



**PUBLIC WORKS DEPARTMENT - Real Property Section**

115 S. Andrews Avenue, Room 326 • Fort Lauderdale, Florida 33301 • 954-357-6826 • FAX 954-357-6292

**APPRAISAL REVIEW REPORT**

March 31, 2009

TO: Ram Tewari, Assistant Director  
Waste & Recycling Services/SWOD

THRU: Ronald J. Mallek, Director  
Real Property

FROM: C. Kevin Bokoske, MAI, Due Diligence Officer  
Real Property

SUBJECT: **“Wheelabrator South Facility” (162.8192 Acres – Land Only)**  
**Folio: 5041 25 20 0010; 5041 25 20 0021**  
**4400 S. SR-7 (Route 441)**  
**Fort Lauderdale, Broward County, Florida 33314**

This is to confirm that I have reviewed the appraisal report for the captioned parcels by Mendel R. Westberry, MAI, of Westberry & Associates, LLC, a State-Certified General Appraiser, dated March 25, 2009. I found the appraisal report to be USPAP-compliant and therefore acceptable.

<b>Appraiser’s Opinion of Value:</b>	<b>\$46,100,000 (\$6.50 Per S/F)</b>
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<b><u>Reviewer’s Opinions required by USPAP Standards Rule 3-1 (a) through (g)</u></b>
<b>Completeness of the material within the Scope of Work:</b> <i>Adequate.</i>
<b>Apparent adequacy and relevance of the data and the propriety of the adjustments to the data:</b> <i>Sufficient for the assignment at hand.</i>
<b>Appropriateness of the appraisal methods and techniques used (within the Scope of Work) and reasons for any disagreement.</b> <i>The method used, the Sales Comparison Approach, was appropriate for this assignment.</i>

<p><b>Appropriateness and reasonableness of analyses, opinions, and conclusions in the work under review (given the Scope of Work) and reasons for any disagreement.</b>     <i>We find no reason for disagreement with the work reported therein. We find it to be USPAP-compliant, and the analyses, opinions, and conclusions in the work under review are appropriate and reasonable.</i></p>
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**Type of Review:** There are generally recognized two types of reviews that can be performed; a *technical review* and an *administrative review*. This is a *technical review*. In a technical review, the reviewer renders an opinion concerning whether the opinions of value are adequately supported and in compliance with all appropriate standards, laws, and regulations relating to the appraisal of property. We did not develop our own independent value estimate.

**Scope of Work:** Technical reviews may be conducted as either *desk reviews* or *field reviews*. This is a *desk review*. A desk review involves a confirmation that the appraisal report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice (“USPAP”) and any other appropriate Supplemental Standards that apply. The desk review also involves a thorough review and analysis of the information and analysis contained in the appraisal report under review and a careful examination of the internal logic and consistency. Our review was limited to the information and analysis presented within the appraisal report.

**Reviewer’s Client:** Broward County, FL, for Waste & Recycling Services, Solid Waste Operations Division.

**Intended Use of the Reviewer’s Opinion:** To evaluate compliance with USPAP requirements.

**Intended User of the Reviewer’s Opinions:** Broward County.

**Intended Use of the Appraisal Report Being Reviewed:** To provide the basis for possible lease renewal negotiations with the existing tenant.

**Purpose of the Assignment:** To perform a technical desk review of the appraisal report furnished to this office for that purpose.

**Property Rights Appraised:** Fee Simple value.

**Subject of the Appraisal Review Assignment:** See page 1.

**Date of the Review:** March 31, 2009.

**Date of the Appraisal Under Review:** February 26, 2009, was the effective date of the conclusion of the work under review; and March 25, 2009, was the date of the appraisal report.

**Appraiser Completing the Work Under Review:** Mendel R. Westberry, MAI.

### **Subject Property Being Reviewed**

The property is described in the appraisal report as follows:

**“Wheelabrator South Facility” (162.8192 Acres – Land Only)**

**Folio: 5041 25 20 0010; 5041 25 20 21**

**440 S. SR-7 (Route 441)**

**Fort Lauderdale, Broward County, FL 33314**

It is described as portions of Parcels A and B of Route 441 Resource Recovery Site as recorded in Plat Book 132, page 41 of the public records of Broward County, Florida. The complete legal description is part of the Keith and Schnars, P.A. survey dated March 20, 1989, and was included with the appraiser’s report.

The property is an industrial site leased to an operator of waste recovery. The appraiser reported that most of the site is dedicated to waste recovery and the storage of ash residual material. The parcels are in close proximity at the same general location, but they are not contiguous.

The purpose of the appraisal was to value the underlying land, so the appraiser did not describe or discuss the existing improvements. There is significant exposure and frontage of the two sites along the east side of SR-7; and also along the I-595 entrance ramp at the northern boundary of the property.

The appraiser reported that the zoning is “Planned Unit Development” (Industrial PUD) and the land use is Industrial. Both designations allow for the current use (waste recovery/recycling); and the PUD could be amended to allow other industrial uses, according to the appraiser.

The appraiser considered the highest and best use, as if vacant, was for industrial development.

### **Valuation**

The appraiser estimated the value of the total land area of both parcels, which totaled 162.82 acres, or 7,092,428 square feet, by analyzing 6 closed sales.

The comparables were all purchased for industrial uses, and ranged in size from 10.58 acres to 92.25 acres in land area. (The subject has 162.82 acres). The sales took place between 2005 and 2007; and the appraiser reported that there is no current activity in the industrial land market or the industrial finished product space, as a result of the current economic slowdown. This was the appraiser’s reason for not selecting more recent comparables.

The comparable sales had unadjusted sales price per square foot of land area of \$7.49 to \$14.00. The appraiser adjusted for changes in market conditions (“time”), platting, site work and wetlands, location, or size. The adjusted sales prices per square foot for the comparable sales ranged from \$4.68 to \$9.55 per square foot. The 4 sales that the appraiser considered the most similar to the subject property had adjusted sales prices of \$4.68, \$5.85, \$5.92, and \$7.53 per

square foot, with a mean of \$6.43 per square foot. The appraiser reconciled the adjusted sales prices to an indicated value of **\$6.50 per square foot of land area.**

Then, 7,092,428 square feet times \$6.50 per square foot is \$46,100,782, rounded to **\$46,100,000,** as the indicated value via comparison to actual sales of similar property.

The Real Property Section of Broward County was asked to have the property valued; we were not asked to arrive at the rental rate per square foot for the land portion of the property being appraised. But in that regard, the typical percent-of-value converter for leased Broward County land is 10% of the fee value, or \$0.65 per square foot for one year's lease in this instance. With a surveyed land area of 162.82 acres, this results in a rental for the entire land area at the two sites of \$4,610,078. (\$0.65 per square foot times 7,092,428 square feet.)

The property being appraised is to be leased by its owner, Broward County. It is a County requirement that appraisals of the property be undertaken in order to arrive at the appropriate rental rate. The rental rate formula of 10.0% of the value of the underlying real estate is the norm for County-owned property, and is derived from the Broward County Administrative Code. The Code, in the sections devoted to County-owned Broward County Aviation Department and the Port Everglades Department, dictates, "land leases shall be established by an appraisal of the land", and "market rent shall be 8 – 15 percent of the appraised value, and adjusted annually by 3 percent or the CPI, whichever is greater". Neither the appraiser nor the appraisal reviewer represent that this will produce the *market* rental rate. The techniques the appraiser was required to use, although appropriate for this specific assignment, do not represent *market*-driven value components. There is no exposure to the open market, there are no *market* sales, and *market* rents are not usually determined in the manner used herein. The appraisal theory and techniques used in this assignment were in order to comply with the scope of work required by the client, and were appropriate for this assignment.

**Appraiser's Final Value Opinion: \$46,100,000**

**Review Appraiser's Comments:** The appraiser's concluded value for the land portion of these sites is not unreasonable, based on the information provided in the report.

My opinions as a reviewer in this instance do not constitute evidence of an appraisal by me, and I have not expressed my opinion of value.

**Assessed Value Compared to Appraised Value in this Report**

The Broward County Property Appraiser assessed this land portion of these parcels for \$42,201,260 for 2008. In the appraisal report being reviewed, the property is appraised at \$46,100,000.

## **CERTIFICATION**

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According to Standards Rule 3-3 of the Uniform Standards of Professional Appraisal Practice (“USPAP”), each written appraisal review report must contain a signed certification that is similar in content to the following form:

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

- The facts and data reported by the reviewer and used in the review process are true and correct.
- The analyses, opinions, and conclusions stated in this review report are limited only by the assumptions and limiting conditions stated in this review report and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no personal interest with respect to the parties involved with this assignment.
- 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 is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use, nor is my continued employment by the Client, Broward County, contingent upon any findings or opinions in this review.
- My analyses, opinions, and conclusions were developed, and this appraisal review report was prepared, in conformity with the requirements of the Appraisal Institute’s Code of Professional Ethics and Standards of Professional Appraisal Practice, which include the *Uniform Standards of Professional Appraisal Practice*.
- I visited the subject property under review, to familiarize myself with the property and the surrounding area, on February 26, 2009.
- No one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person signing this certification.
- 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, C. Kevin Bokoske, MAI, has completed the continuing education program of the Appraisal Institute. This certification remains effective until December 31, 2010.

C. Kevin Bokoske, MAI  
March 31, 2009

