



## Memorandum

**Memorandum No: 25-068**

**TO:** Honorable Mayor and Members of the Fort Lauderdale City Commission

**FROM:** Rickelle Williams, City Manager *RW*

**DATE:** May 23, 2025

**SUBJECT: Building Condition Assessment – Fire Prevention Bureau Facility,  
2000 NE 16<sup>th</sup> Street**

---

On May 6, 2025, during the City Commission Meeting, Commissioner Glassman requested an update on the condition of the Fire Prevention Bureau building located at 2000 NE 16th Street. The building was designed by local architect Donald Singer and constructed in 1983.

### Background

On July 6, 2021, the City Commission approved a 50-year lease agreement with Fort Lauderdale Professional Firefighters, Inc. IAFF Local 765 (“Lessee”) for the use of the City-owned Fire Prevention Bureau building. The lease, authorized pursuant to Section 8.13 of the City Charter, provided a nominal rent of \$1.00 per year and required the Lessee to rehabilitate the structure at its own expense. The lease also required the Lessee to meet a series of development milestones such as completing environmental and structural assessments, securing permits, and raising at least \$350,000 in funding; with full completion of renovations required within five years of the commencement date.

As part of the lease, the Lessee was required to preserve the building’s architectural character and comply with all applicable building and environmental codes. The Lessee did not satisfy the development milestones and made no material progress toward rehabilitating the building. On February 14, 2025, the Lessee formally requested termination of the lease, which was later approved by the City Commission on March 18, 2025 (CAM #25-0288).

### Current Condition

The facility has remained vacant and shows significant physical deterioration. In April 2025, at the request of the City, Callaway & Price, Inc. completed a value assessment, estimating the “as-is” market value of the improvements at \$800,000. The 3,927 square foot building was found to be in very poor condition and currently unusable due to:

- Mold, rotted wood, and roof leaks
- Water intrusion and extensive interior damage
- Missing copper wiring and piping

However, the structural shell appears serviceable and may support future renovations.

Staff are currently evaluating whether the Florida Building Code's 50/50 Rule applies. Under this rule, if the cost of repairs exceeds 50% of the building's market value, the building must be brought into full compliance with current code including floodplain and structural regulations. The value assessment was the first step in this analysis. A full rehabilitation cost estimate is now required to determine regulatory implications.

### Next Steps

To determine the feasibility of renovating the building, staff will:

1. Commission a Full Rehabilitation Cost Assessment: This will include estimates for mold remediation, replacement of mechanical, electrical, and plumbing systems, American with Disabilities Act upgrades, roof repair, and permitting.
2. Evaluate 50/50 Rule Applicability: Compare the rehabilitation cost to the appraised value to assess regulatory triggers.
3. Explore Alternatives: If rehabilitation proves cost-prohibitive, staff will consider alternatives, including demolition, new construction, or repurposing the site.
4. Identify Funding Options: Explore capital, grant, or other funding sources to support any feasible path forward.

Staff will return to the Commission with findings and recommendations once the rehabilitation assessment is complete.

For additional information, please contact Angela Salmon, Real Estate Program Manager, at [asalmon@fortlauderdale.gov](mailto:asalmon@fortlauderdale.gov) or 954-828-3442.

Attachments:

1. Appraisal of the Office Building Improvements
2. Location Map

c: D'Wayne M. Spence, Interim City Attorney  
David R. Soloman, City Clerk  
Patrick Reilly, City Auditor  
City Manager's Office  
Department Directors

AN APPRAISAL OF  
**THE OFFICE BUILDING  
IMPROVEMENTS ONLY  
LOCATED AT  
2000 NE 16<sup>TH</sup> STREET,  
FORT LAUDERDALE, FLORIDA**

OUR FILE NUMBER 25-86643

PREPARED FOR  
CITY OF FORT LAUDERDALE

AS OF  
APRIL 2, 2025

BY  
STEPHEN D. SHAW, MAI, AI-GRS  
CALLAWAY & PRICE, INC.



# Callaway & Price, Inc.

Real Estate Appraisers and Consultants  
Licensed Real Estate Brokers  
[www.callawayandprice.com](http://www.callawayandprice.com)

Please respond to the South Florida office  
E-Mail: [s.shaw@callawayandprice.com](mailto:s.shaw@callawayandprice.com)

## SOUTH FLORIDA

825 US Highway 1  
Suite 110  
Jupiter, FL 33477  
Phone (561) 686-0333

Stephen D. Shaw, MAI, AI-GRS  
Cert Gen RZ1192  
[s.shaw@callawayandprice.com](mailto:s.shaw@callawayandprice.com)

Robert A. Callaway, MRICS  
Cert Gen RZ2461  
[r.callaway@callawayandprice.com](mailto:r.callaway@callawayandprice.com)

## TREASURE COAST

603 North Indian River Drive  
Suite 104  
Fort Pierce, FL 34950  
Phone (772) 464-8607

Stephen G. Neill, Jr., MAI  
Cert Gen RZ2480  
[s.neill@callawayandprice.com](mailto:s.neill@callawayandprice.com)

## SPACE COAST

1120 Palmetto Avenue  
Suite 1  
Melbourne, FL 32901  
Phone (321) 726-0970

Curtis L. Phillips, MAI  
Cert Gen RZ2085  
[c.phillips@callawayandprice.com](mailto:c.phillips@callawayandprice.com)

## CENTRAL FLORIDA

111 North Orange Avenue  
Suite 800  
Orlando, FL 32801  
Phone (321) 726-0970

Curtis L. Phillips, MAI  
Cert Gen RZ2085  
[c.phillips@callawayandprice.com](mailto:c.phillips@callawayandprice.com)

April 14, 2025

Ms. Angela Salmon, MPA  
City of Fort Lauderdale  
101 NE 3<sup>rd</sup> Avenue  
Suite 2100  
Fort Lauderdale, Florida 33301

Dear Ms. Salmon:

We have made an investigation and analysis of the office building **improvements only** located at 2000 NE 16<sup>th</sup> Street, in the City of Fort Lauderdale, Broward County, Florida 33304. The Subject Property will be further described both narratively and legally within the following Appraisal Report.

The Subject Property consists of a one-story masonry concrete office building containing 3,927 square feet of enclosed area and 1,044 square feet of exterior balcony/porch areas, that was built in 1991 according to the Broward County Property Appraiser's Office. For informational purposes only, it is situated on a 1.95+/- acre site (of which 1.34+/- acres is upland, with the remaining .61+/- acres being a lake/water retention area) that it shares with the City of Fort Lauderdale Fire Station #29 improvements (which have a street address of 2002 NE 16<sup>th</sup> Street). The Fire Station improvements are not part of this appraisal.

As of the appraisal/inspection date, the Subject improvements were vacant and in very poor condition, with evidence of mold, rotted wood, leaks in the roof, with copper piping and wiring having been ripped out, removed and presumably stolen. In their current state, the improvements are unusable in our opinion.

While the overall condition of the building is poor, the "shell or bone structure" of the building appeared to be in reasonably serviceable condition. It is the interior of the building that is in extremely poor condition.

Ms. Angela Salmon, MPA  
City of Fort Lauderdale  
April 14, 2025  
Page Two

At the client's request, the purpose of this investigation and analysis was to provide our opinion of the "As Is" Market Value of the Fee Simple Estate of the Subject Property, **building improvements only** as of April 2, 2025. Our estimate of value does not include the land value for the site, nor does it include the City of Fort Lauderdale Fire Station #29 improvements.

This report has been prepared for our client and intended user, the City of Fort Lauderdale. The intended use was for the client's internal decision-making purposes. The scope of work performed is specific to the needs of the intended user and the intended use. No other use is intended, and the scope of work may not be appropriate for other uses.

The scope of work performed included a complete analysis of the Subject Property. A detailed scope of work description can be found in the body of this report.

Based upon the scope of the assignment, our investigation and analysis of the information contained within this report, as well as our general knowledge of real estate valuation procedures and market conditions, it is our opinion that:

The "As Is" Market Value  
of the Fee Simple Estate  
of the Subject Property  
**Building Improvements Only**  
as of April 2, 2025, was:

**\$800,000**

A description of the property appraised, together with an explanation of the valuation procedures utilized, is contained in the body of the attached report. For your convenience, an Executive Summary follows this letter. Your attention is directed to the Limiting Conditions and underlying assumptions upon which the value conclusions are contingent.

Respectfully submitted,  
CALLAWAY & PRICE, INC.

Stephen D. Shaw, MAI, AI-GRS  
Cert Gen RZ1192

**James H. Mader**

Digitally signed by James H. Mader  
DN: cn=James H. Mader, o=Cert Gen RZ832,  
email=j.mader@callawayandprice.com, c=US  
Date: 2025.04.14 14:43:06 -04'00'

James H. Mader, Associate Appraiser  
Cert Gen RZ832

SDS/JHM/js/25-86643  
Attachments



---

## *Executive Summary*

---

- PROPERTY TYPE : Office building improvements only
- PROPERTY ADDRESS : 2000 NE 16<sup>th</sup> Street  
Fort Lauderdale, Florida 33304
- LOCATION : Southwest quadrant of North Federal Highway  
and NE 16<sup>th</sup> Street
- DATE OF VALUATION : April 2, 2025
- DATE OF REPORT : April 14, 2025
- PROPERTY DESCRIPTION:
- LAND : At the request of the client, we are appraising the value of the Subject **building improvements only**. For informational purposes only, the Subject is situated on a 1.95+/- acre site (of which 1.34+/- acres is upland, with the remaining .61+/- acres being a lake/water retention area) that it shares with the City of Fort Lauderdale Fire Station #29 improvements (which have a street address of 2002 NE 16<sup>th</sup> Street). The Fire Station improvements are not part of this assignment
- BUILDING : One-story masonry concrete office building containing 3,927 square feet of enclosed area and 1,044 square feet of exterior balcony/porch areas, that was built in 1991 according to the Broward County Property Appraiser's Office. As of the appraisal/inspection date, the Subject improvements were vacant and in very poor condition, with evidence of mold, rotted wood, leaks in the roof, with copper piping and wiring having been ripped out, removed and presumably stolen. In their current state, the improvements are unusable in our opinion. While the overall condition of the building is poor, the "bone structure" of the building appeared to be in reasonably serviceable condition. It is the interior of the building that is in extremely poor condition



---

*Executive Summary*

---

ZONING : CF, Community Facilities, by the City of Fort Lauderdale, Florida

FUTURE LAND USE PLAN : Commercial, Low-Medium, by the City of Fort Lauderdale, Florida

HIGHEST & BEST USE : Continued use of the existing improvements after repairs/renovations to bring them to a usable condition

"AS IS" MARKET VALUE OF  
THE FEE SIMPLE ESTATE OF  
THE SUBJECT PROPERTY

**BUILDING IMPROVEMENTS**

**ONLY AS OF APRIL 2, 2025** : \$800,000



|  | <u>Page No.</u> |
|--|-----------------|
| CERTIFICATION .....  | 1               |
| GENERAL ASSUMPTIONS .....                                    | 3               |
| LIMITING CONDITIONS .....                                    | 5               |
| DEFINITION OF THE APPRAISAL PROBLEM .....                    | 23              |
| Purpose, Date of Value, and Interest Appraised .....         | 23              |
| Intended Use and User of Appraisal .....                     | 23              |
| Market Value .....   | 23              |
| Legal Description.....                                       | 24              |
| Fee Simple Estate.....                                       | 24              |
| Exposure Time .....  | 24              |
| Marketing Time .....   | 25              |
| SCOPE OF WORK.....   | 26              |
| NEIGHBORHOOD DATA .....                                      | 28              |
| FORT LAUDERDALE (BROWARD COUNTY) OFFICE MARKET OVERVIEW..... | 31              |
| PROPERTY DATA .....  | 33              |
| Location.....  | 33              |
| Zoning.....  | 33              |
| Land-Use Plan.....   | 33              |
| Easements and Deed Restrictions.....                         | 33              |
| Site Size, Shape and Access.....                             | 34              |
| Utilities .....  | 34              |
| Topography .....   | 34              |
| Flood Hazard Zone .....                                      | 35              |
| Assessed Value and Taxes .....                               | 35              |
| Property History .....                                       | 36              |
| DESCRIPTION OF IMPROVEMENTS .....                            | 37              |
| Building Improvements .....                                  | 37              |
| HIGHEST AND BEST USE .....                                   | 41              |
| Conclusion – As Improved .....                               | 41              |
| COST APPROACH.....   | 43              |
| Preface .....  | 43              |
| Cost Justification .....                                     | 43              |
| Building Improvements .....                                  | 43              |
| Total Hard Cost Estimate .....                               | 45              |
| Depreciation Analysis.....                                   | 45              |
| Entrepreneurial Incentive .....                              | 46              |
| Cost Approach Summary .....                                  | 47              |

ADDENDA

Qualifications:

Stephen D. Shaw, MAI, AI-GRS  
James H. Mader, Associate Appraiser



**CERTIFICATION**

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

1. The statements of fact contained in this report are true and correct.
2. 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.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
4. We have not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this appraisal report within the three-year period immediately preceding the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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.
8. The analyses, opinions, and conclusion were developed, and this report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and The Interagency Appraisal and Evaluation Guidelines, December 10, 2010.
9. Stephen D. Shaw, MAI, AI-GRS made a personal inspection (interior and exterior) of the property that is the subject of this report. James H. Mader did not make an onsite inspection of the Subject.
10. No one provided significant real property appraisal assistance to the persons signing this certification.
11. The use of this report is subject to the requirements of the State of Florida relating to review by the Florida Real Estate Appraisal Board.



12. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
13. The reported analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
14. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
15. As of the date of this report, Stephen D. Shaw, MAI, AI-GRS has completed the continuing education program for Designated Members of the Appraisal Institute.

---

Stephen D. Shaw, MAI, AI-GRS  
Cert Gen RZ1192

---

James H. Mader, Associate Appraiser  
Cert Gen RZ832



**GENERAL ASSUMPTIONS**

1. Unless otherwise stated, the value appearing in this appraisal represents the opinion of the Market Value or the Value Defined AS OF THE DATE SPECIFIED. Market Value of real estate is affected by national and local economic conditions and consequently will vary with future changes in such conditions.
2. The value opinion in this appraisal report is gross, without consideration given to any encumbrance, restriction or question of title, unless specifically defined.
3. It is assumed that the title to the premises is good; that the legal description is correct; that the improvements are entirely and correctly located on the property described and that there are no encroachments on this property, but no investigation or survey has been made.
4. No responsibility is assumed for matters legal in nature, nor is any opinion of title rendered. No right to expert testimony is included, unless other arrangements have been completed. In the performance of our investigation and analysis leading to the conclusions reached herein, the statements of others were relied on. No liability is assumed for the correctness of these statements; and, in any event, the appraiser's total liability for this report is limited to the actual fee charged.
5. No rights to expert witness testimony, pre-trial or other conferences, depositions, or related services are included with this appraisal. If as a result of this appraisal process Callaway and Price, Inc., or any of its principals, its appraisal consultants or experts are requested or required to provide any litigation services, such shall be subject to the provisions of the engagement letter or, if not specified therein, subject to the reasonable availability of Callaway and Price, Inc. and/or said principals or appraisers at the time and shall further be subject to the party or parties requesting or requiring such services paying the then applicable professional fees and expenses of Callaway and Price, Inc. either in accordance with the engagement letter or arrangements at the time, as the case may be.
6. Any material error in any of the data relied upon herein could have an impact on the conclusions reported. We reserve the right to amend conclusions reported if made aware of such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusion within 30 days of delivery of this reported and should immediately notify us of any questions or errors.
7. The market value reported herein assumes that all taxes and assessments have been paid and assumes a Fee Simple interest unless otherwise reported. The body of the report will define the interest appraised if it differs.



---

***General Assumptions and Limiting Conditions***

---

8. Neither all nor any part of the contents of this report (especially any conclusions, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or any of its designations) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without our prior written consent and approval.
9. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The appraiser assumes no responsibility for such conditions or the engineering which might be required to discover these factors.
10. Our opinion of value was based on the assumption of competent marketing and management regarding the property. If there is no competent marketing and management, then the market value opinion herein may not apply.



**LIMITING CONDITIONS**

1. No hypothetical conditions are part of this appraisal assignment.
2. No extraordinary assumptions are part of this appraisal assignment.
3. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation stachybotrys chartarum (mold), asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, was not called to the attention of, nor did the appraisers become aware of such during their inspection. The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers, however, are not qualified to test for such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such proximity thereto that would cause a loss in value. We are unaware of very wet conditions that may have existed for days or weeks which are required to grow mold. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.
4. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraisers have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered.



TYPICAL EXTERIOR VIEW OF SUBJECT



TYPICAL EXTERIOR VIEW OF SUBJECT



TYPICAL EXTERIOR VIEW OF SUBJECT



TYPICAL EXTERIOR VIEW OF SUBJECT



TYPICAL EXTERIOR VIEW OF SUBJECT



TYPICAL EXTERIOR VIEW OF SUBJECT



TYPICAL EXTERIOR VIEW OF SUBJECT



TYPICAL EXTERIOR VIEW OF SUBJECT



TYPICAL EXTERIOR VIEW OF SUBJECT



TYPICAL EXTERIOR VIEW OF SUBJECT



TYPICAL EXTERIOR VIEW OF SUBJECT



TYPICAL EXTERIOR VIEW OF SUBJECT



TYPICAL EXTERIOR VIEW OF SUBJECT



TYPICAL EXTERIOR VIEW OF SUBJECT



TYPICAL EXTERIOR VIEW OF SUBJECT



TYPICAL EXTERIOR VIEW OF SUBJECT



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



AERIAL VIEW



**DEFINITION OF THE APPRAISAL PROBLEM**

Purpose, Date of Value, and Interest Appraised

At the client's request, the purpose of this investigation and analysis was to provide our opinion of the "As Is" Market Value of the Fee Simple Estate of the Subject Property, **building improvements only** as of April 2, 2025. Our estimate of value does not include the land value for the site, nor does it include the City of Fort Lauderdale Fire Station #29 improvements.

As of the appraisal/inspection date, the Subject improvements were vacant and in very poor condition, with evidence of mold, rotted wood, leaks in the roof, with copper piping and wiring having been ripped out, removed and presumably stolen. In their current state, the improvements are unusable in our opinion.

While the overall condition of the building is poor, the "shell or bone structure" of the building appeared to be in reasonably serviceable condition. It is the interior of the building that is in extremely poor condition.

Intended Use and User of Appraisal

This report has been prepared for our client and intended user, the City of Fort Lauderdale. The intended use was for the client's internal decision-making purposes. The scope of work performed is specific to the needs of the intended user and the intended use. No other use is intended, and the scope of work may not be appropriate for other uses.

Market Value

"As defined in the Agencies' appraisal regulations, 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 are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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



---

## ***Definition of the Appraisal Problem***

---

- e. 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."

Source: The Interagency Appraisal and Evaluation Guidelines, Federal Register, Volume 75, No. 237, December 10, 2010, Pgs. 61-62.

### Legal Description

A specific legal description for the Subject building was not available. The Subject is a portion of a larger property that also contains the City of Fort Lauderdale's Fire Station #29. The Fire Station property is not part of this appraisal assignment. While no legal description was available, the Subject is a portion of folio # 49-42-36-26-0010 per the Broward County Property Appraiser's Office, and has a street address of 2000 NE 16<sup>th</sup> Street, Fort Lauderdale, Florida 33304.

Source: Client and Broward County Property Appraiser's Office

### Fee Simple Estate

The Dictionary of Real Estate Appraisal, Seventh Edition 2022, by the Appraisal Institute, defines Fee Simple Estate on page 73 as follows:

"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."

### Exposure Time

The Dictionary of Real Estate Appraisal, Seventh Edition 2022, by the Appraisal Institute, defines Exposure Time on pages 67 - 68 as follows:

1. "The time a property remains on the market."
2. "An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal."

There is a requirement under Standard Two to report exposure time according to the latest USPAP publication. "Exposure Time" is different for various types of property under different market conditions.



---

## ***Definition of the Appraisal Problem***

---

We have reviewed the exposure time for office building sales within our database. It should be noted these sales were for properties that were in usable condition, which the Subject is not, in our opinion. Based on these indications, and with consideration of the overall economic and real estate market conditions, it is our opinion that the Subject would have had an exposure time of up to 12 months in its current condition.

### Marketing Time

The Dictionary of Real Estate Appraisal, Seventh Edition 2022, by the Appraisal Institute, defines Marketing Time on page 116 as follows:

“An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal.”

“Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, “Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions” address the determination of reasonable exposure and marketing time.”

As in most markets, properties that are priced competitively and marketed professionally will sell before others which are not. Based on this, it is our opinion that the Subject Property should have a marketing period of up to 12 months in its current condition provided adequate financing is available, the property is listed for sale at market value and is marketed by a competent brokerage firm.



## **SCOPE OF WORK**

According to the 15th Edition of The Appraisal of Real Estate, page 75, "In the valuation process, the identification of the assignment elements leads directly into the determination of the scope of work of an assignment, i.e., the type and extent of research needed to solve a appraisal problem. Professional valuation standards place the responsibility for determining the appropriate scope of work in an appraisal assignment squarely on the shoulders of the appraiser. The scope of work for an assignment is acceptable if it leads to credible assignment results, is consistent with the expectations of parties who are regularly intended users for similar assignments and is consistent with what the actions of an appraiser's peers would be in the same or a similar assignment.

The first step in the appraisal process involved defining the appraisal problem which included the purpose and date of value, determining the interest being appraised, intended use and user of the appraisal, and identifying the real estate (legal description). This step also determined if the appraisal were subject to any extraordinary assumptions or hypothetical conditions.

The next step involved the interior and exterior inspection of the Subject Property in March 2025 by Stephen D. Shaw, MAI, AI-GRS. James H. Mader did not make an onsite inspection of the Subject Property. The inspection allowed us to understand the physical components of the Subject Property. In addition to the inspection of the Subject Property, we also began the data-collection process and, subsequently, an analysis of the factors that affect the market value of the Subject Property, including a market area analysis, neighborhood analysis, and property data analysis. We gathered and reviewed information from the Broward County Property Appraiser's Office, the City of Fort Lauderdale Planning and Zoning Department, and our client to understand and describe the Subject Property.

The third step in the process was to determine the Highest and Best Use of the Subject Property as improved. Through the Highest and Best Use analysis, we determined the issues that have an effect on the final opinion of value. To determine the Highest and Best Use, we relied on information obtained from the data-collection process.

The fourth step was the application of the appropriate approaches to value. No approaches were specifically omitted from this appraisal by the client.

The Subject Property consists of a one-story masonry concrete office building containing 3,927 square feet of enclosed area, and 1,044 square feet of exterior balcony/porch areas, that was built in 1991 according to the Broward County Property Appraiser's Office.



As of the appraisal/inspection date, the Subject improvements were vacant and in very poor condition, with evidence of mold, rotted wood, leaks in the roof, with copper piping and wiring having been ripped out, removed and presumably stolen. In their current state, the improvements are unusable in our opinion.

While the overall condition of the building is poor, the "shell or bone structure" of the building appeared to be in reasonably serviceable condition. It is the interior of the building that is in extremely poor condition.

At the client's request, the purpose of this investigation and analysis was to provide our opinion of the "As Is" Market Value of the Fee Simple Estate of the Subject Property, **building improvements only** as of April 2, 2025. Our estimate of value does not include the land value for the site, nor does it include the City of Fort Lauderdale Fire Station #29 improvements. Given this request, it is our opinion that the only applicable valuation method available was a form of the Cost Approach.

The Sales Comparison and Income Capitalization Approaches were not considered applicable for several reasons, i.e. the value estimate requested is for the building improvements only (no land value) and the current condition of the improvements, which is unusable in its current condition, in our opinion.

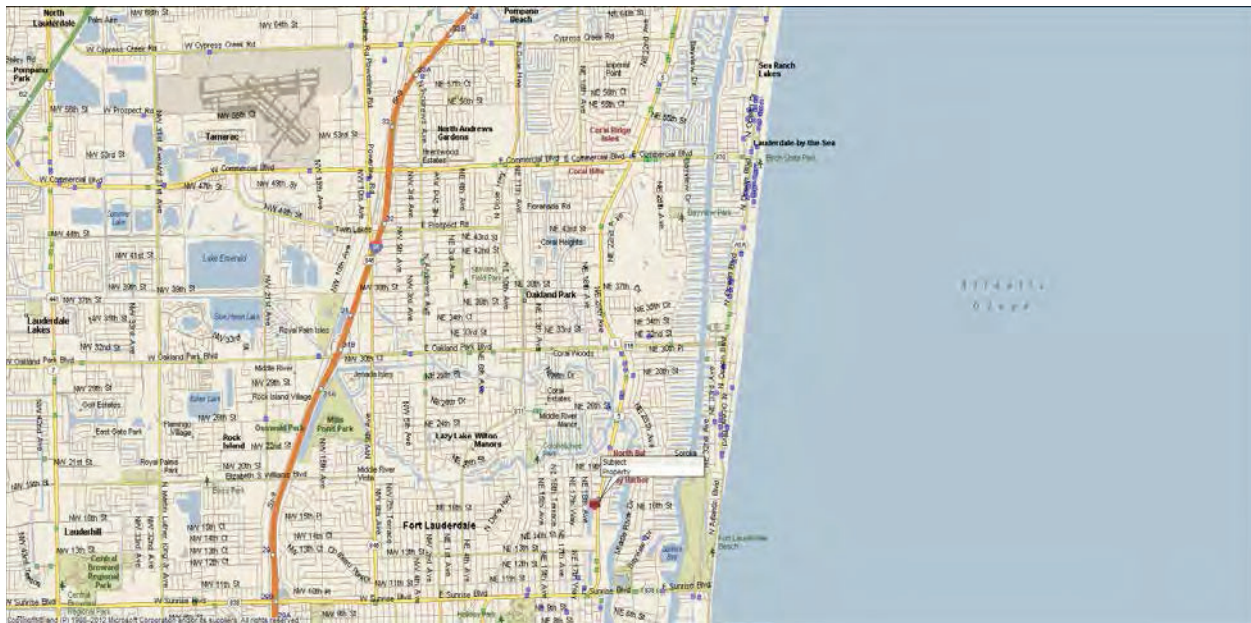
The Cost Approach has as its premise the valuation of the site by direct comparison with similar sites that have recently sold plus the addition of the depreciated cost to replace the improvements. However, given the client's request for the value of the Subject building only, land value is not included in our estimate, and in this case a hybrid of the Cost Approach was utilized.

The Cost Approach requires estimating the reproduction or replacement cost new of all the improvements including an allowance for entrepreneurial profit. In our analysis, we will segregate the building improvements into three categories; 1) the "shell" or "bone structure" of the building; 2) the office interiors (walls, flooring, ceilings, etc.) and finally 3) the exterior balcony-type areas. The appraiser must then deduct all forms of depreciation that have accrued against the property in order to reach a value indication by this approach. Given that only one approach was applicable, no reconciliation was applicable.



## **NEIGHBORHOOD DATA**

The relationship of the Subject Property with surrounding properties forms the basis of neighborhood analysis. The Appraisal of Real Estate, 15th Edition on page 141 states: "The boundaries of market areas, neighborhoods, and districts identify the areas that influence a subject property's value. These boundaries may coincide with observable changes in land use or demographic characteristics. Physical features such as structure types, street patterns, terrain, vegetation, and lot sizes help to identify land use districts. Transportation arteries (highways, major streets, and railroads), bodies of water (rivers, lakes, and streams), and changing elevation (hills, mountains, cliffs, and valleys) can also be significant boundaries."



The neighborhood is considered to be bounded on the north by Cypress Creek Road (NE 62<sup>nd</sup> Street), on the south by W. Sunrise Boulevard, on east by the Atlantic Ocean, and on the west by I-95. The neighborhood is made up of Fort Lauderdale, Oakland Park and Lauderdale By The Sea. The City of Ft. Lauderdale is the largest municipality within Broward County in terms of land mass and population.

Access to the neighborhood is good. The major east/west thoroughfares are Cypress Creek Boulevard (NE 62<sup>nd</sup> Street), Commercial Boulevard, Sunrise Boulevard and Oakland Park Boulevard. Commercial, Sunrise, and Oakland Park Boulevards extend from the Atlantic Ocean on the east to the Sawgrass Expressway in western Broward County. Both of these roads have interchanges at I-95.



Major north/south arteries in the Subject neighborhood are I-95 (the neighborhood's western boundary), Powerline Road, N. Andrews Avenue, N. Dixie Highway, and U.S. Highway 1 (Federal Highway). I-95 is a major interstate highway that traverses the length of Florida and the eastern coast of the United States. Powerline Road, N. Andrews Avenue and N. Dixie Highway are smaller arterial roadways running through the neighborhood providing access to local traffic. U.S. Highway 1, like I-95 to the west, is an important thoroughfare providing north/south access through the neighborhood and extending up and down the country's eastern seaboard.

The neighborhood is essentially built out with a variety of property types, but is dominated by older commercial and residential structures, with residential representing the majority of the land area. Commercial development is situated along the arterial roadways (NE 62<sup>nd</sup> Street, Commercial Boulevard, Sunrise Boulevard, Oakland Park Boulevard, Federal Highway/U.S. Highway 1, and N. Dixie Highway). Uses include, but are not limited to, strip shopping centers, retail stores, low to mid-rise office buildings, and medical office buildings. Most of the commercial development is older, but for the most part, has been adequately maintained.

The largest portion of the neighborhood is residential in nature, both single and multi-family. The majority of the homes are middle income housing, except for the waterfront properties in the eastern portion of the neighborhood along the Intracoastal Waterway and its finger canals. For the most part, the dwellings are older having been built in the 1960's and 1970's. During the housing boom there was more recent development of several townhouse projects in the areas of Wilton Manors and Oakland Park. Another significant factor aiding in redevelopment was the creation of the Downtown Mixed-Use District by the City of Oakland Park. The Oakland Park Station was a part of this newly created zoning district which will allow mixed-use opportunities and encourages desirable downtown redevelopment.

Fort Lauderdale Executive Airport is located just west of the Subject neighborhood, on the north side of Commercial Boulevard. Holy Cross Hospital is a full service, non-profit, 555-bed Catholic Hospital serving the neighborhood since 1955. The hospital is a major employer in Broward County.

The neighborhood is located just north of the downtown area of the City of Fort Lauderdale. The downtown area of Fort Lauderdale is currently experiencing a substantial building boom with thousands of new apartments and mixed-use condominiums under construction, planned, or newly completed.



Conclusion

The Subject neighborhood is an established area of Broward County and is nearly fully developed. It is well located with good access to I-95, which makes for easy access to the entire South Florida MSA (Broward, Miami-Dade, and Palm Beach Counties). The neighborhood is well established with both residential and commercial development. Demand for commercial property in the neighborhood appears to be stable and slightly increasing and market conditions are forecast to continue to improve.

The long-term outlook for the Subject neighborhood remains positive as it is an established area located just north of the downtown area of Fort Lauderdale, with a strong population and employment base. Market conditions are projected to be stable to slightly improving in the foreseeable future given south Florida's overall desirability. In our opinion the long-term outlook for the Subject neighborhood remains positive; the Subject neighborhood should continue to see some value appreciation over time, due primarily to its easily accessible and desirable centralized location situated just north of the City of Fort Lauderdale's central business district.



**FORT LAUDERDALE (BROWARD COUNTY) OFFICE MARKET OVERVIEW**

In order to ascertain the status of the Fort Lauderdale (Broward County) office market, we have considered a report prepared by CoStar, a widely respected real estate data company. Below is a summary of this report:

Overview

Fort Lauderdale Office

|                        |                            |              |                           |
|------------------------|----------------------------|--------------|---------------------------|
| 12 Mo Deliveries in SF | 12 Mo Net Absorption in SF | Vacancy Rate | Market Asking Rent Growth |
| <b>209K</b>            | <b>(353K)</b>              | <b>10.5%</b> | <b>2.0%</b>               |

Available office space in Fort Lauderdale has expanded marginally, with the availability rate rising to 13.2% from 12% pre-pandemic. Still, this remains below the national availability rate of 16.5%. This uptick in availability has been mainly the result of tenant move-outs from 1 & 2 Star space over the last year. Most of the positive -350,000 SF of net absorption in the last 12 months has been driven by demand at 4 & 5 Star properties.

Space demand has remained strongest in Downtown Fort Lauderdale, Fort Lauderdale, Plantation, and Hallandale, as tenants continue to prefer newer 4 & 5 Star assets. In fact, over the last two years, around 90% of net absorption has occurred in 4 & 5 Star properties, with over 60% concentrated in properties built since 2010.

Although 4 & 5 Star demand remains healthy, supply additions have driven availabilities higher for this market segment to 22.5% from 17% in 2019. As around a quarter, or over 500,000 SF, of Fort Lauderdale's new 4 & 5 star supply has been concentrated in Downtown Fort Lauderdale since 2019, the submarket's 4 & 5 Star availability rate has also risen around eight percentage points over the same time period. Despite some demand weakness, limited supply additions in 2025 are expected to limit any significant vacancy expansions in the near-term.

Fort Lauderdale has historically benefitted from limited office availability relative to the national average since 2017, and despite softer leasing and recent deliveries driving availability higher, tenant demand has remained healthy, resulting in an outperformance in rent gains. In fact, Fort Lauderdale has the seventh-highest office rent gains in the nation, among markets with more than 50 million SF in inventory, rising 2.0% annually during the second quarter of 2024 and outpacing national average gains of 1.0%. Still, this remains below the average annual gain of 4.4% over the past three years, as rent gains have moderated.

Going forward, rent growth is expected to continue to slow as softer demand, driven by weaker office-using job gains, impacts leasing activity.

Despite this near-term softening, healthy rent gains and limited occupancy declines in the coming years will drive office value outperformance relative to the rest of the nation. However, higher interest rates have resulted in a pricing contraction from peaks in 2022. Transaction activity has also cooled, with volume totaling \$1.1 billion over the past 12 months, down from \$1.1 billion transacted through the first quarter of 2022. Despite this slowdown, private player and owner-user purchase activity remains above the five-year average trend.

KEY INDICATORS

| Current Quarter | RBA               | Vacancy Rate | Market Asking Rent | Availability Rate | Net Absorption SF | Deliveries SF | Under Construction |
|-----------------|-------------------|--------------|--------------------|-------------------|-------------------|---------------|--------------------|
| 4 & 5 Star      | 18,402,833        | 16.1%        | \$45.18            | 22.5%             | (44,616)          | 0             | 480,000            |
| 3 Star          | 34,941,190        | 10.5%        | \$34.35            | 12.4%             | (66,093)          | 0             | 12,000             |
| 1 & 2 Star      | 20,731,515        | 5.7%         | \$31.74            | 6.0%              | 1,790             | 0             | 0                  |
| <b>Market</b>   | <b>74,075,538</b> | <b>10.5%</b> | <b>\$36.37</b>     | <b>13.2%</b>      | <b>(108,909)</b>  | <b>0</b>      | <b>492,000</b>     |

| Annual Trends             | 12 Month   | Historical Average | Forecast Average | Peak      | When    | Trough      | When    |
|---------------------------|------------|--------------------|------------------|-----------|---------|-------------|---------|
| Vacancy                   | 0.7% (YOY) | 9.9%               | 10.7%            | 12.6%     | 2009 Q4 | 6.5%        | 2006 Q3 |
| Net Absorption SF         | (353K)     | 584,212            | 2,371            | 2,987,428 | 2005 Q1 | (1,250,946) | 2021 Q1 |
| Deliveries SF             | 209K       | 847,368            | 301,953          | 3,264,832 | 2001 Q4 | 7,907       | 2013 Q3 |
| Market Asking Rent Growth | 2.0%       | 2.4%               | 1.3%             | 10.3%     | 2008 Q3 | -8.4%       | 2009 Q3 |
| Sales Volume              | \$1.1B     | \$661.6M           | N/A              | \$1.3B    | 2016 Q4 | \$101.6M    | 2009 Q3 |



Conclusion

The overall Broward County office market conditions appear healthy, in our opinion, although CoStar notes that the availability rate for space has increased somewhat, from pre-pandemic levels. Nonetheless, its availability rate remains below the national availability rate. The increase in availability rate has been mainly due to move-outs for Class C and D space, while Class A and B space has exhibited a positive net absorption rate over the last 12 months.

In terms of demand, it has been strongest in the Downtown Fort Lauderdale, Fort Lauderdale (Subject submarket), Plantation, and Hallandale submarkets. Historically, the Fort Lauderdale market has benefited from limited office availability relative to the national average since about 2017, and even though the market has softened somewhat, demand has remained relatively healthy which has resulted in an outperformance in rental rate gains. According to CoStar, Fort Lauderdale has the seventh-highest office market rental rate gains in the nation, among markets with 50 million square feet or more, with rent growth expected to continue, albeit at a slower rate.

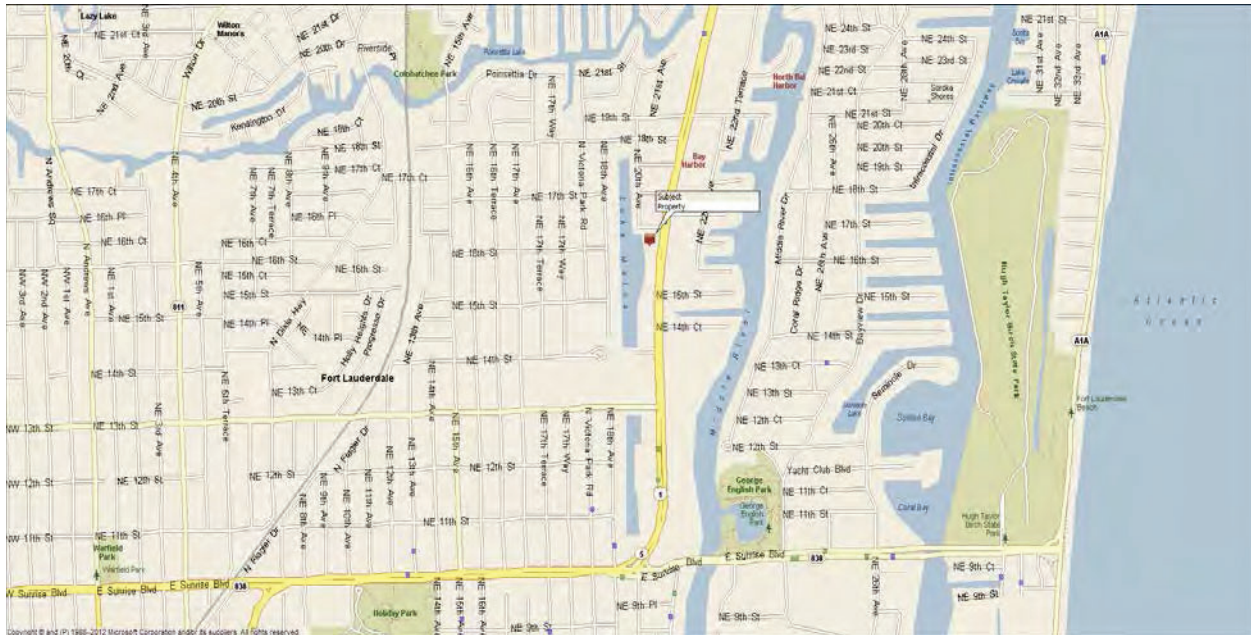
Given the stabilizing vacancy rates, and the strong/stable rental growth rate trend, the long-term outlook for the Subject's Broward County office market remains favorable given the market's relatively sound fundamentals going forward.



## PROPERTY DATA

### Location

The Subject Property is located at the southwest quadrant of North Federal Highway and NE 16<sup>th</sup> Street, in the City of Fort Lauderdale, Florida. Its street address is 2000 NE 16<sup>th</sup> Street, Fort Lauderdale, Florida 33304.



### Zoning

The Subject Property is zoned CF, Community Facility, by the City of Fort Lauderdale, Florida. This district is intended to provide suitable locations for institutions serving public needs, including the administrative activities of a municipal, state or federal agency, religious facilities, education facilities and other public purpose facilities which generally benefit the community, consistent with the community facility land use designation of the city's comprehensive plan. The existing use of the Subject is permitted under this zoning classification.

### Land-Use Plan

The Subject Property has a future land use designation of Commercial, Low-Medium, by the City of Fort Lauderdale, Florida.

### Easements and Deed Restrictions

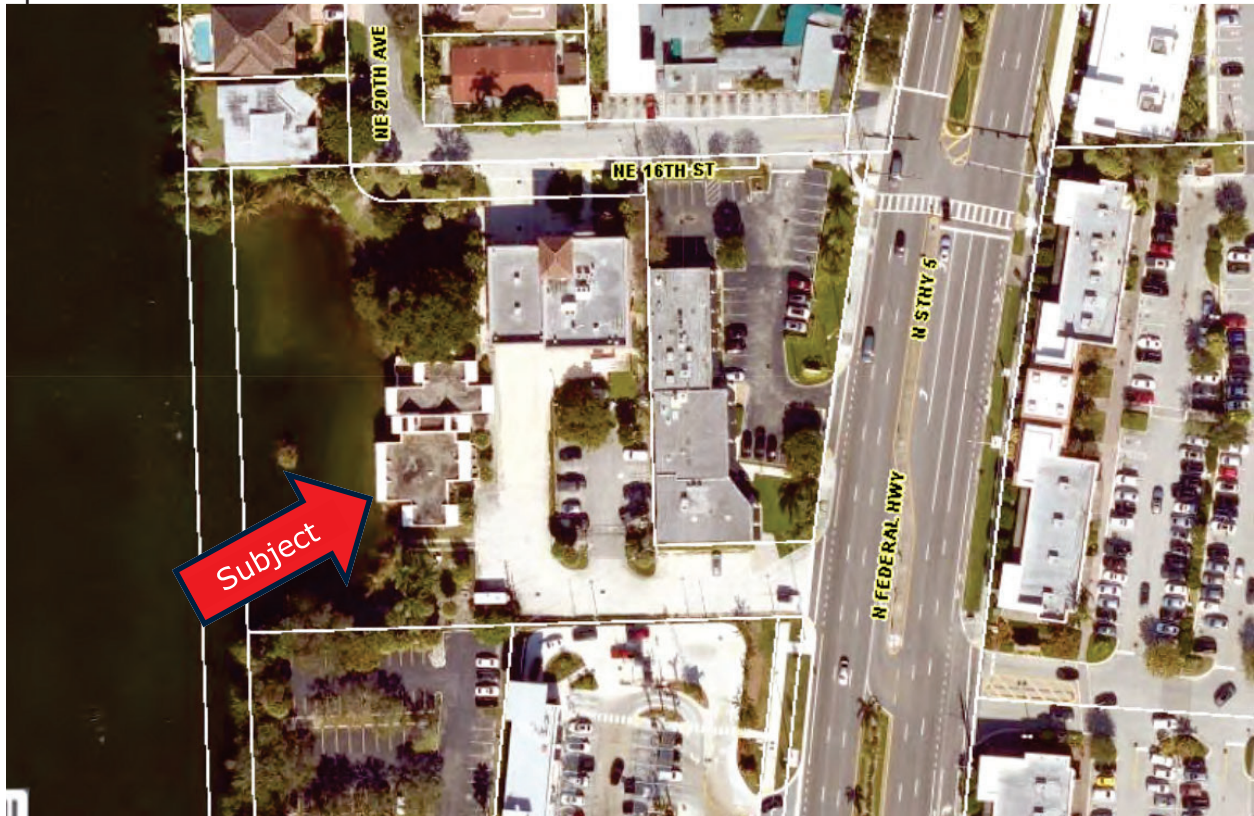
Based upon our cursory inspection of the property records, no adverse deed restrictions or easements were noted.



Site Size, Shape and Access

As previously discussed, the client has requested an appraisal of the Subject **building improvements only**. Therefore, the following is for informational purposes only.

The Subject building is situated on a 1.95+/- acre site (of which 1.34+/- acres is upland, with the remaining .61+/- acres being a lake/water retention area) that it shares with the City of Fort Lauderdale Fire Station #29 improvements (which have a street address of 2002 NE 16<sup>th</sup> Street). Access for the overall site is available from North Federal Highway and NE 16<sup>th</sup> Street, and is considered average to good, in our opinion.



Utilities

All utilities are available to the Subject Property with water and sewer provided by the City of Fort Lauderdale, telephone and internet service by a variety of providers, and electricity from FPL.

Topography

No topographical survey, soil or sub-soil analysis was available. However, our visual inspection revealed that the upland portion of the Subject site is basically level and at grade of the surrounding roadways. At the time of inspection, drainage did not appear to be a problem. As noted, approximately .61+/- acres of the site is a lake/submerged land.



Flood Hazard Zone

Flood Report

|   |  |
|---|--|
| Address (from parcels)                    | 2000 NE 16TH ST  |
| FEMA Data Source                          | DFIRM - Digital Flood Information Rate Map   |
| Inside Special Flood Hazard Area?         | OUTSIDE SPECIAL FLOOD HAZARD AREA<br>OUTSIDE SPECIAL FLOOD HAZARD AREA<br>OUTSIDE SPECIAL FLOOD HAZARD AREA<br>OUTSIDE SPECIAL FLOOD HAZARD AREA<br>INSIDE SPECIAL FLOOD HAZARD AREA |
| Risk Level                                | MODERATE RISK AREAS<br>MODERATE RISK AREAS<br>MODERATE RISK AREAS<br>MODERATE TO LOW RISK AREAS<br>HIGH RISK AREAS   |
| Flood Zone(s)                             | X500<br>X500<br>X500<br>X<br>AE  |
| Description(s)                            | X500 = 500-YEAR FLOODPLAIN<br>X500 = 500-YEAR FLOODPLAIN<br>X500 = 500-YEAR FLOODPLAIN<br>X = OUTSIDE FLOODPLAIN<br>AE = 100-YEAR FLOODPLAIN   |
| Base Flood Elevation                      | N/A<br>N/A<br>N/A<br>N/A<br>6  |
| NFIP Community Name                       | CITY OF FORT LAUDERDALE  |
| County                                    | BROWARD  |
| State                                     | Florida  |
| NFIP Community Number                     | 125105   |
| NFIP Map Number or Community Panel Number | 12011C0388J  |
| Inside CBRA?                              | FALSE  |
| CBRA Type                                 | N/A  |
| Map Panel Effective Date                  | 2024-07-31 00:00:00-04   |
| LOMA/LOMR (yes/no)                        | UNKNOWN - check map  |
| LOMA/LOMR Date                            | UNKNOWN - check map  |



Assessed Value and Taxes

| Assessed Value and Taxes<br>2000 NE 16th Street, Fort Lauderdale, Fla<br>Callaway & Price, Inc. 25-86643 |              |                    |                     |                       |                           |                  |
|--|--------------|--------------------|---------------------|-----------------------|---------------------------|------------------|
| Folio Number   | Allocations  | 2024 Market Value  | 2024 Assessed Value | 2024 Ad Valorem Taxes | 2024 Non Ad Valorem Taxes | 2024 Total Taxes |
| 49-42-36-26-0010   | Land         | \$880,880          | \$880,880           |                       |                           |                  |
|  | Improvements | <u>\$2,742,460</u> | <u>\$2,742,460</u>  |                       |                           |                  |
|  | Totals       | \$3,623,340        | \$3,623,340         | Tax Exempt            | Tax Exempt                | Tax Exempt       |

NOTE: Improvement values include Fire Station #29, which is not part of the appraisal



Property History

According to the Broward County Property Appraiser's office, the current owner of record for the Subject is the City of Fort Lauderdale. It is not clear how long it has been under this ownership; however, it is believed to have been for over 5 years. To the best of our knowledge, the Subject Property is not listed for sale, or under contract, as of the appraisal date.



**DESCRIPTION OF IMPROVEMENTS**

Building Improvements



|                      |   |  |
|----------------------|---|--|
| Type of Building     | : | Office building  |
| Date of Construction | : | 1991 according to the Broward County Property Appraiser's Office |
| Height               | : | One-story  |
| Type of Construction | : | Masonry concrete   |
| Roof                 | : | Flat, built-up roof system                                       |
| Exterior Walls       | : | Painted stucco over concrete. Building needs painting.           |
| Windows Doors        | : | Fixed and sliding glass in aluminum frames                       |
| Floor                | : | Carpet and tiles   |



---

***Description of Improvements***

---

|                         |   |   |
|-------------------------|---|---|
| Interior Walls          | : | Primarily painted drywall   |
| Ceilings                | : | Wood panel, painted drywall and exposed   |
| Air Conditioning & Heat | : | Central system  |
| Electricity             | : | Assumed adequate  |
| Lighting                | : | Fluorescent   |
| Plumbing                | : | Assumed adequate  |
| Contains                | : | The Subject is a single tenant office building. It contains 3,927 square feet of enclosed area, and 1,044 square feet of exterior balcony/porch areas, according to the Broward County Property Appraiser's Office. It consists of office areas, bathrooms and kitchen areas  |
| Condition & Comments    | : | <p>As of the appraisal/inspection date, the Subject improvements were vacant and in <u>very poor</u> condition, with evidence of mold, rotted wood, leaks in the roof, with copper piping and wiring having been ripped out, removed and presumably stolen. In their current state, the improvements are unusable in our opinion. While the overall condition of the building is poor, the "shell or bone structure" of the building appeared to be in reasonably serviceable condition. It is the interior of the building that is in extremely poor condition</p> <p>As noted, the improvements are in poor condition as of the appraisal date. However, in general, the core structure appears to be of good overall construction quality. It is our opinion that the improvements exhibit adequate functional design and utility for their intended use as a single tenant office building. Further, the building has unique architectural elements and reportedly was designed by Donald Singer, a renowned architect in the City of Fort Lauderdale history</p> |

The building sketch for the Subject provided by the Broward County Property Appraiser's Office can be found on the following page





Exterior Balconies

|                         |   |          |
|-------------------------|---|----------|
| Total Economic Life     | : | 50 years |
| Actual Age              | : | 34 years |
| Effective Age           | : | 15 years |
| Remaining Economic Life | : | 35 years |
| Indicated Depreciation  | : | 30%      |



## **HIGHEST AND BEST USE**

The Dictionary of Real Estate Appraisal, Seventh Edition 2022, by the Appraisal Institute defines Highest and Best Use on pages 88 - 89 as follows:

1. "The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."

To estimate the Highest and Best Use of the Subject, we have considered those uses which are legally permissible, physically possible, economically feasible, and maximally productive. Consideration was given to individual features of the land such as size, shape, location, access to roadways, and the availability of utilities. Consideration was also given to the surrounding land uses and the demand for property in the current real estate market.

In cases where properties are improved, the Highest and Best Use of the site "as though vacant" and the Highest and Best Use of the property "as improved" may be different. This is due to the principle of "contribution" which holds that if an improvement adds value to the site over and above land value, the Highest and Best Use of the property is as improved until such time as the improvements add no contributory value to the property.

### **Conclusion – As Improved**

It is our opinion that the current improvements, with future renovations and repairs, represent the Highest and Best Use of the Subject Property for the following reasons:

1. The existing improvements are a legal use as per the zoning and land use plan designations by the City of Fort Lauderdale, Florida. They are allowed and permitted to be utilized for their existing use.
2. The physical attributes of the Subject site are obviously sufficient to accommodate the existing use, as the building already exists. While the property is in poor condition, the "shell or bone structure" of the building appears to be serviceable, and a renovation/refurbishment program could bring it back to a usable/functional condition. Therefore, it is our opinion that it is most likely that the building would not be demolished in favor of an alternative use at this time.



3. When determining the financially feasible use of a property "as improved", we must analyze whether the improvements add value to the site over and above the land value itself. This is not a crucial component of the highest and best use analysis in this appraisal, as the client has specifically asked us to value the **building improvements only**, excluding land.

The improvements have operated as a single tenant office property since they were built. The Subject Property appears feasible based on current market conditions, its history and based on the apparent demand for well-located single tenant office properties in this market. We can conceive of no other alternative use that would justify the razing or radically changing of the existing improvements, assuming they can be renovated/refurbished to a usable condition. Again, the client has requested the value of the **building improvements only**, for their internal decision-making purposes related to whether to perform a renovation/refurbishment project on them.

Additionally, the improvements represent a substantial monetary investment and contribute to the overall property value over and above the land value alone. Restructuring or replacing the existing improvements are not practical at this time, given that the building has some contributory value, in our opinion.

4. Therefore, by definition, when the above reasons exist, the Subject improvements represent the Highest and Best and Maximally Productive Use of the Subject Property as improved. The most typical purchaser for the Subject would be an owner/user, in our opinion.



## **COST APPROACH**

### Preface

The Dictionary of Real Estate Appraisal, Seventh Edition 2022, by the Appraisal Institute defines Cost Approach on page 43 as follows:

“A set of procedures through which a value indication is derived for the fee simple estate by estimating the cost new as of the effective date of the appraisal to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. The contributory value of any site improvements that have not already been considered in the total cost can be added on a depreciated-cost basis. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property rights being appraised.”

The value estimate by the Cost Approach is based upon the principle of substitution. This principle affirms that a buyer would pay no more for a property than the cost to acquire a similar site and construct similar improvements.

### Cost Justification

Due to a lack of actual construction cost data, we have relied on the Marshall Valuation Service Cost Handbook. The Marshall Valuation Service Cost Handbook (MVS) is a nationally recognized publication and is considered to provide reasonable indications of construction costs. The MVS costs include architectural fees, engineering fees, interest expenses, contractor's overhead and profit, insurance fees, permit fees, site preparation costs, and general legal fees. Not included are the construction loan fees and real estate taxes during the planning and construction of the improvements.

### Building Improvements

As previously discussed, in our analysis we will segregate the building improvements into three categories; 1) the “shell” or “bone structure” of the building; 2) the office interiors (walls, flooring, ceilings, etc.) and finally 3) the exterior balcony-type areas.

The Subject Property is considered to be a Good to Excellent Quality, Class C building for the building shell component and Good quality Class C for the interior and balcony type areas. We have considered the structure's unique architectural features in the building shell rating. The MVS costs are averages of final costs for the Subject components and include architecture fees, contractor's overhead and profit (excluding the developer's entrepreneurial incentive). Some costs are omitted by the MVS valuation such as loan origination costs and taxes during construction. We have estimated these costs later in this section. In this case, the property is tax exempt



by virtue of its ownership by the City of Fort Lauderdale. The MVS cost indications are summarized below.

| Construction Cost Estimate - Marshall Valuation Service (MVS)<br>2000 NE 16th Street, Fort Lauderdale, Fla<br>Callaway & Price, Inc. 25-86643 |                                     |                           |                      |
|---|-------------------------------------|---------------------------|----------------------|
| <u>Space Type</u>   | <u>Construction Class / Quality</u> | <u>Marshall Valuation</u> | <u>Cost/ Sq. Ft.</u> |
| Hard and Soft Construction Costs:   |                                     |                           |                      |
| <b>"Shell" Office</b>   | C / Good                            | Section 15, Page 35       | \$128.00             |
|   | C / Excellent                       | Section 15, Page 35       | \$192.00             |
|   |                                     | Say                       | \$175.00             |
| Multipliers were applied as follows:  |                                     |                           |                      |
|   |                                     | x Perimeter (1)           | 1.073                |
|   |                                     | x Current Cost (2)        | 1.050                |
|   |                                     | x Local Multiplier (3)    | 0.990                |
| Adjusted Construction Cost  |                                     | Total                     | \$195.10             |
|   |                                     | Say,                      | <u>\$195.00</u>      |
| (1) Marshall - Section 13, Page 41<br>(2) Marshall - Section 99, Page 3<br>(3) Marshall - Section 99, Page 7                                  |                                     |                           |                      |
| <b><u>Office Interiors</u></b>  | C / Good                            | Section 15, Page 35       | \$93.50              |
| Multipliers were applied as follows:  |                                     |                           |                      |
|   |                                     | x Current Cost (2)        | 1.050                |
|   |                                     | x Local Multiplier (3)    | 0.990                |
| Adjusted Construction Cost  |                                     | Total                     | \$97.19              |
|   |                                     | Say,                      | <u>\$97.00</u>       |
| (2) Marshall - Section 99, Page 3<br>(3) Marshall - Section 99, Page 7  |                                     |                           |                      |
| <b><u>Exterior Balconies</u></b>  | C / Good                            | Section 15, Page 37       | \$53.00              |
| Multipliers were applied as follows:  |                                     |                           |                      |
|   |                                     | x Current Cost (2)        | 1.050                |
|   |                                     | x Local Multiplier (3)    | 0.990                |
| Adjusted Construction Cost  |                                     | Total                     | \$55.09              |
|   |                                     | Say,                      | <u>\$55.00</u>       |
| (2) Marshall - Section 99, Page 3<br>(3) Marshall - Section 99, Page 7  |                                     |                           |                      |



Total Hard Cost Estimate

| <b>Hard Costs</b>       |       |              |   |          |            |   |                    |
|-------------------------|-------|--------------|---|----------|------------|---|--------------------|
| "Shell" Office          | 3,927 | Gross Sq.Ft. | @ | \$195.00 | Per Sq.Ft. | = | \$765,765          |
| Office Interiors        | 3,927 | Gross Sq.Ft. | @ | \$97.00  | Per Sq.Ft. | = | \$380,919          |
| Exterior Balconies      | 1,044 | Gross Sq.Ft. | @ | \$55.00  | Per Sq.Ft. | = | <u>\$57,420</u>    |
| <b>Total Hard Costs</b> |       |              |   |          |            |   | <b>\$1,204,104</b> |

Depreciation Analysis

According to 15<sup>TH</sup> Edition of The Appraisal of Real Estate, depreciation is the difference between the contributory value of an improvement and its cost at the time of appraisal. Depreciation in an improvement can result from three major causes operating separately or in combination. These causes are physical deterioration, functional obsolescence, and external obsolescence.

Physical Deterioration

The Appraisal of Real Estate, 15th Edition, published by the Appraisal Institute, defines physical deterioration as wear and tear from regular use, the impact of the elements or damage. Physical deterioration and may be curable or incurable each of which is discussed below.

Curable Physical Deterioration

This form of physical deterioration is for items of deferred maintenance which are economically feasible to cure. As discussed in the Description of Improvements section, as of the appraisal/inspection date, the Subject improvements were vacant and in very poor condition, with evidence of mold, rotted wood, leaks in the roof, with copper piping and wiring having been ripped out, removed and presumably stolen. In their current state, the improvements are unusable in our opinion. While the overall condition of the building is poor, the "bone structure" of the building appeared to be in reasonably serviceable condition. It is the interior of the building that is in extremely poor condition. The bulk of the depreciation for the interior improvements could be considered to be curable, as they could be replaced or significantly renovated with new interior improvements. Nonetheless, we will account for the overall depreciation in the incurable physical deterioration which follows.

Incurable Physical Deterioration

This category of physical deterioration is used to estimate those items which cannot be practically or economically corrected. No matter how well a building is maintained, there are portions of it called the "core" or the "bone structure" which will suffer some incurable physical deterioration. This is the section of the building which typically



lasts the longest and upon which the age/life of the building is determined. The core structure and the exterior "balconies" will be depreciated at a different rate than the interior office improvements which as discussed are in very poor condition. The estimated depreciation for the Subject's improvements is shown below:

| Depreciation Analysis<br>2000 NE 16th Street, Fort Lauderdale, Fla<br>Callaway & Price, Inc. 25-86643 |                    |               |               |              |                    |
|---|--------------------|---------------|---------------|--------------|--------------------|
| Component   | Total RCN          | Effective Age | Economic Life | Depreciation | Total Depreciation |
| "Shell" Office  | \$765,765          | 15            | 50            | 30%          | \$229,730          |
| Office Interiors  | \$380,919          | 40            | 50            | 80%          | \$304,735          |
| Exterior Balconies  | \$57,420           | 15            | 50            | 30%          | \$17,226           |
| <b>Totals</b>   | <b>\$1,204,104</b> |               |               | <b>46%</b>   | <b>\$551,691</b>   |

Functional Obsolescence

In addition to physical depreciation, we also considered if any functional and/or external obsolescence was present at the Subject Property. Functional obsolescence is a loss in value resulting from a deficiency or by a super adequacy. In the case of the Subject Property, it is our opinion that there is no functional obsolescence applicable.

External Obsolescence

External obsolescence is the adverse effect on value resulting from influences exterior to the property. It often results from changing property or land use patterns, shifting business districts, or deteriorating economic conditions, with the latter either temporary or permanent depending upon the specific factor creating the loss. In the case of the Subject Property, it is our opinion that there is no external obsolescence applicable.

Entrepreneurial Incentive

In addition to the hard, soft, and site improvement costs, entrepreneurial incentive is generally required as an incentive for a developer to undertake the construction of a project like the Subject. Simply stated, a prudent developer would not purchase the site, construct the building, and then sell the property at cost. He would expect to receive a profit for his skill and the risks inherent in the project.

In the typical South Florida market, most developers would demand a 10% to 20% entrepreneurial incentive, in order to undertake a project like the Subject. We have concluded at the upper end of the range or 20% for entrepreneurial profit in the case of the Subject Property.



Cost Approach Summary

Based on the preceding discussions and conclusions, the chart on the following page depicts our final opinion of value of the Subject **building improvements only** by the Cost Approach at **\$800,000**.

| Cost Approach Summary - Building Improvements Only                           |                 |                       |   |
|--|-----------------|-----------------------|---|
| 2000 NE 16th Street, Fort Lauderdale, Fla                                    |                 |                       |   |
| Callaway & Price, Inc. 25-86643  |                 |                       |   |
| <b>Hard Costs</b>  |                 |                       |   |
| "Shell" Office   | 3,927           | Gross Sq.Ft. @        | \$195.00 Per Sq.Ft. = \$765,765                                 |
| Office Interiors   | 3,927           | Gross Sq.Ft. @        | \$97.00 Per Sq.Ft. = \$380,919                                  |
| Exterior Balconies   | 1,044           | Gross Sq.Ft. @        | \$55.00 Per Sq.Ft. = <u>\$57,420</u>                            |
| <b>Total Hard Costs</b>  |                 |                       | <b>\$1,204,104</b>  |
| <b>Soft Costs (1)</b>  |                 |                       |   |
| Architectural & Engineering  |                 |                       | Incl. Above   |
| Supervision, Overhead & Contingency  |                 |                       | Incl. Above   |
| Loan Origination & Taxes (2)   |                 |                       | <u>\$10,000</u>   |
| <b>Total Soft Costs:</b>   |                 |                       | <b>\$10,000</b>   |
| <b>Total Replacement Cost New:</b>   | <b>\$309.17</b> | <b>PER SQ.FT. (3)</b> | <b>\$1,214,104</b>  |
| Less Physical Depreciation   |                 |                       |   |
| Shell Office   | -30%            |                       | (\$229,730)   |
| Office Interiors   | -80%            |                       | (\$304,735)   |
| Exterior Balconies   | -30%            |                       | (\$17,226)  |
| Less Functional Obsolescence   |                 |                       | \$0   |
| Less External Obsolescence   |                 |                       | <u>\$0</u>  |
| Total Depreciation   |                 |                       | <u>(\$551,691)</u>  |
| Depreciated Value of Improvements  |                 |                       | \$662,413   |
| Plus: Entrepreneurial Incentive  | @               | 20.0%                 | <u>\$132,483</u>  |
| Total Value of Subject "Building Improvements Only" Via the Cost Approach    |                 |                       | \$794,896   |
|  |                 | Say                   | <b><u>\$800,000</u></b>   |
| (1) See Cost Justification   |                 |                       | PSF Building: \$204   |
| (2) Loan Origination Fees:   |                 |                       |   |
| Fees:  | 1.0%            | of                    | \$1,204,104 (Hard and soft costs new, not including financing.) |
|  |                 |                       | \$12,041  |
| Real Estate Taxes During Construction - None - Tax Exempt                    |                 |                       | <u>\$0</u>  |
| Total Construction Loan Cost   |                 |                       | \$12,041  |
|  |                 | Rounded               | \$10,000  |
| (3) Costs Include Hard and Soft Costs (based on enclosed building area only) |                 |                       |   |

# **ADDENDA**

# **QUALIFICATIONS**



---

## *Qualifications - Stephen D. Shaw, MAI, AI-GRS*

---

### Professional Designations\Licenses\Certifications

Member, Appraisal Institute, MAI Designation #10461

Member, Appraisal Institute, AI-GRS

State-certified general real estate appraiser RZ1192

Florida State Licensed Real Estate Salesman 0495422

### Professional Experience

Principal, Callaway & Price, Inc., since January 1999

Senior Appraisal Consultant, Callaway & Price, Inc., since July 1997 - December 1998

Appraisal Consultant, Callaway & Price, Inc., since April 1994

Associate Appraiser, Pinel & Carpenter, Inc., Orlando, April 1992 - March 1994

Appraiser/Researcher, Callaway & Price, Inc., September 1987 - March 1992

Special Magistrate Palm Beach County 1996-2012

Special Magistrate, Martin County, 2009

### Qualified as an Expert Witness

Palm Beach County, Florida

Martin County, Florida

Broward County, Florida

Sarasota County, Florida

Miami-Dade County, Florida

### Education

Bachelor of Science Degree, Business Administration, Major in Real Estate and Finance, University of Florida

Appraisal Institute:

Course 101 - An Introduction to Appraising Real Property, 1992

Course 201 - Principles of Income Producing Properties, 1991

Course 2-1 - Case Studies in Real Estate Valuation, 1992

Course 540 - Report Writing and Valuation Analysis, 1993

Course 2-3 - Standards of Professional Practice Parts A & B, 1991

Review Theory - General

Numerous seminars sponsored by the Appraisal Institute

### Appraising\Consulting Expertise

Acreage

ACLFs

Apartment Complexes

Automotive Service Facilities

Bowling Alleys

Commercial Buildings

Condominium Projects

Eminent Domain

Golf Courses

Hospitals

Hotels

Marinas

Medical Office Buildings

Medical Office Condominiums

Medical Campus Sites

Medical Office Sites

Surgery Centers

Self-Storage Facilities

Office Buildings

Office/Warehouses

Retail Buildings

Restaurants

Special Purpose Properties

Shopping Centers

Vacant Commercial Land

Vacant Industrial Land

Vacant Multifamily Pods

Vacant Residential Land

Vacant Single-Family Subdivisions

Warehouses



---

***Qualifications - Stephen D. Shaw, MAI, AI-GRS***

---

Organizations and Affiliations

Appraisal Institute:

Experience Review Committee

Ethics & Counseling Committee

South Florida Chapter Board of Directors

Business Development Board Palm Beach County, Member



Ron DeSantis, Governor

Melanie S. Griffin, Secretary



**STATE OF FLORIDA**  
**DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

**FLORIDA REAL ESTATE APPRAISAL BOARD**

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE  
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

**SHAW, STEPHEN DAY**

1639 FORUM PLACE

SUITE 5

WEST PALM BEACH FL 33401

**LICENSE NUMBER: RZ1192**

**EXPIRATION DATE: NOVEMBER 30, 2026**

Always verify licenses online at [MyFloridaLicense.com](http://MyFloridaLicense.com)

ISSUED: 10/31/2024

Do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.





Professional Designations\Licenses\Certifications

State-certified general real estate appraiser RZ832  
Florida Licensed Real Estate Salesman 0435885

Professional Experience

Appraisal Consultant, Callaway & Price, Inc since February 1985  
Researcher, Callaway & Price, Inc., June 1982 to January 1985

Qualified As An Expert Witness

Palm Beach County, Florida

Education

Bachelor of Business Administration, Marketing Major, Florida Atlantic University  
Florida Real Estate Commission, Course I  
Society of Real Estate Appraisers:

An Introduction to Appraising Real Property, 1983  
Principles of Income Property Appraising, 1984  
Applied Income Property Valuation, 1984

American Institute of Real Estate Appraisers:

Appraising Troubled Property, 1992  
Appraisal Theory Update, 1992  
Appraisal Review - Residential Property, 1994  
USPAP Update Core Law for Appraisers, 1994  
Standards of Professional Practice, 1986, 1992, 1994  
Capitalization Theory and Techniques, Part A, 1986  
Capitalization Theory and Techniques, Part B, 1986  
Real Estate Appraisal Principles, 1986  
Basic Valuation Procedures, 1986

Appraising\Consulting Expertise

|  |                       |                            |
|--|-----------------------|----------------------------|
| Acreage  | Easements             | Road Abandonment           |
| Automobile Dealerships                               | Groves                | RV Parks                   |
| Apartment Buildings                                  | Industrial Properties | Shopping Centers           |
| Commercial Buildings                                 | Life Care Facilities  | Special Purpose Properties |
| Condominiums (Individual<br>Units and Total Sellout) | Marinas               | Strip Centers              |
| Churches   | Mobile Home Parks     | Subdivisions/Residential   |
| Country Club/Golf Courses                            | Motels                | Vacant Commercial          |
| Day Care Facilities                                  | Office Buildings      | Vacant Residential         |
| Duplexes   | Ranches               | Warehouses                 |
|  | Restaurants           |                            |



Ron DeSantis, Governor

Melanie S. Griffin, Secretary



**STATE OF FLORIDA  
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

**FLORIDA REAL ESTATE APPRAISAL BOARD**

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE  
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

**MADER, JAMES H**

1410 PARK LANE SOUTH SUITE 1  
JUPITER FL 33458

**LICENSE NUMBER: RZ832**

**EXPIRATION DATE: NOVEMBER 30, 2026**

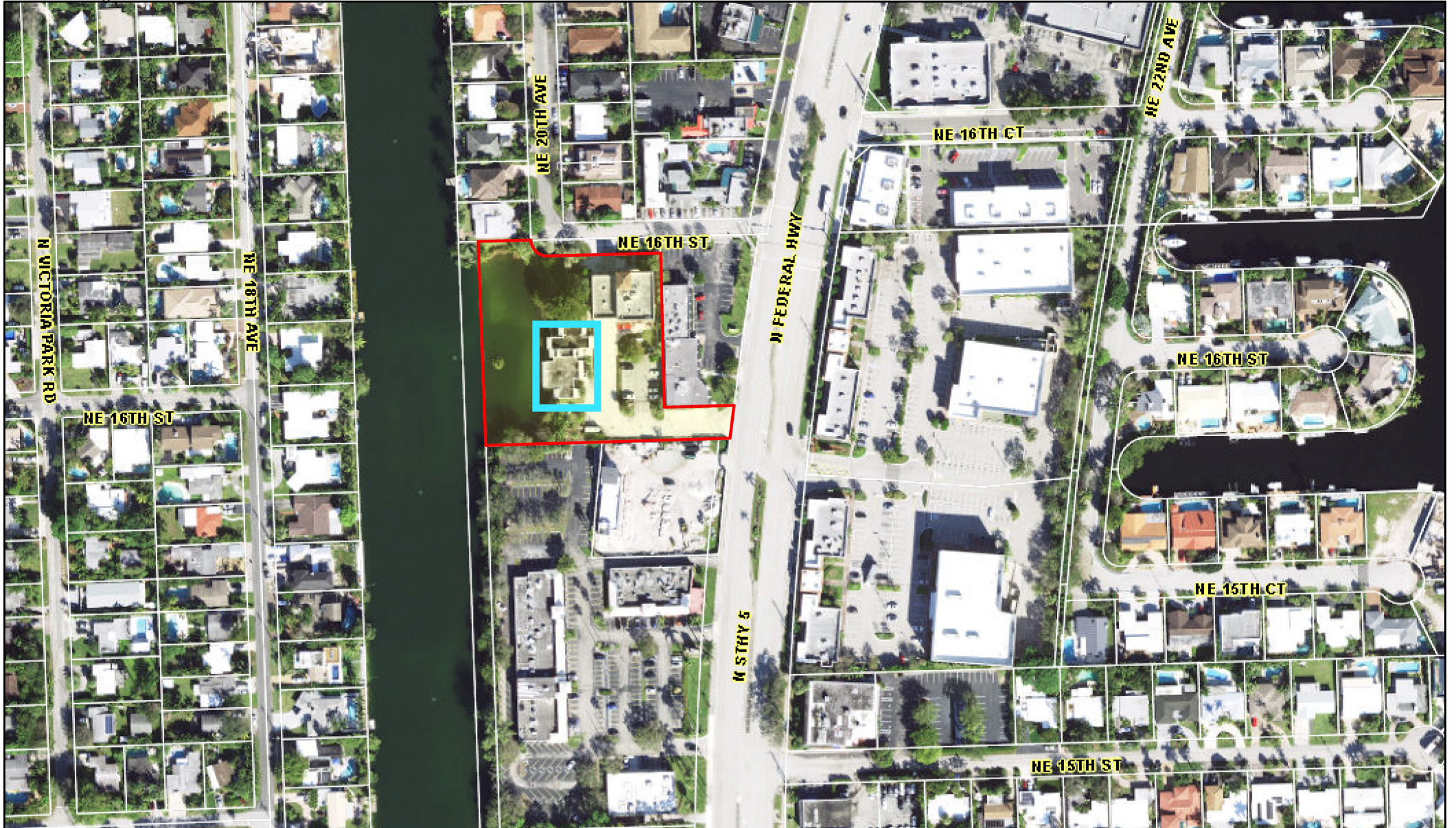
Always verify licenses online at [MyFloridaLicense.com](http://MyFloridaLicense.com)

ISSUED: 09/20/2024

do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.





**Building Location**

2000 NE 16 Street, Fort Lauderdale, Florida FL 33304