

Appraisal Report

And

Valuation Analysis

Of

The Former Fort Wright Civic Club
115 Kennedy Road
City of Fort Wright, Kenton County
Commonwealth of Kentucky, 41011

Appraised For

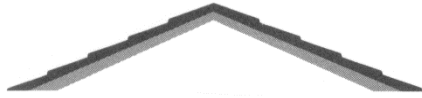
Ms. Jill Cain Bailey
City Administrative Officer
City of Fort Wright
409 Kyles Lane
Fort Wright, KY 41011

By

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

As Of

October 17, 2024



Schoepf/Associates

Inc.

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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:

The Former Fort Wright Civic Club
115 Kennedy Road
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 market value of fee simple interest is:

THREE HUNDRED EIGHTY THOUSAND DOLLARS
(\$380,000)

With the building in place and a highest and best use for residential building lots

It is recommended bids be obtained to determine the exact cost to remove the building and asphalt. Should the bids vary from the estimated cost determined by a cost manual, 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 44 pages for the value opinion set forth to be considered valid.

Thank you for the privilege of serving you.

Respectfully,
Schoepf/Associates, Inc.

A handwritten signature in black ink that reads "Douglas P. Schoepf". The signature is written in a cursive, flowing style.

Douglas P. Schoepf, RAA
General Real Estate Appraiser

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SUMMARY OF SALIENT FACTS

1

PROPERTY TYPE:	<p>The property is a 2.23 acre tract of land located on the north side of Kennedy Road. At the present time it is improved with a commercial reception hall. Realist indicates the building was constructed in 1946. The interior of the building was not viewed by the appraiser. The property also has a large amount of asphalt paving as well as additional green space which is used as a baseball field. A former playground was located behind the baseball field, but all playground equipment has been removed. The property had been utilized as the Fort Wright Civic Club. Apparently the property has been vacant for some time and is in a state of disrepair. The appraiser was instructed to appraise the property and assume that the building adds no value.</p>
PROPERTY LOCATION:	<p>North side of Kennedy Road, west of Rosa Court, and east of Rivard Drive, south of Interstate 71/75, 115 Kennedy Road, City of Fort Wright, Kenton County, Commonwealth of Kentucky, 41011.</p>
PROPERTY REFERENCE:	<p>041-20-00-103.00</p>
TOTAL LAND AREA:	<p>2.23 Acres</p>
TYPE OF IMPROVEMENTS:	<p>One story meeting and reception building built on slab. The building also has supporting asphalt paving in fair to poor condition.</p>
HIGHEST AND BEST USE:	<p>As if Vacant: At the client's request, the appraiser was asked to determine the value of the subject property with a highest and best use for detached single family residential home sites.</p> <p>As Improved: To raze the building and utilize the property for single family residential home sites.</p>

SUMMARY OF SALIENT FACTS

2

INTEREST APPRAISED: Fee Simple Title

VALUE INDICATIONS:

With the building in place and a highest and best use for residential building lots

COST APPROACH	NA
SALES COMPARISON APPROACH	\$380,000
INCOME CAPITALIZATION APPROACH	NA

It is recommended bids be obtained to determine the exact cost to remove the building and asphalt. Should the bids vary from the estimated cost determined in the cost manual, the indicated value is subject to change.

FINAL VALUE OPINION	\$380,000
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EFFECTIVE DATE OF APPRAISAL: October 17, 2024

ASSUMPTIONS AND LIMITING CONDITIONS

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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.

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. This is at the client's instruction. The improvements were not viewed by the appraiser, but it is his understanding they are in fair to poor condition. The appraisal will be utilized for internal decision making purposes. The estimate and value 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 one value. At the client's instructions the property will be valued as vacant land to be utilized with a highest and best use for a detached single family residential use. The appraiser was not asked to determine the value as multi-family as attached condominium land. The value will be determined by determining the value of the land minus the estimated cost to raze the building.

This appraisal assignment does not have any extraordinary assumptions or hypothetical conditions. 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 vacant land with a highest and best use for residential homesites.

Environmental Statement

Schoepf/Associates, Inc. made an on-site physical viewing of the site and the exterior of the building. The interior of the building was not viewed. 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.

PURPOSE AND INTENDED USE OF APPRAISAL

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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 a single tract of land. It is located on the north side of Kennedy Road, west of Rosa Court and east of Rivard Drive in the city of Fort Wright. The property in the past had been utilized as the Fort Wright Civic Club and park. In addition to the building, there is asphalt paving as well as green space. The green space has been utilized as a baseball field. GIS indicates that the property contains an area of 2.23 acres. 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: 041-20-00-103.00. 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 115 Kennedy Road, Covington, KY 41011. The parcel legal description as provided by the PVA is Hillsdale Blk C Lots 12 through 21, Fort Wright Vol. Fire Dept.

Title/Sales History

Title to the subject is currently in the name of City of Fort Wright. The Kenton County PVA and Realist indicate the property last transferred on March 25, 2024. The title transferred from the Fort Wright Civic Club. The title transferred in Deed Book KC276, Page 38. No consideration is listed. The prior transfer is noted as January 1, 1946. No other transfer in 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



West Side of Building & Parking Area



Settlement Noted in Building

PROPERTY DATA

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Parking



Street Scene Looking East



Parking



Baseball Field



Street Scene Looking West



Baseball Field

The subject is situated in the city of Fort Wright, which is located 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

The property is located on the north side of Kennedy Road. Public records indicate that the building was constructed in 1946. At that time, it was known as the Fort Wright Civic Club. The property was utilized as a meeting hall, civic club, as well as a reception hall. The property has a large amount of asphalt paving as well as a green space. Apparently the Fort Wright Civic Club dissolved early in 2024 and donated the property to the City of Fort Wright. Sources indicate that the building has black mold, no exterior wall insulation, and is not ADA compliant due to the slope of the parking lot. The entire property at 2.23 acres is a rather large tract of land in this older suburban community.

Almost the entire property is cleared, except for several patches of trees along the front and rear lot lines. At the client's request, the property is being appraised as vacant land with a highest and best use for detached single family lots.

DESCRIPTION OF THE SITE

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

- Road Frontage:** As scaled from GIS, the parcel has approximately 550 feet of frontage on the north side of Kennedy Road. The eastern property line extends back approximately 175 feet. The western property line extends back approximately 130 feet. The center of the parcel has the most depth, which is approximately 228 feet.
- Total Area:** 2.23 acres as scaled from GIS.
- Configuration:** The configuration of the parcel is somewhat irregular. The east and west property lines are perpendicular to the rear lot line. The front of the site which runs along the north side of Kennedy Road follows the road. From the eastern property line it extends in a southwest direction making the lot deeper. Towards the western portion of the site it runs in a western direction where the site becomes more shallow. The western portion of the site is the most shallow area of the entire site. There is no loss of land due to irregular or tight angles.
- Topography:** The topography of the site is considered to be level to gently sloping. The frontage varies from approximately 818 to 838 feet above sea level. The western portion of the site slopes upwards from the road frontage to the rear of the site. The very rear of the site near the lot line is slightly more hilly. The area to the east of the building, which is the baseball field has relatively level topography. The southeastern corner of the site is the highest in elevation at approximately 838 feet. This area slopes downward from the road towards the baseball field.
- Drainage:** Drainage appears to be adequate. Natural surface water falling on the site drains towards the lower elevations where it is carried away in the city storm sewer 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 good visibility to vehicles traveling in both directions on Kennedy Road. The parcel has a large amount of frontage. There is no curb cut on the eastern portion of the frontage, but there is a curb cut at the western portion of the baseball field. Also almost the entire parking area is a continuous curb cut from Kennedy Road. Access to the parcel is also considered convenient. Kyles Lane located to the east of the subject has a full interchange with Interstate 71/75. It also runs southward to Highland Pike. Both Kyles Lane and Highland Pike run all the way to Madison Pike. There is a full interchange with Interstate 275 in this area. The property has especially close proximity to Interstate 71/75. This has convenient easy access to downtown Cincinnati. Rivard Drive to the west of the subject runs in a northern direction under Interstate 71/75 where it connects with Dixie Highway.

**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.

The Sanitation District No. 1 map indicates that public sewer runs from along the northern lot line behind the building from the east to west portion of the site. It then runs towards the frontage on Kennedy Road. Their map also indicates a storm sewer line which runs through the center of the site as well as the baseball field. It is noted that this is the higher elevation of the site. It is assumed that the sanitary sewer has a depth adequate to service the property. The storm sewer easement could possibly be moved, but could also adversely affect any development. This would need to be taken into consideration if a new development or subdivision is planned.

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.

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-1FF, residential. More recent GIS viewing indicates that the property is now zoned as part of an "R-CPS" zoned district. This district is known as residential compact subdivision. This district is intended to accommodate single family residential neighborhoods comprised of smaller lots. Because of the smaller lot sizes subdivisions should contain common open space and amenities. This district may be used to provide a transition between lower density residential areas and multi-family, commercial, or central business district areas. The minimum lot area is 6,000 SF with a minimum lot width of 50 feet. Apparently this district allows one and two family use. The two family lot size must be 1.5 times the minimum lot size and 10 feet added to the minimum lot width. It also allows qualified manufactured homes. Conditional uses include convalescent homes, nursing homes, and assisted living facilities. Residential care facilities are a permitted 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 as detached single family residential home sites only with no improvements. Therefore no further discussion of zoning is required.

DESCRIPTION OF THE SITE

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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:

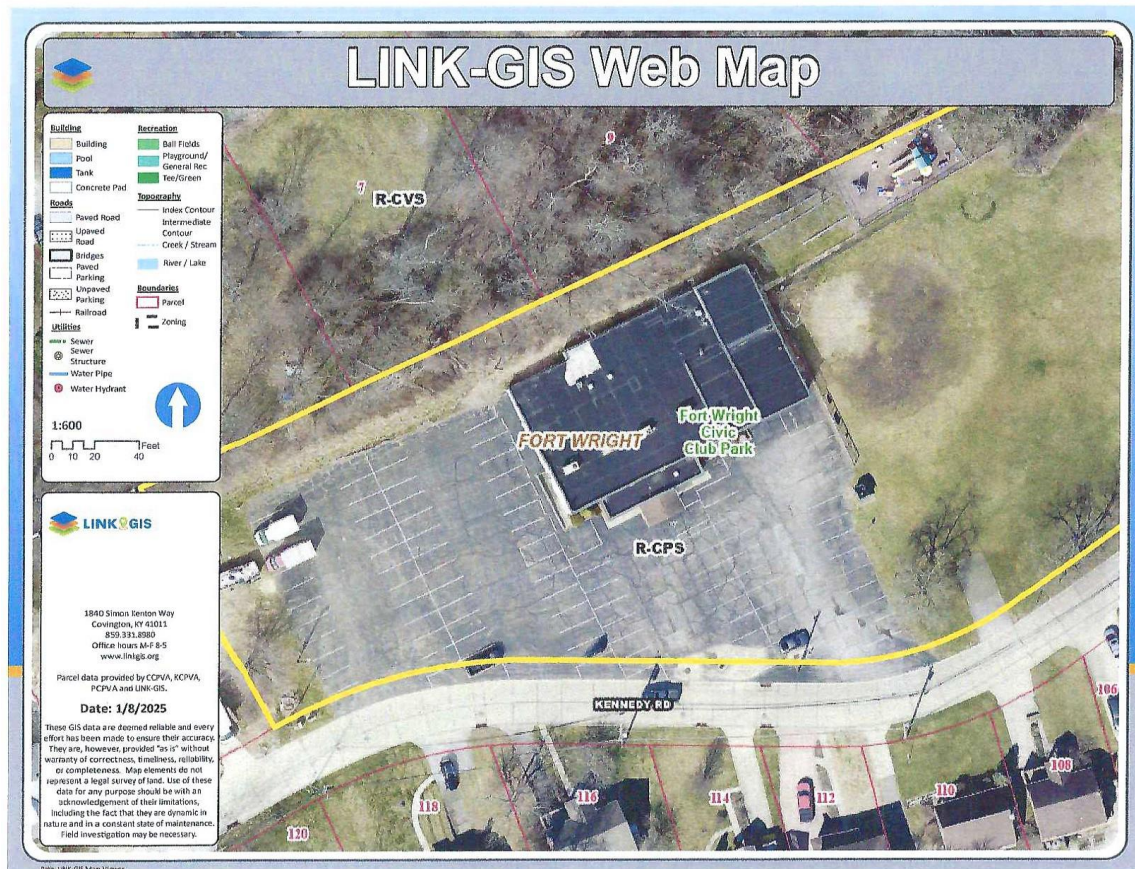
LAND:	\$412,500
IMPROVEMENTS:	<u>\$150,000</u>
TOTAL	\$562,500
EXEMPTIONS:	<u>\$562,500</u>
TAXABLE VALUE:	\$ 0

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.

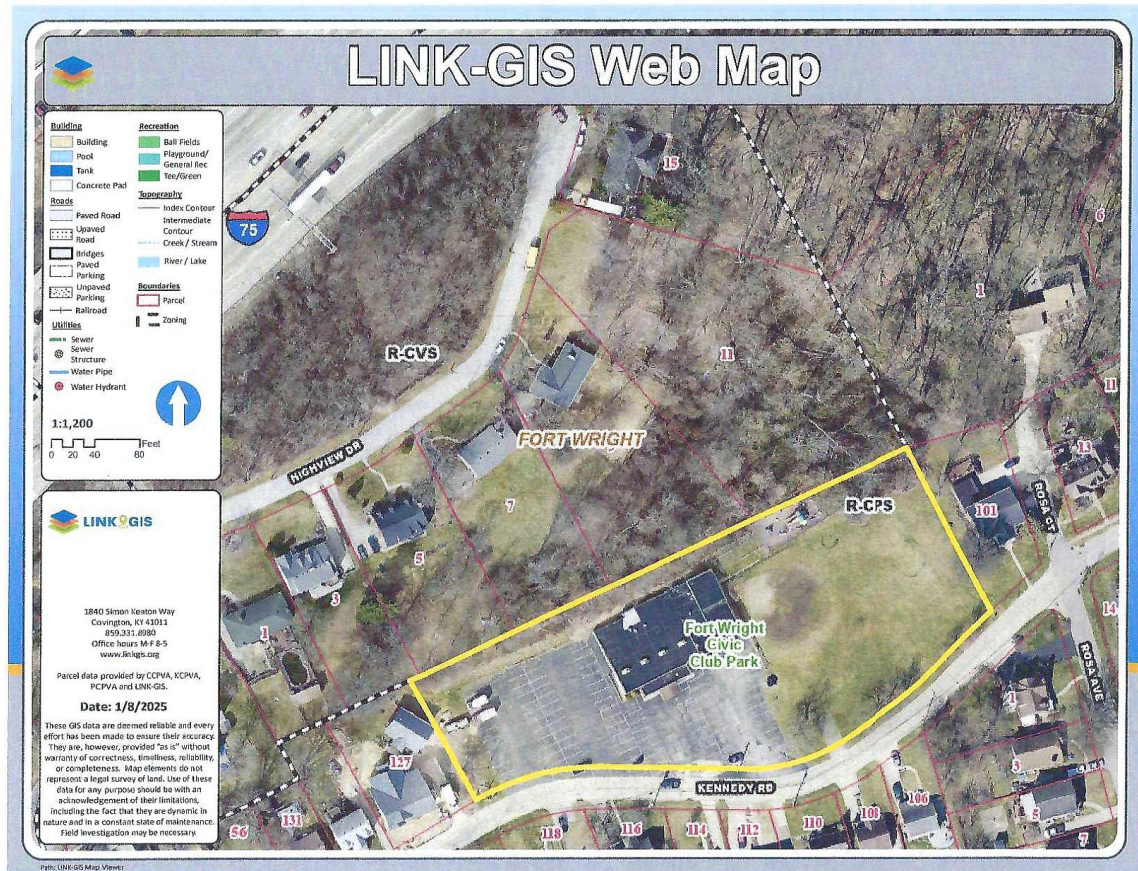
DESCRIPTION OF THE SITE

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GIS with Current Zoning



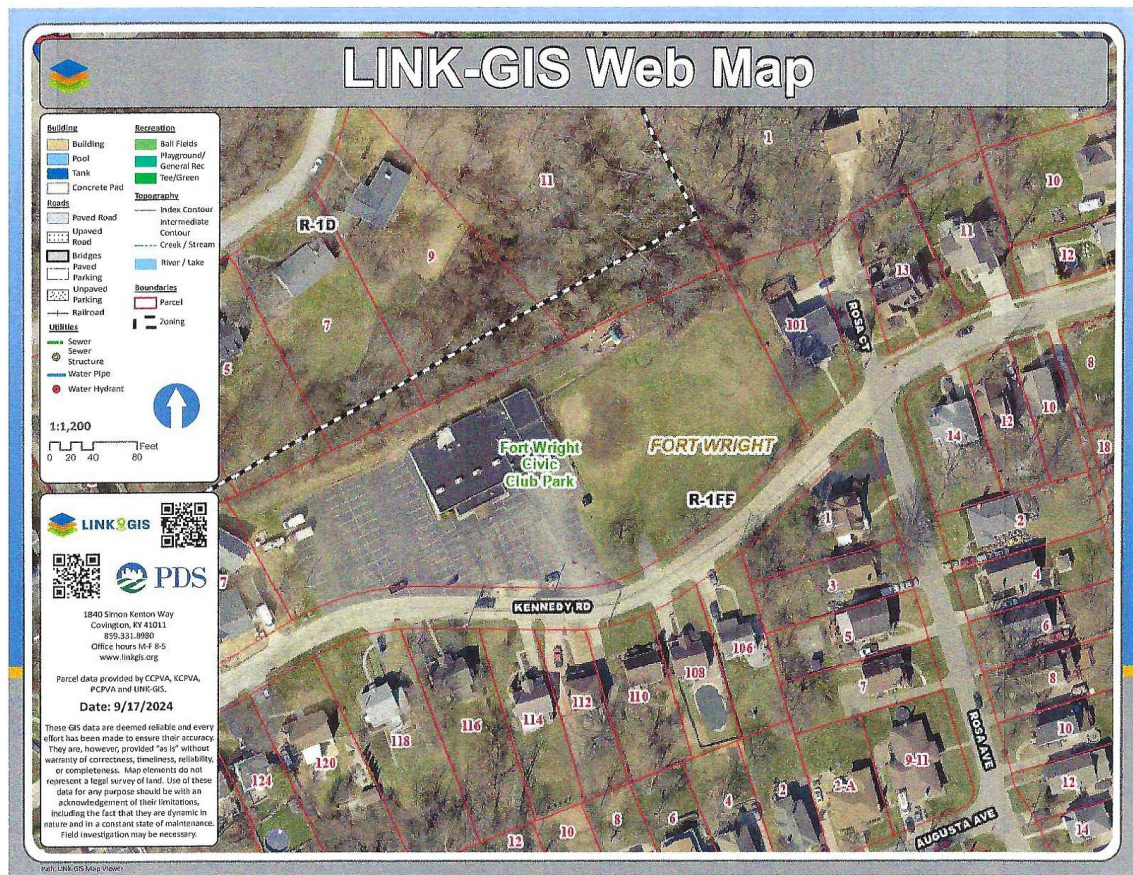
GIS Map with Current Zoning Showing Proximity to the Interstate



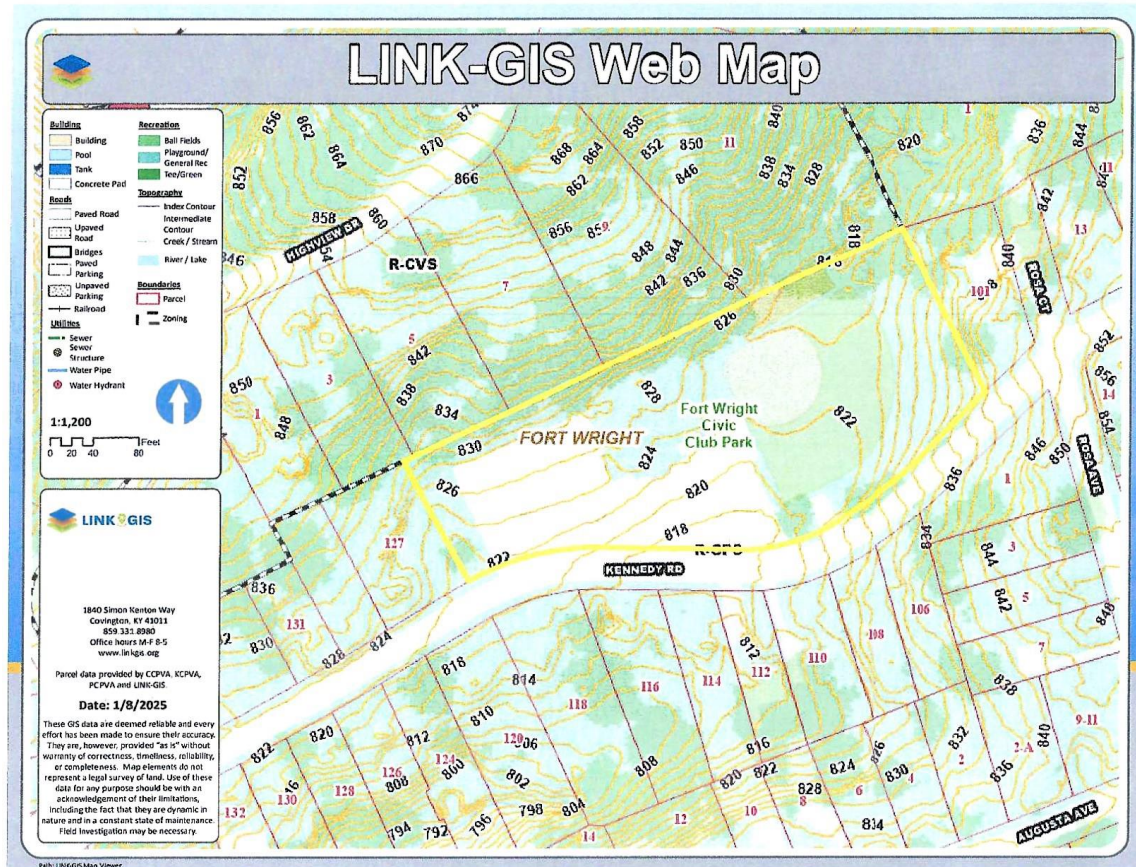
DESCRIPTION OF THE SITE

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GIS with Previous Zoning



Topography Map



21

0 0.01 0.02 0.03 mi

SD1 Infrastructure Web Map Export

Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri (Shanghai) Co., Ltd., Swisstopo, Mapbox, OpenStreetMap contributors, and the GIS User Community

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 decisions. The user of this GIS Data acknowledges that SD1 will not be responsible for the misuse or misinterpretation of this GIS Data and shall be free from liability for any loss, damage, or injury.

Zoning “R-CPS”

3.04.D. RESIDENTIAL COMPACT SUBDIVISION (R-CPS)	
PURPOSE	EXAMPLE BUILDING TYPE
<p>The Residential Compact Subdivision District is intended to accommodate single-family residential neighborhoods comprised of smaller lots. Because of the smaller lot sizes, subdivisions should contain common open space and amenities. This district may be used to provide a transition between lower density residential areas and multi-family, commercial, or central business district areas.</p>	
INTENSITY AND DIMENSIONAL STANDARDS	EXAMPLE LOT PATTERN
Minimum Lot Area (sf)	6,000 ¹
Minimum Lot Width (ft)	50 ¹
Minimum Building Footprint	600
Maximum Residential Density (units/ac)	7.2
Maximum Floor Area Ratio (FAR)	n/a
Maximum Height (ft)	35
Minimum Front Yard Depth (ft)	25 ²
Minimum Side Yard Depth (ft)	5 / 10 ³
Minimum Rear Yard Depth (ft)	25
CROSS REFERENCES	
Permitted and Conditional Uses	
Dimensional Requirements	
Development Standards	
Natural Resource and Environmental Standards	
Parking and Loading Standards	
Signs	
NOTES	
<p>¹ For two-family, the lot size must be 1.5 times the minimum lot size, and 10 feet added to the minimum lot width.</p> <p>² See 5.04 regarding front yard averaging.</p> <p>³ Individual side yard/Aggregate of both side yards.</p>	
EXAMPLE DEVELOPMENT CONFIGURATION	

The property is improved with a one story building designed as a meeting and reception hall. The building was formerly utilized as the Fort Wright Civic Club. Public records indicate the building was constructed in approximately 1946. It has a mostly concrete block exterior with a brick front façade. There is also a covered entrance way at the front of the building. There is a flat roof which could not be viewed from the ground level. Several structural cracks were noted on the exterior of the building, and records indicated that the building has black mold and is in relatively poor condition. Any salvaging of the building would require the building to be almost entirely gutted. PVA records indicate the building has a total area of 9,436 SF. The interior of the building was not viewed by the appraiser. Per instructions of the client, the property is to be appraised with the improvements razed, and for detached single family residential use only. Therefore, no further description of the building is needed. The property also has a large amount of supporting asphalt paving. Some of the paving is in fair to poor condition. It is assumed that the paving would also need to be removed for any potential development.

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.

The appraiser was asked to value the property with the improvements razed and with the highest and best use for detached single family residential use. The subject sits in the middle of a residential area and is a rather large site. Based on the instructions provided, the highest and best use as if vacant would be for detached single family use only. It is noted that the property could be developed in many ways, including larger lots utilizing

the existing frontage, or to develop with several streets and smaller lots that take advantage of the zoning regulations which allow 50 foot lots. The legal description indicates it may have originally been 11 single family lots. It appears as though there is enough frontage. The property could easily be split into 11 lots with each having adequate frontage and no streets would have to be built. This could be completed at minimal cost. Therefore the highest and best use would be for single family lots which maximize the value.

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. As the highest and best use by the client is for detached single family use, the highest and best use as improved would be to raze the improvements and develop as single family lots.

MARKET/EXPOSURE TIME

The subject property is a readily marketable parcel of land with the highest and best use for single family residential use. Much of this area of Kenton County is almost fully developed. In some instances older residences are being razed to construct new homes. There is demand for this type property. All things considered 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 less than 6 months.

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 less than 6 months. It is noted that if the property is to be sold, any contract would probably contain contingencies to allow for the development of the subject and construction of single family homes. It is possible that it may take longer to remove the contingencies than to market the property.

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.

The highest and best use is to appraise the property as vacant land. Therefore there are no improvements on which to apply the Cost Approach and it has not been 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.

These following are sales of vacant land including small tracts of land as well as single family lots in the area. 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: 37 Floral Ave, Fort Mitchell
Deed Reference: Book 285, Page 736; PIDN: 028-40-05-121.05
Grantor: Richmond & Kimberly Rosen
Grantee: John Dave
Date of Sale: May 20, 2024
Sale Price: \$157,000
Area: Land: 0.63 Acres
Unit Price: \$249,206/Acre or \$157,000/Lot

Comments: This is a cul-de-sac lot in a newer subdivision which is an extension of an existing street. The site slopes downward from the cul-de-sac. This property is located in the Beechwood School district.

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 or \$32,000/Lot

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, Villa 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 or \$339,000/Lot

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 or \$120,000/Lot

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: .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 or \$40,000/Lot

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 or \$69,500/Lot

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 or \$56,000/Lot

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

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Active Listing No. 1

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

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.

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	37 Floral Ave	05/24	0.63Ac	\$249,206/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: \$74,697/Ac to \$571,429/Ac

Subject

Land Size: 2.23 Acres

The comparable sales presented above are the most recent, as well as being the sales of the most similar properties available. The subject is a very unique property. There are very few sales of similar properties in the area. This appraiser was forced to utilize some sales which are older or much older. They are not included to reflect current values, but only what similar properties have sold for in the past. These sales would require substantial time adjustments. No sales considered more similar could be located.

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.

The first set of sales are small tracts similar to the subject. These tracts were either subdivided into several lots, or they had the ability to be subdivided into additional lots. Only Comparable Sale 1 is recent. Sales 2 through 4 are much older. Sale 1 indicates a value of approximately \$331,000/acre, while the older sales indicate a value between approximately \$130,000 and \$170,000/acre. However, these sales are between 6 and 8 years old. No other sales similar could be located. Sale 1 is located in the Beechwood Schools district. This location is superior. The developer indicated that high interest rates hurt in reselling these lots, however it is possible that he overpaid for the property. From the prices that the developer indicated on his lots, it almost looks as though the development is losing money. Therefore this value per acre appears to be above market. Sale 2 was a large wooded tract with good topography. However it was located near an interstate off ramp. An adjoining property owner purchased this parcel. Comparable Sale 3 was excess land behind a residence. The developer did have some development costs as a small street was constructed to access the subdivided lots. Some of these lots were large and some

were small. Sale 4 was also located at the end of the street. It was purchased by one person who developed it into 3 lots. None of the lots were sold. The current owner utilizes one for a residence, one for a tennis court, and the other is vacant. The value of the subject should be below Comparable Sale 1, but above Comparable Sales 2, 3, and 4.

The residential lot sales are included to determine values of smaller tracts of land. These sales indicate a range from approximately \$75,000 to \$545,000/acre and \$32,000 to \$340,000/lot. In some instances some of the larger lots have land that is hilly or has very limited utility. Therefore the value per acre for the larger tracts of land would be substantially lower per acre than the smaller lots. In fact, the value per lot may be a better gauge of value than the value per acre. Sale 1 is a recent sale in a small upscale subdivision. It is in a superior location. Sale 2 is an older sale but is included as it is located in the city of Fort Wright. This was an interior lot with approximately 50 feet of frontage. Sale 3 is a tract of land that is being utilized for 1 lot, however it could have been subdivided into additional lots. Comparable Sales 4 and 5 are small lots in a newer subdivision. Both of these sales are fairly recent. As can be seen, Sale 4 had a total area of 0.21 acres and sold for \$571,429/acre, while Sale 5 was larger in total area at 0.34 acres and sold for \$367,647/acre. The lot values were between \$120,000 and \$125,000/lot. Sale 6 is also located in the city of Fort Wright. This sale is fairly recent and was a relatively large tract of land. The property was located adjacent to an apartment complex. It also was purchased by the apartment complex owners. This sale is given less weight. Sale 7 is located in the city of Park Hills in close proximity to the subject. This sale would be more similar to smaller lots in the city of Fort Wright. Sale 8 is included as it is fairly recent, but it appears to be at the lower end of the value range. This location is felt to be inferior to the subject. It was utilized for one home site. Sales 9 and 10 are cul-de-sac lots which were created by extending an existing street. These sales also show that the larger lots tend to sell for much less per acre, however the two lots sold for \$155,000 and \$165,000 per lot. The larger lot, being Sale 10, did have some land with hilly topography. Active Listing 1 is also located in the city of Fort Wright. The rear of the lot is very hilly and had limited utility. The list price of this sale was recently dropped 33%.

In addition to the individual lot sales, Comparable Sale 1 is a small tract detached single family development sales has 3 lots. These lots are larger lots and according to the developer are selling between \$180,000 and \$250,000. One lot is currently for sale at \$195,000. These individual lots are superior to the subject.

The subject could be developed in several ways. It appears as though the property could be subdivided into approximately 11, 50 foot lots. This may have been the configuration when the street was first platted. While this would make for a larger number of lots, 50 foot lots are relatively small for modern development. Due to the high value of lots, many potential purchasers would prefer to have wider lots. However, in developing the property utilizing the frontage, there would be minimal development costs. It certainly would also be possible to construct one or several small streets on the property to possibly develop a parcel into many 50 foot lots that were closer to the 6,000 SF minimal lot size.

If developing it into 11 lots, some of the lots would have substantially more land, but the configuration of some lots would be very narrow and deep. This does not appear to maximize the land. It is also possible that the property could be subdivided into a number of larger lots. Some of these lots could have frontage on Kennedy Avenue while others could be flag lots. This would result in larger, more valuable lots, but with a smaller number of lots.

Taking into consideration the above sales, it is this appraiser's opinion that the market supports a value for the subject of \$225,000/acre. Therefore, 2.23 acres times \$225,000/acre equals \$501,750.

Rounded: \$500,000

The value as vacant land with the building removed 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 \$100,000 to raze the building. Also the asphalt paving would probably need to be removed. It is estimated at \$20,000. This would indicate a total value of \$380,000 for the site as is. It is noted that the estimates to raze the building and remove the asphalt were taken from a cost manual. In order to determine the exact cost it is recommended that a bid or several bids be obtained. If the cost to raze the building and remove the asphalt were substantially different the indicated value would change.

**Total value with the building in place and a highest and best use as
residential building lots: \$380,000**

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.

There is insufficient data on land leases of similar properties in the area. Therefore, the Income Approach is not applicable and has not been completed.

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 opinion.

With the building in place and the highest and best use for residential building lots

Cost Approach	NA
Sales Comparison Approach	\$380,000
Income Capitalization Approach	NA

It is recommended that bids be obtained to determine the exact cost to raze the building and remove the asphalt. If it is significantly different than that which is estimated the 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 rental data, the Income Approach is not completed.

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 \$500,000 with the building removed, and a value of \$380,000 with the building in place 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 "as is" market value opinion for the subject property as of October 17, 2024, is: \$380,000 "as is" with the building in place.

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 The Former Fort Wright Civic Club Property, 115 Kennedy Road, City of Fort Wright, Kenton County, Commonwealth of Kentucky, 41011, and to establish the opinion of “as is” 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

CERTIFICATION

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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” market value of fee simple title of the subject property, as of October 17, 2024, is:

**THREE HUNDRED EIGHTY THOUSAND DOLLARS
(\$380,000)**

With the building in place and the highest and best use for residential building lots

Schoepf/Associates, Inc.

A handwritten signature in black ink that reads "Douglas P. Schoepf". The signature is written in a cursive, flowing style.

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.