



# MEMORANDUM

TO: The Honorable Ed Montanari, Chair and Members of City Council  
FROM: Alfred Wendler, Director, Real Estate & Property Management  
DATE: March 18, 2021 *AW*  
SUBJECT: Tropicana Field Appraisals

---

The City initially engaged two appraisal firms to provide appraisals for the Tropicana Field site with two sets of criteria: 1) with and without a stadium, and 2) with and without height restrictions. The City received the first two appraisals from BBG, Inc. ("BBG") and Urban Realty Solutions ("URS"). The attached exhibit summarizes the valuations reached by the respective appraisers using the two sets of assumptions the City requested.

Upon review of the two appraisals, and due to the low valuation contained in the BBG appraisal, City Administration decided to seek a third appraisal. The Spivey Group ("TSG") was engaged to provide such, using the same criteria the previous two appraisers used. The valuation of TSG is also summarized in the attached exhibit.

Appraisals are a matter of opinion of value as of a specific date for a specific property. As such it is normal to have a range of valuations between appraisals. However, in the instance of the BBG valuation, the dollar amount did not make sense. As noted in the exhibit, for taxation purposes, the Pinellas County Tax Collector values the property at \$105,000,877, which is substantially more than BBG's valuation. It is generally understood that the taxable valuation is less than the fair market value, so this raised concerns with City Administration as to the validity of the BBG appraisal.

URS estimated a retail value of \$247,120,584 before applying a 10-year discounted cash flow analysis. URS chose to apply the cash flow analysis to reach the estimated market value shown in the exhibit which falls within appraisal standards for large properties of this type. It would be more appropriate to rely on the retail value as the cash flow analysis assumes that the property owner would not receive all the value of the land at once but rather over a period of time, and as the City is contemplating entering into a master



City of St. Petersburg  
Real Estate & Property Management  
P.O. Box 2842  
St. Petersburg, FL 33731-2842  
O: 727-893-7500



# MEMORANDUM

agreement for all the property at one time, the City would be using the retail valuation for the master agreement.

The TSG appraisal reflects an estimated market value of \$277,431,000. The TSG and URS values are more representative of a normal difference in valuation that would be expected for this property. Typically, a property owner, when presented with two valuations for a property, would normally choose the higher of the two valuations. In this instance the City should do the same and rely on the value estimate by TSG of \$277,431,000.

The valuations the appraisals establish will be used as the basis for negotiations with developers to create lease and development agreements for the entire project. This valuation will be used to decide how the City proceeds in negotiations with any potential developers. And to determine lease rates and length of leases, not simply for the sale of any portion of the property.



City of St. Petersburg  
Real Estate & Property Management  
P.O. Box 2842  
St. Petersburg, FL 33731-2842  
O: 727-893-7500

**TROPICANA FIELD APPRAISAL COMPARISON - March 2021**

	Value with stadium: height restriction	Land value: height restriction	Value with stadium: no height restriction	Land value: no height restriction
<b>BBG</b> <b>(Woodman Herr, MAI)</b> <b>(Date of valuation 8/25/2020)</b>	\$41,300,000	\$66,100,000	\$41,300,000	\$66,100,000

Comments: **1)** As indicated in the appraisal report, the 2019 assessed value for the subject property per the Pinellas County Tax Collector was \$105,000,877. The Value with stadium is approximately 40% of that value and the Land value is approximately 63% of that value. Typically, valuations for tax assessments are significantly lower than actual Fair Market Value. **2)** In applying a 10 year discounted cash flow analysis, the appraiser assumed no sale of any land the 1st year, resulting in a **net loss** of \$3,315,251 (out of pocket expenses). **3)** The values reflected in this appraisal represent significant statistical outliers. For the aforementioned reasons, this appraisal should not be considered.

<b>Urban Realty Solutions</b> <b>(Linwood Gilbert, MAI)</b> <b>(Date of valuation 10/27/2020)</b>	\$139,900,000	\$164,100,000	\$139,900,000	\$164,100,000
---	---------------	---------------	---------------	---------------

Comments: **1)** The estimated retail value of the land, prior to applying a discounted cash flow analysis resulting in the estimated values reflected above, is \$247,120,584 which tends to lend credence to the estimated values per Glen Spivey below. **2)** In applying a 10 year discounted cash flow analysis, the appraiser assumed sales revenue within the 1st year of \$23,307,928 resulting in a net present value income of \$13,188,456. Note: The appraisal report reflects the 2020 assessed value for the subject property per the Pinellas County Tax Collector as \$121,890,191.

<b>The Spivey Group</b> <b>(Glen Spivey, MAI)</b> <b>(Date of valuation 1/14/2021)</b>	N/A Value in land only	\$277,431,000	N/A Value in land only	\$279,979,000
--	---------------------------	---------------	---------------------------	---------------

Comments: The appraiser made a direct comparison of the subject property to properties undergoing major redevelopment in market areas including the Water Street development in downtown Tampa, the Ybor City assemblage at Channelside Dr. (with previous plans for this to have been the future location of the Tampa Bay Rays), the Orlando Soccer Stadium and a parcel of land in downtown Fort Lauderdale with plans for a high rise mixed-use development. The estimated values reflected in this appraisal appear to be most representative of value for the subject property.