



BECK CONSULTING, INC.

APPRAISAL REPORT

2.792-Acre Site

North side of Yankee Road, west of Cincinnati-Dayton Road
Liberty Township, Butler County, Ohio 45044

PREPARED FOR:

David L. Spinney
Director
Butler County TID
1921 Fairgrove Avenue
Hamilton, Ohio 45011

PREPARED BY:

Beck Consulting, Inc.
Town Hall on the Green—4B
5380 Pleasant Avenue
Fairfield, Ohio 45014
513.942.5000
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EFFECTIVE DATE OF VALUE:

As Is Market Value of the Fee Simple Estate as of December 20, 2019



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January 6, 2020

David L. Spinney
Director
Butler County TID
1921 Fairgrove Avenue
Hamilton, Ohio 45011

RE: **APPRAISAL REPORT**
2.792-Acre Site
North side of Yankee Road, west of Cincinnati-Dayton Road
Liberty Township, Butler County, Ohio 45044

Dear Mr. Spinney:

Based on your authorization, we have completed an appraisal of the 2.792-acre site owned by the Butler County TID located on the north side of Yankee Road, in Liberty Township, Butler County, Ohio.

A personal visit to this property was performed on December 20, 2019. The analyses used to form an opinion of value are contained in the following appraisal report. The intended use of this report is to assist the client in determining a market value of the property for disposition. The following document is an appraisal report prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP), and the Code of Professional Ethics of the Appraisal Institute. The attached report is a detailed presentation of the research, data, and analysis, which concludes that the market value of the fee simple interest of the subject property is:

Six Hundred Twenty Six Thousand Dollars
(\$626,000)

The value conclusion is subject to the assumptions and limiting conditions set forth in this report. This letter is not the appraisal, but is followed by an appraisal report setting forth the identification of the property, pertinent facts about the neighborhood and the subject property, comparable market data, and the results of the investigations and analyses leading to the final value conclusion.

Respectfully submitted,
BECK CONSULTING, INC.

Lance R. Brown, MAI, AI-GRS
Ohio General Certified Appraiser No. 409301

Todd Schmutte
Ohio General Certified Appraiser No. 2007005172



TABLE OF CONTENTS

TITLE PAGE
LETTER OF TRANSMITTAL

PART I. INTRODUCTION 1

 SUBJECT PHOTOGRAPHS 1
 CERTIFICATION 4
 SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS 5

PART II. PREMISES OF THE APPRAISAL 6

 PURPOSE OF THE APPRAISAL 6
 INTENDED USE 6
 CLIENT AND INTENDED USERS 6
 INDICATED EXPOSURE TIME 6
 DEFINITION OF VALUE AND PROPERTY RIGHTS APPRAISED 6
 SCOPE OF WORK 7
 ASSUMPTIONS AND LIMITING CONDITIONS 8

PART III. PRESENTATION OF DATA 10

 IDENTIFICATION OF THE REAL ESTATE 10
 HISTORY OF PROPERTY BEING APPRAISED 10
 PURCHASE CONTRACT OR OPTION 10
 NEIGHBORHOOD DESCRIPTION AND ANALYSIS 11
 REAL ESTATE TAX DATA 16
 SITE DATA 17

PART IV. ANALYSIS OF DATA AND CONCLUSIONS 20

 HIGHEST AND BEST USE 20
 SALES COMPARISON APPROACH 23
 RECONCILIATION 36
 FINAL VALUE 36
 MARKETING/EXPOSURE TIME 37

PART V. ADDENDA 39

 APPRAISER QUALIFICATIONS 40
 APPRAISER DISCLOSURE STATEMENTS 43



**PART I. INTRODUCTION
SUBJECT PHOTOGRAPHS**



Aerial view of subject taken from the Butler County GIS



Aerial view of subject taken from Bing Maps – facing north



Yankee Road facing southeast



Subject facing east



Subject facing east



Subject facing west



Subject facing northwest



Northern property line facing west



Subject facing southwest



Subject facing south



Subject facing north



Eastern entrance facing north



Subject facing northwest



Yankee Road facing northwest



CERTIFICATION

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our 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.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Todd Schmutte and Lance R. Brown, MAI, AI-GRS have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Lance R. Brown, MAI, AI-GRS has completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, Todd Schmutte has completed the continuing education program for Candidates for Designation of the Appraisal Institute.

Lance R. Brown, MAI
Ohio General Certified Appraiser No. 000409301

Todd M. Schmutte
Ohio General Certified Appraiser No. 2007005172



SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Property Appraised: The property being appraised is located on the north side of Yankee Road, west of Cincinnati-Dayton Road in Liberty Township, Butler County, Ohio 45044. The subject property is owned by the Butler County TID.

Description of Property:

Site: The subject site is an irregular-shaped parcel containing 2.792 acres. The subject property is zoned R-RE Residential Rural Estate District in the YRWBD-O, Yankee Road West Business District Overlay. The topography of the subject property is level to gently rolling. The subject property is not located within a flood zone.

Objective of the Appraisal:

Purpose: The purpose of this appraisal is to estimate the fee simple market value of the subject property.

Intended Use: The intended use of this appraisal to establish a market value for potential negotiation and disposition.

Intended User: The intended user of this report is the client, the Butler County Transportation Improvement District.

Highest and Best Use:

As If Vacant: The highest and best use of the subject site as if vacant is for secondary commercial development.

Market Value and Conclusions:

Land As If Vacant: As Is Market Value of the Fee Simple Estate as of December 20, 2019 is: **\$626,000**

Valuation Date: December 20, 2019

Report Date: January 6, 2020

Marketing Time: 9 to 12 Months

Exposure Time: 9 to 12 Months



PART II. PREMISES OF THE APPRAISAL

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the as is value of the fee simple estate of the real estate as of December 20, 2019, subject to the assumptions and limiting conditions presented in this report.

Todd Schmutte made a personal property visit to the subject site on December 20, 2019. The subject photos were taken on December 20, 2019.

INTENDED USE

The intended use of this appraisal is to be used by the client to establish the fair market value of the subject property for negotiation and possible disposition.

CLIENT AND INTENDED USERS

Client: Butler County Transportation Improvement District. The intended users include the client. The intended users of this report are authorized to rely on the report and its conclusions.

INDICATED EXPOSURE TIME

Exposure time for the subject property, assuming market value, is estimated to be 12 months or less.

DEFINITION OF VALUE AND PROPERTY RIGHTS APPRAISED

Market Value¹ means the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised, and acting in what they consider their own best interest;
- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

¹ (Source: Office of the Comptroller of the Currency under 12 CFR, Subpart C-Appraisals, 34.42 Definitions [f].)



According to the Appraisal Institute's, *The Dictionary of Real Estate Appraisal*, 6th edition (Chicago: Appraisal Institute), 2015, the following pertinent terms referenced in the report are defined as follows:

As Is Market Value: *The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.*

Fee Simple Estate: *Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.*

SCOPE OF WORK

The first step in the appraisal process is to identify the subject property and conduct a series of investigations concerning the market within which the property is located. Included is an analysis of the subject property and the demographic trends and market demand.

A number of independent sources were referenced to analyze the subject's market area. Greater Cincinnati regional, Liberty Township neighborhood, and demographic data were obtained from the Greater Cincinnati Chamber of Commerce, Butler County Chamber of Commerce, United States Census Bureau, and information generally available from other secondary sources. The trend in real estate value was concluded based on analysis of market data and discussions with owners, buyers, developers, and agents active in the market area.

The site data was prepared subsequent to a physical visit to the site. Information provided by Liberty Township, the Butler County Engineer, the Butler County Auditor, and the Butler County Recorder's Office have been considered and incorporated into this appraisal. In addition, the most recent Federal Emergency Management Agency floodplain maps have been reviewed.

The highest and best use of the subject property was concluded based on analysis of the site and in consideration of the legally permissible, physically possible, and economically feasible uses of the property. The highest and best use was concluded to be for secondary commercial development.

Sales were identified that shared the same or similar highest and best use to the subject property. To identify these sales, preliminary market data was obtained from companies that compile and publish public information. This preliminary data was analyzed and confirmed with individuals directly involved in, or close to, the transaction such as the buyer, seller, agent, or their representative. The quality of the data was good, increasing the reliability of the conclusions.

Neither the cost nor income approaches were applied in this appraisal, since these are not the typical methods used to estimate the market value of vacant land. The sales comparison approach was applied to the subject, and adjustments were considered for differences between the sales and the subject. The final value conclusion is based on the sales comparison approach.



ASSUMPTIONS AND LIMITING CONDITIONS

Extraordinary Assumption

None

Hypothetical Condition

None

General Underlying Assumptions and Limiting Conditions:

1. The report is considered valid only for whom it was prepared and for the stated purpose and function.
2. That the term market value, as herein used, is defined preceding this appraisal report.
3. That the date of value to which the opinions expressed in this report apply is set forth in the letter of transmittal. The appraiser assumes no responsibility for economic or physical factors occurring at some later date that may affect the opinions herein stated.
4. That no opinion is intended to be expressed for legal matters or that would require specialized investigator knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
5. That no opinion as to title is rendered. Data on ownership and the legal description were obtained from sources generally considered reliable. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements, and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
6. That no engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
7. That maps, plats, and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
8. That no opinion is expressed as to the value of subsurface oil, gas, or mineral rights, and that the property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.
9. That the projections included in this report are utilized to assist in the valuation process and are based on current market conditions, anticipated short term supply and demand factors, and a continued stable economy. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.
10. That testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal unless such arrangements are made a reasonable time in advance.
11. Information contained in this report is assumed to be correct but is not guaranteed.
12. Possession of this report or any copy thereof does not carry with it the right of publication. Neither all nor any part of the contents of this Report (especially any conclusions as to value, the identity of the Appraiser or the firm with which the appraiser is connected shall be disseminated to the public through advertising



media, public relations media, news media, sales media or any other public means of communication, without the prior written consent and approval of the author.

13. That, because no title report was made available to the appraiser, he assumed no responsibility for such items of record not disclosed by his normal investigation.
14. That no detailed soil studies covering the subject property were available to the appraiser. Therefore, premises as to soil qualities employed in this report are not conclusive but have been considered consistent with information available to the appraiser.
15. That the appraiser has personally inspected the subject property and finds no obvious evidence of structural deficiencies except as stated in this report; however, no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
16. That no consideration has been given in this appraisal 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.
17. That the appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property, such as the presence of formaldehyde foam insulation, existence of toxic waste, or the existence of asbestos insulation. The existence of such substances may have an effect on the value of the property. No consideration has been given in our analysis to any potential diminution in value should such hazardous materials be found. We urge the client to retain an expert in the field before making a business decision regarding the property.
18. It is assumed any requirements under the Americans with Disabilities Act (ADA) for the subject property have been met. In the event any requirements are currently pending that would require modification to the existing structure, the appraiser reserves the right to amend this report and make any value adjustment considered necessary.



PART III. PRESENTATION OF DATA

IDENTIFICATION OF THE REAL ESTATE

Location: The subject property is located on the north side of Yankee Road, west of Cincinnati-Dayton Road in Liberty Township, Butler County, Ohio 45044.

Ownership: Butler County Transportation Improvement District

County Auditor's Parcel ID Nos: D2010-013.000-091 and D2010-017.000-090

HISTORY OF PROPERTY BEING APPRAISED

The subject was acquired in December 1998 as part of a larger tract containing 13.697 acres from DLFJ Partnership. The amount paid is unknown and it was acquired as part of the acquisition of property for the Butler Regional Highway and Yankee Road realignment project. The transfer was recorded in Butler County Recorder's Deed Book 6305, Page 567. There have been no transfers of the subject property within five years of the effective date of value.

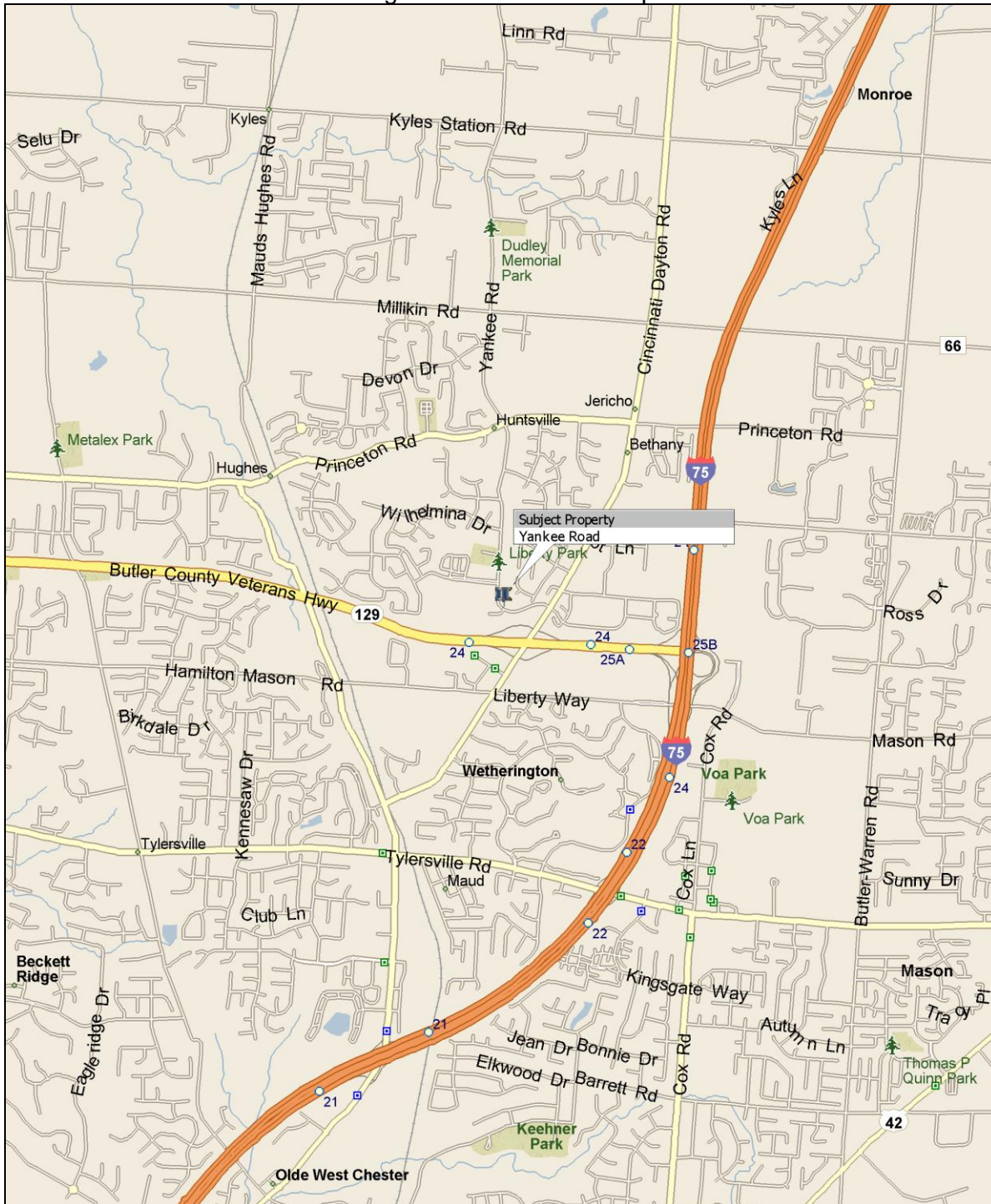
PURCHASE CONTRACT OR OPTION

There are no active purchase contracts or options as of the effective date of value. The subject is not listed for sale or lease, to the best of our knowledge.



NEIGHBORHOOD DESCRIPTION AND ANALYSIS

Neighborhood Location Map





The property being appraised is in Liberty Township, which is an unincorporated area of Butler County. Liberty Township is located approximately 25 miles north of Cincinnati’s downtown business district and 25 miles south of Dayton, Ohio.

Liberty Township encompasses 28 square miles. It is located an equal distance from Cincinnati and Dayton, along I-75. The township's location and easy access via State Route 129 and the recently completed Liberty Way interchange to the interstate system has led to significant residential growth. Liberty Township is in the southeastern section of Butler County, and is bounded on the south by West Chester Township, on the east by Warren County, on the west by Fairfield Township, and on the north side by Lemon Township and the city of Monroe.

Generally, there are four forces that influence the value of property. They are social, economic, governmental, and environmental.

Social Characteristics

A primary social factor of a market area is its population. The population trend in this region consists of a movement from the inner beltway of Hamilton County and Cincinnati out to the surrounding suburbs.

Summarized in the following grids are the demographics within a 1-, 3-, and 5-mile radius of the subject property:

Population			
	1-Mile Radius	3-Mile Radius	5-Mile Radius
2000 Population	2,967	28,424	86,200
2010 Population	3,089	42,579	112,885
2018 Population	4,177	48,372	124,350
2023 Population	4,844	51,727	131,684
2000 – 2010 Annual Rate	0.40%	4.12%	2.73%
2010 – 2018 Annual Rate	3.73%	1.56%	1.18%
2018 – 2023 Annual Rate	3.01%	1.35%	1.15%

In the identified area, the current year population is 124,350. In 2010, the Census count in the area was 112,885. The rate of change since 2010 was 1.18% annually. The five-year projection for the population in the area is 131,684 representing a change of 1.15% annually from 2018 to 2023. Currently, the population is 49.4% male and 50.6% female. The median age in this area is 36.4, compared to U.S. median age of 38.3.



Households			
	1-Mile Radius	3-Mile Radius	5-Mile Radius
2000 Households	884	8,776	28,463
2010 Households	983	13,766	38,353
2018 Households	1,322	15,422	41,772
2023 Households	1,528	16,411	44,052
2000 – 2010 Annual Rate	1.07%	4.60%	3.03%
2010 – 2018 Annual Rate	3.66%	1.39%	1.04%
2018 – 2023 Annual Rate	2.94%	1.25%	1.07%

The household count in this area has changed from 38,353 in 2010 to 41,772 in the current year, a change of 1.04% annually. The five-year projection of households is 44,052, a change of 1.07% annually from the current year total. Average household size is currently 2.96, compared to 2.93 in the year 2010. The number of families in the current year is 33,433 in the specified area.

Income			
	1-Mile Radius	3-Mile Radius	5-Mile Radius
2018 Median Household Income	\$105,117	\$108,068	\$100,911
2018 Average Household Income	\$123,654	\$131,487	\$120,341
2018 Per Capita Income	\$39,983	\$41,964	\$40,633

Current median household income is \$100,911 in the area, compared to \$58,100 for all U.S. households. Median household income is projected to be \$105,613 in five years, compared to \$65,727 for all U.S. households. Current average household income is \$120,341 in this area, compared to \$83,694 for all U.S. households. Average household income is projected to be \$134,947 in five years, compared to \$96,109 for all U.S. households. Current per capita income is \$40,633 in the area, compared to the U.S. per capita income of \$31,950. The per capita income is projected to be \$45,370 in five years, compared to \$36,530 for all U.S. households.

Housing

Currently, 78.0% of the 43,202 housing units in the area are owner occupied; 18.7%, renter occupied; and 3.3% are vacant. Currently, in the U.S., 56.0% of the housing units in the area are owner occupied; 32.8% are renter occupied; and 11.2% are vacant. In 2010, there were 40,244 housing units in the area - 80.9% owner occupied, 14.4% renter occupied, and 4.7% vacant. The annual rate of change in housing units since 2010 is 3.20%. Median home value in the area is \$241,181, compared to a median home value of \$218,492 for the U.S. In five years, median value is projected to change by 1.91% annually to \$265,147.

Economic Development

Liberty Township’s median household income has increased 73% from the 1990 to the 2000 Census (\$43,526 to \$75,195). The 2010 median household income was estimated at \$100,351, reflecting a 33.5% increase. The Township’s largest employers are as follows:



Liberty Township's Largest Employers

Lakota School District	881
Cincinnati Children's Hospital Liberty Township Campus	450
Kroger	315
Peterman Bus Service	227
McDonalds	118
Liberty Township	87
Four Bridges Golf and Country Club	70
Butler Technology and Career Development Schools	69
Skyline Chili	60
Cox Ohio	31

As Liberty Township has expanded and commercial uses have increased dramatically, especially in the southeastern portion of the township, in the quadrant created by Liberty Way, Cincinnati-Dayton Road, the Butler Regional Highway, and I-75. The beginning of this development was back in 2008, which saw a new Kroger-anchored center known as the Liberty Commerce Center. This center includes a Kroger Lifestyle Center, as well as multi-tenant retail shopping center and multiple outlots along the north side of the Butler Regional Highway. In addition to the retail development was the development of the Children's Hospital Liberty Township campus that opened in the fall of 2008. Since the completion of the Children's Hospital Medical Center facility, Children's Hospital has expanded the facility with two major projects. The first phase was a new Proton Therapy and Research Center for Cancer Treatment that opened in 2016. Total cost of this project was estimated at \$118 million. The second phase was to add 28 new pediatric in-patient beds, which was accomplished by adding a fourth floor to the existing structure. Construction began during the winter of 2014 and was complete in summer 2015 with a total cost of \$44 million. The Proton Therapy and Research Center was constructed on land that was originally sold by Cincinnati Children's to Christ Hospital for an outpatient treatment facility but was re-purchased by Cincinnati Children's when they decided to continue to expand the medical campus.

The area surrounding the Liberty Commerce Center has continued to expand along Cincinnati-Dayton Road north of Liberty Way, as multiple multi-tenant retail centers, as well as single-tenant retailers, have purchased land along Cincinnati-Dayton Road, as well as Yankee Road, surrounding the Cincinnati-Dayton Road interchange with the Butler Regional Highway.

Liberty Center: Located south of the subject, completed in the fourth quarter 2015, is the Liberty Center situated on 69 acres at the SR 129 and I-75 interchange. The Liberty Center development is located along the south side of the Butler Regional Highway to the rear of properties fronting on Liberty Way and along the west side of I-75. The first phase of the project includes approximately 1.2 million square feet of retail, dining, and entertainment, including a 75,000-square-foot Class A office building, 62,000 square feet of restaurant and dining, with 220 units of upscale residential, and a 67,000-square-foot cinema and 150-room hotel.

Dillard's has built a 200,000-square-foot store as part of the project. Other tenants which include H&M, Express, Pink, White House Black Market, Oakley, Sephora, Coach, J-Crew and Eddie Bauer are being targeted for the development. In addition, an 82,000-square-foot Dick's Sporting Goods is the second anchor. Located along the south side of Liberty Way, across the street from the Liberty Town Center, an 82,000-square-foot Cabela's was constructed, along with a proposed 40,000-square-foot office building.



Governmental Considerations

As a township, the government structure is comprised of three Trustees elected to staggered 4-year terms. The day-to-day operation of the Township is the responsibility of the Township Administrator, who reports to the Board of Trustees. Other departments in the township include the Planning and Zoning Department, the Services Department, the Department of the Fiscal Officer, and the Fire Department. Police services are provided by contract by the Butler County Sheriff's Office-Liberty Substation. In total the township employs over 90 full and part time employees.

The government is generally pro-development and focused on orderly and controlled land uses from agricultural to residential, commercial, and industrial. As a result, it is unlikely that large portions of the township will be rezoned for commercial or industrial use.

Many institutions of higher education are located within driving distance of Liberty Township. These include the University of Cincinnati, Xavier University, Miami University, Miami University-Hamilton, Miami University-Middletown, Northern Kentucky University, College of Mt. St. Joseph, Cincinnati State Technical and Community College, University of Dayton and Wright State University.

Overall, the governmental influences of Liberty Township do not negatively impact the value of property. The absence of an earnings tax, adequate police and fire protection, and quality schools will make Liberty Township a desirable area for development in the future.

Environmental Factors

One of the big advantages of Liberty Township is that it is accessible to other areas of Cincinnati. The Butler Regional Highway was constructed in the late 1990s and connects Interstate 75 with downtown Hamilton. This new highway extends through the southern section of Liberty Township, and there is an interchange at Cincinnati-Dayton Road, State Route 747 and the State Route 4 Bypass, which provides for easy access from the southern sections of the township to Interstate 75 and downtown Hamilton. The northern sections of the township benefit from access to Interstate 75 by way of Ohio Route 63 that extends through Monroe. The Butler Regional Highway interchange and the Liberty Way interchange with I-75 was recently redesigned and expanded which greatly improved access to this section of Liberty Township.

The environmental factors in the area that make Liberty Township desirable for residential development are the topographic characteristics that support residential communities on mostly cleared, rolling land outside the floodplain with easy access to main public roads. As public utilities become available in the central section of the township, residential communities will predominate and supplant existing agricultural uses. There are no environmental hazards known to exist in the Liberty Township area.

Conclusion:

Liberty Township is in the rapidly developing northern suburbs of the Greater Cincinnati Metropolitan area. It has excellent access and proximity to the interstate system that runs through and circles around Greater Cincinnati, as well as having access to the major arterial routes. Furthermore, it is proximate to several of the major employers in the area, labor force and housing stock. Overall, the neighborhood is beneficial to the subject. Real estate value trends for new office, retail and industrial properties have remained stable to increasing over the past several years and this is expected to continue in the foreseeable future.



REAL ESTATE TAX DATA

The subject property is located within Liberty Township, Butler County, Ohio. In Ohio, real estate taxes are handled on a county level. The county treasurer establishes the tax rates for the various political divisions in the district throughout the county. The auditor assesses properties, establishing the total true value of real property. The treasurer calculates and collects the taxes due.

The real estate assessment percentage in Ohio is 35% of the total true market value. The total true value of the real estate generally equates to the fair market value. The assessed value is then multiplied by the effective tax rate.

Taxes are payable on a semi-annual basis. Tax complaints must be filed by March 31st, and the lien date for the complaint is the preceding January 1st. For example, if the valuation date of January 1, 2019 is contested, the complaint must be filed by March 31, 2020.

The subject property is assessed by the Butler County Auditor’s office as follows:

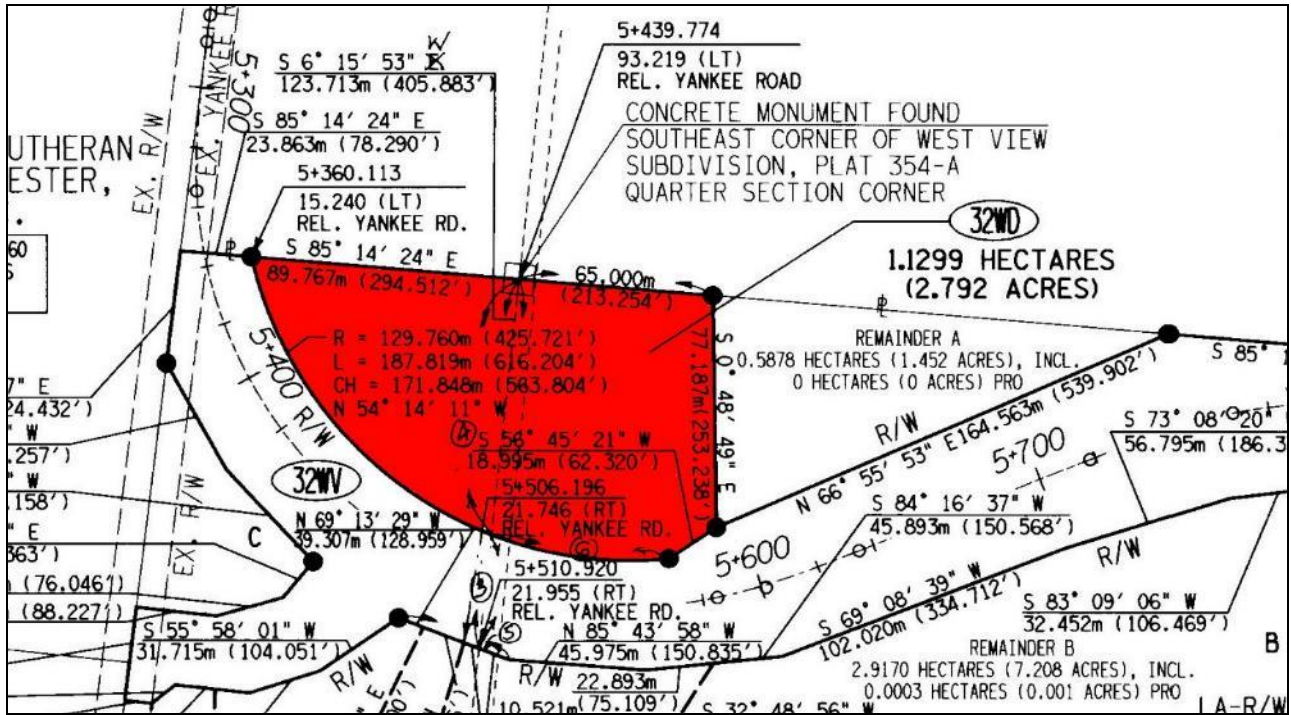
	35%	100%
Land	\$153,910	\$439,740
Improvements	\$7,910	\$22,610
Total	\$161,820	\$462,350
Annual Taxes: \$0 – Exempt		

The current effective tax rate for commercial and industrial properties in Liberty Township in the Lakota Local School District is \$64.7802 per \$1,000.00 of assessed valuation. The effective tax rate for the subject property compares favorably with those in other districts of Butler County. The effective tax rate for the subject property is at the middle of the range compared with those in other districts of the Cincinnati MSA. Therefore, the expected level of taxes will not constrain the marketability of the subject property.

The subject property is a tax-exempt property, as it is owned by a governmental agency. At the time the subject transfers to a private party that results in a change in ownership, as well as a loss of tax-exempt status. In the event of a sale of the subject that would result in a loss of tax exempt status, the sale price would most likely be adopted by the Auditor as a reflection of the true market value of the subject. For this reason, the value conclusion in this report would be the most reliable predictor of future taxes. At the current valuation and tax rate, the taxes for the subject would be \$10,482.66.



SITE DATA



Location:

The subject property is on the north side of Yankee Road, west of Cincinnati-Dayton Road in Liberty Township, Butler County, Ohio 45044.

Size and Shape:

The subject site consists of 2.792 gross acres, with no land located within the right-of-way of Yankee Road, leaving a net land area of 2.792 acres. The subject has 678.52 feet of frontage on the north side of Yankee Road, with a depth on the eastern property line of 253.24 feet and a width on the northern property line of 507.77 feet. The shape and dimensions can be seen on the site plan above.

Access:

The subject has two full-movement access points along Yankee Road.

Zoning:

The subject is in the R-RE Residential Rural Estate District. However, the subject is in the YRWBD-O, Yankee Road West Business District – Overlay. The purpose of the Overlay District is to establish special design standards that are unique to this particular section of Yankee Road. The standards are created specifically address the unique existing and desired physical and architectural characteristics that are inherit to a particular area in order to benefit the property owners within and adjacent to this district; provide for proper transition between the commercial corridor and adjacent residential uses; guide appropriate change



that will enhance the character and business climate; and promote redevelopment of the corridor in a coordinated manner that provides for long-term sustainability of the district and the character of the community. Permitted uses in this Overlay District are agricultural, animal hospital/veterinary clinics, Bed and Breakfast establishments, daycare centers, financial institutions, hotels, offices, office parks or campus's, personal improvement services, pharmacy's, sit down restaurants, retail and service commercial sales, tap rooms/wine bars, telecommunication towers, research facilities, government and public use, hospitals, medical centers, or outpatient clinics, parks or open spaces, and religious places of worship.

The Yankee Road West Business District – Overlay is the underlying base zoning district for set-back requirements. A 50-foot wide landscape buffer is required along all applicable lot lines adjoining residential zoning. The maximum height is 45-feet unless adjacent to a residential use, and then the maximum height is 35-feet. Based on the underlying zoning, the minimum front yard setback is 100-feet and the minimum rear setback is 50-feet. The minimum side yard setback is 10-feet. The maximum lot coverage is 85% with a maximum coverage of improvements and structures at 50%.

Topography:

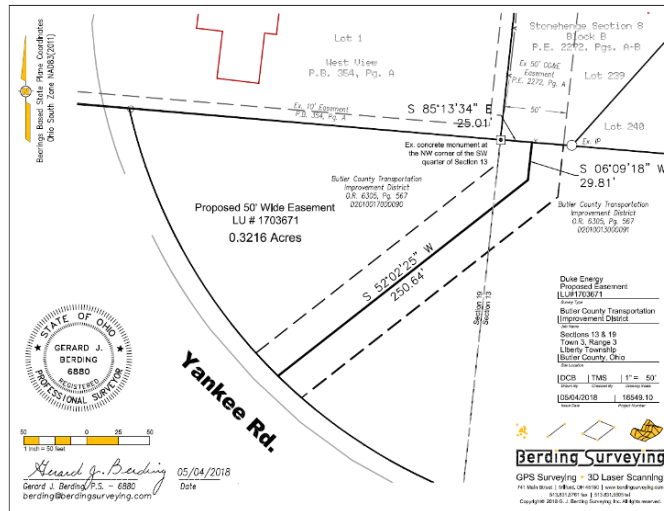
The subject topography is level to slightly rolling.

Utilities:

The subject property is in a commercial and residential district with all public utilities available.

Deed Restrictions and Easements:

There is an easement shown below recorded June 13, 2019 between the property owner and Duke Energy Ohio, Inc. This is a gas transmission line easement containing 0.3216-acre in the western portion of the subject property.



Flood Map Data:

The subject property is in a Flood Zone X, known as an area outside the floodplain. The subject property is contained on Federal Emergency Management Agency Community Panel No. 39017C0219F with an effective date of October 19, 2018.

Site Improvements:

The subject property is currently improved with a paved parking lot and related improvements, which is not a benefit nor a detriment to the land.

Summary:

The subject site is well situated to accommodate a wide number of uses given its location on the north side of Yankee Road, west of Cincinnati-Dayton Road in the southern portion of Liberty Township.



PART IV. ANALYSIS OF DATA AND CONCLUSIONS

HIGHEST AND BEST USE

The following definition of highest and best use appears in the sixth edition of *The Dictionary of Real Estate Appraisal* (Appraisal Institute, Chicago, 2015).

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

When one estimates highest and best use, the property must first be analyzed as though vacant. In this stage, the existing improvements, buildings, site improvements, and underground improvements are assumed nonexistent. A conclusion is made about the use that meets the four criteria of the highest and best use definition.

From this analysis, one must conclude to leave the site vacant or construct the ideal improvement. The ideal improvement provides all of the characteristics that are demanded by the market, and is defined by the sixth edition of *The Dictionary of Real Estate Appraisal* as:

The improvement that takes maximum advantage of the site's potential given market demand, conforms to current market standards and the character of the market area, and contains the most suitably priced components; the improvement that represents the highest and best use of the land as though vacant.

The next step is to compare the ideal improvement with the existing improvement. From this comparison, a decision is made to leave the improvements as is or to change them. The potential changes include demolition, remodeling, renovation, or conversion to a new use.

By comparing the ideal improvement with the subject property, depreciation and obsolescence are identified. Physical depreciation results from deterioration of the subject improvements over time relative to the ideal improvement. Functional obsolescence is depreciation that relates to superadequate or deficient physical elements that do not conform to the physical elements of the ideal improvement. External obsolescence is depreciation that affects subject improvements from outside the subject site and can be suggested when the ideal improvement is substantially different from the existing improvement in terms of scope, scale, type, nature, or timing.

Following is the highest and best use analysis of the subject property.

Highest and Best Use as If Vacant and Available for Development

Legally Permissible

The subject is zoned R-RE, Residential Rural Estate District in the YRWBD-O, Yankee Road West Business District – Overlay. The subject is within the zoning jurisdiction of Liberty Township, Butler County, Ohio. The permitted uses in this overlay district were shown under the site data section and include primarily office, secondary retail, research and development, as well as public and institutional uses. Due to buffering restrictions at the northern property line, adjacent to existing single family use, 0.583-acres of the subject is set aside for the 50-foot buffering requirements. No parking or other impervious surfaces can be located within this area. This reduces the usable land size of the subject property to 2.210-acres, or 96,266-square-feet. It is noted that there is a 50-foot wide utility easement to Duke Energy across the western portion of the site. While no improvements can exist in this area, this



easement area can be utilized for parking and access drives as well as landscaping berms. Legally, the subject property can be developed with any of the legally permissible uses.

Physically Possible

The subject site consists of an irregular-shaped parcel containing 2.792 acres with approximately 680 feet of frontage on Yankee Road. The subject has level to gently rolling topography and is located outside the floodplain. The subject has availability to all public utilities.

The subject property is best described as being located in the Cincinnati-Dayton Road/Liberty Township Commercial District surrounding the Butler Regional Highway interchange with Cincinnati-Dayton Road. This district now includes the Liberty Center Development located approximately one mile from the subject. This development result in over 1,100,000 square feet of new office and retail space as well as a hotel and residential units.

Across from Liberty Center Development is big box retail development on the west side of I-75 including a Cabella’s Store. There has been other new commercial development east of Cincinnati-Dayton Road. Liberty Center has been expanded twice in the last five-years. These expansions include a new proton therapy center as well as a fourth-floor expansion

The subject property is positioned near the hub of commercial and office development in the northern suburbs of Cincinnati. Physically possible uses of the subject property include all of the legally permissible uses determined to be primarily office and secondary commercial use.

Financially Feasible

Financially feasible uses of the site depend upon the improvements developed and whether or not a positive return can be generated over and above the cost of the improvements, plus the amount paid for the raw ground.

Based on the above legally permissible and physically possible uses, office uses are considered legally permissible and physically possible. To determine the financially feasible uses of the site, the *Colliers International Office Market Summary* estimates that there is 2,464,048-square-feet of office space in the I-75 Corridor North submarket, of which the Liberty Township area is contained within.

There is a vacancy rate of 11.2%. Of this vacancy, 177,328-square-feet of Class A space (10.7%) is vacant, 94,110-square feet of Class B space (13.1%) is vacant, and 5,557-square-feet of Class C space (7%) is vacant. Rental rates for all classes is \$21.39 per square-foot, with \$23.88 per square-foot for Class A space, \$17.42 per square-foot for Class B space, and \$13.93 per square-foot for Class C space. This submarket data can be seen below.

SUBMARKET DATA	Rentable SF	Total Vacant SF	Total Quarterly Absorption	Vacancy Rate	Rental Rate
I-75 Corridor North	2,464,048	276,995	42,664	11.2%	\$21.39
A	1,660,162	177,328	53,912	10.7%	\$23.88
B	721,142	94,110	-11,248	13.1%	\$17.42
C	82,744	5,557	0	6.7%	\$13.93
Cincinnati MSA	61,948,522	9,543,167	89,407	15.4%	\$18.15

The *Colliers International Retail Market Report, 3rd Quarter 2019* was also analyzed. This report breaks out 67 different individual submarkets within the Cincinnati MSA. Of these 67 submarkets, three are applicable to the



subject property, including the Liberty Township and the Tylersville and West Chester submarkets. These submarkets are shown below.

SUBMARKET DATA	Rentable SF	Total Vacant SF	Total Quarterly Absorption	Vacancy Rate	Rental Rate
Liberty Township	1,355,720	101,906	26,090	7.5%	\$17.67
Tylersville	1,506,493	40,846	7,973	2.7%	\$16.00
West Chester	822,438	158,307	12,600	19.2%	\$16.83
Totals	3,684,651	301,059	46,663	8.2%	\$16.80
Cincinnati MSA	58,571,359	4,955,382	62,466	8.5%	\$13.57

The subject is most closely related to the Liberty Township and Tylersville submarkets. For 3rd Quarter 2019, the Liberty Township submarket contains 1,355,720-square feet of retail space, of which 101,906-square feet is vacant, or 7.5%. The average rental rate is \$17.67 per square foot on a triple net basis. The Tylersville submarket contains 1,506,493-square feet, of which 40,846-square feet is vacant, or 2.7%. The average rental rate of \$16.00 per square foot on a triple net basis. The three submarkets combined contain a total of 3,684,651-square-feet, of which 301,059-square-feet, or 8.2% is vacant. The three submarkets have an average asking rental rate of \$16.80 per square-foot on a triple net basis.

Based on the legally permissible and physically possible uses, the financially feasible uses include either office or secondary retail development. The shape and dimensions of the shape could attract a larger single tenant use or a smaller multi-tenant use.

Maximally Productive

Based on the legally permissible, physically possible, and financially feasible uses, the maximally productive use is determined to be a secondary retail or freestanding office use. As shown above, the space has a higher vacancy rate for Class A office space on a full-service gross basis. Additionally, the Liberty Township area is a relatively strong retail submarket with new construction along Liberty Way and Cincinnati-Dayton Road east of the subject property. The subject is in a secondary location away from the main thoroughfare with little exposure to Cincinnati-Dayton Road. The maximally productive use of the subject property, based on these factors, is for secondary retail or freestanding office use.



SALES COMPARISON APPROACH

The subject property is valued as a vacant parcel based on the conclusion of the highest and best use, and the sales comparison approach is used to estimate its value as if vacant and available for development. The basic steps to the sales comparison approach are as follows.

1. The subject site is analyzed, and market data is gathered.
2. The market data is analyzed, verified, and compared with the subject site.
3. An appropriate unit of comparison is selected, and the sales are compared with the subject property based on the unit of comparison.
4. The market value of the property is based on a value conclusion, within a range, that is based on the indicated value from the sale properties, after adjustments for differences.

Unit of Comparison

The unit of comparison used to estimate the market value of the subject property is the price per square-foot of land area. The price per square foot is a commonly quoted unit of comparison, for the size and type of vacant land. This unit of comparison is quoted by sellers and agents of this type of property, and is considered by buyers. This unit of comparison will be used to value the subject property.

The following are four comparable sales of land in the immediate and surrounding areas which are considered good indicators of value for the subject property.



LAND SALE NO. 1

Location Southeast corner of Cincinnati-Dayton Road and Wyandot Lane, Liberty Township, Butler County, Ohio
Tax ID D2020-047.000-050

Sale Data

Grantor Roger M. Henry, Trustee
Grantee Aayati LLC
Sale Date March 6, 2018
Property Rights Fee Simple
Conditions of Sale Arms Length
Financing Cash or Equivalent
Verification Todd Schmutte confirmed with Mark Sennett, broker

Sale Price \$530,000

Land Data

Zoning B-PUD, Business-Planned Unit Development
Topography Level
Utilities All public available
Shape Trapezoid
Flood Info Area of minimal flooding
Present Use Dairy Queen restaurant
Encumbrances Normal
Motivation of Parties Grantor: to divest; Grantee: for development of a Dairy Queen

Land Size Information

Useable Land Size 1.542-Acres or 67,170-square-feet

Indicators

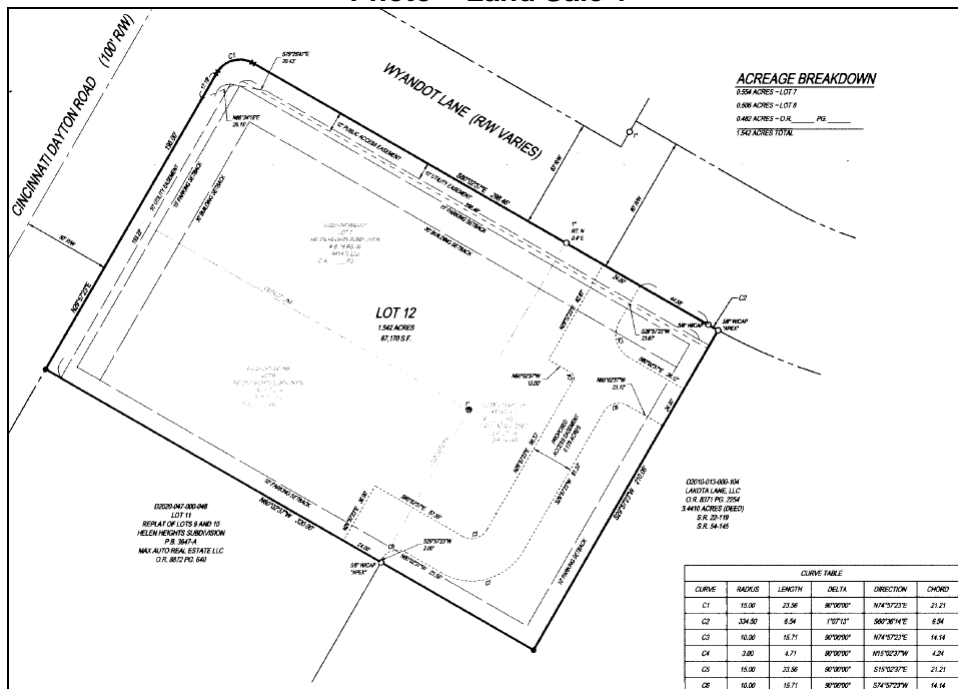
Sale Price/Useable SF \$7.89

Analysis of Pertinent Data

This property is at the southeast corner of Cincinnati-Dayton Road and Wyandot Lane along a developing commercial corridor. The property was purchased for a Dairy Queen franchise location. Access to the property was available only from Wyandot Lane with no direct access to Cincinnati-Dayton Road. The property also had secondary rear access via shared easements with the Midas centered to the south as well as a multi-tenant multi-story office retail development at the northeast corner along the east side of Cincinnati-Dayton Road. The franchise restaurant opened in November 2018. The Grantee constructed 3,179-square-foot one-story fast-food restaurant.



Photo – Land Sale 1



Plat – Land Sale 1



LAND SALE NO. 2

Location South side of Liberty Way east of Cincinnati-Dayton Road, West Chester Township, Butler County, Ohio
Tax ID M5610-020.000-005

Sale Data

Grantor Kimberly K. Daugherty, Trustee of the Shirley Farmer Revocable Trust
Grantee RBA Holdings, Ltd.
Sale Date April 23, 2019
Property Rights Fee Simple
Conditions of Sale Arms Length
Financing Conventional mortgage
Highest & Best Use Office development
Verification Todd Schmutte with the Broker, Michael Hines

Sale Price \$625,000

Land Data

Zoning O-1, Office
Topography Generally Level
Utilities All Public Available
Shape Trapezoid
Flood Info Area of Minimal Flooding
Present Use Vacant
Encumbrances Normal
Motivation of Parties Grantor: to divest; Grantee: for development

Land Size Information

Gross Land Size 1.643-acres or 71,570-square-feet
Usable Land Size 1.426-acres or 62,120-square-feet

Indicators

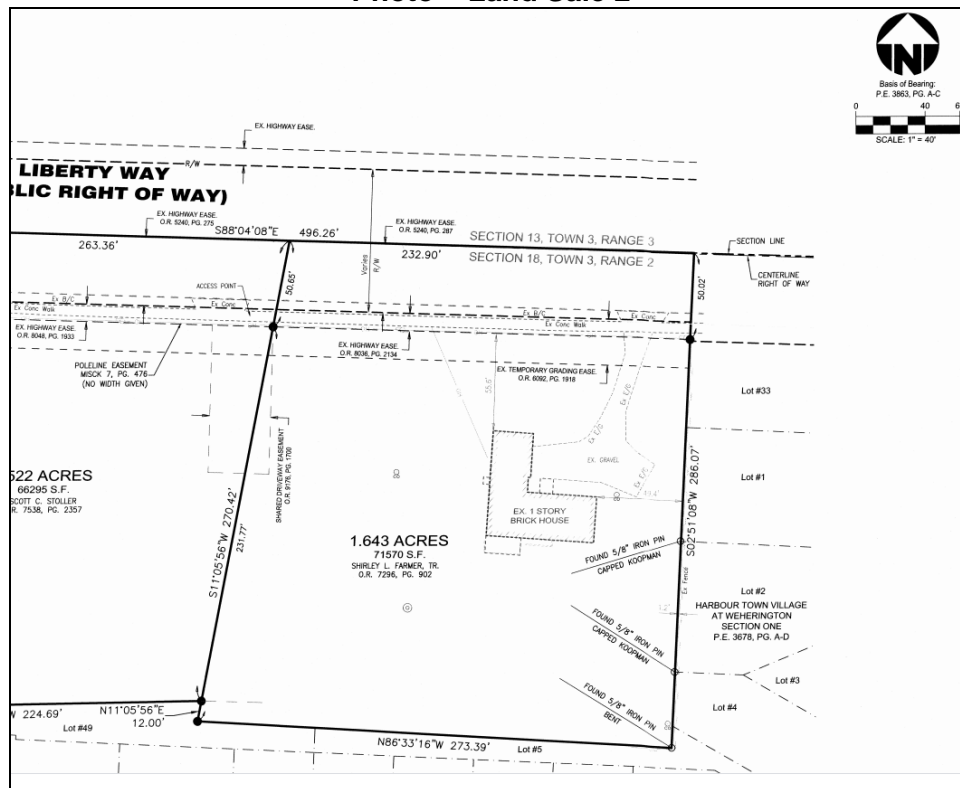
Sale Price/Usable SF \$10.06

Analysis of Pertinent Data

This former home site was purchased for construction of a future medical office building. The building will be utilized as Dermatology Skin Care Associates and will be complete in Spring 2020. The grantee demolished the home after purchase. The property contains 9,450-square-feet within the right-of-way of Liberty Way leaving a net land area of 1.426-acres, or 62,120-square-feet. The property is two-parcels east of Cincinnati-Dayton Road on the south side of Liberty Way west of the Liberty Center Development.



Photo – Land Sale 2



Plat – Land Sale 2



LAND SALE NO. 3

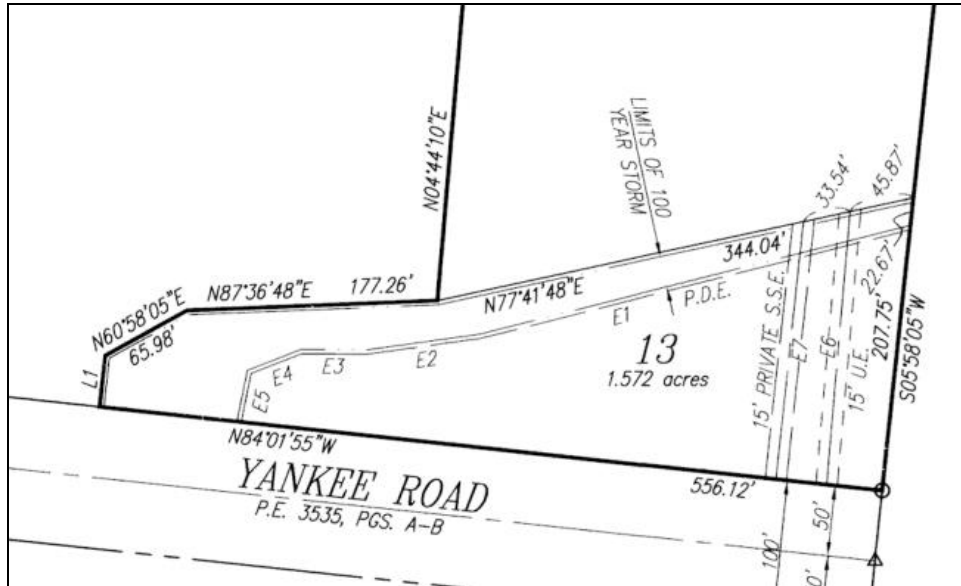
Location	North side of Yankee Road, Liberty Township, Butler County, Ohio
Tax ID	D2020-029.000-013
Sale Data	
Grantor	Liberty 2 Investments, LLC
Grantee	HAZ Holdings at Yankee Road, LLC
Sale Date	March 21, 2016
Deed Book/Page	8881/1097 GWD
Conditions of Sale	Arms Length
Property Rights	Fee Simple
Financing	Conventional mortgage with Compass Bank
Highest and Best Use	Office Development
Verification	Todd Schmutte, with Bob Hutsenpiller, grantor, (513) 777-9014, 3/13/17
Sale Price	\$340,000
Land Data	
Zoning	B-2, Community Business District
Topography	Level, creek in rear
Utilities	All public available
Shape	irregular
Flood Info	Zone X, areas of minimal flooding
Encumbrances	Normal
Present Use	Vacant
Motivation of Parties	Grantor: To divest; Grantee: For owner-occupied office development
Land Size Information	
Gross Land Size	1.572 Acres or 68,476 SF
Useable Land Size	1.030 Acres or 44,867 SF (Net)
Indicators	
Sale Price/Useable Acre	\$330,096
Sale Price/Useable SF	\$7.58

Analysis of Pertinent Data

This is a vacant site southeast of the Kroger at Liberty Centre. The grantee purchased for construction of a 3,400 SF dental office. The buyer ultimately had plans to expand the facility to up to 8,000 SF. The gross size is 1.572 acres, with approximately 1.030 acres usable. There is a creek/detention area to the rear of the buildable site where the topography drops into a creek bed. As part of the transfer, the parties signed a Restrictive Covenant Agreement whereas the grantee agrees not to subdivide the parcel except for construction of a second office building. Only one business, or related businesses owned by a single entity, may be operated in the proposed structure, and the property may not be used for retail use. ID: 2428



Photo – Land Sale 3



Plat – Land Sale 3



LAND SALE NO. 4

Location West side of Cincinnati-Dayton Road, across from Bethany Road, Liberty Township, Butler County, OH
Tax ID E2020-047.000-049 (See Comments)

Sale Data

Grantor Carol J. Johnson, Trustee
Grantee Atrium Medical Center
Sale Date April 11, 2016
Deed Book/Page 8887/1840 GWD
Conditions of Sale Arms Length
Property Rights Fee Simple
Financing Cash
Highest and Best Use Office
Verification Todd Schmutte, with John Stretch, broker, (513) 860-5050, 3/2/17

Sale Price \$700,000

Land Data

Zoning B-2, Community Business District
Topography Generally level
Utilities All public available
Shape Irregular
Flood Info Areas of minimal flooding
Encumbrances Normal
Present Use Vacant
Motivation of Parties Grantor: To divest; Grantee: For future development

Land Size Information

Gross Land Size 2.915 Acres or 126,977 SF
Useable Land Size 2.187 Acres or 95,266 SF (Net)

Indicators

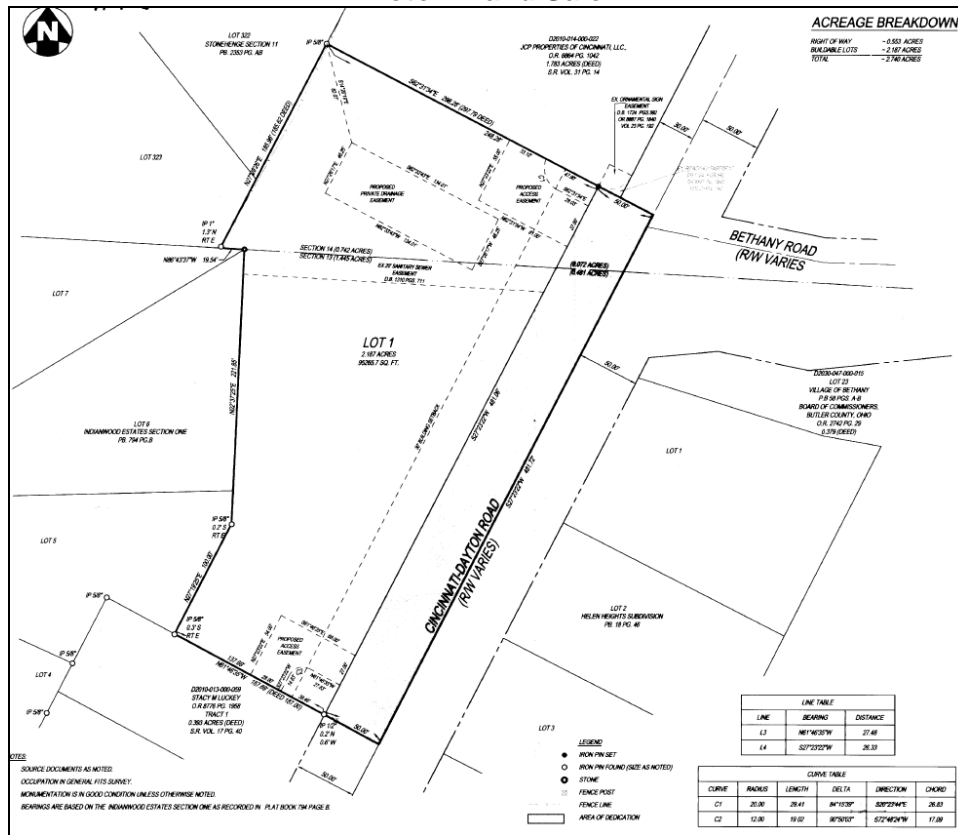
Sale Price/Useable Acre \$320,072
Sale Price/Useable SF \$7.35

Analysis of Pertinent Data

This is an April 2016 sale of a property that was listed on and off since 2007. The broker that ended up selling it had the property listed for \$775,000. Other brokers had had the property listed in the past from \$899,000 to \$1,950,000. The property was purchased by Atrium Medical Center for future construction of a medical office facility. Since purchased, the original tax parcels (D2010-013.000-003, -014.000-052, and -047.000-012 through 014 have been combined into one tax parcel. ID: 2454



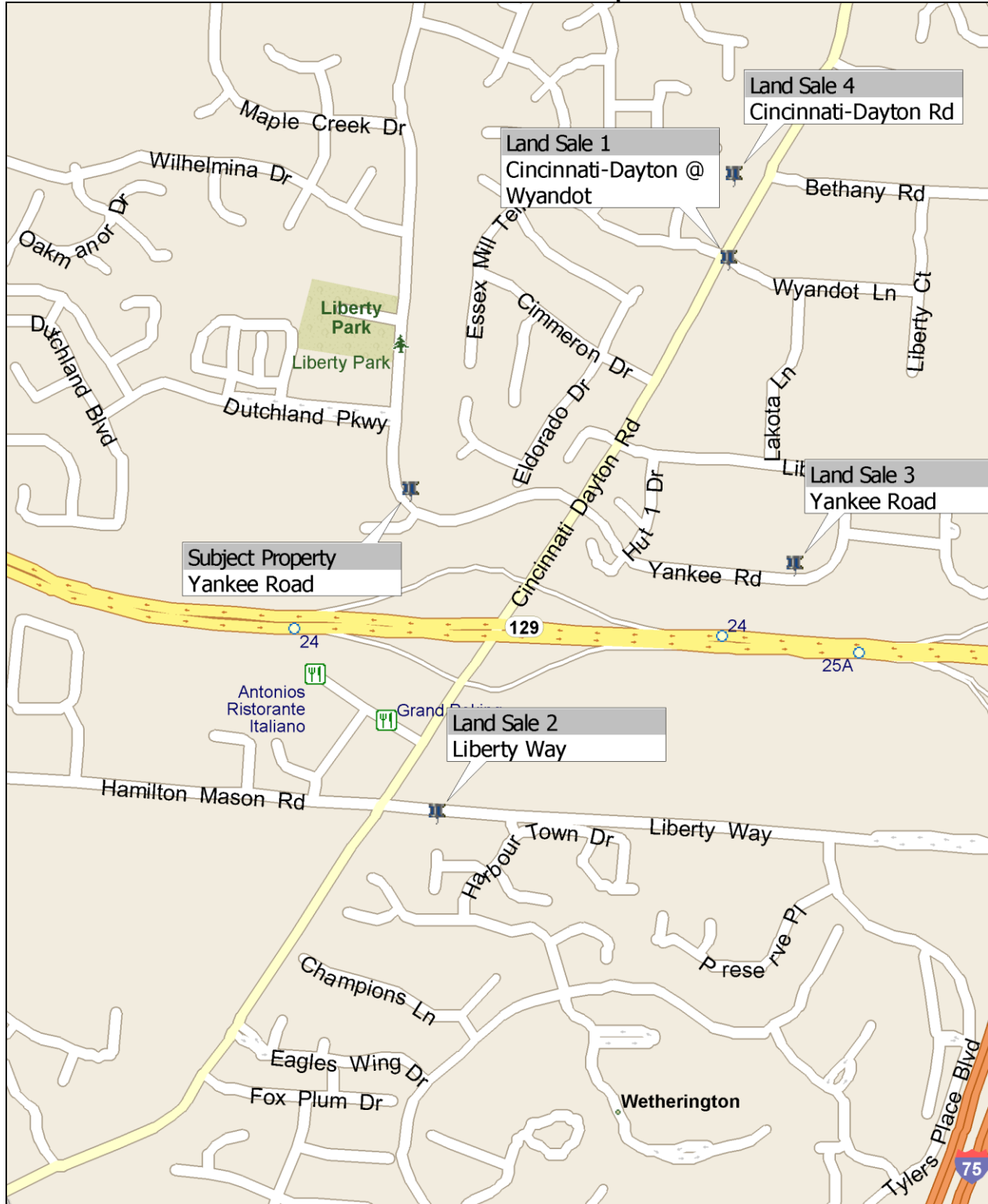
Photo – Land Sale 4



Plat – Land Sale 4



Land Sale Location Map





Recap: Comparable Land Sales

	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Location:	South side of Yankee Road, Liberty Township, Butler County	Southeast corner of Cincinnati-Dayton Road & Wyandot Lane, Liberty Township, Butler County	South side of Liberty Way, West Chester Township, Butler County	North side of Yankee Road, Liberty Township, Butler County, Ohio	West side of Cincinnati-Dayton Road, Liberty Township, Butler County
Sale Date:	N/A	March 2018	April 2019	March 2016	April 2016
Sale Price:	N/A	\$530,000	\$625,000	\$340,000	\$700,000
Site Size:	96,266 SF	67,170 SF	62,120 SF	44,867 SF	95,266 SF
Price/SF	N/A	\$7.89	\$10.06	\$7.58	\$7.35
Zoning:	YRWBD-O	B-PUD	O-1	B-2	B-2
Utilities:	All public available	All public available	All public available	All public available	All public available
Use:	N/A	Retail	Office	Office	Office
Topography:	Level	Level	Level	Level	Level
ADJUSTMENTS					
Property Rights:	Fee Simple	Similar	Similar	Similar	Similar
Financing Terms:	Conventional	Similar	Similar	Similar	Similar
Conditions of Sale:	Arms Length	Similar	Similar	Similar	Similar
Buyer Expenditures:	None	Similar	Inferior	Similar	Similar
Market Conditions:	December 2019	Inferior	Similar	Inferior	Inferior
Location:	Liberty Township	Superior	Superior	Superior	Superior
Size:	96,266 SF	Superior	Superior	Superior	Similar
Physical Characteristics:	Average/Easement	Superior	Superior	Similar	Superior
Zoning:	YRWBD-O	Superior	Similar	Superior	Superior
Total Adjustments:	N/A	-15%	-25%	-15%	-10%
Adjusted Unit Price:	N/A	\$6.71	\$7.55	\$6.44	\$6.62

The four comparable sales reflect the selling price per square foot range from a low of \$7.35 per square foot to a high of \$10.06 per square foot. The comparable sales reflect a tighter indicated range from a low of \$6.44 per square foot to a high of \$7.55 per square foot.

Discussion of Adjustments

Property Rights Conveyed

All four comparable sales reflect the transfer of fee simple interest. The fee simple interest of the subject site is being appraised and, as such, is similar to all four comparable sales, requiring no adjustment for property rights conveyed.

Financing Terms

All of the sales transactions reflect cash to the seller. Therefore, no adjustments are needed.

Conditions of Sale

Each of the four sales reflect arms-length transactions from grantor to grantee, and as such, are considered similar to the subject, requiring no adjustment.



Buyer Expenditures

This adjustment accounts for an amount that a buyer spent as extraordinary or abnormal expense incurred. Sales 1, 3 and 4 were vacant, graded pads with no buyer expenditures required, requiring no adjustments. Sale 2 had a residence on-site that required demolition, inferior to the subject property, requiring an upward adjustment.

Market Conditions

The four comparable sales took place as follows: Sale 1 – March 2018; Sale 2 – April 2019; Sale 3 – March 2016; and Sale 4 – April 2016. The subject is appraised as of December 2019. Comparable Sale 1, which took place over 18 months ago, is slightly inferior to the subject property, requiring an upward adjustment. Sale 2 took place in 2019 under relatively similar market conditions, requiring no adjustment. Sales 3 and 4 were utilized due to their location in close proximity to the subject but sold under inferior market conditions in early 2016, requiring upward adjustments to each sale.

Location

The subject property is on the north side of Yankee Road, west of Cincinnati-Dayton Road in Liberty Township, Butler County, Ohio. This is a secondary commercial location away from the primarily commercial thoroughfare.

Sale 1 is located at the southeast corner of Cincinnati-Dayton Road and Wyandot Lane, north of the Kroger-anchored retail center and Cincinnati Children's Hospital, at Liberty Town Center. This sale is located on a desirable corner location, within Liberty Township, in the Cincinnati Dayton Road retail corridor. As this property has direct frontage on Cincinnati Dayton Road along a heavily traveled commercial corridor, this property is superior to the subject's location, requiring a downward adjustment.

Sale 2 is located on the south side of Liberty Way, just east of Cincinnati-Dayton Road along the northern border of West Chester Township, Butler County. This property is in close proximity to the I-75 interchange as well as the Liberty Center development on the north side of Liberty Way. This is a more desirable location with frontage on a primary thoroughfare, superior to the subject property, requiring a downward adjustment.

Sale 3 is on the north side of Yankee Road, east of Cincinnati-Dayton Road just southeast of the Kroger anchored shopping center. This sale is more desirable due to the commercial uses including a Kroger store as well as the Children's Hospital Medical Center further east along Yankee Road. The overall location of this sale is superior to the subject property, requiring a downward adjustment.

Sale 4 is on the west side of Cincinnati-Dayton Road across from Bethany Road just northwest of Sale 1. This is towards the north end of the Cincinnati-Dayton Road retail corridor. This property has direct frontage and access from Cincinnati-Dayton Road along a heavily traveled commercial corridor and is superior to the subject property, warranting a downward adjustment.

Economic Size

The four comparable sales have net usable site sizes as follows: Sale 1 – 67,170 square feet; Sale 2 – 62,120 square feet; Sale 3 – 44,867 square feet; Sale 4 – 95,266 square feet. The subject property, outside the residential buffering area, contains 96,266 square feet. Based on the theories of economies of scale, larger quantities of a good tend to sell at a lower unit price than smaller quantities of the same good. That translates into smaller sites selling for a higher price on a per unit basis than similar larger tracts. Larger sites increasing holding costs for



developers, thus decreasing the amount they can afford to pay for raw ground to make projects economically feasible, although this is less relevant when considering single-tenant type properties. Sales 1, 2 and 3 are all superior to the subject property with smaller site sizes, requiring downward adjustments, while Sale 4 is relatively similar to the subject property, requiring no adjustment.

Physical Characteristics

Physical characteristics include such items as configuration, topography, utilities and access. The subject property has frontage on Yankee Road, just west of Cincinnati-Dayton Road with level topography, access to all public utilities, with multiple access points. The western portion of the subject is bisected by a 50 foot utility easement. While this area can be paved parking no building improvements can be placed in this area.

Sale 1 is a rectangular site at the corner of Cincinnati-Dayton Road and Wyandot Lane. The property has level topography with access only from Wyandot Lane, not Cincinnati-Dayton Road. The physical characteristics of this sale are superior to the subject, requiring a downward adjustment.

Sale 2 is a trapezoidal shaped site on the south side of Liberty Way with similar frontage to depth. The property has direct access from Liberty Way. The physical characteristics of this site are superior to the subject property, requiring a downward adjustment.

Sale 3 has level topography but is bisected by a creek bed that is taken out of the gross building area to determine the net usable area. Even after the deduction of the detention/creek area, this site is a narrow long and not very deep site. The physical characteristics of this sale are relatively similar to the subject, requiring no adjustment.

Sale 4 is an irregular shaped site with more depth on the northern property line than on the southern property line. Based on the site configuration, the building improvements would likely be towards the northern portion with parking towards the southern portion of the site. The shape did not inhibit development potential and there are no easements bisecting the site. As such, the physical characteristics of this sale are superior to the subject, requiring a downward adjustment.

Zoning

The subject property, based on the Yankee Road West Business District Overlay, is zoned for primarily office and secondary commercial uses. Sales 1, 3 and 4 were all zoned for full retail use, superior to the subject property, requiring downward adjustments. Sale 2 is zoned O-1, Office, with primarily permitted office uses with some secondary commercial uses, relatively similar to the zoning classification of the subject property, requiring no adjustment.

Summary and Conclusion

After adjustments, the four sales indicated a value per square foot range from a low of \$6.44 per square foot to a high of \$7.55 per square foot. In terms of comparability to the subject, we feel that the subject property would fall towards the lower end of the adjusted unit range. With recognition of each of the four sales, we feel that \$6.50 per square foot outside the residential buffer area is reasonable for the subject. Following is the calculation of the as is fee simple market value of the subject property as of the date of the site visit, December 20, 2019.

96,266 square feet x \$6.50/SF =	\$625,729
Rounded to:	\$626,000



RECONCILIATION

The as is market value of the subject tract is based on the sales comparison approach that was applied to the land as if vacant. The final as is market value conclusion for the subject property is \$626,000, which recognizes the highest and best use of the site, location, and configuration.

The value conclusion was based on four sales that were detailed in this appraisal. The subject property is on the north side of Yankee Road, west of Cincinnati-Dayton Road in Liberty Township. Each of the four sales were carefully selected from the market and each was within a mile from the subject property via Yankee Road or Cincinnati-Dayton Road. Each of the four sales represented some similarity with the subject property though all had superior locations. Each sale was verified directly with someone involved in the transaction. The sales comparison approach is the best method to estimate the market value of the subject property, and the final market value conclusion is based solely on the sales comparison approach.

FINAL VALUE

In conclusion, all weight is placed on the sales comparison approach applied to the land as if vacant. The final market value of \$626,000 is being adopted for the subject property, which was based on the usable land area outside of the residential buffer of 2.210 acres, or 96,266 square feet. The value indicated herein is based on terms and conditions outlined in the underlying assumptions and limiting conditions, along with any others stated in the report. The market value is as of December 20, 2019 and is for the fee simple interest of the subject property.

As Is Market Value of the Fee Simple
Interest as of December 20, 2019:

**Six Hundred Twenty Six Thousand Dollars
(\$626,000)**



MARKETING/EXPOSURE TIME

It has been requested through USPAP in a statement on Appraisal Standards No. 6 (SMT-6) and through Advisory Opinion (G-7) that reasonable exposure time and marketing time estimates be discussed in appraisal reports. The Appraisal Standards Board (ASB) defines exposure time or retrospective marketing period as follows:

The estimated length of time of the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.²

The ASB defines reasonable marketing period, or perspective marketing period, as follows:

The reasonable marketing time is an estimate of the amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

In estimating the exposure time, or the retrospective marketing period, it is recognized that this period is a function of price, time and use, and is not an isolated estimate of time alone. The marketing time estimate, or retrospective marketing period, also takes these same items into consideration. Both estimated time periods refer to the entire process of selling a piece of real estate which again would vary depending upon the type of real estate it is as well as the exposure price which is being asked.

For estimating a reasonable exposure time and a reasonable marketing time for the subject property various sources were considered which includes information collected while gathering information thorough the sales verification process from the comparable sales used, interviews of market participants, and firsthand knowledge of sales occurring that have been appraised by Beck Consulting and subsequently sold.

For estimating a reasonable exposure time the market information gathered during the appraisal process indicated that an exposure time of approximately six to twelve months would be necessary for a final consummation of sale of the subject. This takes into consideration that approximately one month to two months would be needed in order to notify all possible market participants that the subject property would be for sale after which there would be negotiations and a contract which would probably take another two to three months, and then due diligence would need to be performed by the buyer as well as financing lined up which could take anywhere from one month to three months depending upon the particular market and the financing being sought. This process and time frame is supported by several of the sales in the Sales Comparison Approach which sold within one year from the time it was exposed on the market. These are historic sales and support the retrospective exposure time being estimated. This does assume a reasonable asking price be presented of approximately 10% above the market value derived herein.

For estimating the prospective marketing time the same information which was considered for estimating the above exposed time was taken into consideration. Further, it is thought that the market conditions which exist in the last six to twelve months in the Greater Cincinnati industrial and office markets will exist for the next twelve months; thus a twelve month or less prospective marketing time is considered to be appropriate. Again this takes into consideration historic information received from the several sales in the Sales Comparison Approach which

²Appraisal Standards Board, "Memorandum (Statement #6)" (Washington, D.C., ASB of the Appraisal Foundation, October 15, 1992).



sold within one year from being listed on the open market for sale. This does assume a reasonable asking price be presented of approximately 10% above the market value derived herein.



PART V. ADDENDA

- Appraiser Qualifications
- Appraiser Disclosure Statements



APPRAISER QUALIFICATIONS

**QUALIFICATIONS OF
LANCE R. BROWN, MBA, MAI, AI-GRS**
lbrown@e-beck.com

EDUCATION:

Master of Business Administration, University of Cincinnati
December 1998; Major: Marketing and Real Estate

Bachelor of Science, University of Cincinnati
December 1992; Major: Real Estate

Appraisal Institute Approved Instructor:

- General Appraiser Income Approach/Part 1
- Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications
- Solving Land Valuation Puzzles
- Evaluating Commercial Leases
- How Tenants Create or Destroy Value

Adjunct Professor, Real Estate Appraisal—University of Cincinnati

**PROFESSIONAL
EXPERIENCE:**

12/98 to Present—Executive Vice President, Beck Consulting, Inc.

5/95 to 12/98—Appraiser, Willingham Associates, Inc.

12/94 to 5/95 – Staff appraiser for the Appraisal Company of America.

1/89 to 12/94 – Appraiser, American Research and Appraisal Center.

2/86 to 1/89 – Self-employed appraiser and research consultant, providing services to independent appraisal companies in Cincinnati.

SPECIALIZATIONS:

Complete detailed full acquisition, condemnation/eminent domain appraisals, including partial acquisitions and severance damages, for the Ohio Department of Transportation, Army Corps, US Forest Service, local public agencies, and private clients.

Completed reviews of appraisals prepared for a variety of purposes including condemnation/eminent domain for mortgage lenders, public agencies and private clients.

Provide appraisals for real property, tax cases, including testimony for ad valorem tax purposes for government and private clients.



Prepare appraisals for contested real property, including court testimony.

Provide appraisals and analysis of proposed commercial, industrial, and residential developments for mortgage lending.

List and facilitate the sale and lease of residential and commercial property.

**LICENSES AND
CERTIFICATIONS:**

Ohio State certified general appraiser: Certificate No. 409301
issued October 21, 1994.

Kentucky State certified general appraiser: License No. 002243
issued March 26, 1999.

Indiana State certified general appraiser: License No. CG41100034
issued September 9, 2011
Ohio Department of Transportation Pre-qualified Appraiser Code
Number 081114 issued December 4, 1995.

Ohio Department of Transportation Pre-qualified Appraisal
Reviewer issued November 8, 2000.

Licensed real estate sales agent certificate number 332617 issued
November 14, 1986.

**BUSINESS &
PROFESSIONAL
AFFILIATIONS:**

MAI designated member of the Appraisal Institute

AI-GRS designated member of the Appraisal Institute

GAA member of the Real Estate Appraisal Section of the National
Association of Realtors

SR/WA Candidate Member of International Right of Way Association

Member of the National Association of Realtors

Member of the Greater Cincinnati Association of Realtors




**QUALIFICATIONS OF
TODD M. SCHMUTTE**
tschmutte@e-beck.com

- EDUCATION:**
- Bachelor of Business Administration, University of Cincinnati
June 2000; Major: Finance and Real Estate
 - Course 772, National Uniform Standards of Professional
Appraisal Practice, Lincoln Graduate Center – 04/02
 - Course 120, Appraisal Procedures, The Appraisal Institute – 03/03
 - Course 310, Basic Income Capitalization, The Appraisal
Institute – 03/04
 - Course 510, Advanced Income Capitalization, The Appraisal
Institute – 07/04
 - Course 530, Advanced Sales Comparison and Cost Approaches,
The Appraisal Institute – 03/05
 - General Appraisal Report Writing and Case Studies, The Appraisal Institute
– 11/15
 - Advanced Concepts and Case Studies, The Appraisal Institute – 11/18
- PROFESSIONAL
EXPERIENCE:**
- 02/02 to Present—Vice President, Beck Consulting, Inc.
 - 6/98 to 02/02—Account Executive, Pension Corporation of America.
- SPECIALIZATIONS:**
- Prepare appraisals of all types of real property for mortgage purposes.
 - Complete detailed condemnation/eminent domain appraisals, including
partial acquisitions and severance damages, for ODOT, Army Corps, and
local public authorities.
 - Prepare appraisals of commercial property for real estate tax appeal
- LICENSES AND
CERTIFICATIONS:**
- Ohio State certified general appraiser: Certificate No. 2007005172
 - Ohio Department of Transportation Pre-Qualified for Right-of- Way
Acquisitions in Value Analysis and Appraisal issued on April 2, 2015.
- BUSINESS &
PROFESSIONAL
AFFILIATIONS:**
- Candidate for Designation in the Appraisal Institute

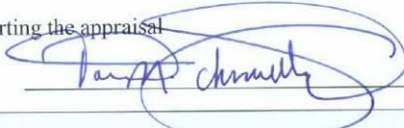


APPRAISER DISCLOSURE STATEMENTS

APPRAISER DISCLOSURE STATEMENT In compliance with Ohio Revised Code Section 4763.12 (C)	
1. Name of Appraiser	<u>Lance R. Brown</u>
2. Class of Certification/Licensure:	<input checked="" type="checkbox"/> Certified General <input type="checkbox"/> Licensed Residential <input type="checkbox"/> Temporary <input type="checkbox"/> General <input type="checkbox"/> Licensed
Certification/Licensure Number:	<u>ACG.0000409301</u>
3. Scope: This report	<input checked="" type="checkbox"/> is within the scope of my Certification or License. <input type="checkbox"/> is not within the scope of my Certification or License.
4. Service Provided By:	<input checked="" type="checkbox"/> Disinterested & Unbiased Third Party <input type="checkbox"/> Interested & Biased Third Party <input type="checkbox"/> Interested Third Party on Contingent Fee Basis
5. Signature of person preparing and reporting the appraisal	 _____
This form must be included in conjunction with all appraisal assignments or specialized services performed by a state-certified or state licensed real estate appraiser.	

State of Ohio
 Department of Commerce
 Division of Real Estate
 Appraisal Section
 Cleveland (216) 787-3100



APPRAISER DISCLOSURE STATEMENT	
In compliance with Ohio Revised Code Section 4763.12 (C)	
1. Name of Appraiser	<u>Todd M. Schmutte</u>
2. Class of Certification/Licensure:	<input checked="" type="checkbox"/> Certified General <input type="checkbox"/> Licensed Residential <input type="checkbox"/> Temporary <input type="checkbox"/> General <input type="checkbox"/> Licensed
Certification/Licensure Number:	<u>2007005172</u>
3. Scope: This report	<input checked="" type="checkbox"/> is within the scope of my Certification or License. <input type="checkbox"/> is not within the scope of my Certification or License.
4. Service Provided By:	<input checked="" type="checkbox"/> Disinterested & Unbiased Third Party <input type="checkbox"/> Interested & Biased Third Party <input type="checkbox"/> Interested Third Party on Contingent Fee Basis
5. Signature of person preparing and reporting the appraisal	
This form must be included in conjunction with all appraisal assignments or specialized services performed by a state-certified or state licensed real estate appraiser.	

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Department of Commerce
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Appraisal Section
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