

Appraisal Report

And

Valuation Analysis

Of

Battery Hooper Park Property
1402 Highland Pike
City of Fort Wright, Kenton County
Commonwealth of Kentucky, 41011

Appraised For

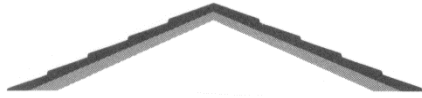
Ms. Jill Cain Bailey
City Administrative Officer
City of Fort Wright
409 Kyles Lane
Fort Wright, KY 41011

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:

Battery Hooper Park Property
1402 Highland Pike
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 Single Family Residential Land
ONE MILLION FOUR HUNDRED FORTY THOUSAND DOLLARS
(\$1,440,000)

Appraised as Patio Home of Attached Townhome Land
ONE MILLION NINE HUNDRED FORTY FIVE THOUSAND DOLLARS
(\$1,945,000)

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 51 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

TABLE OF CONTENTS

LETTER OF TRANSMITTAL	
SUMMARY OF SALIENT FACTS	1
ASSUMPTIONS AND LIMITING CONDITIONS	3
PURPOSE AND INTENDED USE OF APPRAISAL	5
PROPERTY DATA	8
REGIONAL DATA	12
MARKET AREA ANALYSIS	12
DESCRIPTION OF THE PROPERTY	13
DESCRIPTION OF THE SITE.....	14
DESCRIPTION OF THE IMPROVEMENTS	26
HIGHEST AND BEST USE	26
MARKET/EXPOSURE TIME	27
APPRAISAL METHODOLOGY	28
COST APPROACH	29
SALES COMPARISON APPROACH	30
INCOME CAPITALIZATION APPROACH.....	46
RECONCILIATION AND CORRELATION	47
CERTIFICATION	49
QUALIFICATIONS	51

SUMMARY OF SALIENT FACTS

1

PROPERTY TYPE:	14.4 acres vacant land currently utilized as a city park. A former residence was razed and the property has several picnic shelters as well as some playground equipment. The property is also the location of Battery Hooper. Battery Hooper is a remaining civil war defensive position that was built in 1862 to defend against a confederate invasion of Kentucky.
PROPERTY LOCATION:	North side of Highland Pike, east side of Bluegrass Drive, 1402 Highland Pike, City of Fort Wright, Kenton County, Commonwealth of Kentucky, 41011. Ridgemont Avenue also dead ends into the property.
PROPERTY REFERENCE:	041-40-00-025.00
TOTAL LAND AREA:	14.4 acres per legal description. It is noted GIS indicates 14.19 acres. The final size is subject to a survey.
TYPE OF IMPROVEMENTS:	There are no building improvements on the site at this time. An older residence was razed some years ago. The property has several picnic shelters and children's play equipment along with several asphalt driveways or roads throughout the property.
HIGHEST AND BEST USE:	As if Vacant: The client has indicated to this appraiser to appraise the property with a detached single family residential use and also an attached residential use such as patio homes or townhomes. The highest and best use would be for residential development. As Improved: The property is vacant of manmade buildings, therefore the highest and best use is the same as if vacant. The client has provided the appraiser with schematics for several residential subdivisions. Most of these show a battery preservation area located in the rear yard of

SUMMARY OF SALIENT FACTS

several lots. It is also possible that the property could be developed totally avoiding this area or having the battery on its own small lot. One of the concept layout plans shows access from Ridgemont Avenue as well as Highland Pike. The other shows access only from Ridgemont Avenue.

INTEREST APPRAISED: Fee Simple Title

VALUE INDICATIONS:

	As Single Family Land	As Patio or Townhome Land
COST APPROACH	NA	NA
SALES COMPARISON APPROACH	\$1,440,000	\$1,945,000
INCOME CAPITALIZATION APPROACH	NA	NA
FINAL VALUE OPINION	\$1,440,000	\$1,945,000

EFFECTIVE DATE OF APPRAISAL: October 17, 2024

ASSUMPTIONS AND LIMITING CONDITIONS

3

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 or 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 with the highest and best use as vacant land for detached single family homes, and as vacant land for patio homes or attached townhomes. 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 detached single family residential building lots, and the other as residential attached townhomes or patio homes land. Both values will be existing.

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 with a highest and best use as detached single family residential land and as attached patio homes or townhomes land.

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 the property.

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 radon, 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 the property 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 one tract of land. The parcels contains a total area of 14.4 Acres and it is located on the north side of Highland Pike, the east side of Bluegrass Avenue, and at the terminus of Ridgemont Avenue. The 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: 041-40-00-025.00. The U.S. Commerce Department has identified the subject as being located in the 2020 census tract 651.00. Although the residence was razed, the property is known and numbered for U.S. Postal Services as being 1402 Highland Pike, Covington, KY 41011.

Title/Sales History

Title to the subject is currently in the name of City of Fort Wright. The title last transferred on October 30, 2003. The title transferred in Deed Book C1923, Page 55. The title transferred from the Northern Kentucky University Foundation Inc. They had obtained the property on December 22, 2002 with the title transferring in Deed Book C1352, Page 59. The title transferred from Sheldon & Fern Storer. The Storer's obtained the property in 1942. Realist does not indicated any consideration for the most recent sales. There has been no 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.

PROPERTY DATA

9

Subject Photographs



View of Property Playground



**View from Center of Site towards
Ridgemont Avenue**



Area of Former Residence



Park Land



View of Property



**Benches Overlooking Battery &
Valley View**



Area of Battery



**View from Highland Pike Entrance
into Property**



View towards Fayette Circle



View of Land



Paving



Shelter & Land



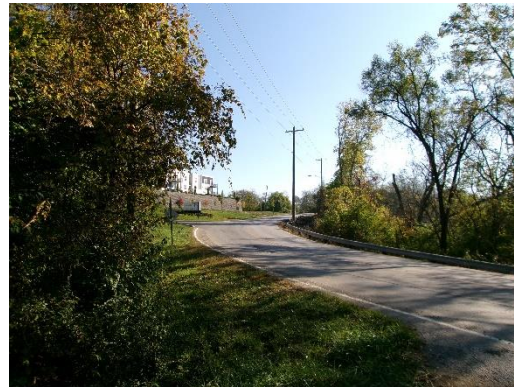
Shelter



Shelter



View towards Entrance on Highland Pike



Street Scene Looking East



Street Scene Looking West



Street Scene Looking East as Taken from Wrights Point Drive



**Street Scene Looking West as Taken
from Wrights Point Drive**



Subject Hillside from Road

REGIONAL DATA

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

The subject property is a large tract of land that contains a total area of approximately 14.4 acres. The property is located on the north side of Highland Pike and the east side of Bluegrass Avenue. Ridgemont Avenue also dead ends at the property near the center of the northern lot line. The parcel slopes upward from Highland Pike to a more level area. Much of the site is somewhat hilly and wooded. During the Civil War, a battery was constructed on the property. The property is known as Battery Hooper. The property does have views in a southeast direction towards Campbell County, and down the valley towards southern Kenton County. These views are all somewhat limited. A neighboring apartment complex to the east that is in the city of Covington was recently developed that has views of downtown Cincinnati. It is adjacent to the subject. The subject property does not have a view of downtown Cincinnati as it is blocked by trees and the apartment complex. An older two story home was located on the site. The property was utilized as the residence of Sheldon & Fern Storer. After they passed, the property was transferred to the Northern Kentucky University Foundation, and then to the City of Fort Wright. The home was utilized by the city as the James A. Ramage Civil War Museum. The residence

DESCRIPTION OF THE PROPERTY

14

was razed several years ago and the property is currently utilized as a city park. There are several picnic shelters as well as children's playground equipment on the site. The property still has some asphalt paving which runs to various portions of the site.

DESCRIPTION OF THE SITE

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

- Road Frontage:** As scaled from GIS the site has approximately 1,275 feet of frontage on the north side of Highland Pike. There is approximately 360 feet of frontage on the east side of Bluegrass Avenue. Ridgemont Avenue also dead ends into the site. The site is relatively wide, without a lot of depth. The eastern property line is approximately 585 feet in length.
- Total Area:** The legal description indicates 14.4 acres. GIS indicates 14.19 acres. This difference is minimal, however if this is a concern of the client it is recommended the property be surveyed.
- Configuration:** The configuration is relatively rectangular. The frontage is somewhat irregular as it runs along the road. There does not appear to be any loss of land due to irregular configuration.
- Topography:** The topography of the site is basically level to hilly. Several ridges run out from Ridgemont Avenue and the area west of Ridgemont Avenue. The longer ridge extends almost to the eastern property line. The site slopes downward from this more level area to the frontage of the site. Some land along the frontage is very hilly with limited utility. The northwest corner of the site also slopes downward from the level area. A drainage swale runs from the rear of the site to the frontage. It is just west of Ridgemont Avenue. More of the site is considered to be hillside than more level land. Some of the land that has the hilliest topography would have limited utility. The concept layouts provided by the client shows this land used as rear yard for lots.
- Drainage:** Drainage appears to be adequate. Natural surface water falling on the site drains towards drainage areas or the frontage along Highland Pike where it is carried away in a creek system or storm sewer system.

Utilities:

While no utilities are currently hooked up to the subject property, all utilities are in the area. These include, 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 a large amount of frontage along Highland Pike. Most of the site is above the street grade which limits visibility to much of the site. This site also slopes steeply upward from Bluegrass Avenue to a smaller ridge. There is good visibility from the end of Ridgemont Avenue, however this is a dead end street. Access to the area is considered to be good with Highland Pike running in a northern direction to the city of Covington. It also runs into Kyles Lane which has a full interchange with Interstate 71/75 and Highland Pike, as well as Kyles Lane both run directly into Madison Pike which is in close proximity to a full interchange with Interstate 275. At the present time there is one curb cut into the site on Highland Pike. It is towards the eastern end of the frontage in an area where the topography along the frontage is not as hilly. There is also an access from Ridgemont Avenue along the northern property line.

**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 and are normally placed along the lot lines so they do not inhibit the development of the site. There are above ground poles with electric and telephone lines along the frontage of Highland Pike. These are partly on the site, and partly on the right of way. There are also similar lines along the northern property line. As scaled from GIS they are approximately 35 feet from the lot line. This area is very hilly and should not inhibit any future development.

This appraiser is unaware of any water, gas, or electric easements on the site, or where they are located adjacent to the site. The Sanitation District No. 1 map shows easements and public sewer along the frontage of Bluegrass Avenue with another easement that runs through the center of the site. See sewer map further in this report. The sewer line which runs at an angle through the property could limit some development of the site. This appraiser could not confirm this item, but was informed the line was approximately 60

to 80 feet in depth near the center of the site. The map shows only one manhole on the site, near the corner of Bluegrass Avenue and Highland Pike. This manhole area has an elevation of 754 feet. The center of the site is approximately 836 feet. Also the flow is from the southwest corner to the northeast corner of the site which for gravity purposes, would mean the sewer line would be deeper at the northeast corner of the site.

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 property 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. The minimum lot area is 6,000 SF with a minimum lot width of 50 feet. It does allow existing multi-family to continue, however it only allows for new single family use as well as some conditional uses. At the request of the client the appraiser has been asked to appraise the property with a zoning designation which allows detached single family residential home sites. The appraiser has also been asked to appraise the property with an attached residential zoning which could be used for patio homes, or townhomes. As the parcel is owned by the City of Fort Wright, the property could be zoned for any use by city council. Further in this report are several concept layout plans provided by the client for detached single family lots. They show several different ways the property could be developed.

DESCRIPTION OF THE SITE

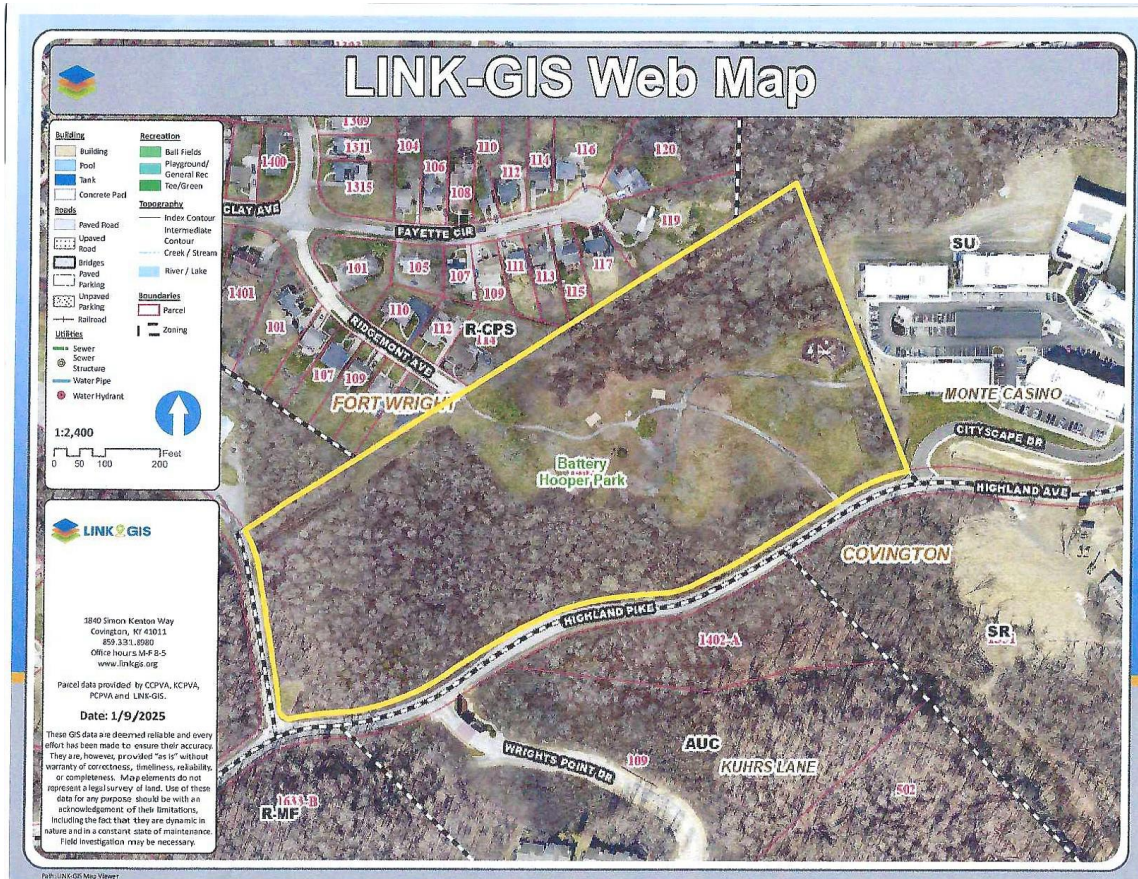
17

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:

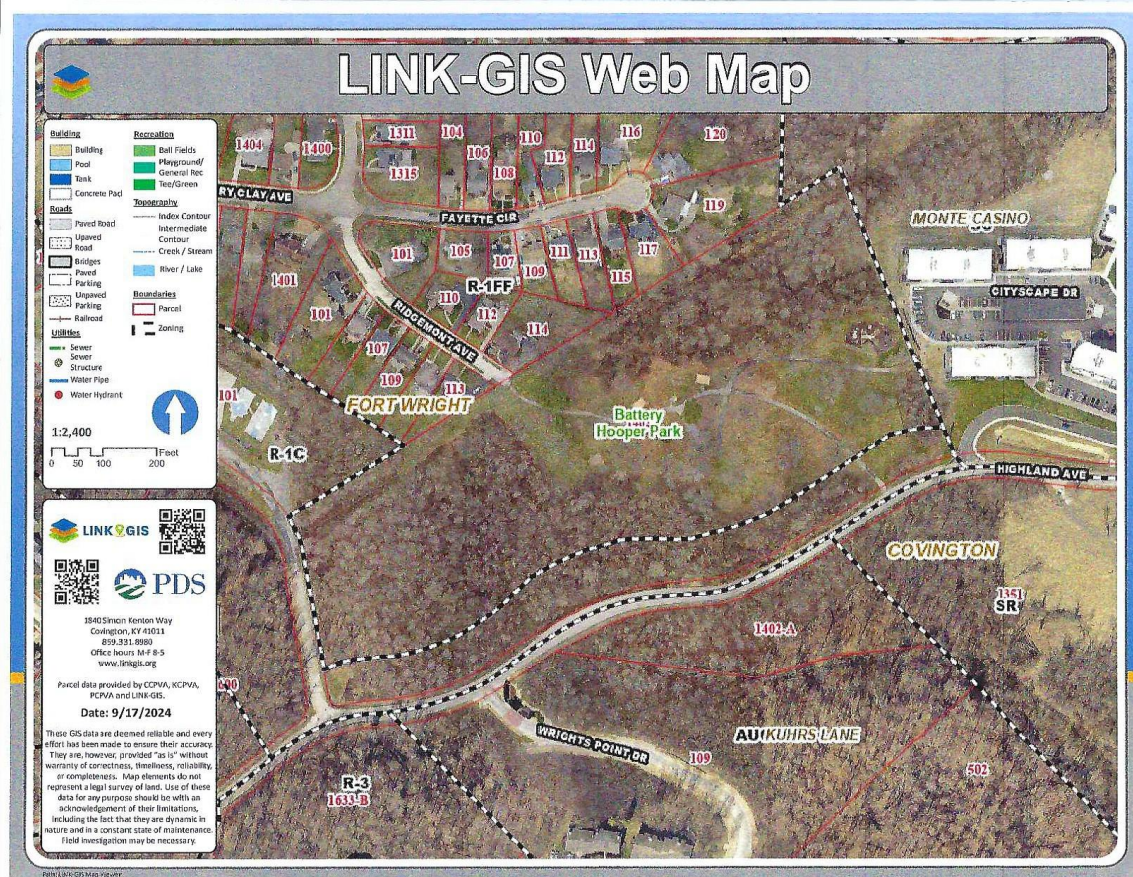
LAND:	\$1,470,000
IMPROVEMENTS:	<u>\$ 30,000</u>
TOTAL	\$1,500,000
EXEMPTIONS:	<u>\$1,500,000</u>
TAXABLE VALUE:	\$ 0

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.

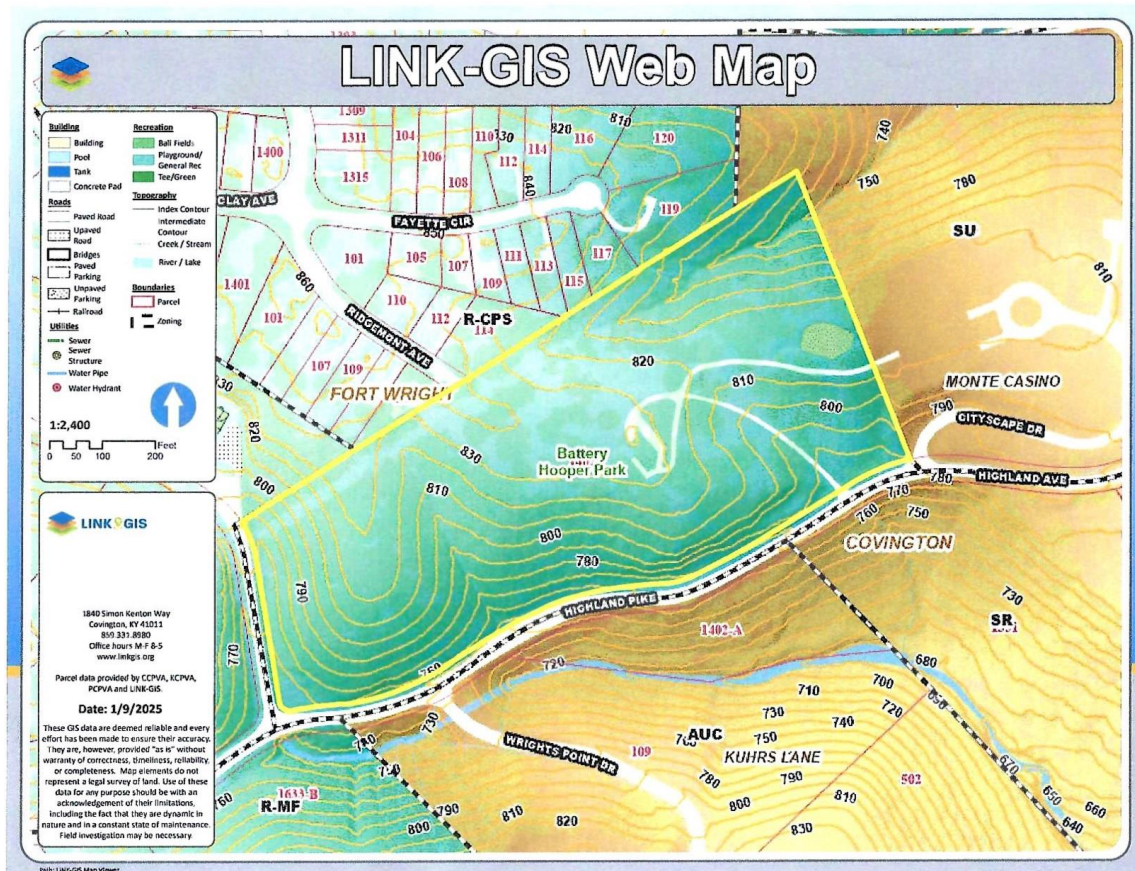
Current GIS and Zoning Map



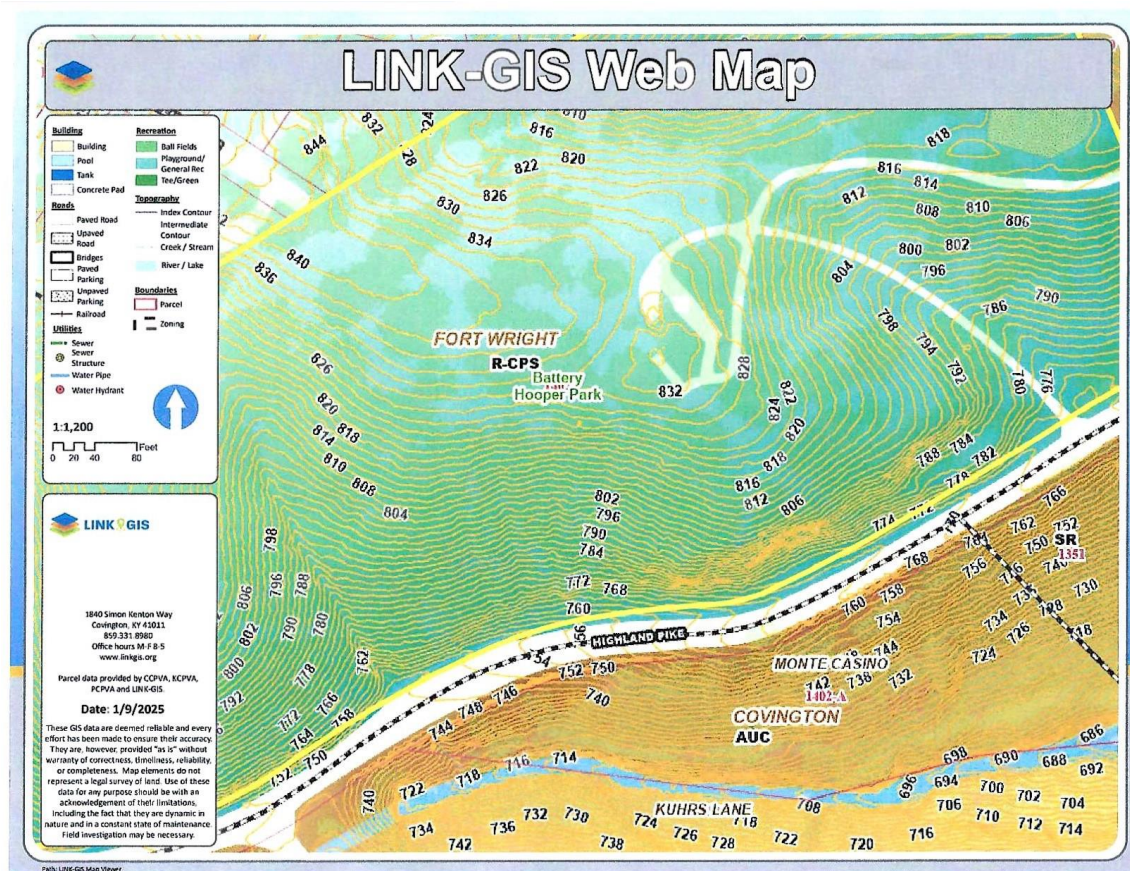
GIS Showing Prior Zoning Designation



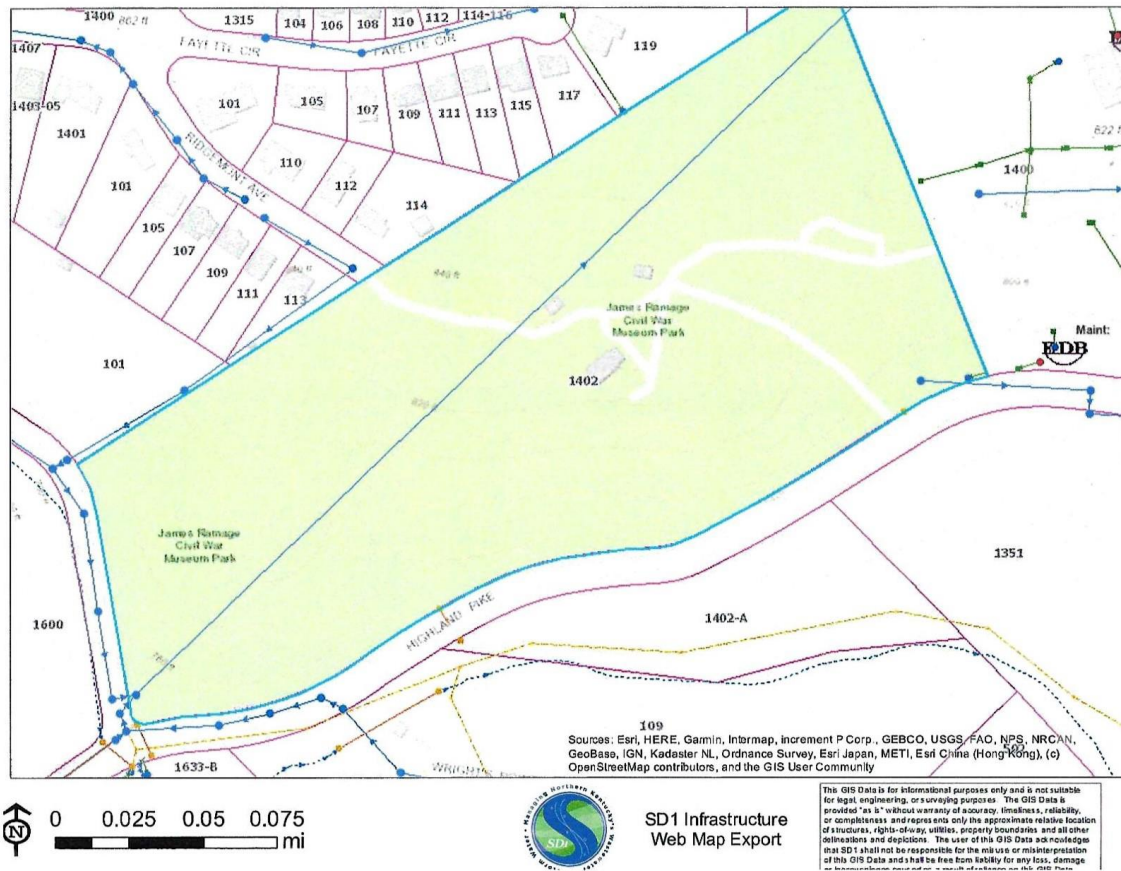
Topography Map



Enlarged Topography Map



Sewer Location Map



**CONCEPT LAYOUT PLAN
OPTION 1a**

REVISION NO.	DATE	BY	CHKD	DESCRIPTION
1	20/01/2011	...	...	...
2	20/01/2011	...	...	...
3	20/01/2011	...	...	...
4	20/01/2011	...	...	...
5	20/01/2011	...	...	...
6	20/01/2011	...	...	...
7	20/01/2011	...	...	...
8	20/01/2011	...	...	...
9	20/01/2011	...	...	...
10	20/01/2011	...	...	...
11	20/01/2011	...	...	...
12	20/01/2011	...	...	...
13	20/01/2011	...	...	...
14	20/01/2011	...	...	...
15	20/01/2011	...	...	...
16	20/01/2011	...	...	...
17	20/01/2011	...	...	...
18	20/01/2011	...	...	...
19	20/01/2011	...	...	...
20	20/01/2011	...	...	...
21	20/01/2011	...	...	...
22	20/01/2011	...	...	...
23	20/01/2011	...	...	...
24	20/01/2011	...	...	...
25	20/01/2011	...	...	...
26	20/01/2011	...	...	...
27	20/01/2011	...	...	...
28	20/01/2011	...	...	...
29	20/01/2011	...	...	...
30	20/01/2011	...	...	...
31	20/01/2011	...	...	...
32	20/01/2011	...	...	...
33	20/01/2011	...	...	...
34	20/01/2011	...	...	...
35	20/01/2011	...	...	...
36	20/01/2011	...	...	...
37	20/01/2011	...	...	...
38	20/01/2011	...	...	...
39	20/01/2011	...	...	...
40	20/01/2011	...	...	...
41	20/01/2011	...	...	...
42	20/01/2011	...	...	...
43	20/01/2011	...	...	...
44	20/01/2011	...	...	...
45	20/01/2011	...	...	...
46	20/01/2011	...	...	...
47	20/01/2011	...	...	...
48	20/01/2011	...	...	...
49	20/01/2011	...	...	...
50	20/01/2011	...	...	...
51	20/01/2011	...	...	...
52	20/01/2011	...	...	...
53	20/01/2011	...	...	...
54	20/01/2011	...	...	...
55	20/01/2011	...	...	...
56	20/01/2011	...	...	...
57	20/01/2011	...	...	...
58	20/01/2011	...	...	...
59	20/01/2011	...	...	...
60	20/01/2011	...	...	...
61	20/01/2011	...	...	...
62	20/01/2011	...	...	...
63	20/01/2011	...	...	...
64	20/01/2011	...	...	...
65	20/01/2011	...	...	...
66	20/01/2011	...	...	...
67	20/01/2011	...	...	...
68	20/01/2011	...	...	...
69	20/01/2011	...	...	...
70	20/01/2011	...	...	...
71	20/01/2011	...	...	...
72	20/01/2011	...	...	...
73	20/01/2011	...	...	...
74	20/01/2011	...	...	...
75	20/01/2011	...	...	...
76	20/01/2011	...	...	...
77	20/01/2011	...	...	...
78	20/01/2011	...	...	...
79	20/01/2011	...	...	...
80	20/01/2011	...	...	...
81	20/01/2011	...	...	...

24

CONCEPT LAYOUT PLAN
OPTION 1b

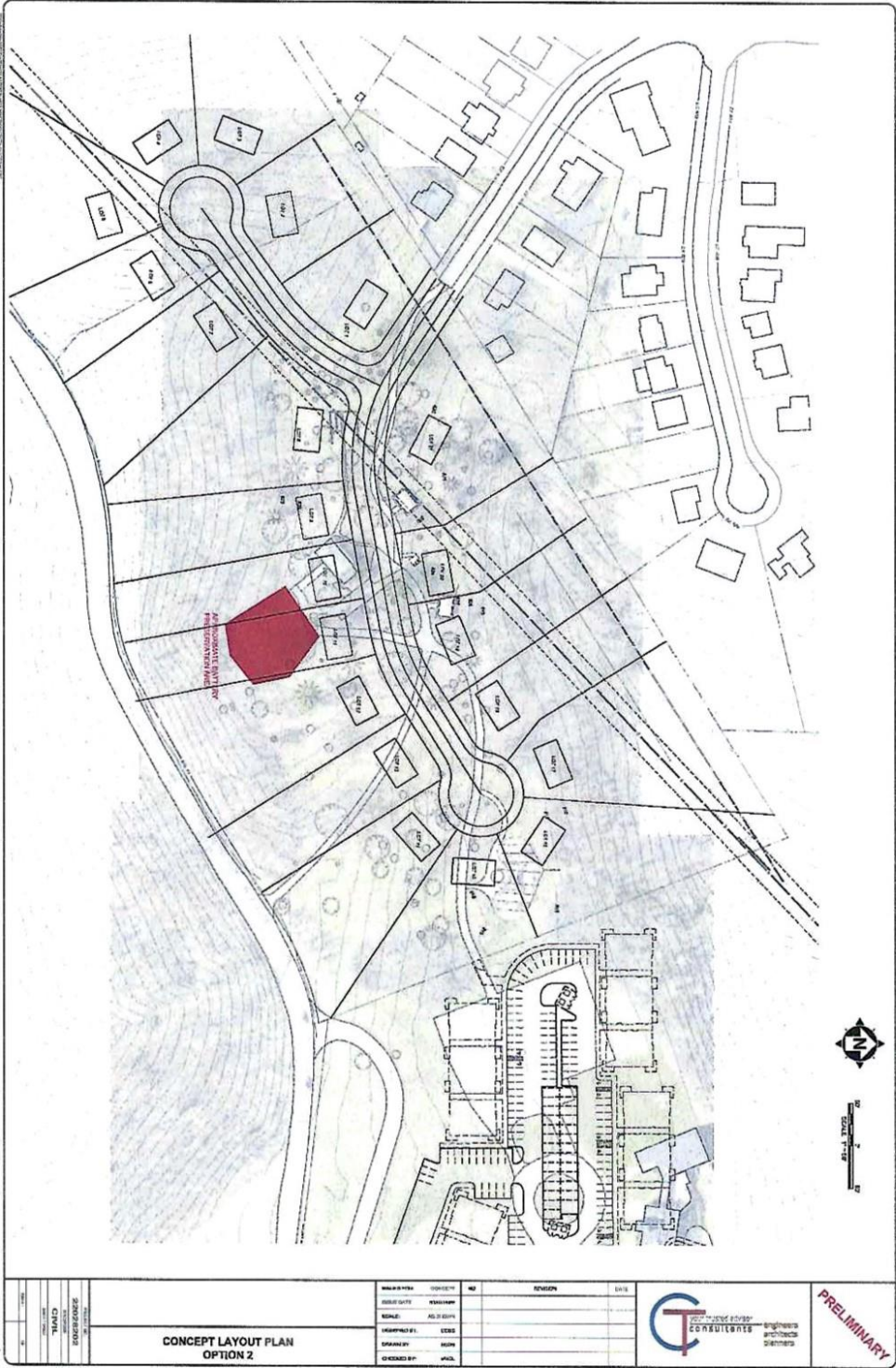
2023/06/22
CIVIL
1:1000

NO.	DESCRIPTION	DATE	BY	CHECKED
1	DESIGNED BY			
2	CHECKED BY			
3	DATE			

CONSULTANT ENGINEERS
CONSULTANTS

PRELIMINARY

Concept Layout Plans for Detached Single Family



At the present time the property has no permanent building improvements. There are some site improvements including asphalt roadways or driveways as well as two picnic shelters and children's playground equipment. None of these improvements add any value at the highest and best use, therefore no further description is required.

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 subject property is a relatively large tract of land in the suburban city of Fort Wright. Part of the property has rolling to level topography while a portion of the parcel is relatively hilly. The current zoning allows single family residential use as well as some conditional uses. Highland Pike is a two lane arterial road which runs from Kyles Lane to the city of Covington. While it is an arterial road, near the subject, it is not as heavily traveled as Kyles Lane or Dixie Highway. The property has minimal visibility from Highland Pike and no visibility from a highly traveled road. Current zoning allows single family use only. The property is owned by the City of Fort Wright, and it is assumed the property could be zoned for any use desired by city council. There is demand for residential lots in the area. At the client's request, the appraiser was asked to determine the value of the property as detached single family residential home sites, as well as for attached single family use such as patio or townhomes. Therefore there will be two values with this report. The highest and best use would be determined based upon the uses allowed by the city.

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 property has no permanent building improvements and only some site improvements. None of the site improvements have any value at the highest and best use. Therefore the highest and best use is the same as if vacant.

MARKET/EXPOSURE TIME

The subject property is a readily marketable parcel of a land. There are very few large parcels of land inside the I-275 loop. This appraiser is unaware of any parcels of this size, near the subject, being developed in the past several years. There is demand for this type of land in the area. There is a need for residential housing. 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. It is noted that if the property were under contract, most contracts would have contingencies to make sure the property can be utilized for the buyer's use. It is probable that the amount of time needed to remove these contingencies would be longer than the marketing time.

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.

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 lack of improvements on the site, the Cost Approach is not applicable.

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.

The appraiser was asked to determine the value of the property as home sites for single family detached homes, and as well as attached residential use. The following sales are of vacant land in the area. The city of Fort Wright is a relatively small city. There are very few similar tracts of land which have sold. This appraiser was forced to utilize older sales from the area as well as sales of similar land in Northern Kentucky in order to have sufficient data to provide a credible report. Some of the sales are slightly larger tracts of land while others are smaller.

Apartment or Condominium Land Sales

C.S. No. 1

Address:	260 Grandview Dr, Fort Mitchell
Deed Reference:	Book 215, Page 554; PIDN: 027-20-02-003.00
Grantor:	260 Grandview LLC
Grantee:	Fort Summit LLC
Date of Sale:	February 28, 2023
Sale Price:	\$1,264,500
Area:	Land: 12.36 Acres
Unit Price:	\$102,306/Acre
Comments:	This property is being developed into a large townhome complex. The site is very irregular in shape and there is a large amount of land with minimal utility.

C.S. No. 2

Address: 1400 Highland Ave, Covington
Deed Reference: Book 67, Page 868; PIDN: 041-40-00-026.00
Grantor: First Presbyterian Church, Covington
Grantee: Elevation 800, LLC
Date of Sale: December 24, 2020
Sale Price: \$2,000,000
Area: Land: 15.047 Acres
Unit Price: \$132,917/Acre

Comments: This parcel was zoned “SU” semi-urban residential. It has been improved with an apartment complex. The units are upscale and many units have a view amenity. There is also a pool and clubhouse. The property does have a desirable view of downtown Cincinnati. An older church was razed by the grantees. The view is somewhat distant, but clear. A large portion of this site was very hilly and wooded with limited utility. As scaled from GIS, only approximately 7.0 acres were utilized for construction of the improvements. The remainder is wooded hillside.

C.S. No. 3

Address: 755 Western Reserve Road, Crescent Springs
Deed Reference: Book 263, Page 996; PIDN: 014-30-01-043.20
Grantor: Crescent Hill LLC
Grantee: Western Reserve LLC
Date of Sale: December 21, 2023
Sale Price: \$175,000
Area: Land: 3.116 Acres
Unit Price: \$56,162/Acre

Comments: This parcel is zoned “R-2C” which allows for attached and detached single family dwelling units. It is being improved with attached rental units. A part of a small lake is located on the site. The property is on the corner of Western Reserve Road and Woodhill Drive. The site is being partially filled, and utilities run at this time. GIS indicates the site has a total area of 2.98 acres. The lake covers approximately .55 acres. This leaves approximately 2.43 acres that is buildable. This is approximately \$72,016 per acre.

C.S. No. 4

Address: Hopeful Rd, Florence
Deed Reference: Book 1178, Page 95; PIDN: 061.00-00-089.00
Grantor: VME Properties LLC
Grantee: Greene Corp 1 LLC & Greene Corp 2 LLC
Date of Sale: November 19, 2021
Sale Price: \$1,000,000
Area: Land: 8.041 Acres
Unit Price: \$124,363/Acre

Comments: This parcel has a large amount of frontage on Hopeful Road and Hopeful Church Road. Zoning is "SR-2". Townhome style apartments are being built on the site. It is known as Hopeful Trace Townhomes. They are upscale units. The exact number is unknown. The topography was rolling at the time of sale.

C.S. No. 5

Address: Boone Aire Rd, Florence
Deed Reference: Book 1182, Page 68; PIDN: 061.00-00-041.01 and others
Grantor: Various
Grantee: DMG Rentals 26, LLC and DMG Rentals 14, LLC
Date of Sale: February 28, 2022
Sale Price: \$1,902,500
Area: Land: 12.51 Acres
Unit Price: \$152,078/Acre

Comments: This sale is comprised of 4 transfers that include 5 parcels. The area and sales price above are the sum of all the transfers. 132 apartments are planned for the parcel.

C.S. No. 6

Address: 2404 Anderson Road, Crescent Springs
Deed Reference: PIDN: 013-40-10-002.00
Grantor: Ignace and Helen Winterberg
Grantee: Three Springs Townhomes LP
Date of Sale: August 6, 2018
List Price: \$350,000
Area: Land: 2.06 Acres
Unit Price: \$169,903/Acre

Comments: This property was zoned "R-2" at the time of sale. It now appears to be "MLU-2". An older residence was on the site. Public sewer is not immediately available to the site, however, it is in close proximity. This parcel has 149 feet of frontage. A paper street is located on one side of the parcel. Although the grantee tried to have it closed, and half deeded to them, the city would not allow it, as it provided access to several other lots. A home was torn down and the lot leveled.

C.S. No. 7

Address: 2700 Amsterdam Rd, Villa Hills
Deed Reference: Book C6699, Page 185; PIDN: 001-00-00-029.04 & Others
Grantor: Monastery St Walburg
Grantee: ACG Sanctuary LLC
Date of Sale: July 9, 2019
Sale Price: \$5,676,160
Area: Land: 85.762 Acres
Unit Price: \$66,185/Ac

Comments: This land was part of the Villa Madonna Academy land. There is a large amount of relatively level land. Portions of the site have a desirable river view. It is being developed with detached and attached single family homes.

Typical Single Family Residential Subdivision Land**C.S. No. 1**

Address: 8214 Tollgate Rd, Alexandria
Deed Reference: Book 350, Page 164; PIDN: 999-99-26-330.00
Grantor: AA Family Limited Partnership
Grantee: The Drees Company
Date of Sale: October 27, 2021
Sale Price: \$1,174,458
Area: Land: 48.8648 Acres
Unit Price: \$24,035/Acre

Comments: This property was rolling to hilly. It has been developed into a new residential subdivision with townhomes and some detached homes.

C.S. No. 2

Address: 6363 Taylor Mill Rd, Taylor Mill
Deed Reference: Book 3632, Page 242; PIDN: 060-00-00-011.03 and
060-00-00-011.02
Grantor: James & Betty Ogden
Grantee: Manor Lake, LLC
Date of Sale: October 11, 2022
Sale Price: \$325,000
Area: Land: 11.65 Acres
Unit Price: \$27,897/Acre

Comments: Public water and sewer were available to the site. It is being developed into a residential subdivision.

C.S. No. 3

Address: 7456-A Camp Ernst, Burlington
Deed Reference: Book 1167, Page 861; PIDN: 039.00-00-034.00
Grantor: Herbert Cress
Grantee: Drees Company
Date of Sale: May 21, 2021
Sale Price: \$674,000
Area: Land: 20.988 Acres
Unit Price: \$32,113.59/Acre

Comments: This land has been partly developed into a single family residential subdivision. A new street was built, however there was already access from a neighboring subdivision.

C.S. No. 4

Address: 21 Acres Gunpowder Rd, Florence
Deed Reference: Book 1219, Page 113; PIDN: 062.00-00-120.00
Grantor: Shirley A. Fisher and Mary Fisher Dunn
Grantee: BBB Developers, LLC & KDP Holdings, LLC
Date of Sale: March 12, 2024
Sale Price: \$625,000
Area: Land: 21 Acres
Unit Price: \$29,762/Acre

Comments: This parcel is located on the east side of Gunpowder Road between Sunrise Drive and Ridgeview Drive. All public utilities are available. The property is surrounded by newer subdivisions featuring smaller subdivision lots. Current zoning is "SR-1". This is a residential zone which allows approximately 4 lots per acre. The parcel is mostly wooded. There are several large ridges with several drainage areas.

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: 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. 2

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

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. 3

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. 4

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: 0.22 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. 5

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: 0.46 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.

Active Listing No. 1

Address: 452 Pickett Dr, Ft. Wright
List Price: \$60,000
Area: Land: 0.3069 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.

COMPARABLE SALES SUMMARY

Apartment or Condominium Land Sales

<u>CS#</u>	<u>Location</u>	<u>Date</u>	<u>Size</u>	<u>Unit Price</u>
1	260 Grandview Dr	02/23	12.36 Ac	\$102,306/Ac
2	1400 Highland Ave	12/20	15.047 Ac	\$132,917/Ac
3	755 Western Reserve Road	12/23	3.116 Ac	\$56,162/Ac
4	Hopeful Rd	11/21	8.041 Ac	\$124,363/Ac
5	Boone Aire Rd	02/22	12.51 Ac	\$152,078/Ac
6	2404 Anderson Road	08/18	2.06 Ac	\$169,903/Ac
7	2700 Amsterdam Rd	07/19	85.762 Ac	\$66,185/Ac

Typical Single Family Residential Subdivision Land

<u>CS#</u>	<u>Location</u>	<u>Date</u>	<u>Size</u>	<u>Unit Price</u>
1	8214 Tollgate Rd	10/21	48.8648 Ac	\$24,035/Ac
2	6363 Taylor Mill Rd	10/22	11.65 Ac	\$27,897/Ac
3	7456-A Camp Ernst	05/21	20.988 Ac	\$32,113.59/Ac
4	21 Acres Gunpowder Rd	03/24	21 Ac	\$29,762/Acre

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	13 Glazier Ave	01/20	0.334 Ac	\$95,808/Ac
2	2550 Amsterdam Rd	09/22	2 Ac	\$169,500/Ac
3	22 Sunnyside Ave	01/23	0.5355 Ac	\$74,697/Ac
4	602 Irish Rose Lane	07/24	0.22 Ac	\$315,909/Ac
5	731 Western Reserve Road	06/23	0.46 Ac	\$121,739/Ac
AL 1	452 Pickett Dr		0.3069 Ac	\$195,503/Ac

Subject

Land Size: 14.4 Acres

Four types of land sales have been included in this report. The first set of sales were properties that were utilized for apartments or condominiums. Sale 2 is slightly older but is included as it is located adjacent to the subject. Sales 6 and 7 are much older sales which would typically not be included. However, there are very few sales of similar properties which are inside the I-275 Loop. Most of the cities in the immediate area are landlocked and very few have any large tracts of vacant land available.

The typical single family residential subdivision land sales are included, but given no weight. These four sales are a typical type of parcel that would be purchased by a large builder to develop a large subdivision. All of these are located outside the I-275 Loop and these are felt to be much inferior to the subject.

While the subject property is a relatively large tract of land, the small tract single family detached development sales are included as they are also located inside the I-275 Loop. Some of these sales are substantially older and are given less weight. Property values now tend to be much higher than some of these older sales. These sales are included to show values of smaller tracts of land. In addition to these sales, this appraiser is aware of several older development sales. 902 Collins Road in Villa Hills sold in 2011 for approximately \$82,000/acre. This property contained 9.5 acres. While this sale is almost 14 years old, this sale shows that values for these similar parcels are substantially higher than the typical development land previously included. 915 Kyles Lane in the city of Covington is located on the east side of Kyles Lane. The west side is actually the City of Fort Wright. This property sold for approximately \$69,000/acre in 2013. This was a small tract of land with approximately 3.5 acres was developed into Lookout Valley Subdivision. This subdivision is hilly and the developer struggled to sell lots. 3 Shinkle Road sold in 2014. This property was located in Crestview Hills and was approximately \$60,000/acre. It has been subdivided into 42 lots. The developer indicated they had substantial development expenses including purchasing and access, draining an existing lake and other expenses. Another parcel on Charter Oak Road in Edgewood was purchased by an adjoining owner to prevent additional construction. This approximately 15 acres sold in 2014 for approximately \$50,000/acre. While these properties are not individually compared to the subject, they do show property values from the past. The subject value should be substantially higher.

This appraiser is also aware of a small condominium complex developed by Fischer Builders. This small complex is known as Grove Park Drive. This project is located in the city of Fort Wright. While Fischer Builders built the attached townhomes, Berling Engineering, whose office building is located adjacent to the project, developed this site into buildable pads. Each pad was sold to Fischer Builders. These transfers were over 4 years ago and were not of raw land. Therefore, it is not included.

Another property located on Floral Avenue in Fort Mitchell. An older residence and garage was located on the site. This property had a large amount of excess land in which Ashley Developers extended Floral Avenue and constructed 11 lots. This sale took

place in 2017, but the land was approximately 6 acres and sold for \$640,000, which indicates approximately \$107,000/acre. This sale is superior to the subject as it is in the Beechwood school district, but is much smaller and a dated sale. As stated again, some of the sales are fairly recent. Other sales are somewhat older and would require a time adjustment. Some sales which are substantially older are utilized for reference, but given minimal weight. These are utilized to show a sample of land values in the area.

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 is the apartment or condominium land sales. Comparable Sale 1 is located in the city of Fort Mitchell. The school district is superior. This property had a large amount of land which was unusable. This sale is also relatively recent. It is felt to be inferior to the subject. Comparable Sale 2 is a somewhat older sale. It is utilized for apartments and has a view and overall is superior to the subject. It is included as it is located adjacent to the subject property. Comparable Sale 3 is a more recent sale. This was a relatively small tract of land that is going to be developed with attached rental units. The location is felt to be slightly inferior and a portion of the site was encumbered by a lake. This parcel is inferior to the subject. Comparable Sale 4 and 5 are both located in the city of Florence. Sale 4 was utilized for attached townhomes. These are upscale. It also appears as though the entire complex is now for sale. Sale 5 is a similar sized tract of land. It allowed apartments only and overall was slightly superior to the subject. Comparable Sale 6 is a very small tract of land. This sale is also older, but it reflects prices paid for properties inside the I-275 Loop. This sale would require a large negative

adjustment for economies of scale. Comparable Sale 7 is a very large tract of land. This also is much older. While there were some attached townhomes, most of the units are detached. This sale would require a large positive adjustment for date of sale and economies of scale.

The second set of sales utilized in the report are four sales which are located in inferior locations. These properties reflect typical prices paid by large developers for large tracts of land. These are utilized in reference only and are all inferior to the subject. They are given no weight in the final value estimate.

The next set of sales are smaller tracts of land that could be or were subdivided. Some of these are fairly recent, while others are much older. These typically show values for land in the Fort Mitchell, Crestview Hills, and Fort Wright area. Comparable Sale 1 is the only sale that was recent. This sale indicates a much higher value than all the sales used. The developer indicated this was not a very lucrative business deal. It is probable that he overpaid for the land. The location is in a superior school district. The subject value should be well below this sale. Sales 2, 3, and 4 are very old and given less weight as they are much smaller parcels.

The next set of sales are vacant lots. These are more individual lots in the Fort Wright and surrounding areas. Comparable Sale 1 is included, although it is older, because it is in the city of Fort Wright. Comparable Sale 2 is a larger tract of land utilized for one home site. Comparable Sale 3 is also located in Fort Wright. This small tract was purchased and has not been developed. Sale 4 is a recent sale of a very small lot, while Sale 5 was utilized for one home site and the Active Listing 1 is located in Fort Wright.

The subject property is a relatively large tract of land containing over 14 acres. All public utilities are available and there is reasonable access to local shopping and the interstate. The parcel has some areas which are level and other areas which are hilly with more limited utility. The sales above which were utilized for apartments or patio homes or townhomes indicate a range in value from \$56,162 to \$169,903. Many of the sales are between \$124,000 to \$152,000/acre. The subject property should be below those sales which are relatively small and also for sales which have a large number of units.

In determining the value of the subject as detached single family lots, this appraiser was provided with several concept layout plans which show the subject land being developed into approximately 21 detached single family lots. No layout has been provided which would show the number of units which could be utilized for patio homes or townhomes. Also, no expense data or development expense items have been provided. It is very difficult to determine the value of land without knowing a development plan, as most parcels can be developed several different ways. Also, each scenario would have different development costs. The amount of development costs are crucial to any developer in determining the amount to pay for the raw land. This as well as the final sales price of individual lots are what is needed to determine the value of the land. None of this

SALES COMPARISON APPROACH

45

information was provided. Taking into consideration the above sales, as well as the subject's characteristics, it is this appraiser's opinion that the market supports a value for the subject land as detached single family residences of \$100,000/acre. It is also this appraiser's opinion that the market supports a value for the subject if utilized for patio homes or townhomes of \$135,000/acre. Therefore, 14.4 acres times \$100,000/acre equals \$1,440,000. 14.4 acres times \$135,000/acre equals \$1,944,000. Rounded \$1,945,000.

Value with detached single family use:	\$1,440,000
--	-------------

Value with attached townhome of apartment use	\$1,945,000
---	-------------

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 appraiser was unable to locate any rental information on vacant land for single family or multi-family use. Therefore, this approach to value 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 opinions.

	As Single Family Land	As Patio or Townhome Land
Cost Approach	NA	NA
Sales Comparison Approach	\$1,440,000	\$1,945,000
Income Capitalization Approach	NA	NA

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.

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 \$1,440,000 as detached single family land and a value of \$1,945,000 as patio home or townhome 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 "as is" market value opinion for the subject property as of October 17, 2024, is:

As Single Family Land: \$1,440,000

As Patio Home or Townhome Land: \$1,945,000

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 Battery Hooper Park Property, 1402 Highland Pike, 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

50

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:

Appraised as Single Family Residential Land
ONE MILLION FOUR HUNDRED FORTY THOUSAND DOLLARS
(\$1,440,000)

Appraised as Patio Home of Townhome Residential Land
ONE MILLION NINE HUNDRED FORTY FIVE THOUSAND DOLLARS
(\$1,945,000)

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. SCHOEPP**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.