

**APPRAISAL CONSULTING  
ASSIGNMENT No. 03-10-01**

Project: Greater Pine Island  
Community Plan Update  
County: Lee County, Florida

**PREPARED FOR**  
Timothy Jones, Esq.  
Chief Assistant County Attorney  
LEE COUNTY BOARD OF COUNTY COMMISSIONERS  
Post Office Box 398  
Fort Myers, FL 33902-0398

04 August 2004

**PREPARED BY**  
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Fort Myers, FL 33901-3051

# HANSON REAL ESTATE ADVISORS, INC.

Real Estate Valuation and Counseling

04 August 2004

Timothy Jones, Esq.  
Chief Assistant County Attorney  
LEE COUNTY BOARD OF COUNTY COMMISSIONERS  
Post Office Box 398  
Fort Myers, Florida 33902-0398

Re: Appraisal Consulting Assignment No. 03-10-01  
Project: Greater Pine Island Community Plan Update  
County: Lee County, Florida.

Dear Mr. Jones:

This real property appraisal consulting report is submitted for the purpose of determining what economic impacts (if any) might occur to the Pine Island market area if the 09 January 2003 changes to the Land Plan are made final as presently written, and are implemented through the regulations formulated by the Greater Pine Island Civic Association ("GPICA").

The central focus of this analysis is to address the property value impacts (if any) associated with changes to the Future Land Use Map ("FLUM") from the Rural (1 du./ac.) category to the new Coastal Rural (1 du./10 ac.) category, which requires clustering to maintain the previous density levels (1 du./ac.). In addition, we have addressed the impact of the plan's relaxation of previous restrictions on rezoning and on approval of new residential development orders that are triggered by the 810/910 traffic count milestones. Lastly, the effects of future land plan changes forming a part of litigation settlement agreements, if available during the study period, was to be considered (no such settlement agreements were reached).

According to Page 13 of the Greater Pine Island Plan Community Update ("GPICPU"), the greater Pine Island market area contains 25,380 gross acres. This acreage total includes 13,088 acres of wetlands, 2,763 acres of agriculture lands (22.5% of uplands), 4,853 acres of forests (39.5% of uplands), and 4,676 acres of urban area (38.0% of uplands). More recent estimates by the Lee County Planning Division have placed agricultural lands at 3,210 acres, including 2,355 acres of active agricultural (e.g. palm groves, tropical fruit orchards, row crops, etc.) lands and 855 acres to passive agricultural (e.g. pasture, etc.) lands.

The GPICPU proposes to designate 7,405 acres (60.2% of uplands) of greater Pine Island as Coastal Rural on the FLUM of the Lee Plan. Per Lee Plan, Policy 1.4.7 and associated Land Development Code ("LDC") Section 34-655 the Coastal Rural designation will provide for a "density recapture model" which affects permitted dwelling unit densities based on the percentage of preserved or restored native upland habitats. A maximum density of one (1) dwelling unit per one (1) acre would be permitted if 70 percent of the land were preserved or restored to native upland habitat.

Page 2  
Timothy Jones, Esq.  
04 August 2004

The sliding scale does not address farmland preservation (with the exception of proposed language in the LDC allowing up to 10% of the preserved or restored area to consist of commercial or non-commercial agricultural land). Therefore, farmers are subject to the same requirement as non-farmers when preparing land for development. However, most farmed lands do not have native upland habitat remaining. Thus, a farmer desiring to develop his/her farm into a residential subdivision would be allowed to develop at one (1) dwelling unit per ten (10) acres without taking any preservation or restoration measures. For an increase in density, a farmer would need to restore upland areas by re-creating native habitats that had been typical of Greater Pine Island. The greater percentage of farmland restored to native habitat (or any land restored for that matter), the greater residential density permitted.

Consequently, the agricultural landowner will face significant capital outlays for native upland habitat restoration. It is the appraiser consultant's opinion that the combination of these factors will result in a **\$60.0 million loss in market value to the agricultural lands**. No other adverse impacts were found.

Thank you for having given Hanson Real Estate Advisors, Inc., the opportunity to provide the Lee County Board of County Commissioners with appraisal consulting services at this time. If you have any questions concerning this report or the analysis and conclusions presented therein, please contact this office at your earliest convenience.

Respectfully submitted,

HANSON REAL ESTATE ADVISORS, INC.

A handwritten signature in black ink that reads "Woodward S. Hanson" with a stylized flourish at the end.

Woodward S. Hanson, MAI, CRE, CCIM  
St. Cert. Gen. REA RZ 1003

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**MAP 1  
CPA 2001-18**




*Current Future Land Use*  
August 29, 2002

**Legend**

**FUTURE URBAN AREA**

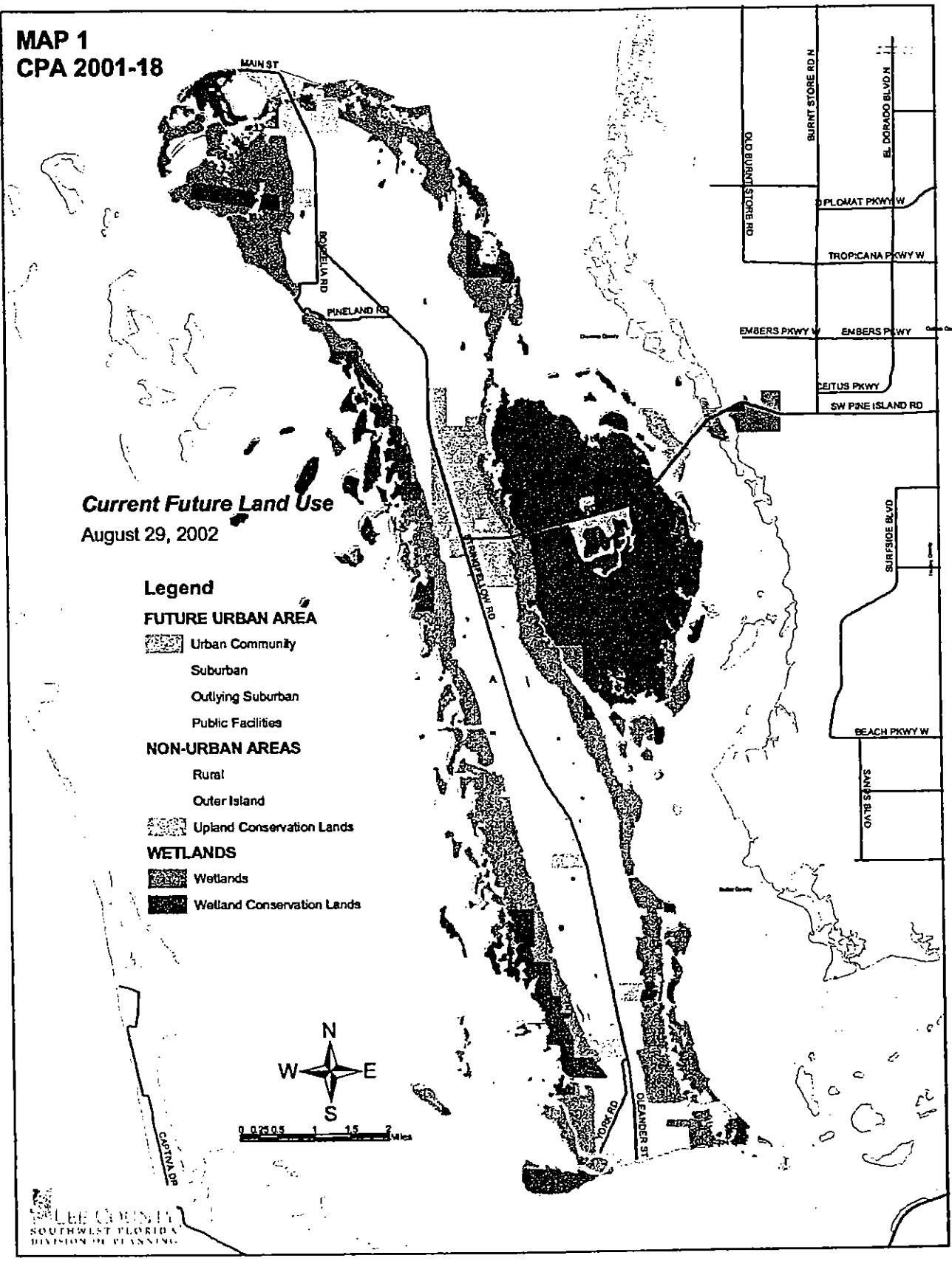
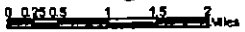
-  Urban Community
-  Suburban
-  Outlying Suburban
-  Public Facilities

**NON-URBAN AREAS**

-  Rural
-  Outer Island
-  Upland Conservation Lands

**WETLANDS**

-  Wetlands
-  Wetland Conservation Lands







**MAP 1  
CPA 2001-18**




*Proposed Future Land Use*  
August 29, 2002

**Legend**

**FUTURE URBAN AREAS**

-  Urban Community
-  Suburban
-  Outlying Suburban
-  Public Facilities



**NON-URBAN AREAS**

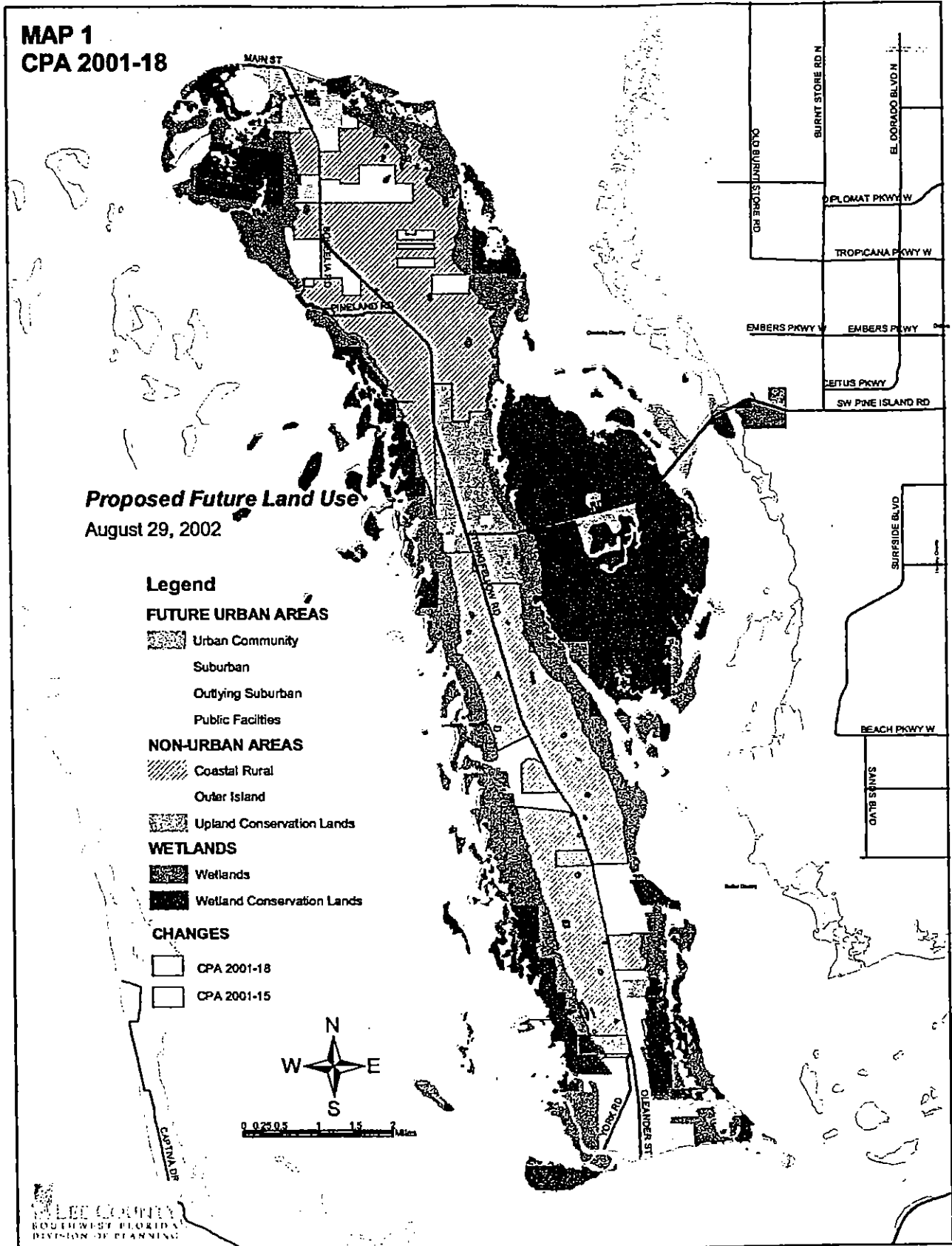
-  Coastal Rural
-  Outer Island
-  Upland Conservation Lands

**WETLANDS**

-  Wetlands
-  Wetland Conservation Lands

**CHANGES**

-  CPA 2001-18
-  CPA 2001-15



## **EXECUTIVE SUMMARY**



## EXECUTIVE SUMMARY

### THE PURPOSE OF THE APPRAISAL CONSULTING ASSIGNMENT

According to the 04 December 2003 engagement contract between the Lee County Board of County Commissioners and Hanson Real Estate Advisors, Inc., the purpose of the appraisal consulting assignment is stated as:

“The purpose of the assignment is to determine what economic impacts (if any) might occur to the Pine Island market area if the 09 January 2003 changes to the Land Plan are made final as presently written and are implemented through the regulations formulated by the Greater Pine Island Civic Association. The central focus of this analysis will be to address the property value impacts (if any) associated with changes to the Future Land Use Map from the Rural category to the new Coastal Rural category, which requires clustering to maintain the previous density levels. In addition, the impact of the plan’s relaxation of previous restrictions on rezoning and on approval of new residential development orders that are triggered by the 810/910 traffic count milestones must be considered. Lastly, the effects of future land plan changes forming a part of litigation settlement agreements, if available during the study period, must also be considered.”

### MAJOR ELEMENTS OF THE GREATER PINE ISLAND COMMUNITY PLAN UPDATE

The central focus of this analysis identifies two major components to be analyzed by the appraiser consultant. These are summarized as follows:

- Address property value impacts (if any) associated with changes to the Future Land Use Map (“FLUM”) from the Rural (one dwelling unit per acre) category to the Coastal Rural (one unit per ten acres) category, which requires clustering to maintain the previous density levels, and;
- Consider the impact of the plan’s relaxation of previous restrictions (Policy 14.2.2) on rezoning and on approval of new residential development orders that are triggered by the 810/910 traffic count milestones.

### BACKGROUND OF THE GREATER PINE ISLAND COMMUNITY PLAN UPDATE

In summary, the Greater Pine Island Community Plan Update (“GPICPU”) presents a community plan for Greater Pine Island. This plan update was formally submitted to Lee County in September 2001. An informal coalition of Pine Island residents formulated the original “future land use map (e.g. the Lee Plan)” for Pine Island that was adopted by Lee County into its 1984 comprehensive plan. Five years later, a community plan prepared by the Greater Pine Island Civic Association (“GPICA”) was the basis for a complete section of the Lee Plan (now under Goal 14). The opening statement of the community plan explained its purpose:

**GOAL 14:** *To manage future growth on and around Greater Pine Island so as to maintain the island's unique natural resources and character and to insure that island residents and visitors have a reasonable opportunity to evacuate when a hurricane strike is imminent.*

Almost fifteen years have passed since Goal 14 and its supporting policies and maps were adopted. Due to the passing of time, new factors have arisen that require an overall re-examination of the plan.

## PRE-EXISTING CONSIDERATIONS

The "GPICPU" identifies several pre-existing conditions that affect land utilization and property values whether or not the "GPICPU" is adopted. These issues must be understood so that their impacts are not misconstrued as impacts resulting from the "GPICPU." The following issues are identified:

- **Constrained Road Designation:** Lee County has designated certain roads that cannot (or should not) be widened as "constrained." Lee Plan Objective 22.2 accepts a trade-off of reduced peak hour levels of service for preservation of scenic, historic, environmental and aesthetic character of a community. The Matlacha section of Pine Island Road has been designated as "constrained" since 1989.
- **Matlacha Historic District:** Following the designation of Pine Island Road as a "constrained road" in 1989, Lee County designated the central portion (about 45 buildings) of Matlacha as a historic district in 1990. This designation would not legally prevent Lee County from altering or demolishing historic buildings, but it indicates the historic value of many of Matlacha's buildings in addition to its unique village character.
- **The 810/910 Rule:** Policy 14.2.2 of the Lee Plan indicates that when traffic on Pine Island Road between Burnt Store Road and Stringfellow Road reaches 810 peak hour, annual average, two-way trips, further rezonings which increase traffic on Pine Island Road are restricted, and when traffic reaches 910 peak hour, annual average, two-way trips, there are restrictions on further residential development orders. It is the appraiser consultant's understanding the 810/910 traffic thresholds have been exceeded.

According to Pete Eckenrode, Director of Lee County's Division of Development, Department of Community Development, the 810 and 910 thresholds have been exceeded. The Concurrency Inventory and Management Report ("CIMR"), containing this data, will be submitted to the Lee County Board of County Commissioners in November or December 2004 for inclusion in the Lee Plan.

## SUMMARY AND CONCLUSIONS

In summary, the appraiser consultant has estimated that the GPICPU will not adversely affect properties with sufficient native upland habitat to recapture lost allowable residential densities through the application of the "density recapture model" and "clustered development."

However, those properties without existing native upland habitat (e.g. 3,210 acres classified active and passive farm fields) will have to comply with a habitat restoration program on 70 percent of their site in order to retain the pre-existing density of 1 du./ac. Engelhardt Hammer & Associates ("EHA") has estimated the cost of restoration to range from \$20,000 per acre to \$40,000 per acre. The appraiser consultant considered the economic feasibility (i.e., does it cost more to restore native upland habitat than the amount of value saved?) of the restoration program in the development of the economic impact estimate.

In conclusion, the economic impacts that are expected to occur to the Pine Island market area if the 09 January 2003 changes to the Land Plan are made final as presently written and are implemented through the regulations formulated by the GPICA, are summarized as follows:

- Forested Properties with Adequate Native Upland Habitat: No Impact.
- Agricultural Properties Without Native Upland Habitat:
  - Active Agriculture: Loss of \$40.0 million in market value.
  - Passive Agriculture: Loss of \$12.0 million in market value.
- Outlying Suburban FLUM Area (157 Acres): Loss of \$9.0 million in market value.

Therefore, it is the appraiser consultant's opinion the total impact resulting from the GPICPU is **\$61.0 million**, or rounded to \$60.0 million.

**IDENTIFICATION  
OF THE  
APPRAISAL CONSULTING ASSIGNMENT**

## IDENTIFICATION OF THE APPRAISAL CONSULTING ASSIGNMENT

### IDENTIFICATION OF THE CLIENT AND INTENDED USERS

The Uniform Standards of Professional Appraisal Practice – 2004 Edition (e.g., USPAP 2004 Edition) defines “client” and “intended user” as follows:

- *Client:* The client is the party or parties who engage an appraiser (by employment or contract) in a specific assignment. On this basis, the client is identified as Timothy Jones, Esq., Chief Assistant County Attorney, on behalf of the Lee County Board of County Commissioners, whose address is Post Office Box 398, Fort Myers, Florida 33902-0398.
- *Intended User:* The intended user is the client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment. On this basis, the intended user is identified as the Lee County Board of County Commissioners.

### IDENTIFICATION OF THE INTENDED USE

The Uniform Standards of Professional Appraisal Practice – 2004 Edition (e.g., USPAP 2004 Edition) defines “intended use” as:

“the use or uses of an appraiser’s reported appraisal, appraisal review, or appraisal consulting assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.”

The “intended use” of this appraisal consulting report is to assist the Lee County Board of County Commissioner’s in determining if the proposed 09 January 2003 amendments to the Lee Plan will result in any adverse impact(s) to the Pine Island market area, as geographically defined in the Greater Pine Island Community Plan Update.

### THE PROBLEM TO BE SOLVED

The appraisal consulting problem to be solved relates primarily to a determination of the economic impact (if any) which shall occur to the Pine Island market area if the 09 January 2003 changes to the Land Plan are made final as presently written and are implemented through the regulations formulated by the Greater Pine Island Civic Association.

Significant components to this assignment include without limitation:

- *Coastal Rural Land Use Designation:* Modification of Lee Plan Policy 14.1.8 to reclassify all uplands on Pine Island previously designated as Rural to a new Coastal Rural on the Future Land Use Map. The purposes of this redesignation are to provide a clearer separation between rural and urban habitats, to discourage the unnecessary

destruction of native upland habitats, and to avoid placing more dwelling units on Pine Island than can be served by limited road capacity to the mainland. This FLUM category has a maximum density of 1 du./10 ac.

- *Density Recapture Model:* The density recapture model of the Lee Plan, Policy 1.4.7 and associated Land Development Code Section 34-655 affects permitted dwelling unit densities based on the percentage of preserved or restored native upland habitats. The model is a sliding scale allowing increases in density per increases in preservation and restoration. If no land is preserved or restored, a maximum density of one dwelling unit per ten acres (1 du./10 ac.) would be permitted. A maximum of one (1) dwelling unit per one (1) acre would be permitted if seventy percent of the land were preserved or restored to native upland habitat.
- *810/910 Rule:* The 810/910 Rule was developed to control the amount of future growth on Greater Pine Island by controlling the level of traffic on Pine Island Road. Policy 14.2.2 of the Lee Plan indicates that when traffic on Pine Island Road between Burnt Store Road and Stringfellow Road reaches 810 peak hour, annual average, two-way trips, further rezonings which increase traffic on Pine Island Road are restricted, and when traffic reaches 910 peak hour, annual average, two-way trips, there are restrictions on further residential development orders. It is the appraiser consultant's understanding that these traffic thresholds have been exceeded.
- *Other Transportation Issues:* Lee Plan Policy 14.2.3 indicates that Lee County will take whatever actions are feasible to increase the capacity on Pine Island Road. Alternatives typically discussed in this regard include the construction of left-turn lanes at intersections of local roads in Matlacha or a continuous third lane. The feasibility of these alternatives would be affected by existing bridge widths, the designation of Pine Island Road through Matlacha as a "constrained road" per Lee Plan Objective 22.2, the designation of Matlacha by Lee County as a "historic district," hurricane evacuation and the proximity of adjacent structures to existing road right-of-way.

## THE PURPOSE OF THE APPRAISAL CONSULTING ASSIGNMENT

According to the 04 December 2003 engagement contract between the Lee County Board of County Commissioners and Hanson Real Estate Advisors, Inc., the purpose of the appraisal consulting assignment is stated as:

"The purpose of the assignment is to determine what economic impacts (if any) might occur to the Pine Island market area if the 09 January 2003 changes to the Land Plan are made final as presently written and are implemented through the regulations formulated by the Greater Pine Island Civic Association. The central focus of this analysis will be to address the property value impacts (if any) associated with changes to the Future Land Use Map from the Rural category to the new Coastal Rural category, which requires clustering to maintain the previous density levels. In addition, the impact of the plan's relaxation of previous restrictions on rezoning and on approval of new residential development orders that are triggered by the 810/910 traffic count milestones must be considered. Lastly, the

effects of future land plan changes forming a part of litigation settlement agreements, if available during the study period, must also be considered.”

### **SUBJECT PROPERTY AND MARKET AREA IDENTIFICATION**

The GPICPU includes Pine Island, Little Pine Island and Matlacha. Pine Island is about 17 miles long and at its widest point is about 2 miles wide. Surrounded by harbors, bays, and dense mangrove forests, Pine Island is characterized by seven residential villages. With best access to the water, these residential villages include Bokeelia, Pineland, Matlacha, Flamingo Bay, Tropical Homesites/Manatee Bay, and St. James City. Pine Island is bounded by Matlacha Pass to the east, Charlotte Harbor to the north, Pine Island Sound to the west, and the Caloosahatchee River to the south.

### **EFFECTIVE DATES OF THE APPRAISAL CONSULTING ASSIGNMENT**

The effective date of the appraisal consulting assignment results is 04 August 2004, the date of appraisal pertinent to each opinion of value used in support of any appraisal consulting results, and the date of the appraisal consulting report is 04 August 2004.

### **SCOPE OF WORK AND EXTENT OF DATA COLLECTION**

The appraiser consultant has completed the following tasks and interviewed the following individuals during the process of developing and communicating the analysis and conclusions of this appraisal consulting assignment:

- Reviewed Lee County Ordinance No. 03-03, the Greater Pine Island Community Plan Update, and the implementing policies of the plan.
- Personally visited the Pine Island market area on numerous occasions. Inspections of the market area were completed by automobile and airplane.
- Researched those areas designated on the Lee Plan's "FLUM" as Rural (1dwelling unit per acre) for information related to land uses, purchase motivation and transactional details. Individual transactions were verified by the appraiser consultant or his staff.
- Researched those areas designated on the Lee Plan's "FLUM" as Density Reduction/Groundwater Resource (1dwelling unit per 10 acres) for information related to land uses, purchase motivation and transactional details. Individual transactions were verified by the appraiser consultant or his staff.
- Analyzed price differences between land sales located in the "Rural" area of the "FLUM" and the "Density Reduction/Groundwater Resource" area of the "FLUM."

- Researched the Pine Island market area for information relating to recent land transactions. This data was verified by the appraiser consultant or his staff.
- Interviewed real estate professionals who specialize in Pine Island properties, including without limitation Richard Krieg, Mike Shevlin, Ken Cox, Marty Yettin, Greg Eagle, Noel Andress, and Carlin Herring.
- Interviewed William M. Spikowski, AICP, the author of the “GPICPU,” and reviewed his January 20, 2004 deposition.
- Reviewed the October 27, 2003 deposition of David Loveland, Manager of Transportation Planning, Lee County Department of Transportation.
- Met with Pat Buchanan, a member of the Greater Pine Island Civic Association.
- Met with Russel M. Setti and Russell Schropp, Esq., for the purpose of discussing Mr. Setti’s plan for a 1,045.3 acre Florida Quality Development (“FQD”) to be located on Pine Island.
- Met with Robert Clemens with Lee County’s Office of County Lands. Mr. Clemens has been involved in Lee County’s acquisition of several Pine Island properties through Lee County’s Conservation 2020 program.
- Met with Ray Pavelka, a member of Lee County’s Conservation 2020 advisory board and director of the Little Pine Island Mitigation Bank.
- Met with Pete Eckenrode, Director of Lee County’s Division of Development within the Lee County Department of Community Development.
- Met with Matthew D. Uhle, Esq. and his clients (various parties with agricultural interests) to discuss the perceived impact of the “GPICPU” on his clients.
- Met with Ed Dean and personally inspected several of his agricultural properties for the purpose of familiarizing myself with the scope and nature of the surface water management systems associated with these properties.
- Assembled a project team consisting of a land planner and a statistician to assist in the evaluation of issues relating to this assignment, analyze data, and make recommendations.



## SPECIAL ASSUMPTIONS

The analysis and opinions reported herein are based upon the Assumptions and Limiting Conditions contained herein as well as the following Special Assumptions:

- The agricultural properties identified herein do not have any native upland habitat.
- The active agricultural properties (2,355 acres) identified herein are assumed to have no native upland habitat. These properties are assumed to be characterized by an elaborate system of ditches, dikes, and large on-site retention systems designed to detain and treat farm runoff before it leaves the property.
- The passive agricultural properties (855 acres) identified herein are assumed to have no native upland habitat. In addition, these properties are assumed to have significantly less extensive surface water management systems.
- Restoration of the farmland to its original topography and hydrological condition would require a significant modification of the South Florida Water Management District ("SFWMD") permit, as well as major earthwork to remove the existing system of ditches and dikes. Restoration would also require contouring of the soil, removal of existing irrigation systems, as well as the coordinated effort of both an engineering and environmental consultant.
- The restoration costs provided by Engelhardt Hammer & Associates ("EHA") are reasonable, accurate, and reflect the restoration requirements of the GPICPU.
- The economic impacts identified herein do not include any economic loss related to holding costs (e.g. cost of capital, ad valorem taxes, etc.) incurred by the property owner during the time period required to complete the native upland restoration program/process.
- The restoration costs and units of value discussed herein do not relate to any one parcel in particular, but a class of properties, and have been used for developing an order of magnitude estimate relating to impacts associated with the GPICPU. The actual impact to a specific property may vary due to site specific impacts and conditions.

## SIGNIFICANT PROFESSIONAL ASSISTANCE

Significant professional assistance was provided to the appraiser consultant by the following individuals:

- Ethel D. Hammer, President  
Engelhardt, Hammer & Associates  
5444 Bay Center Drive, Suite 122  
Tampa, FL 33609

**LEE COUNTY ORDINANCE NUMBER 03-03  
(Greater Pine Island Community Plan)  
(CPA 2001-18)**

## LEE COUNTY ORDINANCE NUMBER 03-03 GREATER PINE ISLAND COMMUNITY PLAN

### INTRODUCTION

In summary, Lee County Ordinance No. 03-03 is an ordinance amending the Lee County Comprehensive Plan, commonly known as the "Lee Plan," adopted by Ordinance No. 89-02, as amended, so as to adopt Amendment CPA 2001-18 (Pertaining to the Greater Pine Island Community Plan) approved during the County's 2001/2002 regular comprehensive plan amendment cycle; providing for amendments to adopted text and Future Land Use Map; Purpose and Short Title; legal effect of the Lee Plan; geographical applicability; severability, codification, scrivener's errors, and an effective date. A full and complete copy of Lee County Ordinance No. 03-03 is presented in the addendum of this report for the reader's review.

### TIMELINE OF CRITICAL EVENTS

An overview of the timeline of events relating to the adoption of Ordinance No. 03-03 is presented:

- *25 March and 22 April 2002:* The Lee County Planning Agency ("LPA") held public hearings pursuant to Florida Statutes and Lee County Administrative Code.
- *05 September 2002:* The Lee County Board of County Commissioners ("Board") held a public hearing for the transmittal of the proposed amendment. At that hearing, the Board approved a motion to send, and did later send, proposed amendment CPA2001-18 pertaining to the Greater Pine Island Community Planning Effort to the Florida Department of Community Affairs ("DCA") for review and comment.
- *22 November 2002:* DCA issued their written comments commonly referred to as the "ORC Report."
- *09 January 2003:* At a public hearing, the Board moved to adopt the proposed amendment to the Lee Plan adopting the Greater Pine Island Community Plan.
- *Current:* A 14 June 2004 administrative hearing was recently postponed with no alternative date scheduled.
- *02 August 2004:* Public hearing with Lee County Board of County Commissioners meeting at Old Courthouse to discuss Pine Island development moratorium.

### LEE COUNTY'S 2000/01 COMPREHENSIVE PLAN AMENDMENT CYCLE

On 09 January 2003, the Board adopted and amended the Lee Plan through CPA2001-18. CPA2001-18 amends the Plan to incorporate the recommendations of the Greater Pine Island Community Planning effort, including changes to Goal 14 and subsequent Objective and Policies

specific to the Greater Pine Island Community, changes to Policy 1.4.7, and amendments to the Future Land Use Map ("FLUM"). The specific amendments adopted were:

- The establishment of a new "Coastal Rural" future land use category as described in new Policy 1.4.7 (Exhibit 1).
- Reclassify all land on Pine Island now designated as "Rural" to "Coastal Rural" (Exhibit 2).
- Amend the FLUM series to reclassify 157 acres of agricultural land between Bokeelia and September Estates from "Outlying Suburban" to "Coastal Rural" (Exhibit 3).
- Replace the existing vision statement for Pine Island in Chapter 1 of the Lee Plan with the new vision statement as shown on Exhibit 1.
- Modify Policies 14.1.5, 14.1.7, 14.2.2, 14.2.3, and 14.3.3 (Exhibit 1).
- Add new Policies 14.1.8, 14.2.4, 14.3.5, 14.4.3, 14.4.4, 14.4.5, and 14.5.4 (Exhibit 1).

## **SUMMARY AND CONCLUSION**

The plan amendments outlined above will not become effective until a final order is issued by the DCA, or the Administrative Commission finding the amendment in compliance with Section 163.3184, Florida Statutes, whichever occurs earlier. No development orders, development permits, or land uses dependent on this amendment may be issued, or commence before the amendment has become effective. If a final order of noncompliance is issued by the Administration Commission, this amendment may nevertheless be made effective by adoption of a resolution affirming its effective status. A copy of such resolution will be sent to the DCA, Bureau of Local Planning, 2555 Shumard Oak Boulevard, Tallahassee, Florida 32399-2100.

**IMPLEMENTING POLICIES  
OF THE  
GREATER PINE ISLAND CIVIC ASSOCIATION  
(GPICA)**

## IMPLEMENTING POLICIES OF THE GPICA

### INTRODUCTION

As indicated in "The Purpose of the Appraisal Consulting Assignment" section of this report, the consultant is to determine what economic impacts (if any) might occur to the Pine Island market area if the 09 January 2003 changes to the Land Plan are made as presently written and are implemented through the regulations formulated by the Greater Pine Island Civic Association ("GPICA"). The proposed amendments to the Land Plan include modifications to Lee Plan Policy No. 14.1.5, 14.1.7, 14.2.2, 14.2.3, and 14.3.3, and development of new Lee Plan Policy No. 14.1.8, 14.2.4, 14.3.5, 14.4.3, 14.4.4, 14.4.5, and 14.5.4.

The GPICPU has been sponsored as a community service by the Greater Pine Island Civic Association, with professional assistance by Spikowski Planning Associates, aided by Mohsen Salehi Consulting Services, both of Fort Myers. Generous financial assistance was provided by the Lee County Board of County Commissioners, the Florida Department of Community Affairs, and the Elizabeth Ordway Dunn Foundation, with assistance from the Florida Wildlife Federation. Updates on the progress of this plan are published in the Pine Island Eagle and are also available at <http://www.spikowski.com/pineisland.htm> and <http://www.PineIslandNews.com>.

### MODIFIED LEE PLAN POLICIES

According to Lee County Ordinance No. 03-03, the following Lee Plan Policies are currently proposed for modification:

- *Lee Plan Policy No. 14.1.5:* New development, including "planned development rezoning approvals, new subdivisions and agriculture, that adjoin state-designated aquatic preserves and associated wetlands and natural tributaries must preserve or create a 50-foot-wide native vegetated buffer area between the development and the water body or associated wetlands. This requirement will not apply to existing subdivided lots. For agriculture, this requirement:
  - Will be implemented through the notice-of-clearing process in Chapter 14 of the Land Development Code;
  - Will include a requirement to use this area as a riparian forest buffer with an adjoining filter strip wherever farmland abuts wetlands; and
  - If native vegetation does not currently exist, native tree cover will be established within three (3) years of issuance of the notice clearing.
- *Lee Plan Policy No. 14.1.7:* Lee County will design a program within one year to assess the condition of septic tank drainfields along saltwater canals in St. James City, Bokeelia, and Flamingo Bay if grant funding can be obtained and if property owners are willing to cooperate with the study. This program would analyze whether current soil conditions or the density, age, or condition of drainfields are likely to be degrading tidal

water in the canals. If serious degradation is taking place, Lee County will assess the feasibility of various corrective measures.

- *Lee Plan Policy No. 14.2.2:* In order to recognize and give priority to the property rights previously granted by Lee County for about 6,675 additional dwelling units, the county will keep in force effective development regulations which address growth on Pine Island and which implement measures to gradually limit future development approvals. These regulations will reduce certain types of approvals at established thresholds prior to the capacity of Pine Island Road being reached, measured as follows at the permanent count station on Little Pine Island:
  - When traffic on Pine Island Road reaches 810 peak hour, annual average two-way trips, the regulations will restrict further rezonings which would increase traffic on Pine Island Road through Matlacha. These regulations shall provide reasonable exceptions for minor rezonings on infill properties surrounded by development at similar intensities and those with inconsequential or positive effects on peak traffic flows through Matlacha, and may give preference to rezonings for small enterprises that promote the nature and heritage of Greater Pine Island.
  - When traffic on Pine Island Road reaches 910 peak hour, annual average two-way trips, the regulations will provide restrictions on the further issuance of residential development orders (pursuant to Chapter 10 of the Land Development Code), or other measures to maintain the adopted level of service, until improvements can be made in accordance with this plan. The effect of these restrictions on residential densities must not be more severe than restricting densities to one-third of the maximum density otherwise allowed on that property.

The 810 and 910 thresholds were based on 80% and 90% of level-of-service "D" capacity calculated using the 1965 Highway Capacity Manual, as documented in the 2001 Greater Pine Island Community Plan Update. These development regulations may provide exceptions for legitimate ongoing developments to protect previously approved densities for final phases that have a Chapter 177 plat or site-plan approval under Ordinance 86-36.

- *Lee Plan Policy No. 14.2.3:* In addition to enforcing the restrictions in the Policy 14.2.2, the County will take whatever additional actions are feasible to increase the capacity of Pine Island Road. The following measures will be evaluated:
  - The construction of left-turn lanes at intersections with local roads in Matlacha,
  - Improvements to Burnt Store Road and Pine Island Road to the east of Burnt Store that will prevent premature closure of those roads during an evacuation, closures which now limit the number of Greater Pine Island and Cape Coral residents able to evacuate.

- *Lee Plan Policy No. 14.3.3:* The County's Land Development Code will continue to state that no building or structure on Greater Pine Island will be erected or altered so that the peak of the roof exceeds thirty-eight (38) feet above the average grade of the lot in question, or forty-five (45) feet above mean sea level, whichever is the lower. No deviations from these height restrictions may be granted through the planned development process. These height restrictions will not be measured from minimum flood elevations nor will increases in building height be allowed in exchange for increased setbacks. Industrial buildings must also comply with these height restrictions.

## NEW LEE PLAN POLICIES

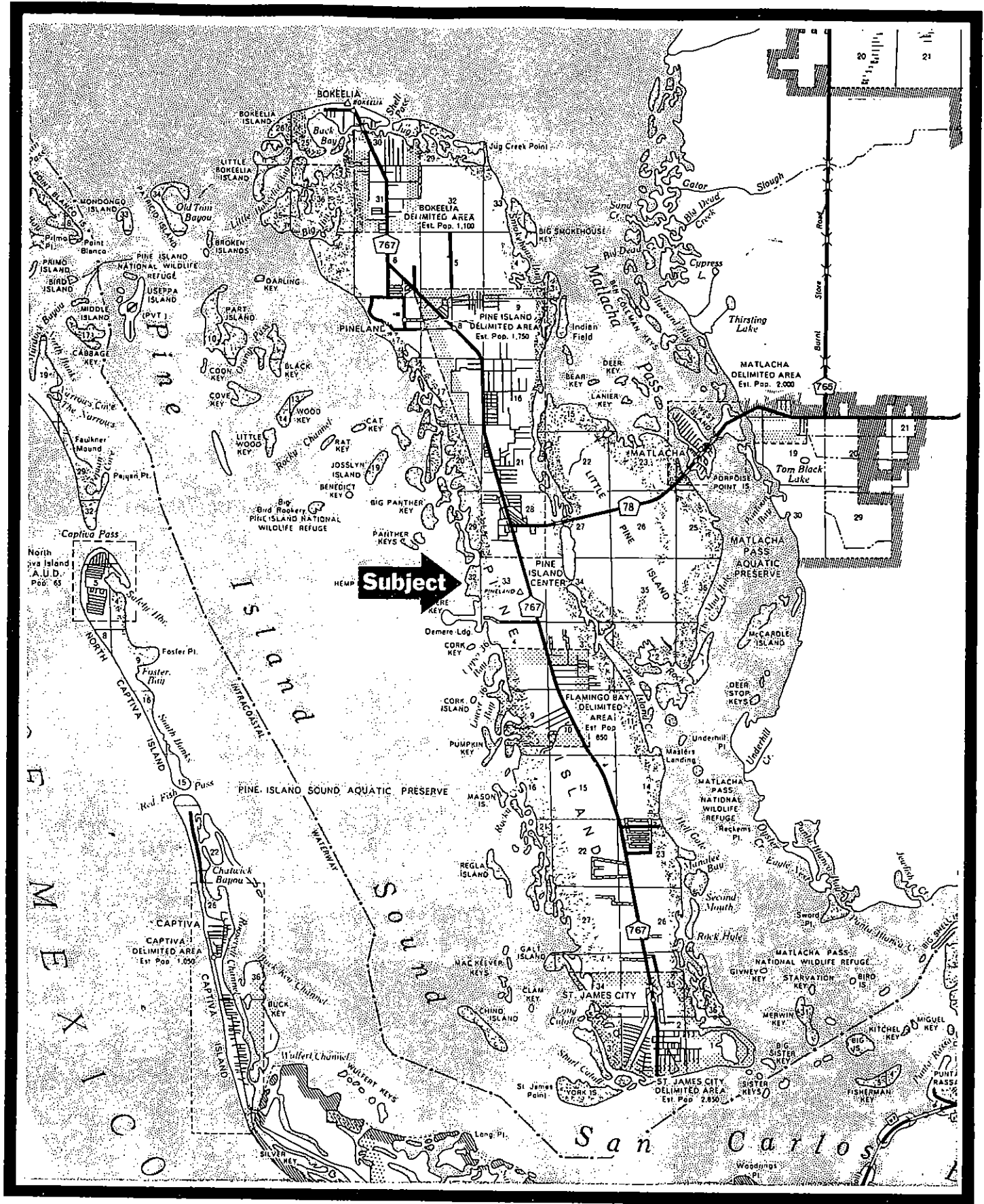
According to Lee County Ordinance No. 03-03, the following policies are currently proposed for inclusion in the Lee Plan:

- *Lee Plan Policy No. 14.1.8:* The County reclassified all uplands on Pine Island previously designated as Rural to a new Coastal Rural designation on the Future Land Use Map. The purposes of this redesignation was to provide a clearer separation between rural and urban uses on Pine Island, to discourage the unnecessary destruction of native upland habitats, and to avoid placing more dwelling units on Pine Island that can be served by the limited road capacity to the mainland. The Coastal Rural designation is designed to provide land owners with maximum flexibility while accomplishing these public purposes.
- *Lee Plan Policy No. 14.2.4:* The County will make efforts to continue extending the bicycle path to run the entire length of Stringfellow Road. Wherever possible, this path should be designed as a major public amenity similar to the high-quality design used for the bicycle path north of Pineland, which was completed in 2001.
- *Lee Plan Policy No. 14.3.5:* The County will amend its land development code to provide specific regulations for neighborhood connectivity and walls and gates on Greater Pine Island if an acceptable proposal is submitted by the Greater Pine Island community. These regulations would require interconnections between adjoining neighborhoods wherever feasible and would no longer allow perimeter walls around larger developments.
- *Lee Plan Policy No. 14.4.3:* The County will expand the commercial design standards in its land development code to provide specific architectural and site design standards for Greater Pine Island if an acceptable proposal is submitted by the Greater Pine Island community. These standards would promote but not mandate rehabilitation over demolition; require smaller rather than larger buildings; avoid standardized franchise buildings; preserve mature trees wherever possible; place most parking to the side and rear; require large windows and forbid most blank walls; and encourage metal roofs and other features of traditional "Old Florida" styles. The new commercial design standards will reflect the different characteristics of Bokeelia, Pineland, Matlacha, and St. James City.



- *Lee Plan Policy No. 14.4.4:* The County will expand its current sign regulations to include specific standards for Greater Pine Island if an acceptable proposal is submitted by the Greater Pine Island community. These standards would reduce the size of ground-mounted signs, discourage or disallow internally lit box signs, allow wall signs on buildings near the right-of-way, and allow small directional signs on Stringfellow Road for businesses not visible from the road.
- *Lee Plan Policy No. 14.4.5:* The County will establish a prioritized schedule for an effort to rezone land to zoning districts that properly reflect its development potential under the Lee Plan.
- *Lee Plan Policy No. 14.4.5:* The County will update its historic sites survey of Greater Pine Island if an update is determined to be needed. The County will consider formal local designation of additional historic buildings, especially in St. James City, Pineland, and Bokeelia, and will identify potential buildings or districts for the National Register of Historic Places.

**GENERAL OVERVIEW  
OF THE  
GREATER PINE ISLAND MARKET AREA**



**Area Map**

## OVERVIEW OF THE GREATER PINE ISLAND MARKET AREA

### INTRODUCTION

In this portion of the appraisal consulting report, the appraiser consultant will present a detailed overview of the Greater Pine Island Market area. To better understand this portion of the report, the following definitions are presented:

- *Market Area:* The defined geographic area in which the subject property competes for the attentions of market participants; the term broadly defines an area containing diverse land uses.
- *Neighborhood:* A group of complementary land uses; a related grouping of inhabitants, buildings, or business enterprises.
- *District:* A market area characterized by one predominant land use (e.g., apartment, commercial, industrial, agricultural).

In the analysis of the market area, an appraiser studies how value influences affect property value. Market areas are defined by a combination of factors (e.g., physical features, the demographic and socioeconomic characteristics of the residents or tenants, the condition of the improvements) and land use trends.

Analyzing the market area helps to provide a framework, or context, in which the opinion of property value is developed. The analysis identifies the area of influence and establishes potential limits for data that can be used to apply the approaches to value. Market area analysis also helps the appraiser consultant determine an area's stability and may indicate future land uses and value trends.

### DEFINITION OF GEOGRAPHICAL BOUNDARIES

The GPICPU has described Greater Pine Island as Pine Island, Little Pine Island, and Matlacha. These islands are located west of Cape Coral and mainland Lee County but inside the string of barrier islands along Florida's west coast. While geographically separate, Greater Pine Island is part of unincorporated Lee County and is governed by its board of county commissioners.

Pine Island is the largest island off the Florida coast. It measures some 17 miles from St. James City on the south to Bokeelia on the north and at its widest point is about two (2) miles wide. With a total size of approximately 33,620 acres, Pine Island is surrounded by an estuary formed by Charlotte Harbor, Pine Island Sound, Matlacha Pass, and San Carlos Bay.

### LIFE CYCLE OF THE GREATER PINE ISLAND MARKET AREA

The complementary land uses that make up neighborhoods and the homogeneous land uses within districts typically evolve through four stages:

- *Growth:* A period during which the market area gains public favor and acceptance.
- *Stability:* A period of equilibrium without marked gains or losses.
- *Decline:* A period of diminishing demand.
- *Revitalization:* A period of renewal, redevelopment, modernization, and increasing demand.

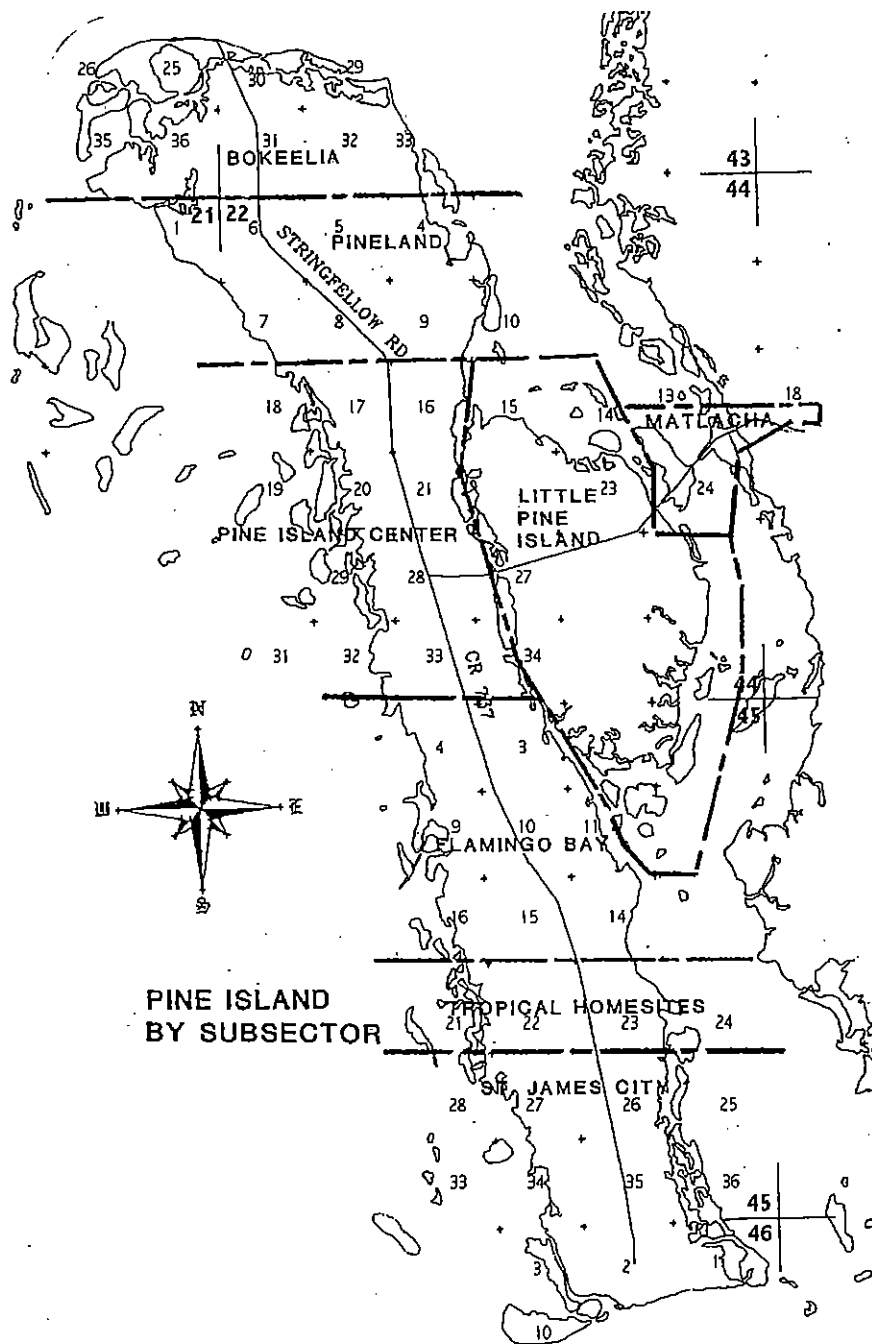
The Greater Pine Island market area is generally considered to be in a growth phase of its life cycle. Although residential growth has slowed somewhat from the 1980's, growth is inevitable. Of the "6,800 additional dwelling units" cited in Lee Plan Policy 14.2.2, about 6,675 dwelling units can be built at anytime without requiring further rezonings or subdivision approvals. Developer Russell Setti has proposed to build four projects on Pine Island: Harbour Walk Resort at Bokeelia (86 dwelling units, 48 hotel/condo rooms, and 10,000 square feet of commercial floor area), CreekWalk at Town Center (850 dwelling units, 182 hotel/condo rooms, and 400,000 square feet of commercial floor area), The Islands at Masters Landing (12 dwelling units), and Rag Island Marina and Resort (26 dwelling units, 25 hotel/condo rooms, and 10,000 square feet of commercial floor area). These projects are proposed for 1,045.2 acres, and are currently on hold until their review by an Administrative Judge.

In addition, an article titled "Values Leap by \$6 Billion" published in the News-Press on 02 June 2004, indicated that taxable property values within the Matlacha-Pine Island Fire District increased from \$995.9 million in 2003 to \$1.19 billion in 2004 (Estimated). Also, an explosion of agricultural activity on the northern half of Pine Island was not anticipated. The moderating influence of surrounding waters on the climate creates ideal growing conditions for certain tropical fruits such as mangoes, carambola, and lychees. Ornamental palms of several varieties are now being widely grown on Pine Island by individual farmers and larger growers such as Palmco and Soaring Eagle.

## POPULATION AND DEMOGRAPHIC DATA

The Greater Pine Island community is generally located within U.S. Census Tracts No. 0701.00 and 0702.00. The 2000 U. S. Census indicates the following population and demographic data for these census tracts, as of 01 April 2000:

- *Total Population:* 9,016 persons.
  - 0-5 Years: 255 (2.8%).
  - 5-14 Years: 601 (6.7%).
  - 15-24 Years: 527 (5.8%).
  - 25-34 Years: 503 (5.6%).
  - 35-44 Years: 894 (9.9%).
  - 45-54 Years: 1,306 (14.5%).
  - 55-64 Years: 1,688 (18.7%).
  - 65+ Years: 3,242 (36.0%).



**Area Map**

**HREA**

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- *Total Households:* 4,421 households.
- *Population in Households:* 9,016 persons.
- *Housing Units:* 6,143 housing units.
  - *Owner Occupied:* 3,793 housing units (61.7%).
  - *Renter Occupied:* 628 housing units (11.3%).
  - *Vacant Units:* 1,722 housing units (28.0%).

The total household estimate above does not include manufactured housing units.

### SUBMARKET IDENTIFICATION

The Greater Pine Island community is characterized by seven (7) “villages” or sub-markets which, according to the GPICPU, have been approved for 12,311 platted single-family residential lots. These sub-markets are identified as follows:

<u>Sub-Market</u>	<u>Total Lots</u>	<u>Existing Units</u>	<u>New Units</u>
Bokeelia	1,735	914	821
Pineland	2,022	322	1,700
Pine Island Center	2,269	873	1,396
Matlacha	1,029	695	334
Flamingo Bay	1,330	869	461
Tropical Homesites	713	259	454
St. James City	<u>3,213</u>	<u>1,705</u>	<u>1,508</u>
TOTALS:	12,311	5,637	6,674

Without any additional development approvals, the Greater Pine Island community is already permitted for an additional 6,674 additional dwelling units. The two largest villages are St. James City and Pine Island Center. The two villages with the greatest number of undeveloped permitted lots are Pineland and St. James City. Consequently, St. James City (at the southern end of the island) is expected to be the most heavily populated area of Greater Pine Island. Outside the village boundaries, all uplands have been designated “Rural” where residential development is limited to one dwelling unit per acre (1 du./ac.).

### LEE PLAN FUTURE LAND USE DESIGNATIONS

The GPICPU has identified the following “future urban area” designations for the seven (7) villages identified above:

<u>FLUM Designation</u>	<u>Density Range</u>	<u>Acres</u>
Urban Community	1 to 6 du./ac.	1,350
Suburban	1 to 6 du./ac.	1,427
Outlying Suburban	1 to 3 du./ac.	1,557

“Urban Community” areas can have considerable concentrations of commercial uses, and thus were assigned to Pine Island Center and Matlacha, the commercial centers for all of Greater Pine

Island. "Suburban" areas are allowed similar densities for residential development, but with fewer commercial uses. This designation has been assigned to most of Bokeelia, and St. James City, and smaller areas around the Pink Citrus, Flamingo Bay, and Pinewood Cover mobile home parks. "Outlying Suburban" areas are allowed half the density of "Suburban" areas, but comparably limited commercial uses. This designation was generally assigned to all other settlements on Pine Island.

Outside the village boundaries, all high ground has been designated "Rural," where one residential dwelling unit per acre is permitted. After adoption of the GPICPU, this land use designation will be changed to "Coastal Rural" and will include 7,405 acres of land area. The allowable residential density within the proposed "Coastal Rural" area is based upon a sliding scale allowing increases in density per increases in preservation and restoration. If no land is preserved or restored, a maximum density of one (1) dwelling unit per ten (10) acres is permitted. A maximum density of one (1) dwelling unit per one (1) acre would be permitted if 70 percent of the land were preserved or restored to native upland habitat. Development would be clustered on that portion of the site located outside of the preserved or restored areas.

## **PUBLIC UTILITIES AND SERVICES**

The Greater Pine Island community enjoys a wide range of public utilities and services. These range from:

- *Public Water:* The Greater Pine Island Water Association, Inc. provides potable water to most all of Pine Island. The water plant is characterized by 2.2 mgpd of capacity, with 1.7 mgpd currently being consumed. Water is stored on-site in one (1) three million gallon tank and one (1) two million gallon tank. A sixteen inch (16") water main runs south along Stringfellow Road from the water plant to St. James City, and a twelve inch (12"), ten inch (10"), and eight inch (8") water main runs north along Stringfellow Road to Bokeelia.
- *Waste Water Treatment:* Waste water is disposed of on Pine Island by septic tanks and drain fields, privately owned waste water treatment plants, and by Lee County Utilities. Lee County Utilities provides service to Matlacha, Little Pine Island, and Pine Island from Pine Island Center south to Cherry Estates (York Drive). This public utility is currently at capacity with a 247,000 gpd treatment plant. Youngquist Brothers, Inc. are currently installing deep injection wells as part of a permanent solution and a spray irrigation system is currently being used as part of a temporary solution.
- *Telephone Service:* Telephone service is provided to the Greater Pine Island market area by Sprint and various wireless carriers.
- *Electrical Service:* Electrical service is provided to the Greater Pine Island market area by the Lee County Electric Co-operative.
- *Solid Waste Removal:* Solid waste removal is provided to the Greater Pine Island market area by Waste Management. Fees for this service are charged annually as part of ad valorem tax bills or by private contract.



- *Internet Access:* High speed internet access is provided to most of the Greater Pine Island market area by Comcast. Dial-up internet access is also available through Sprint or various wireless providers.

## TRANSPORTATION ISSUES

Access to the Greater Pine Island community is typically provided by Pine Island Road, which runs westerly from Burnt Store Road to its intersection with Stringfellow Road at Pine Island Center. Stringfellow Road provides access from St. James City to Bokeelia. The public roadways are further described as follows:

- *Pine Island Road:* Pine Island Road is a two-lane, two-way, east-west arterial road which is reported in the Lee County Department of Transportation's – "2003 Traffic Count Report" as having an Average Annual Daily Traffic volume of 11,500 vehicles at Matlacha Pass, as compared to 11,200 in 2002.

Lee Plan Policy 14.2.2, the "810/910 Rule," indicates that when traffic on Pine Island Road between Burnt Store Road and Stringfellow Road reaches 810 peak hour, annual average, two-way trips, further rezonings which increase traffic on Pine Island Road are restricted, and when it reaches 910 peak hour, annual average, two-way trips, there are further restrictions on residential development orders. According to Pete Eckenrode, Director, Lee County Development Services, there has been no official notification (Concurrency Inventory and Management Report: December 2003) of Pine Island Road's capacity failure regarding the "810/910 Rule," as of 23 March 2004. Mr. Eckenrode indicated that official notice could not be given before October 2004.

Besides the existing bridge width constraints between Pine Island and the mainland, Pine Island Road through Matlacha is also constrained. In fact, the County has designated this segment of roadway through Matlacha as "constrained," as identified in Table 2(a), *Constrained Roads*, of the Lee Plan. Lee Plan Objective 22.2, *Constrained Roads*, states that constrained roads will not be widened. Widening and adding lanes to other segments of Pine Island Road without doing the same through Matlacha would only create bottleneck conditions for traffic approaching the constrained area (as well as bridge crossings).

Lee Plan Policy 14.2.3 states that the County will take whatever actions are feasible to increase the capacity of Pine Island Road. Working within the existing 66-foot wide right-of-way conditions through Matlacha, it may be possible to increase the number of lanes from two to three. The additional lane could function as a two-way left turn lane or a reversible lane to accommodate the heavier directional flow of traffic during the AM and PM hours. However, adding a traffic lane would require road widening, which could exacerbate the problems of pedestrian circulation and parking for business and homes in an area with little room for adjustment.

## MATLACHA HISTORIC DISTRICT

Matlacha is a Lee County-designated historic district. Many of the buildings along Pine Island Road in the district abut the right-of-way directly or are located very close to it. According to a 1982 estimate cited in the GPICPU, widening the existing right-of-way to 90 feet (from 66 feet) would result in as many as 75 businesses and homes being altered or removed. This alternative would be cost prohibitive.

It is physically possible to reconstruct this segment of Pine Island Road within the 66-foot right-of-way into a four lane road; however, this configuration would not allow for left-turn bays and would eliminate existing, much need parking currently within the right-of-way used by stores and homes, as many of the buildings are located along or the right-of-way edge. Regardless of any of these measures taken to increase the number of lanes through Matlacha, such actions would still be limited to the constraints of the adjacent two-lane bridges.

## LAND COVER SUMMARY

According to 1996 Geographic Information System ("GIS") data prepared by the South Florida Water Management District ("SFWMD") and presented on page 13 of the "GPICPU," Pine Island consists of the following land classifications:

- Wetlands: 13,088 acres, 52.0% of land area.
- Agriculture: 2,763 acres, 22.5% of upland land area.
- Forests: 4,853 acres, 39.5% of upland land area.
- Urban: 4,676 acres, 38.0% of upland land area.

Current estimates have increased the quantity of agricultural lands to 3,210 acres, allocated 2,355 acres to active farming (e.g. groves, row crops, etc.) and 855 acres to passive farming (e.g. pasture, non-active uses, etc.). While Pine Island has seen an increase of farming (by 447 acres), Lee and Collier counties lost more than 105,000 acres of farmland, according to the 2002 Census of Agriculture.

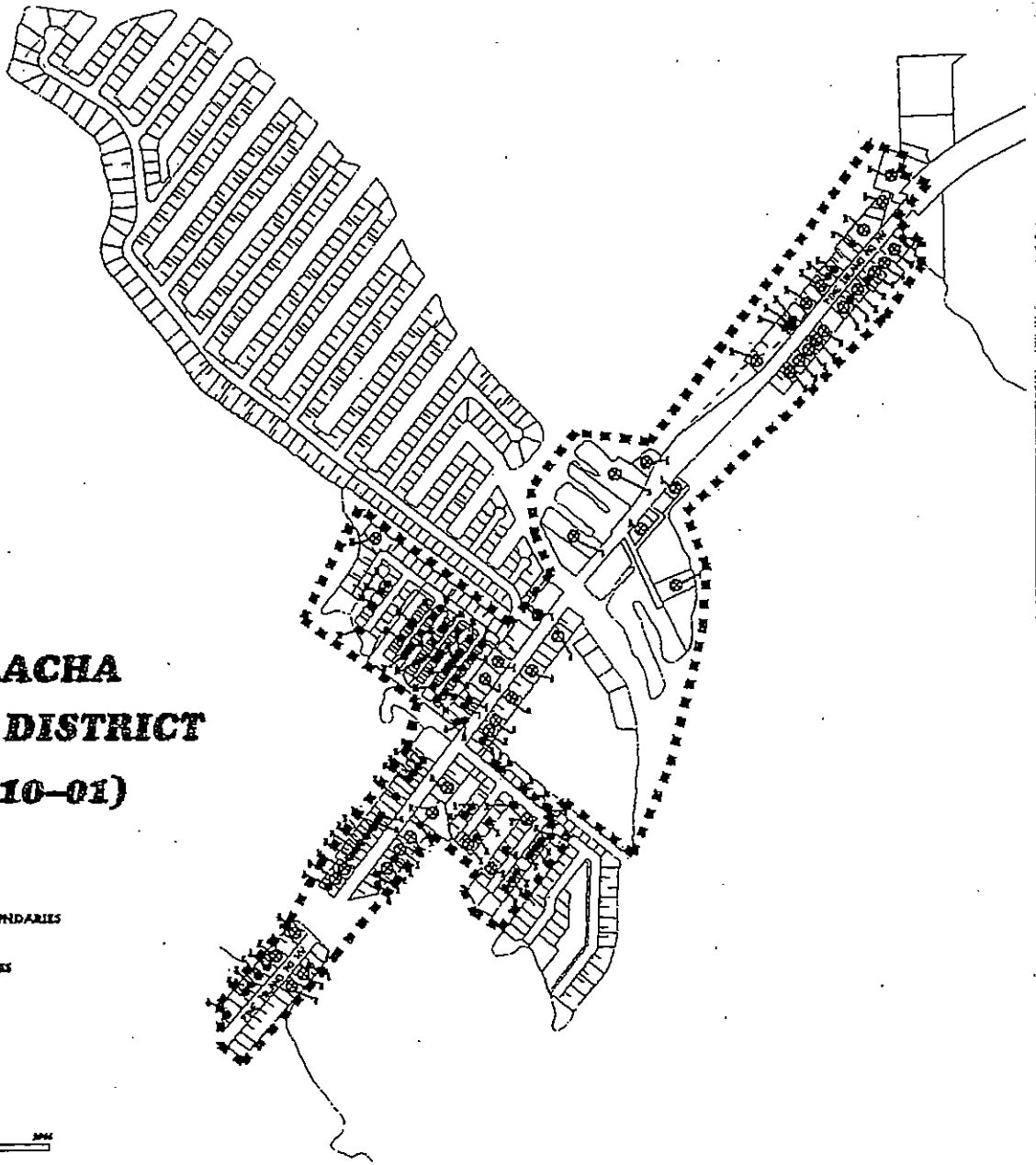
**MATLACHA  
HISTORIC DISTRICT  
(HD-90-10-01)**

■■■■■ DISTRICT BOUNDARIES

⊗ HISTORIC SITES



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SCALE IN FEET



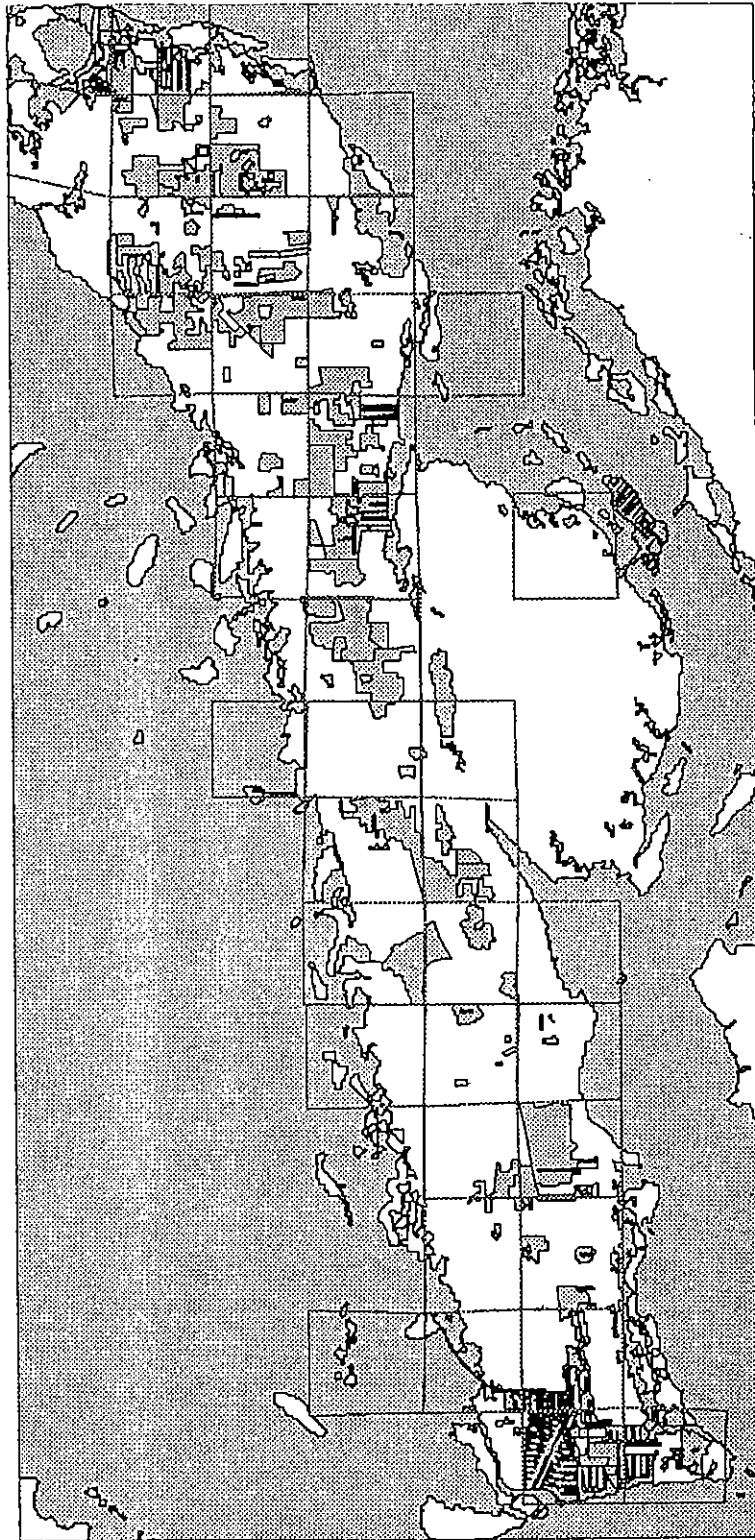
*Designated historic district in Matlacha*

**Area Map**

**HREA**

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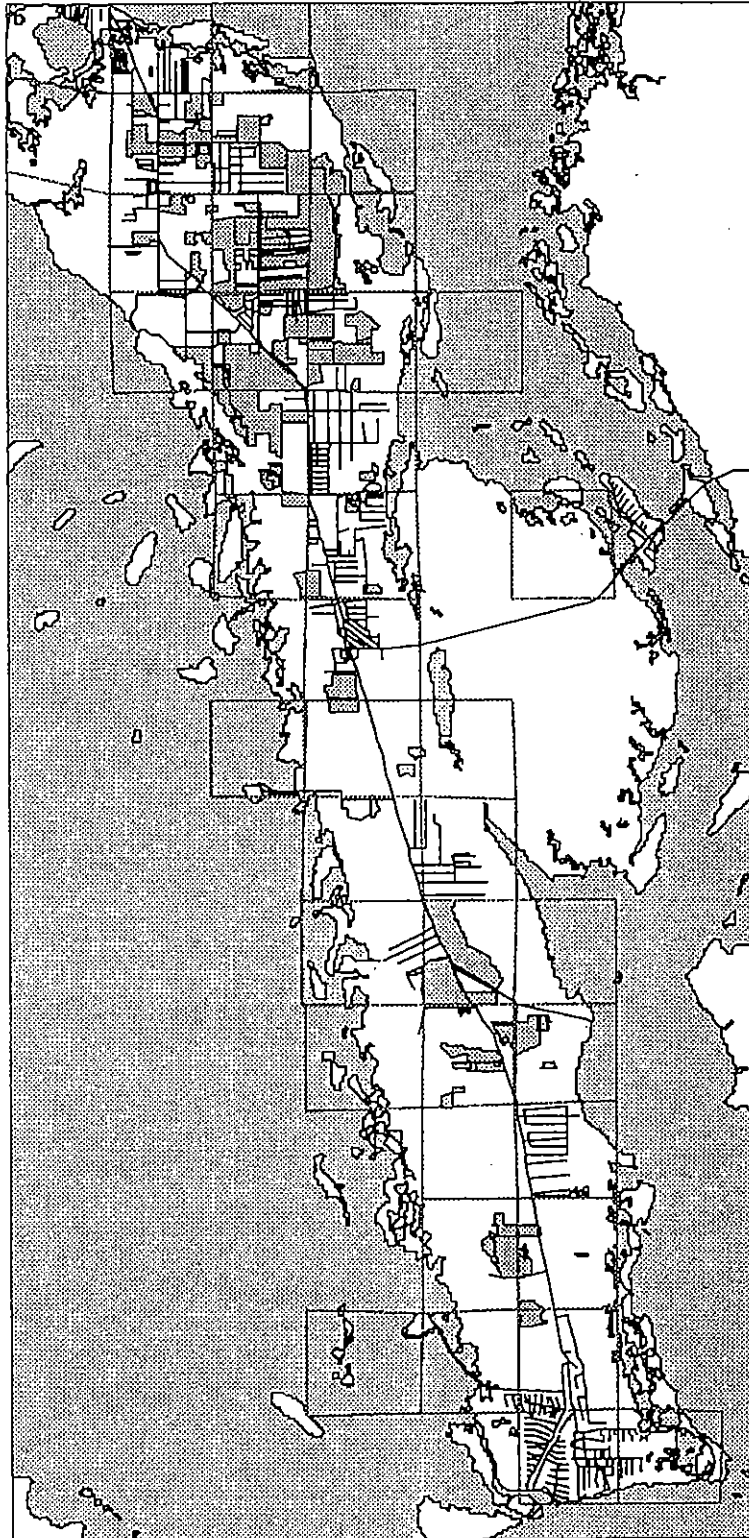




*Urban, 4,676 acres, 38% of uplands*

**Area Map**





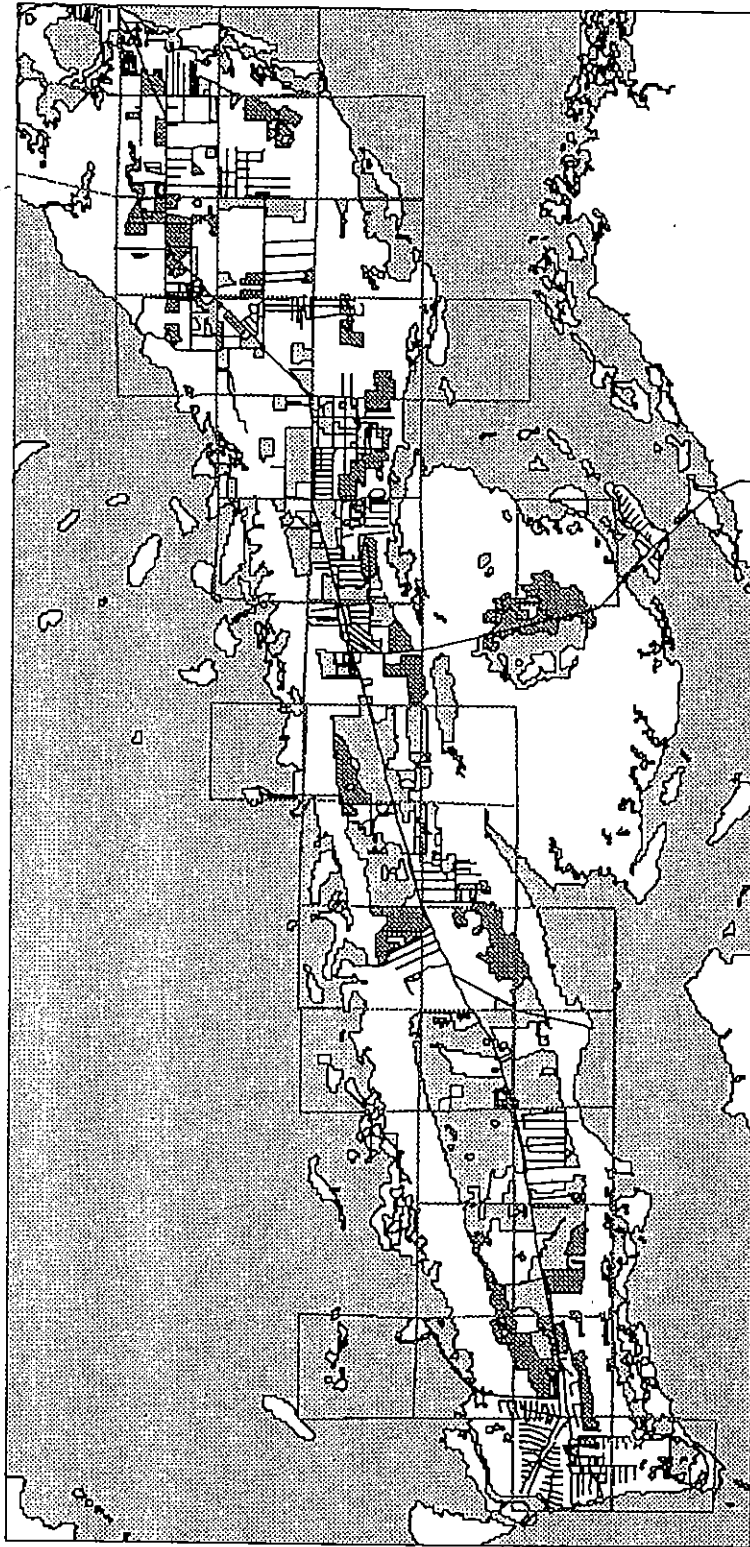
*Agriculture, 2,763 acres, 22½% of uplands*

**Area Map**

**HREA**

Hanson Real Estate Advisors, Inc.





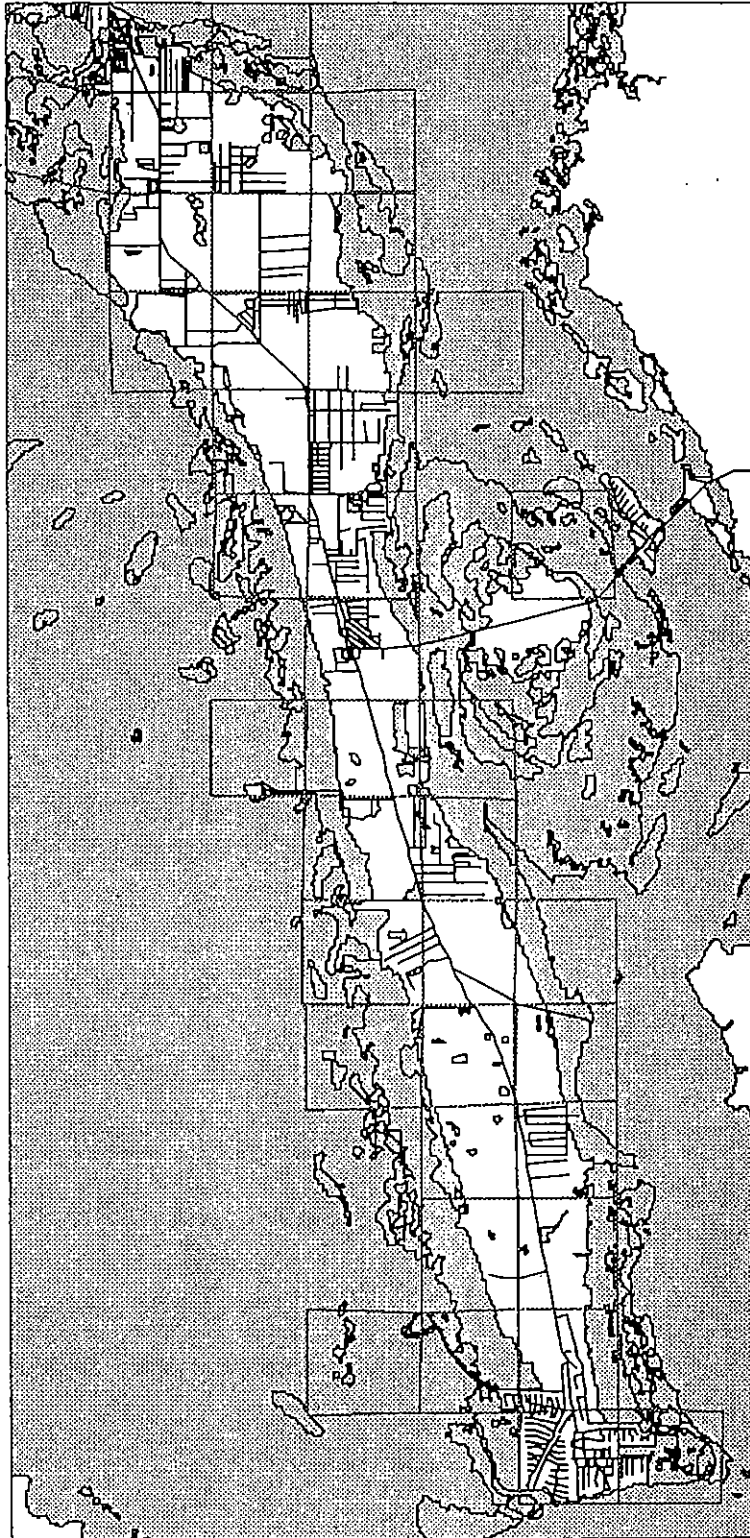
*Forests, 4,853 acres, 39½% of uplands  
(pine flatwoods, lighter color, 22½%;  
exotic infested, darker color, 17%)*

## **Area Map**

**HREA**

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*Wetlands, 13,088 acres, 52% of land*

**Area Map**

**HREA**

Hanson Real Estate Advisors, Inc.



**SURVEY OF REAL ESTATE PROFESSIONALS  
ON  
GREATER PINE ISLAND MARKET AREA**



## SURVEY OF PINE ISLAND REAL ESTATE PROFESSIONALS

### INTRODUCTION

The appraiser consultant has interviewed several real estate professionals with extensive experience relating to the Greater Pine Island market area. The purpose of the survey was to measure their impressions, responses and concerns in regards to the Greater Pine Island Plan Update. Each of the respondents are actively involved in the brokerage of properties in the Greater Pine Island market area and currently have properties listed for sale and purchase. The following overview is presented of the survey questions and the respondents comments.

### OVERVIEW OF SURVEY RESPONDENTS, QUESTIONS AND RESPONSES

The survey questions focused on the proposed "Coastal Rural" future land use designation, the "density recapture model," the "810/910" rule, and the consideration of "minor changes" to Pine Island Road through Matlacha (e.g. a continuous third lane, turning lanes at local street intersections). The survey respondents included the following individuals:

- Richard Krieg, Broker, Pine Island Realty, 239-283-1028.
- Mike Shevlin, Broker, Pine Island Realty, 239-283-3700.
- Kevin Cox, Broker, Century 21 Sunbelt Realty, 239-283-1100.
- Marty Yettin, Broker, Gold Key Realty, 239-283-1007.
- Greg Eagle, Broker, Eagle Realty, 239-542-2333.

The following questions were asked and responses obtained from the respondents identified above:

1. As you know, Lee County is currently considering changes to the Lee Plan that relate to the Greater Pine Island market area. I am completing a survey of local real estate professionals for the purpose of sampling their opinions regarding their perception of the economic impacts associated with these proposed changes.
  - a. The proposed changes to the Lee Plan include the creation of a new designation to the FLUM identified as "Coastal Rural," which shall replace the existing "Rural" FLUM designation. The allowable density for the "Coastal Rural" FLUM designation is 1 du./10 ac., whereas, the allowable density for the existing "Rural" FLUM designation is 1 du./1 ac. What is your opinion regarding the change in FLUM categories and its impact on property values?

*Each of the survey respondents replied, without exception, that it was their opinion that the creation of the new "Coastal Rural" future land use designation and its reduction in allowable densities would in and of itself decrease property values. Specific comments included:*

- *With residential development costs at \$18k to \$20k per lot, the reduced density will affect the feasibility of residential development.*
  - *Property values will initially go down and stabilize later.*
  - *It's an unfair move that hurts large tracts and helps small tracts.*
  - *The rumor of the future land use change has had an effect on the market.*
  - *Property values will be diminished about 40% to 50%.*
- b. The "Coastal Rural" FLUM designation proposes a "density recapture model" which would allow a maximum density of 1 du./1 ac. if 70% of the land were preserved or restored to native upland habitat. How does this affect your views?

*The survey respondents generally lacked specific technical knowledge relating to the "density recapture model" proposed with the Greater Pine Island Plan Update. However, those that did seemed to fall into two groups: a) brokers with relationships with residential developers who already cluster residential product lines or b) brokers with relationships to the agricultural community that generally perceived the cost to restore agricultural lands (e.g. palm tree groves) to a native upland habitat condition to be cost prohibitive. Specific comments included:*

- *Already doing this at Demery Reserve.*
  - *Residential subdivisions are more efficient if the lots are 90 feet to 100 feet wide, as opposed to 1.0 acre lots.*
  - *The 70% open space will create value to the 30% development area.*
  - *Like the idea of clustering, but would prefer it to be permissive as opposed to mandatory.*
  - *Clustering limits product diversity.*
  - *Residential developments will all look the same (i.e. "like south Fort Myers.").*
  - *Still hurts the large agricultural tracts. Too expensive to convert the land back to native upland habitat.*
  - *Clustering doesn't matter as much as letting the island grow.*
  - *Restoring land to native upland habitat will be very expensive to do and maintain.*
  - *Process is too expensive and imposes an administrative burden.*
- c. The Lee Plan (Policy 14.2.2 – "the 810/910 rule") restricts re-zonings on Greater Pine Island when traffic between Burnt Store Road and Stringfellow Road reaches 810 peak hour annual average two way trips and restricts new development orders on Greater Pine Island when traffic reaches 910 peak hour annual average two way trips. Considering that the "Coastal Rural" FLUM designation will provide relief from this policy, does your view change regarding value impacts?

*The survey respondents, with one exception, indicated the relief or relaxation of the zoning and development order restrictions provided by the Greater Pine Island Plan Update would not change their views regarding property value impacts. Specific comments included:*

- *Did rezoning in 2000 under 810 Rule and there were still too many restrictions (e.g. roof type, type of building, etc.)*
  - *Won't help the farmer at all.*
  - *No, not really, but the 810/910 Rule needs to go in place.*
  - *Matlacha is a pedestrian walkway, we need a \$50 million bridge.*
  - *If you can still develop at 1.0 unit per acre, cluster on 30% of your site, avoid 810/910 Rule impacts, then the Greater Pine Island Plan Update will have no impact on property values.*
- d. The Lee Plan (Policy 14.2.3) requires Lee County to consider “minor means” to increase the capacity of Pine Island Road. Would you be in favor of a third-turn lane, or turning lanes at intersections with local roads in Matlacha if it increased the level of service of Pine Island Road and forestalled the “810/910” rule?

*The respondents generally viewed any “minor improvements” to Pine Island Road that would increase its level-of-service (e.g. “LOS”) as favorable. However, there was concern about protecting the historic nature of the Matlacha area. Specific comments included:*

- *Needs to be looked at carefully.*
- *Would be in favor absolutely.*
- *Widening of Pine Island Road through Matlacha would hurt the historic district.*
- *Need lights for pedestrians.*
- *Too short-term of a solution.*
- *Should four-lane Pine Island Road or build a fly-over bridge.*

## SUMMARY AND CONCLUSIONS

In conclusion, the respondent comments generally indicated the following viewpoints and perceptions:

- The reduction in the allowable density associated with the proposed Coastal Rural future land use district will cause a reduction in property value. One respondent estimated a 40% to 50% reduction in property values.
- There was a general lack of knowledge regarding the “density recapture model” relating to the proposed plan amendments. One respondent indicated that this is the development model they currently employ and that the 70% open space would add value to the 30% area where development was clustered.

- The respondents generally indicated that cost to restore land to its native upland habitat would be cost prohibitive, especially to the agricultural lands (e.g. palm tree farms) with reservoirs, ditches, canals, and laser-leveled land.
- It seems as though the consensus among the respondents was that traffic was a problem for the Pine Island market area and that the “810/910” rule was needed. One respondent (with significant residential development experience) indicated that if the proposed amendments were adopted (e.g. Coastal Rural, density recapture, relaxation of the 810/910 rule, etc.) as currently proposed, there would be no economic impact on property values.
- There also seemed to be a consensus that “minor measures” to increase the level-of-service of Pine Island Road through Matlacha should be considered. There was concern that “minor measures” may not provide enough relief to the traffic conditions and that the historic character of Matlacha should be guarded.

The survey also generated additional comments by the respondents that were not necessarily responsive to the survey questions, but provided additional insight into the current economic nature of the Greater Pine Island real estate market. These comments include:

- One broker commented that the pendency of the GPICPU has accelerated the demand for residential lots, but has hurt the demand for larger tracts of undeveloped land.
- Two of the brokers indicated that demand for residential product on in the Greater Pine Island market area is very high and that lot prices have inflated dramatically. Examples included, without limitation, the sale of a “B-grade”, off-water lot in the Tropical Homesites area for \$68,200 (e.g. full asking price) after four days on the market. A proposed 76 lot residential development identified as Demery Reserve took 20 deposits for lots priced at \$77,500. Lots in Kraemer’s Avocado Subdivision have increased to \$40,000. Another broker indicated that he received reservations on 12 lots in Eagle Lake, a proposed 45 lot single family residential development, for prices ranging from \$55,000 to \$75,000 within one hour of market exposure. The property was taken off the market and the developer is anticipating a price increase to \$75,000 to \$100,000 per lot.
- Like much of Lee County (e.g. Cape Coral, Lehigh Acres, etc.), Pine Island has felt tremendous upward pricing pressure over the last 18 months to 24 months. This phase of the real estate market cycle has been fueled by baby boomer demand, low interest rates, and second-home buyers.

**ANALYSIS  
OF THE  
GREATER PINE ISLAND  
LAND MARKET**

## ANALYSIS OF THE GREATER PINE ISLAND LAND MARKET

### INTRODUCTION

The appraiser consultant has completed research focusing on recent sales of unimproved tracts of land located within the Greater Pine Island market area. The purpose of the research is to identify prevailing price levels for properties designated "Rural" on the Future Land Use Map ("FLUM") of the Lee Plan. This data will provide the starting point or base-line for property values on Pine Island before the appraiser consultant reviews additional data to determine if the proposed amendments to the Lee Plan (contained within the Greater Pine Island Plan Update) will affect property values.

### MARKET SEGMENTS

The Pine Island land market is characterized by three market segments. These include (without exception):

- *Public Agencies:* Public agencies such as Lee County's "Conservation 2020" Program have been active in acquiring vacant tracts of land on Pine Island. The appraiser consultant met with Robert Clemens with the Lee County Office of County Lands to discuss Lee County's involvement in this market. Mr. Clemens indicated that their motivation is preservation of pine flatwoods. He indicated that sellers typically approach the Office of County Lands to begin the acquisition process. Mr. Clemens indicated that in late 2002, the market prices typically ranged from \$15,000 per upland acre to \$20,000 per upland acre.
- *Speculators and Developers:* The individual who currently appears to be having the greatest impact on the Pine Island market area is Russell M. Setti, a Florida real estate registered broker/owner who is proposing development of 1,045.3 acres in four (4) different areas under F.S. 380.061, "Florida Quality Development" program. The appraiser consultant met with Mr. Setti at the office of his attorney Russell Schropp, Esq. Mr. Setti provided the appraiser consultant with a document titled "Summary - A Proposed Florida Quality Development on Pine Island," and a CD Rom. Mr. Setti is proposing four separate developments identified as HarbourWalk Resort at Bokeelia, CreekWalk at Town Center, The Islands at Masters Landing, and Rag Island Resort and Marina.
- *Agricultural Investors:* Due to Pine Island's moderate climate, intensive agricultural users are having a big impact on the Island. Ornamental palms, tropical fruits and some vegetables are being grown throughout Pine Island, with the greatest concentration of agricultural activity occurring in the north portion of Pine Island near Bokeelia. The two largest ornamental palm growers and managers are Palmco, Inc. and Soaring Eagle. The appraiser consultant met with Ed Dean to discuss the Greater Pine Island Plan Update and his perception of the impacts that will result from the implementation of the Plan. Briefly, the farmers will have the most difficult time and face the greatest capital expenditures as they "reverse engineer" their farm fields in order to implement the

“density recapture model”. This will be accomplished by filling reservoirs, canals, ditches, laterals, etc. Furthermore, laser-leveled fields will have to be modified-to accommodate the Plan’s requirement for suitable biological conditions for understory growth and stabilization.

**LAND PRICES FOR “RURAL” LANDS ON PINE ISLAND**

The following table is presented as a summary of information related to recent transactions of land designated “Rural (1 du./ac.)” and located within the Greater Pine Island market area:

<u>Sale No.</u>	<u>Sale Date</u>	<u>Location</u>	<u>Size (Acres)</u>	<u>FLUM</u>	<u>Sales Price</u>	<u>Price Per Acre</u>
1893	May-02	Beau Lane	10.290	Rural	\$185,000	\$17,979
1886	Aug-02	Stringfellow Road	19.200	Rural	\$280,000	\$14,583
1889	Jan-03	Kraemer's	9.255	Rural	\$194,000	\$20,962
2019	Feb-03	Kraemer's	10.000	Rural	\$160,000	\$16,000
1891	Feb-03	Beau Lane	10.000	Rural	\$135,000	\$13,500
1883	Apr-03	Stringfellow Road	280.000	Rural/WL/Conserv	\$2,829,100	\$10,104
1875	May-03	Kraemer's	20.000	Rural	\$400,000	\$20,000
2024	May-03	Harbor Drive	10.000	Rural	\$200,000	\$20,000
1878	Sep-03	Maria Drive	10.210	Rural	\$183,800	\$18,002
1887	Sep-03	Maria Drive	10.210	Rural	\$205,000	\$20,078
1890	Sep-03	Maria Drive	10.210	Rural	\$185,200	\$18,139
2107	Sep-03	Stringfellow Road	29.086	Rural	\$680,911	\$23,410
2016	Feb-04	Stringfellow Road	148.590	Rural & WL	\$1,800,000	\$22,904
2022	Feb-04	Stringfellow Road	10.000	Rural	\$285,000	\$28,500
2026	Apr-04	Howard Rd	9.320	Rural	\$318,000	\$34,120
2023	May-04	Kraemer's	20.000	Rural	\$600,000	\$30,000
2017	Jun-04	Stringfellow Road	5.020	Rural	\$209,900	\$41,813
					<b>Min. Price Per Ac.</b>	<b>\$10,104</b>
					<b>Max. Price Per Ac.</b>	<b>\$41,813</b>
					<b>Avg. Price Per Ac.</b>	<b>\$21,770</b>

The Rural sales identified above are located within the 7,405 acre area proposed by the GPICPU for amendment to the Coastal Rural FLUM. The FLUM sales were transacted between May 2002 and June 2004, ranged in size from 5.02 acres to 280.0 upland acres (or 365.0 gross acres), and indicated a price range from \$10,104 per acre to \$41,813 per acre. The sample indicated a mean of \$21,770 per acre, a median of \$20,000 per acre, and a mode of \$20,000 per acre. In regards to measures of dispersion, the sample indicated a standard deviation of \$7,954 per acre, and a range of \$31,709 per acre.

**LAND PRICES FOR “OUTLYING SUBURBAN” LANDS ON PINE ISLAND**

The following table is presented as a summary of information related to recent transactions of land designated “Outlying Suburban (3 du./ac.)” and located within the Bokeelia market area of Pine Island, Florida:

<u>Sale No.</u>	<u>Sale Date</u>	<u>Location</u>	<u>Size Acres</u>	<u>FLUM</u>	<u>Sales Price</u>	<u>Price Per Acre</u>
2033	May-02	Quail Trail	5.147	Outlying Suburban	\$135,000	\$26,229
2040	Nov-02	Barrancas	5.320	Outlying Suburban	\$356,000	\$66,917
2037	Dec-03	Barrancas	1.450	Outlying Suburban	\$110,000	\$75,862
2036	Mar-04	Barrancas	1.290	Outlying Suburban	\$110,000	\$85,271
2025	Mar-04	Stringfellow Rd	34.500	Outlying Suburban	\$907,700	\$26,310
2034	May-04	Barrancas	1.290	Outlying Suburban	\$110,000	\$85,271
2035	May-04	Barrancas	1.290	Outlying Suburban	\$110,000	\$85,271
					<b>Min. Price Per Ac.</b>	<b>\$26,229</b>
					<b>Max. Price Per Ac.</b>	<b>\$85,271</b>
					<b>Avg. Price Per Ac.</b>	<b>\$64,447</b>

The Outlying Suburban sales identified above are located within the 157 acre area proposed by the GPICPU for amendment to Coastal Rural on the FLUM. Sale 2040 is a former palm grove that was purchased by Wayne and Donna Sterling. The warranty deed was executed on November 13, 2002, but was not recorded until July 16, 2003. The initial purchase by the Sterlings indicated \$66,917 per acre. The property was subdivided into four lots which were each sold for \$110,000 or \$75,862 per acre to \$85,271 per acre (Sales 2034 through 2037). These series of transactions demonstrate a change in highest and best use from agriculture to residential, and a significantly higher price level for Outlying Suburban lands than Rural lands.

**LAND PRICES FOR “DR/GR” LANDS IN LEE COUNTY**

The following table is presented as a summary of information related to transactions of land designated “Density Reduction/Groundwater Resource (1 du./10 ac.)” and located throughout the Lee County market area:



<u>Sale No.</u>	<u>Sale Date</u>	<u>Location</u>	<u>Size Acres</u>	<u>FLUM</u>	<u>Sales Price</u>	<u>Price Per Acre</u>
716	Aug-99	Corkscrew Rd	275.47	DR/GR-WL	\$2,106,000	\$7,645
810	Nov-99	Corkscrew Rd	637.80	DR/GR-WL	\$4,943,000	\$7,750
1349	Jun-00	Corkscrew Rd	604.83	DR/GR-WL	\$2,602,000	\$4,302
1350	Aug-00	Corkscrew Rd	150.00	DR/GR-WL	\$658,800	\$4,392
1445	May-01	Burnt Store Rd	429.65	DR/GR-WL	\$1,825,000	\$4,248
1462	Aug-01	Alico Rd	558.32	DR/GR-WL	\$3,100,000	\$5,552
1329	Feb-02	I-75/Lee-Charlotte	2,388.12	DR/GR-WL	\$6,350,000	\$2,659
1668	Jun-02	Corkscrew Rd	227.90	DR/GR-WL	\$1,080,900	\$4,743
1664	Aug-02	SR-82	970.43	DR/GR-WL	\$3,244,300	\$3,343
1652	Sep-02	SR-82/Schewe	2,054.00	DR/GR-WL	\$6,275,000	\$3,055
2030	Jun-03	Nalle Grade Rd	40.00	DR/GR-WL	\$181,800	\$4,545
1934	Mar-04	North River Road	1,114.00	DR/GR-WL	\$8,407,600	\$7,547
					<b>Min. Price Per Ac.</b>	<b>\$2,659</b>
					<b>Max. Price Per Ac.</b>	<b>\$7,750</b>
					<b>Avg. Price Per Ac.</b>	<b>\$4,982</b>

The sales were transacted between August 1999 and March 2004, ranged in size from 40.0 acres to 2,388.1 gross acres, and indicated a price range from \$2,659 per acre to \$7,750 per acre. The sample indicated a mean of \$4,982 per acre, and a median of \$4,469 per acre. In regards to measures of dispersion, the sample indicated a standard deviation of \$1,785 per acre, and a range of \$5,091 per acre. There are no Density Reduction/Groundwater Resource (“DR/GR”) designated properties located in the greater Pine Island market area. Therefore, the appraiser consultant investigated areas designated DR/GR throughout the Lee County market area. The DR/GR sales located along Corkscrew Road or Alico Road are in an area influenced by mining and excavation. The balance of the properties, located in north Lee County (north of SR 78–North River Road), are typically purchased for low-density rural residential development.

### SUMMARY AND CONCLUSION

In summary, the appraiser consultant has reviewed data relating to sales of properties designated Rural (1 du./ac.) and Outlying Suburban (3 du./ac.), and located within the greater Pine Island market area. Each of these transactions are subject to pre-existing conditions (e.g. Matlacha historic district, constrained roadway designation, 810/910 rule, etc.) which affect use and value of the properties. This data will be used to obtain a value estimate for Pine Island properties before the adoption of the Coastal Rural (1 du./10 ac.) FLUM designation proposed by the GPICPU. The appraiser consultant has also identified several Density Reduction/Groundwater Resource (1 du./10 ac.) land sales located throughout Lee County (there are no DR/GR areas on Pine Island) for the purpose of estimating the value of properties after the adoption of the proposed, similar-density, Coastal Rural (1 du./10 ac.) FLUM designation.

Based upon the price levels indicated by the sales data in each of the three FLUM designations, it is the appraiser consultant's opinion the value of the Rural (1 du./ac.) properties on Pine Island is \$25,000 per gross acre, the value of the Outlying Suburban (3 du./ac.) properties within the 157 acre area identified by the GPICPU is \$65,000 per acre, and the value of properties within the Density Reduction/Groundwater Resource (1 du./10 ac.) is \$7,500 per acre.

These units of value will be used for "order of magnitude" purposes in estimating the economic impact expected to occur to the greater Pine Island market area as a result of the GPICPU and its Coastal Rural (1 du./10 ac.) FLUM designation with a "density recapture model" available through restoration and/or preservation of native upland habitats and the utilization of clustered development. These value units are not intended to reflect the value of a specific property, but are being used to analyze macro economic market impacts.

**DETERMINATION  
OF  
ECONOMIC IMPACTS  
TO THE  
PINE ISLAND MARKET AREA**

## DETERMINATION OF ECONOMIC IMPACTS TO THE GPIMA

### INTRODUCTION

In this portion of the appraisal consulting report, the appraisal consultant will provide the reader with an overview of those economic impacts which might occur to the greater Pine Island market area if the 09 January 2003 changes to the Land Plan are made final as presently written and are implemented through the regulations formulated by the GPICA.

The central focus of this analysis identifies two major components to be analyzed by the appraiser consultant. These are summarized as follows:

- Address property value impacts (if any) associated with changes to the "FLUM" from the Rural (one dwelling unit per acre) category to the Coastal Rural (one unit per ten acres) category, which requires clustering to maintain the previous density levels, and;
- Consider the impact of the plan's relaxation of previous restrictions (Policy 14.2.2) on rezoning and on approval of new residential development orders that are triggered by the 810/910 traffic count milestones.

This analysis includes the 157 acres of agricultural and residential land between Bokeelia and September Estates in 31-43-22, bounded by Quail Trail on the west, Barrancas Street on the north, Stringfellow Road on the east, Unit A of Rapid #1 subdivision (Cobb Road) on the north, the quarter section line of Section 31 on the east and Pinehurst Acres and September Estates on the south. This land area will be reclassified as "Coastal Rural," from its current "Outlying Suburban" future land use designation.

### PRE-EXISTING CONSIDERATIONS

The "GPICPU" identifies several pre-existing conditions that affect land utilization and property values whether or not it is adopted as currently proposed. These issues must be understood so that their impacts are not misconstrued as impacts *resulting* from the "GPICPU." The following pre-existing issues are identified:

- *Constrained Road Designation:* Lee County has designated certain roads that cannot (or should not) be widened as "constrained." Lee Plan Objective 22.2 accepts a trade-off of reduced peak hour levels of service for preservation of scenic, historic, environmental and aesthetic character of a community. The Matlacha section of Pine Island Road has been designated as "constrained" since 1989.
- *Matlacha Historic District:* Following the designation of Pine Island Road as a "constrained road" in 1989, Lee County designated the central portion (about 45 buildings) of Matlacha as a historic district in 1990. This designation would not legally prevent Lee County from altering or demolishing historic buildings, but it indicates the historic value of many of Matlacha's buildings in addition to its unique village character.

- *The 810/910 Rule:* Policy 14.2.2 of the Lee Plan indicates that when traffic on Pine Island Road between Burnt Store Road and Stringfellow Road reaches 810 peak hour, annual average, two-way trips, further rezonings which increase traffic on Pine Island Road are restricted, and when traffic reaches 910 peak hour, annual average, two-way trips, there are restrictions on further residential development orders.

According to Pete Eckenrode, Director of Lee County's Division of Development, Department of Community Development, the 810 and 910 thresholds have been exceeded. The Concurrency Inventory and Management Report ("CIMR"), containing this data, will be submitted to the Lee County Board of County Commissioners in November or December 2004 for inclusion in the Lee Plan.

## **SUMMARY OF EXPECTED IMPACTS**

In summary, it is the appraiser consultant's opinion that the following economic impacts (favorable and unfavorable) will occur to those properties currently designated "Rural" on the "FLUM" and proposed for a change to the "Coastal Rural" future land use district:

- Those properties with sufficient native upland habitat (4,853 acres of forest area – 22.5 percent of Pine Island's upland area) will find relief from the relaxation of the restrictions associated with the "810/910 Rule", or Lee Plan Policy 14.2.2, and may develop their properties with clustered development. By preserving the existing on-site native upland habitat, these properties should be able to recapture most if not all of the densities previously permitted under the pre-existing "Rural" land use category, and avoid any loss of market value.
- Those properties without sufficient native upland habitat (typically cleared agricultural properties) will be required to restore and preserve lands in order to recapture the density levels that were previously permitted under the pre-existing "Rural" land use. The restoration process will be extremely expensive for intensive agricultural properties (e.g. with surface water management systems in place) where "reverse engineering" will be necessary, and less expensive for passive agricultural properties (e.g. pasture, etc.). Each class of agricultural property should suffer an economic loss in their market value due both to the significant restoration costs and their lack of native upland habitat.

## **IMPACTS TO AGRICULTURAL PROPERTIES**

According to 1996 Geographic Information System ("GIS") data prepared by the South Florida Water Management District ("SFWMD") and presented on page 13 of the "GPICPU," Pine Island consists of the following land classifications:

- Wetlands: 13,088 acres, 52.0% of land area.
- Agriculture: 2,763 acres, 22.5% of upland land area.
- Forests: 4,853 acres, 39.5% of upland land area.
- Urban: 4,676 acres, 38.0% of upland land area.

Current estimates have increased the quantity of agricultural lands to 3,210 acres, allocated 2,355 acres to active farming (e.g. groves, row crops, etc.) and 855 acres to passive farming (e.g. pasture, non-active uses, etc.).

The density recapture model of the Lee Plan, Policy 1.4.7 and associated Land Development Code (LDC) Section 34-655, as approved by the Greater Pine Island Plan Land Use Implementation Committee (the Committee) to be sent to the BOCC for adoption, affects permitted dwelling unit densities based on the percentage of preserved or restored native upland habitats. The model is a sliding scale allowing increases in density per increases in preservation and restoration. If no land is preserved or restored, a maximum of one (1) dwelling unit per ten (10) acres is permitted. A maximum density of one (1) dwelling unit per one (1) acre would be permitted if 70 percent of the land were preserved or restored to native upland habitat.

The sliding scale does not address farmland preservation. Therefore, farmers are subject to the same requirements as non-farmers when preparing land for development. However, most farmed lands do not have native upland habitats remaining. Thus, a farmer desiring to develop his/her farm into a residential subdivision would be allowed to develop at one (1) dwelling unit per ten (10) acres without taking any preservation or restoration measures. For an increase in density, a farmer would need to restore upland areas by re-creating native habitats that had been typical of Greater Pine Island. The greater percentage of farmland restored to native habitat (or any land restored for that matter), the greater the residential density permitted.

The Committee-approved language of the LDC sets requirements for restoring native habitats. In addition, standards must be followed for plant-type species and hydrologic conditions as set forth in the Multi-Species Recovery Plan for South Florida, published by the U. S. Fish & Wildlife Service. This document is a reference source describing native habitats found on Greater Pine Island. The general requirements of the LDC are as follows:

- Correct interruptions of original water flows and assure proper hydrology appropriate for the benefit of restored native habitats.
- Prepare site including removal of non-native vegetation, roller chopping, bush hogging, prescribed burning, herbiciding, etc. as necessary.
- Plant native pine trees at 50 to 200 trees per acre, depending on species and habitat.
- Fertilize at the time of planting and weed control for at least two years following.
- Plant midstory shrubs and understory plants in groupings or clusters with an average spacing of three (3) feet on at least 50 percent of the acreage being restored.

## **SUMMARY OF RESTORATION COSTS**

According to "Analysis & Issues Related to Greater Pine Island Community Plan Update," dated 14 June 2004 and prepared by Engelhardt, Hammer & Associates ("EHA"), the component costs of restoration was reported as follows:

- *Design and Permitting:* The initial step in the restoration process is a requirement to restore the original topography of the pre-farming condition and to create a hydrological condition that is conducive to the sustainability of the desired native habitat. This phase is reported to be the most time consuming and costly.

Most of the farms on the island have an elaborate system of ditches and dikes to accommodate the predevelopment runoff onto the property and to control saltwater intrusion from impacting the water balance of the property. Large on-site retention systems are designed to detain and treat farm runoff before it leaves the property. These water control features are all part of individual storm water management permits issued by the South Florida Water Management District ("SFWMD"). These permits include extensive requirements for ongoing monitoring and maintenance of the systems.

Restoration of the farmland to its original topography and hydrological condition would require a significant modification of the original SFWMD surface water permit, as well as major design of a habitat that met the requirements of the GPICPU restoration standards. The coordinated efforts of both an engineering consultant and an environmental consultant would be required to design and permit the habitat restoration as well as modification of the previously permitted storm water system.

Most of the existing farmlands have been laser-leveled and have been improved with elaborate underground irrigation systems. The existing irrigation systems would have to be removed, redesigned to accommodate the design of the restored habitat, and reinstalled to reflect the desired random/cluster planting pattern specified for the recreated habitat.

The original soil profile of the farmland has been altered through years of farming and plantings. Proper design of the habitat would require contouring of the soil surface to create a soil mix that would support the desired plantings. In addition, the final ground level of the restoration area would need to be surveyed and engineered to create a topography that would adequately drain all areas of the tract of land to support the desired upland habitat.

The combination of the design, permitting, and physical alteration of the site from its current condition to the desired final restoration condition is an extremely costly endeavor. Engelhardt, Hammer & Associates has indicated the costs of these tasks could range from *\$10,000 to \$30,000 per acre*. These cost estimates are based on actual costs expended for similar permitting and earthwork tasks.

- *Native Pine Trees:* As a part of the requirements for habitat restoration, native pine trees must be planted at a density between 50 and 200 trees per acre. The most common native pine on Pine Island is *slash pine*. The requirements allow them to be planted as seedlings, as opposed to planting a larger, more maturely developed tree.

For the most part, landowners can take two different approaches to completing this planting obligation: purchasing and planting with assistance from the Florida Division of Forestry, or purchasing and planting privately through a nursery and hiring planters

(or landscapers) to plant the seedlings. The cost of each approach is outlined separately below:

- *Planting with the Florida Division of Forestry:* The EHA firm contacted the FDF's Andrew's Nursery in Chiefland directly for information. The FDF will sell the pine tree seedlings to landowners and assist with planting. The FDF usually will only plant in large quantities and usually plants at least 50,000 seedlings per job. Also, they typically don't plant on less than ten acres. Planting by hand costs from \$60 to \$70 per acre and planting by machine costs \$30 to \$50 per acre (with higher mortality rates). Planting with the more accurate hand-method at the minimums necessary, would cost an average of about **\$85 per acre**. Although FDF claims reliable and fast growth, anecdotal experiences from some land owners claim much lower success rates.
- *Planting With Private Nursery and Planters:* The EHA firm contacted the *Big Tree, Inc.* nursery in Fort Myers for information. Accordingly, the cost estimate for slash pines was \$1.25 per seedling. To purchase approximately 100 seedlings, deliver and install across one acre would cost approximately \$1,000 (e.g. **\$1,000 per acre**).
- *Native Midstory Shrubs and Understory Plants:* As a part of the habitat restoration, native midstory shrubs and understory plants must be planted in groupings or clusters on at least 50 percent of the acreage being restored. While the requirements aren't specific in quantity, Spikowski Planning Associates indicated that this would likely amount to 75 plants per acre. At least five (5) plants from a list of eight (8) species must be used. The requirements permit planting of containerized plants or tubelings (of not less than 4.5 inches in depth). Unlike the native pines, the FDF currently does not have a program to assist with this obligation.

EHA contacted the native plant restoration company, *Central Florida Native Flora, Inc.*, located in San Antonio, Florida for information. According to the company, the cost to fulfill this obligation would be about **\$400 to \$500 per acre**. This would include a variety of five (5) one-gallon container plants from the list of eight species in pots about six inches in diameter and six inches deep.

- *Chemical Control:* The GPICPU requires that native plants must be fertilized to insure their survivability and the planted area must be herbicided to prevent the intrusion of weeds. The must be done for a period of at least two (2) years. The cost of the materials and the labor to complete this task would be in the range of **\$2,500 per acre per year**.
- *Annual Monitoring Reports:* EHA researched the cost of conducting the necessary field work and reporting by a qualified professional in order to gather an estimate of cost to satisfy the annual monitoring requirements. EHA contacted Rosanne Clementi of *Southeast Environmental Solutions, Inc.* located in Plant City, Florida. They estimated



that the cost would be approximately \$6,000 per acre, over three years; or **\$2,000 per acre per year**.

- **Total Restoration Cost Estimates:** In summary, EHA has provided the appraiser consultant with a total restoration cost estimate of:
  - *Design and Permitting:* \$10,000 to \$30,000 per acre.
  - *Native Pine Trees:*
    - *Planting with FDF:* \$50 to \$85 per acre.
    - *Planting with Nursery:* \$1,000 per acre.
  - *Native Midstory/Understory Shrubs:* \$400 to \$500 per acre.
  - *Chemical Control:* \$2,500 per acre per year.
  - *Annual Monitoring Reports:* \$2,000 per acre per year for three years.
  - *Total Restoration Costs:* \$20,000 to \$40,000 per acre.
- **Independent Restoration Cost Verification:** The appraiser consultant also interviewed Ray Pavelka, President of Mariner Properties Development, Inc. Mr. Pavelka played a key role in the development of the Little Pine Island Mitigation Bank ("LPIMB") and has experience with restoration and preservation costs. Mr. Pavelka indicated that the LPIMB required minimal earthwork and dealt primarily with the removal of exotic vegetation. The cost of this 1,800 acre project was reported to be \$12.0 million, or \$6,667 per project acre.

Mr. Pavelka also indicated that Mariner Properties Development, Inc. is currently developing another mitigation bank in Lee County on Corkscrew Road. This project consists of 632 acres of former pasture area. The mitigation plan includes the removal of existing ditches, re-contouring the land, planting a native pine flatwood forest with cypress marshes, and contracting with SFWMD. Mr. Pavelka reported that the initial cost estimates for these restoration activities ranged from \$8.0 million to \$9.0 million for the 380.0 acre former farm field, or **\$21,053 per restored acre to \$23,684 per restored acre**. These restoration costs are probably higher than what would be required by the GPICPU because this is a mitigation bank, but lower than what would be required by the GPICPU because of economies of scale and the greater cost associated with Pine Island (e.g. off-setting economic issues).

## ESTIMATION OF ECONOMIC IMPACT TO AGRICULTURAL PROPERTIES

As noted above, most agricultural properties have been cleared and typically have little to no native upland habitat. Thus, they will not be able to recapture allowable residential densities under the "Coastal Rural" density recapture model without significant capital outlays (summarized above) related to restoration costs. The loss of allowable residential densities and/or the alternative restoration costs will cause a reduction in the economic value of these properties. The appraiser consultant has estimated the economic impact to the agricultural properties based upon the following input assumptions:

- **Quantity of Agricultural Lands:** According to information obtained from Rick Burris, Principal Planner, Lee County Planning Division, and provided to the appraiser consultant by Spikowski Planning Associates, Greater Pine Island consists of 3,210

acres of agricultural properties. This is a 447 acre increase in agricultural properties from 1996. Of this total, 2,355 acres are classified as “active agricultural” properties (e.g. palm groves, row crops, tropical fruit groves, etc.) and 855 acres are classified as “passive agricultural” properties (e.g. pasture, etc.).

- *Market Value of “Rural” Lands on Pine Island:* The appraiser has previously provided the reader with data related to transactions of properties within the Greater Pine Island market area and designated “Rural (1 du./ac.)” Data from this market area takes into consideration the pre-existing conditions (e.g. Matlacha historic district, constrained road classification, and the 810/910 rule) that affect property use and value regardless of the GPICPU.

The sales were transacted between May 2002 and June 2004, ranged in size from 5.02 acres to 280.0 upland acres (or 365.0 gross acres), and indicated a price range from \$10,104 per acre to \$41,813 per acre. The sample indicated a mean of \$21,770 per acre, a median of \$20,000 per acre, and a mode of \$20,000 per acre. In regards to measures of dispersion, the sample indicated a standard deviation of \$7,954 per acre, a minimum of \$10,104 per acre, a maximum of \$41,813 per acre, and a range of \$31,709 per acre. For purposes of this analysis, the appraiser consultant has chosen a value unit of **\$25,000 per acre** to reflect the higher prices associated with the more recent sales and having given primary weight to Sale 2022 which transacted for \$28,500 per acre in February 2004.

- *Market Value of “DR/GR” Lands:* The appraiser has previously provided the reader with data related to transactions of properties throughout the Lee County market area and designated “Density Reduction/Groundwater Resource (1 du./10 ac.)” This data provides the statistical support for the value of properties with an allowable density of 1 du./ac., similar to that which is proposed for the “Coastal Rural” land use area (without the benefits of the density recapture model).

The sales were purchased between August 1999 and March 2004, ranged in size from 40.0 acres to 2,388.1 gross acres, and indicated a price range from \$2,659 per acre to \$7,750 per acre. The sample indicated a mean of \$4,982 per acre, and a median of \$4,469 per acre. In regards to measures of dispersion, the sample indicated a standard deviation of \$1,785 per acre, and a range of \$5,091 per acre. The DR/GR sales located along Corkscrew Road or Alico Road are in an area influenced by mining and excavation. The balance of the properties, located in north Lee County (north of SR 78–North River Road), are typically purchased for low density rural residential development or by public agencies (Lee County 2020) for conservation/preservation uses. For purposes of this analysis, the appraiser consultant has chosen a value unit of **\$7,500 per acre**. This is based upon having given greatest weight to Sale 1934 which was purchased for \$7,547 per acre in March 2004.

- *Change in Value:* The appraiser consultant has concluded a unit of value of \$25,000 per acre for those properties designated “Rural (1 du./ac.)” and located within the greater Pine Island market area, and \$7,500 per acre for those properties designated “Density Reduction/Groundwater Resource (1 du. /10 ac.)” and located throughout Lee

County. This data is representative of the allowable densities associated with the "Rural" FLUM on Pine Island "before" the GPICPU and the proposed "Coastal Rural" FLUM on Pine Island "after" the GPICPU. Thus, the change in value (without restoration or density recapture) is estimated to be a loss of **\$17,500 per acre**.

- *Impact to Active Agricultural Lands:* As noted, the Pine Island market area is estimated to contain 2,355 acres of "active agricultural" lands (e.g. palm groves, fruit tree orchards, row crops, etc.). These properties are typically characterized by extensive surface water management systems (e.g. reservoirs, ditches, swales, and related structures).
  - *Market Value Loss:* With the reduction in allowable residential density, these properties are estimated to lose \$17,500 per acre in value, for a total reduction in market value of **\$41.2 million** (2,355 acres x \$17,500 per acre).
  - *Restoration Costs:* According to the "density recapture model," 70 percent of the property may be "restored and preserved" in order to maintain the original density of 1 du./ac. relating to the pre-GPICPU Rural FLUM designation. Therefore, 1,648.5 acres (2,355 acres x 70%) would have to be "restored" in order to maintain the density of 1 du./ac. EHA has estimated restoration costs to range from \$20,000 per acre to \$40,000 per acre. Utilizing \$30,000 per acre (from the middle of the range), the appraiser consultant has estimated the restoration costs to be **\$49.5 million**.
  - *Conclusion:* Due to the fact that the restoration costs exceed the reduction in value, the appraiser consultant does not consider the "density recapture model" to be economically feasible for active agricultural properties. Therefore, the estimated economic impact to active agricultural properties is estimated to be \$41.2 million, or rounded to **\$40.0 million**.
- *Impact to Passive Agricultural Lands:* As noted, the Pine Island market area is estimated to contain 855 acres of "passive agricultural" lands (e.g. pastures, etc.). These properties are typically cleared properties (without existing native upland habitat) with minimal surface water management water systems.
  - *Market Value Loss:* With the reduction in allowable residential density, these properties are estimated to lose \$17,500 per acre in value, for a total reduction in market value of **\$14.96 million** (855 acres x \$17,500 per acre).
  - *Restoration Costs:* According to the "density recapture model," 70 percent of the property may be "restored and preserved" in order to maintain the original density of 1 du./ac. relating to the pre-GPICPU Rural FLUM designation. Therefore, 599 acres (855 acres x 70%) would have to be "restored" in order to maintain the density of 1 du./ac. EHA has estimated restoration costs to range from \$20,000 per acre to \$40,000 per acre. Utilizing \$20,000 per acre (from the lower end of the range), the appraiser consultant has estimated the restoration costs to be **\$12.0 million**.

- *Conclusion:* Due to the fact that the restoration costs are less than the reduction in value, the appraiser consultant considers the “density recapture model” to be economically feasible for passive agricultural properties. Therefore, the estimated economic impact to passive agricultural properties is estimated to be **\$12.0 million.**
- *Impact to “Outlying Suburban” Lands:* In addition to the agricultural properties discussed above, the GPICPU proposes to change the FLUM designation on 157 acres of lands currently designated “Outlying Suburban (3 du./ac.)” to “Coastal Rural (1 du./10 ac.)” This 157 acres of agricultural and residential land is located between Bokeelia and September Estates in 31-43-22, bounded by Quail Trail on the west, Barrancas Street on the north, Stringfellow Road on the east, Unit A of Rapid #1 subdivision (Cobb Road) on the north, the quarter section line of Section 31 on the east, and Pinehurst Acres and September Estates on the south (see attached map). This land area will be reclassified as “Coastal Rural,” from its current “Outlying Suburban” future land use designation.
  - *Market Value Loss:* The restoration process within the Outlying Suburban area will restore the allowable residential density to 1 du./ac. as opposed to the 3 du./ac. which were initially allowed within the Outlying Suburban area. Thus, an allowable density of 2 du./ac. will be lost regardless of the “density recapture model” and restoration alternatives. The loss in allowable density is estimated to result in a loss of market value of \$40,000/ac. (\$65,000/ac. - \$25,000/ac.), or \$6.28 million (157 ac. x \$40,000/ac.). An additional loss in value will be incurred in sustaining the 1 du./ac. density, or an additional \$2.75 million.
  - *Restoration Costs:* Restoration of active farm field areas (146.4 Acres\* x 0.70 = 102.5 Acres) would be necessary in order to regain the allowable density of 1 du./ac. Applying EHA’s restoration cost estimate of \$30,000 per acre results in a restoration cost estimate of \$3.075 million. This compares to a value change of \$17,500 per acre (without restoration), or \$2.75 million if no restoration of native upland habitat occurs. Thus, the restoration program is not considered feasible.

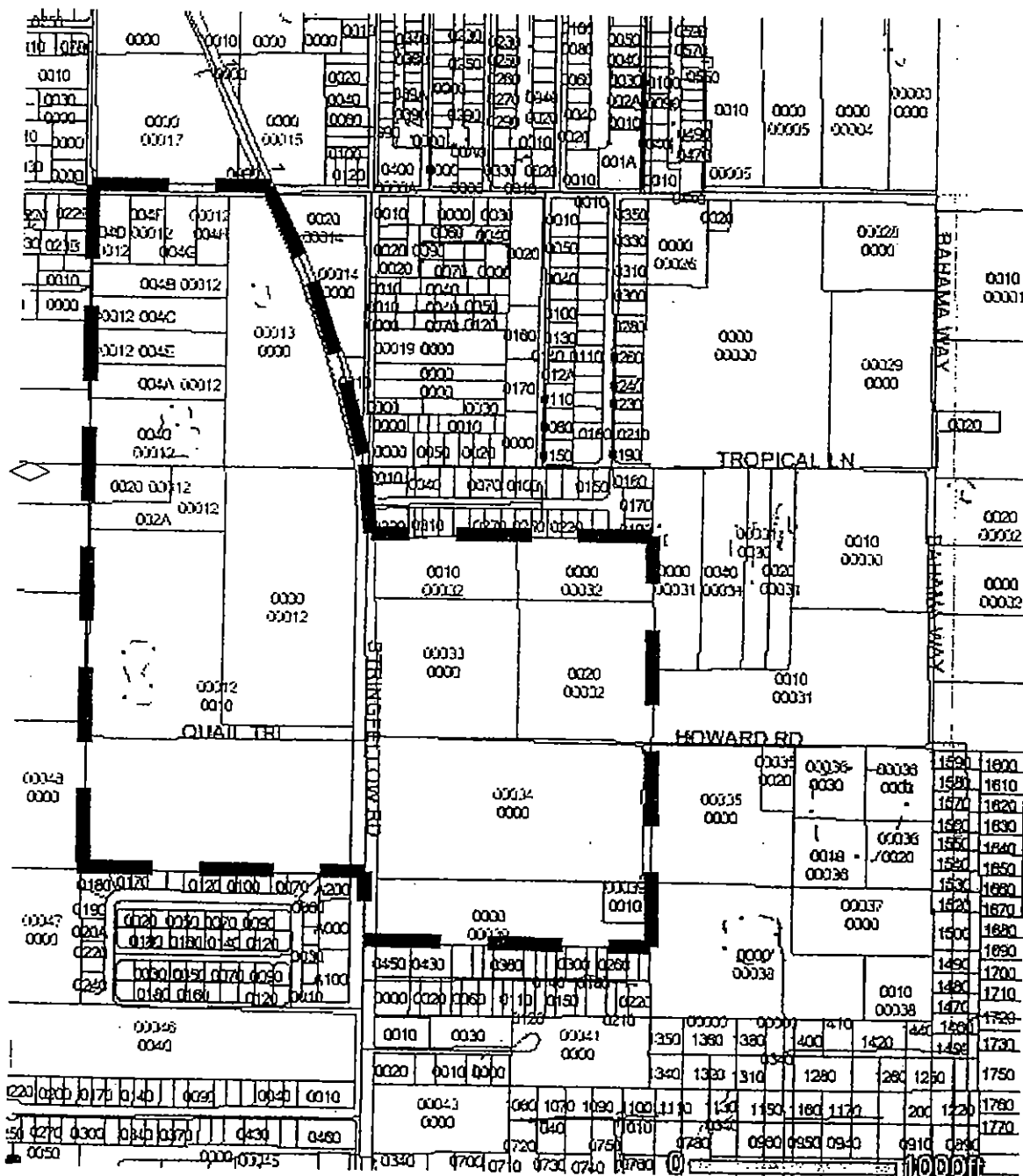
\*Excludes 10.6 acres of native upland habitat.
  - *Conclusion:* The restoration process is not considered economically feasible because the restoration costs exceed the loss in value. Therefore, the loss in value estimate (the lesser of the two estimates) is recognized as the \$6.28 million due to a reduction in allowable density from 3 du./ac. to 1 du./ac., and an additional loss in value of \$2.75 million due to a reduction in density from 1 du./ac. to 1 du./10 ac. Therefore, the total loss in market value to the 157 acre Outlying Suburban area is \$ 9.03 million, or rounded to **\$9.0 million.**

# MAP 2, CPA 2001-18

SHOWING 157 ACRES BEING CHANGED FROM "OUTLYING SUBURBAN"  
TO "COASTAL RURAL" IN S.T.R. 31-43-22 IN BOKEELIA, FLORIDA



**NORTH**



**Area Map**

**HREA**

Hanson Real Estate Advisors, Inc.

## SUMMARY AND CONCLUSION OF THE IMPACT ESTIMATE

In summary, the appraiser consultant has estimated that the GPICPU will not adversely affect properties with sufficient native upland habitat to recapture lost allowable residential densities through the application of the "density recapture model" and "clustered development." However, those properties without existing native upland habitat (e.g. active and passive farm fields) will have to comply with a habitat restoration program on 70 percent of their site in order to retain the pre-existing density of 1du./ac. EHA has estimated the cost of restoration to range from \$20,000 per acre to \$40,000 per acre. The appraiser consultant considered economic feasibility of the restoration program in the development of the economic impact estimate.

In conclusion, the economic impacts that are expected to occur to the Pine Island market area if the 09 January 2003 changes to the Land Plan are made final as presently written, and are implemented through the regulations formulated by the GPICA, are summarized as follows:

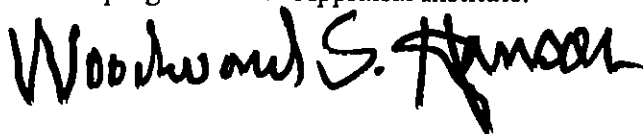
- Forested Properties With Adequate Native Upland Habitat: No Impact.
- Agricultural Properties Without Native Upland Habitat:
  - Active Agriculture: Loss of \$40.0 million in market value.
  - Passive Agriculture: Loss of \$12.0 million in market value.
- Outlying Suburban Area (157 Acres): Loss of \$9.0 million in market value.

Therefore, it is the appraiser consultant's opinion the total impact resulting from the GPICPU is \$61.0 million, or rounded to say \$60.0 million.

## CERTIFICATION

I certify that, to the best of my 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 my personal, impartial, and unbiased professional analyses, opinions, conclusions and recommendations.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. 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 & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. Woodward S. Hanson, MAI, CRE, CCIM has made a personal inspection of the property that is the subject of this report on January 20, 2004, April 1, 2004, July 7, 2004, and July 24, 2004.
10. Significant real property appraisal or appraisal consulting assistance was provided by Ethel D. Hammer, President, Engelhardt, Hammer & Associates, 5444 Bay Center Drive, Suite 122, Tampa, FL 33609.
11. As of the date of this report, Woodward S. Hanson has completed the continuing education program of the Appraisal Institute.



Woodward S. Hanson, MAI, CRE, CCIM  
St. Cert. Gen. REA RZ 1003

## ASSUMPTIONS AND LIMITING CONDITIONS

In conducting this consulting report, I have assumed, except as otherwise noted in my report, as follows:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property unless otherwise set forth.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are believed in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes where applicable.

My consulting report is subject to the following limiting conditions, except as otherwise noted in my report.

1. An consulting report is inherently subjective and represents an opinion as to the value of the property appraised.
2. The conclusions stated in my consulting report apply only as of the effective date of the consulting report, and no representation is made as to the affect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. I reserve the right to revise or rescind any of the value opinions based upon any subsequent, environmental impact studies. If any environmental impact statement is required by law, the consulting report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. I am not required to give testimony or to be in attendance in court or any government or other hearing with reference to the property without written contractual arrangements having been made relative to such additional employment.



6. I have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The consulting report covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and I have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in my consulting report.
8. I accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.
9. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other consulting report and are invalid if so used. This consulting report shall be considered only in its entirety. No part of this consulting report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the appraisers.
11. Information, estimates and opinions contained in this report, obtained from sources outside of the office of the undersigned, are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in this consulting report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. No assurance is provided that the methodology and/or results of the consulting report will not be successfully challenged by the Internal Revenue Service. In particular, the methodology for appraising certain types of properties, including without limitation, government subsidized housing, which has been the subject of debate.
14. If the property is subject to one or more leases, any estimate of residual value contained in the consulting report may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.

15. No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
16. The current purchasing power of the dollar is the basis for the value stated in my consulting report; I have assumed that no extreme fluctuations in economic cycles will occur.
17. The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
18. The analyses contained in this report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by my analysis will vary from my estimates, and the variations may be material.
19. This consulting report has been prepared for the exclusive benefit of Timothy Jones, Esq., Chief Assistant County Attorney, Lee County Board of County Commissioners, Post Office Box 398, Fort Myers, FL 33902-0398. It may not be used or relied upon by any other party. All parties who use or rely upon any information in this report without my written consent, do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the site or in the improvements, and my valuation is predicated upon the property being free and clear of any environment hazards.
21. I have not been provided with an estimate as to the presence and/or location of wetland vegetation areas. Wetlands generally include swamps, marshes, bogs, and similar areas. I am not qualified to detect such areas. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are as identified within the report.