



# HALIFAX HEALTH

## **Board of Commissioners Meeting**

February 5, 2018  
4:00 p.m. - France Tower  
Conference Room A

## **HALIFAX HEALTH BOARD OF COMMISSIONERS MEETING**

**303 No. Clyde Morris Boulevard, Daytona Beach, FL**

**France Tower Conference Room A**

**4:00 p.m., February 5, 2018**

### **AGENDA**

**Call to Order**

**Invocation & Pledge of Allegiance**

**Roll Call**

**Mission Statement**

Page 3

**Approval of Agenda (Action)**

**Old Business (Action)**

- Sale of Portion of West Clyde Morris Boulevard (12.50 acres)

Page 4

**New Business**

**Public Participation**

**Next Meeting**

- Board of Commissioners Meeting – March 5, 2018  
4:00 p.m., France Tower Conf. Room A

**Adjourn**



**OUR MISSION** is to be the community healthcare leader through exceptional talent and superior patient centered service delivered in a financially sustainable manner.

**OUR VISION** is to develop talented teams dedicated to providing competent, accountable patient centered healthcare in a financially sustainable manner.

## **OUR VALUES:**

Halifax Health will cultivate a positive workplace in which each team member is valued, respected, and has an opportunity for personal and professional growth. We will develop patient centered systems of care.

## **OUR SERVICE PHILOSOPHY:**

Halifax Health will ensure that those we serve are treated with courtesy and respect in a safe, compassionate, and professional environment.

Halifax Health will provide exemplary medical, emotional, and spiritual care for each of our patients and their families.

Adopted 7/14/10



# HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer  
FROM: Bill Griffin, Director, Research and Planning  
CC: Eric Peburn, Executive Vice President and Chief Financial Officer  
DATE: January 9, 2018  
RE: Appraisal and Comps related to Sale of a Portion of W Clyde Morris Blvd. Land

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I am following up on the question of an appraisal and "comps" at our Board of Commissioners meeting yesterday January 8, 2018.

Please see excerpted pages from the appraisal report from Doyle Appraisal Services, Inc. dated August 11, 2017.

There are six comparable sales used in this report. The comparable land sales summary report and analysis are attached to this memo and are numbers pages 25-28. Page # 29 further describes the valuation process for each of the parcels noted on the development concept plan (aerial attached to this memo).

The appraised per acre value of the parcel presented to the Board of Commissioners yesterday is \$154,000 per acre (Parcel #3) on page #29.

The negotiated purchase price for 12.50 acres is \$2,500,000 (\$200,000 per acre) which is almost 30% higher than the appraised value.

# DOYLE APPRAISAL SERVICES, INC.

REAL ESTATE APPRAISERS- CONSULTANTS

File No: 17027

**A**

## ***SUMMARY REAL ESTATE APPRAISAL REPORT***



On A

Vacant Planned Development Containing 93.518± Acres of Land - (9 Building Sites)

### ***LOCATED AT***

W / Clyde Morris Boulevard  
Daytona Beach, Volusia County, Florida 32117

### ***Prepared For***

Mr. Bill Griffin, Planning and Research Director  
Halifax Health  
303 N. Clyde Morris Boulevard, Daytona Beach, Florida 32114

### ***Prepared By***

**DOYLE APPRAISAL SERVICES, INC.**

555 E. New York Avenue, Suite A  
DeLand, FL 32724

### ***Date of Valuation***

July 14th, 2017

### ***Date of Report***

August 11th, 2017

## COMPARABLE LAND SALES SUMMARY TABLE

No.	Location	Sale Date	Price	Size / Acres	Price / Acre
1.	S/ LPGA Blvd., Daytona Beach	6/1/2015	\$505,000	3.1 ±	\$162,903
2	S/ W. Granada Blvd., Ormond Beach	9/15/2016	\$459,600	2.252 ±	\$204,085
3	1287 W. Granada Blvd, Ormond Beach	1/28/2015	\$575,000	2.53 ±	\$227,273
4.	550 W. Granada Blvd, Ormond Beach	6/27/2016	\$750,000	3.0 ±	\$250,000
5.	2884 Wellness Avenue, Orange City	4/3/2014	\$300,000	2.95±	\$101,695
6	W/ N. Clyde Morris Blvd., Daytona Beach	12/10/2015	\$850,000	3.52 ±	\$241,477

### Comparable Land Sales Analysis:

For the purposes of this analysis, the price per acre will be the unit of comparison given the most emphasis as it is most germane to the participants of this market. An adjustment chart summarizing the sales can be found on the following pages. Detailed narrations and a map depicting the locations of these sales can be found in the “Addenda” section of this report. It should be noted that a paucity of comparable sales in the immediate area was noted and thus, it was necessary to expand the sales search to include reasonably similar locations. It was also prudent to expand said sales search to encompass older comparable sales which are considered comparable in many ways, to the subject property. Given the distant location of certain of the comparable sales utilized and given the older than preferred dates of some of the sales transactions, it was considered prudent to consider these sales in a qualitative, rather than a quantitative analysis. While certain adjustments were quantitative, (location, land size and topography/wetlands, for example) the overall qualitative analysis of the six comparable sales utilized provides the greatest level of insight to the appraiser in the current marketplace.

**Sale 1** represents a June, 2015 transfer of a 3.1 acre commercial property, purchased for medical use. The site is located on the south side of LPGA Boulevard, east of Clyde Morris Boulevard. The sale was adjusted positively for changes in market conditions, attributable to the passage of time (+17%) and for lack of proximity to a hospital facility (+20%) and was negatively adjusted for a prime, rather than a secondary location (-25%). After adjustment, the sale **provides a unit value for the subject property, of \$181,067 per acre.**

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**Sale 2** represents a September, 2016 transfer of a 2.252± acre parcel, for \$459,600 or \$204,085 per acre. The sale parcel, located on the south side of W. Granada Boulevard, at the intersection of Tomoka Road, was adjusted positively for time (+7%) and lack of hospital proximity (+20%) and required negative adjustment for primary location (-25%) and corner exposure (-10%). After adjustment, the sale **provides a unit value for the subject property, of \$185,616 per acre.**

**Sale 3** represents a January, 8<sup>th</sup>, 2015 sale of vacant commercial land, containing 2.53± acres, which conveyed for \$575,000, reflecting \$227,273 per acre. The sale is located along the southerly right of way of W. Granada Boulevard, Ormond Beach. The sale required positive adjustments for time (+13%) and inferiority to proximity to a medical center (+20%) and was negatively adjusted for primary exposure (-25%). Net adjustment of -5% **provides a unit value of \$243,977 per acre.**

**Sale 4** represents a June 27<sup>th</sup>, 2016 sale of a 3 acre commercial parcel for \$750,000, or \$250,000 per acre. The sale is located along the southerly right of way of W. Granada Boulevard, Ormond Beach and required positive adjustments for time (+9%) and lack of proximity to a medical facility (+20%). The sale required a negative adjustment for primary location (-25%) and frontage on two streets (-5%). The sale, after adjustment, **provides a unit value for the subject property, of \$245,250 per acre.**

**Sale 5** represents an April, 3<sup>rd</sup>, 2014 sale of a subdivided medical lot, located at 2884 Wellness Avenue, Orange City. This sale is included, largely for informational purposes and has not been given significant weight in the reconciliation process. The sale transferred for the consideration of \$300,000 and contained 2.95± acres, reflecting \$101,695 per acre. The sale was adjusted positively for time (+27%), and lesser proximity to a medical facility (+20%), and required negative adjustment for primary location (-25%) and corner exposure (-10%). The sale, an older transaction, after adjustment, **provides a unit value of \$109,780 per acre.**

**Sale 6** represents a December 10<sup>th</sup>, 2015 transfer of a 3.52± acre parcel, located at the southwest corner of Mason Avenue and Clyde Morris Boulevard, for \$850,000, reflecting \$241,477 per acre. The sale required a positive adjustment for changes in market conditions, attributable to the passage of time (+13%) and inferior proximity to medical facilities (-20%), as well as negative adjustments for primary location/exposure (-25%) and corner location (-10%). After adjustment, the sale **provides a unit value for the subject property, of \$231,939.**

The comparable sales grids are located on the following pages.

### **HHMC PLANNED DEVELOPMENT:**

<b>Property Address</b>	<b>Subject W/ Clyde Morris Blvd., Daytona Beach</b>	<b>Sale 1 S/ LPGA Blvd., Daytona Beach</b>		<b>Sale 2 S/ W. Granada Blvd., Ormond Beach</b>		<b>Sale 3 1287 W. Granada Blvd, Ormond Beach</b>	
Grantor		Indigo Development LLC		Thurman Gillespy Jr. Family Trust		Maurice Thompson et al	
Grantee		Volusia Orthopaedic Trauma		Granada Ponite Investors, LLC		Demer Ormond Beach Development, Inc.	
Sales Price	N/A	\$505,000		\$459,600		\$575,000	
Price Per Acre	N/A	\$162,903		\$204,085		\$227,273	
Property Rights	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Financing Terms	Normal	Conventional		Cash		Cash	
Conditions of Sale	Normal	Normal		Normal		Normal	
Market Conditions	7/14,2017	6/1/2015	17%	9/15/2016	7%	1/28/2015	13%
Adjusted Sale Price/Acre			\$190,597		\$218,371		\$256,818
Location	Secondary	Primary	-25%	Primary	-25%	Primary	-25%
Land Size (± Acres)	3.1 - 5.4 Acres	3.1		2.252		2.53	
Corner	Interior	Interior		Corner	-10%	Interior	
Utilities	Proximate	Proximate		Proximate		Proximate	
Topography	Level	Level		Level		Level	
Miscellaneous	Hospital Proximity	Average	20%	Average	20%	Average	20%
Net Adjustment			-5%		-15%		-5%
<b>INDICATED VALUE / ACRE</b>			<b>\$181,067</b>		<b>\$185,616</b>		<b>\$243,977</b>

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### HHMC PLANNED DEVELOPMENT:

Property Address	Subject W/ Clyde Morris Blvd., Daytona Beach	Sale 4 550 W. Granada Blvd, Ormond Beach		Sale 5 2884 Wellness Avenue, Orange City		Sale 6 W/ N. Clyde Morris Blvd., Daytona Beach	
Grantor		Granada Management, LLC		Intex Construction, Inc.		Hopkins Properties, LLC	
Grantee		Granada Point Investors, LLC		Medical Village Complex, LLC		Victor, LLC.	
Sales Price	N/A	\$750,000		\$300,000		\$850,000	
Price Per Acre	N/A	\$250,000		\$101,695		\$241,477	
Property Rights	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Financing Terms	Normal	Conventional		Conventional		Cash to Seller	
Conditions of Sale	Normal	Normal		Normal		Normal	
Market Conditions	7/14,2017	6/27/2016	9%	4/3/2014	27%	12/10/2015	13%
Adjusted Sale Price/Acre			\$272,500		\$129,153		\$272,869
Location	Secondary	Primary	-25%	Primary	-25%	Primary	-25%
Land Size (± Acres)	3.1 - 5.4 Acres	3.0		2.95		3.52	
Corner	Interior	Interior -2 streets	-5%	Corner	-10%	Corner	-10%
Utilities	Proximate	Proximate		Proximate		Proximate	
Topography	Level	Level		Level		Level	
Miscellaneous	Hospital Proximity	Average	20%	Average	20%	Average	20%
Net Adjustment			-10%		-15%		-15%
<b>INDICATED VALUE / ACRE</b>			<b>\$245,250</b>		<b>\$109,780</b>		<b>\$231,939</b>

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### **Reconciliation of The Comparable Land Sales:**

A diligent and wide search was conducted for of the subject area and approximately sixty sales were considered and analyzed. Our research revealed that a great deal of medically related sales have not happened in recent times and many were too old for consideration for the project at hand.

Based upon the data utilized and without regard to Sale 5, a unit value of \$220,000 per acre is considered appropriate for the smaller building sites (#1,#2 and #7, containing 3.2, 3.1 and 3.4 acres respectively.. Adjusting this unit value for parcel size, a unit value of \$198,000 would be appropriate for Lots #5,# 6 and #8, containing 5.4, 5.3 and 4.7 acres, respectively. Finally, a unit value of \$154,000 has been allocated to Lots #3, #4 and 39, containing 12.5, 12.6 and 11.8 acres respectively.

Therefore, we have the following calculation for the valuation of the subject lots:

<b>Computation of Retail Site Values Via The Direct Sales Comparison Approach</b>				
<b>Parcel</b>	<b>Acres</b>		<b>Price per Acre</b>	<b>Retail Value</b>
1	3.2	x	\$220,000	<b>\$704,000</b>
2	3.1	x	\$220,000	<b>\$682,000</b>
3	12.5	x	\$154,000	<b>\$1,925,000</b>
4	12.6	x	\$154,000	<b>\$1,940,400</b>
5	5.4	x	\$198,000	<b>\$1,069,200</b>
6	5.3	x	\$198,000	<b>\$1,049,400</b>
7	3.4	x	\$220,000	<b>\$748,000</b>
8	4.7	x	\$198,000	<b>\$930,600</b>
9	11.8	x	\$154,000	<b>\$1,817,200</b>
<b>Total</b>	62.0			<b>\$10,865,800</b>

**\* Equates to \$ 1,207,311 per site.**

Halifax Health

Clyde Morris Blvd



Next Chapter  
Student Housing

Volusia Mall

Traumatic Brain  
& Spinal Cord  
Injury  
(Highbridge)

ISB





# HALIFAX HEALTH

TO: Jeff Feasel, President and Chief Executive Officer  
FROM: Bill Griffin, Director, Research and Planning  
CC: Eric Peburn, Executive Vice President and Chief Financial Officer  
DATE: December 14, 2017  
RE: Sale of a Portion of Vacant Land West of Clyde Morris Blvd.

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The vacant real estate parcel located west of Clyde Morris Blvd (across from the main campus), consisting of 77.5 +/- acres is owned by Halifax Hospital Medical Center (HHMC). Development of a portion of this parcel is planned, including road and utility infrastructure.

The HHMC Board of Commissioners previously approved (November 2017) sale of 11.68 acres at a purchase price of \$200,000 per acre to Highbridge Care LLC for the development of a traumatic brain injury/spinal cord injury (TBI/SCI) post-acute rehab and a memory care assisted living facility (ALF). A student housing developer (Next Chapter) has submitted a Letter of Intent to purchase 12.5 acres adjacent to the Highbridge parcel for \$200,000 per acre. This parcel is labeled "F" on the attached conceptual parcelization master plan with a recommended use of multi-family. This development is in accord with this master plan.

**The negotiated purchase price for 12.50 acres is \$2,500,000 (\$200,000 per acre).**

In addition, Next Chapter has agreed to fund a pro rata share of the cost of constructing access road, storm water, and utility infrastructure for the overall site. HHMC's estimated cost of road, storm water, and utility infrastructure up to that round-about (dotted circle) in front of Parcel G on the attached conceptual parcelization master plan is \$2,530,000, of which approximately 22% (\$553,168) is to be paid by Next Chapter. The resulting total purchase price to be paid by Next Chapter would be \$3,053,168 [i.e. \$2,500,000 for the land and \$553,168 for the first part (highlighted in yellow on attached master plan) of Next Chapter's pro rata share of the infrastructure construction costs]. Next Chapter also has agreed in the LOI to pay its pro-rata portion of the cost of constructing road, storm water, and utility infrastructure north to the round-about in front of Parcel F (highlighted in blue on attached master plan). If the infrastructure construction contract for the first part of the infrastructure comes in for less than the \$2,530,000, or if the survey establishes the Sale Parcel is less than 12.5 gross acres, Next Chapter's contribution amount would decrease pro rata.

**Additional background on proposed sale:**

- This west Clyde Morris land was donated to the Halifax Hospital District in 1935, the book value includes the investment made for wetland mitigation
- Book value of the 77.5 +/- land is \$1,590,951.99; (\$20,528.41 per acre).
- Net gain on sale – Approximately \$2 million

**Requested approval:**

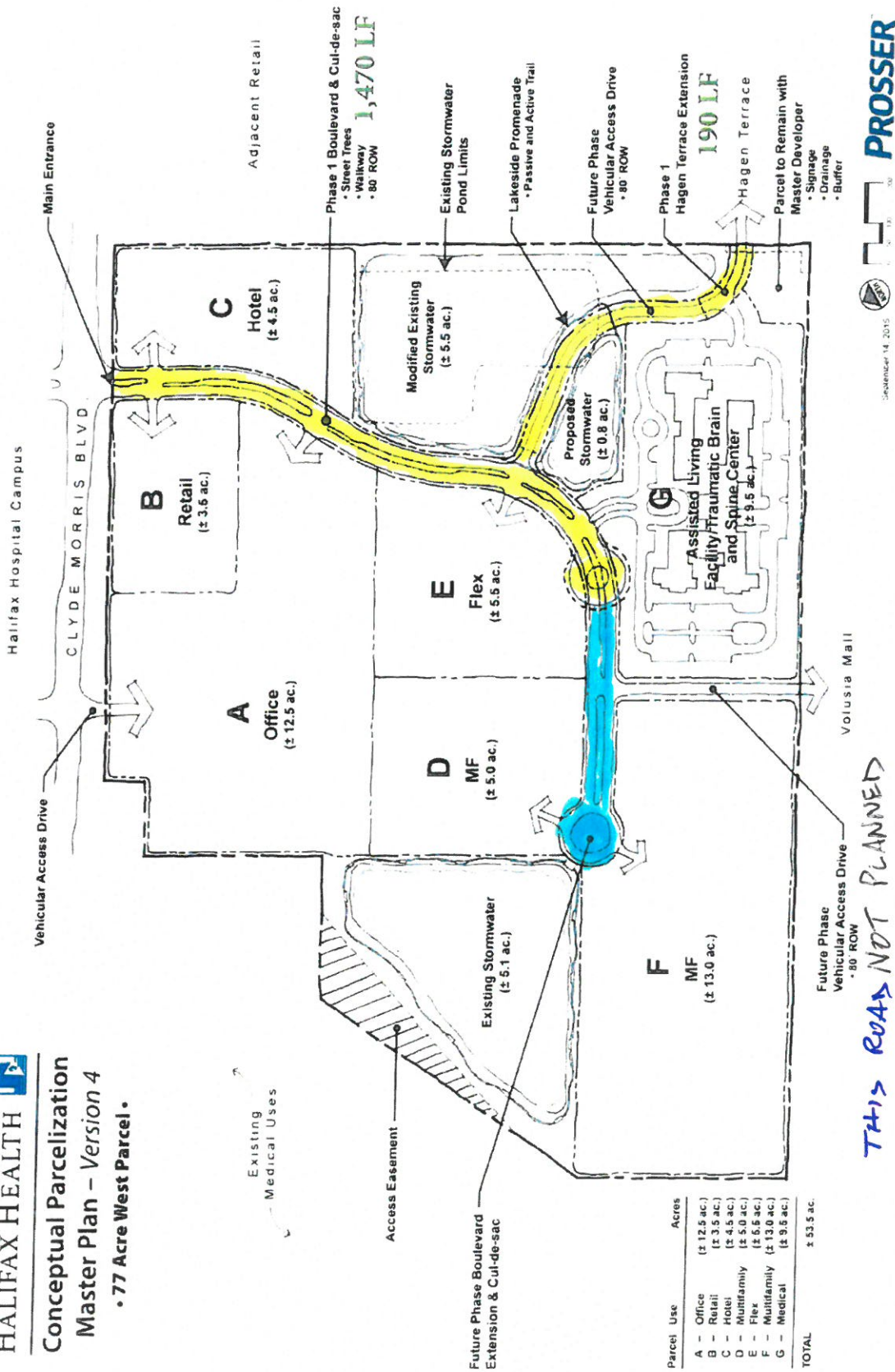
**Sell the real estate parcel described above and authorize the Chief Executive Officer or the Chief Financial Officer to execute any related sales documents or agreements.**



# Conceptual Parcelization

Master Plan - Version 4

• 77 Acre West Parcel •



Parcel	Use	Acres
A	Office	(±12.5 ac.)
B	Retail	(±3.5 ac.)
C	Hotel	(±4.5 ac.)
D	Multifamily	(±5.0 ac.)
E	Flex	(±5.5 ac.)
F	Multifamily	(±13.0 ac.)
G	Medical	(±9.5 ac.)
TOTAL		±53.5 ac.

PROSSER



January 14, 2015