

RESOLUTION 16-163

A RESOLUTION TO AUTHORIZE FUNDING TO PURCHASE UTILITY EASEMENTS FOR A TDOT PROJECT FOR BEECHCROFT ROAD IMPROVEMENTS

WHEREAS, the City of Spring Hill has signed a contract with TDOT to make improvements to Beechcroft Road under project PIN 117319.01; and

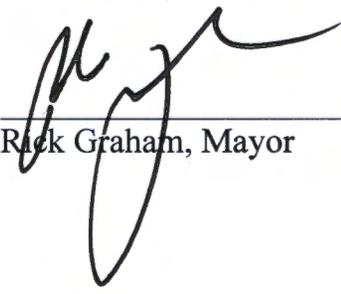
WHEREAS, the City will need to acquire three (3) additional easements to relocate the existing water and sewer utility lines; and

WHEREAS, this resolution will void Resolution 16-131, Resolution 16-132 and Resolution 16-133 previously passed that authorized funding for these easements; and

WHEREAS, the value of the easements will be consistent with TDOT values.

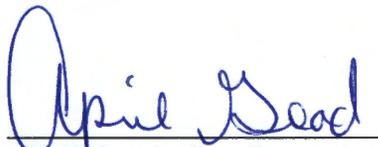
NOW, THEREFORE BE IT RESOLVED, that the City of Spring Hill, Board of Mayor and Aldermen authorizes funding not to exceed \$32,000.00 to purchase three (3) utility easements for a TDOT project for Beechcroft Road Improvements.

Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 7th day of November, 2016.



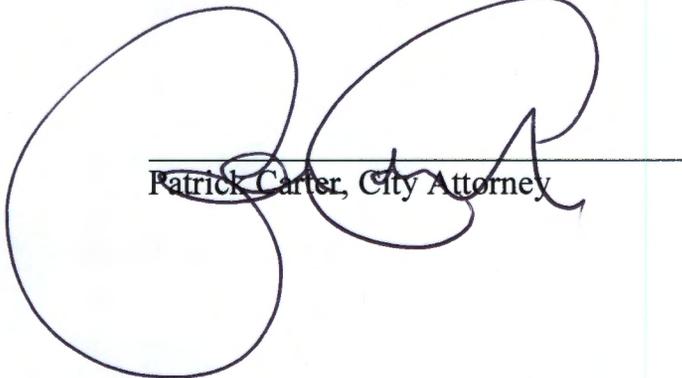
Rick Graham, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney

SUBJECT: Authorization to fund the purchase of utility easements for for TDOT project for Beechcroft Rd Improvements

DATE: November 1, 2016

ATTENTION: Board of Mayor and Aldermen

STAFF: Missy Stahl, Project Manager



STAFF MEMORANDUM

The purpose of this memo is to provide information regarding a resolution to authorize funding to purchase utility easements for a TDOT project for Beechcroft Road improvements.

Background:

The City has signed a contract with TDOT after receiving approval from BOMA to make improvements to Beechcroft Road under Project PIN 117319.01. This project will increase the width of the road to accommodate increased traffic. However, the existing water and sewer lines will need to be relocated for this project which will require the City to acquire additional easements. The City had Boozer and Company, P.C. prepare appraisals for the three (3) easements required. The property owners were not in agreement with the values and stated TDOT had valued their properties at a higher rate.

City staff recommends matching the TDOT values and applying to the easement areas needed to relocate the existing water and sewer lines.

** Due to the privacy act, tract names, tract references and values for each cannot be publicly discussed.

Staff Recommendation:

Staff recommends approval of the request.

RESOLUTION 16-XXX

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Patrick Carter, City Attorney

**BOOZER &
COMPANY, P.C.**

As illustrated above, the subject is located in a submarket containing a relatively small inventory of industrial space that is currently experiencing below-average vacancy and commanding above-average rent. Differences in terms of location between the subject and the comparables will be considered on a qualitative basis.

All of the comparables benefit from similar zoning and/or land use plans and had access to necessary utilities to support industrial development, rendering them overall comparable to the subject in this regard. Topography varied, but all of the sites are judged suitable for industrial development. Sale 2, which transferred at the lowest unit price in this analysis, is most likely due in part to being 50% located in the floodplain. The subject's access along a two-lane road approximately 2 miles from US Hwy. 31 is inferior to most of the closed sales, except Sale 5 and all three listings. In terms of size, the subject's 91.96 acres compares well with the sizes of the most of the comparables. Typically, there is an inverse relationship between size and unit price whereby smaller tracts tend to sell for higher unit prices; however, this relationship is not always consistent. Accordingly, we will consider differences in size and development potential on a qualitative basis in this analysis.

Conclusion of Land Value

In conclusion, the comparables included in this analysis provide a reasonable range from which to estimate the subject's market value. The sales & listing ranged in unit price from \$25,748 to \$50,000 per acre, with mean and median indications of \$43,188/acre and \$48,693/acre, respectively. Therefore, taking all of the aforementioned factors into consideration, particularly the subject's very close proximity to the GM Plant and Saturn Parkway, it is our opinion that a unit value from the upper-middle of the range of ~~\$45,000/acre~~ is reasonable and appropriate.

\$60,000/acre

VALUATION OF THE ACQUISITION

Permanent Utility Easement: The estimated market value of the underlying fee simple estate of the proposed permanent easement is ~~\$45,000~~ ^{*\$60,000*} or ~~\$1.03/SF~~ ^{*\$1.38/SF*}. Although ownership will be retained within the easement area, this acquisition will place an additional encumbrance on the property. However, the proposed easement should not have a significant effect on the current or future utilization or development potential of the subject property, as it is within the required minimum building setback. Consequently, this portion of the acquisition is valued at 50% of the fee simple value, or approximately **\$0.515/SF** ($\$1.03/\text{SF} \times 50\%$). Based on the size (5,922 SF)

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of the proposed 15' wide permanent utility easement area, the estimated value is **\$3,050 (rounded)** (5,922 SF x ~~\$0.515/SF~~).

\$1.38/SF

Temporary Construction Easement: The permanent utility easement will be accompanied by an adjoining 10'-wide temporary construction easement containing a total land area of approximately 4,493 SF. This temporary easement will extend throughout the entire construction period, which we have estimated will not exceed 12 months. Based on typical acceptable land yield rates of around 10%, the use of this property for 12 months reflects 10% of the fee simple value. Accordingly, the temporary construction easement is valued at **\$475 (rounded)** (4,493 SF x ~~\$1.03/SF~~ x 10% = \$462.78, rounded to \$475).

\$1.38/SF x 20%

A summary of the "amount due owner", as of August 27, 2016, is provided below:

Summary of Amount Due Owner

| | | |
|----------------------------------|---------------------------|--------------------------------|
| Permanent Utility Easement: | \$3,050 | <i>\$8,172 -</i> |
| Temporary Construction Easement: | \$475 | <i>\$1,240 -</i> |
| Total Amount Due Owner: | \$3,525 | <u><u><i>\$9,412 -</i></u></u> |

The amount due owner derived in this appraisal does not include any potential construction damage or loss to underground utility lines, septic systems, fences, gates, driveways, parking lots, parking spaces, trees, landscaping, access, etc. Our assumption is that the City of Spring Hill, TN, upon completion of construction, will restore the hereinabove described property to its original condition, or near thereto as is reasonably possible.

November 1, 2016

I have been talking with Mr. Shelby twice a week in an effort to obtain his appraisal from TDOT, as Mr. Crye supplied me with on his tracts. Mr. Shelby states he has not closed yet; therefore, he does not have the appraisal. Based on his verbal quote, I have figured the value of his easement on the highest value he stated TDOT has appraised his land at. No easement will be signed until verification of the TDOT value is obtained.

Missy Stahl

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Therefore, considering all pertinent factors, we placed emphasis on the most recent sales data, which includes Sale 1 and Pending Sales 1 and 2, which also happen to be the closest in proximity to the subject property. As previously demonstrated, these three comparables formed a very narrow unit price range from \$20,000 to \$21,277 per lot with an average of \$20,489/lot and a median of \$20,190/lot. We estimated the "as is" market value of the subject site to be **\$20,000/lot**.

Based on an estimated development density of 2.5 to 2.85 units/acre, which equates to a total of approximately 40 to 45 building lots, the subject land value is calculated as follows:

| <u>Lots</u> | | <u>Unit Value</u> | | <u>Market Value</u> |
|-------------|---|-----------------------|---|---------------------|
| 45 | @ | \$20,000 | = | \$900,000 |
| 40 | @ | \$20,000 | = | \$800,000 |
| | | Reconciled to: | | \$850,000 |

Based on the approximate size of the subject property of 15.6 acres, the market value estimated above equates to ~~\$54,487~~ per acre or approximately ~~\$1.25/SF~~ **\$1.25/SF**. This unit value will be utilized to estimate the market value of the proposed utility easement. ~~\$59,986~~ **\$1.29/SF**

VALUATION OF THE ACQUISITION

Permanent Utility Easement: The estimated market value of the underlying fee simple estate of the proposed permanent easement is \$1.25/SF. Although ownership will be retained within the easement area, this acquisition will place an additional encumbrance on the property. However, the proposed easement should not have a significant effect on the current or future utilization or development potential of the subject property, as it is within the required 40' minimum building setback. Consequently, this portion of the acquisition is valued at 50% of the fee simple value, or approximately **\$0.63/SF** (\$1.25/SF x 50%). Based on the size (2,395 SF) of the proposed 15' wide permanent utility easement area, the estimated value is **\$1,500 (rounded)** (2,395 SF x ~~\$0.625/SF~~).

Temporary Construction Easement: The permanent utility easement will be accompanied by an adjoining 10'-wide temporary construction easement containing a total land area of approximately 1,847 SF. This temporary easement will extend throughout the entire construction period, which we have estimated will not exceed 12 months. Based on typical

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COMPANY, P.C.**

acceptable land yield rates of around 10%, the use of this property for 12 months reflects 10% of the fee simple value. Accordingly, the temporary construction easement is valued at **\$250 (rounded)** ($1,847 \text{ SF} \times \$1.25/\text{SF} \times 10\% = \230.88 , rounded to \$250).

$\$1.21/\text{SF} \times 20\%$

A summary of the "amount due owner", as of August 27, 2016, is provided below:

Summary of Amount Due Owner

| | | |
|----------------------------------|----------------|-------------------|
| Permanent Utility Easement: | <u>\$1,500</u> | \$ 3079.55 |
| Temporary Construction Easement: | <u>\$250</u> | \$ 477.00 |
| Total Amount Due Owner: | <u>\$1,750</u> | <u>\$ 3566.55</u> |

The amount due owner derived in this appraisal does not include any potential construction damage or loss to underground utility lines, septic systems, fences, gates, driveways, parking lots, parking spaces, trees, landscaping, access, etc. Our assumption is that the City of Spring Hill, TN, upon completion of construction, will restore the hereinabove described property to its original condition, or near thereto as is reasonably possible.

APPRAISAL REPORT

TENNESSEE DEPARTMENT OF TRANSPORTATION

THE PURPOSE OF THIS APPRAISAL IS TO ESTIMATE THE FAIR MARKET VALUE FOR HIGHWAY RIGHT-OF-WAY PURPOSES

1. Name, Address & Telephone Numbers:

(A) Owner: Harold E. Crye, Trustee
5111 Peter Park Drive, Suite 700
Brentwood, TN 37027
(615)478-7111

(B) Tenant: None

(C) Address and/or location of subject:

The subject is located on the south side of Beechcroft Road (SR 247) approximately 230 feet west of Town Center Parkway within incorporated Spring Hill (Maury County), Tennessee, 37174

2. Detail Description of Entire Tract:

“Property Description Before Acquisition”

The irregular shaped subject property consists of a 15.629-acre vacant residential tract which has no improvements. The tract is primarily open with approximately 2.3 acres forested in the southwestern corner and a line of trees that traverse the tract in the north third section of the tract. The tract adjoins the GM plant to the west and The Laurals at Town Center single-family Subdivision to the south where. The tract has gently rolling topography draining gradually in an eastern and northeastern direction from the western property line.

3. (A) Tax Map and Parcel No. 024 024.00 **(B) Is Subject in a FEMA Flood Hazard Area? Yes** **No**
If yes, Show FEMA Map/Zone No. 470119C0065E dated 4/16/07

4. Interest Acq.: Fee **Drainage Esm't.** **Construction Esm't.** **Slope Esm't.** **Other:**

5. Acquisition: Total **Partial**

6. Type of Appraisal: Formal **Formal Part-Affected** **1. Appraisal Report**

7. Detail Description of Land Acquired: **2. Restricted Appraisal Report**
(see additional comments page)

Proposed Fee Acquisition/Area of Taking-

An open 357 SF or strip approximately 5.22 feet in depth at its greatest point at the northeast corner of the tract, narrows to 0 feet 140.65 feet west of the corner is the proposed fee acquisition. The fee acquisition will have no impact upon the Tract 18.

Proposed Permanent Slope Easement

The 1,773 SF slope easement (0.0407 acre) ranges from 4 to 7 feet of depth narrowing in at eastern end. The 329.91 foot long easement starts approximately 7 feet east of Sta. No. 101+70.00 and runs eastward along Beechcroft Road to the Tract's eastern property line. Like the fee acquisition, the area is grassed with no improvements.

Proposed Permanent Drainage Easement

The 1,718 SF acre drainage easement (0.03944 acre) ranges from approximately 0 to 7 feet in depth and runs approximately 337 feet in length. There are no improvements in the easement area.

Proposed Temporary Construction Easement

The 3,232 SF or 0.0742 acre proposed 10 foot deep temporary construction easement runs the entire length of the slope easement and contains no improvements.

8. Sales of Subject: (Show all recorded sales of subject in past 5 years; show last sale of subject if no sale in past 5 years.)

| Sale Date | Grantor | Grantee | Book Page | Verified Consideration | How Sale Amount Verified |
|--------------|---------------------------------|-------------------------------|-----------------------|------------------------|--------------------------|
| 11/4/2003 | Janis E. Bean & John K. Jackson | Harold E. Crye, Trustee | R1762/277 | \$1,700,000 | Recording Affiant |
| N/A | N/A | N/A | N/A | N/A | N/A |
| Existing Use | Zoning | Utilities Available | Off Site Improvements | Area Lot or Acreage | |
| Vacant | R-2 PUD | Water, Elect., Telephone, Gas | None | Multiple Parcels | |

9. Highest and Best Use: (Before Acquisition)(If different from existing make explanation supporting same.)The highest and best of Tract 18 is for single-family development as zoned and detailed in the discussion which follows.

State Project No. 60LPLM-S2-021 County Maury Tract No. 18
Federal Project No. SIA CLI Name of Appraiser G. Michael Turbyfill, Sr.

DEFINITION: The definition of highest and best use is best defined as the reasonable, probable and legal use of vacant land and/or improved property which is physically possible, appropriately supported, financially feasible, and results in the highest value. The four criteria that must be met are physically possible, legally permissible, financially feasible, and maximally productive. An improved property must be analyzed both as vacant and improved with regards to its highest and best use.

Before Taking "As If Vacant"

Physically Possible - Reference is made to Section 2 of this report "*Property Description Before Acquisition*", which describes the land area, shape, boundary dimensions, topography, grade, soil/subsoil conditions, drainage, flood hazard data, environmental hazards, utilities, access/driveway(s), and exposure for the subject site. Physically the tract is situated adjacent to The Laurals at Town Center subdivision which has a street that ends at the Tract 18 boundary (without a cul de sac). The gently rolling topography is conducive for residential development. With the Town Center development having already been planned in terms of property uses, Tract 18's planned use was designated for residential development including the Dogwood Trail being the access location for a future The Laurals phase. Construction of new houses continue in the existing phases. Based on these physical aspects of the parent tract, physically the parcel is best suited for a future commercial use.

Legally Permissible - As earlier noted, the subject is currently zoned "R-2 PUD", Residential Planned Unit Development by City of Spring Hill. Permitted uses within this district include a well planned residential community whose density allows for a minimum lot size of 6,000 square feet per lot. The existing Laurals lots are typically in the 7,000 to 8,000 square feet size range. The legally permissible use of the property, without submitting plan changes is the existing PUD standards.

Financially Feasible - The Laurals at Town Center subdivision was developed at the start of the most recent recession or immediate subject neighborhood will be the initial area of development on the west side of U.S. Highway 31 when the economy stabilizes and experiences a normal annual growth rate. The Laurals development began in 2006 and to date there has been approximately 75 homes built and sold which equates to an absorption of 7.5 homes per year. That pace for the past 2 years has increased to 12 homes per year. With an improved economy, the existing phases should experience a sellout as well as the sales velocity increase prompting demand for Tract 18 to be developed. The convenience of Tract 18's central location combined with the proximity to retailing on U.S. Highway 31 will further benefit the residential market. Financially, the development of Tract 18 is close to the timetable for being developed

Maximally Productive - After reviewing the subject's physical features, legally permitted uses, which includes the existing zoning classification, with consideration given to the subject surrounding land uses, and the economics influencing this area, it is my opinion that the maximally productive use of the subject site would be best suited for a single-family development. From aerial photographs, it is evident that the grass has been cut for hay in the past.

Before Taking "As Improved"

N/A

ADDITIONAL COMMENTS

2. Detail Description of Entire Tract: Continued from preceding page.....

"Property Description Before Acquisition"

The southeastern section adjoins the City of Spring Hill Town Hall, while Dogwood Trail within The Laurals dead ends into Tract 18. Obviously, Tract 18 was and remains an expansion tract for another phase of The Laurals at Town Center. With approximately 565 feet of frontage on Beechcroft Road, Tract 18 has an average depth of approximately 1,000 feet. The subject's underlying soil conditions appears to be suitable for a residential use as the tract was rough graded when Town Center Parkway was constructed. All utilities serve the tract. (Reference is made to the Aerial Tax Map and subject Photos, located in Section 26 which provide visual illustration of these features noted above)

7. Detail Description of Land Acquired: Continued from preceding page.....

(Reference is made to both the Aerial Tax Map and the subject Photos, located in the Addenda which provide visual illustration of these features noted above).

6. Type of Appraisal: Continued from preceding page.....

Intended Use of Report – This “Formal” appraisal of a 100% ownership position is intended for the sole purpose of assisting the Tennessee Department of Transportation in the acquisition of land for right-of-way purposes. This assignment is of the entire subject property and will include the valuation of all subject improvements.

This is an Appraisal Report, which is intended to comply with Standard Rule 2-2(a). As such, it presents only summary discussions of the data, reasoning and analysis that were used in the appraisal process. Supporting documentation that is not provided within the report is retained in the appraiser’s work file or can be obtained from the Market Data Brochure. The depth of discussion contained in this report is specific to the needs of the client.

| | | | | |
|---|--|------------------|---|------------------|
| This Appraisal Is Based On Original Plans | | Or Plan Revision | X | Dated: 3/31/2016 |
|---|--|------------------|---|------------------|

Comments: None

SALES COMPARISON APPROACH

14. LAND VALUE ANALYSIS

The appraiser used the Direct Sales Comparison Approach to value the land for the subject property. The Sales Comparison Approach is typically utilized in valuing land.

The Sales Comparison Approach is defined as *a set of procedures in which an appraiser derives a value indication by comparing the property being appraised to similar properties that have been sold recently, apply an appropriate unit of comparison, and making adjustments, based on the elements of comparison, to the sales prices of the comparables.*

Not all property transactions investigated by the appraiser will be used to form a value conclusion. A properly qualified, comparable sale need not be identical to the subject but should have the same highest and best use, should be physically similar to the subject in the factors effecting value, should be a recent transaction and should be a bonafide, arm's length transaction. In summary, the comparable sale properties should conform to the market value definition and should be in the same market as the subject property.

The appraiser thoroughly researched the Spring Hill marketplace for single-family subdivision land tract sales. Numerous transactions appear to have occurred particularly in 2013 through 2015, and although substantial amount of time was devoted to confirming those land transactions which the appraiser deemed comparable, no contact with any party to any of the sales was successful. Several issues were noted including LLC’s or corporations on both sides of the transactions that were represented by agents whose contact information could not be established. Some of the parties are known in the greater Nashville market as a result of on-line searches; however, every avenue of tracking down contact information or messages requesting returning the appraiser’s phone calls failed.

The appraiser discussed the most promising transactions with John Bernhart of the Maury County Tax Assessor’s office and he was unable to state with certainty that the transactions were “arm’s length” as the transfers occurred between a land development entity and a builder entity which likely had some common ownership. Even Mr. Bernhart’s numerous attempts to research the county’s data base produced no arm’s length single-family subdivision acreage tract sales. Prior to the appraiser’s request for Mr. Bernhart’s assistance in discovering some acreage transactions, he had informed the appraiser of his belief that no qualified sales had occurred over the past several years. His research (using several different parameters), while on the telephone with the appraiser, confirmed his own opinion about the absence of sales data. As a result of the absence of confirmed sales data, the (A) Analysis of Comparability table, as shown in TDOT’s appraisal report format under “14. Land Valuation Analysis” is omitted and the analysis which follows was used deductively to determine the subject tract’s value.

The appraiser noted a significant amount of ongoing housing construction in the active areas of south Spring Hill off S.R. 396 both north and south of the Port Royal Road interchange, some of which culminated from bank foreclosures of the remaining undeveloped land or unsold lots of existing subdivisions. Shown below is a summary of two land tract sales that represent additional phases of existing single-family subdivisions that continue to show healthy lot and house absorption. (sale prices referenced from deeds)

| | LS R-7 | LS R-8 |
|----------------------------|--------------------------------|------------------------------------|
| Subdivision | Cobblestone Village | The Reserve at Port Royal |
| Grantor | Amber Lane Development, LLC | Tennessee Contractors, Inc. |
| Grantee | Lennar Homes of Tennessee, LLC | The Reserve at Port Royal Partners |
| Date of Sale | 2/12/2015 | 8/14/2014 |
| Deed Reference | 2308/771 | 2287/1296 |
| Land Area | 20.02 acres | 25.78 acres |
| Sales Price | \$1,014,000 | \$1,440,000 |
| Zoning | R-2, PUD | R-2, PUD |
| Historical Lot Price | \$31,500/Lot | \$38,250/Lot |
| Current Typical Home Price | \$236,000 | \$238,000 |
| Ratio of Lot to Home Price | 13.3% | 16.1% |
| # of Lots | 55 | 96 |
| Lot Density | 3.31 Lots/Acre | 3.72 |
| Sales Price per Acre | \$50,649 | \$55,857 |
| Sales Price per Lot | \$15,364 | \$15,000 |

Tract 18 is slated as a future phase of The Laurals at Town Center. Physically the tract is best suited for the continuation of the that subdivision. Shown below is a summary of the existing The Laurals at Town Center Subdivision.

| The Laurals at Town Center | |
|---|---|
| Approximate Date Developed | 2005 |
| No. of Lots | ±81 (±7 likely unbuildable-floodplain) |
| No. of Lots Absorbed to Date (# of hses. Built) | ±60 |
| Absorption Rate/Year | ±5.45 (from 2013-2015, 27 hses built or 13.5/yr) |
| No. of Acres | ±22.5 acres |
| No. of Lots per Acre | 3.6 |
| Average Street frontage | 80 feet |
| Typical Lot Price (Current) | \$45,000 |
| Typical Home Price | \$298,000 |

Assuming the density of Tract 18 remains the same as the existing phases of The Laurals at Town Center, the 3.6 lots per acre density would suggest that Tract 18 would likely be platted for 56 lots. The typical Laurals home sells for \$298,000 with a lot price of \$45,000 which equates to a lot to home price ratio of 15.1%.

Considering that The Laural's has a similar density to LS R-8's subdivision and a higher typical price point home price, the concluded value of Tract 18 is \$55,000 per acre and \$16,000 per lot which equates to a value range of \$859,595 to \$896,000. The final value is estimated to be \$875,000 or \$55,986 per acre.

Based upon the remaining lot inventory, an expansion phase into the subject Tract 18 could likely begin shortly. Tract 18, containing 15.629 acres, assuming the same development density of the existing The Laurals phases could be developed with 56 lots, at prices of \$45,000 per lot or a per acre gross lot sales of \$162,000. The following is a cursory estimation of the land value based upon per acre lot sales presented as a check for the reasonableness of the value conclusion.

| | | |
|--|---------------------|-----------|
| Sales price per Lot | \$45,000 | |
| Lot Sales per Acre | 3.6 lots | |
| Gross Lot Sales per Acre | 3.6 Lots x \$45,000 | \$162,000 |
| Less: Development Costs-Infrastructure (1/2 of \$320/lf) | \$32,500 | |
| Soft Costs/Contingency (10%) | \$16,200 | |
| Profit (35%) | \$56,700 | |
| Total Costs & Profit | | \$105,500 |
| Indicated Per Acre Value | | \$ 56,500 |

Note: MVS references development costs in Section 66 as ranging from \$277 to \$350/Linear Foot. Above analysis uses an average lot frontage of 80 feet.

17. EXPLANATION and/or BREAKDOWN OF LAND VALUES:

(A) VALUATION AF LAND

| | | | | | | | | | | | | | | |
|------|---------|------|--------------------------|------|--------------------------|------|-------------------------------------|-----|--------------------------|---|-----------|---|-----------------------|------------|
| LAND | 15.6290 | S.F. | <input type="checkbox"/> | F.F. | <input type="checkbox"/> | ACRE | <input checked="" type="checkbox"/> | LOT | <input type="checkbox"/> | @ | \$ 55,986 | = | (Average) Per Unit | \$ 875,005 |
|------|---------|------|--------------------------|------|--------------------------|------|-------------------------------------|-----|--------------------------|---|-----------|---|-----------------------|------------|

REMARKS:

The subject tract has a size that could be developed into a single phase that would mirror the current price point of the homes presently under construction in The Laurals. Two similar active developing subdivisions in Spring Hill were analyzed to arrive at the concluded per acre value for the undeveloped tract.

18. APPROACHES TO VALUE CONSIDERED

| | | | | | |
|------------------------|-------------------------------------|--------------|--------------------------|--|------------|
| (A) Indicated Value of | <input checked="" type="checkbox"/> | Entire Tract | <input type="checkbox"/> | Part Affected from SALES COMPARISON APPROACH | \$ 875,005 |
| (B) Indicated Value of | <input type="checkbox"/> | Entire Tract | <input type="checkbox"/> | Part Affected from COST APPROACH | \$ N/A |
| (C) Indicated Value of | <input type="checkbox"/> | Entire Tract | <input type="checkbox"/> | Part Affected from INCOME APPROACH | \$ N/A |

(D) RECONCILIATION: (Which approaches were given most consideration) (Single-Point Conclusion Should be Reasonably Round)

The sales comparison approach and abbreviated subdivision analysis were employed to arrive at the value of the subject Tract. The development analysis concludes with the estimated value/price that an investor/developer can pay per acre for the tract and still complete the necessary infrastructure as well as earn a profit comensurate with the risks.

| | | | | | |
|--------------------------------------|-------------------------------------|--------------|--------------------------|----------------------|------------------|
| 19. FAIR MARKET VALUE of | <input checked="" type="checkbox"/> | Entire Tract | <input type="checkbox"/> | Part Affected | \$ 875,005 |
| (A) TOTAL AMOUNT DUE OWNER if | <input checked="" type="checkbox"/> | Entire Tract | <input type="checkbox"/> | Part Affected Acquir | \$(See Item 20G) |
| (B) AMOUNT ATTRIBUTABLE TO: | | Land | \$ 875,005 | Improvements | \$ 0 |

REMARKS: As indicated, this valuation analysis includes the estimated value of the Parent Tract and Part Affected, which includes the Fee Value of the Parent Tract "Before" and the Fee Acquisition area and affected improvements. The following list the subject's improvements and their estimated allocated contribution values.

PARTIAL ACQUISITION

20. **VALUE OF ENTIRE TRACT (Land & Affected Improvements) \$875,005**

AMOUNT DUE OWNER IF ONLY PART ACQUIRED (Detail breakdown)

| | | Land Area | | Fee Value | | % of Fee | | |
|--|------------------------|-----------|---|-----------|---|----------|--|----------------|
| A. | LS Land Acquired (Fee) | 0.0000 | S.F. <input type="checkbox"/> Ac. <input checked="" type="checkbox"/> @ | \$0 | X | 0% | | \$0 |
| | RS Land Acquired (Fee) | 0.0084 | S.F. <input type="checkbox"/> Ac. <input checked="" type="checkbox"/> @ | \$55,986 | X | 100% | | \$472 |
| | Drainage Esmt. | 0.0407 | S.F. <input type="checkbox"/> Ac. <input checked="" type="checkbox"/> @ | \$55,986 | X | 80% | | \$1,823 |
| | Slope Esmt. | 0.0394 | S.F. <input type="checkbox"/> Ac. <input checked="" type="checkbox"/> @ | \$55,986 | X | 50% | | \$1,104 |
| Total Land Acquired (Sub-Total of A) | | | | | | | | \$3,399 |
| B. Improvements Acquired (Indicate which improvements by showing structure numbers) | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Total Improvements Acquired (Sub-Total of B) | | | | | | | | \$0 |
| C. Total Land & Improvements Acquired (Sub-Total of A & B) | | | | | | | | \$3,399 |
| D. | Temporary Const. Esmt. | 0.0742 | S.F. <input type="checkbox"/> Ac. <input checked="" type="checkbox"/> @ | \$55,986 | X | 20.00% | | \$831 |
| E. Total Damages (See Explanation, Breakdown and Support on Sheet 2A-9 & 21C). | | | | | | | | \$0 |
| Cost to Cure (Not Offset by Benefits) | | | | | | | | \$0 |
| F. Sum of C, D and E. | | | | | | | | \$4,229 |
| G. Benefits: (Explain and deduct from D. Amount must not exceed incidental damages) | | | | | | | | \$0 |
| H. TOTAL AMOUNT DUE OWNER; if only part is Acquired (Rounded up to Nearest \$100) | | | | | | | | \$4,230 |

21. **VALUE OF REMAINDER (See 2A-9 for Documentation of Remainder Value)**

| A. LAND REMAINDER | | | | | AMOUNT PER UNIT | | DAMAGES | | REMAINING VALUE |
|--|---------|--|----------|----------|------------------------|---------|---------|-----------------------|-----------------|
| | | | | | BEFORE | AFTER | % | \$ | |
| Left | | S.F. <input type="checkbox"/> Ac. <input type="checkbox"/> @ | | | | | | | |
| | PDE | S.F. <input type="checkbox"/> Ac. <input type="checkbox"/> @ | | | | | | | |
| | PSE | S.F. <input type="checkbox"/> Ac. <input type="checkbox"/> @ | | | | | | | |
| Right | 15.5404 | S.F. <input type="checkbox"/> Ac. <input checked="" type="checkbox"/> @ | \$55,986 | \$55,986 | 0.0% | \$0 | | \$870,047 | |
| | PDE | 0.0407 S.F. <input type="checkbox"/> Ac. <input checked="" type="checkbox"/> @ | \$55,986 | \$11,197 | 80.0% | \$1,823 | | \$456 | |
| | PSE | 0.0394 S.F. <input type="checkbox"/> Ac. <input checked="" type="checkbox"/> @ | \$55,986 | \$27,993 | 50.0% | \$1,104 | | \$1,104 | |
| TOTAL REMAINDER VALUE OF LAND | | | | | | | | \$871,606 | |
| B. IMPROVEMENTS REMAINDER | | | | | REMAINDER VALUE-BEFORE | DAMAGES | | REMAINING VALUE AFTER | |
| | | | | | | % | \$ | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| REMAINDER VALUE OF IMPROVEMENTS | | | | | | | | \$0 | |
| REMAINDER VALUE OF LAND | | | | | | | | \$871,606 | |
| C. TOTAL REMAINDER VALUE OF LAND & IMPROVEMENTS | | | | | | | | \$871,606 | |

SUMMARY OF COMPENSATION DUE OWNER

| | |
|---|----------------|
| VALUE OF THE ACQUISITION (PART ACQUIRED): | \$3,399 |
| DAMAGES (to the Land and/or Improvements) | \$0 |
| COST TO CURE, NOT OFFSET BY DAMAGES: | \$0 |
| ESTIMATED COMPENSATION FOR TEMPORARY CONSTRUCTION EASEMENT: | \$831 |
| TOTAL ESTIMATED COMPENSATION: | \$4,230 |

MARY OF REMAINDER

APPRAISERS DESCRIPTION OF REMAINDER AND EXPLANATION OF DAMAGES OR BENEFITS

(Supplement to Items 20 and 21, Pages 2A-8)

A full narrative description of the remainder (s) must be given on all partial acquisitions. The after value estimates, both land and improvements shall be documented and supported by one or more of the applicable approaches to value.

23. HIGHEST AND BEST USE AFTER ACQUISITION:

“As Vacant”

As will be discussed below, the physical site features and characteristics will remain very similar to the before condition. Neither the fee or drainage easements will have a measurable impact in terms of the tract’s potential use. As a result of the size and depth of the lot, the highest and best use in the after situation remains the same as the before situation- residential development.

“As Improved”

N/A

24. DESCRIBE REMAINDER (S):

The 15.621acre remainder is 367 SF less in size (0.0084 acre) or .05% which has no impact upon the remainder’s highest and best use or the intensity of the use. Neither do the 1,773 SF slope or 1,718 SF drainage easements impact the utility of the tract as both would be part of the setback requirements. Physically and economically, the site remains unchanged in terms of the development potential.

Valuation of the Remainder Property

As was discussed above, a review of the physical changes to the Remainder Tract “As if Vacant”, resulting from the proposed project, and nominal impacts, if any, to the remainder improvements due to small size, shape, and location of the temporary easement being acquired. The sales utilized in the valuation of the subject property in the Before Condition, would also apply to the valuation of the remainder property (“As Vacant”). Furthermore, the same adjustments that applied in the valuation of the Parent Tract (Before), via the Sale Comparison Approach would also apply in the valuation of the remainder property, resulting in the same values, less the part affected (land and improvements, were applicable).

| | | |
|--|-------|-----|
| 25. Amount of DAMAGE This Page To--2A-8, Item 20-D | _____ | \$0 |
| (A) Amount of BENEFITS This Page To--2A-8, Item 20-F | _____ | \$0 |

**State of Tennessee Department of Transportation
Approved Offer Compensation**

ROW FORM 2
Revision 11-05-2014

STATE PROJ. #: 60LPLM-S2-021
FED PROJ. #: SIA
PIN #: 121394.00
TAX MAP/PARCEL NO: 25/42
OWNERS: HAROLD E CRYE - TR
THE HAROLD E CRYE LIVING TRUST

COUNTY/S Maury
FIELD OFFICE: Region 3
FORM 2 DATE: 7/28/2016
TRACT #: 18

SUMMARY OF REPORTS

| PERSONNEL | APPRAISER'S NAME | APPRAISAL AMOUNT | EFFECTIVE VALUATION | TYPE REPORT |
|----------------------|------------------|------------------|---------------------|-------------|
| James F Turrisi, Jr. | Gerald Turbyfill | \$4,230.00 | 03/25/2016 | Formal |

APPROVED ACQUISITION AREAS/COMPENSATION

| INTERESTS ACQUIRED | ORIGINAL ACQUISITION AREAS | ORIGINAL APPROVED COMP. | RENDER ACQUISITION AREAS | RENDER APPROVED COMPENSATION | ALTERNATE ACQUISITION AREAS | ALTERNATE APPROVED COMP. |
|---------------------------|----------------------------|-------------------------|--------------------------|------------------------------|-----------------------------|--------------------------|
| LAND (FEE SIMPLE) | 357 s.f. | \$472.00 | | | | |
| PDE | 1,718 s.f. | \$1,823.00 | | | | |
| SLOPE EASEMENT | 1,773 s.f. | \$1,104.00 | | | | |
| TCE | 3,232 s.f. | \$831.00 | | | | |
| AIR RIGHTS | | \$0.00 | | | | |
| ACCESS CONTROL | | \$0.00 | | | | |
| AVIGATION | | \$0.00 | | | | |
| OTHER | | \$0.00 | | | | |
| (LAND OWNER) IMPROVEMENTS | | \$0.00 | | | | |
| (OWNER) DAMAGES/BENEFITS | | \$0.00 | | | | |
| APPROVED OFFER AMOUNT | | \$4,230.00 | | | | |
| UTILITY ADJUSTMENT | | \$0.00 | | | | |
| (OWNER) TOTAL | | \$4,230.00 | | | | |
| TENANT IMPROVEMENTS TOTAL | | \$0.00 | | | | |
| FORM 2 GRAND TOTAL | | \$4,230.00 | | | | |

ORIGINAL AREA SUMMARY

ALTERNATE AREA SUMMARY

| ORIGINAL AREA BEFORE | ORIGINAL AREA ACQUIRED | ORIGINAL AREA AFTER | ALTERNATE AREA ACQUIRED | ALTERNATE AFTER AREA ACQUISITION |
|----------------------|------------------------|---------------------|-------------------------|----------------------------------|
| 15.629 Ac. | 0.008 Ac. | 15.621 Ac. | | |

COMMENTS TO NEGOTIATOR

The appraisal report appears to be well founded, documented and supported with data found for the market area of the project. The analysis and logic employed are based on accepted methods for appraisal Scope of Work. The amount noted in the appraisal report totaled \$4,230.00. The approved Total Amount Due Owner has been rounded to \$4,300.00 by the appraisal reviewer.

Completed By

Agency Staff Approval (If Consultant)

In forming the estimated market value, we considered all previously discussed pertinent factors, including the current strong level of development activity occurring along the Beechcroft Road corridor in the immediate neighborhood. We also took into consideration the secondary nature of the subject's location, which is offset to some degree by its relatively small size. We selected an "as is" market value from the lower-middle of the range of approximately \$3.50/SF for the 0.77-acre (33,459 SF) subject site.

VALUATION OF THE ACQUISITION

Permanent Utility Easement: The estimated market value of the underlying fee simple estate of the proposed permanent easement is \$3.50/SF. Although ownership will be retained within the easement area, this acquisition will place an additional encumbrance on the property. However, the proposed easement should not have a significant effect on the current or future utilization or development potential of the subject property, as it is within the required 40' minimum building setback. Consequently, this portion of the acquisition is valued at 50% of the fee simple value, or approximately \$1.75/SF (\$3.50/SF x 50%). Based on the size (3,128 SF) of the proposed 15' wide permanent utility easement area, the estimated value is \$5,475 (rounded) (3,128 SF x \$1.75/SF).

\$5.00/SF

Temporary Construction Easement: The permanent utility easement will be accompanied by an adjoining 15'-wide temporary construction easement containing a total land area of approximately 3,203 SF. This temporary easement will extend throughout the entire construction period, which we have estimated will not exceed 12 months. Based on typical acceptable land yield rates of around 10%, the use of this property for 12 months reflects 10% of the fee simple value. Accordingly, the temporary construction easement is valued at \$1,125 (rounded) (3,203 SF x \$3.50/SF x 10%).

\$5.00/SF x 20%

A summary of the "amount due owner", as of August 27, 2016, is provided below:

Summary of Amount Due Owner

| | | |
|---|----------------|-------------------|
| Permanent Utility Easement: | \$5,475 | <i>\$15,640 -</i> |
| Temporary Construction Easement: | \$1,125 | <i>\$ 3,203 -</i> |
| Total Amount Due Owner: | \$6,600 | <i>\$18,843 -</i> |

APPRAISAL REPORT

TENNESSEE DEPARTMENT OF TRANSPORTATION

THE PURPOSE OF THIS APPRAISAL IS TO ESTIMATE THE FAIR MARKET VALUE FOR HIGHWAY RIGHT-OF-WAY PURPOSES

1. Name, Address & Telephone Numbers:

(A) Owner: Harold E. Crye, Trustee
5111 Peter Park Drive, Suite 700
Brentwood, TN 37027
(615)478-7111

(B) Tenant: None

(C) Address and/or location of subject: S.W. corner of SR 247 (Beechcroft Road) & Town Center Pkwy., Spring Hill, TN 37174

The subject is located at the southwestern corner of Beechcroft Road (SR 247) and Town Center Parkway within incorporated Spring Hill (Maury County), Tennessee, 37174

2. Detail Description of Entire Tract:

“Property Description Before Acquisition”

The subject property consists of a 0.7418-acre commercial tract which has no improvements. The tract is at grade at the roadways intersection rising gradually in a west, southwestern direction. The slightly irregular shaped rectangle tract fronts ±205 feet on Beechcroft Road and ±141.95 feet on Town Center Parkway. The site is open and grassed with an average depth of ±158 feet from Beechcroft Road and ±225 feet from Town Center Parkway.

3. (A) Tax Map and Parcel No. 025 014.00 **(B) Is Subject in a FEMA Flood Hazard Area? Yes** **No**
If yes, Show FEMA Map/Zone No. 470119C00 dated 4/16/07

4. Interest Acq.: Fee **Drainage Esm't.** **Construction Esm't.** **Slope Esm't.** **Other:** _____

5. Acquisition: Total **Partial**

6. Type of Appraisal: Formal **Formal Part-Affected** **1. Appraisal Report**

7. Detail Description of Land Acquired: **2. Restricted Appraisal Report**
(see additional comments page)

Proposed Fee Acquisition/Area of Taking-

A 1,154 SF or 0.026 strip approximately 6.25 feet in depth at its greatest point along the Beechcroft Rd. frontage and reducing to 0 feet subsequent to the arc located south of the Town Center Parkway intersection. (Continued on following page)

Proposed Permanent Drainage Easement

The 0.138 acre drainage easement wraps the entire tract being a strip that starts with a depth of 5.22 feet at the northwestern tract corner, widening to 35 feet at the Town Center Parkway intersection before dropping to 20.7 feet in depth at the southeastern corner of the tract.

Proposed Permanent Slope Easement

The 358 SF slope easement (0.008 acre) is 4 feet in depth at the northwestern corner running 105 feet along Beechcroft Road then ending and reducing to a depth of 1.5 feet approximately 72 feet west of the eastern property line. The easements are contained between Sta. Nos 104+99.72 located at the tract's northwest corner around the frontage roads intersection to Sta. No. 106+89.14 or near the southeastern corner of the property.

Proposed Temporary Construction Easement

The 1,724 SF or 0.04 acre proposed temporary construction easement is a narrow strip triangular a narrow strip that is approximately 6.25 feet in depth and extends from the western tract line along Beechcroft Road to within approximately 19 feet of the eastern property line.

8. Sales of Subject: (Show all recorded sales of subject in past 5 years; show last sale of subject if no sale in past 5 years.)

| Sale Date | Grantor | Grantee | Book Page | Verified Consideration | How Sale Amount Verified |
|------------------|---------------------------------|-------------------------------|-----------------------|------------------------|--------------------------|
| 11/4/2003 | Janis E. Bean & John K. Jackson | Harold E. Crye, Trustee | R1762/277 | \$1,700,000 | Recording Affiant |
| N/A | N/A | N/A | N/A | N/A | N/A |
| Existing Use | Zoning | Utilities Available | Off Site Improvements | Area Lot or Acreage | |
| Rural Commercial | B-3, Intermediate Business | Water, Elect., Telephone, Gas | None | Multiple Parcels | |

9. Highest and Best Use: (Before Acquisition)(If different from existing make explanation supporting same.)The highest and best of Tract 16 is for commercial use as zoned and detailed in the discussion which follows.

State Project No. 60LPLM-S2-021 County Maury Tract No. 16
Federal Project No. SIA CLI Name of Appraiser G. Michael Turbyfill, Sr.

DEFINITION: The definition of highest and best use is best defined as the reasonable, probable and legal use of vacant land and/or improved property which is physically possible, appropriately supported, financially feasible, and results in the highest value. The four criteria that must be met are physically possible, legally permissible, financially feasible, and maximally productive. An improved property must be analyzed both as vacant and improved with regards to its highest and best use.

The subject property's Highest and Best Use "As Vacant" is for future commercial use as a result of the parcel's corner location at Beechcroft Road and Town Center Parkway. The local economic conditions and the substantial number of equal or superior tracts located on Town Center Parkway and U.S. Highway 31 that are presently available will determine the timetable in which demand pressure will prompt development of the parcel.

Before Taking "As If Vacant"

Physically Possible - Reference is made to Section 2 of this report "*Property Description Before Acquisition*", which describes the land area, shape, boundary dimensions, topography, grade, soil/subsoil conditions, drainage, flood hazard data, environmental hazards, utilities, access/driveway(s), and exposure for the subject site. Physically the tract is smaller than the typical developed commercial tract, although similar size undeveloped tracts are adjacent to the south of Tract 16 which are vacant and owned by the subject tract's owner. Town Center Parkway is the future location of offices and commercial uses as a result of Spring Hill City Hall being located less than a quarter mile south of the subject and the City's U.S Post Office is located at the opposite corner of the subject tract's intersection. The Parkway provides convenient access to The Crossings shopping center and SR 396 which leads to I-65. The subject tract is close to being building pad ready and the intersection will likely be a signaled intersection in the future. The utility easement that lies along the Beechcroft frontage does not impact the development of the property. Based on these physical aspects of the parent tract, physically the parcel is best suited for a future commercial use.

Legally Permissible - As earlier noted, the subject is currently zoned "B-3", Intermediate Business District by City of Spring Hill. Permitted uses within this district include a wide range of wholesale and retail businesses. The district is the most intense commercial district other than C-4, the CBD district. Upon appeal warehouse use is permitted. The small size of the tract may require assemblage with one or two of the adjacent parcels for some uses as there are parking requirements that apply. Considering the spot commercial zonings of neighborhood parcels observed by the appraiser and the limited commercial development on the northwest side of Spring Hill, most any non -noxious use would likely be favorably considered.

Financially Feasible - The immediate subject neighborhood is located on the western outskirts of Spring Hill, an area that is oriented around the GM plant. Presently, all the commercial development activity is center at The Crossing Shopping Center or U.S. Highway 31, the other SR 396 interchanges and U.S. Highway 31 north of Beechcroft Road intersection. The subject tract will likely be developed within the next 5 years or the next economic growth cycle, benefiting from the draw of City Hall and the Post Office. Development has to proceed westward as residential roof tops are quickly filling in the available land tracts that are located between U.S. Highway 31 and I-65. It is only a matter of time that a branch bank or discount variety store establishes a unit on the Beechcroft corridor capturing traffic that doesn't require a big box retailer or the intensity of the U.S. Highway 31 retailing.

Maximally Productive - After reviewing the subject's physical features, legally permitted uses, which includes the existing zoning classification, with consideration given to the subject surrounding land uses, and the economics influencing this area, it is my opinion that the maximally productive use of the subject site would be best suited for a future commercial use with no identifiable interim use.

Before Taking "As Improved"

N/A

ADDITIONAL COMMENTS

2. Detail Description of Entire Tract: Continued from preceding page.....

There are no improvements on Tract 16

"Property Description Before Acquisition"

The subject's underlying soil conditions appears to be suitable for a commercial use as the tract was rough (almost pad ready) graded when Town Center Parkway was constructed. All utilities serve the tract. Town Center Pkwy. is a four lane roadway with a grassed/landscaped median. (Reference is made to the Aerial Tax Map and subject Photos, located in Section 26 which provide visual illustration of these features noted above)

7. Detail Description of Land Acquired: Continued from preceding page.....

Proposed Fee Acquisition/Area of Taking- There are no improvements in any of the areas in which rights are being acquired.

Proposed Easement(s), Temporary and Permanent - The temporary construction easement area represents a small 149 square foot parcel that represents the eastern termination of the roadway project. There are no improvements in the temporary easement. The appraiser is unable to determine if any of the remnants of the old wire fencing that separates the subject property from TDOT Parcel 1 lies within the subject parcel.

| | | | | | |
|---------------------|----------------------|-------------------|----------------------------------|-----------|-----------|
| State Project No. | <u>60LPLM-S2-021</u> | County | <u>Maury</u> | Tract No. | <u>16</u> |
| Federal Project No. | <u>SIA CLI</u> | Name of Appraiser | <u>G. Michael Turbyfill, Sr.</u> | | |

(Reference is made to both the Aerial Tax Map and the subject Photos, located in the Addenda which provide visual illustration of these features noted above).

6. Type of Appraisal: Continued from preceding page.....

Intended Use of Report – This “Formal” appraisal of a 100% ownership position is intended for the sole purpose of assisting the Tennessee Department of Transportation in the acquisition of land for right-of-way purposes. This assignment is of the entire subject property and will include the valuation of all subject improvements.

This is an Appraisal Report, which is intended to comply with Standard Rule 2-2(a). As such, it presents only summary discussions of the data, reasoning and analysis that were used in the appraisal process. Supporting documentation that is not provided within the report is retained in the appraiser’s work file or can be obtained from the Market Data Brochure. The depth of discussion contained in this report is specific to the needs of the client.

| | | | | |
|---|--|------------------|---|------------------|
| This Appraisal Is Based On Original Plans | | Or Plan Revision | X | Dated: 3/31/2016 |
|---|--|------------------|---|------------------|

Comments: None

SALES COMPARISON APPROACH

14. LAND VALUE ANALYSIS

The appraiser used the Direct Sales Comparison Approach to value the land for the subject property. The Sales Comparison Approach is typically utilized in valuing land.

The Sales Comparison Approach is defined as *a set of procedures in which an appraiser derives a value indication by comparing the property being appraised to similar properties that have been sold recently, apply an appropriate unit of comparison, and making adjustments, based on the elements of comparison, to the sales prices of the comparables.*

Not all property transactions investigated by the appraiser will be used to form a value conclusion. A properly qualified, comparable sale need not be identical to the subject but should have the same highest and best use, should be physically similar to the subject in the factors effecting value, should be a recent transaction and should be a bonafide, arm's length transaction. In summary, the comparable sale properties should conform to the market value definition and should be in the same market as the subject property.

The research for this valuation analysis resulted in no recent commercial land sales in vicinity of Beechcroft Road. Several sources including the tax assessor’s office, MLS, economic development director and area brokers were pursued for commercial land sales data. The one sale and two listings analyzed and contained in the report are the best sale indications from which to compare with the subject property; however, all have superior locations. All had similar zonings regardless of their jurisdictional locations. Adjustments have been made for the subject’s similar and dissimilar characteristics.

Shown on the following page are the commercial land sale and listings. Each sale’s similarity/dissimilarity to the subject is briefly discussed following the “Comparable Land Sales Comparison Summary Chart”.

14. LAND VALUE ANALYSIS

ADJUST SALES TO SUBJECT USING (Plus +, Subject Better)(Minus -, Subject Poorer) Using Dollar Adjustments Only. If the land is broken down and assigned more than one unit value, additional sales must be shown supporting each value.

(A) ANALYSIS OF COMPARABILITY (Insert Comp. Sale No's from Brochure of Attachments)

| Inspection Date | | 3/25/2016 | | LS I-C-10 | | LS I-C-12 | | LS I-C-13 | |
|---|----------------------------|--|-------------|------------------------------------|-------------|------------------------------------|-------------|------------|-----|
| CASH EQUIVALENT Sales Price | | \$ 308,500 | | \$ 399,000 | | \$ 575,000 | | | |
| Real Property Rights Conveyed | | Fee Simple | | Fee Simple | | Fee Simple | | Fee Simple | |
| Date of Sale | # of Periods (Mo.) | 9/15/2014 | 18.31 | N/A | N/A | N/A | N/A | N/A | N/A |
| % Per Period | Time Adj. | 0.00% | 0.0% | -10.00% | N/A | -10.00% | N/A | | |
| Sales Price Adj. for Time | | \$ 308,500 | | \$ 359,100 | | \$ 517,500 | | | |
| Expenditures Made Immediately After Sales/Contribution of Imp. | | \$ 0 0.0% | | \$ 0 0.0% | | \$ 0 0.0% | | | |
| Adjusted Sales Price | | \$ 308,500 | | \$ 359,100 | | \$ 517,500 | | | |
| Gross Land Area (Ac./SF) | | Acres SF | | Acres SF | | Acres SF | | | |
| 0.742 | 32,311 | 2.4900 | 108,464 | 1.2400 | 54,014 | 2.6700 | 116,305 | | |
| Number of FF and/or Lots | | FF Lots/Units | | FF Lots/Units | | FF Lots/Units | | | |
| 205 | / 0 | 283 | 0 | 340' | 0 | ±380 | 0 | | |
| Unit Value Land | | \$ 2.84 | | \$ 6.65 | | \$ 4.45 | | | |
| SF <input checked="" type="checkbox"/> FF <input type="checkbox"/> AC <input type="checkbox"/> Lot <input type="checkbox"/> | | | | | | | | | |
| Net Useable Land Area (Ac./SF) | | 2.4900 108,464 | | 1.2400 54,014 | | 2.6700 116,305 | | | |
| Adjusted Unit Land Value / SF | | \$ 2.84 | | \$ 6.65 | | \$ 4.45 | | | |
| Proximity to Subject (Driving Dist.) | | 6.5 miles | | 0.5 mile | | .25 mile | | | |
| Elements | Subject | Description | (+)(-) Adj. | Description | (+)(-) Adj. | Description | (+)(-) Adj. | | |
| Location (A) | Intown | Intown | -10.0% | Intown | -5.0% | Intown | -5.0% | | |
| Land Size (B) | 0.742 Ac | 2.49 Ac Inferior | 10.0% | 1.24 Ac Similar | | 2.67 Ac Inferior | 10.0% | | |
| Shape/ Configuration (C) | Slightly Irregular | Slightly Irregular | | Irregular | | Irregular | | | |
| | | Similar | | Similar | | Similar | | | |
| Site/View (D) | Good | Good Similar | | Avg/Typical Similar | | Avg/Typical Similar | | | |
| Topography (E) | Gentle Slope | Flat/Level Similar | | Rolling Inferior | 10.0% | Rolling Inferior | 10.0% | | |
| Access (F) | Good | Avg/Typical Inferior | 10.0% | Avg/Typical Similar | | Avg/Typical Similar | | | |
| Zoning (G) | B-3, Intermediate Business | B-4, Central Business District Similar | | B-3, Intermediate Business Similar | | B-3, Intermediate Business Similar | | | |
| Utilities Available (H) | All Utilities | All Public Utilities | | All Public Utilities | | All Public Utilities | | | |
| | | Similar | | Similar | | Similar | | | |
| Encumbrances, Easements, (I) | None | Similar | | Similar | | Similar | | | |
| Off-Site Improvements (J) | None | Similar | | Similar | | Similar | | | |
| Other Adj. (Specify) (K) | N/A | Similar | | Similar | | Similar | | | |
| Other Adj. (Specify) (L) | N/A | Similar | | Similar | | Similar | | | |
| NET ADJUSTMENTS | | | 10% | 5% | | 15% | | | |
| ADJUSTED INDICATED UNIT VALUE | | \$ 3.12 | | \$ 6.98 | | \$ 5.12 | | | |
| (B) TOTAL INDICATED VALUE OF SUBJECT LAND: | | (\$5.00 X 32,311) | | Correlated Unit Value X Units | | \$161,555 | | | |

14. LAND VALUE ANALYSIS:

With no sales activity in the vicinity of the Beechcroft Road project, the sales research was extended to Williamson County which also includes the norther section of Spring Hill. [Field]LS I-C-10 is similar to Tract 16 being located several blocks off the U.S. Highway 31 corridor, the densely developed commercial corridor. LS I-C-12 and LS I-C-13 are listings that are located on Town Center Parkway/Stephen P. Yokich Parkway (same roadway, name changes at Kedron Pkwy. intersection). LS I-C-10 was an "Arm's Length" transaction.[Field] The adjusted land sales are shown in the Comparable Land Sales Summary Chart on the previous page, with the adjusted unit land values.

Market Conditions (Time)/Financing Concessions - The comparable land sale analyzed for this analysis involved either cash to seller transactions or were cash equivalent, thus no adjustments were made for these considerations. LS I-C-10 occurred within nineteen months of the date of value, requiring no adjustment for time or changes in market condition. There simply is no evidence that commercial land prices have increased over the past several post recession years that would warrant an upward adjustment for time; however, both listings were adjusted downward by 10% to account for likely negotiations. Numerous "For Sale" signs are found along the primary and secondary traffic routes in Spring Hill.

Expenditures Made Immediately After Sales/Contribution of Existing Improvements – None

Location – LS I-C-10 has a similar location to Tract 16 with regards to U.S. Highway 31, although that northern section of Spring Hill is the most active and intensively developed section of the major roadway corridor where off highway development is actively occurring in comparison to the dormant Tract 16 location. In addition to the Tract 16, by example, there are 4 other similar sized parcels to Tract 16 under the same ownership that separate the subject tract from the Spring Hill Town Hall. LS I-C-12 and LS I-C-13 are located less than ½ mile from Tract 16 yet have slightly superior locations being closer to more recent improved residential and commercial developments. Downward 10% and 5% adjustments for location were applied to all three sales.

Size – Being that LS I-C-10 and LS I-C-13 are over 2 acres in size compared to Tract 16's 0.742 acre size, both sales were adjusted upward by 10%.

Shape/Configuration – Although differences do exist, other features are more influential and none of the sales have reduced utility as a result of this characteristic.

Site View/Visibility – The subject is similar to all the sales in terms of this characteristic.

Topography- Both listings have rolling topography which will increase site-preparation costs in comparison to the subject's and LS I-C-10's level topography. The listings were adjusted upward for their inferior topography.

Access- LS I-C-10 was adjusted upward by 10% to reflect the sale's location on a secondary subdivision street several blocks off the primary U.S. Highway 31 corridor.

Zoning- The many spot zonings of the B districts within Spring Hill, even within commercial subdivisions, leads to the conclusion that the City is willing to re-zone tracts in order for planned or proposed uses (if not noxious) are conforming uses, therefore no adjustments are required for the differences in B districts.

Available Public Utilities – Tract 16 and the sale/listings are similar in terms of utilities. All are available.

With regards to all **Other Adjustments**, no other adjustments are warranted.

Conclusion - These three indications of value prior to adjustments suggest a value range of \$2.84 to \$7.39 per square foot of land area. After the analysis and adjustment process, the three sales indicated an adjusted unit value range of \$3.12 to \$6.98 per square foot. With limited data, qualitative adjustments and judgement is necessary to compliment the quantitative adjustments. Considering the corner location of the location of Tract 16 across from the Spring Hill USPO, the level topography, and small size, the concluded value is \$5.00 per square foot which equates to total value of \$161,555.

Lastly, LS I-C-10 reflects the reality of the current post recession marketplace being located in a very active market location, whereas the listings which are located close to Tract 16 are priced at pre-recession prices as both were acquired in 2006 for less than the current asking prices.

17. EXPLANATION and/or BREAKDOWN OF LAND VALUES:

(A) VALUATION AF LAND

LAND 32,311 S.F. F.F. ACRE LOT @ \$ 40,000.00 = (Average) Per Unit \$ 161,555

REMARKS:

The value reflects a per unit value that is higher than a larger acreage industrial tract.

18. APPROACHES TO VALUE CONSIDERED

- (A) Indicated Value of Entire Tract Part Affected from SALES COMPARISON APPROACH \$ 161,555
- (B) Indicated Value of Entire Tract Part Affected from COST APPROACH \$ N/A
- (C) Indicated Value of Entire Tract Part Affected from INCOME APPROACH \$ N/A

(D) RECONCILIATION: (Which approaches were given most consideration) (Single-Point Conclusion Should be Reasonably Rounded)

There have been no small industrial acreage sales in the vicinity of the subject tract that have sold. The current owner acquired the property in 2005 for \$250,000 which underscores the fact that the single-family structure is only an interim use with the majority if not all of the property value lies in the land.

19. FAIR MARKET VALUE of Entire Tract Part Affected \$ 161,555

(A) **TOTAL AMOUNT DUE OWNER** i Entire Tract Part Affected Acquired \$ (See Item 20G)

(B) **AMOUNT ATTRIBUTABLE TO:** Land \$ 161,555 Improvements \$ 0

REMARKS: As indicated, this valuation analysis includes the estimated value of the Parent Tract and Part Affected, which includes the Fee Value of the Parent Tract "Before" and the Fee Acquisition area and affected improvements. The following list the subject's improvements and their estimated allocated contribution values.

List of Structures and there Estimated Contribution Values

\$0

Total Estimated Contribution Value of Improvements (Structures)

\$0

State Project No. 60LPLM-S2-021 County Maury Tract No. 16

Federal Project No. SIA CLI Name of Appraiser G. Michael Turbyfill, Sr.

PARTIAL ACQUISITION

20.

VALUE OF ENTIRE TRACT (Land & Affected Improvements) \$161,555

AMOUNT DUE OWNER IF ONLY PART ACQUIRED (Detail breakdown)

| | Land Area | | | | | Fee Value | % of Fee | | |
|--|-----------|------|-------------------------------------|-----|--------------------------|-----------|----------|--|-----------------|
| A. <u>LS</u> Land Acquired (Fee) | 0 | S.F. | <input checked="" type="checkbox"/> | Ac. | <input type="checkbox"/> | \$0.00 | X 0% | | \$0 |
| <u>RS</u> Land Acquired (Fee) | 1,154 | S.F. | <input checked="" type="checkbox"/> | Ac. | <input type="checkbox"/> | \$5.00 | X 100% | | \$5,770 |
| Drainage Esmt. | 6,012 | S.F. | <input checked="" type="checkbox"/> | Ac. | <input type="checkbox"/> | \$5.00 | X 80% | | \$24,048 |
| Slope Esmt. | 358 | S.F. | <input checked="" type="checkbox"/> | Ac. | <input type="checkbox"/> | \$5.00 | X 50% | | \$895 |
| Total Land Acquired (Sub-Total of A) | | | | | | | | | \$30,713 |
| B. Improvements Acquired (Indicate which improvements by showing structure numbers) | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Total Improvements Acquired (Sub-Total of B) | | | | | | | | | \$0 |
| C. Total Land & Improvements Acquired (Sub-Total of A & B) | | | | | | | | | \$30,713 |
| D. Temporary Const. Esmt. | 2,639 | S.F. | <input checked="" type="checkbox"/> | Ac. | <input type="checkbox"/> | \$5.00 | X 20.00% | | \$2,639 |
| E. Total Damages (See Explanation, Breakdown and Support on Sheet 2A-9 & 21C). | | | | | | | | | \$0 |
| Cost to Cure (Not Offset by Benefits) | | | | | | | | | \$0 |
| F. Sum of C, D and E. | | | | | | | | | \$33,352 |
| G. Benefits: (Explain and deduct from D. Amount must not exceed incidental damages) | | | | | | | | | \$0 |
| H. TOTAL AMOUNT DUE OWNER; if only part is Acquired (Rounded up to Nearest \$100) | | | | | | | | | \$33,400 |

21. VALUE OF REMAINDER (See 2A-9 for Documentation of Remainder Value)

A. LAND REMAINDER

| | | | | | AMOUNT PER UNIT | | DAMAGES | | REMAINING VALUE |
|-------|--------|------|-------------------------------------|-----|--------------------------|--------|---------|-------|-----------------|
| | | | | | BEFORE | AFTER | % | \$ | |
| Left | | S.F. | <input type="checkbox"/> | Ac. | <input type="checkbox"/> | | | | |
| PDE | | S.F. | <input type="checkbox"/> | Ac. | <input type="checkbox"/> | | | | |
| PSE | | S.F. | <input type="checkbox"/> | Ac. | <input type="checkbox"/> | | | | |
| Right | 24,787 | S.F. | <input checked="" type="checkbox"/> | Ac. | <input type="checkbox"/> | \$5.00 | \$5.00 | 0.0% | \$0 |
| PDE | 6,012 | S.F. | <input checked="" type="checkbox"/> | Ac. | <input type="checkbox"/> | \$5.00 | \$1.00 | 80.0% | \$24,048 |
| PSE | 358 | S.F. | <input checked="" type="checkbox"/> | Ac. | <input type="checkbox"/> | \$5.00 | \$2.50 | 50.0% | \$895 |

TOTAL REMAINDER VALUE OF LAND \$130,844

B. IMPROVEMENTS REMAINDER

| REMAINDER VALUE-BEFORE | DAMAGES | | REMAINING VALUE AFTER |
|------------------------|---------|----|-----------------------|
| | % | \$ | |
| | | | |
| | | | |
| | | | |

REMAINDER VALUE OF IMPROVEMENTS \$0

REMAINDER VALUE OF LAND \$130,844

C. **TOTAL REMAINDER VALUE OF LAND & IMPROVEMENTS \$130,844**

SUMMARY OF COMPENSATION DUE OWNER

| | |
|---|-----------------|
| VALUE OF THE ACQUISITION (PART ACQUIRED): | \$30,713 |
| DAMAGES (to the Land and/or Improvements) | \$0 |
| COST TO CURE, NOT OFFSET BY DAMAGES: | \$0 |
| ESTIMATED COMPENSATION FOR TEMPORARY CONSTRUCTION EASEMENT: | \$2,639 |
| TOTAL ESTIMATED COMPENSATION: | \$33,400 |

State Project No. 60LPLM-S2-021 County Maury Tract No. 16

Federal Project No. SIA CLI Name of Appraiser G. Michael Turbyfill, Sr.

SUMMARY OF REMAINDER
APPRAISERS DESCRIPTION OF REMAINDER AND EXPLANATION OF DAMAGES OR BENEFITS
(Supplement to Items 20 and 21, Pages 2A-8)

A full narrative description of the remainder (s) must be given on all partial acquisitions. The after value estimates, both land and improvements shall be documented and supported by one or more of the applicable approaches to value.

23. HIGHEST AND BEST USE AFTER ACQUISITION:

“As Vacant”

As will be discussed below, the physical site features and characteristics will remain very similar to the before condition. Neither the fee or drainage easements will have a measurable impact in terms of the tract’s potential use. As a result of the size and depth of the lot, the highest and best use in the after situation remains the same as the before situation- commercial development. The size of the tract may limit its marketability, no different than the before situation.

“As Improved”

N/A

24. DESCRIBE REMAINDER (S):

The 0.742 acre remainder is 1,154 SF less in size (0.0265 acre) or 3.45% which has no impact upon the remainder’s highest and best use or the intensity of the use. The 0.138 acre or 6,011 SF drainage easement encompasses more of the eastern Town Center Parkway frontage, although it should not impede the development potential of the site considering setback and landscaping requirements. Physically and economically, the site remains unchanged in terms of the development potential. The use limitations because of the size in the before situation applies in the after situation

Valuation of the Remainder Property

As was discussed above, a review of the physical changes to the Remainder Tract “As if Vacant”, resulting from the proposed project, and nominal impacts, if any, to the remainder improvements due to small size, shape, and location of the temporary easement being acquired. The sales utilized in the valuation of the subject property in the Before Condition, would also apply to the valuation of the remainder property (“As Vacant”). Furthermore, the same adjustments that applied in the valuation of the Parent Tract (Before), via the Sale Comparison Approach would also apply in the valuation of the remainder property, resulting in the same values, less the part affected (land and improvements, were applicable).

| | | |
|---|--|-----|
| 25. Amount of DAMAGE This Page To--2A-8, Item 20-D | | \$0 |
| (A) Amount of BENEFITS This Page To--2A-8, Item 20-F | | \$0 |

State of Tennessee Department of Transportation
Approved Offer Compensation

ROW FORM-2
Revision 11-05-2014

STATE PROJ. #:
FED PROJ. #: SIA
PIN #: 121394.00
TAX MAP/PARCEL NO: 025/014.00
OWNERS: HAROLD E. CRYE, TRUSTEE

COUNTY/S Maury
FIELD OFFICE: Region 3
FORM 2 DATE: 7/11/2016
TRACT #: 16

SUMMARY OF REPORTS

| PERSONNEL | APPRAISER'S NAME | APPRAISAL AMOUNT | EFFECTIVE VALUATION | TYPE REPORT |
|----------------------|------------------|------------------|---------------------|-------------|
| James F Turrisi, Jr. | Gerald Turbyfill | \$33,400.00 | 03/25/2016 | Formal |

APPROVED ACQUISITION AREAS/COMPENSATION

| INTERESTS ACQUIRED | ORIGINAL ACQUISITION AREAS | ORIGINAL APPROVED COMP | REVISED ACQUISITION AREAS | REVISED APPROVED COMPENSATION | ALTERNATE ACQUISITION AREAS | ALTERNATE APPROVED COMP |
|---------------------------|----------------------------|------------------------|---------------------------|-------------------------------|-----------------------------|-------------------------|
| LAND (FEE SIMPLE) | 1,154 s.f. | \$5,770.00 | | | | |
| PDE | 0.138 Ac. | \$24,048.00 | | | | |
| SLOPE EASEMENT | 358 s.f. | \$895.00 | | | | |
| TCE | 1,724 s.f. | \$2,639.00 | | | | |
| AIR RIGHTS | | \$0.00 | | | | |
| ACCESS CONTROL | | \$0.00 | | | | |
| AVIGATION | | \$0.00 | | | | |
| OTHER | | \$48.00 | | | | |
| (LAND OWNER) IMPROVEMENTS | | \$0.00 | | | | |
| (OWNER) DAMAGES/BENEFITS | | \$0.00 | | | | |
| APPROVED OFFER AMOUNT | | \$33,400.00 | | | | |
| UTILITY ADJUSTMENT | | \$0.00 | | | | |
| (OWNER) TOTAL | | \$33,400.00 | | | | |
| TENANT IMPROVEMENTS TOTAL | | \$0.00 | | | | |
| FORM 2 GRAND TOTAL | | \$33,400.00 | | | | |

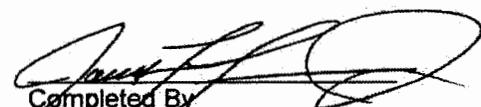
ORIGINAL AREA SUMMARY

ALTERNATE AREA SUMMARY

| ORIGINAL AREA BEFORE | ORIGINAL AREA ACQUIRED | ORIGINAL AREA AFTER | ALTERNATE AREA ACQUIRED | ALTERNATE AFTER AREA ACQUISITION |
|----------------------|------------------------|---------------------|-------------------------|----------------------------------|
| 0.768 Ac. | 0.000 Ac. | 0.768 Ac. | | |

COMMENTS TO NEGOTIATOR

The appraisal report appears to be well founded, documented and supported with data found for the market area of the project. The analysis and logic employed are based on accepted methods for appraisal Scope of Work. The amount noted in the appraisal report totaled a rounded amount of \$33,400.00. The approved Total Amount Due Owner is \$33,400.00 by the appraisal reviewer.

Completed By 

Agency Staff Approval (If Consultant)