

## HIGHEST AND BEST USE- (Cont)

**Physically Possible:** The subject site is irregular in shape and has a total site area estimated at 21,344 SF. According to the legal description, the site has about 299 feet of frontage along the northerly right-of-way of Northwest Blitchton Road (also known as US Highway 27), a four-lane, asphalt paved, divided arterial roadway. The site also has about 237 feet of frontage along the southerly right-of-way of Northwest Old Blitchton Road, a two-lane, asphalt paved, local collector roadway. The east boundary extends to a depth of about 148 feet between the roadways. There is a median opening at the intersection of Northwest Blitchton Road/US Highway 27 and Northwest Old Blitchton Road. Therefore, the property is accessible to both eastbound and westbound traffic. Access to the property is provided by two curb cuts along its southerly boundary on Northwest Blitchton Road/US Highway 27. There is also a continuous curb cut on the north property boundary along Northwest Old Blitchton Road. All city services and protections are provided to the site. The size of the tract, its location along Northwest Blitchton Road/US Highway 27, availability of utilities, and ingress/egress within the neighborhood, will generally allow a wide variety of uses to be developed, including residential, commercial, industrial, and recreational.

**Legally Permissible:** From a legal standpoint, the present zoning on the property is B-5, Wholesale Business. The wholesale business (B-5) district is intended primarily for retail sales, wholesale trade and warehouse storage requiring a large site or structure. Outdoor sales with some B-5 uses are permitted. Outdoor storage is a permitted accessory use. Permitted uses include single family dwellings, auto supply stores, bakeries, building material sales, department stores, furniture stores, garden/nursery sales, hardware stores, mobile/manufactured home sales, specialty retail stores, automobile rentals/sales (new/used), RV sales, truck rentals/sales, equipment rental/leasing, general business services, pest control service, alcoholic beverage establishments, drive-in/drive-through restaurants, fast food restaurants, enclosed restaurants, art/antique gallery or museum, hotels, computer maintenance/repair, financial institutions, print shops, professional and business offices, funeral homes/crematories, hairstyling shops, auto repair (minor), auto detailing, repair garages, service stations, dance/art/music studios, motion picture theatres, physical fitness facilities, indoor recreation facilities, post offices, medical/dental offices, veterinarian offices, recycling centers, warehouses, and wholesale/distribution centers.

The City of Ocala land use plan designates the property as Employment Center. The intent of this land use is to provide a regionally important and vibrant hub for business, enterprise, research and development, and employment activities. Primary uses in this category are industrial, office and commercial. Secondary uses are public, recreation & open space, institutional, and residential, as well as educational facilities.

The zoning and land use classifications are compatible, and a wide variety of commercial uses are allowed on the site. Recognizing the physical characteristics of the site, especially its size and location, the legally permissible uses would likely be represented by some type of commercial development. Residential and industrial development of the property would be precluded by the present land use designation and zoning classifications. Therefore, some type of commercial development is considered to be physically possible and legally permissible on the site.

**Financially Feasible/Maximally Productive:** In order to be seriously considered, a use must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible. Financially feasible uses are those uses that can generate a profit over and above the cost of acquiring the site and constructing the improvements. Of the uses that are permitted, possible, and financially feasible, the one that will result in the maximum value for the property is considered the highest and best use.

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As previously discussed, land uses in the immediate area include a wide variety of commercial and residential uses, with commercial uses along the major roadways. This location is within the northwestern city limits of Ocala, along the Northwest Blitchton Road/US Highway 27 corridor.

The site is comparable to, and compatible with, other similar commercial sites available for development within the local neighborhood. The variety of commercial facilities provides support for the economic viability of these uses within the local neighborhood. After considering the physical, legal and economic characteristics of the property, the most financially feasible use is most likely represented by some form of commercial use.

**Conclusion:** We considered the legal issues related to zoning and legal restrictions. We also analyzed the physical characteristics of the site to determine what legal uses would be possible and considered the financial feasibility of these uses to determine the use that is maximally productive. Considering the subject site's physical characteristics and location, as well as the state of the local market, it is our opinion that the Highest and Best Use of the subject site, as though vacant, is for development with a commercial use built to its maximum feasible building area. Use of the subject site for commercial purposes meets all four criteria for highest and best use. This type of use complies with the existing zoning (B-5, Wholesale Business) and land use (Employment Center) designations and is physically possible upon the site. Due to the size of the site, large-scale commercial development is not likely. And, based on its location, residential uses are not practical. Recognizing all these factors, it seems reasonable to conclude that the highest and best use of the property would be for some type of commercial use.

### **As Improved**

**Physically Possible:** The subject property was developed in 1950 and expanded in 1986 according to local property records. It is improved with a two-story commercial/office building that is currently in reasonably good physical condition. We know of no current or pending municipal actions or covenants that would require a change to the current improvements.

**Legally Permissible:** As discussed in the zoning section of this report, the existing use is allowable within the current zoning and land development regulations. The site is improved with a two-story commercial/office building with 2,182 SF of gross building area. It is compatible with other existing uses in the neighborhood, particularly those along the Northwest Blitchton Road/US Highway 27 corridor in the western city limits of Ocala. The property has suitable size to accommodate the building improvements, parking areas, landscaping, and other support facilities. The improvements have been constructed on the site in a functional manner consistent with other similar commercial/office facilities in the local market area.

**Financially Feasible/Maximally Productive:** In the Reconciliation section of this report, we concluded to a market value of the subject property, as improved, of \$315,000. In our opinion, the improvements contribute to the value of the site. It is likely that no alternative use would result in a higher return.

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**Conclusion:** It is our opinion that the existing improvements add value to the site as though vacant, dictating a continuation of their current use. The improvements are in reasonably good physical condition and are a legal, permissible use of the site. They also have been constructed in a functional manner, and the site has suitable size for the building improvements, parking areas, utilities, landscaping, etc. After considering this information, the existing commercial/office use on the property is felt to be a reasonable expectation for its highest and best use as improved.