HYPOTHETICAL APPRAISAL
OF REPLACEMENT VALUE
FOR PROPOSED SEAHORSE SCULPTURE
BY RON BERMAN,
CITY OF PALMETTO, FLORIDA

Client of Record:

Palmetto Community Redevelopment Agency
Shirley Groover Bryant, Presiding Officer
516 8th Avenue West
Palmetto, Florida 34221

Estimated Current Replacement Value **$142,050.00**

HPE

Date of Report 10.23.18

Number of Pages in Report: Six (6), plus Appendix X1 through X6

October 23, 2018

Shirley Groover Bryant, Presiding Officer
Palmetto Community Redevelopment Agency
516 8th Avenue West
Palmetto, Florida 34221

Dear Ms Groover Bryant:

At your request, expressed to me by Ms Vicki Moore of Moore2Design, I have undertaken an investigation to estimate the current replacement value of the proposed Ron Berman sculpture of a seahorse on pedestal to be installed in the City of Palmetto, Florida.

This report, presented in summary with base data retained in my notes, constitutes a hypothetical appraisal, contingent on the future completion, placement, and erection of the sculpture on its pedestal in Palmetto. Data, assumptions and conclusions on which this report draws are based on information provided by Mr. Berman and Ms Moore. This information has not been independently verified.

Use of this report, the argument it advances as well as its assumptions and conclusions, is limited to this specific objective. Should another objective be envisioned, such as a further reappraisal after the statue's completion and installation, a second report is recommended.

Property

The property considered does not at this time exist as a moveable object; rather, it it remains in the proposal stages. Contractor/artist is Mr. Ron Berman of Berman Studios, Inc., in cooperation with Vicki Moore of Moore2Design, 706 Riverside Drive, Palmetto 34221.

As such, it presently exists graphically, as a computer generated design; see X1 (Exhibit One) in Appendix.

Main features of this design, presented relative to human scale, are as follows:

Overall Height, 27 feet, 5 inches. The main sculpture of the seahorse measures 20 feet, 5 inches, while the height of the pedestal at proposal stage is 7 feet. No width for the side view is given; however the pedestal at base is shown to be 7 by 7 feet square.

Proposed construction method in the main follows the process outlined in the article by Jen Kramer published in Spray Foam Magazine titled "World's Largest Spray Foam Hot Dog," about the construction of a 63 foot long hot dog made for Wienerlicious, in Mackinaw City, Michigan. See X2.

The process, similar to the one by which the present sculpture is to be made, starts with a virtual sculpting of the proposed object using a 3-D computer program. According to this virtual mock-up, actual dimensions are then computed of individual parts by which the rod and screen foundation, a form of armature, is assembled. This is covered with a polymer or urethane foam that, when set, assumes the basic three dimensional shape of the object. When cured, it is then dressed to achieve the finished shape, after which color and sealer are applied. Article from which this outline is taken is presented as X3 in Appendix. (X2 and X3 are both contained in the article by Ms Kramer.)

Contractor/Artist

Oversight of manufacture and installation of a public sculpture is a complex, multi-faceted task. Its success depends on the proven experience and production record of its contractor/artist.

Contractor/Artist for the project is Mr. Roni S. Berman of Berman Studios, Inc. , listed with Florida Business Registration on SP 1, 2006, as residing at 701 Heathrow Lane, Palm Harbor, FL 34683. A resume provided by Mr. Berman is appended a X4.

Partial Record of Civic and Commercial Sculptures

In reviewing Mr. Berman's record, appraiser is reminded of the late New Mexico pop artist, Luis Jimenez, whose monumental polymer sculpture, "Blue Horse," sits in the Denver Airport, and whose bucking steer is on permanently display with the Art Museum of the City of Roswell, New Mexico.

A partial list of Mr. Berman's major projects provided to the appraiser has been added here as X5. It is presented chronologically, from 1998 to 2014, and provides a credible record of completed projects. It is worth noting that each offers the beholder an attractive installation that both meets the commercial owner's expectations and acts as an impressive and memorable focal point to the casual pedestrian. Nor should we overlook the fact that from the beginning, in the pop sculpture, "Dragon Vegas," 1998, Mr. Berman has shown the ability to create compelling works of impressive size.

Method Using Time and Materials

Choice of appraisal method presents several challenges. Using a market based approach we have no choice other than incongruously to apply alleged prices of existing works to one that is non-existent. At the same time, as the work does not yet exist, we can not rely on an income approach to estimate a hypothetical replacement market value.

What is left of the triad of approaches is the replacement as new approach used to estimate replacement value for insurance. For this we rely on the

figures for time and materials of individual steps or operations needed to bring the project into being. This information, based on the data allegedly forwarded by Mr. Berman, was provided by Ms Moore in a memo dated 10.16.18. See X 6.

This lists a total amount of One Hundred Sixteen Thousand, Three Hundred Ninety Seven, and Twenty Six One Hundredth (116,397.26) Dollars US. [Memo 5.15.18, Moore to Eller, specifies turn key figure of $97,500.00]

Calculation of Current Fair Market Value

Analyzing this figure, we find it fails to address a cost over-run, which almost invariably accompanies a project of this magnitude, and it makes no allowance for the contractor's margin of profit.

Setting the former, over-run factor at 12%, we see an an additional dollar amount of $13,967.67, rounded to $14,000.00.

Adding a margin of profit of 10%, we have a rounded figure of $11,650.00

Total of the two, to be added to the base estimate, is $25,650.00

Following through, we arrive at a rounded sum of One Hundred Forty Two Thousand and Fifty ($142,050.00) US Dollars.

Hypothetical Current Replacement Value

Estimated Current Replacement Value of the proposed Seahorse Sculpture by Ron Berman, to be commissioned by the City of Palmetto, Florida, is hereby seen to be around One Hundred Forty Two Thousand and Fifty (142,050.00) US Dollars.

Qualifications

This amount, and the figures on which it may be based, remains hypothetical and is not to be seen as actual or understood as "Penny Accurate."

As a current estimate, the amount is not to be taken or used to project a value for the future.

Throughout, appraiser has relied on data supplied to him and which has not been independently verified.

Unless otherwise noted, appraiser's assumptions and conclusions regarding the method of valuation are his own.

Appraiser was paid in advance and payment was not figured as a percentage of value found or anticipated.

Other than a general discussion with Martin Molloy in his capacity as appraiser and USPAP instructor, no outside expertise was consulted.

To the degree possible for a hypothetical appraisal, appraiser followed the guidelines of USPAP, the Appraisal Foundation's Uniform Standards of Professional Appraisal Practice.

Thank you for this opportunity to be of service. Comments and questions may be directed via peter@peterellerart.com. A brief resume is available on www.peterellerart.com. The following APPENDIX is an integral part of this report.

Sincerely,

H. Peter Eller

APPENDIX

Index (17 pages)

Appendix is indexed in the following order:

X ONE Graphic Computer Design of proposed seahorse sculpture (2 pages)

X TWO and THREE Article, "World's Largest Spray Foam Hot Dog," referring to one of Mr. Berman's major commissions (X2), and explaining the method and process of construction (X3). (8 pages, designated as 2/12 to 9/12 lower right corner)

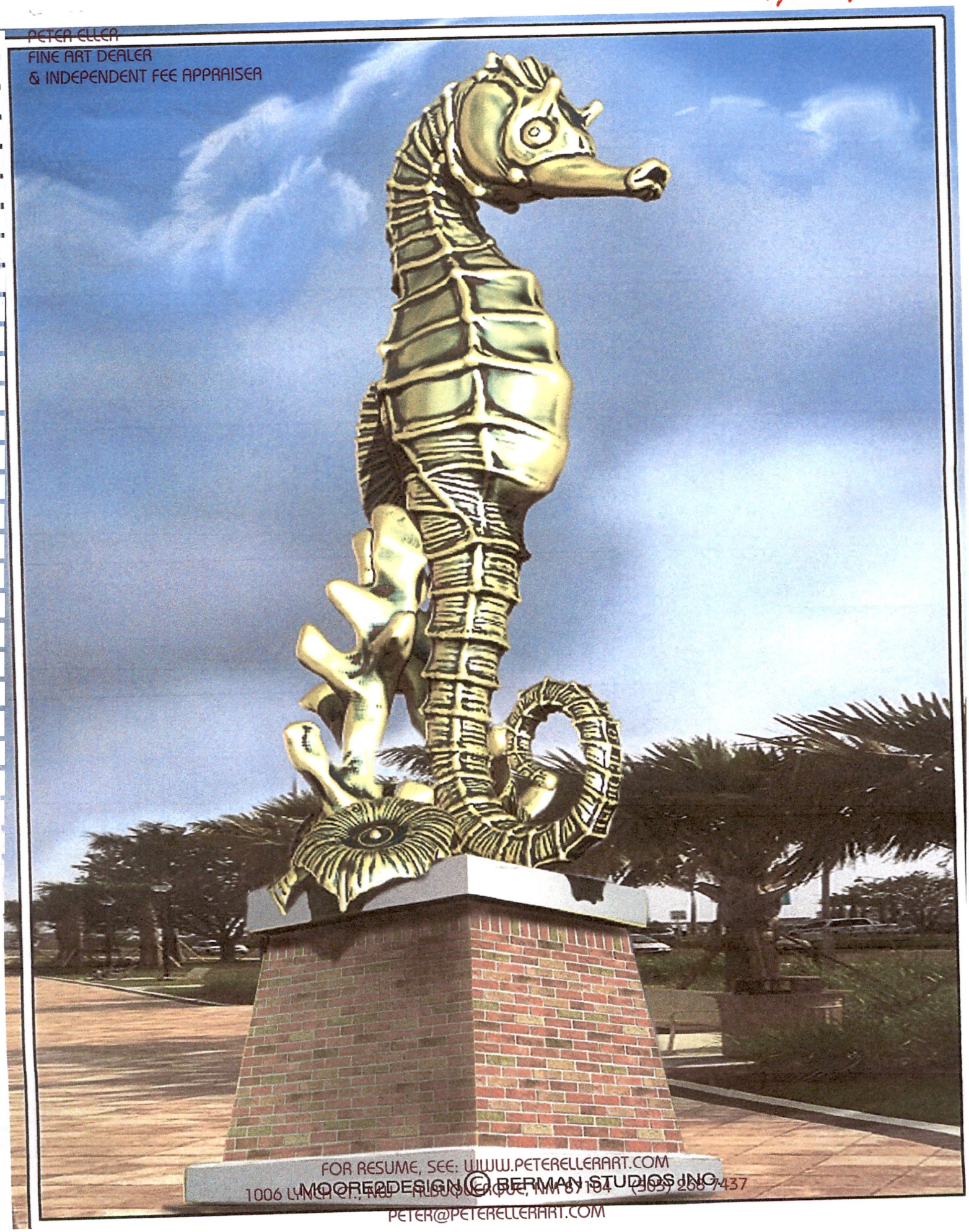
X FOUR Ron S. Berman resume, detailing education and work history. (1 page)

X FIVE List of Completed Projects with dates, and costs in current dollars. (5 pages)

X SIX List of Cost Estimates for each of the major steps in the construction and installation of the sculpture. (1 page)

XI P1

PETER ELLER
FINE ART DEALER
& INDEPENDENT FEE APPRAISER



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x2p2

PETER ELLER
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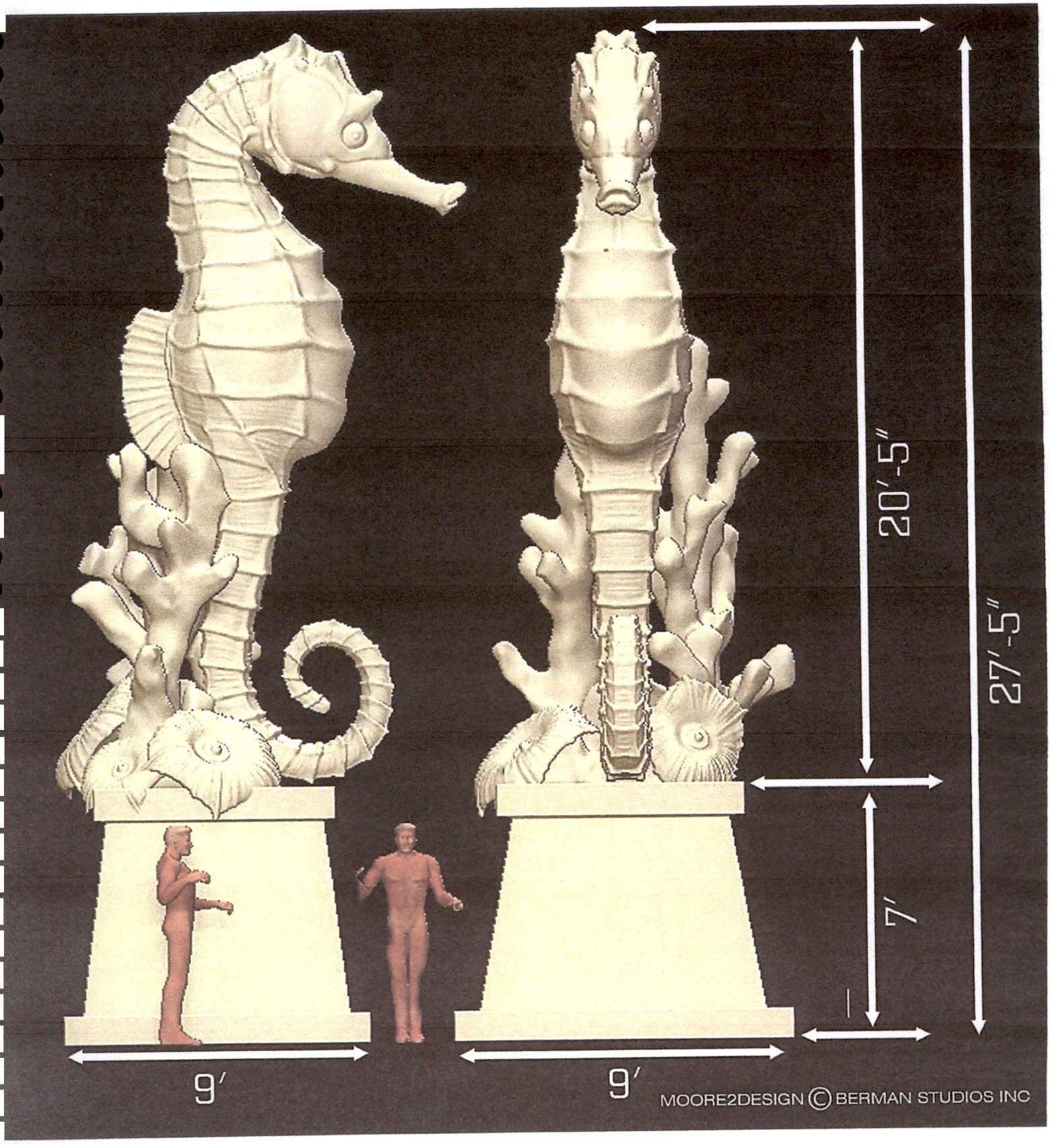

FOR RESUME, SEE: WWW.PETERELLERART.COM
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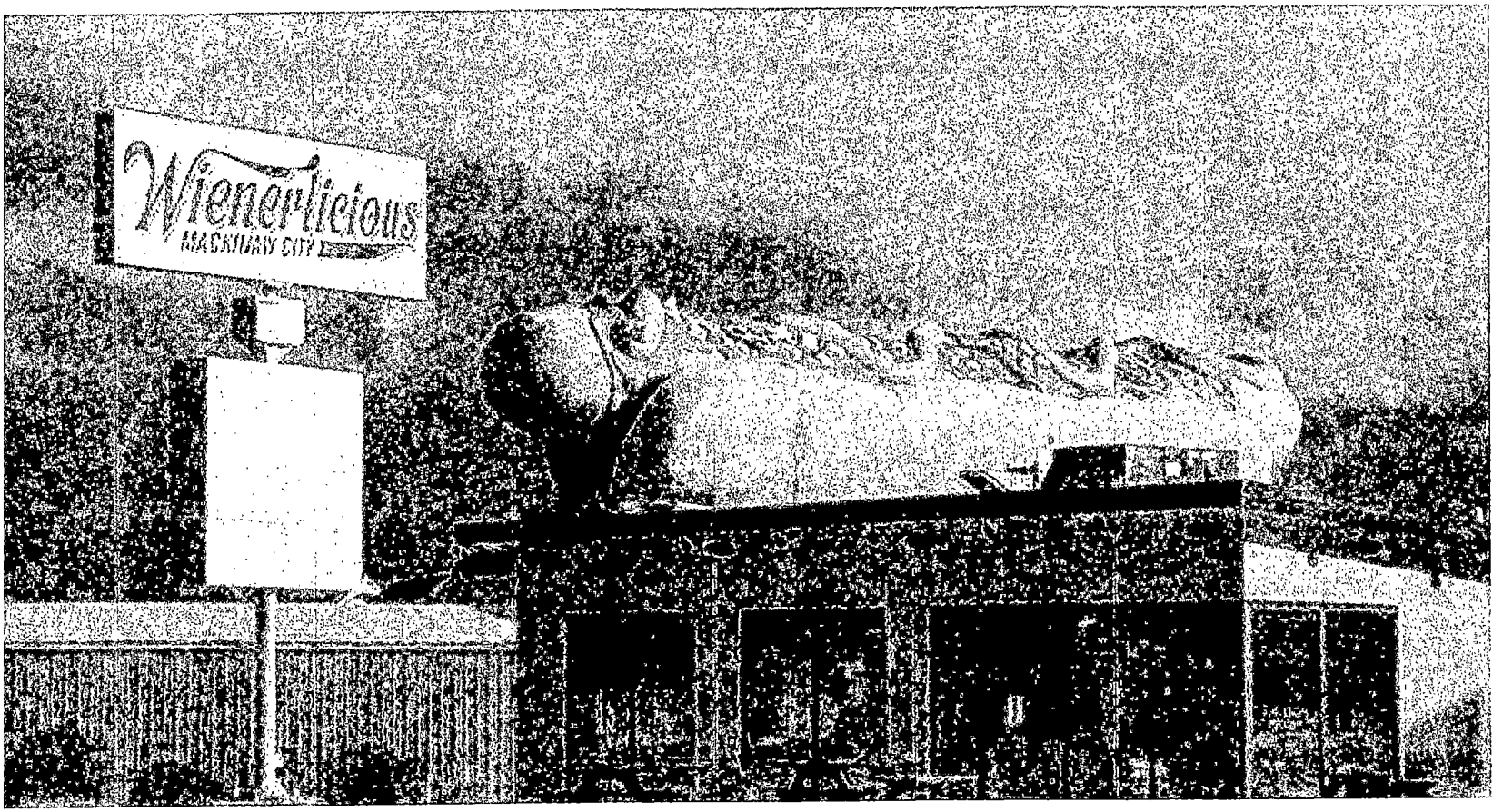


The finished spray foam sculpture is 63 feet long and weighs 2.4 tons.

World's Largest Spray Foam Hot Dog

A Michigan hot dog sculpture is one of world's largest, thanks to the vision of a talented artist, the skills of a spray polyurethane foam insulation crew, and NCFI's spray foam.

By Jen Kramer

Northern Michigan is famous for breathtaking scenery – sport fishing on Lake Huron, kayaking down rivers, hiking on nature trials, stepping back in time on Mackinac Island, and eating hot dogs under a 63-foot

sculpture of a hot dog.

Yes. You read that right.

In Mackinaw City, Michigan a new wonder has been added to the area's attractions, courtesy of spray foam.

"I sculpted the 30-foot grizzly bear that stands down the street from the Wienerlicious diner," says artist Ron Berman of Berman Studios, Inc., when asked how his giant hot dog sculpture came to be. "The owners, Frank N Stuff Inc., saw the bear and wanted a hot dog on their diner's roof," he chuckles, adding, "Sculptures that large can't really be marketed. It's more 'word of mouth' advertising."

"Word of mouth" definitely describes the giant hot dog, which has become as popular as the hot dogs it advertises. In fact, tourists have flocked in such droves to see the huge wiener situated at the foot of the Mackinaw Bridge that the Guinness Book of World Records is now considering it for a "World's Largest" record.

But what did it take to create this spray foam work of art?

COOKING UP A SPRAY FOAM MASTERPIECE

An artist who has worked on large-scale sculpture with companies including Disney, Berman developed his own fabrication technique and opened his own studio in Clearwater, Florida.

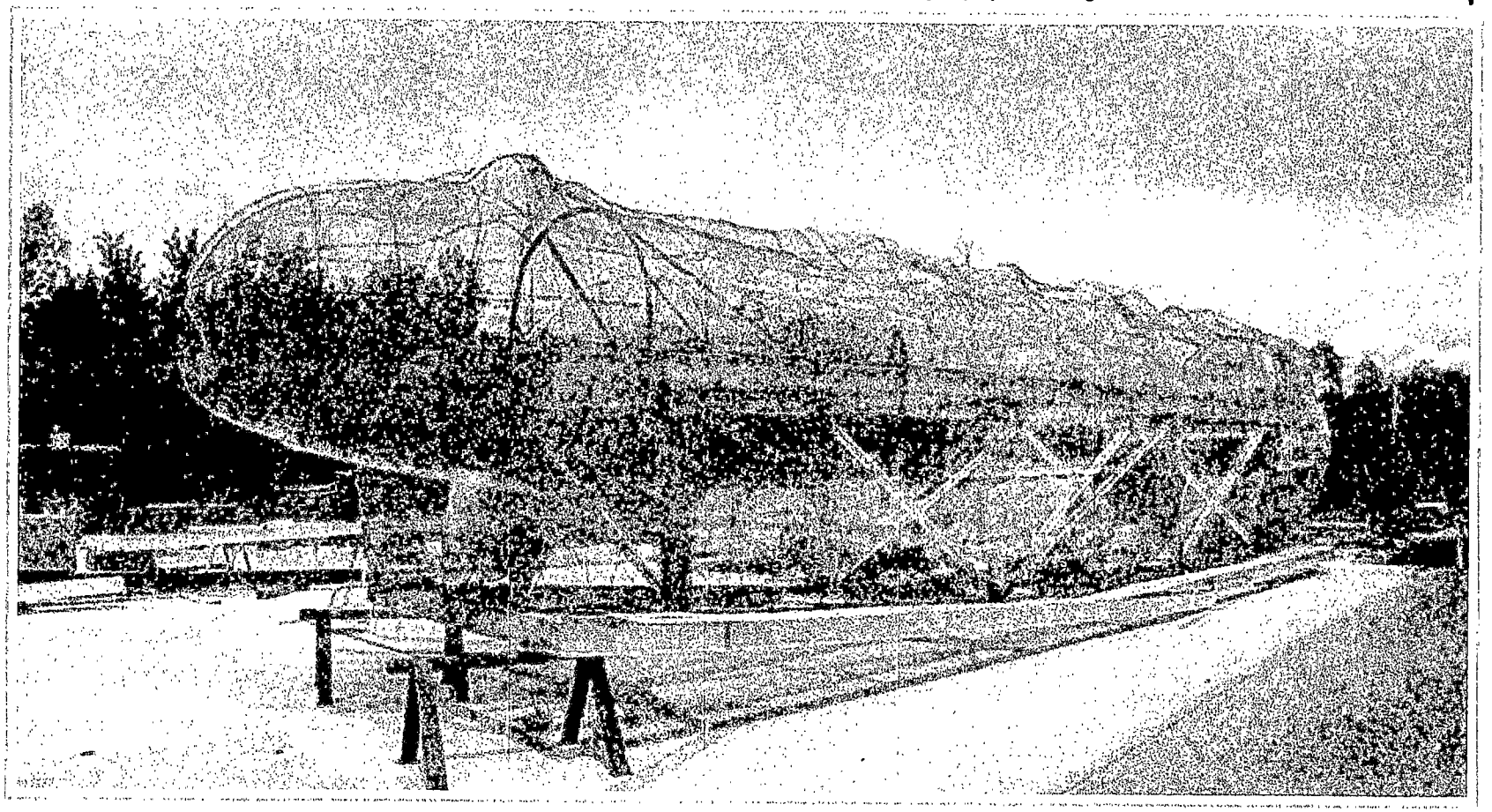
"I'm inspired by the Eiffel Tower and the Statue of Liberty and the idea of using engineering and a steel structure to fabricate a shape," Berman describes the basis for all his large sculpture designs. "It is art and engineering. When you build something that big [as a 63-foot hot dog] it becomes a structure – especially if it is going to be on a roof. You have to think about weight, wind-resistance, public safety, everything."

Throughout his career, Berman has struck up friendships with architects and engineers and he consults with them about his ideas. Then, he actually sculpts the piece using 3-D computer programming, and the results become the actual blueprint for the job.

"The software I use is just like working with virtual clay. I essentially sculpt the pieces twice – once on the computer and again in reality. But this saves time, effort, and money in the long run. The program allows me to show the welds, the bends, the structural pieces, etc. This means that when I assemble the exoskeleton, I don't need to employ a crew of 25 artists like Disney. I just need a welder and one or two apprentices to follow the blueprint."

Since he has already sculpted the piece in the computer program, the two-man crew simply needs to follow the step-by-step printout to assemble the piece. Berman is on site, directing the construction of his art, but says, "There's no guesswork. It becomes like building a house."

For the hot dog, Berman used numbered and colored quarter-inch pencil rods to create the exoskeleton. "There are over 700 pieces of rod, some nine-feet long, some bent, some straight, in this piece." He continues, "In this instance, a 13-year-old apprentice bent all of the pieces." A local welder assembled the armature.



"We initially started the project inside, in mid-January," says Berman. "It was freezing cold. The welder could only work sporadically, which was fine, because once he was more regularly available, it was warm and the sub-frame went up fast. Once we got the 50-foot buns assembled, they took up the entire shop and we had to move the piece outside to finish the meat."

Then it was time to spray.

FOAM FRANKFURTER

"I'm a urethane man," Berman states. "I spent years working for Disney where everything is expanded polystyrene (EPS), but when I got out on my own, I met Tim Kearns, who is the grandfather of spray foam.

He taught me all about foam, all about the machines, the chemical processes, and how to actually spray the stuff. He showed me that you must consider each and every pass and consistently follow a pattern. Spraying sculptures is not like spraying a flat surface and spray foam gives me the ability to do things that other mediums do not. Because of Tim, I fell in love with foam."

And the foam opened up a new media.

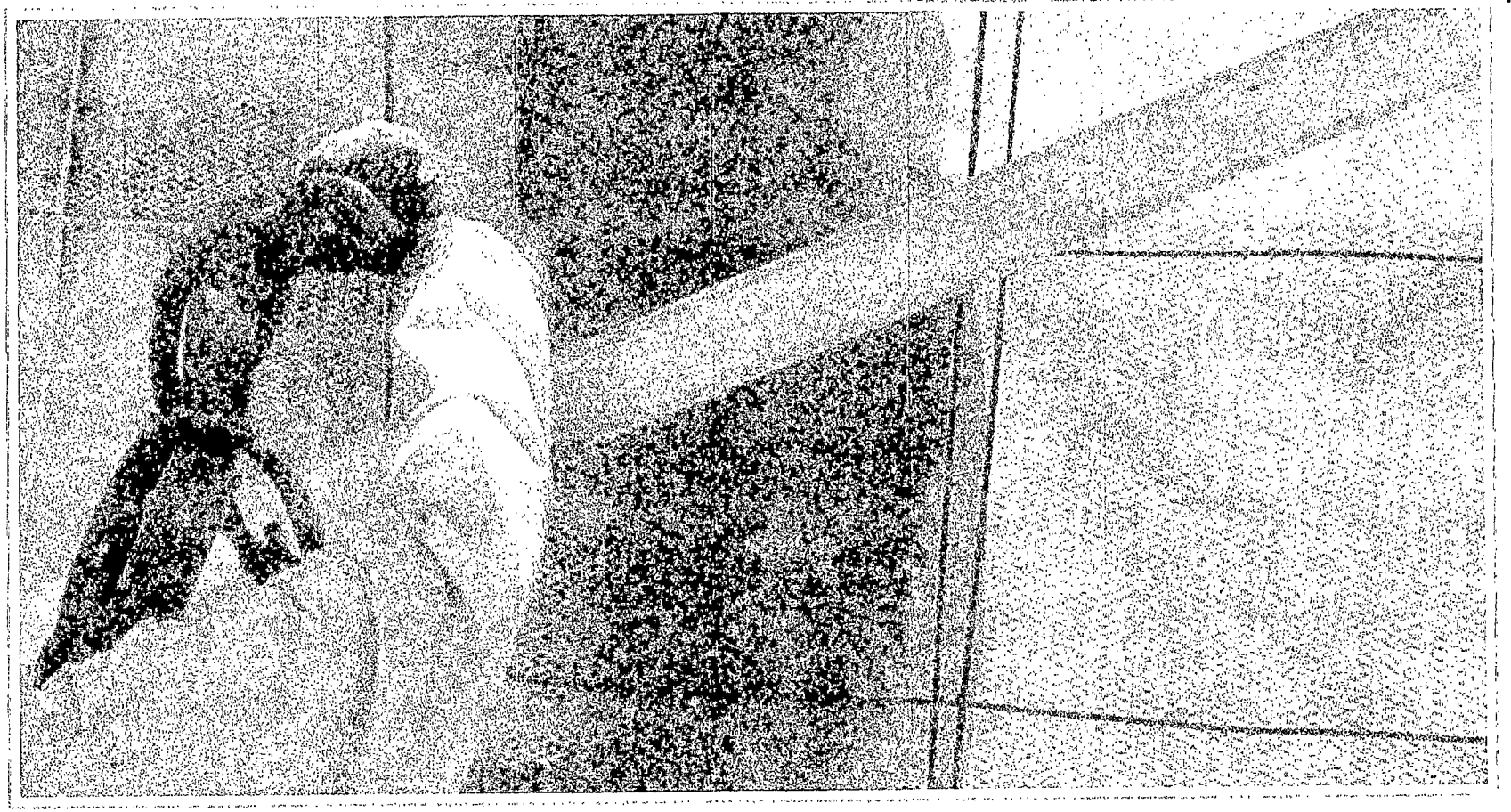
"I'm thinking of doing a sculpture about friendship and Tim will be the face," Berman says in tribute to the man he credits with changing his art and his life.

It was Kearns who also introduced Berman to the spray foam crew who would apply the foam to the giant hot dog.

"I needed a local spray foam application crew for this project and Tim knew Henry Behling, the Foam Operations Manager from Great Lakes Roofing and Insulation." Berman reached out to the Sault Saint Marie, Michigan-based company.

"Ron contacted us and said he needed local experts to apply spray foam and we are experts at applying spray foam in this Michigan climate, so it worked out great," says Behling. "Plus, a giant weenie? We knew that would be a tourist attraction from the start. Of course we wanted to be a part of that."

Ex 3 p6



The job was scheduled for late summer in northern Michigan – which can see a mix of sun and rain. And, given the wiener's size, spraying was an outside affair.

"The diner's owners also own a vacant lot that is away from people and cars so we didn't have to worry about overspray," Behling says, "But we did cover our fork truck so that it didn't get tagged."

They also covered themselves in Tyvek coveralls, spray hoods, gloves, goggles, and wore Bullard respirators when spraying the foam.

To spray that foam, the two-man Great Lakes Roofing and Insulation crew used a GlasCraft MH II with 200 feet of heated hose and a Probler P2 whip gun. They also used a Graco E30 with 200 feet of heated hose

X 2 + 3 P7

and a Fusion AP gun.

So, what foam is the "secret ingredient" in this world famous hot dog?

Behling says, "We used NCFI's InsulStar closed-cell foam because it is the best on the market. It's clean, trouble-free, and always provides the same yield."

InsulStar is an excellent moisture- and vapor-barrier. But would it make an excellent art media too? Did the artist agree with the choice?

Berman says, "Their knowledge and spraying skill level were really impressive. And that brand of SPF they used was amazingly consistent. It worked great in the fluctuating climate in which we worked."

He continues, explaining that the foam is an average of three-inches thick on the exoskeleton. The crew sprayed the entire hot dog in two days. Then, once it had cured, Berman used an electric sander equipped with 20-grit paper to shave the foam. Once he was satisfied with the shape of the hot dog, the buns, and the toppings, the Great Lakes crew returned for touch-up work.

"After we touched up the foam where it was needed, we sealed it all with fiberglass," Berman says. "I usually use polyurea, but the customer wanted fiberglass, so we used it. Then we painted it using a resin-based primer and latex."

"We ended up using about five sets of InsulStar to do the hot dog, a bit for touch up work," Behling says. "And some for the mustard and the jalapenos."

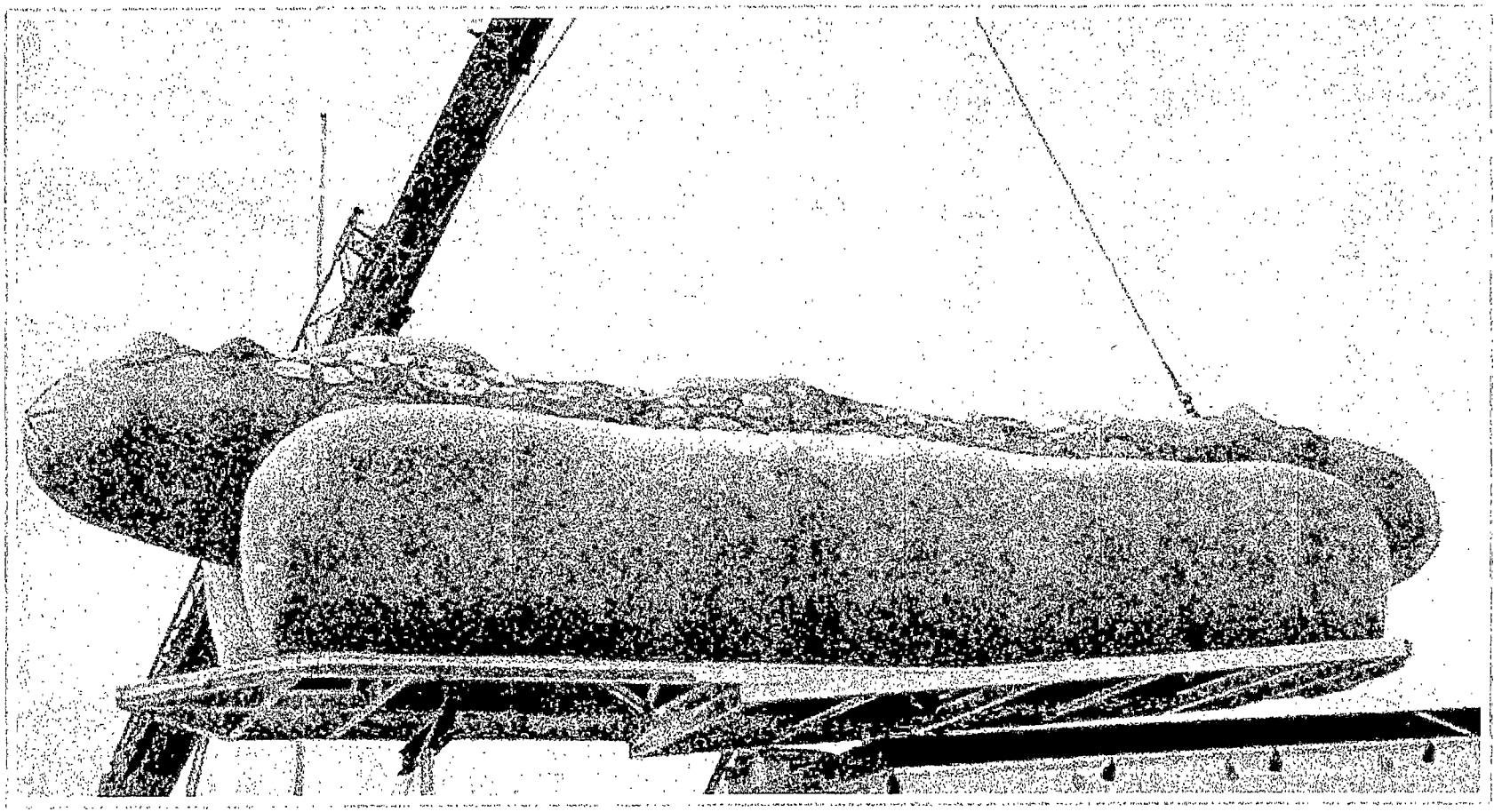
STUNNING SPRAY FOAM SAUSAGE

Five sets of foam to create a hot dog that is 63 feet long, 15 feet 2 inches high, and 12 feet wide. It weighs approximately 2.4 tons.

Through his process, Berman was able to calculate all of this upfront – again confirming his process is a marriage of engineering and art. His interest in engineering clearly comes through as he states with no

 x 2 + s p 8

small amount of pride, "Our design and finished sculpture actually exceed the wind loads of the permitting."



Not only is it possibly the largest foam wiener in the world, it is arguably the most thoughtful and the safest. "They see a giant hot dog at the end," Berman continues, "but they don't really know the technical aspect that went into it, which is something that I'm proud of."

Of course, there is the fact that it is a giant foam hot dog, and that's something to be proud of too.

"Sure," Berman chuckles. "I mean, it's a hot dog. It's not *David* or *The Thinker*. It's a giant weenie. But, it's a gorgeous giant weenie." •

X4

Berman Studios, Inc.

Artist Ron Berman

Born in Ashkalon, Israel on February 5, 1962, Ron Berman migrated to the United States in 1970.

At the age of 14 Berman studied under still life artist Patricia Woodrow for three years, who like Bob Ross, had a running program on PBS called "The Magic of Light". In his apprenticeship with her, he developed an understanding of lighting and composition. Having adapted to, and built on, a radical technique that Woodrow used called "non-linear painting" he was able to begin painting in minimalistic form. This in turn allowed him to accomplish higher detail in much less time. This apprenticeship was essential to his artistic development, and has become a cornerstone of his artistic principles that he still utilize today. He has transferred this process into the design and fabrication of many of his sculptures.

After high school he served four years in the United States Air Force with over 150 hours of study in aircraft mechanics, which allowed him to further nurture his understanding of mechanics and engineering. The principles of engineering flight require a balance between strength and weight, composites and mechanical structure. These are the main principles that he uses today in the construction of sub-frames, mold-making, and cast pieces in a variety of materials. These include fiberglass, carbon fibers, aluminum alloys, steel alloys, polyurethanes, and a plethora of other composite materials. In recognition of having attained the knowledge he was ultimately assigned as crew chief on a 707 class KC-135 aircraft.

After his military career, he was hired as a graphic artist at ABC Sign Company in Plant City Florida. His main duties were to design logos, murals, and draw architectural blueprints for permitting and variances. As a result, the company created an interior design department, and appointed him as its' artistic director. It was at this point that he began to implement the design and production of large scale murals and sculptures. The lack of staffing to workload ratio forced him to work overtime on many of the mural-based jobs single-handedly. As his work became recognized he began to receive independent commissions, which led to his career as a freelance muralist.

In 1987, while a freelance muralist, one his repeat clients, FX International, elected not to renew their contract with The Royalty Theatre Company for set design and construction. FX International instead offered Berman the contract and hence Berman Studios Incorporated was born.

With a diverse knowledge of steel fabrication, bronze casting, fiberglass tooling and mold making as well as mortar and concrete based designs, Ron Berman currently specializes in large scale sculptures, murals and fine art paintings and sculptures.

Over the years Ron Berman has created works for such companies as Walt Disney, Warner Brothers, and Busch Gardens as well as major retail chains, municipalities and private commissions.

Ron Berman has received countless awards including a Guinness world book record for one of the world's largest sculptures, the hotdog sculpture featured at Wienerlicious in Mackinaw City, Michigan.

X 5 p 1

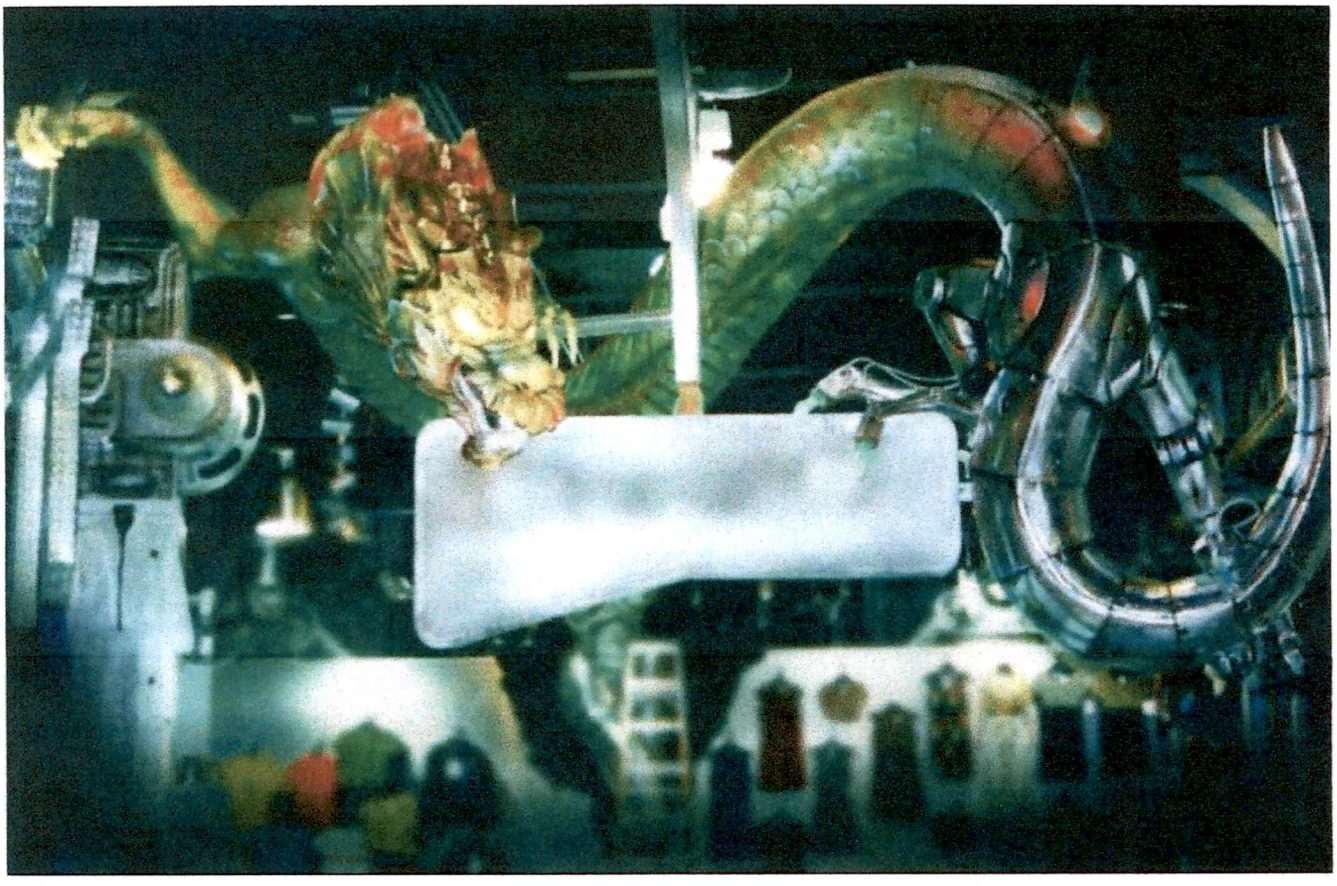
Berman Studios, Inc.

Dragon Vegas

Medium:	Aluminum, foam, urea plastic
Dimensions:	12' x 20' x 7'
Price:	$161,210*
Year Completed:	1998

Description: The challenge was to create a sculpture in the corporate theme (mechanical) yet blend with the retail mall which was an oriental theme. Fiber optics illuminate the eyes, claws and gills. A fog machine was used to blow smoke from the mouth intermittently.

* Adjusted to 2018 dollars



X 5 p2

Berman Studios, Inc.

Mackinaw City Bear

Medium:	Steel, urethane foam, polyuria plastic
Dimensions:	30' x 29' x 9'
Price:	$127,158*
Year Completed:	2007

Description: A bear protecting her cub took four months from concept to completion, and is now a landmark in Mackinaw City, Michigan.

* Adjusted to 2018 dollars

X5 p3

Berman Studios, Inc.

Traverse City Bear

Medium:	Steel, urethane foam, polyuria plastic
Dimensions:	28' x 9' 18'
Price:	$86,134*
Year Completed:	2008

Description: This bear "greets" visitors to the Traverse City sporting goods store.

* Adjusted to 2018 dollars

X5p4

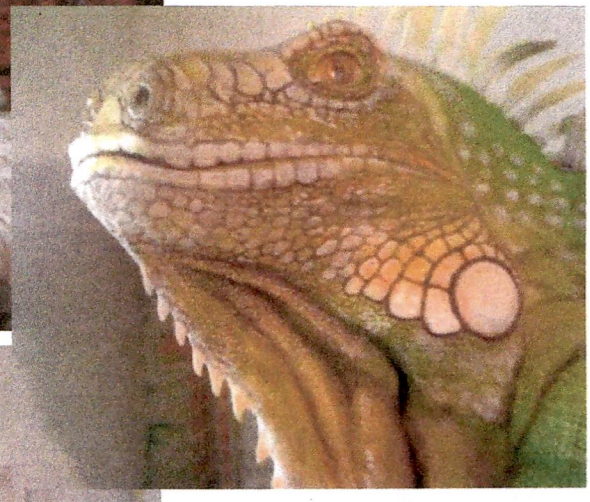
Berman Studios, Inc.

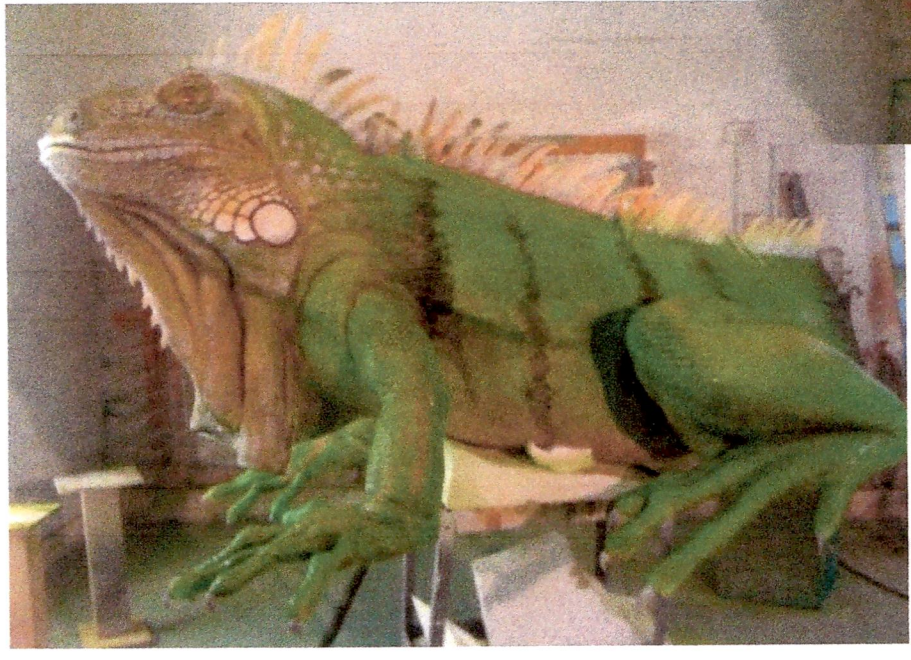
Iguana

Medium:	Foam, epoxy plastic
Dimensions:	5' x 20' x 7'
Price:	$25,265 *
Year Completed:	2012

Description: Green Iguana mascot perched on top of tiki bar
Retail space at the Tampa International Airport, Airside A

* Adjusted to 2018 dollars





x5 p5

Berman Studios, Inc.

Hot Dog

Medium:	Aluminum, steel, foam urea plastic
Dimensions:	15.5' x 63' x 12'
Price:	$136,622*
Year Completed:	2014

Description: Guiness book of records world record holder, World's Largest Hot Dog Sculpture.

* Adjusted to 2018 dollars

X 6

Subject: Estimate for Seahorse
From: Vicki Moore <victoriamoore@moore2design.com>
Date: 10/16/2018 3:11 PM
To: 'Peter Eller' <peter@peterellerart.com>
CC: "'Ron Berman (ronsberman@gmail.com)'" <ronsberman@gmail.com>, Jon Moore <jonmoore@moore2design.com>

Dear Peter,

The artist has just sent us his work order for the seahorse sculpture (see attached). For your information, we have added the TOTAL project costs that will be over and above the artist's work (below).

Seahorse Sculpture: Berman Studios Art Fabrication
$65,397.26
Foundation, monument base, and equipment for installation
$32,500.00
Geotechnical soils testing to determine foundation calculations
$3,300.00
Architectural design for the monument base and related lighting
$7,000.00
Structural engineering and wind load calculations
$4,000.00
Construction and installation management
$4,200.00
Total Fabrication and Construction Cost
$116,397.26

We hope this is helpful in your evaluation of the sculpture.

Vicki Moore
Principal
Moore 2 Design
706 Riverside Drive
Palmetto, FL 34221
941-729-1229

—Attachments:

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