

Appraisal Report

And

Valuation Analysis

Of

South Hills Civic Club
With Surrounding Land and Paper Street
10 Bluegrass Avenue
City of Fort Wright, Kenton County
Commonwealth of Kentucky, 41011

Appraised For

Ms. Jill Cain Bailey
City Administrative Officer
City of Fort Wright
409 Kyles Lane
Fort Wright, KY 41011

By

Schoepf/Associates, Inc.
880 Alexandria Pike, Suite 201
Ft. Thomas, Kentucky 41075

As Of

October 17, 2024



Schoepf/Associates

Inc.

REAL ESTATE APPRAISALS
COUNSELING • BROKERAGE
RESIDENTIAL • COMMERCIAL • INDUSTRIAL



Realtor®

880 ALEXANDRIA PIKE, STE 201, FORT THOMAS, KENTUCKY 41075
(859) 781-6000 FAX NO. (859) 781-7722
email: dschoepfassoc@fuse.net

February 7, 2025

Ms. Jill Cain Bailey
City Administrative Officer
City of Fort Wright
409 Kyles Lane
Fort Wright, KY 41011

Dear Ms. Bailey:

Pursuant to your request, I have made a complete on-site physical viewing of the following described property. This property is to be the subject of the requested appraisal conveyed by this appraisal report. The referenced property is identified as follows:

South Hills Civic Club Property
With Surrounding Land and Paper Street
10 Bluegrass Avenue
City of Fort Wright, Kenton County
Commonwealth of Kentucky, 41011

The fee for this appraisal analysis and report is not contingent upon the amount of the value reported. The employment of the appraiser was not conditioned upon the appraised property producing a value within a given range. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a mortgage loan.

Market Value is summarized as the most probable price in cash, terms equivalent to cash, or in precisely revealed terms, for which the appraised property will sell in a competitive market under all conditions requisite to fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

Ms. Jill Cain Bailey
February 7, 2025
Page Two

This analysis has been based on the on-site physical viewing completed on October 17, 2024, by Douglas P. Schoepf, with analytical consideration given to all of the following generally approved methods of valuation: Cost Approach, Sales Comparison Approach, and Income Capitalization Approach. It is the conclusion of the undersigned that, as of October 17, 2024, the opinion of “as is” market value of fee simple interest is:

Appraised as Land
TWO HUNDRED SIXTY THOUSAND DOLLARS
(\$260,000)

Improved Value
THREE HUNDRED THIRTY FIVE THOUSAND DOLLARS
(\$335,000)

The value as vacant land is determined by deducting the cost to raze the improvements and remove the asphalt. This is estimated at \$35,000. It is recommended that the client obtain a bid to determine the exact cost. Should this cost vary greatly from the appraiser’s estimated cost, the indicated value is subject to change.

The accompanying summary narrative style report describes, in detail, the method of appraisal. It contains pertinent data covered by the appraisal of the unencumbered fee simple title. This letter must remain attached to the report of 57 pages for the value opinion set forth to be considered valid.

Thank you for the privilege of serving you.

Respectfully,
Schoepf/Associates, Inc.



Douglas P. Schoepf, RAA
General Real Estate Appraiser

TABLE OF CONTENTS

LETTER OF TRANSMITTAL	
SUMMARY OF SALIENT FACTS	1
ASSUMPTIONS AND LIMITING CONDITIONS	2
PURPOSE AND INTENDED USE OF APPRAISAL	4
PROPERTY DATA	7
REGIONAL DATA	12
MARKET AREA ANALYSIS	12
DESCRIPTION OF THE PROPERTY	13
DESCRIPTION OF THE SITE.....	14
DESCRIPTION OF THE IMPROVEMENTS	22
HIGHEST AND BEST USE	25
MARKET/EXPOSURE TIME	26
APPRAISAL METHODOLOGY	27
COST APPROACH	28
SALES COMPARISON APPROACH	29
INCOME CAPITALIZATION APPROACH.....	51
RECONCILIATION AND CORRELATION	52
CERTIFICATION	55
QUALIFICATIONS	57

SUMMARY OF SALIENT FACTS

1

PROPERTY TYPE: One story on slab meeting and reception type building with supporting asphalt paving and additional land. The report will also include the paper street which includes part of the asphalt paving and grassy area.

PROPERTY LOCATION: Bluegrass Avenue, south of East Henry Clay Avenue, City of Fort Wright, Kenton County, Commonwealth of Kentucky, 41011.

PROPERTY REFERENCE: 041-20-00-014.19 and 041-20-00-014.20

TOTAL LAND AREA: 2.85 Acres (Subject to a survey.)

TYPE OF IMPROVEMENTS: One story meeting and reception building built on slab.

HIGHEST AND BEST USE:
As if Vacant: For development of several home sites.
As Improved: For continued use as a civic club.

INTEREST APPRAISED: Fee Simple Title

VALUE INDICATIONS:

	As Improved	As if Vacant Land
COST APPROACH	NA	NA
SALES COMPARISON APPROACH	\$335,000	\$260,000
INCOME CAPITALIZATION APPROACH	NA	NA
FINAL VALUE OPINION	\$335,000	\$260,000

The value as vacant land is determined by deducting the cost to raze the improvements and remove the asphalt. This is estimated at \$35,000. It is recommended that the client obtain a bid to determine the exact cost. Should this cost vary greatly from the appraiser's estimated cost, the indicated value is subject to change.

EFFECTIVE DATE OF APPRAISAL: October 17, 2024

ASSUMPTIONS AND LIMITING CONDITIONS

2

1. The appraiser has completed an appraisal and prepared an appraisal report in accordance with, and under the direction of the most current 2024-2025 USPAP standards and in accordance with the standards of the Appraisal Institute Code of Ethics.
2. No responsibility has been assumed for matters that are legal in nature, nor has any opinion on title been rendered; this appraisal assumes marketable title. Liens and encumbrances, if any, have been disregarded and the property appraised as though free of indebtedness. It is assumed that the title is held in fee simple unless stated otherwise. It is assumed there are no encumbrances of the subject improvements onto adjacent property or improvements on adjacent property with encumbrances onto the subject.
3. Sketches used in this report are for illustrative purposes only. If no survey has been made, the lot size has been taken from records, or provided by others, and is presumed to be correct.
4. The facts used in this report are pertinent to this report and should not be presumed in any other case. Any information provided by others is presumed to be correct, but accuracy is not guaranteed.
5. It is assumed that prudent management will be exercised in the operation of this facility. This appraisal also assumes normal sub-soil conditions. No responsibility has been assumed for conditions evident only to an engineer or other trained analyst.
6. For assignments that involve new construction, it is assumed that all licenses, certificates of occupancy, or other legislation or administrative authority granted by the local state or national governmental entities have been obtained. It is assumed that all zoning, health and use regulations have been complied with unless stated otherwise.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
8. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea-formaldehyde foam insulation, asbestos material, radon gas, and/or existence of toxic waste, and the presence of soil contaminants such as petroleum products that will affect value, which may or may not be present on the property, has not been considered. The appraiser is not qualified to detect such substances. No responsibility is assumed for any such condition, or any expertise, nor engineering knowledge required to discover them. The client is urged to retain an expert in this field if desired. All values indicated in this report are developed under the assumption that there is no presence of hazardous and/or

toxic materials located on the subject site. Schoepf/Associates, Inc. is not composed of qualified experts in hazardous materials. Schoepf/Associates, Inc. assumes no responsibility to detect any leakage or spillage of hazardous or toxic materials on the site.

9. The appraiser assumes no responsibility for changing market conditions. The comparability of rentals and sold properties, estimated value indicators and estimates of market value are based on current marketplace information available to the appraiser and reported herein. Estimated rents, indicators to value and values reported and discussed in this appraisal report are informed estimates.
10. Where applicable, the appraiser has incorporated the historic income and expense information furnished by the owner into this report. Where possible, the data has been verified, and has been included.
11. The appraiser is not required to give testimony or attend or appear at any government hearing with the reference to said property unless arrangements have previously been made.
12. The report contained herein was obtained from Schoepf/Associates, Inc., and/or related companies, and/or its individuals, and consists of “trade secrets” and commercial or financial information, which is privileged and confidential, and exempt from disclosure under 5 U.S.C. (6) (4). Notify the appraiser signing the report of any request to reproduce this whole or in part. A determination of permission will be developed by a case-by-case review.
13. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, news, sales or other media, without the written consent and approval of the author, particularly as to valuation conclusions, and as to the identity of the appraiser or firm with which he is connected.
14. This appraisal has been made in accordance with the Code of Ethics of the Appraisal Institute and the USPAP, as promulgated by the Appraisal Standards Board of the Appraisal Foundation pursuant to FIRREA subsequent to the Bulletin OCC 94-37 of the Office of the Comptroller of the Currency and strongly supported by the Appraisal Institute. The appraisal was prepared in accordance with the requirements of title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended (12 U.S.C. 3331 et seq.), and any implementing regulations.

ASSUMPTIONS AND LIMITING CONDITIONS

4

15. The liability of Schoepf/Associates, Inc., and any of its associate appraisers, is limited to the fee collected for this report. There is no accountability or liability assumed to any third party.
16. This appraisal report has been prepared for the exclusive benefit of Ms. Jill Cain Bailey, City Administrative Officer and City of Fort Wright Mayor and City Council Members. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his own risk.

PURPOSE AND INTENDED USE OF APPRAISAL

The purpose of an appraisal and intended use of an appraisal is defined by *The Appraisal of Real Estate*, Fourteenth Edition, Appraisal Institute, 2013, p. 8, as:

“The purpose of an appraisal is to develop an opinion of some type of value. Just as appraisers must be aware of the differences between types of property, they must also be able to identify which type of value is appropriate for the client's needs.

Like the interest to be appraised, the type of value sought must be identified and defined at the outset of an appraisal assignment. The most common appraisal assignments involve developing an opinion of market value, but many other types of value might be the focus of an appraisal such as use value, investment value, assessed value, business value, and fair value.”

“Intended use of an appraisal is the appraisers' intent as to how the client and other intended users, if any, will use the appraisal report.”

The intended user and client are Ms. Jill Cain Bailey, City Administrative Officer and City of Fort Wright Mayor and City Council Members.

The purpose of this appraisal is to develop an opinion of market value of the subject property as vacant land, and as improved. The appraisal will be utilized for internal decision making purposes. These estimates and values will be used by the client. The use of this report is subject to the restrictions as written in the certification of this report and subject to the requirements of the Appraisal Foundation relating to review by its duly authorized representatives.

Market Value as defined by FIRREA and printed in *The Appraisal of Real Estate*, Fourteenth Edition, Appraisal Institute, 2013, p. 59, is:

“Market Value means the most probable price which 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 best interests;
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.”

This appraisal has been prepared in compliance with the standards of professional practice as presented by the Appraisal Institute and by the standards of the most current USPAP publication.

Fee Simple Interest is defined by *The Appraisal of Real Estate*, Fourteenth Edition, Appraisal Institute, 2013, p. 5, as:

“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.”

This appraisal includes all the rights of fee simple interest. This appraisal is made as of October 17, 2024, and the opinion of market value is developed as of that date.

Possession of this report, or a copy thereof, does not carry with it the right of publication. This report must be considered in its entirety; no portion can be considered or conveyed by itself. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with the proper written qualification and only in its entirety.

Scope of Work

The scope of this appraisal is to estimate the identified value of the subject real property based on a thorough analysis of the property by the appraiser. This analysis included all appropriate methods and techniques available, and includes at a minimum a consideration of the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach.

This appraisal will include two values. One value will be as improved, including additional surrounding land, as well as the paper street between the two parcels. The second value will be made assuming that the property is vacant land. This will be determined by determining the value of the land minus the estimated cost to raze the building. Therefore, one value will be existing and the other will be prospective.

This appraisal assignment does not have any extraordinary assumptions or hypothetical conditions. It does determine the value as vacant land and as improved. If any extraordinary assumptions or hypothetical conditions were used and later found to be false, the value opinion could be affected. An extraordinary assumption is an assumption which if found to be false, could alter the resulting opinion or conclusion. A hypothetical condition is an assumption made contrary to the fact, but which is assumed for the purpose of discussion, analysis, or formulation of opinion.

The collection of market data used in the analysis of the various approaches to value of the subject property has been accomplished by researching various data services. These sources include public records of the appropriate counties in the subject market area, interviewing various real estate professionals and other appraisal professionals for leads, researching our firm's data banks, area data services such as the "Realist" system by First American Real Estate Solutions, as well as the appropriate planning and zoning authorities, and demographic sources.

The applications of the various approaches, methods and techniques have been performed and applied to the subject, when they are appropriate, under the guidelines and standards of the most current USPAP standards and the standards of professional practice of the Appraisal Institute.

Appraisal Conditions

The appraiser was asked to determine the value of the subject as improved and as vacant land. It is all contiguous land owned by the City of Fort Wright as well as the paper street between the three parcels.

Environmental Statement

Schoepf/Associates, Inc. made an on-site physical viewing of the subject property. There were no obvious indications of any evidence of hazardous materials noted. Schoepf/Associates, Inc. has no knowledge of the existence of such materials on or in the property or improvements thereto.

Schoepf/Associates, Inc. is not qualified to detect such substances nor is Schoepf/Associates, Inc. responsible in any way for the presence or existence of such substances such as asbestos, radon, urea-formaldehyde foam insulation, lead, or other potentially hazardous materials that may affect the value of the subject property. If it is discovered later that any or all of these materials are present on the site, the value presented herein is subject to change.

The value estimate developed herein is predicated on the assumption that there are no such materials on, or in, the property or in any improvements thereon that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. However, Schoepf/Associates, Inc. reserves the right to adjust the values reported herein, based on a professional engineer's report of the presence of hazardous materials.

PROPERTY DATA

Identification

The subject property is comprised of four tracts of land. These include 10 Bluegrass Avenue, which is comprised of two non-contiguous parcels of land separated by a paper street. It also includes a parcel of land as shown on GIS as 105 Bluegrass Avenue. This is a vacant tract of land located south of the parcel on which the improvements are located. The appraiser has also been asked to include the paper street which is utilized partly for parking and partly for green space. As scaled from GIS, the parcel will contain approximately 2.85 Acres of land. The size is subject to a survey. This site is situated in the City of Fort Wright in Kenton County, Commonwealth of Kentucky 41011.

The property is identified by the Kenton County Property Valuation Administrator (PVA) records as being PIDN: 041-20-00-014.19 and 041-20-00-014.20. It also includes the paper street which has no parcel number. The U.S. Commerce Department has identified the subject as being located in the 2020 census tract 652.00. The property is also known and numbered for U.S. Postal Services as being 10 Bluegrass Avenue, Fort Wright, KY 41011. The front parcel is known as South Hills Lots 133-134-151-152 and 153. It is on both sides of the paper street. The second parcel is known as South Hills Lot 135 WS Bluegrass. There is no description for the paper street.

Title/Sales History

Title to both parcels is currently in the name of City of Fort Wright. The main parcel being 041-20-00-014.19 is shown in Realist as transferring on August 6, 1998. It was transferred from the South Hills Civic Club Inc. The title transferred in Deed Book C1258, Page 119. The consideration listed is \$10,000, although the PVA indicates no consideration paid. The prior transfer noted was in September 1951. The title to parcel 041-20-014.20 is shown in Realist as last transferring on December 22, 2000. The property transferred from Charles R. Elsenor. The consideration listed was \$7,500. Realist also

PROPERTY DATA

8

shows the property transferring in Document C0456, Page 293. The title to both parcels has remained constant since the last transfer. There has not been any transfer within the past three years.

Current Pending Purchase Contract

To the knowledge of the appraiser, there are no currently active, pending, enforceable contracts to purchase any interest in the subject property. It is possible that title may change in the future, depending on decisions made by the mayor and city council.

Subject Photographs



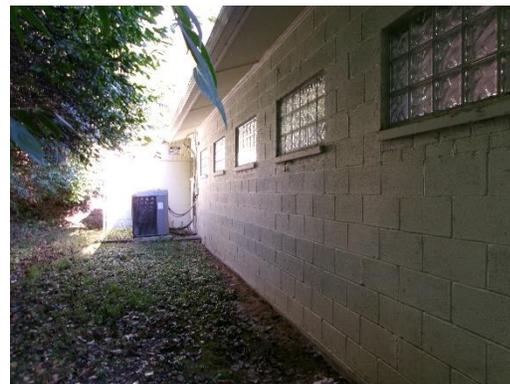
Front of Building



Front & Side of Building



Front & Side of Building



Rear of Building

PROPERTY DATA



Rear of Building



Electric Service



View of Drive to Property



Dead Tree



Parking Lot & Entrance



Extra Land

PROPERTY DATA

10



Extra Land



View of Parking Lot



View of Building



Drainage Area at Bottom of Hillside



Grass Area & Building



105 Bluegrass



Creek Area



Hillside



Storm Drain



Extra Land



Extra Land



Parking

The subject is situated in the city of Fort Wright, several miles south of downtown Cincinnati. Many of the social and economic influences on both the nearby residences and the commercial operations are from the Cincinnati metropolitan region. The subject is an integral part of the Cincinnati metropolitan economic sphere. The client is thoroughly familiar with virtually all of the characteristics of the Cincinnati metropolitan region. Therefore, there is no further description of the region needed for this report.

MARKET AREA ANALYSIS

The subject is located in the city of Fort Wright. This is a suburban city which is a bedroom community of the city of Cincinnati. The city is split by Interstate 71/75. Many residential properties are located on the south side of the interstate, north of Madison Pike. Properties are primarily single family with some scattered duplexes and small multi-family buildings. Commercial properties are located primarily in two areas in the city. Between the interstate and Dixie Highway are a combination of offices, retail, gas stations, and auto dealerships. Some commercial properties are also located on the north side of Dixie Highway. North of this area is also residential in nature. The area near Interstate 275, Madison Pike, and Highland Pike is the second more concentrated commercial district. There is a Walmart as well as outlots which vary from retail to restaurants to car washes. This area has close proximity to Interstate 275. Land in the city slopes downward south of Highland Pike. Highland Pike runs in an east/west direction towards the city of Covington, and south where it intersects with Madison Pike. It also runs from Highland Pike to Madison Pike. The elevation of Madison Pike is well below that of the main portion of the city. There is still a large amount of wooded hillside which is undeveloped north of Madison Pike.

There is good demand for all properties in the city. Most homes which are reasonably priced tend to sell in a short marketing period. Property values have been increasing over the past several years due to demand and lack of homes for sale.

According to the Fort Wright website, the population of the city is 6,061 people. Fort Wright is a relatively small city. No adverse factors are noted.

Neighborhood Map



DESCRIPTION OF THE PROPERTY

Records indicate the building was constructed in approximately 1952. At the time it was known as the South Hills Civic Club. The property was utilized as a meeting hall. The property has since been purchased by the city of Fort Wright and is utilized as a meeting hall, or reception type facility. Bluegrass Avenue runs to the site from East Henry Clay Avenue. Bluegrass Avenue also runs from Highland Pike in a northward direction towards the Bluegrass Swim Club. The road was never fully extended and is a paper street between the civic club and the swim club. The paper street is utilized partly as the parking lot of the subject. The improvements are located just west of the parking lot. To the south of the parking area is a large green space which is somewhat of a park area. It had been utilized as a practice field for kids’ sports teams. There is no vehicular access from East Henry Clay Avenue to Highland Pike via Bluegrass Avenue, however there is a walking path. Much of the area near the parking lot and grass area is relatively level. The site slopes upwards to the rear lot lines of homes on East Henry Clay Avenue and Basswood Avenue. Much of the hillside areas are wooded with creek areas or drainage areas at the bottom of the hillsides. 10 Bluegrass Avenue is actually one PVA parcel, but is two non-contiguous tracts of land which are separated by the right of way of Bluegrass Avenue, much of which is a paper street. 105 Bluegrass Avenue is a lot located on the south side of the building site. It is almost entirely wooded and relatively hilly. The appraiser was also asked to include the land encumbered by the paper street. See plat further in this report identifying all the different parcels.

Since the property was purchased by the city, it has been updated several times, most recently several years ago. The property is currently available for lease to citizens of Fort Wright and also non-citizens. It is used primarily as a meeting hall, or small reception hall.

DESCRIPTION OF THE SITE

14

The principal characteristics of the subject site are listed in the outline presented below.

Road Frontage: The subject site itself has no frontage on East Henry Clay Avenue. A short stub of Bluegrass Avenue runs in a southeast direction from East Henry Clay Avenue to the parking lot of the property. As scaled from GIS, the right of way is approximately 40 feet in width. The main parcel has a large amount of frontage on the paper street of Bluegrass Avenue, part of which is utilized as the parking lot and part of which is grassy area. The main tract is located on the east and west sides of the paper street. 105 Bluegrass Avenue is a separate parcel of land south of the building. This parcel also has frontage on the paper street. At the client's request, the paper street is being included in this appraisal. Hence the property only has frontage along the excess stub from Bluegrass Avenue.

Total Area: As scaled from GIS and taken from public records, the main tract known as 10 Bluegrass Avenue contains a total area of 2.19 acres. As scaled from GIS the parcel on the east side of the paper street contains a total area of 1.18 acres, with the area on the west side containing a total area of 1.01 acres. 105 Bluegrass Avenue contains a total area of .4 acres. The paper street has a total of approximately .26 acres. This would indicate a total for the entire property of 2.85 acres. An exact size would need to be determined by a survey.

Configuration: The configuration of each of the individual parcels varies. The main parcel on which the improvements are located is somewhat trapezoidal in shape. The northern corner of this lot is almost a point. The parcel widens as it runs southward. The parcel on the east side of the paper street is rectangular in shape, as is 105 Bluegrass Avenue.

Topography: The topography of the subject site is level to hilly. The site is below the street grade of East Henry Clay Avenue. Bluegrass Avenue slopes downward from East Henry Clay Avenue to the entrance into the site. The area of the building as well as the parking lot and a portion of the grassy area is relatively level. However, the parcel slopes upward from the level area on the east and west side of the level area. Some of hillsides are steep. The area of 105 Bluegrass Avenue is somewhat of a drainage area and then the site slopes steeply upward from the drainage area. Most of the hillsides are wooded. As scaled from GIS, there is approximately 1.05 acres which has more level topography. The topography of the site would

make it more difficult to utilize the hilly portions of the site, and they have limited utility.

Drainage: Drainage appears to be adequate. Natural surface water falling on the site drains toward the drainage areas at the bottom of the hillsides where it is carried away in the creek system.

Utilities: All city utilities are available to the subject site and connected to the subject improvements. This includes, electricity, water, sanitation, natural gas, and telephone. These services are provided by metropolitan-based utility suppliers in quality and quantity sufficient to support any potential highest and best use.

**Access, Ingress/
Egress and
Visibility:**

The subject property has no visibility from East Henry Clay Avenue. There is good visibility of the property to vehicles from Bluegrass Avenue south of East Henry Clay Avenue. The elevation is below the grade of homes on surrounding streets. This diminishes the visibility. Access is from Bluegrass Avenue only. Bluegrass Avenue connects with Highland Avenue to the east and Kyles Lane to the west. Highland Avenue runs onward into the city of Covington, and Kyles Lane has a full interchange with Interstate 71/75. There is also good access to Madison Pike as well as downtown Cincinnati.

**Easements/Deed
Restrictions:**

It is assumed that normal utility easements are of record. These easements do not inhibit the development of the site. They are typical in this market.

This appraiser is unaware of any water, gas, or electric easements or the location of them where they access the site. The Sanitation District No. 1 map shows that public sewer runs from Bluegrass Avenue down the right of way through the entire property. It is located near the center of the right of way. While this does provide public sewer to the property, this could affect any potential subdividing or development of the land.

The appraiser is not an attorney. He is not responsible for legal matters. The appraiser is unaware of any unusual or detrimental deed restrictions.

Flood District: The subject site is located in an “X” district. This district description indicates that the subject is not situated in a 100-year or 500-year floodplain. The subject is shown on FEMA Community Map Panel 21117C0016F. The effective date of the map is May 16, 2013. Some portions of the site are creek or drainage areas.

Soil Conditions: The subject site is presumed to be at least average in terms of soil support qualities. There is no evidence of any slippage or sinking, nor is there any reason to suspect any toxic or hazardous material on the site. It is presumed that the soil support qualities are sufficient to support any potential highest and best use.

The values developed and expressed herein are predicated on the assumption that there is no infiltration of any harmful, toxic or hazardous material on the site. If there is any evidence of such material in the future, the values are subject to review and possible change.

Zoning: When the parcel was originally viewed in GIS, the property had a zoning of “R-1C”, residential. More recent GIS viewing indicates that the property is now zoned as part of an “R-CVS” zoned district. This district is known as residential conventional subdivision. The minimum lot area is 9,000 SF with a minimum lot width of 70 feet. Permitted uses include single family residential. Civic halls are a conditional use. It is noted that the property is owned by the City of Fort Wright. If the property is sold, it is assumed that the city council could apply any zoning they wish to the parcel. The appraiser was informed that the property is to be valued either as continued use as the South Hills Civic Club, or as single family residential home sites with no improvements. No further discussion of zoning is required.

DESCRIPTION OF THE SITE

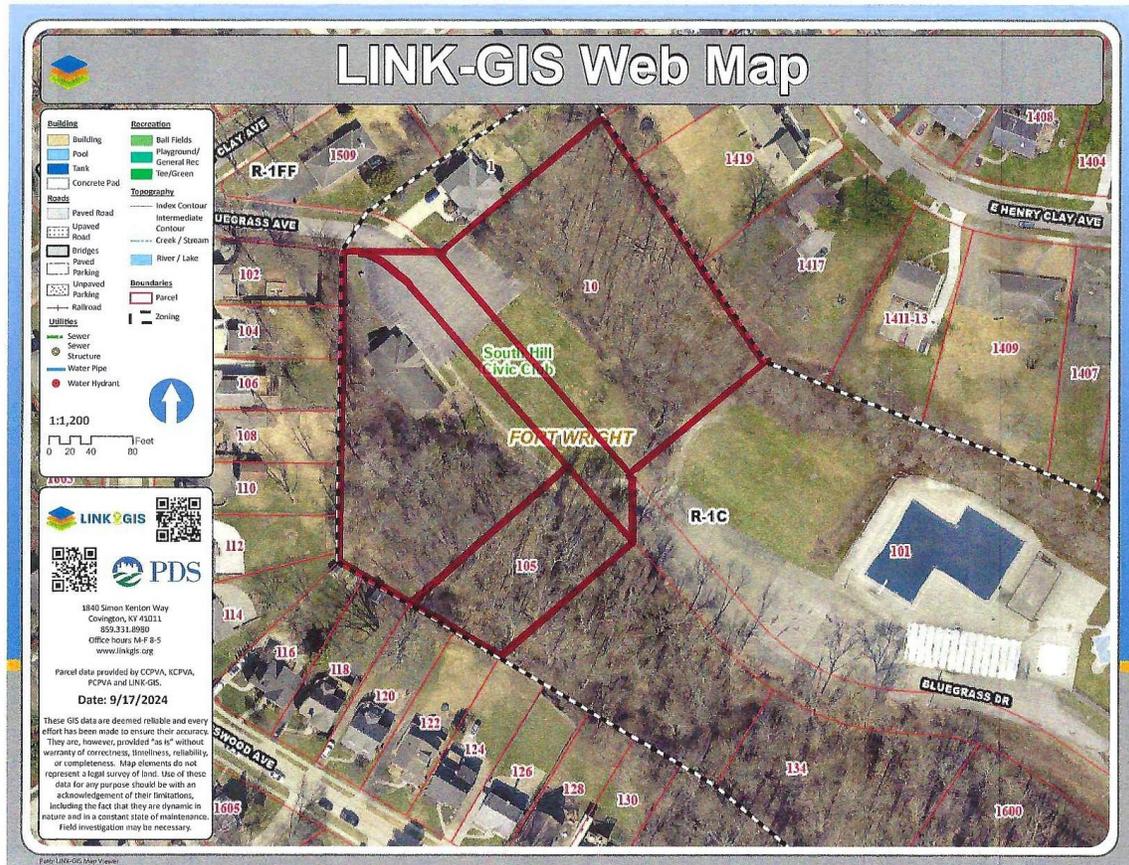
17

Assessed Value: The total assessed value, land and improvements assigned to the subject parcel by the Kenton County PVA for the 2024 tax year, is as follows:

	Parcel <u>041-20-00-014.19</u>	Parcel <u>041-20-00-014.20</u>
LAND:	\$285,500	\$45,000
IMPROVEMENTS:	<u>\$145,000</u>	<u>\$ 0</u>
TOTAL	\$430,500	\$45,000
EXEMPTIONS:	<u>\$430,500</u>	<u>\$45,000</u>
TAXABLE VALUE:	\$ 0	\$ 0

The current owner, the City of Fort Wright, is a tax exempt owner. Therefore no taxes are due on the property. MLS indicates a tax rate for 2024 of \$12.40/\$1,000 assessment. If the property is sold to a taxable entity, taxes will be due. The new assessment would probably be based upon the purchase price.

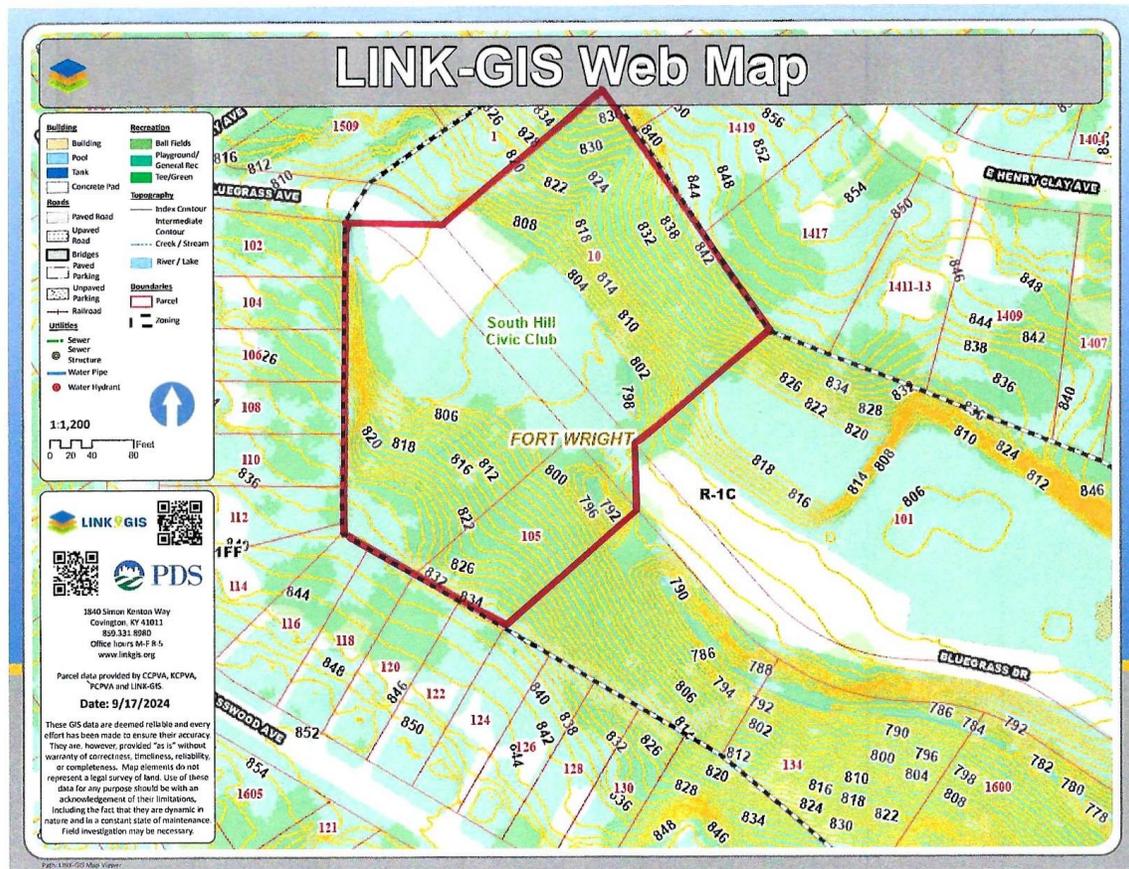
Original GIS Zoning Map Showing the Four Contiguous Parcels



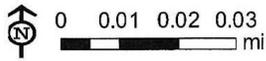
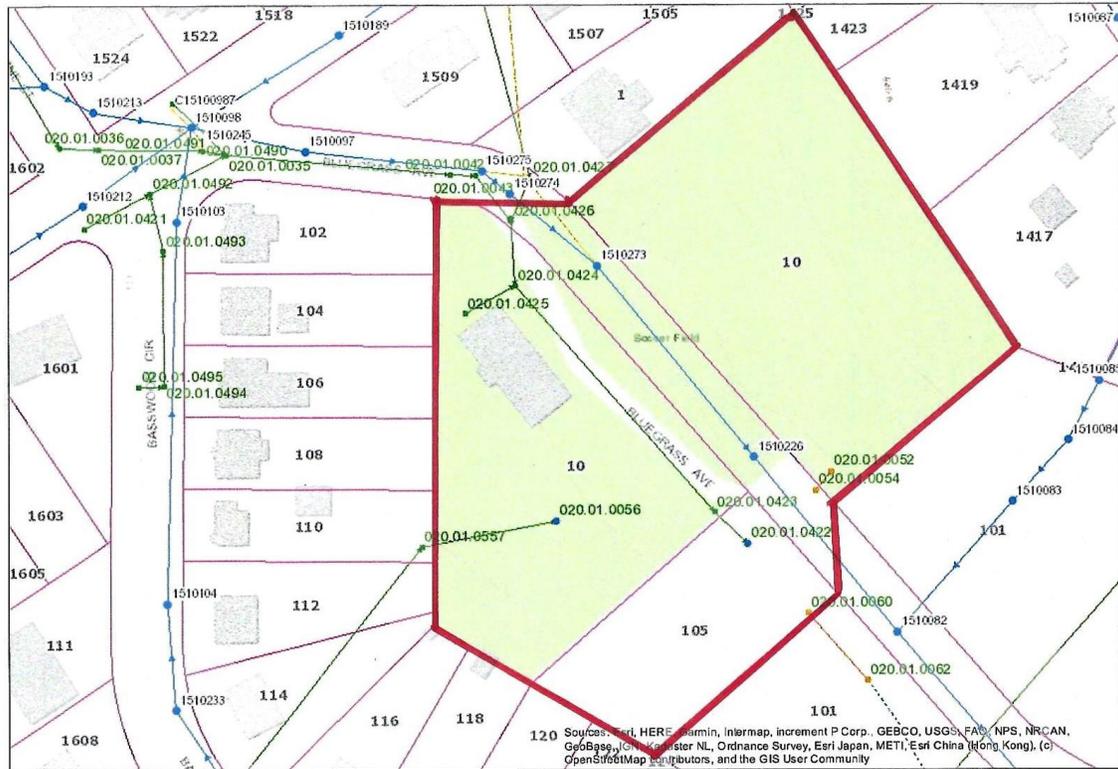
GIS Plat with New Zoning Designation



Topography Map



Sewer Location Map



SD1 Infrastructure
Web Map Export

The GIS Data is for informational purposes only and is not suitable for legal engineering, or surveying purposes. The GIS Data is provided "as is" without warranty of accuracy, timeliness, reliability, or completeness and represents only the approximate relative location of structures, rights-of-way, utilities, property boundaries and all other delineations and depictions. The user of the GIS Data acknowledges that SD1 shall not be responsible for the misuse or misinterpretation of this GIS Data and shall be free from liability for any loss, damage, or injury resulting from the use of the GIS Data.

DESCRIPTION OF THE IMPROVEMENTS

22

The subject site is currently improved with a one-story meeting hall or reception hall built on slab. The building is currently utilized as the South Hills Civic Club. It is currently utilized as a rental building for meetings and receptions in the city of Fort Wright. The improvements are further described as follows.

Foundation: The property is built upon a concrete slab presumably on poured concrete footers. There is no excavated basement area.

Exterior Walls: The exterior walls in the main building are concrete block. Some of this is covered over with a stone veneer or hardiplank siding.

Windows/Doors: Main windows in the facility are glass block. Most pedestrian exterior doors are metal in metal frame. The front entry way is glass in aluminum frame. Interior doors are hollow core wood.

Roof: The property has a composition shingle roof. Although the age is unknown, it appears to be somewhat older. One small water spot was located on the interior ceiling towards the rear of the building. The contact indicated that some repairs had been completed to the roof. There are aluminum gutters and downspouts at the front and rear of the building.

Interior Finish: The property has primarily 2 x 2 lay-in ceilings. The storage room in the back has a cathedral ceiling with painted plywood. Interior walls are painted concrete block or drywall. There is an 8'9" ceiling height. Floors are newer luxury vinyl. The building has a large open room at the southern end of the building. A partition with countertops and two small refrigerators separates the main room from the kitchen area. The kitchen area has wood cabinets, subway tile backsplash, and quartz tops. The utility room is the location of the water heater and one furnace. Men's and women's restrooms are at the northern end of the building.

HVAC: The property is heated and cooled with two forced air, gas fired, and high efficiency furnaces with central air conditioning. They are somewhat older.

Plumbing: The property has one 40 gallon electric water heater. Supply lines are copper. Waste lines could not be viewed. The property has a kitchen sink in the kitchen area, utility sink in the utility room, and fixtures in the bathrooms. The ladies' room has two commodes and two sinks. The men's room has two commodes, two urinals, and two sinks.

- Electric:** Electric is brought into the building through several circuit breaker panels. Most of the wiring appears to be run in flexible conduit, however there is some rigid conduit. The circuit breaker box indicates the wiring was updated in 2007. There are some recessed LED and incandescent eyeball lights. Most lights are 4 foot recessed lights, although the bathrooms have surface mounted fixtures.
- Size/Floor:** The original building appears to be rectangular. A small storage room was added on the back which has minimal finish. The front entry or foyer area was also added at a later date. The entire building contains a total area of 2,471 SF. As viewed from GIS, it appears as though the front and rear additions were added between 2007 and 2012.
- Design and Use:** The building was constructed as a civic hall. It is still used in this capacity.
- Age & Condition:** Realist indicates the property was built in 1952 which would give it an actual age of 72 years. The property apparently was added onto an updated in 2007. The property also received more recent renovations such as painting the kitchen cabinets, new countertops, and updating. This occurred approximately 5 years ago. Due to the updating it is felt that the effective age is approximately 15 years old with a remaining economic life of 35 years. The overall condition of the building is average to good.
- Site Improvements:** As scaled from GIS the property has approximately 11,700 SF of asphalt paving. Some of this paving is in the paper street, and some is in the stub of Bluegrass Avenue. There are concrete sidewalks, a patio, a flagpole, and some decorative landscaping. The paving appears to be updated some time in the past but could use sealing.

Subject Interior Photographs



Main Meeting or Reception Room



Cabinets



Kitchen



Typical Bathroom



Electric Panel



HVAC

**Water Heater****Storage Area**

HIGHEST AND BEST USE

Highest and Best Use is defined as taken from *The Appraisal of Real Estate*, Fourteenth Edition, Appraisal Institute, 2013, p. 333, as:

“The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value.”

Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals, as well as the benefits of that use to individual property owners. Hence, in certain situations, the highest and best use of land may be for parks, greenbelts, preservation, conservation, wildlife habitats and the like.

The highest and best use indicates that the first step is to look at the subject site, as if it were completely unimproved, and determine what highest and best use is reasonable for the property.

This appraiser was asked to value the property as it is currently improved, and as if vacant land for single family residential use. The subject sits in the middle of a residential area on a site that is below the elevation of the surrounding homes. Current zoning is residential. The use as a civic club appears to be a conditional use. While the improvements are mostly updated, the site as well as the building has minimal visibility. The current use, which is as a rental hall or reception building appears to be an asset of the city. It serves a need for the community.

In determining the highest and best use of the subject site as if vacant, current zoning allows for single family residential use with some conditional uses. The property is in the middle of a residential area. It is located at the terminus of Bluegrass Avenue from East Henry Clay Avenue. The property has no visibility. It is located off a residential street. This alone would make the property not as valuable as some type of conditional use. Therefore the highest and best use as vacant would be for residential development as allowed by zoning.

The second part of the analysis requires the appraiser to analyze the highest and best use of the subject site, as it is currently improved. The appraiser has thoroughly considered all characteristics of the current structural improvements. The present improvements are within their respective economic lives. The building improvements do add value to the value of the site. There is some functional obsolescence. The use, for which the building was designed and for which it is currently being used, falls within the parameters of the stated highest and best use. This building is an intensive use of the site. Besides a meeting or reception hall, there are other conditional uses such as child care services, daycares, and assisted living. City council could also allow the building to be used for office. Based on the values determined further in this report, the highest and best use for the subject would be for some type of use with the improvements. This could be for continued use as a meeting hall, office, or as a daycare facility.

The value as vacant land is less. To determine the value as vacant land the cost to raze the improvements must be deducted from the indicated value. If the highest and best use were based upon any extraordinary assumptions or hypothetical conditions, and later it is found they are false, or not permissible, the highest and best use and value opinion may be subject to change.

MARKET/EXPOSURE TIME

The subject property is a readily marketable parcel of a building utilized for a meeting room or reception hall. It is felt the property could also be utilized for some type of office or daycare. While the property is not on a highly traveled road with good visibility, it could be used as a destination type use. There appears to be current demand. The values developed in this appraisal report are based on a hypothetical market exposure time for the subject property, properly marketed with the proper asking price, of approximately 4 to 6 months. The marketing time as vacant land is felt to be somewhat similar. There is demand for single family home sites in the area.

The market appears to be steady. Projections of the near future indicate that the market is likely to be very similar to the present market. A reasonable marketing time for this type property, properly priced and aggressively marketed, should be typical of other similar properties in the area. It is this appraiser's opinion that a ready, willing, and able buyer for the subject could be secured within a period of approximately 4 to 6 months.

The valuation of any parcel of real estate is derived principally through three basic approaches to value. They are the Cost Approach, Income Capitalization Approach, and the Sales Comparison Approach.

The Cost Approach embodies an estimate of the value of each of the components of property. The first component is the land that is assumed vacant, to which is added the cost new of all structural and site improvements (including an estimate of entrepreneurial profit or incentive), less an appropriate estimate of depreciation. Depreciation includes estimates of physical deterioration and functional and economic obsolescence if present.

The Sales Comparison Approach is based upon the principle of substitution; that is, that the value of a property is governed by prices paid for other similar properties adjusted for differences from the subject. Since no two properties are ever identical, the necessary adjustment for differences in quality, location, size, utility and marketability are a function of appraisal experience and judgment.

The Income Capitalization Approach involves an analysis of the property in terms of its ability to provide a stabilized net annual income in dollars. The estimated net income is then capitalized at a rate commensurate with the risks inherent in ownership of the particular property, relative to the rate of return offered by alternative investments.

The Cost Approach is defined as taken from *The Appraisal of Real Estate*, Fourteenth Edition, Appraisal Institute, 2013, p. 562, as:

“A set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.”

“In the Cost Approach, a property is valued based on a comparison with the cost to build a new or substitute property. The cost estimate is adjusted for the depreciation evident in the existing property.”

The first step in the Cost Approach is to determine the land valuation. The land valuation is based upon sales of similar sites in the area. This is a comparative technique. Reliable information regarding the area, comparable properties, and market conditions is obtained from the courthouse, Pace, real estate brokers, developers, investors, and lenders. By analyzing the property to comparables regarding the date of sale, size, location, accessibility, visibility, frontage, utilities, zoning, and highest and best use, a value estimate can be calculated.

Due to the age of the structure and the difficulty in determining depreciation, the Cost Approach could indicate a misleading indication of value. Therefore the Cost Approach is not completed.

The Sales Comparison Approach is defined as taken from *The Appraisal of Real Estate*, Fourteenth Edition, Appraisal Institute, 2013, p. 377, as:

“The process of deriving a value indication for the subject property by comparing similar properties that have recently sold with the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The Sales Comparison Approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.”

The following are outlines of arm’s-length sale transactions that are the most current and reasonably similar properties available. These transactions of similar type properties have been used to reflect local market attitudes and motivations. They are considered to be the most comparable to the subject. They will be individually compared to the subject property. Differences are noted and conclusions are drawn as to value for the subject property.

As the appraiser was asked to determine the value of the property as vacant land, and as improved, two sets of comparable sales have been used. These include sales of vacant land in the area as well as improved buildings. The sales are as follows.

Small Tract Detached Single Family Development Sales**C.S. No. 1**

Address: 22 Oak St, Fort Mitchell
Deed Reference: Book 189, Page 951; PIDN: 028-40-05-083.00
Grantor: Panda Power LLC
Grantee: Brunson Enterprises LLC
Date of Sale: September 14, 2022
Sale Price: \$550,000
Area: Land: 1.66 Acres
Unit Price: \$331,325/Acre

Comments: This property had two residences which were in a rundown condition. The two residences were razed and the property was originally subdivided into 6 lots. One lot is not buildable. The property was entirely cleared and utilities extended. The developer indicated that he is replatting the property to eliminate the non-buildable lot. Parcels 1 and 2 were combined into one building lot. Parcel 3 was enlarged, and Parcels 4 and 5 are being combined into one lot. The rear of these lots is very hilly with limited utility. Apparently Lot 1 is for sale with an asking price of \$195,000. Lots 2 and 3 are under contract for \$180,000 and Lots 4 and 5 combined are under contract for \$250,000. The developer stated he would make very little if any money on this development and was hurt by very high interest rates. The cost to raze the buildings and prepare the site was not available.

C.S. No. 2

Address: 9 Whitehouse Dr, Crestview Hills
Deed Reference: Book C6701, Page 97; PIDN: 029-10-00-964.00
Grantor: John M. Cotton
Grantee: Michael & Kelli Griffin
Date of Sale: July 3, 2019
Sale Price: \$757,980
Area: Land: 4.44 Acres
Unit Price: \$170,716/Acre

Comments: This parcel was mostly wooded and was located close to an interstate off ramp. MLS stated it was zoned single family, but could be used for four lots. The grantee's home was adjacent to this parcel. It is being used for a tennis court, and small sports field.

C.S. No. 3

Address: 2647 Turkeyfoot Road, Lakeside Park
Deed Reference: Book C5962, Page 90; PIDN: 029-10-00-874.01
Grantor: Herman and Helen Kramer
Grantee: RGK Developments, LLC
Date of Sale: August 16, 2016
Sale Price: \$475,000
Area: Land: 3.6605 Acres
Unit Price: \$129,764/Acre

Comments: This parcel has a small amount of frontage and was excess land from a residence. A short street was built, and the property was developed into six lots. The street is known as Della Way. PVA records show a 0.35 acre lot sold for \$180,000 and a 1.22 acre lot sold for \$220,000. Two lots are still owned by the developer.

C.S. No. 4

Address: 190 Krumpleman Drive, Fort Mitchell
Deed Reference: Book C5881, Page 42; PIDN: 027-40-00-014.01
Grantor: Cliff Robert Wagner Real Estate
Grantee: David M. and Kelly K. Spaulding
Date of Sale: April 22, 2016
Sale Price: \$429,000
Area: Land: 2.5736 Acres
Unit Price: \$166,693/Acre

Comments: This property is located at the end of a street that features custom built homes. All public utilities are available, although the Grantee needed to run sewer some distance to the site. This was divided into three lots, and all are utilized by the grantee. One of the lots was relatively hilly and most of the topography was rolling. It appears as though the one lot is being filled.

Residential Lot Sales

C.S. No. 1

Address: 1054 Jackson Rd, Park Hills
Deed Reference: Book 65, Page 392; PIDN: 041-30-00-013.03
Grantor: Fred Breitfelder
Grantee: Robert Cox
Date of Sale: December 14, 2020
Sale Price: \$22,000
Area: Land: 0.329 Acres
Unit Price: \$66,869/Acre

Comments: This parcel has all utilities available. The site is heavily wooded and slopes downward from the road. The site is relatively hilly. It was purchased by an adjoining property owner.

C.S. No. 2

Address: 13 Glazier Ave, Fort Wright
Deed Reference: Book 55, Page 720; PIDN: 041-20-00-266.01
Grantor: Resing Building Services LLC
Grantee: Scott McNay
Date of Sale: January 15, 2020
Sale Price: \$32,000
Area: Land: 0.334 Acres
Unit Price: \$95,808/Acre

Comments: This is a relatively level site in a suburban area. It has been improved with a new residence.

C.S. No. 3

Address: 2550 Amsterdam Rd, Park Hills
Deed Reference: Book 190, Page 213; PIDN: 013-20-00-030.00
Grantor: Dorothy Oliver
Grantee: Michael & Kimberly Kehling
Date of Sale: September 15, 2022
Sale Price: \$339,000
Area: Land: 2 Acres
Unit Price: \$169,500/Acre

Comments: This property was improved with an older residence which was razed. Apparently the property transferred to the Drees Company who is constructing a custom built home.

C.S. No. 4

Address: 2429 Felice Dr, Crescent Springs
Deed Reference: Book 302, Page 526; PIDN: 013-20-16-015.00
Grantor: Mary Lou Rumpke
Grantee: Paul & Sheri Jackson
Date of Sale: August 28, 2024
Sale Price: \$120,000
Area: Land: .21 Acres
Unit Price: \$571,429/Acre

Comments: This is a single lot in a newer subdivision. The parcel has 72 feet of road frontage. There is a HOA fee of \$88/month for vacant lots. There are other ones available.

C.S. No. 5

Address: 2480 Felice Dr, Crescent Springs
Deed Reference: Book 275, Page 972; PIDN: 013-20-16-023.00
Grantor: William C. Bray, Trustee
Grantee: John & Lisa Siegrist
Date of Sale: March 25, 2024
Sale Price: \$125,000
Area: Land: 0.34 Acres
Unit Price: \$367,647/Acre or \$125,000/Lot

Comments: This is a recent sale of a lot in a newer subdivision. The lot does sit back from the road and the rear of the lot is wooded. There is a smaller amount of frontage than most lots on the street.

C.S. No. 6

Address: 22 Sunnyside Ave, Fort Wright
Deed Reference: Book 209, Page 91; PIDN: 041-10-04-030.00
Grantor: Ronald & Rosemarie Heideman
Grantee: Devou Village Apts LLC
Date of Sale: January 5, 2023
Sale Price: \$40,000
Area: Land: 0.5355 Acres
Unit Price: \$74,697/Acre

Comments: This is one of several parcels which were purchased by Devou Village Apartments. Access is actually from Diamond Avenue. The property is zoned "R-CPS". It is also located on the corner of a paper street.

C.S. No. 7

Address: 602 Irish Rose Lane, Park Hills
Deed Reference: Book 297, Page 566; PIDN: 041-30-00-021.57
Grantor: William Woodfin Jr.
Grantee: Michaela Stephenson
Date of Sale: July 25, 2024
Sale Price: \$69,500
Area: Land: .22 Acres
Unit Price: \$315,909/Acre

Comments: This is a single family lot in Park Hills. All public utilities are available. There is an HOA for this property. The site slopes gently upward from the street with the rear of the site being more hilly.

C.S. No. 8

Address: 731 Western Reserve Road, Crescent Springs
Deed Reference: Book 234, Page 304; PIDN: 014-30-01-043.01
Grantor: Stanley & Imogene Foltz
Grantee: Michael G. Folk Trustee
Date of Sale: June 23, 2023
Sale Price: \$56,000
Area: Land: .46 Acres
Unit Price: \$121,739/Acre

Comments: This parcel was zoned "R-2C" which allows some attached homes. The parcel is totally cleared and gently sloping in topography. There is 136 feet of frontage. The parcel has been improved with a single family residence.

C.S. No. 9

Address: 115 Beech Dr, Edgewood
Deed Reference: Book 195, Page 846; PIDN: 015-40-15-002.00
Grantor: Adam Miller Homes LLC
Grantee: The Drees Company
Date of Sale: October 19, 2022
Sale Price: \$155,000
Area: Land: .2845 Acres
Unit Price: \$544,815/Acre or \$155,000/Lot

Comments: This lot was created by extending Beech Drive to access four additional lots. This property is level to gently sloping and is located on the cul-de-sac. It has been improved with a residence. The residence sold from The Drees Company to Jeffrey and Ruth Eger. It appears as though the Egers had the lot transferred to The Drees Company in order to build a new home.

C.S. No. 10

Address: 116 Beech Dr, Edgewood
Deed Reference: Book 92, Page 60; PIDN: 015-40-15-003.00
Grantor: Adam Miller Homes, LLC
Grantee: Phillip & Barbara Hamilton
Date of Sale: May 24, 2021
Sale Price: \$165,000
Area: Land: .44 Acres per GIS
Unit Price: \$311,321/Acre or \$165,000/Lot

Comments: It is noted MLS indicates this site has .53 acres. The parcel is located off the cul-de-sac of Beech Drive. The road was extended to provide access to four new lots. While the site is located off the cul-de-sac, there is minimal frontage. A new home was constructed on the site.

SALES COMPARISON APPROACH

37

Active Listing No. 1

Address: 452 Pickett Dr, Ft. Wright
List Price: \$60,000
Area: Land: .3069 Acres
Unit Price: \$195,503/Acre

Comments: This is a single lot that slopes downward from the street. The rear of the site is somewhat hilly with limited utility. The price was recently dropped from \$90,000.

Improved Sales

C.S. No. 1

Address: 1500-1502 Dixie Highway, Park Hills
Deed Reference: Book 225, Page 959; PIDN: 041-00-00-009.00
Grantor: Global Technology Transfer, LLC
Grantee: City of Park Hills
Date of Sale: May 10, 2023
Sale Price: \$300,000
Area: Land: .85 Acres
Bldg.: 2,522 SF
Unit Price: \$118.95/SF

Comments: This parcel had a relatively narrow lot. The front of the site was zoned “NC” neighborhood commercial, with the rear of the site being zoned “R-1FF” which allows one and two family use. Access to the rear of the site was somewhat difficult. The property is improved with a one-story building utilized as office. The building had been partly updated. There was one shared half bath between two rental suites. Also a portion of the rear of the building had minimal finish and was utilized for storage. The building was constructed in 1974. There were 10 parking spaces at the front of the site. The overall condition of the building was average. It was purchased by the City of Park Hills to consolidate several departments in the same building. The property had a land to building ratio of 14.68.



041-00-00-009.00 11/08/2021

SALES COMPARISON APPROACH

39

C.S. No. 2

Address: 7413 US Highway 42, Florence
Deed Reference: Book 1183, Page 210; PIDN: 061.18-24-022.00
Grantor: Brantley Investments LLC
Grantee: Silverrock 7413 LLC
Date of Sale: March 1, 2022
Sale Price: \$599,000
Area: Land: 0.63 Acres
Bldg.: 5,000 SF
Unit Price: \$119.80/SF

Comments: This is a two suite building that was constructed in 1998. It had been utilized as office. There was a land to building ratio of 5.49.



SALES COMPARISON APPROACH

40

C.S. No. 3

Address: 525 Graves Ave, Erlanger
Deed Reference: Book 271, Page 669; PIDN: 003-30-03-020.00
Grantor: Be Concerned Inc.
Grantee: City of Erlanger
Date of Sale: February 27, 2024
Sale Price: \$425,000
Area: Land: .7 Acres
Bldg.: 4,541 SF
Unit Price: \$93.59/SF

Comments: This building was constructed in 1996. Current zoning is "R-MF". The property had been leased to a small church organization. There is adequate asphalt paving. The property is located on more of a residential street. While there are some commercial buildings in the area, these are across the street and front on Commonwealth Avenue. This includes the City of Erlanger City Building. The building also had a basement area with a built-in garage. There is a land to building ratio of 6.71.



SALES COMPARISON APPROACH

41

C.S. No. 4

Address: 832 Monmouth St, Newport
Deed Reference: Book 849, Page 238; PIDN: 999-99-03-428.00
Grantor: Miller Imprints
Grantee: GLA Holdings LLC
Date of Sale: March 10, 2023
Sale Price: \$325,000
Area: Land: 6,264 SF
Bldg.: 3,250 SF
Unit Price: \$100.00/SF

Comments: This is a one story retail and shop building. It is on a 25 foot lot, but the building is very deep. There is a large amount of parking off an alley at the rear of the site. The building was constructed in 1962. This sale has a 1.93 land to building ratio.



C.S. No. 5

Address: 1019 Monmouth St, Newport
Deed Reference: Book 842, Page 809; PIDN: 999-99-00-440.00
Grantor: PCM INK, Inc.
Grantee: Hathi Investments, LLC
Date of Sale: July 27, 2022
Sale Price: \$222,000
Area: Land: 2,700 SF
Bldg.: 1,625 SF
Unit Price: \$136.61/SF

Comments: This is a one-story frame and brick office building. Zoning is Central Business District Fringe. It has two private offices, a large lobby space, two open workspaces, and a large back storage room, bathroom, and full basement. There is also three to four parking spaces at the rear of the building. The building was updated in the past with drop ceilings, drywall walls, and carpet floors. The rear storage area has tin ceilings, plywood walls, and hardwood floors. There is a land to building ratio of 1.66.



C.S. No. 6

Address: 1784 Petersburg Rd, Hebron
Deed Reference: Book 952, Page 997; PIDN: 047.00-00-077.06
Grantor: Stella Christine Geise
Grantee: Mitra Adhikari
Date of Sale: October 4, 2024
Sale Price: \$300,000
Area: Land: .44 Acres
Bldg.: 1,869 SF
Unit Price: \$160.51/SF

Comments: This property had been utilized as a daycare in the past. A former garage was converted into living space. There was a full kitchen and newer luxury vinyl floors. There also was a partial basement which contained approximately 1,293 SF, of which 1,164 SF was finished. Zoning is commercial. This building was constructed in 1973. There is a land to building ratio of 10.25.



C.S. No. 7

Address: 437 Commonwealth Ave, Erlanger
Deed Reference: Book 255, Page 147; PIDN: 003-30-09-010.00
Grantor: Robert and Jennifer McNichol
Grantee: RG Erlanger LLC
Date of Sale: November 1, 2023
Sale Price: \$309,000
Area: Land: 13,325 SF
Bldg.: 1,452 SF
Unit Price: \$212.81/SF

Comments: This property had a commercial zoning. There was a one car attached garage and concrete and asphalt paving. The property had a newer kitchen as well as newer flooring. The basement is almost entirely finished. There is also two covered porches. The building was constructed in 1951. There is a land to building ratio of 9.18.



SALES COMPARISON APPROACH

45

C.S. No. 8

Address: 8025 Dream St, Florence
Deed Reference: Book 1229, Page 300; PIDN: 061.09-22-001.07
Grantor: Affordable Housing LLC
Grantee: Viveros Properties LLC
Date of Sale: September 30, 2024
Sale Price: \$560,000
Area: Land: 1.1 Acres
Bldg.: 5,925 SF
Unit Price: \$94.51/SF

Comments: The Boone County PVA indicates that the building was constructed in 1990. Although Costar indicates it was constructed in 1955. The property was set up as a daycare center. There is no basement area. The property is located just off US 42. The location is inferior than on a more highly traveled road. There is a land to building ratio of 8.09.



COMPARABLE SALES SUMMARY

Small Tract Detached Single Family Development Sales

<u>CS#</u>	<u>Location</u>	<u>Date</u>	<u>Size</u>	<u>Unit Price</u>
1	22 Oak St	09/22	1.66 Ac	\$331,325/Ac
2	9 Whitehouse Dr	07/19	4.44 Ac	\$170,716/Ac
3	2647 Turkeyfoot Road	08/16	3.6605 Ac	\$129,764/Ac
4	190 Krumpleman Drive	04/16	2.5736 Ac	\$166,693/Ac

Residential Lot Sales

<u>CS#</u>	<u>Location</u>	<u>Date</u>	<u>Size</u>	<u>Unit Price</u>
1	1054 Jackson Rd	12/20	0.329	\$66,869/Ac
2	13 Glazier Ave	1/20	0.334 Ac	\$95,808/Ac
3	2550 Amsterdam Rd	09/22	2 Ac	\$169,500/Ac
4	2429 Felice Dr	08/24	0.21 Ac	\$571,429/Ac
5	2480 Felice Dr	03/24	0.34 Ac	\$367,647/Ac
6	22 Sunnyside Ave	01/23	0.5355 Ac	\$74,697/Ac
7	602 Irish Rose Lane	07/24	0.22 Ac	\$315,909/Ac
8	731 Western Reserve Road	06/23	0.46 Ac	\$121,739/Ac
9	115 Beech Dr	10/22	0.2845 Ac	\$544,815/Ac
10	116 Beech Dr	05/21	0.44 Ac	\$311,321/Ac
AL1	452 Pickett Dr		0.3069 Ac	\$195,503/Ac

Ranges

Size: 0.21 Ac to 4.44 Ac

Unit Price: \$66,869/Ac to \$571,429/Ac

Subject

Total Land Size: 2.85 Acres

Usable land size as scaled from GIS is 1.05 Acres.

Improved Sales

<u>CS#</u>	<u>Location</u>	<u>Date</u>	<u>Size</u>	<u>Unit Price</u>
1	1500-1502 Dixie Highway	05/23	2,522 SF	\$118.95/SF
2	7413 US Highway 42	03/22	5,000 SF	\$119.80/SF
3	525 Graves Ave	02/24	4,541 SF	\$93.59/SF
4	832 Monmouth St	03/23	3,250 SF	\$100.00/SF
5	1019 Monmouth St	07/22	1,625 SF	\$136.61/SF
6	1784 Petersburg Rd	10/24	1,869 SF	\$160.51/SF
7	437 Commonwealth Ave	11/23	1,452 SF	\$212.81/SF
8	8025 Dream St	09/24	5,925 SF	\$94.51/SF

Ranges

Size: 1,452 SF to 5,925 SF

Unit Price: \$93.59/SF to \$212.81/SF

Subject

Building Size: 2,471 SF

This appraiser has included sales of office, retail, or daycare centers, as these appear to be the best use. No sales of similar civic clubs in good condition could be found. This appraiser does also have information on sales of other daycare centers which were running businesses. When these sold, they included all personal property as well as the business entity. Some of these sales were between \$300 and \$500/SF. These are much superior to the subject which would require updating and possible conversion to a daycare center including a fenced play area as well as playground equipment.

The comparable sales presented above are the most recent, as well as being the sales of the most similar properties available.

The analysis of each of the comparables relates to the recognition that, the conditions and characteristics of the comparable properties, which are superior to the subject, require negative adjustments to the comparable sale price to make the comparable price reflect the subject. Those characteristics, which are inferior to the subject, require a positive adjustment to the comparable sale price. These adjustment directions reflect the market motivations.

Some of the characteristics to which the market pays attention include several of the following. The location is an important characteristic. Obviously, locations considered inferior to the subject require positive adjustments. Locations superior to the subject require a negative adjustment. The extra features or special modifications also influence value. If the subject has special characteristics, or unusual features, and the comparable does not, the sale price of the comparable sale must be adjusted upward.

Most properties have some characteristics, which require negative adjustments, and other characteristics which require upward or positive adjustments. The appraiser must consider all conditions. The net adjustment is the important factor.

The appraiser has attempted to identify the specific characteristics of each comparable sale which are different from the subject. Those differences are analyzed in terms of their influence on value. The conclusions of the value of the subject property are then drawn from this analysis.

In analyzing the land sales included with this report, of the small tract detached single family development sales, only Sale 1 is recent. The other sales are older, but are included due to the lack of more similar sales. Comparable Sale 1 indicates the highest value per acre. This parcel was originally subdivided into 6 lots, 5 of which were buildable, but was reconfigured into 3 lots. From information the developer provided to this appraiser, it appears as though he overpaid for the property. This property is located in Beechwood School district which is a superior location to the subject. Comparable Sale 2 is a somewhat older sale. This property could be utilized for 4 lots. The grantee is utilizing the property in conjunction with his residence. The property had good topography which is superior to the subject. It was however located near an interstate exit ramp. This sale also requires an adjustment for date of sale. Comparable Sale 3 is very old. This was a slightly larger tract than the subject. It was included as it is somewhat similar to the subject. This would require a substantial adjustment for time. Comparable Sale 4 is also similar to Sale 3. This property is located in the Beechwood School district which is superior to the subject.

In the residential lot sales, these sales indicate a range in value from approximately \$65,000 to over \$500,000 per acre. Some of the sales utilized in close proximity to the subject are older. Those sales which are substantially smaller in size indicate a much higher value per acre. This can be seen when comparing Sale 4 and 5. Sale 4 is substantially smaller and indicates a much higher value per acre. This is also the case in Sale 9 and 10. In certain instances it is a better unit of comparison to indicate a value per lot. In this case Sales 4 and 5 indicate \$120,000 and \$125,000 per lot, while Sales 9 and 10 indicate \$155,000 to \$165,000 per lot.

The subject property has approximately 2.85 acres. Much of this land is hillside which has very limited utility. There are also drainage areas at the bottom of the hills which could limit the utility on some of this land. As scaled from GIS there is approximately 1.05 acres which are basically level and which could easily be utilized for lots.

The subject value should be below Comparable Sale 1 of the small tract development sales, but above Sales 2 through 4. When attempting to utilize the residential lots sales, this can be somewhat difficult. The subject could be developed with several larger lots, or with a higher number of very small lots. The smaller lots would be inferior to most of the sales, but, similar to Sales 1, 2, and 7 and active listing 1. Taking into

consideration the above, it is this appraiser's opinion that the market supports a value for the subject of \$100,000/acre for the entire tract, or \$295,000/usable acre. Some of the subject's hilly land could be used for backyard. It does add value, but much less per acre than the level, usable land.

Therefore, the aggregate value of the subject is obtained using the following calculation. The gross land area of 2.85 acres, times the appropriate unit value of \$100,000/Acre, equals \$285,000, and 1.05 level acres times \$295,000 equals \$309,750. The appraiser will utilize the value of \$295,000.

Rounded: \$295,000

The value as vacant land can only be determined after the improvements have been razed. The National Building Cost Manual indicates a cost of approximately \$8 to \$10/SF. This would indicate up to approximately \$25,000 to raze the building. It is estimated that there would be another \$10,000 to remove the asphalt. This would indicate a total cost to remove the improvements of \$35,000. When this is deducted from the indicated value the fair market value with the subject with the buildings razed is \$260,000.

The improved sales utilized are all retail, daycare, or office. All of these sales are located on more highly traveled streets with better visibility. Comparable Sale 1 is built on a slab. The condition is inferior to the subject although the location on Dixie Highway is superior. This building was also slightly inferior in condition. This property did have a relatively high land to building ratio. It was possible to sell the rear of the site as an additional building lot. Comparable Sale 2 is utilized as office. The building was newer and somewhat similar in condition to the subject. It is a larger building which also requires a positive adjustment for economies of scale. This building had less land to building ratio. Comparable Sale 3 is somewhat of a similar location. While it does have slightly more visibility it is also located in more of a somewhat residential district. The building was much inferior in condition although it did have a basement area. This building also has a relatively low land to building ratio. This sale is inferior to the subject. Comparable Sales 4 and 5 are located in a commercial district in the city of Newport. Both are built on slab. Both of these sales do have some off street parking although the subject would have substantially higher land to building ratio. Both of these sales are also inferior in condition. Comparable Sale 6 has a smaller site. The land to building ratio is inferior, however all of this site is usable. The location also has more visibility. The property had been utilized as a daycare. This sale is superior to the subject. Comparable Sale 7 is located on a more traveled road. There is better visibility and there is commercial zoning. There is a full basement which is finished, which also requires a large negative adjustment. This sale actually had a somewhat higher land to building ratio. This is due to the relatively small improvement. This sale is superior to the subject. Comparable Sale 8 is a larger building which requires a positive adjustment for economies of scale. The location is superior, but

the condition is inferior. This building does have a large amount of parking and a relatively high land to building ratio.

The subject property has a high land to building ratio. It is superior to all the sales. This additional land could be utilized to expand the building. It may be possible to subdivide a residential lot from the property, however this would not be the most desirable lot as it is located adjacent to this commercial building. It may also be used to build an additional office building if allowed by the city. If the property were to be utilized as a daycare center the extra land could be utilized for expansion of the current facility as well as for an outdoor play area for children. It is noted that the subject property has a land to building ratio based on the entire site of 50.24. This is very high. However, if a land to building ratio is determined based upon the usable level area the ratio is 18.5. All the sales would require a positive adjustment for this, however all are located in superior locations. If needed, parking could also be expanded. The above sales indicate a range in value from approximately \$93.59 to \$212.81. Taking into consideration these sales as well as the subject's characteristics, it is this appraiser's opinion that the market supports a value for the subject of \$135/SF. Therefore, 2,471SF times \$135/SF equals \$333,585. Rounded \$335,000.

The third approach in valuing the subject property is the Income Capitalization Approach. This approach is defined in *The Appraisal of Real Estate*, Fourteenth Edition, Appraisal Institute, 2013, p. 439, as:

“In the Income Capitalization Approach, an appraiser analyzes a property’s capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to the approach. Techniques and procedures from this approach are used to analyze comparable sales data in the Sales Comparison Approach, and to measure obsolescence in the Cost Approach.”

There are four basic steps that are typically followed in developing the Income Capitalization Approach.

The first step is to research the market place to determine applicable rents that would apply to the subject improvements. Market rents are then analyzed in relation to actual or contract rents. The next step is to deduct the appropriate expenses that a prudent investor would expect to incur in the ownership and operation of the property. The net operating income is the result of the calculation. The next step is to capitalize the stabilized net operating income at a market-derived rate into an indication of value.

The subject structure is currently leased on a daily basis. It is not leased on many days. The income stream is sporadic. The appraiser was not provided any additional income information. The property would require some capital to make it usable for office or some other use. Due to the lack of comparable rental data, the Income Approach is not completed.

RECONCILIATION AND CORRELATION

52

The approaches to value have been pursued in great detail in the previous sections of this report. The detailed analysis of all the pertinent facts and data, which were considered to influence the value of the subject property, has led to the following value opinions.

	As Improved	As if Vacant Land
Cost Approach	NA	NA
Sales Comparison Approach	\$335,000	\$260,000
Income Capitalization Approach	NA	NA

The above value as if vacant land utilizes a cost of \$35,000 to raze the building and paving. Should the cost be significantly different the indicated value is subject to change.

In estimating the Market Value via the Cost Approach, the following procedure is undertaken.

1. The land value is estimated by market comparisons for the fee simple interest.
2. The reproduction costs new for all improvements are estimated based upon the various use/construction, based upon Marshall Valuation Service, in conjunction with current cost and local factors.
3. An estimate of the net contributory value of the site improvements is added.
4. The reproduction cost new less estimated depreciation of the structure and the site improvements are then added to the estimated market value of the land to arrive at an indication of market value of the subject property.

Due to the nature of this property, only the Sales Comparison Approach is deemed applicable. The Cost Approach has not been completed.

In developing an estimate of Market Value via the Sales Comparison Approach, four steps are undertaken.

1. The market is researched to find comparable sales for which pertinent data is available.
2. Various components including sale prices, terms and motivation, etc., for these sales were studied and verified.
3. The properties that are sold and considered similar to the subject are then compared to the subject for the purpose of identifying and measuring the differences in terms of which adjustments are to be made.
4. In light of the analysis that is made, units of comparison are developed and an estimate of market value of the subject property calculated.

The Sales Comparison Approach identifies and measures the market reactions of typical buyers and sellers, and/or competitive properties. This approach reflects the

buyer's judgments about the physical depreciation, functional utility, and adverse economic influences.

Since no two properties are exactly alike, adjustments for differences are typically necessary. A value estimate is then compiled, taking into account applicable adjustments to the comparables.

This approach has been applied, based on reliable arm's-length sale transactions involving property that would compete with the subject on the open market. The properties have been compared individually to the subject property. Any differences identified have been analyzed in terms of their influence on value.

The value indicated by the Sales Comparison Approach offers a reliable and well-supported indication of value. This indication carries substantial weight in the development of the final estimate of value.

In developing an estimate of Market Value via the Income Capitalization Approach, four steps are undertaken:

1. A potential gross income is estimated based upon current market rent or actual contract rent. An analysis of marketplace is made to develop a reasonable percentage for vacancy and credit loss allowance. This percentage is then subtracted from potential gross income to arrive at effective gross income.
2. An analysis of the operating expenses of the marketplace for typical properties is made to develop typical expenses applicable to the subject, taking into account historic expenses, if applicable.
3. Total operating expenses are then subtracted from effective gross income to arrive at net operating income.
4. The net operating income is then capitalized into an indication of market value.

Due to the lack of income and expense data, the Income Approach is not used.

The quantity and quality of the available data is considered to be very appropriate. The value indicated by the Income Capitalization Approach carries substantial weight in the development of the final estimate of value.

In conclusion, and in recognition of the purpose of this appraisal and the type of property being appraised, the Sales Comparison Approach is considered to warrant major emphasis. The Cost Approach and Income Approaches are not applied.

A value of \$335,000 as improved and a value of \$240,000 as land is evident by the consideration of the foregoing approaches to value. I have given all due consideration to all of the subject property characteristics and potential. It is my conclusion that the market value opinion for the subject property as of October 17, 2024, is:

RECONCILIATION AND CORRELATION

54

As Vacant Land: \$260,000

As Improved: \$335,000

The value as vacant land is determined by deducting the cost to raze the improvements and remove the asphalt. This is estimated at \$35,000. It is recommended that the client obtain a bid to determine the exact cost. Should this cost vary greatly from the appraiser's estimated cost, the indicated value is subject to change.

Schoepf/Associates, Inc. was engaged by Ms. Jill Cain Bailey, City Administrative Officer, City of Fort Wright, 409 Kyles Lane, Fort Wright, KY 41011, to appraise the property known as South Hills Civic Club Property, With Surrounding Land and Paper Street, 10 Bluegrass Avenue, City of Fort Wright, Kenton County, Commonwealth of Kentucky, 41011, and to establish the opinion of “as is” and “prospective” market value there on October 17, 2024.

Schoepf/Associates, Inc. has no interest, present, or anticipated, in said property, and no personal interest or bias with respect to the parties involved.

My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

My value conclusion, as well as other opinions expressed herein, is not based on a requested minimum value, a specific value or approval of a loan.

The appraiser has made a personal on-site viewing of the property that is the subject of this report. He certifies that, to the best of his knowledge and belief: the statements of fact contained in this report are true and correct; that this report sets forth all of the assumptions and limiting conditions affecting the analyses, opinions and conclusions contained in this report; the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and his personal, unbiased professional analyses, opinions, and conclusions; and that this report has been made in conformity with, and is subject to, the requirements of the Code of Ethics and the Uniform Standards of Professional Appraisal Practice, which were developed as a result of Bulletin OCC 94-37 from the Office of the Comptroller of the Currency. If this report incorporates any extraordinary assumptions or hypothetical conditions, and it is later determined they are false, the indicated value could be affected.

No one provided significant professional assistance to the person signing this report other than those individuals signing or mentioned below. The on-site physical viewing was completed on October 17, 2024, by Douglas P. Schoepf.

The appraisal was prepared in accordance with the requirements of title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended (12 U.S.C. 3331 et seq.), and any implementing regulations.

The signatory of this appraisal report is a General Certified Appraiser by the Commonwealth of Kentucky and the State of Ohio, and holds an RAA designation with the National Association of Realtors, Appraisal Section. The use and distribution of each appraisal report signed by this signatory is controlled. Therefore, except as hereinafter provided, the party for who this appraisal report was prepared may distribute copies of this appraisal report, in its entirety, to such third parties as may be selected by the party for who

this appraisal report was prepared; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatory of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without the prior written consent of the signatory of this appraisal report.

The Commonwealth of Kentucky and the State of Ohio conduct a program of continuing education for its designated members. Douglas P. Schoepf is currently certified and has completed the requirements of the continuing education program.

Schoepf/Associates, Inc. has not completed an appraisal report or a consultation on this property anytime within the past three years.

That by reason of my investigation and by virtue of my experience as an appraiser, I have formed the opinion that the “as is” and “prospective” market value of fee simple title of the subject property, as of October 17, 2024, is:

As Vacant Land
TWO HUNDRED SIXTY THOUSAND DOLLARS
(\$260,000)

Improved Value
THREE HUNDRED THIRTY FIVE THOUSAND DOLLARS
(\$335,000)

The value as vacant land is determined by deducting the cost to raze the improvements and remove the asphalt. This is estimated at \$35,000. It is recommended that the client obtain a bid to determine the exact cost. Should this cost vary greatly from the appraiser’s estimated cost, the indicated value is subject to change.

Schoepf/Associates, Inc.



Douglas P. Schoepf, RAA
General Real Estate Appraiser
Kentucky Certificate No.: 001872
Ohio Certificate No.: 2008000089

DOUGLAS P. SCHOEPF**EXPERIENCE**

Currently hold a designation of RAA (Residential Accredited Appraiser) with the National Association of Realtors Appraisal Section.

Current member of the Multiple Listing Service of the Northern Kentucky Association of Realtors and Cincinnati Board of Realtors.

Former member of the Board of Directors of the Multiple Listing Service of the Northern Kentucky Association of Realtors 1999-2003.

Former member of the Board of Directors of The Northern Kentucky Association of Realtors 1995-1998.

Kentucky General Real Property Appraiser, Certificate No. 001872.

Ohio General Real Estate Appraiser, License No. 2008000089

Currently a licensed broker with the Kentucky Real Estate Commission.

General: Actively engaged in appraisals since 1984, appraising and/or assisting in appraising residential, FHA, employee relocation, investment, industrial and commercial properties. Perform appraisals for mortgage loans, estate purposes, divorce, lawsuits, relocation, private mortgage, insurance removal, etc.

EDUCATION

Attended the University of Kentucky and Northern Kentucky University.

Successfully completed the following Real Estate courses: Principles of Real Estate, Appraising Residential Property, Analysis of Real Estate Investment Property, Real Estate Property Management, Construction and Blueprints, Real Estate Marketing, Real Estate Law, a URAR Seminar, Course 101 "Introduction to Appraising Real Property", Small Residential Income Property Appraisal Report Seminar, Course 102 "Applied Residential Property Valuation" sponsored by the Society of Real Estate Appraisers, "Appraisal Regulations of the Federal Banking Agencies from the Lender's Perspective" sponsored by the Appraisal Institute, "Contract Law" presented by A-Pass-Weikel Institute, Course 201 Standards of Professional Practice Part A and Standards of Professional Practice Part B sponsored by the Appraisal Institute, and various other seminars. Have continued to take courses and seminars yearly to complete at least the minimum requirements of the Kentucky Association of Realtors, the Kentucky Appraisers Board, and the Ohio Division of Realtors Appraiser Board.

APPRAISALS PREPARED FOR CLIENTS SUCH AS:

Northern Kentucky University, Cincinnati/Northern Kentucky International Airport, Fifth Third Bank, US Bank, BB&T, Wesbanco, Huntington Bank, Sibcy Cline Mortgage Services, Huntington Mortgage Company, United States Bankruptcy Court, American Mortgage and various attorneys, mortgage companies, relocation companies, Sanitation district No. 1, Transit Authority of Northern Kentucky, appraisal management companies, and individuals.

EMPLOYMENT

Currently employed by Schoepf/Associates, Inc., a full service real estate company, specializing in real estate appraising and consulting. Work includes testifying as a professional witness in lawsuits.

TESTIFY

Has testified for the U.S. Bankruptcy Court, and Boone Circuit Court, Campbell Circuit Court, and Kenton Circuit Court in Kentucky.