



Appraisal Review Report

Review of VIIS 01-137A (USA to GVI) Exchange

Review for U.S. Department of Interior, National Park Service

Date of Value September 9, 2021

Date of Review December 20, 2021

Reviewer(s) Michael J. Brady, MAI, SRA, AI-GRS
Florida State-certified general real estate appraiser RZ3118
Appraisal & Valuation Services Office



United States Department of the Interior
Office of Valuation Services

Transmittal

AVIS Number: P210007 **Date:** December 20, 2021
Agency Case ID: 11522
To: U.S. Department of Interior, National Park Service
Subject: Appraisal Review
VIIS 01-137A (USA to GVI) Exchange

My review report concerning the appraisal of the above captioned property follows this letter, comprised in these sections:

Executive Summary	4
Review Scope of Work	5
Review Analysis	7
Review Conclusion	15

The appraiser, H. Linwood Gilbert, Jr., MAI, concludes a market value as September 9, 2021 of \$1,230,000.

The subject is an undeveloped parcel of land containing approximately 11.30 acres or 492,228 square feet. It is under ownership of National Park Service and is proposed for a land exchange with the government of the United States Virgin Islands as a site for a new school. The United States Virgin Islands has proposed to exchange Whistling Island, a small key located just offshore of St. John, for the subject site. Both properties are under governmental ownership and zoned Preserve. A legal instruction authorizes the use of a hypothetical condition that the United States owned parcel be appraised as if in private ownership and available for sale to its highest and best use on the open market. Based upon the legal instruction, and hypothetical condition, the property has been valued assuming that the zoning would be changed to R-1, Low Density Residential.

An extraordinary assumption was authorized because the appraiser was encouraged to begin working on this assignment upon engagement. The appraiser conducted the site inspection on June 18, 2021; however, the temporary appraisal license was not issued by the Virgin Island government until July. Rather than requiring the appraiser to return to St. Croix, local NPS personnel inspected the site and confirmed that condition of the site had not changed since the

June 2021 site inspection. The extraordinary assumption assumes the condition of the subject property is the same as of the appraisal date as it was at time of our June site inspection. The surrounding properties consist of single-family residential estates and undeveloped parcels with heavy vegetation. The subject borders a national park to the east which contains the ruins of the Catherineberg Sugar Mill, a historic site on the island. The southeastern section of the subject site contains the ruins of old stone buildings and a cemetery dating back to the 19th century. These ruins and cemetery cover 2.67 acres or 116,305 square feet of the subject site and will remain as Preserve or green area leaving 375,923 square feet or 8.63 acres of buildable land on which to construct the school and recreational areas. There are currently no driveways or cleared pathways from either road through the subject property.

According to the title insurance commitment provided, there are no significant restrictions, conditions, reservations, easements and/or right of ways and covenants that may affect the title to the subject property.

Based on my review dated December 20, 2021, I **APPROVE** the appraisal for your use.

Michael J. Brady, MAI, SRA, AI-GRS
Florida State-certified general real estate appraiser RZ3118

Executive Summary

Appraisal	
Appraiser(s)	H. Linwood Gilbert, Jr., MAI
Property Owner	United States of America
Property Appraised	11.30-acre unimproved parcel of land
Real Property Interest	Fee simple estate subject to the exceptions indicated in the preliminary title report
Extraordinary Assumptions	Yes
Hypothetical Conditions	Yes
Jurisdictional Exceptions	Yes
Highest & Best Use	Development with residential use or a public service facility.
Date of Report	November 22, 2021
Date of Value	September 9, 2021
Market Value	\$1,230,000
Review of the Appraisal	
Client	U.S. Department of Interior, National Park Service
Intended User(s)	National Park Service on behalf of the United States of America and the Territorial Government of the Virgin Islands
Intended Use	The review report provides the AVSO client (NPS) approval to use the appraisal that concludes the market value for the proposed land exchange of the subject property. It is not intended for any other use.
Date of Review	December 20, 2021
Review Conclusion	APPROVE

Review Scope of Work

Regulatory Compliance My review development and this review report comply with:

1. USPAP, Standard 3
2. UASFLA, Section 3
3. AVSO Valuation Policy Manual (602 DM 1)

Purpose of the Assignment This review concludes the appraisal report's credibility by analyzing the

1. Completeness of the material presented within the applicable scope of work
2. Accuracy, adequacy, and relevance of the data and propriety of adjustments to the data
3. Appropriate appraisal methods and techniques
4. Appropriateness and reasonableness of the analysis, opinions, and conclusions
5. Current usefulness to the intended users of my review report

Extent of Review *Appraisal Report:* I have read the appraisal report, but I have not examined the work file or verified data accuracy.

Subject Property: I have not inspected the subject property.

Market Research: I have not inspected nor verified information about the comparable sales used in the appraisal report. I did no additional research for additional or more applicable comparable sales.

Limiting Conditions

- I do not authorize the out-of-context quoting from, or partial reproducing of this review report.
- I base this review report on information and data contained in the appraisal report.
- I assume that the data contained in the appraisal report are factual and accurate.
- I reserve reconsidering my review conclusions should information become available that contradicts the data relied on in the appraisal report.

Extraordinary Assumptions None.

Hypothetical Conditions None.

Consult with Appraiser *Instructions:* The basis of the appraisal assignment was the Statement of Work, dated January 19, 2021 prepared by the review appraiser.

Pre-Work Meeting: A pre-work meeting took place by telephone on May 17, 2021 with H. Linwood Gilbert, Jr., MAI.

Requests for Revision: On November 1, 2021, I emailed the appraiser a memo outlining requested revisions and clarifications. On November 15, 2021, I received the revised appraisal report and sent the appraiser an email on the same date requesting one additional revision. On November 16, 2021 I received a final version; however, on November 22, 2021 I received another final version after the appraiser discovered an error.

Review Analysis

Assignment Adequate
Instructions The final appraisal report complied with the Statement of Work

Certification Adequate
The report contained the elements of the suggested certification as illustrated in the 2020 – 2021 version of the Uniform Standards of Professional Appraisal Practice (USPAP) and the 6th edition of the Uniform Appraisal Standards for Federal Land Acquisition.

Limiting Conditions Adequate

Extraordinary Assumptions Adequate
The Statement of Work did not include any approved extraordinary assumptions. The appraiser conducted the site inspection on June 18, 2021; however, the temporary appraisal license was not issued by the Virgin Island government until July. Rather than requiring the appraiser to return to the Virgin Islands, local NPS personnel inspected the site and confirmed that condition of the site had not changed since the June 2021 site inspection. The extraordinary assumption assumes the condition of the subject property is the same as of the appraisal date as it was at time of our June site inspection.

Hypothetical Conditions Adequate
This appraisal assignment is the United States side of a land exchange with the Government of the Virgin Islands. Per UASFLA standards a legal opinion was obtained, and the appraisal is made subject to the following hypothetical condition. The 11.3-acre federal tract is appraised as if in private ownership and available for sale in the open market. Based upon the legal instruction, and hypothetical condition, the property has been valued assuming that the zoning would be changed to R-1, Low Density Residential.

Jurisdictional Exception Adequate
UASFLA provides that the appraiser shall not link an estimate of market value for federal land acquisition purposes to a specific exposure time. This is contrary to USPAP Standards Rule 1-2(c) and Standards Rule 2-2(a) for developing and reporting exposure time and is considered a jurisdictional exception.

Scope of Work	Adequate The Scope of Work is adequately described in the appraisal report. The information that should be included in the scope of work section is addressed within in the appraisal report.
Client	Adequate U.S. Department of Interior, Appraisal and Valuation Services Office (AVSO).
Intended Users	Adequate The initial report had the Department of the Interior, AVSO. The final report had National Park Service on behalf of the United States of America and the Territorial Government of the Virgin Islands.
Intended Use	Adequate Facilitate a land exchange of the identified property
Date of Value	Adequate September 9, 2021
Date of Report	Adequate November 22, 2021
Definition of Market Value	Adequate The correct market value definition from the Uniform Appraisal Standards for Federal Land Acquisitions, section 1.2.4 of the 6th Edition was included.
Property Rights Appraised	Adequate The initial report stated Fee Simple Estate. The revised report states Fee Simple Estate subject to the exceptions indicated in the preliminary title report.
Summary of Appraisal Problems	Adequate This is a UASFLA 6th edition compliant appraisal assignment and it is no longer necessary to include a summary of the appraisal problem section.
Legal Description	Adequate The appraisal report uses the legal description from the most recent deed.

- Contact with Owner** Adequate
The appraiser made contact with a representative from the National Park Service and a staff member of the National Park Service accompanied him during the site inspection.
- Property Inspection** Adequate
The appraiser, H. Linwood Gilbert, MAI, made a physical inspection of the property June 18, 2021. The owner's representative was contacted but did not accompany the appraiser on the inspection. Local NPS personnel reinspected the site and confirmed that condition of the site had not changed since the June 2021 site inspection.
- Location and Neighborhood** Adequate
The appraisal report includes a thorough discussion in the section titled Market Area on pages 22 through 34. The section is comprehensive, but some data was dated.
- Property Description** Adequate
The property characteristics and attributes are described and discussed in the property data section of the report on pages 35 - 41.
- Legal and Physical Access** Adequate
According to the report, access is available along the southern border of the property along Centerline Road or to the east on Route 207, but no paved driveway or paths or road access has been built on the site.
- Use, Rent, and Sale History and Analysis** Adequate
The report indicates that the property has been in the ownership of the National Park Service for over 10 years. It is not listed for sale. The initial report did not report the last sale, but the revised report does.
- Tax Assessment Analysis** Adequate
The initial and final appraisal report shows a 2020 assessed value of \$2,681,000. There is no discussion of why the assessed value is higher than the indicated market value concluded in the report. This omission does not have a negative affect on the credibility or reliability of the value conclusion.

**Zoning and Land
Use Restrictions**

Adequate

Page 44 and 45 discuss zoning and land use. The subject is zoned P – Public District, which is primarily intended to accommodate the wide range of public uses distributed throughout the Territory (e.g., park and recreation facilities, schools, transportation facilities, etc.)

Section 1.12 page 53, UASFLA advises that when appraising the federal land portion of the exchange, the regulations require that the appraiser “estimate the value of the lands and interests as if in private ownership and available for sale in the open market. This is an assignment condition that requires a legal instruction and creates a hypothetical condition.” Because the federal land is appraised as if in private ownership, to its highest and best use, any other surrounding federal land cannot be part of a larger parcel because (due to the hypothetical condition) it is under different ownership and has a different highest and best use.

The initial report included a comment that “it is a hypothetical condition that the subject lot could be rezoned to the R-1 zoning district.” This comment is based upon the fact that this is a federally owned parcel and is part of a land exchange. Because the federal land is appraised as if in private ownership, to its highest and best use, it is reasonable to assume the residential zoning; however, additional comment is necessary to explain that because of the assignment condition that created the hypothetical condition it is reasonable to make this assumption. The final report included the additional comment.

Other Not applicable

Valuation

**Highest and Best
Use Estimate**

Adequate

The four tests of highest and best use are discussed and an analysis of the available options for the property are presented. The report concludes the Highest and Best Use is for development to residential use or to a public service facility.

The discussion in the Zoning and Land Use Restrictions section above applies to this section with regard to the assumption without explanation that the subject would have a change in zoning to residential use.

Larger Parcel Determination Adequate
When appraising the federal land portion of a land exchange, the UASFLA regulations require that the appraiser “estimate the value of the lands and interests as if in private ownership and available for sale in the open market. This is an assignment condition that requires a legal instruction and creates a hypothetical condition. Because the federal land is appraised as if in private ownership, to its highest and best use, any other surrounding federal land cannot be part of a larger parcel because (due to the hypothetical condition) it is under different ownership and has a different highest and best use.

The initial appraisal report concluded different larger parcel determinations throughout the report. It also erred in the larger parcel determination as a result of not following the guideline and determining that the subject property is the larger parcel as directed in UASFLA section 1.12, titled Special Considerations in Appraisals for Federal Land Exchanges.

The revised report correctly indicates that the larger parcel is the 11.3-acre subject site because it is the federal property that will be exchanged.

Selection of Approaches to Value Adequate
The sales comparison approach is used in the appraisal. The use of the sales comparison approach is typical and reasonable methodology for the valuation of unimproved land. According to UASFLA, it is also the preferred approach for valuation assuming sufficient comparable sales data is available. The income approach is not applicable due to the paucity of market rental data and the cost approach is not applicable because the property is vacant and unimproved land. These conclusions are typical and reasonable.

Sales Comparison Approach

Analysis of Subject Previous Sales Adequate
The report indicates that the property has been in the ownership of the National Park Service for over 10 years. It is not listed for sale. The initial report did not report the last sale, but the revised report does.

Comparable Sales Selection Adequate
The initial appraisal report contained nine closed sales; however, one was a sale to an NGO and three sales could not be verified with a party to the transaction. The final report was revised to include five primary sales and four secondary sales. The primary sales transferred between June 2010 and October 2020. The sales price per square foot ranged

from \$1.88 to \$8.54 per square foot. The secondary sales transferred between January 2017 July 2019. The sales price per square foot ranged from \$0.49 to \$3.33 per square foot.

Comparable Sales Description Adequate
Each of the comparable sales has a thorough summary and narrative description with information about the transaction, property features, a photograph and an aerial map.

Adjustment Characteristics Adequate
The appraisal report considered transactional and property adjustments for a variety of elements of comparison. The report contains consistent data between comparable sales description and adjustment grid.

Adjustment Methodology Adequate
The adjustments in the appraisal report are completed by the qualitative method. The sales are then put into a ranking order.

Unit of Comparison Selection Adequate
Price per square foot

Transactional Adjustments

Property Rights Adequate
Property Rights conveyed consists of the fee simple estate, as were all the comparable sales and no adjustment for property rights conveyed is necessary.

Financing Terms Adequate
No adjustments were made for financing terms.

Conditions of Sale Adequate
No adjustments were made for the condition of sale.

Expenditures After Purchase Adequate
No adjustments were made for expenditures after purchase.

Market Conditions Adequate
The report contains a comprehensive discussion of market conditions dating back to 2001. Additionally, a number of real estate brokers familiar with the U S Virgin Island real estate market and general economy were surveyed as to the health of the market and future expectations. All brokers commented on the recent increase in demand

and felt that prices were increasing, but there have been too few sales to support a specific percentage increase.

Property Adjustments

Location Adequate
In the Virgin Islands, the most significant factor is waterfrontage, followed by views.

Physical Characteristics Adequate
Configuration, topography and utility of the comparable sales were generally similar to the shape and developability of the subject, with some having slightly better home sites.

According to the report, due to the hilly terrain, virtually all lots in the islands are hilly to a degree, some quite steep. For those desiring a high hillside or mountainside lot with good views, all that matters is whether there is a site suitable for constructing a house. Configuration and topography of the comparable sales were generally similar to the shape and developability of the subject, with some having slightly larger buildable sites. Utility was generally the same for the comparable sales.

Economic Characteristics Not applicable

Use and Zoning Adequate
The subject is zoned P, Public for Public land uses. Based upon the legal instruction, it is a hypothetical condition that the zoning would be changed to R-1, Low Density Residential.

Contribution of Improvements and Non-Realty Not applicable

Other Adequate
Pages 77 – 82 of the report contains a ranking of sales discussion. The nine sales are briefly discussed and qualitatively compared and contrasted to the subject. A conclusion is reached as to each sales superiority or inferiority compared to the subject.

Reconciliation Adequate
The report contains a summary of land value on page 82. There is a narrative discussion and chart that illustrates where the subject is

ranked. The appraisal report concludes a per unit value of \$2.50 per square foot or \$1,230,000 rounded ($492,228 \text{ sf} \times \$2.50 = \$1,230,570$).

Review Conclusion

Completeness and Accuracy of the Material Presented

The appraisal report indicates that the subject market is adequately defined, the subject property is properly described, the public record information is pertinent, and the comparable sales are sufficiently depicted. The scope of work developed in the report is acceptable for the intended users identified in the Statement of Work. The appraisal report complies with the requirements of USPAP, UASFLA, and the Statement of Work.

As such, the material under review is complete and accurate, given the reviewer's scope of work.

Adequacy and Relevance of the Data and Propriety of Adjustments

The appraiser is experienced appraising similar land parcels in the Virgin Islands. The five primary and four secondary comparable sales are located in St. Croix. All but one of the sales is located on St. John and one is located on St. Thomas. A weakness of the report is the lack of a robust market in the Virgin Islands. Many of the sales used are dated. Conversations conducted with the appraiser throughout the assignment, led me to an opinion that comprehensive research was undertaken to uncover the most similar sales in the market and that the date of sale had to be expanded. Based upon the comparable sales used, the appraisal report arrived at a credible opinion of value.

The comparable data used was the best data available and therefore, adequate, relevant, and reasonable. Based upon the sales used in the analysis, the data is adequate, relevant, and reasonable.

Appropriateness of Appraisal Methods and Techniques

For a vacant land assignment, a sales comparison approach is typically the most appropriate and reasonable method of appraising its market value. The appraisal report compares nine closed sales, all but one on St. John island. The search for comparable sales required an expanded date of sale; however, the comparable sales used provided an adequate representation of the subject property's competitive market, which gives the valuation analysis and conclusions reliability. Therefore, the appraisal method utilized was reasonable, appropriate and produced a credible valuation.

The statement of work identified the appraisal problem to be answered as an opinion of the market value for the subject property.

Appropriateness and Reasonableness of the Analysis, Opinions, and Conclusions

The various conclusions within the appraisal report all appear reasonable and appropriate for the property's appraisal valuation. The appraisal report has conclusions about both Highest and Best Use and the Larger Parcel determination. They are analyzed in sufficient depth, follow a logical

order and reach a credible conclusion for this property. The final market value conclusion appears reasonable based on sales data presented.

The appraisal report contains a final market value opinion of \$2,230,000.

Based upon the data presented, the conclusion is reasonable and well supported considering the available data and produces a credible value opinion.

Date of Review Report

December 20, 2021

Reliability of Value Conclusion as of the Date of Review Report

The various conclusions within the appraisal report all appear reasonable and appropriate for this property's appraisal valuation. The appraisal report has conclusions about both Highest and Best Use and the Larger Parcel determination. They are analyzed in sufficient depth, follow a logical order and reach a credible conclusion for this property. The final market value conclusions appear reasonable based on sales data presented.

Based upon the data presented, the conclusion is reasonable and well supported given the available data and produces a credible value opinion.

Conclusion

APPROVE

Reviewer Certification

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

- The facts and data I reported and used in the review process are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions, limiting conditions, and legal instructions, and are the personal, impartial, and unbiased professional analyses, opinions, and conclusions of the appraiser.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved. Although the United States Department of the Interior is my employer, I am acting without prejudice towards that party.
- I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
- My engagement on this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
- My analysis, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions.
- My appraisal review and review report preparation conform with the Appraisal Foundation's Uniform Standards of Professional Appraisal Practice except to the extent that the Uniform Appraisal Standards for Federal Land Acquisitions require invocation of USPAP's Jurisdictional Exception Rule, as described in Section D-1 of the Uniform Appraisal Standards for Federal Land Acquisitions.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within a three-year period immediately preceding acceptance of this assignment.
- No one provided me significant appraisal review assistance.
- I have not made a personal inspection of the subject property under review.
- I have not made a personal inspection of the comparables cited in the appraisal report under review.
- I have not verified the factual data presented in the appraisal report reviewed.

December 20, 2021

Michael J. Brady, MAI, SRA, AI-GRS
Florida State-certified general real estate appraiser RZ3118

Reviewer Qualifications

QUALIFICATIONS OF APPRAISER MICHAEL J. BRADY, MAI, SRA, AI-GRS

State Certified General Real Estate Appraiser, State of Florida, License # RZ3118
Licensed Real Estate Broker, State of Florida, License # BK3008804, State of Georgia, License #373074
MAI, SRA & AI-GRS Designated Member of the Appraisal Institute
South Florida Chapter of the Appraisal Institute, Treasure 2015, Regional Representative 2014-2015, Board of Directors 2007 through 2012. Leadership Development Advisory Council participant 2007, 2008 & 2009. Associate Leadership Committee Chair 2006 through 2009. 2015 to present Atlanta Chapter member.
Member International Right of Way Association, Chapter 76, South Florida President 2007 & 2008, Valuation Committee Chair 2006 through 2013. 2015 to present Georgia Chapter 22 member.
Value Adjustment Board-Special Magistrate Broward County 2011, Martin County 2009 & 2010, Palm Beach County 2009 to 2015

EDUCATION AND SPECIAL TRAINING

Graduate, State University of New York at Brockport, Bachelor of Science, (Major: Political Science) 1978
Attended and completed the following courses/seminars:

Appraisal Institute

Course 550: Advanced Applications
Course 540: Report Writing and Valuation Analysis
Course 530: Advanced Sales Comparison & Cost Approach
Course 520: Highest & Best Use and Market Analysis
Course 510: Advanced Income Capitalization
Course 310: Basic Income Capitalization
Course 400: National Uniform Standards of Professional Appraisal Practice
Course 420: Business Practices and Ethics
Course 710: Condemnation Appraising: Basic Principles & Applications
Course 720: Condemnation Appraising: Advanced Topics & Applications
Real Estate Finance, Statistics & Value
Uniform Standards for Federal Land Acquisition (Yellow Book)
Scope of Work Seminar
Appraisal of Nonconforming Uses
An Appraiser's Intro/Overview of the US Hotel Industry
Hotel Market Studies & Valuations/Using HV Software
Appraising the Appraisal: Appraisal Review-General
Fundamentals of Separating Real and Personal Property from Intangible Business Assets
Review Theory – General
Valuation of Conservation Easements
Instructor Qualifying Conference
Rural Valuation Basics
Solving Land Valuation Puzzles
Advanced Land Valuation: Sound Solutions to Perplexing Problems

International Right of Way Association

Course 400: Principals of Real Estate Appraisal
Course 403:Easement Valuation
Course 421:The Valuation of Partial Acquisitions
Course 431:Problems in the Valuation of Partial Acquisitions
Course 801: United States Land Titles
Course 802: Legal Aspects of Easements

American Society of Farm Managers and Rural Appraisers

Foundations of Appraisal Review

Warnell School at the University of Georgia

Forestry for the Non-Forester

Department of Justice

Department of Interior - Land Acquisition Training

**QUALIFICATIONS OF APPRAISER
MICHAEL J. BRADY, MAI, SRA, AI-GRS**

EXPERIENCE

02/2015 to Present Department of the Interior – Appraisal and Valuation Services Office
Federal Lands Division - Parks and Reclamation Team
Review Appraiser

07/03 to 02/2015 Michael Brady & Associates, Inc.
Principal

10/09 to 02/2015 Value Adjustment Board Palm Beach County
Special Magistrate

08/03 to 02/2015 Anderson & Carr, Inc.
Contract Appraiser

04/01 to 08/03 Premier Appraisals, Inc.
Contract Appraiser

03/95 to 12/99 Bruckner, Tillett, Rossi, Cahill & LeGrett
Real Estate Appraisal, Analysis and Consulting Group
Staff Appraiser

10/92 to 12/94 Lakeside Appraisal, Inc.
Staff Appraiser

01/99 to 12/99 Prudential Rochester Realty
Real Estate Salesperson

1/88 to 12/98 ERA Paul Fischer Realtors
Real Estate Salesperson

10/85 to 12/87 ERA Lighthouse Properties
Real Estate Salesperson

Types of Property Appraised-Partial Listing

Agricultural/Farms	Industrial Building	Retail Fuel Facility's
Aircraft Hangers	Leasehold/Leased Fee Value	Retail Properties
Apartment Buildings	Medical Buildings	Schools
Bank Buildings	Mobile Home Parks	Self-Storage Facility's
Bowling Center	Office Buildings	Shopping Centers
Commercial Condominiums	Partial Property Interest	Special Purpose Buildings
Day Care Facility's	Recreational Properties	Vacant Land
Easements	Residential-All Types	Warehouses
Eminent Domain Appraisals	Restaurants	