

CH 1964-4  
635/D-218

APPRAISAL  
OF  
THE ESTIMATED VALUE OF  
NAVAL LIVE OAK RESERVATION AT  
GULF BREEZE, FLORIDA

BY  
JEAN M. F. DUBOIS  
THOMAS N. HARDIN  
CLIFFORD J. HARRIMAN

AS OF  
DECEMBER 1, 1964

FOR YOUR INFORMATION

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UNITED STATES  
DEPARTMENT OF THE INTERIOR

January 8, 1965

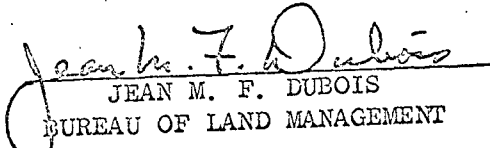
Mr. John O. Carver, Jr.  
Assistant Secretary, Public  
Land Management  
Department of the Interior  
Washington, D. C. 20240

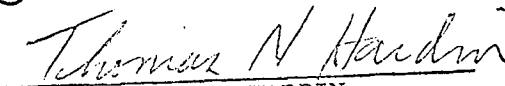
Dear Mr. Carver:

In accordance with your request to the Directors of the National Park Service and the Bureau of Land Management, we hand you herewith an appraisal of the estimated value of the Naval Live Oak Reservation at Gulf Breeze, Florida, containing 13 pages and 5 exhibits, which describes and illustrates our method of approach and also contains data gathered in our investigation.

As the result of our investigation and analysis, we are of the opinion that the fair market value of the area, free and clear of all encumbrances, as of December 1, 1964, is THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000), and with an encumbrance, the property has a nominal value of ONE DOLLAR (\$1.00).

Sincerely yours,

  
JEAN M. F. DUBOIS  
BUREAU OF LAND MANAGEMENT

  
THOMAS N. HARDIN  
BUREAU OF LAND MANAGEMENT

  
CLIFFORD J. HARRIMAN  
NATIONAL PARK SERVICE

#### LOCATION

The property is located on Santa Rosa Peninsula, approximately seven miles southeast of Pensacola, and is reached from that City by means of a four-lane bridge across Pensacola Bay. The area is included within the boundaries of the City of Gulf Breeze in Santa Rosa County, Florida.

#### LEGAL DESCRIPTION

All of Sections 33 and 34, Township 2 South, Range 29 West, and Sections 2 and 3, Township 3 South, Range 29 West, lying and being in Santa Rosa County, Florida, containing 1330.00 acres, more or less.

It will be noted that the original plat prepared by the General Land Office in 1827 shows an area of 1330 acres whereas the Federal Government's deed to the State of Florida in June 1947 shows 1337.77 acres.

#### PURPOSE

The purpose of this appraisal is to make separate estimates of the fair market value of the property free and clear of all encumbrances except for existing utility easements lying north and south of U. S. Highway 98, giving indicated foot-frontage value of highway and water frontage.

An additional purpose is to estimate in dollars the fair market value of the property encumbered with the restriction that it can be used only for public park purposes.

#### HIGHEST AND BEST USE

The highest and best use is for combination residential and commercial use, the commercial use being restricted to the area along the north side of U. S. Highway 98. This use appears to be in conformity with future zoning plans by the City of Gulf Breeze.

## ZONING

There are no county zoning regulations. However, the City of Gulf Breeze, by City ordinance effective September 21, 1964, established zoning regulations and outlined the area on a map (Exhibit E). Designated use is not shown for the subject property even though it is located within City limits. However, a City official indicated commercial use would be allowed along the highway if and when development is permitted for private use.

## ASSESSMENT DATA

The property is listed on the tax rolls in the name of the Board of Forestry and Parks and is therefore exempt from taxation. However, deeds in the Clerk's Office indicate the property is in private ownership. Tax assessor Gibson plans to assess and collect taxes from the record title holder in 1965 and, furthermore, is considering going back three years to collect taxes.

Property taxes in Santa Rosa County for 1964 were levied at a rate of \$7.50 per hundred. This tax rate is applied to assessed valuation reported to average 30 percent of market value. The total assessed valuation of all property in Santa Rosa County for 1964 amounted to \$17,136,975.

## AREA DATA

The economic outlook for Florida is bright. This State constitutes one of the few remaining frontiers in land development, and significant population shifts because of immigration and decentralization exert a favorable influence on the State economy.

Florida's increase in population at a rate of 200,000 persons per annum has caused the State to advance in population rank from 20th in 1950 to 9th in 1962. Since land and realty values are sensitive to population changes, this favorable growth should act as a substantial cushion for any general economic recession which may materialize in the years to come.

Florida, too, is excelling in its three major economic activities: tourism, industry, and agriculture. The steady and wholesome increases in family income, savings, and capital outlays at average rates exceeding those for the Nation as a whole make Florida one of the best regions in America for capital investment in land and land improvements.

The favorable climate which attracts between 12 and 15 million visitors each year is recognized as the State principal economic asset. However, the political climate is also favorable since the State has no income tax or inheritance taxes, and corporate tax burdens are competitive with those of other Southern states. Home owners enjoy a \$5,000 homestead tax exemption which shifts the incidence of local taxes upon out-of-State tourists by means of a 3 percent sales tax.

Experts generally agree that Florida economy is on a sound footing and that the outlook for land and real estate investment throughout the State is excellent.

#### SITE DATA

U. S. Highway 98, with a width of 160 feet, recently increased from a 120-foot width to accommodate a new four-lane highway, bisects the property running in an east-west direction, leaving approximately 234 acres south and 1,049 acres north of the highway which is 12,810.59 feet along the centerline between the east and west boundaries.

The subject lands are generally high and well drained. However, there are a few marshy areas estimated to contain about 30 acres.

The bluffs along the sound and bay reach an altitude of 50 feet in place, but generally average about 15 feet. Good white sandy beaches extend along both sides of the property being 8,844 feet, more or less, on the north and approximately 12,200 feet on the south, or, in other words, a total of 21,044 feet of water frontage.

The soil is extremely sandy. There are numerous attractive live oak hammocks and some areas are covered with a good commercial stand of pine.

#### LAND USE AND TRENDS

The demand for waterfront properties as residential sites is increasing and can be expected to continue as the population increases. The need for recreational facilities will likewise increase.

However, it appears the State-owned 1,659-acre park at Fort Pickens and Escambia County's 500-acre Pensacola Beach area on nearby

San Rosa Island and the Gulf Breeze City-owned 159-acre parcel on the peninsula will adequately serve the recreation needs of the surrounding area for the foreseeable future.

In view of these facts, the restriction on the use of the subject property amounts to a total taking since the owners are prevented from using the land for the purpose for which it is best suited. In fact, ownership in the present circumstances would amount to a liability if the owners are required to pay taxes at the same rate similar lands are taxed which would be \$78,750 ( $\$3,500,000 \times 30\% \times \$7.50$  per hundred).

There appears to be no demand or precedent for private enterprise to operate public park facilities. It is conceivable that a small area (not over 100 acres) might possibly be used for public campgrounds, but the cost of developing and maintaining the facilities would exceed the return. A carnival-type amusement park is reported to have been in operation on the property in about 1960. Information was not available as to its success nor its present whereabouts.

#### METHOD OF EVALUATION

The market or comparative value approach was used entirely in arriving at the estimated value of the property since the other two recognized methods of appraising are not applicable. Recent and past sales and listings of comparable properties in the area in this instance are the best indications of market value and were considered in arriving at the estimated values after giving due consideration and making adjustments in each instance for time, plottage, area, location, and other factors affecting market value.

Generally speaking, the improvements, consisting of camp-type lodges in poor condition, add little if any economic value to the sale of the entire property for its highest and best use and for that reason their value was disregarded.

The list of comparable properties considered is included at page 5 in this report and is used as indexes of value.

The locations of the 18 sales and listings are indicated on the Pensacola Quadrangle Sheet included in this report as Exhibit D.

# TABULATION OF SALES AND LISTINGS

## SALES

| SALE NO. | BUYER          | SELLER         | AREA       | PRICE     | COST PER          |              | WATER FRONTAGE |
|----------|----------------|----------------|------------|-----------|-------------------|--------------|----------------|
|          |                |                |            |           | ROAD FF           | SQ. FT. ACRE |                |
| 1        | Texaco         | Bonifay        | 16,850sqft | \$ 77,500 | \$400             | \$.46        | None           |
| 2        | Texaco         | Benson         | 5,200sqft  | 22,000    | 262               | .42          | None           |
| 3        | Grassy Point   | Taylor         | 58 ac.     | 175,000   | 292               | \$3,000      | 3,000'         |
| 4        | Kicklighter    | Harris         | 5.18 ac.   | 30,000    | 30                | .13 6,000    | None           |
| 5        | Gillmore       | Gulf Realty    | 56 ac.     | 17,500    | 25                | 310          | None           |
| 6        | Kobacher       | Smith          | 153 ac.    | 60,900    |                   | 400          | None           |
| 7        | Hicks          | Miller         | 6.5 ac.    | 115,000   | 88                | 10,900       | 400'           |
| 8        | Beale          | Williams       | 4.0 ac.    | 50,000    | 150               | 7,500        | 200'           |
| 9        | Bay Cliff      | Jenkins        | 39.0 ac.   | 115,000   |                   | 2,940        | 1,300'         |
| 10       | Hickory Shores | Bolin & Todd   | 40.0 ac.   | 20,000    | 15                | 5,000        | 200'           |
| 11       | Knight         | Magnolia Manor | 25,000sqft | 7,000     | (Lot 100' x 250') |              | 100'           |
| 12       | Browder        | Carlann Shores | 55,000sqft | 20,000    | (Lot 193' x 275') |              | 198'           |

## LISTINGS

| OFFER NO. | OWNER             | AREA      | PRICE    | REMARKS     |
|-----------|-------------------|-----------|----------|-------------|
| 1         | Todd              | 198'x350' | \$30,000 | Two houses  |
| 2         | Hoffman           | 5.0 ac.   | 15,000   | Vacant land |
| 3         | Hoffman           | 4.0 ac.   | 12,000   | Vacant land |
| 4         | Santa Rosa Shores | 80'x130'  | 4,000    | On canals   |
| 5         | Santa Rosa Shores | 80'x130'  | 2,500    | Off canals  |
| 6         | Venetian Isles    | 100' lots | 5,000    | On canals   |

## DISCUSSION OF COMPARABLE SALES AND LISTINGS

SALE NO. 1: This sale, dated November 8, 1962, by E. L. Bonifay, et ux to Texaco, Incorporated, recorded in Deed Book 72 at page 120, was for a special purpose and probably reflects a price slightly higher than the market. The property, containing 16,850 square feet, had 193-foot frontage on U. S. Highway 98 and 135-foot frontage on unimportant Live Oak Street. It was improved with two old buildings of no value which had to be removed when the filling station was constructed. The sales price of \$77,500 was at the rate of \$400 per front foot, or 46 cents per square foot.

SALE NO. 2: Texaco, Incorporated, on October 1, 1963, acquired this property with 80-foot frontage on U. S. Highway 98 from Mark X. Benson, et ux in order to complete its filling station development. It was a more or less must purchase at a slightly premium price of \$262 per front foot, or 42 cents per square foot.

The property had 5,200 square feet and was improved with a house and garage that rented for \$130 per month. The sale is recorded in Deed Book 72 at page 119.

SALE NO. 3: An unimproved 58-acre parcel of land at Grassy Point with 3,000 feet of frontage on Santa Rosa Sound and 600 feet of frontage on Highway 399 and located about 1/4 mile from the subject property was sold for \$115,000 by C. B. Taylor, et al to Grassy Point, Incorporated by deed dated September 17, 1964 and recorded in Deed Book 95 at page 202.

It is estimated that over one-third of the area is swampy and unsuitable for development until expensive canals are constructed. However, the remainder of the property, including the beach, is very comparable to the subject property. A portion of the property near the intersection of Highways 98 and 399 would be an ideal location for a hotel or motel.

SALE NO. 4: By deed dated October 7, 1964 and recorded in Book 95 at page 254, Harris Brothers, Incorporated sold 5.18 acres of unimproved land to John V. Kicklighter, et ux for \$30,000, or \$6,000 per acre.

This property has 1,000 feet of frontage on unimproved Nightingale Lane located one block off and behind the main street in Gulf Breeze.

The area is zoned commercial and it is reported that a high rise apartment is to be constructed. The sales price is at the rate of 13 cents per square foot, or \$30 per front foot.

SALE NO. 5: Fred Gillmore, III, by deed dated January 29, 1964 and recorded in Book 80 at page 22, purchased 56 acres of unimproved land from Gulf Realty Insurance Company for \$17,500, or about \$310 per acre. The wet pine land had 700 feet of frontage on U. S. Highway 98 giving a front foot value of \$25. The subject property is superior to this sale in all respects.

SALE NO. 6: An unimproved tract of land containing 153 acres was sold by Charles W. Smith, et ux on May 12, 1958 to James M. Kobacher for \$60,900, or \$400 per acre. The sale is recorded in Book 140 at page 147. This property, located east of the subject property, was wet and marshy, but has been developed by canals and 100-foot lots are now being sold for \$5,000.

SALE NO. 7: The Shady Shores Tourist Court, containing 6.5 acres with 800-foot frontage on State Highway 399 and 400-foot frontage on Santa Rosa Sound, was purchased by Susie C. Hicks from Ralph Miller, et ux for \$115,000 by deed dated March 13, 1964 and recorded in Book 82 at page 463.

The property was improved with 22 cabins, size 17 x 30 feet, estimated to have a value of \$2,000 each, or \$44,000 for the improvements and \$71,000 for the land. The sale was for \$10,900 per acre, or \$88 per foot of highway frontage.

SALE NO. 8: The property in this sale dated December 9, 1961 adjoins the west boundary of the subject property. The deed from D. B. Williams, et ux to Phillip Beale, recorded in Book 26 at page 605, shows a sale price of \$50,000. The property with 200-foot frontage on U. S. Highway 98 and the same frontage on Santa Rosa Sound was improved with a 27-year old house valued at \$20,000. The lot is about 900 feet deep from road to sound. The property is comparable in all respects to the subject land south of the highway. The sale may have been at a sacrifice since Mr. Williams had recently lost his wife and he wanted to move elsewhere.

SALE NO. 9: An unimproved tract of land containing 39 acres with about one-fourth mile frontage on Pensacola Bay was sold by Clive R. Jenkins by deed dated December 18, 1958 and recorded in Book 145 at page 331 to Bay Cliff, Incorporated for \$115,000, or \$2,940 per acre. There was no access to the property other than by unimproved woods roads. The Corporation, composed of several local business men, propose to divide the property and construct private residences in the near future.

SALE NO. 10: In 1961, Bolin and Todd sold 40 acres of unimproved land with 200-foot frontage on Pensacola Bay and one-fourth mile frontage on Highway 98 for \$20,000, or \$5,000 per acre. The property was subsequently developed and lots are now selling from \$4,000 to \$7,000.

SALE NO. 11: Janet Knight bought a lot, size 100' x 250' in June 1964 with 100-foot frontage on Pensacola Bay from Hickory Shores for \$7,000 cash. Streets and water were included in the sale price.

SALE NO. 12: L. S. Browder bought a lot, size 198' x 275', located at the end of Laura Lane in Gulf Breeze from Carlann Shores in November 1964 for \$20,000. This lot has 198 feet of water frontage.

OFFER NO. 1: Grover Todd is asking \$30,000 for a lot, size 198' x 350', fronting on U. S. Highway 98 and adjoining the subject property on the west. The property is improved with two houses valued at \$2,000 each. The land is comparable in all respects to the north highway frontage of the subject property.

OFFERS NOS.

2 AND 3: These unimproved properties are being offered by Messrs. Hoffman, Sr. and Jr. for \$3,000 per acre. City streets lead to the property but not on the land. Water and other utilities would be available.

OFFERS NOS.

4 AND 5: The new subdivision, Santa Rosa Shores, has nearby lots, 80' x 130', for sale at prices ranging from \$2,500 to \$4,000 depending on water frontage. Canal lots sell for \$50 per front foot while those on Santa Rosa Sound sell for \$80 per front foot. Sales are slow.

OFFER NO. 6: The Venetian Isles subdivision adjoining the east boundary of the subject property has 100-foot lots on canals for \$5,000 each, but sales are slow.

### TRENDS

All of the water front lots in the adjoining City of Gulf Breeze have been sold for premium prices. Local realtors predicted that if the subject property were subdivided, all water front lots could be sold within six months to clientele willing to spend between \$15,000 to \$20,000 per lot. One realtor volunteered the information that he could sell 100 lots by merely making telephone calls.

Commercial development in Gulf Breeze is hampered because the only remaining commercial sites are owned by one or two landowners who want to lease rather than sell. A City official stated that the Live Oak Reservation is a barrier to normal expansion of the City. Availability of the property for private use would permit development of commercial properties along the highway to meet the needs of adjoining residential use.

With the completion of the new four-lane bridge across Pensacola Bay in 1960, the demand for lots, especially with water frontage, has increased and may be expected to continue for lots within commuting distance of the City.

Extensive development would not be necessary to sell the lots. Access via existing Highway 98 helps to reduce costs normally associated with proposed subdivisions.

## VALUATION INFLUENCES

It is axiomatic that value flows from highest and best use. An estimate of value is of no significance whatever in the absence of a specific plan or program for the utilization of the property. The only use that can be made of the subject property is for public park purpose and there is no evidence to indicate that private enterprise should provide recreational facilities such as marine gardens, marine aquariums, campgrounds, beaches, marinas, sport fishing, boat facilities, golf links, or similar activities. In fact these needs are being adequately met by public agencies.

The restriction on the land is a liability. It is beyond comprehension to visualize a market for this property, other than to a public agency, when the limited use to which it may logically be put is considered. Only a philanthropist could afford to pay taxes in the amount of \$78,750 on property that would not produce some revenue or personal gain.

There appears to be no immediate demand, nor in the foreseeable future, for additional recreational lands in the vicinity of Pensacola.

The market is limited to a particular group that has no immediate use for the property.

## ANALYSIS OF COMPARABLE SALES

Sale No. 8 appears to be a good index of value for the area south of Highway 98. This sale amounted to \$15,000 for a 100-foot lot running from road to sound.

Sales 1 and 2 have superior locations for commercial purposes, considering an area 300-feet deep on the highway, and Sale No. 25 is less desirable. The most comparable sale of commercial property is sale No. 7 at \$88 per front foot although it has advantage in location over the subject property.

The water frontage for Sale No. 9 compares very favorably with the subject land. The sale was for around \$90 per front foot and with adjustments for time, an estimate of \$100 per front foot appears reasonable.

The area between the 300' strips off the Bay and Highway on the north side compares very favorably with the land in Sale No. 5. Both would require extensive development before being salable.

# ESTIMATE OF VALUE

Based upon the information in this report and upon our general experience in the real estate field, it is our opinion that the fair market value of this property in its entirety, free and clear of all encumbrances as of December 1, 1964, is THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000) allocated as follows:

|                                                                                       |                   |                   |
|---------------------------------------------------------------------------------------|-------------------|-------------------|
| 1. South side of Highway 98<br>120 lots @ \$15,000 each,<br>or \$7,600 per acre       | 234 acres         | \$1,800,000       |
| 2. North side of Highway 98<br>12,800-foot road @ \$ 75.00<br>300 feet deep \$960,000 | 88 acres          | 2,112,900         |
| 8,844-foot water @ \$100.00<br>300 feet deep \$884,400                                | 66 acres          |                   |
| 895-acre raw land @ \$300.00<br>\$268,500                                             | 895 acres         |                   |
| 3. Highway right-of-way<br>(160' x 12,800")                                           | 47 acres          | Not appraised     |
|                                                                                       | <hr/> 1,330 acres | <hr/> \$3,912,900 |

We believe this figure should be adjusted by making an allowance of about 10 percent to provide for overhead, selling costs, carry and profit.

TOTAL (unencumbered fee title) rounded to \$3,500,000.

The value of the property to private individuals encumbered with a perpetual restriction of use only for public park purposes:

1,330 acres (nominal value) \$1.00

#### CONTINGENT ASSUMPTIONS AND CONTINGENT CONDITIONS

This appraisal is based on the following assumptions and contingent conditions:

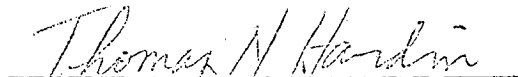
1. The information contained in this report was gathered from official land records, owners, contractors, realtors, and other sources believed reliable, but its accuracy is in no sense guaranteed.

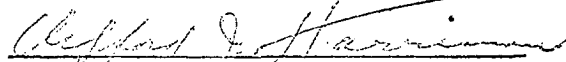
2. The right is reserved to revise the estimate of value on the basis of information withheld or information not obtained in the normal course of our investigation.

#### CERTIFICATION

We hereby certify that the estimate of value shown at page 11, gained from an on-the-ground investigation of the property, represents our best and unbiased judgment of the fair market value of the property.

  
JEAN M. F. DUBOIS  
BUREAU OF LAND MANAGEMENT

  
THOMAS N. HARDIN  
BUREAU OF LAND MANAGEMENT

  
CLIFFORD J. HARRIMAN  
NATIONAL PARK SERVICE

# CONTACTS

Colonel R. W. Miller, Realtor, Santa Rosa Shores

R. J. Sheehy, Real Estate Salesman

Mr. Rowan, Real Estate Salesman

William Basherville, Free Lance Engineer

Wilson Whitfield, Santa Rosa County Commissioner

Ray Helm, Santa Rosa County Clerk

Mark Benson, Property Owner

William Bledsoe, Florida Highway Engineer

Oliver Simms, City Employee, Gulf Breeze

Joyce Harris, Realtor, Gulf Breeze

Susie Hicks, Property Owner, Shady Shores Tourist Court

**ATTENTION:**

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of the source document.**

PART III

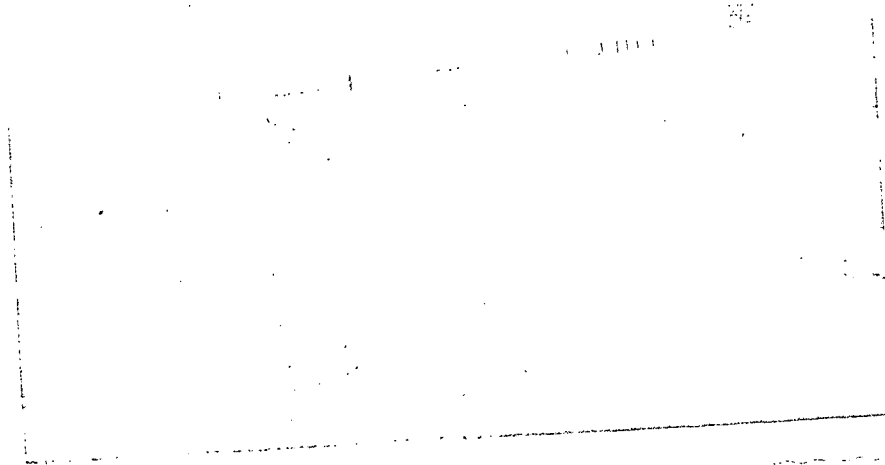
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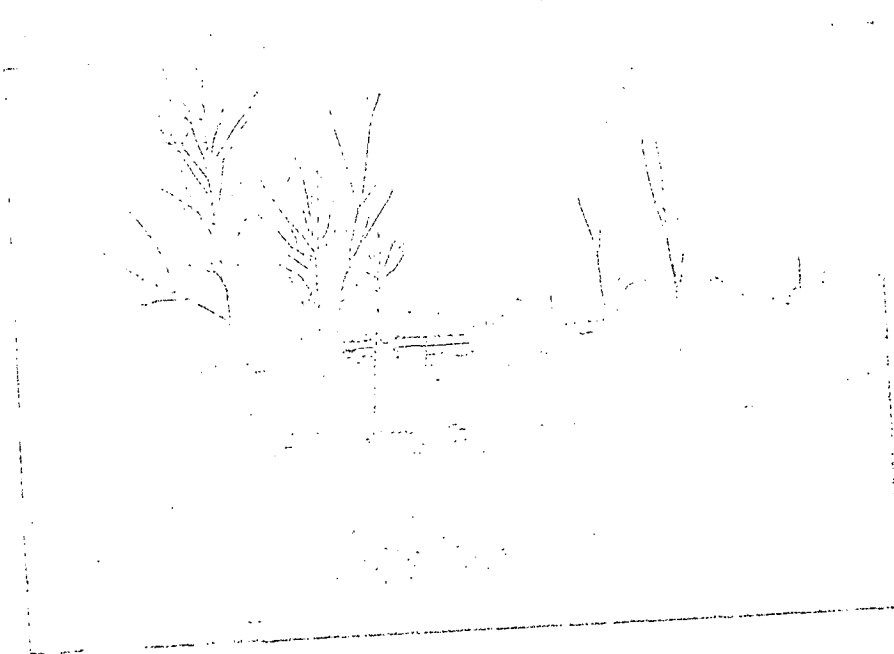
6. BEACH AREA ON THE SOUND SIDE



35. TYPICAL PINE WOODS AREA



39. NEWLY CONSTRUCTED PORTION OF U. S. HIGHWAY 98



40. VENETIAN ISLAND SUBDIVISION ADJOINING EAST BOUNDARY

Garcon Pt

A Y

SALE NO. 11

SALE NO. 10

Redfish Pt

SALE NO. 5

OFFER NO. 4.15

SALE NO. 6

OFFER NO. 6

APPRAISED AREA

SANTA ROSA

SANTA ROSA CO  
ESCAMBIA CO

S O U N D

Range Pt

Sharp Pt

SANTA ROSA

NATIONAL MONUMENT

MONUMENT

Sand

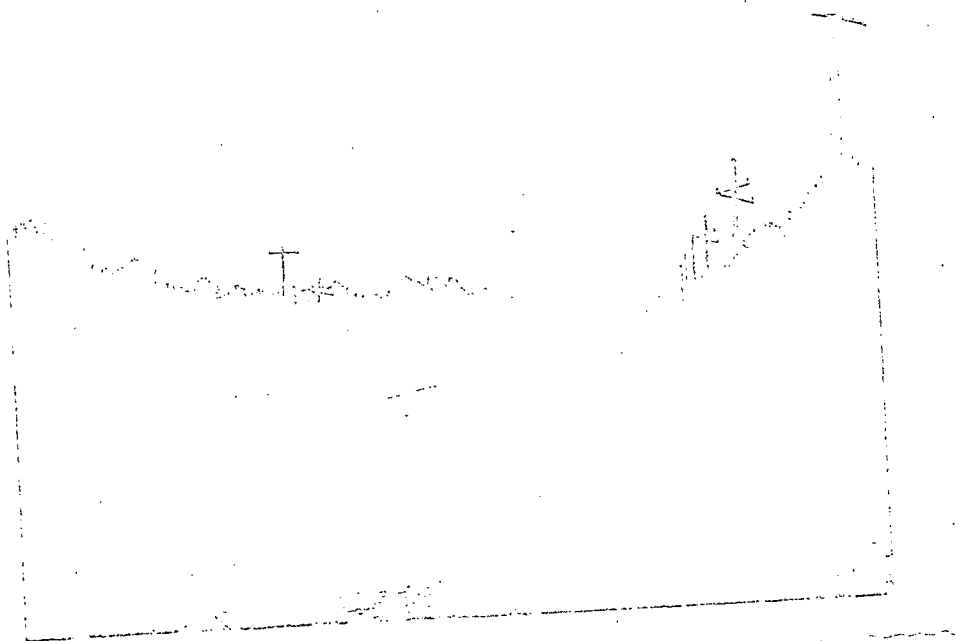
Dunes

7.5 MI TO FLA. 87  
PANAMA CITY 86 MI.

Halley

I C O

Exhibit D



42. VIEW LOOKING WEST FROM EAST BOUNDARY