

SEP - 5 2017

CITY OF COLUMBIA, ILLINOIS
ORDINANCE NO. 3343

AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR AND CITY
ATTORNEY TO NEGOTIATE FOR THE ACQUISITION OF ADDITIONAL RIGHT-
OF-WAY FOR THE EXPANSION OF EAST CENTERVILLE STREET

Stacy Hoff
City Clerk

WHEREAS, the City of Columbia ("City"), Monroe and St. Clair Counties, Illinois, is a duly created, organized and validly existing municipality of the State of Illinois, including particularly the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto; and

WHEREAS, the City desires to acquire a piece of property ("Property") located at the northeast intersection of South Main Street and East Centerville Street for the purpose of intersection improvements (East Centerville Street and South Main Street), which consist of the widening of East Centerville Street and pedestrian accommodations; and

WHEREAS, the Property to be acquired is approximately 20 feet wide and 172 feet long for a total of 3,440 square feet of new right-of-way; and

WHEREAS, the City hired a professional appraisal to value the Property, so the City could make a good faith offer for same; and

WHEREAS, on June 19, 2017, the City Council, by motion authorized the City Attorney to make an offer for the Property based on the appraised value; and

WHEREAS, the City and landowner have not been able to reach an agreement on the sales price for said Property.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and City Council of the City of Columbia, Monroe and St. Clair Counties, Illinois, as follows:

Section 1. That the preceding recitations in the upper part of this Ordinance are realleged, restated, and adopted as paragraph one ("1") of this Ordinance.

Section 2. That it is necessary and desirable that the Property described above and in the Appraisal dated April 27, 2017, which is attached hereto and incorporated herein as Exhibit A, be acquired as additional right-of-way along the north side of East Centerville Street at the northeast intersection of South Main Street and East Centerville Street.

Section 3. That the City Administrator and City Attorney are hereby authorized to continue to negotiate for the acquisition of the Property described in Exhibit A, including the preparation and mailing of a final good faith offer to the landowner.

Section 4. That the City shall not pay any fee above the determined valuation without approval of the Mayor and City Council of the City of Columbia.

Section 5. This ordinance shall take full force and effect immediately upon passage and approval by the Corporate Authorities.


YEAS: Aldermen Agne, Niemietz, Roessler, Reis, Holtkamp and Martens.

NAYS: None.

ABSTENTIONS: None.

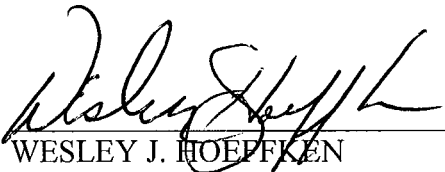
ABSENT: Aldermen Ebersohl and Huch.

PASSED and APPROVED this 5th day of September, 2017.



KEVIN B. HUTCHINSON
Mayor
City of Columbia

ATTEST:



WESLEY J. HOEFFKEN
City Clerk
City of Columbia

***APPRAISAL REPORT
ESTIMATE OF JUST COMPENSATION
ACQUISITION OF RIGHT-OF-WAY
548 SOUTH MAIN STREET
COLUMBIA, MONROE COUNTY, ILLINOIS***

Project #C17-136

PREPARED FOR:

*MR. JUSTIN OSTERHAGE
BUILDING OFFICIAL
CITY OF COLUMBIA
208 SOUTH RAPP AVENUE
COLUMBIA, ILLINOIS 62236*

PREPARED BY:

*DJ HOWARD & ASSOCIATES, INC.
820 BROADWAY
HIGHLAND, ILLINOIS 62249*

AS OF

APRIL 2017

DJ HOWARD & ASSOCIATES, INC.

Real Estate Appraisal and Consulting

820 Broadway
Highland, Illinois 62249

www.djhowardrea.com

Phone (618) 654-7790

Fax (618) 654-7792

May 8, 2017

Mr. Justin Osterhage
Building Official
City of Columbia
208 South Rapp Street
Columbia, Illinois 62236

RE: Appraisal Report
Estimate of Just Compensation
Acquisition of Right-of-Way
548 South Main Street
Columbia, Monroe County, Illinois

Dear Mr. Osterhage:

At your request, we have made a personal inspection and prepared the following Appraisal Report of the above referenced property. The purpose of this appraisal report is to estimate the just compensation for the acquisition of right-of-way by the City of Columbia. The date to which the value estimate shall apply is April 27, 2017, the date of my property inspection.

The subject of this appraisal consists of an irregularly shaped parcel of land located at the northeast intersection of South Main Street and East Centerville Street within the municipal limits of Columbia, Illinois. According to Monroe County GIS Maps, the site contains a total land area of 75,662 square feet, or 1.74 acres, prior to the partial acquisition. The site is improved with a 23 pad mobile home park known as Columbia Trailer Park. As of the date of this appraisal the park is reportedly 91 percent occupied. The proposed acquisition by the City of Columbia consists of a 20' deep strip of land along the north right-of-way of East Centerville Street for a distance of 172 feet for a total of 3,440 square feet of new right-of-way. After the partial acquisition, the remainder will be 72,222 square feet, or 1.66 acres. After the partial acquisition, two of the mobile home sites will no longer exist and therefore, the park will be a 21-pad mobile home park.

A more complete description of the property, together with the sources of information and the basis of estimates, are presented in the accompanying sections of this appraisal report. Your attention is called to the relevant assumptions, limiting conditions and certification found later in this appraisal report.

Our estimate of just compensation is summarized in the table below.

Estimated Value of Whole Prior to Acquisition	\$445,000
Estimated Market Value of Part Taken	\$15,000
Estimated Market Value of Remainder Prior to the Partial Acquisition	\$430,000
Estimated Market Value of Remainder After the Partial Acquisition	\$405,000
Damages to Remainder	\$25,000
<i>Total Just Compensation</i>	<i>\$40,000</i>

Our estimates of market value are intended solely for your information, and may not be used for any purpose other than indicated in this letter. Our analysis is based on estimates, assumptions and other information developed from research of the market, knowledge of the industry and certain information which you provided. The sources of information and bases of the estimates and assumptions are stated in the appropriate sections of this appraisal report. We have presented our findings in an abbreviated format as it is appropriate given the level of complexity of this appraisal.

Under the terms of this engagement, we have no obligation to revise this analysis or the estimate of market value to reflect events or conditions that occur subsequent to the date of the appraisal.

Neither the whole, nor any part of this appraisal report or any reference thereto, may be included in any document, statement or circular without our prior written approval of the form and context in which it appears.

Respectfully submitted,

DJ HOWARD & ASSOCIATES, INC.



Donna J. Howard
Illinois State Certified
General Real Estate Appraiser
License No. 553001267



*View of Subject Property
548 South Main Street
Columbia, Monroe County, Illinois*

STATEMENT OF BASIC ASSUMPTIONS AND LIMITING CONDITIONS

It should be noted that our appraisal report is subject to the following assumptions and limiting conditions:

1. this analysis is an estimate of the just compensation for an acquisition of right-of-way from the subject property.
2. that the fee simple estate is marketable and that the property is free and clear of all liens, encumbrances, easements and restrictions which might affect value, unless otherwise noted.
3. that the appraiser assumes no liability for matters legal in nature.
4. that the property will not operate in violation of any applicable government regulations, codes, ordinances or statutes.
5. that, in the absence of any available soil boring data, there are no concealed or dubious conditions of the subsoil or subsurface waters including water table and flood plain. We further assume there are no regulations of any government entity to control or restrict the use of the property except as may be specifically referred to in this appraisal report.
6. that there is no significant change in the supply and demand patterns as revealed in our current research and as indicated in this appraisal report. This appraisal report is an analysis of the property under market conditions observed as of April 27, 2017, and does not constitute a market feasibility study. Market conditions have been investigated and analyzed, and the conclusions resulting therefrom are believed to be correct; however, the appraiser assumes no liability should future market conditions materially change because of unusual or unforeseen circumstances.

This appraisal report is subject to the following contingent or limiting conditions.

1. All of the facts, conclusions and observations contained herein are consistent with information available as of the date of valuation. The value of real estate is affected by many related and unrelated economic conditions, local and national. We assume no liability for unforeseen changes in the future economy or for the inability of the property owner to find a purchaser at the value reported herein.
2. The valuation applies only to the property described herein. Allocations of total value between land and the improvements as shown herein may be invalidated if used separately or in conjunction with any other report.
3. All maps, sketches and site plans prepared by others are assumed to be correct but, in the absence of surveys prepared or authorized for this report, we assume no responsibility for their accuracy.
4. Information furnished by others is presumed to be reliable, and where so specified in this appraisal report, has been verified; but no responsibility, whether legal or otherwise, is assumed for its accuracy. No single item of information was completely relied upon to the exclusion of other information.
5. The signatories herein shall not be required to give testimony or attend court or any governmental hearing with reference to the subject property unless prior arrangements have been made with the client and with the appraiser.
6. Disclosure of the contents of this appraisal report is governed by the Bylaws and Regulations of the Appraisal Institute. Neither this report nor any portions thereof (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute) shall be disseminated to the public through public relations, news media, advertising media, sales media or any other public means of communication without the prior written consent and approval of the appraiser.
7. This appraisal report reflects the opinion of the appraisers and the conclusions expressed herein are in no way contingent upon any restrictions, limitations or influences.
8. The date to which the value estimate conclusions apply is set forth in the letter of transmittal and within the body of the report. The value is based on the purchasing power of the United States dollar as of the effective date of letter.
9. The legal description shown herein has been included for the sole purpose of identifying the subject property. The figures have not been verified by a licensed surveyor or legal counsel and should not be used in any conveyance or any other legal document.

10. It should be specifically noted by any prospective mortgagee that this appraisal report assumed that the property will be competently maintained, leased and managed by financially sound owners over the estimated period of ownership. Due to the importance of the underwriting consideration, we do not presume to advise the amount which should be loaned with the property held as security.
11. We are not aware of, and this appraisal report does not take into consideration the possibility of the existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks containing hazardous material. The report does not consider the cost of encapsulation, treatment or removal of such material. If the client/property owner has a concern over the existence of such conditions in the subject property, the appraisers consider it imperative to retain the services of a qualified engineer or contractor to determine the existence and extent of such hazardous conditions. Such consultation should include the estimated cost associated with any required treatment or removal of hazardous material.
12. Possession of this appraisal report or a copy thereof does not carry with it the right of publication, nor may it be used for any purpose by anyone but the client without the prior written consent of the appraiser, and then only with proper qualification.
13. Zoning information contained in this report was obtained from zoning officials or published codes and may be subject to unintentional errors or omissions pertaining to the present and future legal use and occupancy of the property.
14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Identification:	548 South Main Street Columbia, Monroe County, Illinois
Parcel Numbers:	04-22-118-004-00
Property Type:	23-pad mobile home park prior to acquisition of right-of-way; 21-pad mobile home park after acquisition of right-of-way
History/Ownership:	S & C Management Services, LLC Based upon a review of Monroe County records, there have been no transfers of the subject property in the past three years. Furthermore, it is our understanding that the property is not currently listed for sale or under contract for sale.
Date of Valuation:	April 27, 2017
Date of Inspection:	April 27, 2017
Legal Interest Appraised:	Fee Simple Interest
Site Description (Whole Property):	
Total Land Area:	75,662 square feet, or 1.74 acres
Shape:	Irregular
Frontage:	Approximately 121 linear feet along the northeast line of South Main Street, 172 linear feet along the north line of East Centerville Street, 465 linear feet of frontage along west line of South Ferkel Street, and 140 feet along the southwest line of South Metter Avenue.
Topography:	At the grade of frontage roadways and relatively level.
Flood Plain:	According to the most recent Flood Insurance Rate Map, Community Panel Number 1705100055D, the subject property is located in Zone X, an area of minimal flooding. This flood designation has no detrimental impact on the value of the subject property.
Zoning:	"C-2"- General Business, City of Columbia
Site Improvements:	23 concrete pads, utilities and infrastructure necessary for the operation of a mobile home park.
Special Note:	This valuation is for the real estate only and does not include any value for the mobile homes located within the park. The mobile homes are considered personal property.

INTRODUCTION

Purpose of Appraisal:	Estimate the just compensation for an acquisition of right-of-way by the City of Columbia
Intended Use of the Appraisal:	To provide the City of Columbia with a basis to offer just compensation to the property owner for a partial acquisition of the subject property.
Intended User of Appraisal:	City of Columbia, their legal and financial representatives and assigns
Property Rights Appraised:	Fee Simple Interest
Marketing Period:	Approximately 12 months
Exposure Time:	Approximately 12 months
Competency Rule:	We are aware of the competency rule of USPAP. The appraiser is competent to perform this appraisal as we have had experience in completing this type of assignment and have taken all the appropriate steps in order to complete the appraisal competently and in an unbiased manner.

DEFINITION OF MARKET VALUE

For the purpose of this summarized report, **Market Value** is defined (The Appraisal of Real Estate, 14th Edition, Appraisal Institute, 2013, page 59) as follows:

"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 is the consummation of a sale as of a specified date and the passing of title from seller to buyer whereby:

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and acting in what they consider their own best interests;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. 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."

SCOPE OF ASSIGNMENT

This appraisal is prepared in compliance with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, as well as the Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Standards Board of the Appraisal Foundation.

As part of this appraisal, we have made a number of independent investigations and analyses. This assignment involves several steps which included but were not limited to the following steps:

- An inspection of the subject property was made by Donna Howard. This inspection should not be considered a complete building inspection which ascertains the structural integrity of the subject, but rather is an observation of the property as potential buyers/tenants in the market would view the property. No interior inspection was made of any of the mobile homes.
- Basic property data has been gathered from a variety of sources including city and county governmental agencies. In addition, we have relied upon data contained in our files, which are updated regularly. The major sources of comparable data for this appraisal, in addition to office files and Monroe County records, were the MARIS Multi-List, Loopnet Commercial Real Estate, Co-Star, real estate brokers, and other real estate appraisers familiar with the subject market area.

- A survey of competing properties was made in conjunction with obtaining market data regarding supply and demand for the particular property type, market occupancy information, and other information that lead us to conclusions regarding the highest and best use of the subject property.
- The subject property is an older mobile home park. The Cost Approach was not considered applicable due to the age of the improvements. Therefore, we have not utilized this approach in our estimate of market value for the whole property.
- We have been provided with a current rental rates and expenses for the operation of the mobile home park by the property owner. We have utilized this information as well as market rental rates and operating expenses in order to estimate the market value of the subject property via the Income Capitalization Approach for both the prior to the partial acquisition and after the acquisition.
- We searched not only Columbia, but surrounding markets for sales of properties similar to the subject property. However, many mobile home parks are sold for their underlying land value, or are distressed sales, or included personal property as well as the real estate. Therefore, there was insufficient market data available in order to estimate the market value of the mobile home park before and after the partial acquisition.
- We have utilized sales of commercial sites in and around the subject property in order to estimate the market value of the part taken.
- We have considered the value of the remainder prior to the partial acquisition and after the partial acquisition in order to estimate any permanent damages to the remainder as a result of the partial acquisition.
- We presented our findings in an abbreviated appraisal format. We have utilized this format as it is appropriate for this appraisal problem given the low level of complexity of the assignment.

SUBJECT NEIGHBORHOOD DESCRIPTION

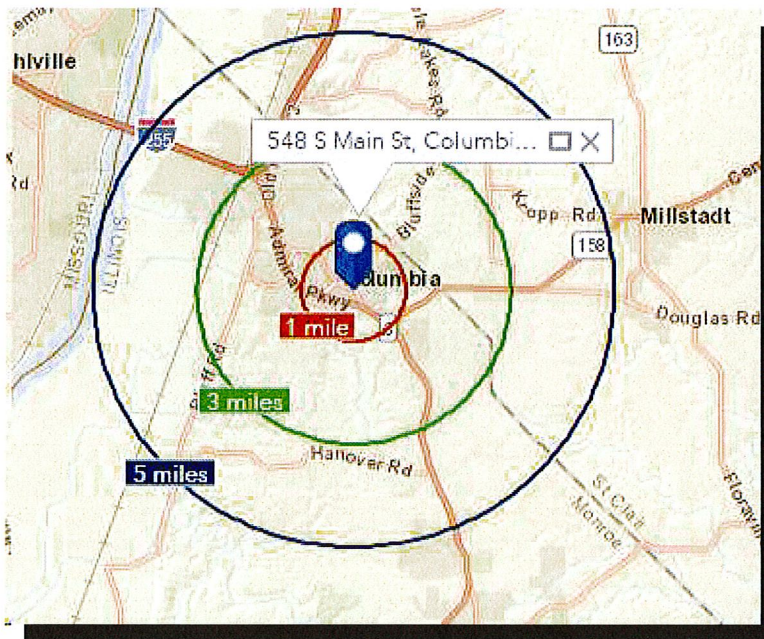
CITY OF COLUMBIA DESCRIPTION

The subject property is located within Columbia, Monroe County, Illinois. Columbia is located approximately 15 miles southeast of South St. Louis, Missouri. Basic demographic data has been gathered for the City of Columbia from a variety of sources, including the U. S. Census Bureau, Site to Do Business, and from the City of Columbia.

Demographic Profile

Population

According to the U. S. Census, the population of Columbia increased to 9,707 persons in 2010, which represented a 18.4 percent increase over the 2000 level of 7,922 persons. The median age is 39.6 years, which is older than the median age for all residents of Illinois (36.6 years) and for the United States (37.2 years). Approximately 15.2 percent of the population is aged 65 or older compared with 12.4 percent for the United States as a whole.



More recent demographics is available from Site To Do Business online (www.stdb.com). This data source utilizes ring studies for its data rather than municipal boundaries. The subject neighborhood is roughly defined as a five mile radius from the subject property. The subject market area has a current (2016) population of 16,209 which is an increase over the 2010 population estimate of 15,553 persons. This represents an average annual rate of change of approximately 0.66 percent. The 2021 projections for the five mile radius of the subject is for a population of 16,719 persons, or an average annual increase of 0.62

percent. The population within a one mile radius of the subject shows an increase from the 2010 to 2016 populations of 3,962 and 4,003 and is projected to increase at a rate of 0.31 percent per year for the five years from 2016 to 2021.

Number of Households

There are a total of 3,792 households located within Columbia as of the 2010 Census. Approximately 71.0 percent are family households, while 29.0 are non-family households. Approximately 24.2 percent of these households have a 65 year old householder living alone. Overall, 25.0 percent of the households have a member 65 years or older.

There are currently 6,203 households within a five mile radius of the subject property. The average annual rate of increase in the number of households within five miles of the subject from 2010 to 2016 was 0.64 percent per year and is projected to increase at a rate of 0.60 percent per year from 2016 to 2021. The number of households within a mile of the subject property increased by 0.13 percent per year from 2010 to 2016 and is projected to increase at a rate of 0.24 percent per year from 2016 to 2021.

Housing Stock

There is a total of 3,277 housing units located in Columbia, Illinois which are occupied by 3,792 households, indicating an overall occupancy rate of 95.3 percent. According to the most recent Census Data, 78.5 percent of the occupied housing units are owner-occupied and 21.5 percent are renter-occupied.

Of the total housing units, the vast majority (80.3 percent) are single family detached structures. Another 3.5 percent live in two- to four-family units and another 12.0 percent live in multi-family dwellings with greater than four units. Approximately 0.3 percent of the housing units are mobile homes as of the 2010 Census.

The median home value within a five mile radius of the subject property is \$188,443 compared to a median home value of \$198,891 for the U. S. In five years, median home value is projected to change by 3.68 percent annually to \$225,739.

Employment Data

Of the total population age 16 and over (8,003 persons) 5,457 persons, or 68.2 percent were in the labor force as of 2014. The average commute time to work for Columbia residents is 26.5 minutes. The overall unemployment rate for the Monroe County for March 2017 was 3.3 percent, which is down from 4.6 percent for March 2016. The corresponding unemployment rates for the State of Illinois and the United States as of March 2017 were 4.6 percent and 4.7 percent respectively.

Household Income

The median household income for the five miles surrounding the subject property as of 2016 was \$70,733 in the market area as compared to \$54,419 for all U. S. households. The median household income is projected to be \$81,743 by 2021. The median household income for a one-mile radius of the subject property is currently \$57,903 per year, which is less than the median household income for the five-mile radius of the subject property. Therefore it appears that the subject market area is a somewhat lower income than the general population of the larger market area, but still above national median levels.

Existing Infrastructure/Services

Transportation/Access

Residents and tenants of Columbia have good access to State Route 3 which runs in a northwest to southeast direction through the City of Columbia. Interstate 255 is just south of the city and connects with Interstate 270 in Missouri. Furthermore, State Route 158 provides access in an east-west direction.

Municipal Services

The City of Columbia has its own Police Department with 15 full time employees. The Fire Department has 41 state certified volunteer fireman. In addition, the city offers the typical municipal services of an emergency 911 system, a rescue squad and a public library. Zoning is controlled by the City of Columbia.

Schools

The community has one elementary school, one middle schools and one high school serving the community as well as one parochial school which serves grades Kindergarten through eighth grade. In addition, Southern Illinois University, Webster University, And Washington University are all within driving distance to the subject property.

Surrounding Land Uses

Surrounding land uses include primarily single family residential uses along the north, south, and east sides of the subject property. South Main Street is improved with a variety of neighborhood commercial uses as well.

Summary

In summary, the subject property is located in Columbia, Monroe County, Illinois. The market area is defined as a five mile radius of the subject property. This market area has seen consistent growth each year in population since 2010. Demographic projections from STDB online indicate that the population increases will continue for the next five years. The subject has median household incomes that are higher than the U. S. median household income. The subject market area can be summarized as a high income area that continues to grow. The outlook for continued growth is positive.

Description of the Site

The site consists of an irregular parcel of land with a total land area of 75,662 square feet prior to the partial acquisition. The site has approximately 121 linear feet along the northeast line of South Main Street, 172 linear feet along the north line of East Centerville Street, 465 linear feet of frontage along west line of South Ferkel Street, and 140 feet along the southwest line of South Metter Avenue. Access to the subject property is via East Centerville Street as well as South Ferkel Street. The site has good visibility along South Main Street which is a major traffic artery serving the subject neighborhood. According to the Illinois Department of Transportation, the estimated average daily traffic count along South Main Street at the subject property is estimated to be 5,400 vehicles daily. The site is zoned "C-2", General Business District, which allows for a variety of retail and commercial uses. Mobile Home Parks are not among the allowable uses and the subject's use as a mobile home park has been grandfathered into the current zoning ordinance.

Description of Improvements

The site is improved with a 23-pad mobile home park known as Columbia Trailer Park. The improvements consist of concrete single wide pads, utilities and necessary infrastructure for the operation of a mobile home park. The overall condition of the mobile home park is considered to be average. After the partial taking, two of the pad sites will no longer exist and the subject will become a 21-pad mobile home park.

Highest and Best Use - As if Vacant

The subject site includes a total land area prior to the partial taking of 75,662 square feet. The site is zoned "C-2" General Business. Allowable uses include a variety of retail and commercial uses. It is our opinion that the highest and best use of the subject as if vacant is for commercial development.

Highest and Best Use As Improved

The subject site is improved with a 23-pad mobile home park that is currently reportedly 91 percent occupied. Based upon our analysis of the land as though vacant and the subject as improved, the mobile home park improvements contribute additional value over and above the value of the site as though vacant. The current use as a mobile home park has been grandfathered into the zoning.

Therefore, the highest and best use of the subject property as improved, is as currently developed, as a mobile home park.

VALUATION OF THE WHOLE PROPERTY

As noted, the subject property consists of a 23-pad mobile home park. According to the property owner, there are no park-owned mobile homes and the park leases the pad sites only. We have utilized the Income Capitalization Approach in order to estimate the market value of the subject property. This analysis is summarized below.

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach is a technique through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

Rental Analysis

The subject property consists of a 23-pad mobile home park, which at the time of inspection was approximately 91 percent occupied. The current rental rate for a single wide mobile home pad within the subject park is \$300 per month. This rental rate includes water/sewer and trash expenses. The tenants are responsible for their own electrical charges. In addition, the landlord is responsible for maintaining the park, liability insurance and real estate taxes and setting aside a reserve for the replacement of short-lived items.

The first step in developing an Income Capitalization Approach is to estimate the market rental rate for the subject property. We have conducted a survey of the current rental rates for mobile home pad sites in and around the Columbia, Illinois area in order to estimate a current market rental rate for the subject property. The following information was deemed useful in our analysis of a market rental rate for the subject property.

There are few mobile home parks in close proximity to the subject property. There are some parks located north of the subject in Dupon, Illinois. Le Pere Mobile Home Park Village is a 100-pad park that leases for \$275 per pad including water/trash/sewer charges. Also in Dupon is Stoneybrook Manufacture Home Community, where tenants pay all their own utilities and the pad rental is \$250 per month.

The competing facilities and both located on an area considered to be inferior to the subjects location. Therefore, the subject's rental rates of \$300 is the best indicator of market rent. We have utilized a monthly amount of \$300 per month as our estimate of market rent for the pad sites included in the subject property.

Gross Potential Income

We have estimated the market rental rate to be \$300 per pad per month for the subject property. Therefore, the total gross potential income for the subject property is as follows:

$$23 \text{ pads} \times \$300/\text{pad/month} = \$82,800$$

Vacancy and Collection Loss

As noted, the subject is currently 9 percent vacant. Given the age, location and amenities offered at the subject property, we have projected annual vacancy loss to be 7.5 percent. In addition, an allowance must be made for a tenant's inability or unwillingness to pay the agreed upon rental rate. We have considered an additional two percent for collection loss for a total vacancy/collection loss of 9.5 percent of total gross potential income. The resulting annual vacancy/collection loss is therefore, estimated to be \$7,866 (\$82,800 x 0.095). The effective gross income is estimated to be \$74,934 (\$82,800- \$7,866).

Expense Analysis

The comparable leases are gross leases whereby the tenants are responsible for their own utilities (electric and gas) and the landlord pays for water, sewer and trash service as well as management, repair and maintenance, insurance and real estate taxes for the subject property. In addition, it is typical to include set aside a reserve for the replacement of short-lived items. We have interviewed the property owner and utilized information contained in our files from other mobile home parks in order to estimate pro-forma operating expenses for the subject property. These expenses are discussed in the following paragraphs. Support for these expenses has been included in our workfile.

Management Fees: Whether a property is managed by the owner or whether a third party professional firm is engaged, there is a cost associated with the performance of the tasks involved in the management and administration of a property such as the subject. We have utilized a management fee of five percent of effective gross income, or \$3,747 as our estimate of management fees for the subject property.

Utilities: The landlord pays for water, trash, sewer and park lighting. According to the property owner, the water/sewer is approximately \$1000 per month for the entire park and the trash bill is \$152 per month for the entire park. This equates to an annual amount of \$13,824, or \$601 per pad per year.

Insurance: Based upon information contained in our files for other mobile home parks, we have utilized the rounded amount of \$150 per pad as our insurance estimate for the subject property.

Repairs: this category is for the repairs to the landscaping, streets and for snow removal and not for repairs to the homes themselves. Based upon information in our files, we have utilized an amount of \$50 per pad, or \$1,150 as our pro-forma estimate for repairs and maintenance.

Real Estate Taxes: The most recent real estate taxes for the subject property was \$3,952. We have inflated this by an inflationary factor of three percent and utilized the rounded amount of \$4,070 as our pro-forma real estate tax expense.

Reserves for Replacement: It is typical to include a charge against income for the replacement of short-lived items included in the park. Based on the age/condition of the subject property we have utilized \$50 per pad, or \$1,150, for a reserve for replacement.

The total of operating expenses for the subject property, developed in the above analysis, is \$27,391, resulting in a pro-forma net operating income of \$47,543. Our forecast of income, expenses and net operating income for the subject property (pad rentals only) is shown in the table below.

Pro-Forma Operating Statement
548 South Main Street
Columbia, Illinois
Valuation of Whole Property Prior to Partial Acquisition

Gross Potential Income	23	\$300	\$82,800
Less: Vacancy/Collection Loss 9.5%			<u>\$7,866</u>
Effective Gross Income			\$74,934
Less: Operating Expenses			
Management Fees (5%)			\$3,747
Utilities		\$601	\$13,824
Insurance		\$150	\$3,450
Repairs		\$50	\$1,150
Real Estate Taxes		\$177	\$4,070
Reserves for Replacement		\$50	\$1,150
Total Operating Expenses			\$27,391
Net Operating Income			\$47,543

Value Estimate by Direct Capitalization

To estimate value by direct capitalization, projected net operating income is divided by a capitalization rate appropriate for the quantity, quality and durability of the income stream. An overall capitalization rate is a rate which reflects the direct relationship between a property's income potential and value. To be meaningful, the rate should be derived from current criteria of investors and lenders in the marketplace. There is limited data available from completed sales transactions of mobile home parks similar to the subject property. However, we have also included current listings of mobile home parks throughout the State of Illinois in areas with similar attributes. We have also included sales and current listings of smaller mobile home parks in this survey. This information is summarized in the chart below.

***Overall Capitalization Rates
Current Listings of Mobile Home Parks***

Location	# of Pads	Sale/Asking Price	Date of Sale	Price Per Pad	OAR
231 S Court Street Benton, IL	52	\$700,000	05/27/16	\$13,462	7.91%
3401 Ridge Avenue Springfield, IL	90	\$1,000,000	12/23/13	\$11,111	10.08%
509 & 601 NW 7th Street Fairfield, IL	47	\$750,000	Current Listing	\$15,957	11.20%
1 Dars Lane Murphysboro, IL	18	\$169,900	Current Listing	\$9,439	13.30%
21 Lynch Loop Greenville, IL	21	\$350,000	Current Listing	\$16,667	11.00%
		MEAN OAR			10.70%
		MEDIAN OAR			11.00%

We have also consulted Realtyrates.com for Mobile Home Park survey data. The most recent survey (1st Quarter of 2017) reported overall rates ranging from 5.23 percent to 13.83 percent with an average overall capitalization rate of 9.66 percent.

The rate can also be estimated by surveying current market conditions and the requirements of investors and lenders. Again, realtyrates.com provides survey data for mortgage loan terms typical for office buildings. In addition, we routinely consult with local loan officers regarding typical mortgage terms.

TYPICAL MORTGAGE TERMS

Loan/Value Ratio	75%
Interest Rate	5.0%
Amortization (Yrs)	15

The mortgage constant can be defined as being the ratio of annual debt service to the principal amount of the mortgage loan. Given the interest rate and amortization schedule shown above, the mortgage constant is calculated to be 0.0949. Based on recent discussions with investors and considering the various characteristics of the subject property and neighborhood, a 12.5 percent equity dividend requirement is considered reasonable under normal circumstances. Using this rate and the other information shown in the preceding analysis, the indicated capitalization rate is calculated as shown below.

***Columbia Trailer Park
548 South Main Street
Columbia, Illinois
Band of Investment Analysis***

75% Mortgage, 5.0%, 15 years (constant = 0.0949)

25% Equity, 12.5% Cash on Cash Return

Mortgage	0.75 X 0.0949	=	0.0712
Equity	0.25 X 0.1250	=	<u>0.0313</u>
Indicated Capitalization Rate:			0.1025

Rounded to: ***10.25%***

We reviewed several methods of estimating an overall capitalization rates and this information is summarized in the chart below.

Summary of Derivation of Overall Capitalization Rates

Actual Market OAR(From Sales/Current Listings)	7.91 to 13.3 percent Mean 10.75 percent Median 11.0 percent
Realtyrates Survey Average (Mobile Home Parks)	9.66 percent
Band of Investment Method	10.25 percent

We have placed greater weight on the current listings in our estimation of an overall capitalization rate for the subject property. Based upon our analysis of the subject property, it is our opinion that a 10.75 percent overall capitalization rate is well supported by the available market evidence. Applying this rate to the net operating income projected, results in a value indication as shown below.

Columbia Trailer Park 548 South Main Street Columbia, Illinois Direct Capitalization Summary	
Net Operating Income	\$ 47,543
Capitalized @ 10.75%	\$ 442,206
Rounded to:	<u>\$ 445,000</u>

Therefore, the estimated market value of the whole property, prior to the partial taking is estimated to be \$445,000.

ESTIMATE OF MARKET VALUE OF PART TAKEN

	Sale No. 1	Sale No. 2	Sale No. 3	Sale No. 4
	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Location	Admiral Trost @ Rock Hill Road	Lot 12 Admiral Trost	Lot 5 Admiral Trost	Il Rte 3 & Moore Street
	Columbia	Columbia	Columbia	Waterloo
Size (Square Feet)	44,105	72,745	50,094	46,174
Zoning	Commercial	Commercial	Commercial	Commercial
Date of Sale	12/01/14	12/01/14	03/11/16	05/22/15
Sale Price	\$180,000	\$405,000	\$185,690	\$125,000
Price per Acre	\$4.08	\$5.57	\$3.71	\$2.71

As noted, the proposed partial taking of the subject property is a 20' strip of land along the north line of East Centerville Street with a total land area of 3,440 square feet. The land is zoned for commercial development and we have considered recent commercial land sales in Columbia and Waterloo. The sales utilized are presented in the chart below. Additional details regarding these sales are included in our workfile.

It is our opinion that the value of the part taken is best represented by the amount of \$4.00 per square foot of land area, or \$13,750, rounded to \$15,000. The value of the remainder, prior to the partial taking, is estimated to be \$430,000.

VALUATION OF REMAINDER AFTER THE PARTIAL ACQUISITION

As previously noted, after the partial acquisition of the subject property, the mobile home park will only have 21 pads available for rent. We have utilized the same assumptions utilized in our valuation of the whole, but utilized amounts for 21 pads. The pro-forma operating statement for the subject property in its after the partial taking is provided on the following page.

***Pro-Forma Operating Statement
548 South Main Street
Columbia, Illinois
Valuation of Remainder After the Partial Taking (21 Pads)***

Gross Potential Income	21	\$300	\$75,600
Less: Vacancy/Collection Loss 9.5%			<u>-\$7,182</u>
Effective Gross Income			\$68,418
Less: Operating Expenses			
Management Fees (5%)			\$3,421
Utilities		\$601	\$12,621
Insurance		\$150	\$3,150
Repairs		\$50	\$1,050
Real Estate Taxes		\$177	\$3,717
Reserves for Replacement		\$50	<u>\$1,050</u>
Total Operating Expenses			\$25,009
Net Operating Income			\$43,409
Capitalized @ 10.75%		0.1075	\$403,806
Rounded to:			\$405,000

Therefore, the estimated market value of the remainder after the partial acquisition is estimated to be \$405,000. The damages to the remainder as a result of the partial acquisition is as follows:

Value of Remainder Prior to Acquisition. \$430,000

Value of Remainder After the Acquisition. \$405,000

Damages to the Remainder. \$25,000

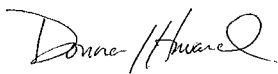
Summary

It is our opinion that the total just compensation for the partial acquisition of the subject property is the value of the part taken (\$15,000) plus the permanent damages to the remainder as a result of the loss of two mobile home pad sites (\$25,000) for a ***total just compensation of \$40,000.***

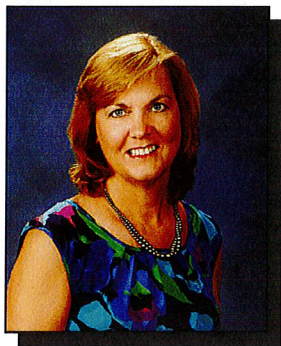
CERTIFICATION

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

- ! we have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- ! as of the date of this report, Donna Howard has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.
- ! the statements of fact contained in this report are true and correct.
- ! the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, professional analyses, opinions, and conclusions.
- ! we have no present or prospective interest in the property that is the subject of this report.
- ! we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- ! our compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- ! our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ! our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute as well as the Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the appraisal standards board of the Appraisal Foundation.
- ! the use of this report is subject to the requirements of the Illinois Office of Banks and Real Estate and the Appraisal Institute relating to review by their duly authorized representatives.
- ! no one provided significant professional assistance to the persons signing this report.
- ! Donna Howard made a personal inspection of the property that is the subject of this report.
- ! we certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- ! the appraisers have the necessary experience and education and are competent to undertake this appraisal assignment.



Donna J. Howard
Illinois State Certified
General Real Estate Appraiser
License No. 553001267



DONNA J. HOWARD

State Certified General Real Estate Appraiser

Illinois License Number 553001267

Missouri License Number RA 003254

EDUCATION

Webster University, M. A., Real Estate Management and Gerontology, 1990

Saint Louis University, B. A., Urban Affairs 1986, cum laude

Appraisal Institute

Standards of Professional Practice Part A, July 1996

Standards of Professional Practice Part B, May 1998

Advanced Income Capitalization, July 1997

Advanced Sales Comparison and Cost Approaches, March 1998

The Appraiser as an Expert Witness, April 2001

Section 8/HUD: Rent Comparability Studies, March 2001

Highest and Best Use Analysis, September 2003

Advanced Applications, March 2004

Valuation Analysis and Report Writing, March 2006

Valuation of Conservation Easements, January 2008

Uniform Appraisal Standards for Federal Land Acquisitions, February 2010

Real Estate Finance Statistics and Valuation Modeling, March 2011

Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets, March 2012

7-Hour National USPAP Update Course, March 2012

Marketability Studies: Six-Step Process & Basic Application, September 2013

FHWA Resource Center Right-of-Way Workshop, April 2015

International Right of Way Association

IRWA C-104, Standards of Practice for the Right of Way Professional, January 2014

IRWA C-200, Principles of Real Estate Negotiation, January 2014

IRWA Course 421: The Valuation of Partial Acquisitions, August 2014

MEMBERSHIPS

Appraisal Institute, Candidate for MAI Designation

Served on the Board of Directors for the St. Louis Chapter of the Appraisal Institute (2012-2015).

International Right of Way Association

EXPERIENCE

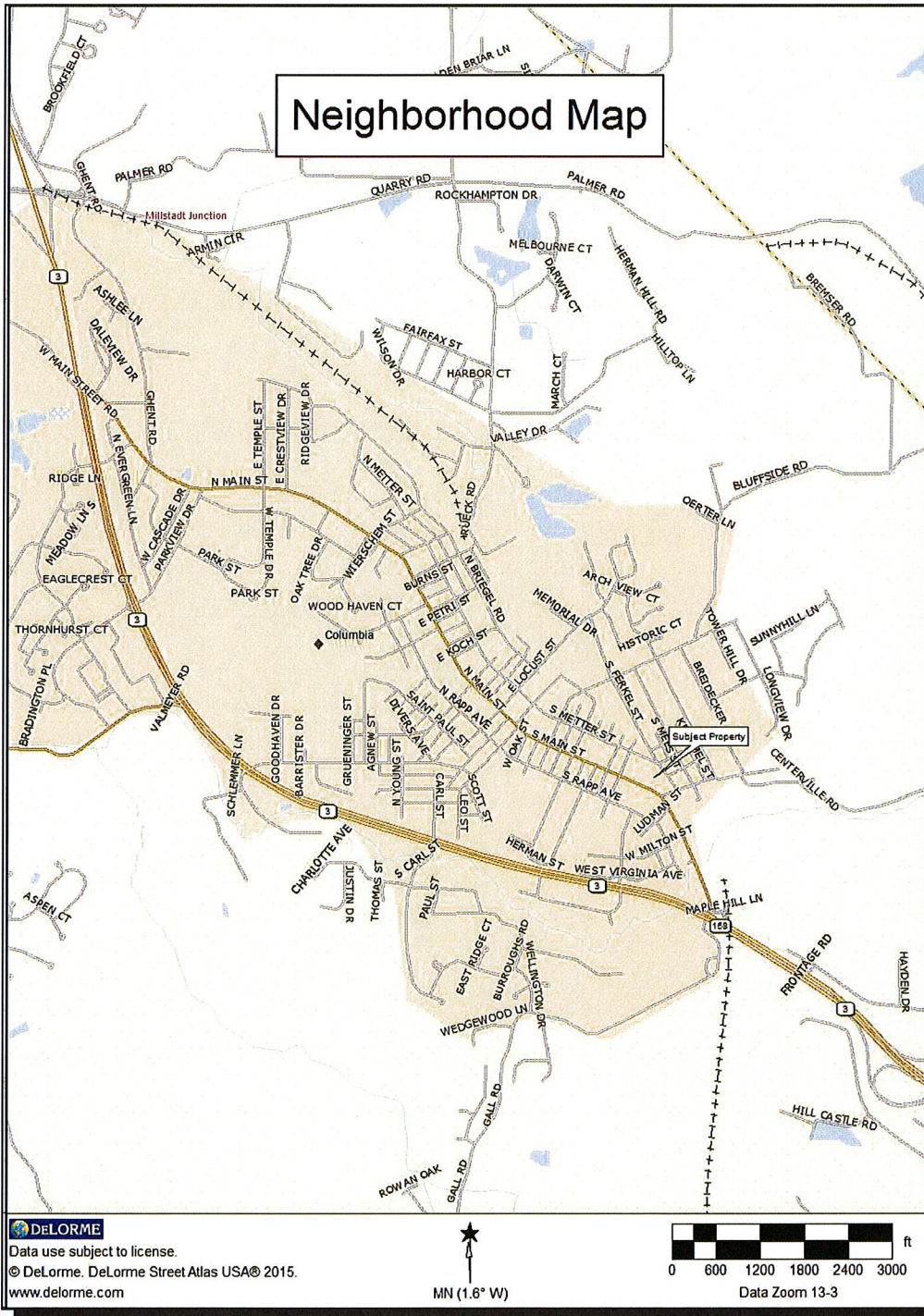
Donna J Howard formed DJ Howard & Associates, Inc in 1998. In the ensuing 16 years the firm has grown to a full service real estate appraisal firm with five licensed and certified real estate appraisers providing residential and commercial real estate appraisal services to a wide client base. DJ Howard & Associates' client base has consistently grown each year and includes banks and mortgage companies, city, county, and state governmental agencies, attorneys, insurance companies, corporations and individual property owners. The firm has earned a reputation for quality appraisal service delivered in a professional and timely manner.

Donna's areas of expertise range from single family residential properties to complex multi-tenant commercial properties. As a firm, DJ Howard & Associates, Inc. completes over four hundred appraisal assignments each year which provide a large pool of knowledge about appraising all types of properties. Geographically, while a majority of the work is centered around St. Clair, Bond, Clinton, Macoupin and Madison Counties, Illinois, commercial real estate appraisal assignments are completed all over the bi-state region. In an effort to serve corporate clients, she has also obtained temporary practice permits and completed assignments in Iowa, Arkansas, Pennsylvania, Utah, and Arizona.

Donna is a Certified General Real Estate Appraiser, licensed in the State of Illinois and Missouri. Donna has been working with IDOT as an approved appraiser for over ten years. Her IDOT experience includes value finding format reports, non-complex and complex appraisal reports connected with a wide variety of highway corridor projects and other projects for local agencies and IDOT. She has testified as expert witness on several occasions. She is also an approved appraiser with the Illinois Department of Natural Resources and is qualified to perform appraisals under the Federal Land Acquisition "Yellow Book" guidelines.

ADDENDA

Neighborhood Map



Monroe County Plat Map



Flood Plain Map

InterFlood by a la mode

Prepared for: D.J. Howard & Associates, Inc.
548 S Main St
Columbia, IL 62236-2407



MAP DATA

FEMA Special Flood Hazard Area: **No**
Map Number: **1705100055D**
Zone: **X**
Map Date: **March 17, 2003**
FIPS: **17133**

MAP LEGEND

Areas inundated by 500-year flooding
Areas inundated by 100-year flooding
Velocity Hazard

Protected Areas
Floodway
Subject Area

Powered by CoreLogic®

548 South Main Exhibit

Owner Information
Parcel Number: 04-22-118-004-000
Owner Name: S & C MANAGEMENT SERVICES LLC
Mailing Address: 5011 AMBERWAY DR~ST LOUIS, MO 63126
Site Information
Property Address: 548 S MAIN STREET~COLUMBIA, IL 62236
Section: 22
Range: 10W
Township: 01S
Short Legal: LOTS 2A, 3A, 4A, 5, 6, 8 & 9 RAUS RESERVE
Acreage: 0
Tax Code: 4001
Last Sale Date: 1/22/2004
Last Sale Price: \$390,000
Document Number: *284046
Qualified: Unqualified
Vacant/Improved: Improved
Notes: MOBILE HOME PARK



View of area of acquisition



View of area of acquisition



View of South Main Street facing northwest



View of South Main Street facing southeast



View of East Centerville Street facing east