wastewater treatment facility.

According to public record information provided on the Flagler County Property Appraiser's Web site, the subject consists of two parcels: a 1.56-acre parcel along Utility Drive and a 0.56-acre parcel to the south of the larger parcel. The larger parcel is identified by the Property Appraiser's Office with a tax identification number of 17-11-31-5865-00000-0050 and the smaller parcel with the tax identification number 17-11-31-0000-01020-0020.



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**DISKIN PROPERTY RESEARCH**

*Real Estate Market Analysts*



The client did not provide title work for this appraisal. Instead, we gathered the most recent deeds of the subject from Flagler County public records. The subject's two parcels were transferred to the East Flagler Mosquito Control District under two separate transactions. Details of the larger of the two parcels follow.

Type of Instrument:	Special Warranty Deed
Official Records:	Book 316 Page 909
Date:	April 30, 1987
Grantor:	ITT Community Development Corporation
Grantee:	East Flagler Mosquito Control District

The legal description that appears on the deed identifies a property containing 0.6325 acre. This contradicts what we found on the Flagler County Property Appraiser's Office Web site and measurements that we made on the GIS map. We believe the size of the subject to be 1.56 acres. We suggest that the client verify the accuracy of the legal description that appears on the deed.

In addition to the conflicting legal description noted above, the deed also contains the following reservation"

"The condition of this grant is and shall be that the Grantor shall have the right, at its sole discretion, to re-enter and occupy the land and terminate the estate granted by this deed, whereupon all right, title, and interest hereunder shall revert to grantor, in which the following shall occur...."

The deed goes on to list four steps that the grantor must take if they re-possess the deeded land, including finding a new site for the grantee and paying fair market value for the improvements constructed on the site.

This reservation is problematic and has the potential to make the subject undesirable in the open market. We spoke with several developers who stated that they would not purchase a site containing this clause. Additional investigation led us to the elected Property Appraiser of Flagler County, James "Jay" Gardner, Jr. Mr. Gardner is familiar with all parties involved in this transfer. In fact, his father's name appears as the signatory on the deed for the grantor. According to Mr. Gardner, the original intent of this clause was to give ITT Community Development Corp. flexibility for expansion of the adjoining wastewater treatment facility if needed. Based on research by Mr. Gardner, including discussions with an attorney that represents the former interests of ITT, this reservation can quickly and inexpensively be extinguished if desired by the grantee. Once discovered, we notified Mr. Noah McKinnon, an attorney representing our client, and suggested they pursue a remedy for this matter. For purposes of this report, we are making an extraordinary assumption that the East Flagler Mosquito Control District will have this reservation extinguished in the near future. If they do not fulfill this assumption, the market value of the subject property would likely be considerably different than the one presented in this report.

Details of the deed for the subject's smaller parcel were also reviewed. We noted the following information:

Type of Instrument:	Special Warranty Deed
Official Records:	Book 448 Page 1453
Date:	May 16, 1991

Grantor: ITT Land Corporation  
 Grantee: East Flagler Mosquito Control District

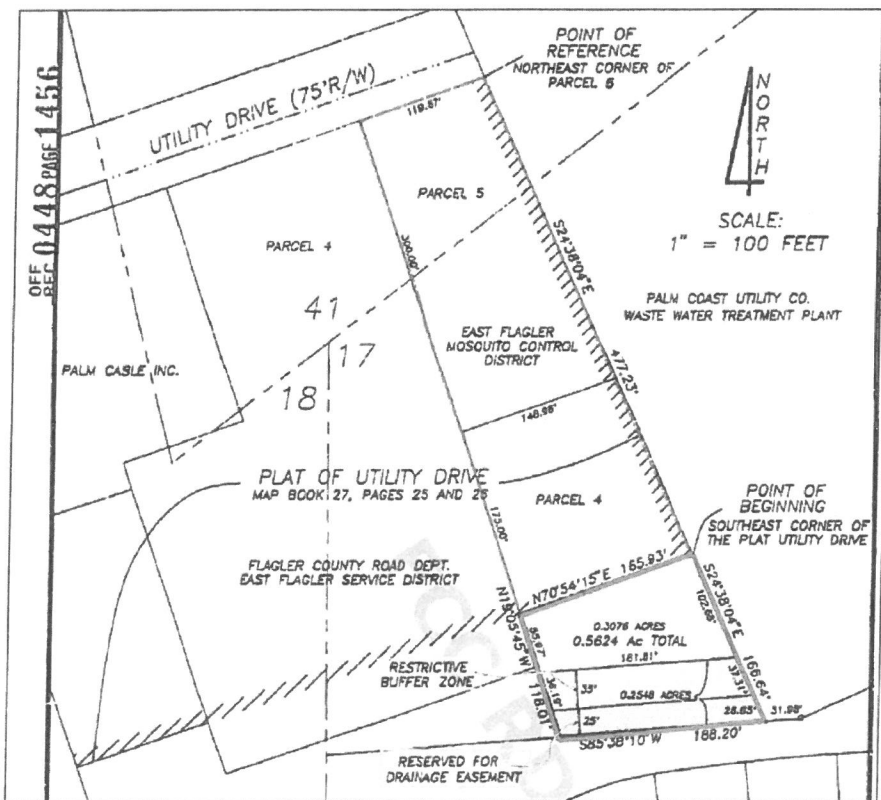
Like the first deed, this one also contains a reservation to take back the property from the grantee if desired. We apply the same extraordinary assumption to this parcel as we did to the other parcel.

In addition to the reservation, the subject's smaller parcel also has reservations for a drainage easement and a buffer zone:

"Grantor, for itself and its assigns, reserves an easement for drainage purposes across the southerly 25 feet of the property described in Exhibit A....

Grantee agrees to maintain a natural buffer zone in the area depicted on the sketch attached to Exhibit A, which zone shall be the northerly 35 feet of the southerly 60 feet of the property described in Exhibit A. Grantee shall not remove or permit the removal of any natural vegetation in the buffer zone without Grantor's express permission. Grantee further agrees to erect and maintain a solid fence, of a design to be approved by the Grantor, along the entire length of the northern boundary line of the buffer zone."

A portion of Exhibit A is presented below.



The drainage easement and restrictive buffer zone do not adversely affect the subject property. At 2.12 acres, the subject is larger than most of the industrial properties of its type in the immediate surrounding market and in other comparable areas. The subject's larger parcel (1.56 acres) is sufficient for most types of industrial development in this market. We consider the second parcel of 0.56 acre to be surplus land, property that cannot be broken off and sold separately from the larger parcel. We discuss the concept of surplus land in greater detail later in the report.

### Utilities

The water and sewer service is provided by the City of Palm Coast, while electricity is provided by Florida Power and Light.

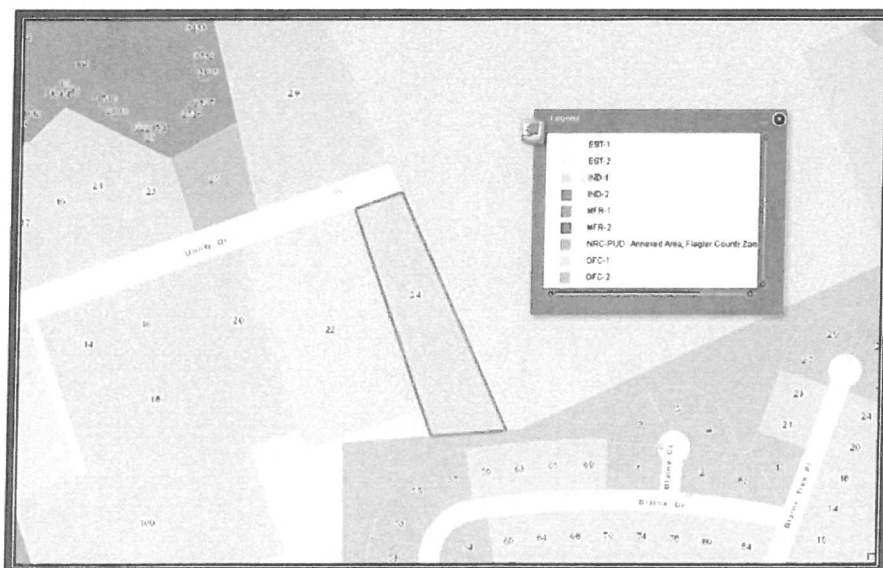
### Zoning and Future Land Use

The zoning classification for the subject is IND-1 (Light Industrial and Warehousing District), while the future land use designation is Mixed Use. According to the City of Palm Coast's 2035 Comprehensive Plan:

The purpose of the IND-1 District is to provide areas for restricted industrial and warehouse uses of low to moderate intensities with minimal potential for off-site impacts. The district utilizes performance standards to ensure that impacts are controlled.

Principal permitted uses include light manufacturing uses, recycling facilities, medical and diagnostic laboratories, building contractor office, automotive parts and services store, building material store, printing and publishing operation, heavy construction and land excavation contractors, landscaping services, repair services for commercial and industrial machinery, technical and trade schools, public works facility, wireless communication facility, motor vehicle towing services, mini-warehouses, and warehouse/distribution facilities, among other uses.

The zoning map is presented in the following exhibit.




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## DISKIN PROPERTY RESEARCH

*Real Estate Market Analysts*

The following table contains the dimensional standards for development under the IND-1 zoning category.

Zoning District	IND-1
Minimum Lot Size	20,000 sq. ft.
Minimum Lot Width	100 ft.
Maximum Impervious Surface Ratio (ISR)	0.70
Maximum Floor Area Ratio (FAR)	0.35
Maximum Building Height	65 ft.
Interior Side and Rear Setbacks	10 ft.
Arterial/Collector Road Setbacks	25 ft.
Local Road Setbacks	25 ft.

### Legal Descriptions

The legal descriptions for the subject's two parcels are presented in an appendix to this report.

### **Purpose of the Appraisal**

The purpose of this appraisal is to provide the client with an opinion of the market value of the fee simple interest of the land and improvements located at 24 Utility Drive, in Palm Coast, Florida.

### **Market Value Fee Simple Defined**

For purposes of this report, market value, as defined in Chapter 12, Code of Federal Regulation, Part 34.42(g) is:

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 interests;
- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Fee simple estate is defined as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations of eminent domain, escheat, police power, and taxation.<sup>1</sup>

### **Exposure Time**

The concept of exposure time is sometimes misunderstood. It is the estimated length of time the subject property would have been marketed prior to the closing of the hypothetical transaction; an appraisal assumes a sale. The supposed closing date is the effective date of the appraisal.

Based on a review of the market transaction data, there does not appear to be much demand for industrial properties in this market. Conversations with real estate brokers in the market revealed long exposure times for similar type properties. It is our opinion that the exposure time for the subject property would be at least 12 months.

### **Intended User and Intended Use of the Report**

The intended users of this report are our client, the East Flagler Mosquito Control District and its representatives. The intended use of the report is to assist the client in understanding the market value of the fee simple interest of the subject property for negotiating purposes.

### **Effective Date of Value**

August 28, 2014

### **Date of Report**

August 28, 2014

### **Sale History**

There has been no recent sale of the subject property. As noted earlier, the subject was assembled in two transactions, one occurring in 1987 and the other in 1991. No change of ownership has occurred since that time. In addition, the property is not listed for sale as of the date of this report.

### **Scope of the Assignment - Description of the Work Process**

In the 2014/2015 edition of USPAP, scope of work is defined as:

the type and extent of research and analyses in an appraisal or appraisal review assignment.

The Scope of the Assignment section of the report is included to clarify the analyst's tasks and goals in the appraisal assignment. The following excerpts address the Scope of Work Rule.

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<sup>1</sup>The Appraisal Institute, *Dictionary of Real Estate Appraisal*, Fifth edition (Chicago, IL: Appraisal Institute, 2010), p. 78.

For each appraisal, appraisal review, and appraisal consulting assignment, the appraiser must:

1. identify the problem to be solved;
2. determine and perform the scope of work necessary to develop credible assignment results; and
3. disclose the scope of work in the report.

#### Identify the Problem to be Solved

According to the 2014/2015 edition of USPAP --

An appraiser must properly identify the problem to be solved to determine the appropriate scope of work. The appraiser must be prepared to demonstrate that the scope of work is sufficient to produce credible assignment results.

Problem Identification -- An appraiser must gather and analyze information about those assignment elements that are necessary to properly identify the appraisal or appraisal review problem to be solved. The identification of the problem to be solved requires the appraiser to identify the following elements:

- client and any other intended users;
- intended use of the appraiser's opinions and conclusions;
- type and definition of value;
- effective date of the appraiser's opinions and conclusions;
- subject of the assignment and its relevant characteristics; and
- assignment conditions.

As presented earlier in the appraisal report, and using the criteria specified above, the appraisal problem for this assignment is presented in the following paragraph.

Our task is to offer an opinion of the market value of the fee simple interest of the property owned by East Flagler Mosquito Control District at 24 Utility Drive, as of the effective date of value, August 28, 2014.

#### Scope of Work Acceptability

As presented in the 2014/2015 edition of the USPAP --

- The scope of work must include the research and analyses that are necessary to develop credible assignment results.
- An appraiser must not allow assignment conditions to limit the scope of work to such a degree that the assignment results are not credible in the context of the intended use.
- An appraiser must not allow the intended use of an assignment or a client's objectives to cause the assignment results to be biased.

For this appraisal report, our findings and conclusions are summarized as outlined in USPAP, Standards Rule 2-2(a). The supporting data and other material analyzed in the appraisal process are in our files, which we include by reference.

For information concerning the subject property, we relied on data obtained from the Flagler County Property Appraiser's Office, the City of Palm Coast Community Development Department (Planning and Zoning), and from local real estate professionals active in the market. No one provided significant technical assistance concerning the details of this assignment.

For the sales comparison approach, we researched public records through the Flagler County Property Appraiser's database and through Loopnet, a proprietary real estate database. We compiled research to analyze and verify, when possible, sales of properties that we consider similar to the subject and that occurred within a relevant time period. Generally, we attempted to verify each transaction through the public records, the buyer, the seller, and/or a representative of either party with knowledge of the transaction. We also researched active listings of similar properties by using Loopnet and the Multiple Listing Service (MLS) available on the Flagler County Property Appraiser's Web site.

Data concerning the comparable sales and additional data used to reach an opinion of value for the subject property are in our file; that file is made part of this report by reference. To the best of our knowledge and belief, the statements and opinions contained in this report are correct, subject to other conditions specifically mentioned.

The subject property and comparable sales were inspected as part of the appraisal process. We also used aerial photographs, surveys, and county plats to examine the characteristics of the subject parcel in comparison to the comparable transactions. We researched the zoning and future land use categories for each of the transactions through the Flagler County Community Development Department and through the zoning departments of local municipalities. We compared the physical characteristics of the comparable properties to those of the subject and we reached a final opinion of value based on these analyses.

We used two approaches to value for this analysis: the sales comparison and cost approaches. The subject contains multiple improvements, of which two are primary improvements (the office/service garage and a concrete block office) and three are secondary or auxiliary improvements (a concrete block storage building and two pole barns). There are other structures on the property that serve as additional storage areas, but it is our opinion that they do not contribute to the market value of the property. The two primary structures and 1.56 acres of the subject land were valued by the sales comparison approach. The subject's surplus land was also valued by the sales comparison approach, but with a different set of comparable sales. We estimated the value of the auxiliary buildings using the cost approach. We present a detailed analysis of each valuation procedure later in this report. We were unable to perform the income approach for the subject's primary improvements because of limited data. Likewise, a full cost approach was not performed because of the age of the primary improvements.

### **Highest and Best Use-As Vacant**

The highest and best use concept is reflective of a basic assumption about real estate and market behavior; the price a buyer will pay for a property is based on his or her judgment about the most profitable use of the site or property. Therefore, sites and improved properties tend to be put to their highest and best use and, in this manner, maximize the profit potential for the property owner.

The determination of a property's highest and best use may or may not conform to the existing use of the site, because the alternative uses of the site may be restricted by the presence of improvements or legal constraints. The highest and best use is determined first for the land/site as though vacant and available to be put to its highest and best use. In this part of the analysis, no consideration is given any existing improvements. When appropriate, a second analysis considers the site as improved and factors in the present improvements to the investment decision.

Highest and best use is defined as:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.<sup>2</sup>

Land value is derived from potential land use and that value depends on the nature of the land's present or anticipated use. According to the concept of surplus productivity, the highest and best use of a site is that use which, among all reasonable alternative uses, yields the highest present land value after payments are made for labor, capital, and coordination.

### *Legally Permissible*

Restrictions, including land use and zoning, must be considered, since they may preclude any other possible highest and best uses.

- As noted earlier, the subject's zoning is IND-1, Light Industrial District. It has an underlying future land use designation of Mixed Use. Permitted principal uses within the IND-1 district include light manufacturing uses, recycling facilities, medical and diagnostic laboratories, building contractor office, automotive parts and services store, building material store, printing and publishing operation, heavy construction and land excavation contractors, landscaping services, repair services for commercial and industrial machinery, technical and trade schools, public works facility, wireless communication facility, motor vehicle towing services, mini-warehouses, and warehouse/distribution facilities, among other uses.
- The subject's southern parcel contains two legal restrictions. The first is a 25-foot-wide drainage easement along the southern boundary of the site. In addition, adjacent to the north side of the drainage easement is a 35-foot-wide restrictive

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<sup>2</sup>The Appraisal Institute, *Dictionary of Real Estate Appraisal*, Fifth edition (Chicago, IL: Appraisal Institute, 2010), p. 93.



buffer zone which preserves the natural vegetation in this area. No development can take place across the southern 60 feet of the subject.

#### *Physically Possible*

Physical limitations must be considered, since construction may be either impossible or so costly that some uses cannot be reasonably considered.

- As noted earlier, the subject is located at the terminus of Utility Drive, adjacent to the western boundary of a City of Palm Coast wastewater treatment plant. This is a minor roadway with little through traffic or visibility. It is located, however, just south of the Interstate 95/Palm Coast Parkway interchange. It is easily accessible from both north-south and east-west portions of the county. This street includes offices, office/warehouses, service garages, light industrial, and outdoor storage uses.
- The subject property contains approximately 2.12 acres, of which the southern 60 feet are undevelopable. This portion, approximately one-third of an acre, results in a developable subject size of 1.82 acres. Research of light industrial users that contain similar sized improvements as the subject reveal that the subject contains a greater-than-average land component than most other industrial users in the market. These two restrictions will not present obstacles to developing the site.
- The subject's larger parcel (1.56 acres) is sufficient for a light industrial use. The smaller parcel (0.56 acre) is surplus land and cannot be separated from the subject and sustain its own use.

#### *Financially Feasible/Most Profitable Use*

All uses that can reasonably be expected to produce a positive return are regarded as financially feasible. Among the financially feasible alternatives, the use that provides the highest rate of return or value is the highest and best use of the site if vacant. The most profitable use is determined by the property use that would be most readily accepted in its market area.

- As detailed earlier in the report, the subject is zoned IND-1, which limits the uses to those previously listed. The subject's location at the terminus of a minor roadway and its adjacency to a wastewater treatment plant likely limits the financially feasible uses to a light industrial or warehouse use. It is our opinion that the financially feasible/most profitable use of the subject is for an office/warehouse use.

#### **Highest and Best Use – As Improved**

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

As noted earlier in the report, the subject contains multiple structures, of which two contain the primary improvements (office/service garage and an office building), while the remaining three structures consist of a concrete block shed and two open storage buildings.

With little industrial activity in the market, there is insufficient demand for a particular ideal improvement size and type in this market. Consequently, the lack of demand does not necessitate changes to the existing improvements since it is realistic to assume they could serve a purpose for another user.

#### **Procedure to Reach an Opinion of Value**

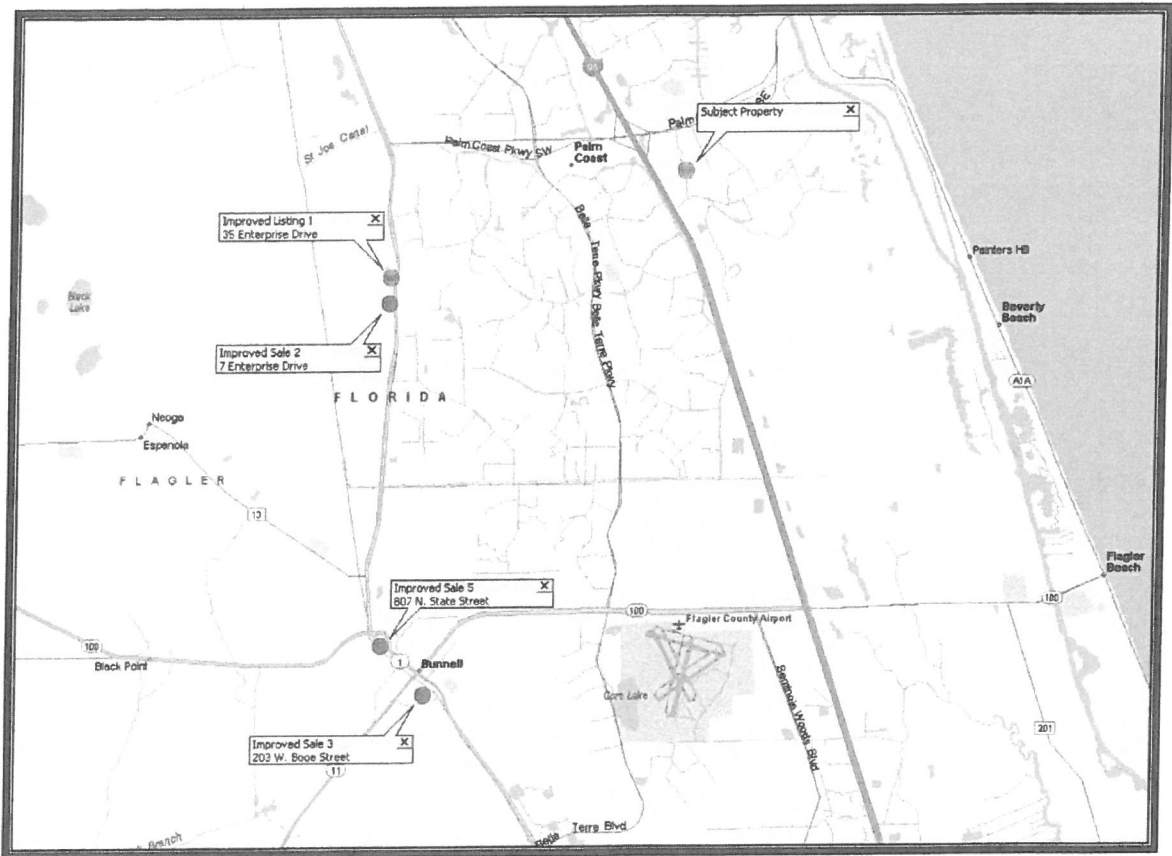
As explained in the Scope section of the report, we used the sales comparison approach in reaching an opinion of value for the subject's primary improvements and the larger portion of the subject land area. The subject consists of two primary buildings that provide office, warehouse, and service areas. One of these improvements is a 3,184-square-foot, steel panel service garage with an office component built in 1983. The office area of this building is heated and cooled. The second primary structure is a concrete block office building totaling 896 square feet and built in 1993; it also is heated and cooled. Together, these two improvements total 4,080 square feet. We will be comparing the square footage of these two buildings with that of the comparable improved sales.

Each of the comparable improved transactions has a land area that is under one acre. Recall that the subject consists of two parcels: 1.56 acres (primary parcel) and 0.56 acre (secondary, encumbered parcel). It is our opinion that the subject's primary parcel is appropriate for support of an industrial use in this market, while the remaining secondary parcel is surplus land that should be valued separately using the sales comparison approach for vacant land.

The remaining three structures on the subject were built for storage and overhead cover for vehicles and equipment. These auxiliary structures will be valued using the cost approach later in this report.

The following pages contain the reasoning and analyses for the valuation of the subject property.

### Sales Comparison Approach Improved Sales and Listing



#### Improved Sales Chart

Sale	Location	Zoning	Sale Date	Acres	Bldg. SF	# Bldgs	Yr Blt	Sale Price	Price/SF
--	Subject	IND-1	---	1.56	4,080	2	'90-'95	--	--
1	7 Enterprise Drive	Industrial	06/18/14	0.677	4,056	1	1998	\$237,000	\$58.43
2	203 W. Booe Street	Business-1	06/24/13	0.516	2,580	1	2007	\$152,000	\$58.91
3	807 N. State Street	Business-1	09/24/12	0.931	4,154	2	'80-'90	\$250,000	\$60.18

#### Improved Listing

Listing	Location	Zoning	Sale Date	Acres	Bldg. SF	# Bldgs	Yr Blt	Asking	Price/Bldg
1	35 Enterprise Drive	Industrial	Listing	0.72	5,640	1	2000	\$365,000	\$64.72

## Improved Sale One

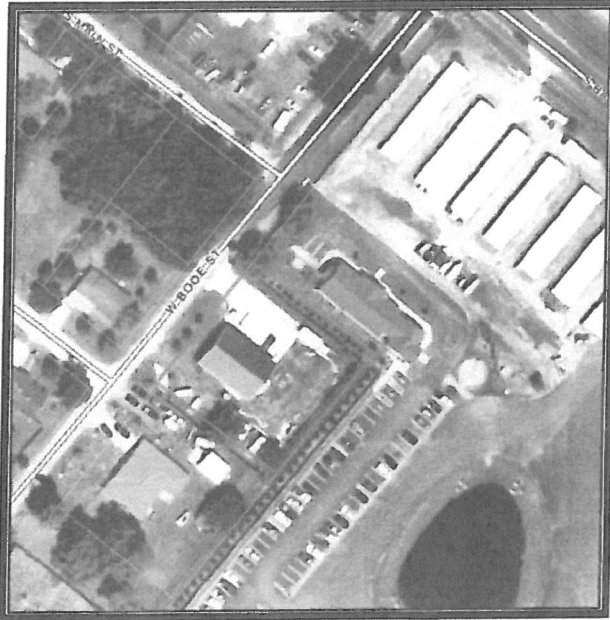


### Property Information

Location:	7 Enterprise Drive
Tax Identification Number:	22-11-30-5780-00000-0040
Land Area:	0.677 acre
Building Area:	4,056 square feet
Year Built:	1998

### Transaction Information

Grantor:	Integrity Total Car Care, Inc.
Grantee:	Thomas and Beverly Neel
Sale Date:	June 18, 2014
Sale Price:	\$237,000
Price Per Bldg. SF:	\$58.43

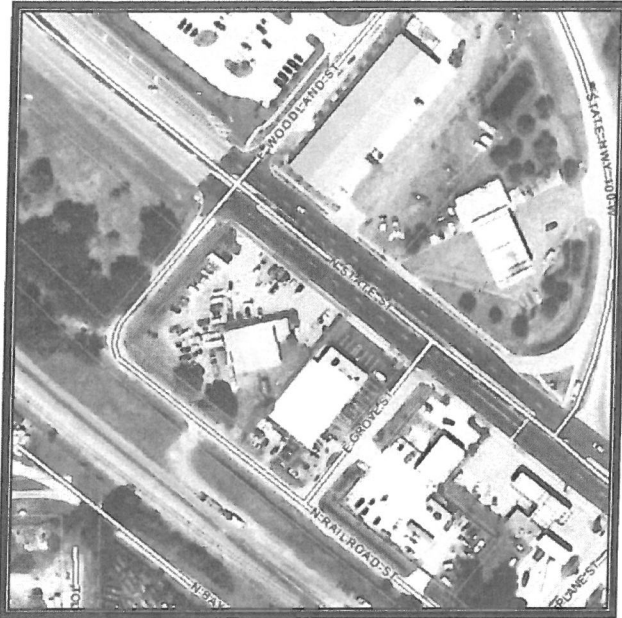
**Improved Sale Two****Property Information**

Location: 203 W. Booe Street  
Tax Identification Number: 15-12-30-0000-02021-0030  
Land Area: 0.516 acre  
Building Area: 2,580 square feet  
Year Built: 2007

**Transaction Information**

Grantor: Craig A. Peck  
Grantee: John F. and Judy L. Waters  
Sale Date: June 24, 2013  
Sale Price: \$152,000  
Price Per Bldg. SF: \$58.91

### Improved Sale Three



#### Property Information

Location:	807 N. State Street
Tax Identification Number:	10-12-30-0850-01800-0030
Land Area:	0.931 acre
Building Area:	4,154 square feet
Year Built:	1980-1990

#### Transaction Information

Grantor:	Dorothy F. Dills and Gene E. Rudd
Grantee:	Jacques Leonid Magras
Sale Date:	September 24, 2012
Sale Price:	\$250,000
Price Per Bldg. SF:	\$60.18

**Improved Listing****Property Information**

Location:	35 Enterprise Drive
Tax Identification Number:	22-11-30-5780-00000-0180
Land Area:	0.72 acre
Building Area:	5,640 square feet
Year Built:	2000

**Listing Information**

Property Owner:	Sylin Corporation
Asking Price:	\$365,000
Asking Price Per Bldg. SF:	\$64.72

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**DISKIN PROPERTY RESEARCH**

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*Real Estate Market Analysts*

### Reconciliation of Comparable Improved Transactions

The three sales and one listing presented on the previous pages represent the most comparable data we found in the marketplace. There are similarities and differences with the subject, and these will be explained below. Ultimately, we have confidence that the results produced by these transactions are reliable for arriving at a value conclusion for the subject property.

Sale One is a steel panel office/warehouse building on Enterprise Drive. Its setting has a similar feel to the subject's location, although this parcel is slightly less convenient to the Interstate 95/Palm Coast Parkway interchange. Of the three sales, this one is most similar in size to the subject's improvements (within 24 square feet), although it has a considerably smaller land area. The improvements are 15 years newer than the subject and has a longer remaining useful life. This is the most recent sale in our sample, having closed just under three months ago. This property is similar to the subject property.

Sale Two is a steel panel office/warehouse building located in an area of mixed uses, including residential and commercial users. Of the three sales, this parcel has the smallest improvements (2,580 square feet) and land size (0.516 acre). The parcel has the newest building (2007). The inferior location of this property offsets the superior building condition. The per-square-foot building price of this sale should be similar to the subject's value.

Like the subject, Sale Three has its improvements spread over two buildings consisting of an office and service area. The building size (4,154 square feet) is similar to the subject (4,080 square feet), and the years built (1980-1990) are most similar to the subject. This property has a superior location in terms of visibility and exposure, being located along a four-lane highway known as State Street (U.S. Highway 1). This parcel is similar to the subject property.

While not a closed transaction, we also considered one improved listing for our analysis. Listings are often helpful for establishing ceilings for sale prices. The listing we analyzed is located on Enterprise Drive, an area similar to the subject. The improvements are newer (2000) and larger (5,640 square feet) than the subject, but the construction and overall functionality of this parcel is similar to the subject.

The three sales provided a very tight range of values, ranging between \$58.43 and \$60.18 per square foot. In addition, we considered one improved listing, which has an asking price of \$64.72 per square foot. This listing supports the range established by the three sales. For our analysis, we conclude to a value of \$60 per building square foot.

*Recall, the subject has a total land area of 2.12 acres. It is our opinion that only 1.56 acres should be accounted for in this portion of the analysis. We provide value estimates for the remaining land area (0.56 acre) and site improvements (block storage buildings and wood-framed sheds/pole barns) later in this report.*

Our opinion of the market value of the fee simple interest of the subject property, as of the date of value, August 28, 2014, is as follows:

**\$60 per square foot x 4,080 square feet = \$244,800**

**\$245,000 (Rounded)**

**DISKIN PROPERTY RESEARCH**

*Real Estate Market Analysts*

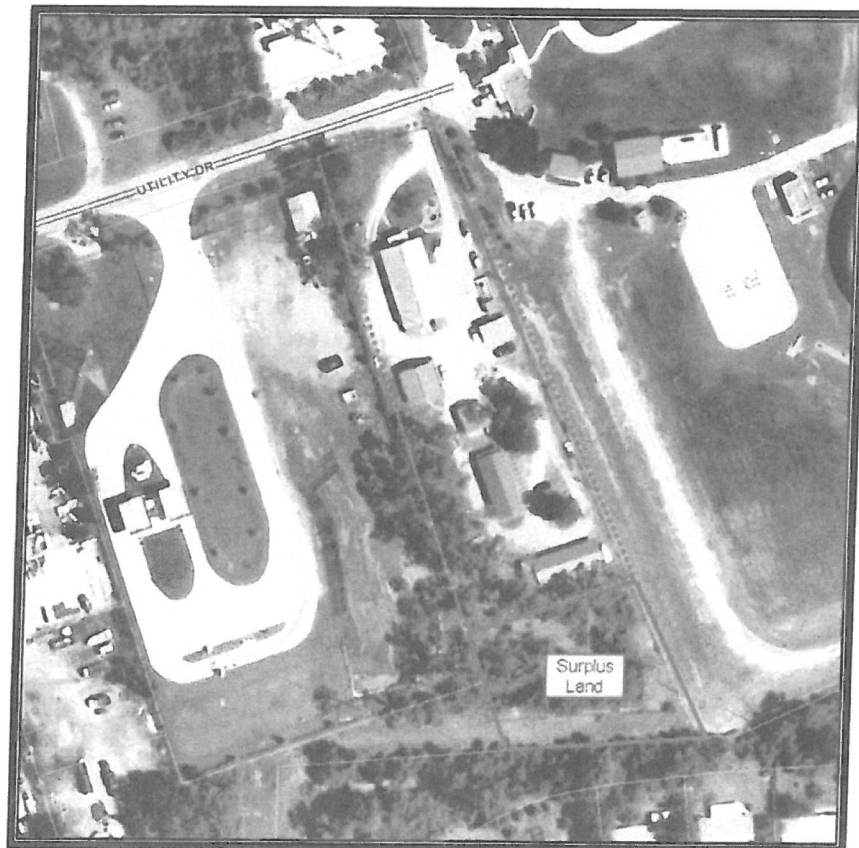


### Surplus Land Value

The subject is composed of two separately deeded parcels of land. The value of the larger parcel (1.56 acres) was accounted for in the sales comparison approach presented on the previous pages. The smaller of the two parcels (0.56 acre) is considered surplus land and must be valued separately. Surplus land is defined as:

Land that is not currently needed to support the existing use, but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.<sup>3</sup>

The subject's surplus land is identified in the following exhibit.



As discussed and illustrated earlier, the surplus parcel is encumbered with a 35-foot-wide restrictive buffer zone and a 25-foot-wide drainage easement; 45% of the surplus site is undevelopable. The surplus land, however, allows the larger parcel to realize a higher density when factored into the density calculation.

<sup>3</sup>The Appraisal Institute, *The Appraisal of Real Estate*, 14<sup>th</sup> edition (Chicago, IL: Appraisal Institute, 2013), p. 200.

To arrive at the value of the surplus land, we searched for sales of industrial land throughout Flagler County. Despite a lack of significant data, we discovered several examples of properties that would serve as comparable land sales for the surplus land analysis.

The following transactions are the most relevant for our surplus land analysis.

Sale	Location	Grantee	Zoning	Acres	Sale Date	Sale Price	Price/AC	Price/SF
--	Utility Drive	Subject - Surplus Land	IND-1	0.560	--	--	--	--
1	41 Enterprise Drive	Norlin Enterprises, Inc.	Industrial	1.034	6/17/2014	\$75,000	\$72,534	\$1.67
2	800 Tolman Street	Schaeffer, Alexander	L-1, Light Ind.	0.723	5/10/2013	\$52,600	\$72,752	\$1.67
3	3365 Steel Rail Drive	Glagoev, Sergey	Undetermined	2.800	4/19/2013	\$65,000	\$23,214	\$0.53

Land Sales One through Three are all superior to the subject in accessibility and usability. Sale One is superior because of its corner access and visibility on U.S. Highway 1. Sale Two contains perimeter fencing and is being used for outdoor storage, which is a more functional use than the subject's surplus land. Sale Three is most similar to the subject's surplus land because of its remote location in an industrial park with a large supply (17 industrial lots) and small demand (two lots sold).

It is our opinion that the subject's surplus land would be most similar to Land Sale Three. We applied \$0.55 per square foot to the subject's surplus land.

$$24,394 \text{ per square foot (0.56 acre)} \times \$0.55 \text{ per square foot} = \$13,417$$

$$\$13,500 \text{ (Rounded)}$$

### Auxiliary Structure Value

The subject property contains various auxiliary structures, including storage buildings, sheds, and pole barns. It is our opinion that three of these structures contribute to the market value of the property: a concrete block chemical storage building and two pole barns that cover vehicles and equipment. To account for these values, we used the cost approach to analyze the depreciated value of these improvements.

To assist in this portion of our analysis, we relied on a cost estimation service known as Marshall Valuation Service. Information about the three structures was gathered through an on-site inspection and a review of the Flagler County Property Appraiser's Web site. This information was then used to arrive at the replacement cost new (RCN) of the improvements. The useful life for each building was based on information contained within the cost manual and the effective remaining life was estimated based on personal observation. The estimated effective age of each building was divided by its useful life to arrive at the depreciation for each improvement. The depreciation was then subtracted from the RCN to arrive at an opinion of value for the three improvements.

The steps used to calculate the value of the three buildings are presented in the tables on the following page.

**Building Information**

Improvement	Ext. Walls	Year Built	Sq. Ft.
Storage Garage	Concrete Block	1983	576
Light Utility	Pole Barn	1995	1,524
Light Utility	Pole Barn	1983	1,728

**Replacement Cost New**

Marshall Valuation Services						
Improvement	Class	Section	Page	No.	RCN/SF	RCN
Storage Garage	C	14	34	326	\$52.00	\$29,952
Light Utility	D	17	12	471	\$15.00	\$22,860
Light Utility	D	17	12	471	\$15.00	\$25,920

**Depreciation Calculation**

Improvement	Ext. Walls	Year Built	Sq. Ft.	Actual Age	Effective Age	Life Exp.	Depr.
Storage Garage	Concrete Block	1983	576	31	16	40	40%
Light Utility	Pole Barn	1995	1,524	19	10	20	50%
Light Utility	Pole Barn	1983	1,728	31	16	20	80%

**Application of Depreciation to RCN**

Marshall Valuation Services							Depr.	RCN Less Depr.
Name	Class	Section	Page	No.	RCN/SF	RCN		
Storage Garage	C	14	34	326	\$52.00	\$29,952	40%	\$17,971
Pole Barn	D	17	12	471	\$15.00	\$22,860	50%	\$11,430
Pole Barn	D	17	12	471	\$15.00	\$25,920	80%	\$5,184
Total								\$34,585

The contributory value of the subject's auxiliary improvements is \$34,500 (rounded).

**Overall Opinion of Value**

Our opinion of the market value of the fee simple interest of the subject property, as of the date of value, August 28, 2014, is as follows:

Value By the Sales Comparison Approach	\$245,000
Plus: Surplus Land	\$13,500
<u>Plus: Auxiliary Structures</u>	<u>\$34,500</u>
Total	\$293,000



## ASSUMPTIONS AND LIMITING CONDITIONS

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1. This appraisal represents the best opinion of the analysts as to market value of the property as of the appraisal date. This appraisal report is intended to comply with the reporting requirements set forth under Standard Rule 2-2 (a) of the Uniform Standards of Professional Appraisal Practices.
2. The appraisers have no present or prospective interest in the property that is the subject of this report, and have no interest or bias with respect to the parties involved.
3. No furniture, furnishings, or equipment, unless specifically indicated herein, have been included in our value conclusion. Only the real estate has been considered.
4. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
5. The statements of fact contained in this report are true and correct; the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.
6. No engineering survey was made or caused to be made by the appraisers, and any estimates of fill or other site work are based on visual observation. Therefore, accuracy is not guaranteed.
7. No test borings or typing and analysis of sub-soils were made or caused to be made by the appraisers. Soil of the subject parcel appears firm and solid, typical of the area; and subsidence in the area is unknown or uncommon. The appraisers, however, cannot warrant against such condition or occurrence.
8. Our compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
9. Sub-surface rights (minerals, oil, or water) were not considered in this report.
10. Any tracts that, according to the survey, map or plat, indicate riparian and/or littoral rights are assumed to go with the property unless easements or deeds discovered by the appraisers are to the contrary.
11. Information as to the type and variety of trees, shrubs, and other vegetation mentioned in the report, if any, are believed correct from observation and personal knowledge, but no responsibility is assumed for complete accuracy.
12. The description and condition of physical improvements, if any, described in this report are based on visual observation. Since engineering tests were not conducted, no liability can be assumed for soundness of structural members.

13. All value estimates are contingent on zoning regulations and land use plans in effect as of the date of appraisal, and based on information provided by governmental authorities and employees.
14. This appraisal report covers only the premises discussed. No figures provided, analyses, or per unit values derived therefrom should be construed as applicable to any other property, however similar they are or appear to be.
15. Distribution of the total valuation in this report between land and improvements applies only under the existing program of use. Separate valuations of land and improvements must not be used in any other manner, nor in conjunction with any other appraisal, and are invalid if so used.
16. Certain data used in compiling this report were furnished by the client, its counsel, employees, and/or agent, or from other sources believed reliable. These data have been checked for accuracy when possible, but no liability or responsibility may be assumed for complete accuracy.
17. A diligent effort was made to verify each comparable sale noted in the report. However, as many principals reside out of the area, or are entities for which no agent could be contacted within the time allowed for completion of this report, some of the sales may not have been verified.
18. No responsibility is assumed for matters legal in nature, nor is any opinion rendered concerning the title, which we assume to be good and merchantable. We assumed the property is free and clear of all liens or encumbrances, unless specifically enumerated within the report. We also have assumed responsible ownership and management as of the date of appraisal.
19. Consideration for preparation of this appraisal report is payment in full by the employer. Any responsibility by the appraisers for any part of this report is conditioned upon full and timely payment.
20. The appraisers, by reason of this report, are not required to give testimony in court with reference to the subject, nor obligated to appear before any governmental body, board, or agent, unless arrangements have been previously made.
21. Neither all nor any portion of the contents of this appraisal will be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the appraisers, particularly as to value conclusions, identity of the appraisers or firm with which they are connected, or any reference to the Appraisal Institute or to the MAI designation. Furthermore, neither all nor any portion of the contents of this appraisal will be used in connection with any offer, sale, or purchase of a security (as that term is defined in Section 2(1) of the Securities Act of 1933) without prior express written consent of the appraiser.
22. Possession of this report, or copy of the report, does not convey any right of reproduction or publication, nor may it be used by anyone but the client, the mortgagee, or its successors or assigns, mortgage insurers, or any state or federal department or agency without the prior written consent of both the client and the appraisers, and, in any event, only in its entirety.

23. Before any loans or commitments are made predicated on value conclusions reported in this appraisal, the mortgagee should verify facts and valuation conclusions contained in this report with the appraiser.
24. Cost estimates for construction or reproduction of improvements, if any, were prepared with the assistance of data obtained from the Marshall and Swift Company. We have assumed these data are accurate.
25. Unless specifically stated in the report, the appraisers did not determine the flood plain status of the property appraised. If such data are available, it is recommended they be obtained prior to any development that might be contemplated.
26. Estimates of expenses, particularly as to assessment by the county property appraiser and subsequent taxes, are based on a review of historical or typical data. Such estimates are based on assumptions and projections which, as with any prediction, can be affected by external forces, many unforeseeable. While all estimates are based on our best knowledge and belief, no responsibility can be assumed that such projections will come true.
27. Liability for this appraisal assignment is limited only to the extent of the fee collected.
28. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. We have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
29. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
30. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with federal regulations and within the permitted and planned alignment.
31. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

## **APPENDIX**

### **LEGAL DESCRIPTIONS**



## Subject Larger Parcel

STATE OF FLORIDA  
DOCUMENTARY STAMP TAX  
DEPT. OF REVENUE  
00.50  
111

A) PARCEL OF LAND BEING A PORTION OF PARCEL 4 OF THE "PLAT OF UTILITY DRIVE AT PALM COAST" RECORDED IN MAP BOOK 27, PAGES 25 AND 26 OF THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING at the Southeast corner of said "PLAT of UTILITY DRIVE" and said Parcel 4; thence South 70°54'15" West along the Southerly boundary of Parcel 4, 165.92 feet; thence departing said boundary North 19°05'45" West 175.00 feet to a POINT being the Southwest corner of Parcel 5 of said "Plat of Utility Drive"; thence North 70°54'15" East along the common boundary of Parcel 4 and Parcel 5, 148.95 feet to a POINT on the Easterly boundary of said "Plat of Utility Drive"; thence South 24°38'04" East along said boundary 175.82 feet to the POINT OF BEGINNING of this description.

Parcel containing 0.6325 acres, more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

2008  
FLAGLER COUNTY

We pointed out earlier in the report that the land area detailed in this legal description is much smaller than the land area reported by the Flagler County Property Appraiser's Office (1.56 acres) and measured using a GIS map tool. It is our opinion that the client should investigate this discrepancy for title purposes.

## Subject Smaller Parcel

OFF REC 0448 PAGE 1455

The following Legal Description prepared by Clyde W. Roesch, Palm Coast Engineering and Design Services, Inc. 5 Hargrove Grade, Palm Coast, Florida.

Date; March 12, 1991.

Additional lands for the East Flagler Mosquito Control District.

### LEGAL DESCRIPTION:

A parcel of land lying in Government Section 17, Township 11 South, Range 31 East, Flagler County, Florida, being more particularly described as follows:

As a Point of Reference being the Northeast corner of Parcel-5 of the Plat of Utility Drive at Palm Coast as recorded in Map Book 27, Pages 25 and 26, of the Public Records of Flagler County, Florida, thence South 24°38'04" East along the Easterly line of said Plat a distance of 477.23 feet to a Point being the Southeast boundary corner of said Plat Utility Drive and the POINT OF BEGINNING of this description, thence departing said Plat boundary continue South 24°38'04" East a distance of 166.64 feet to a Point on the boundary of the Subdivision Plat Bernard Meadows Section 81, Map Book 23, Pages 23 through 40, thence South 85°38'10" West along said boundary of the Plat Bernard Meadows a distance of 188.20 feet, thence departing said boundary North 19°05'45" West a distance of 118.01 feet to a Point on the Southerly boundary of the aforesaid Plat Utility Drive, thence North 70°54'15" East along said Plat of Utility Drive boundary a distance of 165.93 feet to the POINT OF BEGINNING.

The above description is accompanied by an attached drawing titled "SKETCH OF LEGAL DESCRIPTION".

Subject to a drainage easement being the Southerly Twenty Five (25) feet of the above described parcel.

Subject to a restrictive buffer zone prohibiting the destruction of trees and vegetation being the Northerly thirty Five (35) feet of the Southerly Sixty (60) feet of the aforesaid described parcel.

Parcel containing 0.5624 acres more or less.

Bearings refer to the Transverse Mercator Grid System of the East Zone of Florida.

## **APPENDIX**

### **QUALIFICATIONS OF THE ANALYSTS**

# Qualifications of BARRY A. DISKIN

## EDUCATION

- B.A. Economics, Georgia State University, 1971
- M.B.A. Finance, Georgia State University, 1974
- Ph.D. Land Economics & Real Estate, Georgia State University, 1982  
Dissertation topic: "The Condominium Conversion Process: A Study of Market Characteristics, Physical Factors, and Locational Attributes Contributing to the Rate of Tenant Absorption"

## PROFESSIONAL EXPERIENCE—Employment

- September 1980-Present:* College of Business, Florida State University  
Member of the Real Estate faculty (current rank: Professor)
- August 1991–August 1993:* College of Business, Florida State University  
Chairman of the Faculty
- August 1984–1997:* Real Estate Research Center, Florida State University  
Director
- September 1985-Present:* Principal in the firm, Diskin Property Research

## PROFESSIONAL HONORS AND ACTIVITIES

- The Ernst & Young Inclusive Excellence Award for Accounting and Business School Faculty 2009 Honors
- Francis J. Nardoza Scholar, College of Business, Florida State University, 2007-2013
- University Teaching Award, Florida State University, 2000
- Teacher Incentive Award, Florida State University, 1994
- Journal of Financial Services*, Member of Editorial Board, 1995–2007
- Journal of Real Estate Literature*, Member of the Editorial Board 1996–1998
- Postdoctoral Award, Homer Hoyt Institute, 1985
- First Place, National Dissertation Competition, American Real Estate and Urban Economics Association, 1982
- George M. Sparks Scholarship, 1968
- Omicron Delta Epsilon (Honor Society in Economics)
- Beta Gamma Sigma (Honor Society in Business)

## AFFILIATIONS

- American Real Estate and Urban Economics Association
- American Real Estate Society
- Appraisal Institute
- Counselors of Real Estate
- Real Estate Counselors Group of America (Shareholder)
- National Association of Realtors
- Beta Gamma Sigma (Honor Society in Business)
- Omicron Delta Epsilon (Honor Society in Economics)

## LICENSES AND CERTIFICATIONS

MAI—Member of the Appraisal Institute (Certificate #8922)  
CRE—Counselor of Real Estate  
Florida Real Estate Broker's License  
Florida State-Certified General Real Estate Appraiser—RZ270  
Georgia Certified Real Estate Appraiser—002369  
School of Mortgage Banking, Mortgage Bankers Association of America

## PROFESSIONAL PUBLICATIONS, PRESENTATIONS, AND RESEARCH GRANTS

- "Advertising and Promotion of Expert Services," With Jack P. Friedman and Nicholas Ordway, *Real Estate Issues*, Volume 38, Number 1, 2013.
- "Marketing Yourself as an Expert Witness," With Jack P. Friedman and Nicholas Ordway, *Right of Way*, July/August 2013.
- "Valuing Commercial Properties by Brand," Presentation before the Florida United Tax Managers Association (FUTMA), May 23, 2012.
- "The Effect of Natural Gas Pipelines on Residential Value," With Jack P. Friedman, Spero C. Peppas, and Stephanie R. Peppas, *Right of Way*, January/February 2011.
- Real Estate Handbook*. Seventh edition. With Jack P. Friedman and Jack C. Harris. Hauppauge, NY: Barron's Educational Series, 2009.
- "A Better Understanding of Appraisals and Appraisers – Part 1," With Jack P. Friedman. *CPA Wealth Builder*, October 2008
- "Nuclear Waste Disposal: A Taxing Real Estate Issue." With Jack P. Friedman. *Real Estate Issues*, Summer 2006.
- "Taxation of 'Branding' Leasehold Improvements." With Jack P. Friedman. *Property Tax Alert*, March 2006.
- "Inventory Valuation," With Jack P. Friedman. *Property Tax Alert*, September 2006.
- "A Survey of Practices for The Assessment of Nuclear Waste in Dry Storage," *Journal of Property Tax Assessment and Administration*, Volume 2, Issue 3, 2005. With Jack P. Friedman
- Real Estate Handbook*. Sixth edition. With Jack P. Friedman and Jack C. Harris. Hauppauge, NY: Barron's Educational Series, 2005.
- "Questioning the Property Tax Division's Ratio Studies." With Jack P. Friedman and George Kimeldorf. Paper presented at Texas Association of Property Tax Professionals 16th Annual Conference, September 2003.
- "Questioning the Property Tax Division of the State Comptroller's Office: Do Appraisals Adequately Represent Sales?" With Jack P. Friedman and George Kimeldorf. *Assessment Journal*, Spring 2003.
- "A Corridor Within a Corridor: A Case Study of Fiber Optics Corridor Valuation." With Liz W. Citron. *Journal of Property Valuation and Taxation*, Fall 2002.
- "Some Issues in the Appraisal of Public Utility Property for Ad Valorem Tax Purposes." With Jack P. Friedman. *Journal of Property Valuation and Taxation*, Fall 2001.

- "Codes of Ethics in Business: An Attitudinal Snapshot of Millennial Professionals." With Spero C. Peppas. *International Journal of Business Disciplines*, Summer 2001.
- "Fully Depreciated Assets in the Appraisal of Public Utility Property for Ad Valorem Tax Purposes." With Jack P. Friedman. *Journal of Property Tax Management*, Winter 2001.
- "College Courses in Ethics: Do They Really Make a Difference?" With Spero C. Peppas, World Association for Case Method Research and Application. Paper presented at International Conference in Creative Teaching, January 2001
- "College Courses in Ethics: Do They Really Make a Difference?" With Spero C. Peppas. *The International Journal of Educational Management*, 15, nos. 6 and 7 (2001).
- "Public Utility Property Ad Valorem Taxation: Regulatory Formulas Prevail over Economics." With Jack P. Friedman. *Journal of Property Tax Management*, Fall 2000.
- "A New Guide for Home Buyers." With Professor H. Glenn Boggs. Grant from the Florida Real Estate Commission Education Trust Fund. The project was completed in July 2000.
- "Use of the Income Approach for Valuation of Agricultural Lands." Presentation to the American Law Institute/American Bar Association, January 6, 2000, San Francisco, California.
- "Ethical Perspectives: Are Future Marketers Any Different?" With Spero C. Peppas. *Teaching Business Ethics*, February 2000.
- Presentation to the American Law Institute/American Bar Association meeting in Tampa, Florida, on October 28, 1999. My paper was on the influence of the Internet on the appraisal process.
- "Predisposition Toward Moral Hazard: The Case for Real Estate." With Spero C. Peppas, *The Ethics and Critical Thinking Journal*, March 1999.
- "Advances in Private Property Protection Rights: States in the Vanguard." With Frank Vickory. *American Business Law Journal*, 34, no. 4 (Summer 1997).
- Testimony before the Mobile Home Study Commission of the Florida Legislature on October 11, 1996. My purpose was to explain the concept of Neighborhood Effect to the legislators and commissioners.
- Presentation to the Eminent Domain Committee of the Florida Bar Association in July 1996, Orlando. My topic was "The Significance of the Appropriate Unit of Comparison in Condemnation Suits."
- Presentation for the Conflict Resolution Consortium of The Florida State University College of Law. I taught the land economics unit to the participants of the seminar on the new Private Property Protection Rights law. To date I have made this presentation three times, including August 1995, December 1995, and September 1996.
- "Property Tax Inequities: An Examination of Major Florida Metropolitan Areas." With Stacy Sirmans. A study sponsored by The Education and Research Foundation of The Florida Real Estate Commission, November 1993.
- "Vertical Inequity in the Taxation of Real Property." With Stacy Sirmans. *National Tax Journal*, March 1995.
- "The Effect of Anchor Tenant Loss on Shopping Center Rents." With Dean Gatzlaff and Stacy Sirmans. *The Journal of Real Estate Research*, 9, no. 1 (1994): 99-110.

- "An Examination of the Earnings of Real Estate Appraisers." With Dean Gatzlaff. *The Journal of Real Estate Research*, 9, no. 1 (1994): 507-524.
- "Tenant Loss and Shopping Center Rents." With G. Stacy Sirmans and Dean Gatzlaff. In *Megatrends in Shopping Centers*, ed. John D. Benjamin. 1995
- "The Impact of Ground Subsidence (Sinkholes) on Real Property Values." With Dean Gatzlaff, Patrick Maroney, Ann Butler, Claude Lilly, Richard Corbett, and Kevin Eastman. A study conducted for the Florida Department of Insurance funded by the Florida Legislature, December 1992.
- "The Influence of Hazardous Materials on the Insurance Industry." With Steven M. Cassidy and Patrick Maroney. Paper presented at the annual meeting of the American Risk and Insurance Association, August 1991, San Diego, California.
- "Lender Perceptions of Value Influences of Asbestos Contamination in Income-Producing Buildings." With Joel B. Haynes and Michael A. McElveen. *Assessment Digest*, November/December 1990.
- "Valuation of Anchor Department Stores." With Michael A. McElveen. *Assessment Digest*, September/October 1990.
- "Valuation of Anchor Department Stores." With Michael A. McElveen. Paper presented before the annual meeting of the International Association of Assessment Officers (IAAO) in Fort Worth, Texas, September 1989, and at the meeting of the Shopping Center Assessment Network in Milwaukee in March 1990.
- "Identifying Sources of Bias in Appraisal Values of Properties Held in Pooled Real Estate Funds." With Stuart Fletcher. Paper presented at the annual meeting of the American Real Estate Society in Lake Tahoe, Nevada, March 29, 1990.
- "Manufactured Housing: An Alternative to Site-Built Homes." With Karen Lahey and Michael Lahey. *The Real Estate Appraiser and Analyst*, Winter 1989.
- "Portfolio Allocations for Apartment Owners." With Karen Lahey and Michael Lahey. *The Journal of Real Estate Appraisal and Economics*, Fall 1989.
- "Student Perceptions of Real Estate Investment." With Steven A. Cassidy. *The Journal of Real Estate Appraisal and Economics*, Spring 1990.
- "Multi-family Housing Bonds: A Primer." With Margaret M. Joslin, Esq., and Joel B. Haynes. *Real Estate Review*, Summer 1988.
- "Tort Reform and Real Estate Professionals." With Patrick F. Maroney and Harold P. Tuttle. *The Appraisal Journal*, October 1988.
- "Tax-Exempt Bonds and Residential Rental Property after the Tax Reform Act of 1986." With Margaret M. Joslin, Esq., and Joel B. Haynes. *Journal of Real Estate Finance*, Winter 1988.
- "Tax-Exempt Multi-family Housing Bonds." With Margaret M. Joslin, Esq., and Joel B. Haynes. *Real Estate Accounting and Taxation*, Winter 1988.
- "Computer Acceptance and Implementation by Professional Appraisers." With Karen E. Lahey and V. Michael Lahey. *The Appraisal Review*, 34 (October 1987).
- "Professional Appraisers' Use of Computer Technology." With V. Michael Lahey and Karen E. Lahey. *The Appraisal Journal*, April 1988.

- "Appraisers' Perspectives on Industry Regulation: Is It Time?" With Patrick Maroney and Frank Vickory. *The Appraisal Journal*, July 1987.
- "The Relationship between Educational Achievement and Violations of the Florida Real Estate License Law." With Patrick F. Maroney. Paper presented at the national meeting of the National Association of Real Estate Educators, May 21, 1987, Chicago, Illinois.
- "Computer Usage by Real Estate Appraisers." With V. Michael Lahey and Karen E. Lahey. Paper presented at the national meeting of the American Real Estate Society, April 1987, Orlando, Florida.
- "The Need to Regulate Real Estate Appraisers." With Patrick Maroney and Frank Vickory. *The Real Estate Appraiser and Analyst*, Summer 1986.
- "The Need for Regulation of Appraisers." With Patrick Maroney and Frank Vickory. Paper presented at the annual meeting of the Southwest Pacific Business Law Conference, April 1986, Los Angeles, California.
- "Space Rental Perceptions and Problems in Mobile Home Parks: The Florida Experience." With Joel B. Haynes. *The Appraisal Journal*, October, 1985.
- "Is the Appraiser to Blame?" With Dennis Tosh. *Real Estate Appraiser and Analyst*, June 1985.
- "The Use of Computer Technology by Members of the Appraisal Profession." With James R. DeLisle. *Appraisal Journal*, April 1985. This study was funded partially by the American Institute of Real Estate Appraisers.
- "Application of Logit Analysis to the Determination of Tenant Absorption in Condominium Conversion." With Armen Tashchian. *Journal of the American Real Estate and Urban Economics Association*, Summer 1984.
- "Satellite Teleconferencing: A Revolutionary Communications System for Businesses." With Ellen Thrower. *Business*, Summer 1984.
- "Lender Reaction to Proposed Rent Control Legislation in Florida Mobile Home Parks." With Joel B. Haynes. *Journal of Property Management*, January 1984.
- "Condominium Conversion: Factors Leading to High Pre-sale Rates." With Joseph Rabianski. *The Real Estate Securities Journal*, 5, no. 3 (1984).
- "The Impact of Condominium Conversion on the Rental Market of Metropolitan Atlanta, Georgia." With Joseph Rabianski. Contract Study for the United States Department of Housing and Urban Development (July 1982).

## **PROFESSIONAL EXPERIENCE—Selected Assignments**

- Spring 2012–Fall 2013*: Under contract with Florida Power and Light to analyze and testify before the Florida Division of Administrative Hearings concerning the affect of high voltage transmission lines on property values.
- Summer 2013–Winter 2014*: Appraised nuclear power plant and accompanying corridors for Duke Energy at its facility in Crystal River.
- Winter 2013–Present*: Analysis and appraisal for the Town of Ponce Inlet in an eminent domain lawsuit following a remand by the 5th DCA of Florida.



- January 2014–Present:* Five-county assignment for Florida Southeast Connection. The project involves natural gas pipeline routing and the subsequent taking of easements.
- September 2011–2012:* Under contract with FDIC to review various appraisals and reviews for potential litigation involving the mortgage crisis.
- January 2011–2012:* Appraisal services and testifying to defend property tax challenge on various fractured condominiums in Florida.
- September 2010–2012:* Under Contract with Florida Gas Transmission Company to appraise easements for right-of-way across a sixty-parcel project in Miami-Dade County.
- October 2008–May 2012:* Under contract to review the methods employed by various County Property Appraisers involving property tax challenges for a major chain drugstore.
- January 2008–Present:* Contract with Florida Gas Transmission Company to appraise easements for right-of-way across 15 counties in the Florida Panhandle.
- August 2004–September 2006:* Appraisal services to Dollar General Corporation for a property tax challenge at its distribution center in Alachua County, Florida.
- May 2006–2009:* Market analysis for Transwestern Pipeline in three Arizona counties. The analysis concerns 260 miles of pipeline. Construction began in 2007.
- July 2005–Spring 2006:* Appraisal services to Nestle Waters of America for a property tax challenge at its water-bottling plant in Madison County, Florida.
- December 2003–February 2005:* Appraisal services to Maine Yankee Atomic Power Company for a property tax challenge at its decommissioned nuclear power plant in Wiscasset, Maine.
- Spring 2001–October 2004:* Consultant and appraiser for Florida Power and Light. Provided testimony and/or research for tax assessment challenge in Okeechobee County, Florida.
- Summer 2001–Summer 2002:* Consultant to Florida Department of Revenue. Assisted in rewriting guidelines for elected property appraisers in Florida.
- November 1999–June 2001:* Analysis of over 700 miles of fiber optic easements in a class action lawsuit. Represented a class of 8,000 people. I continue to provide work on similar cases involving the installation of optical fibers.
- January 2000–June 2000:* Assisted the Columbia County Attorney in its defense against an environmental hazard lawsuit.
- Summer 1998:* Evaluation of properties to be acquired by The Nature Conservancy. This private agency purchases environmentally sensitive lands for preservation and protection from private development.
- February 1999–November 1999:* Valuation of Miami Circle. This case achieved national attention because of the discovery of Tequesta Indian artifacts. I assisted in the eventual settlement of the dispute, which involved Governor Bush and his staff.
- June 1992:* Testified in a Leon County Circuit Court case challenging the constitutionality of portions of Chapter 723 of the Florida Statutes. The legality of rent control was the principal issue.
- March and November 1989:* Testified before the Mobile Home Study Commission, a committee established by the Florida Legislature to review rent problems in mobile home parks across the state.

# QUALIFICATIONS OF Robert M. Kissel, MAI

## **Professional Licenses\Certifications**

State-Certified General Real Estate Appraiser - RZ2479

## **Professional Affiliations**

Appraisal Institute – MAI Designation – Member Number 12306

Appraisal Institute Gulf Coast Florida Chapter:  
Past Chapter President - 2008

International Right-of-Way Association – Past Member Number 8358  
Right-of-Way/Appraisal Certified (R/W-AC) Designation – July 2002  
International Right-of-Way Association Chapter 77 – Education Chairman 2001-2003

## **Professional Experience**

Appraisal Consultant, Diskin Property Research – February 1997- Present  
Property Manager/Leasing Agent – Ross Realty Group – May 1996 – January 1997  
Property Manager – Trammell Crow Company – March 1995 – April 1996  
Gadsden County Property Appraiser's Office – November 1993 – February 1995

## **Education**

Bachelor of Science Degree in Business/Real Estate, Florida State University

Appraisal Institute Course - 410 Standards of Professional Practice, Part A  
Appraisal Institute Course - 420 Standards of Professional Practice, Part B  
Appraisal Institute Course - 510 Advanced Income Capitalization  
Appraisal Institute Course - 520 Highest and Best Use and Market Analysis  
Appraisal Institute Course - 530 Advanced Sales Comparison and Cost Approaches  
Appraisal Institute Course - 540 Report Writing and Valuation Analysis  
Appraisal Institute Course - 550 Advanced Applications

International Right of Way Course, 103 Ethics and the Right of Way Profession  
International Right of Way Course, 400 Principles of Real Estate Appraisal  
International Right of Way Course, 401 The Appraisal of Partial Acquisitions

## **Appraising/Consulting Expertise – Selected Examples**

*January 2014 – Present* – Assisted in a five-county assignment for Florida Southeast Connection. The project involves natural gas pipeline routing and the subsequent taking of easements.

*Summer 2013 - Winter 2014* – Assisted in the preparation of a databook and appraisals for Duke Energy at its facility in Crystal River, Florida.

*October 2011 – 2012* – Assisted in the valuation of seven parcels in Miami-Dade County, Florida, for a Florida Gas Transmission Company natural-gas pipeline project.

*September 2011 – 2012* – Part of a team under contract with the FDIC to review various appraisals and reviews for potential litigation involving the mortgage crisis.

*October 2010 – 2012* – Assisted in the valuation of 60 parcels in Miami-Dade County, Florida, for a Florida Gas Transmission Company natural-gas pipeline project.

*July 2010 – 2012* - Assisted in the valuation of 25 parcels in Alachua County, Florida, for a Florida Gas Transmission Company natural-gas pipeline project.

*January 2008 - 2013* – Assisting in the valuation of 1,200 parcels in Escambia, Okaloosa, Santa Rosa, Walton, Washington, Bay, Jackson, Liberty, Gadsden, Leon, Jefferson, Madison, Taylor, and Lafayette Counties for the proposed Phase VIII Expansion Project by Florida Gas Transmission Company.

*January 2008 – 2011* – Assisted the St. Joe Company in their appeal of the tax assessment for SummerCamp in Franklin County, Florida.

*June – November 2007* – Assisted in the valuation of a C&D landfill in Escambia County, Florida.

*February 2007* – Assisted the City of Tallahassee in the valuation of an undeveloped office parcel for condemnation purposes.

*November 2006 – 2007* – Assisted in the valuation of 124 parcels in Clay County for the proposed East Leg Expansion Project by Florida Gas Transmission Company.

*October 2006*: Appraisal services for BluePrint 2000 to assist them with an acquisition of a 32.87-acre parcel of land near the Tallahassee Regional Airport.

*July 2006 to January 2007* – Assisted in the valuation of four parcels in Bradford County for the proposed Phase VII Expansion by Florida Gas Transmission Company.

*January 2006* – Assisted in the valuation of 36 parcels in Hernando County for the proposed Phase VII Expansion by Florida Gas Transmission Company.

*November 2005 – 2006* – Assisted in the valuation of 39 parcels in Gilchrist and Levy Counties for the proposed Phase VII Expansion by Florida Gas Transmission Company.

*July 2005* - Appraisal services to Nestle Waters of America for a property tax challenge at its water-bottling plant in Madison County, Florida.

*May 2002 – 2004*: Assisted in the valuation of 37 parcels, in Leon County, for the Buck Lake Road widening and improvement project by Leon County.