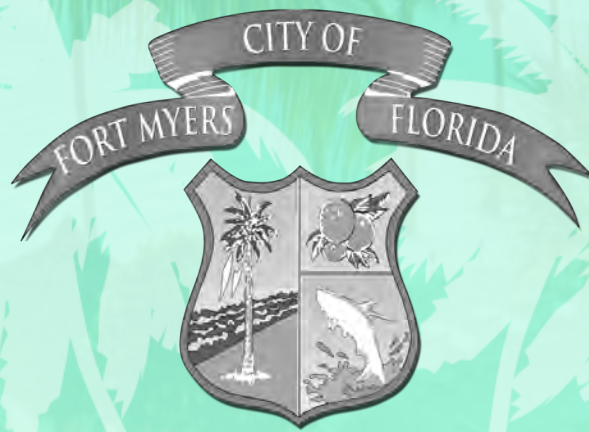


# *CBRE PUBLIC INSTITUTIONS & EDUCATION SOLUTIONS PRESENTS*

## STRATEGIC PLAN

For Portfolio Optimization



*City of Palms*

May 15, 2019

# CBRE



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# COVER Letter

Mr. Steven P. Belden  
Community Development Director  
City of Fort Myers  
1825 Hendry Street  
Fort Myers, FL 88901

**Re:** Real Estate Strategic Planning Services

On behalf of the CBRE team, we are pleased to submit this Strategic Plan for the City of Fort Myers real estate portfolio. This plan outlines key strategies to improve key assets as well as the City's real estate policies and portfolio.

CBRE has identified ways in which the City can own and occupy less real estate as well as improve the performance of key city owned assets. Our goal is to provide actionable recommendations by applying public and private sector best practices.

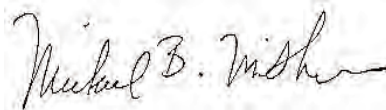
On behalf of the CBRE team, we want to thank the City of Fort Myers staff and everyone who participated in this important project. The City staff members have made this project a priority, and without their assistance, CBRE could not have accomplished the deliverables within the required time frame. Thank you for the opportunity to serve the City of Fort Myers on this important initiative.

Sincerely,



**LEE ANN KORST**

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WELCOME  
to

FORT MYERS

City of Palms

EXECUTIVE  
*Summary*



# EXECUTIVE Summary

## PROJECT PURPOSE

The City of Fort Myers has been experiencing significant growth in its population and engaged CBRE to conduct a review of its real estate portfolio and practices to optimize its holdings to better serve current and future residents and the City's tax payers. Through this assignment the City was seeking:

- An overall assessment of current portfolio management practices
- Recommendations for more efficient use of existing properties
- Strategies to maximize the value of its existing holdings while addressing operational needs of City departments

CBRE previously provided Strategic Planning services to the City in 2009; this plan represents a significant update given the changes in City administration, economic growth, and changes to the portfolio.

## APPROACH

The following Strategic Plan has been prepared through a collaborative effort between CBRE, the Community Development Department, and staff from the many departments who occupy City owned space. Primary participants involved in the completion of this study include:

### CITY OF FORT MYERS

Saeed Kazemi, PE  
Steven Belden  
Anthony Palmero  
Sharon Rozier  
Frank Amati

### PRIMARY PARTICIPANTS

City Manager  
Director, Community Development Department  
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Valuation and Advisory Services Golf Course Practice Area  
Executive Vice President and National Practice Co-Leader - Golf, Club & Lifestyle  
National Business Development Manager - Public Institutions & Education Solutions  
Client Services Specialist - Public Institutions & Education Solutions  
Senior Research Analyst

## EXECUTIVE SUMMARY

This Strategic Plan is further informed by multiple interviews, conducted by CBRE with stakeholders throughout City agencies and departments to gain historical data and perspective. This perspective includes not only City administration personnel but in some cases the desires of interested constituents.

CBRE collected empirical data and conducted interviews and property tours in support of the recommendations contained in this Strategic Plan.

### IN THE PERIOD OF NOVEMBER 29, 2018 - APRIL 30, 2019 CBRE HAS:

- ◇ Interviewed the City Manager and senior stakeholders to understand the City's operational needs and broader goals for City owned real estate
- ◇ Met with seven City departments to understand their current and future operating plans and how real estate supports or inhibits their ability to achieve their missions
- ◇ Conducted site visits to observe the physical condition of many of the properties, including utilization
- ◇ Collected empirical data related to the subset of in-scope properties, including, but not limited to:
  - Yacht basin capital and operating expenditures
  - Golf course capital and operating expenditures
  - Police headquarters capital and operating expenditures (excluding fleet)
  - City Hall capital expenditures
- ◇ Databases of owned and leased space including square footage and employee information
- ◇ Mapped properties – all city owned and the subset for this report
- ◇ Reviewed market data and reports for office, hotel, residential and retail uses

As a result, we have prepared a number of recommendations that can be found throughout the Strategic Plan and prioritized in this Executive Summary.





# PRIORITY Recommendations

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## RECOMMENDATION 1: GOLF COURSES

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- The golf operations/pro shop agreement at both courses is not market and negatively impacts the clubs' earnings. The City's Administrative and General costs at the courses are also much higher than market costs. Reduce current Administrative and General costs at both courses, which are significantly over-market. We recommend the City competitively bid the management of club operations at both Eastwood and Fort Myers Country Club to a private operator under a long-term lease.
- This strategy should be executed upon expiration of the food and beverage contract at Fort Myers Country Club in 2021 so the new operator can maximize opportunities for food and beverage options for both courses. A management change requires a \$600,000 buyout in 2021 of the current golf operations agreement that runs until 2024. The City should try to negotiate a phased payout if possible, so that future lease payments received from a new operator could help to cover the cost.
- Raise greens fees \$0.50 – \$1.00/round at both courses. An increase could raise an additional \$55,000 to \$110,000 per year.

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## RECOMMENDATION 2: YACHT BASIN

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- The Yacht Basin currently operates with positive cash flow
- However, it has not enjoyed any significant upgrades in 15 years and suffers from deferred maintenance/capital improvement needs, inadequate parking, security issues and below standard amenities
- The Yacht Basin should be redeveloped to increase slip rates, improve the amenity base, target desired demographics to increase occupancy and boost revenue
- Redevelopment will also position the Yacht Basin as a gateway to downtown from the water and gateway to the riverfront from downtown offering a destination for retail, restaurants and events
- The City should consider any potential adjacent assemblages to create additional upland development to support the Yacht Basin and its amenities

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## RECOMMENDATION 3: MIDTOWN

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- Consider relocating City facilities to Midtown (i.e., City Hall to Government Center area as marked in Midtown Development Plan)
- Prepare potential sites including the City of Palms Park for redevelopment
- Initiate improvements to primary streetscapes to reinforce pedestrian access and improve the viability of commercial and residential development
- Offer 1-4 block areas for mixed-use redevelopment through competitive solicitation process

### RECOMMENDATION 4: CITY HALL

- City Hall is located in an aging building with inadequate space for current department needs and the City's future population growth
- Complete a space program to determine how much space city departments require for current and future operations and citizen services
- Complete a Facility Condition Assessment to determine deferred maintenance needs and capital improvement requirements if the city remains at its current location
- Subject to findings, consider alternate site options including relocation to Midtown to avoid renovation costs and kick-start development on the Town Center project
- Identify funding for new facility and consider a Public Private Partnership to accomplish

### RECOMMENDATION 5: REAL ESTATE POLICY

- Adopt a policy that is consistent, transparent and equitable as it relates to the sale and lease of the City's surplus real estate
- Establish monetary thresholds that allow for delegated authority by which administrative staff can make real property decisions (e.g. decisions less than a certain amount can be made by the Community Development Director) without City Council approval
- Establish a process by which City Departments request space through the Real Estate Department and must adhere to space utilization standards

### RECOMMENDATION 6: DIGITIZATION

- Utilize digital filing systems to reduce overall quantity, central locate or provide off-site storage for remaining paper-based filing.
- This requires the following:
  - Digitization of existing materials
  - Eliminating records that have been retained past records retention requirements
  - Providing centralized shared filing space
  - Providing data back-up and retrieval support

### RECOMMENDATION 7: SPACE STANDARDS

- Adopt recommended space standards and secure authority to implement and enforce standards
- New standards should be adopted immediately so that any new spaces reflect resized offices and workstations
- Assign offices to staff based on need rather than job title standards
- Right-size administrative offices and support space to accommodate new ways of working including, interconnected communications devices and enhanced collaboration designs
- Identify and re-stack properties to new standards and begin the back-fill process as obsolete buildings are sold and leases expire (e.g. consolidate ancillary buildings and staff into a new City Hall)
- Set an overall target density of 210 square feet/person (includes circulation, common spaces, etc.) Note that trends in space occupancy are trending downward and a 210 square foot target could be further reduced to 150 – 180 square feet/person on average depending on the culture of the organization, percentage of offices versus workstations, and proportion of field staff versus standard office workers.

### **RECOMMENDATION 8: FORMALIZE ADMINISTRATION AND MANAGEMENT OF REAL PROPERTY**

We recommend that the City:

- Centralize real estate management
- Through centralized management and decision making, adopt the lease policy, space utilization standards and improved disposition processes outlined in other sections of this report
- Create a Real Estate Department that is separated from Housing given they have different mission critical functions
- Leave Right of Way acquisition with public works given the two are intricately related
- Adopt an IT platform to improve its ability to oversee and administer its real estate assets

### **RECOMMENDATION 9: DISPOSITION OF SURPLUS PROPERTY**

- Maintain inventory of City owned property
- Develop criteria to identify under performing or surplus assets (e.g. cost of capital requirements, maintenance costs, vacant land that is not being used)
- Identify “Mission Critical or “Legacy” leased and owned locations that should be retained or replaced
- Evaluate all third party leased locations for opportunities to downsize, exit or consolidate





# RECOMMENDATION 1

*Golf Courses*



# RECOMMENDATION 1

## Golf Course

### EASTWOOD GOLF COURSE OBSERVATIONS

- The subject property is an 18-hole, daily fee/public golf course situated on a an approximately 250-acre site. The clubhouse has an address of 3450 Ortiz Avenue, Fort Myers, Florida. The golf course was originally developed in 1977 by Robert Von Hagge and Bruce Devlin, and in 2017 the front 9 was substantially renovated and re-grassed. The championship course measures 7,129 yards from the back tees with a USGA course rating of 72.5.
- Ancillary improvements consist of a clubhouse, cart storage building, two maintenance facilities, and two (2) on-course restrooms/shelters
- The property itself appraised as a going concern with the current operating agreement in place valued at \$1,450,000; without the operating agreement in place the property appraises at \$2,650,000
- The property currently sub-contracts the golf operations (i.e. pro shop and outside services) to a third-party vendor. This service contract, along with additional expenses, negatively impacts the underlying value of the subject property, resulting in inefficient operations.
- Fees, number of rounds, and maintenance costs are competitive
- Course is currently operating at a loss, with net income of (\$116,859) in 2018
- Administrative and General expenses are 16% - 29% of revenue, which is significantly higher than typical market ranges of 5-9% for a comparable course
- In our analysis, the course is considered to be a good quality daily-fee club. The golf course layout is adequate, providing golfers of all abilities a fair challenge, depending on the tees selected.
- The course and its improvements are in generally good overall condition and they are considered typical for the age and location in regards to design and layout, as well as amenities and ancillary improvements





### **EASTWOOD GOLF COURSE RECOMMENDATIONS**

- We do not recommend selling the property while the current operating agreement is in place as it has a significant impact on its appraised value (\$1,450,000 with the agreement in place, \$2,650,000 in place without it)
- Reduce current Administrative and General costs at Eastwood, which are significantly over-market
- Increase green fees by \$0.50 - \$1 per round to raise approximately \$25,000 - \$50,000 in revenue (must be done in tandem with Fort Myers Country Club to avoid cannibalization, see next section)
- The timing for any contemplated renovation of the back nine holes at Eastwood should be coordinated with new operational management (see Joint Recommendations)
- There are opportunities for synergies and economies of scale at both golf courses, which are discussed below (see Joint Recommendations)
- If Eastwood cannot operate in a net positive cash flow situation, consider selling the course for future redevelopment after the operating agreement has been terminated or expired. Of note, is the significant development in the area surrounding Eastwood including, but not limited to sports facilities and multi-family residential.
- CBRE's Valuation & Advisory Services Golf Course Practice Area conducted an evaluation of the Eastwood Golf Course. A copy of the report can be found in **Appendix A**

### **EASTWOOD GOLF COURSE ANTICIPATED BENEFIT**

- Increase operating profitability
- Maximize market value

### **EASTWOOD GOLF COURSE NEXT STEPS**

- Increase greens fees by \$0.50 - \$1.00
- Reduce Administrative and General costs to match comparable properties
- See below for joint recommendation regarding future operating agreements





## RECOMMENDATION 1 - Golf Courses

### FORT MYERS COUNTRY CLUB OBSERVATIONS



- The subject property is an existing, 18-hole, daily fee/public golf course situated on a an approximately 134.93-acre site. The clubhouse has an address of 3650 Cecil Johns Road, Fort Myers, Florida.
- The golf course was originally developed in 1911 by renowned architect Donald Ross. The course is well located within Fort Myers, generates significant play, and was substantially renovated in 2014 to the original Donald Ross design at a cost of approximately \$5.8 million
- The historic nature of a true Donald Ross designed golf course appeals to golf enthusiasts around the country and world. The championship course measures 6,675 yards from the back tees with a USGA course rating of 72.9.
- Ancillary improvements consist of the clubhouse/ cart storage building with full service restaurant/ lounge, a separate pro shop building, starters shed, maintenance facilities and two (2) on-course restrooms/shelters
- The property itself appraised as a going concern with the current operating agreement in place valued at \$1,550,000; without the operating agreement in place the property appraises at \$4,350,000

- The subject property currently sub-contracts several of the operating components of the golf course (i.e. golf operations and restaurant) to third party vendors. Based upon that analysis contained herein, these service contracts, along with additional expenses, negatively impact the underlying value of the subject property, resulting in inefficient operations.
- Fees, number of rounds, and maintenance costs are competitive
- The property has positive net income of \$84,482 in 2018
- Administrative and General expenses are 19-23% of revenue, which is significantly higher than typical market ranges of 6-12% for a comparable course
- In our analysis, the course is considered to be a good quality daily-fee club. The golf course layout is adequate, providing golfers of all abilities a fair challenge, depending on the tees selected.
- The subject improvements are in generally good overall condition and they are considered typical for the age and location in regards to design and layout, as well as amenities and ancillary improvements





### **FORT MYERS COUNTRY CLUB RECOMMENDATIONS**

- We do not recommend selling the property until the operating agreement is terminated or expires as it has a significant impact on its appraised value (\$1,550,000 with the agreement in place, \$4,350,000 in place without it)
- Reduce current Administrative and General expenses which are significantly over-market.
- Increase green fees by \$0.50 - \$1 per round to raise approximately \$30,000 - \$60,000 (must be done in tandem with Eastwood Golf Course, see previous section)
- There are opportunities for synergies and economies of scale at both golf courses, which are discussed below (see Joint Recommendations)
- CBRE's Valuation & Advisory Services Golf Course Practice Area conducted an evaluation of the Fort Myers Country Club. A copy of the report can be found in **Appendix B**

### **FORT MYERS COUNTRY CLUB BENEFITS**

- Increase operating profitability
- Maximize market value

### **FORT MYERS COUNTRY CLUB NEXT STEPS**

- Increase greens fees by \$0.50 - \$1.00
- Reduce Administrative and General expenses allocation to match comparable properties
- See below for joint recommendation regarding future operating agreements



## RECOMMENDATION 1 - Golf Courses

### JOINT RECOMMENDATIONS FOR FUTURE OPERATING AGREEMENTS

Both Eastwood Golf Course and Fort Myers Country Club are encumbered with third party service contracts, as shown below.

	<u>EASTWOOD GOLF COURSE</u>	<u>FORT MYERS COUNTRY CLUB</u>
Operating Contracts		
Golf Operations	Expires 2024	Expires 2024
Food and Beverage		Expires 2021

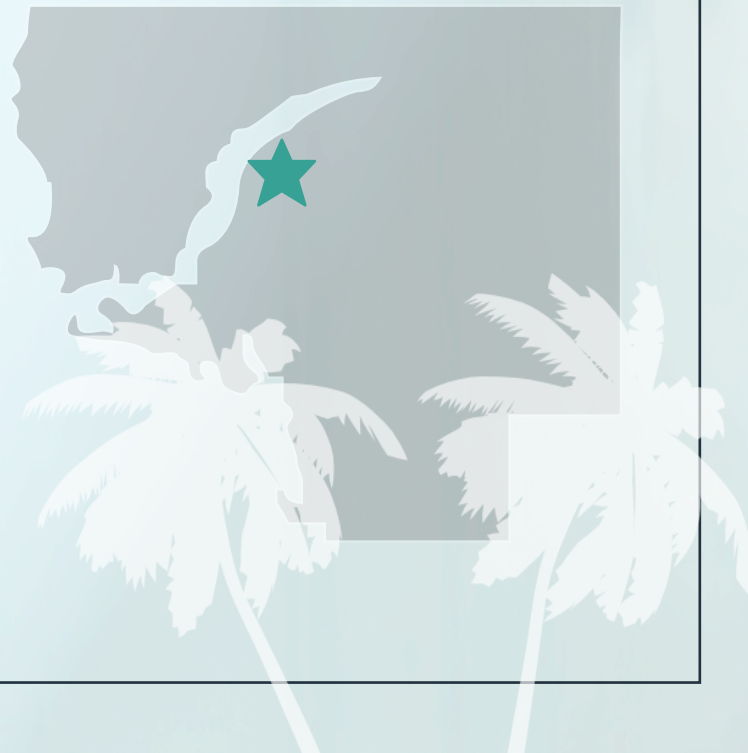
It is our assessment that the food and beverage contract is within market rates and is appropriately structured to the mutual benefit of the parties. However, the operations agreement is onerous to the City and has a negative impact on the financial performance of the courses.

To streamline operations going forward and capture optimal operational continuity, market synergy and branding, earnings potential, and stability, we recommend that the City engage the market to competitively select a single qualified operator to manage golf operations at both courses under a long-term agreement. The agreement would involve a minimum annual guarantee (MAG) and/or a percentage of department revenue market rent payment to the City for operations of both courses.

We recommend that the City take the opportunity to restructure its operating contracts upon the 2021 expiration of the food and beverage contract. Soliciting a single qualified offeror and re-competing the contract in 2021 at the expiration of the existing food and beverage contract opens the opportunity for the new operator to maximize opportunities for food and beverage options for both courses. An enhanced joint marketing of both courses and a

coordinated food and beverage operation between courses has the potential to increase revenues.

The Golf Operations contract has an early termination penalty of \$100,000 per year, per course. If the contract is terminated in 2021, this penalty would be equal to 3 years of payments on two golf courses for a total of \$600,000. We recommend exercising this option and negotiating a phased payment plan so that future payments from the single qualified operator can offset these payments.







# RECOMMENDATION 2

*Yacht Basin*



# RECOMMENDATION 2

## Yacht Basin

### OBSERVATIONS

The Fort Myers Yacht Basin is a 245-slip marina located on Lee Street, just north of Edwards Drive in Fort Myers, FL. The improvements were originally constructed in 1937, and have been renovated on several occasions, most recently in 2005 and 2006. The improvements are situated on an 11.38 acre site and the submerged land is owned by the City of Fort Myers. Currently, the property is 80% occupied and is considered to be in average overall condition.

Market analyses performed over the last five years throughout the region have identified a number of key trends that directly relate to the ongoing success of marinas, while also highlighting challenges related to marinas that are struggling. These include the following:

- Boats continue to get larger, wider and deeper
- Occupancy in slips 35' and longer is much higher than slips less than 35' in length
- Marinas that have been renovated in the last five to ten years now provide slips suited to the new market for larger boats
- While larger slips take up more space, resulting in a lower total number of slips, they are generally more profitable overall
- Slip demand between one marina and another is driven more by quality and location of the facilities much more than pricing
- Age and quality of maintenance of amenities make a difference, obviously newer facilities are more desirable than dated facilities
- Transient slip occupancy is driven by two key factors: location and destination quality.
- Floating docks are preferred
- Beyond standard amenities, many marinas now offer yacht club style amenities (e.g. pools, tennis courts, bars / restaurants on site)

In terms of location, the City's Yacht Basin is well situated along the Okeechobee Waterway, approximately fifteen miles from the Gulf of Mexico. The Okeechobee Waterway is the primary cross-state water route in south Florida. Given that, the Yacht Basin benefits from a significant amount of cross-state traffic which benefits the Yacht Basin in terms of increased transient dockage and fuel sales.

A property inspection and discussion with staff indicated several items of physical and operational needs including, but not limited to the following:

- Deferred maintenance and capital improvement needs
- Facility updating and improvement
- General cleaning
- Poor location for trash collection detracting from curb appeal
- Dock areas utilized as "front porch" which creates a perception of the facility being poorly run and less attractive to user groups the marina should be targeting
- Inadequate parking, including reserved handicap spaces
- Functionally obsolete fixed docks
- Poor dock security
- Limited restroom amenities
- Isolated location from retail and restaurant amenities



## RECOMMENDATION 2 - Yacht Basin

### OBSERVATIONS CONTINUED

The Yacht Basin's current rental rates fall within the lower end of the range comparison with nine other area marinas. With deferred maintenance and capital improvements addressed as well as improved amenities, improved parking, security and curb appeal (e.g. refuse and docks) the Yacht Basin could earn higher dockage fees. While the Yacht Basin is currently operating at a positive cash flow, it should be noted that since 2017 income has remained flat but expenses have increased just over 30% over the same time period with significant increases indicated for specific line items within the Administrative and General expenses and Payroll expenses. The property contact reported a onetime General and Administrative expense of \$27,500 for a computer software reservation system in 2018, one-time expenses charged for repairs to the seawall, and upgrades to the plumbing and electrical systems that were charged to the Repairs and Maintenance expense in 2017 and 2018.



### RECOMMENDATIONS

Given its location on the Okeechobee Water and proximity to downtown Fort Myers, the Yacht Basin has the potential to realize significant improvements in terms of physical attributes and revenue. The current marina has outlived its useful life with functionally obsolete fixed docks, inadequate parking, security and amenities. Addressing all of these issues should be done via a holistic approach to redevelop the site.

CBRE recommends a Public Private Partnership approach to the Yacht Basin redevelopment. The City does not have the capital or expertise to develop the site to maximize its performance. As a best practice, municipal marinas are oftentimes redeveloped by the private sector via a long term ground lease after a thorough and comprehensive competitive procurement.

The redevelopment should specifically address and include the following:

- Increased parking
- Floating docks
- Security improvements
- Facility updating and improvement
- Advertising and marketing targeting ages 48 – 67+ , family incomes of over \$100,000 annually, and vessels 26 feet or more
- Increased retail and restaurants
- Special events
- Focus on transient short term tenants
- Consider assemblage of adjacent upland parcels to amass a larger redevelopment opportunity

In the short term, low or no cost improvements should be made to improve curb appeal. For example, refuse containers should be removed from entry of the facility or attractively fenced and shielded from client view, tidiness of the docks enforced and basic cleaning. Additionally, a detailed review of the recent increases in variable expense categories should be taken in order to bring expenses under control. CBRE's Valuation & Advisory Services Marina Practice Area conducted an evaluation of the Yacht Basin. A copy of the report can be found in **Appendix C**.

## RECOMMENDATION 2 - Yacht Basin

### ANTICIPATED BENEFIT



Conversion of a tired and declining Yacht Basin into a state-of-the-art “gateway” to downtown and the riverfront



Improved amenities



Economic development



Cost avoidance attributed to deferred and ongoing maintenance needs



Improved parking for the Yacht Basin and surrounding area



Improved security

20

### NEXT STEPS

- Determine if additional upland property can be assembled as part of the Yacht Basin redevelopment
- Broadly market the Yacht Basin redevelopment opportunity to local, regional, national and international marina developers and operators
- Prepare a competitive solicitation to request proposals from qualified (experience and financial) marina developers and operators
- Evaluate proposals and select a development team
- Negotiate ground and submerged land leases
- Commence redevelopment





# RECOMMENDATION 3

*Midtown*

# RECOMMENDATION 3

## Midtown

### OBSERVATIONS

- As the Downtown core area continues to develop with commercial, tourist, entertainment and government uses, the proximity and availability of developable land in the Midtown area provides the City with the best opportunity to create urban neighborhoods with housing, commercial and public uses that reinforce the Downtown core's vitality
- Midtown offers a clean slate of contiguous site development opportunities that will enable the City to create walkable neighborhoods with a mix of activities and new urban green spaces
- The Midtown Vision Plan highlights the City's opportunity to integrate the Historic Downtown/riverfront area and the Downtown Mobility Plan
- While much of the new residential development is located about 5 miles south of Downtown along Colonial Boulevard and Winkler Avenue, roughly 8% of the new housing that is permitted, under construction or completed is in the Downtown area near the river. Midtown will allow the City to increase that percentage

### FORT MYERS DEVELOPMENT ACTIVITY

In evaluating the potential for Midtown development, CBRE thought it was important to understand the overall development activity in Fort Myers and the area surrounding Midtown. To do so, we utilized the City's Development Activity Database (<https://cfm.maps.arcgis.com/apps/MapTour/index.html?appid=b3813b5f72504c149cf1b893cd2acfe4#>). Findings are as follows:

- The City's Development Activity Database with over 14,000 housing units in the pipeline and another 4,000 units planned, indicates that Fort Myers is clearly a preferred market for builders. This housing count reflects a 5 - 10 year supply.
- Roughly 8% of the new housing that is permitted, under construction or completed is in the Downtown area near the river
- A majority of new residential development (permitted, under construction or completed) is located about 5 miles south of Downtown along Colonial Boulevard and Winkler Avenue
- Additional residential development is spurring the development of office and retail construction that supports new city residents. Increased tourism is adding to the demand for hotels.



## RECOMMENDATION 3 - Midtown

### FUTURE DEVELOPMENT IMPACTS

- Midtown offers an opportunity for the City to capture an increased share of the market that seeks a walkable urban character
- Numerous developments offer residential options that are attractive to traditional suburban buyers
- Faced with a steady growth in future residents, the City needs to plan for facilities that are designed to handle increased demands. Police and City Hall facilities will need upgrades to meet this demand.

### FORT MYERS DEVELOPMENT ACTIVITY DATABASE

Totals	Housing Rental*	Housing: Condo/ Single Family/ Townhouse *	Total Housing	Hotel (rooms)	Retail (SF)	Office (SF)	Other (SF)
<b>Planned</b>	435	3,565	4,000	258	205,000	50,000	0
<b>Permitted</b>	3,059	1,077	4,136	357	72,062	26,608	134,000
<b>Construction</b>	1,801	7,720	9,521	237	120,880	49,757	579,704
<b>Complete</b>	436	0	436	0	0	13,000	0
<b>All Phases</b>	<b>5,731</b>	<b>12,362</b>	<b>18,093</b>	<b>852</b>	<b>397,941</b>	<b>139,365</b>	<b>713,704</b>
<b>Permitted</b>	3,059	1,077	4,136	357	72,062	26,608	134,000
<b>Construction</b>	1,801	7,720	9,521	237	120,880	49,757	579,704
<b>Complete</b>	436	0	436	0	0	13,000	0
<b>All Phases without planned</b>	<b>5,296</b>	<b>8,797</b>	<b>14,093</b>	<b>594</b>	<b>192,942</b>	<b>89,365</b>	<b>713,704</b>

\* Note that split between rental and owned counts are estimates. Plans may vary as market evolves.

### RECOMMENDATIONS

- Integrate planning for Midtown uses with City needs for facilities including City Hall
  - Identify properties and sites that the City should keep or acquire to accommodate the relocation and/or expansion of existing City departments
  - Potential City Hall options in Midtown include, 1) the NW corner of Midtown directly south of the Lee County Courts (This area was designated as the Government Center area in the Midtown Development Plan), 2) a location near the proposed Midtown Square Park at the south end of the district could be used a catalyst for Midtown development, 3) potential excess land near the New-Press complex
- Prepare potential sites including the City of Palms Park for redevelopment
- Initiate improvements to primary streetscapes to reinforce pedestrian access and improve the viability of commercial and residential development
- The City should break down the solicitation process to maybe one to four block areas with a clear definition of what the City is providing for infrastructure, streetscape and local parks in a specific location
  - Identify site areas for packaging into developer solicitations
  - Publicize City intentions and reach out to interested parties for feedback
  - Follow-up with companies that have already expressed interest

## RECOMMENDATION 3 - Midtown

### ANTICIPATED BENEFITS

- Relocating City Hall functions to Midtown will help to anchor key sites that establish the viability of Midtown redevelopment
- Identifying specific blocks or groups of blocks for development will:
  - Support a phased roll-out of required infrastructure dollars
  - Enhance the ability for more firms to participate in the redevelopment process
  - Create interest from developers of specific product types such as office, retail and housing
  - Create a focus on several key attractive development areas and generate faster project development, to more quickly establish wins across the entire sub-market

### NEXT STEPS

- Prioritize decisions leading to the issuance of competitive Request for Proposals (RFP) solicitations
  - Schedule for City of Palms Park stadium demolition and construction of the new Town Center Park and the infrastructure surrounding the new park
  - Streetscape upgrades throughout Midtown
- Evaluate relocation opportunities within Midtown for new City Hall facilities
  - What are viable sites and alternatives within Midtown?
  - Identify time critical decisions that need to be made
- Evaluate financial options for financing Midtown redevelopment infrastructure
  - Determine developer interest
  - Determine alternate financing options (e.g. Tax Increment Financing (TIF))
- Develop Request for Qualifications (RFQ) /Request for Proposals (RFP) documents





# RECOMMENDATION 4

*City Hall*



# RECOMMENDATION 4

## City Hall

### OBSERVATIONS

CBRE toured the existing City Hall facility located at 2200 Second Street in Fort Myers, FL on September 24, 2018. The existing building was constructed in 1974. It contains approximately 39,031 square feet in four stories and houses approximately 118 employees. In the Fiscal years 2015 – 2018 \$204,358 was spent on renovations. A tour and interview with various departments located in the building noted the following problems and concerns:

- City Departments should be co-located and consolidated into the same facility
- Departments have out-grown their current space
- Current space layout is poor for Department interaction and citizen services
- Lack of adequate ADA compliant restrooms
- The City has grown and the current City Hall building does not support the needs of staff or the City
- Aging facility with dated layout, inadequate parking and limited natural light
- Lack of modern IT infrastructure

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## RECOMMENDATION 4 - City Hall

### RECOMMENDATIONS

CBRE believes City Hall's existing facility condition, space constraints and City growth warrant further in depth analysis to specifically including the following:

- Hire an architecture firm to complete a space program to determine the space type and amount required in a new City Hall to include twenty year growth projections
- Complete a Facility Condition Assessment on the current City Hall location to determine the amount of deferred maintenance and future capital investment required to maintain the existing building, if a new building is not pursued
- Discontinue further renovations to City hall and capital expenditures pending the analysis recommended herein
- Consider three optional sites to relocate City Hall and complete massing plans and solicit stakeholder input to determine the optimal site:
  - Midtown: activate the planned Town Center redevelopment with consistent daily foot traffic and ample parking in three Midtown areas, 1) designated Government Center area in the Midtown Development Plan), 2) a location near the proposed Midtown Square Park could be used a catalyst for Midtown development, 3) potential excess land near the News-Press site
  - Downtown site adjacent to fire department and/or parking lot adjacent to City Hall: maintains downtown location but allows existing site to become available for redevelopment and a connection between downtown and midtown
- Complete massing plans on the short listed new locations to determine how they logistically lay out on the site based on the space program requirements
- Consider a Public Private Partnership to develop a potential new City Hall and redevelop the current site, if an alternate location is selected

### ANTICIPATED BENEFITS

- Modern, right-sized City Hall to accommodate current space needs and future growth
- Improved citizen service
- Consolidate and co-locate city departments to achieve greater collaboration and efficiency
- Through the consolidation, dispose of other buildings (e.g. former city water plant building located at 2600 Dr. MLK Blvd.) and return the property to the private sector and tax rolls

### NEXT STEPS

- Complete the space program to determine space needs
- Complete the Facility Condition Assessment on the current City Hall building
- Select potential sites for the new City Hall and complete massing diagrams to determine site layout to accommodate the building and parking
- Complete a cost / benefit analysis of each site and consider financing options (e.g. Credit Tenant lease, issue bonds, Public Private Partnership)
- Select a site and , if not at current location, issue a competitive solicitation to develop the current site and developer build the city a new City Hall facility through a Public Private Partnership



# RECOMMENDATION 5

*Real Estate Policy*



# RECOMMENDATION 5

## Real Estate Policy

### OBSERVATIONS

- The City currently does not have a formal real estate or lease policy
- Nationally, the City's peer group has adopted formal policies and/or codified in administrative code or law certain processes related to governing and administering the leased and owned portfolio
- The City has a Housing and Real Estate Division within the Community Development Department, but does not have a policy to assist that Department with carrying out its responsibilities
- Lack of policy suggests that decisions have been made over the years with lack of consistency or strategy
- There are no defined parameters or requirements for:
  - acquisition or disposition of City owned property
  - adopting space standards
  - process and criteria for nominal (far below the real value or cost) leases
  - establishment or enforcement of maintenance standards where a third-party leases city owned property

### RECOMMENDATIONS

- Adopt a policy that is consistent, transparent and equitable as it relates to the sale and lease of the City's surplus real estate
- Establish monetary thresholds that allow for delegated authority by which administrative staff can make real property decisions (e.g. decisions less than a certain amount can be made by the Community Development Director) without City Council approval
- Establish a process by which City Departments request space through the real estate department and must adhere to space utilization standards

### ANTICIPATED BENEFIT

- The formation of a consistent, transparent and equitable policy related to the City's sale of real property
- Streamlined decision making process established
- Reduction of owned and leased space over time
- Adopting these recommendations is a relatively low-cost way to achieve significant savings in City real estate activities and contribute to the operation of a strategically focused Real Estate and Asset Management department

### NEXT STEPS

- Adopt and/or modify and adopt the draft policies contained herein
- Publish and communicate the new policies to affected stakeholder groups (Lessors, Lessees, City Departments, etc.)

## RECOMMENDATION 5 - Real Estate Policy

### SAMPLE | SUGGESTED POLICIES

The City of Fort Myers should adopt a real estate policy that is consistent, transparent and equitable for the acquisition and disposition of real property. This should include both leased and owned real estate.

In order to provide the City with a comprehensive and proven policy, CBRE reviewed real estate policies from several public entities with portfolios similar to Fort Myers. While challenges and considerations vary across jurisdictions, the following recommendation captures issues most relevant to Fort Myers. There are three primary situations that will apply to the City:

- Acquisition of real property for operations (through purchase or lease)
- Disposition of real property once declared surplus
- Administration of real property

Maintaining the asset inventory database provided as an Appendix to this Strategic Plan is a critical element of long term administration of real property. In order to maintain accurate asset inventory, the City should establish a process by which after each real estate action occurs; the asset inventory database is updated to reflect the acquisition and disposition of all real property.

It is CBRE's recommendation that a standard set of forms and agreements are prepared by the City's General Counsel or outside real estate counsel to facilitate the transactions described in this portion of the Strategic Plan. Doing so will ensure consistency, expedite review and ensure the City's best interest is protected from a financial and legal standpoint.

### AUTHORITY, PURPOSE, INTENT, AND SCOPE

The authority set forth in the real estate policy shall serve as City Council's pre-approval of the contracts and agreements negotiated by the Director of the Community Development Department for the acquisition, disposition, and leasing of real property. It also establishes monetary thresholds by which the Director or City Council Designee may act with delegated authority for ministerial transactions, or transactions within established thresholds pre-approved by City Council.

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### DEFINITIONS

**Fair Market Rent:** the reasonable rental rate and other related terms applicable to the conveyance of any leasehold interest or right of possession of property, as estimated by the Real Estate Manager subject to the approval of the Designee or one's designee

**Full Compensation:** monetary or non-monetary compensation paid to an owner in consideration for the acquisition of real property.

**Non-monetary Terms:** full compensation or consideration paid, in terms other than money by the City for the acquisition of real property including, but not limited to, agreements for access to the owner's property, agreements for owners extended possession of the property acquired by the City, agreements for management of storm water on the owner's property, and other such agreements between the City and the property owner

**Community Development:** the City department assigned with the responsibility to lease and manage City property

**Real Property:** any interest in the land or the improvements located thereon, including, but not limited to, fee simple, leasehold and other rights of possession, temporary and perpetual easements, and grants of right-of-entry

**Designee:** the person or person (s) the Mayor and City Council delegates authority to make real estate decisions in accordance with established parameters and monetary thresholds



## RECOMMENDATION 5 - Real Estate Policy

### RESPONSIBLE DEPARTMENTS

Community Development Department shall implement and comply with these policies and procedures and shall be charged with the following responsibilities:

- Developing uniform and clear procedures for all real property transactions
- Assuring uniform and clear documentation of all real property transactions
- Assuring that all real property transactions are negotiated equitably and in good faith and in accordance with all applicable city, state and federal laws
- Assuring cost effective management of all City owned real property

The City Attorney or Designee shall be charged with the following responsibilities:

- In the event that an appraisal is necessary, determining the scope of the appraisal assignment and the form of the appraisal report to be prepared for use in the City's real property transactions, unless such scope is otherwise established by City Council
- Approving all documents related to any transaction pursuant to this Policy

These policies and procedures shall be ethically applied, along with all applicable laws, to insure fair and equitable treatment to the City, the general public, and all affected property owners.

### ACQUISITION OF PROPERTY BY LEASE, SALE OR DONATION DETERMINATION OF NEEDS / REQUIRED APPROVALS

CBRE highly recommends that the City adopt a policy for space requests by City Departments. City Departments currently have no formal method by which to justify and request needed space for operations. This deficiency has had the unintended consequence of Departments being located in multiple, uncoordinated, and sometimes unnecessary locations across the City. The lack of a formal process creates inefficiencies both operationally and financially (e.g. staff drive times between facilities, and lost collaboration opportunities).

CBRE recommends a Request for Space Need (RSN) process whereby the various City Departments formally request how much space is needed to adequately support their mission. This request would be made to the Community Development Department for consideration and approval. Major elements of the RSN include:

- Department requesting space
- Date at which space will be occupied
- Function for which space is required
- Number of employees to be accommodated in proposed location
- Amount of space required
- Preferred location boundaries
- Estimate of construction and relocation costs including voice and data needs
- Confirmation of approved budget to accommodate relocation and ongoing expense

A sample of a Request for Space Need (RSN) can be found in **Appendix D**

Departments would be required to complete a Space Allocation Worksheet (SAW) requesting the exact number of offices, conference rooms, work stations, specialized spaces, etc. in accordance with space utilization standards adopted by the City. CBRE recommends that Community Development Department approves the process by which new space is procured and approve the final lease.

As a result of adopting this process, the City will occupy only the space it requires, eliminating unnecessary leased property or owned locations. Centralizing lease authority within Community Development Department will also improve compliance with a standardized lease process, and support the City's ability to act strategically when making real estate decisions. A sample of Space Allocation Worksheet (SAW) can be found in **Appendix E**.

## RECOMMENDATION 5 - Real Estate Policy

Finally, CBRE recommends that Community Development Department be given delegated authority to make routine and ministerial real estate decisions and commitments on behalf of the City falling within a specified monetary threshold. Delegated authority is intended to streamline decision making such that acquisitions and dispositions and management of real estate at lower values can be expedited via delegated authority without the need for City Council approval. By way of example, said Designee could be the Director of Community Development or the Real Estate Specialist. The monetary amounts contained in each section below are recommendations and should be considered by the Mayor and City Council for the appropriate thresholds for the City of Fort Myers.

### ACQUISITION OF REAL PROPERTY BY LEASE

The Designee shall have delegated authority to approve and to execute all documents necessary to complete the acquisition of any lease of real property that is not City owned, but required for mission critical City operations, for which the full compensation to a Landlord is no greater than \$100,000.00 annually.

Any offers of full compensation for which the amount exceeds the Designee's authority, or which include any non-monetary terms, shall be presented to City Council pursuant to the following procedure:

- a. The City Department who will occupy the space will prepare and present a justification for the lease requirement
- b. The Community Development Department shall review and evaluate the terms and conditions of the offer and present to City Council for consideration as an agenda item summarizing a lease agreement
- c. The City Attorney shall review and approve lease related legal considerations and compliance prior to City Council vote

Any lease (or lease to purchase agreement entered by the City relating to real property owned by others and needed for City purposes shall be for a period not to exceed 30 years at a stipulated rental amount to be paid from current or other legally available funds.

### ACQUISITION OF REAL PROPERTY BY PURCHASE

The Designee shall have the authority to approve and to execute all documents necessary to complete the acquisition of any real property by purchase, but which is needed for mission critical City purposes, and for which the acquisition price thresholds are determined by City Council. For example,

- a. An amount no greater than \$50,000 regardless of the City's appraisal of the fair market value for the real property; or
- b. An amount no greater than \$100,000 provided that such acquisition price does not exceed the City's appraisal of the fair market value for the real property by more than ten percent (10%)

Any acquisition offers for which the amount exceeds the Designee's authority, or which include any non-monetary terms, shall be presented to City Council pursuant to the following procedure:

- a. Community Development Department shall prepare a justification of why the acquisition is necessary and necessary for City operations
- b. Community Development Department shall review and evaluate the terms and conditions of the offer and present to City Council for consideration in an agenda item summarizing the offer
- c. Any such offer amount that exceeds \$100,000 shall be considered by City Council at a public meeting no earlier than 30 days after appropriate public notice



## RECOMMENDATION 5 - Real Estate Policy

### ACQUISITION OF REAL PROPERTY BY DONATION

Any owner desiring to donate real property to the City should deliver a written offer to Community Development Department. In the event another City department is directly contacted with an offer to sell or donate real property, the Department shall notify and provide the offer to Community Development Department.

Upon receipt of such offers, Community Development Department shall circulate the offer to the appropriate departments for their review and comment as to any interest in the property for planned or future mission critical City projects.

If a City need for the real property is identified, the Department shall prepare a written report to the City Council with the following information included:

- a. The estimated costs to the City if the offer is accepted (capital improvements, operations and maintenance requirements, etc.)
- b. Comments received from City departments identifying the existing and future need for the real property
- c. Recommendations on whether to pursue the offer, and the potential funding source (s) to maintain the property

### REAL PROPERTY OWNED BY CITY; SALE, DISPOSITION, EXCHANGE, OR LEASE TO OTHERS

Real property may be considered surplus if there is no current or potential future City use of the real property or if there is a determination that the asset cannot support the occupying Department's requirements. Often capital is required to improve the asset to an acceptable condition. If capital is unavailable, the property might also be considered for disposition.

Upon the Designee's concurrence of a recommendation that the real property should be declared surplus, the real property shall be sold or disposed of in accordance with City policy. Additionally, Community Development Department should annually review all City owned property that is not currently being used by any City department and which may be considered surplus property.

If the Designee deems that it may be in the best interest of the City to sell or dispose of any real property owned by the City, the Designee shall present the matter to City Council for consideration. Upon City Council's approval, the Designee shall be authorized to sell or dispose of the real property in accordance with the two following options:

#### 1 | REQUEST FOR PROPOSALS

- a. The Designee shall prepare a Request for Proposal (RFP) calling for bids for real property to be sold for the highest and best use. The Notice shall be published in accordance with the City's public notice requirements.
- b. Upon receipt of any bids responsive thereto, the Designee shall compile and summarize the bid information and present it to City Council with a recommendation of which of the bids should be considered in the City's best interest. City Council may require a deposit to be made or a surety bond to be given, in such form and under such terms as City Council determines, with each bid submitted.

### 2 | PRIVATE SALE; NO PUBLISHED NOTICE FOR BIDS

The Designee shall be authorized to proceed with a private sale of real property if:

- a. City Council determines that a parcel of real property is of insufficient size or the City's estimated fair market value of the real property is \$25,000 or less; and
- b. It is determined by City Council that, due to the size, shape, location, and value of the real property, the real property is of use only to one or more adjacent property owners.
- c. In such instance that the above conditions are met, the Designee may, after sending notice of the intended action to owners of adjacent property by certified mail, proceed with a sale and conveyance of the real property at private sale without receiving bids or publishing notice.
- d. If, however, within ten working days after receiving such mailed notice, two or more owners of adjacent property notify the City of their desire to acquire the real property, the Designee shall accept sealed bids for the real property from such property owners and, upon presentation of the bids to City Council, City Council may convey such real property to the highest bidder complying with the terms and conditions set forth in the notice, or City Council may reject all offers and bids of the real property at private sale.

### SALE OR DISPOSITION OF SURPLUS REAL PROPERTY BY UNSOLICITED OFFERS

If an individual or entity is interested in purchasing or acquiring any real property owned by the City, such individual or entity shall express such interest in the form of a written offer to the City.

The written offer shall be delivered to Community Development Department and, upon receipt, the Department shall prepare a written summary including but not limited to the following information about the real property:

- When the property was acquired by the City and the cost of acquisition
- The original reason for acquisition by the City
- The site location and description including any improvements and zoning classification
- The size of the property
- Current estimate of fair market value

The Department shall circulate the written summary for comments from the City department(s) maintaining the real property to determine if there is a mission critical City need to retain the property.

Upon the Department's receipt of any responses to the written summary, the Department shall prepare a written report to the Mayor and City Council that summarizes the offer.

CBRE recommends the disposition of properties with unsolicited offers follow the process described in #1 and #2 in the immediately preceding section. We believe that, even with an unsolicited offer, competition to purchase should be promoted whether via RFP or via private sale.

### SALE OR DISPOSITION OF REAL PROPERTY BY EXCHANGE

In the event the Designee determines the City holds any real property not needed for City purposes and such property may be, in the best interest of the City, exchanged for other real property which the City may desire to acquire for City purposes, the Designee shall present the matter to City Council for its consideration in accordance with the following procedure:

- The Designee shall present to City Council on its general business agenda a request for the adoption of a resolution authorizing the exchange of real property
- Ensure the transaction represents a like value for value exchange
  - Before such resolution is adopted, however, the Designee shall prepare a notice setting forth the terms and conditions of the exchange of real property and arrange for the notice to be published in accordance with the City's public notice requirements



## RECOMMENDATION 5 - Real Estate Policy

### LEASE FROM CITY OF REAL PROPERTY

The Designee shall have delegated authority to approve and to execute all documents necessary to complete the lease of City owned real property to a 3rd party, for which the full compensation to a Landlord is no greater than \$50,000.00 annually.

If the Designee deems that it may be in the best interest of the City to convey a leasehold interest or other right of possession of any real property owned by the City, the Designee may negotiate the lease and shall present the matter to City Council for consideration. Upon City Council's approval, the Designee shall be authorized to convey the leasehold interest or other right of possession in accordance with City policy.

Any offers of full compensation for which the amount exceeds the Designee's authority shall be presented to City Council pursuant to the following procedure:

- a. The Community Development Department shall review and evaluate the terms and conditions of the offer and present to City Council for consideration as an agenda item summarizing a lease agreement.
- b. The City Attorney shall review and approve lease related legal considerations and compliance prior to City Council vote.

### SUMMARY CHART OF DELEGATED AUTHORITY THRESHOLDS

TRANSACTION TYPE	DESIGNEE	CITY COUNCIL
Acquisition of Property by lease	<\$50,000 annually	>\$50,000 annually
Acquisition of Property by purchase	<\$50,000 regardless of appraised value <\$100,000 if purchase price is within 10% of appraised value	>\$100,000
Acquisition by donation	None	All
Disposition by purchase	<\$25,000	>\$25,000
Disposition by lease	<\$50,000 annually	>\$100,000 annually

\*All delegated thresholds would be established by City Council, the above table is for example purposes.

## RECOMMENDATION 5 - Real Estate Policy

### APPRAISALS AND BROKER OPINION OF VALUE ESTIMATES

For all acquisition and disposition of real property the City shall obtain either a Broker Opinion of Value (BOV) or an appraisal report, which estimates the fair market value of the real property interest. It should be noted that exposure to the market may be the best indicator of a property's value. Appraisals and BOVs should be formulated using local market comparables. CBRE recommends valuations be conducted in accordance with the following procedures:

1. For acquisitions or dispositions in which the estimated value of the real property does not exceed \$250,000, or for leases of real property in which the estimated square annual expenditure or receipt of funds does not exceed \$100,000, a Broker's Opinion of Value shall be retained with an estimate of the fair market value of the real property at its highest and best use
2. For acquisitions or dispositions in which the estimated value of the real property exceeds \$250,000, or for leases of real property in which the estimated annual expenditure or receipt of funds exceeds \$100,000, an independent State of Florida certified appraiser shall be retained to each prepare an appraisal report with an estimate of the fair market value of the real property at its highest and best use.

### SUMMARY CHART OF VALUATION THRESHOLDS

TRANSACTION TYPE	BROKER OPINION OF VALUE	APPRAISAL
Acquisition of Property by lease	<\$100,000	>\$100,000
Acquisition or Disposition of Property	<\$250,000	>\$250,000

\*All delegated thresholds would be established by City Council, the above table is for example purposes.

### LEASE POLICY

#### NOMINAL LEASES

The City of Fort Myers often leases property on a nominal basis to private and not-for-profit entities that contribute to the City's overall civic engagement mission. The City of Fort Myers currently does not have policy or guidelines governing the leasing of City owned property under this arrangement, and many transactions are currently structured and entered on an informal basis. While there may be instances in which it is in fact in the City's best interest to lease land to non-profit or other organizations on a nominal basis, we recommend defining criteria and policy around the process to ensure consistency, transparency and fairness to all participants.

Key policy related factors the City must consider regarding nominal leases are:

- The municipal purpose: will the lessee provide a service that the City desires?
- Economic development: will the proposed use create jobs, temporary and/or permanent and recurring tax revenue?
- Transparency: have all interested parties been given the same opportunity to express interest in and bid on the property?



## RECOMMENDATION 5 - Real Estate Policy

### OTHER LEASES

CBRE recommends that the City adopt a policy which requires private leases must be bid if they a) generate income or revenue for a private user or b) will limit or preempt use by the public. The following section provides guidance regarding policies, standards and criteria for evaluating, approving or denying requests to use City owned property.

Applications to lease City of Fort Myers property and decisions to approve or reject such applications could be based on some or all the following criteria:

1. **Public Interest Evaluation.** The decision to authorize the use of City owned property requires a determination that such use is in the City's interest. The public interest determination requires an evaluation of the probable impacts of the proposed activity. All direct and indirect impacts related to the proposed activity as well as the cumulative effects of those impacts shall be taken into consideration. Relevant factors to be considered include:

- Conservation
- General environmental and natural resource concerns
- Property values
- Community and cultural values
- Fish and wildlife considerations
- Flood hazards
- Floodplain values
- Land use
- Recreation
- Aesthetics
- Economics
- Public health and safety
- Relative extent of the public need for the proposed use or activity
- Reasonable alternative locations and methods to accomplish the objective of the proposed use or activity
- Potential detrimental effects on the public uses to which the area is otherwise suited



### 2. General Policies

- a. Property may be leased or subleased, managed by use agreement, encumbered by easements or licenses, disposed of to either the public or private sector, or may be retained and managed by the Department
- b. All Property shall be administered, managed, or disposed of in a manner that will provide the greatest benefit to the general public
- c. Any use of property must comply with any specific statutory mandates that may exist or other legal restrictions governing the property
- d. Any approval granted for any activity on the Property shall contain such terms, conditions, and restrictions as deemed necessary to provide for responsible management that will protect and enhance Property
- e. City Council will not grant any form of authorization for a period greater than is necessary to provide for reasonable use of the land for the existing or planned life cycle or improvement of the property

## RECOMMENDATION 5 - Real Estate Policy

- f.** Any authorization to use Property shall be subject to cancellation if the applicant converts the facility to a use that was not authorized or if the property ceases to be used for the purpose that was approved. In addition, City Council may require removal of the structure (if constructed) and restoration of parcel to its natural state.
  - g.** No activity may commence on any property until the authorizing document is executed by the City
  - h.** All activities on Property shall implement applicable best management practices that have been selected, developed, or approved by the Community Development Department and/or City Council
  - i.** Equitable compensation or in kind services to the City shall be required when the use of Property will generate income or revenue for a private user, including Not for Profit entities, or if said use will limit or preempt use by the general public. Community Development Department shall authorize leases such uses based on a competitive bidding process rather than negotiation unless otherwise approved by the City Council. Or, if it is determined by the Department to be in the public interest pursuant to the results of an evaluation of the impacts, both direct and indirect, which may occur as a result of the proposed use. Applicant shall pay all costs of legal advertisement, title work, taxes or assessments for any activity requiring such items.
  - j.** Appraisal services shall be obtained by the Department using a certified appraiser and the appraisal fee paid by the applicant
  - k.** Single use properties may be managed for compatible secondary uses if those uses do not interfere with or detract from the designated primary purpose
  - l.** There is no present or future public purpose for retaining the Property and the parcel contains no fragile environmental, historical, archaeological or recreational resources that would require protection
  - m.** All authorizations must contain a provision allowing for access for inspection by City staff
- 3.** Lessees and sub-lessees shall be responsible for acquiring all permits and paying all ad valorem taxes (if a taxable entity), drainage, special assessments or other taxes
- 4.** Lessees and sub-lessees shall be required to provide level two environmental reports and information regarding uses of land which may involve hazardous or toxic waste
- 5.** Lessees and sub-lessees shall be responsible for preparing either a management plan or an operational report outlining proposed use and Property modifications (if any). No alteration of the leased premises shall occur unless such activity has been authorized via an approved management or operational plan
- 6.** Lessees and sub-lessees shall provide an annual statement of gross income generated, net income and expenses
- 7.** Property and improvements are leased "as is" without warranties or representations
- 8.** Road right-of-way reservations are reserved by City Council
- 9.** Lessee shall accept all liability associated with the proposed use
- 10.** The lessee will not cause or allow damage to the leased premises or remove soil, sod, muck, or other materials from the leased premise
- 11.** Subleases shall be in compliance with the lease and management plan or operational report for the master lease. The lessee will not cause or allow damage to the leased premises or remove soil, sod, muck, or other materials from the leases premises.





# RECOMMENDATION 6

*Digitization*



# RECOMMENDATION 6

## Digitization

### OBSERVATIONS

The City has paper records stored in numerous places, including within employees' personal workspace or central filing. The least expensive real estate is that which you do not own or lease. Therefore, eliminating space that is occupied by paper is a clear cost saving strategy. While it may require upfront expenditure to create digital filing, it will significantly improve space efficiency. Oftentimes records are also retained longer than records retention policies require, therefore increasing the amount of paper storage unnecessarily.

### RECOMMENDATIONS

Utilize digital filing systems to reduce overall quantity, central locate or provide off-site storage for remaining paper-based filing. This requires the following:

- Digitization of existing materials
- Eliminating records that have been retained past required records retention
- Providing centralized shared filing space
- Providing data back-up and retrieval support

### ANTICIPATED BENEFIT

Digital record storage reduces the amount of office space used for hard copy storage. Retrieval technology also streamlines processes and business operations and can make document retrieval easier. Other human resources benefits may be achieved as today's workforce is increasingly more digitally based which supports recruitment and retention.

### NEXT STEPS

- Develop digital filing and retrieval technology as well as a change management firm to establish associated new business processes
- Alternatively, move records that are not critical to daily operations to an off-site archival facility







# RECOMMENDATION 7

*Space Standards*

# RECOMMENDATION 7

## Space Standards

### OBSERVATIONS

The City of Fort Myers has acquired significant real estate holdings over an extended period of time. As administrations change and programs evolve, some City occupied properties are not used as efficiently as modern space standards would support.

The City occupies thousands of square feet of space in which its departments provide services to the citizens of Fort Myers. City employees, citizens and other visitors depend on this space to get their business done efficiently and effectively. Whether the space is in a publicly-owned building or a building leased from a private owner, the quality of the space can have a significant impact on the quality of the work performed and the quality of the interaction with the public.

At present the City does not have a uniform space standard for the amount of office space required. This has occurred for a variety reasons over decades and many administrations. As a result, in some cases the City occupies more space than is necessary to perform business functions. In others, not enough space is available to adequately provide for City employee and customer service needs.

### RECOMMENDATIONS

- Adopt recommended space standards and secure authority to implement and enforce standards to the following sizes (actual work area does not include circulation and common areas). New standards should be adopted immediately so that any new spaces reflect resized offices and workstations.

– <b>Executive-Level Office:</b>	<b>180 square feet</b>
– <b>Standard Office:</b>	<b>120 square feet</b>
– <b>Standard Workstation:</b>	<b>48 square feet</b>
– <b>Small Workstation:</b>	<b>25 square feet</b>

The recommended space standards should be sized according to the type of use.

- If applied universally to space needs, savings may be achieved from spending on a reduced footprint in both initial capital costs and year-over-year operating expenses as well as making sure adequate space is allocated to support City employees and serve constituents
- CBRE recommends that the new standards be applied to all new construction, major space remodeling and department relocations across the portfolio
- Assign offices to staff based on need rather than job title standards and revise personnel standards for space allocation to achieve a target of 15 - 20% for general office space
- Right-size administrative offices and support space to accommodate new ways of working including interconnected communications devices and enhanced collaboration concepts (i.e. conference facilities, breakout rooms, work cafés, etc.)



## RECOMMENDATION 7 - Space Standards

- Identify and re-stack properties to new standards and begin the back-fill process as obsolete buildings are sold and leases expire
- Set an overall target density of 210 square feet/person (includes circulation, common spaces, etc.)  
Note that trends in space occupancy are trending downward and a 210 square foot target could be further reduced to 150 – 180 square feet/person on average depending on the culture of the organization, percentage of offices versus workstations, and proportion of field staff versus standard office workers.

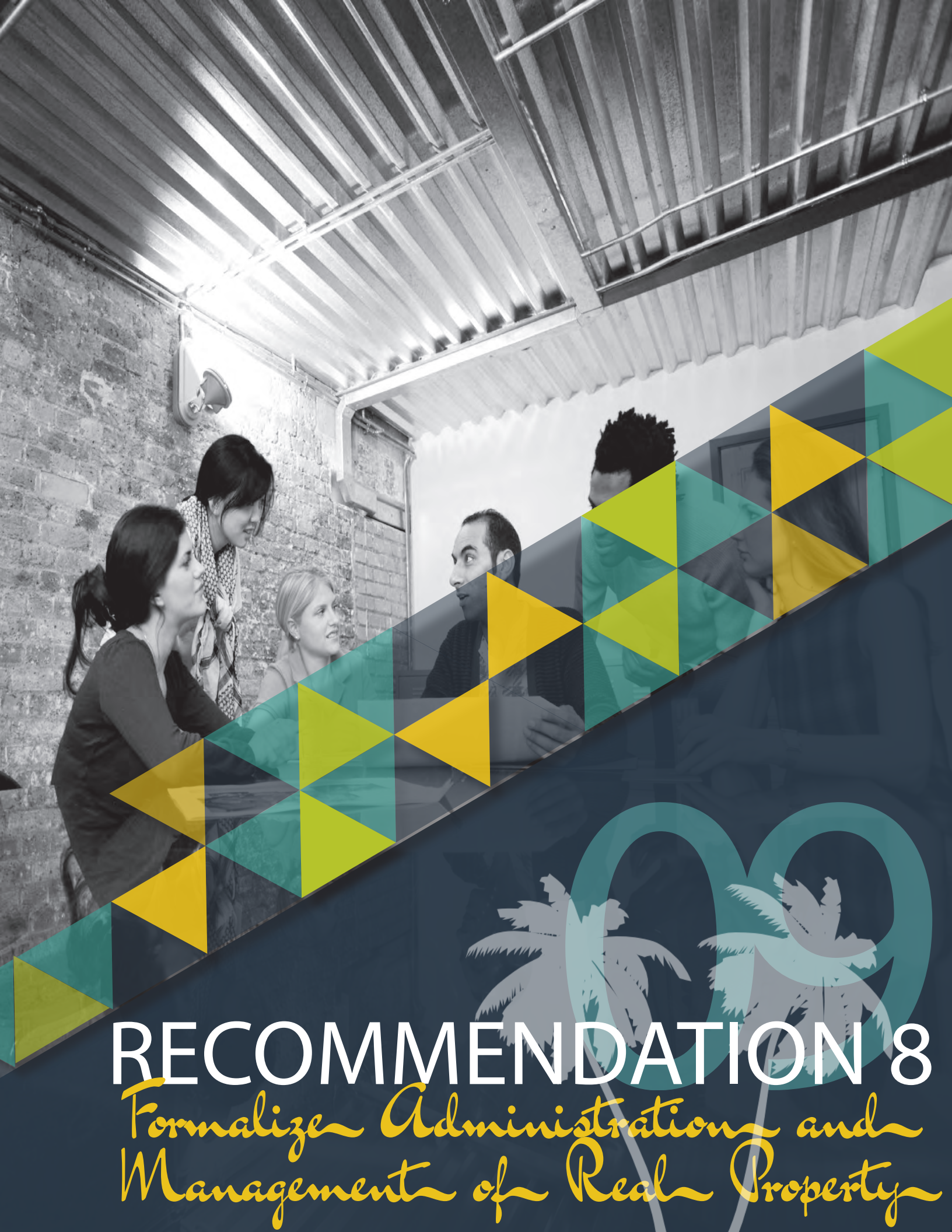


### ANTICIPATED BENEFITS

Right-sized administrative offices and support space can accommodate new ways of working and enhanced concepts in collaboration. Space needs can be dramatically reduced, resulting in lower occupancy cost for the City. In addition to occupying less space, implementation of space standards and modernized work space creates an environment which will add in recruitment and retention, as the individuals the City will recruit going forward work differently than those who will be retiring.

### NEXT STEPS

- Adopt and enforce recommended space standards. This can be done quickly, with limited cost.
- Re-stack mission critical properties to new standards and begin the back-fill process as obsolete buildings are sold and leases expire. Due to annual capital and lease rollover constraints, this is a long-term opportunity. Major capital requirements for build-out, moves and project execution will be off-set in part by lower operating and capital costs due to the smaller footprint, as well as the receipt of proceeds from direct property sales.
- Set an overall target density of 210 square feet/person (includes circulation, common spaces, etc.)



# RECOMMENDATION 8

*Formalize Administration and Management of Real Property*



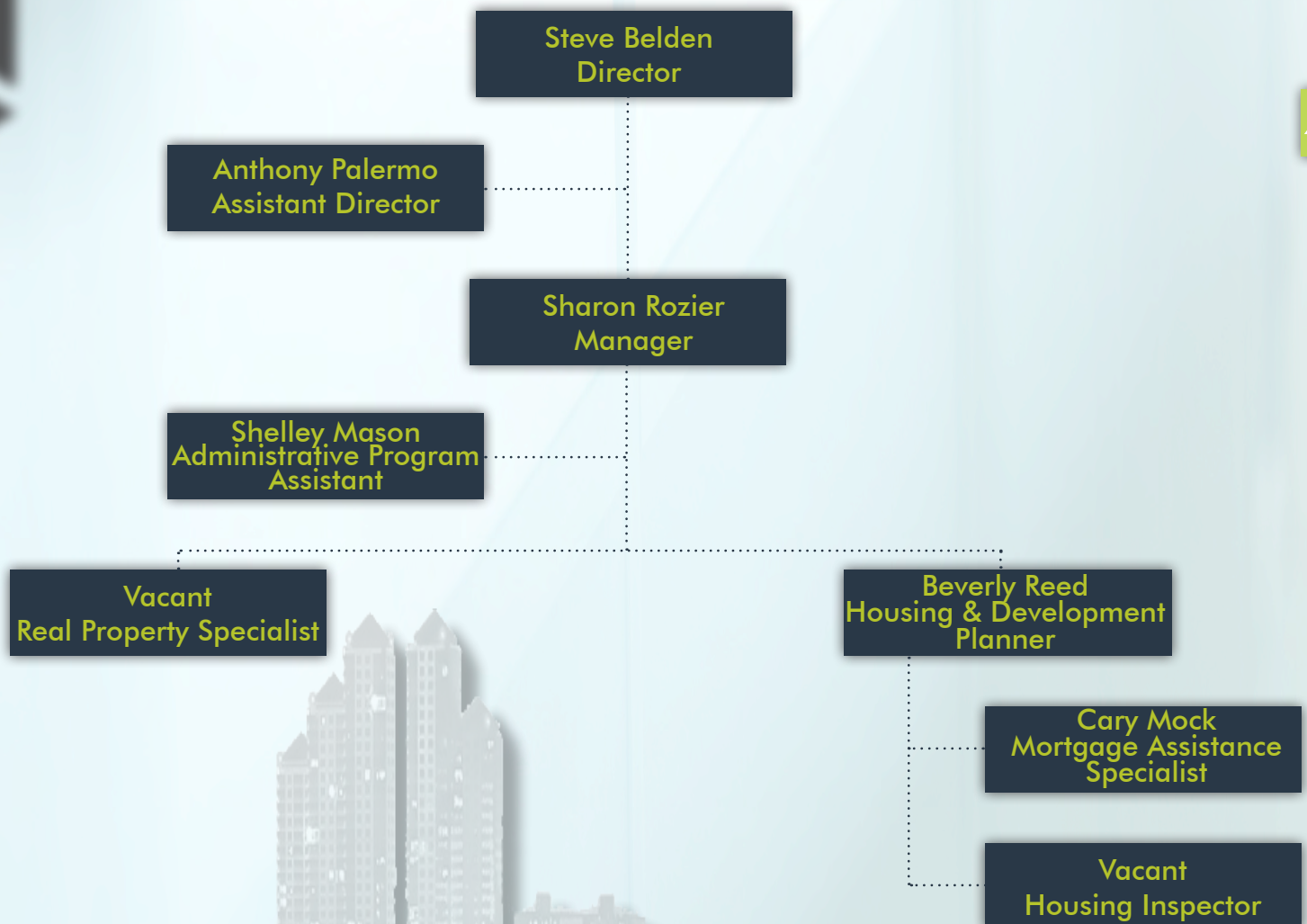
# RECOMMENDATION 8

## Formalize Administration and Management of Real Property

### OBSERVATIONS

CBRE's experience with public sector clients indicates that property portfolios are most effectively managed when there is one overall source of information that tracks spending, capital costs, staffing and space allocations. It was our observation as a result of our data requests and questions about the portfolio that there is likely not a centralized repository of portfolio data available.

Within the City of Fort Myers, the real estate organization is fragmented and decentralized between the Departments of Housing and Community Development Department, Public Works and various individual departments who may make their own various decisions to lease, vacate or move into different locations. The real estate function is currently located in the Housing portion of the Housing and Community Development Department.



## RECOMMENDATION 8 - Formalize Administration and Management of Real Property

### RECOMMENDATIONS

As a result, we recommend that the City:

- Centralize real estate management
- Through centralized management and decision making, adopt the lease policy, space utilization standards and improved disposition processes outlined in other sections of this report
- Create a Real Estate Department that is separated from Housing given they have different mission critical functions
- Leave Right of Way acquisition with public works given the two are intricately related
- Adopt an IT platform to improve its ability to oversee and administer its real estate assets

### ANTICIPATED BENEFITS

Centralized Real Estate Organization:

- Allows Department staff to focus on their mission critical functions (e.g. police, fire, parks) versus real estate
- Through implementation of policies and space utilization, the City will utilize less space and reduce associated occupancy costs
- Expeditious identification and disposition of surplus property
- Strategic versus reactive real estate decision making

Industry Standard Information Technology:

- Reduces the risk of losing valuable institutional knowledge when staff turns over
- Streamlines and provides analytics related to lease administration, deferred maintenance and capital expenditures
- Leverages and improves the skills and efficiency of all real estate staff
- Can reduce cost and errors, while enhancing decision making and extending staff capabilities
- Enables creation of tracking metrics to allow for portfolio benchmarking and performance management

### NEXT STEPS

- Evaluate IT resources currently in use and identify specific areas in which the City could benefit from industry standard technology
- Centralize real estate information functions within one Department of Real Estate





FOR  
SALE

RECOMMENDATION 9

*Disposition of Surplus Property*



# RECOMMENDATION 9

## Disposition of Surplus Property

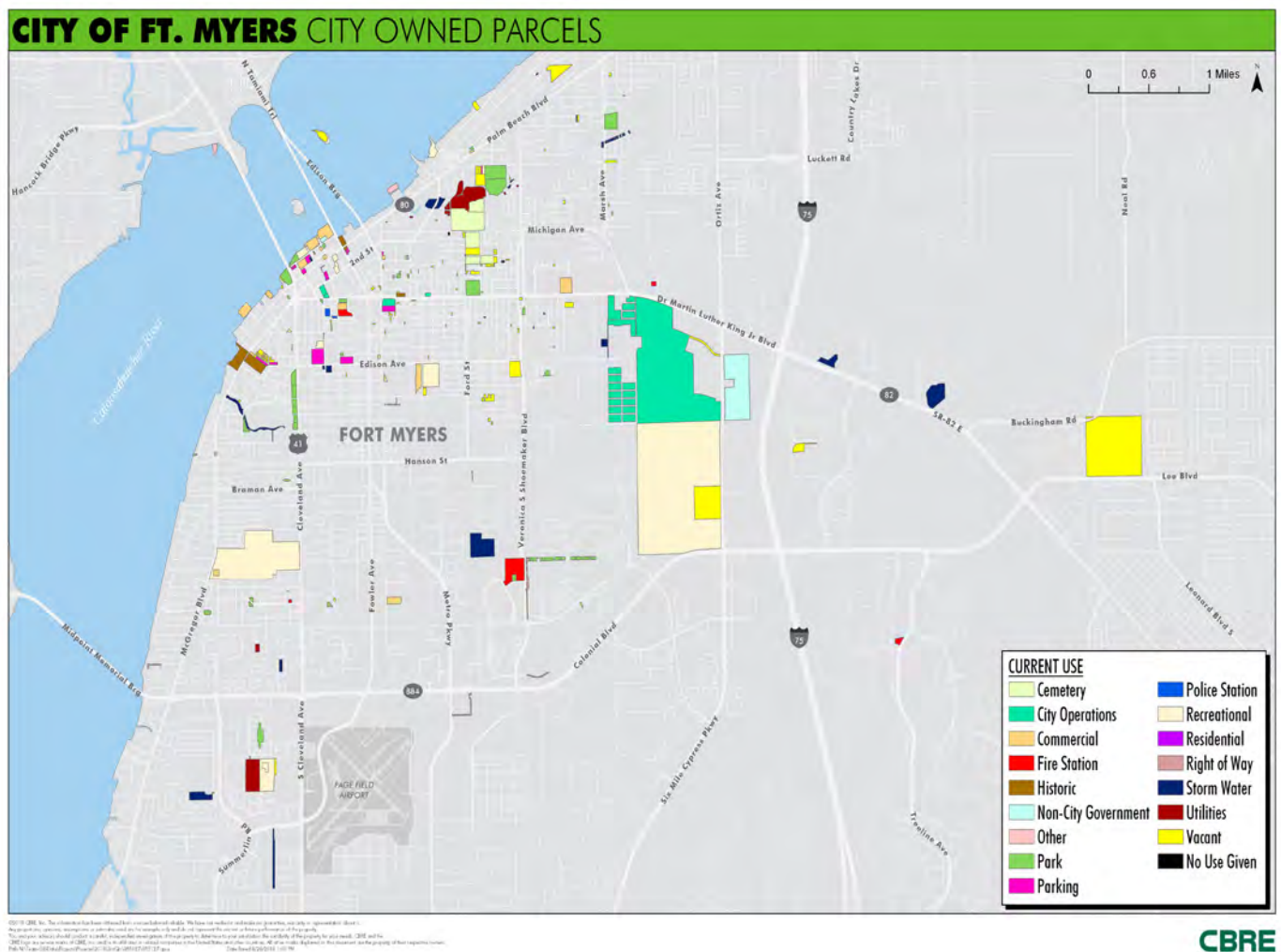
### OBSERVATIONS

While just a portion of the City's portfolio was included in this project scope, it is CBRE's observation that the City owns a significant amount of land that is for the most part vacant, but also includes commercial, industrial, recreational and residential properties.

As administrations, programs and funding have changed, a year-over-year assessment of real estate by department has been focused more on immediate needs without the benefit of a long-term portfolio-wide strategy.

A key recommendation for cost avoidance and revenue generation is to dispose of surplus buildings and land and exit unneeded leased space.

Below please find a map of all city owned properties color coded by use type.





### RECOMMENDATIONS

#### PLANNING

- Maintain an inventory of City owned property. This element is now complete and included as **Appendix F** to this report, but should be updated on an ongoing basis.
- Develop criteria to identify under performing or surplus assets (e.g. cost of capital requirements, maintenance costs, vacant land that is not being used). This is described in more detail in the below Model details.
- Identify “Mission Critical or “Legacy” leased and owned locations (e.g. fire stations, City Hall, main library, etc.) that should be retained
- Evaluate all third party leased locations for opportunities to downsize or exit

#### EXECUTION

- When positioning the property for disposition, evaluate zoning to determine if current zoning will achieve the highest sale price. In some cases, rezoning may achieve a higher sale price and the highest and best use.
- Identify vacant space through regular facility inspections
- Recapture underutilized space for use by others
- Renegotiate terms of leased locations to downsize based on new space standards and downsize as appropriate
- Eliminate leased locations when owned space is made available
- Given limited City staff and their other mission critical responsibilities, utilize a real estate brokerage firm to execute the disposition of surplus property. Doing so will ensure the City is adequately represented and allow the City to sell surplus property more expeditiously and ensure market rates are achieved.

#### ANTICIPATED BENEFITS

- Returning the property to the tax rolls and private sector benefit
- Creating a source of revenue from the disposition proceeds to fund other city mission critical needs
- Reducing liability associated with ownership (e.g. slip and falls)
- Reducing operating expenses associated with maintaining the property
- Avoiding long-term capital expenditures

## RECOMMENDATION 9 - Disposition of Surplus Property

### NEXT STEPS

A well thought out plan will produce the best result for the City. We recommend the following next steps for the development of a disposition plan:

- Identify the properties that are candidates for disposition using the process and criteria below
- Compile basic property facts
  - Tax assessors information to establish value and current zoning
  - Site plans
  - Aerial Photo
- Produce a map identifying adjacent uses and/or tenant roster. This will help determine the most probable use for each subject property.
- Interview brokerage firms that will
  - Make recommendations to sell individually or as a bulk portfolio
  - Give each property broad exposure in the market
  - Facilitate showings and answer questions about local market conditions
  - Work with City legal counsel to develop a purchase and sale form that will serve as the “standard” contract
  - Facilitate financing as needed for each Buyer
  - Process each sale from initial inquiry to closing

Following tours of the City and review of the property inventory, CBRE has preliminarily identified candidates for disposition, such as the vacant downtown Post Office parcel, and the defunct storage building, but in addition to these properties we strongly encourage the City to review the inventory database and evaluate its holdings based on the below outlined evaluation model. City staff will have a good understanding of which properties are currently being used and whether or not they may be required for an anticipated future use, or should be declared surplus and sold.

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### SAMPLE DISPOSITION EVALUATION MODEL

The following model can be used to establish whether a property is a disposition candidate. Through a diagnostic process, the City can determine if a property is used to its highest and best use and, if not, whether additional capital should be deployed to improve the asset or whether the asset should be re-zoned, disposed of by lease, sale or other means. Deploying a disposition analysis framework requires training to help departments understand how to identify surplus opportunities and to engage in discussions concerning next steps.

### SAMPLE DISPOSITION EVALUATION MODEL DETAILS

**PHASE 1/INVENTORY UPDATE** – A strategic review should start with making sure the asset inventory database is routinely updated.

- Once developed through a comprehensive database review, maintaining the database should be an ongoing function that occurs when the status of any owned or leased space changes
- The City should develop access and reporting protocols for updates and review of property data so that the integrity is maintained



## RECOMMENDATION 9 - Disposition of Surplus Property

**PHASE 2/PORTFOLIO REVIEW** – Periodic discussions with departments are required to identify changes in space needs, both expanding and contracting. Most often, department personnel have expertise in departmental functions and should be focused on their mission critical services, not real estate.

- Working with City real estate staff, department managers can be trained to think about reducing overall real estate costs through an assessment of utilization and need
- This is a high-level review that will determine if a deeper dive is required in Phase 3

**PHASE 3/DEPARTMENT UTILIZATION** An assessment of how each property is used is critical to implementing a successful real estate strategy.

This Phase identifies four levels of property utilization:

### LEVELS

**LEVEL 1:** The property is mission critical to the department's operations, is being used at its highest and best use and cannot be replaced without major expense, destruction of a historical asset, etc. If the property is determined to be a Level One property, the property moves to Phase 5 – Implementation for annual maintenance.

**LEVEL 2:** The property is not being used at its highest and best use, but could become a core asset if upgraded and repaired.

**LEVEL 3:** Properties that need major repairs and are secondary to the core mission, should be assessed to determine if it should be held for future improvement or sold.

**LEVEL 4:** Properties may require expensive repairs that will still not adequately support the department's operations. Alternatively, the asset may offer the City an opportunity to monetize an under performing property with good market value and funding can be used for mission critical assets.

- If the high-level portfolio review in Phase 2 indicates no substantial change in utilization, the Phase 3 activities described above may not be required

**PHASE 4/OBJECTIVES ALIGNMENT** – The purpose of real estate is to support the Department's mission and citizen service. Department alignment is required to confirm a strategy for Level 2, 3 and 4 properties.

- Aligning a department's needs with the real estate strategy for the properties it occupies, will ensure that the utilization of the asset is maximized while the needs of the department are met
- Understanding the Department's mission will allow for provision of specialized space (e.g. data centers, labs, waiting rooms, interview rooms)

**PHASE 5/IMPLEMENTATION** – Implementing the strategy is key to realizing the desired outcome of right-sizing the City's real estate portfolio.

- Phase 5 requires a centralized real estate organization for decision making and accountability
- It requires educating Departments on what the real estate strategy is and how to identify space needs
- Phase 5 then requires marketing and selling surplus properties and downsizing or eliminating leased locations





WELCOME  
to

FORT MYERS

City of Palms

11

# APPENDICES





# APPENDICES

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## **APPENDICES**

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Appendix A - 19-397MI-2676\_Eastwood Golf Course\_Fort Myers, FL

Appendix B - 19-397MI-2676\_Fort Myers Country Club\_Fort Myers, FL

Appendix C - 19-397MI-0545-1 City of Ft. Myers Yacht Basin Rev 1

Appendix D - Request for Space Need Sample (RSN)

Appendix E - Space Allocation Worksheet Sample (SAW)

Appendix F - Property Inventory

# THANK YOU



**FOR MORE INFORMATION PLEASE CONTACT:**

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**CBRE**

**R I S E**  
RESPECT/INTEGRITY/SERVICE/EXCELLENCE

toward a greener  
tomorrow



# APPRAISAL REPORT

EASTWOOD GOLF COURSE  
3450 ORTIZ AVENUE  
FORT MYERS, FLORIDA 33905  
CBRE GROUP, INC. FILE NO. 19-397MI-2676

CBRE, INC.

**CBRE**



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Jacksonville, Florida 33202

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[www.cbre.com](http://www.cbre.com)

May 13, 2019

William (Tripp) I. Gulliford, III  
Senior Managing Director  
CBRE, INC.  
225 Water Street; Suite 110  
Jacksonville, Florida 32002

RE: Appraisal of Eastwood Golf Course  
3450 Ortiz Avenue  
Fort Myers, Lee County, Florida  
CBRE, Inc. File No. 19-397MI-2676

Dear Mr. Gulliford:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property and presented our analysis in the following Appraisal Report.

The subject property is an existing, 18-hole, daily fee/public golf course situated on an approximate 250-acre site. The clubhouse has an address of 3450 Ortiz Avenue, Fort Myers, Florida. The golf course was originally developed in 1977 by Robert Von Hagge and Bruce Devlin. In 2017 the front 9 was substantially renovated and re-grassed. The championship course measures 7,129 yards from the back tees with a USGA course rating of 72.5. Ancillary improvements consist of a clubhouse, cart storage building, two maintenance facilities and two (2) on-course restrooms/shelters.

The subject property currently sub-contracts the golf operations (i.e. pro shop and outside services) to a third party vendor. Based upon that analysis contained herein, this service contract, along with additional expenses negatively, impact the underlying value of the subject property, resulting in inefficient operations.

Based on the analysis contained in the following report, the going concern market value of the subject property under its current operating agreements, as well as a Hypothetical Value of the subject assuming market oriented operations, is presented as follows:



<b>MARKET VALUE CONCLUSION</b>			
<b>Appraisal Premise</b>	<b>Interest Appraised</b>	<b>Date of Value</b>	<b>Value Conclusion</b>
As Is - Going Concern	Leased Fee	January 30, 2019	\$1,450,000
Hypothetical Going Concern (Market Operations)	Fee Simple	January 30, 2019	\$2,650,000
Compiled by CBRE			

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The valuation of a golf course property is typically that of the "going concern". Going concern is defined to include the real property plus the contributory value of the furniture, fixtures and equipment (FF&E or personal property) and business interest. USPAP requires that appraisals contain a discussion of these elements of value and their individual allocation in the total value of the property. For purposes of this appraisal, the market value of the subject has been allocated as follows. Based on the nature of a golf course operation, the business value was recognized to be an integral and inseparable part of the overall property value. The following personal property estimate is based on the 2018 assessed value of the personal property as reported by the Lee County Property Appraiser.

<b>ALLOCATION OF GOING CONCERN VALUE (Current Operations)</b>	
<b>Interest Appraised - Allocation</b>	<b>Value Conclusion</b>
<b>Fee Simple</b>	
Going Concern Value - As Is	\$1,450,000
Personal Property (Rounded)	\$230,000
Business Interest	\$0
Real Property Value	\$1,220,000
<b>ALLOCATION OF GOING CONCERN VALUE (Market Operations)</b>	
<b>Interest Appraised - Allocation</b>	<b>Value Conclusion</b>
<b>Fee Simple (Current Operations)</b>	
Going Concern Value - As Is	\$2,650,000
Personal Property (Rounded)	\$230,000
Business Interest	\$0
Real Property Value	\$2,420,000
Compiled by CBRE	

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

May 13, 2019

Page 3

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and CBRE will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE, Inc., Inc. can be of further service, please contact us.

Respectfully submitted,

**CBRE, Inc. - VALUATION & ADVISORY SERVICES**



---

Michael (Mace) J. Green, Jr.

Senior Appraiser

Cert Gen RZ3679

Phone: 904.633.2611

Email: [Mace.Green@cbre.com](mailto:Mace.Green@cbre.com)

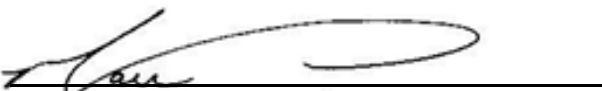
**CBRE**



## Certification of the Appraisal

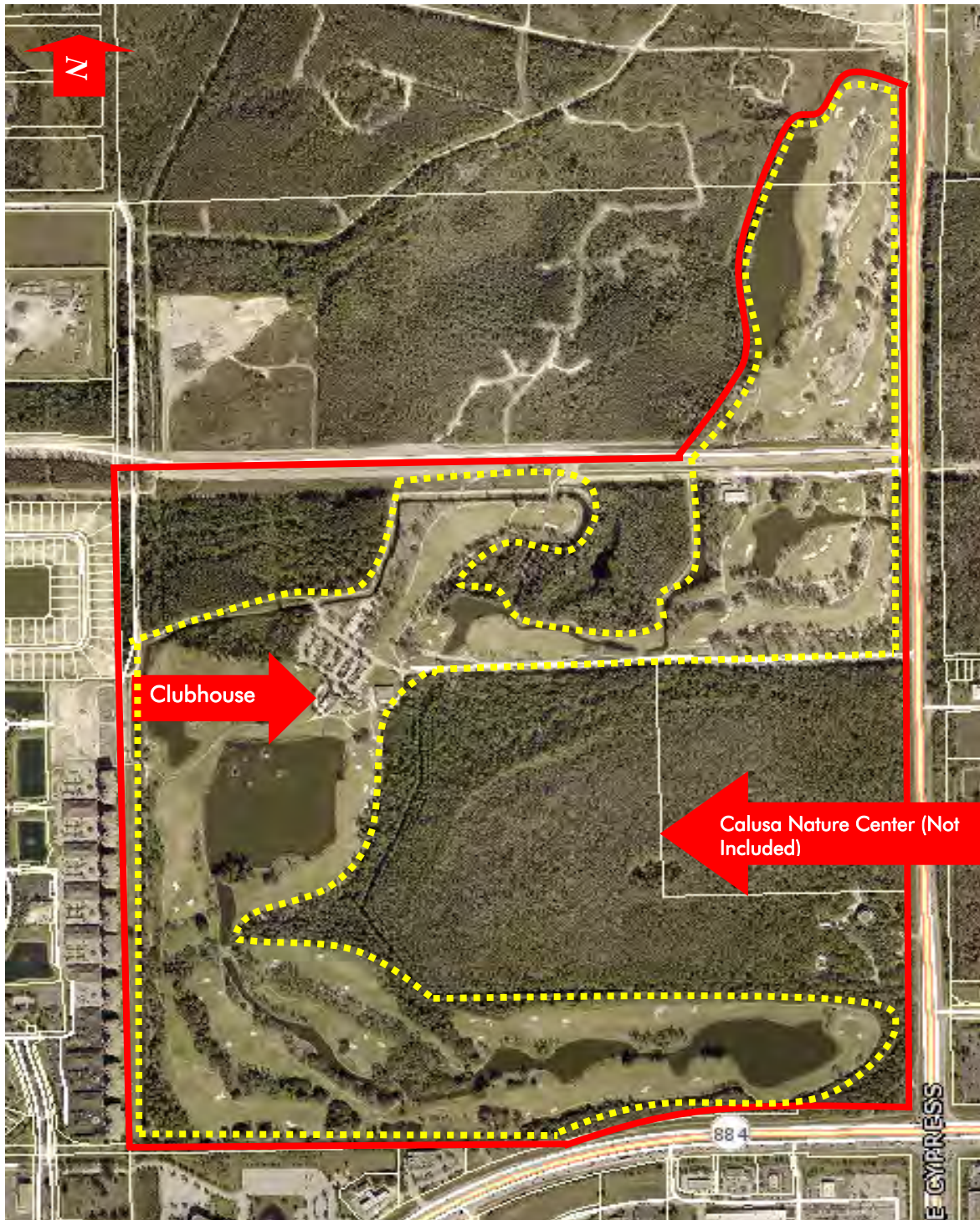
We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Florida.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Michael (Mace) J. Green, Jr. has completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members
11. Michael (Mace) J. Green, Jr. has made a personal inspection of the property that is the subject of this report. No one provided significant real property appraisal assistance to the persons signing this report.
12. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
13. Michael (Mace) J. Green, Jr. has not provided real estate related services on this property in the three years prior to accepting this assignment.



Michael (Mace) J. Green, Jr.  
Cert Gen RZ3679

## Subject Photographs



The red line outlines the land owned by the City of Fort Myers. The yellow dashes reflect the approximate boundaries of the golf course which is the premise of this assignment. While the Calusa Nature Center, and other areas outside the yellow dashes is city owned, they are not considered within the valuation herein, only the golf course operations (i.e. approximately 250-acres) is considered.

Aerial View; Subject Clubhouse is Identified





Clubhouse



Clubhouse Rear Elevation



View of Clubhouse from Putting Green



Clubhouse Lobby



Pro Shop



Pro Shop





Banquet/Dining Room



Kitchen



Kitchen



Cart Storage Building



Cart Storage Building Interior



Driving Range





Putting Green



Golf Course View



Golf Course View



Golf Course View



Golf Course View



Golf Course View



Golf Course View



Golf Course View



On-Course Restroom



Golf Maintenance Facility



Golf Maintenance Facility Interior



Superintendent's Office





Golf Maintenance Equipment Storage



Starters Building



Outdoor Patio



Main Entrance

## Summary of Salient Facts

<b>Property Name</b>	Eastwood Golf Course	
<b>Location</b>	3450 Ortiz Avenue, Fort Myers, Florida	
<b>Assessor's Parcel Numbers</b>	28-44-25-P1-00002.0000	
<b>Property Type</b>	Golf Course	
<b>Highest and Best Use</b>	Future Golf Course Development	
As Though Vacant	Daily-Fee/Public Golf Course	
As Improved	Fee Simple - Going Concern	
<b>Property Rights Appraised</b>	January 30, 2019	
<b>Date of Inspection</b>		
<b>Golf Course Land Area (Est.)</b>	250.00 AC	10,890,000 SF
<b>Improvements</b>		
Clubhouse	6,608 SF	
Golf Cart Storage	4,800 SF	
Golf Maintenance Facility	4,040 SF	
Golf Maintenance Equipment Storage	975 SF	
On-Course Restroom/Shelter (2)	300 SF	
Number of Buildings	4	
Number of Stories	1	
Gross Building Area	16,723 SF	
Number of Holes	18	
Course Type	Daily Fee/Public Course	
Course Designer	Bob Von Hagge & Bruce Devlin	
Championship Yardage	7,129 Yards	
Restaurant/Lounge	Small	
Practice Facilities	Putting Greens (2) and Driving Range	
Property Amenities	Men's and women's restrooms, golf pro shop, grille with banquet room, small kitchen, outdoor patio area and two (2) on-course restroom buildings	
Year Developed	1977 to 2007	
Condition	Average	
<b>Estimated Exposure Time</b>	6 to 12 Months	
<b>Financial Indicators</b>		
<b>Total Rounds</b>	Annual Rounds	
2016	52,032	
2017	42,826	
2018	52,197	
Stabilized Annual No. Rounds	52,000	



<b>Current Operating Data (W/Service Agreements)</b>		<b>Total</b>	<b>Per Round</b>	<b>Per Hole</b>
Total Gross Revenue		\$1,863,200	\$35.83	\$103,511
Less: Cost of Goods Sold (F&B Only)		\$47,970	\$0.92	\$2,665
Effective Gross Income		\$1,815,230	\$34.91	\$100,846
Operating Expenses		\$1,685,820	\$32.42	\$93,657
Expense Ratio		90.5%		
Net Operating Income (EBITDA)		\$177,380	\$3.41	\$9,854
<b>Operating Data (Market Operations)</b>				
Total Gross Revenue		\$1,965,600	\$37.80	\$109,200
Less: Cost of Goods Sold (F&B & Golf Shop)		\$98,670	\$1.90	\$5,482
Effective Gross Income		\$1,866,930	\$35.90	\$103,718
Operating Expenses		\$1,686,614	\$32.43	\$93,701
Expense Ratio		85.8%		
Net Operating Income (EBITDA)		\$278,986	\$5.37	\$15,499
<b>VALUATION</b>				
Sales Comparison Approach	As Is - Going Concern	\$1,450,000	\$27.88	\$80,556
	Hypothetical Going Concern (Market Operations)	\$2,650,000	\$50.96	\$147,222
Income Capitalization Approach	As Is - Going Concern	\$1,500,000	\$28.85	\$83,333
	Hypothetical Going Concern (Market Operations)	\$2,700,000	\$51.92	\$150,000

<b>CONCLUDED MARKET VALUE</b>			
<b>Appraisal Premise</b>	<b>Interest Appraised</b>	<b>Date of Value</b>	<b>Value</b>
As Is - Going Concern	Leased Fee	January 30, 2019	\$1,450,000
Hypothetical Going Concern (Market Operations)	Fee Simple	January 30, 2019	\$2,650,000

Compiled by CBRE

## STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

Strengths and weaknesses are internal to the subject; opportunities & threats are external to the subject

### Strengths/ Opportunities

- The subject property is well located within Fort Myers, generating sufficient play, and;
- The front nine was recently renovated.

### Weaknesses/ Threats

- Current operations are impacted by an operating agreements that limits revenue generating capabilities.
- National publications continue to track declining participation in the game with many clubs facing difficult financial situations.
- As will be noted in the market analysis, the subject MSA ranks 7th in the nation in terms of private golf per capita. The adjacent Naples/Marco Island MSA ranks 1st in the nation, indicating a significant level of competition in the immediate area of the subject

## EXTRAORDINARY ASSUMPTIONS

An *extraordinary assumption* is defined as “an assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.” <sup>1</sup>

- We have relied on financial, rounds played and membership information for the subject that was supplied by ownership for our analysis of the subject property. Therefore, we relied on this information throughout our appraisal. Should any of this information be significantly different from what was given, the conclusions reached herein may be subject to change.
- The analysis and conclusions contained herein reflect only the golf operations and does not consider the additional land area surrounding the subject (see Highest and Best Use).
- The use of this extraordinary assumption may have affected the assignment results.

## HYPOTHETICAL CONDITIONS

A *hypothetical condition* is defined as “that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.” <sup>2</sup>

- None noted

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<sup>1</sup> The Appraisal Foundation, *USPAP*, 2018-2019

<sup>2</sup> The Appraisal Foundation, *USPAP*, 2018-2019



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A Glossary of Golf Property Terms	
B Service Contracts	
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## Introduction

### OWNERSHIP AND PROPERTY HISTORY

According to the Lee County Property Appraiser, title to the subject property is currently vested in the name of The City of Fort Myers. As far as we could determine, there have been no arm's length ownership transfers of the subject property in the last three years. As of the date of value, the subject is not being marketed for sale.

### INTENDED USE OF REPORT

The intended use of this appraisal is for internal-decision making purposes by the City of Fort Myers, and no other use is permitted.

### INTENDED USER OF REPORT

The intended users of this report are CBRE, Inc. (PIES) Group and the City of Fort Myers, and such other parties and entities (if any) expressly recognized by CBRE as "Intended Users" (as further defined herein).

**Intended Users** - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report.<sup>3</sup>

### PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property.

### DEFINITION OF VALUE

The current economic definition of fair value is as follows:

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.<sup>4</sup>

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<sup>3</sup> Appraisal Institute, *The Appraisal of Real Estate*, 14<sup>th</sup> ed. (Chicago: Appraisal Institute, 2013), 50.

<sup>4</sup> Financial Accounting Standards Board (FASB), definition in ASC 820 – Fair Value Measurements.



## INTEREST APPRAISED

The value estimated represents the fee simple estate as defined below:

*Fee Simple Estate* - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.<sup>5</sup>

## SCOPE OF WORK

This is an Appraisal Report (Concise) that is intended to comply with the reporting requirements set forth under Standards Rule 2 of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents concise discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. CBRE, Inc. completed the following steps for this assignment:

### Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address
- assessor's records
- legal description

### Extent to Which the Property is Inspected

CBRE, Inc. inspected both the interior and exterior of the subject, as well as its surrounding environs on the effective date of appraisal. This included the following:

- the interior and exterior of the clubhouse/cart storage building and the exterior of the golf course maintenance facility.
- several holes on the golf course and practice putting greens, and all other practice facilities and amenities previously listed

This inspection sample was considered an adequate representation of the subject property and is the basis for our findings.

### Type and Extent of the Data Researched

CBRE reviewed the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- income and expense data

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<sup>5</sup> *Dictionary of Real Estate Appraisal*, 78.

- comparable data

### Type and Extent of Analysis Applied

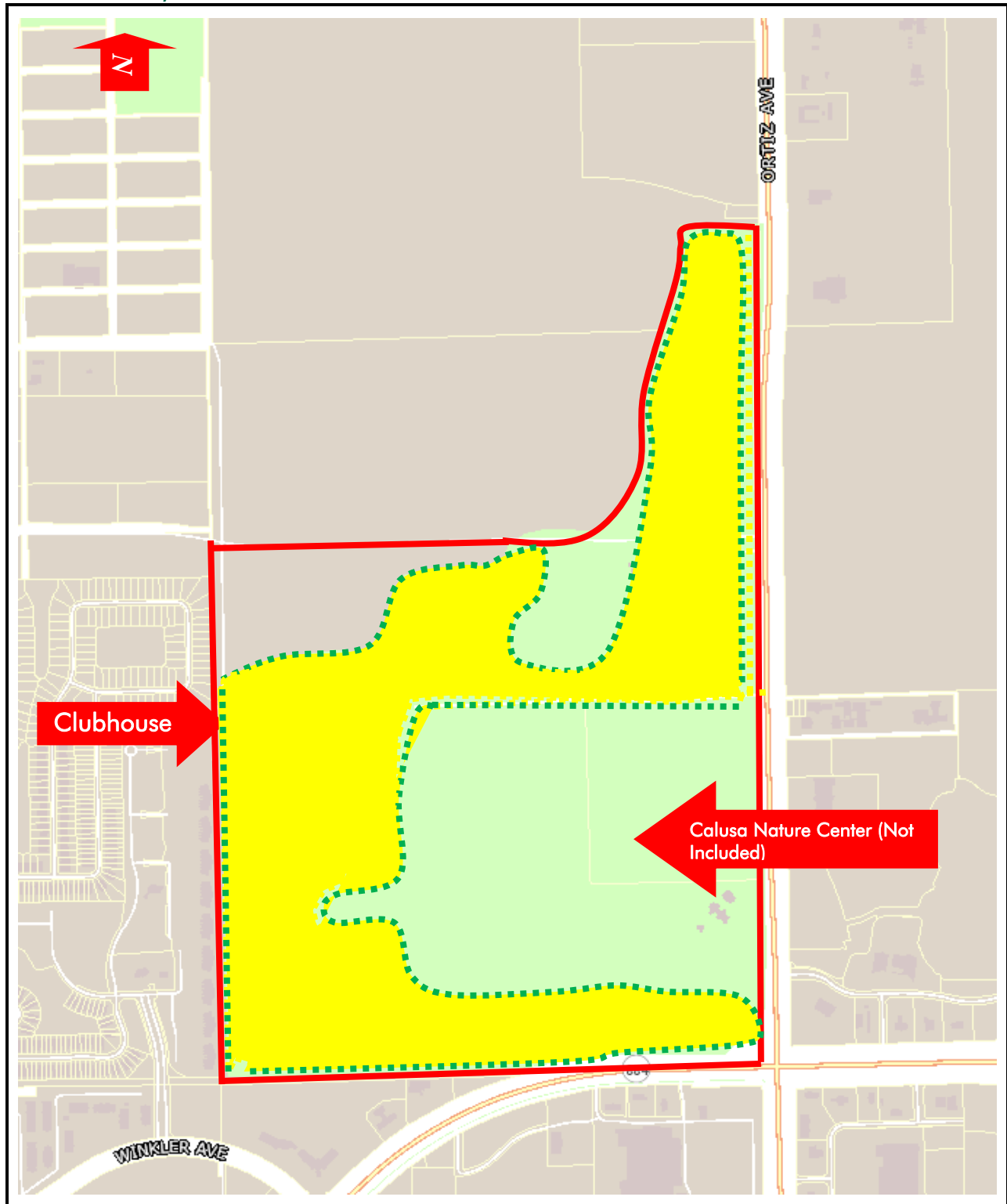
CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section.

### Data Resources Utilized in the Analysis

RESOURCE VERIFICATION	
<b>Site Data</b>	Source/Verification:
Size	Lee County Property Appraiser
<b>Improved Data</b>	Source/Verification:
Gross Building Area	Lee County Property Appraiser
Equipment Inventory	Lee County Property Appraiser
Area Breakdown/Use	Lee County Property Appraiser
No. Bldgs.	Personal observations during our inspection
Year Developed/YOC	Lee County Property Appraiser
<b>Economic Data</b>	Source/Verification:
Deferred Maintenance:	No significant items reported or observed
Renovation Costs:	N/A
Rounds Data:	City of Fort Myers Officials
Financial Data:	City of Fort Myers Officials
Compiled by CBRE	



## AERIAL VIEW; SUBJECT CLUBHOUSE IS IDENTIFIED



The red line outlines land owned by the City of Fort Myers. The highlighted yellow area reflect the approximate boundaries of the golf course which is the premise of this assignment. While the Calusa Nature Center, and other areas outside the highlighted yellow area are city owned, they are not considered within the valuation herein, only the golf course acreage and operations (i.e. approximately 250-acres) is considered.

## Site Analysis

The following chart provides a summary of the salient features relating to the subject site.

SITE SUMMARY

Physical Description

Gross Site Area (Golf Course Est.)

250.00 Acres

10,890,000 Sq. Ft.

Primary Road Frontage

Ortiz Avenue

Additional Road Frontage

Colonial Boulevard

Additional Road Frontage

Cleveland Avenue

Excess Land Area

None

Topography

Generally level with typical golf course elevation changes

Zoning Districts

PUD (Recreation); Eastwood Village Planned Unit

Flood Map Panel No.

12071C0410F

August 28, 2008

Flood Zones

Zone X

Adjacent Land Uses

Single and Multi-family residential, Vacaant Land, Commercial and Nature Preserve

Comparative Analysis

Rating

Access

Average

Visibility

Average

Functional Utility

Average

Traffic Volume

Average

Adequacy of Utilities

Assumed adequate

Landscaping

Average

Drainage

Assumed adequate

Utilities

Provider

Adequacy

Water

City of Fort Myers

Yes

Sewer

City of Fort Myers

Yes

Natural Gas

Teco/Peoples Gas

Yes

Electricity

Florida Power & Light (FPL)

Yes

Telephone

Local Providers

Yes

Mass Transit

N/A

N/A

Other

Yes

No

Unknown

Detrimental Easements

X

Encroachments

X

Deed Restrictions

X

Reciprocal Parking Rights

X

Common Ingress/Egress

X

Source: Various sources compiled by CBRE

The golf course, and surrounding city owned land (see red outlined area on previous page) consists of approximately 349-acres. However, based upon conversations with the superintendent, as well as an



aerial measurement, the golf course is estimated to encompass approximately 250-acres. The remaining acreage, which includes the Calusa Nature Center, while city owned, is not considered within the valuation of the golf course.

### **Easements and Encroachments**

A title policy and surveys for the property have not been provided for the preparation of this appraisal. However, the subject does not appear to be adversely affected by any easements. It is recommended that the client/reader review the current title policy outlining all easements and encroachments on the property, if any, prior to making a business decision.

### **Covenants, Conditions and Restrictions**

There are no known covenants, conditions and restrictions impacting the site that are considered to affect the marketability or highest and best use.

### **Environmental Issues**

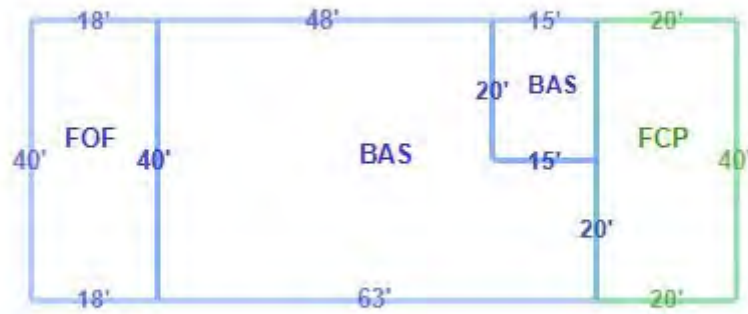
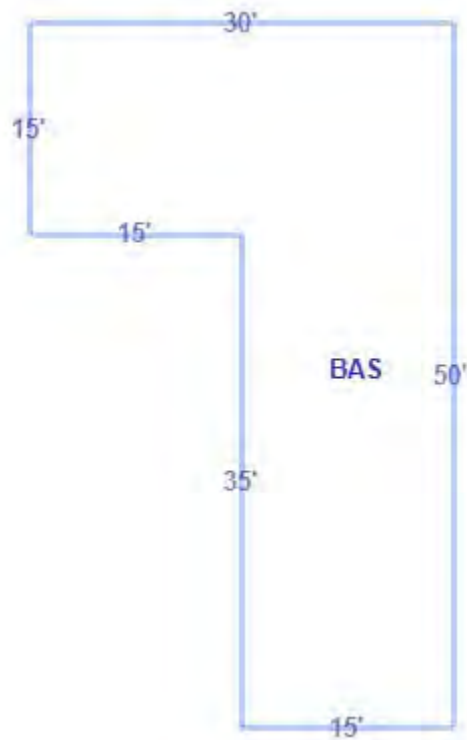
CBRE, Inc. is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

### **Conclusion**

The subject golf courses is located along the northern right-of-way of Colonial Drive proximate intense and ongoing commercial and residential development. The site offers good access and visibility from roadway frontage. The size of the site is typical for the area and use, and there are no known detrimental uses in the immediate vicinity. Overall, there are no known factors which are considered to prevent the site from development to its highest and best use, as if vacant, or adverse to the existing use of the site.





**APPRAISER SKETCH OF PRO SHOP AND GOLF COURSE MAINTENANCE**Golf Maintenance BuildingGolf Maintenance Equipment Storage Building


## SCORECARD






## SCORECARD

City of Ft. Myers Florida



Opened in 1977  
Designed by Bob Von Hagge & Bruce Devlin




Hole Number	1	2	3	4	5	6	7	8	9	Out	
BLACK	72.5/131	415	225	510	425	423	185	382	518	460	3543
BLUE	70.2/127	375	194	405	375	390	161	348	502	361	3111
WHITE	68.3/124	355	176	360	355	365	150	322	487	345	2915
GOLD	66.8/121	320	159	325	320	335	132	275	428	270	2564
MEN'S-HANDICAP	7	5	1	15	11	17	9	13	3		
HCP											
HCP											
PAR	4	3	4	4	4	3	4	5	4	35	
HCP											
HCP											
HCP											
LADIES'	68.4/117	305	140	288	280	312	121	250	415	250	2361
LADIES'-HANDICAP	5	15	7	9	1	17	13	3	11		


Date: \_\_\_\_\_ Scorer: \_\_\_\_\_

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City of Ft. Myers Florida



Opened in 1977  
Designed by Bob Von Hagge & Bruce Devlin



While in our area enjoy the Fort Myers Country Club designed in 1917 by Donald Ross.



Hole Number	10	11	12	13	14	15	16	17	18	In	Tot	HCP	NET
BLACK	72.5/1	413	392	573	206	567	372	204	351	508	3586	7129	
BLUE	70.2/1	387	361	538	165	538	342	185	315	480	3311	6422	
WHITE	68.3/1	365	350	481	153	481	330	155	295	475	3085	6000	
GOLD	66.8/1	355	315	476	148	476	320	145	290	415	2940	5504	
MEN'S-HANDICAP	2	14	4	12	6	18	10	16	8				
HCP													
HCP													
PAR	4	4	5	3	5	4	3	4	5	37	72		
HCP													
HCP													
HCP													
LADIES'	68.4/1	341	306	458	139	467	285	134	256	401	2787	5148	
LADIES'-HANDICAP	2	8	4	12	6	18	14	16	10				

Date: \_\_\_\_\_ Attest: \_\_\_\_\_

## Improvement Analysis

The following description is based upon information provided by subject management, public records and a physical inspection of the facilities. Building plans for the subject improvements were not provided and all building square footages were obtained via Lee County Property Appraiser records. All information obtained from the aforementioned sources is deemed to be reliable and therefore an accurate representation of the facilities.

### Golf Course

The subject golf courses features an 18-hole championship layouts. The golf course is a 7,129 yard, par 72 layout originally designed Robert Von Hagge and Bruce Devlin in 1977 with the front 9 being completely renovated in 2017. The golf courses follows a traditional (parkland) layout with returning nines.

FACILITY SUMMARY AND ANALYSIS				
Facility Type	Daily Fee/Public Course	Grassing:		
No. Holes	18	Tee's/Fairways	Front 9 - Celebration / Back 9 - 419 Bermuda	
Year Developed	1977 to 2007	Greens	Front 9 - TifEagle / Back 9 - Jones Dwarf	
Course Design	Parkland	Irrigation:		
Architect/Designer	Bob Von Hagge & Bruce Devlin	Operation	Automatic	
Course Layout	Single & Double Fairway-Returning 9's	Make/Type	Toro	
Green Construction	USGA specifications	Pumps	N/A	
Cart Paths	Asphalt and concrete	Coverage	100%	
Path Coverage	100%	Water Source	Reclaim	
Practice Facilities:	Putting Greens (2) and Driving Range			
Property Amenities	Men's and women's restrooms, golf pro shop, grille with banquet room, small kitchen, outdoor patio areaand two (2) on-course restroom buildings			
Restaurant/Lounge	Small			
Parking Type	Asphalt surface (average condition)			
Buildings:				
Clubhouse	6,608 SF			
Golf Cart Storage	4,800 SF			
Golf Maintenance Facility	4,040 SF			
Golf Maintenance Equipment Storage	975 SF			
On-Course Restroom/Shelter (2)	300 SF			
Gross Building Area	16,723 SF			
Course Setup:	Tees	Yardage	Slope	USGA Rating
	Black	7,129	131	72.5
	Blue	6,422	127	70.2
	White	6,000	124	68.3
	Gold	5,504	121	66.8
	Red	5,148	117	68.4
Source: Various sources compiled by CBRE				

Source: Various sources compiled by CBRE

The following definitions have been provided in order for the reader to better understand the analysis involved with golf course quality and rating.



**USGA Rating** - Measures the difficulty of play for golf courses. The more difficult and longer the course is, the higher the rating (72.0); typical ratings range from 65.0 to 72.0.

**Slope Rating** - Allows golfers to adjust handicaps between golf courses, recognizing that some courses are more demanding than others; greater than 115, the more difficult and longer the course; less than 115, the shorter and easier the course.

The subject is considered average in design and layout for this type of golf course and surrounding competitive market. From the back tees (tips), the course provides the most challenging test with a course rating of 72.5 with a slope of 131. The course rating and slope generally indicates the difficulty of the course by measuring such factors as course length, number of hazards, average sustained wind, out of bounds and other characteristics. The subject course is considered to be above average in length from the tips. Similar to other courses in the state, there are numerous lakes throughout the layout that come into play. Overall, the course is considered typical for the market, is maintained in good overall condition, and it conforms to USGA standards.

## Improvement Summary

The following table depicts the subject's building(s) and associated facilities.

### Clubhouse/Restaurant

Condition:	Good
No. Stories:	1
Year Built:	2007
Building Size (GBA):	6,608 SF
Exterior Walls/Frame:	Wood frame and siding with asphalt shingle roof
Men's/Ladies Lockers:	Full men's & women's restrooms; all plumbing assumed adequate
Fire Protection:	Sprinklers
Miscellaneous Site Improvements:	Porte-cochere, asphalt paved parking areas, site lighting, sidewalks, landscaping and irrigation.
Building Layout & Amenities:	The clubhouse includes a large banquet room with relatively small commercial kitchen akin to a snack bar. There is a good bit of outdoor sitting areas including an area just outside the banquet room. The pro shop is located in the southern portion of the building featuring a fully stocked shop with golf balls, hats, clothes and shoes. Overall, the clubhouse is well maintained and is considered to be in good condition

### Cart Storage Building

Condition:	Average
Year Built:	1977
Building Size (GBA):	4,800 SF
Exterior Walls/Frame:	Open aired wood frame with asphalt shingle roof
Building Layout & Amenities:	The cart storage is square shaped with open exterior walls, providing coverage for the cart from the elements. Individual charges are located above each cart stall.

### Golf Maintenance Facilities

Condition:	Average
Year Built:	1983/1984
Building Size (GBA):	4,040 SF (Main Facility)
Exterior Walls/Frame:	Steel frame with metal siding
Building Layout & Amenities:	The golf course maintenance facility consists of two (2) buildings totaling 5,015 square feet. Both buildings are steel frame with metal exterior with a small superintendent's office located in the main building. There are several overhead doors with one of the buildings being open aired on one side and utilized for equipment storage. The buildings are in overall average condition.

### Miscellaneous Structures

Condition:	Good
Building Layout:	The subject facility also includes two (2) on-course restroom/shelters.

### Golf Carts & Maintenance Equipment

Condition:	Average to Good
Golf Carts:	The subject leases a fleet 88 2018 Yamaha electric golf carts. The carts are in good condition and the size of the fleet appears to be adequate for the operation. According to management, the cart fleet is leased with a current term that runs through October 2020 with an annual cost of \$84,480
Course Maintenance Equipment:	The golf course maintenance equipment is a combination of owned and leased equipment according to management. It is assumed that the combination of the leased equipment and any equipment owned by the club is adequate to maintain the golf course at a level consistent with similar clubs in the market. It appears the equipment is under lease-purchase agreement that ends in 2020.

## Deferred Maintenance

Our inspection of the property indicated no visible items of deferred maintenance with the existing improvements.

## Age and Condition

The golf course was originally developed in 1977 with the front nine redeveloped in 2017. Overall the course is in average to good condition with the variance in the two nines being identifiable though not unreasonable. The golf course, clubhouse and all other subject improvements are considered to be in generally good overall condition and similar to the competitive facilities in the market.

The following chart provides a summary of the remaining economic life of the existing building improvements.



<b>ECONOMIC AGE AND LIFE</b>	
Actual Age	12 to 42 Years
Effective Age	5 to 25 Years
MVS Expected Life	40 to 45 Years
Remaining Economic Life	15 to 40 Years
Accrued Physical Incurable Depreciation	10% to 60%
Compiled by CBRE	

The overall life expectancy is based upon our on-site observations and a comparative analysis of typical life expectancies reported for buildings of similar construction as published by Marshall and Swift, LLC, in the *Marshall Valuation Service* cost guide. While CBRE did not observe anything to suggest a different economic life, a capital improvement program could extend the life expectancy.

### Functional Utility/Conclusions

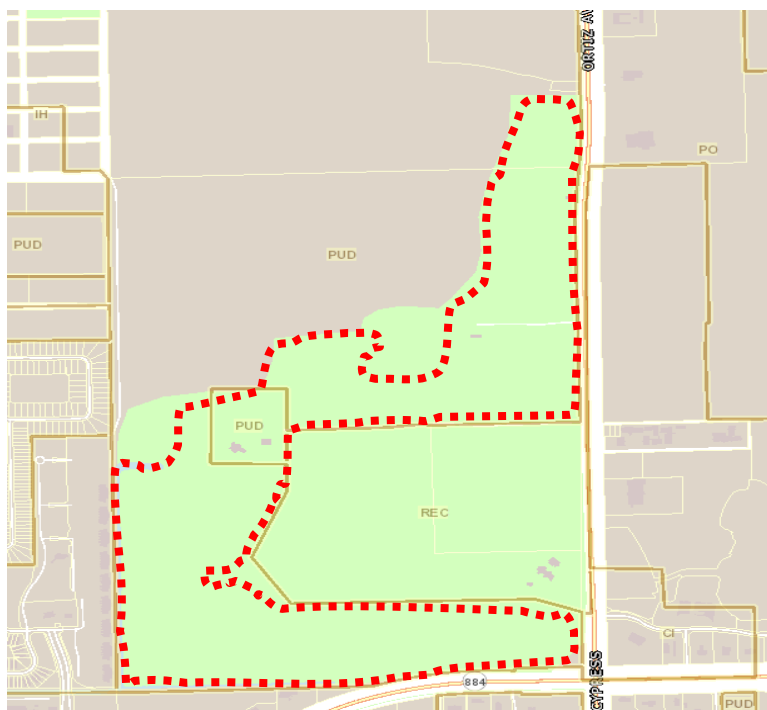
The functional utility of the golf course, clubhouse and ancillary site improvements is considered good considering the overall age of the facility. The tee areas are large enough to rotate tee locations to allow proper maintenance. Overall, the existing clubhouse, golf course and other ancillary site improvements are considered functionally adequate.

### Conclusion

Overall, based on our physical inspection of the subject property and competitive clubs, the subject is considered to be a good quality daily-fee club. The golf course layout is adequate, providing golfers of all abilities a fair challenge, depending on the tees selected. The subject improvements are in generally good overall condition and they are considered typical for the age and location in regards to improvement design and layout, as well as amenities and ancillary improvements. Overall, there are no known factors that could be considered to adversely impact the marketability of the improvements.

## Zoning

### Zoning Map



#### ZONING SUMMARY

<b>Current zoning</b>	<b>PUD (Recreation); Eastwood Village Planned Unit Development</b>
Legally conforming	Yes
Intended Use	As approved within the larger Eastwood Village PUD with the golf course currently limited to uses within the Recreation (REC) zoning district
Zoning change	Not likely
Source: Planning & Zoning Dept.	

### Analysis and Conclusion

The existing improvements appear to represent a legally conforming use and, if damaged, may be restored without special permit application. It is recommended that local planning and zoning personnel be contacted regarding more specific information that might be applicable to the subject.

It is noted that the subject golf course is an approved component of the larger Eastwood Village Planned Use Development which requires a certain amount of Open Space for which the subject is providing. While the subject could potentially be redeveloped, assuming the green space requirement was achieved elsewhere, it stands to reason that the development of the existing vacant land would be



a much more viable options. In fact, if this additional land was sold off, or developed with the approved uses, it would likely have a positive impact on the operations of the subject property (i.e. golf course).

## Tax and Assessment Data

Real estate in Lee County is assessed at 100% of the assessor's estimated market value. The assessment for real estate purposes is made as of January 1 of each year. The county commission sets the millage rate to be used in calculating the tax bill in September or October of each year. The Lee County Tax Collector issues the tax bills providing for a 4% discount if the bill is paid in November, 3% for bills paid in December, 2% for bills paid in January, and a 1% discount for February payment. All tax bills are delinquent after March 31 of each year. Prudent management normally pays taxes in November in order to save 4% on the tax bill. The following summarizes the local assessor's estimate of the subject's market value, assessed value, and taxes, and includes the taxable value of the furniture, fixtures and equipment. The CBRE estimated tax obligation is also shown.

<b>AD VALOREM TAX INFORMATION</b>				
Assessor's Market Value		2017	2018	Hypothetical Pro Forma @ 65% of MV
Real Property	28-44-25-P1-00002.0000	\$2,661,637	\$2,622,170	\$1,722,500
	21-44-25-P1-00100.0160	-	-	
Personal Property (FF&E)	BB 00 1480-08 (See Comments)	234,493	234,493	234,493
Subtotal		\$2,896,130	\$2,856,663	\$1,722,500
Combined Tax Rate	(per \$1,000 A.V.)	20.6294	20.3237	20.3237
<b>Total Gross Taxes</b>		<b>\$59,745</b>	<b>\$58,058</b>	<b>\$35,008</b>
<b>Non Ad Valorem Taxes</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Tax Liability</b>		<b>\$59,745</b>	<b>\$58,058</b>	<b>\$35,008</b>
Source: Assessor's Office				

Please note that the subject is currently owned by the City of Fort Myers with reduced taxes charged to the property. Since we are estimating the market value of the subject, which assumes a sale of the property, real estate taxes will be included for the subject in our analysis. The taxes shown above represent the estimated taxes for the property based on its current and historical assessed values and the appropriate county millage rates. Also note that the above historical indications include a significant amount of vacant land as well as land area associated with the Calusa Nature Preserve located immediately east of the clubhouse. Due to the significant tax burden of the vacant land not considered herein, we have elected to present the taxes for only the main tax parcel which contains nearly the entire golf course and maintenance facilities (i.e. Tax Parcel 28-44-25-P1-00002.0000).



Within the “as is” (current operations) analysis, we have included a tax estimate equal to the taxes for the main tax parcel which contains nearly the entire golf course and is considered an adequate representation.

Within the Hypothetical Pro Forma (i.e. Market Operations), the taxes are adjusted to 65% of the concluded market value which is consistent with current market underwriting.

We will also utilize the 2018 personal property tax value for our analysis (\$234,493). This total reflects the 2018 taxable value per the Lee County Tax Collector.

## Golf Market Analysis

The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. Primary data sources utilized for this analysis include the National Golf Foundation (NGF) and Golf Datatech.

### NATIONAL MARKET TRENDS

#### Supply

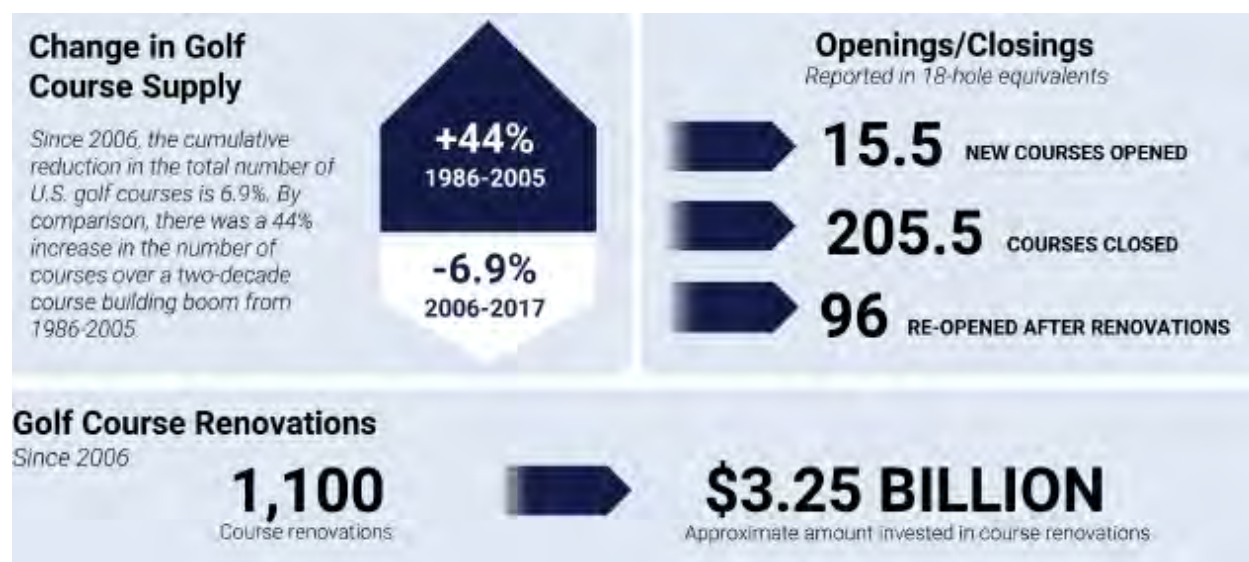
After a 29% increase in overall inventory between 1980 and 2000, including a 56% increase in public facility inventory, supply growth has decreased significantly. Since 2000, overall supply growth has been -4.5%. The following chart shows supply growth by property type since 1980.

NUMBER OF GOLF FACILITIES IN THE US							
	1980	1990	% Change	2000	% Change	2017	% Change
<b>Public</b>	7,166	8,036	12.1%	11,197	39.3%	11,039	-1.4%
<b>Private</b>	4,839	4,810	-0.6%	4,290	-10.8%	3,755	-12.5%
<b>Total</b>	12,005	12,846	7.0%	15,487	20.6%	14,794	-4.5%

Source: National Golf Foundation

A recent report by NGF states that golf remains oversupplied so further balancing of supply and demand is expected. Also, the market correction that began in 2006 was overdue and growth in the number of golfers and rounds played over the past 20+ years was not nearly sufficient to support all of the courses that were built. Since the beginning of 2006, the reduction in golf courses amounts to just 5.9% of total supply. Naturally, some courses and clubs have been forced to close, while many others are financially struggling. The net closures will eventually help make existing courses healthier as golf's supply and demand balance seeks equilibrium. The following chart, prepared by NGF, summarizes the change in supply and renovations since 2006.





The following data from NGF illustrates the net change in supply over the past fifteen years.

NET GROWTH IN GOLF FACILITY SUPPLY	
Year	Net Change
2001	252.0
2002	182.0
2003	103.0
2004	88.0
2005	31.0
2006	-26.5
2007	-8.5
2008	-34.0
2009	-90.0
2010	-61.0
2011	-138.5
2012	-141.0
2013	-143.5
2014	-163.5
2015	-160.0
2016	-196.0
2017	-190.0
<b>Total</b>	-696.5
<b>Average</b>	-41.0

Source: National Golf Foundation

NGF recorded 205.5 golf course closures in 2017 versus 15.5 openings, measured in 18-hole equivalents. As in recent years, closures were disproportionately lower priced public facilities,

including a large number of 9-hole courses. The net decline in the number of courses in the U.S. during 2017 was 190.0, which marks the twelfth straight annual drop in golf course supply.

The following chart summarizes facility supply by region for 2017.

<b>GOLF FACILITY INVENTORY BY REGION</b>			
<b>Region</b>	<b>Public</b>	<b>Private</b>	<b>Total Supply</b>
New England	646	257	903
Middle Atlantic	1,186	517	1,703
East North Central	2,371	539	2,910
West North Central	1,563	273	1,836
South Atlantic	1,869	952	2,821
East South Central	600	261	861
West South Central	879	356	1,235
Mountain	882	227	1,109
Pacific	1,043	373	1,416
<b>Total United States</b>	<b>11,039</b>	<b>3,755</b>	<b>14,794</b>
Source: National Golf Foundation			

		<b>Type</b>			<b>Total Facilities by Number of Holes</b>
		<b>Daily Fee</b>	<b>Municipal</b>	<b>Private</b>	
<b>Number of Holes</b>	9 holes	2,609	744	577	3,930
	18 holes	5,234	1,498	2,764	9,496
	27 holes	403	150	212	765
	36 holes	235	94	170	499
	45 or more holes	61	11	32	104
	<b>Total</b>	<b>8,542</b>	<b>2,497</b>	<b>3,755</b>	<b>14,794</b>

As indicated, the Middle Atlantic, East North Central, West North Central and South Atlantic regions represent the bulk of facility supply in the nation, combining for approximately 63% of total nationwide facility supply. The following chart summarizes inventory (in terms of 18-hole equivalents), openings, and closures by region for 2017.



<b>GOLF INVENTORY BY REGION (18-HOLE EQUIVALENTS)</b>				
<b>Region</b>	<b>Supply</b>	<b>2017 Openings</b>	<b>2017 Closures</b>	<b>2017 Net Change</b>
New England	903.0	0.0	4.0	-4.0
Middle Atlantic	1,703.0	1.0	16.0	-15.0
East North Central	2,910.0	1.5	42.5	-41.0
West North Central	1,836.0	1.0	14.5	-13.5
South Atlantic	2,821.0	6.5	50.0	-43.5
East South Central	861.0	1.5	28.0	-26.5
West South Central	1,235.0	1.0	23.5	-22.5
Mountain	1,109.0	1.0	1.5	-0.5
Pacific	1,416.0	2.0	25.5	-23.5
<b>Total United States</b>	<b>14,794.0</b>	<b>15.5</b>	<b>205.5</b>	<b>-190.0</b>

Source: National Golf Foundation

<b>2017 COURSE INVENTORY CHANGE</b>		
	<b>18-HEQ</b>	<b>Facilities</b>
Year-End 2017	13,936.5	14,794
Year-End 2016	14,117.5	15,014
<b>Net Supply Change</b>	<b>-181.0</b>	<b>-220</b>
<b>2017 Detail</b>		
<b><u>CLOSURES</u></b>		
Permanent - Not Expected to Reopen	<b>205.5</b>	<b>251</b>
Temporarily Closed for Renovation	93.0	106
<b><u>OPENINGS</u></b>		
Brand New	<b>15.5</b>	<b>18</b>
Reopened from Renovation	96.0	111
Reopened from Prolonged Closure	6.0	8

While the Middle Atlantic, East North Central, West North Central and South Atlantic regions represent a large portion of facility supply in the nation, they also combined to represent the majority of the nation's closures (60%). The South Atlantic region was the top region in terms of closures during 2017 with a total of 50.0 18-hole equivalents. Nationwide, 2017 openings represented 0.10% of total supply while closures represented 1.39% of total supply. The South Atlantic region reflected the highest rate of openings (6.5) and closings (50.0) in 2017.

## Demand

According to NGF data, total rounds played on a nationwide basis decreased at a compound rate of -12.04% annually between 2000 and 2017. However, 2017 marks the first year since 2014 that rounds played decreased from the previous year. The following chart reflects annual rounds played since 2000.

<b>NATIONWIDE ROUNDS PLAYED DATA</b>		
<b>Year</b>	<b>Rounds</b>	<b>% Change</b>
2000	518,400,000	--
2001	518,000,000	-0.1%
2002	502,000,000	-3.1%
2003	495,000,000	-1.4%
2004	500,000,000	1.0%
2005	499,600,000	-0.1%
2006	501,000,000	0.3%
2007	498,000,000	-0.6%
2008	489,000,000	-1.8%
2009	486,000,000	-0.6%
2010	475,000,000	-2.3%
2011	463,000,000	-2.5%
2012	489,400,000	5.7%
2013	465,400,000	-4.9%
2014	457,500,000	-1.7%
2015	465,735,000	1.8%
2016	468,600,000	0.6%
2017	456,000,000	-2.7%
Source: National Golf Foundation		

As indicated, rounds played have considerably decreased since 2000 and have shown positive growth in only five of the past seventeen years. Combined with the overbuilding in the 2000's, this decline in rounds played has caused competition for available rounds, driving average pricing down significantly in most markets.

The following chart shows changes in rounds played by region from 2012 to 2017.

<b>ROUNDS BY REGION</b>				
<b>Region</b>	<b>% Change, 2014 vs. 2013</b>	<b>% Change, 2015 vs. 2014</b>	<b>% Change, 2016 vs. 2015</b>	<b>% Change, 2017 vs. 2016</b>
New England	-0.4%	1.6%	5.2%	-4.3%
Mid Atlantic	-1.4%	5.0%	2.6%	-6.9%
East North Central	-3.6%	7.2%	-0.7%	-5.3%
West North Central	1.7%	4.9%	1.1%	-0.8%
South Atlantic	-2.4%	0.5%	-1.1%	-1.2%
South Central	-2.1%	-5.0%	2.9%	-0.7%
Mountain	1.0%	-1.9%	2.2%	0.5%
Pacific	-2.5%	2.7%	-1.6%	-3.2%
Total United States	-1.7%	1.8%	0.6%	-2.7%
Source: Golf Datatech & NGF				

As indicated on the above chart, there was a considerable decrease in rounds in 2014 followed by two years of slight increases in 2015 and in 2016. In 2017, only the Mountain region reported



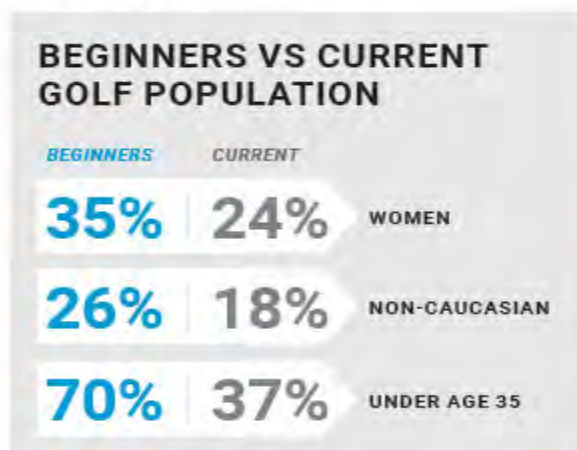
an increase in rounds. It is noted however, that some of the decrease can be attributed to two major hurricanes that damaged hundreds of courses in Texas and Florida and other areas of the south.

The following charts from NFG illustrate the number of golfers in the U.S.



#### The Face of Golf Continues to Change

Golf welcomed 2.6 million newcomers (those who played on a golf course for the first time) in 2017, maintaining a four-year upward trend. These beginners are more diverse than the overall golf population.

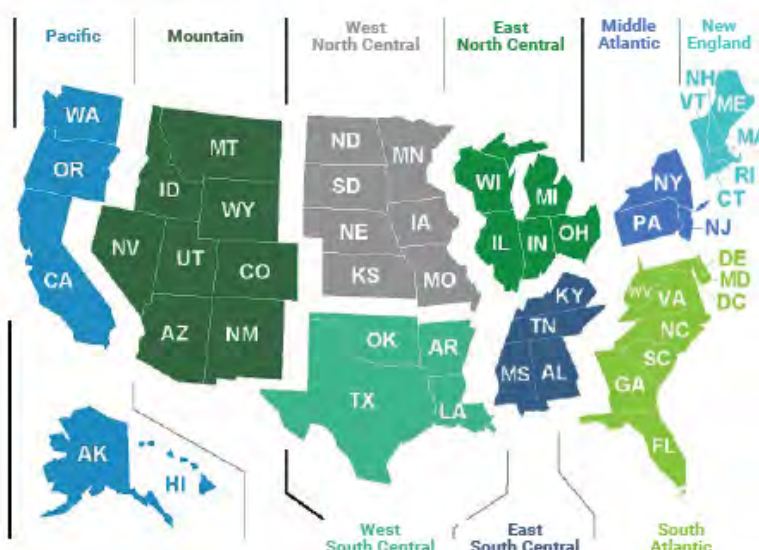


While the number of people involved in off-course forms of golf increased by 7% in 2017, the total pool of green-grass golfers remained stable. An estimated 23.8 million people played golf on a course in 2017, in line with the previous year. Golf's overall participation base combining on-course golfers with the 8.3 million people who only played off-course is now 32 million and continues to climb incrementally.

Perhaps more importantly, the game's most committed golfers — those who account for approximately 95% of all rounds-played and spending — held steady at roughly 20 million.

The following chart from NFG summarizes the 2017 participation rate, number of golfers and annual rounds by region.

	Participation Rate	Number of Golfers (000)	Percent of Golfers	Average Annual Rounds	Total Annual Rounds (millions)
New England	9.0%	1,246	5.2%	19.7	24.6
Middle Atlantic	7.8%	3,023	12.7%	19.9	60.2
East North Central	9.8%	4,254	17.8%	17.9	76.0
West North Central	9.8%	1,916	8.0%	18.9	36.2
South Atlantic	7.4%	4,434	18.6%	21.3	94.5
West South Central	6.0%	1,061	4.5%	20.3	21.5
West South Central	6.3%	2,277	9.6%	18.6	42.4
Mountain	9.0%	1,985	8.3%	18.1	36.0
Pacific	7.4%	3,634	15.2%	17.8	64.5
<b>Total</b>	<b>8.0%</b>	<b>23,829</b>	<b>100.0%</b>	<b>19.1</b>	<b>456.0</b>



## Summary

As noted, 23.8 million Americans (age 6+) played at least one round of golf in 2017, which represents a national golf participation rate of 8.0% for the year. Among the 23.8 million participants, 19.5 million are considered Committed golfers that include both avid golfers and casual/recreational golfers. In addition, latent demand, as measured by the number of non-golfers who are now interested in playing golf on a golf course, hit a new high. The number of non-golfers who say they are “very interested” in playing golf increased to 14.9 million (up from 12.8 million in 2016). Much of this can be attributed to the growth of off-course participation (32% of off course participants are “very interested” in playing green grass golf).

The golf course industry continued to undergo a slow and steady cycle of self-balancing in 2017. This right-sizing in the supply of United States golf facilities is the ongoing byproduct of an unsustainable period of growth (1986-2005) in the world’s best-supplied market. At the end of 2017, there were a total of 14,794 golf facilities in the U.S. The net reduction represents a 1.5% contraction of the U.S. golf facility supply from 2016. Demand for land to develop residential and commercial real estate continues to fuel the supply correction in golf. For golfers, the quality of supply continues to gradually improve as some courses close and many remaining ones undertake improvements, both major and minor.

Investment in golf is still significant, with major renovation projects replacing new construction as the largest source of U.S. golf course development activity. NGF has tracked 1,100 major golf course renovations completed since 2006, which represented at least \$3.25 billion of total investment. NGF also reports that there is still new course activity and they are tracking 27 (18-HEQ) facilities currently under construction and another 40 in the planning stages.

NGF’s outlook for 2018 holds form with recent years, with the expectation for a further balancing of supply and demand. In a competitive and oversupplied environment, the projection is for approximately 15 to 25 new course openings, 75 to 100 major renovation projects, and the annual closure of 1% to 1.5% of the total supply.

## PRIVATE CLUB TRENDS

According to 2017 NGF data, there are approximately 3,755 private golf clubs in the U.S. However, due to weak macroeconomic conditions, membership levels are down in many markets and the private club is still facing serious challenges.



More recently, 56 private courses (18-HEQ) were converted to public in 2016, while 31 public facilities turned private. The net impact in 2016 conversions was 25 courses being added to the public supply (2017 figures are not available).

As noted previously, many clubs are struggling financially and based on the still weak global economy, it is likely that more private clubs will face concerns about the viability of their current business model. Clubs will not be able to operate at a deficit indefinitely, and most will not be able to pass these losses on to an already financially vulnerable membership. But rather than close their doors forever, it is far more likely, based on recent history, that financially strapped clubs will open their doors to the public. Many have already done so successfully and others will likely follow.

While the number of private clubs has decreased during the past decade, many have decided to alter their business model to allow some public play to help avoid dues increases or outright closure. These courses have not gone away as only one in 10 closures since 2005 involved a private club. Also note that private clubs accounted for 7% of the golf course closures in 2017.

## **PUBLIC GOLF TRENDS**

A recent National Golf Foundation industry report outlined trends in public (municipal, daily fee, semi-private) golf. A summary of the results is as follows:

### **Summary**

- According to 2017 NGF data, there are approximately 11,039 public golf facilities in the U.S., including 8,542 daily fee and 2,497 municipal.
- This public total includes an all-time high municipal courses, approximately 30% more than what existed 25 years ago.
- With 75% of courses open to all players, it equals the highest ratio of public-to-private facilities in history.
- A total of 56 private courses (18-HEQ) were converted to public in 2016, while 31 public facilities turned private. The net impact in 2016 conversions was 25 courses being added to the public supply.
- The golf course industry still remains oversupplied and ultra-competitive.
- Daily fee courses, which make up 58% of the U.S. supply, accounted for 87% of the closures in 2017, with another 6% being municipal venues.
- Approximately 500 to 1,000 public courses are likely to close within the next five years which may help rebalance supply and demand and give at least some rounds back to courses that remain open.
- Continued lack of growth in the number of golfers due to economic pressures is likely for the next several years.
- Well-managed courses in populated areas are the most likely to thrive.
- Existing demand appears to be stable.
- Latent demand exists.
- Passion and commitment to golf remain high, even if play decreases.

### **Conclusions**

- A large drop in demand is unlikely (short or long term).
- But, a large increase is also unlikely.

- So, the overall supply/demand imbalance is likely to continue (with market exceptions).
- Therefore, operator difficulties are not transient, but semi-permanent.

#### Implications

- Conditions are favorable for player development.
- Given the predicted number of closures over the next five years, 10-20 million rounds should be added to the balance (1,000-2,000 rounds per facility).
- Operators will have to continue to fight for market share (and increased wallet share is the best bet).

### GOLF COURSE TYPES AND DESIGN TRENDS

Golf courses are developed for a variety of purposes, including amenity support for various types of real estate projects. The most basic breakdown is between courses that are privately owned or municipally owned. Further, privately owned courses may be limited to play by members of a private club and may be open to the public on a daily fee basis. Either type may be associated with a real estate venture, from a primary home community to a designation resort. Real estate golf courses often combine aspects of both a private club and a daily fee course. Municipal courses, although usually owned and operated by a local government, may also include real estate elements. There are currently about 15,204 golf facilities in the U.S. with a golf facility defined as at least one nine-hole course. Following is a description of the types of golf courses.

**Private Clubs** are usually composed of between 200 and 500 members per 18 holes who pay an initial fee and annual dues to support the capital and operating expenses of the facility. The initial fee can either entitle the member to an equity ownership or may simply be an initiation fee, required for membership but not representing an ownership interest. These clubs are usually organized as non-profit entities. In the 1950's private clubs accounted for about 60% of all U.S. golf courses. By 2002, private clubs have decreased to 29% of the total.

Many real estate golf projects are structured around private ownership, especially as a project matures. In a golf course's early years, it may be open to the public as a daily fee facility to help market the real estate development around the course. Over the life of the project, such a course may continue to operate on a public fee basis, it may be owned by the members as an equity owned private club, or it may be owned by the developer or a third party, and operated as a private membership facility.

**Daily Fee Courses** make up approximately 55% of current golf course operations in the U.S and is growing. Like private clubs, many are associated with real estate projects. In the 1950's and 1960's, when land costs, development costs, and operating costs were all relatively low, it was often feasible to tap the growing demand for golf with a daily fee course. Owners received revenues from daily green fees and golf cart rentals, pro shop sales, and food and beverage operations. In many areas, higher green fees and cart rentals fees have produced higher profits.

**Municipal Courses** have been about 16% of all U.S. golf courses over the last thirty years. Most of these facilities are independent entities, sometimes combined with tennis courts, community centers, or other public recreational facilities, usually operated by a city or county parks and recreation department.

Increasing costs, however, are out-pacing growth in public budgets for recreational facilities and programs. Some municipalities, faced with the high capital and operating costs of golf courses, have also turned to bond financing as one way of helping to underwrite these facilities.

All golf courses are based on one or a combination of five basic types, design, or configurations. The appropriateness of a particular configuration depends on a number of factors such as: overall project objectives; operational requirements; and the site's shape, orientation, soils, vegetation and topography. Like most prototypes, pure examples of each of the five basic courses seldom exist. Instead, characteristics of each type are combined to suit a particular project in a specific site.

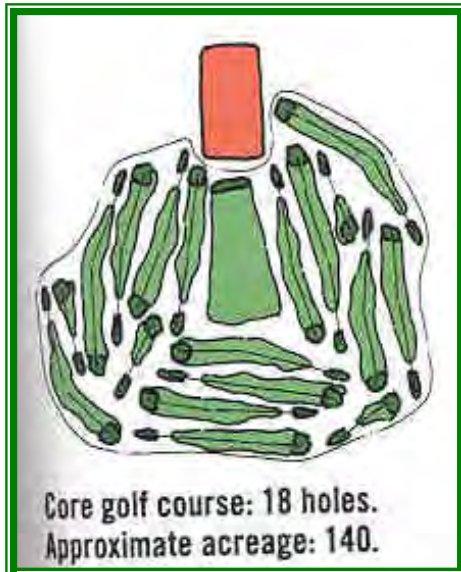
Each basic course prototype is based on the concept of the regulation course, which in turn stems from the notion of par. Par represents simply the score for a given hole produced by error-free golf, or the score an expert golfer would be expected to make. Par assumes ordinary playing conditions and allows two putting strokes per hole. Generally speaking, a regulation course will play to a par of between 69 and 73, with par 72 considered the ideal. The standard length for such a course averages between 6,300 and 6,700 yards from the middle tees. Assuming three sets of tees, a standard regulation course could effectively be played from 5,200 to 7,200 yards long.

<b>PAR AND DISTANCE STANDARDS</b>		
Par	Men	Women
3	Up to 230 yards	Up to 210 yards
4	251 – 470 yards	211 - 400 yards
5	471 yards and up	401 yards and up
Source: United States Golf Association, Golf Committee Manual and USGA Handicap System (New York: U.S. Golf Association, 1969)		

The basic mix of holes for a par 72 course is ten par 4s, four par 3s, and four par 5s. Ideally, these holes should be evenly distributed along two circuits of nine holes each. Par can be reduced to 71 or 70 by replacing a par 4 with a par 3, or, more desirably, by reducing a par 5 to a par 4. Clearly, the site and the program will determine an appropriate hole mix and total par. Par or total yardage, taken alone, are not indicators of overall course quality or difficulty.

Regulation courses are sometimes referred to as "championship courses." This overused term means little except that championships may be held there. In most cases, a championship course refers to a particularly high-quality regulation course, although the term carries no objective meaning of its own.

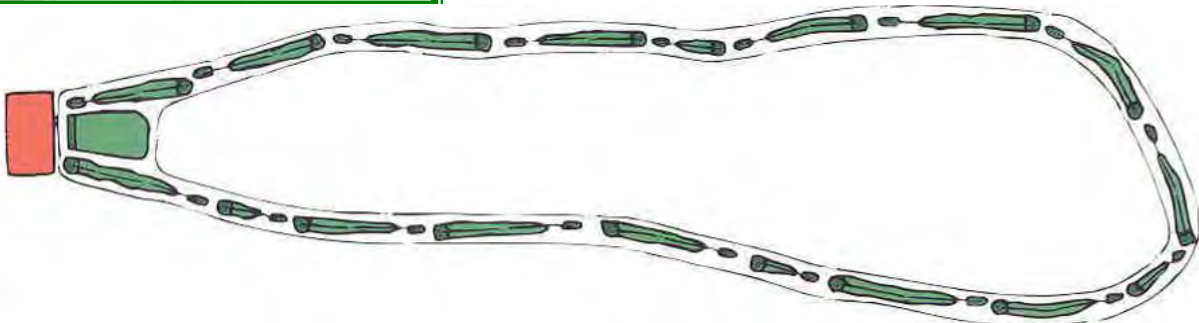




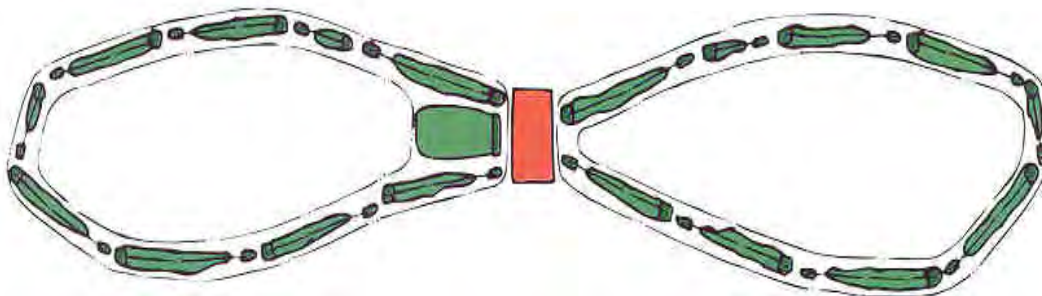
## GOLF COURSE CONFIGURATIONS

Core Golf Course, approximate acreage, 140

Single Fairway, Continuous, approximate acreage, 175



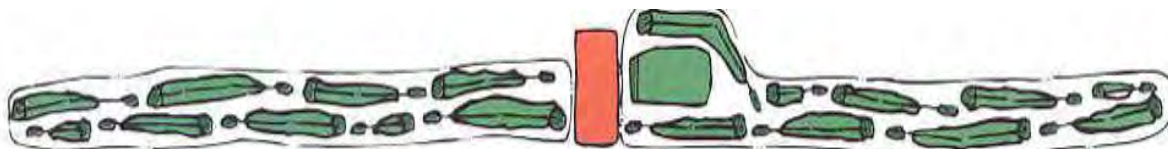
Single Fairway, Returning Nines, approximate acreage, 175



Double Fairway, Continuous, approximate acreage, 150



Double Fairway, Returning 9's, approximate acreage, 150



## Course Configurations

Each of the following configurations illustrates alternative ways to lay out a par 72, 6,900-yard-long regulation course. Although this would be a long golf course, the numbers are rounded for simplicity in making comparisons among the alternative course diagrams. The typical course contains four par 5s of 550+ yards each, ten par 4s of 400+ yards, and four par 3s, each 175+ yards long. Also included in each example is a 10-acre clubhouse site and practice area. The "Golf Course Configurations" chart reflects the various types of courses as listed below.

**Core Golf Course** - The core course constitutes the oldest and most basic type of design. In a core course, the holes are clustered together, either in a continuous sequence, starting with number one and ending with number 18, or in two returning nines. In a returning nine layout, each nine-hole sequence begins and ends near the clubhouse. A continuous layout may locate the ninth hole far away from the first and last holes.

Because it consumes the least amount of land, the core course is usually the least expensive to build. Infrastructure and maintenance costs are also minimized because the holes lie close together. Since all the fairways are located next to other fairways, however, the only sites for real estate development along a core course will lie at its perimeter. This lack of development potential also means that a core course can generally offer the best golfing experience. A core course is most adaptable when used on tight, bowl-like sites with higher-density housing at the edges. This configuration requires 125-140 acres of land area.

**Single Fairway Continuous Course** - This type of course is composed of individual holes strung more or less end to end, played in a long loop from the clubhouse. The single fairway course consumes the greatest amount of land of any of the prototypes, and, if continuous, offers the least amount of operational flexibility. A short round of nine holes, for example, may be inconvenient or even impossible on a continuous course. A continuous course will also limit the overall course capacity. Only one foursome at a time can start on such a course. On a continuous course, it may take up to four hours to get players on all the holes.

Single fairway courses offer the greatest amount of fairway frontage for development sites, although buildings closer than about 150 feet from the fairway centerline can diminish the course's quality. These courses may also be more difficult and slower to play, because the golfer must avoid out-of-bounds areas on both sides of a fairway. (Hitting into an out-of-bounds area carries a two-stroke penalty.) Unlike the core course configuration, the single fairway course can be designed to wind its way through even fairly difficult terrain. A continuous single fairway course is also extremely flexible, since the only fixed elements are the clubhouse and the starting and closing holes. Pebble Beach, on California's Monterey Peninsula, is one of the most famous courses of this type. This configuration requires 125-175 acres.

**Single Fairway Course with Returning Nines** - This configuration offers nearly the same amount of fairway frontage as the continuous single fairway course, but it can be played much more efficiently because of the returning nines. The slightly lower

amount of frontage is due to the concentration of tees and greens for holes 1, 9, 10, and 18 in the clubhouse area. In exchange for a small loss in development potential, a returning-nine course maximizes daily play and thus course capacity. With two starting holes and two finishing holes, two foursomes can start simultaneously, then "cross over" after nine holes. The entire course can be in play in only two to two and a quarter houses. Like any single fairway course, however, maintenance costs will be relatively higher than core or double fairway courses because tees and greens are dispersed over a larger area. This configuration requires 125-175 acres.

**Double Fairway Continuous Course** - A double fairway course conserves about 17% of the land occupied by a single fairway course. It also offers about 40% less frontage for development sites. The side-by-side fairways, however, will provide some savings on maintenance costs. This type of course is particularly suited for long, narrow valley sites, such as at Beaver Creek, Colorado, where, in the course of playing the front nine, the golfer drops 450 feet in elevation (climbing back up on holes 10 to 18). Because the distance between fairway center-lines should be at least 200 feet, it is more difficult to work within existing patterns of topography and vegetation. From the golfer's standpoint, a parallel fairway continuous course, if poorly designed, can be like walking down one side of a street, crossing over to the other side, and walking back. Well-conceived individual holes can help avoid this consequence. This configuration requires approximately 150 acres.

**Double Fairway Course with Returning Nines** - Like the single fairway layouts, returning nines will mean faster, more varied play in a parallel fairway course, when compared to a continuous layout. Returning nines will also slightly decrease the amount of available frontage. Next to a core course, this layout will be the most economical to maintain. Since the distance between potential building sites will total at least 500 feet, assuming 150-foot wide fairways and 200 feet between center-lines, a double fairway course also provides more integrity and identity as a golf course than would a single fairway lined by development. These courses can also accommodate taller buildings along the fairways, which, in a single fairway course, could create an undesirable "alley" effect. This configuration requires approximately 150 acres.

## Summary

Most contemporary courses combine elements of each of these prototypes to arrive at a satisfactory plan for a particular project. Most, however, are predominantly of one type. Some layouts, for example, will economize with predominantly parallel fairways, but may include four to six single-fairway holes to respond to a dramatic cluster of trees, to skirt a wetland, or to create especially desirable building sites.

Assuming all other factors remain equal, continuous layouts offer maximum frontage but minimum flexibility in operation. Returning nines increase capacity and flexibility at a small loss of developable frontage. Single fairways offer greater design flexibility and maximum frontage but involve higher maintenance costs and, possibly, lower quality of play. Double or parallel fairways economize on maintenance and improve the golf course integrity at some loss of development potential. Finally, a core course remains the most economical and efficient to



operate but yields the fewest building sites. Design options and relative performance is outlined below.

**18-HOLE REGULATION COURSE DESIGN OPTIONS:  
RELATIVE PERFORMANCE ON SELECTED CHARACTERISTICS**

Design Options	Land Consumption	Frontage Opportunities	Flexibility/ Capacity	Maintenance Costs
Core	Low	Low	Low	Low
Single fairway, continuous	High	High	Low	High
Single fairway, returning nine's	High	High	High	High
Double fairway, continuous	Medium	Medium	Low	Medium
Double fairway, returning nine's	Medium	Medium	High	Medium

Source: National Golf Foundation 2004

The subject includes components of single and double fairway, returning nines configurations.

### Golf Course Economics

The positioning of a product, whether it is a service or a commodity, is extremely important in a competitive environment. Upon development consideration of a golf-oriented property as the subject, three elements must be given careful consideration. First, a comprehensive feasibility study must be developed in order to establish where demand will come from, and how much will they be willing to pay (in relation to charges at competing projects within the market area). Second, a comprehensive marketing plan must be developed in order to attract the prospective players to the project and establish a clientele. Finally, the developer must set aside sufficient capital to pay for the marketing effort that is planned.

### MARKET PARTICIPANTS

Discussions with market participants indicated that golf course transaction volume has recently increased. According to NGF reports, more than 260 golf facilities changed hands between late 2013 and the end of 2014. More recent sales figures from NGF are not yet available. While brokers still note that most sales that have occurred have generally been all cash transactions or owner financed, there are also several examples of well-financed acquisitions taking place.

Discussions with market participants indicate that many golf course properties over the recent past were being sold based on Gross Income and Net Income (EBITDA) Multipliers and not based on a capitalization rate. As many clubs are operating at a loss, brokers note that the gross income multiplier (GIM) has become a more appropriate metric for these clubs. In general, most golf courses trade at a GIM of between 1.0 and 2.0. Most recent sales have reflected GIM indications towards the middle portion of the quoted range and market participants report that for properties generating positive NOI, sales generally reflect GIMs ranging from 1.25 to 1.75, with a current national average GIM of 1.50 to 1.60. Also note that the clubs that are generating significant positive NOI are being

analyzed more on an overall rate basis than a GIM basis and the overall rate will outweigh the GIM in these cases. The properties that are operating near a breakeven level are typically reflecting GIMs in the 1.00 to 1.25 range according to brokers active in the market. Also note that we have been quoted a typical range of 8 to 10 times net revenue for a golf club that is making money, with some high end or well-located clubs trading at higher Net Income Multipliers.

## REGIONAL MARKET OVERVIEW

The following chart summarizes changes in rounds between 2017 and 2018 for the United States, the South Atlantic Region, the state of Florida and the subject market.

NATIONAL & REGIONAL GOLF ROUNDS PLAYED		
Area	Percentage (%) Change	
	December 2018 vs. December 2017	YTD 2018
United States	-7.7%	-4.8%
Public	-6.6%	-4.7%
Private	-11.0%	-5.4%
South Atlantic	-11.1%	-5.7%
Florida	-8.7%	-1.6%
Naples/Ft. Myers	-4.1%	1.2%
Source: National Golf Foundation / Golf Datatech		

As indicated above, while year to date rounds growth has been negative at the national, regional and state levels, the local area is experience positive growth.

## MSA Supply & Demand

### Golf Club Supply

The subject's MSA contains a total of 1,521 golf holes. As reported by the National Golf Foundation (NGF), the current distribution of golf clubs and golf holes is summarized as follows.

MSA GOLF ACCESSIBILITY				
Metropolitan Statistical Area	Population	Holes	Pop/Hole	Rank
Cape Coral-Ft. Myers, FL	725,954			
Public Golf Holes		666	19,620	86th
Private Golf Holes		855	15,283	7th
Total Golf Holes		1,521		14th
Source: Golf Facilities in the U.S., 2018 Edition (NGF)				

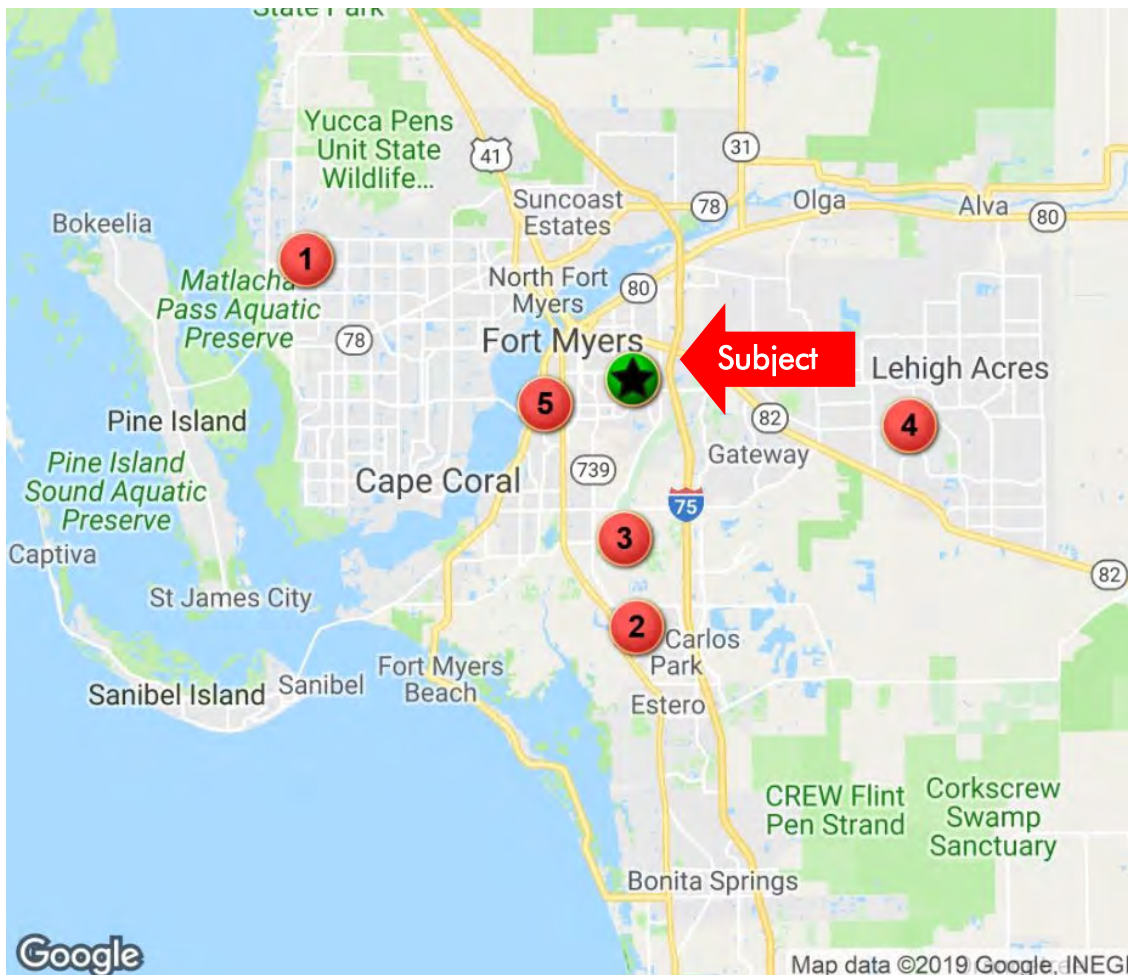
As shown, the subject's market ranks 14<sup>th</sup> in terms of population per total golf hole, 7<sup>th</sup> in terms of population per private golf hole and 86<sup>th</sup> in terms of population per public golf hole. Furthermore, the adjacent Naples-Marco Island MSA ranks 1<sup>st</sup> in the nation, indicating a significant level of play in the subject's region.

### New Construction

Our research uncovered no new or planned daily-fee or semi-private golf courses in the subject's immediate market area of Lee County.

### PUBLIC AND SEMI-PRIVATE GOLF CLUB DEMAND

Following is a summary chart of the local competitive clubs, along with a location map. Note that complete data summaries and photographs of each local competitive club have been included in the Addenda.





## SUMMARY OF COMPETITIVE GOLF CLUBS

Name	Subject Eastwood Golf Course	1 Coral Oaks Golf Club	2 San Carlos Golf Club	3 Eagle Ridge Golf Club	4 Copperhead Golf and Country Club	5 Fort Myers Country Club
Type Club	Daily Fee/Public Course	Semi-Private	Semi-Private	Semi-Private	Semi-Private	Semi-Private
City	Fort Myers	Cape Coral	Fort Myers	Fort Myers	Lehigh Acres	Fort Myers
County	Lee	Lee County Co.	Lee County Co.	Lee Co.	Lee Co.	Lee County Co.
Distance/Direction from Subject	-----	10 Miles W	11 Miles S	8 Miles S	15 Miles E	5 Miles W
Year Built	1977 to 2007	1988	1973	1984	2001	1917
Number Holes	18	18	18	18	18	18
Length (Yards)	7,129	6,623	6,423	6,538	6,680	6,675
Architect	Bob Von Hagge & Bruce Devlin	Arthur Hills	John E. O'Connor	Gordon Lewis	Gordon Lewis	Donald Ross
USGA Rating	72.5	72.3	71	71	70.9	72.9
Clubhouse	Yes	Yes	Yes	Yes	Yes	Yes
Pool	No	No	No	No	No	No
Tennis	No	No	No	No	No	No
Driving Range	Yes	Yes	Yes	No	Yes	No
Putting Green	Yes	Yes	Yes	Yes	Yes	Yes
Restaurant	Yes	Yes	Yes	Yes	Yes	Yes
Annual Golf Membership	\$1,850	\$2,880	\$2,700.00	\$4,800	\$4,200	\$1,850
Member Cart Fee	\$22.50	\$25	\$21.00	\$22	N/A	\$23
Prime Peak Season Rates	\$90.00	\$72	\$92.00	\$89	\$68	\$90
Prime Shoulder Season Rates	\$50	\$48	\$65	\$65	\$50	\$50
Prime Off-Season Rates	\$40	\$35	\$40	\$40	\$35	\$40
Number of Golf Members	100	120	200	100	N/A	100
Annual Rounds	52,197	60,000	50,000	45,000	45,000	52,200

Compiled by: CBRE

## Annual Rounds Played

The subject's annual rounds data is presented in the chart below. Also included is the rounds data for the competitive set.

## COMPETITIVE SET - ROUNDS PLAYED

Course	No. Rounds/18 Holes
Coral Oaks Golf Club	60,000
San Carlos Golf Club	50,000
Eagle Ridge Golf Club	45,000
Copperhead Golf and Country Club	45,000
Fort Myers Country Club	52,200
<b>CBRE, Inc. Estimate</b>	<b>52,000</b>
Compiled by CBRE	

As shown above, the competitive courses surveyed indicated playing levels of 45,000 to 60,000 rounds per year which is considered a healthy level and reflects strong demand and acceptance in the market. Note that all of the courses surveyed were located within an approximate 15-mile radius of the subject property and identified as direct competitors.

## CONCLUSIONS

The subject property is good quality daily-fee club and based current annual rounds, it appears to be well received in the market. Based on the condition of the golf course and clubhouse, we anticipate

that the subject will continue to be well received and competitive in the marketplace as long as it is priced and managed properly. As noted, we have projected a stabilized estimate 52,000 annual rounds for the subject facility.

## Highest and Best Use

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legal permissibility;
- physical possibility;
- financial feasibility; and
- maximum profitability.

Highest and best use analysis involves assessing the subject both as if vacant and as improved.

### AS VACANT

#### Legal Permissibility

The subject property zoned for recreation/open space by the City of Fort Myers. From a legal standpoint, the subject is likely restricted from any significant development.

#### Physical Possibility

The subject property contains approximately 250.00-acres with the configuration of the site allowing for a wide range of open space uses. Given this configuration, the most reasonable use is for golf course development or green belt area.

#### Financial Feasibility

The determination of the highest and best use is dependent primarily on the relationship of supply and demand for the legally permissible and physically possible land uses.

The Cape Coral-Fort Myers MSA has shown steady historical growth in terms of population over the past several decades. Our research indicated that the competitive daily fee and semi-private courses in the subject's market area were reporting annual golf round counts ranging from 45,000 to 60,000 rounds per 18-holes. While it appears that reasonable demand exists for daily fee golf facilities in the subject's market area, economic and development lending conditions remain relatively weak and development at the current time would not likely be feasible.

#### Maximum Profitability

The final test of highest and best use of the site as if vacant is that the use be maximally productive, yielding the highest return to the land. The recipient of the property's productivity (e.g., the lender, equity investor, the public, etc.) greatly determines what the use should be. Regardless, the use for the subject should conform to the neighborhood trends and be consistent with existing land uses.



## **CONCLUSION: HIGHEST AND BEST USE AS VACANT**

Based on the foregoing analysis, the highest and best use of the site as though vacant would be to hold for future golf course or green space development when economic and market conditions improve.

## **AS IMPROVED**

### **Legal Permissibility**

To the best of our knowledge, the subject's existing improvements are a legally permissible use of the site under the existing zoning.

### **Physical Possibility**

The existence of the subject improvements is considered adequate evidence of the physical possibility of development.

### **Financial Feasibility**

As will be discussed, the subject has historically struggled to generate positive net income despite a significant amount of play. The subject is generating an adequate amount of revenues and should be able to operate with a positive cash flow. It is our opinion, that the current service contract agreements that are in place are limiting the revenue generating capabilities of the subject as well as providing unsustainable expenses. Despite the negative historical cash flows, the subject has the potential to generate a positive net income.

### **Maximum Profitability**

The maximally profitable use of the subject as improved should conform to neighborhood trends and be consistent with existing land uses. Although several uses may generate sufficient revenue to satisfy the required rate of return on investment and provide a return on the land, the single use that produces the highest price or value is typically the highest and best use. However, the recipient of the property's productivity greatly determines what actual use maximizes profitability.

The subject is part of a larger PUD and currently limited to uses within the Recreation (REC) land district which significantly limits its development potential. Therefore, it is our opinion that continued use as a golf course reflects maximum profitability.

## **CONCLUSION: HIGHEST AND BEST USE AS IMPROVED**

From our analysis of the above legal, physical and financially feasible factors, we believe that sufficient demand currently exists for an average to good quality daily fee golf club in the vicinity of the subject.

Therefore, we believe that the highest and best use of the subject, as improved, would be for continued use as a daily fee club recognizing improved operations and market oriented expenses.

## Appraisal Methodology

The appraisal process is defined as an orderly program by which the problem is planned and the data involved is acquired, classified, analyzed and interpreted into an estimate of value. In this process three basic approaches to value are considered: Cost Approach, Sales Comparison Approach, and Income Capitalization Approach. In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

The final step in the appraisal process is reconciliation -- a process by which we analyzed alternative conclusions and selected a final value estimate from among two or more indications of value. We weighed the relative significance, applicability and defensibility of each approach as it related to the type of property appraised.

### COST APPROACH

The Cost Approach is based upon the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use of the land or when relatively unique or specialized improvements are located on the site and for which there exist few sales or leases of comparable properties. The first step in the Cost Approach is to estimate the land value (at its highest and best use) applicable to the subject. This is usually done through an analysis of comparable land sales. The second step is to estimate the cost of all improvements. Improvement costs are then depreciated to reflect value loss from physical, functional and economic causes. Land value and depreciated improvement costs are then added to indicate a total value.

The Cost Approach was not considered an applicable valuation technique in this assignment. This is due to several reasons including the fact that estimating land value is extremely difficult because there are few true comparable land sales for golf construction. For the Cost Approach to be meaningful, land value must be adequately supported by recent comparable sales. However, golf course sites rarely sell in the marketplace, especially without other commercial and/or residential components. Most are portions of other projects and therefore the land is allocated for golf course use or is donated to the builder of a golf course in order to create value around the golf course. Finally, golf course investors do not rely on this approach as a valuation technique for making buy/sell decisions. Therefore, while this approach was considered, it was not employed in this analysis.



## **SALES COMPARISON APPROACH**

The Sales Comparison Approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject property. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences with the final estimate derived based on the general comparisons.

The reliability of this approach is dependent upon (a) the availability of comparable sales data; (b) the verification of sales data; (c) the degree of comparability; and (d) the absence of atypical conditions affecting the sales price. Through our search of the subject market, we were able to uncover an adequate quality and quantity of sales through which a reliable and defensible indication of a reasonable range of value could be concluded. Therefore, this approach has been employed for this assignment, although buyers, sellers and lenders rely on this approach only as an indication that there is a market, that sales do occur, and within a reflected range of prices.

## **INCOME APPROACH**

The methodology of the Income Capitalization Approach is to determine the income-producing capacity of the property on a stabilized basis by estimating market rent from comparable rentals, making deductions for vacancy and collection losses and building expenses, then capitalizing the net income at a market-derived rate to yield an indication of value. The capitalization rate represents the relationship between net income and value. Related to the direct capitalization method is the discounted cash flow method. In this method of capitalizing future income to a present value, periodic cash flows (which consist of a net income less capital costs, per period) and a reversion (if any) are estimated and discounted to a present value. The discount rate is determined by analyzing current investor yield requirements for similar investments.

Since investors are active in the marketplace for golf club properties similar to the subject, the Income Capitalization Approach is particularly applicable to the appraisal problem. Therefore, this approach has been employed for estimating value for the golf club.

## **SUMMARY**

For purposes of this assignment, we utilized the Sales Comparison and Income Capitalization Approaches to estimate the market value of the subject property.

## Sales Comparison Approach

The Sales Comparison Approach involves making direct comparisons of the property being appraised to similar properties that have sold in the same or in a similar market. The comparisons are made in order to derive an estimate of market value for the property being appraised.

This approach is based on the economic "principle of substitution." The principle implies that a prudent person will not pay more to buy a property than it will cost to construct a comparable substitute property. Although individual sales may deviate from a market norm, a sufficient number tend to produce a pattern indicating the action of typical buyers and sellers in the market. In this case, there has been limited sale activity, which makes application of this approach difficult. However, we have utilized the best available market data for this analysis.

The basic steps in this approach are:

1. Research the market to identify similar properties for which pertinent data is available.
2. Qualify the price as to terms, motivating forces, and bona fide nature.
3. Compare each of the properties' attributes to the subject property in terms of time, location, physical characteristics and conditions of sale.
4. Consider all dissimilarities and their probable effect on the sale price of each property.
5. From the pattern developed, formulate an opinion of the subject's market value.

In estimating value by the Sales Comparison Approach, a common unit of comparison must be utilized for analysis purposes. In this case, we considered all typical units of comparison including sale price per hole, sale price per golf round, and sale price per acre, and the gross revenue multiplier. We concluded that the Gross Income Multiplier technique was the best indicator of value for the subject.

Buyers of daily-fee courses typically purchase these properties for income from green fees and cart rentals. Buyers of private clubs typically purchase these properties possibly to develop around them, to make improvements to them, to sell the property, to operate for a profit, or to turn the club over to the membership for a profit. Buyers of resort semi-private clubs typically purchase the property as an amenity to the resort. These buyers will attempt to attract three types of clients, members, guests, and resort players.

Generally, we have included sales of golf courses that have been sold for continued use as golf courses, and not for future subdivision potential or other alternative use. We conducted a thorough sales search for comparable golf course facilities in the region. Through our sales search, we located and verified transactions of relatively similar properties that sold over the recent past. Following is a map locating each comparable sale in relation to the subject. Full write-ups and information on each sale is contained in the Addenda.

The sales utilized represent the best data available for comparison with the subject property. These sales were chosen primarily based upon their recent sale dates, composition of play, location, and quality of the improvements.

Due to the combination of course types (private, semi-private, resort, daily fee), geographic location, specific amenities, etc., most sales are not truly comparable to the subject. However, they do serve to illustrate the fact that there is an active market for the subject property type.

As a result of our investigation, twenty sales of daily-fee, semi-private and private golf course properties were selected for comparison with the subject. The improved sales summary chart found on the following page contains pertinent information regarding each comparable property. Sale dates ranged from December 2015 to April 2018.



## SUMMARY OF COMPARABLE GOLF SALES

No.	Name	Transaction Type	Date	Year Built	Designer/ Architect	No. Holes	Course Yardage	Clubhouse Tennis, Pool	Actual Sale Price	Adjusted Sale Price 1	Price Per Hole 1	Total Members	Price/ Member	Annual Rounds	OAR	GIM	NIM
1	Gateway Golf & Country Club, Fort Myers, FL, Private	Sale	Apr-18	1989	Tom Fazio	18	6,981	Yes	\$5,000,000	\$8,000,000	\$444,444	486	\$10,288	33,453	11.28%	1.34	8.87
2	Wilmington Island Club, Wilmington Island, GA, Semi-Private	Sale	Mar-18	1927	Donal Ross	18	3,715	Yes	\$2,350,000	\$2,350,000	\$130,556	250	\$9,400	35,000	\$0	0.94	9.40
3	Indian Springs Country Club, Boynton Beach, FL, Private	Sale	May-17	1980	Bruce Develin/Rober	36	7,070	Yes	\$6,850,000	\$8,150,000	\$226,389	778	\$8,805	\$64,680	16.54%	1.05	6.05
4	Oakhurst Golf & Country Club, Clarkston, MI, Private	Sale	Apr-17	1998	Arthur Hills	18	7,054	Yes	\$6,000,000	\$6,000,000	\$333,333	273	\$21,978	N/A	\$0	1.03	10.42
5	Arrowhead Country Club, San Bernardino, CA, Private	Sale	Apr-17	1967	Clark Glasson/Rober	18	6,573	Yes	\$3,500,000	\$3,500,000	\$194,444	152	\$23,026	\$24,227	\$0	1.09	\$9
6	Norbeck Country Club, Rockville, MD, Private	Sale	Mar-17	1954	Alfred H. Tull	18	7,019	Yes	\$6,750,000	\$6,750,000	\$375,000	565	\$11,947	N/A	9.62%	1.31	\$10
7	Philmont Country Club, Huntingdon Valley, PA, Private	Sale	Feb-17	1906	William S. Flynn/Howard C.	36	6,670	Yes	\$5,000,000	\$5,000,000	\$138,889	N/A	N/A	N/A	N/A	1.00	N/A
8	White Manor Country Club, Malven, PA, Private	Sale	Dec-16	1963	Bobby Weed	18	7,055	Yes	\$5,000,000	\$5,000,000	\$277,778	N/A	N/A	N/A	N/A	1.00	N/A
9	Sky Creek Ranch Golf Club, Keller, TX, Public	Sale	Dec-16	1999	Robert Trent Jones, Jr.	18	6,953	Yes	\$7,500,000	\$7,500,000	\$416,667	N/A	N/A	40,000	8.95%	2.38	11.18
10	Wyandot Golf Course, Centerburg, OH, Semi-Private	Sale	Oct-16	1978	Norris Slayer	18	6,422	No	\$1,500,000	\$1,500,000	\$83,333	N/A	N/A	N/A	\$0	2.84	15.34
11	North Shore Golf Course, Tacoma, WA, Public	Sale	Sep-16	1958	Al Smith/Glen Proctor	18	6,305	Yes	\$3,065,000	\$3,065,000	\$170,278	N/A	N/A	N/A	5.88%	1.73	17.01
12	Jacaranda West Country Club, Venice, FL, Semi-Private	Sale	Sep-16	1975	Mahannah/Powell	18	6,574	Yes	\$3,000,000	\$3,000,000	\$166,667	394	\$7,614	\$33,967	\$0	1.07	11.42
13	Heritage Golf Club, Hilliard, OH, Private	Sale	Aug-16	1994	P.B. Dye	18	6,868	Yes	\$3,175,000	\$3,175,000	\$176,389	N/A	N/A	26,145	9.28%	0.84	10.78
14	Golf Club of North Hampton, Fernandina Beach, FL, Semi-Private	Sale	Aug-16	2001	Arnold Palmer	18	7,080	No	\$1,650,000	\$1,650,000	\$91,667	155	\$10,645	\$32,000	N/A	1.00	N/A
15	Deer Creek Golf Club, Overland Park, KS, Public	Sale	Jun-16	1988	Robert Trent Jones, Jr.	18	6,811	Yes	\$3,700,000	\$3,700,000	\$205,556	N/A	N/A	N/A	10.12%	1.51	9.88
16	Meadowlands Country Club, Blue Bell, PA, Private	Sale	May-16	1950	Thomas E. Clark	18	6,565	No	\$4,797,000	\$4,797,000	\$266,500	N/A	N/A	14,000	N/A	1.80	N/A
17	Providence Country Club, Charlotte, NC, Private	Sale	Feb-16	1988	Dan Maples	18	7,021	Yes	\$5,211,000	\$5,211,000	\$289,500	700	\$7,444	N/A	N/A	0.80	N/A
18	Marsh Creek Country Club, St. Augustine, FL, Private	Sale	Feb-16	1988	Mark McCumber	18	6,883	Yes	\$4,500,000	\$4,500,000	\$250,000	718	\$6,267	27,242	9.58%	1.18	10.43
19	The Wanderers Club, Wellington, FL, Private	Sale	Nov-16	1985	Jacobsen/Hardy	18	7,052	Yes	\$6,865,000	\$6,865,000	\$381,389	400	\$17,163	N/A	N/A	1.56	N/A
20	San Ramon Golf Club, San Ramon, CA, Public	Sale	Dec-15	1962	Clark Glasson	18	6,451	Yes	\$8,175,000	\$8,175,000	\$454,167	N/A	N/A	57,800	9.82%	1.99	10.18

Compiled by CBRE

The comparables utilized reflected unit prices ranging from \$83,333 to \$583,333 per hole and from \$6,267 to \$23,026 per member. The Gross Income Multipliers reflected by the comparables ranged from 0.80(x) to 2.84(x) and the Net Income Multipliers reflected by the comparables ranged from 6.05(x) to 17.01(x). Eight of the comparables were positioned as private clubs at the time of sale and the other twelve comparables were either public (daily fee) or semi-private clubs.

The units of comparison for golf courses are not precise and are marginally applicable to the subject property. For the Sales Comparison Approach, the comparable sales must be similar with respect to age, quality, location, etc. In this case, the comparables are located throughout the country, rendering adjustments highly subjective. Price per hole has historically been a common unit of comparison for golf courses, but does not provide a convincing case for a specific value for the subject. Note that all of the units of comparison are widely dispersed making utilization of the Sales Comparison Approach difficult at best.

Discussions with market participants indicate that based on current market conditions, the most applicable units of comparison for golf properties are typically the Gross Income and Net Income (EBITDA) Multipliers. As a result, we have utilized the gross income multiplier and the net income multiplier in our analysis of the subject golf club.

### GROSS INCOME MULTIPLIER ANALYSIS

As noted, the GIM and the NIM are typically the most applicable units of comparison used to analyze golf properties via the Sales Comparison Approach. The GIM establishes the relationship between the property's total revenue and the sale price. The gross income multipliers vary somewhat due to the income-producing capabilities of comparable properties.

There is a direct correlation between value, annual rounds played and greens fees, which makes this unit of comparison highly market-sensitive to investor indicators. Differences between the sales, which would normally require adjustments, are accounted for by the action of the market. Therefore, if the comparable properties have an advantage over the subject property, the difference in the gross income multipliers already reflects the extent of the advantage.

The gross income multipliers indicated by the sales ranged from 0.80(x) to 2.84(x) and averaged 1.37(x). Our conclusions are summarized on the following chart.

### Market Participants

Buyers are currently valuing golf courses that are breaking even on a 1.0(x) to 1.5(x) 1.5 Gross Revenue Multiplier ("GRM"). If a property is well located, in good condition, has upside potential and/or is synergistic to a buyer's current holdings, a buyer will increase the GRM to 1.5(x) or even as high as 2.0(x). If a property is poorly located, in need of CAPEX, generates revenue of less

than \$3 million, is a leasehold or does not cash flow, buyers are paying less than a 1.0(x) GRM, sometimes .5(x) to .75(x). Most of today's buyers base their acquisition on a GRM, then "value engineer" operating expenses and drive down total expenses to create positive cash flow.

### Gross Revenue – As Is With Current Service Agreements

As shown on the chart below, our pro forma estimated gross revenue, based largely off historical operations equated to \$1,863,200 , which is inclusive of all revenue generated by the subject under the current service agreements. These revenues result from membership/annual passes, green fees, cart fees, food concessions and income generated from the existing service contracts (i.e. rent from the pro shop).

<b>GROSS INCOME MULTIPLIER VALUE INDICATION</b>				
Gross Income		GIM		Value Indication
\$1,863,200	x	0.70	=	\$1,304,240
\$1,863,200	x	0.80	=	\$1,490,560
Concluded Value				\$1,400,000
Compiled by CBRE				

The appropriate GIM under this scenario takes into consideration that the buyer would not have total control of the golf operations and would be required to honor the existing service agreement with the pro shop operator, resulting in a tempered GIM.

### Gross Revenue – Hypothetical (Market Operations)

As will be discussed in the Income Approach, the subject current outsources the golf operations (not golf maintenance) to a third party vendor via a multi-year service agreement. In our opinion, this agreements limits the owner's revenue generating capabilities specifically with regards to pro shop merchandise and driving range income.

Many competent firms exist throughout the nation that specializes in the operation of golf facilities. As such, a Hypothetical Analysis was undertaken assuming the service agreement was not in place with a competent management firm operating all components of the operations and the owner being entitled to the revenues source.

As shown on the chart below, our pro forma estimated gross revenue, based largely off historical operations, industry norms and conversations with knowledgeable golf operators, equated to \$1,965,600 . These revenues result from membership/annual passes, green fees, cart fees, food/beverage income, driving range and golf shop merchandise.



<b>GROSS INCOME MULTIPLIER VALUE INDICATION</b>				
Gross Income		GIM		Value Indication
\$1,965,600	x	1.30	=	\$2,555,280
\$1,965,600	x	1.40	=	\$2,751,840
Concluded Value				\$2,650,000
Compiled by CBRE				

Under this scenario, the buyer enjoys full control of all operations with a GIM more inline with the market deemed appropriate.

### Net Income Multiplier – As Is (with Current service agreements)

Another value indicator currently being quoted by market participants is the net income multiplier assuming that a club is generating positive NOI. We have been quoted a typical range of 8 to 10 times net revenue (when deducting management and reserves) for a golf club that is making money. Another golf course broker quoted a lower range of 6 to 8 times net revenue and up to 10 times net revenue for a higher end or a well-located golf club.

We were also able to extract a net income multiplier from three of the primary sales utilized in our analysis and they ranged from 6.05(x) to 17.01(x) and averaged 10.72(x). As will be shown, our estimated stabilized NOI for the subject, with the current service contracts in place though assuming more efficient operations where possible, equated to \$177,380 . The following chart shows the value indication via the net income multiplier analysis and it also provides additional support for our value indications via the Income Capitalization Approach.

<b>NET INCOME MULTIPLIER VALUE INDICATION</b>				
Net Income		NIM		Value Indication
\$177,380	x	8.00	=	\$1,419,040
\$177,380	x	9.00	=	\$1,596,420
Concluded Value				\$1,500,000
Compiled by CBRE				

The appropriate NIM under this scenario takes into consideration that the buyer would not have total control of the golf operations and would be required to honor the existing service agreement with the pro shop operator, resulting in a tempered NIM.

### Net Income Multiplier – Hypothetical (Market Operations)

Under the Hypothetical Analysis, which assumes the service agreement is not in place, and a competent management firm operates the club with an industry norm expense ratio, our estimated stabilize NOI for the subject equated to \$277,005 . The following chart shows the value

indication via the net income multiplier analysis and it also provides additional support for our value indications via the Income Capitalization Approach.

<b>NET INCOME MULTIPLIER VALUE INDICATION</b>				
Net Income		NIM		Value Indication
\$278,986	x	9.50	=	\$2,650,371
\$278,986	x	10.00	=	\$2,789,864
Concluded Value				\$2,700,000
Compiled by CBRE				

A slightly higher multiplier was deemed appropriate when considering ownerships full control over all operations under this scenario.

## SALES COMPARISON VALUE CONCLUSION

The following table summarizes the value indications based on the Sales Comparison Approach under both scenarios. Note that our concluded value also took into consideration our discussions with golf course brokers and other market participants who indicated clubs operating similar to the subject are largely purchased based on the GIM method.

### As Is (With Service Agreements)

The following chart summarizes the value conclusion based on the subject's operations with the current service agreements in place though with more market oriented expenses where possible.

<b>SALES COMPARISON APPROACH CONCLUSION</b>	
Method	Indicated Value
Gross Income Multipliers	\$1,400,000
Net Income Multipliers	\$1,500,000
<b>Indicated Stabilized Value</b>	<b>\$1,450,000</b>
Deferred Maintenance	\$0
Stabilization Discount	\$0
<b>Value Indication</b>	<b>\$1,450,000</b>
<b>Rounded</b>	<b>\$1,450,000</b>
<b>Value Per Hole</b>	<b>\$80,556</b>
Compiled by CBRE	

### Hypothetical As Is (Market Operations)

The following chart summarizes the value conclusions based on the subject's operations where service agreements are not in place and a competent management firm operates the club within an industry norm expense ratio.

<b>SALES COMPARISON APPROACH CONCLUSION</b>	
Method	Indicated Value
Gross Income Multipliers	\$2,650,000
Net Income Multipliers	\$2,700,000
<b>Indicated Stabilized Value</b>	<b>\$2,650,000</b>
Deferred Maintenance	\$0
Stabilization Discount	\$0
<b>Value Indication</b>	<b>\$2,650,000</b>
<b>Rounded</b>	<b>\$2,650,000</b>
<b>Value Per Hole</b>	<b>\$147,222</b>
Compiled by CBRE	



## Income Capitalization Approach

The Income Capitalization Approach quantifies the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of economic benefits to be derived in the future. Specifically estimated is the amount the investor would be willing to pay to receive a future income stream over a specified investment period.

Market value of income-producing real estate is typically determined by the amount of net income that the property is expected to generate over a projected investment holding period. This is typically weighted against the rates of return available to potential buyers on alternative investments. An analysis of the income generating characteristics of the property, and how they impact the net income available for providing both a return on and a return of the original investment, is typically considered paramount to a potential buyer. The Income Capitalization Approach is the technique that converts anticipated benefits, in terms of dollar income derived from ownership, into a value estimate.

### Methodology

The two common valuation techniques associated with the income capitalization approach are the direct capitalization technique and the discounted cash flow (DCF) analysis.

### Direct Capitalization Technique

The direct capitalization technique converts a single year's estimate of income into a value indication. The direct capitalization technique is most appropriate when analyzing a stable income stream and in estimating the reversion at the end of a holding period. In direct capitalization, a precise allocation between return on and return of capital is not made because investor assumptions or forecasts concerning the holding period, pattern of income, or changes in value of the original investment are not simulated. Using this technique, the process can be outlined as follows:

1. Assuming competent ownership, estimate the Potential Gross Income (PGI) from all sources generated by the property, based on existing and/or market rents.
2. Deduct an estimated Vacancy and Collection Loss (V&C) allowance to arrive at an Effective Gross Income (EGI) estimate.
3. Deduct operating expenses from the estimated EGI; the result is an estimate of the stabilized Net Operating Income (NOI).
4. Estimate an overall capitalization rate applicable to the subject ( $R_o$ , or OAR).
5. Divide the NOI by  $R_o$ , resulting in a value estimate at stabilized occupancy.
6. Adjust the stabilized value to account for "as is" condition, if applicable.

## Discounted Cash Flow Analysis

The discounted cash flow (DCF) analysis is a detailed analysis used when the future net operating income (or cash flow) is expected to be variant, usually as a result of anticipated changes in potential gross income and expenses. It is also particularly relevant when buyers are basing their analysis on annual cash flows as opposed to solely value. The DCF analysis specifies the quantity, variability, timing, and duration of NOIs and cash flows. Selecting the proper yield rate (discount rate) is essential. The methodology of this technique is summarized as follows:

1. Estimate the pre-tax cash flows for each period of a projected holding period (net of capital expenditures such as leasing expenses and tenant improvements).
2. Estimate a discount rate and a reversionary (terminal) overall capitalization rate.
3. Estimate a selling price at the end of the holding period, known as the reversion, by capitalizing the net operating income for the period following the future sale date.
4. Convert the cash flows and the reversion to a present value estimate using an appropriate yield rate.

## Appropriate Valuation Method

As noted, the two common valuation techniques associated with the income capitalization approach are the direct capitalization technique and the discounted cash flow (DCF) analysis. As will be shown, the subject has historically struggled to generate positive net income given primarily due to unfavorable service-contracts and unsustainable expenses. Within our analysis, we have relied solely upon the Direct Capitalization approach in an attempt to “value” engineer a positive cash flow. As will be shown, even with the inclusion of the service contracts, it is our opinion that the subject should be able to produce a positive cash flow.

## Historical Income and Expenses

Income and expense information were provided by subject ownership. For purposes of our analysis, we have considered the subject’s historical data, as well as that obtained for similar properties in the region and other daily fee and semi-private golf clubs that we have appraised.

Where applicable, we have reclassified the available income/expense information to conform to the Uniform System of Accounts for Golf Clubs, an industry-standard accounting format. However, we have primarily relied upon the existing structure of the income and expense categories provided in the financial statements. The historical income and expense information presented reflects 2016, 2017 and 2018 data. This income and expense information is summarized in the chart on the following page.

**Note:** The income and expense projections for the subject property are based on the total number of annual rounds based on our stabilized projection.

## SERVICE CONTRACTS

The following is a brief summary of the service contracts currently in place for the subject property.

### Golf Shop Operations

Beginning in 1995, the City of Ft. Myers (the City) entered into an agreement with the head golf pro (referred to as the "provider") to oversee and run the golf operations at both the subject property (i.e. Eastwood Golf Course or Eastwood) and the City owned Fort Myers Country Club (FMCC). The basic agreements includes the City making an annual payment of \$816,000 (\$408,000 per course) to the provider. In return, the provider employs all personnel associated with the pro shop and outside services (i.e. assistant pro, shop manager, cart personnel, starters, rangers, etc.). The provider owns the merchandise within the pro shop, being responsible for stocking and selling retail items typically found at a golf course and keeping any profits (i.e. golf balls, gloves, shirts, etc.). He also benefits from income generated from the driving range operations. The provider and his staff check-in all golfers, charging the appropriate green and cart fees which serve as the city's sole revenue source. All golf course maintenance expenses are at the City's cost. Per the agreement, the provider pays the City rent on the golf shop of \$10.00 per square foot per month and \$50 per month for utilities as well as \$1,000 per month for use of the driving range.<sup>6</sup>

### Overall Impact

While the service contracts limit the City of Fort Myers responsibilities in running the respective components, it is our opinion that the contracts are unfavorable to the city as they limit a significant revenue source as well as providing an unsustainable expense for golf shop operations.

This reasoning is based upon multiple conversations with golf operators, management firms, our own personal knowledge and information from other appraisal assignments we have completed.

## HISTORICAL INCOME AND EXPENSES

For purposes of our analysis, we have considered the subject's historical data, as well as that obtained for similar properties in the region. The historical income and expense information presented below reflects 2016, 2017 and 2018 actual data for the subject property (NOTE: we have disregarded any revenues and/or expenses associated with transfers from the city's General Fund to cover any shortfalls).

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<sup>6</sup> CBRE reviewed the 7 amendments and the original agreement. A copy of the original agreement and the 4<sup>th</sup> amendment is provided in the addenda for reference



OPERATING HISTORY									
Year	2016			2017			2018		
No. Holes	18			18			18		
Total Rounds	52,032			42,826			52,197		
	Total	% Rev <sup>1</sup>	\$/Round	Total	% Rev <sup>1</sup>	\$/Round	Total	% Rev <sup>1</sup>	\$/Round
REVENUE									
Membership / Annual Pass	\$93,415	5.6%	\$1.80	\$83,785	5.5%	\$1.96	\$95,413	5.1%	\$1.83
Green Fees	865,373	51.7%	\$16.63	830,374	54.9%	\$19.39	869,001	46.3%	\$16.65
Cart Fees	687,296	41.0%	\$13.21	567,227	37.5%	\$13.24	776,763	41.4%	\$14.88
Driving Range	12,000	0.7%	\$0.23	12,000	0.8%	\$0.28	12,000	0.6%	\$0.23
Pro Shop/Merchandise	15,581	0.9%	\$0.30	15,581	1.0%	\$0.36	15,581	0.8%	\$0.30
Food and Beverage Sales	-	0.0%	\$0.00	-	0.0%	\$0.00	107,500	5.7%	\$2.06
Other	1,568	0.1%	\$0.03	3,660	0.2%	\$0.09	1,611	0.1%	\$0.03
Total Revenue	\$1,675,232	100.0%	\$32.20	\$1,512,628	100.0%	\$35.32	\$1,877,868	100.0%	\$35.98
LESS: COST OF GOODS SOLD (1)									
Pro Shop/Merchandise COGS		0.0%	\$0.00		0.0%	\$0.00		0.0%	\$0.00
Food and Beverage Sales COGS		0.0%	\$0.00		0.0%	\$0.00	53,686	49.9%	\$1.03
COGS		0.0%	\$0.00		0.0%	\$0.00		0.0%	\$0.00
COGS	-	0.0%	\$0.00	-	0.0%	\$0.00	-	0.0%	\$0.00
Total Cost of Goods Sold	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00	\$53,686	43.6%	\$1.03
Gross Income	\$1,675,232	100.0%	\$32.20	\$1,512,628	100.0%	\$35.32	\$1,824,182	97.1%	\$34.95
DEPARTMENTAL EXPENSES									
Golf Course Maintenance	437,188	26.1%	\$8.40	\$342,290	22.6%	\$7.99	\$617,428	32.9%	\$11.83
Cart Maintenance/Equipment Leases	130,312	7.8%	\$2.50	132,978	8.8%	\$3.11	127,355	6.8%	\$2.44
Food & Beverage Operations		0.0%	\$0.00		0.0%	\$0.00		0.0%	\$0.00
Pro Shop Operations	460,604	27.5%	\$8.85	465,842	30.8%	\$10.88	408,000	21.7%	\$7.82
Total Departmental Expenses	\$1,028,104	61.4%	\$19.76	\$941,111	62.2%	\$21.98	\$1,152,783	61.4%	\$22.09
UNDISTRIBUTED OPERATING EXPENSES									
Administrative & General	425,676	25.4%	\$8.18	\$245,901	16.3%	\$5.74	542,549	28.9%	\$10.39
Marketing & Advertising	9,244	0.6%	\$0.18	10,901	0.7%	\$0.25	12,684	0.7%	\$0.24
Utilities	171,323	10.2%	\$3.29	191,147	12.6%	\$4.46	124,448	6.6%	\$2.38
Clubhouse Repairs & Maintenance	42,298	2.5%	\$0.81	40,058	2.6%	\$0.94	24,665	1.3%	\$0.47
Total Undistributed Expenses	\$648,541	38.7%	\$12.46	\$488,007	32.3%	\$11.40	\$704,346	37.5%	\$13.49
GROSS OPERATING PROFIT	(\$1,413)	-0.1%	(\$0.03)	\$83,511	5.5%	\$1.95	(\$32,947)	-1.8%	(\$0.63)
Management Fees	-	0.0%	\$0.00	-	0.0%	\$0.00	-	0.0%	\$0.00
INCOME BEFORE FIXED CHARGES	(\$1,413)	-0.1%	(\$0.03)	\$83,511	5.5%	\$1.95	(\$32,947)	-1.8%	(\$0.63)
Selected Fixed Charges									
Property Taxes	\$10,750	0.6%	\$0.21	\$13,549	0.9%	\$0.32	\$16,411	0.9%	\$0.31
Insurance	58,000	3.5%	\$1.11	59,700	3.9%	\$1.39	67,500	3.6%	\$1.29
Allocations/Non-Recurring	-	0.0%	\$0.00		0.0%	\$0.00		0.0%	\$0.00
Reserves	-	0.0%	\$0.00		0.0%	\$0.00		0.0%	\$0.00
Total Fixed Charges	\$68,750	4.1%	\$1.32	\$73,249	4.8%	\$1.71	\$83,911	4.5%	\$1.61
TOTAL EXPENSES	\$1,745,395	104.2%	\$33.54	\$1,502,366	99.3%	\$35.08	\$1,994,727	106.2%	\$38.22
NET OPERATING INCOME	(\$70,163)	-4.2%	(\$1.35)	\$10,262	0.7%	\$0.24	(\$116,859)	-6.2%	(\$2.24)
<sup>1</sup> COGS expense ratios are based on departmental revenues; all other categories based on total revenues.									
Source: Subject Operating Statements									

Where applicable, we have reclassified the available income/expense information to conform to the Uniform System of Accounts for Golf Clubs, an industry-standard accounting format. However, we have primarily relied upon the existing structure of the income and expense categories provided in the financial statements supplied by the client. While the subject's recent historical operating statements do not include management and reserves expenses, we have included this expense line item in our appraisal.

## EXPENSE COMPARABLES

For purposes of this assignment, we were able to also analyze confidential historical operating statements for comparable properties we have studied. In addition, The 2016 Society of Golf

Appraisers (SGA) National Golf Course Income and Expense Report was also examined for support as to the subject's reasonableness of income and expense conclusions. A summary of the data analyzed is presented on the following chart.

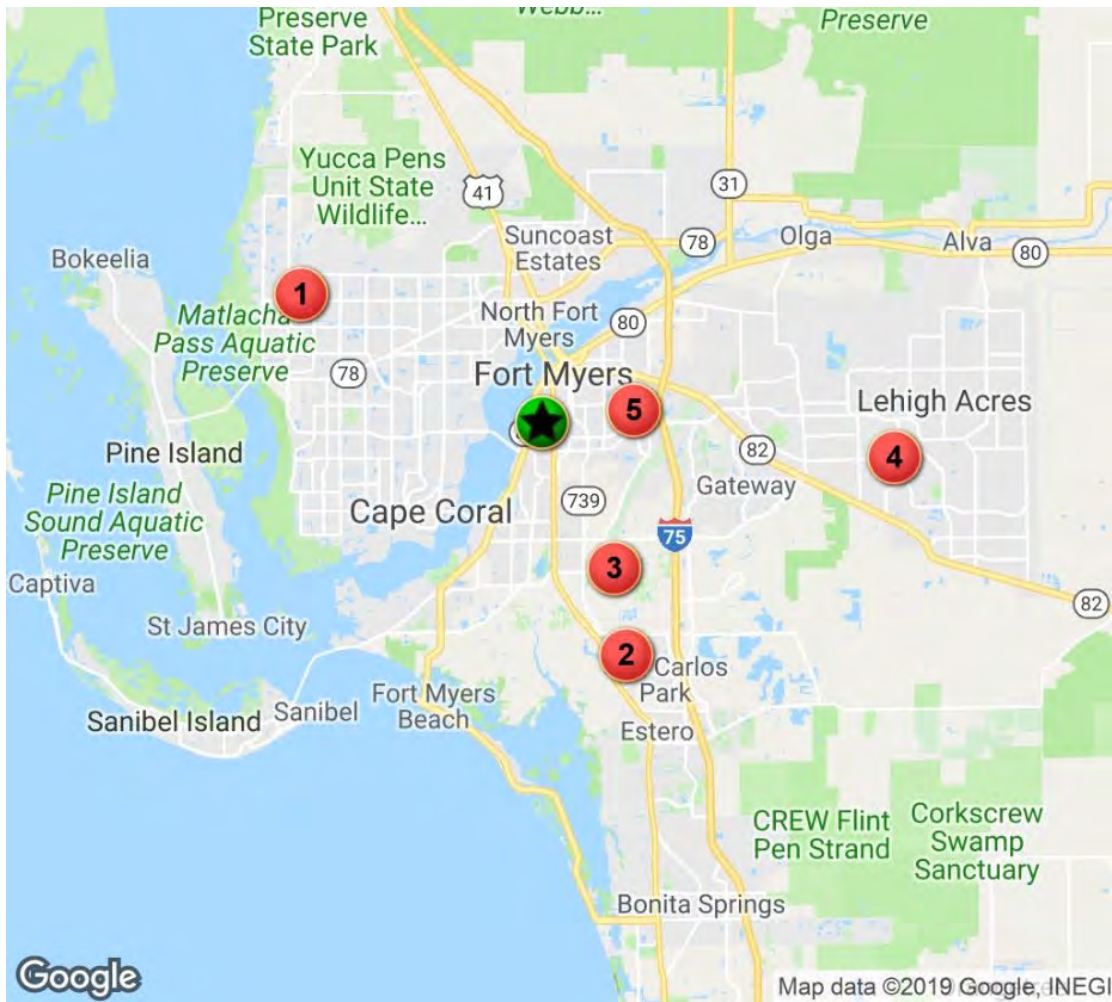
GOLF COURSE EXPENSE COMPARABLES									
Property Type	Semi Private			Public			SGA Daily Fee		
Year	2016			2017			2016		
No. Holes	18			18			N/A		
Total Rounds	59,553			27,692			N/A		
	Total	% Rev <sup>1</sup>	\$/Round	Total	% Rev <sup>1</sup>	\$/Round	Average		
	Total	% Rev <sup>1</sup>	\$/Round	Total	% Rev <sup>1</sup>	\$/Round	Total	% Rev <sup>1</sup>	\$/Round
<b>REVENUE</b>									
Membership / Annual Pass	694,827	8.7%	11.67	31,655	1.7%	\$ 1.14	140,174	8.8%	\$ 4.41
Green Fees	3,053,437	38.0%	51.27	828,079	45.7%	\$ 29.90	569,262	54.4%	\$ 23.72
Cart Fees	-	0.0%	-	-	0.0%	-	133,478	17.8%	\$ 6.90
Driving Range	277,987	3.5%	4.67	75,483	4.2%	2.73	33,599	2.8%	\$ 1.27
Pro Shop/Merchandise	404,729	5.0%	6.80	133,149	7.3%	4.81	59,169	5.0%	\$ 2.45
Food and Beverage Sales	3,370,559	42.0%	56.60	735,348	40.6%	26.55	238,273	20.4%	\$ 11.00
Other	224,295	2.8%	3.77	8,792	0.5%	0.32	58,198	2.5%	\$ 1.65
Total Revenue	\$8,025,833	100.0%	\$ 134.77	\$ 1,812,506	100.0%	\$ 65.45	\$1,070,341	100.0%	\$ 45.75
<b>LESS: COST OF GOODS SOLD *</b>									
Pro Shop/Merchandise COGS	\$ 282,129	69.7%	\$ 4.74	\$ 31,459	23.6%	\$ 1.14	n/a	n/a	n/a
Food and Beverage Sales COGS	908,777	27.0%	15.26	324,198	44.1%	11.71	n/a	n/a	n/a
COGS	-	0.0%	-	-	0.0%	-	n/a	n/a	n/a
COGS	-	0.0%	-	-	0.0%	-	n/a	n/a	n/a
Total Cost of Goods Sold	\$1,190,907	31.5%	\$ 20.00	\$ 355,657	41.0%	\$ 12.84	n/a	n/a	n/a
Gross Income	\$6,834,927	85.2%	\$ 114.77	\$ 1,456,849	80.4%	\$ 52.61	n/a	n/a	n/a
<b>DEPARTMENTAL EXPENSES</b>									
Golf Course Maintenance	\$1,439,785	17.9%	\$ 24.18	\$ 326,952	18.0%	\$ 11.81	\$ 283,154	50.4%	\$ 11.84
Cart Maintenance/Equipment Leases	175,220	2.2%	2.94	-	0.0%	-	32,917	33.0%	1.52
Food & Beverage Operations	1,887,012	23.5%	31.69	270,763	14.9%	9.78	191,307	88.6%	8.79
Pro Shop Operations	662,548	8.3%	11.13	221,900	12.2%	8.01	151,286	323.6%	6.34
Total Departmental Expenses	\$4,164,565	51.9%	\$ 69.93	\$ 819,615	45.2%	\$ 29.60	\$ 675,948	59.2%	\$ 28.44
<b>UNDISTRIBUTED OPERATING EXPENSES</b>									
Administrative & General	\$ 340,089	4.2%	\$ 5.71	\$ 131,737	7.3%	\$ 4.76	\$ 102,215	10.4%	\$ 4.34
Marketing & Advertising	180,941	2.3%	3.04	8,787	0.5%	0.32	12,830	1.5%	0.63
Utilities	-	0.0%	-	84,202	4.6%	3.04	40,774	3.9%	1.72
Clubhouse Repairs & Maintenance	231,887	2.9%	3.89	35,874	2.0%	1.30	24,080	2.8%	1.16
Total Undistributed Expenses	\$ 752,917	9.4%	\$ 12.64	\$ 260,600	14.4%	\$ 9.41	\$ 741,224	20.4%	n/a
GROSS OPERATING PROFIT	\$1,917,444	23.9%	\$ 32.20	\$ 376,634	20.8%	\$ 13.60	n/a	n/a	n/a
Management Fees	-	0.0%	-	-	0.0%	-	54,678	8.1%	2.92
INCOME BEFORE FIXED CHARGES	\$1,917,444	23.9%	\$ 32.20	\$ 376,634	20.8%	\$ 13.60	\$ 187,937	19.2%	\$ 7.97
<b>Selected Fixed Charges</b>									
Property Taxes	\$ 152,527	1.9%	\$ 2.56	\$ 36,184	2.0%	\$ 1.31	\$ 32,309	4.0%	\$ 1.71
Insurance	103,112	1.3%	1.73	69,725	3.8%	2.52	19,951	2.1%	0.89
Allocations/Non-Recurring	-	0.0%	-	-	0.0%	-	n/a	n/a	n/a
Reserves	-	0.0%	-	-	0.0%	-	67,956	2.6%	1.59
Total Fixed Charges	\$ 255,639	3.2%	\$ 4.29	\$ 105,909	5.8%	\$ 3.82	\$ 54,258	6.1%	\$ 2.65
TOTAL EXPENSES	\$6,364,028	79.3%	\$ 106.86	\$ 1,541,781	85.1%	\$ 55.68	n/a	n/a	n/a
NET OPERATING INCOME	\$1,661,805	20.7%	\$ 27.90	\$ 270,725	14.9%	\$ 9.78	\$ 133,679	13.0%	\$ 5.32

<sup>1</sup> COGS are based on departmental revenues; all others are based on total revenues.

Source: Confidential Operating Statements

ANALYSIS OF COMPARABLE PROPERTIES

The following location map and summary table identifies the most competitive courses in the area and their respective rates. The comparables shown represent the most competitive daily fee and semi-private golf courses in the subject’s general market area. The competitive properties are all located within an approximate 10-mile radius of the subject property and are subject to generally similar outside forces.





## SUMMARY OF COMPETITIVE GOLF CLUBS

	Subject	1	2	3	4	5
Name	Eastwood Golf Course	Coral Oaks Golf Club	San Carlos Golf Club	Eagle Ridge Golf Club	Copperhead Golf and Country Club	Fort Myers Country Club
Type Club	Daily Fee/Public Course	Semi-Private	Semi-Private	Semi-Private	Semi-Private	Semi-Private
City	Fort Myers	Cape Coral	Fort Myers	Fort Myers	Lehigh Acres	Fort Myers
County	Lee	Lee County Co.	Lee County Co.	Lee Co.	Lee Co.	Lee County Co.
Distance/Direction from Subject	-----	10 Miles W	11 Miles S	8 Miles S	15 Miles E	5 Miles W
Year Built	1977 to 2007	1988	1973	1984	2001	1917
Number Holes	18	18	18	18	18	18
Length (Yards)	7,129	6,623	6,423	6,538	6,680	6,675
Architect	Bob Von Hagge & Bruce Devlin	Arthur Hills	John E. O'Connor	Gordon Lewis	Gordon Lewis	Donald Ross
USGA Rating	72.5	72.3	71	71	70.9	72.9
Clubhouse	Yes	Yes	Yes	Yes	Yes	Yes
Pool	No	No	No	No	No	No
Tennis	No	No	No	No	No	No
Driving Range	Yes	Yes	Yes	No	Yes	No
Putting Green	Yes	Yes	Yes	Yes	Yes	Yes
Restaurant	Yes	Yes	Yes	Yes	Yes	Yes
Annual Golf Membership	\$1,850	\$2,880	\$2,700.00	\$4,800	\$4,200	\$1,850
Member Cart Fee	\$22.50	\$25	\$21.00	\$22	N/A	\$23
Prime Peak Season Rates	\$90.00	\$72	\$92.00	\$89	\$68	\$90
Prime Shoulder Season Rates	\$50	\$48	\$65	\$65	\$50	\$50
Prime Off-Season Rates	\$40	\$35	\$40	\$40	\$35	\$40
Number of Golf Members	100	120	200	100	N/A	100
Annual Rounds	52,197	60,000	50,000	45,000	45,000	52,200

Compiled by: CBRE

## Annual Rounds Played

The subject's membership totals and annual rounds data is presented in the chart below. Also included is the membership and rounds data for the competitive set.

<b>COMPETITIVE SET - ROUNDS PLAYED</b>	
Course	No. Rounds/18 Holes
Coral Oaks Golf Club	60,000
San Carlos Golf Club	50,000
Eagle Ridge Golf Club	45,000
Copperhead Golf and Country Club	45,000
Fort Myers Country Club	52,200
<b>CBRE, Inc. Estimate</b>	<b>52,000</b>
Compiled by CBRE	

As shown above, the competitive courses surveyed indicated playing levels of 45,000 to 60,000 rounds per year which reflects strong demand in the market. Note that all of the courses surveyed were located within an approximate 10-mile radius of the subject property and identified as direct competitors.

## Revenues

Revenues were estimated as the number of rounds multiplied by the applicable departmental revenue realized per round. These revenues are generated from membership dues, guest fees and cart fees, pro shop merchandise sales, food and beverage sales and other income.

## Membership Dues

The subject is currently configured as a daily club with the majority of revenues generated from daily fee play. However, as is common in the market, the club does offer memberships and annual passes for players. The fee's charged appear consistent with the competitive properties with membership being more of a convenience than anything else. The following table summarizes the annual membership dues generated at the subject and expense comparables.

<b>MEMBERSHIP / ANNUAL PASS REVENUE</b>			
Year	Total	As a % of Total Revenue	\$/Round
2016	\$93,415	5.6%	\$1.80
2017	\$83,785	5.5%	\$1.96
2018	\$95,413	5.1%	\$1.83
Expense Comparable 1	\$694,827	8.7%	\$11.67
Expense Comparable 2	\$31,655	1.7%	\$1.14
SGA National Income/Expense Report (Avg.)	\$140,174	8.8%	\$4.41
<b>CBRE, Inc. Estimate "As Is"</b>	<b>\$93,600</b>	<b>5.0%</b>	<b>\$1.80</b>
<b>CBRE, Inc. Estimate "Hypothetical"</b>	<b>\$93,600</b>	<b>4.8%</b>	<b>\$1.80</b>
Compiled by CBRE			

### Green Fees

The following chart summarizes green fees for each of the competitive properties and includes a cart:

<b>COMPETITIVE SET - GREEN FEES</b>			
Course	Green Fees		
	Off	Shoulder	Peak
Coral Oaks Golf Club	\$35.00	\$48.00	\$72.00
San Carlos Golf Club	\$40.00	\$65.00	\$92.00
Eagle Ridge Golf Club	\$40.00	\$65.00	\$89.00
Copperhead Golf and Country Club	\$35.00	\$50.00	\$68.00
Fort Myers Country Club	\$40.00	\$50.00	\$90.00
<b>SUBJECT</b>	<b>\$40.00</b>	<b>\$50.00</b>	<b>\$90.00</b>
Compiled by CBRE			

The subject's historical income data, the income/expense comparable data, and our pro forma estimate are detailed as follows:

<b>GREEN FEES REVENUE</b>			
Year	Total	As a % of Total Revenue	\$/Round
2016	\$865,373	51.7%	\$16.63
2017	\$830,374	54.9%	\$19.39
2018	\$869,001	46.3%	\$16.65
Expense Comparable 1	\$3,053,437	38.0%	\$51.27
Expense Comparable 2	\$828,079	45.7%	\$29.90
SGA National Income/Expense Report (Avg.)	\$569,262	54.4%	\$23.72
<b>CBRE, Inc. Estimate "As Is"</b>	<b>\$865,800</b>	<b>46.5%</b>	<b>\$16.65</b>
<b>CBRE, Inc. Estimate "Hypothetical"</b>	<b>\$865,800</b>	<b>44.0%</b>	<b>\$16.65</b>
Compiled by CBRE			



NOTE: the subject historical indications are "net" of the cart fee which is accounted for separately.

The pro forma estimate is bracketed by the expense comparables with the green fees being consistent with other courses in the area. These revenues are not anticipated to change under either scenario.

### Cart Fees

The following chart summarizes published cart fees for each of the competitive properties:

<b>COMPETITIVE SET - CART FEES</b>	
Course	18-Hole Rate
Coral Oaks Golf Club	\$25.00
San Carlos Golf Club	\$21.00
Eagle Ridge Golf Club	\$22.00
Copperhead Golf and Country Club	N/A
Fort Myers Country Club	\$22.50
<b>SUBJECT</b>	<b>\$22.50</b>
Compiled by CBRE	

As shown, the subject's cart fee rate is consistent with other clubs operating in the area. The subject's historical income data, the income/expense comparable data, and our pro forma estimate are detailed as follows.

<b>CART FEES REVENUE</b>			
Year	Total	As a % of Total Revenue	\$/Round
2016	\$687,296	41.0%	\$13.21
2017	\$567,227	37.5%	\$13.24
2018	\$776,763	41.4%	\$14.88
Expense Comparable 1	\$0	0.0%	\$0.00
Expense Comparable 2	\$0	0.0%	\$0.00
SGA National Income/Expense Report (Avg.)	\$133,478	17.8%	\$6.90
<b>CBRE, Inc. Estimate "As Is"</b>	<b>\$767,000</b>	<b>41.2%</b>	<b>\$14.75</b>
<b>CBRE, Inc. Estimate "Hypothetical"</b>	<b>\$767,000</b>	<b>39.0%</b>	<b>\$14.75</b>
Compiled by CBRE			

As shown, revenues generated from cart fees has remained relatively consistent with the pro forma estimate generally in line with the historical figures.

## Driving Range Fees

Range ball sales for similar clubs typically range from \$0.50 to \$2.50 per round. However, under the current service agreement, the head pro pays annual rent in the amount of \$1,000/month which is reflected in the historical indications below.

<b>DRIVING RANGE REVENUE</b>			
Year	Total	As a % of Total Revenue	\$/Round
2016	\$12,000	0.7%	\$0.23
2017	\$12,000	0.8%	\$0.28
2018	\$12,000	0.6%	\$0.23
Expense Comparable 1	\$277,987	3.5%	\$4.67
Expense Comparable 2	\$75,483	4.2%	\$2.73
SGA National Income/Expense Report (Avg.)	\$33,599	2.8%	\$1.27
<b>CBRE, Inc. Estimate "As Is"</b>	<b>\$12,000</b>	<b>0.6%</b>	<b>\$0.23</b>
<b>CBRE, Inc. Estimate "Hypothetical"</b>	<b>\$52,000</b>	<b>2.6%</b>	<b>\$1.00</b>
Compiled by CBRE			

Within the "As Is" scenario, all revenues generated from the driving range belongs to the tenant with the pro forma income being the anticipated rent to be received. However, in the "Hypothetical" scenario, the owner of the subject would be entitled to this revenues source with the estimate being based on the expense comparables and national surveys.

## Pro Shop Sales/Merchandise

Pro shop sales typically include all merchandise sold through the pro shop. However, under the current service agreement, the head pro pays annual rent for use of the pro shop building which is reflected in the historical indications below

<b>PRO SHOP/MERCHANDISE REVENUE</b>			
Year	Total	As a % of Total Revenue	\$/Round
2016	\$15,581	0.9%	\$0.30
2017	\$15,581	1.0%	\$0.36
2018	\$15,581	0.8%	\$0.30
Expense Comparable 1	\$404,729	5.0%	\$6.80
Expense Comparable 2	\$133,149	7.3%	\$4.81
SGA National Income/Expense Report (Avg.)	\$59,169	5.0%	\$2.45
<b>CBRE, Inc. Estimate "As Is"</b>	<b>\$15,600</b>	<b>0.8%</b>	<b>\$0.30</b>
<b>CBRE, Inc. Estimate "Hypothetical"</b>	<b>\$78,000</b>	<b>4.0%</b>	<b>\$1.50</b>
Compiled by CBRE			

Within the "As Is" scenario, all revenues generated from the sale of hard and soft goods belongs to the tenant with the pro forma income being the anticipated rent to be received. However, in the "Hypothetical" scenario, the owner of the subject would be entitled to this revenues source with the estimate being based on the expense comparables and national surveys.

### Food & Beverage Sales

Food and beverage revenues are generated from the sale of concessions in the snack bar/restaurant area of the clubhouse. While previously operated by a third party, the City of Fort Myers began the operations in 2018.

<b>FOOD AND BEVERAGE SALES REVENUE</b>			
Year	Total	As a % of Total Revenue	\$/Round
2016	\$0	0.0%	\$0.00
2017	\$0	0.0%	\$0.00
2018	\$107,500	5.7%	\$2.06
Expense Comparable 1	\$3,370,559	42.0%	\$56.60
Expense Comparable 2	\$735,348	40.6%	\$26.55
SGA National Income/Expense Report (Avg.)	N/A	N/A	N/A
<b>CBRE, Inc. Estimate "As Is"</b>	<b>\$106,600</b>	<b>5.7%</b>	<b>\$2.05</b>
<b>CBRE, Inc. Estimate "Hypothetical"</b>	<b>\$106,600</b>	<b>5.4%</b>	<b>\$2.05</b>
Compiled by CBRE			

The pro forma estimate is consistent with the historical data though we see upside potential with the attractive outside seating and increased play.

### Other Income

This income category typically includes various miscellaneous costs such as club rentals, handicap fees, bag storage and other service costs. The income/expense comparable data, the subject's historical data, and the pro forma estimate are summarized in the following table:



<b>OTHER REVENUE</b>			
Year	Total	As a % of Total Revenue	\$/Round
2016	\$1,568	0.1%	\$0.03
2017	\$3,660	0.2%	\$0.09
2018	\$1,611	0.1%	\$0.03
Expense Comparable 1	\$224,295	2.8%	\$3.77
Expense Comparable 2	\$8,792	0.5%	\$0.32
SGA National Income/Expense Report (Avg.)	\$58,198	2.5%	\$1.65
<b>CBRE, Inc. Estimate "As Is"</b>	<b>\$2,600</b>	<b>0.1%</b>	<b>\$0.05</b>
<b>CBRE, Inc. Estimate "Hypothetical"</b>	<b>\$2,600</b>	<b>0.1%</b>	<b>\$0.05</b>
Compiled by CBRE			

The pro forma estimate is bracketed by the historical indications though well below the comparable data. While an increase could occur under the "Hypothetical" scenario, we have elected to remain conservative within this revenue source category.

### TOTAL GROSS REVENUE

The income/expense comparable data, the subject's historical data, and the pro forma estimate are summarized in the following table (Note: The "As Is" pro forma reflects operations with the current service agreements in place. The "Hypothetical" pro forma reflects anticipated operations assuming all revenue sources are utilized and controlled by ownership):

<b>TOTAL REVENUE</b>			
Year	Total	As a % of Total Revenue	\$/Round
2016	\$1,675,232	100.0%	\$32.20
2017	\$1,512,628	100.0%	\$35.32
2018	\$1,877,868	100.0%	\$35.98
Expense Comparable 1	\$8,025,833	100.0%	\$134.77
Expense Comparable 2	\$1,812,506	100.0%	\$65.45
SGA National Income/Expense Report (Avg.)	\$1,070,341	100.0%	n/a
<b>CBRE, Inc. Estimate (As Is)</b>	<b>\$1,863,200</b>	<b>100.0%</b>	<b>\$35.83</b>
<b>CBRE, Inc. Estimate (Hypothetical)</b>	<b>\$1,965,600</b>	<b>100.0%</b>	<b>\$37.80</b>
Compiled by CBRE			

The "As Is" pro forma is bracketed by the historical indications and considered reasonable on a line-by-line basis and consistent with how a potential buyer would analyze the property under the current operations with the service agreement in place. The "Hypothetical" pro forma is higher as it recognizes the potential gross revenues if all revenues sources were operated and retained by the owner (or managed by a competent firm).

## OPERATING EXPENSE CONCLUSION

The subject's operating expense totals and ratios are detailed as follows: Note: The "as is" and "hypothetical" pro formas are based on CBRE's expense analysis at more market oriented levels as compared to comparable properties operating in the region and our general knowledge of expense levels from other courses we have appraised.

TOTAL EXPENSES			
Year	Total	As a % of Total Revenue	\$/Round
2016	\$1,745,395	104.2%	\$33.54
2017	\$1,502,366	99.3%	\$35.08
2018	\$1,994,727	106.2%	\$38.22
Expense Comparable 1	\$6,364,028	79.3%	\$106.86
Expense Comparable 2	\$1,541,781	85.1%	\$55.68
SGA National Income/Expense Report (Avg.)	N/A	N/A	N/A
<b>CBRE, Inc. Estimate "As Is"</b>	<b>\$1,685,820</b>	<b>90.5%</b>	<b>\$32.42</b>
<b>CBRE, Inc. Estimate "Hypothetical"</b>	<b>\$1,686,614</b>	<b>85.8%</b>	<b>\$32.43</b>
Compiled by CBRE			

The stabilized expense ratio (As Is) is only 90.5% is only slightly above the typical industry norm (i.e. 80% - 90%) which is largely attributed to the elevated pro shop operations expense (i.e. service agreement). The "Hypothetical" expense ratio (i.e. 85.8%) is well within industry norms

While variances are possible on a line-by-line basis, this pro forma estimate adequate reflects a property operating within a "typical" expense ratio. Many competent firms exist throughout the nation that specializes in the operation of golf facilities.

## NET OPERATING INCOME

By deducting total expenses from gross income, the result is net operating income.

NET OPERATING INCOME			
Year	Total	As a % of Total Revenue	\$/Round
2016	-\$70,163	-4.2%	-\$1.35
2017	\$10,262	0.7%	\$0.24
2018	-\$116,859	-6.2%	-\$2.24
Expense Comparable 1	\$1,661,805	20.7%	\$27.90
Expense Comparable 2	\$270,725	14.9%	\$9.78
SGA National Income/Expense Report (Avg.)	\$133,679	13.0%	\$5.32
<b>CBRE, Inc. Estimate "As Is"</b>	<b>\$177,380</b>	<b>9.5%</b>	<b>\$3.41</b>
<b>CBRE, Inc. Estimate "Hypothetical"</b>	<b>\$278,986</b>	<b>14.2%</b>	<b>\$5.37</b>
Compiled by CBRE			

The stabilized NOI ratio of 9.5% and 14.2% is proximate the expense comparables and is considered reasonable in our opinion based on similar clubs in the market that we have appraised and recognizing the impact of the service agreement for the golf shop operations. Furthermore, the ratio under the “Hypothetical” scenario is well within the range of the industry norm (i.e. 10% to 20%), assuming competent management.

## DIRECT CAPITALIZATION

Direct capitalization is a method used to convert a single year’s estimated stabilized net operating income into a value indication.

## CAPITALIZATION RATE CONCLUSION

The following table summarizes the OAR conclusions.

<b>OVERALL CAPITALIZATION RATE - CONCLUSION</b>	
Source	Indicated OAR
Comparable Sales	5.88% - 16.54%
Published Surveys	10.00% - 11.86%
Market Participants	9.00% - 13.00%
Band of Investment	10.10%
<b>CBRE, Inc. Estimate</b>	<b>10.50%</b>
Compiled by: CBRE	



## **DIRECT CAPITALIZATION SUMMARY**

A summary of the direct capitalization of the subject is illustrated in the following table.

**DIRECT CAPITALIZATION SUMMARY (WITH SERVICE AGREEMENTS)**

<b>No. Holes</b>				<b>18</b>
<b>Total Rounds</b>				<b>52,000</b>
<b>REVENUE</b>	<b>% Rev</b>	<b>\$/Hole</b>	<b>\$/Round</b>	<b>Total</b>
Membership / Annual Pass	5.0%	\$5,200	\$1.80	\$93,600
Green Fees	46.5%	\$48,100	\$16.65	\$865,800
Cart Fees	41.2%	\$42,611	\$14.75	\$767,000
Driving Range	0.6%	\$667	\$0.23	\$12,000
Pro Shop Operations (i.e. Rent)	0.8%	\$867	\$0.30	\$15,600
Food and Beverage Sales	5.7%	\$5,922	\$2.05	\$106,600
Other	0.1%	\$144	\$0.05	\$2,600
<b>Total Revenue</b>	<b>100.0%</b>	<b>\$103,511</b>	<b>\$35.83</b>	<b>\$1,863,200</b>
<b>LESS: COST OF GOODS SOLD *</b>				
Pro Shop/Merchandise COGS	0.0%	\$0	\$0.00	\$0
Food and Beverage Sales COGS	45.0%	\$2,665	\$0.92	\$47,970
COGS	0.0%	\$0	\$0.00	-
COGS	0.0%	\$0	\$0.00	-
<b>Total Cost of Goods Sold</b>	<b>39.3%</b>	<b>\$2,665</b>	<b>\$0.92</b>	<b>\$47,970</b>
<b>Gross Income</b>	<b>97.4%</b>	<b>\$100,846</b>	<b>\$34.91</b>	<b>\$1,815,230</b>
<b>DEPARTMENTAL EXPENSES</b>				
Golf Course Maintenance	29.5%	\$30,556	\$10.58	\$550,000
Cart Maintenance/Equipment Leases	7.0%	\$7,222	\$2.50	\$130,000
Food & Beverage Operations	0.0%	\$0	\$0.00	\$0
Pro Shop Operations	21.9%	\$22,667	\$7.85	\$408,000
<b>Total Departmental Expenses</b>	<b>58.4%</b>	<b>\$60,444</b>	<b>\$20.92</b>	<b>\$1,088,000</b>
<b>UNDISTRIBUTED OPERATING EXPENSES</b>				
Administrative & General	8.1%	\$8,333	\$2.88	\$150,000
Marketing & Advertising	0.7%	\$694	\$0.24	\$12,500
Utilities	6.7%	\$6,944	\$2.40	\$125,000
Clubhouse Repairs & Maintenance	1.3%	\$1,389	\$0.48	\$25,000
<b>Total Undistributed Expenses</b>	<b>16.8%</b>	<b>\$17,361</b>	<b>\$6.01</b>	<b>\$312,500</b>
<b>GROSS OPERATING PROFIT</b>	<b>22.3%</b>	<b>\$23,041</b>	<b>\$7.98</b>	<b>\$414,730</b>
Management Fees	3.0%	\$3,105	\$1.07	\$55,896
<b>INCOME BEFORE FIXED CHARGES</b>	<b>19.3%</b>	<b>\$19,935</b>	<b>\$6.90</b>	<b>\$358,834</b>
<b>Selected Fixed Charges</b>				
Property Taxes	3.1%	\$3,225	\$1.12	\$58,058
Insurance	3.6%	\$3,750	\$1.30	\$67,500
Allocations/Non-Recurring	0.0%	\$0	\$0.00	\$0
Reserves	3.0%	\$3,105	\$1.07	\$55,896
<b>Total Fixed Charges</b>	<b>9.7%</b>	<b>\$10,081</b>	<b>\$3.49</b>	<b>\$181,454</b>
<b>TOTAL EXPENSES</b>	<b>90.5%</b>	<b>\$93,657</b>	<b>\$32.42</b>	<b>\$1,685,820</b>
<b>NET OPERATING INCOME</b>	<b>9.5%</b>	<b>\$9,854</b>	<b>\$3.41</b>	<b>\$177,380</b>
<b>OAR</b>				<b>/ 12.00%</b>
<b>Indicated Stabilized Value</b>				<b>\$1,478,167</b>
Deferred Maintenance				-
Stabilization Discount				-
Excess Land Value				-
<b>Value Indication</b>				<b>\$1,478,167</b>
<b>Rounded</b>				<b>\$1,500,000</b>
<b>Value Per Hole</b>				<b>\$83,333</b>

\* COGS ratios are based on departmental revenues; all others are based on total revenues.

Compiled by CBRE

**DIRECT CAPITALIZATION SUMMARY (W/O SERVICE AGREEMENTS)**

<b>No. Holes</b>				<b>18</b>
<b>Total Rounds</b>				<b>52,000</b>
<b>REVENUE</b>	<b>% Rev</b>	<b>\$/Hole</b>	<b>\$/Round</b>	<b>Total</b>
Membership / Annual Pass	4.8%	\$5,200	\$1.80	\$93,600
Green Fees	44.0%	\$48,100	\$16.65	\$865,800
Cart Fees	39.0%	\$42,611	\$14.75	\$767,000
Driving Range	2.6%	\$2,889	\$1.00	\$52,000
Pro Shop/Merchandise	4.0%	\$4,333	\$1.50	\$78,000
Food and Beverage Sales	5.4%	\$5,922	\$2.05	\$106,600
Other	0.1%	\$144	\$0.05	\$2,600
<b>Total Revenue</b>	<b>100.0%</b>	<b>\$109,200</b>	<b>\$37.80</b>	<b>\$1,965,600</b>
<b>LESS: COST OF GOODS SOLD *</b>				
Pro Shop/Merchandise COGS	65.0%	\$2,817	\$0.98	\$50,700
Food and Beverage Sales COGS	45.0%	\$2,665	\$0.92	\$47,970
COGS	0.0%	\$0	\$0.00	-
COGS	0.0%	\$0	\$0.00	-
<b>Total Cost of Goods Sold</b>	<b>53.5%</b>	<b>\$5,482</b>	<b>\$1.90</b>	<b>\$98,670</b>
<b>Gross Income</b>	<b>95.0%</b>	<b>\$103,718</b>	<b>\$35.90</b>	<b>\$1,866,930</b>
<b>DEPARTMENTAL EXPENSES</b>				
Golf Course Maintenance	28.0%	\$30,556	\$10.58	\$550,000
Cart Maintenance/Equipment Leases	6.6%	\$7,222	\$2.50	\$130,000
Food & Beverage Operations	2.5%	\$2,778	\$0.96	\$50,000
Pro Shop Operations	16.5%	\$18,056	\$6.25	\$325,000
<b>Total Departmental Expenses</b>	<b>53.7%</b>	<b>\$58,611</b>	<b>\$20.29</b>	<b>\$1,055,000</b>
<b>UNDISTRIBUTED OPERATING EXPENSES</b>				
Administrative & General	7.6%	\$8,333	\$2.88	\$150,000
Marketing & Advertising	0.6%	\$694	\$0.24	\$12,500
Utilities	6.4%	\$6,944	\$2.40	\$125,000
Clubhouse Repairs & Maintenance	1.3%	\$1,389	\$0.48	\$25,000
<b>Total Undistributed Expenses</b>	<b>15.9%</b>	<b>\$17,361</b>	<b>\$6.01</b>	<b>\$312,500</b>
<b>GROSS OPERATING PROFIT</b>	<b>25.4%</b>	<b>\$27,746</b>	<b>\$9.60</b>	<b>\$499,430</b>
Management Fees	3.0%	\$3,276	\$1.13	\$58,968
<b>INCOME BEFORE FIXED CHARGES</b>	<b>22.4%</b>	<b>\$24,470</b>	<b>\$8.47</b>	<b>\$440,462</b>
<b>Selected Fixed Charges</b>				
Property Taxes	1.8%	\$1,945	\$0.67	\$35,008
Insurance	3.4%	\$3,750	\$1.30	\$67,500
Allocations/Non-Recurring	0.0%	\$0	\$0.00	\$0
Reserves	3.0%	\$3,276	\$1.13	\$58,968
<b>Total Fixed Charges</b>	<b>8.2%</b>	<b>\$8,971</b>	<b>\$3.11</b>	<b>\$161,476</b>
<b>TOTAL EXPENSES</b>	<b>85.8%</b>	<b>\$93,701</b>	<b>\$32.43</b>	<b>\$1,686,614</b>
<b>NET OPERATING INCOME</b>	<b>14.2%</b>	<b>\$15,499</b>	<b>\$5.37</b>	<b>\$278,986</b>
<b>OAR</b>				<b>/ 10.50%</b>
<b>Indicated Stabilized Value</b>				<b>\$2,657,014</b>
Deferred Maintenance				-
Stabilization Discount				-
<b>Value Indication</b>				<b>\$2,657,014</b>
<b>Rounded</b>				<b>\$2,700,000</b>
<b>Value Per Hole</b>				<b>\$150,000</b>

\* COGS ratios are based on departmental revenues; all others are based on total revenues.

Compiled by CBRE



## Reconciliation of Value

The value indications from the approaches to value are summarized as follows:

<b>SUMMARY OF VALUE CONCLUSIONS</b>		
<b>Appraisal Premise</b>	<b>As Is</b>	<b>Hypothetical (No Service Agreements)</b>
Sales Comparison Approach	\$1,450,000	\$2,650,000
Income Capitalization Approach	\$1,500,000	\$2,700,000
Reconciled Value	\$1,450,000	\$2,650,000
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The Sales Comparison Approach is predicated on the principle that an investor would pay no more for an existing property than for a comparable property with similar utility. This approach is contingent on the reliability and comparability of available data. The Gross Income Multiplier (GIM) analysis and the Net Income Multiplier (NIM) analysis were utilized as components of the Sales Comparison Approach and according to market participants, these metrics are becoming increasingly prevalent in the current market. As a result, the Sales Comparison Approach is typically considered to provide generally reliable value indications.

The Income Capitalization Approach is considered the most persuasive method for valuing the subject property. This approach is predicated on the principle of anticipated economic benefits and, therefore, best reflects the investment characteristics of the subject. Properties such as the subject are typically purchased by investors or owner/operators; thus, this approach most closely parallels the anticipated analysis that would be employed by the most typical purchaser.

In arriving at the final value conclusion, greatest weight was placed on the Income Capitalization Approach, although the Sales Comparison Approach generally supported our conclusion. The final value conclusion and the approaches relied upon give strong consideration to the market behavior of the typical buyer and current market environment for the property appraised.

Based on the foregoing, the going concern fair value of the subject is concluded as follows:

<b>MARKET VALUE CONCLUSION</b>			
<b>Appraisal Premise</b>	<b>Interest Appraised</b>	<b>Date of Value</b>	<b>Value Conclusion</b>
As Is - Going Concern	Leased Fee	January 30, 2019	\$1,450,000
Hypothetical Going Concern (Market Operations)	Fee Simple	January 30, 2019	\$2,650,000
Compiled by CBRE			

## Allocation of Value

In compliance with the Office of Comptroller of Currency and the Uniform Standards of Professional Appraisal Practice guidelines, an estimate of the going concern value requires an allocation of values to segregate the component parts, one of which is the value of the real estate. The value represented within this report is the value of the going concern, which is comprised of several components, of which the business, equipment, intangible items and real estate are included. Following is a discussion and analysis of each component part and its valuation methodology.

### Business Value

A golf course is a going concern operation, similar to a lodging facility. The value derived is based primarily on the income that can be generated from the business operations. In many cases, a golf course will have several satellite businesses within the total operation; i.e. bar, restaurant, pro shop, etc. The ability of the real estate to generate income is much more closely tied to the relative skills of the management and maintenance.

Sales of golf courses have been reviewed for the past 20+ years by CBRE, Inc., in locations throughout the United States. It is rare that a golf course sells on the basis of real estate only. Most golf course sales involve the going concern operation, which includes the real estate, business, equipment and intangibles. Occasionally an interest in a golf course operation may sell on the basis of an underlying lease. In this instance, the leased fee estate interest is what is normally sold and not the fee simple interest of the real estate. Many of the leases are tied to the income of the business, or have specified percentage clauses. Again, it is rare that a transaction occurs where just the fee simple interest in the real estate transfers.

Discussions with business value experts have revealed that goodwill is typically recognized as a business value in excess of value typically associated with a given type of operation. This type of asset is difficult to quantify since it is an intangible asset. Customarily, goodwill is valued by means of capitalization of "excess earnings" or earnings which are above a recognized standard in a given industry. In the case of a golf course or country club operation, excess earnings and goodwill value may be generated by an unusually efficient or proprietary method of operation associated with a given facility or facility operator.

The subject property includes an 18-hole daily-fee golf club. Many competent firms exist throughout the nation that specializes in the operation of golf facilities. Companies such as these would presumably be available and able to operate the subject property, for a fee, in a similar manner to that of competitive properties in the market. In conclusion, it is our opinion that the subject property does not and will not achieve abnormally high or "excess" earnings as a result of its method of operation. Therefore, business value is not considered to exist with the subject property.

## Personal Property

The going concern operation also includes certain furniture, fixtures and equipment. These items must also be segregated from the total going concern value. Two methods of valuation are typically used, one being the "Value In Exchange" and the other being the "Value In Use". "Value In Exchange" refers to the market value of the equipment, if sold to buyers in the open market. In this case, the equipment would not be associated with the real estate operation or the going concern operation, and it would be sold as a separate entity, assuming it were removed from the property. The second approach is "Value In Use", which is the value contribution of the equipment in place, as a part of the going concern operation. This value is sometimes estimated based on the equipment's depreciated value. The value represented within this report is the "Value In Use" of the personal property items.

## Intangibles

Intangibles are considered items such as goodwill, licenses that can be sold, or trade names. No intangible value exists with the subject property.

## Summary and Allocation of Value

To summarize, the subject property is not considered to have any business value based on the valuation parameter within the report. Equipment value has been estimated within this section of the report and will be shown in the final allocations of value below. The personal property estimate below is based on the 2018 assessed value of the personal property as reported by the Lee County Property Appraiser. Below is a breakdown of the allocation of values with the end result being the indicated fee simple value of the real estate.



<b>ALLOCATION OF GOING CONCERN VALUE</b>	
<b>(Current Operations)</b>	
<b>Interest Appraised - Allocation</b>	<b>Value Conclusion</b>
<b>Fee Simple</b>	
Going Concern Value - As Is	\$1,450,000
Personal Property (Rounded)	\$230,000
Business Interest	\$0
Real Property Value	\$1,220,000
<b>ALLOCATION OF GOING CONCERN VALUE</b>	
<b>(Market Operations)</b>	
<b>Interest Appraised - Allocation</b>	<b>Value Conclusion</b>
<b>Fee Simple (Current Operations)</b>	
Going Concern Value - As Is	\$2,650,000
Personal Property (Rounded)	\$230,000
Business Interest	\$0
Real Property Value	\$2,420,000
Compiled by CBRE	

Note: The inclusion of personal property from the golf shop operations (Hypothetical Scenario) is not considered to material affect the allocation as the current taxable amount is current minimal (i.e. under \$5,000).

## Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, “CBRE”) has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the “Report”), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
  - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
  - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
  - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
  - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
  - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
  - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
  - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
  - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
  - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
  - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property’s compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.



13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

### **SPECIAL CONSIDERATIONS**

Since a golf club operation is contingent to a great degree on management and maintenance, this appraisal considers the contributory value of furnishings, fixtures and equipment, i.e. golf course maintenance equipment, clubhouse furnishings, food and beverage equipment. Thus, the appraisal is of the fee simple interest as a going concern.

**ADDENDA**

Addendum A

# Glossary of Golf Property Terms



**bunker** An area of bare ground, often a depression, which is typically covered with sand.

**capacity** The total volume of play, typically measured in rounds per year, which a course may physically accommodate without regard to other factors such as waiting time and course maintenance. Capacity is constrained only by sunlight hours and weather conditions. (see also desired capacity)

**championship course** Usually used to describe a course on which championship tournaments are held. Often reserved for courses that, according to the NGF, by virtue of their design and maintenance are capable of providing an exacting challenge for superior golfers in regional, state and national competitions. Never used to describe the caliber of a course.

**clubhouse** Typically a building that serves as the central gathering area for the golf facility. This building houses any pro shop, food and beverage or locker facilities that may be on site.

**course Rating** The evaluation of playing difficulty of a course compared with other rated courses. Courses are rated to provide a uniform basis for establishment of handicaps. (see also slope rating).

**daily fee facility** A golf facility, available for public access where players pay a daily fee for each daily use. These have also been segregated into categories based on the normal, published weekday daily fee as follows:

Affordable Daily Fee	<\$30
Affordable Upscale Daily Fee	\$30-\$60
Upscale Daily Fee	>\$60

**demand** The desire and ability to purchase or lease goods and services. In this report this term is typically used to describe the level of such desire and ability relative to joining private golf clubs and utilizing daily fee golf facilities.

**desired capacity** The ideal number of rounds (usually expressed annually) which will allow a course to meet its physical and financial objectives. This is formulated in consideration of quality of golfing experience, course maintenance, desired profits and speed of play which the particular course can accommodate.

**driving range** See Practice Fairway

**executive course** A course made up exclusively of par-3 and shortest par-4 holes, with a total par of 55-66 strokes. Also known as a precision course.

**fairway** An area between tee and green defining the desired route between those two points. The fairway is manicured with the shortest cut grass between tee and green facilitating play. Fairway is usually bounded by higher grass called rough.

**features** Those elements of a golf course which distinguish it from others, such as bunkers, hazards, natural beauty or strategic or penal highlights of the course..

**golf accessibility rate** The total population of a defined area expressed as the number of persons per each 18 holes available for play.

**golf capacity utilization** The actual rounds achieved divided by the desired capacity. Private clubs may express this in terms of members divided by desired members.

**golf car** A motorized form of transportation around the golf course which carries player(s) and equipment. Golf cars usually are designed for two players and are either electrically or gas powered. Often referred to as golf carts.

**golf corridor** The land area where a golf course will be located..

**GCSAA** Golf Course Superintendents Association of America. The professional association of golf course caretakers and managers. A source of research information on golf course maintenance.

**golf frequency rate** The frequency with which the population or segments thereof play golf, usually expressed in rounds per year.

**golf participation rate** The percentage of the total population (over age 12) that plays golf at least once per year.

**golf revenue multiplier (GRM)** Sale Price divided by Total Golf Revenue. A unit of comparison which can be used in the sales comparison approach.

**golfer** One who has played golf at least once during the past year.

**grassing** The types of grass planted in the different areas of the golf course.

**green** see putting green

**green fee multiplier (GFM)** Sale price divided by annual number of rounds played, then divided by average green fee (SP/rds./GF – GFM). A unit of comparison which can be used in the sales comparison approach.

**green speed** The relative speed at which a ball rolls on the putting surface, normally measured with a device called a Stimpmeter.

**grow-in** The period of time after a course is seeded but before it is ready for play.

**hazard** Features or situations that complicate the golf shot and are to be avoided, if possible. Hazards can be in the form of a bunker, long grass, non-turf vegetation, slopes, mounds, rocks, trees, water and other hazards.

**heroic design** A philosophy of golf course design where the golfer can decide on his/her level of risk. If more risk is taken and the player chooses to “bite off” as much of the hazard as possible, success is rewarded with a shorter, unobstructed shot to the green. Less risk means a longer shot to the green, often with additional hazards.

**links** A seaside golf course constructed on naturally sand ground with undulations formed by wind and receding tides.

**membership dues** Annual dues paid by members to belong to a golf club, usually private or semi-private.

**membership dues multiplier (MDM)** Sale price divided by number of members, then divided by average dues (SP/# mbrs./annual dues – GFM). A unit of comparison which can be used in the sales comparison approach.

**municipal course** A golf course which is owned by a public entity, i.e., a city, township, county or other public authority.

**NGF** National Golf Foundation. A source of research and information on the US golf market with membership of over 6,000. The NGF’s stated purpose is to promote the development of the game.

**par** The score an expert player is expected to make for a given hole. Par assumes errorless play and allows two strokes per putting green.

**penal design** A philosophy of golf course design which demands error-free play with severe penalties for miss-hit shots.

**PGA** Professional Golfers Association of America. The largest sports association in the United States with membership of more than 20,000.

**pin placement** The area(s) on the putting green where holes may be fairly located.

**practice facility** An area of the property dedicated to golf practice and learning. Also called a driving range, practice range or practice fairway.

**price per membership (PPM)** Sale price divided by number of members (SP/# members). A unit of comparison which can be used in the sales comparison approach.

**price per round (PPR)** Sale price divided by annual number of rounds played (SP/# of rounds). A unit of comparison which can be used in the sales comparison approach.

**primary market** The area from which it is anticipated the golf course will draw most of its patrons or members.

**private club** A golf club where use is restricted to the members and their guests.

**putting green** The portion of each golf hole where the cup is located and play on the hole is concluded. This area typically has a very closely mowed surface and is expected to be true and smooth.

**regulation course** Typically, a regulation course is one that plays to at least 6,000 yards from the men’s tees (18 holes) with a minimum par of 70, consisting of par 3, par 4 and par 5 holes.

**redesign** To deliberately change the design of a hole or course.

**restoration** The redesign of a course with the intention of returning its holes to their original form and character.

**roughs** The unmanicured area typically surrounding tees, greens, fairways and hazards. Roughs are characterized by long grass which is difficult to play from and are normally not in the desired line of play.

**round** One golfer playing 18 holes. If a 9 hole course is surveyed, a round can consist of 9 holes, however, this definition should be limited to the analysis of nine hole courses. If a 9 hole course is being compared to an 18 hole course, 18 hole equivalents should be calculated.

**routing** The positioning and sequence of holes on the site.

**semi-private facility** A golf course facility which allows daily fee play and annual memberships.

**shoulder season** The period of time between the prime season and the off-season. This is typically during the early spring and late fall in the colder climates and the late spring and early fall in the warmer climates.

**signature golf course/architect** Those golf courses and architects, which by nature of their notoriety and reputation are recognizable by their architect or name. The architects are usually well known and either successful golfers or prolific golf course architects, or both.

**signature hole** A hole of unusual or exceptionally dramatic or challenging design that creates a lasting and memorable impression and identity for a golf course.

**slope rating** A measure of course difficulty which allows players from different courses to “equalize” their handicaps based on the slope rating of the

course where the handicap is established and the slope rating of the course being played.

**stimpmeter** A device used to measure green speed.

**strategic design** A golf course design philosophy which affords the golfer alternative routes to the green. Each route has hazards of different severity requiring golfers to decide at the tee which route best suits their game.

**teeing ground** The marked area on each hole from which a player begins play on that hole. Most holes have multiple tee areas for players of different skill levels.

**tee** A wooden peg used by players to elevate their ball prior to the “tee shot” on each hole.

**USGA** United State Golf Association, the ruling body of golf in the United States. The USGA sets forth the rules of the game and establishes player handicaps, as well as supporting championships and golf courses, through its “Green Section”.

**USGA green** A putting green constructed in accordance with USGA specifications.

**Addendum B**

**Service Contracts**



#### **FOURTH AMENDMENT TO AGREEMENT**

This Agreement is made and entered into this 21st day of February 2006, between the CITY OF FORT MYERS, FLORIDA, a Municipal Corporation, 2200 Second Street, hereinafter referred to as the "City" and RICHARD LAMB, 1140 Wales Drive, Fort Myers, Florida, a golf professional, hereinafter referred to as "Provider".

#### **WITNESSETH**

Whereas, the "City" and the "Provider" entered into a written Agreement dated October 2, 1995, Amendment to Agreement dated February 20, 1996, Second Agreement dated July 1, 1996, and Third Agreement dated September 18, 2002; all of which are incorporated by reference and attached hereto as Exhibit A, Exhibit B, Exhibit C, and Exhibit D, respectively, and

Whereas, the "City" and "Provider" are desirous of amending the Agreement of October 2, 1995, as well as the amendments thereto, as herein set forth.

Now, therefore, in consideration of the foregoing and the terms and provisions as contained herein, the parties agree that the written Agreement dated October 2, 1995, as well as the subsequent amendments, shall be amended and modified as follows:

#### **Article 4.0 - COMPENSATION AND METHOD OF PAYMENT**

**4.01 BASIC SERVICES.** PROVIDER shall be entitled to the following:

- A. Full use and occupancy of the golf pro shops on the premises of the Fort Myers and Eastwood Golf Courses at a monthly rental rate of \$10.00 per square foot, which shall be discounted by 15% for services rendered by PROVIDER in the collection of greens fees and golf cart rental fees. Estimated square footage of Fort Myers Pro Shop is 1,750 sf, and Eastwood Pro Shop is 900 square feet. CITY shall receive \$22,525 annually, payable in 12 equal

FOURTH AMENDMENT TO AGREEMENT  
RICHARD LAMB

monthly installments with applicable sales tax included, on or before the 5<sup>th</sup> day of each month, for that month. Delinquent payment will be assessed for a late fee of \$5.00 per day.

- B. Exclusive right to all golf concessions consisting of:
1. The sale of all golf clubs, golf supplies and related equipment of whatever description.
  2. Proceeds from the sale of sports clothing, golf shoes and related soft goods.
  3. All fees from professional golf instruction shall be the sole property of PROVIDER, and PROVIDER shall have the right to delegate instructions to qualified teaching professionals of his choice.
  4. The exclusive right to retrieve and possess balls in all canals, lakes and golf course properties which comprise the Fort Myers and Eastwood Golf Courses.
  5. PROVIDER shall be entitled to all income derived from the rental of golf balls on the Eastwood Golf Course Driving Range adjacent to the pro shop and PROVIDER shall be responsible for the stocking of range balls, as well as costs incurred for the retrieving of said golf balls for use on the driving range. CITY shall receive \$12,000 annually, payable in 12 equal monthly installments with applicable sales tax included, on or before the 5<sup>th</sup> day of each month, for that month. Delinquent

FOURTH AMENDMENT TO AGREEMENT  
RICHARD LAMB

payments will be assessed in a late fee of \$5.00 per day.

6. PROVIDER shall be entitled in year one to a fixed sum of \$510,000 with a cumulative annual increase of five percent (5%) during the term of the contract. PROVIDER shall be obligated to employ all personnel needed to adequately staff the pro shops, driving range and cart operations, including shop manager, golf professionals, clerical staff, rangers, starters and cart personnel ~~with the exception of James Battle who shall remain a City of Fort Myers employee.~~
7. PROVIDER shall make available upon request by the CITY a list containing the names, positions held, salaries and benefits of PROVIDER'S employees within ten (10) days of such request.
8. PROVIDER shall be entitled to ~~one and one-half percent (1.5%)~~ three (3) percent of the gross collection of green fees, annual memberships, cart fees, and rider fees from Eastwood and one and one-half (1.5) percent from Fort Myers Golf Course as an incentive to increase play at both locations.
9. All income derived from the rental of practice range balls on any portion of the Eastwood Golf Course.
10. The PROVIDER agrees to hire all personnel necessary to carry on the proper operation of reserving tee times, starters, cart people and

FOURTH AMENDMENT TO AGREEMENT  
RICHARD LAMB

rangers. Additionally, all staff necessary for  
the proper operation of the Pro Shop and for  
the offering of golf lessons.

In all other respects, the provisions of the Agreement dated October 2,  
1995, the Amendment to Agreement dated February 20, 1996, Second  
Amendment to Agreement dated July 1, 1996, and Third Amendment to  
Agreement dated September 18, 2002, remain in full force and effect.

**IN WITNESS WHEREOF**, the "City" has caused these presents to be  
signed in its corporate name by its Mayor and attested by the City Clerk, and  
the "Provider" has caused these presents to be signed in his name on the dates  
as shown below.

ATTEST:

Marie Adams  
Marie Adams, CMC, City Clerk

CITY OF FORT MYERS, FLORIDA  
a Municipal Corporation

By: Jim Humphrey  
Jim Humphrey, Mayor

APPROVED AS TO FORM:

Grant W. Alley  
Grant W. Alley, City Attorney

Kathy A. Musa  
Witness

R. Lamb  
Richard Lamb

KATHY A. MUSA  
Print Name

Michaelene Beaudin  
Witness

MICHAELENE BEAUDIN  
Print Name



**AGREEMENT**

**EXHIBIT A**

This Agreement is made and entered into this 18th day of Sept., 1995, between The CITY OF FORT MYERS, Florida, a municipal corporation hereinafter referred to as the CITY and RICHARD LAMB, a golf professional, hereinafter referred to as "PROVIDER".

**WITNESSETH**

WHEREAS, the CITY desires to obtain the services of the PROVIDER as further described herein; and,

WHEREAS, the PROVIDER hereby certifies that it has been granted and possesses valid, current licenses to do business in the State of Florida, in Lee County, and the City of Fort Myers, Florida, issued by the respective State Board and Government Agencies responsible for regulating and licensing the services to be provided and performed by the PROVIDER pursuant to the AGREEMENT; and,

WHEREAS, the PROVIDER has reviewed the services required pursuant to the AGREEMENT and is qualified, willing, and able to provide and perform all such services in accordance with the provisions, conditions and terms hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing, and the terms and provisions as contained herein, the parties agree that an Agreement shall exist between them consisting of the following:

**ARTICLE 1.0 - SCOPE OF SERVICES**

The PROVIDER hereby agrees to provide and perform the Services required and necessary to complete the services and work set forth hereinbelow:

(1) To act as Director of Golf at the golf courses and operate the golf pro shops at the golf courses owned by CITY known as "Fort Myers Golf Course" and "Eastwood Golf Course". PROVIDER will devote his full time and effort to the CITY Golf Courses and will perform all agreed upon duties assigned to him to the best of his ability and in a manner satisfactory to the CITY. However, it is agreed that PROVIDER may serve as Golf Coach at Gulf Coast University if offered the position.

(2) To collect and deposit all monies belonging to the CITY derived from the operation of the Fort Myers and Eastwood Golf Courses, including all revenues consisting of annual dues and membership fees, daily greens fees, golf cart rental fees, and such other dues and revenues as may lawfully come into PROVIDER'S possession in a bank account as designated by the CITY.

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PROVIDER shall furnish daily control information as set out in Section 3.08 of this AGREEMENT, as designated by the CITY'S Finance Director.

(3) PROVIDER shall stock, maintain and operate the golf pro shops and be responsible for the maintenance and operation of same during the time the golf courses are open to the public and to the members thereof. In the event this AGREEMENT is terminated, the CITY has the right to acquire from the PROVIDER the stock maintained in the pro shop at the cost of the stock to the PROVIDER. If the CITY chooses not to purchase the pro shop stock, PROVIDER'S successor must negotiate in good faith to purchase the stock in a similar arrangement. PROVIDER shall provide professional golfing instructions to the public at rates to be determined by the PROVIDER.

(4) PROVIDER shall operate said golf pro shops by way of any business entity he shall so select, as approved by CITY, and shall carry an adequate inventory of golf clubs, golf supplies and equipment, sports clothing, soft goods and golf shoes, as shall reasonably be found in similar golf pro shops; however, in any event PROVIDER shall own a majority interest in any business entity elected to carry out the operation of the golf pro shops.

(5) PROVIDER shall be responsible for the maintenance of the interior of the buildings occupied by the pro shops located at the Fort Myers and Eastwood Golf Courses. The term maintenance should not include repairs for structural damage due to age, water, or other typical wear and tear that is not attributable to any negligence on the PROVIDER'S part. At termination of this agreement, PROVIDER shall be required to remove all personal belongings at his expense. Any alteration of the existing building structures shall be approved in writing by the City Council of the City of Fort Myers, prior to the alteration(s) taking place.

(6) PROVIDER shall be responsible for the dispensing of daily greens fee tickets and golf cart rentals to all players and shall be responsible for checking annual greens fee players and greens fee booklet players, and all other greens fee players.

(7) PROVIDER shall be individually responsible for all salary expenses and other benefits to assistants or employees hired by PROVIDER connected with the operation of the Fort Myers and Eastwood Golf Courses, including but not limited to the golf pro shop staff, golf course starters, rangers and cart personnel, and telephone answerers for tee times.

(8) PROVIDER shall cooperate with and make recommendations to the CITY relating to

the condition of the golf courses, in order to ensure proper play and use of the courses.

#### **ARTICLE 2.0 - DEFINITIONS**

**2.01 CITY** shall mean the CITY of Fort Myers, a duly incorporated political subdivision of the State of Florida.

**2.02 PROVIDER** shall mean the individual, firm or entity offering services which, by execution of this Agreement, shall be legally obligated, responsible, and liable for providing and performing any and all of the services, work, and materials, including services and/or the work of sub-contractor(s), required under the covenants, terms and provisions contained in this Agreement.

**2.03 SERVICES** shall mean all services, work, materials, and all related professional, technical and administrative activities that are necessary to perform and complete the services required pursuant to the terms and provisions of this Agreement.

**2.04 ADDITIONAL SERVICES** shall mean any additional services that the CITY may request and authorize, in writing, which are not included in the Scope of Services as set forth in Article 1.0 above.

**2.05 AMENDMENT** shall mean a written document executed by both parties to this Agreement setting forth any changes to the original terms of this Agreement as may be requested and authorized in writing by either party.

**2.06 GROSS REVENUES** shall include revenues from greens fee players, golf cart rentals, and annual dues greens fee players and all other players.

#### **ARTICLE 3.0 - OBLIGATIONS OF THE PROVIDER**

The obligations of the PROVIDER with respect to all Services authorized pursuant to this AGREEMENT shall include, but not be limited to the following:

##### **3.01 LICENSES**

The PROVIDER agrees to obtain and maintain throughout the terms of this AGREEMENT all such licenses as are required to do business in the State of Florida, in Lee County and in the City of Fort Myers, Florida, including, but not limited to, licenses required by the respective State Boards and other governmental agencies responsible for regulating and licensing the services provided and performed by the PROVIDER.

##### **3.02 QUALIFIED PERSONNEL**

A. The PROVIDER agrees to employ only those persons who by training, appearance

and habits are judged to be suitable workmen in the atmosphere of the CITY. CITY shall have the right to require a change of personnel serving CITY'S premises without recourse of explanation, but will exercise that right judiciously.

- B. The PROVIDER agrees that when the services to be provided and performed relate to a professional service(s) which, under Florida Statutes, requires a license, certificate of authorization or other form of legal entitlement to practice such services, to employ and/or retain only qualified personnel to be in charge of all Services to be provided pursuant to this Agreement.

### **3.03 STANDARDS OF SERVICE**

The PROVIDER agrees to provide and perform all services pursuant to the AGREEMENT in accordance with the laws, statutes, ordinances, codes, rules, regulations, and requirements of governmental agencies which regulate or have jurisdiction over the services to be provided and/or performed by the PROVIDER.

### **3.04 CORRECTION OF ERRORS, OMISSIONS, OR OTHER DEFICIENCIES AND RESPONSIBILITY TO CORRECT**

The PROVIDER agrees to be responsible for the professional quality, technical adequacy and accuracy, timely completion, and the coordination of all data, reports, memoranda, and other services and work performed, provided, and/or furnished by the PROVIDER. The PROVIDER shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in such data, reports, other services, and work resulting from the negligent act, errors, or omissions or intentional misconduct of the PROVIDER.

### **3.05 INDEMNIFICATION**

The PROVIDER shall be liable and agrees to be liable for, and shall indemnify, defend and hold the CITY harmless for any and all claims, suits, judgments or damages, losses and expenses including court costs, expert witness and professional consultation services, and attorneys fees arising out of the PROVIDER'S errors, omissions, and/or negligence. The PROVIDER shall not be liable to, nor be required to indemnify the CITY for any portion of damages arising out of any error, omission, and/or negligence of the CITY, its employees, agents, or representatives. The PROVIDER'S obligation under this provision



shall not be limited in any way by the agreed upon fees or percentages as shown in this Agreement, or the Provider's limit of, or lack of, sufficient insurance protection.

**3.06 NOT TO DIVULGE CERTAIN INFORMATION**

PROVIDER agrees, during the term of this Agreement, not to divulge, furnish or make available to any third person, firm, or organization, without the CITY'S prior written consent, or unless incident to the proper performance of PROVIDER'S obligations hereunder, or as provided for or required by law, or in the course of judicial or legislative proceedings where such information has been properly subpoenaed; any non-public information concerning the services to be provided by PROVIDER, and PROVIDER shall require all of its employees and sub-contractor(s) to comply with the provisions of this paragraph.

**3.07 ADDITIONAL SERVICES**

Should the CITY request the PROVIDER to provide and perform services under this Agreement which are not set forth herein, the PROVIDER agrees to provide and perform such ADDITIONAL SERVICES as may be agreed to in writing by both parties.

Such ADDITIONAL SERVICES shall constitute a continuation of the services covered under this Agreement and shall be provided and performed in accordance with the covenants, terms, and provisions set forth in this Agreement and any Amendment(s).

ADDITIONAL SERVICES shall be administered and executed as "AMENDMENTS" under the Agreement. The PROVIDER shall not provide or perform, nor shall the CITY incur or accept any obligation to compensate the PROVIDER for any ADDITIONAL SERVICES, unless a written AMENDMENT shall be executed by the parties.

Each such AMENDMENT shall set forth a description of (1) the Scope of the ADDITIONAL SERVICES requested; (2) the basis of compensation; and (3) the period of time and/or schedule for performing and completing the ADDITIONAL SERVICES.

Should the CITY construct additional golf facilities, the PROVIDER shall have first right of refusal to negotiate a contract to provide the same services as contained within this Agreement.

### 3.08 DAILY AND MONTHLY REPORTING AND DEPOSITS

- A. The PROVIDER shall provide a written report for each location by the 10th working day of the following month to the Assistant Finance Director detailing: monthly income by category with a grand total for the month and including comparisons to the same month last year; notes and comments pertinent to analysis of comparisons (Exhibit A).
- B. The PROVIDER shall provide a written report for each location for the previous month's activity to CITY'S Assistant Finance Director detailing: Income for the month by category with year-to-date totals for each category including monthly and year-to-date grand totals. A list of daily receipt totals must be included. This list will include the date and total amount for each business day, including a grand total for the month (Exhibit B).
- C. The PROVIDER shall provide a daily written report for the previous day's revenues, to CITY'S Assistant Finance Director detailing the business date, name of cash report preparer, amounts of revenue by category (such category to be determined by the Finance Director), and total receipts. The deposits shall be reconciled to the report by detailing the cash deposit and credit card batch totals and entering the aggregate amount. A copy of the daily deposit ticket and credit card batch ticket must accompany the daily cash report sent to CITY'S Finance Department (Exhibit C).
- D. PROVIDER shall deliver each day's deposit to the bank before 2:00 P.M. on the next business day. Each late deposit will result in a \$5.00 fine for each day late, including weekends and holidays. Each month's fines will be deducted from the monthly payment to PROVIDER.
- E. By the 15th day of each month for the previous month's activity, PROVIDER shall submit to the Office of Management and Budget proof of reporting and payment of all sales taxes for "Rich Lamb Golf Shop, Inc." by copy of report(s) and cancelled check(s) sent to the appropriate State agencies for the prior month's period.

### **3.09 UTILITIES**

PROVIDER shall, at PROVIDER'S sole expense, fully and promptly pay \$50.00 per month for electricity at both Fort Myers and Eastwood Golf Courses and long distance telephone charges furnished to the pro shops at the Fort Myers and Eastwood Golf Courses.

### **ARTICLE 4.0 - COMPENSATION AND METHOD OF PAYMENT**

#### **4.01 BASIC SERVICES** PROVIDER shall be entitled to the following:

- A. Full use and occupancy of the golf pro shops on the premises of the Fort Myers and Eastwood Golf Courses at a monthly rental rate of \$10.00 per square foot, which shall be discounted by 15% for services rendered by PROVIDER in the collection of greens fees and golf cart rental fees. Estimated square footage of Fort Myers Pro Shop is 1,750 sf, and Eastwood Pro Shop is 900 square feet. CITY shall receive \$22,525 annually, payable in 12 equal monthly installments with applicable sales tax included, on or before the 5th day of each month, for that month. Delinquent payment will be assessed a late fee of \$5.00 per day.
- B. Exclusive right to all golf concessions consisting of:
  - 1. the sale of all golf clubs, golf supplies and related equipment of whatever description.
  - 2. proceeds from the sale of sports clothing, golf shoes and related soft goods.
  - 3. all fees from professional golf instruction shall be the sole property of PROVIDER, and PROVIDER shall have the right to delegate instructions to qualified teaching professionals of his choice.
  - 4. the exclusive right to retrieve and possess balls in all canals, lakes and golf course properties which comprise the Fort Myers and Eastwood Golf Courses.
  - 5. PROVIDER shall be entitled to all income derived from the rental of golf balls on the Eastwood Golf Course Driving Range adjacent to the pro shop and PROVIDER shall be responsible for the stocking of range balls, as well as costs incurred for the retrieving of said golf balls for use on the driving range. CITY shall receive \$12,000 annually, payable in 12 equal monthly

installments with applicable sales tax included, on or before the 5th day of each month, for that month. Delinquent payments will be assessed a late fee of \$5.00 per day.

6. PROVIDER shall be entitled in year one to a fixed sum \$510,000 with a cumulative annual increase of five percent (5%) during the term of the contract. PROVIDER shall be obligated to employ all personnel needed to adequately staff the pro shops, driving range and cart operations, including shop managers, golf professionals, clerical staff, rangers, starters and cart personnel with the exception of James Battle who shall remain a City of Fort Myers employee.
7. PROVIDER shall make available upon request by the CITY a list containing the names, positions held, salaries and benefits of PROVIDER'S employees within ten (10) days of such request.
8. PROVIDER shall be entitled to one and one-half percent (1.5%) of the gross collection of green fees, annual memberships, cart fees, and rider fees as an incentive to increase play at both locations.
9. All income derived from the rental of practice range balls on any portion of the Eastwood Golf Course.
10. The PROVIDER agrees to hire all personnel necessary to carry on the proper operation of reserving tee times, starters, cart people and rangers. Additionally, all staff necessary for the proper operation of the Pro Shop and for the offering of golf lessons.

#### **4.02 METHOD OF PAYMENT:**

Payment to PROVIDER shall be made each month based upon the following:

- A. 1/12 of annual contractual amount, due by the 1st day of each month for that month's service. If the 1st falls on a weekend, then payment is due by the next business day.
- B. Incentive will be paid within ten (10) working days after the close of the month based on the receipt of valid invoices for previous month's activity as submitted to City's Finance Department (Exhibit B), and in accordance with the Florida Prompt



Payment Act, provided that PROVIDER is not in default of any Agreement terms or provisions.

#### **ARTICLE 5.0 - OBLIGATIONS OF THE CITY**

- 5.01 CITY shall be responsible for all maintenance expenses associated with the golf courses except for the interior of the spaces occupied by PROVIDER. The maintenance of the interior by the PROVIDER shall not include repairs for structural damage due to age, water, or other typical wear and tear that is not attributable to any negligence on the PROVIDER'S part.
- 5.02 CITY shall be responsible for the purchase cost, rental cost, upkeep and storage of all golf carts utilized at the Fort Myers and Eastwood Golf Courses.

#### **ARTICLE 6.0 - SECURING AGREEMENT**

The PROVIDER warrants that the PROVIDER has not employed or retained any company or person other than a bona fide employee working solely for the PROVIDER to solicit or secure this Contract and the PROVIDER has not paid or agreed to pay any person, company, corporations, or firm other than a bona fide employee working solely for the PROVIDER any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of the AGREEMENT.

#### **ARTICLE 7.0 - CONTRACTUAL BASIS**

The PROVIDER shall perform its obligations under this Agreement on an independent contractor basis, and nothing contained herein shall be construed to be inconsistent with this relationship or status. The PROVIDER and its employees are not employees of the CITY and are not entitled to the benefits provided by the CITY to its own employees. The PROVIDER and the CITY shall each file such Federal and State tax returns as may be required of each of them. The PROVIDER, as a private employer, and its employees are not governed or bound by any collective bargaining agreements, employment policies, grievance procedures, or laws/ordinances which may control the relationship between the CITY, a public employer, and its employees.

#### **ARTICLE 8.0 - APPLICABLE LAW**

This AGREEMENT shall be governed by the laws, rules, and regulations of the State of Florida, Lee County, and the City of Fort Myers relating to the business of the PROVIDER.

## **ARTICLE 9.0 - NON-DISCRIMINATION**

The PROVIDER for itself, its successors in interest, and assigns, as part of the consideration thereof, does hereby covenant and agree that no person shall be denied employment or promotion, or be denied any benefits, or otherwise be subjected to any unlawful discrimination, based on the grounds of race, color, national origin, handicap, sex, or any other classification protected by law.

## **ARTICLE 10.0 - INSURANCE**

### **10.01 INSURANCE COVERAGE TO BE OBTAINED**

- A. The PROVIDER shall obtain and maintain such insurance as will protect it from:
  - 1. Claims under Workers' Compensation laws, Disability Benefits laws, or other similar employee benefit laws;
  - 2. Claims for damages because of bodily injury, occupational sickness or disease or death of its employees, including claims insured by usual personal injury liability coverage;
  - 3. Claims for damages because of bodily injury, sickness or disease, or death of any person other than its employees, including claims insured by usual personal injury liability coverage; and
  - 4. Claims for injury to or destruction of tangible property, including loss or use resulting therefrom, any or all of which claims may arise out of, or result from, the services, work, and operations carried out pursuant to and under the requirements of the Agreement, whether such services, work, and operations be by the PROVIDER, its employees, or by any sub-consultant(s), subcontractor(s), or anyone employed by or under the supervision of any of them, or for whose acts any of them may be legally liable.
- B. The insurance protection set hereinabove shall be obtained for not less than the limits of liability specified hereinafter, or as required by law, whichever is greater.
- C. The PROVIDER shall require, and shall be responsible for insuring, throughout the time that this Agreement is in effect, that any and all of its sub-contractors

obtains and maintains until the completion of that subcontractor's work, such of the insurance coverages described herein and as are required by law to be provided on behalf of their employees and others.

- D. The PROVIDER shall obtain, have, and maintain during the entire period of this Agreement all such insurance program as set forth and required herein.

**10.02 PROVIDER REQUIRED TO FILE INSURANCE CERTIFICATE(S)**

- A. The PROVIDER, within fourteen (14) calendar days of execution of this AGREEMENT, shall file with the City Clerk all such insurance certificates as are required under this Agreement. Failure of the PROVIDER to submit such certificates and documents within the required time shall be considered cause for the CITY to find the PROVIDER in default and terminate the AGREEMENT. Before the PROVIDER shall commence any service or work pursuant to the requirements of this Agreement, the PROVIDER shall obtain and maintain insurance coverages of the types and to the limits specified hereinafter, and the PROVIDER shall file with the CITY certificates of all such insurance coverages.
- B. All such insurance certificates shall be in a form and underwritten by an insurance company(s) acceptable to the CITY and licensed in the State of Florida.
- C. Each Certificate of Insurance shall be submitted to the City Clerk in triplicate.
- D. Each Certificate of Insurance shall include the following:
1. The name and type of policy and coverages provided;
  2. The amount of limit applicable to each coverage provided;
  3. The date of expiration of coverage;
  4. The designation of the City of Fort Myers both as an additional insured and as a certificate holder. (This requirement is excepted for Workers' Compensation Insurance); and
  5. Cancellation - Should any of the described policies be cancelled before the expiration date thereof, the issuing company shall mail not less than thirty (30) days written notice to the CITY.
- E. If the initial, or any subsequently issued, Certificate of Insurance expires prior to the completion of the work or termination of this Agreement, the PROVIDER shall

furnish to the CITY renewal or replacement Certificate(s) of Insurance not later than thirty (30) calendar days prior to the date of their expiration. Failure of the PROVIDER to provide the CITY with such renewal certificate(s) shall be justification for the CITY to terminate this Agreement.

#### **10.03 INSURANCE COVERAGES REQUIRED**

The PROVIDER shall obtain and maintain the following insurance coverages:

- A. **WORKER'S COMPENSATION:** Insurance covering all employees meeting Statutory Limits in compliance with the applicable State and Federal laws. The coverage must include Employers' Liability with a minimum limit of \$100,000.00/\$500,000.00/\$100,000.00.
- B. **COMPREHENSIVE GENERAL LIABILITY:** Coverage shall be minimum limits of \$1,000,000.00 Per Occurrence Combined Single Limit for Bodily Injury Liability and Property Damage Liability. This shall include Premises and Operations; Broadform Property Damage; Independent Contractors; Products and Completed Operations and Contractual Liability.
- C. **BOND REQUIREMENTS**  
PROVIDER shall take out and maintain during the term of this Agreement a Comprehensive Dishonesty, Destruction, and Disappearance Bond (commonly known as a "3D" bond) in an amount not less than \$250,000. Said bond shall be endorsed to protect the CITY'S interest and shall be written through a company acceptable to the CITY'S Risk Manager.

#### **ARTICLE 11.0 - TIME OF PERFORMANCE**

The AGREEMENT shall begin on October 1, 1995, and end on September 30, 2005, unless otherwise terminated according to the provisions of the AGREEMENT.

#### **ARTICLE 12.0 - RECORDS**

##### **12.1 BOOKS AND RECORDS**

- A. PROVIDER agrees that all his gross sales shall be recorded on a daily basis in accordance with generally accepted accounting principles and registered each time a sale is made in a manner satisfactory to CITY. PROVIDER shall keep and maintain in location (the address of which is made known to the CITY) full and



accurate books of account and records from which Gross Sales can be determined (including, but not limited to, receipts of merchandise, all federal, state, and local sales tax returns, records of daily bank deposits of the entire receipts from transactions in, at, on, or from the pro shops, including, but not limited to, rentals, driving range at Eastwood Golf Course, sales slips, daily dated cash register tapes, sales books, duplicate bank deposit slips and bank statements) which shall be conveniently segregated from CITY's records.

- B. CITY shall have the right upon seven (7) days' notice to inspect and audit the records and documentation referred to in the above paragraph. The CITY shall be responsible for expenses directly related to such audit, such as the expense of the auditor(s). The PROVIDER shall be responsible for expenses incidental to such audit, including but not limited to record copying expense, and the salary or wages of any PROVIDER personnel involved or participating in the audit.
- C. The PROVIDER shall keep and maintain adequate records and supporting documentation applicable to all of the service provided and expenses incurred pursuant to the requirements of this AGREEMENT. Said records and documentation shall be retained by the PROVIDER for a minimum of five (5) years from the date of the termination of this AGREEMENT or for such period as required by law, whichever is less.

#### **ARTICLE 13.0 - TERMINATION**

- 13.01 PROVIDER may terminate this Agreement at any time by giving CITY one hundred twenty (120) days written notice of said termination and stating the reason(s) for such termination. If so terminated, the rights, benefits and obligations of PROVIDER shall remain in force until the actual termination date of this Agreement.
- 13.02 CITY may terminate this Agreement upon default by PROVIDER of the provisions of this Agreement. However, CITY will give PROVIDER a period of sixty (60) days, after written notice of default, to cure said default and avoid termination. If PROVIDER shall cure the default within the said sixty (60) day period, the termination notice shall be null and void, and PROVIDER shall be restored to the status enjoyed previous to the sixty (60) day notice by CITY.

Failure to properly account for all CITY funds and to deposit the same as herein provided, shall give the CITY the absolute right to terminate this Agreement.

#### **ARTICLE 14.0 - ASSIGNMENT**

The PROVIDER shall not assign, transfer, convey, sublet or otherwise dispose of this contract, or of any or all of its rights, title or interest therein, or his power to execute such contract to any person, company or corporation without prior written consent of the CITY.

#### **ARTICLE 15.0 - HEADINGS**

The headings of the Articles, Sections, Exhibits, and Attachments as contained in this Agreement are for the purpose of convenience only and shall not be deemed to expand, limit or change the provisions contained in such Articles, Section, Exhibits and Attachments.

#### **ARTICLE 16.0 - ENTIRE AGREEMENT**

This Agreement, including the referenced Schedules and Attachments, constitutes the entire Agreement between the parties and shall supersede all prior agreements or understandings, written or oral, relating to the matters set forth herein.

#### **ARTICLE 17.0 - NOTICES AND ADDRESSES**

##### **17.01 NOTICES BY PROVIDER TO CITY**

All notices required and/or made pursuant to this AGREEMENT shall be given by the United States Postal Service, Certified Mail, Return-Receipt Requested, to the following CITY address of record:

The City of Fort Myers  
Post Office Box 2217  
Fort Myers, Florida 33902-2217  
Attention: Mayor Wilbur C. Smith, III

with a copy to:  
Jacqueline W. Hubbard, Esq.  
City Attorney  
City of Fort Myers  
Post Office Box 2217  
Fort Myers, FL 33902-2217

##### **17.02 NOTICES BY CITY TO PROVIDER**

All notices required and/or made pursuant to this AGREEMENT to be given by the CITY to the PROVIDER shall be made in writing and shall be given by the United States Postal

Service, Certified Mail, Return-Receipt Requested, to the following PROVIDER address of record:

Richard Lamb  
c/o Fort Myers Country Club  
3591 McGregor Boulevard  
Fort Myers, Florida 33901

**ARTICLE 18.0 - AMENDMENTS**

The terms and provisions contained in this Agreement may be amended in writing, by the agreement of both parties. In the event of any conflicts between the requirements, provisions and/or terms of the Agreement and any written Amendment(s), the requirements, provisions and/or terms of the latest executed Amendment(s) shall take precedence.

**ARTICLE 19.0 - MODIFICATIONS**

Modifications to the terms and provisions of this Agreement shall only be valid when issued in writing as a properly executed Amendment(s). In the event of any conflicts between the requirements, provisions, and/or terms of this Agreement and any written Amendment(s), the requirements, provisions and/or terms of the latest executed Amendment(s) shall take precedence.

**ARTICLE 20.0 - ACCEPTANCE**

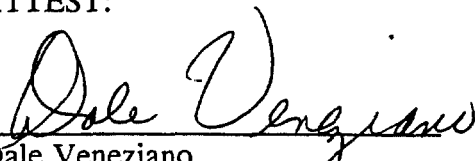
Acceptance of the CONTRACT shall be indicated by the signature of the duly authorized representative of the parties in the space provided.


IN WITNESS WHEREOF, the parties have executed this CONTRACT effective the day and year first written above.

DONE and ADOPTED this 2<sup>nd</sup> day of October, 1995.

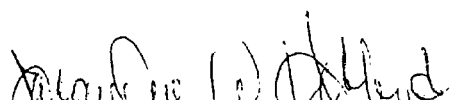
ATTEST:

CITY OF FORT MYERS, FLORIDA

  
Dale Veneziano  
CITY CLERK

By:   
Mayor Wilbur C. Smith, III

APPROVED AS TO FORM

  
Jacqueline W. Hubbard  
CITY ATTORNEY

DONE AND ADOPTED this 2<sup>nd</sup> day of October, 1995.

ATTEST:

Marlene De Jesus  
(Witness)

Dale Vengiano  
(Witness)

Richard Lamb  
Richard Lamb

Date: 10/2/95



This Agreement is made and entered into this 20th day of February, 1996, between The CITY OF FORT MYERS, Florida, a municipal corporation hereinafter referred to as the CITY and RICHARD LAMB, a golf professional, hereinafter referred to as "PROVIDER".

# WITNESSETH

WHEREAS, "City" and "Provider" entered into that certain Agreement dated October 2, 1995, wherein Provider was entitled in year one to a fixed sum of \$510,000 with a cumulative annual increase of five percent (5%) during the term of the contract.

WHEREAS, "Provider" wishes to decrease this fixed sum based on Provider's expenses being lowered due to employee attrition.

NOW THEREFORE, the "City" and "Provider" agree as follows:

1. Provider shall be entitled in year one to a fixed sum \$503,000 based on a monthly expense of \$42,500.00 effective October 1, 1995 thru February 29, 1996, and a monthly expense of \$41,500 effective March 1, 1996 thru September 30, 1996.
2. The agreed upon cumulative annual increase of five percent (5%) for year two shall be calculated upon a fixed sum of \$498,000 (monthly expense of \$41,500).
3. All other provisions of the agreement are to remain in full force and effect.

IN WITNESS WHEREOF, the "City" has caused these presents to be signed in its corporate name by its Mayor, and attested by the City Clerk, and the "Provider" has caused these presents to be signed in his name this 28th day of FEBRUARY, 1996.

ATTEST:

CITY OF FORT MYERS, FLORIDA

Dale Veneziano  
Dale Veneziano  
CITY CLERK

By: Wilbur C. Smith, III  
Mayor Wilbur C. Smith, III

APPROVED AS TO FORM

Jacqueline W. Hubbard  
Jacqueline W. Hubbard  
CITY ATTORNEY

Linda M. Arno  
(Witness)  
LINDA M. ARNO

Richard Lamb  
Richard Lamb

This Agreement is made and entered into this 1 day of JULY, 1996, between The CITY OF FORT MYERS, Florida, a municipal corporation hereinafter referred to as the "CITY" and RICHARD LAMB, a golf professional, hereinafter referred to as "PROVIDER".

## WITNESSETH

WHEREAS, "City" and "Provider" entered into that certain Agreement dated October 2, 1995.

WHEREAS, "City" wishes to allow "Provider" to authorize refunds of membership fees under certain situations which meet specific criteria.


NOW THEREFORE, the "City" and "Provider" agree as follows:

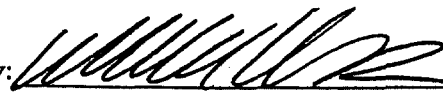
1. Provider shall be authorized to refund membership fees in the event of a member's death, terminal or debilitating illness. Refund may also be reviewed in the case of job transfer or unexpected relocation. Such refund shall be calculated at one-twelfth (1/12) x the number of months remaining in the annual membership fee paid or one-ninth (1/9) x the number of months remaining in the nine month membership fee paid..
2. All other provisions of the agreement are to remain in full force and effect.

IN WITNESS WHEREOF, the "City" has caused these presents to be signed in its corporation name by its Mayor, and attested by the City Clerk, and the "Provider" has caused these presents to be signed in his name this 8th day of JULY, 1996.

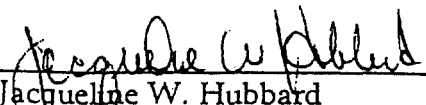
ATTEST:

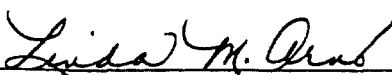
CITY OF FORT MYERS, FLORIDA


  
Dale Veneziano  
CITY CLERK

By:   
Mayor Wilbur C. Smith, III

APPROVED AS TO FORM

  
Jacqueline W. Hubbard  
CITY ATTORNEY

  
(Witness)

  
Richard Lamb

**THIRD AMENDMENT TO AGREEMENT**

This Agreement is made and entered into this 18 day of Sept., 2002, between the CITY OF FORT MYERS, Florida, a municipal corporation hereinafter referred to as the "City" and RICHARD LAMB, a golf professional, hereinafter referred to as "Provider".

**WITNESSETH**

WHEREAS, the "City" and the "Provider" entered into a written Agreement dated October 2, 1995, Amendment to Agreement dated February 20, 1996, and Second Amendment to Agreement dated 7/1/96; all of which are incorporated by reference; and

WHEREAS the "City" and "Provider" are desirous of amending the Agreement of October 2, 1995, as well as the amendments thereto, as herein set forth.

Now, therefore, in consideration of the foregoing and the terms and provisions as contained herein,

The parties agree that the written Agreement of October 2, 1995, as well as the subsequent amendments, shall be amended and modified as follows:

Article 11.0 Time of Performance

- (A.) This Agreement shall begin on October 1, 1995 and shall end on September 30, 2012 unless otherwise extended or terminated according to the provisions of this Agreement.
- (B.) The parties will mutually agree to negotiate contractual extensions one hundred fifty (150) days prior to the September 30, 2012 date.

#### Article 4.0 Compensation and Method of Payment

##### 4.01

6. Effective October 1, 2002, the cumulative annual increase to "Provider" shall be reduced from (5%) to (2%) during the term of the contract. Effective October 1, 2002, the annual fixed sum for the fiscal year 2002-2003 shall be \$667,367.76 or \$55,613.98 per month. The 2% annual cumulative increase shall begin on October 1, 2003 and continue each year through September 30, 2012.

#### Option to Operate One Facility

"Provider" may at any time during the course of the Agreement elect to operate either Fort Myers Country Club or Eastwood Golf Course individually. In the event that "Provider" desires to exercise this option, notice must be given to the "City" one hundred twenty (120) days prior to the effective date of such individual operation.

In addition, in the event "Provider" chooses to operate just one facility, the "City" agrees to have "Provider" *participate significantly in the decision as to the hiring of the person* who shall take over operation of the golf course that "Provider" has chosen not to manage and operate.

In the event that the "Provider" elects to operate just one facility, the compensation to be paid to "Provider" shall be 50% of the compensation as enumerated in this Agreement.



#### Disposition of Eastwood Golf Course

In the event the "City" should dispose or divest itself of Eastwood Golf Course, Fort Myers, Florida, by sale, lease, lease option, license, lease purchase or right of first refusal, assignment or conveyance, "City" agrees to pay "Provider" the sum of \$100,000.00 in liquidated damages per year for three (3) years subsequent to the date of disposition. Said damages shall be paid yearly or on such other terms as "City" and "Provider" shall agree.

#### Disposition of Fort Myers Country Club

In the event the "City" should dispose or divest itself of Fort Myers Country Club, Fort Myers, Florida, by sale, lease, lease option, license, lease purchase or right of first refusal, assignment or conveyance, "City" agrees to pay "Provider" the sum of \$100,000.00 in liquidated damages per year for three (3) years subsequent to the date of disposition. Said damages shall be paid yearly or on such other terms as "City" and "Provider" shall agree.

#### Simultaneous Disposition

In the event the "City" should dispose or divest itself of both Eastwood Golf Course and Fort Myers Country Club, Fort Myers, Florida, simultaneously, by sale, lease, lease option, license, lease purchase or right of first refusal, assignment or conveyance, "City" agrees to pay "Provider" the sum of \$200,000.00 in liquidated damages per year for three (3) years subsequent to the date of disposition. Said damages shall be paid yearly or on such other terms as "City" and "Provider" shall agree.

In all other respects, the provisions of the Agreement dated October 2, 1995; the Amendment to Agreement dated February 20, 1996, and Second Amendment to Agreement dated 7/1/96 remain in full force and effect.

IN WITNESS WHEREOF, the "City" has caused these presents to be signed in its corporate name by its Mayor, and attested by the City Clerk, and the "Provider" has caused these presents to be signed in his name, this 18 day of September, 2002.

City of Fort Myers, Florida

WITNESSES:

Marie Adams  
Print Name MARIE ADAMS  
"CITY" CLERK

By: James T. Humphrey  
Mayor James T. Humphrey

APPROVED AS TO FORM  
[Signature] 6/14/02  
Print Name \_\_\_\_\_  
"CITY" ATTORNEY

HAL ADAMS  
Print Name HAL ADAMS  
WITNESS

Richard Lamb  
Richard Lamb

**Addendum C**

# **Qualifications & Licenses**

# Michael (Mace) J. Green, Jr.

*Senior Appraiser / Golf Valuation Group*

**CBRE**



T + 1 904 633 2611  
Mace.green@cbre.com  
www.cbre.com/MaceGreen

225 Water Street; Suite 110  
Jacksonville, FL 32202

## Experience

Michael (Mace) J. Green, Jr. is a Senior Appraiser with over 13 years of real estate appraisal and consulting experience throughout the Southeastern United States.

Mr. Green's primary geographical location is the Jacksonville MSA (Duval, St. Johns, Clay, Nassau and Baker Counties) and southeastern portions of Georgia (Chatham, Bryan, Liberty, McIntosh, Glynn and Camden Counties). Mr. Green has experience providing real estate appraisals, consultations, reviews, market studies, rent analyses, feasibility studies, litigation support, and is a court qualified expert witness. Mr. Green's experience encompasses a wide variety of property types including retail, multifamily residential, office, industrial, vacant land, as well as a multitude of special use properties.

In 2017, Mr. Green joined the CBRE Golf Valuation Group for the Florida region providing appraisal and consulting services on numerous golf course around the state. Mr. Green has an extensive background in golf, having played professionally and worked at some of the nations most renowned golf courses.

Mr. Green joined CBRE in 2007 providing valuation services in the Charlotte, NC office before transferring to CBRE's Savannah, Georgia office in 2012 and then Jacksonville, Florida in 2014.

Prior to joining CBRE, Mr. Green was an associate with R.W. Shiplett & Associates in Charlotte, NC for 3-years.

## Professional Affiliations / Accreditations

- Practicing Affiliate – Appraisal Institute
- Certified General Real Estate Appraiser:
  - Florida RZ 3679
  - Georgia 335748

## Education

- Augusta State University, Augusta, GA
  - Bachelor of Science, History - 1997





RICK SCOTT, GOVERNOR

JONATHAN ZACHEM, SECRETARY



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

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

**GREEN, MICHAEL JOSEPH JR**

225 WATER ST STE 110  
JACKSONVILLE FL 32202

**LICENSE NUMBER: RZ3679**

**EXPIRATION DATE: NOVEMBER 30, 2020**

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



Do not alter this document in any form.

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



# APPRAISAL REPORT

FORT MYERS COUNTRY CLUB  
3650 CECIL JOHNS ROAD  
FORT MYERS, FLORIDA 33901  
CBRE GROUP, INC. FILE NO. 19-397MI-2676

CBRE, INC.

**CBRE**



225 Water Street; Suite 110  
Jacksonville, Florida 33202

T (904) 633-2611  
F (904) 791-8953

[www.cbre.com](http://www.cbre.com)

May 13, 2019

William (Tripp) I. Gulliford, III  
Senior Managing Director  
CBRE, INC.  
225 Water Street; Suite 110  
Jacksonville, Florida 32002

RE: Appraisal of Fort Myers Country Club  
3650 Cecil Johns Road  
Fort Myers, Lee County, Florida  
CBRE, Inc. File No. 19-397MI-2676

Dear Mr. Gulliford:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property and presented our analysis in the following Appraisal Report.

The subject property is an existing, 18-hole, daily fee/public golf course situated on a an approximate 134.93-acre site. The clubhouse has an address of 3650 Cecil Johns Road, Fort Myers, Florida. The golf course was originally developed in 1911 by renowned architect Donald Ross. In 2013, the course was substantially renovated back to its original design including upgrades to the clubhouse. The championship course measures 6,675 yards from the back tees with a USGA course rating of 72.9. Ancillary improvements consist of the clubhouse/cart storage building with full service restaurant/lounge, a separate pro shop building, starters shed, maintenance facilities and two (2) on-course restrooms/shelters.

The subject property currently sub-contracts several of the operating components of the golf course (i.e. golf operations and restaurant) to third party vendors. Based upon that analysis contained herein, these service contracts, along with additional expenses, negatively impact the underlying value of the subject property, resulting in inefficient operations.

Based on the analysis contained in the following report, the going concern market value of the subject property under its current operating agreements, as well as a Hypothetical Value of the subject assuming market oriented operations, is presented as follows:

<b>MARKET VALUE CONCLUSION</b>			
<b>Appraisal Premise</b>	<b>Interest Appraised</b>	<b>Date of Value</b>	<b>Value Conclusion</b>
As Is - Going Concern	Leased Fee	January 30, 2019	\$1,550,000
Hypothetical Going Concern (Market Operations)	Fee Simple	January 30, 2019	\$4,350,000
Compiled by CBRE			

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The valuation of a golf course property is typically that of the "going concern". Going concern is defined to include the real property plus the contributory value of the furniture, fixtures and equipment (FF&E or personal property) and business interest. USPAP requires that appraisals contain a discussion of these elements of value and their individual allocation in the total value of the property. For purposes of this appraisal, the market value of the subject has been allocated as follows. Based on the nature of a golf course operation, the business value was recognized to be an integral and inseparable part of the overall property value. The following personal property estimate is based on the 2018 assessed value of the personal property as reported by the Lee County Property Appraiser.

<b>ALLOCATION OF GOING CONCERN VALUE (Current Operations)</b>	
<b>Interest Appraised - Allocation</b>	<b>Value Conclusion</b>
<b>Fee Simple</b>	
Going Concern Value - As Is	\$1,550,000
Personal Property (Rounded)	\$350,000
Business Interest	\$0
Real Property Value	\$1,200,000
<b>ALLOCATION OF GOING CONCERN VALUE (Market Operations)</b>	
<b>Interest Appraised - Allocation</b>	<b>Value Conclusion</b>
<b>Fee Simple</b>	
Going Concern Value - As Is	\$4,350,000
Personal Property (Rounded)	\$430,000
Business Interest	\$0
Real Property Value	\$3,920,000
Compiled by CBRE	

The personal property estimate within the "Hypothetical" scenario includes items associated with the pro shop and restaurant operations as this scenario assumes full operations by the owner.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP),



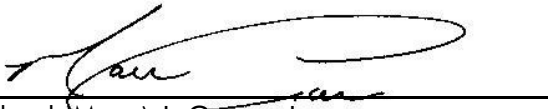
the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and CBRE will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE, Inc., Inc. can be of further service, please contact us.

Respectfully submitted,

**CBRE, Inc. - VALUATION & ADVISORY SERVICES**

A handwritten signature in black ink, appearing to read "Mace", is written over a horizontal line.

Michael (Mace) J. Green, Jr.

Senior Appraiser

Cert Gen RZ3679

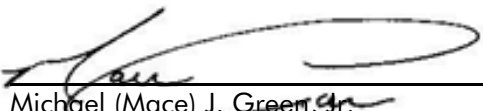
Phone: 904.633.2611

Email: [Mace.Green@cbre.com](mailto:Mace.Green@cbre.com)

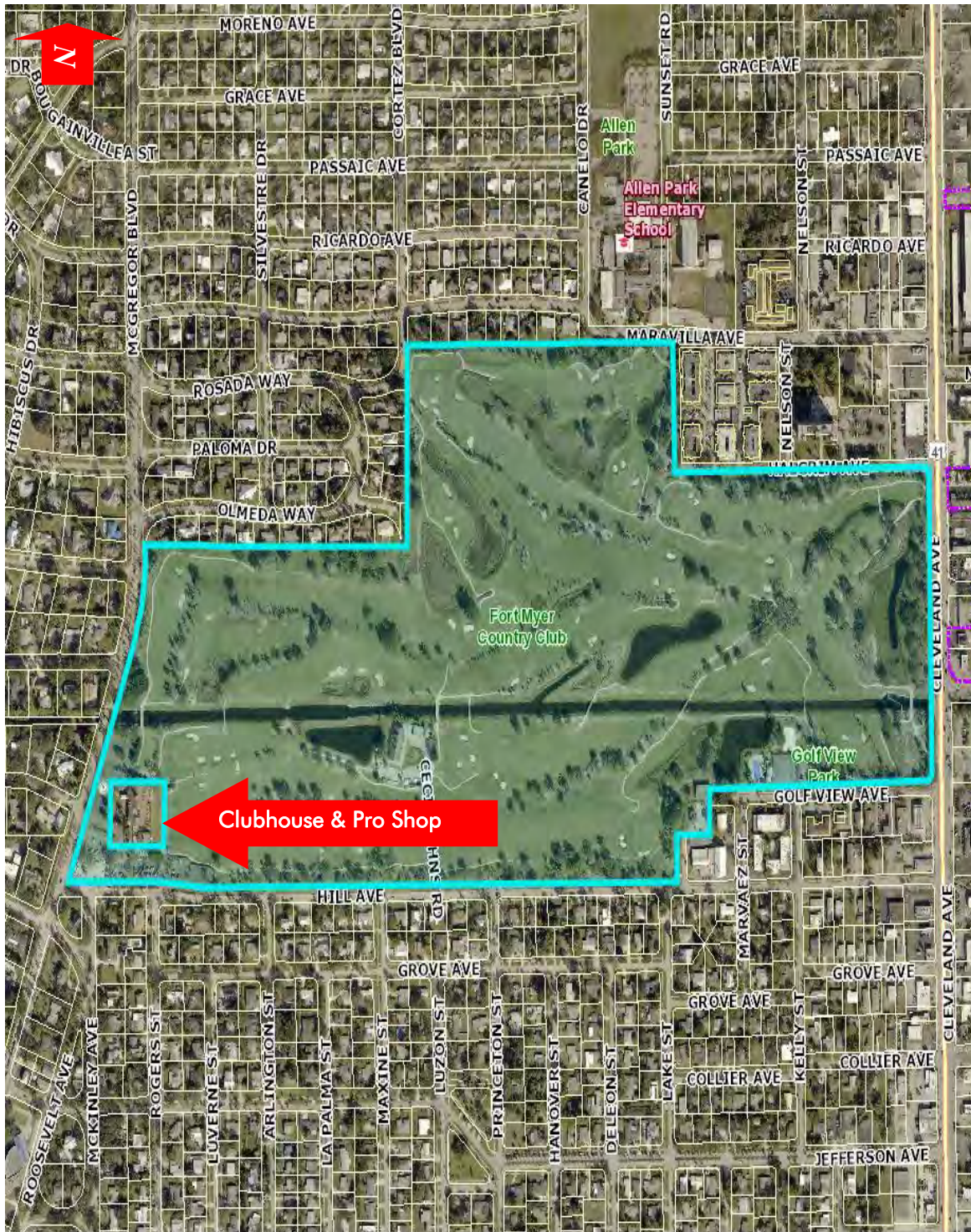
## Certification of the Appraisal

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Florida.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Michael (Mace) J. Green, Jr. has completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members
11. Michael (Mace) J. Green, Jr. has made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the persons signing this report.
13. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
14. Michael (Mace) J. Green, Jr. has not provided real estate related services on this property in the three years prior to accepting this assignment.

  
 Michael (Mace) J. Green, Jr.  
 Cert Gen RZ3679

## Subject Photographs



The outlined area includes the tax parcel of the golf course as well as additional city owned assets (i.e. pool, tennis, office). However, only the golf course operations are considered herein.

Aerial View; Subject Clubhouse is Identified





Clubhouse/Restaurant



Clubhouse/Restaurant



Pro Shop



Pro Shop



Cart Storage Entrance

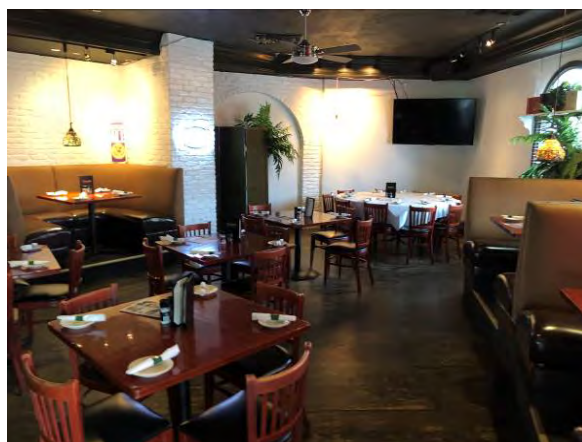


Cart Storage Interior

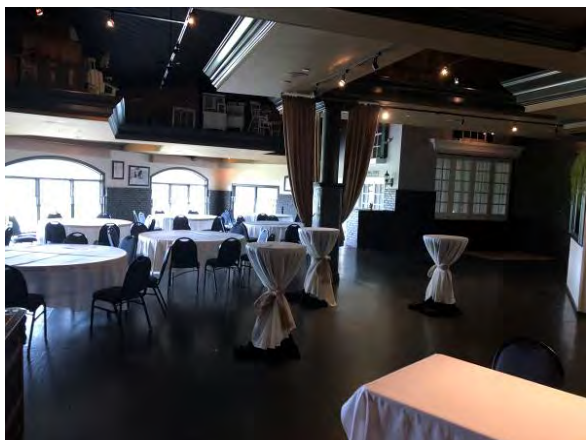




Main Restaurant Bar



Main Dining Room



Banquet Room



Commercial Kitchen



Commercial Kitchen



Outdoor Bar/Lounge





Outdoor Patio Overlooking Golf Course



Pro Shop Interior



Pro Shop Interior



Starters Shed



Practice Putting Green



Typical Golf Course View



Typical Golf Course View



Golf Course View



Typical Golf Course View



Typical Golf Course View



Typical Golf Course View



On-Course Restroom/Shelter





On-Course Restroom Shelter



Golf Maintenance Facility



Golf Maintenance Facility



Golf Maintenance Equipment Storage



View of Clubhouse/Pro Shop from 1<sup>st</sup> Tee



Centennial Plaque at Pro Shop Entrance



## Summary of Salient Facts

<b>Property Name</b>	Fort Myers Country Club	
<b>Location</b>	3591 McGregor Boulevard, Fort Myers, Florida	
<b>Assessor's Parcel Numbers</b>	35-44-24-P2-00060.0000	
<b>Property Type</b>	Golf Course	
<b>Highest and Best Use</b>	Future Golf Course Development	
As Though Vacant	Daily Fee Golf Course	
As Improved	Fee Simple - Going Concern	
<b>Property Rights Appraised</b>	January 30, 2019	
<b>Date of Inspection</b>	January 30, 2019	
<b>Land Area</b>	134.92 AC	5,877,115 SF
<b>Improvements</b>		
Pro Shop	1,946 SF	
Clubhouse/Restaurant	20,870 SF	
Golf Cart Storage	9,358 SF	
Golf Maintenance	6,650 SF	
Golf Maintenance Chemical Storage	1,715 SF	
Golf Maintenance Equipment Storage	600 SF	
On-Course Restroom/Shelter (2)	300 SF	
Number of Buildings	7	
Number of Stories	1 and 3	
Gross Building Area	41,439 SF	
Number of Holes	18	
Course Type	Daily Fee/Public Course	
Course Designer	Donald Ross	
Championship Yardage	6,675 Yards	
Restaurant/Lounge	Yes	
Practice Facilities	Putting Green, Chipping/Bunker Area	
Property Amenities	Men's and women's restrooms, golf pro shop, full restaurant with bar/lounge, banquet rooms, commercial kitchen, outdoor patio, two (2) on-course restroom buildings	
Year Developed	1917 - 2015	
Condition	Average	
<b>Estimated Exposure Time</b>	6 to 12 Months	
<b>Financial Indicators</b>		
<b>Total Rounds</b>	Annual Rounds	
2016	58,245	
2017	63,461	
2018	61,487	
Stabilized Annual No. Rounds	61,500	

<b>Current Operating Data (W/Service Agreements)</b>		<b>Total</b>	<b>Per Round</b>	<b>Per Hole</b>
Total Gross Revenue		\$1,884,975	\$30.65	\$104,721
Less: Cost of Goods Sold		\$0	\$0.00	\$0
Effective Gross Income		\$1,884,975	\$30.65	\$104,721
Operating Expenses		\$1,696,021	\$27.58	\$94,223
Expense Ratio		90.0%		
Net Operating Income (EBITDA)		\$188,954	\$3.07	\$10,497
<b>Operating Data (Market Operations)</b>				
Total Gross Revenue		\$3,536,250	\$57.50	\$196,458
Less: Cost of Goods Sold		\$634,988	\$10.33	\$35,277
Effective Gross Income		\$2,901,263	\$47.18	\$161,181
Operating Expenses		\$3,107,714	\$50.53	\$172,651
Expense Ratio		87.9%		
Net Operating Income (EBITDA)		\$428,536	\$6.97	\$23,808
<b>VALUATION</b>				
Sales Comparison Approach	As Is - Going Concern	\$1,500,000	\$24.39	\$83,333
	Hypothetical Going Concern (Market Operations)	\$4,400,000	\$71.54	\$244,444
Income Capitalization Approach	As Is - Going Concern	\$1,600,000	\$26.02	\$88,889
	Hypothetical Going Concern (Market Operations)	\$4,300,000	\$69.92	\$238,889

<b>CONCLUDED MARKET VALUE</b>			
<b>Appraisal Premise</b>	<b>Interest Appraised</b>	<b>Date of Value</b>	<b>Value</b>
As Is - Going Concern	Leased Fee	January 30, 2019	\$1,550,000
Hypothetical Going Concern (Market Operations)	Fee Simple	January 30, 2019	\$4,350,000

Compiled by CBRE

## STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

Strengths and weaknesses are internal to the subject; opportunities & threats are external to the subject

### Strengths/ Opportunities

- The subject property is well located within Fort Myers, generating significant play;
- The golf course was substantially renovated in 2014 to the original Donald Ross design at a cost of approximately \$5.8 million, and;
- The historic nature of a true Donald Ross designed golf course will appeal to golf enthusiasts around the country and world.

### Weaknesses/ Threats

- Current operations are significantly impacted by operating agreements that limit revenue generating capabilities.
- National publications continue to track declining participation in the game with many clubs facing difficult financial situations.
- As will be noted in the market analysis, the subject MSA ranks 7th in the nation in terms of private golf per capita. The adjacent Naples/Marco Island MSA ranks 1st in the nation, indicating a significant level of competition in the immediate area of the subject

## EXTRAORDINARY ASSUMPTIONS

An *extraordinary assumption* is defined as “an assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.” <sup>1</sup>

- We have relied on financial, rounds played and membership information for the subject that was supplied by ownership for our analysis of the subject property. Therefore, we relied on this information throughout our appraisal. Should any of this information be significantly different from what was given, the conclusions reached herein may be subject to change.
- The analysis and conclusions contained herein reflect only the golf and clubhouse operations and do not consider the additional government facilities located on portions of the site (i.e. community pool, tennis courts, police station, etc.).
- The use of this extraordinary assumption may have affected the assignment results.

## HYPOTHETICAL CONDITIONS

A *hypothetical condition* is defined as “that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.” <sup>2</sup>

- None noted

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<sup>1</sup> The Appraisal Foundation, *USPAP*, 2018-2019

<sup>2</sup> The Appraisal Foundation, *USPAP*, 2018-2019

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A Glossary of Golf Property Terms	
B Service Contract	
C Qualifications & Licenses	



## Introduction

### OWNERSHIP AND PROPERTY HISTORY

According to the Lee County Property Appraiser, title to the subject property is currently vested in the name of The City of Fort Myers. As far as we could determine, there have been no arm's length ownership transfers of the subject property in the last three years. As of the date of value, the subject is not being marketed for sale.

### INTENDED USE OF REPORT

The intended use of this appraisal is for internal-decision making purposes by the City of Fort Myers, and no other use is permitted.

### INTENDED USER OF REPORT

The intended users of this report are CBRE, Inc. (PIES) Group and the City of Fort Myers, and such other parties and entities (if any) expressly recognized by CBRE as "Intended Users" (as further defined herein).

**Intended Users** - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report.<sup>3</sup>

### PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property.

### DEFINITION OF VALUE

The current economic definition of fair value is as follows:

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.<sup>4</sup>

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<sup>3</sup> Appraisal Institute, *The Appraisal of Real Estate*, 14<sup>th</sup> ed. (Chicago: Appraisal Institute, 2013), 50.

<sup>4</sup> Financial Accounting Standards Board (FASB), definition in ASC 820 – Fair Value Measurements.

## INTEREST APPRAISED

The value estimated represents the fee simple estate as defined below:

*Fee Simple Estate* - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.<sup>5</sup>

## SCOPE OF WORK

This is an Appraisal Report (Concise) that is intended to comply with the reporting requirements set forth under Standards Rule 2 of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents concise discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. CBRE, Inc. completed the following steps for this assignment:

### Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address
- assessor's records
- legal description

### Extent to Which the Property is Inspected

CBRE, Inc. inspected both the interior and exterior of the subject, as well as its surrounding environs on the effective date of appraisal. This included the following:

- the interior and exterior of the clubhouse/cart storage building and the exterior of the golf course maintenance facility.
- several holes on the golf course and practice putting greens, and all other practice facilities and amenities previously listed

This inspection sample was considered an adequate representation of the subject property and is the basis for our findings.

### Type and Extent of the Data Researched

CBRE reviewed the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- income and expense data

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<sup>5</sup> *Dictionary of Real Estate Appraisal*, 78.

- comparable data

### Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section.

### Data Resources Utilized in the Analysis

RESOURCE VERIFICATION	
<b>Site Data</b>	Source/Verification:
Size	Lee County Property Appraiser
<b>Improved Data</b>	Source/Verification:
Gross Building Area	Lee County Property Appraiser
Equipment Inventory	Lee County Property Appraiser
Area Breakdown/Use	Lee County Property Appraiser
No. Bldgs.	Personal observations during our inspection
Year Developed/YOC	Lee County Property Appraiser
<b>Economic Data</b>	Source/Verification:
Deferred Maintenance:	No significant items reported or observed
Renovation Costs:	N/A
Rounds Data:	City of Fort Myers Officials
Financial Data:	City of Fort Myers Officials
Compiled by CBRE	

## AERIAL VIEW; SUBJECT CLUBHOUSE IS IDENTIFIED



The outlined area includes the tax parcel of the golf course as well as additional city owned assets (i.e. pool, tennis, police station, etc.). However, only the golf course components are considered herein.



## Site Analysis

The following chart provides a summary of the salient features relating to the subject site.

SITE SUMMARY			
<b>Physical Description</b>			
Gross Site Area	134.92 Acres	5,877,115 Sq. Ft.	
Net Site Area	134.92 Acres	5,877,115 Sq. Ft.	
Primary Road Frontage	McGregor Boulevard		
Additional Road Frontage	Hill Avenue		
Additional Road Frontage	Cleveland Avenue		
Excess Land Area	None		
Topography	Generally level with typical golf course elevation changes		
Zoning Districts	REC; Recreation		
Flood Map Panel No.	12071C0410F	August 28, 2008	
Flood Zones	Zone X		
Adjacent Land Uses	single-family residential and government services (i.e. tennis, pool, offices)		
<b>Comparative Analysis</b>		<b><u>Rating</u></b>	
Access	Average		
Visibility	Average		
Functional Utility	Average		
Traffic Volume	Average		
Adequacy of Utilities	Assumed adequate		
Landscaping	Average		
Drainage	Assumed adequate		
<b>Utilities</b>	<b><u>Provider</u></b>	<b><u>Adequacy</u></b>	
Water	City of Fort Myers	Yes	
Sewer	City of Fort Myers	Yes	
Natural Gas	Teco/Peoples Gas	Yes	
Electricity	Florida Power & Light (FPL)	Yes	
Telephone	Local Providers	Yes	
Mass Transit	N/A	N/A	
<b>Other</b>	<b><u>Yes</u></b>	<b><u>No</u></b>	<b><u>Unknown</u></b>
Detrimental Easements		X	
Encroachments		X	
Deed Restrictions		X	
Reciprocal Parking Rights		X	
Common Ingress/Egress		X	
Source: Various sources compiled by CBRE			

### **Easements and Encroachments**

A title policy and surveys for the property have not been provided for the preparation of this appraisal. However, the subject does not appear to be adversely affected by any easements. It is recommended that the client/reader review the current title policy outlining all easements and encroachments on the property, if any, prior to making a business decision.

### **Covenants, Conditions and Restrictions**

There are no known covenants, conditions and restrictions impacting the site that are considered to affect the marketability or highest and best use, other than zoning/land use restrictions.

### **Environmental Issues**

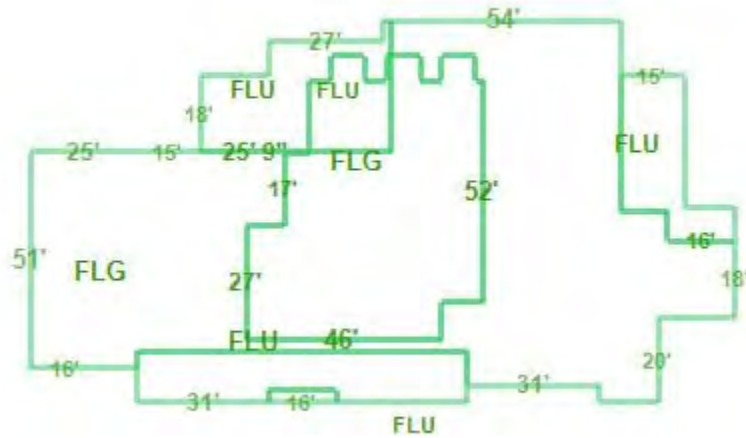
CBRE, Inc. is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

### **Conclusion**

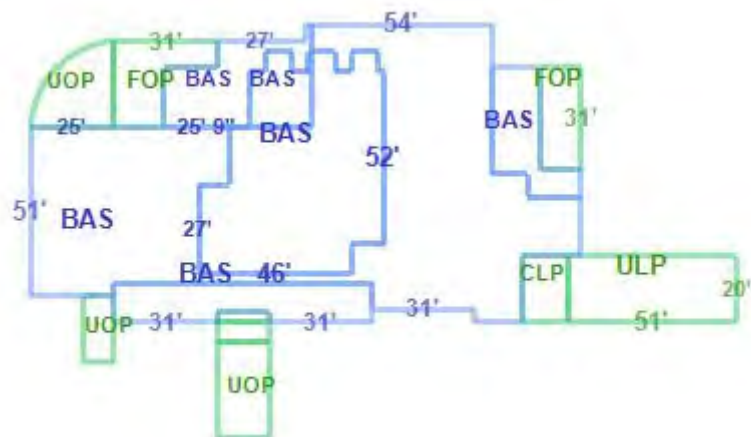
The subject golf courses is located south of downtown Fort Myers less than ¼-mile east of the Caloosahatchee River. The site offers good access and visibility from roadway frontage. The size of the site is typical for the area and use, and there are no known detrimental uses in the immediate vicinity. Overall, there are no known factors which are considered to prevent the site from development to its highest and best use, as if vacant, or adverse to the existing use of the site.

LEE COUNTY PROPERTY APPRAISER SKETCH OF THE CLUBHOUSE

Clubhouse 1<sup>st</sup> Floor

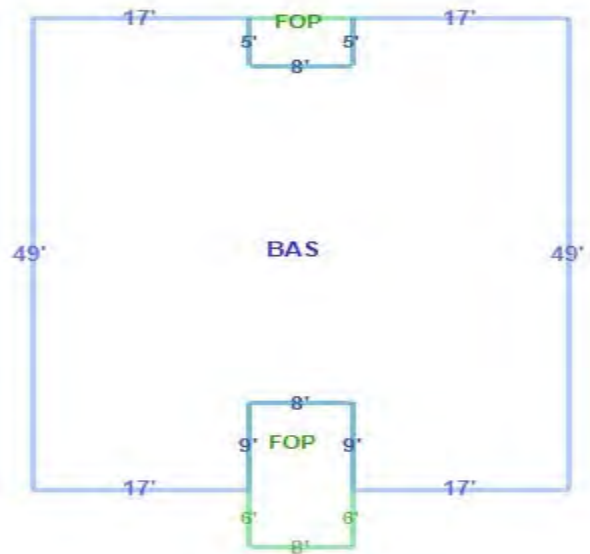


Clubhouse 2<sup>nd</sup> Floor

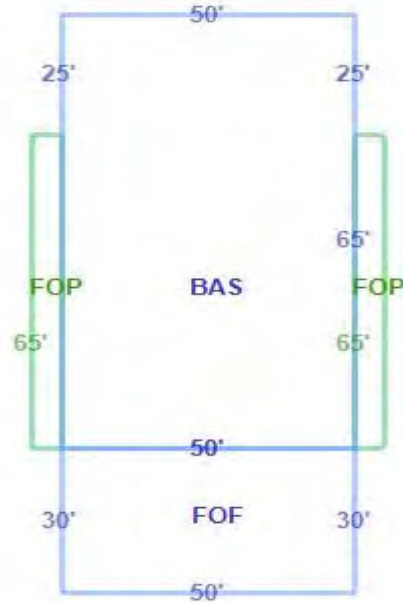


APPRAISER SKETCH OF PRO SHOP AND GOLF COURSE MAINTENANCE

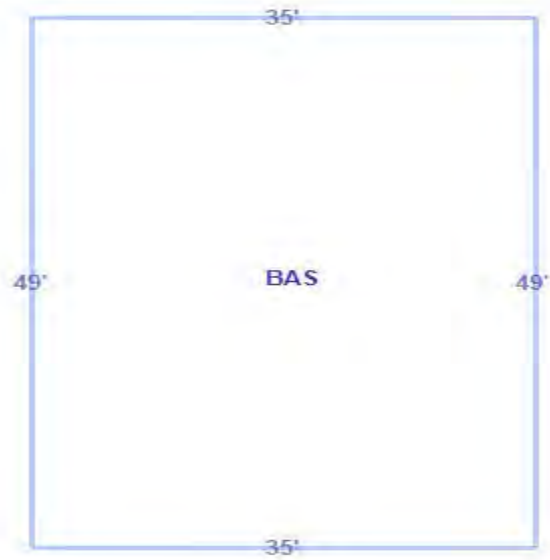
Clubhouse 1<sup>st</sup> Floor



Golf Maintenance Building One

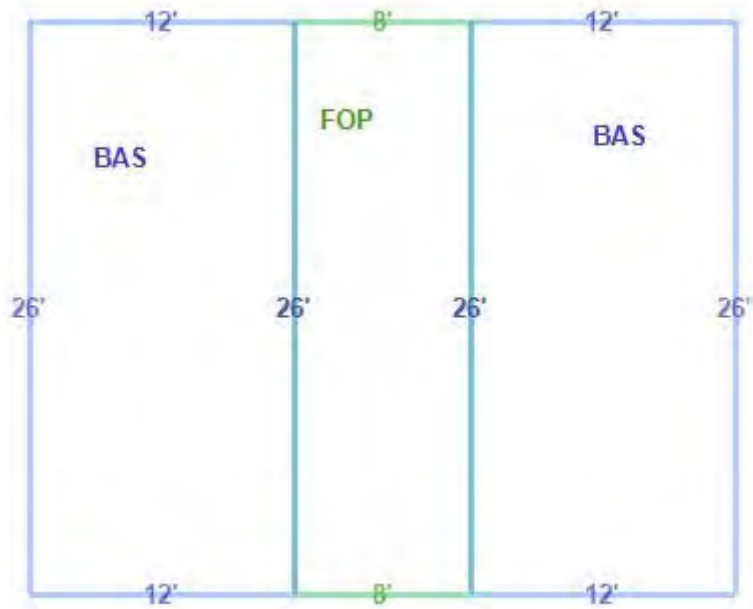




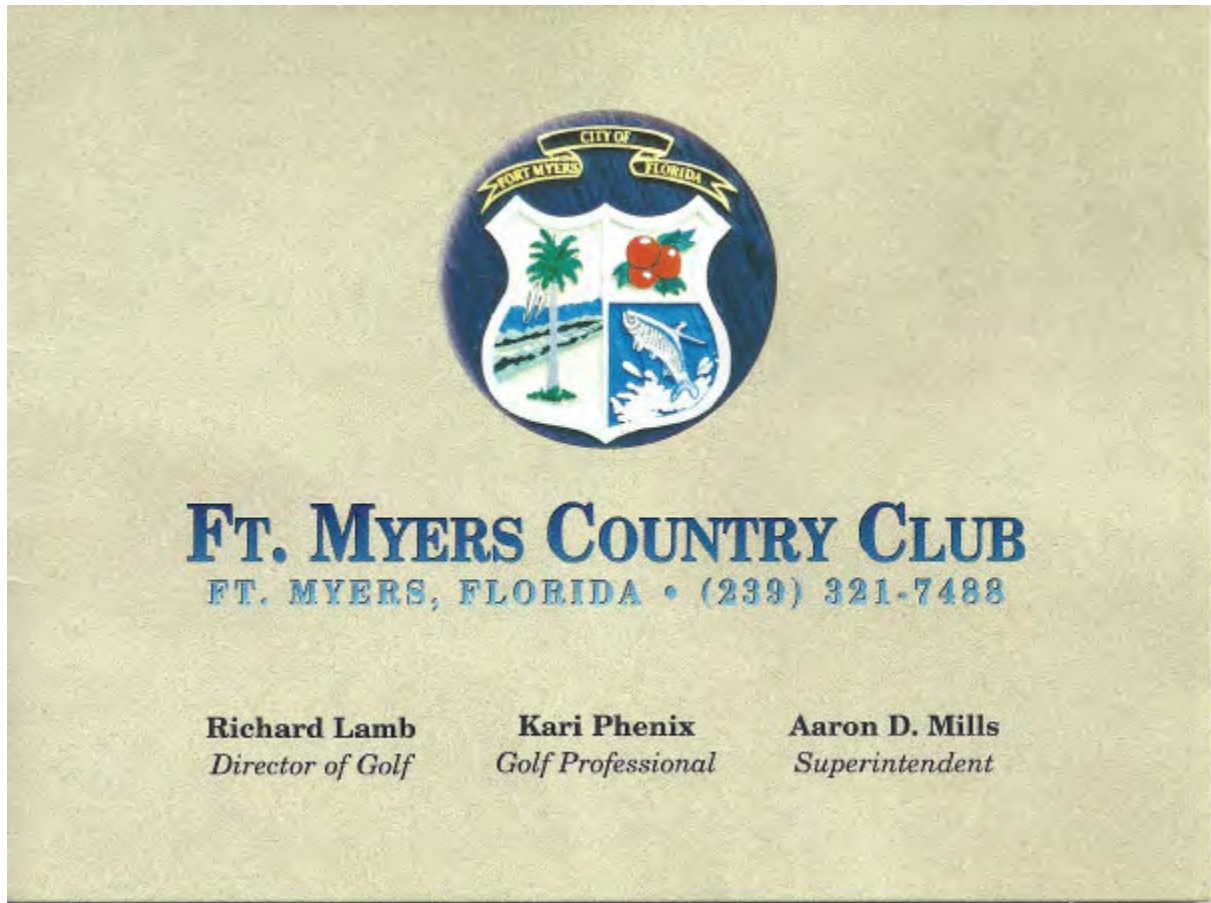
**PROPERTY APPRAISER SKETCH OF THE MAINTENANCE STORAGE FACILITY**Golf Maintenance Chemical Storage BuildingGolf Maintenance Equipment Storage Building

PROPERTY APPRAISER SKETCH OF ON-COURSE RESTROOM/SHELTER

On-Course Restroom/Shelter



SCORECARD







## Improvement Analysis

The following description is based upon information provided by subject management, public records and a physical inspection of the facilities. Building plans for the subject improvements were not provided and all building square footages were obtained via Lee County Property Appraiser records. All information obtained from the aforementioned sources is deemed to be reliable and therefore an accurate representation of the facilities.

### Golf Course

The subject golf courses features an 18-hole championship layouts. The golf course is a 6,675 yard, par 72 layout originally designed by Donald Ross in 1917. The golf courses is a core design with returning nines.

FACILITY SUMMARY AND ANALYSIS				
Facility Type	Daily Fee/Public Course	Grassing:		
No. Holes	18	Tee's/Fairways	Celebration	
Year Developed	1917 - 2015	Greens	TifEagle	
Course Design	Parkland	Irrigation:		
Architect/Designer	Donald Ross	Operation	Automatic	
Course Layout	Single & Double Fairway-Returning 9's	Make/Type	Toro	
Green Construction	USGA specifications	Pumps	N/A	
Cart Paths	around the clubhouse and select tee's and	Coverage	100%	
Path Coverage	10%	Water Source	Surface	
Practice Facilities:	Putting Green, Chipping/Bunker Area			
Property Amenities	Men's and women's restrooms, golf pro shop, full restaurant with bar/lounge, banquet rooms, commercial kitchen, outdoor patio, two (2) on-course restroom buildings			
Restaurant/Lounge	Yes			
Parking Type	Asphalt surface (average condition)			
Buildings:				
Pro Shop	1,946 SF			
Clubhouse/Restaurant	20,870 SF			
Golf Cart Storage	9,358 SF			
Golf Maintenance	6,650 SF			
Golf Maintenance Chemical Storage	1,715 SF			
Golf Maintenance Equipment Storage	600 SF			
On-Course Restroom/Shelter (2)	300 SF			
Gross Building Area	41,439 SF			
Course Setup:				
	Tees	Yardage	Slope	USGA Rating
	Black	6,675	131	72.9
	Blue	6,245	126	70.5
	White	5,815	124	68.9
	Gold	5,460	117	67.0
	Red	4,905	114	69.0
	Green	4,360	101	62.9

Source: Various sources compiled by CBRE

The following definitions have been provided in order for the reader to better understand the analysis involved with golf course quality and rating.

**USGA Rating** - Measures the difficulty of play for golf courses. The more difficult and longer the course is, the higher the rating (72.0); typical ratings range from 65.0 to 72.0.

**Slope Rating** - Allows golfers to adjust handicaps between golf courses, recognizing that some courses are more demanding than others; greater than 115, the more difficult and longer the course; less than 115, the shorter and easier the course.

The subject is considered average in design and layout for this type of golf course and surrounding competitive market. From the back tees (tips), the course provides the most challenging test with a course rating of 72.9 with a slope of 131. The course rating and slope generally indicates the difficulty of the course by measuring such factors as course length, number of hazards, average sustained wind, out of bounds and other characteristics. The subject course is considered to be average in length from the tips. Similar to other courses in the state, there are numerous lakes throughout the layout that come into play including a canal that bifurcates the course. Overall, the course is considered typical for the market, is maintained in good overall condition, and it conforms to USGA standards.

## Improvement Summary

The following table depicts the subject's building(s) and associated facilities.

### Clubhouse/Restaurant

Condition:	Good
No. Stories:	2
Year Built:	1991
Building Size (GBA):	20,870 SF
Exterior Walls/Frame:	Concrete Block, brick veneer and siding with asphalt shingle roof
Men's/Ladies Lockers:	Full men's & women's restrooms; all plumbing assumed adequate
Fire Protection:	Sprinklers
Miscellaneous Site Improvements:	Porte-cochere, asphalt paved parking areas, site lighting, sidewalks, landscaping and irrigation.
Building Layout & Amenities:	The clubhouse includes a full service restaurant with commercial kitchen and offices. There are several banquet rooms as well as a large outdoor patio area. The building was originally constructed in 1991 and is in overall good condition. The golf cart storage area is located on the first floor of the building and measures approximately 9,358 square feet. The golf cart storage area includes roll up doors and exposed concrete floors. Overall, the clubhouse/restaurant is well maintained and is considered to be in good condition

### Pro Shop

Condition:	Good
Year Built:	1991
Building Size (GBA):	1,946 SF
Exterior Walls/Frame:	Wood frame and siding with asphalt shingle roof
Building Layout & Amenities:	The pro shop is located adjacent the clubhouse/restaurant building is a single story wood frame structure. The interior is primarily

retail oriented with a few small offices. It is in overall good condition.

### **Golf Maintenance Facilities**

Condition:	Good
Year Built:	1992
Building Size (GBA):	6,650 SF (Main Facility)
Exterior Walls/Frame:	Wood frame and siding.
Building Layout & Amenities:	The golf course maintenance facility consists of three buildings totaling 8,965 square feet. Each of the buildings are wood frame with wood and metal panel exterior. While an interior inspection was not available, the buildings appear to be in average condition and assumed to contain a small office, break room and open storage of equipment. There are several overhead doors with one of the buildings being open aired on one side.

### **Miscellaneous Structures**

Condition:	Good
Building Layout:	The subject facility also includes two (2) on-course restroom/shelters including one built in 2015 during the course renovations. There is also a pump house serving the golf course.

### **Golf Carts & Maintenance Equipment**

Condition:	Average to Good
Golf Carts:	The subject leases a fleet 66 2018 Yamaha electric golf carts. The carts are in good condition and the size of the fleet appears to be adequate for the operation. According to management, the cart fleet is leased with a current term that runs through October 2020 with an annual cost of \$63,360
Course Maintenance Equipment:	The golf course maintenance equipment is a combination of owned and leased equipment according to management. It is assumed that the combination of the leased equipment and any equipment owned by the club is adequate to maintain the golf course at a level consistent with similar clubs in the market. It appears the equipment is under lease-purchase agreement that ends in 2020.

## **Deferred Maintenance**

Our inspection of the property indicated no visible items of deferred maintenance with the existing improvements.

## **Age and Condition**

The golf course was originally developed in 1917, substantially renovated in 2014, and is in overall good condition. The golf course, clubhouse and all other subject improvements are considered to be in generally good overall condition and similar to the competitive facilities in the market.

The following chart provides a summary of the remaining economic life of the existing building improvements.

<b>ECONOMIC AGE AND LIFE</b>	
Actual Age	27 - 28 Years
Effective Age	10 to 20 Years
MVS Expected Life	45 to 50 Years
Remaining Economic Life	25 to 35 Years
Accrued Physical Incurable Depreciation	25% to 45%
Compiled by CBRE	

The overall life expectancy is based upon our on-site observations and a comparative analysis of typical life expectancies reported for buildings of similar construction as published by Marshall and Swift, LLC, in the *Marshall Valuation Service* cost guide. While CBRE did not observe anything to suggest a different economic life, a capital improvement program could extend the life expectancy.

### Functional Utility/Conclusions

The functional utility of the golf course, clubhouse and ancillary site improvements is considered good considering the overall age of the facility. The tee areas are large enough to rotate tee locations to allow proper maintenance. Overall, the existing clubhouse, golf course and other ancillary site improvements are considered functionally adequate with the course being very “walker friendly”.

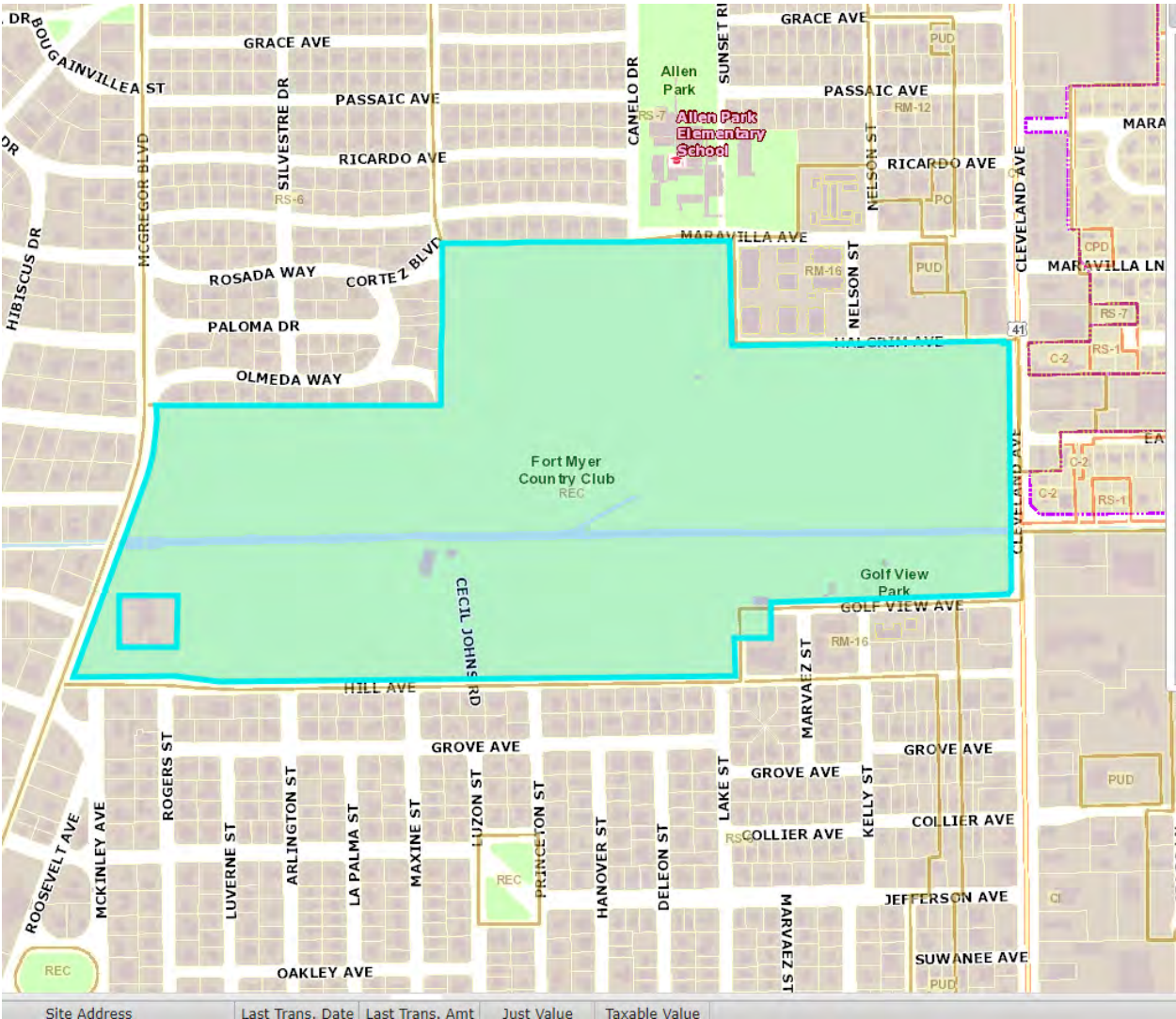
### Conclusion

Overall, based on our physical inspection of the subject property and competitive clubs, the subject is considered to be a good quality daily-fee club. The golf course layout is adequate, providing golfers of all abilities a fair challenge, depending on the tees selected. The subject improvements are in generally good overall condition and they are considered typical for the age and location in regards to improvement design and layout, as well as amenities and ancillary improvements. Overall, there are no known factors that could be considered to adversely impact the marketability of the improvements.



# Zoning

## Zoning Map



ZONING SUMMARY	
<b>Current zoning</b>	<b>REC; Recreation</b>
Legally conforming	Yes
Intent	The REC District is created to reserve land areas for parks, open space, and active and passive recreation purposes. In order to provide for the public convenience, health, safety and general welfare, requirements are set forth for recreation and park lands, and open space within the city.
Zoning change	Not likely
Source: Planning & Zoning Dept.	

### Analysis and Conclusion

The existing improvements appear to represent a legally conforming use and, if damaged, may be restored without special permit application. It is recommended that local planning and zoning personnel be contacted regarding more specific information that might be applicable to the subject.

## Tax and Assessment Data

Real estate in Lee County is assessed at 100% of the assessor's estimated market value. The assessment for real estate purposes is made as of January 1 of each year. The county commission sets the millage rate to be used in calculating the tax bill in September or October of each year. The Lee County Tax Collector issues the tax bills providing for a 4% discount if the bill is paid in November, 3% for bills paid in December, 2% for bills paid in January, and a 1% discount for February payment. All tax bills are delinquent after March 31 of each year. Prudent management normally pays taxes in November in order to save 4% on the tax bill. The following summarizes the local assessor's estimate of the subject's market value, assessed value, and taxes, and includes the taxable value of the furniture, fixtures and equipment. The CBRE estimated tax obligation is also shown.

<b>AD VALOREM TAX INFORMATION</b>				
Assessor's Market Value		2017	2018	Hypothetical Pro Forma @ 65% of MV
Real Property	35-44-24-P2-00060.0000	\$2,230,306	\$2,207,173	\$2,827,500
	35-44-24-P1-00060.0010	1,029,595	1,024,464	
Personal Property (FF&E)	BB 00 1480-08 (See Comments)	349,002	349,002	349,002
Subtotal		\$3,608,903	\$3,580,639	\$2,827,500
Combined Tax Rate	(per \$1,000 A.V.)	20.6294	20.3237	20.3237
<b>Total Gross Taxes</b>		\$74,450	\$72,772	\$57,465
<b>Non Ad Valorem Taxes</b>		\$0	\$0	\$0
<b>Total Tax Liability</b>		\$74,450	\$72,772	\$57,465
Source: Assessor's Office				

Please note that the subject is currently owned by the City of Fort Myers with reduced taxes charged to the property. Since we are estimating the market value of the subject, which assumes a sale of the property, real estate taxes will be included for the subject in our analysis. The taxes shown above represent the estimated taxes for the property based on its current and historical assessed values and the appropriate county millage rates. Also note that the above historical indications include additional amenities such as the tennis, pool and police facilities that are located on one of the tax parcels though not considered herein. Within the "as is" (current operations) analysis, we have included a tax estimate at of approximately 80% of the 2018 indications which is considered reasonable.

Within the Hypothetical Pro Forma (i.e. Market Operations), the taxes are adjusted to 65% of the concluded market value which is consistent with current market underwriting.

We will also utilize the 2018 personal property tax value for our analysis (\$349,002). This total reflects the 2018 taxable value per the Lee County Tax Collector.



## Golf Market Analysis

The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. Primary data sources utilized for this analysis include the National Golf Foundation (NGF) and Golf Datatech.

### NATIONAL MARKET TRENDS

#### Supply

After a 29% increase in overall inventory between 1980 and 2000, including a 56% increase in public facility inventory, supply growth has decreased significantly. Since 2000, overall supply growth has been -4.5%. The following chart shows supply growth by property type since 1980.

NUMBER OF GOLF FACILITIES IN THE US							
	1980	1990	% Change	2000	% Change	2017	% Change
<b>Public</b>	7,166	8,036	12.1%	11,197	39.3%	11,039	-1.4%
<b>Private</b>	4,839	4,810	-0.6%	4,290	-10.8%	3,755	-12.5%
<b>Total</b>	12,005	12,846	7.0%	15,487	20.6%	14,794	-4.5%

Source: National Golf Foundation

A recent report by NGF states that golf remains oversupplied so further balancing of supply and demand is expected. Also, the market correction that began in 2006 was overdue and growth in the number of golfers and rounds played over the past 20+ years was not nearly sufficient to support all of the courses that were built. Since the beginning of 2006, the reduction in golf courses amounts to just 5.9% of total supply. Naturally, some courses and clubs have been forced to close, while many others are financially struggling. The net closures will eventually help make existing courses healthier as golf's supply and demand balance seeks equilibrium. The following chart, prepared by NGF, summarizes the change in supply and renovations since 2006.



The following data from NGF illustrates the net change in supply over the past fifteen years.

NET GROWTH IN GOLF FACILITY SUPPLY	
Year	Net Change
2001	252.0
2002	182.0
2003	103.0
2004	88.0
2005	31.0
2006	-26.5
2007	-8.5
2008	-34.0
2009	-90.0
2010	-61.0
2011	-138.5
2012	-141.0
2013	-143.5
2014	-163.5
2015	-160.0
2016	-196.0
2017	-190.0
<b>Total</b>	<b>-696.5</b>
<b>Average</b>	<b>-41.0</b>

Source: National Golf Foundation

NGF recorded 205.5 golf course closures in 2017 versus 15.5 openings, measured in 18-hole equivalents. As in recent years, closures were disproportionately lower priced public facilities,

including a large number of 9-hole courses. The net decline in the number of courses in the U.S. during 2017 was 190.0, which marks the twelfth straight annual drop in golf course supply.

The following chart summarizes facility supply by region for 2017.

<b>GOLF FACILITY INVENTORY BY REGION</b>			
<b>Region</b>	<b>Public</b>	<b>Private</b>	<b>Total Supply</b>
New England	646	257	903
Middle Atlantic	1,186	517	1,703
East North Central	2,371	539	2,910
West North Central	1,563	273	1,836
South Atlantic	1,869	952	2,821
East South Central	600	261	861
West South Central	879	356	1,235
Mountain	882	227	1,109
Pacific	1,043	373	1,416
<b>Total United States</b>	<b>11,039</b>	<b>3,755</b>	<b>14,794</b>
Source: National Golf Foundation			

		<b>Type</b>			<b>Total Facilities by Number of Holes</b>
		<b>Daily Fee</b>	<b>Municipal</b>	<b>Private</b>	
<b>Number of Holes</b>	9 holes	2,609	744	577	3,930
	18 holes	5,234	1,498	2,764	9,496
	27 holes	403	150	212	765
	36 holes	235	94	170	499
	45 or more holes	61	11	32	104
	<b>Total</b>	<b>8,542</b>	<b>2,497</b>	<b>3,755</b>	<b>14,794</b>

As indicated, the Middle Atlantic, East North Central, West North Central and South Atlantic regions represent the bulk of facility supply in the nation, combining for approximately 63% of total nationwide facility supply. The following chart summarizes inventory (in terms of 18-hole equivalents), openings, and closures by region for 2017.

<b>GOLF INVENTORY BY REGION (18-HOLE EQUIVALENTS)</b>				
<b>Region</b>	<b>Supply</b>	<b>2017 Openings</b>	<b>2017 Closures</b>	<b>2017 Net Change</b>
New England	903.0	0.0	4.0	-4.0
Middle Atlantic	1,703.0	1.0	16.0	-15.0
East North Central	2,910.0	1.5	42.5	-41.0
West North Central	1,836.0	1.0	14.5	-13.5
South Atlantic	2,821.0	6.5	50.0	-43.5
East South Central	861.0	1.5	28.0	-26.5
West South Central	1,235.0	1.0	23.5	-22.5
Mountain	1,109.0	1.0	1.5	-0.5
Pacific	1,416.0	2.0	25.5	-23.5
<b>Total United States</b>	<b>14,794.0</b>	<b>15.5</b>	<b>205.5</b>	<b>-190.0</b>

Source: National Golf Foundation

<b>2017 COURSE INVENTORY CHANGE</b>		
	<b>18-HEQ</b>	<b>Facilities</b>
Year-End 2017	13,936.5	14,794
Year-End 2016	14,117.5	15,014
<b>Net Supply Change</b>	<b>-181.0</b>	<b>-220</b>
<b>2017 Detail</b>		
<b><u>CLOSURES</u></b>		
Permanent - Not Expected to Reopen	<b>205.5</b>	<b>251</b>
Temporarily Closed for Renovation	93.0	106
<b><u>OPENINGS</u></b>		
Brand New	<b>15.5</b>	<b>18</b>
Reopened from Renovation	96.0	111
Reopened from Prolonged Closure	6.0	8

While the Middle Atlantic, East North Central, West North Central and South Atlantic regions represent a large portion of facility supply in the nation, they also combined to represent the majority of the nation's closures (60%). The South Atlantic region was the top region in terms of closures during 2017 with a total of 50.0 18-hole equivalents. Nationwide, 2017 openings represented 0.10% of total supply while closures represented 1.39% of total supply. The South Atlantic region reflected the highest rate of openings (6.5) and closings (50.0) in 2017.

## Demand

According to NGF data, total rounds played on a nationwide basis decreased at a compound rate of -12.04% annually between 2000 and 2017. However, 2017 marks the first year since 2014 that rounds played decreased from the previous year. The following chart reflects annual rounds played since 2000.



<b>NATIONWIDE ROUNDS PLAYED DATA</b>		
<b>Year</b>	<b>Rounds</b>	<b>% Change</b>
2000	518,400,000	--
2001	518,000,000	-0.1%
2002	502,000,000	-3.1%
2003	495,000,000	-1.4%
2004	500,000,000	1.0%
2005	499,600,000	-0.1%
2006	501,000,000	0.3%
2007	498,000,000	-0.6%
2008	489,000,000	-1.8%
2009	486,000,000	-0.6%
2010	475,000,000	-2.3%
2011	463,000,000	-2.5%
2012	489,400,000	5.7%
2013	465,400,000	-4.9%
2014	457,500,000	-1.7%
2015	465,735,000	1.8%
2016	468,600,000	0.6%
2017	456,000,000	-2.7%
<b>Source: National Golf Foundation</b>		

As indicated, rounds played have considerably decreased since 2000 and have shown positive growth in only five of the past seventeen years. Combined with the overbuilding in the 2000's, this decline in rounds played has caused competition for available rounds, driving average pricing down significantly in most markets.

The following chart shows changes in rounds played by region from 2012 to 2017.

<b>ROUNDS BY REGION</b>				
<b>Region</b>	<b>% Change, 2014 vs. 2013</b>	<b>% Change, 2015 vs. 2014</b>	<b>% Change, 2016 vs. 2015</b>	<b>% Change, 2017 vs. 2016</b>
New England	-0.4%	1.6%	5.2%	-4.3%
Mid Atlantic	-1.4%	5.0%	2.6%	-6.9%
East North Central	-3.6%	7.2%	-0.7%	-5.3%
West North Central	1.7%	4.9%	1.1%	-0.8%
South Atlantic	-2.4%	0.5%	-1.1%	-1.2%
South Central	-2.1%	-5.0%	2.9%	-0.7%
Mountain	1.0%	-1.9%	2.2%	0.5%
Pacific	-2.5%	2.7%	-1.6%	-3.2%
<b>Total United States</b>	<b>-1.7%</b>	<b>1.8%</b>	<b>0.6%</b>	<b>-2.7%</b>
<b>Source: Golf Datatech &amp; NGF</b>				

As indicated on the above chart, there was a considerable decrease in rounds in 2014 followed by two years of slight increases in 2015 and in 2016. In 2017, only the Mountain region reported

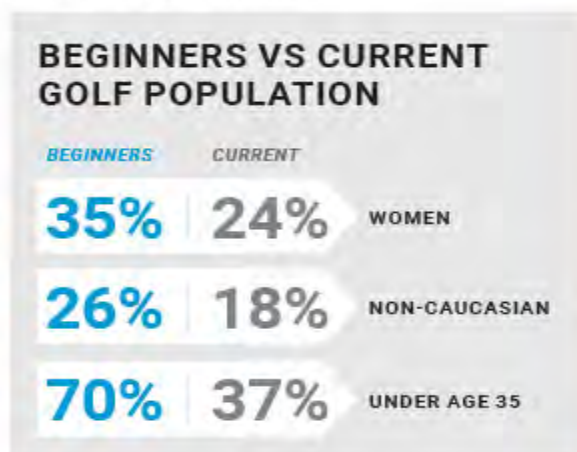
an increase in rounds. It is noted however, that some of the decrease can be attributed to two major hurricanes that damaged hundreds of courses in Texas and Florida and other areas of the south.

The following charts from NFG illustrate the number of golfers in the U.S.



#### The Face of Golf Continues to Change

Golf welcomed 2.6 million newcomers (those who played on a golf course for the first time) in 2017, maintaining a four-year upward trend. These beginners are more diverse than the overall golf population.

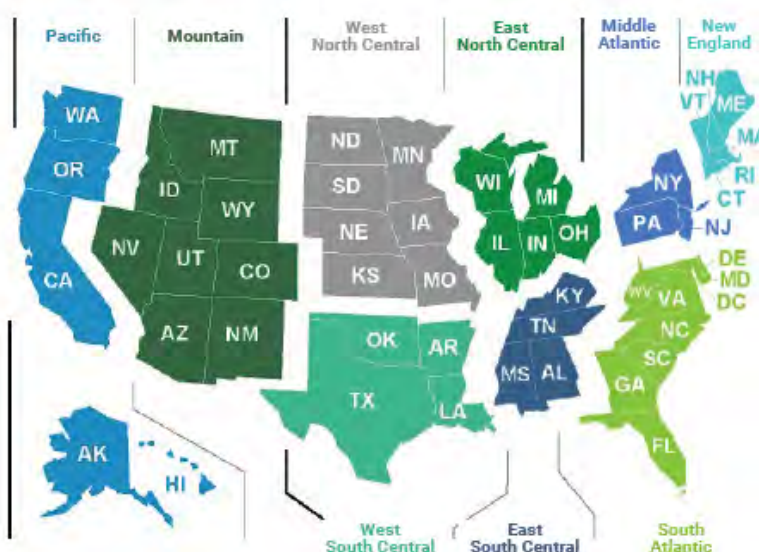


While the number of people involved in off-course forms of golf increased by 7% in 2017, the total pool of green-grass golfers remained stable. An estimated 23.8 million people played golf on a course in 2017, in line with the previous year. Golf's overall participation base combining on-course golfers with the 8.3 million people who only played off-course is now 32 million and continues to climb incrementally.

Perhaps more importantly, the game's most committed golfers — those who account for approximately 95% of all rounds-played and spending — held steady at roughly 20 million.

The following chart from NFG summarizes the 2017 participation rate, number of golfers and annual rounds by region.

	Participation Rate	Number of Golfers (000)	Percent of Golfers	Average Annual Rounds	Total Annual Rounds (millions)
New England	9.0%	1,246	5.2%	19.7	24.6
Middle Atlantic	7.8%	3,023	12.7%	19.9	60.2
East North Central	9.8%	4,254	17.8%	17.9	76.0
West North Central	9.8%	1,916	8.0%	18.9	36.2
South Atlantic	7.4%	4,434	18.6%	21.3	94.5
West South Central	6.0%	1,061	4.5%	20.3	21.5
West South Central	6.3%	2,277	9.6%	18.6	42.4
Mountain	9.0%	1,985	8.3%	18.1	36.0
Pacific	7.4%	3,634	15.2%	17.8	64.5
<b>Total</b>	<b>8.0%</b>	<b>23,829</b>	<b>100.0%</b>	<b>19.1</b>	<b>456.0</b>



## Summary

As noted, 23.8 million Americans (age 6+) played at least one round of golf in 2017, which represents a national golf participation rate of 8.0% for the year. Among the 23.8 million participants, 19.5 million are considered Committed golfers that include both avid golfers and casual/recreational golfers. In addition, latent demand, as measured by the number of non-golfers who are now interested in playing golf on a golf course, hit a new high. The number of non-golfers who say they are “very interested” in playing golf increased to 14.9 million (up from 12.8 million in 2016). Much of this can be attributed to the growth of off-course participation (32% of off course participants are “very interested” in playing green grass golf).

The golf course industry continued to undergo a slow and steady cycle of self-balancing in 2017. This right-sizing in the supply of United States golf facilities is the ongoing byproduct of an unsustainable period of growth (1986-2005) in the world’s best-supplied market. At the end of 2017, there were a total of 14,794 golf facilities in the U.S. The net reduction represents a 1.5% contraction of the U.S. golf facility supply from 2016. Demand for land to develop residential and commercial real estate continues to fuel the supply correction in golf. For golfers, the quality of supply continues to gradually improve as some courses close and many remaining ones undertake improvements, both major and minor.

Investment in golf is still significant, with major renovation projects replacing new construction as the largest source of U.S. golf course development activity. NGF has tracked 1,100 major golf course renovations completed since 2006, which represented at least \$3.25 billion of total investment. NGF also reports that there is still new course activity and they are tracking 27 (18-HEQ) facilities currently under construction and another 40 in the planning stages.

NGF’s outlook for 2018 holds form with recent years, with the expectation for a further balancing of supply and demand. In a competitive and oversupplied environment, the projection is for approximately 15 to 25 new course openings, 75 to 100 major renovation projects, and the annual closure of 1% to 1.5% of the total supply.

## PRIVATE CLUB TRENDS

According to 2017 NGF data, there are approximately 3,755 private golf clubs in the U.S. However, due to weak macroeconomic conditions, membership levels are down in many markets and the private club is still facing serious challenges.



More recently, 56 private courses (18-HEQ) were converted to public in 2016, while 31 public facilities turned private. The net impact in 2016 conversions was 25 courses being added to the public supply (2017 figures are not available).

As noted previously, many clubs are struggling financially and based on the still weak global economy, it is likely that more private clubs will face concerns about the viability of their current business model. Clubs will not be able to operate at a deficit indefinitely, and most will not be able to pass these losses on to an already financially vulnerable membership. But rather than close their doors forever, it is far more likely, based on recent history, that financially strapped clubs will open their doors to the public. Many have already done so successfully and others will likely follow.

While the number of private clubs has decreased during the past decade, many have decided to alter their business model to allow some public play to help avoid dues increases or outright closure. These courses have not gone away as only one in 10 closures since 2005 involved a private club. Also note that private clubs accounted for 7% of the golf course closures in 2017.

## **PUBLIC GOLF TRENDS**

A recent National Golf Foundation industry report outlined trends in public (municipal, daily fee, semi-private) golf. A summary of the results is as follows:

### **Summary**

- According to 2017 NGF data, there are approximately 11,039 public golf facilities in the U.S., including 8,542 daily fee and 2,497 municipal.
- This public total includes an all-time high municipal courses, approximately 30% more than what existed 25 years ago.
- With 75% of courses open to all players, it equals the highest ratio of public-to-private facilities in history.
- A total of 56 private courses (18-HEQ) were converted to public in 2016, while 31 public facilities turned private. The net impact in 2016 conversions was 25 courses being added to the public supply.
- The golf course industry still remains oversupplied and ultra-competitive.
- Daily fee courses, which make up 58% of the U.S. supply, accounted for 87% of the closures in 2017, with another 6% being municipal venues.
- Approximately 500 to 1,000 public courses are likely to close within the next five years which may help rebalance supply and demand and give at least some rounds back to courses that remain open.
- Continued lack of growth in the number of golfers due to economic pressures is likely for the next several years.
- Well-managed courses in populated areas are the most likely to thrive.
- Existing demand appears to be stable.
- Latent demand exists.
- Passion and commitment to golf remain high, even if play decreases.

### **Conclusions**

- A large drop in demand is unlikely (short or long term).
- But, a large increase is also unlikely.

- So, the overall supply/demand imbalance is likely to continue (with market exceptions).
- Therefore, operator difficulties are not transient, but semi-permanent.

#### Implications

- Conditions are favorable for player development.
- Given the predicted number of closures over the next five years, 10-20 million rounds should be added to the balance (1,000-2,000 rounds per facility).
- Operators will have to continue to fight for market share (and increased wallet share is the best bet).

### GOLF COURSE TYPES AND DESIGN TRENDS

Golf courses are developed for a variety of purposes, including amenity support for various types of real estate projects. The most basic breakdown is between courses that are privately owned or municipally owned. Further, privately owned courses may be limited to play by members of a private club and may be open to the public on a daily fee basis. Either type may be associated with a real estate venture, from a primary home community to a designation resort. Real estate golf courses often combine aspects of both a private club and a daily fee course. Municipal courses, although usually owned and operated by a local government, may also include real estate elements. There are currently about 15,204 golf facilities in the U.S. with a golf facility defined as at least one nine-hole course. Following is a description of the types of golf courses.

**Private Clubs** are usually composed of between 200 and 500 members per 18 holes who pay an initial fee and annual dues to support the capital and operating expenses of the facility. The initial fee can either entitle the member to an equity ownership or may simply be an initiation fee, required for membership but not representing an ownership interest. These clubs are usually organized as non-profit entities. In the 1950's private clubs accounted for about 60% of all U.S. golf courses. By 2002, private clubs have decreased to 29% of the total.

Many real estate golf projects are structured around private ownership, especially as a project matures. In a golf course's early years, it may be open to the public as a daily fee facility to help market the real estate development around the course. Over the life of the project, such a course may continue to operate on a public fee basis, it may be owned by the members as an equity owned private club, or it may be owned by the developer or a third party, and operated as a private membership facility.

**Daily Fee Courses** make up approximately 55% of current golf course operations in the U.S. and is growing. Like private clubs, many are associated with real estate projects. In the 1950's and 1960's, when land costs, development costs, and operating costs were all relatively low, it was often feasible to tap the growing demand for golf with a daily fee course. Owners received revenues from daily green fees and golf cart rentals, pro shop sales, and food and beverage operations. In many areas, higher green fees and cart rentals fees have produced higher profits.

**Municipal Courses** have been about 16% of all U.S. golf courses over the last thirty years. Most of these facilities are independent entities, sometimes combined with tennis courts, community centers, or other public recreational facilities, usually operated by a city or county parks and recreation department.

Increasing costs, however, are out-pacing growth in public budgets for recreational facilities and programs. Some municipalities, faced with the high capital and operating costs of golf courses, have also turned to bond financing as one way of helping to underwrite these facilities.

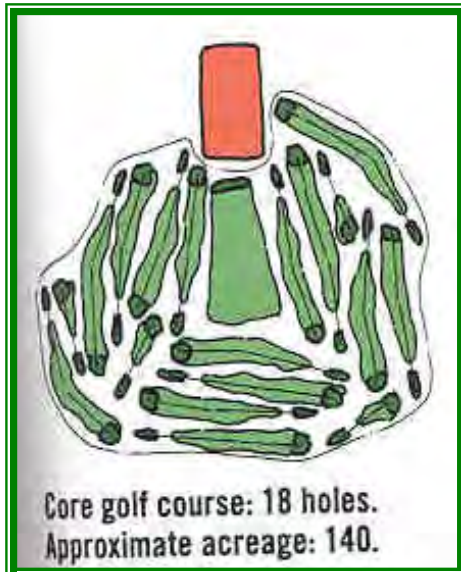
All golf courses are based on one or a combination of five basic types, design, or configurations. The appropriateness of a particular configuration depends on a number of factors such as: overall project objectives; operational requirements; and the site's shape, orientation, soils, vegetation and topography. Like most prototypes, pure examples of each of the five basic courses seldom exist. Instead, characteristics of each type are combined to suit a particular project in a specific site.

Each basic course prototype is based on the concept of the regulation course, which in turn stems from the notion of par. Par represents simply the score for a given hole produced by error-free golf, or the score an expert golfer would be expected to make. Par assumes ordinary playing conditions and allows two putting strokes per hole. Generally speaking, a regulation course will play to a par of between 69 and 73, with par 72 considered the ideal. The standard length for such a course averages between 6,300 and 6,700 yards from the middle tees. Assuming three sets of tees, a standard regulation course could effectively be played from 5,200 to 7,200 yards long.

<b>PAR AND DISTANCE STANDARDS</b>		
Par	Men	Women
3	Up to 230 yards	Up to 210 yards
4	251 – 470 yards	211 - 400 yards
5	471 yards and up	401 yards and up
Source: United States Golf Association, Golf Committee Manual and USGA Handicap System (New York: U.S. Golf Association, 1969)		

The basic mix of holes for a par 72 course is ten par 4s, four par 3s, and four par 5s. Ideally, these holes should be evenly distributed along two circuits of nine holes each. Par can be reduced to 71 or 70 by replacing a par 4 with a par 3, or, more desirably, by reducing a par 5 to a par 4. Clearly, the site and the program will determine an appropriate hole mix and total par. Par or total yardage, taken alone, are not indicators of overall course quality or difficulty.

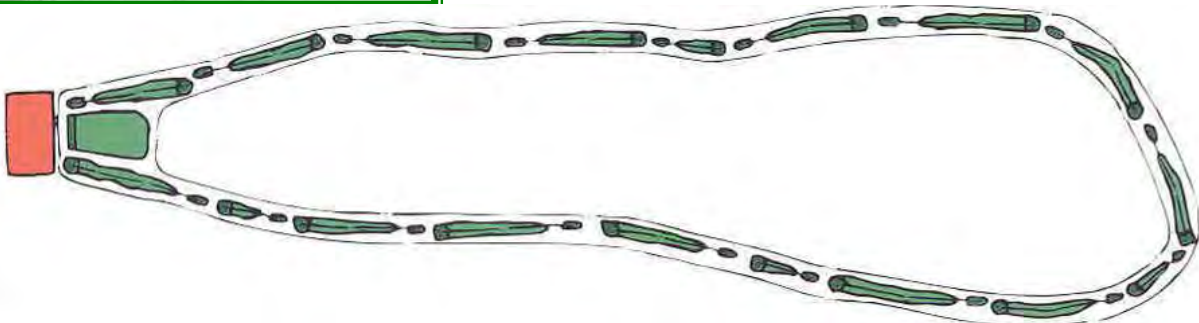
Regulation courses are sometimes referred to as "championship courses." This overused term means little except that championships may be held there. In most cases, a championship course refers to a particularly high-quality regulation course, although the term carries no objective meaning of its own.



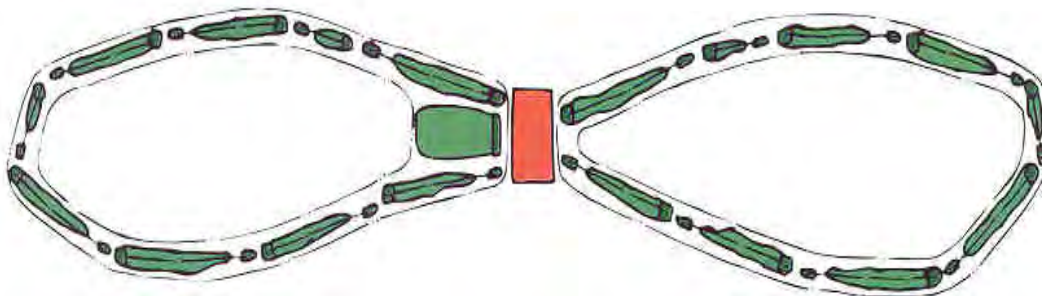
## GOLF COURSE CONFIGURATIONS

Core Golf Course, approximate acreage, 140

Single Fairway, Continuous, approximate acreage, 175



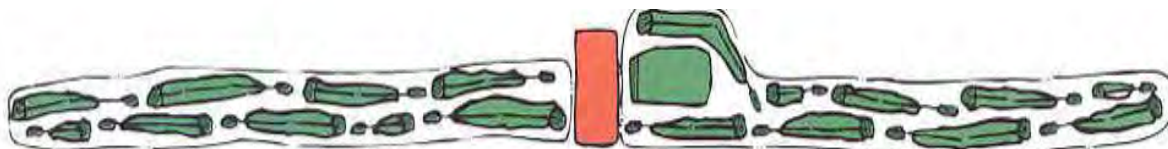
Single Fairway, Returning Nines, approximate acreage, 175



Double Fairway, Continuous, approximate acreage, 150



Double Fairway, Returning 9's, approximate acreage, 150





## Course Configurations

Each of the following configurations illustrates alternative ways to lay out a par 72, 6,900-yard-long regulation course. Although this would be a long golf course, the numbers are rounded for simplicity in making comparisons among the alternative course diagrams. The typical course contains four par 5s of 550+ yards each, ten par 4s of 400+ yards, and four par 3s, each 175+ yards long. Also included in each example is a 10-acre clubhouse site and practice area. The "Golf Course Configurations" chart reflects the various types of courses as listed below.

**Core Golf Course** - The core course constitutes the oldest and most basic type of design. In a core course, the holes are clustered together, either in a continuous sequence, starting with number one and ending with number 18, or in two returning nines. In a returning nine layout, each nine-hole sequence begins and ends near the clubhouse. A continuous layout may locate the ninth hole far away from the first and last holes.

Because it consumes the least amount of land, the core course is usually the least expensive to build. Infrastructure and maintenance costs are also minimized because the holes lie close together. Since all the fairways are located next to other fairways, however, the only sites for real estate development along a core course will lie at its perimeter. This lack of development potential also means that a core course can generally offer the best golfing experience. A core course is most adaptable when used on tight, bowl-like sites with higher-density housing at the edges. This configuration requires 125-140 acres of land area.

**Single Fairway Continuous Course** - This type of course is composed of individual holes strung more or less end to end, played in a long loop from the clubhouse. The single fairway course consumes the greatest amount of land of any of the prototypes, and, if continuous, offers the least amount of operational flexibility. A short round of nine holes, for example, may be inconvenient or even impossible on a continuous course. A continuous course will also limit the overall course capacity. Only one foursome at a time can start on such a course. On a continuous course, it may take up to four hours to get players on all the holes.

Single fairway courses offer the greatest amount of fairway frontage for development sites, although buildings closer than about 150 feet from the fairway centerline can diminish the course's quality. These courses may also be more difficult and slower to play, because the golfer must avoid out-of-bounds areas on both sides of a fairway. (Hitting into an out-of-bounds area carries a two-stroke penalty.) Unlike the core course configuration, the single fairway course can be designed to wind its way through even fairly difficult terrain. A continuous single fairway course is also extremely flexible, since the only fixed elements are the clubhouse and the starting and closing holes. Pebble Beach, on California's Monterey Peninsula, is one of the most famous courses of this type. This configuration requires 125-175 acres.

**Single Fairway Course with Returning Nines** - This configuration offers nearly the same amount of fairway frontage as the continuous single fairway course, but it can be played much more efficiently because of the returning nines. The slightly lower

amount of frontage is due to the concentration of tees and greens for holes 1, 9, 10, and 18 in the clubhouse area. In exchange for a small loss in development potential, a returning-nine course maximizes daily play and thus course capacity. With two starting holes and two finishing holes, two foursomes can start simultaneously, then "cross over" after nine holes. The entire course can be in play in only two to two and a quarter houses. Like any single fairway course, however, maintenance costs will be relatively higher than core or double fairway courses because tees and greens are dispersed over a larger area. This configuration requires 125-175 acres.

**Double Fairway Continuous Course** - A double fairway course conserves about 17% of the land occupied by a single fairway course. It also offers about 40% less frontage for development sites. The side-by-side fairways, however, will provide some savings on maintenance costs. This type of course is particularly suited for long, narrow valley sites, such as at Beaver Creek, Colorado, where, in the course of playing the front nine, the golfer drops 450 feet in elevation (climbing back up on holes 10 to 18). Because the distance between fairway center-lines should be at least 200 feet, it is more difficult to work within existing patterns of topography and vegetation. From the golfer's standpoint, a parallel fairway continuous course, if poorly designed, can be like walking down one side of a street, crossing over to the other side, and walking back. Well-conceived individual holes can help avoid this consequence. This configuration requires approximately 150 acres.

**Double Fairway Course with Returning Nines** - Like the single fairway layouts, returning nines will mean faster, more varied play in a parallel fairway course, when compared to a continuous layout. Returning nines will also slightly decrease the amount of available frontage. Next to a core course, this layout will be the most economical to maintain. Since the distance between potential building sites will total at least 500 feet, assuming 150-foot wide fairways and 200 feet between center-lines, a double fairway course also provides more integrity and identity as a golf course than would a single fairway lined by development. These courses can also accommodate taller buildings along the fairways, which, in a single fairway course, could create an undesirable "alley" effect. This configuration requires approximately 150 acres.

## Summary

Most contemporary courses combine elements of each of these prototypes to arrive at a satisfactory plan for a particular project. Most, however, are predominantly of one type. Some layouts, for example, will economize with predominantly parallel fairways, but may include four to six single-fairway holes to respond to a dramatic cluster of trees, to skirt a wetland, or to create especially desirable building sites.

Assuming all other factors remain equal, continuous layouts offer maximum frontage but minimum flexibility in operation. Returning nines increase capacity and flexibility at a small loss of developable frontage. Single fairways offer greater design flexibility and maximum frontage but involve higher maintenance costs and, possibly, lower quality of play. Double or parallel fairways economize on maintenance and improve the golf course integrity at some loss of development potential. Finally, a core course remains the most economical and efficient to

operate but yields the fewest building sites. Design options and relative performance is outlined below.

**18-HOLE REGULATION COURSE DESIGN OPTIONS:  
RELATIVE PERFORMANCE ON SELECTED CHARACTERISTICS**

Design Options	Land Consumption	Frontage Opportunities	Flexibility/ Capacity	Maintenance Costs
Core	Low	Low	Low	Low
Single fairway, continuous	High	High	Low	High
Single fairway, returning nine's	High	High	High	High
Double fairway, continuous	Medium	Medium	Low	Medium
Double fairway, returning nine's	Medium	Medium	High	Medium

Source: National Golf Foundation 2004

The subject includes components of single and double fairway, returning nines configurations.

### Golf Course Economics

The positioning of a product, whether it is a service or a commodity, is extremely important in a competitive environment. Upon development consideration of a golf-oriented property as the subject, three elements must be given careful consideration. First, a comprehensive feasibility study must be developed in order to establish where demand will come from, and how much will they be willing to pay (in relation to charges at competing projects within the market area). Second, a comprehensive marketing plan must be developed in order to attract the prospective players to the project and establish a clientele. Finally, the developer must set aside sufficient capital to pay for the marketing effort that is planned.

### MARKET PARTICIPANTS

Discussions with market participants indicated that golf course transaction volume has recently increased. According to NGF reports, more than 260 golf facilities changed hands between late 2013 and the end of 2014. More recent sales figures from NGF are not yet available. While brokers still note that most sales that have occurred have generally been all cash transactions or owner financed, there are also several examples of well-financed acquisitions taking place.

Discussions with market participants indicate that many golf course properties over the recent past were being sold based on Gross Income and Net Income (EBITDA) Multipliers and not based on a capitalization rate. As many clubs are operating at a loss, brokers note that the gross income multiplier (GIM) has become a more appropriate metric for these clubs. In general, most golf courses trade at a GIM of between 1.0 and 2.0. Most recent sales have reflected GIM indications towards the middle portion of the quoted range and market participants report that for properties generating positive NOI, sales generally reflect GIMs ranging from 1.25 to 1.75, with a current national average GIM of 1.50 to 1.60. Also note that the clubs that are generating significant positive NOI are being

analyzed more on an overall rate basis than a GIM basis and the overall rate will outweigh the GIM in these cases. The properties that are operating near a breakeven level are typically reflecting GIMs in the 1.00 to 1.25 range according to brokers active in the market. Also note that we have been quoted a typical range of 8 to 10 times net revenue for a golf club that is making money, with some high end or well-located clubs trading at higher Net Income Multipliers.

## REGIONAL MARKET OVERVIEW

The following chart summarizes changes in rounds between 2017 and 2018 for the United States, the South Atlantic Region, the state of Florida and the subject market.

NATIONAL & REGIONAL GOLF ROUNDS PLAYED		
Area	Percentage (%) Change	
	December 2018 vs. December 2017	YTD 2018
United States	-7.7%	-4.8%
Public	-6.6%	-4.7%
Private	-11.0%	-5.4%
South Atlantic	-11.1%	-5.7%
Florida	-8.7%	-1.6%
Naples/Ft. Myers	-4.1%	1.2%
Source: National Golf Foundation / Golf Datatech		

As indicated above, while year to date rounds growth has been negative at the national, regional and state levels, the local area is experience positive growth.

## MSA Supply & Demand

### Golf Club Supply

The subject's MSA contains a total of 1,521 golf holes. As reported by the National Golf Foundation (NGF), the current distribution of golf clubs and golf holes is summarized as follows.

MSA GOLF ACCESSIBILITY				
Metropolitan Statistical Area	Population	Holes	Pop/Hole	Rank
Cape Coral-Ft. Myers, FL	725,954			
Public Golf Holes		666	19,620	86th
Private Golf Holes		855	15,283	7th
Total Golf Holes		1,521		14th
Source: Golf Facilities in the U.S., 2018 Edition (NGF)				



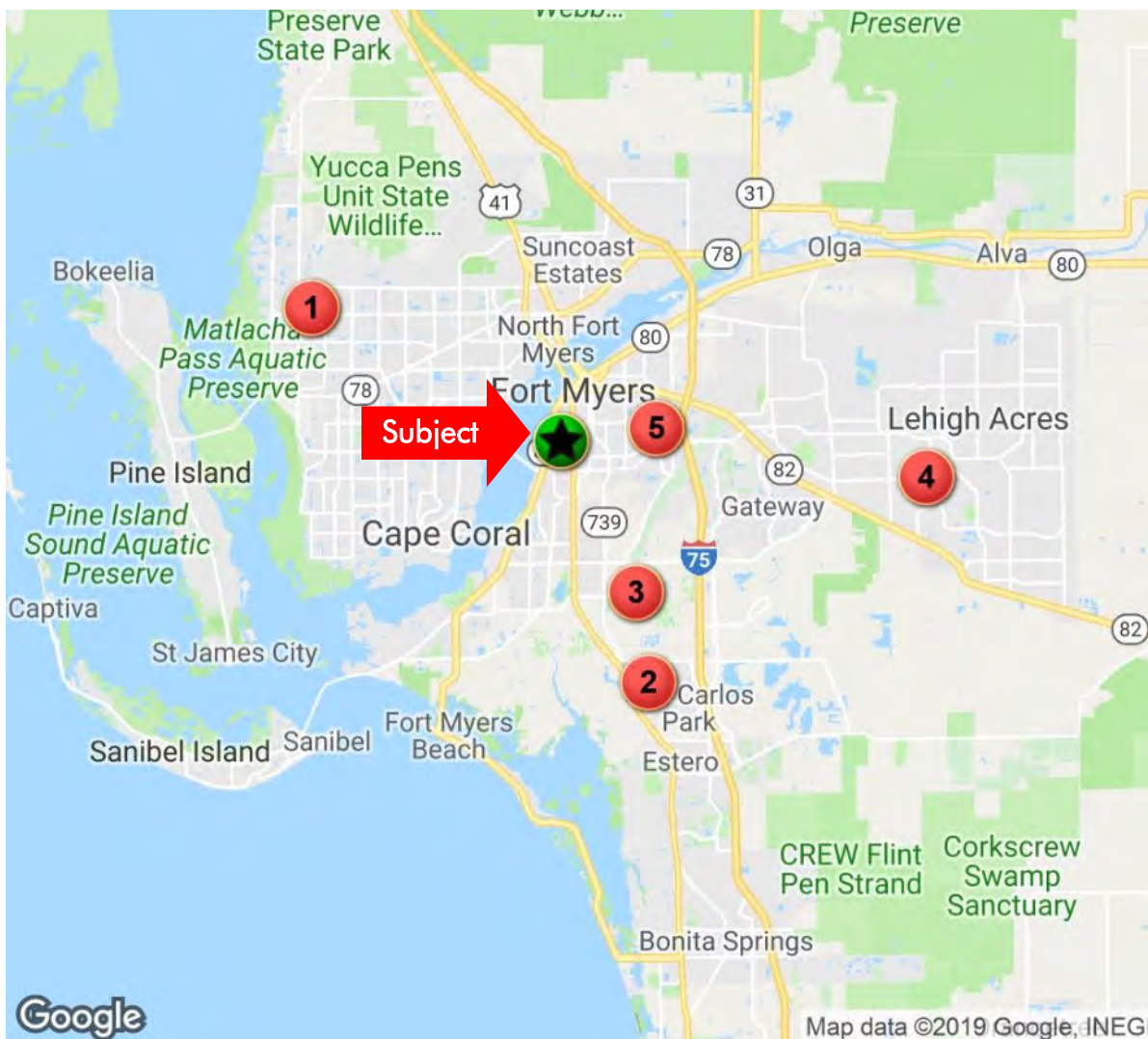
As shown, the subject's market ranks 14<sup>th</sup> in terms of population per total golf hole, 7<sup>th</sup> in terms of population per private golf hole and 86<sup>th</sup> in terms of population per public golf hole. Furthermore, the adjacent Naples-Marco Island MSA ranks 1<sup>st</sup> in the nation, indicating a significant level of play in the subject's region.

### New Construction

Our research uncovered no new or planned daily-fee or semi-private golf courses in the subject's immediate market area of Lee County.

### PUBLIC AND SEMI-PRIVATE GOLF CLUB DEMAND

Following is a summary chart of the local competitive clubs, along with a location map. Note that complete data summaries and photographs of each local competitive club have been included in the Addenda.



SUMMARY OF COMPETITIVE GOLF CLUBS						
	Subject	1	2	3	4	5
Name	Fort Myers Country Club	Coral Oaks Golf Club	San Carlos Golf Club	Eagle Ridge Golf Club	Copperhead Golf and Country Club	Eastwood Golf Course
Type Club	Daily Fee/Public Course	Semi-Private	Semi-Private	Semi-Private	Semi-Private	Semi-Private
City	Fort Myers	Cape Coral	Fort Myers	Fort Myers	Lehigh Acres	Fort Myers
County	Lee	Lee County Co.	Lee County Co.	Lee Co.	Lee Co.	Lee Co.
Distance/Direction from Subject	-----	10 Miles W	11 Miles S	8 Miles S	15 Miles E	5 Miles E
Year Built	1917 - 2015	1988	1973	1984	2001	1977
Number Holes	18	18	18	18	18	18
Length (Yards)	6,675	6,623	6,423	6,538	6,680	7,129
Architect	Donald Ross	Arthur Hills	John E. O'Connor	Gordon Lewis	Gordon Lewis	Bruce Devlin/Robert
USGA Rating	72.9	72.3	71	71	70.9	72.5
Clubhouse	Yes	Yes	Yes	Yes	Yes	Yes
Pool	No	No	No	No	No	No
Tennis	No	No	No	No	No	No
Driving Range	No	Yes	Yes	No	Yes	Yes
Putting Green	Yes	Yes	Yes	Yes	Yes	Yes
Restaurant	Yes	Yes	Yes	Yes	Yes	Yes
Annual Golf Membership	\$1,850	\$2,880	\$2,700.00	\$4,800	\$4,200	\$1,850
Member Cart Fee	\$22.50	\$25	\$21.00	\$22	N/A	\$23
Prime Peak Season Rates	\$90.00	\$72	\$92.00	\$89	\$68	\$90
Prime Shoulder Season Rates	\$50	\$48	\$65	\$65	\$50	\$50
Prime Off-Season Rates	\$40	\$35	\$40	\$40	\$35	\$40
Number of Golf Members	100	120	200	100	N/A	100
Annual Rounds	61,487	60,000	50,000	45,000	45,000	52,200
Compiled by: CBRE						

## Annual Rounds Played

The subject's annual rounds data is presented in the chart below. Also included is the rounds data for the competitive set.

COMPETITIVE SET - ROUNDS PLAYED	
Course	No. Rounds/18 Holes
Coral Oaks Golf Club	60,000
San Carlos Golf Club	50,000
Eagle Ridge Golf Club	45,000
Copperhead Golf and Country Club	45,000
Eastwood Golf Course	52,200
<b>CBRE, Inc. Estimate</b>	<b>61,500</b>
Compiled by CBRE	

As shown above, the competitive courses surveyed indicated playing levels of 45,000 to 60,000 rounds per year which is considered a healthy level and reflects strong demand and acceptance in the market. Note that all of the courses surveyed were located within an approximate 15-mile radius of the subject property and identified as direct competitors.

## CONCLUSIONS

The subject property is good quality daily-fee club and based current annual rounds, it appears to be well received in the market. Based on the condition of the golf course and clubhouse, we anticipate

that the subject will continue to be well received and competitive in the marketplace as long as it is priced and managed properly. As noted, we have projected a stabilized estimate 61,500 annual rounds for the subject facility.

## Highest and Best Use

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legal permissibility;
- physical possibility;
- financial feasibility; and
- maximum profitability.

Highest and best use analysis involves assessing the subject both as if vacant and as improved.

### AS VACANT

#### Legal Permissibility

The subject property zoned for recreation/open space by the City of Fort Myers. From a legal standpoint, the subject is likely restricted from any significant development.

#### Physical Possibility

The subject property contains approximately 134.92-acres with the configuration of the site allowing for a wide range of open space uses. Given this configuration, the most reasonable use is for golf course development or green belt area.

#### Financial Feasibility

The determination of the highest and best use is dependent primarily on the relationship of supply and demand for the legally permissible and physically possible land uses.

The Cape Coral-Fort Myers MSA has shown steady historical growth in terms of population over the past several decades. Our research indicated that the competitive daily fee and semi-private courses in the subject's market area were reporting annual golf round counts ranging from 45,000 to 60,000 rounds per 18-holes. While it appears that reasonable demand exists for daily fee golf facilities in the subject's market area, economic and development lending conditions remain relatively weak and development at the current time would not likely be feasible.

#### Maximum Profitability

The use that results in the maximum profitability of the site is beyond the scope of this assignment. The recipient of the property's productivity (e.g., the lender, equity investor, the public, etc.) greatly determines what the use should be. Regardless, the use for the subject should conform to the neighborhood trends and be consistent with existing land uses.



## **CONCLUSION: HIGHEST AND BEST USE AS VACANT**

Based on the foregoing analysis, the highest and best use of the site as though vacant would be to hold for future golf course or open space development when economic and market conditions improve.

## **AS IMPROVED**

### **Legal Permissibility**

To the best of our knowledge, the subject's existing improvements are a legally permissible use of the site under the existing zoning.

### **Physical Possibility**

The existence of the subject improvements is considered adequate evidence of the physical possibility of development.

### **Financial Feasibility**

As will be discussed, the subject has historically struggled to generate positive net income despite a significant amount of play. The subject is generating an adequate amount of revenues and should be able to operate with a positive cash flow. It is our opinion, that the current service contract agreements that are in place are limiting the revenue generating capabilities of the subject as well as providing unsustainable expenses. Despite the negative historical cash flows, the subject has the potential to generate a positive net income.

### **Maximum Profitability**

The maximally profitable use of the subject as improved should conform to neighborhood trends and be consistent with existing land uses. Although several uses may generate sufficient revenue to satisfy the required rate of return on investment and provide a return on the land, the single use that produces the highest price or value is typically the highest and best use. However, the recipient of the property's productivity greatly determines what actual use maximizes profitability. It appears there are no alternative uses of the existing improvements that would produce a higher net income and/or value over time than the current use.

## **CONCLUSION: HIGHEST AND BEST USE AS IMPROVED**

From our analysis of the above legal, physical and financially feasible factors, we believe that sufficient demand currently exists for an average to good quality daily fee golf club in the vicinity of the subject. Therefore, we believe that the highest and best use of the subject, as improved, would be for continued use as a daily fee club.

## Appraisal Methodology

The appraisal process is defined as an orderly program by which the problem is planned and the data involved is acquired, classified, analyzed and interpreted into an estimate of value. In this process three basic approaches to value are considered: Cost Approach, Sales Comparison Approach, and Income Capitalization Approach. In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

The final step in the appraisal process is reconciliation -- a process by which we analyzed alternative conclusions and selected a final value estimate from among two or more indications of value. We weighed the relative significance, applicability and defensibility of each approach as it related to the type of property appraised.

### COST APPROACH

The Cost Approach is based upon the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use of the land or when relatively unique or specialized improvements are located on the site and for which there exist few sales or leases of comparable properties. The first step in the Cost Approach is to estimate the land value (at its highest and best use) applicable to the subject. This is usually done through an analysis of comparable land sales. The second step is to estimate the cost of all improvements. Improvement costs are then depreciated to reflect value loss from physical, functional and economic causes. Land value and depreciated improvement costs are then added to indicate a total value.

The Cost Approach was not considered an applicable valuation technique in this assignment. This is due to several reasons including the fact that estimating land value is extremely difficult because there are few true comparable land sales for golf construction. For the Cost Approach to be meaningful, land value must be adequately supported by recent comparable sales. However, golf course sites rarely sell in the marketplace, especially without other commercial and/or residential components. Most are portions of other projects and therefore the land is allocated for golf course use or is donated to the builder of a golf course in order to create value around the golf course. Finally, golf course investors do not rely on this approach as a valuation technique for making buy/sell decisions. Therefore, while this approach was considered, it was not employed in this analysis.

## **SALES COMPARISON APPROACH**

The Sales Comparison Approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject property. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences with the final estimate derived based on the general comparisons.

The reliability of this approach is dependent upon (a) the availability of comparable sales data; (b) the verification of sales data; (c) the degree of comparability; and (d) the absence of atypical conditions affecting the sales price. Through our search of the subject market, we were able to uncover an adequate quality and quantity of sales through which a reliable and defensible indication of a reasonable range of value could be concluded. Therefore, this approach has been employed for this assignment, although buyers, sellers and lenders rely on this approach only as an indication that there is a market, that sales do occur, and within a reflected range of prices.

## **INCOME APPROACH**

The methodology of the Income Capitalization Approach is to determine the income-producing capacity of the property on a stabilized basis by estimating market rent from comparable rentals, making deductions for vacancy and collection losses and building expenses, then capitalizing the net income at a market-derived rate to yield an indication of value. The capitalization rate represents the relationship between net income and value. Related to the direct capitalization method is the discounted cash flow method. In this method of capitalizing future income to a present value, periodic cash flows (which consist of a net income less capital costs, per period) and a reversion (if any) are estimated and discounted to a present value. The discount rate is determined by analyzing current investor yield requirements for similar investments.

Since investors are active in the marketplace for golf club properties similar to the subject, the Income Capitalization Approach is particularly applicable to the appraisal problem. Therefore, this approach has been employed for estimating value for the golf club.

## **SUMMARY**

For purposes of this assignment, we utilized the Sales Comparison and Income Capitalization Approaches to estimate the market value of the subject property.

## Sales Comparison Approach

The Sales Comparison Approach involves making direct comparisons of the property being appraised to similar properties that have sold in the same or in a similar market. The comparisons are made in order to derive an estimate of market value for the property being appraised.

This approach is based on the economic "principle of substitution." The principle implies that a prudent person will not pay more to buy a property than it will cost to construct a comparable substitute property. Although individual sales may deviate from a market norm, a sufficient number tend to produce a pattern indicating the action of typical buyers and sellers in the market. In this case, there has been limited sale activity, which makes application of this approach difficult. However, we have utilized the best available market data for this analysis.

The basic steps in this approach are:

1. Research the market to identify similar properties for which pertinent data is available.
2. Qualify the price as to terms, motivating forces, and bona fide nature.
3. Compare each of the properties' attributes to the subject property in terms of time, location, physical characteristics and conditions of sale.
4. Consider all dissimilarities and their probable effect on the sale price of each property.
5. From the pattern developed, formulate an opinion of the subject's market value.

In estimating value by the Sales Comparison Approach, a common unit of comparison must be utilized for analysis purposes. In this case, we considered all typical units of comparison including sale price per hole, sale price per golf round, and sale price per acre, and the gross revenue multiplier. We concluded that the Gross Income Multiplier technique was the best indicator of value for the subject.

Buyers of daily-fee courses typically purchase these properties for income from green fees and cart rentals. Buyers of private clubs typically purchase these properties possibly to develop around them, to make improvements to them, to sell the property, to operate for a profit, or to turn the club over to the membership for a profit. Buyers of resort semi-private clubs typically purchase the property as an amenity to the resort. These buyers will attempt to attract three types of clients, members, guests, and resort players.

Generally, we have included sales of golf courses that have been sold for continued use as golf courses, and not for future subdivision potential or other alternative use. We conducted a thorough sales search for comparable golf course facilities in the region. Through our sales search, we located and verified transactions of relatively similar properties that sold over the recent past. Following is a map locating each comparable sale in relation to the subject. Full write-ups and information on each sale is contained in the Addenda.



The sales utilized represent the best data available for comparison with the subject property. These sales were chosen primarily based upon their recent sale dates, composition of play, location, and quality of the improvements.

Due to the combination of course types (private, semi-private, resort, daily fee), geographic location, specific amenities, etc., most sales are not truly comparable to the subject. However, they do serve to illustrate the fact that there is an active market for the subject property type.

As a result of our investigation, twenty sales of daily-fee, semi-private and private golf course properties were selected for comparison with the subject. The improved sales summary chart found on the following page contains pertinent information regarding each comparable property. Sale dates ranged from December 2015 to April 2018.

## SUMMARY OF COMPARABLE GOLF SALES

No.	Name	Transaction Type	Date	Year Built	Designer/ Architect	No. Holes	Course Yardage	Clubhouse Tennis, Pool	Actual Sale Price	Adjusted Sale Price 1	Price Per Hole 1	Total Members	Price/ Member	Annual Rounds	OAR	GIM	NIM
1	Gateway Golf & Country Club, Fort Myers, FL, Private	Sale	Apr-18	1989	Tom Fazio	18	6,981	Yes	\$5,000,000	\$8,000,000	\$444,444	486	\$10,288	33,453	11.28%	1.34	8.87
2	Wilmington Island Club, Wilmington Island, GA, Semi-Private	Sale	Mar-18	1927	Donal Ross	18	3,715	Yes	\$2,350,000	\$2,350,000	\$130,556	250	\$9,400	35,000	\$0	0.94	9.40
3	Indian Springs Country Club, Boynton Beach, FL, Private	Sale	May-17	1980	Bruce Develin/Rober	36	7,070	Yes	\$6,850,000	\$8,150,000	\$226,389	778	\$8,805	\$64,680	16.54%	1.05	6.05
4	Oakhurst Golf & Country Club, Clarkston, MI, Private	Sale	Apr-17	1998	Arthur Hills	18	7,054	Yes	\$6,000,000	\$6,000,000	\$333,333	273	\$21,978	N/A	\$0	1.03	10.42
5	Arrowhead Country Club, San Bernardino, CA, Private	Sale	Apr-17	1967	Clark Glasson/Rober	18	6,573	Yes	\$3,500,000	\$3,500,000	\$194,444	152	\$23,026	\$24,227	\$0	1.09	\$9
6	Norbeck Country Club, Rockville, MD, Private	Sale	Mar-17	1954	Alfred H. Tull	18	7,019	Yes	\$6,750,000	\$6,750,000	\$375,000	565	\$11,947	N/A	9.62%	1.31	\$10
7	Philmont Country Club, Huntingdon Valley, PA, Private	Sale	Feb-17	1906	William S. Flynn/Howard C.	36	6,670	Yes	\$5,000,000	\$5,000,000	\$138,889	N/A	N/A	N/A	N/A	1.00	N/A
8	White Manor Country Club, Malven, PA, Private	Sale	Dec-16	1963	Bobby Weed	18	7,055	Yes	\$5,000,000	\$5,000,000	\$277,778	N/A	N/A	N/A	N/A	1.00	N/A
9	Sky Creek Ranch Golf Club, Keller, TX, Public	Sale	Dec-16	1999	Robert Trent Jones, Jr.	18	6,953	Yes	\$7,500,000	\$7,500,000	\$416,667	N/A	N/A	40,000	8.95%	2.38	11.18
10	Wyandot Golf Course, Centerburg, OH, Semi-Private	Sale	Oct-16	1978	Norris Slayer	18	6,422	No	\$1,500,000	\$1,500,000	\$83,333	N/A	N/A	N/A	\$0	2.84	15.34
11	North Shore Golf Course, Tacoma, WA, Public	Sale	Sep-16	1958	Al Smith/Glen Proctor	18	6,305	Yes	\$3,065,000	\$3,065,000	\$170,278	N/A	N/A	N/A	5.88%	1.73	17.01
12	Jacaranda West Country Club, Venice, FL, Semi-Private	Sale	Sep-16	1975	Mahannah/Powell	18	6,574	No	\$3,000,000	\$3,000,000	\$166,667	394	\$7,614	\$33,967	\$0	1.07	11.42
13	Heritage Golf Club, Hilliard, OH, Private	Sale	Aug-16	1994	P.B. Dye	18	6,868	Yes	\$3,175,000	\$3,175,000	\$176,389	N/A	N/A	26,145	9.28%	0.84	10.78
14	Golf Club of North Hampton, Fernandina Beach, FL, Semi-Private	Sale	Aug-16	2001	Arnold Palmer	18	7,080	No	\$1,650,000	\$1,650,000	\$91,667	155	\$10,645	\$32,000	N/A	1.00	N/A
15	Deer Creek Golf Club, Overland Park, KS, Public	Sale	Jun-16	1988	Robert Trent Jones, Jr.	18	6,811	Yes	\$3,700,000	\$3,700,000	\$205,556	N/A	N/A	N/A	10.12%	1.51	9.88
16	Meadowlands Country Club, Blue Bell, PA, Private	Sale	May-16	1950	Thomas E. Clark	18	6,565	No	\$4,797,000	\$4,797,000	\$266,500	N/A	N/A	14,000	N/A	1.80	N/A
17	Providence Country Club, Charlotte, NC, Private	Sale	Feb-16	1988	Dan Maples	18	7,021	Yes	\$5,211,000	\$5,211,000	\$289,500	700	\$7,444	N/A	N/A	0.80	N/A
18	Marsh Creek Country Club, St. Augustine, FL, Private	Sale	Feb-16	1988	Mark McCumber	18	6,883	Yes	\$4,500,000	\$4,500,000	\$250,000	718	\$6,267	27,242	9.58%	1.18	10.43
19	The Wanderers Club, Wellington, FL, Private	Sale	Nov-16	1985	Jacobsen/Hardy	18	7,052	Yes	\$6,865,000	\$6,865,000	\$381,389	400	\$17,163	N/A	N/A	1.56	N/A
20	San Ramon Golf Club, San Ramon, CA, Public	Sale	Dec-15	1962	Clark Glasson	18	6,451	Yes	\$8,175,000	\$8,175,000	\$454,167	N/A	N/A	57,800	9.82%	1.99	10.18

Compiled by CBRE

The comparables utilized reflected unit prices ranging from \$83,333 to \$583,333 per hole and from \$6,267 to \$23,026 per member. The Gross Income Multipliers reflected by the comparables ranged from 0.80(x) to 2.84(x) and the Net Income Multipliers reflected by the comparables ranged from 6.05(x) to 17.01(x). Eight of the comparables were positioned as private clubs at the time of sale and the other twelve comparables were either public (daily fee) or semi-private clubs.

The units of comparison for golf courses are not precise and are marginally applicable to the subject property. For the Sales Comparison Approach, the comparable sales must be similar with respect to age, quality, location, etc. In this case, the comparables are located throughout the country, rendering adjustments highly subjective. Price per hole has historically been a common unit of comparison for golf courses, but does not provide a convincing case for a specific value for the subject. Note that all of the units of comparison are widely dispersed making utilization of the Sales Comparison Approach difficult at best.

Discussions with market participants indicate that based on current market conditions, the most applicable units of comparison for golf properties are typically the Gross Income and Net Income (EBITDA) Multipliers. As a result, we have utilized the gross income multiplier and the net income multiplier in our analysis of the subject golf club.

### **GROSS INCOME MULTIPLIER ANALYSIS**

As noted, the GIM and the NIM are typically the most applicable units of comparison used to analyze golf properties via the Sales Comparison Approach. The GIM establishes the relationship between the property's total revenue and the sale price. The gross income multipliers vary somewhat due to the income-producing capabilities of comparable properties.

There is a direct correlation between value, annual rounds played and greens fees, which makes this unit of comparison highly market-sensitive to investor indicators. Differences between the sales, which would normally require adjustments, are accounted for by the action of the market. Therefore, if the comparable properties have an advantage over the subject property, the difference in the gross income multipliers already reflects the extent of the advantage.

The gross income multipliers indicated by the sales ranged from 0.80(x) to 2.84(x) and averaged 1.37(x). Our conclusions are summarized on the following chart.

### **Market Participants**

Buyers are currently valuing golf courses that are breaking even on a 1.0(x) to 1.5(x) 1.5 Gross Revenue Multiplier ("GRM"). If a property is well located, in good condition, has upside potential and/or is synergistic to a buyer's current holdings, a buyer will increase the GRM to 1.5(x) or even as high as 2.0(x). If a property is poorly located, in need of CAPEX, generates revenue of less

than \$3 million, is a leasehold or does not cash flow, buyers are paying less than a 1.0(x) GRM, sometimes .5(x) to .75(x). Most of today's buyers base their acquisition on a GRM, then "value engineer" operating expenses and drive down total expenses to create positive cash flow.

### Gross Revenue – As Is With Current Service Agreements

As shown on the chart below, our pro forma estimated gross revenue, based largely off historical operations equated to \$1,884,975 , which is inclusive of all revenue generated by the subject under the current service agreements. These revenues result from membership/annual passes, green fees, cart fees and income generated from the existing service contracts (i.e. percentage rent from the restaurant and rent from the pro shop).

<b>GROSS INCOME MULTIPLIER VALUE INDICATION</b>				
Gross Income		GIM		Value Indication
\$1,884,975	x	0.75	=	\$1,413,731
\$1,884,975	x	0.85	=	\$1,602,229
Concluded Value				\$1,500,000
Compiled by CBRE				

The appropriate GIM under this scenario takes into consideration that the buyer would not have total control of the golf and restaurant operations and would be required to honor the existing service agreement, resulting in a tempered GIM.

### Gross Revenue – Hypothetical (Market Operations)

As will be discussed in the Income Approach, the subject current outsources the golf and restaurant operations (not golf maintenance) to third parties via multi-year service agreements. In our opinion, these agreements limit the owner's revenue generating capabilities.

Many competent firms exist throughout the nation that specializes in the operation of golf facilities. As such, a Hypothetical Analysis was undertaken assuming the service agreements were not in place with a competent management firm operating all components of the operations and the owner being entitled to the revenue sources.

As shown on the chart below, our pro forma estimated gross revenue, based largely off historical operations, industry norms and conversations with knowledgeable golf operators, equated to \$3,536,250 . These revenues result from membership/annual passes, green fees, cart fees, food/beverage income and golf shop merchandise.



<b>GROSS INCOME MULTIPLIER VALUE INDICATION</b>				
Gross Income		GIM		Value Indication
\$3,536,250	x	1.30	=	\$4,597,125
\$3,536,250	x	1.40	=	\$4,950,750
Concluded Value				\$4,700,000
Compiled by CBRE				

Under this scenario, the buyer enjoys full control of all operations with a GIM more in line with the market deemed appropriate.

### Net Income Multiplier – As Is (with Current service agreements)

Another value indicator currently being quoted by market participants is the net income multiplier assuming that a club is generating positive NOI. We have been quoted a typical range of 8 to 10 times net revenue (when deducting management and reserves) for a golf club that is making money. Another golf course broker quoted a lower range of 6 to 8 times net revenue and up to 10 times net revenue for a higher end or a well-located golf club.

We were also able to extract a net income multiplier from three of the primary sales utilized in our analysis and they ranged from 6.05(x) to 17.01(x) and averaged 10.72(x). As will be shown, our estimated stabilized NOI for the subject, with the current service contracts in place though assuming more efficient operations where possible, equated to \$188,954 . The following chart shows the value indication via the net income multiplier analysis and it also provides additional support for our value indications via the Income Capitalization Approach.

<b>NET INCOME MULTIPLIER VALUE INDICATION</b>				
Net Income		NIM		Value Indication
\$188,954	x	8.00	=	\$1,511,631
\$188,954	x	9.00	=	\$1,700,585
Concluded Value				\$1,600,000
Compiled by CBRE				

The appropriate NIM under this scenario takes into consideration that the buyer would not have total control of the golf operations and would be required to honor the existing service agreement with the pro shop operator, resulting in a tempered NIM.

### Net Income Multiplier – Hypothetical (Market Operations)

Under the Hypothetical Analysis, which assumes the service agreements are not in place and a competent management firm operates the club with an industry norm expense ratio, our estimated stabilize NOI for the subject equated to \$428,536 . The following chart shows the value

indication via the net income multiplier analysis and it also provides additional support for our value indications via the Income Capitalization Approach.

<b>NET INCOME MULTIPLIER VALUE INDICATION</b>				
Net Income		NIM		Value Indication
\$428,536	x	9.50	=	\$4,071,092
\$428,536	x	10.00	=	\$4,285,360
Concluded Value				\$4,200,000
Compiled by CBRE				

A slightly higher multiplier was deemed appropriate when considering ownerships full control over all operations under this scenario.

## SALES COMPARISON VALUE CONCLUSION

The following table summarizes the value indications based on the Sales Comparison Approach under both scenarios. Note that our concluded value also took into consideration our discussions with golf course brokers and other market participants who indicated clubs operating similar to the subject are largely purchased based on the GIM method.

### As Is (With Service Agreements)

The following chart summarizes the value conclusion based on the subject's operations with the current service agreements in place though with more market oriented expenses where possible.

<b>SALES COMPARISON APPROACH CONCLUSION</b>	
Method	Indicated Value
Gross Income Multipliers	\$1,500,000
Net Income Multipliers	\$1,600,000
<b>Indicated Stabilized Value</b>	<b>\$1,500,000</b>
Deferred Maintenance	\$0
Stabilization Discount	\$0
<b>Value Indication</b>	<b>\$1,500,000</b>
<b>Rounded</b>	<b>\$1,500,000</b>
<b>Value Per Hole</b>	<b>\$24</b>
Compiled by CBRE	

### Hypothetical As Is (Market Operations)

The following chart summarizes the value conclusions based on the subject's operations where service agreements are not in place and a competent management firm operates the club within an industry norm expense ratio.

<b>SALES COMPARISON APPROACH CONCLUSION</b>	
Method	Indicated Value
Gross Income Multipliers	\$4,700,000
Net Income Multipliers	\$4,200,000
<b>Indicated Stabilized Value</b>	<b>\$4,400,000</b>
Deferred Maintenance	\$0
Stabilization Discount	\$0
<b>Value Indication</b>	<b>\$4,400,000</b>
<b>Rounded</b>	<b>\$4,400,000</b>
<b>Value Per Hole</b>	<b>\$244,444</b>
Compiled by CBRE	

## Income Capitalization Approach

The Income Capitalization Approach quantifies the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of economic benefits to be derived in the future. Specifically estimated is the amount the investor would be willing to pay to receive a future income stream over a specified investment period.

Market value of income-producing real estate is typically determined by the amount of net income that the property is expected to generate over a projected investment holding period. This is typically weighted against the rates of return available to potential buyers on alternative investments. An analysis of the income generating characteristics of the property, and how they impact the net income available for providing both a return on and a return of the original investment, is typically considered paramount to a potential buyer. The Income Capitalization Approach is the technique that converts anticipated benefits, in terms of dollar income derived from ownership, into a value estimate.

### Methodology

The two common valuation techniques associated with the income capitalization approach are the direct capitalization technique and the discounted cash flow (DCF) analysis.

### Direct Capitalization Technique

The direct capitalization technique converts a single year's estimate of income into a value indication. The direct capitalization technique is most appropriate when analyzing a stable income stream and in estimating the reversion at the end of a holding period. In direct capitalization, a precise allocation between return on and return of capital is not made because investor assumptions or forecasts concerning the holding period, pattern of income, or changes in value of the original investment are not simulated. Using this technique, the process can be outlined as follows:

1. Assuming competent ownership, estimate the Potential Gross Income (PGI) from all sources generated by the property, based on existing and/or market rents.
2. Deduct an estimated Vacancy and Collection Loss (V&C) allowance to arrive at an Effective Gross Income (EGI) estimate.
3. Deduct operating expenses from the estimated EGI; the result is an estimate of the stabilized Net Operating Income (NOI).
4. Estimate an overall capitalization rate applicable to the subject ( $R_o$ , or OAR).
5. Divide the NOI by  $R_o$ , resulting in a value estimate at stabilized occupancy.
6. Adjust the stabilized value to account for "as is" condition, if applicable.



## Discounted Cash Flow Analysis

The discounted cash flow (DCF) analysis is a detailed analysis used when the future net operating income (or cash flow) is expected to be variant, usually as a result of anticipated changes in potential gross income and expenses. It is also particularly relevant when buyers are basing their analysis on annual cash flows as opposed to solely value. The DCF analysis specifies the quantity, variability, timing, and duration of NOIs and cash flows. Selecting the proper yield rate (discount rate) is essential. The methodology of this technique is summarized as follows:

1. Estimate the pre-tax cash flows for each period of a projected holding period (net of capital expenditures such as leasing expenses and tenant improvements).
2. Estimate a discount rate and a reversionary (terminal) overall capitalization rate.
3. Estimate a selling price at the end of the holding period, known as the reversion, by capitalizing the net operating income for the period following the future sale date.
4. Convert the cash flows and the reversion to a present value estimate using an appropriate yield rate.

## Appropriate Valuation Method

As noted, the two common valuation techniques associated with the income capitalization approach are the direct capitalization technique and the discounted cash flow (DCF) analysis. As will be shown, the subject has historically struggled to generate positive net income given primarily due to unfavorable service-contracts and unsustainable expenses. Within our analysis, we have relied solely upon the Direct Capitalization approach in an attempt to “value” engineer a positive cash flow. As will be shown, even with the inclusion of the service contracts, it is our opinion that the subject should be able to produce a positive cash flow.

## Historical Income and Expenses

Income and expense information were provided by subject management. For purposes of our analysis, we have considered the subject’s historical data, as well as that obtained for similar properties in the region and other daily fee and semi-private golf clubs that we have appraised.

Where applicable, we have reclassified the available income/expense information to conform to the Uniform System of Accounts for Golf Clubs, an industry-standard accounting format. However, we have primarily relied upon the existing structure of the income and expense categories provided in the financial statements. The historical income and expense information presented reflects 2016, 2017 and 2018 data. This income and expense information is summarized in the chart on the following page.

**Note:** The income and expense projections for the subject property are based on the total number of annual rounds based on our stabilized projection.

## SERVICE CONTRACTS

The following is a brief summary of the service contracts currently in place for the subject property.

### Golf Shop Operations

Beginning in 1995, the City of Ft. Myers (the City) entered into an agreement with the head golf pro (referred to as the "provider") to oversee and run the golf operations at both the subject property (i.e. Fort Myers Country Club or FMCC and the City owned Eastwood Golf Course (Eastwood)). The basic agreements includes the City making an annual payment of \$816,000 (\$408,000 per course) to the provider. In return, the provider employs all personnel associated with the pro shop and outside services (i.e. assistant pro, shop manager, cart personnel, starters, rangers, etc.). The provider owns the merchandise within the pro shop, being responsible for stocking and selling retail items typically found at a golf course and keeping any profits (i.e. golf balls, gloves, shirts, etc.). He also benefits from income generated from the driving range operations. The provider and his staff check-in all golfers, charging the appropriate green and cart fees which serve as the city's sole revenue source. All golf course maintenance expenses are at the City's cost. Per the agreement, the provider pays the City rent on the golf shop of \$10.00 per square foot per month and \$50 per month for utilities as well as \$1,000 per month for use of the driving range.<sup>6</sup>

### Edison Restaurant

Located adjacent the pro shop is a large clubhouse with the main level being improved with a full service restaurant called The Edison. The restaurant is very attractive with large indoor bar, outdoor patio and several private banquet rooms. Despite being operated independently from the golf course, the restaurant is essentially the "clubhouse" for the golf course with most golfers utilizing the bar and restaurant before and after rounds of golf.

The lease began in May 2006 for a 3-year term with the tenant provided four (4) three (3) year options which they appear to be exercising. Assuming all options are utilized, the term extends until May 2021. Per the lease terms, the tenant pays rent of 4% of gross sales on the first \$2 million and 3% on anything above. The tenant also pays 4% of any banquet sales. The tenant is responsible for the payment of all utilities though is provided a rent credit of 50% or \$3,500 per month for utilities by the city. This credit likely allocates some expenses for the city's use of the lower level for cart storage.

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<sup>6</sup> CBRE Reviewed the 7 Amendments and the original agreement. A copy of the original agreement and the 4<sup>th</sup> Amendment is provided in the addenda for reference.

## Overall Impact

While the service contracts limit the City of Fort Myers responsibilities in running the respective components, it is our opinion that the contracts are unfavorable to the city as they limit a significant revenue source as well providing an unsustainable expense for golf shop operations.

## HISTORICAL INCOME AND EXPENSES

For purposes of our analysis, we have considered the subject's historical data, as well as that obtained for similar properties in the region. The historical income and expense information presented below reflects 2016, 2017 and 2018 actual data for the subject property (NOTE: we have disregarded any revenues and/or expenses associated with transfers from the cities General Fund to cover any shortfalls).

OPERATING HISTORY									
Year	2016			2017			2018		
No. Holes	18			18			18		
Total Rounds	58,245			63,461			61,487		
	Total	% Rev <sup>1</sup>	\$/Round	Total	% Rev <sup>1</sup>	\$/Round	Total	% Rev <sup>1</sup>	\$/Round
REVENUE									
Membership / Annual Pass	\$159,740	9.3%	\$2.74	\$169,010	9.1%	\$2.66	\$169,265	9.0%	\$2.75
Green Fees	934,077	54.6%	\$16.04	1,091,923	58.8%	\$17.21	1,064,370	56.4%	\$17.31
Cart Fees	558,968	32.7%	\$9.60	526,529	28.4%	\$8.30	578,490	30.7%	\$9.41
Driving Range	-	0.0%	\$0.00	-	0.0%	\$0.00	-	0.0%	\$0.00
Pro Shop/Merchandise	14,875	0.9%	\$0.26	14,875	0.8%	\$0.23	14,875	0.8%	\$0.24
Food and Beverage Sales	42,137	2.5%	\$0.72	50,656	2.7%	\$0.80	56,177	3.0%	\$0.91
Other	1,588	0.1%	\$0.03	3,107	0.2%	\$0.05	2,747	0.1%	\$0.04
Total Revenue	\$1,711,385	100.0%	\$29.38	\$1,856,100	100.0%	\$29.25	\$1,885,924	100.0%	\$30.67
LESS: COST OF GOODS SOLD (1)									
Pro Shop/Merchandise COGS		0.0%	\$0.00		0.0%	\$0.00		0.0%	\$0.00
Food and Beverage Sales COGS		0.0%	\$0.00		0.0%	\$0.00		0.0%	\$0.00
COGS		0.0%	\$0.00		0.0%	\$0.00		0.0%	\$0.00
COGS	-	0.0%	\$0.00	-	0.0%	\$0.00	-	0.0%	\$0.00
Total Cost of Goods Sold	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00
Gross Income	\$1,711,385	100.0%	\$29.38	\$1,856,100	100.0%	\$29.25	\$1,885,924	100.0%	\$30.67
DEPARTMENTAL EXPENSES									
Golf Course Maintenance	654,248	38.2%	\$11.23	\$666,183	35.9%	\$10.50	\$632,556	33.5%	\$10.29
Cart Maintenance/Equipment Leases	170,128	9.9%	\$2.92	168,868	9.1%	\$2.66	176,129	9.3%	\$2.86
Food & Beverage Operations		0.0%	\$0.00		0.0%	\$0.00		0.0%	\$0.00
Pro Shop Operations	408,000	23.8%	\$7.00	408,000	22.0%	\$6.43	408,000	21.6%	\$6.64
Total Departmental Expenses	\$1,232,377	72.0%	\$21.16	\$1,243,051	67.0%	\$19.59	\$1,216,684	64.5%	\$19.79
UNDISTRIBUTED OPERATING EXPENSES									
Administrative & General	391,842	22.9%	\$6.73	\$436,109	23.5%	\$6.87	350,048	18.6%	\$5.69
Marketing & Advertising	8,689	0.5%	\$0.15	11,640	0.6%	\$0.18	12,567	0.7%	\$0.20
Utilities	69,671	4.1%	\$1.20	63,986	3.4%	\$1.01	74,224	3.9%	\$1.21
Clubhouse Repairs & Maintenance	32,813	1.9%	\$0.56	25,343	1.4%	\$0.40	23,286	1.2%	\$0.38
Total Undistributed Expenses	\$503,015	29.4%	\$8.64	\$537,079	28.9%	\$8.46	\$460,125	24.4%	\$7.48
GROSS OPERATING PROFIT	(\$24,006)	-1.4%	(\$0.41)	\$75,970	4.1%	\$1.20	\$209,114	11.1%	\$3.40
Management Fees	-	0.0%	\$0.00	-	0.0%	\$0.00	-	0.0%	\$0.00
INCOME BEFORE FIXED CHARGES	(\$24,006)	-1.4%	(\$0.41)	\$75,970	4.1%	\$1.20	\$209,114	11.1%	\$3.40
Selected Fixed Charges									
Property Taxes	\$219,818	12.8%	\$3.77	\$221,826	12.0%	\$3.50	\$57,132	3.0%	\$0.93
Insurance	58,000	3.4%	\$1.00	59,700	3.2%	\$0.94	67,500	3.6%	\$1.10
Allocations/Non-Recurring	-	0.0%	\$0.00	-	0.0%	\$0.00	-	0.0%	\$0.00
Reserves	-	0.0%	\$0.00	-	0.0%	\$0.00	-	0.0%	\$0.00
Total Fixed Charges	\$277,818	16.2%	\$4.77	\$281,526	15.2%	\$4.44	\$124,632	6.6%	\$2.03
TOTAL EXPENSES	\$2,013,209	117.6%	\$34.56	\$2,061,656	111.1%	\$32.49	\$1,801,442	95.5%	\$29.30
NET OPERATING INCOME	(\$301,824)	-17.6%	(\$5.18)	(\$205,556)	-11.1%	(\$3.24)	\$84,482	4.5%	\$1.37

<sup>1</sup> COGS expense ratios are based on departmental revenues; all other categories based on total revenues.

Source: Subject Operating Statements

Where applicable, we have reclassified the available income/expense information to conform to the Uniform System of Accounts for Golf Clubs, an industry-standard accounting format. However, we have primarily relied upon the existing structure of the income and expense categories provided in the financial statements supplied by the client. While the subject's recent historical operating statements do not include management and reserves expenses, we have included this expense line item in our appraisal.

### EXPENSE COMPARABLES

For purposes of this assignment, we were able to also analyze confidential historical operating statements for comparable properties we have studied. In addition, The 2016 Society of Golf Appraisers (SGA) National Golf Course Income and Expense Report was also examined for support as to the subject's reasonableness of income and expense conclusions. A summary of the data analyzed is presented on the following chart.



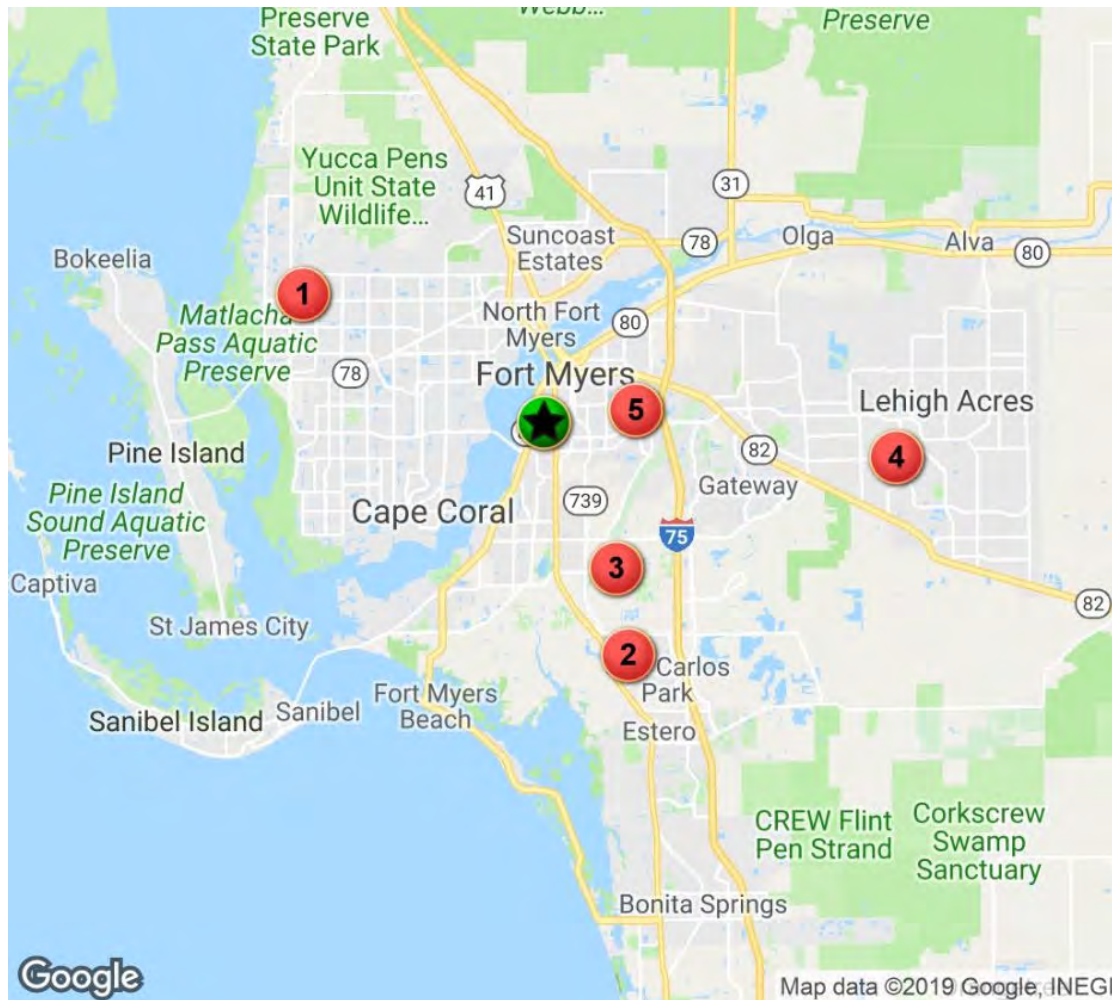
GOLF COURSE EXPENSE COMPARABLES									
Property Type	Semi Private			Public			SGA Daily Fee		
Year	2016			2017			2016		
No. Holes	18			18			N/A		
Total Rounds	59,553			27,692			N/A		
	Total	% Rev <sup>1</sup>	\$/Round	Total	% Rev <sup>1</sup>	\$/Round	Average		
	Total	% Rev <sup>1</sup>	\$/Round	Total	% Rev <sup>1</sup>	\$/Round	Total	% Rev <sup>1</sup>	\$/Round
<b>REVENUE</b>									
Membership / Annual Pass	694,827	8.7%	11.67	31,655	1.7%	\$ 1.14	140,174	8.8%	\$ 4.41
Green Fees	3,053,437	38.0%	51.27	828,079	45.7%	\$ 29.90	569,262	54.4%	\$ 23.72
Cart Fees	-	0.0%	-	-	0.0%	-	133,478	17.8%	\$ 6.90
Driving Range	277,987	3.5%	4.67	75,483	4.2%	2.73	33,599	2.8%	\$ 1.27
Pro Shop/Merchandise	404,729	5.0%	6.80	133,149	7.3%	4.81	59,169	5.0%	\$ 2.45
Food and Beverage Sales	3,370,559	42.0%	56.60	735,348	40.6%	26.55	238,273	20.4%	\$ 11.00
Other	224,295	2.8%	3.77	8,792	0.5%	0.32	58,198	2.5%	\$ 1.65
Total Revenue	\$8,025,833	100.0%	\$ 134.77	\$ 1,812,506	100.0%	\$ 65.45	\$1,070,341	100.0%	\$ 45.75
<b>LESS: COST OF GOODS SOLD *</b>									
Pro Shop/Merchandise COGS	\$ 282,129	69.7%	\$ 4.74	\$ 31,459	23.6%	\$ 1.14	n/a	n/a	n/a
Food and Beverage Sales COGS	908,777	27.0%	15.26	324,198	44.1%	11.71	n/a	n/a	n/a
COGS	-	0.0%	-	-	0.0%	-	n/a	n/a	n/a
COGS	-	0.0%	-	-	0.0%	-	n/a	n/a	n/a
Total Cost of Goods Sold	\$1,190,907	31.5%	\$ 20.00	\$ 355,657	41.0%	\$ 12.84	n/a	n/a	n/a
Gross Income	\$6,834,927	85.2%	\$ 114.77	\$ 1,456,849	80.4%	\$ 52.61	n/a	n/a	n/a
<b>DEPARTMENTAL EXPENSES</b>									
Golf Course Maintenance	\$1,439,785	17.9%	\$ 24.18	\$ 326,952	18.0%	\$ 11.81	\$ 283,154	50.4%	\$ 11.84
Cart Maintenance/Equipment Leases	175,220	2.2%	2.94	-	0.0%	-	32,917	33.0%	1.52
Food & Beverage Operations	1,887,012	23.5%	31.69	270,763	14.9%	9.78	191,307	88.6%	8.79
Pro Shop Operations	662,548	8.3%	11.13	221,900	12.2%	8.01	151,286	323.6%	6.34
Total Departmental Expenses	\$4,164,565	51.9%	\$ 69.93	\$ 819,615	45.2%	\$ 29.60	\$ 675,948	59.2%	\$ 28.44
<b>UNDISTRIBUTED OPERATING EXPENSES</b>									
Administrative & General	\$ 340,089	4.2%	\$ 5.71	\$ 131,737	7.3%	\$ 4.76	\$ 102,215	10.4%	\$ 4.34
Marketing & Advertising	180,941	2.3%	3.04	8,787	0.5%	0.32	12,830	1.5%	0.63
Utilities	-	0.0%	-	84,202	4.6%	3.04	40,774	3.9%	1.72
Clubhouse Repairs & Maintenance	231,887	2.9%	3.89	35,874	2.0%	1.30	24,080	2.8%	1.16
Total Undistributed Expenses	\$ 752,917	9.4%	\$ 12.64	\$ 260,600	14.4%	\$ 9.41	\$ 741,224	20.4%	n/a
<b>GROSS OPERATING PROFIT</b>									
Management Fees	\$1,917,444	23.9%	\$ 32.20	\$ 376,634	20.8%	\$ 13.60	n/a	n/a	n/a
		0.0%	-		0.0%	-	54,678	8.1%	2.92
INCOME BEFORE FIXED CHARGES	\$1,917,444	23.9%	\$ 32.20	\$ 376,634	20.8%	\$ 13.60	\$ 187,937	19.2%	\$ 7.97
<b>Selected Fixed Charges</b>									
Property Taxes	\$ 152,527	1.9%	\$ 2.56	\$ 36,184	2.0%	\$ 1.31	\$ 32,309	4.0%	\$ 1.71
Insurance	103,112	1.3%	1.73	69,725	3.8%	2.52	19,951	2.1%	0.89
Allocations/Non-Recurring	-	0.0%	-	-	0.0%	-	n/a	n/a	n/a
Reserves	-	0.0%	-	-	0.0%	-	67,956	2.6%	1.59
Total Fixed Charges	\$ 255,639	3.2%	\$ 4.29	\$ 105,909	5.8%	\$ 3.82	\$ 54,258	6.1%	\$ 2.65
TOTAL EXPENSES	\$6,364,028	79.3%	\$ 106.86	\$ 1,541,781	85.1%	\$ 55.68	n/a	n/a	n/a
NET OPERATING INCOME	\$1,661,805	20.7%	\$ 27.90	\$ 270,725	14.9%	\$ 9.78	\$ 133,679	13.0%	\$ 5.32

<sup>1</sup> COGS are based on departmental revenues; all others are based on total revenues.

Source: Confidential Operating Statements

## ANALYSIS OF COMPARABLE PROPERTIES

The following location map and summary table identifies the most competitive courses in the area and their respective rates. The comparables shown represent the most competitive public (daily-fee) and semi-private golf courses in the subject's general market area. The competitive properties are all located within an approximate 13-mile radius of the subject property and are subject to generally similar outside forces.



**SUMMARY OF COMPETITIVE GOLF CLUBS**

	Subject	1	2	3	4	5
Name	Fort Myers Country Club	Coral Oaks Golf Club	San Carlos Golf Club	Eagle Ridge Golf Club	Copperhead Golf and Country Club	Eastwood Golf Course
Type Club	Daily Fee/Public Course	Semi-Private	Semi-Private	Semi-Private	Semi-Private	Semi-Private
City	Fort Myers	Cape Coral	Fort Myers	Fort Myers	Lehigh Acres	Fort Myers
County	Lee	Lee County Co.	Lee County Co.	Lee Co.	Lee Co.	Lee Co.
Distance/Direction from Subject	-----	10 Miles W	11 Miles S	8 Miles S	15 Miles E	5 Miles E
Year Built	1917 - 2015	1988	1973	1984	2001	1977
Number Holes	18	18	18	18	18	18
Length (Yards)	6,675	6,623	6,423	6,538	6,680	7,129
Architect	Donald Ross	Arthur Hills	John E. O'Connor	Gordon Lewis	Gordon Lewis	Bruce Devlin/Robert
USGA Rating	72.9	72.3	71	71	70.9	72.5
Clubhouse	Yes	Yes	Yes	Yes	Yes	Yes
Pool	No	No	No	No	No	No
Tennis	No	No	No	No	No	No
Driving Range	No	Yes	Yes	No	Yes	Yes
Putting Green	Yes	Yes	Yes	Yes	Yes	Yes
Restaurant	Yes	Yes	Yes	Yes	Yes	Yes
Annual Golf Membership	\$1,850	\$2,880	\$2,700.00	\$4,800	\$4,200	\$1,850
Member Cart Fee	\$22.50	\$25	\$21.00	\$22	N/A	\$23
Prime Peak Season Rates	\$90.00	\$72	\$92.00	\$89	\$68	\$90
Prime Shoulder Season Rates	\$50	\$48	\$65	\$65	\$50	\$50
Prime Off-Season Rates	\$40	\$35	\$40	\$40	\$35	\$40
Number of Golf Members	100	120	200	100	N/A	100
Annual Rounds	61,487	60,000	50,000	45,000	45,000	52,200

Compiled by: CBRE

## Annual Rounds Played

The subject's membership totals and annual rounds data is presented in the chart below. Also included is the membership and rounds data for the competitive set.

<b>COMPETITIVE SET - ROUNDS PLAYED</b>	
Course	No. Rounds/18 Holes
Coral Oaks Golf Club	60,000
San Carlos Golf Club	50,000
Eagle Ridge Golf Club	45,000
Copperhead Golf and Country Club	45,000
Eastwood Golf Course	52,200
<b>CBRE, Inc. Estimate</b>	<b>61,500</b>
Compiled by CBRE	

As shown above, the competitive courses surveyed indicated playing levels of 45,000 to 60,000 rounds per year which reflects strong demand in the market. Note that all of the courses surveyed were located within an approximate 10-mile radius of the subject property and identified as direct competitors.

## Revenues

Revenues were estimated as the number of rounds multiplied by the applicable departmental revenue realized per round. These revenues are generated from membership dues, guest fees and cart fees, pro shop merchandise sales, food and beverage sales and other income.

## Membership Dues

The subject is currently configured as a daily club with the majority of revenues generated from daily fee play. However, as is common in the market, the club does offer memberships and annual passes for players. The fee's charged appear consistent with the competitive properties with membership being more of a convenience than anything else. The following table summarizes the annual membership dues generated at the subject and expense comparables.



<b>MEMBERSHIP / ANNUAL PASS REVENUE</b>			
Year	Total	As a % of Total Revenue	\$/Round
2016	\$159,740	9.3%	\$2.74
2017	\$169,010	9.1%	\$2.66
2018	\$169,265	9.0%	\$2.75
Expense Comparable 1	\$694,827	8.7%	\$11.67
Expense Comparable 2	\$31,655	1.7%	\$1.14
SGA National Income/Expense Report (Avg.)	\$140,174	8.8%	\$4.41
<b>CBRE, Inc. Estimate "As Is"</b>	<b>\$169,125</b>	<b>9.0%</b>	<b>\$2.75</b>
<b>CBRE, Inc. Estimate "Hypothetical"</b>	<b>\$169,125</b>	<b>4.8%</b>	<b>\$2.75</b>
Compiled by CBRE			

### Green Fees

The following chart summarizes green fees for each of the competitive properties and includes a cart:

<b>COMPETITIVE SET - GREEN FEES</b>			
Course	Green Fees		
	Off	Shoulder	Peak
Coral Oaks Golf Club	\$35.00	\$48.00	\$72.00
San Carlos Golf Club	\$40.00	\$65.00	\$92.00
Eagle Ridge Golf Club	\$40.00	\$65.00	\$89.00
Copperhead Golf and Country Club	\$35.00	\$50.00	\$68.00
Eastwood Golf Course	\$40.00	\$50.00	\$90.00
<b>SUBJECT</b>	<b>\$40.00</b>	<b>\$50.00</b>	<b>\$90.00</b>
Compiled by CBRE			

The subject's historical income data, the income/expense comparable data, and our pro forma estimate are detailed as follows:

<b>GREEN FEES REVENUE</b>			
Year	Total	As a % of Total Revenue	\$/Round
2016	\$934,077	54.6%	\$16.04
2017	\$1,091,923	58.8%	\$17.21
2018	\$1,064,370	56.4%	\$17.31
Expense Comparable 1	\$3,053,437	38.0%	\$51.27
Expense Comparable 2	\$828,079	45.7%	\$29.90
SGA National Income/Expense Report (Avg.)	\$569,262	54.4%	\$23.72
<b>CBRE, Inc. Estimate "As Is"</b>	<b>\$1,063,950</b>	<b>56.4%</b>	<b>\$17.30</b>
<b>CBRE, Inc. Estimate "Hypothetical"</b>	<b>\$1,063,950</b>	<b>30.1%</b>	<b>\$17.30</b>
Compiled by CBRE			

NOTE: the subject historical indications below is "net" of the cart fee which is accounted for separately.

The pro forma estimate is bracketed by the expense comparables with the green fees being consistent with other courses in the area. Revenues are not anticipated to change based on the current operations.

### Cart Fees

The following chart summarizes published cart fees for each of the competitive properties:

<b>COMPETITIVE SET - CART FEES</b>	
Course	18-Hole Rate
Coral Oaks Golf Club	\$25.00
San Carlos Golf Club	\$21.00
Eagle Ridge Golf Club	\$22.00
Copperhead Golf and Country Club	N/A
Eastwood Golf Course	\$22.50
<b>SUBJECT</b>	<b>\$22.50</b>
Compiled by CBRE	

As shown, the subject's cart fee rate is consistent with other clubs operating in the area. The subject's historical income data, the income/expense comparable data, and our pro forma estimate are detailed as follows.

<b>CART FEES REVENUE</b>			
Year	Total	As a % of Total Revenue	\$/Round
2016	\$558,968	32.7%	\$9.60
2017	\$526,529	28.4%	\$8.30
2018	\$578,490	30.7%	\$9.41
Expense Comparable 1	\$0	0.0%	\$0.00
Expense Comparable 2	\$0	0.0%	\$0.00
SGA National Income/Expense Report (Avg.)	\$133,478	17.8%	\$6.90
<b>CBRE, Inc. Estimate "As Is"</b>	<b>\$578,100</b>	<b>30.7%</b>	<b>\$9.40</b>
<b>CBRE, Inc. Estimate "Hypothetical"</b>	<b>\$578,100</b>	<b>16.3%</b>	<b>\$9.40</b>
Compiled by CBRE			

As shown, revenues generated from cart fees has remained relatively consistent with the pro forma estimate generally in line with the historical figures.

## Pro Shop Sales/Merchandise

Pro shop sales typically include all merchandise sold through the pro shop. However, under the current service agreement, the head pro pays annual rent for use of the pro shop building which is reflected in the historical indications below

<b>PRO SHOP/MERCHANDISE REVENUE</b>			
Year	Total	As a % of Total Revenue	\$/Round
2016	\$14,875	0.9%	\$0.26
2017	\$14,875	0.8%	\$0.23
2018	\$14,875	0.8%	\$0.24
Expense Comparable 1	\$404,729	5.0%	\$6.80
Expense Comparable 2	\$133,149	7.3%	\$4.81
SGA National Income/Expense Report (Avg.)	\$59,169	5.0%	\$2.45
<b>CBRE, Inc. Estimate "As Is"</b>	<b>\$15,375</b>	<b>0.8%</b>	<b>\$0.25</b>
<b>CBRE, Inc. Estimate "Hypothetical"</b>	<b>\$92,250</b>	<b>2.6%</b>	<b>\$1.50</b>
Compiled by CBRE			

Within the "As Is" scenario, all revenues generated from hard and soft goods belongs to the tenant with the pro forma income being the anticipated rent to be received. However, in the "Hypothetical" scenario, the owner of the subject would be entitled to this revenues source with the estimate being based on the expense comparables and national surveys as well as a review of reported gross sales by the pro shop operator.

## Food & Beverage Sales

Food and beverage revenues are generated from the restaurant, banquets, grille, lounge, beverage cart, tournaments and special events. Under the current service agreement, the owner of the subject receives a percentage of gross sales which is reflected in the figures below.

<b>FOOD AND BEVERAGE SALES REVENUE</b>			
Year	Total	As a % of Total Revenue	\$/Round
2016	\$42,137	2.5%	\$0.72
2017	\$50,656	2.7%	\$0.80
2018	\$56,177	3.0%	\$0.91
Expense Comparable 1	\$3,370,559	42.0%	\$56.60
Expense Comparable 2	\$735,348	40.6%	\$26.55
SGA National Income/Expense Report (Avg.)	N/A	N/A	N/A
<b>CBRE, Inc. Estimate "As Is"</b>	<b>\$55,350</b>	<b>2.9%</b>	<b>\$0.90</b>
<b>CBRE, Inc. Estimate "Hypothetical"</b>	<b>\$1,629,750</b>	<b>46.1%</b>	<b>\$26.50</b>
Compiled by CBRE			

Within the “As Is” scenario, the owner is entitled to a percentage of the gross sales generated by the restaurant operator which should fall in line with the historical indications. However, in the “Hypothetical” scenario, the owner would personally operate (or hire a competent management firm) the food and beverage operations and would be entitled to this revenue source. Based upon information provided by city officials, the restaurant has generated the following gross sales since 2015:

2015 - \$1,980,198  
 2016 - \$1,758,685  
 2017 - \$1,622,094  
 2018 – \$1,564,654 (Annualized)

While the declining figures are a concern, the restaurant has the potential to be a significant revenue source with the pro forma (Hypothetical) estimate being within the historical range, albeit at the low end.

### Other Income

This income category typically includes various miscellaneous costs such as club rentals, handicap fees, bag storage and other service costs. The income/expense comparable data, the subject’s historical data, and the pro forma estimate are summarized in the following table:

OTHER REVENUE			
Year	Total	As a % of Total Revenue	\$/Round
2016	\$1,588	0.1%	\$0.03
2017	\$3,107	0.2%	\$0.05
2018	\$2,747	0.1%	\$0.04
Expense Comparable 1	\$224,295	2.8%	\$3.77
Expense Comparable 2	\$8,792	0.5%	\$0.32
SGA National Income/Expense Report (Avg.)	\$58,198	2.5%	\$1.65
<b>CBRE, Inc. Estimate "As Is"</b>	<b>\$3,075</b>	<b>0.2%</b>	<b>\$0.05</b>
<b>CBRE, Inc. Estimate "Hypothetical"</b>	<b>\$3,075</b>	<b>0.1%</b>	<b>\$0.05</b>
Compiled by CBRE			

The pro forma estimate is bracketed by the historical indications though well below the comparable data. While an increase could occur under the “Hypothetical” scenario, we have elected to remain conservative within this revenue source category.

### TOTAL GROSS REVENUE

The income/expense comparable data, the subject’s historical data, and the pro forma estimate are summarized in the following table (Note: The “As Is” pro forma reflects operations with the current service agreements in place. The “Hypothetical” pro forma reflects anticipated operations assuming all revenue sources are utilized and controlled by ownership):



<b>TOTAL REVENUE</b>			
Year	Total	As a % of Total Revenue	\$/Round
2016	\$1,711,385	100.0%	\$29.38
2017	\$1,856,100	100.0%	\$29.25
2018	\$1,885,924	100.0%	\$30.67
Expense Comparable 1	\$8,025,833	100.0%	\$134.77
Expense Comparable 2	\$1,812,506	100.0%	\$65.45
SGA National Income/Expense Report (Avg.)	\$1,070,341	100.0%	n/a
<b>CBRE, Inc. Estimate (As Is)</b>	<b>\$1,884,975</b>	<b>100.0%</b>	<b>\$30.65</b>
<b>CBRE, Inc. Estimate (Hypothetical)</b>	<b>\$3,536,250</b>	<b>100.0%</b>	<b>\$57.50</b>
Compiled by CBRE			

The "As Is" pro forma is bracketed by the historical indications and considered reasonable on a line-by-line basis and consistent with how a potential buyer would analyze the property under the current operations with the service agreements in place. The "Hypothetical" pro forma is significantly higher as it recognizes the potential gross revenues if all revenues sources were operated and retained by the owner.

## OPERATING EXPENSE CONCLUSION

The subject's operating expense totals and ratios are detailed as follows: Note: The "as is" and "hypothetical" pro formas are based on CBRE's expense analysis at more market oriented levels as compared to comparable properties operating in the region and our general knowledge of expense levels from other courses we have appraised.

<b>TOTAL EXPENSES</b>			
Year	Total	As a % of Total Revenue	\$/Round
2016	\$2,013,209	117.6%	\$34.56
2017	\$2,061,656	111.1%	\$32.49
2018	\$1,801,442	95.5%	\$29.30
Expense Comparable 1	\$6,364,028	79.3%	\$106.86
Expense Comparable 2	\$1,541,781	85.1%	\$55.68
SGA National Income/Expense Report (Avg.)	N/A	N/A	N/A
<b>CBRE, Inc. Estimate "As Is"</b>	<b>\$1,696,021</b>	<b>90.0%</b>	<b>\$27.58</b>
<b>CBRE, Inc. Estimate "Hypothetical"</b>	<b>\$3,107,714</b>	<b>87.9%</b>	<b>\$50.53</b>
Compiled by CBRE			

The stabilized expense ratio of 90.0% is within the typical industry norm (i.e. 80% - 90%) and consistent with how a buyer would analyze the subject assuming market oriented operations, both with and without the current service agreements.

While variances are possible on a line-by-line basis, this pro forma estimate adequately reflects a property operating within a "typical" expense ratio. Many competent firms exist throughout the nation that specializes in the operation of golf facilities.

## NET OPERATING INCOME

By deducting total expenses from gross income, the result is net operating income.

NET OPERATING INCOME			
Year	Total	As a % of Total Revenue	\$/Round
2016	-\$301,824	-17.6%	-\$5.18
2017	-\$205,556	-11.1%	-\$3.24
2018	\$84,482	4.5%	\$1.37
Expense Comparable 1	\$1,661,805	20.7%	\$27.90
Expense Comparable 2	\$270,725	14.9%	\$9.78
SGA National Income/Expense Report (Avg.)	\$133,679	13.0%	\$5.32
<b>CBRE, Inc. Estimate "As Is"</b>	<b>\$188,954</b>	<b>10.0%</b>	<b>\$3.07</b>
<b>CBRE, Inc. Estimate "Hypothetical"</b>	<b>\$428,536</b>	<b>12.1%</b>	<b>\$6.97</b>
Compiled by CBRE			

The stabilized NOI ratio of 10.1% and 10.8% is proximate the expense comparables and is considered reasonable in our opinion based on similar clubs in the market that we have appraised. Furthermore, the ratio is well within the range of the industry norm (i.e. 10% to 20%), assuming competent management.

## DIRECT CAPITALIZATION

Direct capitalization is a method used to convert a single year's estimated stabilized net operating income into a value indication.

## CAPITALIZATION RATE CONCLUSION

The following table summarizes the OAR conclusions.

OVERALL CAPITALIZATION RATE - CONCLUSION	
Source	Indicated OAR
Comparable Sales	5.88% - 16.54%
Published Surveys	10.00% - 11.86%
Market Participants	9.00% - 13.00%
Band of Investment	10.10%
<b>CBRE, Inc. Estimate</b>	<b>10.50%</b>
Compiled by: CBRE	

**DIRECT CAPITALIZATION SUMMARY**

A summary of the direct capitalization of the subject is illustrated in the following table.

<b>DIRECT CAPITALIZATION SUMMARY (WITH SERVICE AGREEMENTS)</b>				
<b>No. Holes</b>				<b>18</b>
<b>Total Rounds</b>				<b>61,500</b>
<b>REVENUE</b>	<b>% Rev</b>	<b>\$/Hole</b>	<b>\$/Round</b>	<b>Total</b>
Membership / Annual Pass	9.0%	\$9,396	\$2.75	\$169,125
Green Fees	56.4%	\$59,108	\$17.30	\$1,063,950
Cart Fees	30.7%	\$32,117	\$9.40	\$578,100
Driving Range	0.0%	\$0	\$0.00	\$0
Pro Shop (i.e. Rent)	0.8%	\$854	\$0.25	\$15,375
Food and Beverage Sales (i.e. % Rent)	2.9%	\$3,075	\$0.90	\$55,350
Other	0.2%	\$171	\$0.05	\$3,075
<b>Total Revenue</b>	<b>100.0%</b>	<b>\$104,721</b>	<b>\$30.65</b>	<b>\$1,884,975</b>
<b>LESS: COST OF GOODS SOLD *</b>				
Pro Shop/Merchandise COGS	0.0%	\$0	\$0.00	\$0
Food and Beverage Sales COGS	0.0%	\$0	\$0.00	\$0
COGS	0.0%	\$0	\$0.00	-
COGS	0.0%	\$0	\$0.00	-
<b>Total Cost of Goods Sold</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0.00</b>	<b>\$0</b>
<b>Gross Income</b>	<b>100.0%</b>	<b>\$104,721</b>	<b>\$30.65</b>	<b>\$1,884,975</b>
<b>DEPARTMENTAL EXPENSES</b>				
Golf Course Maintenance	29.2%	\$30,556	\$8.94	\$550,000
Cart Maintenance/Equipment Leases	9.3%	\$9,785	\$2.86	\$176,130
Food & Beverage Operations	0.0%	\$0	\$0.00	\$0
Pro Shop Operations	21.6%	\$22,667	\$6.63	\$408,000
<b>Total Departmental Expenses</b>	<b>60.2%</b>	<b>\$63,007</b>	<b>\$18.44</b>	<b>\$1,134,130</b>
<b>UNDISTRIBUTED OPERATING EXPENSES</b>				
Administrative & General	11.9%	\$12,500	\$3.66	\$225,000
Marketing & Advertising	0.7%	\$694	\$0.20	\$12,500
Utilities	3.7%	\$3,889	\$1.14	\$70,000
Clubhouse Repairs & Maintenance	1.3%	\$1,389	\$0.41	\$25,000
<b>Total Undistributed Expenses</b>	<b>17.6%</b>	<b>\$18,472</b>	<b>\$5.41</b>	<b>\$332,500</b>
<b>GROSS OPERATING PROFIT</b>	<b>22.2%</b>	<b>\$23,241</b>	<b>\$6.80</b>	<b>\$418,345</b>
Management Fees	3.0%	\$3,142	\$0.92	\$56,549
<b>INCOME BEFORE FIXED CHARGES</b>	<b>19.2%</b>	<b>\$20,100</b>	<b>\$5.88</b>	<b>\$361,796</b>
<b>Selected Fixed Charges</b>				
Property Taxes	3.1%	\$3,234	\$0.95	\$58,217
Insurance	3.6%	\$3,750	\$1.10	\$67,500
Allocations/Non-Recurring	0.0%	\$0	\$0.00	\$0
Reserves	2.5%	\$2,618	\$0.77	\$47,124
<b>Total Fixed Charges</b>	<b>9.2%</b>	<b>\$9,602</b>	<b>\$2.81</b>	<b>\$172,842</b>
<b>TOTAL EXPENSES</b>	<b>90.0%</b>	<b>\$94,223</b>	<b>\$27.58</b>	<b>\$1,696,021</b>
<b>NET OPERATING INCOME</b>	<b>10.0%</b>	<b>\$10,497</b>	<b>\$3.07</b>	<b>\$188,954</b>
<b>OAR</b>				<b>/ 12.00%</b>
<b>Indicated Stabilized Value</b>				<b>\$1,574,616</b>
Deferred Maintenance				-
Stabilization Discount				-
Excess Land Value				-
<b>Value Indication</b>				<b>\$1,574,616</b>
<b>Rounded</b>				<b>\$1,600,000</b>
<b>Value Per Hole</b>				<b>\$88,889</b>
* COGS ratios are based on departmental revenues; all others are based on total revenues.				
Compiled by CBRE				

<b>DIRECT CAPITALIZATION SUMMARY (W/O SERVICE AGREEMENTS)</b>				
<b>No. Holes</b>				<b>18</b>
<b>Total Rounds</b>				<b>61,500</b>
<b>REVENUE</b>	<b>% Rev</b>	<b>\$/Hole</b>	<b>\$/Round</b>	<b>Total</b>
Membership / Annual Pass	4.8%	\$9,396	\$2.75	\$169,125
Green Fees	30.1%	\$59,108	\$17.30	\$1,063,950
Cart Fees	16.3%	\$32,117	\$9.40	\$578,100
Driving Range	0.0%	\$0	\$0.00	\$0
Pro Shop/Merchandise	2.6%	\$5,125	\$1.50	\$92,250
Food and Beverage Sales	46.1%	\$90,542	\$26.50	\$1,629,750
Other	0.1%	\$171	\$0.05	\$3,075
<b>Total Revenue</b>	<b>100.0%</b>	<b>\$196,458</b>	<b>\$57.50</b>	<b>\$3,536,250</b>
<b>LESS: COST OF GOODS SOLD *</b>				
Pro Shop/Merchandise COGS	70.0%	\$3,588	\$1.05	\$64,575
Food and Beverage Sales COGS	35.0%	\$31,690	\$9.28	\$570,413
COGS	0.0%	\$0	\$0.00	-
COGS	0.0%	\$0	\$0.00	-
<b>Total Cost of Goods Sold</b>	<b>36.9%</b>	<b>\$35,277</b>	<b>\$10.33</b>	<b>\$634,988</b>
<b>Gross Income</b>	<b>82.0%</b>	<b>\$161,181</b>	<b>\$47.18</b>	<b>\$2,901,263</b>
<b>DEPARTMENTAL EXPENSES</b>				
Golf Course Maintenance	15.6%	\$30,556	\$8.94	\$550,000
Cart Maintenance/Equipment Leases	5.0%	\$9,785	\$2.86	\$176,130
Food & Beverage Operations	21.2%	\$41,667	\$12.20	\$750,000
Pro Shop Operations	9.9%	\$19,444	\$5.69	\$350,000
<b>Total Departmental Expenses</b>	<b>51.6%</b>	<b>\$101,452</b>	<b>\$29.69</b>	<b>\$1,826,130</b>
<b>UNDISTRIBUTED OPERATING EXPENSES</b>				
Administrative & General	5.7%	\$11,111	\$3.25	\$200,000
Marketing & Advertising	0.4%	\$694	\$0.20	\$12,500
Utilities	3.5%	\$6,944	\$2.03	\$125,000
Clubhouse Repairs & Maintenance	0.7%	\$1,389	\$0.41	\$25,000
<b>Total Undistributed Expenses</b>	<b>10.3%</b>	<b>\$20,139</b>	<b>\$5.89</b>	<b>\$362,500</b>
<b>GROSS OPERATING PROFIT</b>	<b>20.2%</b>	<b>\$39,591</b>	<b>\$11.59</b>	<b>\$712,633</b>
Management Fees	2.5%	\$4,911	\$1.44	\$88,406
<b>INCOME BEFORE FIXED CHARGES</b>	<b>17.7%</b>	<b>\$34,679</b>	<b>\$10.15</b>	<b>\$624,226</b>
<b>Selected Fixed Charges</b>				
Property Taxes	1.6%	\$3,193	\$0.93	\$57,465
Insurance	1.9%	\$3,750	\$1.10	\$67,500
Allocations/Non-Recurring	0.0%	\$0	\$0.00	\$0
Reserves	2.0%	\$3,929	\$1.15	\$70,725
<b>Total Fixed Charges</b>	<b>5.5%</b>	<b>\$10,872</b>	<b>\$3.18</b>	<b>\$195,690</b>
<b>TOTAL EXPENSES</b>	<b>87.9%</b>	<b>\$172,651</b>	<b>\$50.53</b>	<b>\$3,107,714</b>
<b>NET OPERATING INCOME</b>	<b>12.1%</b>	<b>\$23,808</b>	<b>\$6.97</b>	<b>\$428,536</b>
<b>OAR</b>				<b>/ 10.00%</b>
<b>Indicated Stabilized Value</b>				<b>\$4,285,360</b>
Deferred Maintenance				-
Stabilization Discount				-
Excess Land Value				-
<b>Value Indication</b>				<b>\$4,285,360</b>
<b>Rounded</b>				<b>\$4,300,000</b>
<b>Value Per Hole</b>				<b>\$238,889</b>
* COGS ratios are based on departmental revenues; all others are based on total revenues.				
Compiled by CBRE				

## Reconciliation of Value

The value indications from the approaches to value are summarized as follows:

<b>SUMMARY OF VALUE CONCLUSIONS</b>		
<b>Appraisal Premise</b>	<b>As Is</b>	<b>Hypothetical (No Service Agreements)</b>
Sales Comparison Approach	\$1,500,000	\$4,400,000
Income Capitalization Approach	\$1,600,000	\$4,300,000
Reconciled Value	\$1,550,000	\$4,350,000
Compiled by CBRE		

The Sales Comparison Approach is predicated on the principle that an investor would pay no more for an existing property than for a comparable property with similar utility. This approach is contingent on the reliability and comparability of available data. The Gross Income Multiplier (GIM) analysis and the Net Income Multiplier (NIM) analysis were utilized as components of the Sales Comparison Approach and according to market participants, these metrics are becoming increasingly prevalent in the current market. As a result, the Sales Comparison Approach is typically considered to provide generally reliable value indications.

The Income Capitalization Approach is considered the most persuasive method for valuing the subject property. This approach is predicated on the principle of anticipated economic benefits and, therefore, best reflects the investment characteristics of the subject. Properties such as the subject are typically purchased by investors or owner/operators; thus, this approach most closely parallels the anticipated analysis that would be employed by the most typical purchaser.

In arriving at the final value conclusion, greatest weight was placed on the Income Capitalization Approach, although the Sales Comparison Approach generally supported our conclusion. The final value conclusion and the approaches relied upon give strong consideration to the market behavior of the typical buyer and current market environment for the property appraised.

Based on the foregoing, the going concern fair value of the subject is concluded as follows:

<b>MARKET VALUE CONCLUSION</b>			
<b>Appraisal Premise</b>	<b>Interest Appraised</b>	<b>Date of Value</b>	<b>Value Conclusion</b>
As Is - Going Concern	Leased Fee	January 30, 2019	\$1,550,000
Hypothetical Going Concern (Market Operations)	Fee Simple	January 30, 2019	\$4,350,000
Compiled by CBRE			



## ALLOCATION OF VALUE

In compliance with the Office of Comptroller of Currency and the Uniform Standards of Professional Appraisal Practice guidelines, an estimate of the going concern value requires an allocation of values to segregate the component parts, one of which is the value of the real estate. The value represented within this report is the value of the going concern, which is comprised of several components, of which the business, equipment, intangible items and real estate are included. Following is a discussion and analysis of each component part and its valuation methodology.

### Business Value

A golf course is a going concern operation, similar to a lodging facility. The value derived is based primarily on the income that can be generated from the business operations. In many cases, a golf course will have several satellite businesses within the total operation; i.e. bar, restaurant, pro shop, etc. The ability of the real estate to generate income is much more closely tied to the relative skills of the management and maintenance.

Sales of golf courses have been reviewed for the past 20+ years by CBRE, Inc., in locations throughout the United States. It is rare that a golf course sells on the basis of real estate only. Most golf course sales involve the going concern operation, which includes the real estate, business, equipment and intangibles. Occasionally an interest in a golf course operation may sell on the basis of an underlying lease. In this instance, the leased fee estate interest is what is normally sold and not the fee simple interest of the real estate. Many of the leases are tied to the income of the business, or have specified percentage clauses. Again, it is rare that a transaction occurs where just the fee simple interest in the real estate transfers.

Discussions with business value experts have revealed that goodwill is typically recognized as a business value in excess of value typically associated with a given type of operation. This type of asset is difficult to quantify since it is an intangible asset. Customarily, goodwill is valued by means of capitalization of "excess earnings" or earnings which are above a recognized standard in a given industry. In the case of a golf course or country club operation, excess earnings and goodwill value may be generated by an unusually efficient or proprietary method of operation associated with a given facility or facility operator.

The subject property includes an 18-hole daily-fee golf club. Many competent firms exist throughout the nation that specializes in the operation of golf facilities. Companies such as these would presumably be available and able to operate the subject property, for a fee, in a similar manner to that of competitive properties in the market. In conclusion, it is our opinion that the subject property does not and will not achieve abnormally high or "excess" earnings as a result of its method of operation. Therefore, business value is not considered to exist with the subject property.

## Personal Property

The going concern operation also includes certain furniture, fixtures and equipment. These items must also be segregated from the total going concern value. Two methods of valuation are typically used, one being the "Value In Exchange" and the other being the "Value In Use". "Value In Exchange" refers to the market value of the equipment, if sold to buyers in the open market. In this case, the equipment would not be associated with the real estate operation or the going concern operation, and it would be sold as a separate entity, assuming it were removed from the property. The second approach is "Value In Use", which is the value contribution of the equipment in place, as a part of the going concern operation. This value is sometimes estimated based on the equipment's depreciated value. The value represented within this report is the "Value In Use" of the personal property items.

## Intangibles

Intangibles are considered items such as goodwill, licenses that can be sold, or trade names. No intangible value exists with the subject property.

## Summary and Allocation of Value

To summarize, the subject property is not considered to have any business value based on the valuation parameter within the report. Equipment value has been estimated within this section of the report and will be shown in the final allocations of value below. The personal property estimate below is based on the 2018 assessed value of the personal property as reported by the Lee County Property Appraiser. Below is a breakdown of the allocation of values with the end result being the indicated fee simple value of the real estate.

<b>ALLOCATION OF GOING CONCERN VALUE</b>	
<b>(Current Operations)</b>	
<b>Interest Appraised - Allocation</b>	<b>Value Conclusion</b>
<b>Fee Simple</b>	
Going Concern Value - As Is	\$1,550,000
Personal Property (Rounded)	\$350,000
Business Interest	\$0
Real Property Value	\$1,200,000
<b>ALLOCATION OF GOING CONCERN VALUE</b>	
<b>(Market Operations)</b>	
<b>Interest Appraised - Allocation</b>	<b>Value Conclusion</b>
<b>Fee Simple</b>	
Going Concern Value - As Is	\$4,350,000
Personal Property (Rounded)	\$430,000
Business Interest	\$0
Real Property Value	\$3,920,000
Compiled by CBRE	

The personal property estimate within the “Hypothetical” scenario includes items associated with the pro shop and restaurant operations as this scenario assumes full operations by the owner.

## Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
  - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
  - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
  - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
  - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
  - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
  - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
  - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
  - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
  - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
  - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.



13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

### **SPECIAL CONSIDERATIONS**

Since a golf club operation is contingent to a great degree on management and maintenance, this appraisal considers the contributory value of furnishings, fixtures and equipment, i.e. golf course maintenance equipment, clubhouse furnishings, food and beverage equipment. Thus, the appraisal is of the fee simple interest as a going concern.

**ADDENDA**

**Addendum A**

# **Glossary of Golf Property Terms**

**bunker** An area of bare ground, often a depression, which is typically covered with sand.

**capacity** The total volume of play, typically measured in rounds per year, which a course may physically accommodate without regard to other factors such as waiting time and course maintenance. Capacity is constrained only by sunlight hours and weather conditions. (see also desired capacity)

**championship course** Usually used to describe a course on which championship tournaments are held. Often reserved for courses that, according to the NGF, by virtue of their design and maintenance are capable of providing an exacting challenge for superior golfers in regional, state and national competitions. Never used to describe the caliber of a course.

**clubhouse** Typically a building that serves as the central gathering area for the golf facility. This building houses any pro shop, food and beverage or locker facilities that may be on site.

**course Rating** The evaluation of playing difficulty of a course compared with other rated courses. Courses are rated to provide a uniform basis for establishment of handicaps. (see also slope rating).

**daily fee facility** A golf facility, available for public access where players pay a daily fee for each daily use. These have also been segregated into categories based on the normal, published weekday daily fee as follows:

Affordable Daily Fee	<\$30
Affordable Upscale Daily Fee	\$30-\$60
Upscale Daily Fee	>\$60

**demand** The desire and ability to purchase or lease goods and services. In this report this term is typically used to describe the level of such desire and ability relative to joining private golf clubs and utilizing daily fee golf facilities.

**desired capacity** The ideal number of rounds (usually expressed annually) which will allow a course to meet its physical and financial objectives. This is formulated in consideration of quality of golfing experience, course maintenance, desired profits and speed of play which the particular course can accommodate.

**driving range** See Practice Fairway

**executive course** A course made up exclusively of par-3 and shortest par-4 holes, with a total par of 55-66 strokes. Also known as a precision course.

**fairway** An area between tee and green defining the desired route between those two points. The fairway is manicured with the shortest cut grass between tee and green facilitating play. Fairway is usually bounded by higher grass called rough.

**features** Those elements of a golf course which distinguish it from others, such as bunkers, hazards, natural beauty or strategic or penal highlights of the course..

**golf accessibility rate** The total population of a defined area expressed as the number of persons per each 18 holes available for play.

**golf capacity utilization** The actual rounds achieved divided by the desired capacity. Private clubs may express this in terms of members divided by desired members.

**golf car** A motorized form of transportation around the golf course which carries player(s) and equipment. Golf cars usually are designed for two players and are either electrically or gas powered. Often referred to as golf carts.

**golf corridor** The land area where a golf course will be located..

**GCSAA** Golf Course Superintendents Association of America. The professional association of golf course caretakers and managers. A source of research information on golf course maintenance.

**golf frequency rate** The frequency with which the population or segments thereof play golf, usually expressed in rounds per year.

**golf participation rate** The percentage of the total population (over age 12) that plays golf at least once per year.

**golf revenue multiplier (GRM)** Sale Price divided by Total Golf Revenue. A unit of comparison which can be used in the sales comparison approach.

**golfer** One who has played golf at least once during the past year.

**grassing** The types of grass planted in the different areas of the golf course.

**green** see putting green

**green fee multiplier (GFM)** Sale price divided by annual number of rounds played, then divided by average green fee (SP/rds./GF – GFM). A unit of comparison which can be used in the sales comparison approach.

**green speed** The relative speed at which a ball rolls on the putting surface, normally measured with a device called a Stimpmeter.

**grow-in** The period of time after a course is seeded but before it is ready for play.

**hazard** Features or situations that complicate the golf shot and are to be avoided, if possible. Hazards can be in the form of a bunker, long grass, non-turf vegetation, slopes, mounds, rocks, trees, water and other hazards.

**heroic design** A philosophy of golf course design where the golfer can decide on his/her level of risk. If more risk is taken and the player chooses to “bite off” as much of the hazard as possible, success is rewarded with a shorter, unobstructed shot to the green. Less risk means a longer shot to the green, often with additional hazards.

**links** A seaside golf course constructed on naturally sand ground with undulations formed by wind and receding tides.

**membership dues** Annual dues paid by members to belong to a golf club, usually private or semi-private.

**membership dues multiplier (MDM)** Sale price divided by number of members, then divided by average dues (SP/# mbrs./annual dues – GFM). A unit of comparison which can be used in the sales comparison approach.

**municipal course** A golf course which is owned by a public entity, i.e., a city, township, county or other public authority.

**NGF** National Golf Foundation. A source of research and information on the US golf market with membership of over 6,000. The NGF’s stated purpose is to promote the development of the game.

**par** The score an expert player is expected to make for a given hole. Par assumes errorless play and allows two strokes per putting green.

**penal design** A philosophy of golf course design which demands error-free play with severe penalties for miss-hit shots.

**PGA** Professional Golfers Association of America. The largest sports association in the United States with membership of more than 20,000.

**pin placement** The area(s) on the putting green where holes may be fairly located.

**practice facility** An area of the property dedicated to golf practice and learning. Also called a driving range, practice range or practice fairway.

**price per membership (PPM)** Sale price divided by number of members (SP/# members). A unit of comparison which can be used in the sales comparison approach.

**price per round (PPR)** Sale price divided by annual number of rounds played (SP/# of rounds). A unit of comparison which can be used in the sales comparison approach.

**primary market** The area from which it is anticipated the golf course will draw most of its patrons or members.

**private club** A golf club where use is restricted to the members and their guests.

**putting green** The portion of each golf hole where the cup is located and play on the hole is concluded. This area typically has a very closely mowed surface and is expected to be true and smooth.

**regulation course** Typically, a regulation course is one that plays to at least 6,000 yards from the men’s tees (18 holes) with a minimum par of 70, consisting of par 3, par 4 and par 5 holes.

**redesign** To deliberately change the design of a hole or course.

**restoration** The redesign of a course with the intention of returning its holes to their original form and character.

**roughs** The unmanicured area typically surrounding tees, greens, fairways and hazards. Roughs are characterized by long grass which is difficult to play from and are normally not in the desired line of play.

**round** One golfer playing 18 holes. If a 9 hole course is surveyed, a round can consist of 9 holes, however, this definition should be limited to the analysis of nine hole courses. If a 9 hole course is being compared to an 18 hole course, 18 hole equivalents should be calculated.



**routing** The positioning and sequence of holes on the site.

**semi-private facility** A golf course facility which allows daily fee play and annual memberships.

**shoulder season** The period of time between the prime season and the off-season. This is typically during the early spring and late fall in the colder climates and the late spring and early fall in the warmer climates.

**signature golf course/architect** Those golf courses and architects, which by nature of their notoriety and reputation are recognizable by their architect or name. The architects are usually well known and either successful golfers or prolific golf course architects, or both.

**signature hole** A hole of unusual or exceptionally dramatic or challenging design that creates a lasting and memorable impression and identity for a golf course.

**slope rating** A measure of course difficulty which allows players from different courses to “equalize” their handicaps based on the slope rating of the course where the handicap is established and the slope rating of the course being played.

**stimpmeter** A device used to measure green speed.

**strategic design** A golf course design philosophy which affords the golfer alternative routes to the green. Each route has hazards of different severity requiring golfers to decide at the tee which route best suits their game.

**teeing ground** The marked area on each hole from which a player begins play on that hole. Most holes have multiple tee areas for players of different skill levels.

**tee** A wooden peg used by players to elevate their ball prior to the “tee shot” on each hole.

**USGA** United State Golf Association, the ruling body of golf in the United States. The USGA sets forth the rules of the game and establishes player handicaps, as well as supporting championships and golf courses, through its “Green Section”.

**USGA green** A putting green constructed in accordance with USGA specifications.

**Addendum B**

**Service Contract**

#### **FOURTH AMENDMENT TO AGREEMENT**

This Agreement is made and entered into this 21st day of February 2006, between the CITY OF FORT MYERS, FLORIDA, a Municipal Corporation, 2200 Second Street, hereinafter referred to as the "City" and RICHARD LAMB, 1140 Wales Drive, Fort Myers, Florida, a golf professional, hereinafter referred to as "Provider".

#### **WITNESSETH**

Whereas, the "City" and the "Provider" entered into a written Agreement dated October 2, 1995, Amendment to Agreement dated February 20, 1996, Second Agreement dated July 1, 1996, and Third Agreement dated September 18, 2002; all of which are incorporated by reference and attached hereto as Exhibit A, Exhibit B, Exhibit C, and Exhibit D, respectively, and

Whereas, the "City" and "Provider" are desirous of amending the Agreement of October 2, 1995, as well as the amendments thereto, as herein set forth.

Now, therefore, in consideration of the foregoing and the terms and provisions as contained herein, the parties agree that the written Agreement dated October 2, 1995, as well as the subsequent amendments, shall be amended and modified as follows:

#### **Article 4.0 - COMPENSATION AND METHOD OF PAYMENT**

**4.01 BASIC SERVICES.** PROVIDER shall be entitled to the following:

- A. Full use and occupancy of the golf pro shops on the premises of the Fort Myers and Eastwood Golf Courses at a monthly rental rate of \$10.00 per square foot, which shall be discounted by 15% for services rendered by PROVIDER in the collection of greens fees and golf cart rental fees. Estimated square footage of Fort Myers Pro Shop is 1,750 sf, and Eastwood Pro Shop is 900 square feet. CITY shall receive \$22,525 annually, payable in 12 equal

FOURTH AMENDMENT TO AGREEMENT  
RICHARD LAMB

monthly installments with applicable sales tax included, on or before the 5<sup>th</sup> day of each month, for that month. Delinquent payment will be assessed for a late fee of \$5.00 per day.

- B. Exclusive right to all golf concessions consisting of:
1. The sale of all golf clubs, golf supplies and related equipment of whatever description.
  2. Proceeds from the sale of sports clothing, golf shoes and related soft goods.
  3. All fees from professional golf instruction shall be the sole property of PROVIDER, and PROVIDER shall have the right to delegate instructions to qualified teaching professionals of his choice.
  4. The exclusive right to retrieve and possess balls in all canals, lakes and golf course properties which comprise the Fort Myers and Eastwood Golf Courses.
  5. PROVIDER shall be entitled to all income derived from the rental of golf balls on the Eastwood Golf Course Driving Range adjacent to the pro shop and PROVIDER shall be responsible for the stocking of range balls, as well as costs incurred for the retrieving of said golf balls for use on the driving range. CITY shall receive \$12,000 annually, payable in 12 equal monthly installments with applicable sales tax included, on or before the 5<sup>th</sup> day of each month, for that month. Delinquent

FOURTH AMENDMENT TO AGREEMENT  
RICHARD LAMB

payments will be assessed in a late fee of \$5.00 per day.

6. PROVIDER shall be entitled in year one to a fixed sum of \$510,000 with a cumulative annual increase of five percent (5%) during the term of the contract. PROVIDER shall be obligated to employ all personnel needed to adequately staff the pro shops, driving range and cart operations, including shop manager, golf professionals, clerical staff, rangers, starters and cart personnel ~~with the exception of James Battle who shall remain a City of Fort Myers employee.~~
7. PROVIDER shall make available upon request by the CITY a list containing the names, positions held, salaries and benefits of PROVIDER'S employees within ten (10) days of such request.
8. PROVIDER shall be entitled to ~~one and one-half percent (1.5%)~~ three (3) percent of the gross collection of green fees, annual memberships, cart fees, and rider fees from Eastwood and one and one-half (1.5) percent from Fort Myers Golf Course as an incentive to increase play at both locations.
9. All income derived from the rental of practice range balls on any portion of the Eastwood Golf Course.
10. The PROVIDER agrees to hire all personnel necessary to carry on the proper operation of reserving tee times, starters, cart people and



FOURTH AMENDMENT TO AGREEMENT  
RICHARD LAMB

rangers. Additionally, all staff necessary for  
the proper operation of the Pro Shop and for  
the offering of golf lessons.

In all other respects, the provisions of the Agreement dated October 2,  
1995, the Amendment to Agreement dated February 20, 1996, Second  
Amendment to Agreement dated July 1, 1996, and Third Amendment to  
Agreement dated September 18, 2002, remain in full force and effect.

**IN WITNESS WHEREOF**, the "City" has caused these presents to be  
signed in its corporate name by its Mayor and attested by the City Clerk, and  
the "Provider" has caused these presents to be signed in his name on the dates  
as shown below.

ATTEST:

Marie Adams  
Marie Adams, CMC, City Clerk

CITY OF FORT MYERS, FLORIDA  
a Municipal Corporation

By:

Jim Humphrey  
Jim Humphrey, Mayor

APPROVED AS TO FORM:

Grant W. Alley  
Grant W. Alley, City Attorney

Witness

Kathy A. Musa

Print Name

KATHY A. MUSA

Witness

Michaelene Beaudin

Print Name

MICHAELENE BEAUDIN

Richard Lamb

## AGREEMENT

## EXHIBIT A

This Agreement is made and entered into this 18th day of Sept., 1995, between The CITY OF FORT MYERS, Florida, a municipal corporation hereinafter referred to as the CITY and RICHARD LAMB, a golf professional, hereinafter referred to as "PROVIDER".

### WITNESSETH

WHEREAS, the CITY desires to obtain the services of the PROVIDER as further described herein; and,

WHEREAS, the PROVIDER hereby certifies that it has been granted and possesses valid, current licenses to do business in the State of Florida, in Lee County, and the City of Fort Myers, Florida, issued by the respective State Board and Government Agencies responsible for regulating and licensing the services to be provided and performed by the PROVIDER pursuant to the AGREEMENT; and,

WHEREAS, the PROVIDER has reviewed the services required pursuant to the AGREEMENT and is qualified, willing, and able to provide and perform all such services in accordance with the provisions, conditions and terms hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing, and the terms and provisions as contained herein, the parties agree that an Agreement shall exist between them consisting of the following:

### ARTICLE 1.0 - SCOPE OF SERVICES

The PROVIDER hereby agrees to provide and perform the Services required and necessary to complete the services and work set forth hereinbelow:

(1) To act as Director of Golf at the golf courses and operate the golf pro shops at the golf courses owned by CITY known as "Fort Myers Golf Course" and "Eastwood Golf Course". PROVIDER will devote his full time and effort to the CITY Golf Courses and will perform all agreed upon duties assigned to him to the best of his ability and in a manner satisfactory to the CITY. However, it is agreed that PROVIDER may serve as Golf Coach at Gulf Coast University if offered the position.

(2) To collect and deposit all monies belonging to the CITY derived from the operation of the Fort Myers and Eastwood Golf Courses, including all revenues consisting of annual dues and membership fees, daily greens fees, golf cart rental fees, and such other dues and revenues as may lawfully come into PROVIDER'S possession in a bank account as designated by the CITY.

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PROVIDER shall furnish daily control information as set out in Section 3.08 of this AGREEMENT, as designated by the CITY'S Finance Director.

(3) PROVIDER shall stock, maintain and operate the golf pro shops and be responsible for the maintenance and operation of same during the time the golf courses are open to the public and to the members thereof. In the event this AGREEMENT is terminated, the CITY has the right to acquire from the PROVIDER the stock maintained in the pro shop at the cost of the stock to the PROVIDER. If the CITY chooses not to purchase the pro shop stock, PROVIDER'S successor must negotiate in good faith to purchase the stock in a similar arrangement. PROVIDER shall provide professional golfing instructions to the public at rates to be determined by the PROVIDER.

(4) PROVIDER shall operate said golf pro shops by way of any business entity he shall so select, as approved by CITY, and shall carry an adequate inventory of golf clubs, golf supplies and equipment, sports clothing, soft goods and golf shoes, as shall reasonably be found in similar golf pro shops; however, in any event PROVIDER shall own a majority interest in any business entity elected to carry out the operation of the golf pro shops.

(5) PROVIDER shall be responsible for the maintenance of the interior of the buildings occupied by the pro shops located at the Fort Myers and Eastwood Golf Courses. The term maintenance should not include repairs for structural damage due to age, water, or other typical wear and tear that is not attributable to any negligence on the PROVIDER'S part. At termination of this agreement, PROVIDER shall be required to remove all personal belongings at his expense. Any alteration of the existing building structures shall be approved in writing by the City Council of the City of Fort Myers, prior to the alteration(s) taking place.

(6) PROVIDER shall be responsible for the dispensing of daily greens fee tickets and golf cart rentals to all players and shall be responsible for checking annual greens fee players and greens fee booklet players, and all other greens fee players.

(7) PROVIDER shall be individually responsible for all salary expenses and other benefits to assistants or employees hired by PROVIDER connected with the operation of the Fort Myers and Eastwood Golf Courses, including but not limited to the golf pro shop staff, golf course starters, rangers and cart personnel, and telephone answerers for tee times.

(8) PROVIDER shall cooperate with and make recommendations to the CITY relating to

the condition of the golf courses, in order to ensure proper play and use of the courses.

#### **ARTICLE 2.0 - DEFINITIONS**

**2.01 CITY** shall mean the CITY of Fort Myers, a duly incorporated political subdivision of the State of Florida.

**2.02 PROVIDER** shall mean the individual, firm or entity offering services which, by execution of this Agreement, shall be legally obligated, responsible, and liable for providing and performing any and all of the services, work, and materials, including services and/or the work of sub-contractor(s), required under the covenants, terms and provisions contained in this Agreement.

**2.03 SERVICES** shall mean all services, work, materials, and all related professional, technical and administrative activities that are necessary to perform and complete the services required pursuant to the terms and provisions of this Agreement.

**2.04 ADDITIONAL SERVICES** shall mean any additional services that the CITY may request and authorize, in writing, which are not included in the Scope of Services as set forth in Article 1.0 above.

**2.05 AMENDMENT** shall mean a written document executed by both parties to this Agreement setting forth any changes to the original terms of this Agreement as may be requested and authorized in writing by either party.

**2.06 GROSS REVENUES** shall include revenues from greens fee players, golf cart rentals, and annual dues greens fee players and all other players.

#### **ARTICLE 3.0 - OBLIGATIONS OF THE PROVIDER**

The obligations of the PROVIDER with respect to all Services authorized pursuant to this AGREEMENT shall include, but not be limited to the following:

##### **3.01 LICENSES**

The PROVIDER agrees to obtain and maintain throughout the terms of this AGREEMENT all such licenses as are required to do business in the State of Florida, in Lee County and in the City of Fort Myers, Florida, including, but not limited to, licenses required by the respective State Boards and other governmental agencies responsible for regulating and licensing the services provided and performed by the PROVIDER.

##### **3.02 QUALIFIED PERSONNEL**

A. The PROVIDER agrees to employ only those persons who by training, appearance

and habits are judged to be suitable workmen in the atmosphere of the CITY. CITY shall have the right to require a change of personnel serving CITY'S premises without recourse of explanation, but will exercise that right judiciously.

- B. The PROVIDER agrees that when the services to be provided and performed relate to a professional service(s) which, under Florida Statutes, requires a license, certificate of authorization or other form of legal entitlement to practice such services, to employ and/or retain only qualified personnel to be in charge of all Services to be provided pursuant to this Agreement.

### **3.03 STANDARDS OF SERVICE**

The PROVIDER agrees to provide and perform all services pursuant to the AGREEMENT in accordance with the laws, statutes, ordinances, codes, rules, regulations, and requirements of governmental agencies which regulate or have jurisdiction over the services to be provided and/or performed by the PROVIDER.

### **3.04 CORRECTION OF ERRORS, OMISSIONS, OR OTHER DEFICIENCIES AND RESPONSIBILITY TO CORRECT**

The PROVIDER agrees to be responsible for the professional quality, technical adequacy and accuracy, timely completion, and the coordination of all data, reports, memoranda, and other services and work performed, provided, and/or furnished by the PROVIDER. The PROVIDER shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in such data, reports, other services, and work resulting from the negligent act, errors, or omissions or intentional misconduct of the PROVIDER.

### **3.05 INDEMNIFICATION**

The PROVIDER shall be liable and agrees to be liable for, and shall indemnify, defend and hold the CITY harmless for any and all claims, suits, judgments or damages, losses and expenses including court costs, expert witness and professional consultation services, and attorneys fees arising out of the PROVIDER'S errors, omissions, and/or negligence. The PROVIDER shall not be liable to, nor be required to indemnify the CITY for any portion of damages arising out of any error, omission, and/or negligence of the CITY, its employees, agents, or representatives. The PROVIDER'S obligation under this provision



shall not be limited in any way by the agreed upon fees or percentages as shown in this Agreement, or the Provider's limit of, or lack of, sufficient insurance protection.

**3.06 NOT TO DIVULGE CERTAIN INFORMATION**

PROVIDER agrees, during the term of this Agreement, not to divulge, furnish or make available to any third person, firm, or organization, without the CITY'S prior written consent, or unless incident to the proper performance of PROVIDER'S obligations hereunder, or as provided for or required by law, or in the course of judicial or legislative proceedings where such information has been properly subpoenaed; any non-public information concerning the services to be provided by PROVIDER, and PROVIDER shall require all of its employees and sub-contractor(s) to comply with the provisions of this paragraph.

**3.07 ADDITIONAL SERVICES**

Should the CITY request the PROVIDER to provide and perform services under this Agreement which are not set forth herein, the PROVIDER agrees to provide and perform such ADDITIONAL SERVICES as may be agreed to in writing by both parties.

Such ADDITIONAL SERVICES shall constitute a continuation of the services covered under this Agreement and shall be provided and performed in accordance with the covenants, terms, and provisions set forth in this Agreement and any Amendment(s).

ADDITIONAL SERVICES shall be administered and executed as "AMENDMENTS" under the Agreement. The PROVIDER shall not provide or perform, nor shall the CITY incur or accept any obligation to compensate the PROVIDER for any ADDITIONAL SERVICES, unless a written AMENDMENT shall be executed by the parties.

Each such AMENDMENT shall set forth a description of (1) the Scope of the ADDITIONAL SERVICES requested; (2) the basis of compensation; and (3) the period of time and/or schedule for performing and completing the ADDITIONAL SERVICES.

Should the CITY construct additional golf facilities, the PROVIDER shall have first right of refusal to negotiate a contract to provide the same services as contained within this Agreement.

### 3.08 DAILY AND MONTHLY REPORTING AND DEPOSITS

- A. The PROVIDER shall provide a written report for each location by the 10th working day of the following month to the Assistant Finance Director detailing: monthly income by category with a grand total for the month and including comparisons to the same month last year; notes and comments pertinent to analysis of comparisons (Exhibit A).
- B. The PROVIDER shall provide a written report for each location for the previous month's activity to CITY'S Assistant Finance Director detailing: Income for the month by category with year-to-date totals for each category including monthly and year-to-date grand totals. A list of daily receipt totals must be included. This list will include the date and total amount for each business day, including a grand total for the month (Exhibit B).
- C. The PROVIDER shall provide a daily written report for the previous day's revenues, to CITY'S Assistant Finance Director detailing the business date, name of cash report preparer, amounts of revenue by category (such category to be determined by the Finance Director), and total receipts. The deposits shall be reconciled to the report by detailing the cash deposit and credit card batch totals and entering the aggregate amount. A copy of the daily deposit ticket and credit card batch ticket must accompany the daily cash report sent to CITY'S Finance Department (Exhibit C).
- D. PROVIDER shall deliver each day's deposit to the bank before 2:00 P.M. on the next business day. Each late deposit will result in a \$5.00 fine for each day late, including weekends and holidays. Each month's fines will be deducted from the monthly payment to PROVIDER.
- E. By the 15th day of each month for the previous month's activity, PROVIDER shall submit to the Office of Management and Budget proof of reporting and payment of all sales taxes for "Rich Lamb Golf Shop, Inc." by copy of report(s) and cancelled check(s) sent to the appropriate State agencies for the prior month's period.

### **3.09 UTILITIES**

PROVIDER shall, at PROVIDER'S sole expense, fully and promptly pay \$50.00 per month for electricity at both Fort Myers and Eastwood Golf Courses and long distance telephone charges furnished to the pro shops at the Fort Myers and Eastwood Golf Courses.

### **ARTICLE 4.0 - COMPENSATION AND METHOD OF PAYMENT**

#### **4.01 BASIC SERVICES** PROVIDER shall be entitled to the following:

- A. Full use and occupancy of the golf pro shops on the premises of the Fort Myers and Eastwood Golf Courses at a monthly rental rate of \$10.00 per square foot, which shall be discounted by 15% for services rendered by PROVIDER in the collection of greens fees and golf cart rental fees. Estimated square footage of Fort Myers Pro Shop is 1,750 sf, and Eastwood Pro Shop is 900 square feet. CITY shall receive \$22,525 annually, payable in 12 equal monthly installments with applicable sales tax included, on or before the 5th day of each month, for that month. Delinquent payment will be assessed a late fee of \$5.00 per day.
- B. Exclusive right to all golf concessions consisting of:
  - 1. the sale of all golf clubs, golf supplies and related equipment of whatever description.
  - 2. proceeds from the sale of sports clothing, golf shoes and related soft goods.
  - 3. all fees from professional golf instruction shall be the sole property of PROVIDER, and PROVIDER shall have the right to delegate instructions to qualified teaching professionals of his choice.
  - 4. the exclusive right to retrieve and possess balls in all canals, lakes and golf course properties which comprise the Fort Myers and Eastwood Golf Courses.
  - 5. PROVIDER shall be entitled to all income derived from the rental of golf balls on the Eastwood Golf Course Driving Range adjacent to the pro shop and PROVIDER shall be responsible for the stocking of range balls, as well as costs incurred for the retrieving of said golf balls for use on the driving range. CITY shall receive \$12,000 annually, payable in 12 equal monthly

installments with applicable sales tax included, on or before the 5th day of each month, for that month. Delinquent payments will be assessed a late fee of \$5.00 per day.

6. PROVIDER shall be entitled in year one to a fixed sum \$510,000 with a cumulative annual increase of five percent (5%) during the term of the contract. PROVIDER shall be obligated to employ all personnel needed to adequately staff the pro shops, driving range and cart operations, including shop managers, golf professionals, clerical staff, rangers, starters and cart personnel with the exception of James Battle who shall remain a City of Fort Myers employee.
7. PROVIDER shall make available upon request by the CITY a list containing the names, positions held, salaries and benefits of PROVIDER'S employees within ten (10) days of such request.
8. PROVIDER shall be entitled to one and one-half percent (1.5%) of the gross collection of green fees, annual memberships, cart fees, and rider fees as an incentive to increase play at both locations.
9. All income derived from the rental of practice range balls on any portion of the Eastwood Golf Course.
10. The PROVIDER agrees to hire all personnel necessary to carry on the proper operation of reserving tee times, starters, cart people and rangers. Additionally, all staff necessary for the proper operation of the Pro Shop and for the offering of golf lessons.

#### **4.02 METHOD OF PAYMENT:**

Payment to PROVIDER shall be made each month based upon the following:

- A. 1/12 of annual contractual amount, due by the 1st day of each month for that month's service. If the 1st falls on a weekend, then payment is due by the next business day.
- B. Incentive will be paid within ten (10) working days after the close of the month based on the receipt of valid invoices for previous month's activity as submitted to City's Finance Department (Exhibit B), and in accordance with the Florida Prompt

Payment Act, provided that PROVIDER is not in default of any Agreement terms or provisions.

#### **ARTICLE 5.0 - OBLIGATIONS OF THE CITY**

- 5.01 CITY shall be responsible for all maintenance expenses associated with the golf courses except for the interior of the spaces occupied by PROVIDER. The maintenance of the interior by the PROVIDER shall not include repairs for structural damage due to age, water, or other typical wear and tear that is not attributable to any negligence on the PROVIDER'S part.
- 5.02 CITY shall be responsible for the purchase cost, rental cost, upkeep and storage of all golf carts utilized at the Fort Myers and Eastwood Golf Courses.

#### **ARTICLE 6.0 - SECURING AGREEMENT**

The PROVIDER warrants that the PROVIDER has not employed or retained any company or person other than a bona fide employee working solely for the PROVIDER to solicit or secure this Contract and the PROVIDER has not paid or agreed to pay any person, company, corporations, or firm other than a bona fide employee working solely for the PROVIDER any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of the AGREEMENT.

#### **ARTICLE 7.0 - CONTRACTUAL BASIS**

The PROVIDER shall perform its obligations under this Agreement on an independent contractor basis, and nothing contained herein shall be construed to be inconsistent with this relationship or status. The PROVIDER and its employees are not employees of the CITY and are not entitled to the benefits provided by the CITY to its own employees. The PROVIDER and the CITY shall each file such Federal and State tax returns as may be required of each of them. The PROVIDER, as a private employer, and its employees are not governed or bound by any collective bargaining agreements, employment policies, grievance procedures, or laws/ordinances which may control the relationship between the CITY, a public employer, and its employees.

#### **ARTICLE 8.0 - APPLICABLE LAW**

This AGREEMENT shall be governed by the laws, rules, and regulations of the State of Florida, Lee County, and the City of Fort Myers relating to the business of the PROVIDER.



## **ARTICLE 9.0 - NON-DISCRIMINATION**

The PROVIDER for itself, its successors in interest, and assigns, as part of the consideration thereof, does hereby covenant and agree that no person shall be denied employment or promotion, or be denied any benefits, or otherwise be subjected to any unlawful discrimination, based on the grounds of race, color, national origin, handicap, sex, or any other classification protected by law.

## **ARTICLE 10.0 - INSURANCE**

### **10.01 INSURANCE COVERAGE TO BE OBTAINED**

- A. The PROVIDER shall obtain and maintain such insurance as will protect it from:
  - 1. Claims under Workers' Compensation laws, Disability Benefits laws, or other similar employee benefit laws;
  - 2. Claims for damages because of bodily injury, occupational sickness or disease or death of its employees, including claims insured by usual personal injury liability coverage;
  - 3. Claims for damages because of bodily injury, sickness or disease, or death of any person other than its employees, including claims insured by usual personal injury liability coverage; and
  - 4. Claims for injury to or destruction of tangible property, including loss or use resulting therefrom, any or all of which claims may arise out of, or result from, the services, work, and operations carried out pursuant to and under the requirements of the Agreement, whether such services, work, and operations be by the PROVIDER, its employees, or by any sub-consultant(s), subcontractor(s), or anyone employed by or under the supervision of any of them, or for whose acts any of them may be legally liable.
- B. The insurance protection set hereinabove shall be obtained for not less than the limits of liability specified hereinafter, or as required by law, whichever is greater.
- C. The PROVIDER shall require, and shall be responsible for insuring, throughout the time that this Agreement is in effect, that any and all of its sub-contractors

obtains and maintains until the completion of that subcontractor's work, such of the insurance coverages described herein and as are required by law to be provided on behalf of their employees and others.

- D. The PROVIDER shall obtain, have, and maintain during the entire period of this Agreement all such insurance program as set forth and required herein.

**10.02 PROVIDER REQUIRED TO FILE INSURANCE CERTIFICATE(S)**

- A. The PROVIDER, within fourteen (14) calendar days of execution of this AGREEMENT, shall file with the City Clerk all such insurance certificates as are required under this Agreement. Failure of the PROVIDER to submit such certificates and documents within the required time shall be considered cause for the CITY to find the PROVIDER in default and terminate the AGREEMENT. Before the PROVIDER shall commence any service or work pursuant to the requirements of this Agreement, the PROVIDER shall obtain and maintain insurance coverages of the types and to the limits specified hereinafter, and the PROVIDER shall file with the CITY certificates of all such insurance coverages.
- B. All such insurance certificates shall be in a form and underwritten by an insurance company(s) acceptable to the CITY and licensed in the State of Florida.
- C. Each Certificate of Insurance shall be submitted to the City Clerk in triplicate.
- D. Each Certificate of Insurance shall include the following:
  - 1. The name and type of policy and coverages provided;
  - 2. The amount of limit applicable to each coverage provided;
  - 3. The date of expiration of coverage;
  - 4. The designation of the City of Fort Myers both as an additional insured and as a certificate holder. (This requirement is excepted for Workers' Compensation Insurance); and
  - 5. Cancellation - Should any of the described policies be cancelled before the expiration date thereof, the issuing company shall mail not less than thirty (30) days written notice to the CITY.
- E. If the initial, or any subsequently issued, Certificate of Insurance expires prior to the completion of the work or termination of this Agreement, the PROVIDER shall

furnish to the CITY renewal or replacement Certificate(s) of Insurance not later than thirty (30) calendar days prior to the date of their expiration. Failure of the PROVIDER to provide the CITY with such renewal certificate(s) shall be justification for the CITY to terminate this Agreement.

#### **10.03 INSURANCE COVERAGES REQUIRED**

The PROVIDER shall obtain and maintain the following insurance coverages:

- A. **WORKER'S COMPENSATION:** Insurance covering all employees meeting Statutory Limits in compliance with the applicable State and Federal laws. The coverage must include Employers' Liability with a minimum limit of \$100,000.00/\$500,000.00/\$100,000.00.
- B. **COMPREHENSIVE GENERAL LIABILITY:** Coverage shall be minimum limits of \$1,000,000.00 Per Occurrence Combined Single Limit for Bodily Injury Liability and Property Damage Liability. This shall include Premises and Operations; Broadform Property Damage; Independent Contractors; Products and Completed Operations and Contractual Liability.
- C. **BOND REQUIREMENTS**  
PROVIDER shall take out and maintain during the term of this Agreement a Comprehensive Dishonesty, Destruction, and Disappearance Bond (commonly known as a "3D" bond) in an amount not less than \$250,000. Said bond shall be endorsed to protect the CITY'S interest and shall be written through a company acceptable to the CITY'S Risk Manager.

#### **ARTICLE 11.0 - TIME OF PERFORMANCE**

The AGREEMENT shall begin on October 1, 1995, and end on September 30, 2005, unless otherwise terminated according to the provisions of the AGREEMENT.

#### **ARTICLE 12.0 - RECORDS**

##### **12.1 BOOKS AND RECORDS**

- A. PROVIDER agrees that all his gross sales shall be recorded on a daily basis in accordance with generally accepted accounting principles and registered each time a sale is made in a manner satisfactory to CITY. PROVIDER shall keep and maintain in location (the address of which is made known to the CITY) full and

accurate books of account and records from which Gross Sales can be determined (including, but not limited to, receipts of merchandise, all federal, state, and local sales tax returns, records of daily bank deposits of the entire receipts from transactions in, at, on, or from the pro shops, including, but not limited to, rentals, driving range at Eastwood Golf Course, sales slips, daily dated cash register tapes, sales books, duplicate bank deposit slips and bank statements) which shall be conveniently segregated from CITY's records.

- B. CITY shall have the right upon seven (7) days' notice to inspect and audit the records and documentation referred to in the above paragraph. The CITY shall be responsible for expenses directly related to such audit, such as the expense of the auditor(s). The PROVIDER shall be responsible for expenses incidental to such audit, including but not limited to record copying expense, and the salary or wages of any PROVIDER personnel involved or participating in the audit.
- C. The PROVIDER shall keep and maintain adequate records and supporting documentation applicable to all of the service provided and expenses incurred pursuant to the requirements of this AGREEMENT. Said records and documentation shall be retained by the PROVIDER for a minimum of five (5) years from the date of the termination of this AGREEMENT or for such period as required by law, whichever is less.

#### **ARTICLE 13.0 - TERMINATION**

- 13.01 PROVIDER may terminate this Agreement at any time by giving CITY one hundred twenty (120) days written notice of said termination and stating the reason(s) for such termination. If so terminated, the rights, benefits and obligations of PROVIDER shall remain in force until the actual termination date of this Agreement.
- 13.02 CITY may terminate this Agreement upon default by PROVIDER of the provisions of this Agreement. However, CITY will give PROVIDER a period of sixty (60) days, after written notice of default, to cure said default and avoid termination. If PROVIDER shall cure the default within the said sixty (60) day period, the termination notice shall be null and void, and PROVIDER shall be restored to the status enjoyed previous to the sixty (60) day notice by CITY.

Failure to properly account for all CITY funds and to deposit the same as herein provided, shall give the CITY the absolute right to terminate this Agreement.

#### **ARTICLE 14.0 - ASSIGNMENT**

The PROVIDER shall not assign, transfer, convey, sublet or otherwise dispose of this contract, or of any or all of its rights, title or interest therein, or his power to execute such contract to any person, company or corporation without prior written consent of the CITY.

#### **ARTICLE 15.0 - HEADINGS**

The headings of the Articles, Sections, Exhibits, and Attachments as contained in this Agreement are for the purpose of convenience only and shall not be deemed to expand, limit or change the provisions contained in such Articles, Section, Exhibits and Attachments.

#### **ARTICLE 16.0 - ENTIRE AGREEMENT**

This Agreement, including the referenced Schedules and Attachments, constitutes the entire Agreement between the parties and shall supersede all prior agreements or understandings, written or oral, relating to the matters set forth herein.

#### **ARTICLE 17.0 - NOTICES AND ADDRESSES**

##### **17.01 NOTICES BY PROVIDER TO CITY**

All notices required and/or made pursuant to this AGREEMENT shall be given by the United States Postal Service, Certified Mail, Return-Receipt Requested, to the following CITY address of record:

The City of Fort Myers  
Post Office Box 2217  
Fort Myers, Florida 33902-2217  
Attention: Mayor Wilbur C. Smith, III

with a copy to:  
Jacqueline W. Hubbard, Esq.  
City Attorney  
City of Fort Myers  
Post Office Box 2217  
Fort Myers, FL 33902-2217

##### **17.02 NOTICES BY CITY TO PROVIDER**

All notices required and/or made pursuant to this AGREEMENT to be given by the CITY to the PROVIDER shall be made in writing and shall be given by the United States Postal



Service, Certified Mail, Return-Receipt Requested, to the following PROVIDER address of record:

Richard Lamb  
c/o Fort Myers Country Club  
3591 McGregor Boulevard  
Fort Myers, Florida 33901

**ARTICLE 18.0 - AMENDMENTS**

The terms and provisions contained in this Agreement may be amended in writing, by the agreement of both parties. In the event of any conflicts between the requirements, provisions and/or terms of the Agreement and any written Amendment(s), the requirements, provisions and/or terms of the latest executed Amendment(s) shall take precedence.

**ARTICLE 19.0 - MODIFICATIONS**

Modifications to the terms and provisions of this Agreement shall only be valid when issued in writing as a properly executed Amendment(s). In the event of any conflicts between the requirements, provisions, and/or terms of this Agreement and any written Amendment(s), the requirements, provisions and/or terms of the latest executed Amendment(s) shall take precedence.

**ARTICLE 20.0 - ACCEPTANCE**

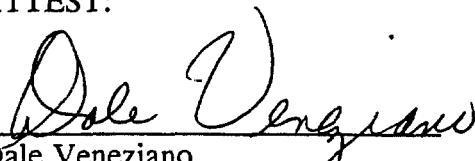
Acceptance of the CONTRACT shall be indicated by the signature of the duly authorized representative of the parties in the space provided.


IN WITNESS WHEREOF, the parties have executed this CONTRACT effective the day and year first written above.

DONE and ADOPTED this 2<sup>nd</sup> day of October, 1995.

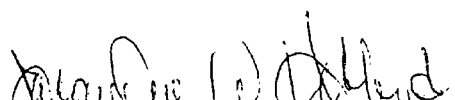
ATTEST:

CITY OF FORT MYERS, FLORIDA

  
Dale Veneziano  
CITY CLERK

By:   
Mayor Wilbur C. Smith, III

APPROVED AS TO FORM

  
Jacqueline W. Hubbard  
CITY ATTORNEY

DONE AND ADOPTED this 2<sup>nd</sup> day of October, 1995.

ATTEST:

Marlene De Jesus  
(Witness)

Dale Vengiano  
(Witness)

Richard Lamb  
Richard Lamb

Date: 10/2/95

This Agreement is made and entered into this 20th day of February, 1996, between The CITY OF FORT MYERS, Florida, a municipal corporation hereinafter referred to as the CITY and RICHARD LAMB, a golf professional, hereinafter referred to as "PROVIDER".

# WITNESSETH

WHEREAS, "City" and "Provider" entered into that certain Agreement dated October 2, 1995, wherein Provider was entitled in year one to a fixed sum of \$510,000 with a cumulative annual increase of five percent (5%) during the term of the contract.

WHEREAS, "Provider" wishes to decrease this fixed sum based on Provider's expenses being lowered due to employee attrition.

NOW THEREFORE, the "City" and "Provider" agree as follows:

1. Provider shall be entitled in year one to a fixed sum \$503,000 based on a monthly expense of \$42,500.00 effective October 1, 1995 thru February 29, 1996, and a monthly expense of \$41,500 effective March 1, 1996 thru September 30, 1996.
2. The agreed upon cumulative annual increase of five percent (5%) for year two shall be calculated upon a fixed sum of \$498,000 (monthly expense of \$41,500).
3. All other provisions of the agreement are to remain in full force and effect.

IN WITNESS WHEREOF, the "City" has caused these presents to be signed in its corporate name by its Mayor, and attested by the City Clerk, and the "Provider" has caused these presents to be signed in his name this 28th day of FEBRUARY, 1996.

ATTEST:

CITY OF FORT MYERS, FLORIDA

Dale Veneziano  
Dale Veneziano  
CITY CLERK

By: Wilbur C. Smith, III  
Mayor Wilbur C. Smith, III

APPROVED AS TO FORM

Jacqueline W. Hubbard  
Jacqueline W. Hubbard  
CITY ATTORNEY

Linda M. Arno  
(Witness)  
LINDA M. ARNO

Richard Lamb  
Richard Lamb

This Agreement is made and entered into this 1 day of JULY, 1996, between The CITY OF FORT MYERS, Florida, a municipal corporation hereinafter referred to as the "CITY" and RICHARD LAMB, a golf professional, hereinafter referred to as "PROVIDER".

## WITNESSETH

WHEREAS, "City" and "Provider" entered into that certain Agreement dated October 2, 1995.

WHEREAS, "City" wishes to allow "Provider" to authorize refunds of membership fees under certain situations which meet specific criteria.


NOW THEREFORE, the "City" and "Provider" agree as follows:

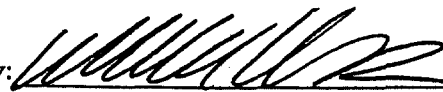
1. Provider shall be authorized to refund membership fees in the event of a member's death, terminal or debilitating illness. Refund may also be reviewed in the case of job transfer or unexpected relocation. Such refund shall be calculated at one-twelfth (1/12) x the number of months remaining in the annual membership fee paid or one-ninth (1/9) x the number of months remaining in the nine month membership fee paid..
2. All other provisions of the agreement are to remain in full force and effect.

IN WITNESS WHEREOF, the "City" has caused these presents to be signed in its corporation name by its Mayor, and attested by the City Clerk, and the "Provider" has caused these presents to be signed in his name this 8th day of JULY, 1996.

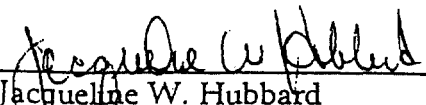
ATTEST:

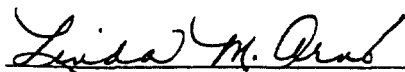
CITY OF FORT MYERS, FLORIDA


  
Dale Veneziano  
CITY CLERK

By:   
Mayor Wilbur C. Smith, III

APPROVED AS TO FORM

  
Jacqueline W. Hubbard  
CITY ATTORNEY

  
(Witness)

  
Richard Lamb

**THIRD AMENDMENT TO AGREEMENT**

This Agreement is made and entered into this 18 day of Sept., 2002, between the CITY OF FORT MYERS, Florida, a municipal corporation hereinafter referred to as the "City" and RICHARD LAMB, a golf professional, hereinafter referred to as "Provider".

**WITNESSETH**

WHEREAS, the "City" and the "Provider" entered into a written Agreement dated October 2, 1995, Amendment to Agreement dated February 20, 1996, and Second Amendment to Agreement dated 7/1/96; all of which are incorporated by reference; and

WHEREAS the "City" and "Provider" are desirous of amending the Agreement of October 2, 1995, as well as the amendments thereto, as herein set forth.

Now, therefore, in consideration of the foregoing and the terms and provisions as contained herein,

The parties agree that the written Agreement of October 2, 1995, as well as the subsequent amendments, shall be amended and modified as follows:

Article 11.0 Time of Performance

- (A.) This Agreement shall begin on October 1, 1995 and shall end on September 30, 2012 unless otherwise extended or terminated according to the provisions of this Agreement.
- (B.) The parties will mutually agree to negotiate contractual extensions one hundred fifty (150) days prior to the September 30, 2012 date.



## Article 4.0 Compensation and Method of Payment

### 4.01

6. Effective October 1, 2002, the cumulative annual increase to "Provider" shall be reduced from (5%) to (2%) during the term of the contract. Effective October 1, 2002, the annual fixed sum for the fiscal year 2002-2003 shall be \$667,367.76 or \$55,613.98 per month. The 2% annual cumulative increase shall begin on October 1, 2003 and continue each year through September 30, 2012.

### Option to Operate One Facility

"Provider" may at any time during the course of the Agreement elect to operate either Fort Myers Country Club or Eastwood Golf Course individually. In the event that "Provider" desires to exercise this option, notice must be given to the "City" one hundred twenty (120) days prior to the effective date of such individual operation.

In addition, in the event "Provider" chooses to operate just one facility, the "City" agrees to have "Provider" *participate significantly in the decision as to the hiring of the person* who shall take over operation of the golf course that "Provider" has chosen not to manage and operate.

In the event that the "Provider" elects to operate just one facility, the compensation to be paid to "Provider" shall be 50% of the compensation as enumerated in this Agreement.

#### Disposition of Eastwood Golf Course

In the event the "City" should dispose or divest itself of Eastwood Golf Course, Fort Myers, Florida, by sale, lease, lease option, license, lease purchase or right of first refusal, assignment or conveyance, "City" agrees to pay "Provider" the sum of \$100,000.00 in liquidated damages per year for three (3) years subsequent to the date of disposition. Said damages shall be paid yearly or on such other terms as "City" and "Provider" shall agree.

#### Disposition of Fort Myers Country Club

In the event the "City" should dispose or divest itself of Fort Myers Country Club, Fort Myers, Florida, by sale, lease, lease option, license, lease purchase or right of first refusal, assignment or conveyance, "City" agrees to pay "Provider" the sum of \$100,000.00 in liquidated damages per year for three (3) years subsequent to the date of disposition. Said damages shall be paid yearly or on such other terms as "City" and "Provider" shall agree.

#### Simultaneous Disposition

In the event the "City" should dispose or divest itself of both Eastwood Golf Course and Fort Myers Country Club, Fort Myers, Florida, simultaneously, by sale, lease, lease option, license, lease purchase or right of first refusal, assignment or conveyance, "City" agrees to pay "Provider" the sum of \$200,000.00 in liquidated damages per year for three (3) years subsequent to the date of disposition. Said damages shall be paid yearly or on such other terms as "City" and "Provider" shall agree.

In all other respects, the provisions of the Agreement dated October 2, 1995; the Amendment to Agreement dated February 20, 1996, and Second Amendment to Agreement dated 7/1/96 remain in full force and effect.

IN WITNESS WHEREOF, the "City" has caused these presents to be signed in its corporate name by its Mayor, and attested by the City Clerk, and the "Provider" has caused these presents to be signed in his name, this 18 day of September, 2002.

City of Fort Myers, Florida

WITNESSES:

Marie Adams  
Print Name MARIE ADAMS  
"CITY" CLERK

By: James T. Humphrey  
Mayor James T. Humphrey

APPROVED AS TO FORM  
[Signature] 6/14/02  
Print Name \_\_\_\_\_  
"CITY" ATTORNEY

HAL ADAMS  
Print Name HAL ADAMS  
WITNESS

Richard Lamb  
Richard Lamb

Addendum C

# Qualifications & Licenses

# Michael (Mace) J. Green, Jr.

*Senior Appraiser / Golf Valuation Group*

**CBRE**



T + 1 904 633 2611  
Mace.green@cbre.com  
www.cbre.com/MaceGreen

225 Water Street; Suite 110  
Jacksonville, FL 32202

## Experience

Michael (Mace) J. Green, Jr. is a Senior Appraiser with over 13 years of real estate appraisal and consulting experience throughout the Southeastern United States.

Mr. Green's primary geographical location is the Jacksonville MSA (Duval, St. Johns, Clay, Nassau and Baker Counties) and southeastern portions of Georgia (Chatham, Bryan, Liberty, McIntosh, Glynn and Camden Counties). Mr. Green has experience providing real estate appraisals, consultations, reviews, market studies, rent analyses, feasibility studies, litigation support, and is a court qualified expert witness. Mr. Green's experience encompasses a wide variety of property types including retail, multifamily residential, office, industrial, vacant land, as well as a multitude of special use properties.

In 2017, Mr. Green joined the CBRE Golf Valuation Group for the Florida region providing appraisal and consulting services on numerous golf course around the state. Mr. Green has an extensive background in golf, having played professionally and worked at some of the nations most renowned golf courses.

Mr. Green joined CBRE in 2007 providing valuation services in the Charlotte, NC office before transferring to CBRE's Savannah, Georgia office in 2012 and then Jacksonville, Florida in 2014.

Prior to joining CBRE, Mr. Green was an associate with R.W. Shiplett & Associates in Charlotte, NC for 3-years.

## Professional Affiliations / Accreditations

- Practicing Affiliate – Appraisal Institute
- Certified General Real Estate Appraiser:
  - Florida RZ 3679
  - Georgia 335748

## Education

- Augusta State University, Augusta, GA
  - Bachelor of Science, History - 1997





RICK SCOTT, GOVERNOR

JONATHAN ZACHEM, SECRETARY



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

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

**GREEN, MICHAEL JOSEPH JR**

225 WATER ST STE 110  
JACKSONVILLE FL 32202

**LICENSE NUMBER: RZ3679**

**EXPIRATION DATE: NOVEMBER 30, 2020**

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



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# MARKET OVERVIEW ANALYSIS

CITY OF FT. MYERS YACHT BASIN  
1300 LEE STREET  
FT. MYERS, FLORIDA 33901  
CBRE GROUP, INC. FILE NO. 19-397MI-0545-1

CBRE ADVISORY AND TRANSACTION SERVICES

April 29, 2019

Ms. Lee Ann Korst  
Southeast Regional Manager  
CBRE ADVISORY AND TRANSACTION SERVICES  
225 Water Street, Suite 110  
Jacksonville, Florida 32202

RE: City of Ft. Myers Yacht Basin  
1300 Lee Street  
Ft. Myers, Lee County, Florida 33901  
CBRE, Inc. File No. 19-397MI-0545-1

Dear Ms. Korst:

At your request and authorization, CBRE, Inc. has prepared a Market Overview Analysis of the referenced property. Our analysis is presented in the following Report.

The subject is a 245-slip marina located on Lee Street, just north of Edwards Drive in Fort Myers, Lee County, Florida. The improvements were originally constructed in 1937, and have been renovated on several occasions, most recently in 2005 and 2006. The improvements are situated on an 11.38 acre site and the submerged land is owned by the City of Fort Myers. Currently, the property is 80% occupied and is considered to be in average overall condition.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following analysis sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the conclusions contained herein. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

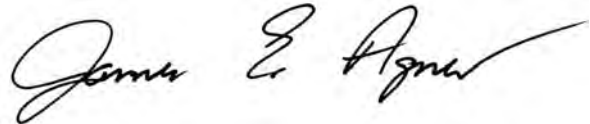
The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of

this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



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Daniel Boring, MAI

Vice President

Certified General No. RZ3667

[www.cbre.com/Daniel Boring](http://www.cbre.com/Daniel_Boring)

Phone: 404-812-5007

Email: [daniel.boring@cbre.com](mailto:daniel.boring@cbre.com)

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James E. Agner, MAI, AI-GRS, SGA, MRICS

Senior Managing Director – Florida / Caribbean

Certified General No. RZ382

[www.cbre.com/james.agner](http://www.cbre.com/james.agner)

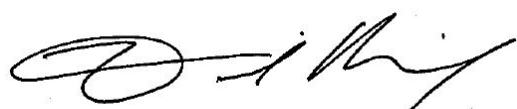
Phone: 305-381-6480

Email: [james.agner@cbre.com](mailto:james.agner@cbre.com)

## Certification

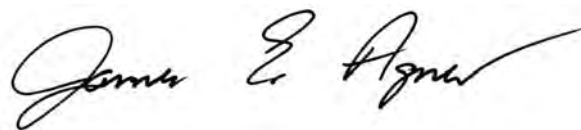
We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Florida.
6. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
7. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
8. As of the date of this report, Daniel B. Boring, MAI and James E. Agner, MAI have completed the continuing education program for Designated Members of the Appraisal Institute.
9. Daniel B. Boring, MAI has and James E. Agner, MAI has not made a personal inspection of the property that is the subject of this report.
10. John Holland provided significant real property analysis assistance to the persons signing this report
11. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
12. Daniel Boring, MAI and James E. Agner MAI have not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.



---

Daniel Boring, MAI  
Certified General No. RZ3667

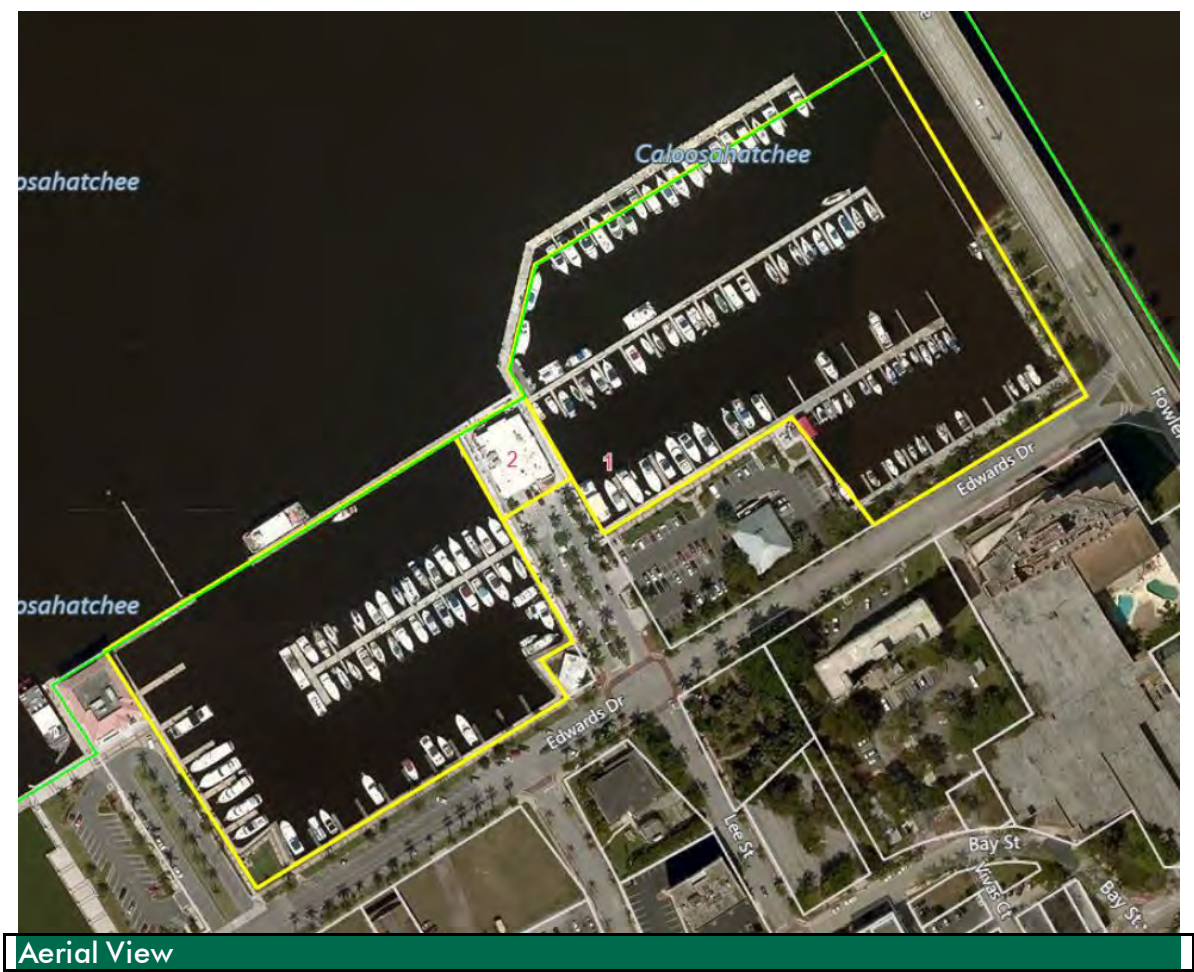


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James E. Agner, MAI, AI-GRS, SGA, MRICS  
Certified General No. RZ382



Subject Photographs



NUM	APN	ACREAGE	OWNER NAME
1	13-44-24-P4-00401.004B	0.31	CITY OF FORT MYERS FINANCE DEPT
2	13-44-24-P4-00401.0040	11.07	CITY OF FORT MYERS FINANCE DEPT
		11.38	



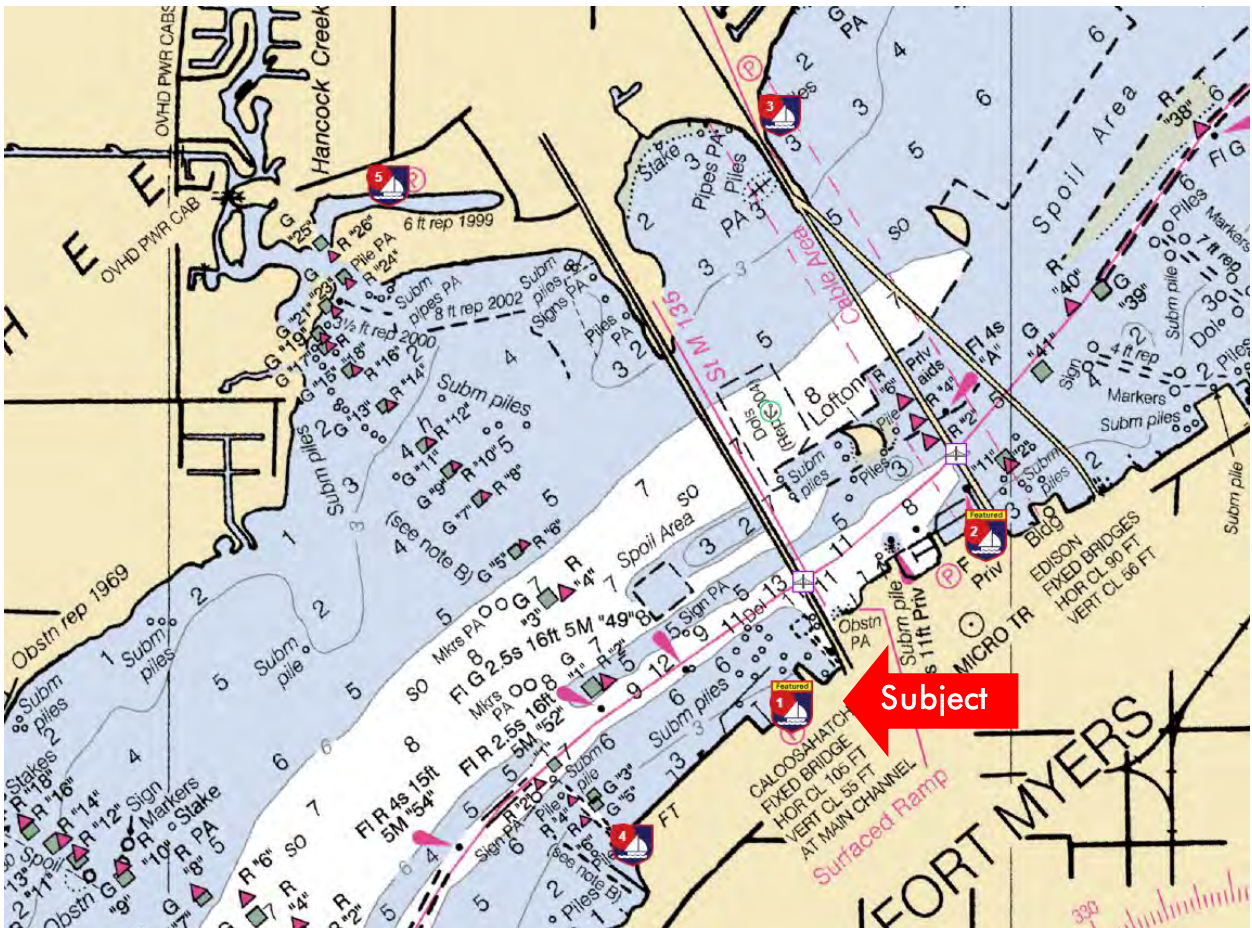






Photo 1 northerly view of the main entry



Photo 2 westerly view from the main entry along the fronting roadway



Photo 3 westerly view of C Dock



Photo 4 northwesterly view of the inner H Dock



Photo 5 southwesterly view of B Dock

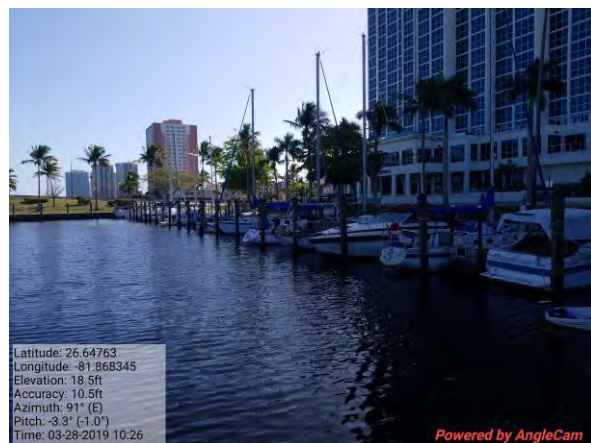


Photo 6 easterly view of G Dock





Photo 7 northeasterly view of D Dock



Photo 8 northerly view of A Dock



Photo 9 storage lockers



Photo 10 utility pedestals and storage lockers



Photo 11 northerly view of the East entry



Photo 12 southerly view of E Dock





Photo 13 southerly view of the ship store



Photo 14 easterly view of the ship store



Photo 15 interior view of the retail area



Photo 16 interior view of the office area



Photo 17 easterly view of E Dock



Photo 18 northerly view of the fueling and pumpout station



## Executive Summary

<b>Property Name</b>	City of Ft. Myers Yacht Basin		
<b>Location</b>	1300 Lee Street Ft. Myers, Lee County, FL 33901		
<b>Client</b>	CBRE Advisory and Transaction Services		
<b>Highest and Best Use</b>			
As If Vacant	Mixed Use Marine Related Development		
As Improved	Mixed Use Marine Related Development		
<b>Property Rights Appraised</b>	Leased Fee		
<b>Date of Report</b>	April 29, 2019		
<b>Date of Inspection</b>	March 28, 2019		
<b>Land Area</b>	11.38 AC		495,713 SF
<b>Zoning</b>	Urban Center, Civic		
<b>Improvements</b>			
Property Type	Mixed Use Marine Related Development		
Number of Buildings	2		
Number of Stories	1		
Gross Building Area	12,236 SF		
Number of Slips	245		
Year Built	1937	Renovated:	1981
Effective Age	25 Years		
Remaining Economic Life	20 Years		
Condition	Average		

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Compiled by CBRE

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The subject is a 245-slip marina located on Lee Street, just north of Edwards Drive in Fort Myers, Lee County, Florida. The improvements were originally constructed in 1937, and have been renovated on several occasions, most recently in 2005 and 2006. The improvements are situated on an 11.38 acre site and the submerged land is owned by the City of Fort Myers. Currently, the property is 80% occupied and is considered to be in average overall condition.

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## Scope of Work

This Analysis Report is intended to comply with the reporting requirements set forth under Standards Rule 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied.

### INTENDED USE OF REPORT

This analysis is to be used for internal decision making purposes, and no other use is permitted.

### CLIENT

The client is CBRE Advisory and Transaction Services.

### INTENDED USER OF REPORT

This analysis is to be used by CBRE Advisory and Transaction Services, and no other user may rely on our report unless as specifically indicated in the report.

Intended Users - the intended user is the person (or entity) who the appraiser intends will use the results of the analysis. The client may provide the appraiser with information about other potential users of the analysis, but the appraiser ultimately determines who the appropriate users are given the analysis problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the analysis in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the analysis are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the report.<sup>1</sup>

Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.

### PURPOSE OF THE ANALYSIS

The purpose of this analysis is to provide an overview analysis of the subject property.

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<sup>1</sup> Appraisal Institute, The Appraisal of Real Estate, 14th ed. (Chicago: Appraisal Institute, 2013), 50.

### Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address
- assessor's records
- legal description

### Extent to Which the Property is Inspected

CBRE, Inc. inspected the readily observable areas of the interior and exterior of the subject, as well as its surrounding environs on the effective date of analysis. We did not inspect the roof nor did we make a detailed inspection of the mechanical systems. We are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is required. We have not inspected any of the improvements below the water line. We have assumed that all docks, pilings, seawalls, plumbing, electrical and fire suppression systems are in good working condition.

### Type and Extent of the Data Researched

CBRE reviewed the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- income and expense data
- comparable data

### Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted analysis methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section.

### Data Resources Utilized in the Analysis

DATA SOURCES	
Item:	Source(s):
<b>Site Data</b>	
Size	County records and site plan
<b>Improved Data</b>	
Building Area	County records and site plan
No. Bldgs.	County records, onsite inspection and site plan
Parking Spaces	County records, onsite inspection and site plan
Year Built/Developed	County records
<b>Economic Data</b>	
Income Data:	Client
Expense Data:	Client
Compiled by CBRE	

## United States Marina Market

The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. Primary data sources utilized for this analysis include:

- National Marine Manufacturers Association, "2018 Outboard Engine Sales Trends 2006-2017" Published in August 2017 (Latest Available)
- US Coast Guard
- Department of Highway Safety and Motor Vehicles
- Association of Marina Industries
- Marine Dock Age "2015 Industry Trends", Last published in March 2016
- Rental Surveys of Competitive Properties
- Dozier's Waterway Guide
- Marinas.com
- ESRI Demographic Data
- Interviews with Local Market Participants
- The County Property Appraiser
- Subject Property Data

### National Marine Market

According to the most recent edition of the National Marine Manufacturers Association, (NMMA), Recreational Boating Statistical Abstract, the NMMA Statistical Abstract and the Recreational Boating Economic Study, recreational boating continues to be a very important contributor to the U.S. economy. The following is a snapshot of the current market position and trends in the boating industry.

### Industry Performance

#### Key Statistics Snapshot

Revenue

**\$5.1bn**

Profit

**\$749.8m**

Annual Growth 13–18

**1.9%**

Wages

**\$1.3bn**

Annual Growth 18–23

**0.2%**

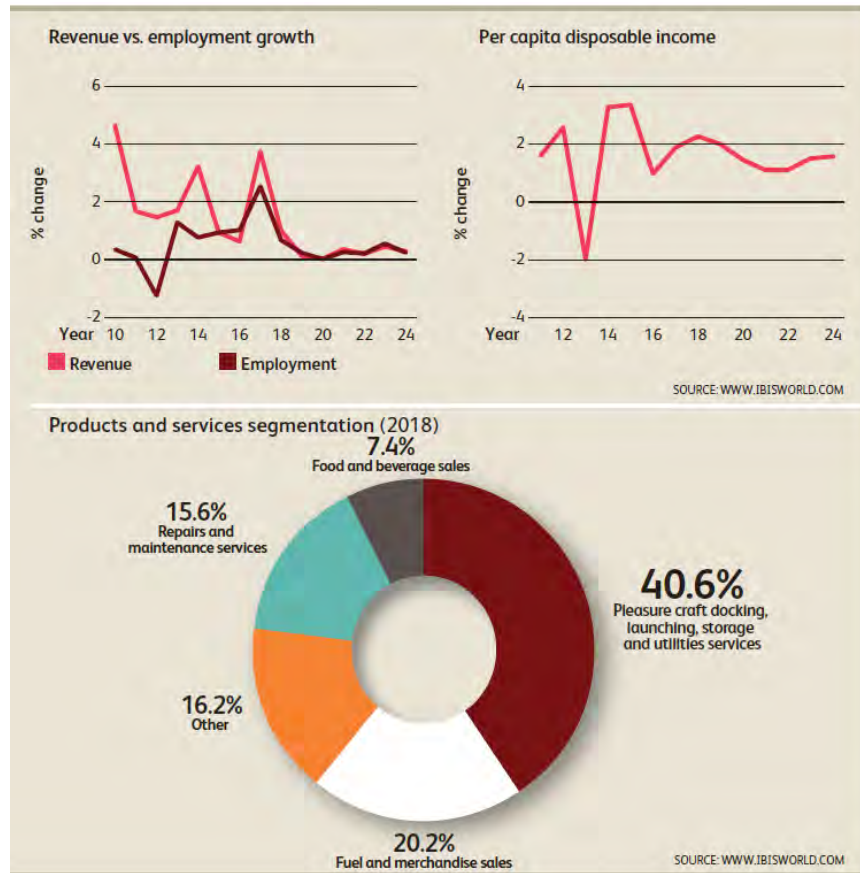
Businesses

**11,837**

2

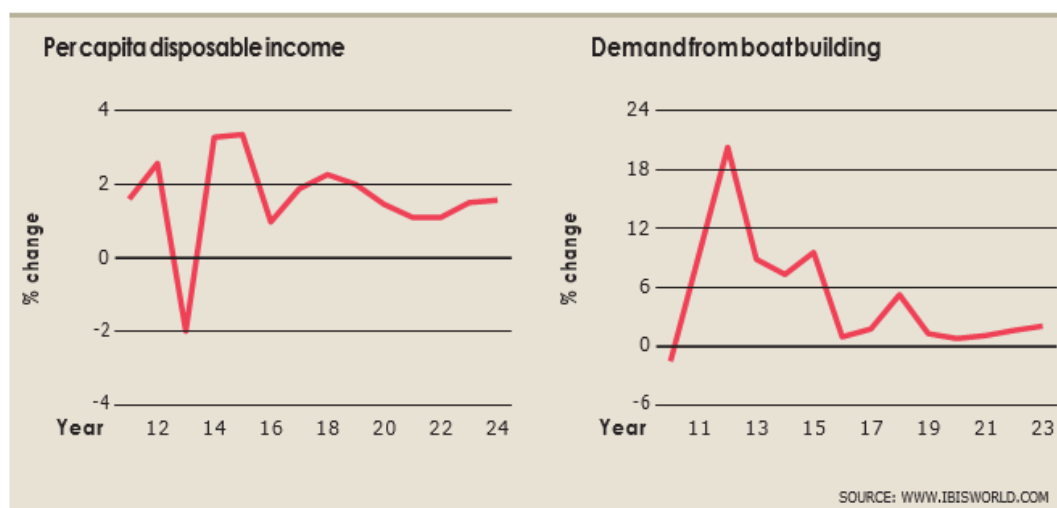
<sup>2</sup> WWW.IBISWORLD.COM





## EXTERNAL DRIVERS

Households earning more than \$100,000 Although many boat owners are not in this income group, the industry earns a significant amount of revenue from households with an average annual income exceeding \$100,000. This group tends to own larger boats or yachts, which generate greater slip fee revenue. These boats also use more of the premium services offered by marinas.



Therefore, an increase in the number of households in this group will support higher demand and revenue for marinas. Households earning more than \$100,000 are expected to increase in 2019.

### Time spent on leisure and sports

Participation in recreational activities such as boating typically increases as leisure time rises. Likewise, this growth will potentially lead to greater demand for marina facilities and services. Time spent on leisure and sports is expected to decrease in 2019.

### Consumer Confidence Index

The consumer confidence index is a survey concerning household finances, income, business conditions and economic outlook. Consumers will generally postpone big-ticket purchases, such as boats, when consumer sentiment is low, thus affecting demand for docking and storage provided by marinas. Consumer confidence is expected to increase in 2019.

### World Price of crude oil

The world price of crude oil heavily influences the costs of owning and using a boat for boat owners, which will have an effect on the volume of customers for a marina. Fuel is also sold by marinas and can influence revenue if the prices are too high for boat owners to want to use their boat on a regular basis. The world price of crude oil is expected to increase in 2019, representing a potential threat to the industry.

## DEMAND DETERMINANTS

Demand for marina facilities is based on several factors. Firstly, weather conditions tend to greatly affect demand. The number of visitors generally increases during the summer months, while severe storms reduce demand. Marina owners also cater to annual slip holders and transients, and although transients may be more profitable, their use of marinas is strongly affected by weather and the overall economy. Secondly, the types of boating and other facilities offered tend to affect demand. Many operators in this industry attempt to increase revenue by offering a full range of concierge services including retail, restaurants, cafes and bars, fuel stations, boating and sailing tuition, vessel rentals and full boat repair and maintenance services performed by qualified technicians. Location also serves as an important factor in determining demand for marinas. Great waterfront locations capitalize by providing space for special events such as weddings.

The level of boat ownership determines demand for the Marinas industry. Sales and ownership of powerboats and sailboats create demand for marina services. Economic factors also influence demand for marina services. Since boating is a discretionary recreational activity, it is vulnerable to shifts in regional and national economic conditions. Boat sales have historically been closely tied to consumer sentiment. Likewise, during times of low economic growth, the industry will typically experience lower demand for marina services.

Nonetheless, demand for marina services will remain as long as people own boats and need to store them. Boats need to be stored or docked when not in use and marinas provide boat owners with storage options. The size of the boat and the cost to store or dock the boat are factors a boat owner must consider. Marinas offer both slip rental and dry storage for boats, with dry boat storage as the less expensive option of the two. For boats that can be transported via trailers, owners have the option of storing them at their own property.

Finally, leisure time availability affects demand since a greater amount of leisure time will generally lead to a greater demand for industry services. Boating usually requires traveling some distance to water, which increases the time involved for the activity.

### Recent Trends

In the aftermath of the recent economic downturn, the popularity of recreational boating remains strong and has been improving significantly in recent years. Market analyses performed over the last five years throughout the region have identified a number of key trends that directly relate to the ongoing success of marinas, while also highlighting the source of challenges faced by marinas that are struggling.

These include the following:

- Boats continue to get larger, wider, and deeper, with greater power demands.
- Occupancy in slips 35' and longer is much higher than slips less than 35' in length. The number of larger boats has increased steadily over the last twenty years, and owners of larger boats are typically more affluent and less affected by the economy than owners of smaller boats. Additionally, the cost to store large boats on land is not significantly less than keeping them in the water at the marina, so if expenses are an issue, the boat will simply leave the dock less often. Owners of smaller boats that can be trailered and stored at low cost at home are the first to leave the marina when finances are tight.
- Marinas that have been renovated in the last five to ten years and now provide slips suited to the new market for larger boats are generally more successful than those with slip configurations geared towards smaller boats. While larger slips take up more space, resulting in a lower total number of slips, they are generally more profitable overall.
- Marinas that became encumbered with debt from adjacent boat sales businesses or adjacent real estate developments that failed with the housing market represent a large portion of the failed marinas on the market. Marinas that focused primarily on basic marina functions, such as the subject, have generally weathered the economy more successfully assuming they have an appropriate slip mix. The fundamental marina operational business model remains sound.

- Slip demand between one marina and another is driven more by the relative quality and location of the facilities much more than pricing. Differences in rates are not generally significant, and generally not the key deciding factor.
- The general list of amenities provided by marinas is reasonably consistent from one marina to another, with few marinas lacking any significant amenities compared to their competitors. The age and quality of maintenance of those amenities does make a difference, however, and obviously newer facilities are more desirable than dated facilities.
- Marinas have become more and more a part of the hospitality industry, and boater expectations for service have increased. Friendly, competent, and helpful marina staff create a significant intangible culture at a marina that can make the difference in a boater's choice of marina.
- Transient slip occupancy is driven by two key factors: location of the transient marina and the quality of the destination. Transient marinas located directly along a transit route generally see more activity than marinas located at the end of confined waters regardless of the quality of the destination and adjacent recreational opportunities. Transient marinas located adjacent to exceptional destinations see more activity than those without significant attractions nearby.
- Compliance with current National and Federal standards remains low, providing an opportunity for marinas to reduce their liability exposure while also providing a safer, higher quality boating experience for their customers. In particular, the American's with Disability Act enacted specific requirements for recreational boating facilities in 2010. All facilities, even those privately owned, that provide services to the general public must comply. Additionally, there has been a dramatic increase in the awareness of electrical shock drowning prevention within marinas, with new National Electric Codes requiring individual protection for leaks greater than 30mA.

### Boater Preferences

A detailed Marina Use and Amenities Survey, completed by boaters across the region in multiple markets over the last several years indicated the following preferences in marina selection:

#### AVAILABILITY

The first criteria mentioned is availability, which is consistent with trends we see in markets that are significantly underserved. Quality and price of facilities is significantly less important when there is a severe shortage of slips.

#### CONVENIENCE AND LOCATION

The next criteria mentioned include convenience and location, which speaks to some of the greatest potential strengths of the subject site. The proximity to the downtown area provides a

large population base from which to draw clients, while the ability to walk to downtown attractions is better than most other locations in the area.

### **AMENITIES**

The list of amenities identified by boaters include many features that are now generally provided as basic amenities at most new and renovated marinas. Wireless internet/Wi-Fi is all but standard in contemporary marinas, and can be provided at very reasonable costs to the marina operator. Boater Services buildings with community rooms/boater lounges, restrooms, showers, laundry, snacks, and ship's store are more and more common and the quality of these facilities can create a key distinction for marinas in more competitive markets. A comment often heard in competitive marina markets is, all else being equal (and sometimes not so equal), the marina with the better bathrooms wins. Our conversations with local boaters reinforces these preferences.

### **UTILITIES**

Appropriate utilities, including power, water, and sanitary pump-out are now essentially minimum standards for modern marinas. As the awareness of the risk of electrical shock drowning grows, the opportunity to construct a new marina incorporating all modern standards will differentiate a facility from others as the safe marina in addition to greatly reducing the liability risk. Electrical Shock Drowning occurs when stray current from improperly wired marinas or boats enters fresh water. If a person swims (or falls) in water with enough stray current (generally 30mA is recognized as fatal), the result can be electrical paralysis. The person in the water can't move and drowns, and so would any would be rescuer who entered the water. The most current National Electrical Codes now taking effect address this situation, so it is only a matter of time before all marinas will have to comply. Moving ahead with these upgrades now is both proactive and will enhance your reputation for quality and safety.

### **FLOATING DOCKS ARE PREFERRED**

Floating docks are preferred by most vessel owners versus fixed docks due to the floating docks ability to maintain a constant level with the vessel, which improved the placement of bumpers and reduces the chances of the dock riding above or below the vessels bumpers due to tidal change. Floating docks also enhance ingress and egress onto the vessel by maintaining a constant corresponding level.

### **RESORT AMENITIES**

Beyond the relatively standard amenities described above, some of the best private marinas now provide yacht club style amenities, including pools, tennis courts, hot tubs, and/or bars/restaurants on site. These can be set aside with a special membership, or included in the slip rental fees. In addition, out of water boat slips are becoming more prevalent within the market.



## Location and Convenience Factors

After availability, boaters identified location and convenience as the two most important factors they considered when choosing a marina.

### PROXIMITY TO POPULATION CENTER

This factor identifies how close the marina is to the nearest regional population center.

### PROXIMITY TO DOWNTOWN/COMMERCIAL SERVICES

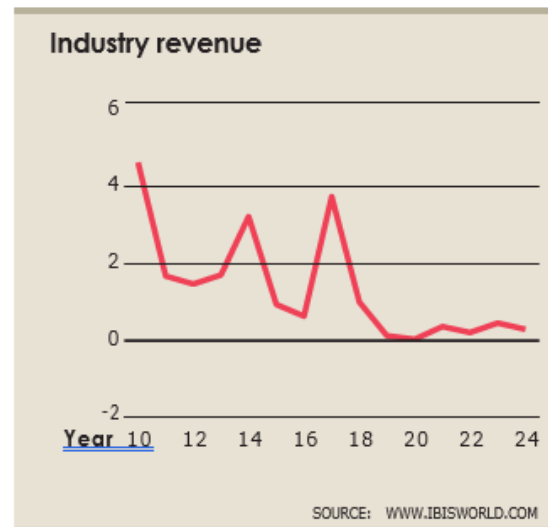
This factor identifies how close the marina is located to nearby shops, restaurants, bars, and other local destinations. The closer a marina is to these land side attractions, the more convenient it is for boaters – especially transient boaters without cars – to enjoy them. Good restaurants within walking distance of a marina are very popular amenities that can really make a difference in the perceived quality of a marina.

### PROXIMITY TO REGIONAL CRUISING TRANSIT ROUTE

This factor identifies how close a marina is to well-travelled cruising routes. This directly affects the occupancy of transient slips, particularly during off-peak times, as boaters generally don't like to travel very far out of their way due to the length of time it takes to travel on water. The presence of the canal system linking the lake to the region make this destination more attractive to transients than marinas located in the south end of the lake.

## CURRENT PERFORMANCE

While the waters were a little choppy, the Marinas industry benefited from increased participation and expenditures by consumers over the five years to 2018, and more operators in the industry started reporting increases in occupancy rates, boosting industry revenue. Growth in per capita disposable income has enabled consumers to trade up to luxury goods for recreation, such as boats for water sports and fishing, bringing more boat owners back to the waters and increasing business for the marinas. A marina's primary source of revenue is the storage of recreational boats. Speedboats, fishing boats and yachts are more readily available for use if they are stored in the water and docked at a marina, a convenience to boat owners looking to save time. In addition to increasing disposable income, the rising rate of the number of households earning more than \$100,000 and a rise in the Consumer Confidence Index indicate consumers' increased abilities for recreational spending. Additionally, the US Boat Building industry is on the rise. Consequently, Industry experts estimate industry revenue to increase at an annualized rate of 1.9% to \$5.1 billion over the five years to 2018. With increasing demand for new boats,



expansion within the Marinas industry is expected and the number of operators is anticipated to rise.

### Favorable Consumers

Recreational boating at most levels is an expensive activity. The cost of entry to owning a boat and undertaking boating as an activity is high. In addition to the price of a boat, fuel and storage are substantial costs a boat owner needs to consider. The improving economy over the five years to 2018 brought rising disposable income and increased consumer confidence to perpetuate leisure spending, which favors the Marinas industry. In addition to providing space and storage for recreational boats through slips (dockside spaces) and moorings (anchored buoys), marinas can expand operations to include sporting equipment rentals and food and beverage sales to attract both transient and regular boaters. These additions increase the possible sources of revenue for a marina. Yacht clubs, restaurants and bars are incorporated into many marina businesses and are often a part of the social scene for many coastal and lake localities; consumers of these amenities may also use the marina's docking services, providing industry operators with additional revenue. US boat sales have grown over the five years to 2018. Alongside growing per capita disposable income, industry revenue is expected to increase 1.0% in 2018 alone.

### Location, Regulation and Externalities

Seasonal changes and the amount of time consumers spend on recreational boating are large factors in the flow of revenue for marinas. The geographic spread of marinas naturally follows the coastlines and large bodies of water across the United States. The greatest concentration of marinas is located in the Southeast region, accounting for an estimated 29.3% of all locations. This is largely due to the climate advantage over the Northeast, which has inclement weather and freezing temperatures that prevent most recreational boating activities. However, marinas in the Northeast offer dry storage facilities, which have led revenue to flow through the off-months. About one-third of revenue generated by marinas in the Northeast is from dry storage facilities.

Over the five years to 2018, the Marinas industry has been contending with increased voluntary and mandatory compliance regulation from various industry associations, state and federal agencies. The most prominent ongoing initiative being undertaken by the Association of Marina Industries is called the Clean Marinas initiative, which has gained traction among federal and state regulatory agencies, as well as among industry operators. The program's aim is not only to help marinas navigate changing state and federal regulations, but also undertake several voluntary programs to potentially attain cost-savings for the operators in the industry.

Upon completion of these programs, a certification is awarded to the operators in the industry. However, industry magazine Marina Dock Age carried out a survey in 2013 regarding the experiences of marinas in implementing the Clean Marinas initiative. Cost was cited as the primary reason for not implementing part of or the entire initiative by the respondents. An average cost of \$14,493 was calculated for undertaking the initiative by marina operators and

52.0% of the respondents surveyed that achieved the certifications stated that they did not experience any significant cost savings once the initiative was implemented.

Externalities such as hurricanes and other severe weather conditions affect revenue in the industry in several regions. Hurricanes that affected several regions, such as Hurricanes Maria and Irma in Puerto Rico and Houston, respectively, severely affected revenue of the marinas in the region. Operators in the industry have responded by undertaking a series of steps in curtailing damage to their properties because of inclement natural events.

### Industry Structure

The number of operators in the industry has increased slightly, at an annualized rate of 0.3% to 11,837 over the five years to 2018. Many of the current operators endured the slow business conditions that occurred after the downturn, such as low customer volumes and limited tourist traffic around marinas. An estimated 11,917 marina establishments in 2018 falls in line with the number of operators, indicating there are few industry players that operate multiple establishments. While there are no major players accounting for more than 5.0% of industry revenue, larger businesses, such as Westrec Marinas and Suntex Marinas, own a portfolio of marinas across different states, letting customers travel between locations with their boats. However, the majority of businesses in the industry are local operations with only one establishment. These marinas typically require only a few employees to service customers and keep facilities in shape.

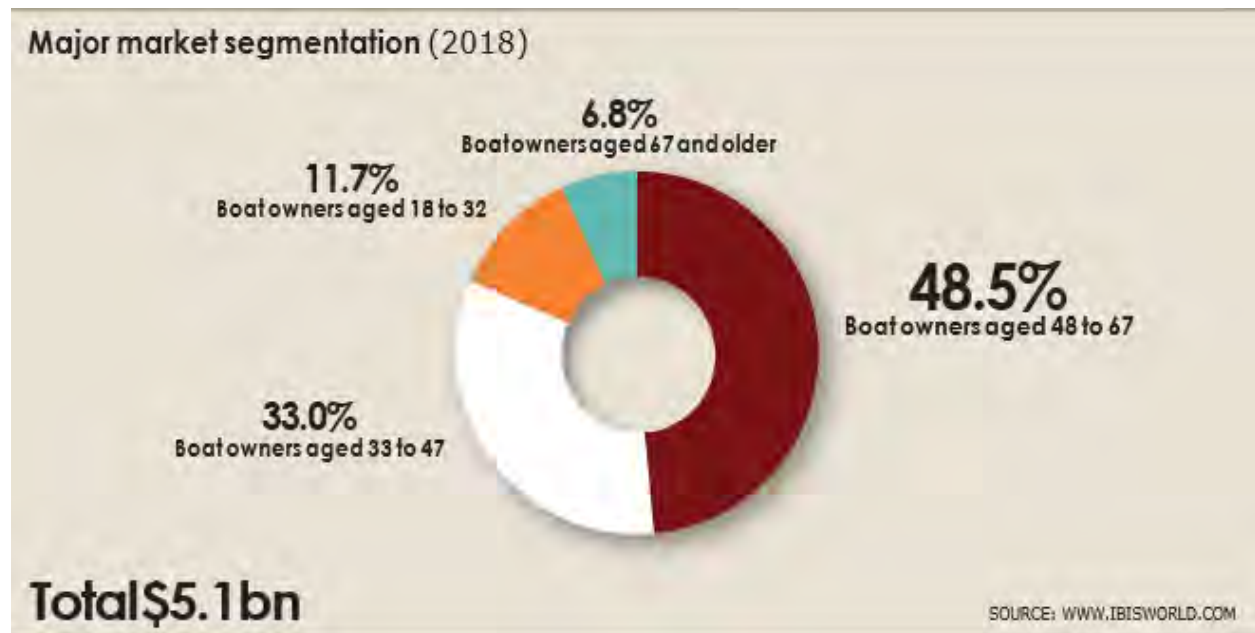
### BARRIERS TO ENTRY

The Marinas industry has a high level of barriers to entry. Firstly, marina development requires a high initial capital investment, which can deter potential marina operators from entering the industry. Marina developers must also be able to acquire a suitable location. There are a limited number of locations available, which can make this difficult.

Secondly, regulations can also deter potential entrants. The US Army Corps of Engineers can issue permits for marina development in certain areas. The Corps can also call for public comment where protests against the development can be lodged. Various City Planning Commissions can change the zone of any new redevelopment plans of existing marinas, which makes it tricky and time consuming to develop a new marina.

Finally, other costs may prove prohibitive for new entrants. For example, holding an extensive range of boats for rental can lead to high inventory costs. Rising insurance premiums are another issue for the industry. Hurricanes in the gulf region have caused insurance costs to rise substantially in these areas. The prospect of wilder weather patterns in future years has driven up the cost of insurance for marinas.

## MAJOR MARKETS



Recreational boat owners are the primary market for the Marinas industry. Marinas only handle pleasure craft whereas ports handle large passenger ships and cargo. Boat owners aged 48 to 67 make up the largest proportion of the market for the industry. The average age of a boat buyer is 53 and the age of boat buyers is getting older every year.

### Boat owners aged 18 to 32

Boat owners aged 18 to 32 make up one of the smallest segments with 11.7% of industry revenue. Boat owners in this segment often have smaller, trailer type boats that can be stored at home. With lower discretionary spending abilities, marinas can be an unnecessary expense for boat owners in this age category.

Additionally, boat ownership is also not as high of a priority for those in their early twenties as is car ownership, which can also limit the size of this segment. Despite this, this segment does provide a substantial amount of launching fees, since these customers will require a ramp to launch their vessel into the water. Marinas with launching facilities will charge for the use of a ramp and parking for vehicles with boat trailers attached. Also, watercrafts such as jet-boats which are smaller and less expensive tend to do well in this age group. Marinas that provide these types of watercrafts for rent or lease will increase their revenue from this segment.

### Boat owners aged 33 to 47

Accounting for an estimated 33.0% of industry revenue, boat owners aged 33 to 47 represent a significant market segment for the industry. This segment has the largest number of boat owners, but of smaller boats that contribute to lower revenue levels. This segment offers significant growth opportunities as income and wealth levels increase; however recreational time constraints may

restrict growth in this segment. This segment has fallen over the past five years as disposable income levels were hampered by the effects of the downturn. The most common type of boats that are sold in this category include ski boats, small cruisers runabouts and bass boats.

### **Boat owners aged 48 to 67**

Boat owners aged 48 to 67 accounts for the largest proportion of industry revenue, at an estimated 48.5%. This demographic is generally wealthier than other age groups due to an accumulation of assets over time and stable employment. This market segment tends to own boats that are on average larger in size, and therefore, require the use of a marina to house the boat (rather than a trailer boat that can be stored at a home garage). Likewise, consumers from this age group generate higher docking fee revenue for the marina operators. Marinas also target services such as restaurant and club house facilities toward this lucrative age group. This segment has remained relatively stable over the past five years because these consumers have few other options when storing their boats. The most common boat that buyers in this age group buy is 30+ foot, outboard sterndrive boat.

### **Boat owners aged 67 and older**

Boat owners aged 67 and older account for an estimated 6.8% of industry revenue and is increasing. With the aging baby boomer population reaching retirement, this segment will increase every year. Now, there are twice as many people over 65 buying boats than people under the age of 40. However, retirees in states such as Florida and California provide significant revenue streams for industry operators, which also provide other services and facilities for this segment.

## **COST STRUCTURE BENCHMARKS**

While the amount of discretionary income and demand for boats that consumers have creates the desire for marina services, the cost structure among marinas influences industry profit. The size and location of a marina will vary, but key costs will remain important for all industry participants, such as lease and rental payments for the facilities, and equipment for boat maintenance servicing.

### **Profit**

Profit margins will comprise an estimated 14.6% of industry revenue in 2018. While large marinas have a greater amount of slips and dock space for more consumers, there are small, exclusive marinas and yacht clubs in appealing locations that can charge more for its available spaces and memberships. Profit margins will fluctuate on a yearly basis given the economic climate and boat traffic. As most Marinas obtain the majority of their revenue from storage and dockage services, the revenue stream and consequently profit margins are steady for the operators in the industry.



However, operators in the industry can generate better margins by offering more active services and amenities such as retail, repair, food and drink to bring in more profit from existing customers. Wealthy boat owners will pay more for exclusivity and personalized services as well, adding to profit. Therefore, Profit has generally increased over the five years to 2018 to 14.6% from 14.4% in 2013, primarily due to add-on services provided by industry operators.

### Purchases

Fuel prices play the most important role in purchases in the industry. Industry experts estimates that purchases will account for 29.9% of industry revenue in 2018. Marinas often store and sell fuel to customers, as well as use fuel for its own boats. Gasoline and Diesel fuel are the primary fuels used to run the boats. Diesel fuel and specialty fuels such as isobutanol are used in bigger boats. With fuel prices changing almost every day, fuel cost could vary significantly for the operators in the industry. Bigger Marinas can take advantage of better prices by buying fuel and storing it and then selling the fuel at market prices.

Other purchases such as equipment for the maintenance and repair of boats, along with the docks and storage facilities comprise the rest of the share of purchases. Also, operators in the industry have purchases such as food, beverages and other supplies that vary from marina to marina. For example, a marina with an upscale restaurant, bar and lounge has to purchase different equipment than a marina intended to service fishermen. Marinas in competitive locations will offer the most services that it can afford to provide, to keep customer satisfaction high.

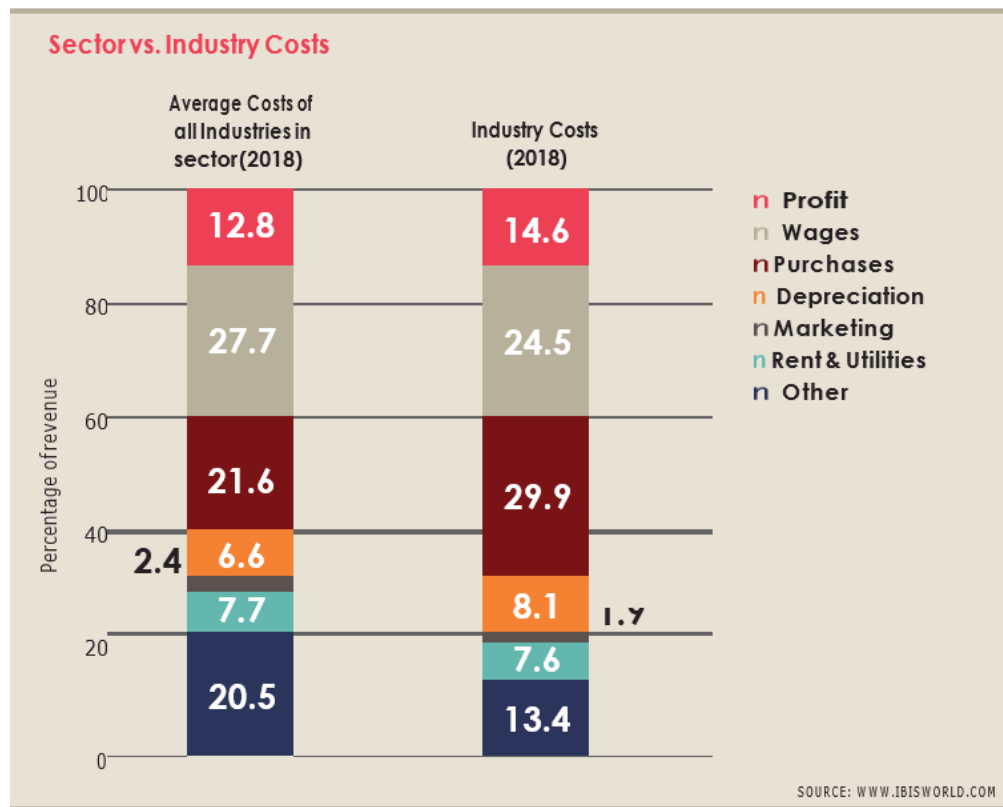
### Wages

Wages make up a significant expense for this industry and account for 24.5% of industry revenue in 2018. The employees at a marina are a major part of the appeal of having one's boat stored at a marina. Cleaning, repairing and storing a boat takes manual labor than many boat owners would rather pay for someone else to do. The labor involved with launching and retrieving a boat is also the appeal of having a marina with staff that will do the work for boat owners.

Industry associations such as Association of Marina Industries also offers several professional certifications such as Certified Marina Manager (CMM). Employees with professional certifications can demand higher compensation and this adds to the cost for operators in the industry.

### Rent and Utilities

The primary service of a marina is space and proactive storage (cleaning, surveillance), consequently bringing rent and utilities costs up to an estimated 7.6% of revenue in 2018. Larger marinas with many buoyed boats will often have a boat for bringing boat owners and their guests out to their own boats from the docks. For security, surveillance, and guidance for night-time boating, marinas are usually well lit and, in some cases, have a lighthouse that will stay lit through the night. Restaurants, bars and lounges will naturally incur more expenses for a marina in terms of rent and utilities.



## Marketing

Industry experts estimate that marketing accounts for 1.9% of industry revenue. While some exclusive, club-oriented marinas rely on recommendations by current customers, larger industry players with many available spaces advertise more publicly online and through media catered to boat owners, such as magazines. Industry magazines such as Marina Dockage feature a different Marina on their cover in every issue. Operators in the industry can take advantage by advertising their marina and market themselves to a broader audience. Boat shows can be a major marketing tool if a marina purchases space in their literature material, or sends a representative to accrue interest.

## Depreciation

Depreciation is expected to account for 8.1% of industry revenue in 2018. The physical assets of a marina are critical to the value in services it provides, as well as the reputation of the business. The docks, platforms, slips, buildings and walls of a marina are subject to severe weather conditions and must be formidable. At any sign of damage, they should be replaced, or else risk further damage to other assets, including customers' boats. As a result, depreciation is a significant cost in this industry.

## Other

Repair and maintenance costs, and insurance are accounted for in this segment, which is estimated to account for 13.3% of revenue. Maintaining the facility and the boats of customers is a primary function of a marina, naturally making up a significant amount of its costs. In addition, damaging weather conditions and storms such as Hurricane Sandy, Irma, Maria and the recent drought in California which dried up not only the water but also revenue in popular rivers and lakes. This has increased the amount marinas need to spend on maintenance, reparations and insurance. These costs vary greatly among marinas, depending on the size and value.

## FORECASTED OUTLOOK

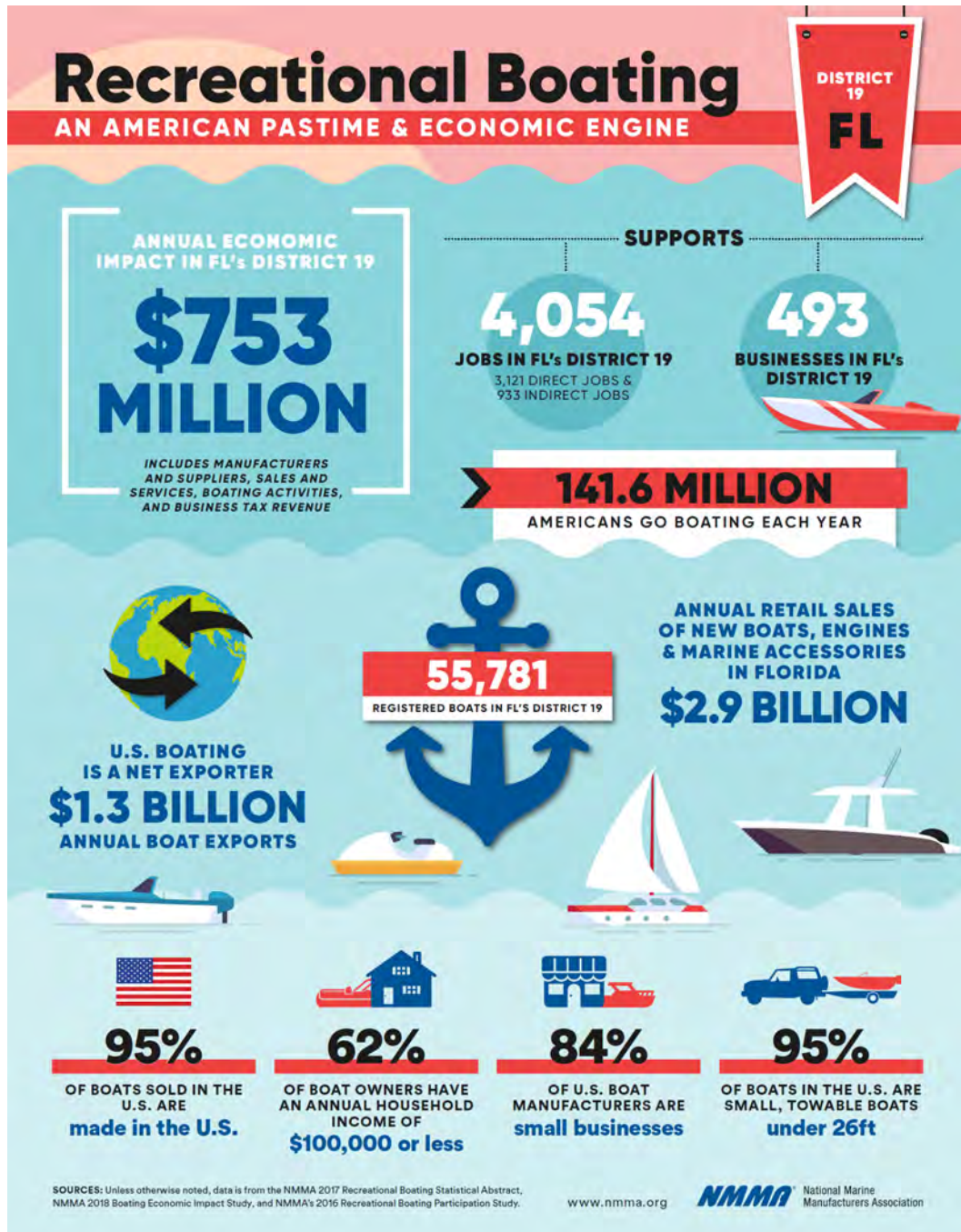
Over the past five years, the Marinas industry has been sailing along with increased revenue growth and rising profit. Marinas provide storage for small, recreational boats through the rental of slips and moorings, as well as maintenance, sport and recreation equipment rental, food and beverage services. As shown by increased boat building activity, consumers have been more financially capable of spending on nonessential activities, such as boating and water sports. Rising recreational spending and declining fuel prices have also created positive conditions for the Marinas industry, which is estimated to rise at an annualized rate of 1.9% over the five years to 2018. Total industry revenue is expected to reach \$5.1 billion, growing an anticipated 1.0% in 2018 alone.

Over the past five years, consumer conditions have boosted demand for boat storage as the number of boat owners has increased as a result of rising disposable income and the growing number of households earning over \$100,000. Although not all boat owners are affluent, consumers with more funds available for large expenses are more likely to have a recreational boat and purchase the services provided by marinas. Marinas profit most from customers that spend on nonessentials in addition to storage, such as cleaning, add-on personalized services and amenities. Higher profit margins are also generated from passing transient customers, such as tourists visiting the marinas for a short period of time, rather than longer-term clients that house their boats in the marinas throughout the year. These services will help sustain profit margins which are estimated to account for 14.6% of revenue in 2018, up from 14.4% in 2013.

While many operators left the industry following the economic downturn, the businesses that stuck it out have experienced considerable revenue growth and will likely expand operations with their increased earnings. Marinas will seek to raise revenue through the addition of full-service restaurants and bars, equipment rental services and other merchandise sales. Boat repair and maintenance will continue to lift sales as the number of boat owners increases, according to the 2017 National Boating Statistics report published by the US Coast Guard. Consumer disposable income and recreational expenditure are expected to rise over the five years to 2023. Industry experts' forecasts revenue to grow at an annualized rate of 0.2% to \$5.2 billion over the next five years.

## Fort Myers Market

The subject property is located within District 19 as indicated by the National Marine Manufacturing Association. As the following chart illustrates, the district is reported to have a \$753,000 economic impact on the local economy supporting 3054 direct and indirect jobs based in 493 businesses.

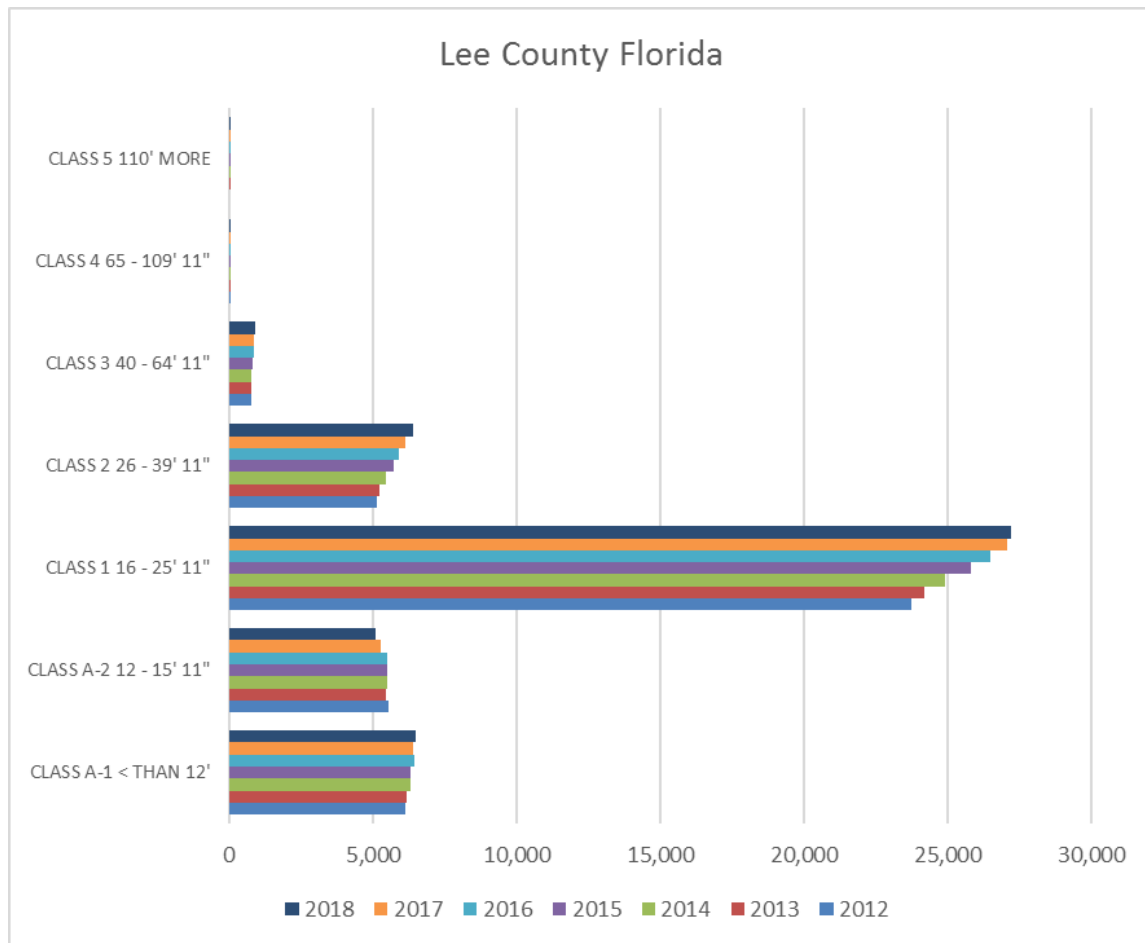


## LEE COUNTY BOATING STATISTIC

The following data is provided by the Department of Motor Vehicles registration for the state of Florida. The report tracks the annual vessel registration statistics by County. Vessels are classified into seven groupings as summarized in the following chart.

VESSEL CLASSIFICATION	LENGTH
Class A-1	Less than 12 feet
Class A-2	12 to less than 16 feet
Class 1	16 to less than 26 feet
Class 2	26 to less than 40 feet
Class 3	40 to less than 65 feet
Class 4	65 to less than 110 feet
Class 5	110 or more in length
Dealer Registration	

Registration for vessels in Lee County Florida for the years 2012 to 2018 are illustrated in the following chart.





As indicated, the most popular vessels are in the 16 to 25-foot Class I length with moderate growth shown for all classifications over the prior five years.

## MARKET DEMOGRAPHICS

Selected neighborhood demographics in the 1-, 3- and 5 mile radii from the subject are shown in the following table:

SELECTED NEIGHBORHOOD DEMOGRAPHICS				
1300 Lee Street Ft. Myers, FL 33901	1 Mile Radius	3 Mile Radius	5 Mile Radius	Cape Coral- Fort Myers, FL Metropolitan Statistical Area
<b>Population</b>				
2023 Total Population	5,415	61,249	153,093	802,412
2018 Total Population	4,951	55,220	138,317	719,287
2010 Total Population	4,434	47,932	120,872	618,754
2000 Total Population	5,073	50,977	114,995	440,888
Annual Growth 2018 - 2023	1.81%	2.09%	2.05%	2.21%
Annual Growth 2010 - 2018	1.39%	1.79%	1.70%	1.90%
Annual Growth 2000 - 2010	-1.34%	-0.61%	0.50%	3.45%
<b>Households</b>				
2023 Total Households	2,664	25,272	63,151	332,815
2018 Total Households	2,373	22,764	57,045	299,265
2010 Total Households	2,037	19,833	50,023	259,818
2000 Total Households	2,149	20,694	47,049	188,599
Annual Growth 2018 - 2023	2.34%	2.11%	2.05%	2.15%
Annual Growth 2010 - 2018	1.93%	1.74%	1.66%	1.78%
Annual Growth 2000 - 2010	-0.53%	-0.42%	0.61%	3.26%
<b>Income</b>				
2018 Median Household Income	\$30,899	\$36,047	\$39,763	\$53,967
2018 Average Household Income	\$54,255	\$53,511	\$57,773	\$79,033
2018 Per Capita Income	\$28,253	\$22,825	\$24,407	\$33,299
2018 Pop 25+ College Graduates	1,038	7,826	20,440	150,613
Age 25+ Percent College Graduates - 2018	27.3%	20.2%	20.6%	27.9%
Source: ESRI				

The demographics for the area highlight the need to pull clients from around the county and outside of the immediate area where median household incomes are greater.

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**HOUSEHOLD INCOME DISTRIBUTION**


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	1 Mile Radius	3 Mile Radius	5 Mile Radius	Cape Coral- Fort Myers, FL Metropolitan Statistical Area
Households by Income Distribution (2018)				
<\$15,000	24.40%	19.18%	15.33%	9.46%
\$15,000 - \$24,999	16.56%	15.44%	14.47%	9.83%
\$25,000 - \$34,999	13.70%	13.87%	13.56%	10.59%
\$35,000 - \$49,999	11.42%	15.67%	16.68%	15.71%
\$50,000 - \$74,999	13.91%	15.94%	17.24%	19.70%
\$75,000 - \$99,999	8.22%	8.15%	9.56%	12.49%
\$100,000 - \$149,999	6.15%	7.06%	7.90%	12.25%
\$150,000 - \$199,999	2.02%	2.20%	2.71%	4.31%
\$200,000+	3.62%	2.51%	2.56%	5.67%

Source: ESRI

## SITE NEIGHBORHOOD EVALUATION

The following chart summarizes the salient characteristics of the subject site.

SITE SUMMARY AND ANALYSIS			
<b>Physical Description</b>			
Gross Site Area	11.38 Acres	495,713 Sq. Ft.	
Net Site Area	11.38 Acres	495,713 Sq. Ft.	
Primary Road Frontage	Edwards Avenue	1,275 Feet	
Secondary Road Frontage	Lee Street	225 Feet	
Excess Land Area	None		
Surplus Land Area	None		
Shape	Irregular		
Topography	Level		
Zoning District	Urban Center, Civic		
Flood Map Panel No. & Date	12071C0288F	28-Aug-08	
Flood Zone	Zone AE		
Adjacent Land Uses	Commercial uses		
<b>Comparative Analysis</b>		<b><u>Rating</u></b>	
Access	Average		
Visibility	Good		
Functional Utility	Assumed adequate		
Traffic Volume	Average		
Adequacy of Utilities	Assumed adequate		
Landscaping	Average		
Drainage	Assumed adequate		
<b>Utilities</b>		<b><u>Provider</u></b>	<b><u>Adequacy</u></b>
Water	City of Fort Myers		Yes
Sewer	City of Fort Myers		Yes
Natural Gas	N/A		N/A
Electricity	Florida Power & Light		Yes
Telephone	Embarq		Yes
Mass Transit	LeeTran		Yes
<b>Other</b>		<b><u>Yes</u></b>	<b><u>No</u></b>
Detrimental Easements			X
Encroachments			X
Deed Restrictions			X
Reciprocal Parking Rights			X
Common Ingress/Egress	X		
Source: Various sources compiled by CBRE			

## Overview

The City of Fort Myers Yacht Basin office/ship store is located at the northerly terminus of Lee Street, north of Edwards Drive and west of the Edison Bridge. The street address is 1300 Lee Street. Lee Street, at the office/ship store site, is a median divided roadway with one lane of traffic in each direction. Street improvements include asphalt paving and concrete curbs and street parking is permitted.

The land area was obtained via interviews with the harbormaster and from the county. The harbormaster also indicated that the submerged land to the north shore of the Caloosahatchee River is owned by the City of Fort Myers and may provide further expansion opportunities. The site is considered adequate in terms of size and utility.

The dockmaster did indicate that the marina at one time had permits for an additional 25 slips that would have serviced vessels 50 to 60 feet in length. Unfortunately, the permits expired due to a lack of capital. He stated that the marina currently has capacity for 25 mooring balls, of which only six are currently available. It was his understanding that the mooring balls are interchangeable with slips by the Army Corps of Engineers and that the permits for the 25 slips could be reinstated with minimal effort.

Although requested, we were not provided with a survey of the subject site. Should a survey become available, we reserve the right to revise our conclusions and values as necessary.

In terms of the water frontage, the site is well situated along the Okeechobee Waterway, approximately 15 miles from the Gulf of Mexico. The Okeechobee Waterway is the primary cross-state water route in south Florida. As such, the subject benefits from a significant amount of cross-state traffic, which benefits the subject in terms of increased transient dockage traffic and fuel sales.

## Ingress/Egress

Upland ingress and egress are available to the site via SW. Mapp Rd, which runs north and south on the subject's western border. SW. Mapp Rd. is a two lane asphalt roadway that connects with SW. Chapman Way, which runs along the subject property's northern border.

Water access is provided by the St. Lucie River, with near immediate access from the Intracoastal waterway. The approach side depth is reported to be six feet with a five foot depth at dockside. Tidal ranges are reported to be minimal at less than one foot.

## Easements and Encroachments

According to the property owner, the adjacent condominium complex to the north has an access easement via the submerged land portion of the subject property. Other than this easement, there are no known easements or encroachments impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a

current title policy outlining all easements and encroachments on the property, if any, prior to making a business decision.

### Covenants, Conditions and Restrictions

There are no known covenants, conditions or restrictions impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a copy of the current covenants, conditions and restrictions, if any, prior to making a business decision.

### Environmental Issues

The appraiser is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this analysis, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

### Adjacent Properties

The adjacent land uses are summarized as follows:

North:	Residential and condominiums
South:	Residential
East:	Waterway
West:	Residential in sports and recreational areas

The adjacent properties are conducive and supportive to the subject properties intended use.

### Conclusion

The site is well located and afforded average access and visibility from roadway and waterway frontage. The size of the site is typical for the area and use, and there are no known detrimental uses in the immediate vicinity. Overall, there are no known factors which are considered to prevent the site from development to its highest and best use, as if vacant, or adverse to the existing use of the site.



## IMPROVEMENT ANALYSIS

The following chart shows a summary of the improvements.

IMPROVEMENTS SUMMARY AND ANALYSIS				
Property Type	Marina			
Number of Buildings	2			
Number of Stories	1			
Gross Building Area	7,938 SF			
Number of Slips	245			
Maximum Length (Private Docks)	130 Feet			
Maximum Length (Commercial Docks)	240 Feet			
Parking Improvements	Surface			
Total Spaces:	108			
Parking Ratio (spaces/slip)	0.44			
Year Built	1937			
Actual Age	82 Years			
Effective Age	20 Years			
Total Economic Life	45 Years			
Age/Life Depreciation	44.4%			
Functional Utility	Typical			

Building Number	Improvement Type	Size (SF)	Year Built / Renovated
Building 1	Office/Ship Store	6,689	1979
Building 2	Original Office/Ship Store (now leased)	1,249	1937
Total/Average:		7,938	

Building Improvement Summary	Description	Comparative Rating			
		Good	Avg.	Fair	Poor
Foundation	Reinforced concrete		X		
Exterior Walls	Painted masonry		X		
Interior Walls	Textured and painted drywall		X		
Roof	Built-up composition		X		
Ceiling	Suspended acoustical tile		X		
HVAC System	Roof mounted HVAC units		X		
Exterior Lighting	Mercury Vapor Fixtures		X		
Interior Lighting	Recessed fluorescent fixtures		X		
Flooring	Carpet and vinyl tile		X		
Plumbing	Assumed adequate		X		
Fire Protection	Smoke detectors		X		
Furnishings	Personal property excluded		N/A		
Parking	Asphalt paved open parking			X	
Landscaping	Grass and planted trees		X		

Source: Various sources compiled by CBRE

## Docking Improvements

The B Dock was originally constructed in 1937 along with the office that is currently leased by JC Cruises. Subsequently, additional docks were added with the most recent being the H Dock, which was constructed in the 1980's. The current office/ship's store was constructed in 1979. As indicated in the preceding site plan, the recreational docks are located to the east and west of the current office/ship store while the commercial docks are located to the west of the recreational

docks, just west of the city pier building (which is not included as part of this analysis). Discussions with the harbormaster indicated that the berths range from 15 feet to 31 feet wide, the depth from the main channel is 10 feet, the depth at the outside docks is 10 feet, the average depth within the basin ranges from 6 feet to 7 feet, and there is a 1 to 2 foot tidal change at the subject property.

The dock master estimated the current vacancy rate at approximately 80% with roughly 15% of the slips being leased to Livaboards. He stated that there were 41 clients on a waiting list. During the annual boat show, the monthly tenants are removed but are reimbursed \$800 by the boat show operators for the use of their slips.

In 2005 and 2006, the subject property completed approximately \$3,800,000 in renovations. A five year and ten year budgetary improvement program totaling \$8,445,000, which equates to approximately \$3500 per slip per year in capital improvements.

**Yacht Basin  
5 YEAR CAPITAL IMPROVEMENT PROGRAM  
FY 2018-2019 through FY 2022-2023**

PROJECT ACCOUNT NUMBER	PROJECT DESCRIPTION	FY 2018	Unspent & Unacc. 12/31/18	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FIVE YEAR TOTAL	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	10 YEAR TOTAL
31300003	Yacht Basin Repaint G Dock	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31300013	Yacht Basin Marina Light System Upgrade	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31300017	Yacht Basin Construct F Dock	-	-	-	-	-	-	-	-	21,500,000	21,500,000	-	-	-	21,500,000
31300019	Yacht Basin Water Upgrades	13,250	13,250	-	-	-	-	-	-	-	-	-	-	-	-
31300020	Yacht Basin Electrical Upgrades	27,040	5,362	-	-	-	-	-	-	-	-	-	-	-	-
31300022	Rebuild Commercial Dock	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31300111	East West City Repair & Repavement	-	-	-	-	-	-	-	-	480,000	480,000	-	-	-	480,000
31300112	Emergency Electrical Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31300330	F Dock Repavement	-	-	-	-	-	-	-	-	800,000	-	800,000	-	-	800,000
31300331	Yacht Basin New 4 Season Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31300332	Yacht Basin Parking Lot Upgrade	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31300333	Yacht Basin Piling Replacement	6,812	6,812	-	-	-	-	-	-	-	-	-	-	-	-
31300334	Rebuild C Dock South	-	-	-	-	-	-	-	-	1,700,000	-	-	-	-	1,700,000
31300335	Rebuild C Dock North	-	-	-	-	-	-	-	-	800,000	800,000	-	-	-	800,000
31300336	Telephone Service Upgrade	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31300337	Walkway/Docks Cleanup and Repavement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31300338	Yacht Basin Waterfront Development - Lighthouse Tower	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31300339	Waterfront Development - New Transit Dock	-	-	-	-	-	-	-	-	2,215,000	-	-	-	-	2,215,000
31300340	Rebuild A1 Dock Area	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31300341	E Dock South Main Dock	130,000	130,000	-	-	-	-	-	-	-	-	-	-	-	-
31300342	E Dock Main Dock Slab Replacement/Intersecting Damage	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31300343	Security Fencing - Yacht Basin Perimeter	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31300344	Amplified Sounding Piling	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Yacht Basin</b>	<b>178,012</b>	<b>255,912</b>	<b>-</b>	<b>1,280,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,780,000</b>	<b>8,745,000</b>	<b>3,230,000</b>	<b>1,280,000</b>	<b>2,235,000</b>	<b>-</b>	<b>8,445,000</b>

There is a 4,298 square foot office building located near the northeast corner of the site. According to the harbormaster, this building is leased to the Florida Marine Patrol at a rate of \$1 annually, with a 50 year lease term that commenced in 1992.

## Condition Analysis

Our inspection of the property and discussions with the harbormaster indicated several items of deferred maintenance, which based on the capital improvement program listed previously, should be adequately addressed.

## Facility Updating and Improvement

In conjunction with the existing capital improvement program the improvements at the subject property are in need of a general facelift and cleaning. This includes cleaning up common areas that are being utilized for trash collection. Refuse containers should either remove from the entry of the facility or be attractively fenced and shielded from client view.

The photos below were taken from either side of the front entry to the facility. Consideration should be given to implementing a valet refuse trash system similar to those utilized at higher and multifamily units.



Portions of the dock areas have been taken over by long-term tenants and are currently being utilized as their “front porch”. In addition, portions of the marina are being utilized for makeshift barbecue areas. These issues contribute to the perception of the facility being poorly run and operated thus making it less attractive to the very groups that the marina should be targeting.



## Parking and Drives

Parking at the subject property is in the form of 36 surface street parking spaces and 72 reserved spaces in nearby lots for a total of 108 spaces for 245 slips. The dock manager reported that the 36 street parking spaces were not available during six months of the winter. The only other parking available in the area is a private parking garage located three blocks away.

Based on our onsite inspection, the project appears to feature inadequate surface parking including reserved handicap spaces. The dockmaster stated that there were only a limited amount of spaces for the vessel owners and that parking in the area was severely restricted. Parking stalls are assigned on a first-come first-served basis and when someone illegally parks in a tenant's

space, the marina is not allowed to tow the vehicles away. All parking spaces and vehicle drives are asphalt paved and considered to be in average condition.

### Functional Utility

The overall layout of the property is considered functional in utility and provides adequate accessibility for recreational water uses. Fixed docks are common within the local market but are less preferred by vessel owners than floating docks. Floating docks maintain a constant level position with the vessel and improve the bumper positioning and the ingress and egress from the vessel. As can be seen in the following photo, fixed docks have a tendency to override the bumper and to clip the upper railing of the vessel as the tidal ranges change and the vessel goes up and down, damaging to the vessel.



### Landscaping

Landscaping is considered to be in average condition and well maintained.

### ADA Compliance

All common areas of the property appear to have handicap accessibility. The client/reader's attention is directed to the specific limiting conditions regarding ADA compliance.

### Environmental Issues

CBRE, Inc. is not qualified to detect the existence of any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements. The existence of such substances may affect the value of the property. For the purpose of this assignment, we have specifically assumed there are no hazardous materials that would cause a loss in value to the subject.

### Economic Age and Life

CBRE, Inc.'s estimate of the subject improvements effective age and remaining economic life is depicted in the following chart:

<b>ECONOMIC AGE AND LIFE</b>	
Actual Age	82 Years
Effective Age	25 Years
MVS Expected Life	45 Years
Remaining Economic Life	20 Years
Accrued Physical Incurable Depreciation	55.6%
Compiled by CBRE	

The remaining economic life is based upon our on-site observations and a comparative analysis of typical life expectancies as published by Marshall and Swift, LLC, in the Marshall Valuation Service cost guide. While CBRE, Inc. did not observe anything to suggest a different economic life, a capital improvement program could extend the life expectancy.

### Strength

- Highly desirable and protected dockage location

### Weakness

- Functionally obsolete fixed docks
- Poor dock security
- Inadequate parking
- Poor signage with waterway facing ship store
- Limited restroom amenities
- Refuse visible and located in the entry
- Isolated location from retail and restaurant amenities

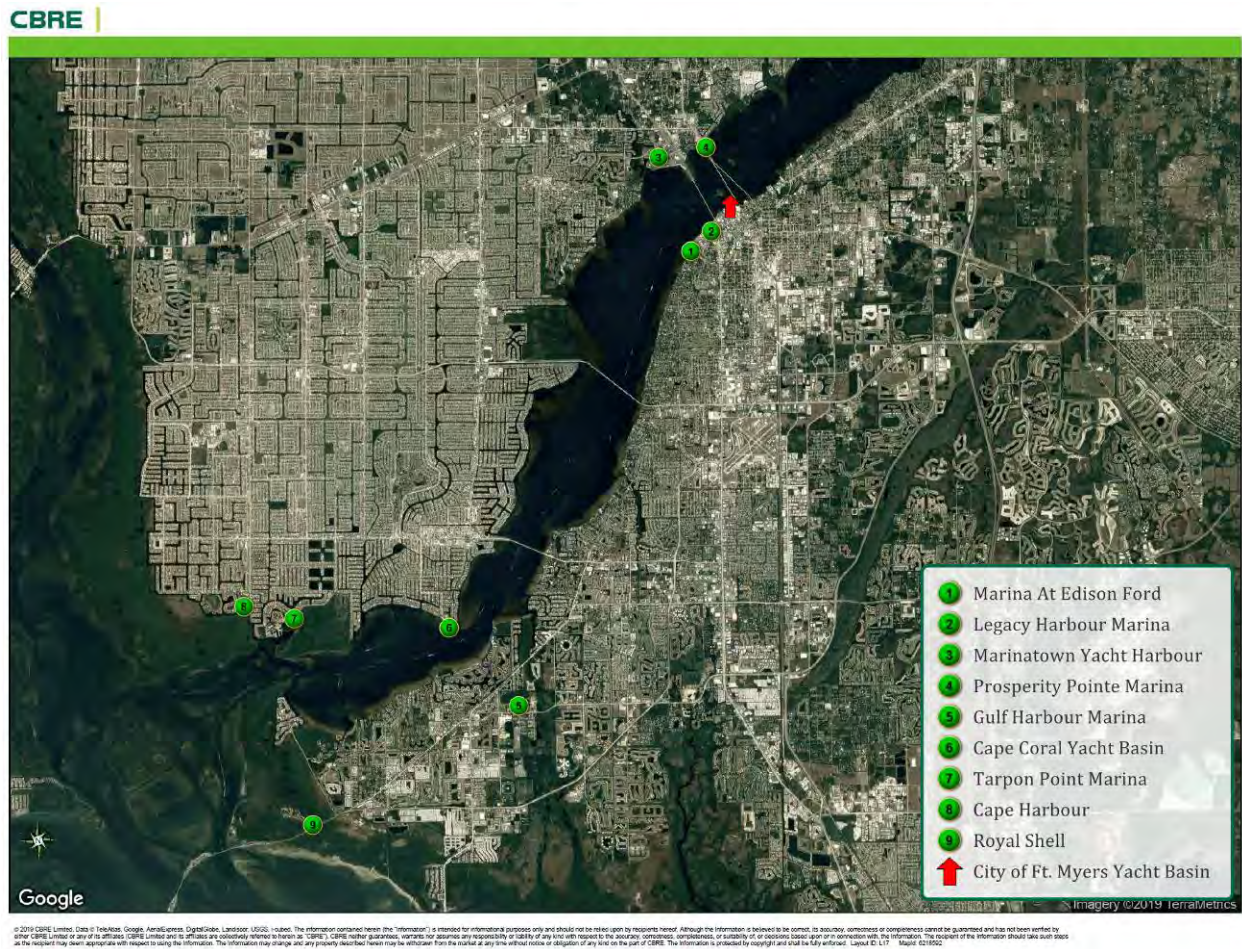
### Conclusion

The subject property is in average to fair overall condition and is considered to be functional in regard to improvement design and layout, as well as interior and exterior amenities. Overall, there are no known factors that could be considered to adversely impact the marketability of the improvements other than inadequate parking and security and the less preferred fixed docks.



COMPETITIVE MARKET SURVEY

The following map illustrates the competitive primary and secondary markets relating to the subject property. Detailed writeups relating to each property is included within the addenda to this report.



## Subject Property

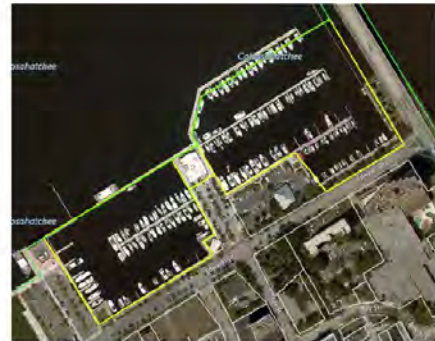
The following chart summarizes the current rental rates and characteristics of the subject property.

Property Name City of Ft. Myers Yacht Basin  
 Address 1300 Lee Street  
 Ft. Myers, FL 33901  
 United States

Government Tax Agency Lee  
 Govt./Tax ID 134424P400401004B & 134424P4004010040

### Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / lf
1 Wet Daily (May 1st - Oct 31st)	N/A	N/A	40	\$100	\$2.50
2 Wet Weekly (May 1st - Oct 31st)	N/A	N/A	40	\$392	\$9.80
3 Wet Monthly (May 1st - Oct 31st)	N/A	N/A	40	\$560	\$14.00
4 Wet Daily (Nov 1st - Apr 30th)	N/A	N/A	40	\$110	\$2.75
5 Wet Weekly (Nov 1st - Apr 30th)	N/A	N/A	40	\$448	\$11.20
6 Wet Monthly (Nov 1st - Apr 30th)	N/A	N/A	40	\$680	\$17.00
7 Wet Annual	N/A	N/A	40	\$440	\$11.00
Totals/Avg	0			N/A	N/A











### Improvements

Land Area	11.380 ac	Status	Existing
Gross Building Area (GBA)	7,938 sf	Year Built	1937
Total # of Units	238 Slip	Year Renovated	1981
Floor Count	1	Condition	Average
Parking Type	Surface	Exterior Finish	Concrete

## Primary Market Competition







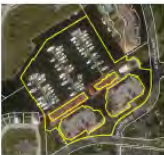



The following four marinas are considered to be the primary market competition and are located within a close proximity to the subject.

Special Comparable Summary						
No.	Primary Image	Name and Location Gov./Tax ID	Property Subtype Building Area # of Units Year Built / Reno.	Floor Count Owner Management Survey Date	Occupancy Annual Base Rent Avg Rent Per Unit Avg Rent Per Area	Detailed Map
1		<b>Marina At Edison Ford</b> 2360 West 1st Street Fort Myers, FL 33901 United States  23-44-24-P2-00012.0000	Marina 41,910 sf 45 Slip 1961 / 2000	2 N/A N/A 04/2019	70% \$14.00 - \$17.00 per lf N/A N/A	
<b>General Amenities:</b>			24-hour Security, Clubhouse, Concierge, Conference Facility, Controlled Access, Event / Commercial Kitchen, Indoor Athletic Facility, On-Site Storage, Laundry Facility, On-Site Restaurant / Deli, On-Site Security Personnel, Outdoor Amenity, Pitched Roofs, Public Business Center, Surface Parking, Video Monitored Security			
2		<b>Legacy Harbour Marina</b> 2044 West First Street Fort Myers, FL United States  14-44-24-P3-00003.0020	Marina 3,765 sf 133 Slip 1964 / 2000	2 N/A N/A 04/2019	80% \$15.00 - \$19.00 per lf N/A N/A	
<b>General Amenities:</b>			24-hour Security, Clubhouse, Conference Facility, Controlled Access, Event / Commercial Kitchen, Laundry Facility, On-Site Restaurant / Deli, Reciprocal Parking Rights, On-Site Security Personnel, Pitched Roofs, Pool, Public Business Center, Surface Parking, Video Monitored Security			
3		<b>Marintown Yacht Harbour</b> 3446 Marintown Lane North Fort Myers, FL 33903 United States  11-44-24-00-00017.0150; et al	Marina 27,000 sf 130 Slip 1981	2 N/A N/A 04/2019	85% \$12.00 - \$13.00 per lf N/A N/A	
<b>General Amenities:</b>			Event / Commercial Kitchen, Laundry Facility, On-Site Restaurant / Deli, Reciprocal Parking Rights, Pitched Roofs, Pool, Surface Parking			
4		<b>Prosperity Pointe Marina</b> 1016+ N. Tamiami Trail North Fort Myers, FL 33903 United States  11-44-24-02-0000C.0010	Marina 1,204 sf 53 Slip 1990	1 N/A N/A 04/2019	75% \$10.00 - \$12.00 per lf N/A N/A	
<b>General Amenities:</b>			24-hour Security, Controlled Access, Flat Roofs, Laundry Facility, Surface Parking, Video Monitored Security			



## Secondary Market Competition

The following five comparables are considered to be secondary market competition for the subject property and are located further west.

Special Comparable Summary						
No.	Primary Image	Name and Location Gov./Tax ID	Property Subtype Building Area # of Units Year Built / Reno.	Floor Count Owner Management Survey Date	Occupancy Annual Base Rent Avg Rent Per Unit Avg Rent Per Area	Detailed Map
5		<b>Gulf Harbour Marina</b> 14490 Vista River Drive Fort Myers, FL 33908 United States  N/A	Marina N/A 186 Slip 1990	1 N/A N/A 04/2019	75% \$14.00 - \$16.00 per lf N/A N/A	
		<b>General Amenities:</b> 24-hour Security, Clubhouse, Concierge, Conference Facility, Controlled Access, Event / Commercial Kitchen, Flat Roofs, Indoor Athletic Facility, Laundry Facility, On-Site Restaurant / Deli, Reciprocal Parking Rights, Pool, Surface Parking, Video Monitored Security				
6		<b>Cape Coral Yacht Basin</b> 5819 Driftwood Parkway Cape Coral, FL 33904 United States  19-45-24-C1-00000.00A0	Marina 14,076 sf 89 Slip 1990	2 N/A N/A 04/2019	80% \$9.00 - \$12.00 per lf N/A N/A	
		<b>General Amenities:</b> 24-hour Security, Clubhouse, Conference Facility, Controlled Access, Flat Roofs, Laundry Facility, On-Site Restaurant / Deli, Reciprocal Parking Rights, Surface Parking				
7		<b>Tarpon Point Marina</b> 6095 Silver King Boulevard Cape Coral, FL United States  22-45-23-C4-005MV.2000	Marina 3,400 sf 175 Slip 1989	1 N/A N/A 04/2019	85% \$14.00 - \$14.00 per lf N/A N/A	
		<b>General Amenities:</b> 24-hour Security, Clubhouse, Concierge, Conference Facility, Controlled Access, Event / Commercial Kitchen, Laundry Facility, On-Site Restaurant / Deli, Reciprocal Parking Rights, On-Site Security Personnel, Pool, Public Business Center, Surface Parking, Video Monitored Security				
8		<b>Cape Harbour</b> 5828 Cape Harbour Drive Cape Coral, FL 33914 United States  21-45-23-C2-004C3.0000	Marina 816 sf 228 Slip 1990	2 N/A N/A 04/2019	90% \$12.00 - \$14.00 per lf N/A N/A	
		<b>General Amenities:</b> 24-hour Security, Clubhouse, Controlled Access, Flat Roofs, Laundry Facility, Reciprocal Parking Rights, Pool, Public Business Center, Surface Parking				
9		<b>Royal Shell</b> 14341 Port Comfort Road Fort Myers, FL 33908 United States  10-46-23-00-00003.0200 10-46-23-00-00003.0100 10-46-23-00-00003.0000 10-46-23-00-00003.0300	Marina 53,502 sf 225 Slip 1948	3 N/A N/A 04/2019	100% \$14.00 - \$15.00 per lf N/A N/A	
		<b>General Amenities:</b> 24-hour Security, Concierge, Controlled Access, Loading Dock, On-Site Storage, Laundry Facility, Reciprocal Parking Rights, On-Site Security Personnel, Pitched Roofs, Surface & Structured Parking, Video Monitored Security				

## Marinas Summary

### MARINA COMPARABLE ONE

The Marina at Edison Ford is 120 slip marina located on the southeast side of the Caloosahatchee River, south of the US highway 41 bridge in Fort Myers Florida. This marina consists of two rows of 45 floating wet slips and a L-shaped breakwater. The marina reportedly has 30 transient slips. The facility can take in vessels up to 80 feet in length. The approach depth

is 7 feet and the dockside depth is 5 feet with a 2 foot tidal range. Dockside utilities include 30 and 50 amp metered electric. The marina features free water and wireless internet. Project amenities include boaters lounge, a restaurant, laundry, restrooms and showers. Electrical service is charged at \$3 per day for 30 amp service and \$6 per day for 50 amp service. Monthly electrical service is \$50/month for vessels up to 30 ft, \$75/month up to 40 ft, \$100/month up to 50 ft and \$125/month for vessels over 50 ft. Liveaboards are allowed at with a fee of \$100 per month. The marina features a portable pump out system at \$20 per pump.

Unit Type	No.	%	Size (lf)	Rent	Rent / lf
1 Nightly May 1 – October 31 2018	N/A	N/A	45	\$113	\$2.50
2 Weekly May 1 – October 31 2018	N/A	N/A	45	\$441	\$9.80
3 Monthly May 1 – October 31 2018	N/A	N/A	45	\$630	\$14.00
4 Nightly November 1 – April 30 2019	N/A	N/A	45	\$124	\$2.75
5 Weekly November 1 – April 30 2019	N/A	N/A	45	\$504	\$11.20
6 Monthly November 1 – April 30 2019	N/A	N/A	45	\$765	\$17.00

#### MARINA COMPARABLE TWO

This marina is located along the west side of West First Street, just south of Carson Boulevard in downtown Fort Myers Florida. The 131 Slips range in size from 40 feet to 80 feet and the marina can accommodate transient vessels of 140 feet in length. Amenities include a pump-out station, pool, full electric metered at the slip, water, cable TV, laundry, air-conditioned showers, and high speed wireless Internet connections available. In addition, a restaurant and hotel are located adjacent to the marina. Live aboard fees are \$130 per month. It was reported that the ratio of annual business to transient business is approximately 70% to 30%. The dockmaster reported overall transient occupancy ranges from approximately 50% during the off season to 80% during the peak season.



Unit Type	No.	%	Size (lf)	Rent	Rent / lf
1 Weekly	N/A	N/A	50	\$650	\$13.00
2 Daily (November 1 – April 30)	N/A	N/A	50	\$173	\$3.45
3 Monthly (November 1 – April 30)	N/A	N/A	50	\$950	\$19.00
4 Daily (May 1 – October 31)	N/A	N/A	50	\$140	\$2.80
5 Monthly (May 1 – October 31)	N/A	N/A	50	\$750	\$15.00
6 Monthly, (min. 50 ft., signed annual lease is required)	N/A	N/A	50	\$750	\$15.00

**MARINA COMPARABLE THREE**

Marinatown Yacht Harbour is a 135 slip marina located just west of US Highway 41 along the northside of the Caloosahatchee River in North Fort Myers Florida. This property includes 135 fixed wet slips, and approximately 27,000 square feet of office, retail, and restaurant space. The marina has a minimum 35 foot length for rates and can accommodate vessels up to 68 feet in length. The basin is owned in fee simple and the approach depth is 6 feet and the dockside depth is 5 feet with a 2 foot tidal range. Dockside utilities include 30, 50 and 100 amp electric, water, wireless internet and sewage pumpout. Project amenities include four waterfront restaurants, laundry, pool, restrooms and showers. Transient slips are usually leased out of the vacant inventory.

Unit Type	No.	%	Size (lf)	Rent	Rent / lf
1 Daily	N/A	N/A	40	\$60	\$1.50
2 Monthly	N/A	N/A	40	\$520	\$13.00
3 Annual	N/A	N/A	40	\$480	\$12.00
4 Outside T Docks	N/A	N/A	40	\$600	\$15.00

**MARINA COMPARABLE FOUR**

Prosperity Pointe Marina is located on the north side of Tamami Trail, across the Caloosahatchee River from Downtown Fort Myers Florida. The marina includes 53 fixed and floating wet slips with a maximum LOA of 56 LF. The approach depth is seven feet and the dockside depth is five feet with a one foot tidal range. This marina does not carry fuel. Dockside utilities include electric, water, wireless internet and pumpout facilities. Project amenities include security, a small ship's store, with bait and tackle, restrooms and showers. Average occupancy varies from 65% to 75% depending on the season.

Unit Type	No.	%	Size (lf)	Rent	Rent / lf
1 Monthly rate	N/A	N/A	40	\$480	\$12.00
2 Annual rate	N/A	N/A	40	\$400	\$10.00

**MARINA COMPARABLE FIVE**

Gulf Harbour Marina is located in a private, gated community. The marina component includes 186 floating concrete wet slips. The docks can accommodate a vessel of up to 101 lined feet. The approach depth is seven feet and the dockside depth is five feet. There is a full service fuel dock dispensing high octane, non-ethanol gasoline and marine grade diesel. Dockside utilities include water, 30 and 50 amp metered electric service, cable, wireless internet and pumpout facilities. Project amenities include a waterfront restaurant, 24 hour gated security, restrooms, air conditioned showers, laundry, BBQ area, meeting facilities and a ship's store. The ship's store carries food, drinks, ice, clothing and marine supplies. Approximately 10 wet slips are reserved for transient and restaurant customers.

Unit Type	No.	%	Size (lf)	Rent	Rent / lf
1 Wet Slips Daily	N/A	N/A	30	\$90	\$3.00
2 Wet Slips Monthly	N/A	N/A	30	\$480	\$16.00
3 Wet Slips Yearly	N/A	N/A	30	\$420	\$14.00

**MARINA COMPARABLE SIX**

Cape Coral Yacht Basin is municipal marina located directly west of Fort Myers Boat Club on the west side of the Caloosahatchee River in the town of Cape Coral Florida. This marina has 89 wet slips, 4 of these are reserved for transient guests. The docks can accommodate a 55 LF vessel. The approach depth is five feet and the dockside depth is five feet. Dockside utilities include 30 and 50 amp electric, water, wireless internet and pumpout facilities. The property includes a full service fuel dock with marine grade gas and diesel. Project amenities include a lighted fishing pier, racquet ball courts, playground, a public beach, restaurant, tiled showers, laundry service, shuffleboard courts and a pool.

Unit Type	No.	%	Size (lf)	Rent	Rent / lf
1 Wet Slip Daily	N/A	N/A	36	\$63	\$1.75
2 Wet Slip Monthly	N/A	N/A	36	\$432	\$12.00
3 Wet Slip Resident Yearly	N/A	N/A	36	\$324	\$9.00
4 Wet Slip Non-Res. Yearly	N/A	N/A	36	\$432	\$12.00

**MARINA COMPARABLE SEVEN**

This comparable is located on Silver King Boulevard, south of Rose Garden Road in Cape Coral. The 225 slips can accommodate boats up to 75 feet and dockage is available for transient boats

up to 120 feet. The dockmaster reported that 90% of the slips are available to the general public, or 195 slips in total. The approach depth is seven feet and the dockside depth is eight feet with a one point five foot tidal range. Amenities include 30, 50 and 100 amp metered electrical service, water, WiFi, cable TV, pump-out station, 2 pools, restaurant, lounge, and ship's store. The facility is also available for weddings, meetings and has access to motels, restaurants and a fitness center. No liveaboards are allowed. Electric fees are \$1.50 per foot per day for boats under 50' and \$2.00 per foot per day for boats over 50'. It was reported that the ratio of annual business to transient business is approximately 95% to 5%. The dockmaster reported that the current occupancy is approximately 80%, down from approximately 95% several years ago. He reported that a typical overall occupancy was approximately 85%.

Unit Type	No.	%	Size (lf)	Rent	Rent / lf
1 Daily rate	N/A	N/A	40	\$140	\$3.50
2 Weekly rate	N/A	N/A	40	\$680	\$17.00
3 Monthly rate	N/A	N/A	40	\$560	\$14.00
4 Annual rate	N/A	N/A	40	\$480	\$12.00

#### MARINA COMPARABLE EIGHT

Cape Harbour Marina is located at the western terminus of Cape Harbour Drive in Cape Coral, Florida. This property contains 79 fixed wooden docks with 16 slips reserved for transient guests. There are 150 dry racks for a total of 228 slips. The Indoor Boat Storage Facility can handle boats up to 32 feet in length. Renters have access to unlimited in & out service. All boats are rinsed and have engines flushed upon their return as part of the service. The General manager told us that current wet slip occupancy is 75% and current dry rack occupancy is 100% with 58 names on the waiting list. The wet slips will accommodate a vessel up to 60 lineal feet. Annual wet slip rates are based on a 20 lineal foot minimum. The approach depth is six feet and the dockside depth is six feet. Dockside utilities include 30 and 50 amp electric, water, wireless internet, dockside storage and pump-out facilities. There is a full service fuel dock with marine grade gas and diesel. Project amenities include three on-site restaurants, laundry, pool, tennis courts, restrooms, showers and a ship's store.

Unit Type	No.	%	Size (lf)	Rent	Rent / lf
5 Dry Storage	N/A	N/A	32	\$448	\$14.00
1 Wet slip daily	N/A	N/A	35	\$70	\$2.00
2 Wet slip weekly	N/A	N/A	35	\$298	\$8.50
3 Wet slip monthly	N/A	N/A	35	\$490	\$14.00
4 Wet slip annual	N/A	N/A	35	\$420	\$12.00

#### MARINA COMPARABLE NINE

This comparable property is located at 14341 Port Comfort Rd. in Fort Myers Florida and within the Jonathan Harbor. It has 90 wet slips and 135 dry storage spaces that can accommodate

boats up to 34 feet in length. The approach depth is four feet and the dockside depth is five feet with minimal tidal range. The marinas houses a retail store, pump out station, 30/50 amp service, a water front restaurant, boat share clubs and charters. The dry storage is located within three separate structures totaling 135 spaces. Buildings 1 and 3 offer partial enclosed storage, while building 2 is completely enclosed and hurricane safe up to 140 mph winds. The survey was verified by on-site manager who stated that the facility was currently at 100% occupancy. Electrical service is available at \$35 per month for 30 amp service and \$55 per month for 50 amp service. Electrical service for transient docking is \$5.00 per night for 30 amp service and \$7.50 per night for 50 amp service.

Unit Type	No.	%	Size (lf)	Rent	Rent / lf
4 Dry rack slips Bld 1 & 3, 0 – 20 LF	N/A	N/A	20	\$320	\$16.00
5 Dry rack slips Bld 1 & 3, 0 – 20 LF	N/A	N/A	20	\$329	\$16.46
6 Dry rack slips Bld 1 & 3, 0 – 20 LF	N/A	N/A	20	\$293	\$14.66
8 Dry rack slips Bld 2, 0– 20 LF	N/A	N/A	20	\$345	\$17.25
9 Dry rack slips Bld 2, 21 – 24 LF	N/A	N/A	24	\$425	\$17.71
10 Dry rack slips Bld 2, 25 – 29 LF	N/A	N/A	29	\$475	\$16.38
1 Wet slip daily	N/A	N/A	40	\$2	\$0.05
11 Dry rack slips Bld 2, 30+ LF	N/A	N/A	40	\$525	\$13.13
2 Wet slip monthly	N/A	N/A	40	\$600	\$15.00
3 Wet slip annual	N/A	N/A	40	\$560	\$14.00
7 Dry rack slips Bld 1 & 3, 30+ LF	N/A	N/A	40	\$499	\$12.47

### Rental Rate Conclusion

The subject property's current asking rates fall within the lower end of the range indicated by the rent comparables, especially in the area of short-term weekly rental rates. The dockmaster stated that he believed slip rates could be increased two to three dollars per foot with improvements in both parking and security and the installation of floating docks. This would represent a 20% to 30% increase in revenues from dockage.

### Competitive Marina Summary of Services

The chart on the following page summarizes the competitive marinas summary for both the primary and secondary competitive marinas.

## COMPETITIVE MARINA SUMMARY

	Marina	Count Wet/Dry/ Mooring	Facility Condition	Vessel Size Max (LF)	Appr/Dock/Ti dal	Type	Electric (AMP)	Water	WiFi Cable	Security	Pool	Ship Store	Rest Room Showers	Laundry	Pump Out	Fuel	Gen Retail Resteraunt Fitness	Wedding Meeting Motel	Livaboards	Boat Launch / Lift	Repairs
	Subject	241/0/7	Average	300	10/7/1.1'	Fixed	30/50/100 M	Free	Free	No	No	Yes	Yes	Yes	Free	Yes	No	Yes	\$100/Mo	None	No
Primary																					
1	Marina At Edison Ford	45/0/0	Good	120	7/5/2'	Fixed	30/50 M	Free	Free	Yes	No	No	Yes	Yes	\$20.00	No	Yes	Yes	\$100/Mo	None	No
2	Legacy Harbour Marina	131/0/0	Good	80	7/7/1.1'	Floating	30/50 M	Free	Free	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	\$130/Mo	None	No
3	Marinatown Yacht Harbour	135/0/0	Fair	68	6/5/1'	Fixed	30/50/100 M	Free	Free	No	Yes	No	Yes	Yes	Yes	No	Yes	No	\$50/Mo	None	No
4	Prosperity Pointe Marina	53/0/0	Fair	56	6/4.5/1'	Fixed/Floating	30/50	Free	Free	Yes	No	Yes	Yes	Yes	\$5.00	No	Yes	No	\$50/Mo	None	No
Secondary																					
5	Gulf Harbour Marina	186/0/0	Good	101	7/5/1.5'	Floating	30/50 M	Free	Free	Yes	Yes	Yes	Yes	Yes	\$5.00	Yes	Yes	Yes	No	None	No
6	Cape Coral Yacht Basin	89/0/0	Average	50	5/5/1.6'	Fixed	30/50	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	None	No
7	Tarpon	225/0/0	Good	120	7/8/1.5'	Fixed/Floating	30/50/100 M	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	None	No
8	Cape Harbour	79/150/0	Average	60	6/6/1'	Fixed	30/50/100/ 220 M	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	11 T	No
9	Royal Shell	95/130/0	Average	65	4/5/0	Fixed	30/50	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	No	No	35 T	No



## Wet Slip

As the previous chart indicates, all of the comparable marinas feature wet slips with only the legacy harbor Marina featuring floating docks and the prosperity point in a and Tarpon Marina featuring a combination of fixed and floating docks. The remainder contained fixed docs. The marinas range from as few as 50 slips up to 120 slips compared to the subject properties 245 slips.

## Dry Slip

Only one of the comparable marinas, Royal Shell Marina contains both wet slips and dry stack storage facilities. The dry stack storage facilities are popular with vessels of shorter lengths that have restricted Bimini tops. Often these facilities feature concierge clean and flush services with a reservation and on demand in water onboarding.

## Utilities

All of the marinas surveyed had 30 and 50 amp service with the majority being metered. The subject property along with three of the competitive marinas offer it also 100 amp electrical service with one facility, Cape Harbour Marina offering 220 amp service.

All of the facilities offered water and Wi-Fi service. As discussed previously, phone and cable TV service is no longer a high priority demand due to the expanded cellular service within the region.

## Security

All of the facility surveyed, with the exception of the subject property and Marinatown Yacht Harbour provided some level of dock security that limits the public's access to the docks and to the vessels. Often the security was minimal and represented a gated entry system to the docks themselves, as illustrated in the attached photo.



## Central amenities

The vast majority of the competitive properties offered a ship store, restrooms with showers and a coin-op laundry facility. All except for two of the marinas also offered a ship store with varying degrees of retail offerings. A few the facilities offered extensive retail shopping, restaurants and fitness centers with the Marina at Edson Ford offering extensive meeting and wedding venue facilities.

## Livaboards

The subject property along with the marinas located in the primary market sector all offered live aboard facilities ranging from an additional \$50 up to \$100 per month. All of the marinas located in the secondary market that are closer to the Gulf and are in higher demand do not offer live aboard services.

## Boat Launch, Lift and Repair Services

Only two of the facilities offered haul out services via an 11 and 35 ton lift, they were the Cape Harbour and Royal Shell marinas.

## PRODUCTS AND SERVICES COMPARISON

Successful marinas are judged by the size and quality of their docks, the type and capacity of utilities provided, and landside amenities including the quality of the landscape, parking and boat launch facilities.

As it relates to the impact on the market analysis, very few of the elements considered are optional. Simply put, a modern marina must have adequate parking, shore power suitable for the energy demands of the boats accommodated, water, and sanitary pump-out. Amenities such as showers, restrooms, laundry, Wi-Fi, ship's store, and boater lounges are expected and they must be kept very clean and well maintained at all times. All of these elements are considered standard, and nearly all marinas in the study areas include all of these. The distinction between marinas is made in the overall quality of the marina facilities and the age of the amenities.

Other elements that make a difference to marina finances and operations, but not necessarily the popularity of the marina among seasonal boaters include boat launches, lift/haul-out service, on-site repairs, and boat rental, which the subject currently does not offer.

Modern marinas must continually upgrade their technology offerings to stay current with constantly changing demands. Fortunately, modern technology is alleviating the need for some costly amenities that are no longer needed. For example, phone lines to each slip have been replaced by mobile phones, and cable television is rapidly becoming outdated as many larger boats now have on-board satellite television receivers. Wi-Fi and LTE cellular technologies are rapidly providing high quality streaming video at low cost that may allow smaller boats without satellite receivers access to digital broadcasts.

Marinas should perform regular boater surveys to stay current on boater needs, and marinas that commit to staying current will be rewarded with strong boater loyalty. While this may not be critical in an underserved market, these distinctions can make a significant difference as supply catches up with demand.

## MARKET OPPORTUNITIES/WEAKNESSES

### Seasonal Market Summary

There is little evidence to suggest that there is significant unmet demand for slips in the primary or secondary market areas, which only means that most everyone who wants a slip can lease one relatively quickly without a long time on a waiting list. This is especially so for the smaller slips, and somewhat less so for the larger slips. There is, however, a significant difference in the demand for slips at higher quality facilities than the lower quality facilities, which suggests that

there is significant room in the market for a facility that differentiates itself based on the quality of its facility and the attractiveness of its location. A frank assessment of the quality of the facilities generally is that many of the lower priced marinas are dated, poorly maintained, visually cluttered, and rarely located near attractive landside amenities.

We believe the best approach is to focus on firmly establishing your position as one of the premier destination marinas on the river, with the goal of attracting transient boaters across the region, and the best boats already in the area today as seasonal tenants.

Additionally, there is a small but important market of local residents looking for a slip within walking distance of their home. This segment of the recreational boating market is growing, supported by the demographics of the baby boomer generation. This group is at the peak age of wealth creation and boat ownership, and they are part of what we call the “smaller house, bigger boat” market. As their kids grow up and leave home, they no longer need the large house with all its maintenance, and seek an easier lifestyle within walking distance of shops, restaurants, and their hobbies. Growth in recreational boating is expected to continue over at least the next twenty years according to the American Marine Industry.

### Transient Market Summary

Transient slip demand is driven by two primary factors: adjacency to well-travelled cruising routes and adjacency to high quality destinations. Within the market study area, most of the marinas on the river/canal system are excellent examples of marinas located immediately adjacent to well-travelled cruising routes.

From the cruising boater’s perspective, they generally select their next transient destination either because it is a convenient stopover along the way to somewhere else, or because it is the primary destination. In the first case, market factors that affect occupancy include amenities at the marina coupled with nearby attractions such as restaurants. In the second case, the quality of the destination is the key deciding factor, usually much more so than the cost of the transient slip. When you consider that most transient boaters are on vacation, we find that they generally value the quality of the destination and convenience of access to interesting places much more than low slip rates.

## MARINA MANAGEMENT

### Public/Private Partnership

The Third-Party Operator approach involves contracting with a marina management company that provides marina management services to municipal or private owners. In this scenario, the marina management company negotiates an operating contract with the marina owner that establishes roles and responsibilities. There are no industry wide standard operating agreements, and the advantages and liabilities associated with this approach depend entirely on the final agreement.

One common approach involves the owner and third party operator negotiating a defined management fee over and above the operating costs for the marina (regardless of whether the marina is profitable in a given year) and incentives for achieving specific financial targets. In this scenario, the costs to the municipal owner could include the management fee (and incentives), labor costs at negotiated rates, utilities, and maintenance/capital improvements.

Depending on the contract language, this approach can be quite simple for the owner to manage and be very beneficial, or possibly skewed to the benefit of the operator at the expense of the owner. There are examples where third-party operators return a significant budget surplus to the owner, and other cases where the third-party operator returns no money at all to the owner. Another element to consider is whether the operator is expected to invest in and/or construct the marina (revenue-producing components) or simply operate an existing marina paid for by the owner.

The length of the operating agreement varies by contract, generally between five and twenty years. Generally, a shorter term agreement of five years with options to extend based on performance provide a reasonable length of contract for the operator while limiting the exposure to the owner due to poor performance or unforeseen contract issues. The longer lease is usually encountered when the operator invests in the revenue-producing components of the project.

In nearly all cases, this approach will result in less revenue being returned to the owner when compared to competent internal staff, simply because an additional party is involved with reasonable expectations to make a profit by providing a valuable service. Some owners find the trade-off of lower returns for fewer operational challenges in-house to be a reasonable compromise. On the other hand, the owner generally retains much of the financial risk associated with operating the marina while the potential rewards are reduced.

### Leasehold Operator

The Leasehold Operator approach is similar to the third party operator approach, except more of the risk is transferred to the operator. The premise of this approach is that the operator leases a specific property and constructs and operates a for-profit marina on leased land. The owner negotiates a lease arrangement with the operator, who then does everything required to operate a successful marina. The return for the owner is generally fixed regardless of the financial performance of the marina, but this can vary by contract. Additionally, the financial risk associated with the marina is generally shifted from the owner to the leaseholder. This scenario generally provides the lowest financial return for the owner, along with the lowest risk.

The leasehold and 3rd party management providers keep up with industry standards, market rates and have subject matter expertise due to the fact that operating marinas is their core business

## Self-Managed

Marina management and operations are not “mission-critical” government functions and therefore the management of municipal marinas is often transferred to third party vendors who specialize in operating marinas. In addition, private sector joint venture redevelopment and management partnerships may be advantageous due to the lack of necessary funding to operate and maintain municipal marinas. The Internal Operation approach has been successful in other municipal operations and using existing staff has been proven to be profitable and beneficial for the subject although capital improvements and upgrades appear to have lagged behind the market.

## OPERATING HISTORY

The following table presents available operating data for the subject.

OPERATING HISTORY						
Year-Occupancy	2017		2018		2019 Annualized	
	Total	\$/Slip	Total	\$/Slip	Total	\$/Slip
<b>Income</b>						
Dockage Income	\$1,131,660	\$4,619	\$1,166,300	\$4,760	\$1,166,300	\$4,760
Rental Income	32,186	131	32,600	133	32,600	133
Fuel Income	1,128,412	4,606	1,294,000	5,282	1,310,000	5,347
Ship Store Income	155,209	634	137,400	561	137,400	561
Other Income	184,604	753	173,400	708	165,400	675
C of GS Ship Store	(97,975)	(400)	(89,600)	(366)	(93,000)	(380)
C of GS Fuel	(919,635)	(3,754)	(1,027,000)	(4,192)	(1,029,100)	(4,200)
Effective Gross Income	\$1,614,461	\$6,590	\$1,687,100	\$6,886	\$1,689,600	\$6,896
<b>Expenses</b>						
Real Estate Taxes	NA	NA	NA	NA	NA	NA
Property Insurance	59,700	244	67,500	276	81,200	331
Utilities	193,205	789	208,000	849	221,000	902
Administrative & General	155,597	635	197,500	806	198,700	811
Building Maintenance	225,715	921	259,500	1,059	209,800	856
Payroll	417,310	1,703	450,500	1,839	682,400	2,785
Advertising & Promotion	13,317	54	14,900	61	14,900	61
Other	50,211	205	44,800	183	48,100	196
Operating Expenses	\$1,115,055	\$4,551	\$1,242,700	\$5,072	\$1,456,100	\$5,943
<b>Net Operating Income</b>	<b>\$499,406</b>	<b>\$2,038</b>	<b>\$444,400</b>	<b>\$1,814</b>	<b>\$233,500</b>	<b>\$953</b>

Source: Operating statements

The operating income and expenses have been estimated based on the financial statements provided by the property owner. The income appears to have remained generally flat with the corresponding expenses increasing significantly, thus eroding the net operating income.

## Revenues

Revenues for the subject appear to be relatively stable registering a 5% increase between 2017 and the annualized 2019 data.



## Expenses

Expenses appear to have increased just over 30% over the same time period with significant increases indicated for specific line items within the Administrative and General expenses and Payroll expenses, as illustrated in the following chart.

<i>Account Number</i>		<i>2017 Actuals</i>	<i>2018 Yr. End Est</i>	<i>2019 Total FINAL</i>	<i>% Chg</i>
<b>Administrative &amp; General</b>					
407-1901-575-4416	ITS Svc Charges (YB)	\$62,300	\$71,300	\$80,300	
407-1901-575-4940	General Admin Expense (YB)	\$67,900	\$76,100	\$89,800	
		<u>\$130,200</u>	<u>\$147,400</u>	<u>\$170,100</u>	31%
<b>Payroll</b>					
407-1901-575-1100	Salary - Exec (YB)	\$14,529	\$0	\$90,400	
407-1901-575-1200	Sal/Wage Regular (YB)	\$196,959	\$213,800	\$229,700	
407-1901-575-2200	Gen Retirement (YB)	\$75,203	\$82,700	\$128,800	
407-1901-575-2300	Health/Life Ins (YB)	\$52,065	\$62,500	\$99,000	
		<u>\$338,756</u>	<u>\$359,000</u>	<u>\$547,900</u>	62%

The property contact reported a onetime General and Administrative expense of \$27,500 for a computer software reservation system in 2018. He also indicated that there were one-time expenses charged for repairs to the seawall and upgrades to the plumbing and electrical systems that were charged to the Repairs and Maintenance expense in 2017 and 2018.

The reader should note that Real Estate Taxes are typically included, but are not in this case since the property is city-owned and tax exempt.

## Expense Comparables

The subject expenses appear to be lacking several expense items that are usually included in the estimation of market value, specifically the real estate tax expense. The expense comparable data considered for this analysis includes local data, regional data and national data.

MARINA EXPENSE COMPARABLES									
Comparable Number	1			2			2		
Location	Florida			Florida			Florida		
Rate Range / Ft	\$13 - \$15			\$9 - \$11			\$21 - \$22		
Wet Slips	177			84			85		
Dry Racks	39			332			142		
Total Racks/Slips	216			416			227		
	Total	% Rev	\$/Slip	Total	% Rev	\$/Slip	Total	% Rev	\$/Slip
<b>Revenue</b>									
Dockage Income	\$751,948	52.2%	\$3,481	\$829,773	46.8%	\$1,995	\$1,795,467	19.3%	\$7,910
Fuel sales	562,122	39.0%	\$2,602	784,817	44.2%	\$1,887	(Other Inc)		
Ship's Store	99,648	6.9%	\$461	116,711	6.6%	\$281	1,864,481	20.0%	\$8,214
Rental (building) Income	13,811	1.0%	\$64	-	0.0%	\$0	68,891	0.7%	\$303
Other Income	12,698	0.9%	\$59	42,477	2.4%	\$102	5,594,220	60.0%	\$24,644
<b>Total Revenue</b>	<b>\$1,440,227</b>	<b>100.0%</b>	<b>\$6,668</b>	<b>\$1,773,778</b>	<b>100.0%</b>	<b>\$4,264</b>	<b>\$9,323,058</b>	<b>100.0%</b>	<b>\$41,071</b>
<b>Cost of Sales</b>									
Fuel sales	\$289,931	51.6%	\$1,342	\$630,440	80.3%	\$1,515			\$0
Ship's Store	63,047	63.3%	\$292	26,347	22.6%	\$63			\$0
Total Cost of Sales	\$352,978	53.3%	\$1,634	\$656,787	72.9%	\$1,579	\$4,652,373	249.5%	\$20,495
<b>Gross Operating Income</b>	<b>\$1,087,249</b>	<b>75.5%</b>	<b>\$5,034</b>	<b>\$1,116,991</b>	<b>63.0%</b>	<b>\$2,685</b>	<b>\$4,670,685</b>	<b>50.1%</b>	<b>\$20,576</b>
<b>Variable Expenses</b>									
Utilities	\$99,082	6.9%	\$459	\$153,486	8.7%	\$369	\$91,212	1.0%	\$402
Repair & Maintenance	30,183	2.1%	\$140	81,399	4.6%	\$196	194,307	2.1%	\$856
Marketing	10,970	0.8%	\$51	61,367	3.5%	\$148	54,810	0.6%	\$241
Management Fee	43,207	3.0%	\$200	53,213	3.0%	\$128	-	0.0%	\$0
Administrative and General	9,713	0.7%	\$45	90,666	5.1%	\$218	477,600	5.1%	\$2,104
Payroll	220,970	15.3%	\$1,023	156,057	8.8%	\$375	2,152,881	23.1%	\$9,484
<b>Total Variable Expenses</b>	<b>\$414,125</b>	<b>28.8%</b>	<b>\$1,917</b>	<b>\$596,188</b>	<b>33.6%</b>	<b>\$1,433</b>	<b>\$2,970,809</b>	<b>31.9%</b>	<b>\$13,087</b>
<b>Fixed Expenses</b>									
Real Estate Taxes	\$36,672	2.5%	\$170	\$36,912	2.1%	\$89	\$125,547	1.3%	\$553
Insurance	62,142	4.3%	\$288	103,769	5.9%	\$249	158,838	1.7%	\$700
Reserves for Replacement	14,402	1.0%	\$67	0	0.0%	\$0		0.0%	\$0
Total Fixed Expenses	\$113,216	7.9%	\$524	\$140,681	7.9%	\$338	\$284,385	3.1%	\$1,253
<b>Total Expenses</b>	<b>\$880,319</b>	<b>61.1%</b>	<b>\$4,076</b>	<b>\$1,393,656</b>	<b>78.6%</b>	<b>\$3,350</b>	<b>\$7,907,567</b>	<b>84.8%</b>	<b>\$34,835</b>
Land Lease	\$40,767	2.8%	\$189	\$2,100	0.1%	\$5	\$11,943	0.1%	\$53
<b>Net Operating Income</b>	<b>\$519,141</b>	<b>36.0%</b>	<b>\$2,403.43</b>	<b>\$378,022</b>	<b>21.3%</b>	<b>\$909</b>	<b>\$1,403,548</b>	<b>15.1%</b>	<b>\$6,183</b>
*Management Fee has been added for comparability									
Source: Operating Statements									

## GROSS OPERATING INCOME

The Percentage of Gross Operating Income to the Total Revenues for the Expense Comparables from 50.1% up to 75.5%. The percentage of the subject property's effective gross income to total revenues equated to 61% in 2017, 60% in 2018 and a projected 57% for 2019. This percentage falls within the range indicated by the expense comparables and therefore appears to be supportable.

## VARIABLE EXPENSES

Variable Expenses as a percentage of total revenues for the expense comparables remain fairly consistent ranging from 28.8% up to 33.6%. The subject property's 2017 ratio of variable expenses to total revenues was 31%, increasing significantly to 36.3% in 2018 and projected to be 45.9% in 2019.

**FIXED EXPENSES**

Fixed Expenses at the expense comparables included real estate taxes, insurance and replacement reserves. The subject property is a municipal marina and therefore is exempt from real estate taxes.

The subject's insurance expense was \$251 per slip in 2017, increasing to \$284 per slip in 2018 and projected to increase even further up to \$341 per slip for 2019. The expense comparables equivalent expense range from \$249 up to \$700 per slip. Therefore, the subject's insurance expense falls within the range indicated by the expense comparables and appears to be well supported.

Only one of the expense comparables reported a minimal reserve of \$67 per year per slip. As discussed previously, the capital improvement budget for the subject property over the next 10 years is estimated at \$8,445,000, which equates to approximately \$3500 per year per slip, which appears to be more than adequate.

## **Conclusion and Recommendations**

Specific conclusions and recommendations for the subject property are listed as follows:

### **Increased Parking**

Based upon our discussions with the dockmaster, it is our understanding that a number of parking spaces were lost to the adjacent lessee, greatly reducing the available parking spaces for the subject marina. According to the dockmaster, parking spaces are individually assigned to boat owners on a first-come first-served basis. Our observations during the on-site inspection confirmed this limited availability of parking spaces. This limitation is shared by surrounding properties, which also do not have adequate parking. Further research is recommended in order to procure additional parking spaces via acquisition, valet parking or some type of remote parking solution.

### **Floating Docks**

In future capital improvement plans for upgrading or replacing dock facilities, emphasis should be placed on increasing the availability of floating docks versus fixed docks, which would enhance the marinas offerings and are preferred generally by vessel owners.

### **Security Improvements**

At a minimum, simple security gates should be installed at every dock to limit the general public's access to private vessels. According to the dockmaster, instances of vessel owners waking up in the middle of the night to prowler's walking on their vessel's decks have been reported on several occasions. The ever present downtown homeless population and the perception of security has a primary limiting effect on the desirability of the marina and has had a direct influence on the marinas revenues.

### **Facility Updating and Improvement**

In conjunction with the existing capital improvement program the improvements at the subject property are in need of a general facelift and cleaning. This includes cleaning up common areas that have been taken over as make shift barbecue areas and personal use spaces. In addition, refuse bins should either remove from the entry or be attractively fenced and shielded from client view. Consideration should be given to implementing a valet refuse trash system similar to those utilized at higher end multifamily units.

### **Advertising and Marketing**

The marinas advertising and marketing campaign should be separated from the city's existing website and should be set up as a standalone Marina marketing campaign on par with the subject's direct competitors.

### Signage

Additional signage and exterior upgrades should be made to the subject in order to improve the identification of support services, the ship store and specifically the restrooms. While standing with the dockmaster in the front parking lot during our on-site inspection, several couples asked where the restrooms were, which were directly behind where we were standing. The configuration of the building and limited signage has “hidden the restrooms” according to one elderly gentleman.

### Increased Retail/Restaurant and Private Public Partnerships

Incentives should be put in place to increase the subject marinas access to retail and restaurant amenities within the local area via possible shared parking and private public development opportunities. Shared usage programs should be explored with the adjacent condominium and hotel operations in order to increase the visibility and use of the subject marina by the local permanent and transient population.

### Special Events

Special events should be considered in order to improve the subject’s visibility and marketing and to attract higher-paying clientele. Hosting a boat show, fishing tournaments, water safety classes, etc. should be explored and implemented with the focus on exposing the subject facility to the greater countywide region.

### Focus on transient short term tenants

Focus should be placed on attracting a greater number of short-term higher-paying tenants in order to increase the profitability of the subject marina.

### Focus on 48-67 and 67+ demographics

Emphasis should be placed on attracting the 48-year-old and older clientele, which typically own higher value vessels, procure slip spaces at higher rates and are willing to pay more for additional expanded services.

### Focus on clientele with family incomes of over \$100,000 annually

Again, high net worth individuals with higher annual incomes tend to pay more for extended services and are more willing to leave larger vessels in the water, paying higher rates, for longer periods of time.

### Emphasis should be placed on attracting vessels 26 feet or over

Owners of larger vessels tend to have greater flexibility in paying for additional services and due to the size of their boats tend to leave them in the water for longer periods of time. Their discretionary income also tend to weather temporary financial storms better than the typical boat owner. Thus, ensuring the long-term financial viability of the marina.



### Financial operating review

Assuming that the capital improvements projected by the city are implemented and steps are taken to improve the security and parking for the facility, dockage lease rates should be increased to match properties within the subject's competitive market area. In addition, a detailed review of the recent increases in the variable expense categories should be taken in order to bring expenses under control.

## Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
  - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
  - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this report and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
  - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
  - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
  - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
  - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
  - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
  - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
  - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
  - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.

13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

**ADDENDA**

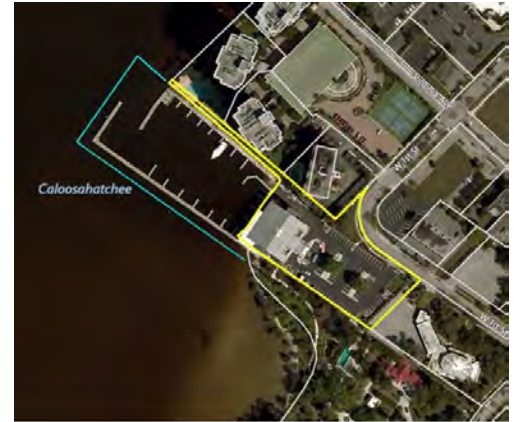


Addendum A

# RENT COMPARABLE DATA SHEETS

Property Name Marina At Edison Ford  
 Address 2360 West 1st Street  
 Fort Myers, FL 33901  
 United States

Government Tax Agency Lee  
 Govt./Tax ID 23-44-24-P2-00012.0000

**Unit Mix Detail**

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (lf)	Rent	Rent / lf
1 Nightly May 1 – October 31 2018	N/A	N/A	45	\$113	\$2.50
2 Weekly May 1 – October 31 2018	N/A	N/A	45	\$441	\$9.80
3 Monthly May 1 – October 31 2018	N/A	N/A	45	\$630	\$14.00
4 Nightly November 1 – April 30 2019	N/A	N/A	45	\$124	\$2.75
5 Weekly November 1 – April 30 2019	N/A	N/A	45	\$504	\$11.20
6 Monthly November 1 – April 30 2019	N/A	N/A	45	\$765	\$17.00
Totals/Avg	0			N/A	N/A

**Improvements**

Land Area	1.930 ac	Status	Existing
Gross Building Area (GBA)	41,910 sf	Year Built	1961
Total # of Units	45 Slip	Year Renovated	2000
Floor Count	2	Condition	Good
Parking Type	Surface	Exterior Finish	Concrete
General Amenities	24-hour Security, Clubhouse, Concierge, Conference Facility, Controlled Access, Event / Commercial Kitchen, Indoor Athletic Facility, On-Site Storage, Laundry Facility, On-Site Restaurant / Deli, On-Site Security Personnel, Outdoor Amenity, Pitched Roofs, Public Business Center, Surface Parking, Video Monitored Security		

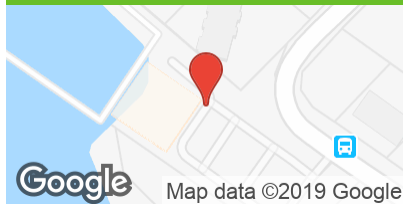
**Rental Survey**

Occupancy	70%	Owner	N/A
Tenant Size	50 lf	Management	N/A
Lease Term	1 - 12 Mo(s).	Concessions	N/A
Reimbursements	Gross	Survey Date	04/2019
Rent Changes/Steps	None	Survey Notes	Lease Type: Gross Plus Electric;

## Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

## Map &amp; Comments



The Marina at Edison Ford is 120 slip marina located on the southeast side of the Caloosahatchee River, south of the US highway 41 bridge in Fort Myers Florida. This marina consists of two rows of 45 floating wet slips and a L-shaped breakwater. The marina reportedly has 30 transient slips. The facility can take in vessels up to 80 feet in length. The approach depth is 7 feet and the dockside depth is 5 feet with a 2 foot tidal range. Dockside utilities include 30 and 50 amp metered electric. The marina features free water and wireless internet. Project amenities include boaters lounge, a restaurant, laundry, restrooms and showers. Electrical service is charged at \$3 per day for 30 amp service and \$6 per day for 50 amp service. Monthly electrical service is \$50/month for vessels up to 30 ft, \$75/month up to 40 ft, \$100/month up to 50 ft and \$125/month for vessels over 50 ft. Liveaboards are allowed at with a fee of \$100 per month. The marina features a portable pump out system at \$20 per pump.

Property Name Legacy Harbour Marina  
 Address 2044 West First Street  
 Fort Myers, FL  
 United States

Government Tax Agency Lee  
 Govt./Tax ID 14-44-24-P3-00003.0020

**Unit Mix Detail**

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (lf)	Rent	Rent / lf
1 Weekly	N/A	N/A	50	\$650	\$13.00
2 Daily (November 1 – April 30)	N/A	N/A	50	\$173	\$3.45
3 Monthly (November 1 – April 30)	N/A	N/A	50	\$950	\$19.00
4 Daily (May 1 – October 31)	N/A	N/A	50	\$140	\$2.80
5 Monthly (May 1 – October 31)	N/A	N/A	50	\$750	\$15.00
6 Monthly, (min. 50 ft., signed annual lease is required)	N/A	N/A	50	\$750	\$15.00
Totals/Avg	0			N/A	N/A

**Improvements**

Land Area	7.000 ac	Status	Existing
Gross Building Area (GBA)	3,765 sf	Year Built	1964
Total # of Units	133 Slip	Year Renovated	2000
Floor Count	2	Condition	Good
Parking Type	Surface	Exterior Finish	Concrete
General Amenities	24-hour Security, Clubhouse, Conference Facility, Controlled Access, Event / Commercial Kitchen, Laundry Facility, On-Site Restaurant / Deli, Reciprocal Parking Rights, On-Site Security Personnel, Pitched Roofs, Pool, Public Business Center, Surface Parking, Video Monitored Security		

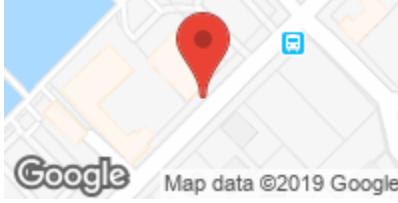
**Rental Survey**

Occupancy	80%	Owner	N/A
Tenant Size	40 - 80 lf	Management	N/A
Lease Term	1 - 12 Mo(s).	Concessions	N/A
Reimbursements	Gross	Survey Date	04/2019
Rent Changes/Steps	N/A	Survey Notes	N/A

## Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

## Map &amp; Comments



This marina is located along the west side of West First Street, just south of Carson Boulevard in downtown Fort Myers Florida. The 131 Slips range in size from 40 feet to 80 feet and the marina can accommodate transient vessels of 140 feet in length. Amenities include a pump-out station, pool, full electric metered at the slip, water, cable TV, laundry, air-conditioned showers, and high speed wireless Internet connections available. In addition, a restaurant and hotel are located adjacent to the marina. Live aboard fees are \$130 per month. It was reported that the ratio of annual business to transient business is approximately 70% to 30%. The dockmaster reported overall transient occupancy ranges from approximately 50% during the off season to 80% during the peak season.



Property Name      Marintown Yacht Harbour  
 Address              3446 Marintown Lane  
                             North Fort Myers, FL 33903  
                             United States

Government Tax Agency      Lee  
 Govt./Tax ID                  11-44-24-00-00017.0150; et al

**Unit Mix Detail**

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (lf)	Rent	Rent / lf
1 Daily	N/A	N/A	40	\$60	\$1.50
2 Monthly	N/A	N/A	40	\$520	\$13.00
3 Annual	N/A	N/A	40	\$480	\$12.00
4 Outside T Docks	N/A	N/A	40	\$600	\$15.00
Totals/Avg	0			N/A	N/A

**Improvements**

Land Area	10.750 ac	Status	Existing
Gross Building Area (GBA)	27,000 sf	Year Built	1981
Total # of Units	130 Slip	Year Renovated	N/A
Floor Count	2	Condition	Average
Parking Type	Surface	Exterior Finish	Concrete Block
General Amenities	Event / Commercial Kitchen, Laundry Facility, On-Site Restaurant / Deli, Reciprocal Parking Rights, Pitched Roofs, Pool, Surface Parking		

**Rental Survey**

Occupancy	85%	Owner	N/A
Tenant Size	35 - 68 lf	Management	N/A
Lease Term	1 - 12 Mo(s).	Concessions	N/A
Reimbursements	Gross	Survey Date	04/2019
Rent Changes/Steps	N/A	Survey Notes	N/A

## Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

## Map &amp; Comments



Marinatown Yacht Harbour is a 135 slip marina located just west of US Highway 41 along the northside of the Caloosahatchee River in North Fort Myers Florida. This property includes 135 fixed wet slips, and approximately 27,000 square feet of office, retail, and restaurant space. The marina has a minimum 35 foot length for rates and can accommodate vessels up to 68 feet in length. The basin is owned in fee simple and the approach depth is 6 feet and the dockside depth is 5 feet with a 2 foot tidal range. Dockside utilities include 30, 50 and 100 amp electric, water, wireless internet and sewage pumpout. Project amenities include four waterfront restaurants, laundry, pool, restrooms and showers. Transient slips are usually leased out of the vacant inventory.

Property Name Prosperity Pointe Marina  
 Address 1016+ N. Tamiami Trail  
 North Fort Myers, FL 33903  
 United States

Government Tax Agency Lee  
 Govt./Tax ID 11-44-24-02-0000C.0010

**Unit Mix Detail**

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (lf)	Rent	Rent / lf
1 Monthly rate	N/A	N/A	40	\$480	\$12.00
2 Annual rate	N/A	N/A	40	\$400	\$10.00
Totals/Avg	0			N/A	N/A

**Improvements**

Land Area	0.660 ac	Status	Existing
Gross Building Area (GBA)	1,204 sf	Year Built	1990
Total # of Units	53 Slip	Year Renovated	N/A
Floor Count	1	Condition	Average
Parking Type	Surface	Exterior Finish	Metal
General Amenities	24-hour Security, Controlled Access, Flat Roofs, Laundry Facility, Surface Parking, Video Monitored Security		

**Rental Survey**

Occupancy	75%	Owner	N/A
Tenant Size	20 - 56 lf	Management	N/A
Lease Term	1 - 12 Mo(s).	Concessions	N/A
Reimbursements	Gross	Survey Date	04/2019
Rent Changes/Steps	N/A	Survey Notes	N/A

## Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

## Map &amp; Comments



Prosperity Pointe Marina is located on the north side of Tamami Trail, across the Caloosahatchee River from Downtown Fort Myers Florida. The marina includes 53 fixed and floating wet slips with a maximum LOA of 56 LF. The approach depth is seven feet and the dockside depth is five feet with a one foot tidal range. This marina does not carry fuel. Dockside utilities include electric, water, wireless internet and pumpout facilities. Project amenities include security, a small ship's store, with bait and tackle, restrooms and showers. Average occupancy varies from 65% to 75% depending on the season.

Property Name Gulf Harbour Marina  
 Address 14490 Vista River Drive  
 Fort Myers, FL 33908  
 United States

Government Tax Agency Lee  
 Govt./Tax ID N/A

**Unit Mix Detail**

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (lf)	Rent	Rent / lf
1 Wet Slips Daily	N/A	N/A	30	\$90	\$3.00
2 Wet Slips Monthly	N/A	N/A	30	\$480	\$16.00
3 Wet Slips Yearly	N/A	N/A	30	\$420	\$14.00
Totals/Avg	0			N/A	N/A

**Improvements**

Land Area	20.940 ac	Status	Existing
Net Rentable Area (NRA)	N/A	Year Built	1990
Total # of Units	186 Slip	Year Renovated	N/A
Floor Count	1	Condition	Good
Parking Type	Open	Exterior Finish	Masonry
General Amenities	24-hour Security, Clubhouse, Concierge, Conference Facility, Controlled Access, Event / Commercial Kitchen, Flat Roofs, Indoor Athletic Facility, Laundry Facility, On-Site Restaurant / Deli, Reciprocal Parking Rights, Pool, Surface Parking, Video Monitored Security		

**Rental Survey**

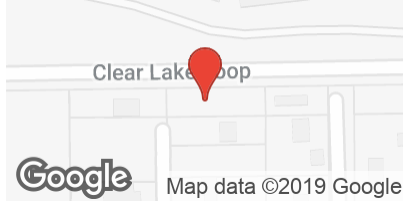
Occupancy	75%	Owner	N/A
Tenant Size	20 - 40 lf	Management	N/A
Lease Term	1 - 12 Mo(s).	Concessions	N/A
Reimbursements	Gross	Survey Date	04/2019
Rent Changes/Steps	N/A	Survey Notes	N/A



## Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

## Map &amp; Comments



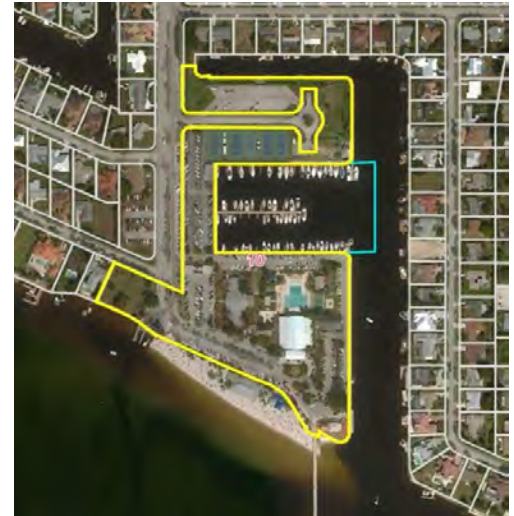
Gulf Harbour Marina is located in a private, gated community. The marina component includes 186 floating concrete wet slips. The docks can accommodate a vessel of up to 101 lineal feet. The approach depth is seven feet and the dockside depth is five feet. There is a full service fuel dock dispensing high octane, non-ethanol gasoline and marine grade diesel. Dockside utilities include water, 30 and 50 amp metered electric service, cable, wireless internet and pumpout facilities. Project amenities include a waterfront restaurant, 24 hour gated security, restrooms, air conditioned showers, laundry, BBQ area, meeting facilities and a ship's store. The ship's store carries food, drinks, ice, clothing and marine supplies. Approximately 10 wet slips are reserved for transient and restaurant customers.

Property Name Cape Coral Yacht Basin  
 Address 5819 Driftwood Parkway  
 Cape Coral, FL 33904  
 United States

Government Tax Agency Lee  
 Govt./Tax ID 19-45-24-C1-00000.00A0

**Unit Mix Detail**

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (lf)	Rent	Rent / lf
1 Wet Slip Daily	N/A	N/A	36	\$63	\$1.75
2 Wet Slip Monthly	N/A	N/A	36	\$432	\$12.00
3 Wet Slip Resident Yearly	N/A	N/A	36	\$324	\$9.00
4 Wet Slip Non-Res. Yearly	N/A	N/A	36	\$432	\$12.00
Totals/Avg	0			N/A	N/A

**Improvements**

Land Area	11.720 ac	Status	Existing
Gross Building Area (GBA)	14,076 sf	Year Built	1990
Total # of Units	89 Slip	Year Renovated	N/A
Floor Count	2	Condition	Good
Parking Type	Open	Exterior Finish	Metal
General Amenities	24-hour Security, Clubhouse, Conference Facility, Controlled Access, Flat Roofs, Laundry Facility, On-Site Restaurant / Deli, Reciprocal Parking Rights, Surface Parking		

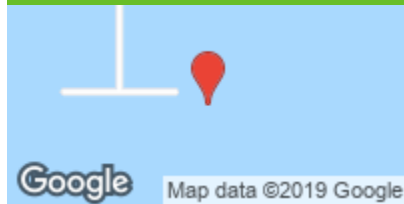
**Rental Survey**

Occupancy	80%	Owner	N/A
Tenant Size	20 - 55 lf	Management	N/A
Lease Term	1 - 12 Mo(s).	Concessions	N/A
Reimbursements	Gross	Survey Date	04/2019
Rent Changes/Steps	N/A	Survey Notes	N/A

## Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

## Map &amp; Comments



Cape Coral Yacht Basin is municipal marina located directly west of Fort Myers Boat Club on the west side of the Caloosahatchee River in the town of Cape Coral Florida. This marina has 89 wet slips, 4 of these are reserved for transient guests. The docks can accommodate a 55 LF vessel. The approach depth is five feet and the dockside depth is five feet. Dockside utilities include 30 and 50 amp electric, water, wireless internet and pumpout facilities. The property includes a full service fuel dock with marine grade gas and diesel. Project amenities include a lighted fishing pier, racquet ball courts, playground, a public beach, restaurant, tiled showers, laundry service, shuffleboard courts and a pool.

## Comparable

## Special - Marina

No. 7

Property Name Tarpon Point Marina  
Address 6095 Silver King Boulevard  
Cape Coral, FL  
United States

Government Tax Agency Lee  
Govt./Tax ID 22-45-23-C4-005MV.2000

### Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (lf)	Rent	Rent / lf
1 Daily rate	N/A	N/A	40	\$140	\$3.50
2 Weekly rate	N/A	N/A	40	\$680	\$17.00
3 Monthly rate	N/A	N/A	40	\$560	\$14.00
4 Annual rate	N/A	N/A	40	\$480	\$12.00
Totals/Avg	0			N/A	N/A



### Improvements

Land Area	1.370 ac	Status	N/A
Gross Building Area (GBA)	3,400 sf	Year Built	1989
Total # of Units	225 Slip	Year Renovated	N/A
Floor Count	1	Condition	Good
Parking Type	Surface	Exterior Finish	Concrete
General Amenities	24-hour Security, Clubhouse, Concierge, Conference Facility, Controlled Access, Event / Commercial Kitchen, Laundry Facility, On-Site Restaurant / Deli, Reciprocal Parking Rights, On-Site Security Personnel, Pool, Public Business Center, Surface Parking, Video Monitored Security		

### Rental Survey

Occupancy	85%	Owner	N/A
Tenant Size	20 - 75 lf	Management	N/A
Lease Term	1 - 112 Mo(s).	Concessions	N/A
Reimbursements	N/A	Survey Date	04/2019
Rent Changes/Steps	N/A	Survey Notes	N/A

## Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

## Map &amp; Comments



This comparable is located on Silver King Boulevard, south of Rose Garden Road in Cape Coral. The 225 slips can accommodate boats up to 75 feet and dockage is available for transient boats up to 120 feet. The dockmaster reported that 90% of the slips are available to the general public, or 195 slips in total. The approach depth is seven feet and the dockside depth is eight feet with a one point five foot tidal range. Amenities include 30, 50 and 100 amp metered electrical service, water, WiFi, cable TV, pump-out station, 2 pools, restaurant, lounge, and ship's store. The facility is also available for weddings, meetings and has access to motels, restaurants and a fitness center. No liveaboards are allowed. Electric fees are \$1.50 per foot per day for boats under 50' and \$2.00 per foot per day for boats over 50'. It was reported that the ratio of annual business to transient business is approximately 95% to 5%. The dockmaster reported that the current occupancy is approximately 80%, down from approximately 95% several years ago. He reported that a typical overall occupancy was approximately 85%.



Property Name Cape Harbour  
 Address 5828 Cape Harbour Drive  
 Cape Coral, FL 33914  
 United States

Government Tax Agency Lee  
 Govt./Tax ID 21-45-23-C2-004C3.0000

**Unit Mix Detail**

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (lf)	Rent	Rent / lf
5 Dry Storage	N/A	N/A	32	\$448	\$14.00
1 Wet slip daily	N/A	N/A	35	\$70	\$2.00
2 Wet slip weekly	N/A	N/A	35	\$298	\$8.50
3 Wet slip monthly	N/A	N/A	35	\$490	\$14.00
4 Wet slip annual	N/A	N/A	35	\$420	\$12.00
Totals/Avg	0			N/A	N/A

**Improvements**

Land Area	6.010 ac	Status	Existing
Gross Building Area (GBA)	816 sf	Year Built	1990
Total # of Units	228 Slip	Year Renovated	N/A
Floor Count	2	Condition	Average
Parking Type	Open	Exterior Finish	Concrete
General Amenities	24-hour Security, Clubhouse, Controlled Access, Flat Roofs, Laundry Facility, Reciprocal Parking Rights, Pool, Public Business Center, Surface Parking		

**Rental Survey**

Occupancy	90%	Owner	N/A
Tenant Size	20 - 35 lf	Management	N/A
Lease Term	1 - 12 Mo(s).	Concessions	N/A
Reimbursements	Gross	Survey Date	04/2019
Rent Changes/Steps	N/A	Survey Notes	N/A

## Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

## Map &amp; Comments



Cape Harbour Marina is located at the western terminus of Cape Harbour Drive in Cape Coral, Florida. This property contains 79 fixed wooden docks with 16 slips reserved for transient guests. There are 150 dry racks for a total of 228 slips. The Indoor Boat Storage Facility can handle boats up to 32 feet in length. Renters have access to unlimited in & out service. All boats are rinsed and have engines flushed upon their return as part of the service. The General manager told us that current wet slip occupancy is 75% and current dry rack occupancy is 100% with 58 names on the waiting list. The wet slips will accommodate a vessel up to 60 lineal feet. Annual wet slip rates are based on a 20 lineal foot minimum. The approach depth is six feet and the dockside depth is six feet. Dockside utilities include 30 and 50 amp electric, water, wireless internet, dockside storage and pump-out facilities. There is a full service fuel dock with marine grade gas and diesel. Project amenities include three on-site restaurants, laundry, pool, tennis courts, restrooms, showers and a ship's store.

Property Name Royal Shell  
 Address 14341 Port Comfort Road  
 Fort Myers, FL 33908  
 United States

Government Tax Agency lee

Govt./Tax ID 10-46-23-00-00003.0200 10-46-23-00-00003.0100 10-46-23-00-00003.0000 10-46-23-00-00003.0300

#### Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (lf)	Rent	Rent / lf
4 Dry rack slips Bld 1 & 3, 0 – 20 LF	N/A	N/A	20	\$320	\$16.00
5 Dry rack slips Bld 1 & 3, 0 – 20 LF	N/A	N/A	20	\$329	\$16.46
6 Dry rack slips Bld 1 & 3, 0 – 20 LF	N/A	N/A	20	\$293	\$14.66
8 Dry rack slips Bld 2, 0– 20 LF	N/A	N/A	20	\$345	\$17.25
9 Dry rack slips Bld 2, 21 – 24 LF	N/A	N/A	24	\$425	\$17.71
10 Dry rack slips Bld 2, 25 – 29 LF	N/A	N/A	29	\$475	\$16.38
1 Wet slip daily	N/A	N/A	40	\$2	\$0.05
11 Dry rack slips Bld 2, 30+ LF	N/A	N/A	40	\$525	\$13.13
2 Wet slip monthly	N/A	N/A	40	\$600	\$15.00
3 Wet slip annual	N/A	N/A	40	\$560	\$14.00
7 Dry rack slips Bld 1 & 3, 30+ LF	N/A	N/A	40	\$499	\$12.47
Totals/Avg	0			N/A	N/A



#### Improvements

Land Area	16.040 ac	Status	Existing
Gross Building Area (GBA)	53,502 sf	Year Built	1948
Total # of Units	225 Slip	Year Renovated	N/A
Floor Count	3	Condition	Average
Parking Type	Surface	Exterior Finish	Aluminum
General Amenities	24-hour Security, Concierge, Controlled Access, Loading Dock, On-Site Storage, Laundry Facility, Reciprocal Parking Rights, On-Site Security Personnel, Pitched Roofs, Surface & Structured Parking, Video Monitored Security		

#### Rental Survey

Occupancy	100%	Owner	N/A
Tenant Size	N/A	Management	N/A
Lease Term	1 - 12 Mo(s).	Concessions	0 - 0%
Reimbursements	Modified Gross	Survey Date	04/2019
Rent Changes/Steps	N/A	Survey Notes	John Holland

## Actual Leases

<u>Tenant Name</u>	<u>Tenancy</u> <u>Use Type</u>	<u>Size</u>	<u>Term</u> <u>(Mo.)</u>	<u>Type of</u> <u>Lease</u>	<u>Start Date</u>	<u>Annual</u> <u>Base</u> <u>Rate</u>	<u>Reimbs.</u>	<u>Rent Changes /</u> <u>Steps</u>	<u>Free</u> <u>Rent</u> <u>(Mo.)</u>	<u>TI</u> <u>Allowance</u>
No actual leases available for this property.										

## Map &amp; Comments



This comparable property is located at 14341 Port Comfort Rd. in Fort Myers Florida and within the Jonathan Harbor. It has 90 wet slips and 135 dry storage spaces that can accommodate boats up to 34 feet in length. The approach depth is four feet and the dockside depth is five feet with minimal tidal range. The marinas houses a retail store, pump out station, 30/50 amp service, a water front restaurant, boat share clubs and charters. The dry storage is located within three separate structures totaling 135 spaces. Buildings 1 and 3 offer partial enclosed storage, while building 2 is completely enclosed and hurricane safe up to 140 mph winds. The survey was verified by on-site manager who stated that the facility was currently at 100% occupancy. Electrical service is available at \$35 per month for 30 amp service and \$55 per month for 50 amp service. Electrical service for transient docking is \$5.00 per night for 30 amp service and \$7.50 per night for 50 amp service.

**Addendum B**

**CLIENT CONTRACT INFORMATION**



# Proposal and Contract for Services

March 16, 2019

Lee Ann Korst  
SE Regional Manager  
**CBRE ADVISORY AND TRANSACTION SERVICES**  
225 Water Street, Suite 110  
Jacksonville, FL 32202  
Phone: 850.251.9319  
Email: LeeAnn.korst@cbre.com

RE: Assignment Agreement  
Marine Related Development  
Yacht Basin – City of Fort Myers  
1300 Lee St.  
Fort Myers, FL 33901

Dear Ms. Korst:

We are pleased to submit this proposal and our Terms and Conditions for this assignment.

## PROPOSAL SPECIFICATIONS

**Purpose:** To provide a market overview/analysis of the referenced real estate inclusive of the following:

- Industry overview
  - external drivers
  - demand determinants
  - current performance
  - barriers to entry
  - cost structure benchmarks
  - forecasted outlook
- Fort Myers market
  - market demographics
  - site neighborhood evaluation
  - improvement analysis
    - strength
    - weakness
    - recommendations
      - Capital requirements
  - competitive market survey
    - facility overview
    - wet slip

CBRE, Inc.  
5100 Town Center Cir., Suite 600  
Boca Raton, FL 33486  
[www.cbre.us/valuation](http://www.cbre.us/valuation)

**Daniel Boring MAI**  
Vice President

- dry slip
- retail
- services
- products and services comparison
- supply demand analysis
- market opportunities/weaknesses
- public/private partnership
- operational recommendations
- development recommendations

**Intended User:**

The intended user is CBRE ADVISORY AND TRANSACTION SERVICES ("Client"), and such other parties and entities (if any) expressly recognized by CBRE as "Intended Users" (as further defined herein).

**Reliance:**

Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.

**Inspection:**

CBRE will conduct a physical inspection of both the interior and exterior of the subject property, as well as its surrounding environs on the effective date of appraisal.

**Report Type:**

Standard Consulting Report

**Appraisal Standards:**

USPAP

**Appraisal Fee:**

\$7,500

**Expenses:**

Fee includes all associated expenses

**Retainer:**

A retainer is not required for this assignment

**Payment Terms:**

Final payment is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. The fee is considered earned upon delivery of the draft report.

**Delivery Instructions:**

We will invoice you for the assignment in its entirety at the completion of the assignment.

CBRE encourages our clients to join in our environmental sustainability efforts by accepting an electronic copy of the report.

**Delivery Schedule:****Preliminary Value:****Draft Report:****Final Report:****Start Date:****Acceptance Date:**

An Adobe PDF file via email will be delivered to LeeAnn.korst@cbre.com. The client has requested One (1) bound final copy (ies).

Not Required

Not Required

15 business days after the Start Date

The appraisal process will start upon receipt of your signed agreement and the property specific data.

These specifications are subject to modification if this proposal is not accepted within 5 business days from the date of this letter.

When executed and delivered by all parties, this letter, together with the Terms and Conditions and the Specific Property Data Request attached hereto and incorporated herein, will serve as the Agreement for appraisal services by and between CBRE and Client. Each person signing below represents that it is authorized to enter into this Agreement and to bind the respective parties hereto.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

**CBRE, Inc.**

**Valuation & Advisory Services**



Daniel Boring MAI  
Vice President  
As Agent for CBRE, Inc.  
T 404.825.998  
daniel.boring@cbre.com

## AGREED AND ACCEPTED

### FOR CBRE ADVISORY AND TRANSACTION SERVICES ("CLIENT"):



3/18/2019

Signature

Date

William I. Gulliford III

Senior Managing Director

Name

Title

904.630.6344

tripp.gulliford@cbre.com

Phone Number

E-Mail Address

### ADDITIONAL OPTIONAL SERVICES

Assessment & Consulting Services: CBRE's Assessment & Consulting Services group has the capability of providing a wide array of solution-oriented due diligence services in the form of property condition and environmental site assessment reports and other necessary due diligence services (seismic risk analysis, zoning compliance services, construction risk management, annual inspections, etc.). CBRE provides our clients the full complement of due diligence services with over 260 employees in the U.S. that are local subject matter experts.

Initial below if you desire CBRE to contact you to discuss a proposal for any part or the full complement of consulting services, or you may reach out to us at

[WhitePlainsProposals@cbre.com](mailto:WhitePlainsProposals@cbre.com). We will route your request to the appropriate manager. For more information, please visit [www.cbre.com/assessment](http://www.cbre.com/assessment).

\_\_\_\_\_ Initial Here



## TERMS AND CONDITIONS

1. The Terms and Conditions herein are part of an agreement for appraisal services (the "Agreement" ) between CBRE, Inc. (the "Appraiser") and the client signing this Agreement, and for whom the appraisal services will be performed (the "Client"), and shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the state where the appraisal office is located for the Appraiser executing this Agreement.
2. Client shall be responsible for the payment of all fees stipulated in the Agreement. Payment of the appraisal fee and preparation of an appraisal report (the "Appraisal Report, or the "report") are not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the Appraisal Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft report is requested, the fee is considered earned upon delivery of the draft report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed report. In such event, the Client is obligated only for the prorated share of the fee based upon the work completed and expenses incurred (including travel expenses to and from the job site), with a minimum charge of \$500. Additional copies of the Appraisal Reports are available at a cost of \$250 per original color copy and \$100 per photocopy (black and white), plus shipping fees of \$30 per report.
3. If Appraiser is subpoenaed or ordered to give testimony, produce documents or information, or otherwise required or requested by Client or a third party to participate in meetings, phone calls, conferences, litigation or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this engagement, the Appraisal Report, the Appraiser's expertise, or the Property, Client shall pay Appraiser's additional costs and expenses, including but not limited to Appraiser's attorneys' fees, and additional time incurred by Appraiser based on Appraiser's then-prevailing hourly rates and related fees. Such charges include and pertain to, but are not limited to, time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and production, and preparation time (excluding preparation of the Appraisal Report), meeting participation, and Appraiser's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional appraisal services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed report has been delivered to Client at the time of such request.
4. Appraiser shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents, or without cause upon 5 days written notice.
5. In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the office is located for the Appraiser executing the Agreement. In the event either party institutes legal action against the other to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and expenses. Each party waives the right to a trial by jury in any action arising under this Agreement.
6. Appraiser assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for Appraiser to prepare a valid report. Client acknowledges that such additional expertise is not covered in the Appraisal fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.
7. In the event of any dispute between Client and Appraiser relating to this Agreement, or Appraiser's or Client's performance hereunder, Appraiser and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by an arbitrator may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of the Appraiser executing this Agreement is located. The arbitrator shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses from the losing party, including costs of the arbitration proceeding, and reasonable attorney's fees. Client acknowledges that Appraiser is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between

Client and Appraiser. This engagement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal Report discussed herein.

8. All statements of fact in the report which are used as the basis of the Appraiser's analyses, opinions, and conclusions will be true and correct to Appraiser's actual knowledge and belief. Appraiser does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to Appraiser by Client or others. TO THE FULLEST EXTENT PERMITTED BY LAW, APPRAISER DISCLAIMS ANY GUARANTEE OR WARRANTY AS TO THE OPINIONS AND CONCLUSIONS PRESENTED ORALLY OR IN ANY APPRAISAL REPORT, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE EVEN IF KNOWN TO APPRAISER. Furthermore, the conclusions and any permitted reliance on and use of the Appraisal Report shall be subject to the assumptions, limitations, and qualifying statements contained in the report.
9. Appraiser shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the Property analyzed.
10. Client shall provide Appraiser with such materials with respect to the assignment as are requested by Appraiser and in the possession or under the control of Client. Client shall provide Appraiser with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.
11. The data gathered in the course of the assignment (except data furnished by Client) and the report prepared pursuant to the Agreement are, and will remain, the property of Appraiser. With respect to data provided by Client, Appraiser shall not violate the confidential nature of the Appraiser-Client relationship by improperly disclosing any proprietary information furnished to Appraiser. Notwithstanding the foregoing, Appraiser is authorized by Client to disclose all or any portion of the report and related data as may be required by statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Appraiser to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
12. Unless specifically noted, in preparing the Appraisal Report the Appraiser will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Material") on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there is no major or significant deferred maintenance of the Property that would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, at Client's discretion and direction, and are not covered as part of the Appraisal fee.
13. In the event Client intends to use the Appraisal Report in connection with a tax matter, Client acknowledges that Appraiser provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Appraisal Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Appraisal Report. Client agrees that Appraiser shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from Appraiser relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.
14. Appraiser shall have no liability with respect to any loss, damage, claim or expense incurred by or asserted against Client arising out of, based upon or resulting from Client's failure to provide accurate or complete information or documentation pertaining to an assignment ordered under or in connection with this Agreement, including Client's failure, or the failure of any of Client's agents, to provide a complete copy of the Appraisal Report to any third party.
15. LIMITATION OF LIABILITY. EXCEPT TO THE EXTENT ARISING FROM SECTION 16 BELOW, OR SECTION 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATE, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS BE LIABLE TO THE OTHER, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, INCIDENTAL OR INDIRECT DAMAGES, AND AGGREGATE DAMAGES IN CONNECTION WITH THIS AGREEMENT FOR EITHER PARTY (EXCLUDING THE OBLIGATION TO PAY THE FEES REQUIRED HEREUNDER) SHALL NOT EXCEED THE GREATER OF THE TOTAL FEES PAYABLE TO APPRAISER UNDER THIS AGREEMENT OR TEN THOUSAND DOLLARS (\$10,000). THIS LIABILITY LIMITATION SHALL NOT

APPLY IN THE EVENT OF A FINAL FINDING BY AN ARBITRATOR OR A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S FRAUD OR WILLFUL MISCONDUCT.

16. Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties) except to (i) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the Appraisal Report to such third party, (ii) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (iii) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, in no event shall the receipt of an Appraisal Report by such party extend any right to the party to use and rely on such report, and Appraiser shall have no liability for such unauthorized use and reliance on any Appraisal Report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Appraisal Report.
17. Furthermore, Client shall indemnify, defend and hold each of the Indemnified Parties harmless from and against any Damages in connection with (i) any transaction contemplated by this Agreement or in connection with the appraisal or the engagement of or performance of services by any Indemnified Party hereunder, (ii) any Damages claimed by any user or recipient of the Appraisal Report, whether or not an Intended User, (iii) any actual or alleged untrue statement of a material fact, or the actual or alleged failure to state a material fact necessary to make a statement not misleading in light of the circumstances under which it was made with respect to all information furnished to any Indemnified Party or made available to a prospective party to a transaction, or (iv) an actual or alleged violation of applicable law by an Intended User (including, without limitation, securities laws) or the negligent or intentional acts or omissions of an Intended User (including the failure to perform any duty imposed by law); and will reimburse each Indemnified Party for all reasonable fees and expenses (including fees and expenses of counsel) (collectively, "Expenses") as incurred in connection with investigating, preparing, pursuing or defending any threatened or pending claim, action, proceeding or investigation (collectively, "Proceedings") arising therefrom, and regardless of whether such Indemnified Party is a formal party to such Proceeding. Client agrees not to enter into any waiver, release or settlement of any Proceeding (whether or not any Indemnified Party is a formal party to such Proceeding) without the prior written consent of Appraiser (which consent will not be unreasonably withheld or delayed) unless such waiver, release or settlement includes an unconditional release of each Indemnified Party from all liability arising out of such Proceeding.
18. Time Period for Legal Action. Unless the time period is shorter under applicable law, except in connection with paragraphs 16 and 17 above, Appraiser and Client agree that any legal action or lawsuit by one party against the other party or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, relating to (a) this Agreement or the Appraisal Report, (b) any services or appraisals under this Agreement or (c) any acts or conduct relating to such services or appraisals, shall be filed within two (2) years from the date of delivery to Client of the Appraisal Report to which the claims or causes of action in the legal action or lawsuit relate. The time period stated in this section shall not be extended by any incapacity of a party or any delay in the discovery or accrual of the underlying claims, causes of action or damages.

# Proposal and Contract for Services

## SPECIFIC PROPERTY DATA REQUEST

In order to complete this assignment under the terms outlined, CBRE, Inc., Valuation & Advisory Services, will require the following specific information for the property:

1. PLEASE NOTIFY US IMMEDIATELY IF ANY OTHER CBRE SERVICE LINE (INCLUDING CAPSTONE) IS INVOLVED IN THE BROKERAGE, FINANCING, INVESTMENT OR MANAGEMENT OF THIS ASSET.
2. Current title report or title holder name
3. Legal description
4. Survey and/or plat map
5. Site plan for proposed or entitled development
6. Building plans and specifications, including square footage for all buildings
7. Details regarding existing percentage of office build-out and climate controlled area
8. Current county property tax assessment or tax bill
9. Details on any sale, contract, or listing of the property within the past three years
10. Pro forma income and expense projection
11. Details regarding construction timeline
12. Details regarding the development costs, including land costs
13. Engineering studies, soil tests or environmental assessments
14. Ground lease, if applicable
15. Complete pending lease agreement
16. Tenant's most recent Annual Report and 10K Report
17. Details regarding any tenant improvement allowances and free rent
18. Any previous market/demand studies or appraisals
19. Name and telephone number of property contact for physical inspection and additional information needed during the appraisal process
20. Any other information that might be helpful in valuing this property

If any of the requested data and information is not available, CBRE, Inc., reserves the right to extend the delivery date by the amount of time it takes to receive the requested information or make other arrangements. Please have the requested information delivered to the following:

Daniel Boring MAI  
Vice President  
daniel.boring@cbre.com  
CBRE, Inc.  
Valuation & Advisory Services  
5100 Town Center Cir., Suite 600  
Boca Raton, FL 33486

Addendum C

# QUALIFICATIONS



# Daniel Boring, MAI

*Vice President, Boca Raton, Florida*

**CBRE**



T + 1 404 825 9898  
daniel.boring@cbre.com  
www.cbre.com/daniel.boring

5100 Town Center Circle,  
Tower II, Suite 600  
Boca Raton, FL 33406

## Clients Represented

- Bank of America
- Bank of NY Mellon
- BB&T
- Blackstone
- CalPERS
- CalSTRS
- C-III
- Citi
- Deutsche Bank
- GE Capital
- GSA
- ING
- Interior Department
- IRS
- JPMorgan Chase
- Judicial Department
- Key Bank
- M & T Bank
- MetLife
- Metropolitan Bank
- New York Life
- PNC Bank
- Prologis
- Prudential
- RBC Bank USA
- Regions
- RREEF
- State Department
- SunTrust
- US Bank

## Experience

Daniel Boring has been engaged in the valuation, analysis, acquisition and disposition of institutional investment-grade real estate on both a national and international basis for over 25 years. He is a Vice President with CBRE Valuation Advisory Services in the Land, Agribusiness and Natural Resources group, which is part of the Land Services Group.

Daniel continuously excels at providing world-class advisory, consultation and valuation services. Assignments have been completed on numerous high profile properties with clients that include multinational corporations, REITS, national lenders, corporations and law firms. He primarily focuses on larger land holdings including: row-crops, permanent plantings, support infrastructure encompassing energy, water rights and natural resources.

Prior to joining CBRE, Daniel was the CEO of Lee & Associates Valuation and Advisory Services, a national commercial appraisal firm. Prior to joining Lee & Associates, he was a Senior Managing Director of Grubb & Ellis Landauer responsible for the southeastern US, a Senior Director with Cushman and Wakefield and an Executive Managing Director with Colliers International.

## Representative Assignments

- 800+ slip/stacking rank Marina facility with restaurant and hotel
- 130 acre Marina with offices and pullout service facilities
- 500 Slip Marina and a 40,000 sf Office and Retail building
- 12,000 Acre Master Planned Deep Water Bulk Container Facility
- 900+ unit high-rise self-storage facility
- Multiple apartment, condominium and mobile home/RV park assignments
- Portfolio of 4000+ acres of greenhouse operations
- 500 Acre Quail Hunting Plantation
- 3,000 Acre Desert Conservation Land
- 5.8 million sf Hydroponic Greenhouse with a 1.8 million square foot addition
- 5,000 Acre Peach and Pecan Orchard with Packing and AgriTourism facilities
- 500,000 sf Hydroponic Greenhouse
- Proposed 1 million sf Hydroponic Greenhouse located in the northeast
- 125 acre granite quarry
- 2,100 Acres of Lemon Groves on 35 million acre feet of underground water storage
- 450 Horse Equestrian Facility
- 190,000 sf Cotton Gin
- 50,000 Acre Solar Power Generation, Resort Residential Development and Timberland
- 28 Property Vinyard Portfolio
- 45,000 sf Bio Tech Office, Lab and Warehouse
- 280,000 sf Food Processing Facility
- 100,000 sf Ethanol Fuel Production Facility

## Professional Affiliations / Accreditations

- Appraisal Institute
- American Society of Farm Managers and Rural Appraisers
- Alabama Real Estate Appraisal Board – Certified General Real Estate Appraiser - G00989
- California Real Estate Appraisal Board – Certified General Real Estate Appraiser – AG 044502
- Florida Real Estate Appraisal Board - Certified General Real Estate Appraiser - RZ3667
- Georgia Real Estate Appraisal Board - Certified General Real Estate Appraiser - CG333608
- North Carolina Real Estate Appraisal Board – Certified General Real Estate Appraiser - A7721
- South Carolina Real Estate Appraisers Board – Certified General Real Estate Appraiser - 7230
- Tennessee Real Estate Commission - Certified General Real Estate Appraiser - 4377
- Texas Real Estate Appraisers Board – Certified General Real Estate Appraiser - TX 1337392 G

## Education

- Washington State University
- Pepperdine University

## Employment Experience

1996 – 2006	Senior Appraiser Kidder, Matthews and Segner	Seattle, Washington
2006 – 2008	Executive Managing Director Colliers International	Dallas, Texas
2008 – 2010	Senior Director Cushman and Wakefield	San Diego, California
2010 – 2012	Senior Managing Director Grubb & Ellis Landauer	Atlanta, Georgia
2012 – 2016	Chief Executive Officer Lee & Associates Valuation and Consulting Services	Atlanta, Georgia
01/2017 – Present	CBRE, Inc. Vice President Valuation and Advisory Services	Atlanta, Georgia Boca Raton, Florida





RICK SCOTT, GOVERNOR

JONATHAN ZACHEM, SECRETARY



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

**FLORIDA REAL ESTATE APPRAISAL BD**

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

**BORING, DANIEL BRUCE**

3500 LENOX ROAD #200  
ATLANTA GA 30326

**LICENSE NUMBER: RZ3667**

**EXPIRATION DATE: NOVEMBER 30, 2020**

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# James E. Agner, MAI, AI-GRS

CBRE

*Senior Managing Director, Florida-Caribbean Region*



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## Clients Represented

- LNR Partners
- Bank of America Merrill Lynch
- SunTrust Bank
- PNC Bank
- Mercantil
- Popular Community Bank
- 5/3 Bank
- Iberia Bank
- Santander Bank
- Regions Bank
- TD Bank
- Bank United
- BB&T Bank
- CitiBank
- Deutsche Bank
- Ocean Bank
- Centennial Bank
- Bank of the Ozark
- First Bank Florida

## Experience

James Agner is the Senior Managing Director of the Valuation & Advisory Services for the Florida-Caribbean Region. Located in the CBRE Miami office since 1995, Mr. Agner has over thirty years of real estate appraisal and consulting experience throughout the State of Florida, with primary experience in South Florida and in the Caribbean. Mr. Agner is a designated member of the Appraisal Institute (MAI) and General Review Specialist (AI-GRS), member of the Society of Golf Appraisers (SGA), and Royal Institution of Chartered Surveyors (MRICS) and is licensed as a Certified General Real Estate Appraiser in the State of Florida and Georgia. He also has provided expert witness testimony in the Circuit Courts – State of Florida and United States Bankruptcy Courts.

As Senior Managing Director, Mr. Agner leads a valuation and advisory staff in Miami and Palm Beach Counties that provides exceptional quality appraisal work and client service in South Florida, Treasure Coast and the Florida Keys. He also coordinates all activities for Florida and in the Caribbean, including overseeing new business development, client relations and appraisal quality control production. Mr. Agner is also the National Director of the Golf Valuation Group and the Net Lease Valuation Group for CBRE.

## Professional Affiliations / Accreditations

- Appraisal Institute – Designated Member (MAI), Certificate No. 7791
- Appraisal Institute – General Review Specialist (AI-GRS), Certificate No. 69150
- Society of Golf Appraisers (SGA), Certificate No. 25
- Royal Institution of Chartered Surveyors – Member (MRICS), Certificate No. 7505662
- Certified General Real Estate Appraiser, State of Florida, #RZ382
- Certified General Real Estate Appraiser, State of Georgia, #345321
- Licensed Real Estate Broker, State of Florida, BK402088

## Education

- Florida State University, Tallahassee, FL
  - Bachelors of Science in Business Administration, Marketing - 1981





RICK SCOTT, GOVERNOR

JONATHAN ZACHEM, SECRETARY



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

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PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

**AGNER, JAMES E**

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MIAMI FL 33131

**LICENSE NUMBER: RZ382**

**EXPIRATION DATE: NOVEMBER 30, 2020**

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## **CBRE VALUATION & ADVISORY SERVICES**

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Valuation & Advisory Services

305-381-6480

James.Agner@cbre.com

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## Appendix D

### Request For Space Need Form

Request ID			
Broker Name			
If No Broker Used, Explain.			
Requesting Organization			
Department			
Division			
Geography Location			
City			
County			
Net Useable SF			
Type of Action			
Proposed Term of Lease From			
To			
Space Type			
With an Option To Renew For			
Years			
Type of Solicitation			
Proposed Facility Location Space Is An			
Proposed Location Type			
Request is for	Me		Someone Else

### Information about this lease location may be obtained from

Contact Name	
Title	
Email Address	
Work Phone	
Any extenuating circumstances that would preclude the above referenced lease from occupying space in a State-owned building?	
If yes, please explain.	

### Request For

Contact Name	
Title	
Email Address	
Work Phone	

## Request For Space Need Form

### Staffing Information

Number of FTE's	
Administrative Square Feet	
Total Square Feet Justified	
Administrative Square Per FTE	
Total Square Feet Per FTEs	
If Administrative square feet per FTE exceeds 180 SF, please explain:	
Current Sq. Ft.	
Current FTE	
Current Rate per Sq. Ft.	
Current Lease No.	
Current Cost per FTE	
Monthly Rent	
Additional Comment	

Department Head	
Title	
Date	

# APPENDIX E

STATE OF FLORIDA

DEPARTMENT OF MANAGEMENT SERVICES

## SPACE ALLOCATION WORKSHEET



### AGENCY DIVISION SUMMARY

<b>DIVISION INFORMATION</b>		<b>Dept. Contact:</b>	Example Contact
<b>Agency Name:</b>	Example Agency	<b>Telephone:</b>	850-555-5555
<b>Division:</b>		<b>Email:</b>	<a href="mailto:Example@myflorida.com">Example @myflorida.com</a>
		<b>Date:</b>	00/00/0000
		<b>Revised:</b>	00/00/0000

DIVISION SPACE NEEDS				Current Space Needs		Future Space Needs	
Personnel Areas				Typical Size SF	x No.	= Area	No.
Type A	Enclosed Office	Executive	225	x		0	0
	<i>window office</i>						
Type B	Enclosed Office	Administrator	150	x		0	0
	<i>window or interior office</i>						
Type C	Enclosed Office	Manager & Professional	100	x		0	0
	<i>interior office</i>	Requiring Confidentiality					
Type D	Workstation	Professionals &	80	x		0	0
		Supervising Professionals					
Type E	Workstation	ParaProfessional	60	x		0	0
				x		0	0
				x		0	0
				<b>Total Personnel</b>		<b>0</b>	<b>0</b>
				<b>Total Personnel Area</b>		<b>0</b>	<b>0</b>

### NOTES

## APPENDIX F

STRAP	FolioID	GISAcres	SiteAddress	Name	Occupant	Current Use	Property Maintenance	Property Notes	Surplus Residential Lot	Planned Use
184425P3035120130	10251488	0.34	1766 STARNES AVE							
194425P2005000180	10252131	0.12	3308 LINCOLN BLVD							
184425P4001080010	10251584	0.26	3066 MICHIGAN AVE							
084425P10030A0030	10245495	0.17	631 POLK ST							
214425P10010000160	10564794	291.70	ACCESS UNDETERMINED	City Nursery/Eastwood Village	City of Fort Myers	City Operations	Public Works	See Eastwood Village PUD	No	
134424P4004110020	10162434	0.82	1820 HENDRY ST	City of Fort Myers Human Resources/Recreation	City of Fort Myers	City Operations	Parks and Beautification	Goodyear Building	No	
184425P4007060100	10251820	0.86	2925 DR MARTIN LUTHER KING JR BLVD	City of Fort Myers Utilities Center	City of Fort Myers	City Operations	Public Works	Utilities Building	No	
244424P2027160010	10173273	3.86	2600 DR MARTIN LUTHER KING JR BLVD	IMAG/WPA Building	City of Fort Myers	City Operations	Parks and Beautification	IMAG/Purchasing & Contracts Administration/Utility Billing & Call Center-Agreement	No	
134424P4004110010	10162433	2.07	2200 SECOND ST	Oscar M. Corbin Jr. City Hall	City of Fort Myers	City Operations	Parks and Beautification		No	
134424P4004030030	10162356	0.45	2310 EDWARDS DR	Chamber of Commerce Building	Non-Profit Organization	Commercial	Lessee	Chamber of Commerce Building-Agreement	No	
354424P1000600010	10183971	1.43	3583/3591 MCGREGOR BLVD	Edison Restaurant	For-Profit Organization	Commercial		Fort Myers Country Club/Restaurant-Agreement	No	
134424P4004010040	10162343	11.07	2311 EDWARDS DR	Fort Myers Yacht Basin	City of Fort Myers	Commercial	Yacht Basin	Yacht Basin/324 Boat Slips-Agreement	No	
134424P4004010048	10454805	0.31	1300 LEE ST	Fort Myers Yacht Basin Ships Store	City of Fort Myers	Commercial	Yacht Basin	Ships Store	No	
074425P3001050180	10245114	0.37	3281 PALM BEACH BLVD	Kappa Development Center	Non-Profit Organization	Commercial	Community Development	Alpha Kappa-Agreement	No	
234424P2007000260	10172132	0.41	1927 VICTORIA AVE	Lions Club	Non-Profit Organization	Commercial	Lessee	Lions Club owns building- Land Agreement	No	
234424P2000070030	10458406	4.82	2220 W FIRST ST	One West Dock	None	Commercial	Other	T- Dock-Submerged Agreement	No	
144424P3000200000	10162523	1.53	2066 W FIRST ST	Sailing Center/Sullivan	Other	Commercial	Lessee	Sailing Center/Sullivan-Submerged Agreement	No	
244424P3000140130	10454886	0.58	2483 EVANS AVE	South Florida Gas	For-Profit Organization	Commercial	Lessee	SWFL Gas/City leased land-Agreement	No	
364424P2002000080	10185671	4.20	3763 EVANS AVE	SWFAS	Non-Profit Organization	Commercial	Lessee	SWFAS-Agreement	No	
174425P4003000310	10250565	7.66	3901-3905 DR MARTIN LUTHER KING JR BLVD	SWFL Florida Enterprise Center	City of Fort Myers	Commercial	Redevelopment Agency	S.W. Florida Enterprise Center-FMRA	No	
244424P2018110010	10173200	0.36	2562 LAFAYETTE ST	Vacant Building	None	Commercial	Public Works	Record Storage-For Sale	No	
194425P4006200050	10253517	6.29	2450 PRINCE ST	Vince Smith Center/SWFAS	Non-Profit Organization	Commercial	Parks and Beautification		No	
244424P101101001A	10575925	0.00	CENTRAL AVE		N/A		Fire Department		No	
134424P4004040090	10162372	2.00	2505 FIRST ST	Burrough's Home	Non-Profit Organization	Historic	Lessee	Burrough's Home-Agreement	No	
134424P3004090040	10161868	0.47	2500 FIRST ST	Langford Kingston Home	Non-Profit Organization	Historic	Lessee	Langford Kingston Home-Agreement	No	
134424P3006130320	10162113	1.36	2701 DR MARTIN LUTHER KING JR BLVD	McCollum Hall	None	Other	Parks and Beautification		No	
354424P200902017A	10184670	0.02	KELLY ST	N/A	Other	Other	Public Works	Not Developable	No	Not Developable
234424P201800001A	10172302	0.13	RIGHT OF WAY	N/A	Other	Other	Public Works	Not Developable	No	Not Developable
234424P3020010010	10172571	2.84	2408/2410 CLEVELAND AVE	Nancy Campbell's Field	City of Fort Myers	Park	Parks and Beautification	Lions Park/Nancy Campbell's Field	No	
134424P4004040040	10162357	0.49	2414 EDWARDS DR	Park of Palms	City of Fort Myers	Park	Parks and Beautification		No	
134424P3006050480	10161991	0.06	2775 DR ELLA PIPER WAY	Vacant Land	None	Park	Parks and Beautification	Not Developable	No	
244424P2027180010	10173293	3.11	CRANFORD AVE	IMAG/WPA Building Parking	City of Fort Myers	Parking	Parks and Beautification	Imaginarium-Agreement	No	
134424P3004090048	10161870	0.35	HOUGH ST	Langford Kingston Home	Non-Profit Organization	Parking	Lessee	Langford Kingston Home-Agreement	No	
134424P300409004A	10161869	0.33	1522 HOUGH ST	Langford Kingston Home	Non-Profit Organization	Parking	Lessee	Langford Kingston Home-Agreement	No	
134424P4004070020	10162403	1.26	2286 MAIN ST	Parking Lot	For-Profit Organization	Parking	Parks and Beautification		No	
134424P3004090040	10161872	0.12	1603 FOWLER ST		For-Profit Organization	Parking	Parks and Beautification	Langford Kingston Parking Lot-Agreement	No	
144424P3000110000	10162534	0.51	2050 EDWARDS DR	Post Office Parking Lot	Other	Parking	Public Works	Post Office Parking-Agreement	No	
144424P3000110010	10162535	0.18	1372 HEITMAN ST	Post Office Parking Lot	Other	Parking	Public Works	Post Office Parking	No	
184425P2025000030	10251141	0.46	MARION ST	Shady Oaks Community Center	City of Fort Myers	Parking	Lessee	Shady Oaks Community Center-Agreement	No	
244424P1008030010	10173009	8.02	2277 GRAND AVE	Skatium/Stadium Parking	City of Fort Myers	Parking	Parks and Beautification	Former Sanctuary Skate Park	No	
244424P1011130010	10173136	3.78	2370 LAFAYETTE ST	Stadium Parking	None	Parking	Parks and Beautification		No	
134424P3006060010	10161993	0.25	2604 GUAVA ST	Vacant Lot	None	Parking	Community Development	Infill Lot Housing-Ella Piper parking lot-Agreement	No	Residential
244424P1011010150	10173059	0.53	2285 UNION ST	Fort Myers Police Department	City of Fort Myers	Police Station	Police Department	Police Department	No	
244424P1000010070	10554940	1.59	2210 WIDMAN WAY	Fort Myers Police Department Headquarters	City of Fort Myers	Police Station	Police Department		No	
134424P4004010070	10252345	3.37	HENDRY ST	Boat Ramp/Stormwater Basin	City of Fort Myers	Recreational	Public Works	Old Exhibition Hall Site	No	
284425P1000200000	10254210	431.20	3380/3400 ORTIZ AVE	Eastwood Golf Course/Eastwood Village	City of Fort Myers	Recreational	Public Works	Eastwood Golf Course	No	
354424P2000600000	10184295	133.32	3650 CECIL JOHNS RD	Fort Myers Country Club/Golf View Park	City of Fort Myers	Recreational	Parks and Beautification	GC,Tennis, Pool & Maint. Building-Agreement	No	
024524P3000640010	10186768	2.10	1700 MATTHEW DR	Fort Myers Racquet Club	City of Fort Myers	Recreational	Public Works	Racquet Club	No	
244424P1008020110	10172997	2.24	2250 BROADWAY	Fort Myers Skatium	City of Fort Myers	Recreational	Lessee	Skatium	No	
074425P4001090010	10245385	4.26	3061 E RIVERSIDE DR	Riverside Community Park	City of Fort Myers	Recreational	Public Works		No	
184425P2025000010	10251140	0.91	3280 MARION ST	Shady Oaks Community Center	City of Fort Myers	Recreational	Lessee	Shady Oaks Community Center-Agreement	No	
204425P1010060060	10545123	0.12	2147 DAVIS CT	Single Family Home	Other	Residential	Community Development	NSP Being rented in City ownership	No	
204425P1004010360	10253859	0.15	3632 AMERICAN AVE	Single Family Home	Other	Residential	Community Development	NSP Being rented in City ownership	No	
184425P2004040000	10250957	0.24	ACCESS UNDETERMINED	Vacant Land	None	Storm Water	Public Works	Not Developable	No	
184425P2004040010	10565758	0.30	ACCESS UNDETERMINED	Vacant Land	None	Storm Water	Public Works		No	
184425P2013001050	10251097	0.18	1350 BROOKHILL DR	Vacant Lot	None	Utilities	Public Works	Lift Station	No	
194425P3017040050	10252205	0.31	3330 KATHERINE ST		None	Vacant	Community Development		Yes	
284425P3000300000	10254212	37.37	ORTIZ AVE	Calusa Nature Center and Planetarium	Non-Profit Organization	Vacant	Lessee	Leased to Lee Cty. Nature Center-Agreement	No	Commercial
184425P40010A0010	10251570	0.49	3166 MICHIGAN AVE	Cemetery	None	Vacant	Parks and Beautification	Cemetery Exp	No	Cemetery
144424P3000400020	10545423	0.23	2010 W FIRST ST	Edison Sailing School	Non-Profit Organization	Vacant	Lessee	Agreement	No	
204425P10090C0070	10253665	1.95	2110 FLINT DR	Flint/Barden Community Garden	Non-Profit Organization	Vacant	Community Development	Commercial-Community Garden FMRA	No	Commercial
024524P3320FM0000	10582409	2.56	ACCESS UNDETERMINED	Grand Central Parcel	None	Vacant			No	
124424P4000010000	10161706	3.22	ISLAND	Island	None	Vacant	Other		No	
324425P100063004A	10552453	0.25	WINKLER AVE	N/A	None	Vacant			No	
074425P3001120060	10245126	1.67	7115 TARPON ST	Park and Pier	None	Vacant	Parks and Beautification		No	
194425P3006000010	10253506	7.44	ACCESS UNDETERMINED	Towles Gardens Site	None	Vacant	Community Development	Towles Gardens Site-RFP issued	No	
234424P2015000090	10172230	0.61	2325 EUCLID AVE	Vacant Land	None	Vacant	Lessee	Edison Ave Expansion-Edison/Ford	No	Residential
184425P2029000360	10251183	0.13	PATRICK AVE	Vacant Land	None	Vacant	Parks and Beautification	Not Developable-Billy Creek access	No	
194425P2012010120	10252672	0.26	3578 DR MARTIN LUTHER KING JR BLVD	Vacant Land	None	Vacant			No	
184425P2025000060	10251144	0.88	MARION ST	Vacant Land	None	Vacant	Parks and Beautification	Shady Oaks Community Center	No	
184425P301700024A	10251283	0.26	FORD ST	Vacant Land	None	Vacant	Public Works	Not Developable	No	Not Developable
114525P3000030050	10545368	1.07	ACCESS UNDETERMINED	Vacant Land	None	Vacant		Land Locked Parcel - Donated for municipal use	No	
184425P2025000050	10251143	0.52	MARION ST	Vacant Land	None	Vacant	Parks and Beautification	Shady Oaks Community Center	No	
084425P1015070010	10245694	8.81	3850 SEMINOLE AVE	Vacant Land	None	Vacant	Public Works	City looking to sale	No	
134424P200202007A	10251781	0.05	PROVIDENCE ST	Vacant Land	None	Vacant	Parks and Beautification	Not Developable	No	Not Developable
184425P4007080010	10251832	0.18	1809 LILLIE ST	Vacant Land	None	Vacant	Community Development	Not Developable	No	Not Developable
134424P30069026A	10557174	0.01	CRANFORD AVE	Vacant Land	None	Vacant			No	
184425P2025000040	10251142	0.45	MARION ST	Vacant Land	None	Vacant	Parks and Beautification	Shady Oaks Community Center	No	
194425P100201001A	10557431	0.03	PALM AVE	Vacant Land	None	Vacant	Fire Department		No	
304426P1000010010	10557302	0.52	ACCESS UNDETERMINED	Vacant Land	None	Vacant			No	
194425P1002010010	10252863	0.13	2009 PALM AVE	Vacant Land	None	Vacant	Redevelopment Agency		No	
274425P1004000150	10486375	4.27	FORUM BLVD	Vacant Land	None	Vacant	Public Works	Vacant Forum Land	No	
134424P3025050160	10162312	0.09	1958 EVANS AVE	Vacant Land	None	Vacant	Public Works	Not Developable From FDOT -Resolution	No	Not Developable
194425P2012010100	10252671	0.18	3570 DR MARTIN LUTHER KING JR BLVD	Vacant Land	None	Vacant	Public Works		No	
184425P2004030000	10252956	1.76	KING ST	Vacant Land	None	Vacant	Parks and Beautification	Shady Oaks Park	No	
184425P3000420000	10251196	1.33	ACCESS UNDETERMINED	Vacant Land	None	Vacant	Public Works	Not Developable	No	Not Developable
174425P2017000100	10249974	0.16	330 LOUISE AVE	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing	Yes	Residential
194425P1002140210	10253048	0.13	3057 LINCOLN BLVD	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing	Yes	Residential
184425P4005010080	10251757	0.14	1829 PALM AVE	Vacant Lot	None	Vacant	Community Development	Not Developable-Variance needed 50' frontage	No	Not Developable
134424P3025040060	10162290	0.35	1939 HOUGH ST	Vacant Lot	None	Vacant	Redevelopment Agency	Commercial Lee County fenced in	No	
134424P3025050150	10162311	0.13	1952 EVANS AVE	Vacant Lot	None	Vacant	Public Works	Not Developable	No	Not Developable
204425P1012000230	10253919	0.19	2155 DUPREE ST	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing	Yes	Residential



194425P3017040220	10252214	0.16	3341 CANAL ST	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing Updated Resolution Needed per 166.0451(2010)	Yes	Residential
364424P1000130060	10459451	0.28	BROADWAY	Vacant Lot	None	Vacant	Public Works	Not Developable	No	Not Developable
244424P2018030070	10173151	0.16	AUCIA ST	Vacant Lot	None	Vacant	Public Works	Not Developable-Access	No	Not Developable
244424P2027180140	10173297	0.18	2643 LARMIE ST	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing-Imaganarium Exp	No	Residential
134424P300699046A	10162056	0.03	ORANGE ST	Vacant Lot	None	Vacant	Community Development	Not Developable	No	Not Developable
194425P1002230020	10253183	0.09	3006 DUNBAR AVE	Vacant Lot	None	Vacant	Community Development	Not Developable	No	Not Developable
244424P1011060090	10173082	0.14	2338 LIBERTY ST	Vacant Lot	None	Vacant	Public Works	Not Developable-Lift station	No	Not Developable
194425P1003170050	10253395	0.15	2928 LAFAYETTE ST	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing	Yes	Residential
174425P4004000420	10250609	0.17	1785 GLENWAY CT	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing	Yes	Residential
184425P3035100060	10251476	0.36	1740 DELAWARE AVE	Vacant Lot	None	Vacant	Parks and Beautification	Environmental Finding-Home for Cemetery	No	Cemetery
134424P3006130250	10162111	0.17	1971 CRANFORD AVE	Vacant Lot	None	Vacant	Redevelopment Agency	Maintained by FMRA	No	
234424P2015000070	10172229	0.22	1808/1810 LAFAYETTE ST	Vacant Lot	None	Vacant	Community Development	Edison Ave Expansion	No	
244424P1011030070	10173065	0.14	LIBERTY ST	Vacant Lot	None	Vacant	Public Works	Not Developable-Lift station	No	Not Developable
134424P300699048A	10162060	0.06	2775 ORANGE ST	Vacant Lot	None	Vacant	Community Development	Not Developable	No	Not Developable
194425P2010050090	10252574	0.28	3571 MARTIN CT	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing	Yes	Residential
184425P4002000060	10251695	0.15	3031 INDIAN ST	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing	Yes	Residential
244424P202719040A	10173317	0.05	2747 BLAKE ST	Vacant Lot	None	Vacant	Community Development	Not Developable	No	Not Developable
184425P3035100070	10251477	0.36	1742 DELAWARE AVE	Vacant Lot	None	Vacant	Parks and Beautification	Cemetery Exp	No	Cemetery
184425P3031070080	10251333	0.11	HENDERSON AVE	Vacant Lot	None	Vacant	Community Development	Commercial	No	Commercial
184425P4011000080	10251969	0.16	3130 ECONOMY ST	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing	Yes	Residential
244424P2027150268	10173254	0.12	2025 CRANFORD AVE	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing-Imaganarium Exp	No	Residential
194425P2010040130	10252559	0.09	3509 SOUTH GRIMSLEY CT	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing	Yes	Residential
174425P20170F0070	10250009	0.17	228 EUGENIA AVE	Vacant Lot	None	Vacant	Community Development	Not Developable	No	Not Developable
134424P3006990460	10162055	0.14	2769 ORANGE ST	Vacant Lot	None	Vacant	Community Development	Not Developable Updated Resolution Needed per 166.0451(2010)	No	Not Developable
184425P3035130040	10251494	0.22	1767 STARNES AVE	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing	Yes	Residential
134424P3006990480	10162059	0.05	1882 PALM AVE	Vacant Lot	None	Vacant	Community Development	Not Developable	No	Not Developable
084425P2041000210	10246149	0.10	780 ADAMS AVE	Vacant Lot	None	Vacant	Community Development	Not Developable	No	Not Developable
194425P4000620090	10253520	1.08	2905 SOUTH ST	Vacant Lot	None	Vacant	Public Works	STARS Expansion	No	Recreational
244424P202718016A	10173299	0.17	2651 LARMIE ST	Vacant Lot	None	Vacant	Community Development	Not Developable-Infill Lot Housing-Imaganarium Exp	No	Not Developable
134424P3006990488	10162061	0.01	ORANGE ST	Vacant Lot	None	Vacant	Community Development	Not Developable	No	Not Developable
244424P1011060200	10173088	0.14	2239 VICTORIA AVE	Vacant Lot	None	Vacant	Public Works	Not Developable-lift station	No	Not Developable
244424P2027200150	10173331	0.17	2648 LARMIE ST	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing	Yes	Residential
244424P40130F0130	10173828	0.15	2336 WILLARD ST	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing Updated Resolution Needed per 166.0451(2010)	Yes	Residential
244424P2027180240	10173302	0.18	LARMIE ST	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing CRA-Imaganarium Exp	No	Residential
084425P4043010010	10246918	0.15	BELMONT ST	Vacant Lot	None	Vacant	Community Development	Water Retention	No	
184425P1000030060	10250699	0.10	1520 HIGH ST	Vacant Lot	None	Vacant	Community Development	Not Developable	No	Not Developable
204425P1012000380	10253931	0.12	2309 DUPREE ST	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing	Yes	Residential
234424P40210A004C	10550393	0.18	1440 SANDRA DR	Vacant Lot	City of Fort Myers	Vacant	Parks and Beautification	Stormwater-Park	No	
084425P2037030020	10246051	0.40	4238 ARMEDA DR	Vacant Lot	None	Vacant	Public Works	Abandoned Water Tank Site	No	
134424P3006800020	10162025	0.16	LIME ST	Vacant Lot	None	Vacant	Community Development	Not Developable-Infill Lot Housing-give to adjacent Updated Resolution Needed per 166.0451(2010)	No	Not Developable
184425P4005010010	10251751	0.07	2855 ECONOMY ST	Vacant Lot	None	Vacant	Community Development	Not Developable	No	Not Developable
194425P2005001040	10252110	0.12	2246 HENDERSON AVE	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing	Yes	Residential
174425P10190A0190	10250102	0.33	327 NOGALES ST	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing	Yes	Residential
184425P4009080070	10448488	0.12	1933 WRIGHT ST	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing	No	Residential
244424P2027220060	10173364	0.18	2617 MARKET ST	Vacant Lot	None	Vacant	Community Development	Infill Lot Housing	Yes	Residential
194425P3018080010	10579794	2.52	3348 SOUTH ST	Vacant Lots	None	Vacant	Public Works	Environmental Finding Arsenic lime sludge	No	

out of scope, excluded properties