

APPRAISAL OF
OFFICE PROPERTY (IMPROVEMENTS ONLY)
2500 34TH STREET NORTH
ST PETERSBURG, FLORIDA 33713
(24007)

FOR
JOHN LOWE, ACQUISITION & DISPOSITION COORDINATOR
FACILITIES & REAL PROPERTY DIVISION
PINELLAS COUNTY
509 EAST AVENUE SOUTH
CLEARWATER, FLORIDA 33756

April 16, 2024

John Lowe, Acquisition & Disposition
Coordinator
Facilities & Real Property Division
Pinellas County
509 East Avenue South
Clearwater, Florida 33756

Dear Mr. Lowe:

Re: Appraisal of Office Property (Improvements Only)
2500 34th Street North, St Petersburg, Florida 33713

As requested, I have made a detailed investigation, analysis, and appraisal of the Fee Simple interest of the referenced property, legally described later in the report. This Appraisal has been prepared for our client and intended user, Pinellas County, as an aid in potential acquisition of property (intended use).

In my opinion, the fee simple interest of appraised property, Office Property (Improvements Only), 2500 34th Street North, St Petersburg, Florida 33713, had a **market value** "AS IS", as of the effective date, March 27, 2024, of FIVE MILLION SIX HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$5,685,000).

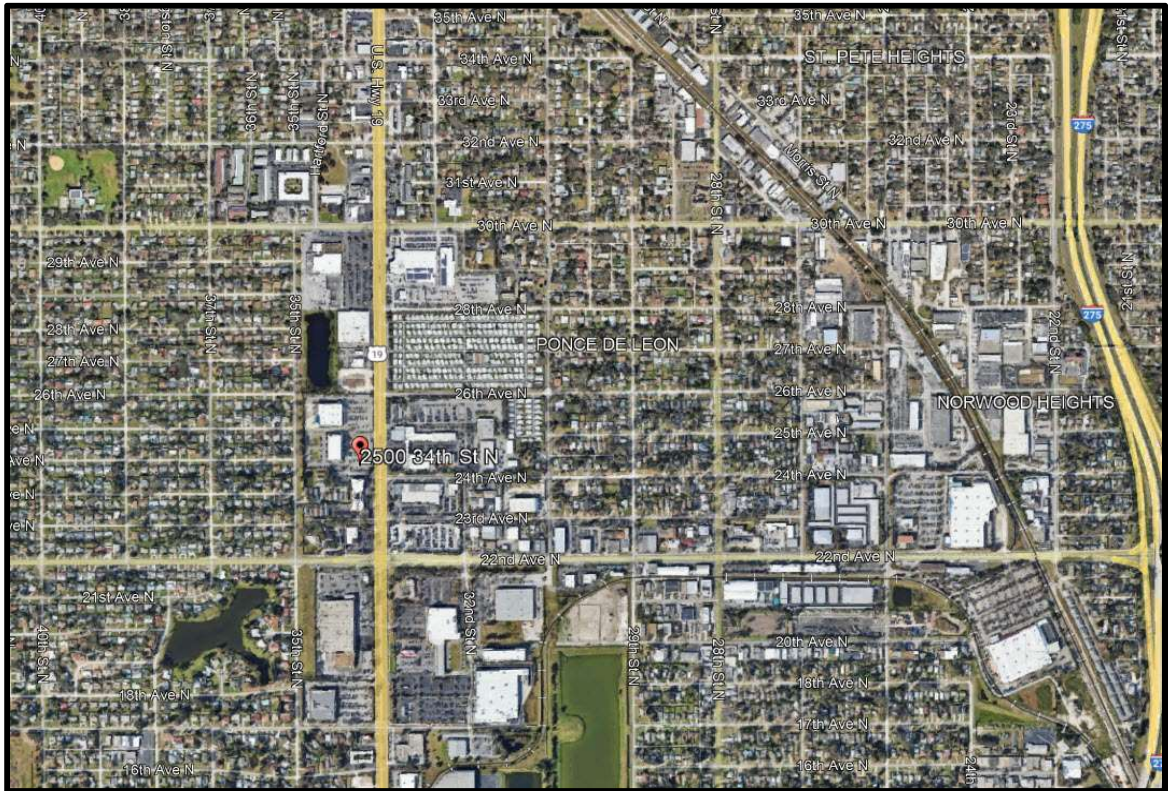
The appraiser is in compliance with the Competency Provision of USPAP with respect to this property. The report is an **Appraisal Report**, which has been prepared in compliance with the provisions of USPAP, FIRREA, and the specific contractual requirements of the client, Pinellas County. The appraiser has not previously appraised the subject property, nor provided other professional services with respect to it, in the last three years.

Respectfully submitted,

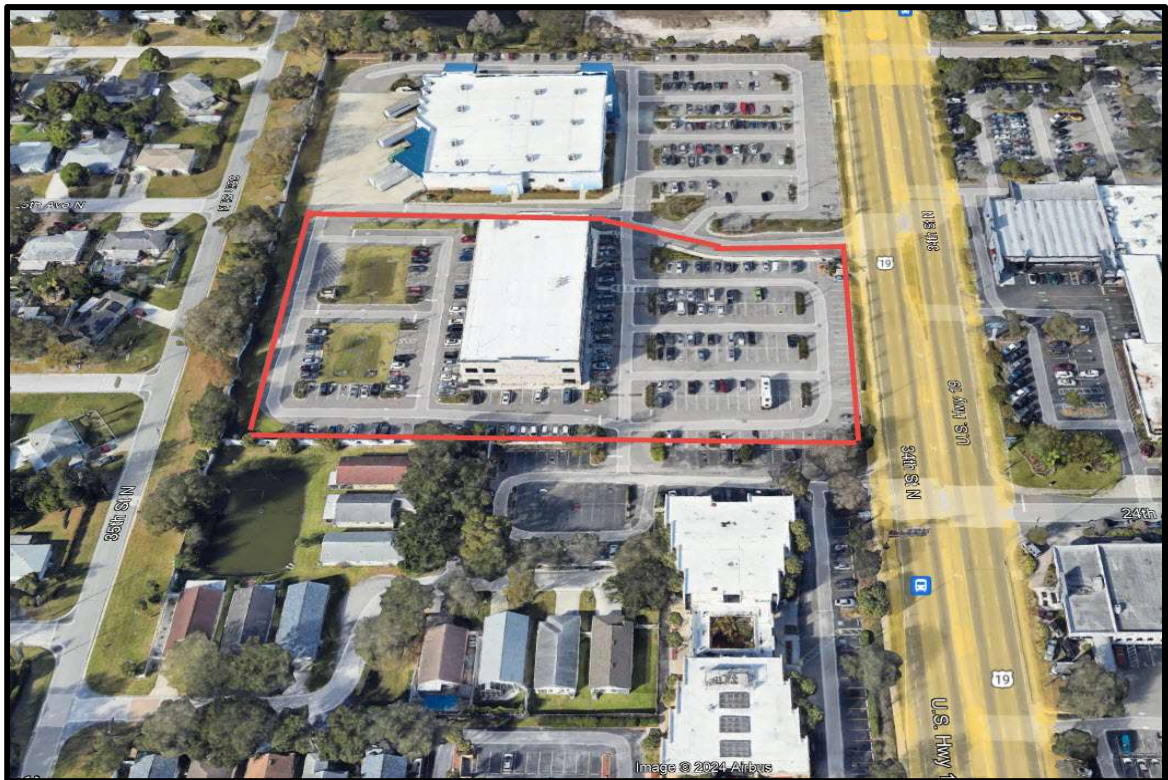
TOBIAS REALTY ADVISORS, LLC

C. Richard Tobias

C. Richard Tobias, MAI
State-Certified General
Real Estate Appraiser RZ705



AERIAL VIEW OF SUBJECT NEIGHBORHOOD



AERIAL VIEW FROM SOUTH



AERIAL PLAT



AERIAL VIEW FROM EAST



BUILDING DETAIL VIEW FROM NORTHEAST



REAR VIEW FROM SOUTHWEST



RECEPTIONIST COUNTER IN MAIN LOBBY



1ST FLOOR STAFF WORKSTATIONS



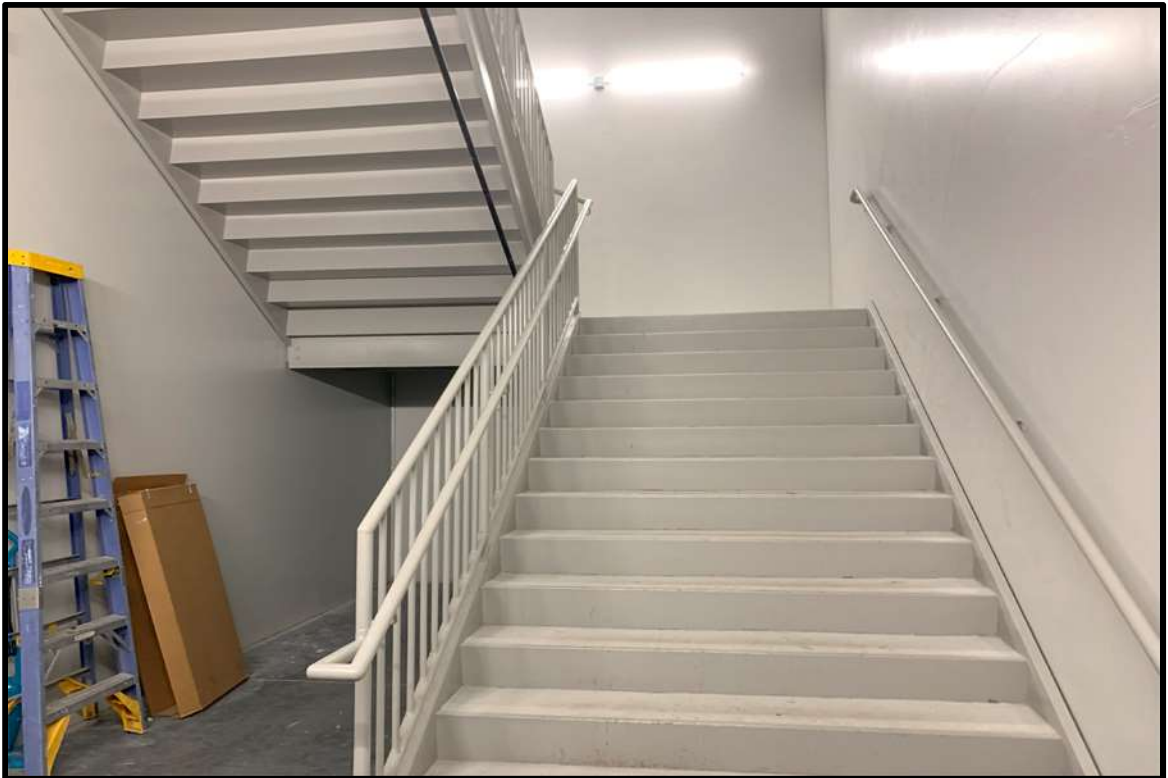
1ST FLOOR EXECUTIVE OFFICE



TYPICAL RESTROOM FINISHES



TYPICAL STAFF COFFEE STATION



FIRE STAIR AT NORTH AND SOUTH ENDS OF BUILDING



2ND FLOOR WORKSTATIONS



2ND FLOOR TRAINING ROOM



2ND FLOOR ELEVATOR LOBBY



HVAC CHILLER ROOM AT NORTHWEST CORNER OF BUILDING



STAFF BREAK AREA WITH CANOPY AT NORTHEAST CORNER



GOODWILL FACILITY ADJACENT NORTH OF SUBJECT

APPRAISAL REPORT

Property Identification:	Office Property (Improvements Only), 2500 34 th Street North, St Petersburg, Florida 33713; the interior-position site of 3.95 acres MOL with 41,200-square foot office building, is located in the 34 th Street North Commercial District in south central Pinellas County, Florida.
Client:	John Lowe, Acquisition & Disposition Coordinator Facilities & Real Property Division Pinellas County 509 East Avenue South Clearwater, Florida 33756
Client Type:	A county government
Appraiser:	C. Richard Tobias, MAI State Certified General Real Estate Appraiser, RZ705
USPAP Competency:	Appraiser has 44 years of experience in office properties in Pinellas County
Purpose of the Appraisal:	To provide the client with an opinion of <u>market value</u> “as is” as defined by the Interagency Guidelines. <u>Note- the appraisal excludes the value of the site, which is owned by Pinellas County.</u>

Market Value is “The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and each acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and, 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.”¹

¹ Interagency Appraisal and Evaluation Guidelines, Department of the Treasury; December 2010.

Intended Use:	For the sole purpose of providing the client, Pinellas County, an opinion of current market value as an aid in potential acquisition of property
Intended User:	Pinellas County
Interest Valued:	Fee Simple (Improvements Only)
Property Owner:	Pinellas County
3-Year Sales History:	Subject property (land) was acquired by Pinellas County in May 2018 in a property-swap transaction with 2500 34 th St, LLC; this firm then constructed the 2-story office building and supporting site improvements, which it then leased to the County with a purchase option; the county is now contemplating an exercise of the purchase option, thereby consolidating ownership of the land and improvements.
Date of Inspection:	March 27, 2024
Effective Date of Value (AS IS):	March 27, 2024
Scope of Work:	<ul style="list-style-type: none">• Inspection of the subject site and existing building (interior and exterior);• Analysis of regional and neighborhood data with emphasis upon the market for mid-sized offices;• Description of subject site and improvements;• Analysis of zoning, access, utilities, services, property taxes, site, and the existing building;• Highest and best use analysis, as vacant and as improved;• Cost approach begins with valuation of land by sales comparison (this value will be used later in the sales and income approaches as a deduction to conclude market value of the improvements); replacement cost of the improvements was calculated with allowances

for all forms of depreciation yielding contributory value of the improvements;

- Sales comparison approach utilizing recent comparable office sales in the local market; adjustments were made to the comparable sales where they materially differed from the subject property; comparables were analyzed on basis of price per square foot of building area; comparables were ranked based on their overall comparability; this process leads to a conclusion of market value (land and improvements); finally, the contributory value of the land is deducted to yield market value of improvements only;
- Income approach was included due to the size of the building and the potential for single or multi-tenant occupancy; comparable office rents in the area were researched as a basis for market-level income; existing county lease was also considered but objective is market value in fee simple interest; a proforma was constructed with allowances for vacancy/collecton losses and typical operating expenses; net operating income was then capitalized at an overall rate drawn from market data; the capitalized value was then adjusted downward by deduction of land value, as in the case of the sales comparison approach;
- Reconciliation of the three applied approaches to provide conclusion of market value of the property (IMPROVEMENTS ONLY) in fee simple interest.

Legal Description:

See Report Addenda.

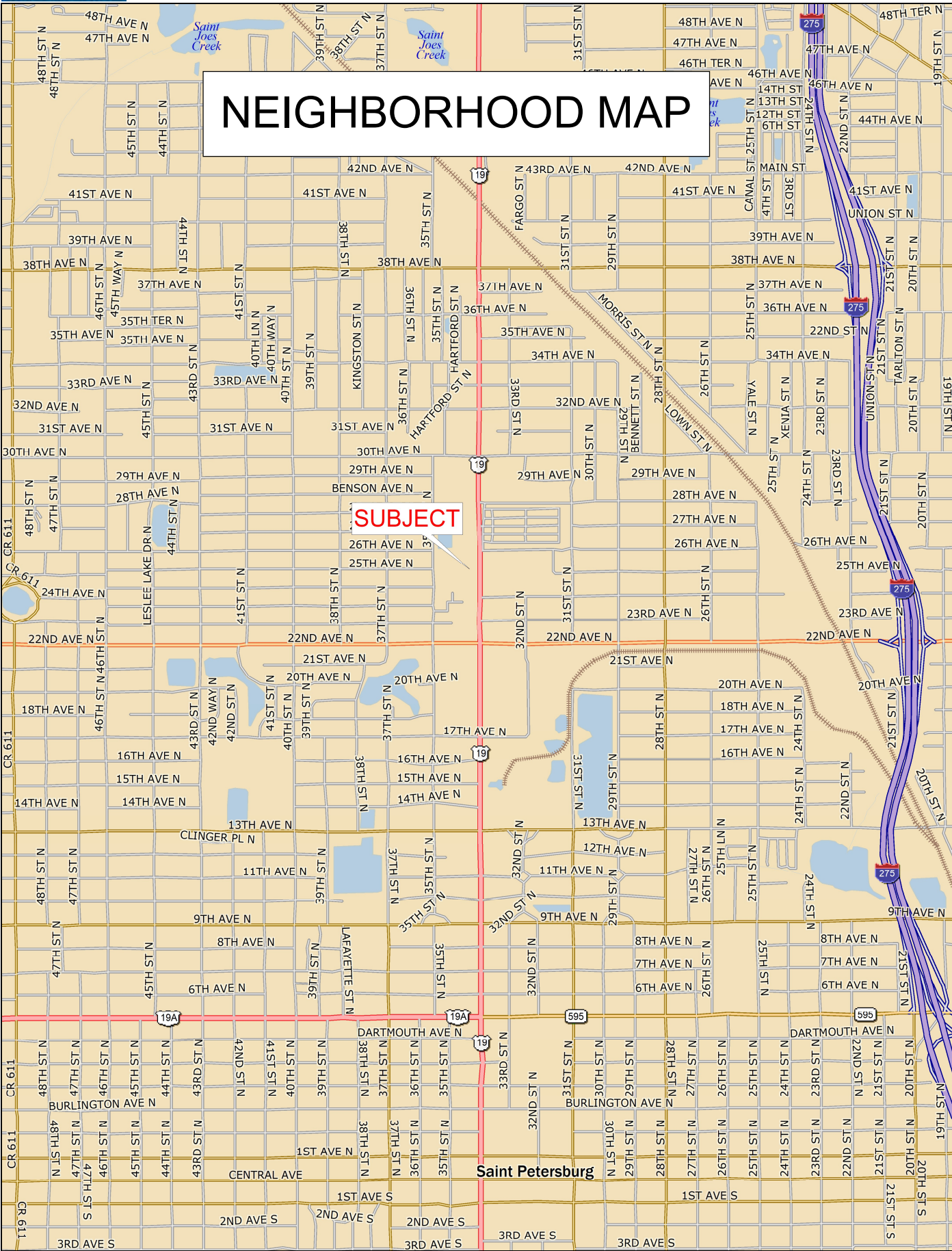
Zoning:

CCS-1; Corridor Commercial Suburban; St. Petersburg; this is a zoning category applied to many parcels located along major and minor highways in the city; it permits retail, restaurants, services, offices, service stations, and other uses; minimum lot size is 4,500 square feet and the minimum front setback is normally 20

feet; maximum FAR is 0.55 and most commercial uses require 3 or 4 parking spaces per 1,000 square feet of building area; maximum building height is 36 feet (48 feet for 2+ acre sites); maximum impervious ratio is 0.85.

Land Use Plan:	MU, Mixed Use; zoning is consistent with FLUP
Tax Parcel Number:	10-31-16-82161-001-0010
Property Assessment (2023):	\$7,799,898
Millage Rate (2023):	19.8587
Real Estate Taxes (2023):	\$0

NEIGHBORHOOD MAP



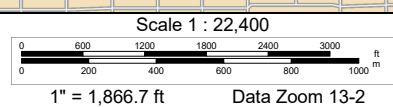
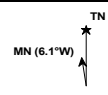
SUBJECT

Saint Petersburg

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Neighborhood Description:

The subject property is located on the west side of 34th Street North (US Highway 19) 683 feet north of 22nd Avenue North in the 34th Street North Commercial District of north central St. Petersburg. This is the mixed-use corridor extending north from Central Plaza through the Kenwood neighborhood and extending to the municipal limit at 40th Avenue North (Lealman and Joe's Creek).

St. Petersburg is Pinellas County's largest city, where population increased by 4% during the 1990's to 248,232, according to the 2000 Census. The population in 2010 was 245,446, a slight decrease due to the Great Recession; but then edged up to 258,305 in 2020 (+5.2%). The 2022 population is estimated at 259,920. St. Petersburg lies at the southern tip of the Pinellas peninsula; it comprises 27% of the county's population (982,705).

The St. Petersburg CBD, which is one of the most active downtown markets in Florida, lies 2.3 miles southeast of the subject property. Tropicana Field, home of the Tampa Bay Rays (MLB), is adjacent southwest of the CBD.

The subject property is located 6.0 miles south of the Howard Frankland Bridge (I-275), the primary link between Pinellas and Hillsborough Counties. Tampa International Airport, the primary transportation hub of the Tampa Bay area, is located 18 miles northeast. 34th Street North (US Highway 19) also links to Gandy Boulevard and Gandy Bridge (3.1 miles north of subject), which is the southernmost of the three spans across Tampa Bay. Travel time to Tampa is roughly 20 minutes.

34th Street North (US Highway 19) is a 6-lane, primary, north/south, commercial artery running generally parallel to I-275 and 1.1 miles west of it; average daily traffic count in the subject area is 42,000, a 10.5% increase in volume in the last 3 years.

The CBD (2.3 miles southeast) is home to many large, corporate employers and the city's largest office facilities. Progress Energy (now Duke Energy) purchased the downtown site of the Florida International Museum from the city and constructed a 226,800-square foot office

complex in the northeast quadrant of the CBD. This user facility was completed in 2006 and represents the last office development. The St. Petersburg CBD is an area that has been completely transformed in the last 15 years. The most dramatic change has been the introduction of several thousand multi-family housing units in the form of townhouses, city homes, high-rise condominiums, and rental apartments. The majority of these units are high quality, high cost homes that have attracted upper income residents from the Tampa Bay area and far beyond. Since 2012 the downtown St. Petersburg market has been explosive in its recovery. In fact, prime CBD land prices (\$250 to \$400+ per square foot) have far exceeded the levels of the 2004-2005 boom. St. Petersburg's CBD has reached a critical mass in the last 10 years in terms of new residents, employers, entertainment venues, and international reputation such that, it is now leading the county and Tampa Bay area in the sustained market trajectory.

The immediate subject neighborhood features a number of local, regional, and national businesses, many of which have started or expanded in the last 10 years. These include restaurants, clubs, cafes, groceries, boutique shops, and general retail.

Traffic generators in the subject neighborhood include:

- Wells Fargo Bank and 2350 34th Street North (immediate south), which is mirror image of Wells Fargo with adjoining courtyard
- Goodwill facility (new) on Parcel 1 adjacent north with joint access drives
- Regions Bank (550 feet southwest)
- CVS Pharmacy at northwest corner of 34th Street and 22nd Avenue North
- Dayton Andrews Dodge/Chrysler/Jeep dealership southeast of subject and extending south to 22nd Avenue North
- AutoNation Ford dealership due east of subject
- Maher Chevrolet dealership ¼ mile northeast of subject

- Winn Dixie supermarket at southeast corner of 34th Street and 22nd Avenue North
- Sam's Club retail store (2013) located on east side of 34th Street North 0.3 miles south of subject
- Publix supermarket at 34th Street and 17th Avenue North roughly 0.3 miles south of subject (new store built in 2011)
- Multi-parcel development at 1301 34th Street North with Thornton's fuel/convenience, Aldi's market, and quick serve restaurants
- Strip commercial development (2014 and 2015) on south side of 22nd Avenue North 0.3 miles southeast of subject (Advance Auto Parts, Dunkin Donuts, and other)
- Home Depot and Lowe's home improvement centers on 22nd Avenue North 0.8 miles east of subject

The residential neighborhoods flanking the 34th Street corridor were developed in the period 1950 through 1980; they include the sprawling Harshaw Lakes area west of 34th Street along 22nd Avenue North, Connors Mobile Home Park (east side of 34th Street), and extensive, low-rise, medium density, apartments in the Sirmon's Lake area west of 34th Street along the 30th Avenue corridor; most of these complexes were developed in the 1960s and 1970s and contain 12 to 40 units each in a 2 or 3-story format.

Residential land and improved property prices had rapidly increased in the subject neighborhood between 2001 and 2006 (boom period). However, beginning in 2006 the residential market severely contracted throughout the Tampa Bay area, including St. Petersburg and subject neighborhood. The market collapse worsened with the credit crisis of 2008 and languished until 2012. Since that time there has been a steady and robust residential recovery in south Pinellas County. Most sub-markets have regained much or all of their lost value as of early 2017 and now far exceed the peaks of the 2005 boom.

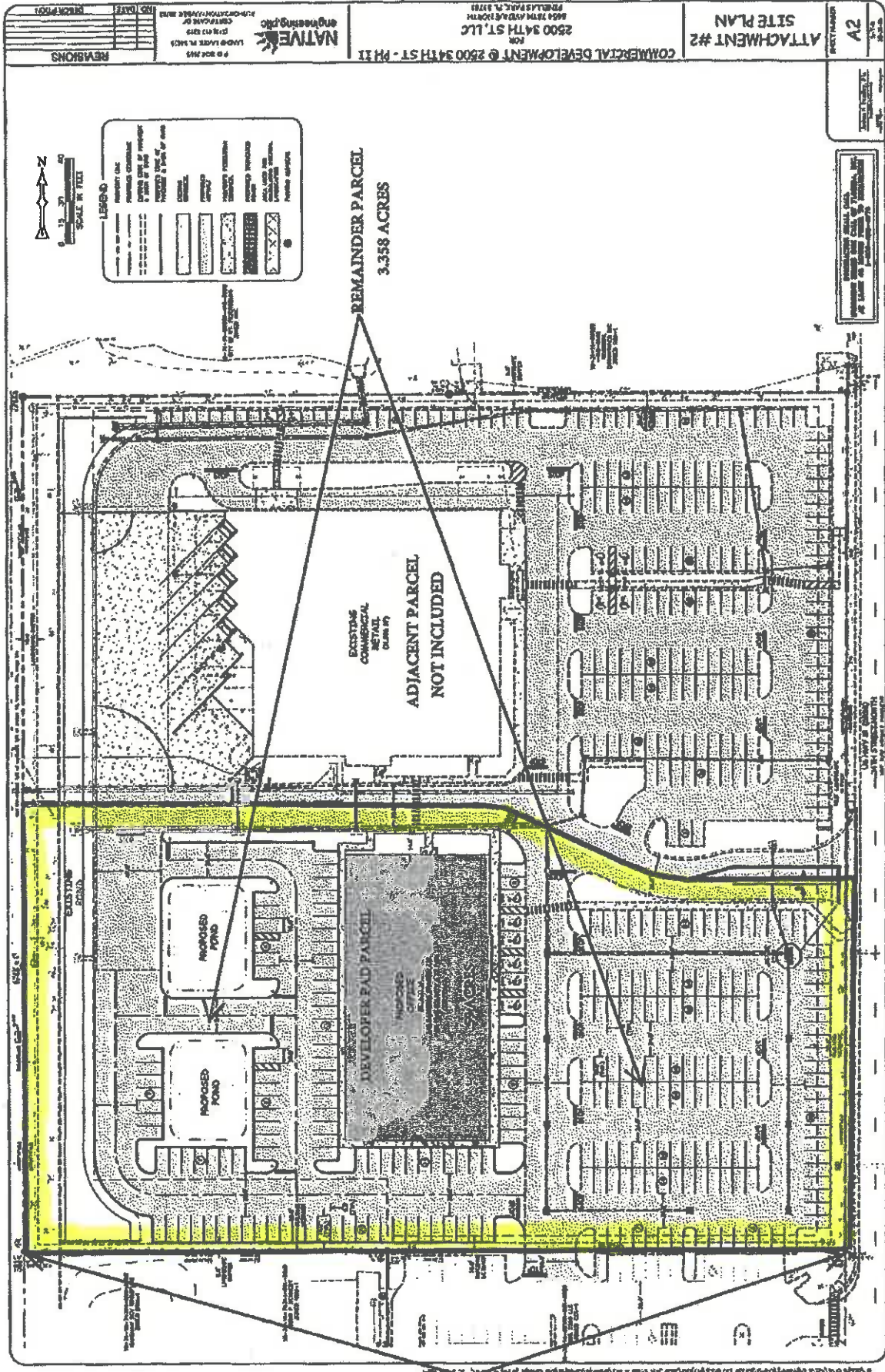
The Covid-19 pandemic and brief recession created a severe shock to nearly all areas of the nation and world af-

ter March 2020. The Tampa Bay area had been enjoying a robust economy with unemployment at historic lows at 3.5%; with business closures amid the lockdown phase unemployment spiked upward to 12.2% in May but then fell quickly to 9.2% by July; as of March 2021 the national rate had improved to 6.0%. CoStar reported that Tampa Bay lost 157,000 jobs in the lockdown and then regained 36,000 in a few months.

With this severe external event one would expect a corresponding dramatic impact on commercial real estate at least in the short term. In fact, sales and leasing activity suffered sharp declines in the latter stages of the pandemic as sellers and buyers waited on the sidelines for some signs of stability or recovery. Examining the few commercial transactions in Pinellas County that occurred during this turbulent period we found little evidence of price collapse but rather a relatively stable or slightly upward trend. A much stronger trend is observed in rents and occupancy in 2021 and early 2022; in fact, the 34th Street submarket has experienced a dramatic increase in retail rents over the last 36 months with no decline in occupancy. Inventories of commercial properties, such as small offices, have not ballooned as was the case in the Great Recession. Inventory in this sub-market is extremely tight, which has created a spike in price levels since 2021.

The office market in Pinellas exhibits some of the same dynamics as the residential sector, i.e., rapid price appreciation spurred by population growth with limited inventory and a high barrier to new development. Since mid-2022 the level of activity has fallen considerably due to lack of inventory and the negative effects of spiking interest rates. Another unexpected trend has emerged in this market hiatus for investor buyers, a significant increase in firms acquiring offices rather than leasing space. In spite of less than ideal conditions we are seeing typical market exposure times of 18 months or less. This condition is likely to continue through 2024. Consensus seems to be a gradual abatement of inflation leading into 2025 and a modest reduction in the costs of borrowed capital.





ATTACHMENT "2"
SITE PLAN

OVERALL PARCEL
3.948 ACRES

LEGEND

(Symbol)	PROPERTY LINE
(Symbol)	PROPOSED COMMERICAL
(Symbol)	PROPOSED OFFICE
(Symbol)	PROPOSED GARAGE
(Symbol)	PROPOSED PARKING
(Symbol)	PROPOSED DRIVEWAY
(Symbol)	PROPOSED UTILITY
(Symbol)	PROPOSED LANDSCAPE
(Symbol)	PROPOSED POND
(Symbol)	PROPOSED DRIVEWAY
(Symbol)	PROPOSED WALKWAY
(Symbol)	PROPOSED FENCE
(Symbol)	PROPOSED SIGN

SCALE: 1" = 100'
SCALE IN FEET

Utilities/Services:

Water:	City of St. Petersburg
Sewer:	City of St. Petersburg
Electric:	Duke Energy Florida, Inc.
Telephone:	Frontier Communications
Police:	St. Petersburg Police Department
Fire/EMS:	St. Petersburg Fire & Rescue
Public Transportation:	PSTA (bus service)

SITE DESCRIPTION:

Physical Location:	2500 34 th Street North (Parcel 2); west side of 34 th Street North (US Highway 19) 683 feet north of 22 nd Avenue North in the 34 th Street North Commercial District of north central St. Petersburg.
Data Sources:	Information was based on field inspection March 27, 2024; survey by Deuel & Associates; Work Order 2014-435; revised July 27, 2016; site plan by Native Engineering; Site concept #14; and analysis of Pinellas County Property Appraiser records/plat.
Gross Land Area:	171,971 square feet or 3.95 acres MOL
Configuration:	Rectangle; slightly irregular
Primary Frontage:	258.4 Feet MOL; west side of 34 th Street North
Secondary Frontage:	312.3 Feet MOL; east side of 35 th Street North
Parcel Depth:	583.6 Feet MOL
Topography/Drainage:	Level just above road grade; drainage appears adequate and typical of area
Vegetation:	Scattered pines, oaks, palms, and other varieties at 35 th Street frontage (west)
Flood Zone Designation:	Zone X-UnShaded, minimal flood hazard area, according to Federal Emergency Management Agency Map Panel 12103C 0216G; September 3, 2003

Soil Conditions:	Appear stable; no adverse conditions apparent
Easements:	Common access drive with Parcel 1 from 34 th Street along north boundary of subject Alternate access drive south of subject (2350 34 th Street North) Drainage easement in common with Parcel 1 Ingress/egress easement for benefit of Parcel 1 from Alternate access drive
Encroachments:	None apparent
Deed Restrictions:	Those specified in Declaration of Easements and Covenants filed in OR Book 19274/pages 880-915 Subject cannot be developed as thrift store, hotel/motel, single or multi-family residential, or “dollar” store as long as Parcel 1 is used as a Goodwill facility No-Build zone affects easterly 228 feet of site (same restriction applies to Parcel 1)
Visibility from Highway:	Excellent visibility from 34 th Street North (US Highway 19)
Access:	Direct access to site (right-in, right-out) for southbound 34 th Street; egress to northbound 34 th Street with a stacking lane No vehicular access to site from 35 th Street North (west) as there is a 6-foot high, block wall screening the residential neighborhood
Conclusion:	Subject is an oversized, interior, commercial site on 34 th Street North (US Highway 19) just 0.1 miles north of 22 nd Avenue North; configuration and site dimensions are supportive of single or multi-building, commercial development, including res-

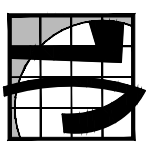
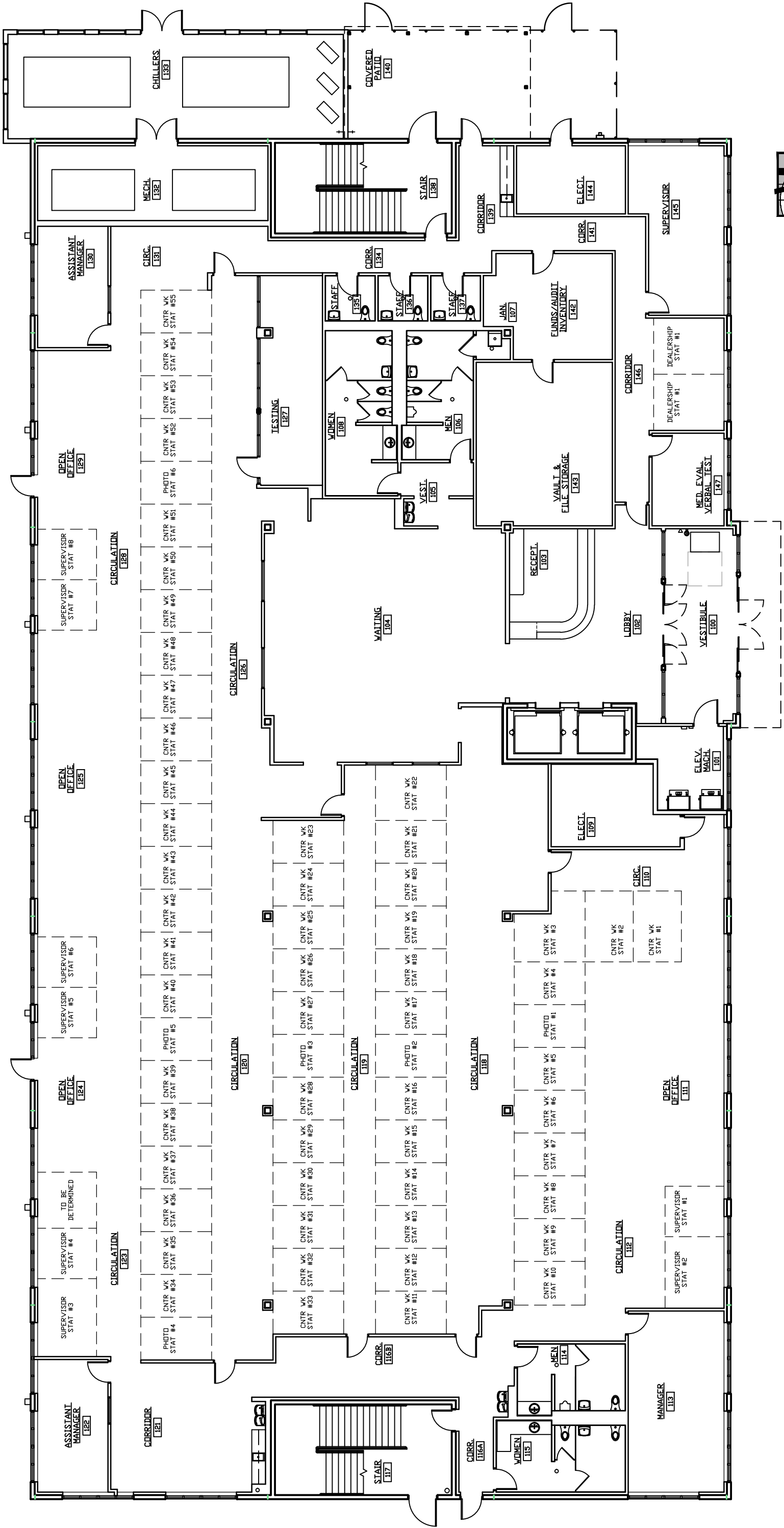
taurants; primary deficiencies are interior position and difficult northbound access at north lot line of subject (Parcel 2).

IMPROVEMENTS:

Data Sources:	Field inspection of premises on March 27, 2024 and also analysis of Pinellas Property Appraiser's records
General Description:	2-Story office building, a B+ quality, concrete tilt-wall structure
Year Built:	2020
Improvement Age:	Actual, 4 years Effective, 3 years
Remaining Economic Life:	47 years; this life can be extended by periodic renovations and upgrades
Building Size:	
GFA Base:	41,200 square feet (100%)
1 st Floor Area:	20,600 square feet (50%)
2 nd Floor Area:	20,600 square feet (50%)
Floor Plan:	Modern office facility for single or multi-tenant occupancy; designed for County Tax Collector, Property Appraiser, and other divisions; public areas confined to center building core area plus large waiting room just west of main entrance lobby; other areas of building designed as typical open bullpen and partitioned private office spaces with appropriate support facilities such as restrooms, employee lounges, and coffee stations
Building Condition:	Exterior and interior in near-new condition with minimal deferred maintenance
Foundation:	Typical reinforced concrete perimeter footings for a masonry, load-bearing wall structure
Exterior Walls:	Concrete tilt-wall panels with decorative stone trim at base
Windows/Doors:	Fixed, aluminum frame and plate-glass windows (tinted with UV screening and hurricane resistant)

	with storefront entrance doors; window coverage is above average for market
Roof:	Steel bar joists support a flat steel deck with built-up composition roofing; aluminum gutter system channels water to rear retention ponds
Floors:	Concrete slab on compacted fill (1 st floor); steel frame and lightweight concrete deck (2 nd floor)
Office Finishes:	Standard steel stud and gypsum board partitions (and tempered glass panels); suspended acoustical tile ceiling with metal grid with recessed fluorescent lighting; floor finishes include commercial-grade carpet squares, vinyl plank, and ceramic tile
Heat/Air Conditioning:	Institutional grade, chiller-type, central heat and air conditioning system; separate structure at northwest corner of building
Electrical:	Commercial-grade, circuit breaker system; adequate capacity for heavy commercial or institutional use
Plumbing:	1 st Floor has 2 large, ADA, public restrooms (10 fixtures) plus water coolers adjacent to waiting room; plumbing for break room; additional plumbing runs for coffee break stations; staff restrooms (ADA) in north and south sections; 2 nd floor has 2 ADA, public restrooms in north center section and 5 staff restrooms plus coffee stations, water coolers, break rooms, janitorial closet, etc.
Elevators:	2 Hydraulic elevators in building core; protected fire stairs at north and south midpoints of building
Safety:	Fire sprinkler system
Porches:	Covered staff patio at north end of building adjacent to HVAC chiller
<u>Site Improvements:</u>	
Walks:	Concrete walk at perimeter of building

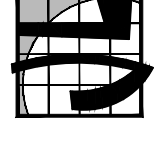
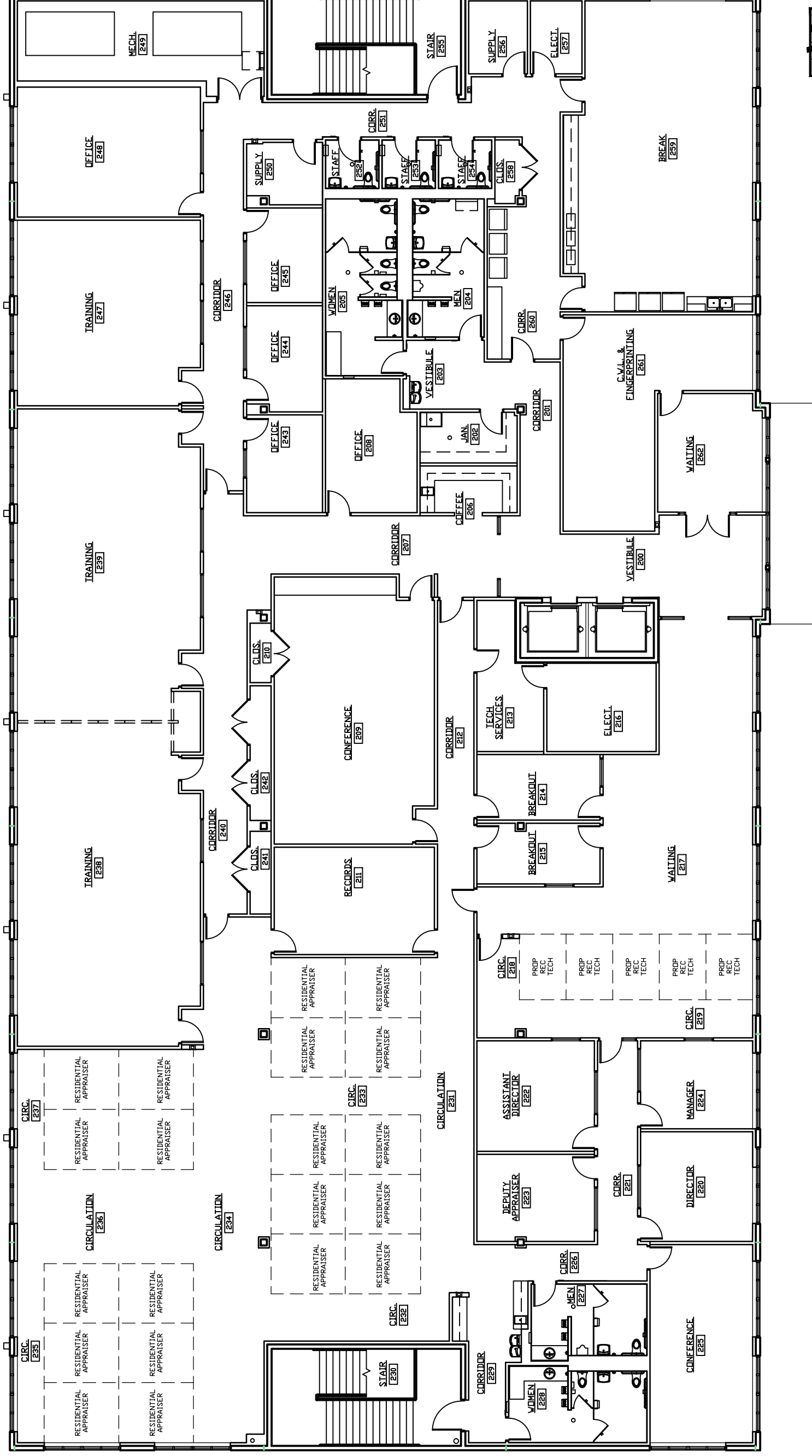
Parking Lots:	248-Space, asphalt parking lot at perimeter of building with concrete curbing; parking coverage of 6.0 spaces per 1,000 sq. ft. of building area is above average for market
Landscaping:	Landscaped islands in parking lot and perimeter of site with irrigation system
Lighting:	Pole lamps in parking lot
Storm Drainage:	Engineered drainage system in parking lot and drives channels water to two, large receiving ponds in rear parking lot



Jovanovic & Lyons
 (727) 822-7100
 Fax 822-7111
 AA26000985
 08-05-2020

FIRST FLOOR PLAN
NOT TO SCALE

2500 34TH ST, LLC
 2500 - 34TH STREET NORTH
 SAINT PETERSBURG, FL 33713



Jovanovic & Lyons
 (727) 822-7100
 Fax 822-7111
 AA26000985
 08-05-2020

SECOND FLOOR PLAN
 NOT TO SCALE

2500 34TH ST, LLC
 2500 - 34TH STREET NORTH
 SAINT PETERSBURG, FL 33713

Highest and Best Use:

The subject property is a 3.95-acre, commercial tract in the City of St Petersburg. It has a many favorable aspects that are offset by some negative factors. The positive factors include:

- 1- Location on heavily traveled 34th Street North (US Highway 19) in the 34th Street North Commercial District neighborhood of south central Pinellas County
- 2- 34th Street North (US Highway 19) is a 6-lane, median-divided highway with daily traffic count of 42,000
- 3- Signalized intersection at 22nd Avenue North just 683 feet to the south
- 4- Good local highway infrastructure with quick access to I-275
- 5- 258.4 feet frontage on 34th Street North (US Highway 19) with depth of 583.6 feet
- 6- Highway site with good visibility and access
- 7- Unified site plan with Goodwill property north (Parcel 1)
- 8- All public utilities and services available
- 9- Level, nearly rectangular site with good dimensions
- 10- Site size (171,971 square feet or 3.95 acres MOL) appropriate for major, highway commercial uses
- 11- Zoning is CCS-1; Corridor Commercial Suburban, which permits a broad range of commercial, service, and institutional uses
- 12- Several, big box, retailers in 34th Street corridor and along 22nd Avenue North to the east
- 13- Commercial land market in St Petersburg has experienced rapid value escalation in last 5 years
- 14- FEMA rating of Zone X-UnShaded, minimal flood hazard area
- 15- Housing market has rebounded strongly in Pinellas County in last 10 years including subject neighborhood
- 16- Commercial market has emerged strongly from sudden economic shock of pandemic in March 2020

The subject property also has some negative aspects that include:

- 1- Interior position of site
- 2- Ingress/egress easement in favor of Parcel 1
- 3- Below average northbound egress
- 4- National economic headwinds in last 24 months resulting from high inflation, increased interest rates, and decrease in commercial property activity
- 5- Office sector (nationwide) experiencing lower attendance, occupancy, and general demand in last 3 years; however, Tampa Bay market has fared much better than other areas

Given the generally positive assessment of the subject property, I have concluded highest and best use to be highway commercial development such as retail and/or service business; the threshold for such development is judged to be immediate.

Considering the improved property, the existing Building (2-story office of 41,200 square feet) suffers minimal physical depreciation or functional obsolescence and has a remaining economic life of 47 years. The building does however, suffer some external obsolescence linked to the sub-par performance of the office market in the last 3 years. This situation may reverse itself in the near term but as of the valuation date there would be a loss in value resulting from current market attitudes as well as lender financing criteria.

As a result, I have concluded highest and best use (as improved) would be retention of the existing improvements.

Marketability:

Subject's marketability is rated slightly below average at this time primarily because of the property type (office) and its relatively large size in terms of single-tenant occupancy and/or ownership. This assessment is based on the factors enumerated in the highest and best use analysis earlier.

Marketing & Exposure Times:

18 months for each

Valuation Process:

Cost approach was included in this appraisal as the improvements are nearly new and suffer no apparent functional obsolescence; more importantly, a significant portion of the market value of this property is the land, which demands an independent valuation, which is always the initial step in the cost method. However, because of the appraisal objective, valuation of improvements only, the land value component will be deducted as the last step in this approach. Likewise, the land value developed in this methodology will also be utilized as the final step in both the sales comparison and income capitalization approaches.

Sales Comparison approach is normally a highly reliable method of valuing office properties in this market; this approach has been applied and the unit of measure is price paid per square foot of building area. Again, the final step in this approach is deduction of land value to yield market value of improvements only.

Income capitalization approach was included as a secondary methodology as this property was designed for single-tenant occupancy (Pinellas County); however, given its size there is some potential for multi-tenancy with some reasonable modifications. Gross income potential of the building (and site improvements) will be estimated by selection and analysis of similar office rentals in the area; allowances for vacancy and typical operating expenses will be deducted and the resulting net operating income will be capitalized to an investment-based market value estimate. Again, the final step in this approach is deduction of land value to yield market value of improvements only.

Cost Approach-

The subject property, Office Property (Improvements Only), would lend itself to valuation by this method. First step in this methodology is estimation of land value by sales comparison:

Land Valuation-

I have selected four recent land sales from the south Pinellas market as the best indicators of subject's land value. The comparable sales closed between April 2021 and April 2023. The land market had been very strong with steady appreciation just prior this period; however, with the spike of interest rates and inflation commencing in 2022 the level of market activity dropped dramatically; hence, no adjustments were applied for market conditions. The sales reflected cash terms and therefore, there was no need for adjustments for favorable financing.

The reader is referred to the **Comparable Land Sales** chart in this section, which summarizes the comparative analysis on a price per square foot basis.

Sale 1 is the April 2023 acquisition of a 1.22-acre site located on US Highway 19 in Pinellas Park just south of a major mall; this property is a closed restaurant to be redeveloped; first, a downward adjustment was indicated for its smaller size on a unit price basis; another downward adjustment was applied for its secondary access advantage; upward adjustments were indicated for its inferior parcel shape and its obsolete improvements (demolition expense); all other categories revealed neutral comparisons; this sale indicates a unit value of \$36.66 for the subject, which is 2.1% below the adjusted mean (\$37.46).

Sale 2 is the December 2021 acquisition of a 1.31-acre site located on 34th Street North (US Highway 19) just 0.1 miles north of the subject site; this property was a closed restaurant to be redeveloped as a carwash; first, a downward adjustment was indicated for its smaller size on a unit price basis; upward adjustment was indicated for its obsolete improvements (demolition expense); all other categories revealed neutral comparisons; this sale indicates a unit value of \$40.73 for the subject, which is 8.7% above the adjusted mean (\$37.46).

Sale 3 is the February 2022 acquisition of a 7.87-acre site located on 34th Street South (US Highway 19) at 42nd Avenue South in the Maximo Marina area; this property was an obsolete retail center to be redeveloped as a major mixed use project; first, an upward adjustment was indicated for its larger size on a unit price basis; downward adjustment was warranted for its corner position; upward adjustment was indicated for its obsolete improvements (demolition expense); all other categories revealed neutral comparisons; this sale indicates a unit value of \$31.33 for the subject, which is 16.4% below the adjusted mean (\$37.46).

Sale 4 is the April 2021 acquisition of a 5.28-acre site located on 34th Street South (US Highway 19) at 46th Avenue South (adjacent south of Sale 3); this property was an obsolete retail center to be redeveloped as a senior residence and ALF; first, an upward adjustment

was indicated for its larger size on a unit price basis; downward adjustment was warranted for its corner-wrap position; upward adjustment was indicated for its obsolete improvements (demolition expense); all other categories revealed neutral comparisons; this sale indicates a unit value of \$41.12 for the subject, which is 9.8% above the adjusted mean (\$37.46).

The adjusted unit values of the four comparables range from \$31.33 (Sale 3) to \$41.12 (Sale 4), resulting in a reasonable variance of 31%. This is due primarily to Sale 3, the low outlier, as the other three sales vary by just 12%. Mean adjusted price is \$37.46 and the median is \$38.70.

I have placed slightly greater weight on Sale 2, which required fewest adjustments; secondary weight was given to the other three sales. Weighted mean was calculated at \$37.52 per square foot.

Therefore, based upon my analysis of the comparable sales, I have selected a unit value of \$37.50 per square foot for the subject site:

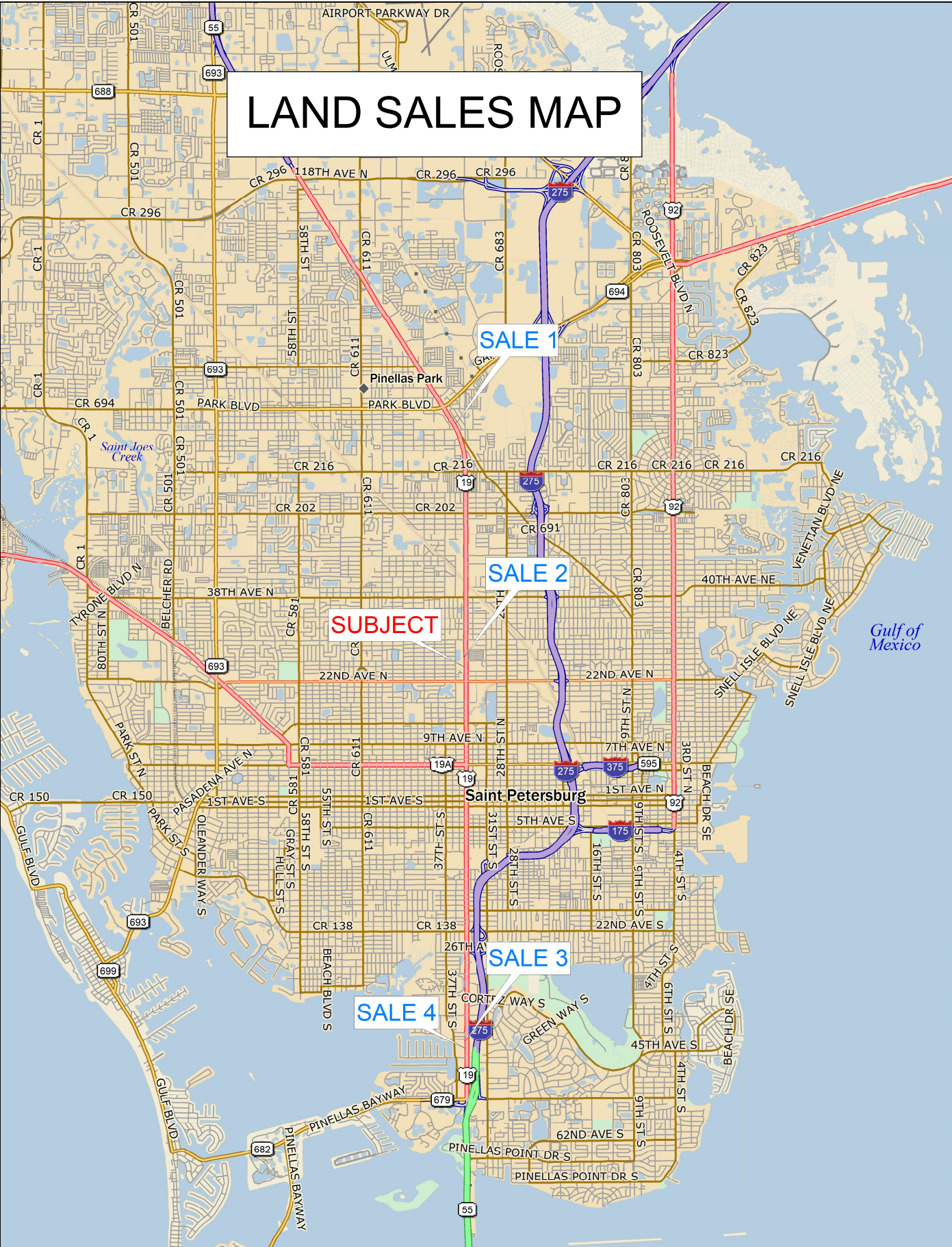
$$171,971 \text{ sq. ft. @ } \$37.50 = \$6,448,912$$

Rounded, \$6,450,000

Comparable Land Sales

Sale Number	Subject	1	2	3	4
Location	2500- 34th St N 0.1 Mi N of 22nd Av N St Petersburg	6767 US Hwy 19 0.1 Mile SE of Pinellas Sq Mall Pinellas Park St Petersburg	2600- 34th St N 0.2 Mi N of 22nd Av N St Petersburg	4341- 34th St S SW Cor 42 Av S St Petersburg	4401- 34th St S NW Quad 46th Av S St Petersburg
Date	Mar-24	Apr-23	Dec-21	Feb-22	Apr-21
OR Book/Page	N/A	22401/1902	21856/653	21951/204 etal	21517/1169 etal
GRANTOR	N/A	Salvatore Caretti	BDG 2600, LLC	Maximo Plaza, Inc etal	Allied Group Holdings II, LLC
GRANTEE	N/A	John S Creel, Tr	TWAS Properties, LLC	Marina Club Apts, LLC etal	Orange Belt Holdings, LLC
Parcel Number	10-31-16-82161-001-0010	34-30-16-51642-001-0110	10-31-16-00000-410-0500	03-32-16-55263-000-0010	03-32-16-11737-001-0011
Price	N/A	\$2,100,000	\$2,500,000	\$10,225,200	\$9,000,000
Size (AC)	3.95	1.22	1.31	7.87	5.28
Size (SF)	171,971	53,273	57,090	342,651	229,810
Price Per SF	N/A	\$39.42	\$43.79	\$29.84	\$39.16
Zoning	CCS-1	B-1	CCS-1	CCS-2	CCS-2
Highest/Best Use	Hwy Comm/Service	Hwy Comm/Service	Hwy Comm/Service	Major Mixed Use	Major Mixed Use
Use at Sale Date	Vacant	Closed Restaurant	Closed Restaurant	Major Mixed Use	Major Mixed Use
Highway Frontage	258.4	311.0	202.0	560.0	338.0
Depth	583.6	122.0	282.0	619.0	565.0
Corner/Interior	Interior	Interior; Double Front	Interior	Corner	Corner-Wrap
Traffic Count	42,000	58,000	42,000	27,000	27,000
Comments	Mid-sized interior site with shared access with Goodwill adjacent north; now improved by 41,200 SF County office bldg	Irregular site with double frontage in high traffic area near major mall; property acquired for commercial redevelopment	Small interior site with obsolete restaurant; razed for construction of car wash	Maximo Plaza and 3 outparcels acquired for development of a large, mixed use project (apts, bank, retail, and storage center)	Maximo Plaza site adjacent south of Sale 3; McDonalds lies south; being developed as The Manhattan, a 243-unit senior apt & ALF
Prior Sales- 3 Years	None	None	BDG 2600 acquired in Aug 2019 for \$1,425,000	None	Allied acquired in Sep 2020 at \$5.7M
Confirmed By	X	Chris Shryock (Broker)	Christian Yepes (Seller)	Jack Dougherty (Buyer)	Jack Dougherty (Seller)
Financing	X	Cash Sale	Cash Sale	First Horizon Bank	David Falk etal
ADJUSTMENTS					
Financing	X	\$0.00	\$0.00	\$0.00	\$0.00
Cash Price Per SF	X	\$39.42	\$43.79	\$29.84	\$39.16
Market Conditions	X	0%	0%	0%	0%
Adjusted Price/SF 1	X	\$39.42	\$43.79	\$29.84	\$39.16
Location	X	0%	0%	0%	0%
Parcel Size	X	-10%	-10%	10%	5%
Corner/Interior	X	-5%	0%	-10%	-5%
Parcel Shape	X	5%	0%	0%	0%
Zoning	X	0%	0%	0%	0%
Obsolete Improvements	X	3%	3%	5%	5%
Total Adjustment	X	-7%	-7%	5%	5%
Adjusted Price/SF 2	X	\$36.66	\$40.73	\$31.33	\$41.12

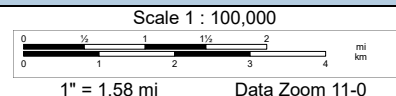
LAND SALES MAP



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LAND SALE #1: 6767 US HIGHWAY 19, PINELLAS PARK



LAND SALE #2: 2600 34TH STREET NORTH, ST PETERSBURG



LAND SALE #3: 4341 34TH STREET SOUTH, ST PETERSBURG



LAND SALE #4: 4401 34TH STREET SOUTH, ST PETERSBURG

Replacement Cost-

Technique A:

The subject property was developed in 2018 as a build-to-suit office for Pinellas County. The actual, audited development costs incurred by 2500 34th ST, LLC (developer) were made available to the appraiser. These costs tend to be more accurate than an independent estimate of replacement cost and were therefore, incorporated in this valuation methodology.

First step, being the valuation of the underlying land, was accomplished in the previous section of the report. My market analysis of four recent, commercial land sales led to a conclusion of current market value of \$6,450,000.

Development Costs (Horizontal, Vertical & FF&E):	\$10,177,063
Inflation Adjustment (2018 to 2024):	x1.406
Time Adjusted Development Costs:	\$14,308,951
Less Depreciation/Physical & External (25%):	<u>(\$3,577,238)</u>
AS IS Development Contribution:	\$10,731,713
Plus Current Land Value:	<u>\$6,450,000</u>
Total Current Property Cost:	\$17,181,713
Less Current Land Value:	<u>\$6,450,000</u>
Indicated Property Value (Improvements Only):	\$10,731,713
Rounded:	\$10,730,000

Technique B:

The replacement costs of the subject improvements have also been estimated using Marshall Valuation, Calculator Method (Sections 15) for office buildings. Summary of the cost estimate is set forth on page 24 following.

Subject office building has a replacement cost of \$11,465,521 (\$278.29 per sq. ft.); allowing for physical and external depreciation the “as is” figure is \$8,828,451; to this figure we added depreciated site costs of \$1,453,500, resulting in contributory value of \$10,281,951. Adding the land value we arrive at a total value of the property of \$16,731,951, rounded to \$16,730,000. Final step is deduction of the market value of the county-owned land (\$6,450,000):

Total Indicated Property Value:	\$16,730,000
Less Land Value:	<u>-\$6,450,000</u>
Indicated Property Value (Improvements Only):	\$10,280,000

The two indicated Improved Property Values (\$10,730,000 and \$10,280,000) vary by roughly 4% with the adjusted actual costs (A) setting the upper limit. I am inclined to place greater weight on this technique as it is grounded in reality with relatively recent audited figures.

In my opinion, the appraised property, Office Property (Improvements Only) South County Service Center, 2500 34th Street North, St Petersburg, Florida 33713, had a **market value** by cost approach “AS IS”, as of the effective date, March 27, 2024, of \$10,600,000.

Replacement Cost Estimate

2500 34th St N

St Petersburg, FL 33713

Mar-24

Bldg	Office	
GFA (SF)	41,200	
Construction	Concrete Tilt-Wall	
Quality/Constr Class	Good/Class C & Avg/Class C Govt	
Marshall Basis	Office Sec 15, Page 17 & 17	
Base Cost-1		\$247.00
Foundation Adjust		\$0.00
Fire Sprinlkr Adjust		\$4.90
FF&E Adjust		\$25.00
HVAC Adjust		\$6.40
Base Cost-2		\$283.30
Height Multiplier		1.05
Base Cost-3		\$296.33
Area/Perim Mult		0.93
Base Cost-4		\$275.59
Current Mult		1.02
Base Cost-5		\$281.10
Local Multiplier		0.99
Base Cost-6		\$278.29
	GFA (SF)	Base Cost-6
	41,200	\$278.29
	Replacement Cost	Cost New
		\$11,465,521
	Depreciation	
	Physical	3.00%
	Functional	0.00%
	External	20.00%
	Total Deprec	
		\$2,637,070
	Depreciated Bldg Cost	
		\$8,828,451
	Site Improvement Cost	
		\$1,615,000
	Depreciation	10.00%
	Depreciated Site Imp Cost	
		\$161,500
	Total Depreciated Cost	
		\$10,281,951
	Land Value	
		\$6,450,000
	Total	
		\$16,731,951
	Rounded	
		\$16,730,000

Sales Comparison Approach-

I assembled five recent sales (2021 through 2023) of office properties similar to the subject; these are all located in Tampa Bay within 15 miles of the subject; two are located in Tampa, two in Clearwater, and one in St. Petersburg. The local market had been relatively active until mid-2022 and then slowed considerably as interest rates spiked; nonetheless, the quantity of comparable data was adequate.

Market conditions were rated stable over this timeframe with normal appreciation minimized due to macroeconomic conditions.

COMPARATIVE ANALYSIS:

The reader is referred to the **Chart (Comparable Sales)** in this section, which summarizes the comparative analysis on a *price per square foot basis*.

Sale 1 is the May 2023 purchase of a large, suburban office building in the area just west of Tampa International Airport; location was judged equal to subject's with offsetting advantages and disadvantages; upward adjustments were applied for its much larger size (on a unit price basis), inferior quality, age/condition, and parking; no other categories required adjustment; Sale 1 indicates a unit value of \$214.39 per square foot, which is 26% below the mean of the data (\$290.05).

Sale 2 is the February 2023 purchase of a 29,737-square foot, suburban office building on a high profile site in Tampa's Westshore District; location was judged equal to subject's with offsetting advantages and disadvantages; upward adjustments were applied for age/condition and parking; no other categories required adjustment; Sale 2 indicates a unit value of \$337.39 per square foot, which is 16.3% above the mean of the data (\$290.05).

Sale 3 is the September 2023 purchase of a 23,478-square foot, suburban office building on a high traffic site at Gulf to Bay & McMullen Booth Road in Clearwater; location was judged equal to subject's with offsetting advantages and disadvantages; upward adjustments were applied for its inferior quality, age/condition, and parking; no other categories required adjustment; Sale 3 indicates a unit value of \$306.80 per square foot, which is 5.8% above the mean of the data (\$290.05).

Sale 4 is the February 2023 purchase of a 27,836-square foot, suburban office building on a low traffic site adjacent to St. Petersburg/Clearwater Airport in Clearwater; location was judged much inferior; upward adjustments were also applied for its inferior quality, age/condition, and parking; downward adjustment was made for sale property's parking garage; no other categories required adjustment; Sale 4 indicates a unit value of \$298.46 per square foot, which is 2.9% above the mean of the data (\$290.05).

Sale 5 is the September 2021 purchase of a 79,701-square foot, suburban office building on a high profile site in St. Petersburg's Carillon Office Park; location was judged equal to subject's with offsetting advantages and disadvantages; upward adjustments were applied for its larger size (on a unit price basis) and age/condition; no other categories required adjustment; Sale 5 indicates a unit value of \$293.22 per square foot, which is 1.1% above the mean of the data (\$290.05).

The range of adjusted unit prices of the comparables was \$214.39 to \$337.39, reflecting a total variance of 57%; this is a broad range for office properties in Tampa Bay and is primarily due to the low outlier, Sale 1. The other four sales vary by just 15%.

Mean adjusted unit price of the comparables is \$290.05 per square foot; median price is \$298.46.

I applied primary and equal weight to Sales 2 and 5, which were rated the better indicators of value; secondary weight was assigned to Sales 3 and 4 and least weight was placed on Sale 1. As a result, the weighted mean was slightly greater than the natural mean. Based on this analysis, I selected a unit value of \$292.00 per square foot for subject (land and improvements):

$$41,200 \text{ Sq. Ft. @ } \$292.00 = \$12,030,400$$

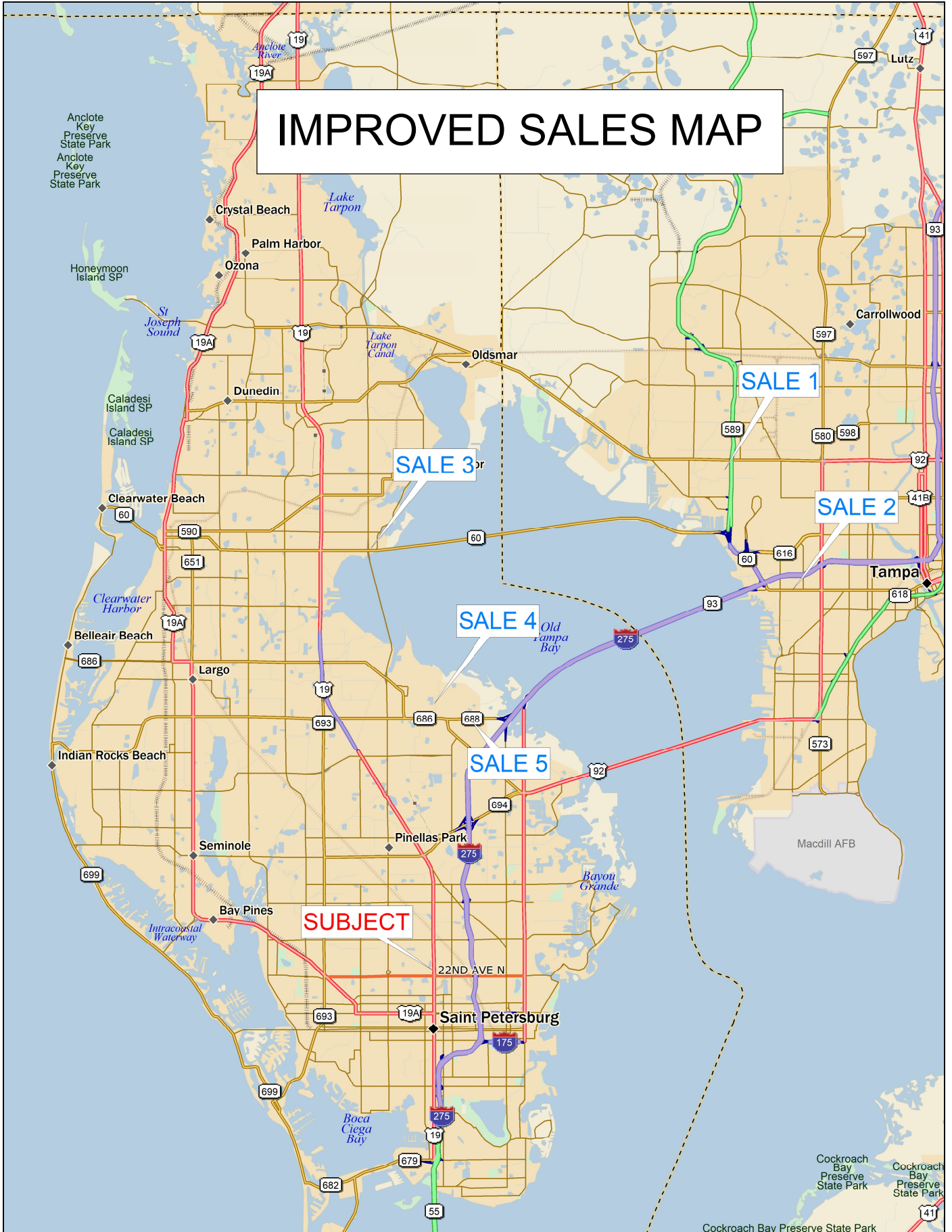
Final step in the sales comparison approach is recognition of the contributory value of subject's county-owned land (\$6,450,000). Therefore:

Total Property Value:	\$12,030,400
Less Land Value:	<u>\$6,450,000</u>
Indicated Market Value (Improvements):	\$5,580,400
Rounded,	\$5,580,000

Comparable Sales

	Subject		1		2		3		4		5	
Sale Number	2500 34th St N	4902 Eisenhower Blvd	4401 W Kennedy Blvd	3118 Gulf to Bay Blvd	13945 Evergreen Av	100 Carillon Parkway						
Location	St Petersburg	Tampa	Rtampa	Clearwater	Clearwater	St Petersburg						
Date	Mar-24	May-23	Feb-23	Sep-23	Feb-23	Sep-21						
OR Book/Page	X	2023200743	2023084673	22613/1759	22350/1016	21737/2571						
GRANTOR	X	Tampa Eisenhower, LLC	4401 Real Estate, LLC	GTB Equity Group, LLC etal	SP6 Real Estate, LLC	SH 100 St Pete, LLC						
GRANTEE	X	Balogh Eisenhower Office, LLC	Lafayette Partners, LLC	Tampa Bay Area Business Ctr	RWB Limited, LLC	REVA 100 Carillon, DST						
Parcel Number	10-31-16-82161-001-0010	U-06-29-18-ZZZ-000001-06370.0	A-20-29-18-3KJ-000002-00001.0	16-29-16-00000-240-0600	02-30-16-00000-320-0100	11-30-16-13461-008-0010						
Sale Price	X	\$14,250,000	\$7,900,000	\$4,900,000	\$6,200,000	\$19,000,000						
Gross Floor Area (SF)	41,200	96,376	29,737	23,478	27,836	79,701						
Sale Price Per SF Bldg	N/A	\$147.86	\$265.66	\$208.71	\$222.73	\$238.39						
Land Area (SF)	171,971	357,192	78,260	34,639	185,513	210,395						
Year Built	2020	1985	1985	1972	2010	1987						
Condition	New	Average	Above Average	Above Average	Above Average	Above Average						
Floor Area Ratio	0.24	0.27	0.38	0.68	0.15	0.38						
Property Type	Single/Multi-Tenant Office	Multi-Tenant Office	Multi-Tenant Office	Multi-Tenant Office	Single/Multi-Tenant Office	Multi-Tenant Office						
Quality	B+	B	B+	B-	B-	B+						
Construction	Concr Tilt Wall	Steel Frame/Glass/Brick	Concr Frame/Glass	ConcBlock/Stucco	Steel Frame/Stucco	ConcBlock/Brick						
Stories	2	3	3	3	4	3						
Parking	Above Average	Average	Below Average	Below Average	Average	Above Average						
Sale Type	X	Standard/Investor	Standard/Investor & User	Standard/Investor	Standard/User	Standard/Investor						
Cap Rate	X	8.7%	N/A	6.6%	N/A	5.8%						
3-Year Sales History	None	None	None	None	None	None						
Confirmed By	X	Todd Tolbert (Broker)	Chris Shryock (Broker)	All Soofi (Broker)	Uli Cramer (Broker)	Dale Peterson (Broker)						
Financing	X	Transamerica Life	The First Bank	DRC Lending FL, LLC	Cash Sale	Ameris Bank						
Assessed Value	\$7,820,223	\$11,642,000	\$5,267,900	\$1,750,000	\$3,460,000	\$9,450,000						
Ass'd Value Per SF of Bldg	\$189.81	\$120.80	\$177.15	\$74.54	\$124.30	\$118.57						
Ass'd Value % of Sale Price	X	81.7%	66.7%	35.7%	55.8%	49.7%						
ADJUSTMENTS												
Financing	X	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						
Cash Price Per SF	X	\$147.86	\$265.66	\$208.71	\$222.73	\$238.39						
Market Conditions	X	0%	0%	0%	0%	0%						
Adjusted Price/SF-1	X	\$147.86	\$265.66	\$208.71	\$222.73	\$238.39						
Location	X	0%	0%	0%	15%	0%						
Bldg Size	X	10%	0%	0%	0%	5%						
Quality	X	5%	0%	10%	10%	0%						
Age/Condition	X	25%	20%	30%	7%	18%						
Parking	X	5%	7%	7%	5%	0%						
Other	X	0%	0%	0%	-3%	0%						
Total Adjustment	X	45%	27%	47%	34%	23%						
Adjusted Price/SF-2	X	\$214.39	\$337.39	\$306.80	\$298.46	\$293.22						

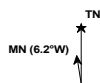
IMPROVED SALES MAP



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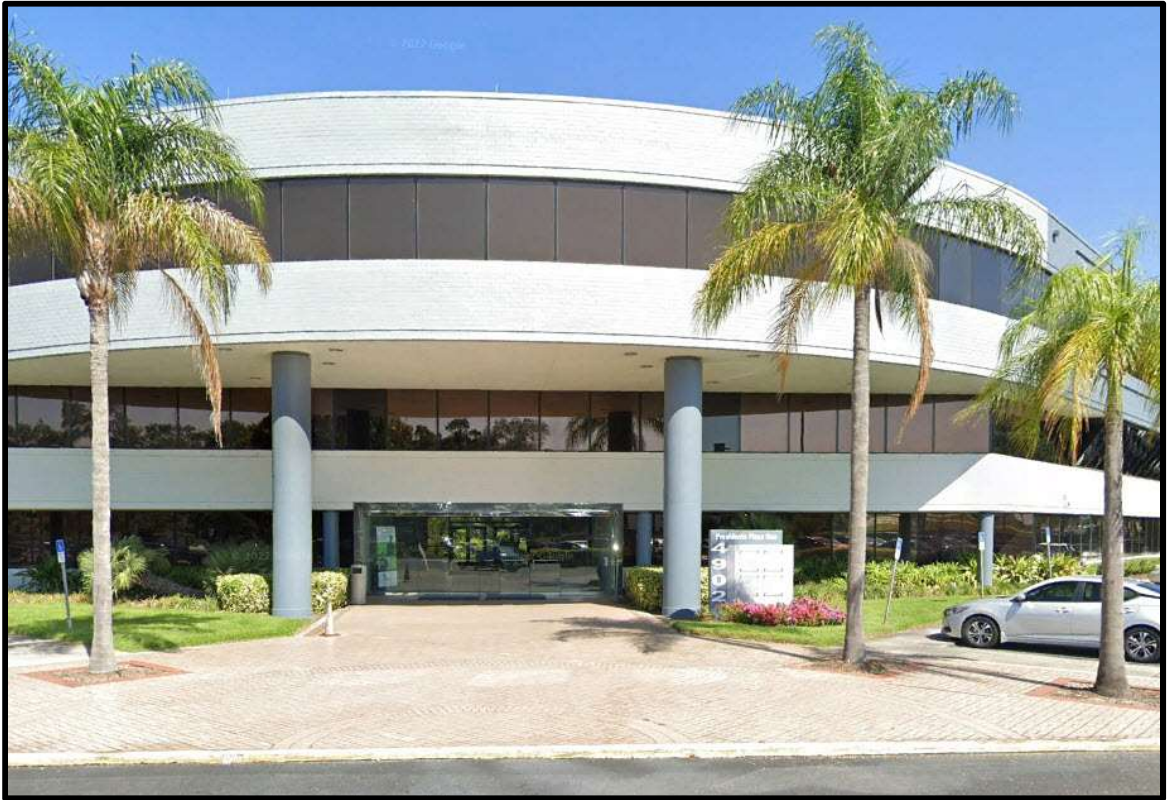
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Cockroach Bay Preserve State Park
Scale 1 : 225,000

1" = 3.55 mi Data Zoom 9-7



SALE #1: 4902 EISENHOWER BLVD, TAMPA



SALE #2: 4401 W. KENNEDY BLVD, TAMPA



SALE# 3: 3118 GULF TO BAY BLVD, CLEARWATER



SALE #4: 13945 EVERGREEN AVENUE, CLEARWATER



SALE #5: 100 CARILLON PARKWAY, ST PETERSBURG

Income Capitalization Approach-

This method is applicable to the subject property as single/multi-tenant, office properties of this type and size are sometimes purchased as investments.

Market Rental Data:

I have selected five comparable rent properties from the local area as the basis for estimating current market rent of the subject property.

The comparable rents were then matched against the subject property in many of the same categories as found in the sales analysis in the previous section.

Lease Format: All comparables are Full Service leases and subject is assumed rented Full Service as well.

Market Conditions: The lease listings are current offerings; downward adjustments were applied to account for discounts during negotiations.

Location: Rents 1 and 5 were rated slightly inferior to subject; Rent 4 on 4th Street was rated superior; and Rents 2 and 3 were roughly equal in location.

Quality: Rents 1, 3, 4, and 5 were rated inferior to the subject in quality and adjusted upward; Rent 2 is rated equal in quality.

Age/Condition: All five comparables were rated inferior to subject and adjusted upward; Rent 2 required least adjustment in this category.

Parking: Rents 1, 3, 4, and 5 were rated inferior to the subject in parking and adjusted upward; Rent 2 is rated equal in this aspect.

Following the adjustment process we find an indicated range of \$28.03 to \$33.93 per square foot (Full Service) with a variance of 21%; the mean adjusted rent was \$29.82 and the median was \$29.25. Market rent was estimated at \$29.70 per square foot.

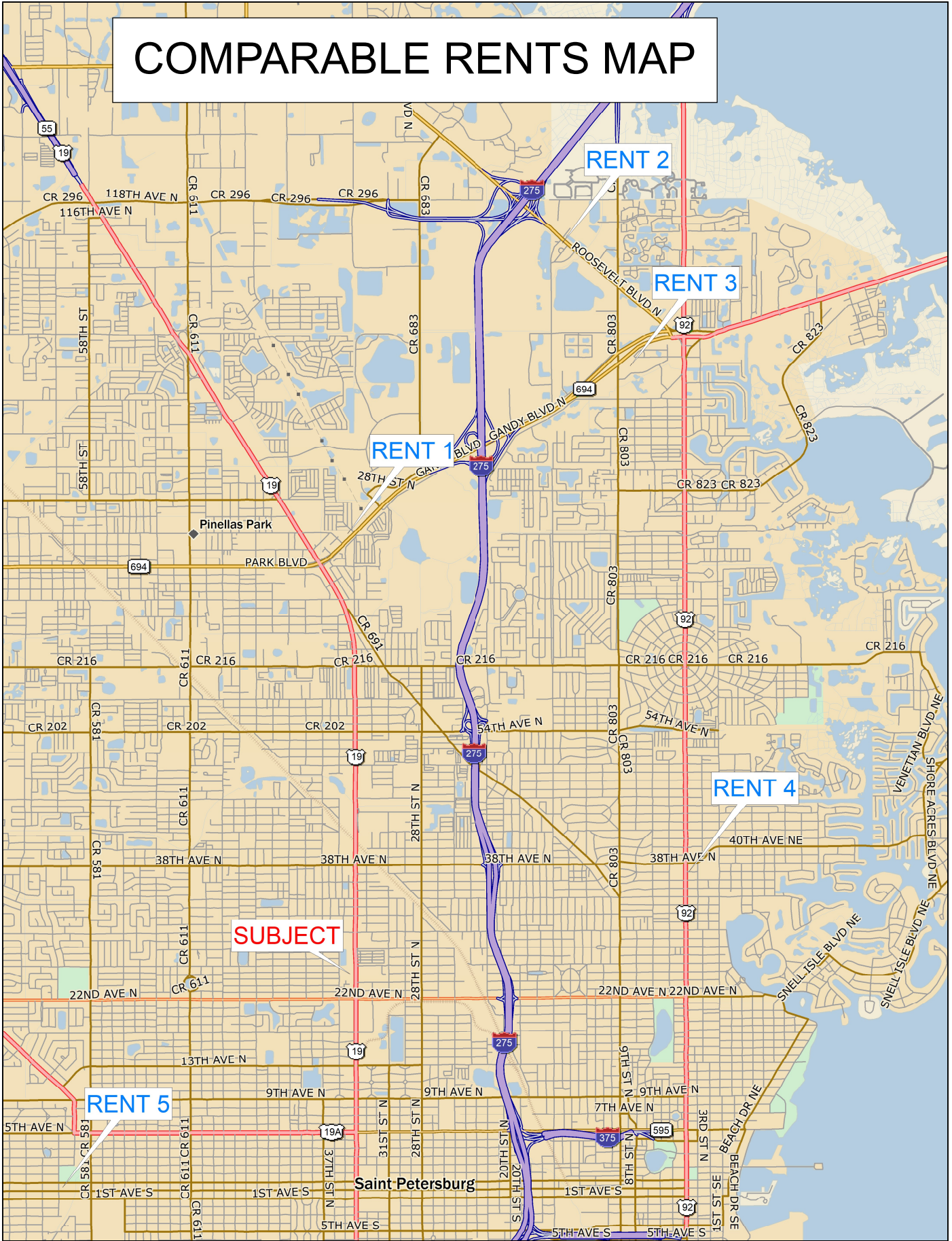
Gross Income:

Referring to the **Proforma**, we see *total rental income* projected at \$1,223,640 for the subject.

Comparable Rents

	Subject		1	2	3	4	5
Sale Number							
Location	2500 34th St N	3491 Gandy Blvd	12450 Roosevelt Blvd	877 Executive Dr W	3637 4th St N	5999 Central Av	
Date	St Petersburg Mar-24	Pinellas Park Mar-24	St Petersburg Mar-24	St Petersburg Mar-24	St Petersburg Mar-24	St Petersburg Mar-24	
Parcel Number	10-31-16-82161-001-0010	27-30-16-30024-001-0010	11-30-16-16865-000-0010	19-30-17-47060-001-0010	07-31-17-60664-001-0010	20-31-16-06048-000-0011	
Bldg/Unit Size (SF)	41,200	51,448	46,670	69,378	50,488	32,792	
Rent Per SF	X	\$22.50	\$29.50	\$23.50	\$29.50	\$22.50	
Lease Format	Full Service	Full Service	Full Service	Full Service	Full Service	Full Service	
Lease Status	X	List	List	List	List	List	
Year Built	2020	1987	2007	1988	1976	1979	
Condition	New	Average	Above Average	Above Average	Average	Average	
Bldg Type	Single/Multi-Tenant	Multi-Tenant	Multi-Tenant	Multi-Tenant	Multi-Tenant	Multi-Tenant	
Stories	2	2	4	1	4	4	
Quality	B+	B	B+	B	B	B	
Other				Sub-Lease	Sub-Lease/Furnished		
Parking	Above Average	Average	Above Average	Below Average	Average	Average	
ADJUSTMENTS							
Lease Format	X	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Equalized Rent Per SF	X	\$22.50	\$29.50	\$23.50	\$29.50	\$22.50	
Market Conditions	X	-10%	-10%	-10%	-10%	-10%	
Location	X	5%	0%	0%	-10%	5%	
Quality	X	5%	0%	5%	5%	5%	
Age/Condition	X	25%	5%	20%	25%	25%	
Parking	X	5%	0%	7%	5%	5%	
Total Adjustment	X	30%	-5%	22%	15%	30%	
Adjusted Rent/SF	X	\$29.25	\$28.03	\$28.67	\$33.93	\$29.25	

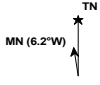
COMPARABLE RENTS MAP



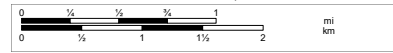
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Scale 1 : 62,500



1" = 5,208.3 ft Data Zoom 11-6



RENT #1: 3491 GANDY BLVD, PINELLAS PARK



RENT #2: 12450 ROOSEVELT BLVD, ST PETERSBURG



RENT #3: 877 EXECUTIVE DRIVE W, ST PETERSBURG



RENT #4: 3637 4TH STREET NORTH, ST PETERSBURG



RENT #5: 5999 CENTRAL AVENUE, ST PETERSBURG

Vacancy and Collection Loss:

Vacancy and collection loss is estimated to be 5% of gross rent to allow for frictional vacancies. Deducting the allowance, results in effective gross income of \$1,162,458.

Operating Expenses:

Operating expenses are based on historical experience for comparable rental properties in the area and those of the subject property. Property taxes for the current year are \$155,000, assuming private entity ownership.

Insurance cost for 2023 was \$46,177 (\$1.12 per sq. ft.) for the subject building based.

Electric cost for the subject are estimated at \$2.50 per square foot, or \$103,000 annual; Water/sewer/trash is estimated at \$0.75 per square foot (\$30,900).

Grounds maintenance is entered at \$11,650, which is the current actual cost.

I have estimated a maintenance expense of \$38,600 (\$0.94 per square foot) based upon a review of the actual figures for the last 3 years. Management/leasing is budgeted at 7% of effective gross revenue, or \$81,372, based upon current industry norms in Tampa Bay.

Capital reserves have been budgeted at \$20,600 per year (\$0.50 per square foot); this amount would generate \$236,000 (\$5.73 per square foot) in 10 years when invested at 3% annual. The capital reserves would be available for renovation and upgrading of the HVAC systems, plumbing fixtures, water heaters, and interior finishes, which is necessary on an ongoing basis.

Operating expenses for the subject total \$487,299, or \$11.83 per square foot. Deducting the non-cash expense of reserves, we find a total of \$466,699, or \$11.33 per square foot. This figure is slightly greater than the range of operating expenses for the comparable rents used in the analysis, primarily due to the increases in taxes and insurance.

Deducting total expenses (\$487,299) from effective gross income, we arrive at net operating income (**NOI-1**) of \$675,159. This is the amount available for debt service and property re-investment. Adding back capital reserves of \$20,600, we arrive at **NOI-2** of \$695,759; this is the amount normally capitalized to value by the local market as most parties do not recognize the deduction for capital reserves.

The reader is referred to the **Proforma** following, which illustrates the operation of the property for the coming year.

Single/Multi-Tenant Office Property2500 34th St NSt Petersburg, FL 33713**Income/Expense Proforma**

Mar-24

Tenant	Source	SF	% NRA	Monthly Rent	Base Per SF	CAM	Monthly Total	Total Per SF	Yearly Rent
New Tenant(s)	Market	41,200	100.0%	\$101,970.00	\$29.70	\$0.00	\$101,970.00	\$29.70	\$1,223,640
Totals		41,200	100.0%	\$101,970.00	\$29.70	\$0.00	\$101,970.00	\$29.70	\$1,223,640

Per SF					% Of Gross
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Annual Potential Gross	\$1,223,640			\$29.70					100.00%
Vacancy/Collection Loss	\$61,182			\$1.49					5.00%
Annual Effective Gross	\$1,162,458			\$28.22					95.00%
Expenses									
Real Estate Taxes	\$155,000			\$3.76					12.67%
Insurance	\$46,177			\$1.12					3.77%
Electric	\$103,000			\$2.50					8.42%
Water/Sewer/Trash	\$30,900			\$0.75					2.53%
Grounds	\$11,650			\$0.28					0.95%
Maintenance	\$38,600			\$0.94					3.15%
Capital Reserves	\$20,600			\$0.50					1.68%
Management/Leasing (7%)	\$81,372			\$1.98					6.65%
Total Expenses	\$487,299			\$11.83					39.82%
Net Operating Income-1	\$675,159			\$16.39					55.18%
Capital Reserves	\$20,600			\$0.50					1.68%
Net Operating Income-2	\$695,759			\$16.89					56.86%

Capitalization:

Capitalization involves the application of a market-based capitalization rate to the net operating income, thereby generating an indication of market value by the income or investment approach.

Capitalization rate is defined as: “Any rate used to convert income into value.”²

Market extraction is the preferable method of capitalization rate selection as it directly measures investors’ expectations of income performance at a given point in time.

The comparable sales studied in this report revealed cap rates ranging from 5.8% (Sale 5) to 8.7% (Sale 1); Sale 3 carried a cap rate of 6.6%.

The low limit, Sale 5, closed in September 2021 and thus was unaffected by the 2022/2023 interest rate spike. The upper limit, Sale 1, closed in May 2023 and definitely revealed signs of macroeconomic conditions; recall that Sale 1 was also the low outlier in the sales comparison approach.

Sale 3 is the most recent transaction (September 2023) and its rate of 6.6% shows the strength of the Tampa Bay market particularly considering it is a B- quality building dating from 1972.

Therefore, considering all the above data, I have selected a capitalization rate of 6.5% for the subject property.

NOI-2 / Cap Rate	=	Value
\$695,759 / 0.065	=	\$10,703,985

Final step is deduction of the subject’s land value:

Total Property Value:	\$10,703,985
Less Land Value:	<u>\$6,450,000</u>
Indicated Market Value (Improvements):	\$4,253,985
Rounded,	\$4,255,000

² Ibid, page 41.

Reconciliation:

The subject property is comprised of an Office Property (Improvements Only) located at 2500 34th Street North (US Highway 19) and known as the South County Service Center. The 3.95-acre, interior site (county-owned) is found on the west side of 34th Street North 0.1 miles north of 22nd Avenue North in St. Petersburg. The build-to-suit office is a concrete tilt-wall, 2-story structure comprising 41,200 square feet; it was completed in 2020 and is in new condition with no observed functional obsolescence. Effective age is estimated at 3 years and remaining economic life is approximately 47 years.

Highest and best use of the 3.95-acre site is judged to be highway commercial development such as retail and/or service business. Highest and best use, as improved, is retention of the existing improvements.

The **cost approach** was included in the appraisal as the structure and site improvements are essentially new and there is minimal physical and functional depreciation.

The sales comparison approach- land only was utilized within the context of the cost approach to identify the market value of the land. Five recent land sales were drawn from the south Pinellas market. These sales were matched against the subject land parcel and adjustments were applied for noted dissimilarities. The data indicated a probable unit value of \$37.50 per square foot. I therefore, have estimated market value of the subject tract “as vacant” as of March 27, 2024, at **\$6,450,000**.

Replacement cost of building and site improvements was estimated using two techniques; A) indexing of actual development costs to 2024; and B) estimation of cost new utilizing Marshall Valuation. The two estimates varied by just 4% and I concluded market value of the improvements only at **\$10,600,000** by the cost approach.

The **sales comparison approach** was judged highly relevant as sufficient market data was available and the methodology is readily understood in this market. Five comparable sales were selected from the local market, all of which closed between 2021 and 2023. The comparables were analyzed on a price per square foot of gross floor area basis, consistent with accepted listing information in this market. Adjustments were applied to the sales where they were found to materially differ from the subject (qualitatively or quantitatively); adjustments in this case were focused in the areas of location, building size, quality, age/condition, and parking. The data focused upon a value of approximately \$292.00 per square foot of building. I concluded market value of improvements only at \$5,580,000 by the sales comparison approach.

The **income capitalization approach** was included in this appraisal due to the size of the building and its capability to be leased by one or multiple tenants. Five local comparable rent properties were studied and matched against the subject in several categories of comparison;

market rent was estimated at \$29.70 per square foot (full service). Deductions were then made for vacancy and typical operating expenses; this process resulted in a net operating income at stabilized occupancy. The NOI was then capitalized at a rate (6.5%) drawn from three of our comparable sales. This investment methodology resulted in a value conclusion of improvements only at \$4,255,000

The income and sales comparison methodologies vary by roughly 24% with the investment valuation establishing the lower limit. The cost approach normally establishes the upper limit of the market value range due in part, to the difficulty in accurately measuring accrued depreciation from all causes; this is particularly true for the external obsolescence component in a property that is essentially new with no functional deficiencies but a broader market with double-headwinds of high inflation and interest rates. At the same time we have a commercial land market in Pinellas County that reveals substantial value growth in the last 5 years. Therefore, with an office sales and rental market that places an economic limit on total property value in an environment of rapidly increasing land and building costs, we find a substantial loss in value due to external obsolescence. This situation will likely correct itself as the market returns to more normal dynamics but at the date of valuation there is a total disconnect between cost and the other two approaches.

In the final reconciliation, I have placed greatest emphasis on the sales comparison approach as it is clearly the best methodology for properties of this type, size, and class. Secondary emphasis was given to the income capitalization approach. Much less weight has been afforded to the cost approach because of the inherent difficulties in accurately measuring the current external depreciation. I have concluded market value of the subject property, “improvements only”, as of effective date, March 27, 2024, at **\$5,685,000**.

CERTIFICATION

This is to certify that, upon request for valuation by John Lowe, Acquisition & Disposition Coordinator, Pinellas County, I have personally inspected, collected, and analyzed various data, and appraised the Fee Simple interest of the Office Property (Improvements Only) located at 2500 34th Street North, St Petersburg, Florida 33713. The property is more fully described in the attached report.

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 or bias 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.
- ◆ My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- ◆ 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.

- ◆ 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.

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

The appraiser is qualified to appraise this property with respect to the Competency Provision of USPAP.

The appraiser had previously appraised the subject property for the client in the last three years.

This certificate is in accordance with the Uniform Standards of Professional Appraisal Practice Standard Rule 2-3 and with the Appraisal Institute's Supplemental Standards of Professional Practice.

C. Richard Tobias

C. Richard Tobias, MAI
State-Certified General
Real Estate Appraiser RZ705

ASSUMPTIONS AND LIMITING CONDITIONS

1. The conclusion as to market value contained herein represents the opinion of the undersigned and is not to be construed in any way as a guarantee or warranty, either expressed or implied, that the property described herein will actually sell for the market value contained in this opinion.
2. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
3. The property is appraised free and clear of all encumbrances, unless otherwise noted.
4. No survey of the property was made or caused to be made by the appraiser. It is assumed the legal description closely delineates the property. It was checked with public records for accuracy. Drawings in this report are to assist the reader in visualizing the property and are only an approximation of grounds or building plan.
5. It is assumed that there are no hidden or unapparent conditions of the property's subsoil or structure 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.
6. Subsurface rights (minerals, oil, or water) were not considered in this report.
7. All value estimates have been made contingent on zoning regulations and land use plans in effect as of the date of appraisal, and based on information provided by governmental authorities and employees.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental laws and regulations, unless noncompliance is stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. This appraisal report covers only the premises herein; and no figures provided, analysis thereof, or any unit values derived are to be construed as applicable to any other property, however similar they may be.

11. Certain data used in compiling this report was furnished by the client, his counsel, employees, and/or agent, or from other sources believed reliable. However, no liability or responsibility may be assumed for complete accuracy.
12. An effort was made to verify each comparable sale noted in the report. There are times when it is impossible to confirm a sale with the parties involved in the transaction; all sales are confirmed through public records.
13. This appraisal has been prepared solely for the exclusive benefit of the client, addressee of the report. 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 the proper written qualification and only in its entirety.
14. Estimates of expenses, particularly as to assessment by the County Property Appraiser and subsequent taxes, are based on historical or typical data. Such estimates are based on assumptions and projections which, as with any prediction, are affected by external forces, many unforeseeable. While all estimates are based on my best knowledge and belief, no responsibility can be assumed that such projections will come true.
15. Responsible ownership and competent property management are assumed.
16. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, were not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field.

QUALIFICATIONS
C. RICHARD TOBIAS, MAI

EDUCATION:

B.A., 1971, Boston College, School of Arts and Sciences

Have passed or received credit for the following courses sponsored by the Appraisal Institute.

- 1A-1 Real Estate Appraisal Principles
- 1A-2 Basic Valuation Procedures
- 1B-1 Capitalization Theory and Techniques
- 2-1 Case Studies in Real Estate Valuation
- 2-2 Valuation Analysis and Report Writing
- 2-3 Standards of Professional Practice
- 6 Investment Analysis

Attended numerous seminars sponsored by American Institute of Real Estate Appraisers (now Appraisal Institute), Society of Real Estate Appraisers (now Appraisal Institute), Florida State University, National Association of Mutual Savings Banks, and other financial institution associations. Most recent appraisal course was Uniform Standards for Federal Land Acquisitions (June 2010), sponsored by the Appraisal Institute. Most recent seminar was Market Disturbances- Market Analysis in Atypical Markets and Cycles (August 2023).

Florida State-Certified General Real Estate Appraiser RZ705

Expert witness in appraisal of real estate and businesses --
Circuit Court of Florida, Sixth District
Federal Court, Middle District of Florida

BUSINESS EXPERIENCE:

2015 to Present: Manager/owner, **Tobias Realty Advisors, LLC**, a firm specializing in appraisal and consulting in commercial and investment real estate in west central Florida.

1987 to 2015: Independent Contractor associated with Valuation Services, Inc. and **Tobias Realty Advisors, LLC**, firms specializing in appraisal and consulting in commercial and investment real estate. Assignments have included appraisal of a variety of commercial, industrial, and investment properties, as well as vacant land. Areas of specialization include churches, schools, convenience food/gasoline outlets, restaurants, retail centers, industrial, of-

ices, medical/dental clinics, apartments, and lodging facilities. Appraisal assignments have been prepared for financing, litigation, sale/purchase, and other functions.

- 1980 to 1987: Vice President, Warren Hunnicutt, Jr., Inc., Real Estate Appraisers and Consultants. Assignments included office buildings, shopping centers, industrial facilities, residential developments, apartment buildings, resort properties, and closely-held businesses.
- 1979 to 1980: Associate Appraiser with L. T. Bookhout, Inc., Real Estate Appraisal and Consultation. Assignments included industrial facilities, special purpose properties, undeveloped land tracts, as well as historically significant properties being acquired by the National Park Service.
- 1977 to 1979: Commercial Loan Analyst/Appraiser with Poughkeepsie Savings Bank. Duties included appraisal of residential and commercial properties for mortgage loan purposes; review and recommendation of commercial loans to Board of Directors; field inspection and analysis of investment properties in Southeast and Southwest United States.
- 1975 to 1977: Associated with Dutchess County Department of Real Property Tax and City of Beacon, New York in the assessment of properties for ad valorem taxation purposes.
- 1973 to 1975: Owned and operated masonry contracting firm specializing in custom residential fireplaces, accent walls, exterior facades, etc.

Independently registered Real Estate Broker -- State of Florida; BK348850

PROFESSIONAL AFFILIATIONS:

MAI, Appraisal Institute
Realtor, Florida Gulfcoast Commercial Association of Realtors (FGCAR)

The Appraisal Institute conducts a program of continuing education for its designated members. MAI's who meet the minimum standards of this program are awarded periodic educational certification. C. Richard Tobias is currently certified under this program.

2013 President, Florida Gulf Coast Chapter of Appraisal Institute

ADDENDA

EXHIBIT "A"

The land referred to herein below is situated in the County of Pinellas, State of Florida, and is described as follows:

Parcel 1:

The South 200 feet of the North 600 feet of the East 1/2 of the Southeast 1/4 of the Southeast 1/4 of Section 10, Township 31 South, Range 16 East, less the East 50 feet thereof and the West 30 feet thereof for street purposes, Pinellas County, Florida.

ALSO BEING DESCRIBED as Lot 1, Block 1 of SIRMONS ESTATES CHRYSLER ADDITION, according to the plat thereof as recorded in Plat Book 67, Page 68, of the public records of Pinellas County, Florida.

And The North 400 feet of the East 1/2 of the Southeast 1/4 of Southeast 1/4 of Section 10, Township 31 South, Range 16 East, less the East 50 feet thereof and the West 30 feet thereof for street purposes, Pinellas County, Florida.

Said tract also being described as follows:

The North 600 feet of the East 1/2 of the Southeast 1/4 of the Southeast 1/4 of Section 10, Township 31 South, Range 16 East, less the East 50 feet thereof and the West 30 feet thereof for street purposes.

LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL:

Commencing at the Southeast corner of the aforementioned tract, same being the Southeast corner of said Lot 1, Block 1 of SIRMONS ESTATES CHRYSLER ADDITION, according to the plat thereof as recorded in Plat Book 67, Page 68, of the public records of Pinellas County, Florida; thence along the East line of said tract, same being the West right-of-way line of US Highway 19 N00°08'16"E, a distance of 258.36 feet to the POINT OF BEGINNING; thence N89°51'39"W, a distance of 114.73 feet to the point of curvature with a tangent circular curve concave to the North; thence along the arc of the said curve, having a radius of 85.00 feet, an arc distance of 38.65 feet, a central angle of 26°03'14", the chord for which bears N76°50'02"W, a chord distance of 38.32 feet to the point of tangency; thence N63°48'26"W, a distance of 76.80 feet to the point of curvature with a tangent circular curve concave to the South; thence along the arc of the said curve having a radius of 100.00 feet, an arc distance of 45.47 feet, a central angle of 26°03'14", the chord for which bears N76°50'02"W, a chord distance of 45.08 feet to the point of tangency; thence N89°51'39"W, a distance of 318.70 feet to the West line of said tract; thence along said line N00°07'11"E, a distance of 287.66 feet to the North line of said tract; thence along said line S89°59'35"E, a distance of 583.77 feet to the East line of said tract; thence along said line, same being the West right-of-way line of US Highway 19, S00°08'16"W, a distance of 341.54 feet to the POINT OF BEGINNING.

THE ABOVE DESCRIBED LAND ALSO BE DESCRIBED AS FOLLOWS:

BEGINNING at the Southeast corner of the aforementioned tract, same being the Southeast corner of said Lot 1, Block 1, of SIRMONS ESTATES CHRYSLER ADDITION, according to the plat thereof as recorded in Plat Book 67, Page 68, of the public records of Pinellas County, Florida; thence along the

South boundary of said tract, same being the South line of said Lot 1, S89°59'49"W, a distance of 583.58 feet to the West line of said tract; thence N00°07'11"E along said line, a distance of 312.34 feet; thence S89°51'39"E, a distance of 318.70 feet to the point of curvature with a tangent circular curve concave to the South; thence along the arc of the said curve, having a radius of 100.00 feet, an arc distance of 45.47 feet, a central angle of 26°03'14", the chord for which bears S76°50'02"E, a chord distance of 45.08 feet to the point of tangency; thence S63°48'26"E, a distance of 76.80 feet to the point of curvature with a tangent circular curve concave to the North; thence along the arc of the said curve, having a radius of 85.00 feet, an arc distance of 38.65 feet, a central angle of 26°03'14", the chord for which bears S76°50'02"E, a chord distance of 38.32 feet to the point of tangency; thence S89°51'39"E, a distance of 114.73 feet to the East line of said tract, same being the West right-of-way line of US Highway 19; thence along said line, S00°08'16"W, a distance of 258.36 feet to the POINT OF BEGINNING.

PARCEL 2:

TOGETHER WITH those certain easement(s) as set forth in Reciprocal Ingress/Egress Easement and Exclusive Parking Agreement recorded in Official Records Book 19274, Page 648, of the public records of Pinellas County, Florida.

PARCEL 3:

TOGETHER WITH those certain easement(s) as set forth in that certain Declaration of Easements and Covenants recorded in Official Records Book 19274, Page 880; as amended by First Amendment thereto recorded in Official Records Book 19899, Page 1292, of the public records of Pinellas County, Florida.

National Flood Hazard Layer FIRMette

82°41'8"W 27°47'56"N



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS



Without Base Flood Elevation (BFE)
Zone A, V, A99
With BFE or Depth *Zone AE, AO, AH, VE, AR*
Regulatory Floodway

0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile *Zone X*

Future Conditions 1% Annual Chance Flood Hazard *Zone X*
Area with Reduced Flood Risk due to Levee. See Notes. *Zone X*
Area with Flood Risk due to Levee *Zone D*

OTHER AREAS OF FLOOD HAZARD

NO SCREEN *Zone X*
Area of Minimal Flood Hazard *Zone X*
Effective LOMR *Zone D*
Area of Undetermined Flood Hazard *Zone D*

OTHER AREAS

GENERAL STRUCTURES

Channel, Culvert, or Storm Sewer
Levee, Dike, or Floodwall

Cross Sections with 1% Annual Chance Water Surface Elevation
Coastal Transect
Base Flood Elevation Line (BFE)
Limit of Study
Jurisdiction Boundary
Coastal Transect Baseline
Profile Baseline
Hydrographic Feature

OTHER FEATURES

Digital Data Available
No Digital Data Available
Unmapped

MAP PANELS

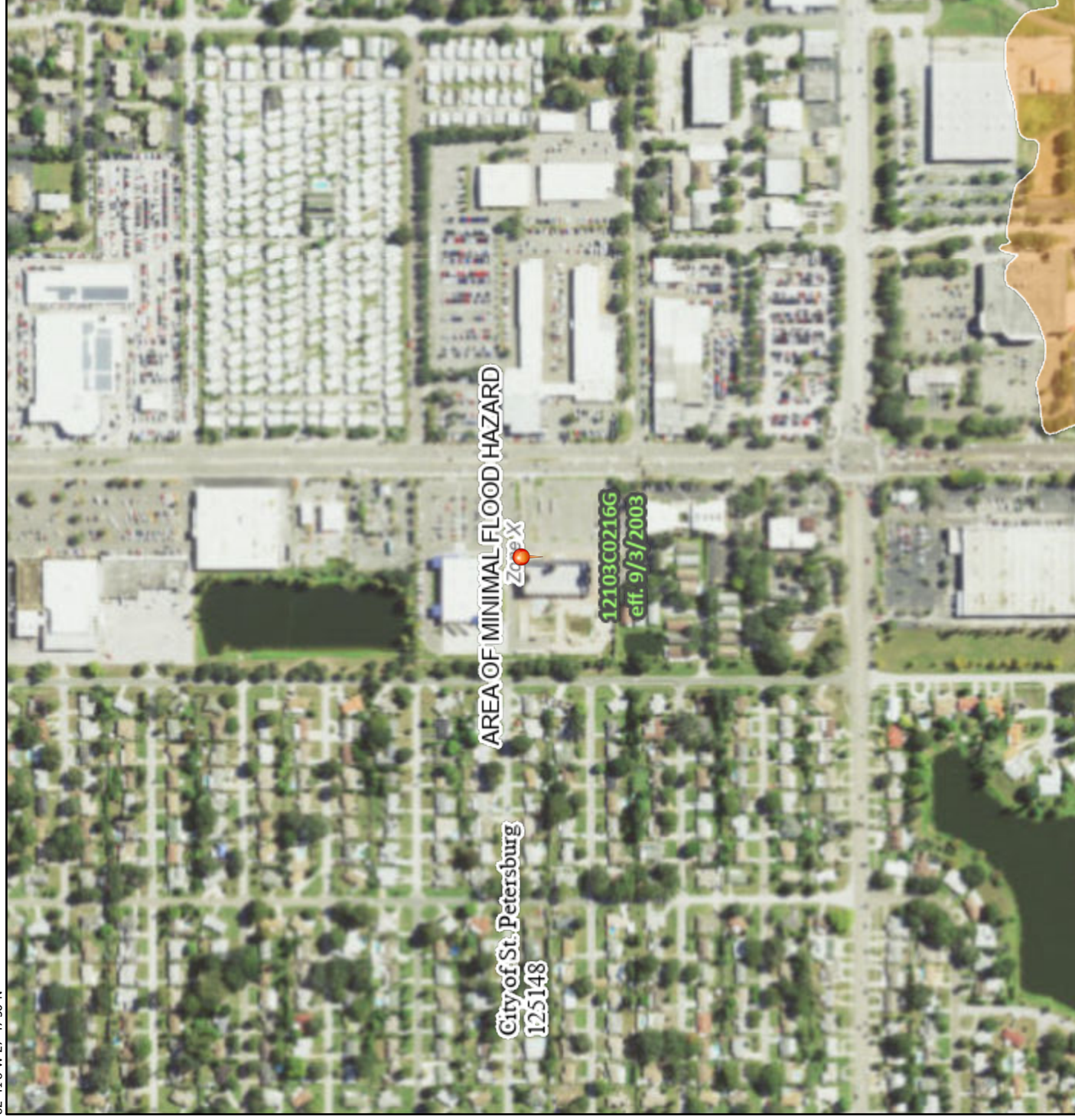


The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on **4/16/2024 at 5:32 PM** and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.



82°40'31"W 27°47'24"N



Basemap Imagery Source: USGS National Map 2023



Ron DeSantis, Governor

Melanie S. Griffin, Secretary



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

FLORIDA REAL ESTATE APPRAISAL BOARD

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

TOBIAS, CHARLES R JR

723 20TH AVENUE
ST PETERSBURG FL 33704

LICENSE NUMBER: RZ705

EXPIRATION DATE: NOVEMBER 30, 2024

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