

**Retail/Office Building
6200 Tippin Avenue
Pensacola, Florida 32504**

PART ONE: INTRODUCTION

APPRAISAL REPORT

TITLE PAGE

PROPERTY

Retail/Office Building

LOCATION

6200 Tippin Avenue
Pensacola, Florida 32504 32566

DATE OF VALUE

July 27, 2017

DATE OF REPORT

August 7, 2017

PREPARED FOR

City of Pensacola - Pensacola International Airport
Attn: Mr. Michael B. Laven, CPA, A.A.E.
2430 Airport Boulevard, Suite 225
Pensacola, Florida 32504

*Fruitticher Lowery Appraisal Group
3000 Langley Avenue, Suite 402
Pensacola, Florida 32504*



FRUITTICHER - LOWERY
APPRAISAL GROUP

3000 LANGLEY AVENUE * SUITE 402 * PENSACOLA, FLORIDA 32504 * (850) 477-0419 FAX (850)477-7931

August 7, 2017

City of Pensacola - Pensacola International Airport
2430 Airport Boulevard, Suite 225
Pensacola, Florida 32504

Attn: Mr. Michael B. Laven, CPA, A.A.E.,
Airport Administration & Contracts Manager

Letter of Transmittal

RE: An Appraisal Report of the Fee
Simple Estate in the Retail/Office Building
Located at 6200 Tippin Avenue in Pensacola,
Florida 32504
(N6200)

Dear Mr. Laven:

At your request, information was obtained and reviewed of the above referenced property for the purpose of estimating the current market value of the Fee Simple Estate. In compliance with the "Uniform Standards of Professional Appraisal Practice", this letter of transmittal is followed by an appraisal report in which all applicable approaches to value are used and with the value conclusion reflecting all known information about the subject property, current and projected market conditions, and other available data. This report contains to the fullest extent possible and practical, explanations of the data, reasoning and analysis used to develop the opinion of value. It also includes thorough descriptions of the subject property, the property's locale, the market for the property type, and my opinion of highest and best use.

Market value will be defined in the appraisal report, but basically assumes a willing buyer-seller, both knowledgeable of the subject real estate market and with the valuation at the property's highest and best use. Both exposure and marketing time periods are estimated to be between six to twelve months. I have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

RODGER K.LOWERY, MAI
State-Certified General Real Estate Appraiser
FL #RZ0001922 * AL #G00445



TOM FRUITTICHER, MAI
State-Certified General Real Estate Appraiser
FL #RZ0002029 * AL #G00788

Mr. Michael B. Laven
August 7, 2017
Page Two

The subject property is the Retail/Office Building located at 6200 Tippin Avenue in Pensacola, Florida 32504 32566. The land size is 0.257 acres or 11,216 square feet per the County information and the property has a corner location. The subject property is improved with an approximate 1,284 square foot retail store operated as Farley's Old & Rare Books store. The improvements also include two storage buildings. The property is currently listed for sale for \$175,000 by Beck Partners. The property is owner-occupied.

Subject to the above and the limiting conditions and certification as set forth herein, it is my opinion that the current market value of the Fee Simple Estate of the Retail/Office Building located at 6200 Tippin Avenue in Pensacola, Florida 32504 as of the last date of inspection, July 27, 2017, was:

CURRENT MARKET VALUE

ONE HUNDRED TWENTY THOUSAND DOLLARS
\$120,000

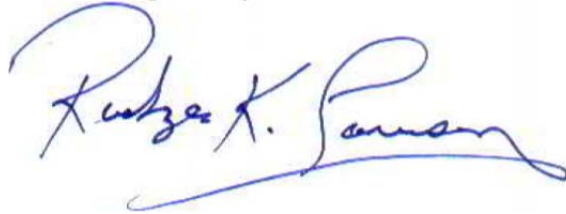
This appraisal is based upon the extraordinary assumption the billboard sign is not included in the property. It is also based upon the extraordinary assumption the lot size and age of the improvements is correct as noted on the Escambia County Property Appraiser's website and that there are no adverse easements or encroachments. This appraisal considers no hypothetical conditions.

I hereby certify I have no interest, present or contemplated, in the appraised property. This appraisal has been prepared utilizing all of the requirements set forth as Standards for Real Estate Appraisals as established for federally related transactions and the State of Florida 32504. The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) and title XI of FIRREA. The fee for this appraisal was not based on a minimum value nor was the assignment undertaken based on a pre-determined value or guaranteed loan amount.

Mr. Michael B. Laven
August 7, 2017
Page Three

I appreciate the opportunity of doing this work for you and your client. After your review, should you have questions, please don't hesitate to call.

Respectfully submitted,

A handwritten signature in blue ink, reading "Rodger K. Lowery". The signature is fluid and cursive, with a long horizontal flourish at the end.

Rodger K. Lowery, MAI
State-Certified General Real Estate Appraiser RZ#1922
Email – RLowery@FLAG1.Net
Contact Cell Phone – 850-982-9032

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SUBJECT PHOTOGRAPH



View of Subject Property

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

PREPARED FOR:	City of Pensacola - Pensacola International Airport
OWNERSHIP:	The property is currently under the ownership of Owen E. and Clara Moonean Farley.
USE OF APPRAISAL:	The use of this appraisal will be to aid in the negotiations for the purchase of the property by the City of Pensacola - Pensacola International Airport.
PROPERTY LOCATION:	The property is located at 6200 Tippin Avenue in Pensacola, Florida 32504 32566.
SITE SIZE:	The subject site is 0.257 acres or 11,216 square feet according to the County information.
IMPROVEMENTS:	The subject property is improved with an approximate 1,284 square foot retail store operated as Farley's Old & Rare Books store. The improvements also include two storage buildings. The property is currently listed for sale for \$175,000 by Beck Partners. The property is owner-occupied.
ZONING:	The property is zoned COM. The improvements are a legally conforming use of the property.
ENVIRONMENTAL CONCERNS:	The property is improved with a retail building and appears to have no areas of environmental concerns. No evidence of surface soil stain was noted on the property and there does not appear to be any wetlands associated with the site.
HIGHEST AND BEST USE:	The highest and best use of the property is the continued use as a retail/office building.
DATE OF VALUE:	The date of value is July 27, 2017, which is the last date of inspection.
ASSESSED VALUE:	\$63,884
ANNUAL PROPERTY TAXES:	\$1,056.31
PAST DUE TAXES:	\$0.00

SUMMARY OF SALIENT FACTS AND CONCLUSIONS (Cont'd.)

PROPERTY RIGHTS

APPRAISED: Fee Simple Estate

VALUE INDICATIONS

LAND VALUE OPINION: N/A

COST APPROACH: N/A

SALES APPROACH: \$110,000

INCOME APPROACH: \$125,000

FINAL VALUE OPINION: **\$120,000**

This appraisal is based upon the extraordinary assumption the billboard sign is not included in the property. It is also based upon the extraordinary assumption the lot size and age of the improvements is correct as noted on the Escambia County Property Appraiser's website and that there are no adverse easements or encroachments. This appraisal considers no hypothetical conditions.

SCOPE OF THE APPRAISAL PROCESS

City of Pensacola - Pensacola International Airport is both my client and the intended user for this report. The use of this appraisal will be to aid in the negotiations for the purchase of the property by the City of Pensacola - Pensacola International Airport. The purpose of this report is to provide an opinion of the current market value of the Fee Simple Estate for the subject property located at 6200 Tippin Avenue in Pensacola, Florida 32504 32566. The current date of value is July 27, 2017, the last date of inspection.

In an effort to meet your requirements as well as conforming to the Uniform Standards of Professional Appraisal Practice (USPAP), a visual inspection was made of the subject land and improvements. The land size information was obtained from the County information and is assumed to be correct. This appraisal is based upon the extraordinary assumption the billboard sign is not included in the property. It is also based upon the extraordinary assumption the lot size and age of the improvements is correct as noted on the Escambia County Property Appraiser's website and that there are no adverse easements or encroachments. This appraisal considers no hypothetical conditions.

In addition to the physical inspection, research was conducted on a regional and neighborhood basis in an effort to identify trends and factors which have an effect on area property values. Once these trends and factors were identified, a highest and best use analysis was conducted. Upon determination of the land's highest and best use, similar improved sales and improved rents were researched for use in the sales comparison approach and income approach to value. The improved sales were extracted from the public records information, confirmed with one of the parties to the sale and then written up in detail in the body of the sales comparison approach to value. They were adjusted for differences and reconciled into a value opinion via this approach. Income and expense information was obtained for use in the income approach to value. The two approaches to value result in separate value estimates with appropriate weight given to each for reconciliation into a final value conclusion. Considering the age of the building and/or the recent lack of meaningful land sales, the cost approach is being eliminated from consideration. As little or no weight would be given to this approach, its elimination would have no negative effects on the final value opinion.

PROPERTY RIGHTS APPRAISED

There are several different types of ownership interest that can be appraised. These include the Fee Simple Estate ownership interest, the Leased Fee ownership interest and the Leasehold ownership interest.

“Fee Simple Estate” has been defined as:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."¹

“Leased Fee Estate” has been defined as:

"An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease"²

“Leasehold estate” has been defined as:

"The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions."³

The property rights that are being appraised are those of the Fee Simple Estate.

¹ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th Edition. (Chicago, Illinois: Appraisal Institute, 2002), pg. 113.

² Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th Edition. (Chicago, Illinois: Appraisal Institute, 2002), pg. 204.

³ The Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th Edition. (Chicago, Illinois: Appraisal Institute, 2002), pg. 162.

PURPOSE OF APPRAISAL

The purpose of this appraisal is to arrive at a supportable estimate of the market value of the subject property. The objective of this report is to present the data and reasoning used to form this opinion of value.

USE OF APPRAISAL

This appraisal is being prepared for use by City of Pensacola - Pensacola International Airport. The use of this appraisal will be to aid in the negotiations for the purchase of the property by the City of Pensacola - Pensacola International Airport.

DATE OF VALUE AND OF PROPERTY INSPECTIONS

The property was last inspected on July 27, 2017, which is also the current date of value. This report was prepared on August 7, 2017.

MARKET VALUE DEFINITION AND IMPLICATIONS

The definition of market value as currently stated by The Office of the Comptroller of the Currency is as follows:

"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:

- A. Buyer and seller are typically motivated;
- B. Both parties are well informed or well advised and each acting in what they consider their own best interest;
- 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;
- 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."⁴

⁴ The Office of the Comptroller of the Currency, 12CFR, Part 34

IDENTIFICATION OF THE PROPERTY

PROPERTY ADDRESS: The property is located at 6200 Tippin Avenue in Pensacola, Florida 32504 32566. The subject property is located in the southeast corner of Tippin Avenue and Emily Street.

LEGAL DESCRIPTION: Lot 1, Block 2, College Heights

OWNER OF RECORD: The property is currently under the ownership of Owen E. and Clara Moonean Farley.

TYPE OF OWNERSHIP: Fee Simple Estate

PHYSICAL: The subject property is the Retail/Office Building located at 6200 Tippin Avenue in Pensacola, Florida 32504. The land size is 0.257 acres or 11,216 square feet per the County information and the property has a corner location. The subject property is improved with an approximate 1,284 square foot retail store operated as Farley's Old & Rare Books store. The improvements also include two storage buildings. The property is currently listed for sale for \$175,000 by Beck Partners. The property is owner-occupied.

HISTORY OF THE PROPERTY

Five Year Sales History – The subject property has remained under the current ownership for more than the past five years.

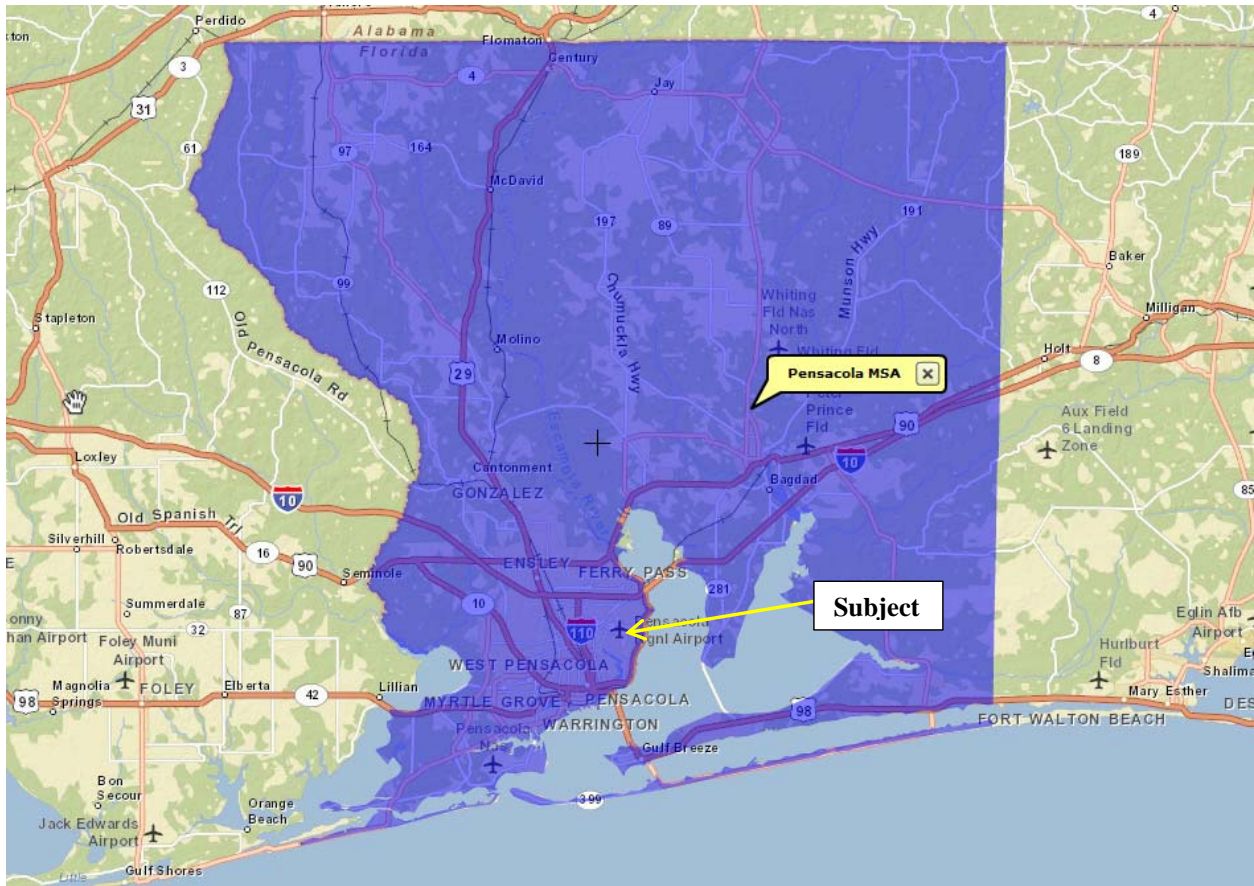
Pending Sales - There currently are no pending sales.

Rental History – The property has remained owner-occupied for more than the past five years.

Listing History – The property is currently listed for sale by Beck Partners for \$175,000.

PART TWO: DESCRIPTIONS, ANALYSIS AND VALUE CONCLUSIONS

GENERAL AREA LOCATION MAP



GENERAL AREA DATA

There are four basic interrelated forces that influence the value of a property: Social/population trends; economic changes and adjustments; governmental controls and regulations; and physical or environmental changes. These forces are considered in every phase of the evaluation and valuation process but are best discussed in the General Area Data and Neighborhood Data sections of the report. The subject's general area is considered the Pensacola Metropolitan Statistical Area (MSA), which includes the City of Pensacola and the nearby communities of Cantonment, Pace, Milton, and Gulf Breeze, located in Escambia and Santa Rosa Counties. The interrelated forces influencing this general area, as listed above, follow:

GENERAL AREA DATA (Cont'd.)

SOCIAL/POPULATION

Among the more important factors in a market study are the area population trends and the factors that affect the expected future population. The information obtained for the subject's market area of the Pensacola MSA, which consists of Escambia and Santa Rosa counties, was obtained from the *United States Census Bureau* and updated through the *Site To Do Business*.

The Pensacola MSA has a year 2016 population estimate of 480,583, based on projections by ESRI and quoted by the *STDB (Site to do Business)* which is up from the 2010 Census of 448,991. This average increase per year of 0.18% is expected to continue into the future with current estimates for the year 2021 being 507,895. The average household size is 2.49 people per residence and there currently are an estimated total of 212,880 housing units of which 55% are owner occupied, 30.6% are renter occupied and 14.4% are vacant. The number of vacancies may be somewhat misleading, as many of the beach properties are only seasonally occupied. The median household income for 2016 is indicated to be \$48,074.

The population increase for the Pensacola MSA over the next five years is expected to be 27,312 people. This translates to the need for 10,969 new households (2,194/Year) over the next five years. The median house value in the community is \$152,498. Considering the median household income along with the average rule-of-thumb that 25% of the household income can go toward a mortgage, would indicate approximately \$12,019 (\$1,002/month) can be used for mortgage payments in the median household. Considering a 4.5% interest rate, monthly payments of \$1,002 and a 30 year amortization, the median household can afford a mortgage in the amount of \$197,776 and considering a 10% down payment, the median household could afford a home of about \$219,729. As this is well above the currently indicated median home value, there is room for continued home value increases.

GENERAL AREA DATA (Cont'd.)

As stated, the beach area condominium market is largely made up of absentee owners. Looking at a list of owners from a typical development such as the Emerald Isle Condominium shows owners from Indiana, Louisiana, Florida, Virginia, Georgia, Washington, Tennessee, Arkansas, Alabama and Mississippi, to name a few. As the condominium market is made up of such a large segment of the United States population, local single-family housing occupancy statistics would have little impact on condominium prices.

As with most markets, the Escambia County/Santa Rosa County general area experienced a housing bubble between 2004 and 2005. In an effort to demonstrate the current status of the Escambia and Santa Rosa housing market, statistical information was obtained from the Pensacola Association of Realtors' Multiple Listing Service (PARMLS). While the PARMLS does not account for all sales, it is a good representation of what is going on in the local market. PARMLS sales for condominiums, single-family homes, and residential lots (< 1/2 acre) were researched within the two-county area and included in the following chart.

Average Sales Trends						
Year	Condo Sales		Single-Family Sales		Resid. Land (< 1/2 Acre)	
	# Sales	Average \$	# Sales	Average \$	# Sales	Average \$
2000	382	\$161,598	4,613	\$122,217	401	\$45,957
2001	403	\$168,911	4,985	\$122,912	464	\$46,960
2002	528	\$200,121	5,848	\$130,036	669	\$53,323
2003	693	\$270,403	6,548	\$138,965	776	\$59,831
2004	728	\$362,597	7,145	\$160,720	1,250	\$77,397
2005	581	\$433,302	7,363	\$193,541	933	\$117,890
2006	496	\$466,266	6,181	\$191,681	442	\$74,570
2007	473	\$464,035	5,053	\$189,213	271	\$80,055
2008	352	\$457,653	4,035	\$176,619	181	\$97,985
2009	432	\$320,678	4,213	\$163,707	165	\$68,990
2010	358	\$290,072	3,843	\$155,025	261	\$75,167
2011	494	\$283,460	3,883	\$155,957	235	\$70,922
2012	490	\$287,872	3,918	\$158,090	354	\$61,061
2013	570	\$293,065	5,104	\$165,551	408	\$67,883
2014	629	\$290,572	6,073	\$168,032	318	\$74,700
2015	673	\$325,909	6,881	\$180,663	450	\$76,674
2016	624	\$331,046	7,306	\$188,216	436	\$73,113
2016 Active*	403	\$629,844	2,807	\$274,724	1,083	\$68,407

*As of 12/20/2016

GENERAL AREA DATA (Cont'd.)

Sale prices in all categories peaked around 2005 and 2006 and have dropped since these peaks. The 2015 average for condos is about 31% below the peak but it appears the 2012 through 2016 values are starting a new upward trend. Similarly, the 2015 average for single family homes is about 3.5% below the peak but it appears a new upward trend has been realized between 2012 and 2016. The 2015 average for residential lots under ½ acre in size is about 36% below the peak and while values have fluctuated in recent years, they are considered to be fairly stable.

According to the PARMLS, as of December of 2016 there were 403 condo units listed in the two-county area, which represents an inventory of about 7 to 8 months based on the 2016 monthly absorption of about 54 condominiums per month. Area Realtors indicate there is a lack of condominium supply and new inventory is needed. At the present time there are two new condominium developments under construction in the Pensacola MSA. The 64 unit Vista Del Mar is being constructed at 13333 Johnson Beach Road and 48 of the units are under contract. Unit sizes range from 1,953 square feet up to 3,293 square feet and the sale prices range from \$715,000 to \$2,100,000 and the average price per square foot is \$433.03/SF. The 701 South Palafox condo in Pensacola's downtown includes 9 units, 7 of which are under contract. This development includes units that are 1,670 square feet and 2,422 square feet and the contract prices were said to be \$423/SF to \$428/SF.

According to the PARMLS, as of December of 2016 there were 2,807 single-family homes listed in the two-county area, which represents an inventory of about 4 to 5 months based on the 2016 absorption of 635 homes per month. Area economists Rick Harper indicated new home construction is necessary once housing inventories reach a nine-month supply, and there is new construction currently taking place in the area to meet the demand, which is aiding in area lot absorption increases.

There were 1,083 single-family lots (<1/2 acre) listed in the PARMLS in December of 2016 within the two-county area. In 2016 the lot absorption rate was about 38 sales per month, and considering the current listings, there is just under a 29 month inventory; however, with the increasing population and the need for 2,194 new homes per year, this inventory is more likely

GENERAL AREA DATA (Cont'd.)

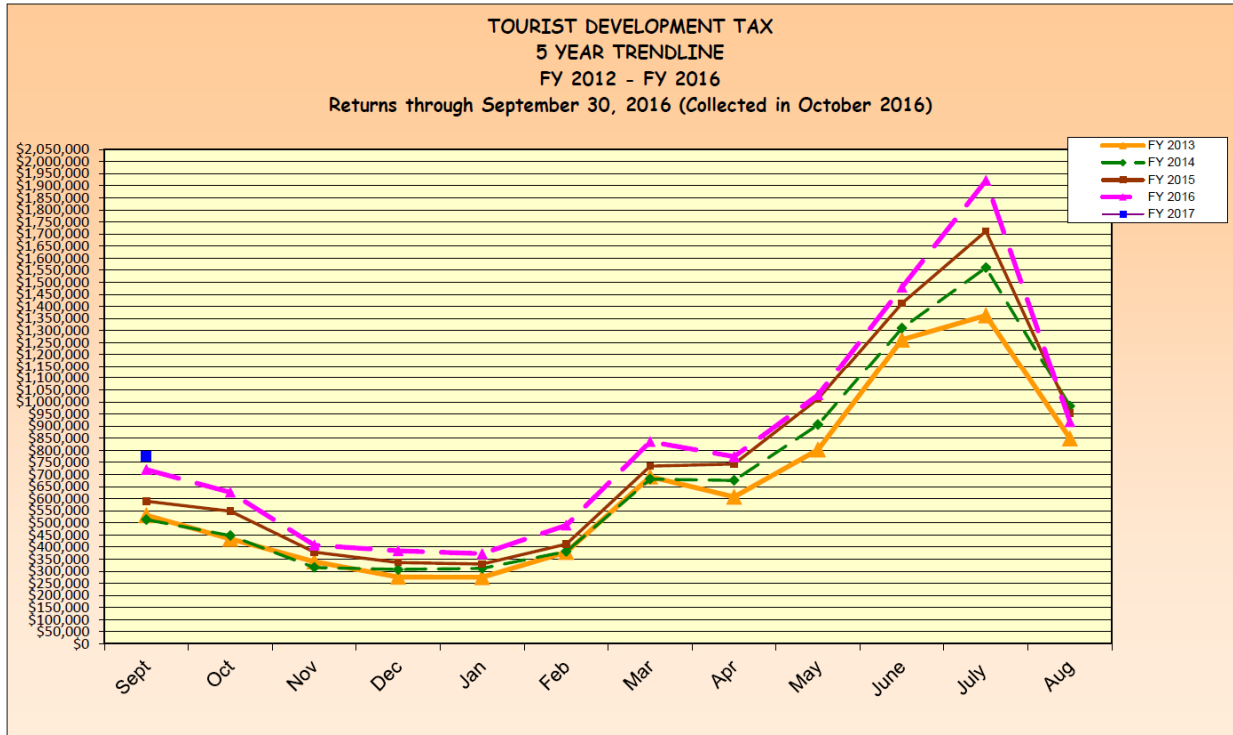
going to be much less than projected based on MLS sales. Area developers have recognized the need for new subdivisions based on the population growth and are actively developing new subdivisions and apartments, with the majority of this growth being in the northwestern Pensacola area near the growing Navy Federal Campus.

Some of the motivation behind the area population growth is the area military bases. The U.S. Government has been downsizing and closing military bases all over the world as well as within this country. Rather than being downsized, the Pensacola area bases have been realizing net gains as departments and personnel from closed bases are being relocated to this area. In 2015, the Naval Air Station (NAS) Pensacola website <http://www.globalsecurity.org/military/facility/pensacola.htm> stated there were more than 9,600 military personnel and 6,800 civilians working in the Escambia and Santa Rosa County areas.

An additional explanation behind the Pensacola area growth is the location in the "Sunbelt" along the Gulf Coast of Florida. The sugar white beaches and clear waters of the Gulf of Mexico attract thousands of visitors every year. Realizing the area benefits (year-round sunshine, warm temperatures, no snow); many of these visitors choose to make Pensacola their permanent home.

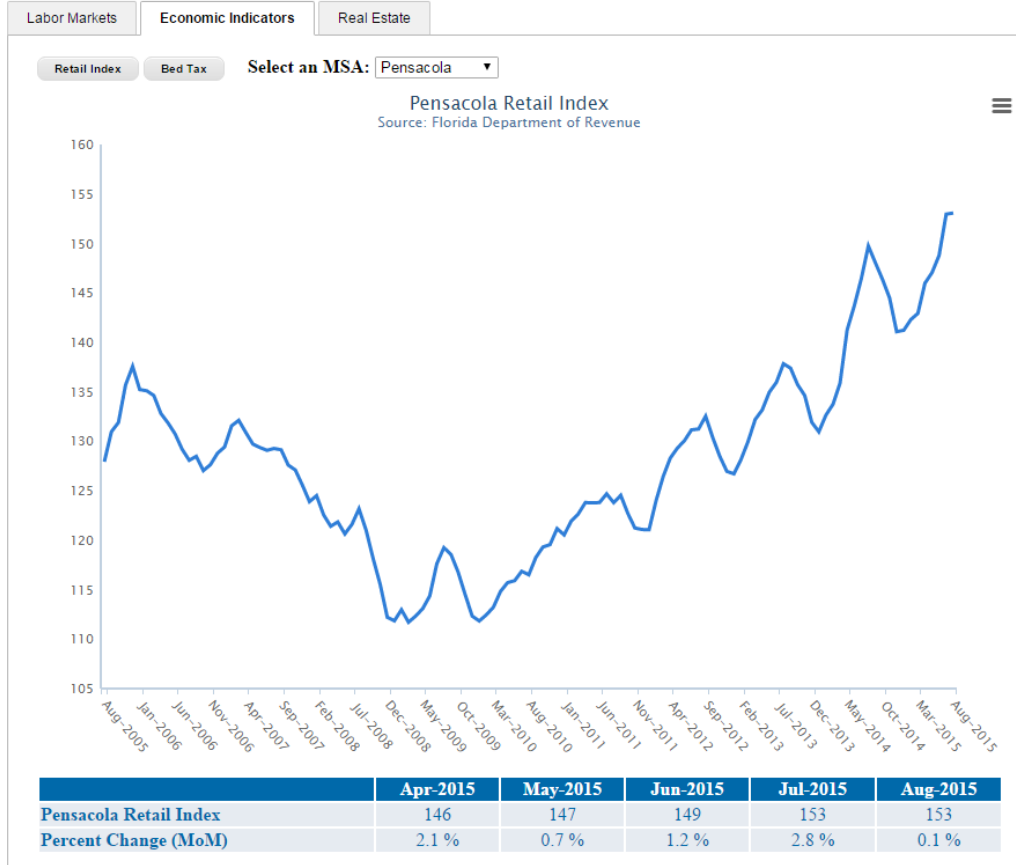
Tourism in the general area is one of the largest industries, along with the military. To capitalize from the growing number of tourist, the county has a local "bed tax" that produces additional revenue from the number of tourist staying in the various hotels and motels throughout the county. As reported by the Clerk of the Circuit Court's Office of Escambia County, the area has been realizing steady tourism growth since 2010. The 2016 tourism sales are about 8% above the 2015 numbers, indicating a very robust and growing tourist industry. The trailing 12 months of Tourist Development tax Collection Data follows.

GENERAL AREA DATA (Cont'd.)



As illustrated by graph below, the Pensacola MSA retail index has been increasing since 2009. The average rate of increase is currently about 2% Month over month.

MSA Level Data

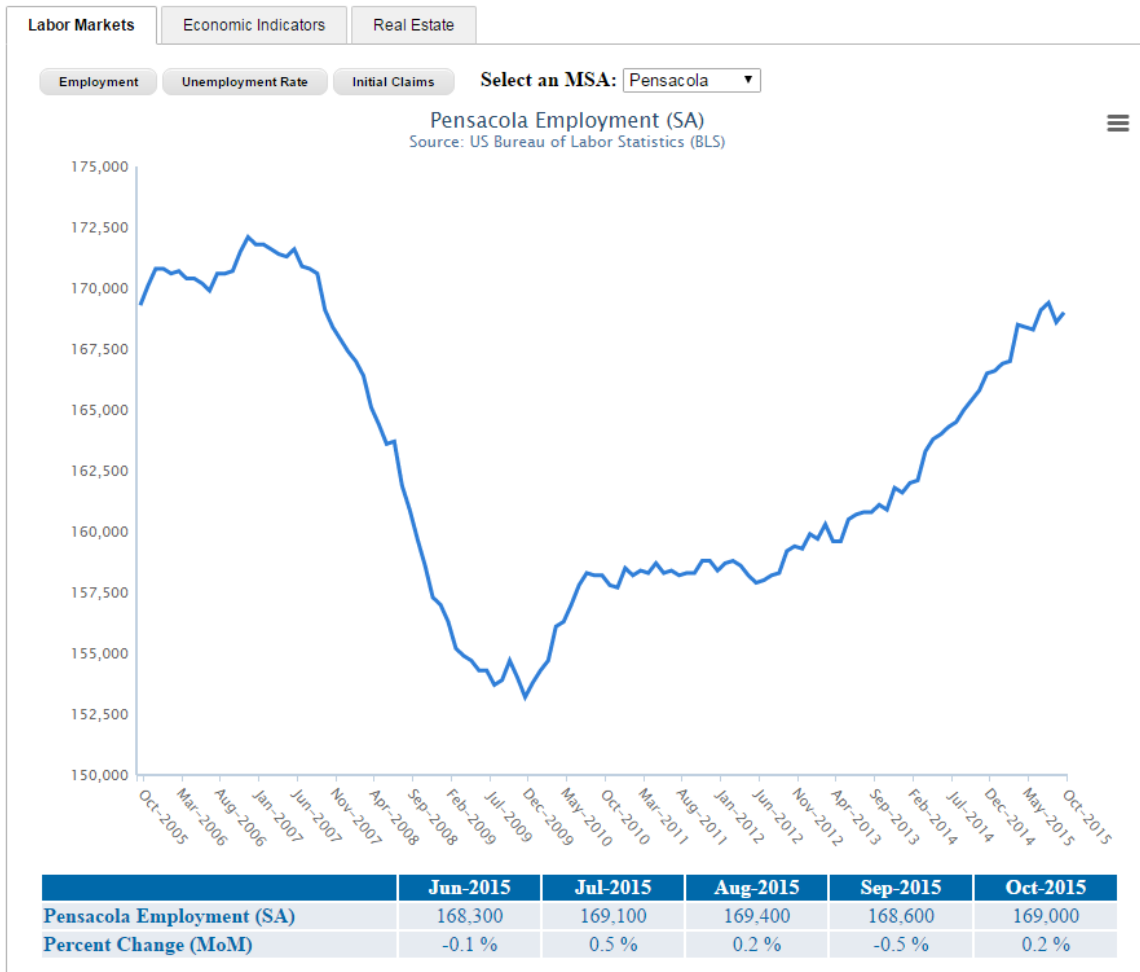


Source: Haas Center for Business Research and Economic Development

GENERAL AREA DATA (Cont'd.)

According to the Haas Center, the business cycle index for the Pensacola MSA appears to be increasing since the recent recession. The following graph also shows that job growth is beginning to take place again. While it has not recovered to pre-recession numbers, jobs are steadily increasing since the lows realized in 2009 and 2010.

MSA Level Data



Source: HAAS Center

GENERAL AREA DATA (Cont'd.)

ECONOMIC CHANGE AND ADJUSTMENTS

In addition to considering the area's population and expected increases, a commercial study should also consider area economics. Even if the population continues to increase, the new population must be able to afford the area goods and services; therefore, it becomes necessary to look at the economic conditions and the projected economic future.

According to the *U.S. Bureau of Labor*, the Pensacola MSA unemployment rates were 4.6% in April of 2015, which is slightly below the most current state average of 5.5%. The services sector is the primary employer in the Pensacola MSA at 46.9%, as reported by the STDB's most recent information (2015). The retail trade is the secondary source of employment with 12.8% of the workforce, construction is 11%, finance/ insurance/ real estate is 6.5%, and manufacturing makes up 5%.

Area tourism is a component of both the services sector and the retail trade. According to *Florida's Great Northwest*, job growth is expected in the Pensacola MSA, which is shown on the following chart.

GENERAL AREA DATA (Cont'd.)

Description	2013 Jobs	2014 Jobs	Growth	% Growth	2012 EPW
Agriculture, natural resources, and mining	6,083	6,441	358	6%	\$29,363
Construction	12,428	12,442	14	0%	\$40,361
Education and health services	33,396	34,089	693	2%	\$48,197
Financial activities	20,016	20,511	495	2%	\$38,158
Government	40,660	40,762	102	0%	\$60,516
Information	3,309	3,278	31	1%	\$53,022
Leisure and hospitality	22,805	23,081	276	1%	\$17,810
Manufacturing	6,018	5,970	48	1%	\$65,889
Other services	14,215	14,398	183	1%	\$19,320
Professional and business services	27,613	27,837	224	1%	\$38,840
Trade, transportation, and utilities	34,154	34,370	216	1%	\$35,587
Total	220,697	223,179	2,482	1%	\$41,097

Source: EMSI Complete Employment - 2012.4

According to the West Florida Economic Development Alliance, some of the 2015 top area major employers in the Pensacola MSA include Baptist Health Care (4,494); Sacred Heart Health Systems (3,483); Navy Federal Credit Union (3,845); Gulf Power Company (1,774); West Florida Healthcare (1,300); Ascend Performance Materials (800); West Corporation (800); Medical Center Clinic (500); Santa Rosa Medical Center (498); International Paper (450); Cox Communications (400); CHCS service/iGate (380); Blackwater Correctional Facility (348); Armstrong World Industries (300) and Media Com (300) to name a few.

GENERAL AREA DATA (Cont'd.)

Recently Navy Federal Credit Union announced its latest and greatest expansion plans to its Pensacola campus, which currently employs over 3,845. Navy Federal purchased an adjoining 240 acres and is in the process of a \$350 million expansion that will create an additional 5,000 jobs with average salaries of \$44,000 a year by 2016. This investment is also estimated to bring around 1,000 new indirect jobs to the regional economy. NFCU announced they expect to have a total of 10,000 employees at their Nine Mile Road, Pensacola location by 2020. Once these planned expansions are completed, Navy Federal will by far be the largest employer for the Pensacola MSA. These announcements will help in the local economic development efforts for recruiting more regional, national and international firms to the area.

Adjacent to the Navy Federal's Heritage Oaks campus is an approximate 640-acre Navy Outlying Landing Field (OLF) being purchased by Escambia County for the development of a commerce park expected to eventually create an additional 4,000 jobs. Escambia County has agreed to purchase a 601-acre parcel in Santa Rosa County to relocate the current OLF. Once the county takes possession of the existing OLF they will spend between \$10 million and \$15 million to develop the commerce park.

Gulf Power, the area's power company, has been actively buying up 4,000 acres of land in the north end of Escambia County for a new power plant that will likely replace the existing coal burning Christie Plant found along the Escambia River in northern Pensacola. According to Sandy Sims, Gulf Power's Economic Development Manager, Gulf Power has already purchased 3,000 acres and has the remaining 1,000 acres under contract or identified for the new plant. It is not yet known if the new plant will be a natural gas plant or a nuclear plant but they expect to finalize their plans by the end of 2014. Replacing the coal plant with a cleaner energy plant will aid in cleaning up Escambia Bay and will help the area's air quality.

Another recent announcement is the new 30 year lease between the City of Pensacola and ST Aerospace Mobile, Inc. in 2014, a Singapore-based company that does

GENERAL AREA DATA (Cont'd.)

maintenance repairs and overhauls for large commercial aircraft. The agreement would provide ST with a \$37 million dollar maintenance and repair facility on 19 acres at Pensacola International Airport's commerce park and ST will bring in about 300 high-skill, high-wage jobs. Securing a long-term contract with ST raises Pensacola's profile among domestic and international aerospace parts suppliers. This is particularly important in light of the parts suppliers that eventually will be locating near the \$600 million Airbus Assembly Plant, currently under construction at Mobile's Brookley Aeroplex. The first Airbus A-320 passenger jets are expected to roll off the assembly line in 2016.

Downtown at the Community Maritime Park for Blue Wahoos, Quint Studer has just finished construction on a \$15 million four-story office building and the building is fully leased at \$28.00/SF – full service. Beck Property Company also recently started construction on its \$4 million-plus, three-story, 26,715 square foot mixed-use building at the corner of Port Royal Way and Main Street in the first half of 2014. This building will have retail on the ground floor, Beck office space on the second floor and luxury condominiums on the third floor. Just east of the Maritime Park, the newly renamed Bank of Pensacola's new multimillion dollar branch at Palafox and Main Street was completed at the end of 2014.

The first apartment complex to be started in numerous years began construction in 2014. The South at Navarre Beach will be a 250-unit, \$34.5 million project being constructed in the Navarre area of South Santa Rosa County. The complex will include five four-story buildings with 129 one-bedroom units, 101 two-bedroom units and 20 three-bedroom units. The complex is expected to be completed within 18 to 20 months with staggered openings. The Studer Group purchased the old News Journal Building in downtown Pensacola and has begun interior demolition for redevelopment of the building into apartments.

The cost of living in the area is also one of the lowest in the country. National studies, which rate American cities for their desirability, commonly rate Pensacola's MSA near the top of the pack due to the low cost of living and high quality of life. The most recent report for the annual income per capita for the Pensacola MSA was \$23,517 (2014), the median household income was \$43,681 and the average household income was \$59,465.

GENERAL AREA DATA (Cont'd.)

In conclusion, the Pensacola MSA is considered to have a strong economic base, which is expanding. The area's U.S. Naval and Air Force bases are considered to have a solid future. Tourism is a large factor in the economic success of the area, and in spite of hurricane related setbacks and the oil disaster in the Gulf of Mexico in the past decade, recovery efforts have proven successful.

GOVERNMENTAL CONTROLS AND REGULATIONS

A general area analysis of a growing area would not be complete without considering the area's government and its outlook on future expansion. If the local government is anti-growth, laws can be enacted which would stifle development and population growth. On the other hand, if the government is pro-growth, taxes, zoning, agencies, and personnel can be used by the government to promote new business development, creating a larger economic base and additional population growth, which would support the existing and planned development of income producing properties. The Pensacola MSA governing bodies are pro-growth organizations.

The Escambia County government is a five man Board of Commissioners elected every four years by their district. They appoint a County Administrator who oversees the county budget and operations. This body has been actively obtaining land for new commerce parks and encourages new development.

Pensacola has a City Council with 7 council members elected to four-year terms and a "strong mayor" form of government, which included the mayor now being elected by the city residents and having more control in the daily operations of the city government, including overseeing the annual budget of over \$200 million. The city and county currently have zoning ordinances in effect covering the southern region of the county. The county also has a state required Future Land Use Plan which is designed to ensure organized growth over its 20 year life. This plan is reviewed every five years to ensure that it is keeping up with area needs. The plan can also be

GENERAL AREA DATA (Cont'd.)

petitioned for changes. The major topics handled in the plan include consistency, environmental, threatened and endangered species, land use approval on site plans, concurrency, and permitting.

General revenues are raised through an ad valorem tax system. The Escambia County Appraisers Office assesses the property at "just value" which is a percentage of market value that is supposed to be about 85% of market value; however, it commonly range from 20% to 85%. The area property taxes are among the lowest in the state, which makes it more affordable for new business development. The City of Pensacola has established a Community Redevelopment Administration (CRA), which is responsible for improving the look of the city. The CRA receives a portion of the taxes collected in the downtown district and utilizes these funds for infrastructure improvements (streets, sewer lines, water lines, parks, etc.). By upgrading the look of the city, the appeal also increases attracting additional business development and tourist dollars increasing the economic and population base.

The County and City governments also work closely with private businesses in efforts to attract additional business to the area. The government's development of structures such as the Pensacola Bay Center, the Saenger Theater and the Creative Arts Center, aid in drawing convention business to the area. Over the past several years, convention traffic has increased at a rate of about 30% per year bringing new visitors to the area who aid in strengthening the area's economic base; however, with the down turn in the economy convention traffic has slowed. The economic base is also strengthened by the government's development of industrial parks in which the land is sold to "clean air" industries at very low rates in return for the creation of additional area jobs expanding the economic and population base.

The Emerald Coast Utilities Authority (ECUA) relocated their Pensacola downtown wastewater treatment plant to the northern area of Escambia County. This project was a \$316 million development project that started in 2007 and was completed in December of 2010. The new state of the art facility creates the ability for additional industrial development in the north end of

GENERAL AREA DATA (Cont'd.)

the County and the water reclamation will be used for industrial purposes, greatly reducing overall water consumption. No effluent will be dumped into the area bays, so area water quality will be expected to increase with this new facility. The previous downtown sewer plant has been dismantled and cleared for future development. With the elimination of the wastewater smells, the waterfront will also be more desirable for new development, which is on-going.

On more of a regional basis, there is a new International Airport developed to the east in Bay County near the Walton County line. This project was constructed on about 2,000 acres donated by the Saint Joe Company and was completed in the fall of 2010. This airport provides the region with direct flights that are expected to aid in increasing the tourist populations. Additionally, after a large renovation project, the Pensacola Regional Airport was renamed the Pensacola International Airport. Land surrounding the International Airport is being purchased for redevelopment into a clean-air industrial park that will support airport operations.

In conclusion, the local governmental agencies aid in the development of the Pensacola MSA. Zoning, along with the Future Land Use Plan, is used to insure organized, homogeneous growth, which adds to the area's appeal. The low taxes and affordable real estate are also enticing factors for future prospective businesses. The government's willingness to aid in the development of the economic base also creates a stronger population base.

LOCATION AND PHYSICAL FACTORS

The location and physical factors of the area are important, as they are a major impetus in the relocation of Navy personnel, as well as the growth of new businesses and the civilian population. Available land, good weather, water, and recreational aspects are all factors considered by a potential future resident of the area. If these factors are congenial, they will aid in the growth and stability of the area.

GENERAL AREA DATA (Cont'd.)

Escambia County has a land area of approximately 661 square miles and an additional water area of 100 square miles. The altitude ranges from sea level to 120 feet above sea level. The eastern boundary of the county is the Escambia River and Escambia Bay. The western boundary is the Perdido River and Perdido Bay. Neither river is a navigable waterway to the extent of contributing to the economy. Santa Rosa County adjoins Escambia County to the east and has a land size of about 1,174 square miles and offers similar physical characteristics. Escambia and Santa Rosa Counties are located in the extreme northwestern portion of the state, being in what is called the "Panhandle" of Florida. Geographically, this MSA is located approximately 230 miles east of New Orleans, Louisiana; 250 miles south of Birmingham, Alabama; 350 miles southwest of Atlanta, Georgia; and 375 miles east of Jacksonville, Florida.

The City of Pensacola covers approximately 23 square miles of land in the southeastern part of Escambia County and the smaller cities of Gulf Breeze, Milton, and Pace are bedroom communities for Pensacola. The annual mean temperature is 69 degrees with an average rainfall of 62 to 87 inches. With an abundance of clear skies and warm weather, Pensacola is considered part of the "Sun Belt" of the United States. The "Sun Belt" states, especially Florida, have been growing in population faster than other areas of the United States in recent years.

One of the probable reasons for continuous growth of the Pensacola MSA is its accessibility. Pensacola is served by four major highways, which provide access to the north, east, and west. U.S. 90 (which runs from the East Coast of Florida to Texas), Interstate 10 (which runs from the Atlantic Ocean to the Pacific Ocean), U.S. 98 (which runs from the East Coast of Florida to Mississippi) and U.S. 29 (which runs from Pensacola to Washington, D.C.). The Interstate 110 spur connects with Interstate 10 just west of Davis Highway and runs to downtown Pensacola's Business District, connecting with U.S. Highway 98.

Pensacola's International Airport, with the recent completion of a \$30 million modernization, provides air transportation to all parts of the country. The Escambia County Transit

GENERAL AREA DATA (Cont'd.)

System operates bus lines throughout the metropolitan area and Greyhound Bus Lines provides inter-city bus transportation.

The natural deep-water harbor of Pensacola Bay, along with the large expanse of protected waters and the Gulf of Mexico, create an ideal training area for the U.S. Navy. These waterways also add to the area's economy through the Pensacola's Municipal Port Facilities handling cargo shipments to and from all parts of the world. Rail service also aids in the support of the port facilities with spurs running to the docks. While the southern and eastern most areas of Pensacola are nearly fully developed and are blocked from additional growth by the bays and Gulf of Mexico, there is plenty of developable land in the general area. The western and northern land areas of Escambia County and the Pace and Gulf Breeze areas of Santa Rosa County are the locations of the most active development and have proven to be popular among the new residents coming to the area. There is plenty of available land remaining for future growth for years to come.

Overall, the area's physical characteristics are considered a real asset for the general area of Pensacola. There is plenty of available land for additional business and residential development. The beaches and waterways create ideal recreational facilities for newcomers. The moderate temperatures and year-round sunshine also entice a large number of new businesses to the area, which aid in creating a larger population.

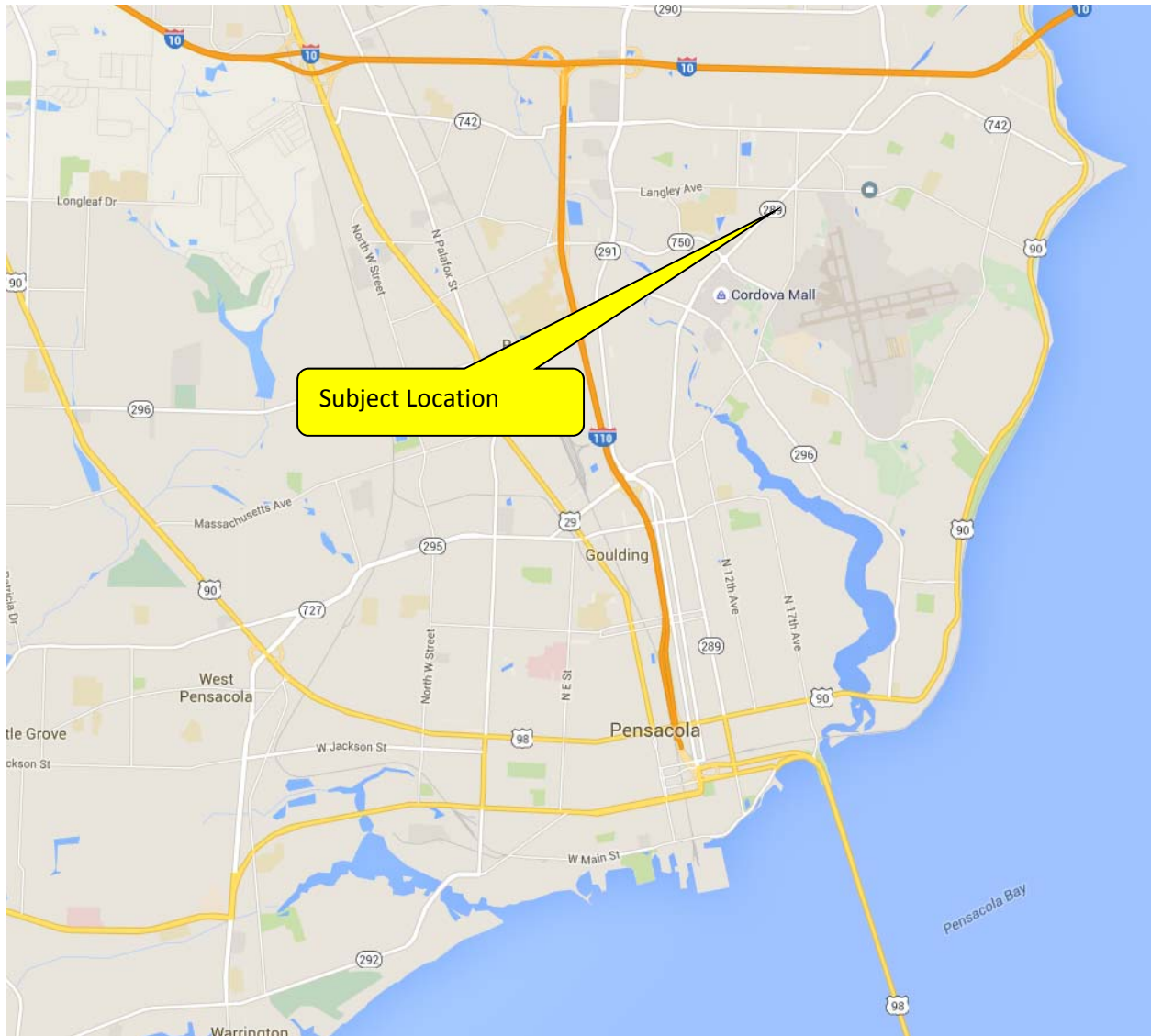
GENERAL AREA DATA CONCLUSION

Overall, the Pensacola MSA is considered to have a steady and positive outlook because of the stable to expanding military bases, tourist industry, and governmental support of private industry expansion and occupancies are increasing as a result. In 2010 the BP Gulf Oil Spill hurt tourism but it has since rebounded. The 2011 through 2014 tourism numbers were among the best of all time and there is an on-going advertisement campaign being paid for by BP that is aiding in

GENERAL AREA DATA (Cont'd.)

increasing the tourist numbers beyond what the area has ever seen. Area hotels are indicating 10%+ annual increases in revenues and the industry as a whole has expectations of adding employees. The military bases are another market sector that aids in helping the local commercial industry and as of the writing of this report, the area military bases appear to be stable with no cuts planned. New aerospace industry is moving into the area as is Navy Federal creating new jobs, which in turn is driving new home construction. The commercial markets are also benefiting from this growth, as they keep up with demand. The past trends are expected to continue into the foreseeable future.

NEIGHBORHOOD MAP



NEIGHBORHOOD ANALYSIS

A neighborhood is defined in *The Dictionary of Real Estate Appraisal*, Fourth Edition 2002 as: "A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises."⁵ Neighborhood boundaries are defined because properties within neighborhoods tend to be similar in characteristics with regard to land use, desirability, and are affected by similar physical, economic, governmental and social forces.

The subject neighborhood is considered to be the portion of the Pensacola area within the Pensacola City limits. This area's boundaries are considered to be, but are not limited to, Fairfield Drive to the west, Pensacola Bay to the south, Escambia Bay to the east, and I-10 to the north.

Major north/south arterials within this area include I-110, Palafox Street, Pace Boulevard, Fairfield Drive, 9th Avenue, and Scenic Highway. Major east/west arterials include Bayou Boulevard, Cervantes Street, Garden Street, Main Street, Brent Lane, Fairfield Drive, Airport Road and Bayfront Parkway. These arterials provide convenient and quick access within the subject neighborhood as well as other portions of the Pensacola MSA.

The downtown Business District of Pensacola includes typical private office buildings, government office buildings, courthouses, restaurants, shops and bars. There is also an historic district that includes a variety of residential and commercial buildings constructed around 200 years ago around several public parks. The majority of the buildings have been completely renovated and act as an historic tourist draw for the community. UWF is proposing to take greater advantage of the area's historic treasures by re-bricking the streets, creating a walking friendly environment and starting an advertising campaign aimed at the historic tourism industry. Festivals are held throughout the year in the many downtown parks. The current main tourist draw is Pensacola Beach, found about four miles to the south and provides white sand beaches, clear water and numerous hotels, shops, condominiums and homes but the new historic tourism industry is projected to increase annual tourism numbers by more than one million visitors per year.

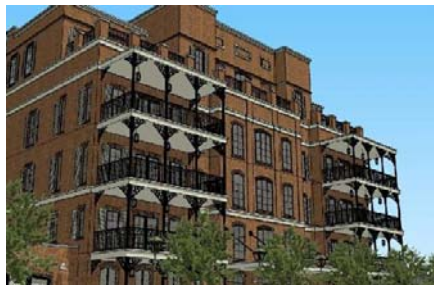
⁵ The Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. (Chicago, Illinois: Appraisal Institute, 2002), pg. 193.

Neighborhood Analysis (Cont'd.)

There have been a number of new developments in the Downtown area of Pensacola, and a summary of the most significant of them follows. The Community Maritime Park is located between Main Street and Pensacola Bay, at the south end of Baylen Street and was recently completed. It includes numerous vacant land sites for future commercial and/or residential development. The project features an expansive public waterfront park; a community multi-use stadium facility suitable for baseball, football and other athletic events, festivals and other community activities. There is also a water front pavilion for music and entertaining events. The water front grassed and walkway areas on the south end of the property were designed for festivals. The other vacant land areas found on the north side of the property can be developed with commercial; office; retail; residential; restaurant and entertainment uses.

Quint Studer recently completed construction on a \$15 million four-story office building directly north of the new Stadium and the building is fully leased at rates of \$28.00/SF, full service. Beck Property Company also recently completed construction on its \$4 million-plus, three-story, 26,715 square foot mixed-use building at the corner of Port Royal Way and Main Street, which is now fully occupied and includes retail on the ground floor, Beck office space on the second floor and luxury condominiums on the third floor. Just east of the Maritime Park, the newly renamed Bank of Pensacola's (previously First Navy Bank) new multimillion dollar branch at Palafox and Main Street was completed around the end of 2014.

Located at 701 South Palafox Street is a newly completed condominium project that was constructed by Ray Russenberger. This development includes 9 luxury condo units that are all sold with prices exceeding \$1,000,000 each. All of the units were pre-sold and have since closed.



Artist Rendering of New Condo Development

Neighborhood Analysis (Cont'd.)

A new YMCA building located at the southwest corner of Taragona Street and Intendencia Street. The building was recently completed and offers an open floor plan with 52,000 square feet, nearly doubling the size of their old downtown building. This building is creating additional demand for new living quarters in the downtown area and will greatly add to the quality of life.



Artist Rendering of the New Downtown YMCA

Located to the northwest of the Maritime Park property is the old sewage treatment facility. The ECUA constructed a new state of the art treatment facility in the northern end of Escambia County and completed the demolition of the old sewer facility. The nearly 20 acre cleared site is now grassed and available to be re-developed, which should further enhance the desirability of the downtown area. The new owner of this site is now in the planning stages of a mixed use development that will include a variety of uses and while they have several conceptual plans, they do not specifically know what will be developed there yet.

Neighborhood Analysis (Cont'd.)

The Palafox Pier Restoration Project is a mixed use development located at the southern end of Palafox Street at the former location of the Municipal Auditorium. This project includes a 92-slip marina, a 7,200 square foot Harbormaster Building that is currently leased, the Icehouse Building with 21,000 square feet of office space currently leased and occupied by Merrill Lynch and EmCare. The City was said to have invested \$1.2 million in public infrastructure improvements with the mixed-use development being a combination of public and private funds.

The Palafox Pier & Yacht Harbour condominium development built in 2002 consists of two 35,206 square foot, four story buildings and a pedestrian plaza (park). Each building includes 7,500 square feet of retail/office space on the ground floor with four parking garages, 10,606 square feet of office space on the second floor and one-story and two-story condo units on the third and fourth floors.

Located immediately south of the Pensacola Bay Center is the new Technology Park development constructed by the City of Pensacola. The streets and all infrastructure necessary for high tech developments are in place and this property is ready for new vertical development. The City of Pensacola, along with Escambia County has provided the land and will sell the land to private individuals who plan to develop the area with buildings designed for companies requiring the latest in technology and the needed infrastructure. In connection with this development, the City of Pensacola created a large regional storm water retention lake located on the north side of Bayfront Parkway and on the east side of 9th Avenue at Admiral Mason Park. This allows for vacant properties to the north to be fully developed without the requirement of storm water run-off on site. The overall water retention design is a public park with the storm water retention lake landscaped and designed for public appeal and there is a walking path surrounding the lake and tasteful landscaping. A vacant site located across 9th Avenue from the Technology park was recently purchased and is proposed to be improved with two new hotels.

Neighborhood Analysis (Cont'd.)

In addition to the new development or redevelopment of this area downtown, several of the older buildings downtown were completely gutted and renovated. All of these renovated buildings are historic structures that are largely found along and nearby Palafox Street, which is the main north/south downtown arterial and the center of much of the new activity. Recently renovated buildings have been converted for restaurants, bars, offices, shops and entertainment venues creating one of the most desirable areas in the MSA. The Studer Group purchased the old Pensacola News Journal building found directly north of the new YMCA building and demolished it to make way for a new upscale mixed use rental building that will include commercial uses on the ground floor and rental apartments on the upper floors, which is now under construction. In association with the mixed use building is a new 7 level parking garage that is nearing completion. The old Rex Theatre building, constructed in 1910, was recently purchased by Harvest Church and went through a \$1.7 million dollar renovation. Now completed, this building hosts live theater events, movies, concerts and other special events. The old YMCA building was purchased by a private developer who has demolished parts of the old building to create new residential lots and other parts of the building will be renovated for restaurant and office uses.

The Blount-Brent Building Complex located at the southwest corner of Palafox Street and Garden Street is also undergoing a massive renovation. This 100,000+ Square foot structure is being completely renovated with boutique retail and restaurant uses on the ground floor and the upper floors are being renovated into a 34 suite boutique hotel and newly renovated office space. A new 110 room Holiday Inn is also nearing construction completion on the south side of Main Street just two blocks east of Palafox Street.

Located on the South side of Garden Street is a site that was once improved with a motel but the motel was removed so the site could be re-developed with a condo project; however, the condo development was put on hold due to the recession and the previous over-supply of housing units. The western portion of this site is now being improved with a new bank building and the eastern portion is for sale. Similarly, an older liquor store located on the

Neighborhood Analysis (Cont'd.)

south side of Gregory Street was demolished to make way for a condo development but this was also put on hold at the beginning of the recession and the land is now on the market. With the new demand created by all of the area activity, these two properties will likely come to life again in the foreseeable future.

There are four large multi-story office buildings in the downtown area. These buildings include the SunTrust Bank Building containing approximately 103,955 square feet, Harborview containing approximately 74,240 square feet, Southtrust Bank building containing approximately 77,400 square feet and One Pensacola Plaza containing approximately 108,997 square feet. Average occupancy in three of these buildings is above 90%. The SunTrust Building was recently vacated by SunTrust and is being purchased by the Studer Group for renovation but the specific uses that it will be renovated into have not yet been identified. There are also several other multi-tenant office buildings in the neighborhood that are reflecting occupancies from 80% to 90%.

The Palafox condo project previously identified is the first new residential development planned since the recession and while it is a fairly small project of only 9 units, its rapid sell-out indicates there is good residential demand for the downtown area. The News Journal Apartment redevelopment will be an additional test for new residential demand in the downtown area and the developer has indicated he has a long list of potential tenants. They also indicated that all but one of the commercial spaces are leased. There are numerous other smaller condo, townhouse and single family developments in the area that are being developed and rapidly absorbed, indicating good demand for housing.

The Pensacola Community Redevelopment Agency has been working to promote Pensacola and bring people into the downtown area daily. Among the initiatives recently introduced, are tax incentives that will entice new redevelopment projects. The City also closes Palafox Street one Friday night per month to vehicular traffic and opens it to pedestrian traffic for "Gallery Night". Gallery Night attracts many thousands of people who enjoy the new shops, restaurants and bars which are showcased along Palafox. In addition, there are bands found on

Neighborhood Analysis (Cont'd.)

some of the balconies as well as street performers and musicians found on the street. Open alcohol containers are also allowed creating a festive walkable community.



Photos of a Typical Gallery Night

There is a clean air industrial park area found to the north along the east and west sides of Palafox Street south of Brent Lane and north of Fairfield Drive. Another one is found south of Brent lane between I-110 and Palafox Highway. Located on the west side of Palafox Street north of Fairfield Drive is a super fund site that has been cleaned and capped by the EPA and they indicated that this land is now suitable for additional industrial development. The City of Pensacola is working with the State of Florida and the EPA to create an additional industrial park on the super fund land site. Located north of Brent Lane on Palafox Street is what is known as “Car City”, which is an area with many of the area’s new and used car dealerships. The growing Pensacola Christian College and Pensacola Christian School is found north of Brent Lane between I-110 and Palafox Street and they are actively buying properties to their south in an effort to grow their campus and population.

Overall, the subject’s neighborhood is following the path of other downtown locations around the country, which have been revitalized and now project a positive image for the community. These past trends are expected to continue with the help of private developers and

Neighborhood Analysis (Cont'd.)

the City of Pensacola resulting in the new life cycle of the neighborhood. There are several condominium and apartment buildings planned for the future in the downtown area, which will aid in the need for additional commercial support facilities. Continued revitalization efforts and increasing populations should place upward pressure on area property values and rents as the national economy recovers. With the past trends expected to continue, the subject neighborhood is considered to have a bright future for commercial and residential properties.

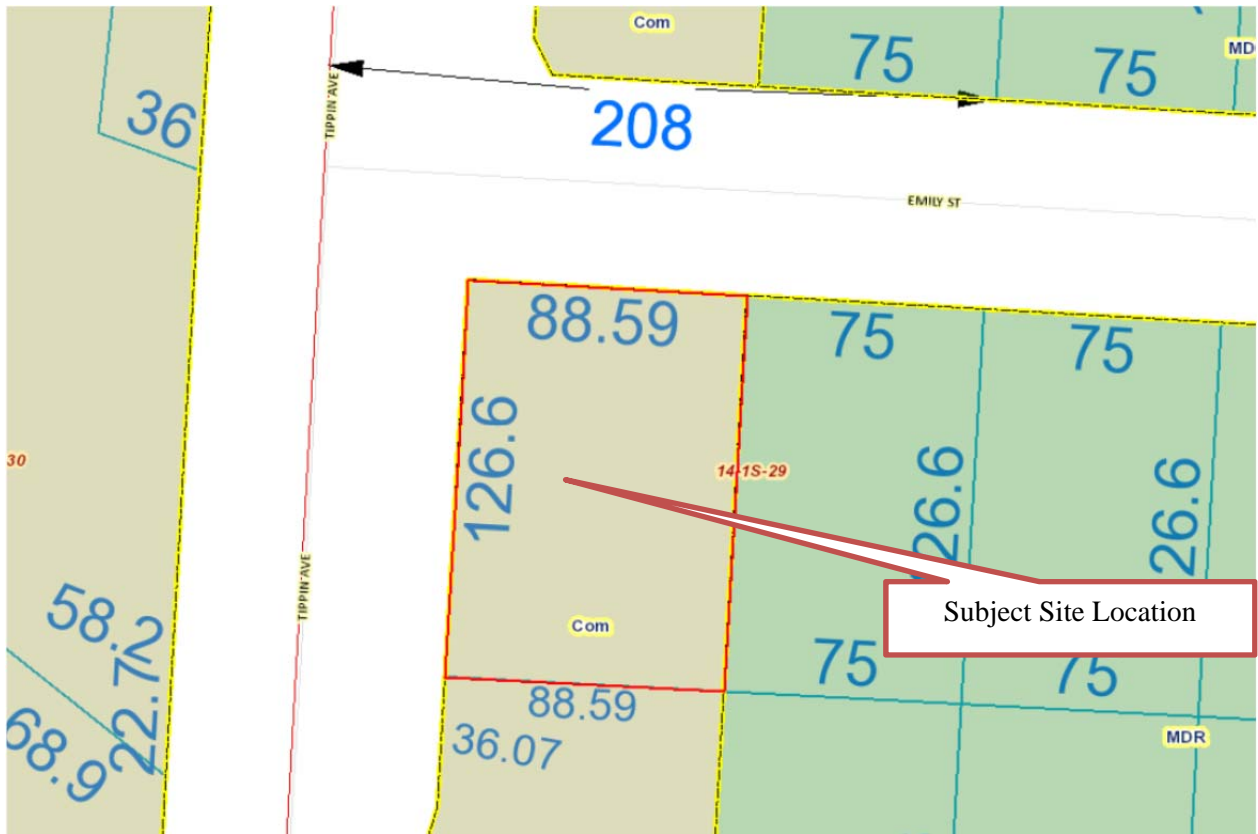
TAXES AND ASSESSMENT ANALYSIS

The subject property is assessed under the following property identification numbers by the Escambia County Property Appraiser.

Property Identification Number	Assessed Land Size Acres	Assessed Building Size Square Feet	Assessed Value	Annual Taxes	Past Due Taxes
14-1S-29-2100-001-002	0.25	1,300	\$63,884	\$1,056.31	\$0.00
		0	\$0		
Totals	0.25	1,300	\$63,884	\$1,056.31	\$0.00

The assessed value in comparison to the market value is considered to be reasonable, as such, the taxes are considered reasonable and would have no negative effects on the property value. All property taxes appear to be current.

LAND USE PLANNING, ZONING, CONCURRENCY



As per the above indicated zoning map, the subject site is zoned COM. The Commercial district establishes areas and land use regulations for general commercial activities, especially the retailing of commodities and services. The primary intent of the district is to allow more diverse and intense commercial uses than the neighborhood commercial allowed within the mixed-use districts. The current Retail/Office Building use is a legally conforming use of the property. A copy of the zoning ordinance for these districts is included in the addendum of this report.

PUBLIC AND PRIVATE RESTRICTIONS

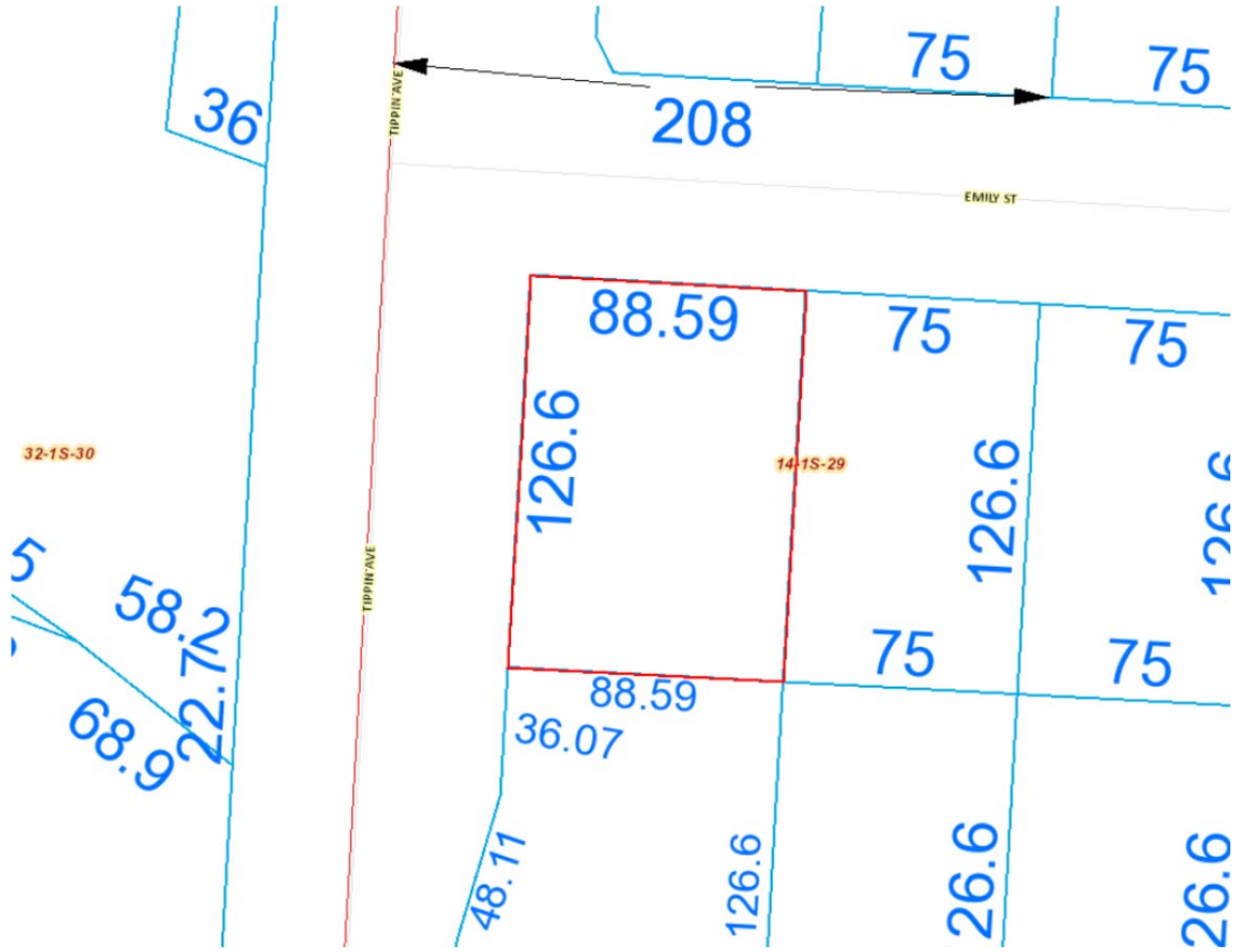
I know of no private restrictions that would limit the subject property; however, I was not provided with a title report for the property so it is assumed that the only restrictions that would regulate the subject property are the zoning requirements.

ENVIRONMENTAL CONCERNS

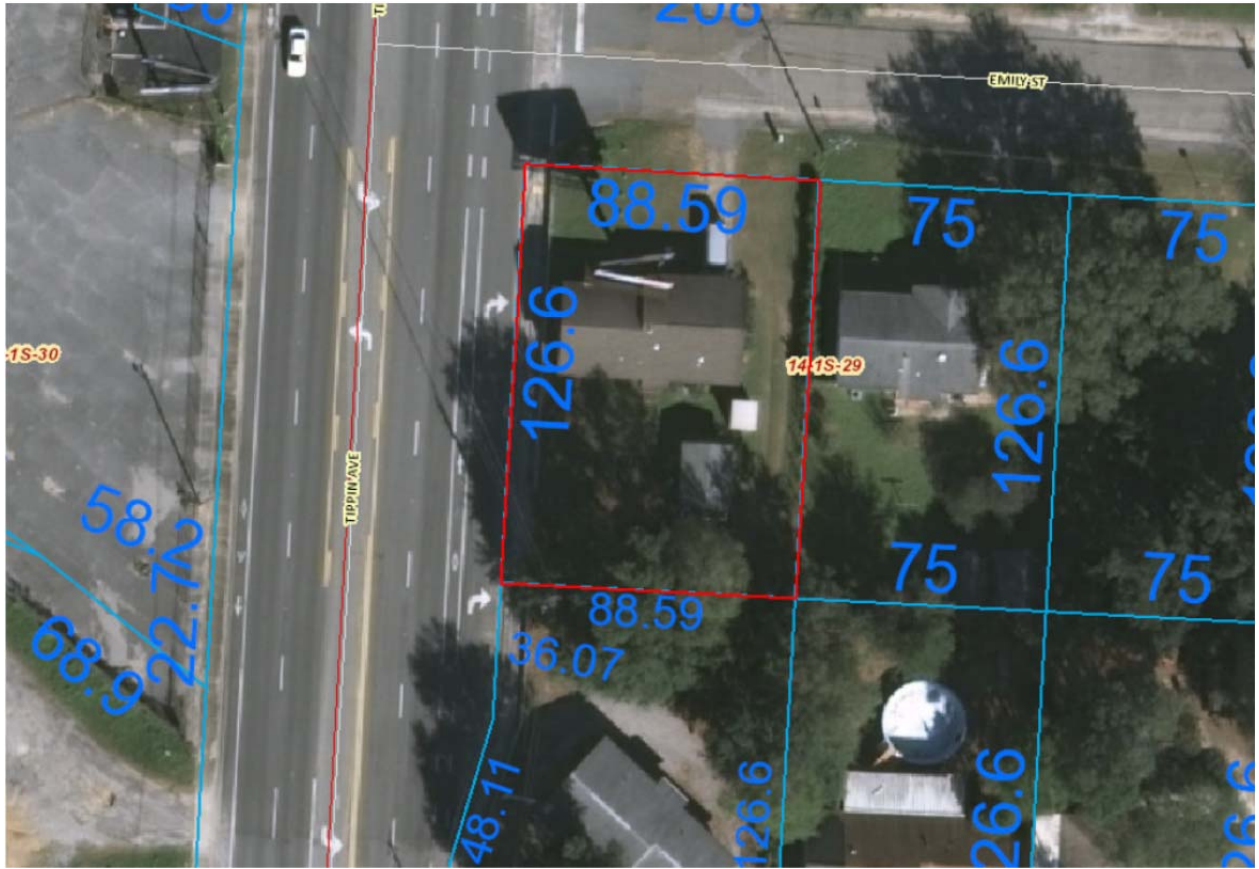
The property is improved with a retail building and appears to have no areas of environmental concerns. No evidence of surface soil stain was noted on the property and there does not appear to be any wetlands associated with the site.

The above is a very important assumption and limiting condition to the appraisal. From the viewing of the site, no evidence of hazardous substances “obvious to the untrained person” were observed, and no communication “through a reasonably reliable person” indicating possible contamination was received; however, I am not an expert in the environmental field and this information should be confirmed by an expert.

TAX PLAT



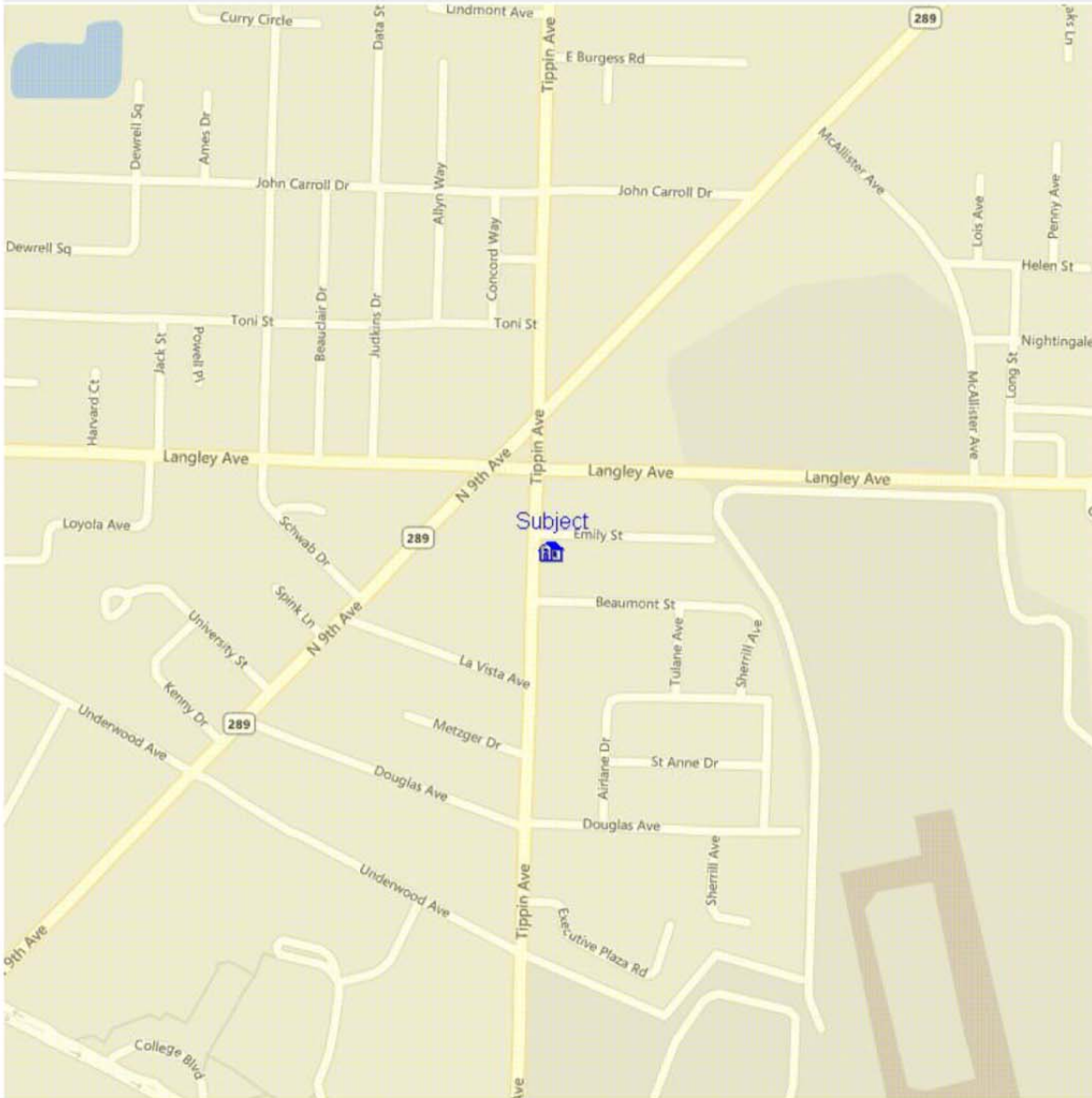
AERIAL



FLOOD MAP

STDB

Aug 7, 2017
 6200 Tippin Avenue, Pensacola, FL, 32504
 Lat 30.486866 Long -87.196572



MAP DATA

Panel Date	September 29, 2006	FIPS Code	12033
Map Number	12033C0380G	Census Tract	0011.01
Geocoding Accuracy	S8 (Most Accurate) - single valid address match, point located at a single known address point candidate (Parcel)		

Flood	
	X or C Zone
	X500 or B Zone
	A Zone
	V Zone
	D Zone
	Area Not Mapped

SITE DESCRIPTION

For better visualization of this narration, please refer to the preceding drawings and following photographs.

- LOCATION:** The property street address is 6200 Tippin Avenue, Pensacola, Florida 32504. The subject property is located in the southeast corner of Tippin Avenue and Emily Street.
- AREA:** The land size is 0.257 acres or 11,216 square feet.
- SHAPE:** The property has a rectangular shape and offers good utility.
- DIMENSIONS:** According to the tax plat, the site has dimensions of 88.59' x 126.6'.
- INGRESS/EGRESS:** The subject property contains approximately 126.6 feet of frontage along the east right-of-way of Tippin Avenue and 88.59 feet of frontage along the south right-of-way of Emily Street. Ingress and egress are considered to be good.
- TOPOGRAPHY:** The site is level at road grade for Emily Street and above road grade for Tippin Avenue. No irregular topographical features were noted.
- FLOOD DATA:** According to FIRM Flood Map #12033C 0380G, dated 9/29/2006, the subject property is located in flood zone "X", an area requiring no base minimal elevation.
- DRAINAGE:** The land appears to be well drained with no wetland areas noted.
- SOIL COMPOSITION:** The soil is of a sandy composition. Based on the subject improvements and nearby improvements located upon similar soil types, it appears that this land is well suited for commercial development.
- UTILITIES ON SITE:** All utilities are available to the subject site.
- SITE IMPROVEMENTS:** The subject property is improved with an approximate 1,284 square foot retail store operated as Farley's Old & Rare Books store. The improvements also include two storage buildings. The property is currently listed for sale for \$175,000 by Beck Partners. The property is owner-occupied.

SITE DESCRIPTION (Cont'd.)

EASEMENTS/

ENCROACHMENTS:

According to the tax plat, no easements or encroachments were noted. I am unaware of any adverse easements or encroachments that would adversely affect the marketability or value of the property.

RESTRICTIONS:

I know of no private restrictions that would limit the subject property; however, I was not provided with a title report for the property so it is assumed that the only restrictions that would regulate the subject property are the zoning requirements.

CONCLUSION OF CONFORMITY:

The subject property is located in the southeast corner of Tippin Avenue and Emily Street in Pensacola. This is a well-developed and high traffic area with good exposure for retail and office properties. The site appears to be well suited for commercial development as reflected in the existing improvements and surrounding development. The site contains adequate road frontage for exposure and access and appears to be well drained.

PHOTOGRAPHS



Front View of Property



Rear Exterior View of Improvements

PHOTOGRAPHS



View of Concrete Block Storage Building



View of Small Metal Storage Building

PHOTOGRAPHS



View of Main Retail Area



View of Retail Area

PHOTOGRAPHS



View of Retail Area



View of Kitchen Area

PHOTOGRAPHS



View of Office



View of Office

PHOTOGRAPHS



View of Restroom



View East on Emily Street

PHOTOGRAPHS

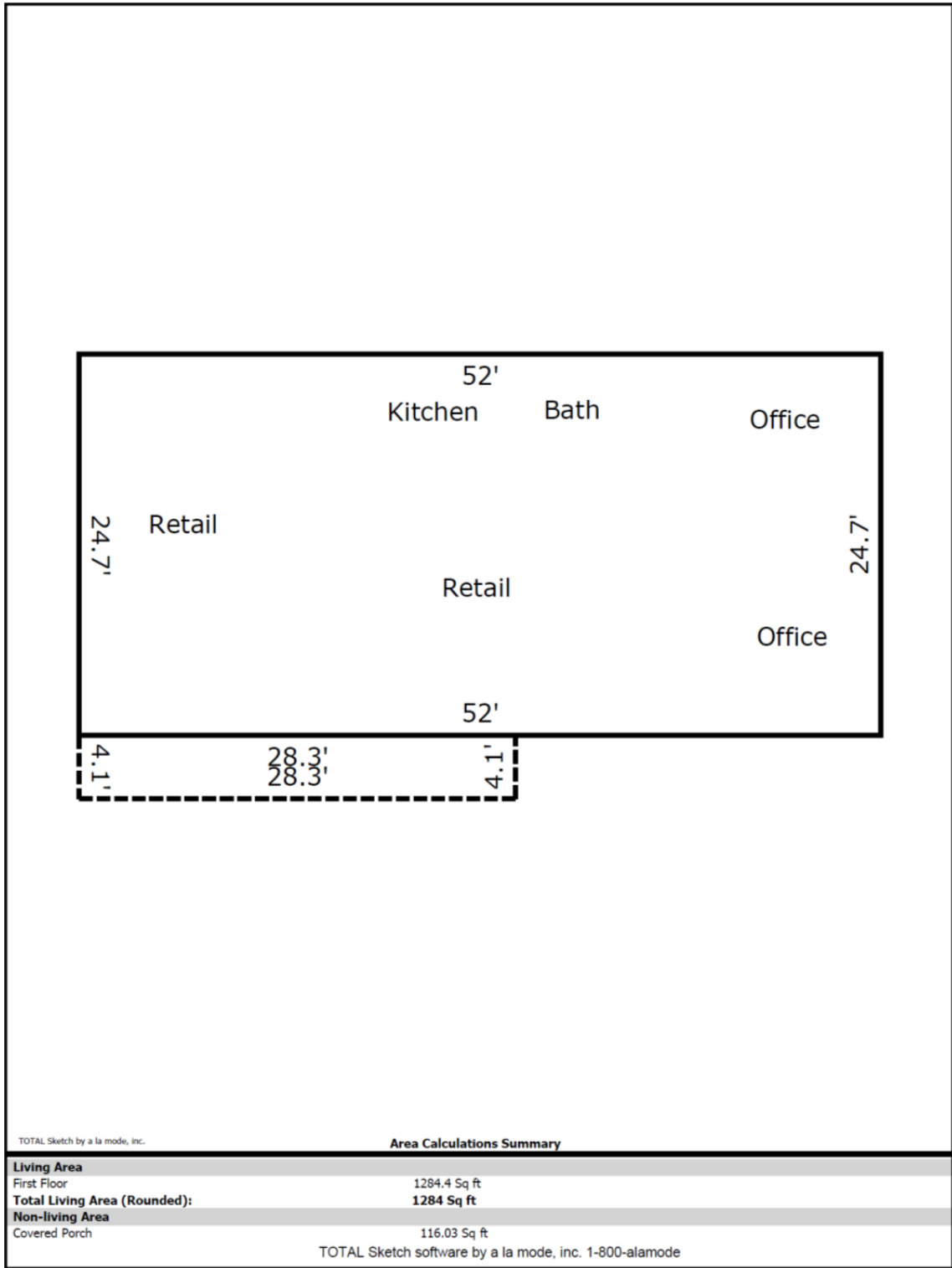


View South on Tippin Avenue



View North on Tippin Avenue

SUBJECT BUILDING FLOOR PLAN



TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Living Area	
First Floor	1284.4 Sq ft
Total Living Area (Rounded):	1284 Sq ft
Non-living Area	
Covered Porch	116.03 Sq ft

TOTAL Sketch software by a la mode, inc. 1-800-alamode

DESCRIPTION OF IMPROVEMENTS

LOCATION:	The property street address is 6200 Tippin Avenue, Pensacola, Florida 32504. The subject property is located in the southeast corner of Tippin Avenue and Emily Street.
BUILDING SIZE:	The subject is improved with an approximate 1,284 square foot, concrete block retail/office building.
AGE:	The improvements were originally constructed in 1963 as a residence and have been updated through the years. The effective age is estimated to be 25 years with a remaining economic life of 15 years.
FOUNDATION:	The structure is building on concrete piers with a wood sub-floor.
EXTERIOR WALLS:	The building has concrete block exterior walls.
ROOF:	The roof is composite shingle over wood frame and sheathing.
INTERIOR FLOOR:	The flooring includes a mixture of hard wood, ceramic tile and carpeting.
INTERIOR WALLS:	The interior walls are painted drywall and wood paneling.
CEILING:	The ceilings is painted drywall.
LIGHTING:	Flush mount florescent light fixtures provide adequate lighting for the building.
HEAT/AIR:	The building is serviced by a central HVAC systems that appears adequate for the building.
RESTROOMS:	The building includes one restroom that appears to be adequate for the current use of the property.

DESCRIPTION OF IMPROVEMENTS (Cont'd.)

FENESTRATION: The building has single-pane aluminum framed windows around the perimeter of the building, two front doors and one rear door. Overall, the fenestration of the building is considered to be adequate.

**CONDITION/
QUALITY:** The building is constructed of average quality materials considered to be an Average Quality Class "C" Office Building in average condition.

COMMENTS: The improvements consist of an older residence that has been converted to an office/retail use. The improvements were originally constructed in 1963 and have been renovated over the years reflecting an effective age of approximately 25 years. The improvements are considered to be in average condition.

EQUIPMENT: This appraisal considers the real estate only.

OTHER SITE IMPROVEMENTS

In addition to the building, site improvements include an approximate 277 square foot concrete block storage building with window unit air-conditioning and an approximate 50 square foot metal storage building. The improvements include a concrete drive for two cars and an approximate 116 square foot covered entry with handicap ramp. There is a billboard sign in front of the building, but the owners do not receive any rent from the signage as they paid for the location of the sign several years ago. The land to building ratio is 8.74:1, which is also considered to be a good ratio for a office/retail use.

HIGHEST AND BEST USE

A brief definition of the term "highest and best use" would be:

"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 profitability."⁶

Implied within this definition is recognition of the contribution of that specific use to community environment or to community development goals in addition to wealth maximization. Also implied is that the determination of highest and best use results from the appraiser's judgment and analytical skills, i.e., that the use determined represents an opinion, not a fact.

The Highest and Best Use section of this report is the pivotal point in the appraisal process. All previous data is used to test the four criteria of: (1) legally permitted, (2) physically possible, (3) economically feasible, and (4) maximally productive.

LAND AS THOUGH VACANT

Legally Permissible - All legally permissible uses should be analyzed when considering a site's highest and best use. The zoning maps indicate the subject property is zoned COM. The Commercial district establishes areas and land use regulations for general commercial activities, especially the retailing of commodities and services. The primary intent of the district is to allow more diverse and intense commercial uses than the neighborhood commercial allowed within the mixed-use districts.

⁶ American Institute of Real Estate Appraisers, *The Dictionary of Real Estate Appraisal*, Third Edition, 1993, pg. 171.

HIGHEST AND BEST USE (Cont'd.)

Physically Possible - Of the legally permissible adaptations of the site, those physically possible uses require consideration and analysis. The size and location of the parcel are important aspects of value. The subject property is located at 6200 Tippin Avenue in Pensacola, Florida 32504. The land size is 0.257 acres or 11,216 square feet and the property has a corner location. The property has a rectangular shape and offers good utility. The subject property contains approximately 126.6 feet of frontage along the east right-of-way of Tippin Avenue and 88.59 feet of frontage along the south right-of-way of Emily Street. Ingress and egress are considered to be good. The site is level at road grade for Emily Street and above road grade for Tippin Avenue. No irregular topographical features were noted. The land appears to be well drained with no wetland areas noted. The soil is of a sandy composition. Based on the subject improvements and nearby improvements located upon similar soil types, it appears that this land is well suited for commercial development. All utilities are available to the subject site. These characteristics are considered to be ideal for improvement of the site to any of the legal conforming uses. Considering the location along a major thoroughfare for the neighborhood, a retail or office development would be the logical use of the site.

Financial Feasibility - Of the legally permissible and physically possible adaptations of the site, only those uses which are financially feasible should be considered. The cost of construction still exceeds the cost of purchasing existing commercial properties along Tippin Avenue. Therefore, assuming the property were vacant land, the only feasible use would be to hold until an end-user required and supported new construction.

HIGHEST AND BEST USE (Cont'd.)

Maximally Productive - The financially feasible use which results in the greatest return to the land is the one which is considered to be the highest and best use of the land. The maximally productive use of the land would be to hold until an end-user supported the demand for new construction.

AS IMPROVED

The subject property is improved with an approximate 1,284 square foot retail store operated as Farley's Old & Rare Books store. The improvements also include two storage buildings. The property is currently listed for sale for \$175,000 by Beck Partners. The property is owner-occupied.

The current use represents a legally conforming use of the site. The improvements were originally constructed in 1963 as a residence and have been updated through the years. The effective age is estimated to be 25 years with a remaining economic life of 15 years. With such a long remaining life and a legally conforming use, the highest and best use of the property is considered to be the continued office/retail use.

Conclusion – Highest and Best Use

Probable Use: The highest and best use of the property is the continued use as a retail/office building.

Timing for use: Immediately

Probable Buyer/User: The probable buyer would be an investor or end user.

EXPOSURE TIME

According to the *2016-2017 USPAP*, the definition of the term “exposure time” would be:

“The estimated 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.”;⁷

In other words, this is a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Based on the sales found within this report and conversations with local market participants, the subject’s exposure time is estimated to be from six to twelve months. This exposure time assumes the sale to have been handled by a knowledgeable real estate broker familiar with the subject real estate market.

⁷ USPAP 2012-2013 Edition. (The Appraisal Foundation, 2012-2013), pg. U-3.

MARKETING TIME

A brief definition of the term “marketing time” would be:

“The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal.”⁸

Based on the sales found within this report, current listings and conversations with local market participants, the subject’s marketing time is estimated to be from six to twelve months. This marketing time assumes the sale to be handled by a knowledgeable real estate broker familiar with the subject real estate market. It also assumes aggressive real estate sales tactics and readily available contacts active in the subject real estate market. The subject’s marketing time is considered to be reflective of the exposure time as little change is expected in the market.

⁸ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. (Chicago: Appraisal Institute, 1993), pg. 220.

THE VALUATION PROCESS

There are three (3) commonly accepted approaches to value: The Cost Approach, Income Approach, and Sales Comparison Approach. All three utilize market derived information and are “market driven” approaches, as will be shown in the analysis.

The Cost Approach is a summation of land value and improvement value. The land is valued as though vacant and available for its highest and best use. The improvement is valued by first estimating the reproduction costs new from which all forms of depreciation are deducted. Depreciation can be both from deterioration and obsolescence. Obsolescence is further categorized as functional or external. The analysis of obsolescence, based on the highest and best use analysis, accounts for deductions necessary if the improvement is not adequate for the site.

The steps for the Income approach are to first estimate an economic rent for the subject. This analysis is made even if the property is owner occupied. From the gross potential income there is first deducted allowance for vacancy and collection loss with further deductions then made for the expenses applicable to the type property being valued. This net operating income is then capitalized into an indication of value through the use of an appropriate capitalization rate.

The Sales Comparison Approach is an estimation of the property value by comparison with recent sales of similar or competitive properties extracted from the subject’s market. The “market”, rather than being the immediate proximity to the subject, is considered that area, local, regional or even national that would be considered by a prospective buyer of the subject property.

These approaches do not make value. They are merely tools in the hands of the appraiser who must carefully weigh each value indication, give appropriate weight to the approach and reconcile into a final value conclusion. Given this is the valuation of an existing retail/office building reflecting an effective age of approximately 25 years, only the sales comparison and income approaches to value are employed. The elimination of the cost approach would have no adverse effect on the reliability of the value reported.

SALES COMPARISON APPROACH

The sales comparison approach involves direct comparisons to the subject property of similar properties that have sold in the marketplace. The approach consists of searching the market for sales, qualifying the sales prices and terms with one of the participants in the sale, comparing the sales to the subject property for differences, adjusting the sales for those differences and formulating an opinion of value from the adjusted value indications. The improved sales which are utilized will be compared on a cost per unit basis depending on the “typical” unit used by market participants.

The market derived adjustments follow a specific, logical order so as not to skew the results. The adjustments listed in order include: Property rights, financing, condition of sale, date of sale or market conditions, location and various physical adjustments which can be considered together. While an adjustment for each may not be required, they are considered resulting in a comparable unit of measure.

The units of comparison may be physical, such as dollars per square foot of area, or they may be economic, such as gross rent multipliers. These units of comparison yield a pattern which is reconciled and converted to a value indication for the subject via the sales comparison approach.

COMPARABLE IMPROVED SALES

Improved Sale No. 1

<u>Property Identification</u>	Record ID	651		
Building Type	Commercial			
Property Name	Office Building			
Address	2180 Creighton Road, Pensacola, Escambia, FL 32504			
Location	2180 Creighton Road			
Tax ID	31-1S-30-1500-001-001			
<u>Sale Data</u>				
Grantor	Walthall and Associates, Inc.			
Grantee	Three Sons Properties, LLC			
Sale Date	June 27, 2016			
Record Number	7550/1591			
Property Rights Transferred	Fee Simple			
Financing	Cash to Seller			
Conditions of Sale	Arm's Length			
Sale Price	\$172,500	Day on Market	1 Week	
<u>Land Data</u>				
Land Size	0.242 Acres or 10,562 SF			
Land to Building Ratio	5.31:1			
Road Frontage	79 FF			
Flood Zone				
Estimated Land Value	\$75,000			
<u>Building Data</u>				
Building Size SF	1,989 SF	Assessed Value	\$144,849	
Year Built	1980	Effective Age		
Value Of Improvements Only	97,500.00	Leasable Building SF	SF	
<u>Income Analysis</u>				
<u>Indicators</u>				
Sale Price/Gross SF	\$86.73/SF			
Sale Price/Leasable SF	/SF			
<u>Verification</u>	Chuck Walthall, Seller, 850-478-9002, August 02, 2017			
Confirming Appraiser	Rodger Lowery, MAI			

Remarks

The subject property has been owner-occupied for several years. The owner placed the property for sale by owner and had a contract within a week. The property had been used as an insurance office for several years. The buyer performed some renovations to accommodate their needs and the property remains owner-occupied by the buyer. The improvements appear to be in average condition.

Improved Sale No. 1 (Cont.)
Comp Photo



Comp Site

Improved Sale No. 2

<u>Property Identification</u>	Record ID	376		
Building Type	Office			
Property Name	Office			
Address	6008 Tippin Avenue, Pensacola, Escambia, FL 32504			
Location	East side of Tippin Avenue across the street from Metzger Drive.			
Tax ID	14-1S-29-2104-000-004			
<u>Sale Data</u>				
Grantor	James & Josephine Watford			
Grantee	Fitzgerald Management, Inc.			
Sale Date	June 05, 2014			
Record Number	7182/735 & MLS#460423			
Property Rights Transferred	Fee Simple			
Financing	Cash			
Conditions of Sale	Arm's Length			
Sale Price	\$90,000	Day on Market	8 DOM	
<u>Land Data</u>				
Land Size	0.280 Acres or 12,197 SF			
Land to Building Ratio	13.14:1			
Road Frontage	70 FF			
Flood Zone	Zone X			
Estimated Land Value	\$66,000			
<u>Building Data</u>				
Building Size SF	928 SF	Assessed Value	\$56,642	
Year Built	1961	Effective Age		
Value Of Improvements Only	24,000.00	Leasable Building SF	SF	
<u>Income Analysis</u>				
Occupancy at Time of Sale				
Projected Gross Income	\$7,888			
Vacancy	<u>\$789</u>			
Effective Gross Income	\$7,099			
Expenses	<u>\$1,775</u>			
Net Operating Income	\$5,324	NOI/SF	\$5.74/SF	
Overall Cap Rate	5.92%	GIM	11.41	
<u>Indicators</u>				
Sale Price/Gross SF	\$96.98/SF			
Sale Price/Leasable SF	/SF			
<u>Verification</u>	Ladawn Singleton, Listing Realtor, 850-554-9513, June 26, 2015			
Confirming Appraiser	Tom Fruitticher, MAI			
<u>Remarks</u>				

This is office building is constructed on grade with a concrete foundation, lapped siding exterior walls and a metal roof. The building was constructed in 1961 and had an estimated effective age of about 30 years. The interior included carpet and vinyl flooring, drywall walls and ceiling. It also included one bathroom. The building is constructed close to the road and included a small parking lot to the rear.

Improved Sale No. 2 (Cont.)
Comp Photo



Comp Site

Improved Sale No. 3

<u>Property Identification</u>	Record ID	375		
Building Type	Office			
Property Name	Office			
Address	900 East Cross Street, Pensacola, Escambia, FL 32503			
Location	Northeast corner of 9th Avenue and Cross Street.			
Tax ID	00-0S-00-9025-019-335			
<u>Sale Data</u>				
Grantor	B&E Holdings, LLC			
Grantee	Solian, Inc.			
Sale Date	June 02, 2015			
Record Number	7354/1665 & MLS#480955			
Property Rights Transferred	Fee Simple			
Financing	Conv.			
Conditions of Sale	Arm's Length			
Sale Price	\$105,000	Day on Market	0 DOM	
<u>Land Data</u>				
Land Size	0.243 Acres or 10,598 SF			
Land to Building Ratio	7.85:1			
Road Frontage	213 FF			
Flood Zone	Zone X			
Estimated Land Value	\$57,000			
<u>Building Data</u>				
Building Size SF	1,350 SF	Assessed Value	\$88,721	
Year Built	1950	Effective Age		
Value Of Improvements Only	48,000.00	Leasable Building SF	SF	
<u>Income Analysis</u>				
Occupancy at Time of Sale				
Projected Gross Income	\$10,800			
Vacancy	<u>\$1,080</u>			
Effective Gross Income	\$9,720			
Expenses	<u>\$2,430</u>			
Net Operating Income	\$7,290	NOI/SF	\$5.40/SF	
Overall Cap Rate	6.94%	GIM	9.72	
<u>Indicators</u>				
Sale Price/Gross SF	\$77.78/SF			
Sale Price/Leasable SF	/SF			
<u>Verification</u>	Rich Richardson, Listing Realtor, 850-417-0577, June 26, 2015			
Confirming Appraiser	Tom Fruitticher, MAI			
<u>Remarks</u>				

This is an office building that was converted from a single family house. The building is constructed off grade with a built-up foundation, lapped siding exterior walls and a composition shingle roof. The interior included wood floors, drywall walls and a drywall ceiling. According to the listing Realtor, the buyer spent an additional \$40,000 to \$50,000 (Avg \$45,000) in interior remodeling immediately after the sale. Prior to the remodel, the building was in average condition. At \$45,000, the remodeling cost added \$33.33/SF to the purchase price. The building was constructed in 1950 and was renovated over the years and had an estimated effective age of 35 years, prior to the renovation.

Improved Sale No. 3 (Cont.)
Comp Photo



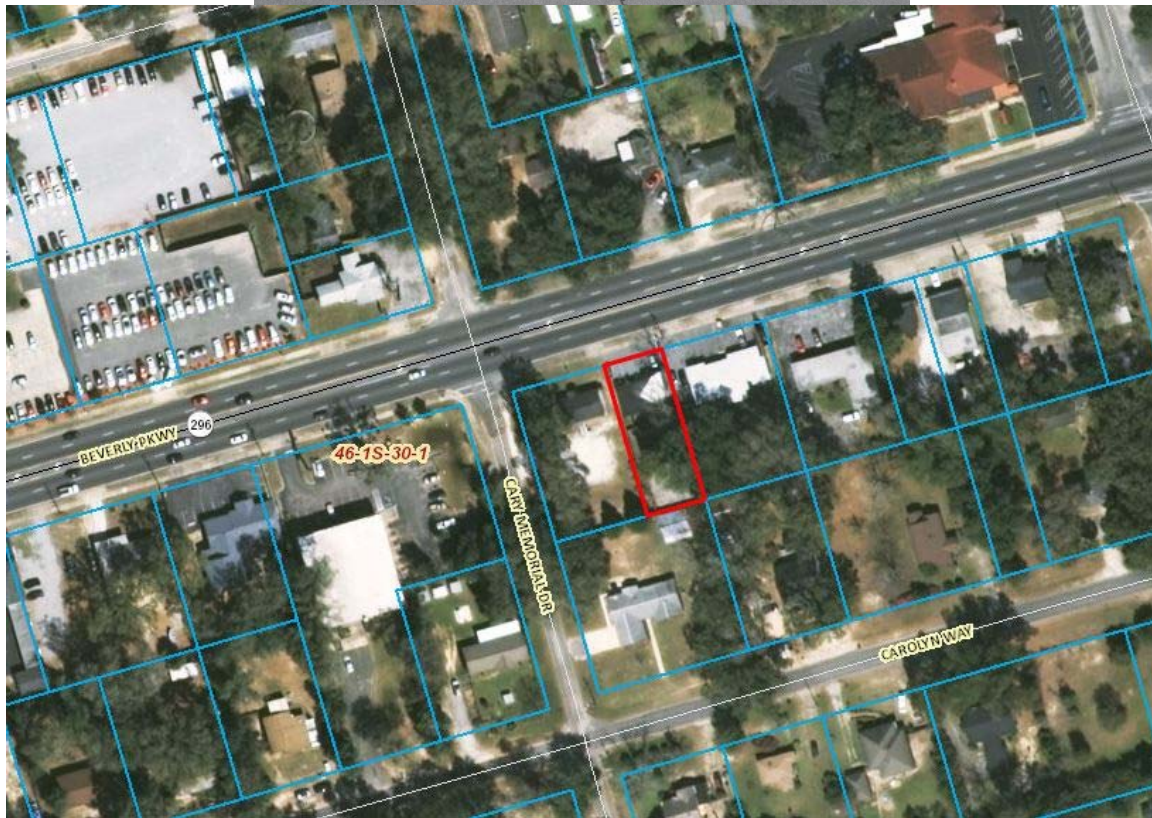
Comp Site

Improved Sale No. 4

<u>Property Identification</u>	Record ID	510		
Building Type	Office			
Property Name	Office			
Address	117 Beverly Parkway, Pensacola, Escambia, FL 32505			
Location	Pensacola, FL.			
Tax ID	46-1S-30-2001-015-018			
<u>Sale Data</u>				
Grantor	SunTrust Bank			
Grantee	Dennis H. and Kathy Johnston			
Sale Date	March 02, 2016			
Record Number	7487/976			
Property Rights Transferred	Fee Simple			
Financing	Conventional			
Conditions of Sale	Arms-Length			
Sale Price	\$75,000	Day on Market	85 DOM	
<u>Land Data</u>				
Land Size	0.196 Acres or 8,551 SF			
Land to Building Ratio	7.33:1			
Road Frontage	57 FF			
Flood Zone	Flood Zone X, Minimal Flooding			
Estimated Land Value	\$33,000			
<u>Building Data</u>				
Building Size SF	1,166 SF	Assessed Value	\$82,094	
Year Built	1972	Effective Age		
Value Of Improvements Only	42,000.00	Leasable Building SF	SF	
<u>Income Analysis</u>				
Occupancy at Time of Sale				
Projected Gross Income				
Vacancy				
Effective Gross Income				
Expenses				
Net Operating Income		NOI/SF	/SF	
Overall Cap Rate		GIM		
<u>Indicators</u>				
Sale Price/Gross SF	\$64.32/SF			
Sale Price/Leasable SF	/SF			
<u>Verification</u>	Paul Machado, Listing Broker, (850) 206-9148, May 09, 2016			
Confirming Appraiser	Rodger Lowery, MAI			
<u>Remarks</u>				

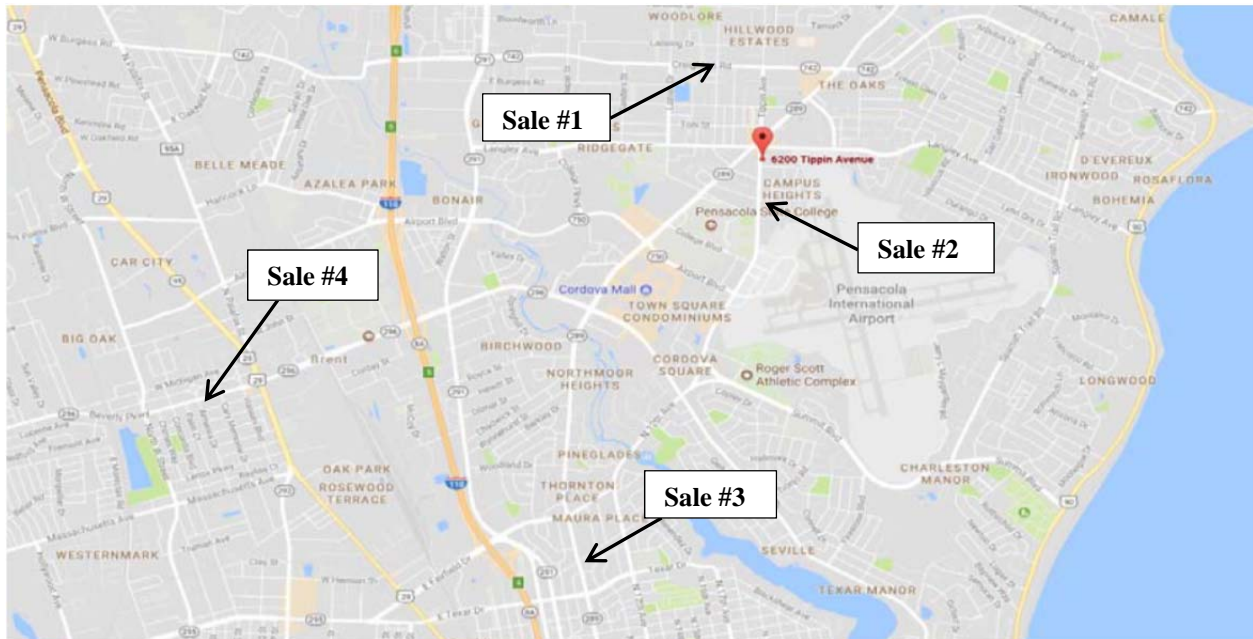
This is a single-family residential home that was converted for use as an office building in 2012. The building contains a reception area, conference area, three (3) offices, a kitchenette and restroom. The building was also wired for high speed internet and for a commercial phone system. The building was in average condition with an effective age of 18 years.

Improved Sale No. 4 (Cont.)
Comp Photo



Comp Site

OVERALL IMPROVED SALES MAP



Improved Sales Summary Grid				
	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Location:	2180 Creighton Road	6008 Tippin Avenue	900 East Cross Street	117 Beverly Parkway
City	Pensacola	Pensacola	Pensacola	Pensacola
State	FL	FL	FL	FL
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Cash to Seller	Cash	Conv.	Conventional
Conditions of Sale	Arm's Length	Arm's Length	Arm's Length	Arms-Length
Date of Sale:	6/27/2016	6/5/2014	6/2/2015	3/2/2016
Sale Price:	\$172,500	\$90,000	\$105,000	\$75,000
Property Type	Commercial	Office	Office	Office
Building Size (SF)	1,989	928	1,350	1,166
Year Built	1980	1961	1950	1972
Building Condition	Average	Average	Average	Average
Effective Age	20 yrs.	30 yrs	35 yrs	18 yrs
Land Size SF	10,562 SF	12,197 SF	10,598 SF	8,551 SF
Land to Building Ratio	5.31:1	13.14:1	7.85:1	7.33:1
NOI		\$5,324	\$7,290	
NOI/SF	/SF	\$5.74/SF	\$5.40/SF	/SF
Cap Rate		5.92%	6.94%	
GRM		11.41	9.72	
Land Value	\$75,000	\$66,000	\$57,000	\$33,000
Improvement Only Value	\$97,500	\$24,000	\$48,000	\$42,000
Improvement Only \$/SF	\$49.02	\$25.86	\$35.56	\$36.02
Overall Sale \$/SF	\$86.73	\$96.98	\$77.78	\$64.32

IMPROVED SALES ANALYSIS

The subject property is the Retail/Office Building located at 6200 Tippin Avenue in Pensacola, Florida 32504. The land size is 0.257 acres or 11,216 square feet per the County information and the property has a corner location. The subject property is improved with an approximate 1,284 square foot retail store operated as Farley's Old & Rare Books store. The improvements also include two storage buildings. The property is currently listed for sale for \$175,000 by Beck Partners. The property is owner-occupied. The subject has a land-to-building ratio of 8.74:1.

A search of the area was made for improved sales that have a similar highest and best use as the subject property resulting in the previous four sales. Area investors typically considered commercial building purchases on a “price per square foot” basis. As this method of comparison is common, it will be used. The four sales occurred between June 2014 and June 2016 and reflected overall prices from \$75,000 to \$172,500 or \$64.32 to \$96.98 per square foot.

PROPERTY RIGHTS SOLD – The subject property rights being considered are those of the Fee Simple Estate. The rights transferred in the sales were also the fee simple estate so no property rights adjustments are necessary.

FINANCING - The comparable properties also sold for cash or terms considered similar to a cash sale requiring no financing adjustments.

CONDITIONS OF SALE - All of the sales were arms-length transactions requiring no conditions of sale adjustments.

EXPENDITURE AFTER THE SALE ADJUSTMENT – None of the sales required expenditures after the sale to make them habitable.

MARKET CONDITIONS ADJUSTMENT – The sales are considered to be recent enough that no market conditions adjustments are necessary.

COMPARATIVE ANALYSIS (Cont'd.)

PHYSICAL ADJUSTMENTS – The only physical adjustments that are considered to be required are ones for effective age, location and land-to-building ratio. These are as follow.

Effective Age Adjustment – The subject improvements reflect an effective age of approximately 25 years, which is inferior to sales one and four, and superior to sales two and three. Sale one reflect an effective age of 20 years being 5 years superior to the subject. Based upon an economic life of 40 years, this indicates a difference of 12.5% depreciation. Applying this to the improvements price per square foot of \$49.02/SF for sale one indicates a required downward adjustment of \$6.13/SF. The same analysis is applied to sales two, three and four with sale two requiring an upward adjustment of \$3.23/SF, sale three requiring an upward adjustment of \$8.89/SF and sale four requiring a downward adjustment of \$6.30/SF. Applying these adjustments indicates age-adjusted prices of \$80.60/SF for sale one, \$100.21/SF for sale two, \$86.67/SF for sale three and \$58.02/SF for sale four.

Location Adjustment – Sale four is located along Beverly Parkway, in an inferior neighborhood as compared to the subject and sales one, two and three. Based upon a comparison of sale four to sales one and three, I apply an upward location adjustment of 30% to sale four to compare to the subject's neighborhood at \$75.43/SF.

Land-to-Building Ratio – The subject reflects a land-to-building ratio of 8.74:1, which is similar to sales one, three and four. Sale two has a much higher land-to-building ratio and requires a downward adjustment to compare o the subject. Based upon a comparison of sale two to the subject and sales one, three and four, a downward adjustment of 15% is applied to sale two. Applying this adjustment indicates an adjusted price of \$85.18/SF.

The sales are considered to be similar enough to the subject in all other respects that no other adjustments are necessary. The previous adjustments are shown on the following adjustment grid.

COMPARATIVE ANALYSIS (Cont'd.)

Improved Sales Adjustment Grid				
	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Sale Price /SF	\$86.73 /SF	\$96.98 /SF	\$77.78 /SF	\$64.32 /SF
Property Rights Adjustment	0%	0%	0%	0%
Property Rights Adj. \$/SF	\$86.73 /SF	\$96.98 /SF	\$77.78 /SF	\$64.32 /SF
Financing Adjustment	0%	0%	0%	0%
Financing Adj. \$/SF	\$86.73 /SF	\$96.98 /SF	\$77.78 /SF	\$64.32 /SF
Conditions of sale Adjustment	0%	0%	0%	0%
Conditions of sale Adj. \$/SF	\$86.73 /SF	\$96.98 /SF	\$77.78 /SF	\$64.32 /SF
Expenditures Immediately After Purchase Adjustment	\$.00 /SF	\$.00 /SF	\$.00 /SF	\$.00 /SF
Expenditures Adj. \$/SF	\$86.73 /SF	\$96.98 /SF	\$77.78 /SF	\$64.32 /SF
Market Conditions Adjustment	0%	0%	0%	0%
Market Conditions Adj. \$/SF	\$86.73 /SF	\$96.98 /SF	\$77.78 /SF	\$64.32 /SF
Locational & Physical Characteristic Adjustments				
Effective Age Adjustment	-\$6.13	\$3.23	\$8.89	-\$6.30
Adjusted Price	\$80.60	\$100.21	\$86.67	\$58.02
Location Adjustment	0%	0%	0%	30%
Adjusted Price	\$80.60	\$100.21	\$86.67	\$75.43
Land-to-Building Ratio	0%	-15%	0%	0%
Value Indiation	\$80.60 /SF	\$85.18 /SF	\$86.67 /SF	\$75.43 /SF

Reconciliation – After necessary adjustments, the comparables indicated a fairly tight value range from \$75.43 to \$86.67 per square foot, averaging \$81.97/SF. With most weight to sales one, two and three due to the lower overall percentage of adjustments. I reconcile the subject’s value via the sales comparison approach at \$86/SF. Applying this to the gross building area of 1,284 square feet indicates a value via the sales comparison approach of \$110,424, rounded to \$110,000.

INDICATED VALUE, SALES COMPARISON APPROACH,

\$110,000

INCOME APPROACH

The income approach utilizes the principle of anticipation, which states the value is the present worth of all expected future benefits accruing to ownership. These future benefits are generally in the form of income streams.

There are several basic steps involved in this approach. First, the gross market rent for the property is estimated through a comparison of other similar property leases. Next, an allowance for vacancy and collection losses is deducted resulting in the effective gross rent (E.G.R.). From the E.G.R. is deducted fixed expenses such as taxes and insurance, along with variable expenses such as management, maintenance and reserves for replacement of short-lived items such as the roof and floor coverings (when necessary). The resulting figure is the net operating income (N.O.I.). The N.O.I. is then converted into a present dollar estimate, which is the property's market value estimate. Converting the N.O.I. into a present dollar estimate is called capitalization.

Capitalization techniques include the direct capitalization analysis and the discounted cash flow analysis. The direct capitalization analysis is typically used on single tenant properties, which have very little change in income and expense ratios. This analysis assumes the income stream extends into perpetuity. The discounted cash flow analysis is typically used on more dynamic, multi-tenant properties, which have continually changing incomes and expenses. This analysis assumes the property will be held for a specific time period and then sold at the end of the holding period. The property value is based on the net income streams over the holding period, discounted to the present through the use of a present value factor plus the present value of the net reversion or sale of the property at the end of the holding period. The comparable rents and analysis used in this approach follow:

INCOME APPROACH (Cont'd.)

Comparable Rentals					
Description	Rent #1	Rent #2	Rent #3	Rent #4	Rent #5
Location	3900 Creighton Rd., Unit #2	5910 Tippin Ave.	1805 Creighton Rd., Unit 2	1805 Creighton Rd., Unit 1	6000 Tippin Ave.
Lease Date	6/15/2017	11/30/2016	8/25/2016	11/18/2016	Active
Size (SF)	800 SF	1,000 SF	780 SF	780 SF	928 SF
Rent	\$11.25/SF	\$11.10/SF	\$11.31/SF	\$11.31/SF	\$12.28/SF
Terms	Gross Lease	Gross Lease	Gross Lease	Gross Lease	Gross Lease

The subject property is the Retail/Office Building located at 6200 Tippin Avenue in Pensacola, Florida 32504. The land size is 0.257 acres or 11,216 square feet per the County information and the property has a corner location. The subject property is improved with an approximate 1,284 square foot retail store operated as Farley's Old & Rare Books store. The improvements also include two storage buildings. The property is currently listed for sale for \$175,000 by Beck Partners. The property is owner-occupied.

I searched the subject's neighborhood for recent office and retail leases on the multiple listing service. The four comparable leases and one active listing noted above in the chart are considered the most similar to the subject. It is noted the four leases range in size from 780 square feet to 1,000 square feet and reflect a lease range from \$11.10 to \$11.31 per square foot with the active listing for a 928 square foot building at \$12.28/SF. I am also aware of a 1,700 square foot suite at 2401 Executive Plaza Drive, Unit 3A just south of the subject currently listed for \$10.50/SF. All of the leases and listings are quoted on gross lease terms. Based upon a comparison of the subject to the comparable leased properties, I reconcile at a market rent for the subject property at \$11.25 per square foot. Applying this to the subject's 1,284 square feet indicates a potential gross rental income of \$14,445 annually.

Vacancy –Vacancy rates for retail and office properties in the subject's neighborhood are stabilized between 3% and 10%. For this analysis, I will consider a vacancy rate of 5%, which is bracketed by the other properties researched. Applying this to the subject's potential gross income of \$14,445 indicates a vacancy allowance of \$722. Subtracting this indicates an effective gross income for the property of \$13,723 annually.

INCOME APPROACH (Cont'd.)

Expenses

The rental income is based upon gross lease terms with the landlord responsible for all expenses with the exception being utilities. The following expenses are applicable to the subject property and are discussed as follows.

Management - The typical management expense for leases on gross lease terms is 5% of the effective gross income. Applying 5% to the annual rent indicates a management expense of \$686.

Real Estate Taxes - The real estate taxes for the subject property were previously reported to be \$1,056, which will be used in this analysis.

Real Estate Insurance – I am unaware of the annual insurance premium for the subject, however based upon similar properties in the neighborhood, I estimate the annual premium at approximately \$1/SF or \$1,285 for the subject.

Reserves for Replacements – An expense of \$0.15 per square foot or \$193 annually has been allocated as a reserve for capital item replacements.

The expenses total \$3,220 or 23.5% of the effective gross income. Given the expenses are based upon actual expenses, the expenses are considered to be reasonable and will be used in this analysis.

The income and expenses will be summarized on the reconstructed operating statement that follows.

CAPITALIZATION ANALYSIS

The sales within the sales comparison approach indicated cap rates of 5.92% and 6.94% for sales two and three, but were based upon estimated income and expenses at the time of sale. The income and expenses were not estimated for sales one and four. Based upon the overall cap rates for other office/retail properties in the area, these rates appear to be on the low end of the range. Most office and retail properties that are older properties with single or dual tenant occupancy reflect overall rates in the range of 8% to 8.5%. These rates are in line with investor surveys for similar properties as well. Considering this, an overall rate range from 8% to 8.5%

INCOME APPROACH (Cont'd.)

will be used. The two cap rates are shown on the following reconstructed operating statement along with their value indications.

Reconstructed Operating Statement					
Potential Gross Income (PGI)		=	\$14,445		
Vacancy	-5.00%	=	\$722		
Effective Gross Income (EGI)		=	\$13,723	\$13,723	
Expenses					
Management	-5% of EGI	=	\$686		
Real Estate Taxes	-\$1,056	=	\$1,056		
Insurance	-\$1,285	=	\$1,285		
Reserves for Replacement	-\$193	=	\$193		
Total Expenses			\$3,220	\$3,220	
Net Operating Income (NOI)				\$10,503	
Value Indications					
	NOI	÷	Cap Rate	=	Value Opinion
Market Extracted Cap Rate	\$10,503	÷	8.00%	=	\$131,288
Investor Survey Cap Rate	\$10,503	÷	8.50%	=	\$123,565

Reconciliation – Both cap rates are fairly similar and would tend to support each other as being reasonable. As such about equal weight will be given to each to indicate a rounded value via the income approach of \$125,000.

**INDICATED VALUE, INCOME APPROACH,
\$125,000**

RECONCILIATION OF APPROACHES

The three valuation approaches reveal the following values:

COST APPROACH:	N/A
SALES COMPARISON APPROACH:	\$110,000
INCOME APPROACH:	\$125,000

If the appraiser had available sufficient factual data and correctly made the analysis, all approaches to value would be the same. This is seldom the case with the necessity for reconciliation of value. Both approaches indicated fairly similar values and offer good support to each other. As such, I will give about equal weight to each resulting in a final value opinion of **\$120,000**.

FINAL VALUE OPINION

ONE HUNDRED TWENTY THOUSAND DOLLARS

\$120,000

PART THREE: CERTIFICATIONS AND ADDENDA

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- 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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

- I 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.

- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

- My engagement in this assignment was not contingent upon developing or reporting predetermined results.

- My 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.

- I have made a personal inspection of the property that is the subject of this report.

- No one provided significant real property appraisal assistance to the person signing this certification.

- I have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

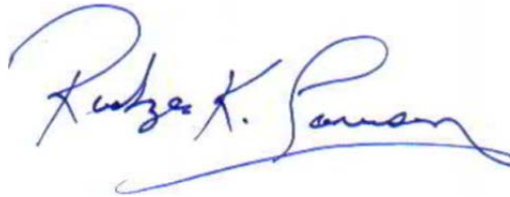
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

- As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

- As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute.

- The subject of this appraisal report is identified as the Retail/Office Building, located at 6200 Tippin Avenue in Pensacola, Florida 32504. The estimated current Fee Simple Estate market value of the real estate as of the last date of inspection, July 27, 2017, was **\$120,000**.



Rodger K. Lowery, MAI
State-Certified General Real Estate Appraiser RZ#1922

ASSUMPTIONS AND LIMITING CONDITIONS

1. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
2. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
3. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
9. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
10. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
12. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's 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 unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

ASSUMPTIONS AND LIMITING CONDITIONS (Cont'd.)

13. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
14. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
15. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations of land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
16. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
17. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

Extraordinary Assumption:

An extraordinary assumption is an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.⁹

This appraisal is based upon the extraordinary assumption the billboard sign is not included in the property. It is also based upon the extraordinary assumption the lot size and age of the improvements is correct as noted on the Escambia County Property Appraiser's website and that there are no adverse easements or encroachments.

Hypothetical Conditions:

A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.¹⁰

This appraisal considers no hypothetical conditions.

⁹ USPAP 2012-2013 Edition (The Appraisal Foundation) Page U-3

¹⁰ USPAP 2012-2013 Edition (The Appraisal Foundation) Page U-3

POLICY STATEMENT OF THE APPRAISAL INSTITUTE

1. It is improper to base a conclusion or opinion of value upon the premise that the racial, ethnic or religious homogeneity of the inhabitants of an area or of a property is necessary for maximum value.
2. Racial, religious, and ethnic factors are deemed unreliable predictors of value trends or price variance.
3. It is improper to base a conclusion or opinion of value or a conclusion with respect to neighborhood trends upon stereotyped or biased presumptions relating to the effective age or remaining life of the property being appraised or the life expectancy of the neighborhood in which it is located.

QUALIFICATIONS AS AN APPRAISER
RODGER K. LOWERY, MAI

EDUCATION

Bachelor of Science Degree - 1991

Florida State University

Tallahassee, Florida

Core Courses - Real Estate Major

Real Estate Feasibility Analysis, Real Estate Market Analysis, Real Estate Finance, Real Estate Appraisal, Legal Environment of Real Estate, Commercial Bank Administration, Urban Planning and Growth Management, Comprehensive Planning

Appraisal Institute Courses:

110: Appraisal Principles – 1994, 120: Appraisal Procedures – 1994, 310: Basic Income Capitalization – 1993, 410/420: Standards of Professional Practice – 1992, 430: Standards of Professional Practice Part C – 1999, 510: Advanced Income Capitalization – 1993, 520: Highest and Best Use and Market Analysis – 2000, 530: Advanced Sales Comparison and Cost Approaches – 1998, 540: Report Writing and Valuation Analysis – 1994, 550: Advanced Applications - 1994

Appraisal Institute Seminars

Reassigning, Readdressing and Reappraising – 2005, Supervisor/Trainee Roles and Relationships – 2010, Data Confirmation and Verification Methods – 2001, Scope of Work and Business Practices and Ethics – 2005, Effective Report Writing – 2003, Intro. To GIS Appl. For Real Estate – 2006, Analyzing Operating Expenses – 2006, Feasibility, Market Value, Investment Timing: Option Value – 2007, Using Your HP12C Financial Calculator – 2007, Online Data Verification Methods – 2009, Online Appraisal of Nursing Facilities – 2009, Analyzing the Effects of Environmental Contamination on Real Property – 2010, Online Appraisal Curriculum Overview – General – 2011, Online Appraisal Curriculum Overview – Residential – 2011, Online Business Practices and Ethics – 2016, Online Comparative Analysis – 2011, Online Subdivision Valuation – 2011, Online Real Estate Appraisal Operations – 2011, USPAP Update – 2016, Florida Core Law Update – 2016, Small Hotel/Motel Valuation – 2012, Appraisal of Fast Food Facilities – 2016, Distribution Warehouse Valuation - 2016

APPRAISAL EXPERIENCE

5/97 - Present Residential and Commercial Real Estate Appraiser, Fruitticher-Lowery Appraisal Group (Owner/Appraiser). Performing commercial and residential real estate appraisals, reviews and consultations. Specializing in the Northwest Florida and South Alabama markets.

APPRAISAL EXPERIENCE (Cont'd.)

- 6/95 - 4/97 Residential and Commercial Real Estate Appraiser, RKL Appraisal Services, Inc. (President). Performing commercial and residential real estate appraisals, reviews and consultations. Specializing in the Northwest Florida and South Alabama markets.
- 6/95 - 9/96 Commercial Real Estate Appraiser, Laureate Realty Services, Inc. (Formerly Camp and Company), Mobile, Alabama. Income analysis and appraisal of neighborhood, community and regional shopping centers, malls, multi-tenant office buildings, apartments and hotels. Properties located in the southeast region, primarily Florida, Alabama, Mississippi and Louisiana.
- 9/92 - 5/95 Residential and Commercial Real Estate Appraiser, M. Eugene Presley and Associates. Commercial and residential fee appraiser. Responsibilities include the valuation of commercial properties, vacant commercial land, large acreage tracts, and environmentally sensitive properties. Numerous eminent domain appraisals, specifically including the Burgess Road and Airport Boulevard DOT projects. Eminent domain appraisals performed for the property owners.
- 12/91 - 9/92 Commercial Real Estate Appraiser, Marshall Appraisals, Inc. Associate appraiser. Responsibilities include the valuation of office buildings, banks, hotels, and other large commercial properties throughout Florida.
- 4/91 - 12/91 Research Assistant, State of Florida, Office of the Auditor General, Division of Real Estate. Responsibilities include the review of State of Florida county appraisal files audited by the Department of Revenue, as well as the review and confirmation of data within privately contracted appraisals performed for the Department of Natural Resources.

Expert Witness Experience

U.S. Bankruptcy Court, Mobile, Alabama, U.S. District Court, Northern District of Florida, Circuit Court, Baldwin County, Circuit Court, Bay County, Circuit Court, Santa Rosa County, Florida, Circuit Court, Escambia County, Florida, Circuit Court, Okaloosa County, Florida

Specialty Projects

Federal Express Facilities (Freight, Ground and Express)
Medical Facilities (Single and Multi-tenant Facilities)

PROFESSIONAL LICENSES/AFFILIATIONS

Designated MAI Member, Appraisal Institute, Member #11029
State-Certified General Real Estate Appraiser, State of Florida, License #RZ 0001922
State-Certified General Real Property Appraiser, State of Alabama, License #G00445
Real Estate Broker, State of Florida, License # BK0573361; FLAG Realty, Inc.
Real Estate Broker, State of Alabama, License #065378 (Reciprocal Brokers License)
Member - Pensacola Association of Realtors, Florida Association of Realtors and the National Association of Realtors
Past Member – Escambia County Planning Board
Past Member - Home Builders Association of West Florida
Past Member – City of Pensacola Zoning Board of Adjustments
Member – Leadership Escambia And Pensacola (LEAP) Class of 2001
Past Member – American Diabetes Association of Northwest Florida, Board of Directors
Past Member – Fiesta of Five Flags, Board of Governors
Past Member – WSRE Planned Giving Council, Board of Directors
Past Member - Pensacola Chamber of Commerce Relocation Committee

CLIENTS

American Equity Investments LIC	Beal Service Corporation
American National Bank of Minnesota	Clayton Bank and Trust
First National Bank and Trust	Community and Southern Bank
Centennial Bank	Grandbridge Real Estate Capital
Saad Development Group	Protective Life Insurance Company
Pen Air Federal Credit Union	State Bank and Trust
Charter Bank	PNC Bank
ServisFirst Bank	BBVA Compass Bank
Southtrust Bank	SunTrust Bank
Summit Bank	Iberia Bank
Regions Bank	First National Bank of Baldwin County
Mark Bednar, Esquire	Beroset and Keene, Attorneys at Law
Borowski & Traylor	Donald W. Stewart, P.C.
Whitaker, Mudd, Simms, Luke & Wells	Brogdon, Davis and Adams
Phillip Bates	Armbrecht Jackson, LLP
Samuel Bearman, P.C.	Tyler & Hamilton

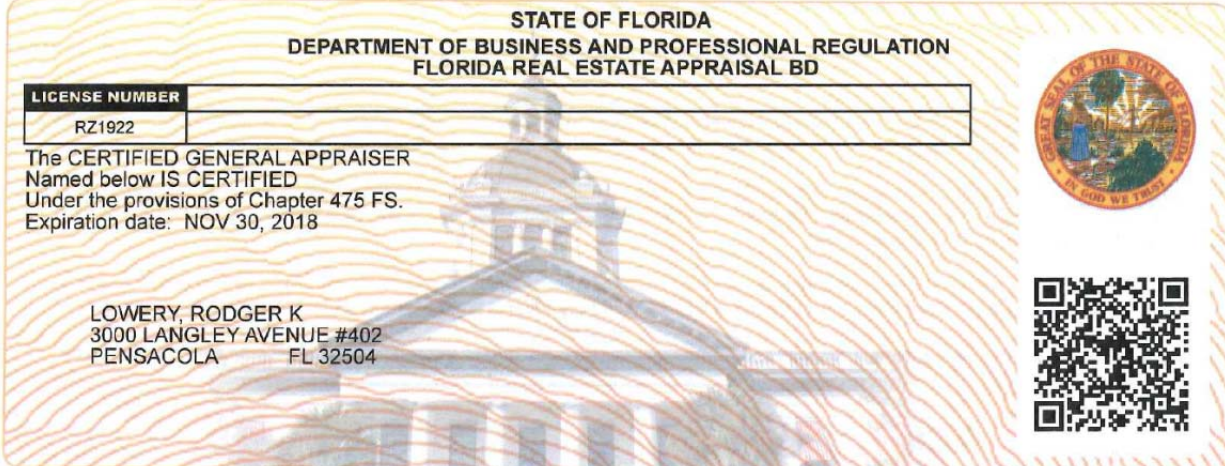


Addendum

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

LICENSE NUMBER
RZ1922

The CERTIFIED GENERAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2018

LOWERY, RODGER K
3000 LANGLEY AVENUE #402
PENSACOLA FL 32504



ISSUED: 11/15/2016

DISPLAY AS REQUIRED BY LAW

SEQ # L1611150002318



Chris Jones Escambia County Property Appraiser

Real Estate Search	Tangible Property Search	Sale List	Amendment 1/Portability Calculations
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[Back](#)

← Navigate Mode Account Reference →

[Printer Friendly Version](#)

General Information Reference: 141S292100001002 Account: 012399000 Owners: FARLEY OWEN E & CLARA MOONEAN Mail: 6200 TIPPIN AV PENSACOLA, FL 32504 Situs: 6200 TIPPIN AVE 32504 Use Code: STORE, 1 STORY Taxing Authority: COUNTY MSTU Schools (Elem/Int/High): CORDOVA PARK/WORKMAN/WASHINGTON Tax Inquiry: Open Tax Inquiry Window Tax Inquiry link courtesy of Scott Lunsford Escambia County Tax Collector	Assessments <table border="1"> <thead> <tr> <th>Year</th> <th>Land</th> <th>Imprv</th> <th>Total</th> <th>Cap Val</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>\$14,250</td> <td>\$49,634</td> <td>\$63,884</td> <td>\$63,884</td> </tr> <tr> <td>2015</td> <td>\$14,250</td> <td>\$46,624</td> <td>\$60,874</td> <td>\$60,874</td> </tr> <tr> <td>2014</td> <td>\$14,250</td> <td>\$43,041</td> <td>\$57,291</td> <td>\$57,291</td> </tr> </tbody> </table> <p style="text-align: center;">Disclaimer</p> <p style="text-align: center;">Amendment 1/Portability Calculations</p> <p style="text-align: center;">★ File for New Homestead Exemption Online</p>	Year	Land	Imprv	Total	Cap Val	2016	\$14,250	\$49,634	\$63,884	\$63,884	2015	\$14,250	\$46,624	\$60,874	\$60,874	2014	\$14,250	\$43,041	\$57,291	\$57,291
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Sales Data <table border="1"> <thead> <tr> <th>Sale Date</th> <th>Book</th> <th>Page</th> <th>Value</th> <th>Type</th> <th>Official Records (New Window)</th> </tr> </thead> <tbody> <tr> <td>02/1997</td> <td>4105</td> <td>598</td> <td>\$55,000</td> <td>WD</td> <td>View Instr</td> </tr> <tr> <td>06/1984</td> <td>1920</td> <td>66</td> <td>\$35,000</td> <td>WD</td> <td>View Instr</td> </tr> </tbody> </table> Official Records Inquiry courtesy of Pam Childers Escambia County Clerk of the Circuit Court and Comptroller	Sale Date	Book	Page	Value	Type	Official Records (New Window)	02/1997	4105	598	\$55,000	WD	View Instr	06/1984	1920	66	\$35,000	WD	View Instr	2016 Certified Roll Exemptions None Legal Description LT 1 BLK 2 COLLEGE HEIGHTS PB 5 P 9 LESS OR 2808 P 596- 12TH AVE R/W OR 4105 P 598 LESS OR 4308 P 581 RD R/W Extra Features None
Sale Date	Book	Page	Value	Type	Official Records (New Window)														
02/1997	4105	598	\$55,000	WD	View Instr														
06/1984	1920	66	\$35,000	WD	View Instr														

Parcel Information

Section Map Id: 14-1S-29

Approx. Acreage: 0.2532

Zoned: Com

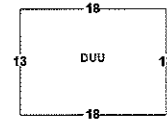
Evacuation & Flood Information
[Open Report](#)


[Launch Interactive Map](#)

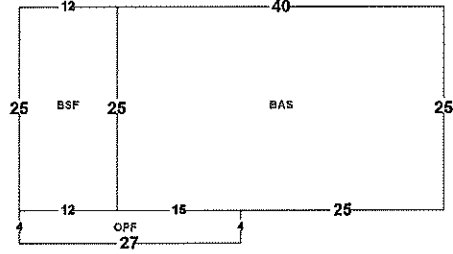
[View Florida Department of Environmental Protection\(DEP\) Data](#)

Buildings
Address: 6200 TIPPIN AVE, Year Built: 1963, Effective Year: 1963
Structural Elements DECOR/MILLWORK-AVERAGE DWELLING UNITS-1 EXTERIOR WALL-CONCRETE BLOCK

FLOOR COVER-HARDWOOD/PARQET
FOUNDATION-WOOD/SUB FLOOR
HEAT/AIR-CENTRAL H/AC
INTERIOR WALL-DRYWALL-PLASTER
NO. PLUMBING FIXTURES-3
NO. STORIES-1
ROOF COVER-DIMEN/ARCH SHNG
ROOF FRAMING-GABLE
STORY HEIGHT-8
STRUCTURAL FRAME-MASONRY PIL/STL



 Areas - 1642 Total SF
BASE AREA - 1000
BASE SEMI FIN - 300
DET UTILITY UNF - 234
OPEN PORCH FIN - 108



Images



6/23/10

The primary use of the assessment data is for the preparation of the current year tax roll. No responsibility or liability is assumed for inaccuracies or errors.

Last Updated:07/27/2017 (tc.891)



ESCAMBLA COUNTY TAX COLLECTOR

2016 Roll Details — Real Estate Account At 6200 TIPPIN AVE

[Print this page](#)

Real Estate Account #01-2399-000

[Parcel details](#)

[Latest bill](#)

[Full bill history](#)

2016	2015	2014	2013	...	2008
PAID	PAID	PAID	PAID		PAID

[Get Bills by Email](#)

PAID 2017-03-23 \$1,056.31
Receipt #107-17-00083388

Owner: FARLEY OWEN E &
6200 TIPPIN AV
PENSACOLA, FL 32504
and 1 other
Situs: 6200 TIPPIN AVE

Account number: 01-2399-000
Alternate Key: 64463
Millage code: 06
Millage rate: 14.5731

Assessed value: 63,884
School assessed value: 63,884
Unimproved land value: 14,250

Property Appraiser

Location is not guaranteed to be accurate.

2016 Annual bill

[View](#)

Ad valorem: \$930.98
Non-ad valorem: \$125.33
Total Discountable: 1056.31
No Discount NAVA: 0.00
Total tax:

Legal description

LT 1 BLK 2 COLLEGE HEIGHTS PB 5 P 9 LESS OR 2809 P 596- 12TH AVE R/W OR 4185 P 598 LESS OR 4308 P 581 RD R/W
Location

Geo number: 141S292100001002
Range: 29
Township: 1S
Section: 14
Block: 002
Lot: 001
Use code: 1100
Total acres: 0.250

Addresses

Other owners: CLARA MOONEAN



- c. Adverse impacts to any adjoining residential uses are minimized by placing the more intensive elements of the use, such as solid waste dumpsters and truck loading/unloading areas, furthest from the residential uses.

(5) Documented compatibility. A compatibility analysis prepared by the applicant provides competent substantial evidence of unique circumstances regarding the parcel or use that were not anticipated by the alternative criteria, and the proposed use will be able to achieve long-term compatibility with existing and potential uses. Additionally, the following conditions exist:

- a. The parcel has not been rezoned by the landowner from the mixed-use, commercial, or industrial zoning assigned by the county.
- b. If the parcel is within a county redevelopment district, the use will be consistent with the district's adopted redevelopment plan, as reviewed and recommended by the Community Redevelopment Agency (CRA).

(f) Rezoning to HDMU. High Density Mixed-use zoning may be established only within the Mixed-Use Suburban (MU-S), Mixed-Use Urban (MU-U), or Commercial (C) future land use categories. The district is suitable for areas where the intermixing of uses has been the custom, where future uses are uncertain, and some redevelopment is probable. The district is appropriate to provide transitions between areas zoned or used for medium or high density residential and areas zoned or used for commercial. Rezoning to HDMU is subject to the same location criteria as any new non-residential use proposed within the HDMU district.

(Ord. No. 2015-56, § 3, 12-10-2015; Ord. No. 2016-2 § 1, 1-7-2016; 2016-31 § 1, 8-4-2016; Ord. No. 2017-5, §2, 1-5-2017)

Sec. 3-2.10 Commercial district (Com).

(a) Purpose. The Commercial (Com) district establishes appropriate areas and land use regulations for general commercial activities, especially the retailing of commodities and services. The primary intent of the district is to allow more diverse and intense commercial uses than the neighborhood commercial allowed within the mixed-use districts. To maintain compatibility with surrounding uses, all commercial operations within the Commercial district are limited to the confines of buildings and not allowed to produce undesirable effects on surrounding property. To retain adequate area for commercial activities, new and expanded residential development within the district is limited, consistent with the Commercial (C) future land use category.

(b) Permitted uses. Permitted uses within the Commercial district are limited to the following:

(1) Residential. The following residential uses are allowed throughout the district, but if within the Commercial (C) future land use category they are permitted only if part of a predominantly commercial development:

- a. Group living, excluding dormitories, fraternity and sorority houses, and residential facilities providing substance abuse treatment, post-incarceration reentry, or similar services.
- b. Manufactured (mobile) homes, including new or expanded manufactured home parks or subdivisions.

- c. Single-family dwellings (other than manufactured homes), detached or attached, including townhouses and zero lot line subdivisions.
- d. Two-family and multi-family dwellings.

See also conditional uses in this district.

(2) Retail sales. Retail sales, including Low-THC marijuana dispensing facilities, sales of alcoholic beverages and automotive fuels, but excluding motor vehicle sales and permanent outdoor storage. See also conditional uses in this district.

(3) Retail services. The following retail services, excluding permanent outdoor storage:

- a. Car washes, automatic or manual, full service or self-serve.
- b. Child care facilities.
- c. Hotels, motels and all other public lodging, including boarding and rooming houses.
- d. Personal services, including those of beauty shops, health clubs, pet groomers, dry cleaners and tattoo parlors.
- e. Professional services, including those of realtors, bankers, accountants, engineers, architects, dentists, physicians, and attorneys.
- f. Repair services, including appliance repair, furniture refinishing and upholstery, watch and jewelry repair, small engine and motor services, but excluding major motor vehicle or boat service or repair, and outdoor work.
- g. Restaurants and brewpubs, including on-premises consumption of alcoholic beverages, drive-in and drive-through service, and brewpubs with the distribution of on-premises produced alcoholic beverages for off-site sales. The parcel boundary of any restaurant or brewpub with drive-in or drive-through service shall be at least 200 feet from any LDR or MDR zoning district unless separated by a 50-foot or wider street right-of-way.

See also conditional uses in this district.

(4) Public and civic.

- a. Broadcast stations with satellite dishes and antennas, including towers.
- b. Cemeteries, including family cemeteries.
- c. Community service facilities, including auditoriums, libraries, museums, and neighborhood centers.
- d. Educational facilities, including preschools, K-12, colleges, and vocational schools.
- e. Emergency service facilities, including law enforcement, fire fighting, and medical assistance.
- f. Foster care facilities.
- g. Funeral establishments.
- h. Hospitals.
- i. Offices for government agencies or public utilities.

- j. Places of worship.
- k. Public utility structures, including telecommunications towers, but excluding any industrial uses.
- l. Warehousing or maintenance facilities for government agencies or for public utilities.

See also conditional uses in this district.

(5) Recreation and entertainment.

- a. Campgrounds and recreational vehicle parks on lots five acres or larger.
- b. Indoor recreation or entertainment facilities, including movie theaters, bowling alleys, skating rinks, arcade amusement centers, bingo facilities and shooting ranges, but excluding bars, nightclubs or adult entertainment facilities.
- c. Marinas, private and commercial.
- d. Parks without permanent restrooms or outdoor event lighting.

See also conditional uses in this district.

(6) Industrial and related.

- a. Printing, binding, lithography and publishing.
- b. Wholesale warehousing with gross floor area 10,000 sq.ft. or less per lot.

See also conditional uses in this district.

(7) Agricultural and related.

- a. Agricultural food production primarily for personal consumption by the producer, but no farm animals.
- b. Nurseries and garden centers, including adjoining outdoor storage or display of plants.
- c. Veterinary clinics.

See also conditional uses in this district.

(8) Other uses.

- a. Billboard structures.
- b. Outdoor storage if minor and customarily incidental to the allowed principal use, and if in the rear yard, covered, and screened from off-site view, unless otherwise noted.
- c. Parking garages and lots, commercial.
- d. Self-storage facilities, excluding vehicle rental.

(c) Conditional uses. Through the conditional use process prescribed in Chapter 2, the BOA may conditionally allow the following uses within the Commercial district:

(1) Residential.

- a. Group living not among the permitted uses of the district.
- b. Home occupations with non-resident employees.

(2) Retail sales.

- a. Boat sales, new and used.
- b. Automobile sales, used autos only, excluding parcels fronting on any of the following streets: Sorrento Road/Gulf Beach Highway/Barrancas Avenue (SR 292); Blue Angel Parkway (SR 173); Pine Forest Road, south from Interstate 10 to State Road 173; Navy Boulevard (SR 295 and US 98); and Scenic Highway (SR 10A and US 90). Additionally, the parcel shall be no larger than one acre and provided with a permanent fence, wall, or other structural barrier of sufficient height and mass along all road frontage to prevent encroachment into the right-of way other than through approved site access.
- c. Automobile rental limited to the same restrictions as used automobile sales.
- d. Utility trailer, heavy truck (gross vehicle weight rating more than 8500 lbs), and recreational vehicle sales, rental, or service limited to the same restrictions as used automobile sales.

(3) Retail services. Service and repair of motor vehicles, small scale (gross floor area 6000 sq. ft. or less per lot), excluding painting and body work and outdoor work and storage.

(4) Public and civic.

- a. Cemeteries, including family cemeteries.
- b. Clubs, civic and fraternal.
- c. Cinerators.
- d. Homeless shelters.

(5) Recreation and entertainment.

- a. Bars and nightclubs.
- b. Golf courses, tennis centers, swimming pools and similar active outdoor recreational facilities, including associated country clubs.
- c. Parks with permanent restrooms or outdoor event lighting.

(6) Industrial and related.

- (a) Borrow pits and reclamation activities 20 acres minimum and (subject to local permit and development review requirements per Escambia County Code of Ordinances, Part I, Chapter 42, article VIII, and land use and regulations in Part III, the Land Development Code, chapter 4. *Borrow pits are prohibited on land zoned GMD prior to the adoption of the Commercial (Com) zoning.
- (b) Microbreweries, microdistilleries, microwineries.

- (7) **Agricultural and related.** Horses or other domesticated *equines* kept on site, and stables for such animals, only as a private residential accessory with a minimum lot area of two acres and a maximum of one animal per acre.
- (8) **Other uses.**
- a. Outdoor sales not among the permitted uses of the district.
 - b. Outdoor storage not among the permitted uses of the district, including outdoor storage of trailered boats and operable recreational vehicles, but no repair, overhaul, or salvage activities. All such storage shall be screened from residential uses and maintained to avoid nuisance conditions.
 - c. Self-storage facilities, including vehicle rental as an accessory use.
 - d. Structures of permitted uses exceeding the district structure height limit.
- (d) **Site and building requirements.** The following site and building requirements apply to uses within the Commercial district:
- (1) **Density.** A maximum density of 25 dwelling units per acre throughout the district. Lodging unit density not limited by zoning.
 - (2) **Floor area ratio.** A maximum floor area ratio of 1.0 within the Commercial (C) future land use category and 2.0 within Mixed-Use Urban (MU-U).
 - (3) **Structure height.** A maximum structure height of 150 feet above adjacent grade.
 - (4) **Lot area.** No minimum lot area unless prescribed by use.
 - (5) **Lot width.** Except for cul-de-sac lots which shall provide a minimum lot width of 20 feet at the street right-of-way, the following minimum lot widths are required:
 - a. **Single-family detached.** Forty feet at the street right-of-way for single-family detached dwellings.
 - b. **Two-family.** Eighty feet at the street right-of-way for two-family dwellings.
 - c. **Multi-family and other.** Eighty feet at the street right-of-way for multi-family dwellings, boarding or rooming houses, or townhouse groups. No minimum lot width required by zoning for other uses.
 - (6) **Lot coverage.** Minimum pervious lot coverage of 15 percent (85 percent maximum semi-impervious and impervious cover) for all uses.
 - (7) **Structure setback.** For all principal structures, minimum setbacks are:
 - a. **Front and rear.** Fifteen feet in both front and rear.
 - b. **Sides.** Ten feet on each side, including any group of attached townhouses. For structures exceeding 35 feet above highest adjacent grade, an additional two feet for each additional 10 feet in height.
 - c. **Corner lots.** Will have one front setback and one side setback.
 - (8) **Other requirements.** Refer to chapters 4 and 5 for additional development regulations and standards.

(e) Location criteria. All new non-residential uses proposed within the Commercial district that are not part of a planned unit development or not identified as exempt by the district shall be on parcels that satisfy at least one of the following location criteria:

(1) Proximity to intersection. Along an arterial or collector street and within one-quarter mile of its intersection with an arterial street.

(2) Proximity to traffic generator. Along an arterial or collector street and within a one-quarter mile radius of an individual traffic generator of more than 600 daily trips, such as an apartment complex, military base, college campus, hospital, shopping mall or similar generator.

(3) Infill development. Along an arterial or collector street, in an area where already established non-residential uses are otherwise consistent with the Commercial district, and where the new use would constitute infill development of similar intensity as the conforming development on surrounding parcels. Additionally, the location would promote compact development and not contribute to or promote strip commercial development.

(4) Site design. Along an arterial or collector street, no more than one-half mile from its intersection with an arterial or collector street, not abutting a single-family residential zoning district (RR, LDR or MDR), and all of the following site design conditions:

a. Any intrusion into a recorded subdivision is limited to a corner lot.

b. A system of service roads or shared access is provided to the maximum extent made feasible by lot area, shape, ownership patterns, and site and street characteristics.

c. Adverse impacts to any adjoining residential uses are minimized by placing the more intensive elements of the use, such as solid waste dumpsters and truck loading/unloading areas, furthest from the residential uses.

(5) Documented compatibility. A compatibility analysis prepared by the applicant provides competent substantial evidence of unique circumstances regarding the potential uses of parcel that were not anticipated by the alternative criteria, and the proposed use, or rezoning as applicable, will be able to achieve long-term compatibility with existing and potential uses. Additionally, the following conditions exist:

a. The parcel has not been rezoned by the landowner from the mixed-use, commercial, or industrial zoning assigned by the county.

b. If the parcel is within a county redevelopment district, the use will be consistent with the district's adopted redevelopment plan, as reviewed and recommended by the Community Redevelopment Agency (CRA).

(f) Rezoning to Commercial. Commercial zoning may be established only within the Mixed-Use Suburban (MU-S), Mixed-Use Urban (MU-U) or Commercial (C) future land use categories. The district is appropriate to provide transitions between areas zoned or used as high density mixed-use and areas zoned or used as heavy