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| Improvement Description |

**Property Name:** ${property\_name}

**General Description:** Church/school facility consisting of the following: Building 1) Main Sanctuary, Building 2) Pre-School, and Building 3) Office / Multi-Purpose Facility. Respectively built in ${yearb}. The average quality improvements are in average condition.

The subject improvements are currently proposed for renovation (budgeted at $247,000), though will remain relatively the same in terms of layout / design. After completion, the improvements are assumed to be in above average, well maintained condition. Renovations are anticipated to be completed by early January 2018.

**Building Areas:**

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| **Bldg. No.** |  |  |  | **Gross** |
| **(Year Built)** | **Building Level** | **Component** | **Subtotal** | **Bldg. Area** |
| No. 1 (1979) | Main Level | Sanctuary / Narthex | 7,686 SF |  |
|  | Mezzanine | Storage / Lounge / Balcony | 1,758 SF |  |
|  |  | **Subtotal** |  | **9,444 SF** |
|  |  |  |  |  |
| No. 2 (1967) | Main Level | Pres-School / Classrooms |  | **4,061 SF** |
|  |  |  |  |  |
| No. 3 (1981) | Main Level | Offices / Classrooms | 5,040 SF |  |
|  | Upper Level | Class / Multi-Purpose Rooms | 5,040 SF |  |
|  |  | **Subtotal** |  | **10,080 SF** |
|  |  | **TOTAL** |  | **${gba} SF** |

The building area calculations are based on our on-site measurements (taken from a previous report by the appraiser in 2008), and assisted by the partial the architectural plans provided following this section.

**Site Layout:** The subject building is situated in the north and east portion of the site, with the rear majority formed by an asphalt paved parking lot.

**Interior Configurations:** Building 1 – Main Sanctuary: Two-level, semi-rectangular, traditional church structure divided as follows:

Main Level is predominated by a large, rectangular sanctuary (350-seat capacity) with a stage-style pulpit. The vaulted sanctuary rises from 30 to 43 feet. Entry to the sanctuary building is via a lobby / narthex area with a drive-thru porte cochere off the south side of the building that was added in 2005. Off the narthex is a central foyer with two multi-user restrooms, storage and resources rooms off to the sides. At the north end behind and to the sides of the stage are rear choir and pastor prep rooms each with an adjacent single-user restroom. Finally, there is a walk-thru baptismal pool directly behind the stage.

Mezzanine Level consists of a semi-rectangular area off the rear / south end of the sanctuary above the foyer. Access is via a dual set of stairs off each side which lead to a central lounge / choral preparation room, along with two classrooms; one on each side. Directly above these mezzanine rooms is an open choral balcony overlooking the sanctuary below (1,758 SF of floor area excluded from the GBA). Discussions with Pastor Kolstad indicate this breakaway balcony would accommodate about 150 more seats with minor construction costs.

Building 2 – Preschool: Just east of the main sanctuary building is the preschool building. This semi-rectangular structure is divided into several classrooms and nursery rooms, plus to restrooms for boys and girls. A large central hallway provides access from the lobby. Note that this building was originally constructed as a traditional gabled church structure, but was later converted to its current use.

Building 3 – Office / Multi-Purpose Facility: Along the east boundary just south of the other two buildings is a rectangular, two-story building used as the main church offices, plus multiple rooms used as classes, meeting areas, and multi-purpose areas for teens, band and choral practice purposes. Access to the building is via a central, two-story open stairwell lobby along the west side. Each level includes a set of multi-user restrooms off the central lobby area. On the main level is a full service kitchen with range / oven, and full cabinets.

**Exterior Finishes:** Building 1 – Main Sanctuary: Above average quality, structural brick and wood-frame construction. The main sanctuary has a vaulted design supported by glu-lam buttress arches. The gable ends of the building are finished with horizontal, bevel cedar siding. The front gable also includes decorative columns finished a stone veneer base. The foundation is an on-grade concrete slab on continuous perimeter footings. The gable roof is finished with an asphalt shingle cover, while the narthex / porte cochere addition has a flat design with a built-up asphalt cover over insulation and plywood sheathing. Windows are anodized aluminum, thermopane in the main sanctuary, and vinyl-wrapped thermopane in the narthex addition.

Building 2 – Preschool: Average quality, wood-frame structure. The exterior is finished with vertical T&G cedar siding, with the gable ends / side eaves of the roof having a mix of horizontal bevel siding and vertical T-111 plywood panels. The foundation is an on-grade concrete slab on continuous perimeter footings. The roof features a double-pitch gable design which is the result of a redesign of the structure’s original sanctuary use to classroom / nursery use. The roof is finished an asphalt shingle cover. Windows are vinyl wrapped aluminum, thermopane.

Building 3 – Office / Multi-Purpose Facility: Low cost to average quality, wood-frame structure. The exterior is finished with horizontal cedar bevel siding. The foundation is an on-grade concrete slab on continuous perimeter footings. The gable roof is finished an asphalt shingle cover. Windows are anodized aluminum, thermopane. The west-side exterior / front elevation features a continuous upper level balcony with stairwell access at both ends, and a rear emergency stairwell off the northeast / rear elevation.

**Interior Finishes:** Building 1 – Main Sanctuary: Interior walls reflect a mix of exposed structural brick, to taped, textured and painted sheetrock in the lobby / narthex, private and community areas, to natural horizontal cedar siding that extends up the walls of the sanctuary and across the entire vaulted ceiling. As indicated, ceilings range from exposed, stained wood T&G planking with exposed glu-lam wood beams in the sanctuary, to sprayed-on “popcorn” finish and textured ceilings in the remainder of the building. Flooring consists mainly of carpet throughout most of the building, with sheet vinyl in the restroom areas. In addition, there is stone tile in the entry foyer. Most interior doors reflect wood-frame jams with wood solid-core panels. Other emergency doors reflect metal-frame, metal pedestrian doors.

Electrical is assumed satisfactory for a variety of church / institutional type users. Lighting ranges from suspended glass fixtures in the entry foyer, to suspended opaque globe fixtures in the sanctuary, to surface mounted fluorescent light panels in the various community and private room areas. In addition, the sanctuary includes additional stage lighting fixtures, as well as a sound system. HVAC is provided by two ground-mounted natural gas furnaces with electric cooling systems. Plumbing includes two single-user water closets each with toilet and sink to the rear of the stage, plus two multi-user restrooms each with four toilets and two sinks off the lobby of the building. This building is not sprinklered for fire protection.

Building 2 – Preschool: Interior walls reflect primarily taped, textured and painted sheetrock. Ceilings range from sprayed-on “popcorn” finish and textured surfaces to drop-grid acoustic panels in the central portion which includes raised ceilings resulting from the conversion from sanctuary to classroom use. Flooring ranges from carpet to sheet vinyl to vinyl tiles in the various common areas and classrooms of the building. Most interior doors reflect and will reflect wood-frame jams with wood solid-core panels, with the entry door featuring a metal / glass door with side relites. Other emergency doors reflect metal-frame, metal pedestrian doors.

Electrical is assumed satisfactory for its existing preschool use. Lighting ranges from surface mount fluorescent fixtures in the hallways and perimeter classes, to flush mounted fluorescent light panels in the central raised ceiling classrooms, to incandescent fixtures in the restrooms. HVAC is provided by a closet natural gas furnace with exterior, ground mounted electric cooling systems. Plumbing includes two single-user restrooms each with toilet and sink near the lobby entrance, plus cabinet counters with sinks, one in the office and one in a classroom. This building is not sprinklered for fire protection.

Building 3 – Office / Multi-Purpose Facility: Interior walls reflect primarily taped, textured and painted sheetrock. Ceilings are sprayed-on “popcorn” finish over sheetrock. Flooring ranges from carpet to sheet vinyl to vinyl tiles to “Pergo” in the various common areas, multi-purpose, and classrooms of the building. Most interior doors reflect and will reflect wood-frame jams with wood solid-core panels, with the entry door featuring a metal / glass door. Other emergency doors reflect metal-frame, metal pedestrian doors.

Electrical is assumed satisfactory for its existing office / classroom use. Lighting generally reflects surface mount fluorescent fixtures augmented by limited incandescent fixtures in select rooms. HVAC is provided by a closet electric furnace with exterior, ground mounted electric cooling systems. Plumbing includes two multi-user restrooms on each level each with two toilets and a sink off the central stairwell. Finally, there is a full service kitchen that includes a central range top, oven, dual sink and dishwasher hookups. This building is not sprinklered for fire protection.

**Site Improvements**

**and Landscaping:** The subject church property is improved with fair to average landscaping and average quality site improvement finishes. The large parking areas is asphalt paved with curbing. The parking areas have ample wood light poles with sodium fixtures augmented by wall pack photocell fixtures around the building perimeter. The non-paved portions include grassy areas with deciduous and conifer trees, as well as extensive landscaping (shrubs, trees, etc.) along the rear / south boundary. Along the north street boundary corner metal pole-mounted, lighted marquee sign. The site improvements are considered generally fair to average in quality and typical of most church / private school facilities of similar vintage.

**Parking:** According to our on-site count, the parking area includes ${pspaces} delineated automobile spaces, or an existing parking ratio of ${pratio} of gross building area. This falls at the high end of the market standard of 6.0 to 8.0 spaces per 1,000 SF for most combination church/private school uses.

**Interior and**

**Exterior Condition:** Currently, the subject reflects buildings that range in condition from fair to average, and are generally adequately maintained. While the owner has continued to pursue a program of updating, there still continues to exist a number of items of deferred maintenance or possibilities of updating or upgrades. Recent and planned renovations to the subject facilities are noted as follows:

Recent Renovations: Between 2008 and 2012, all three buildings were re-roofed with new asphalt shingles. The total cost was reportedly only limited to the $6,000 materials cost due to a congregation members donation of labor. The pastor indicated the true cost would have been closer $33,500 had a non-related contractor been used.

Prior Site Improvements: Currently the parking areas are in generally average condition, though only resealing required in the next year or two. Reportedly, in mid-2008 the parking areas received a complete repaving / re-curbing / new light poles in the parking areas. According to the pastor, the cost was approximately $140,000. The site is estimated to have roughly 80,000 SF of paved areas, which equates to approximately $1.75 per SF for repaving costs and appears reasonable.

Prior Building Renovations: In 2008, the exterior of Building 3 – the office / multi-purpose facility, was refinished with cedar bevel siding (replacing the prior low cost vinyl siding), though it now appears in need of re-staining and is currently in generally average condition. According to the pastor, the re-side of the building, plus the interior renovations of new carpet and paint, cost roughly $63,000 or $6.25 per SF GBA in 2008, which appears reasonable. The general condition is considered average, well maintained at the current time.

Planned Renovations: As of April 2017, the church plans to reseal the parking lot and upgrade parking lot lights, renovate / reconfigure portions of the interior of Building 2 (pre-school), replace HVAC and repair and re-stain the cedar siding on Building 3, upgrade the restrooms for Building 3, and renovate the entry foyer, restrooms and lighting within Building 1. In addition, upgrades to the audio / video systems for Buildings 1 and 3, as well as repair of the trash enclosure are also planned. A detailed line-item accounting of planned renovations is shown in the following chart prepared by the owner. To be completed in two phases, these renovations amount to $247,000, and appear reasonable.

Altogether, total renovations / deferred maintenance costs equate to $247,000, though $5,000 of furniture (personal property) is included in this estimate. Note that some of these costs are being subsidized by donated labor by church members, which infers the “market” cost could run higher. However, this situation is not unusual for non-profit entities like the subject. Hence, instead of adding a 5% to 10% contingency factor, for purposes of this report, we will use a rounded figure of **$250,000 for renovation costs** that will be considered as a deduction in arriving at the final as is market value of the subject property.

**Estimated**

**Start of Construction:**  May 2017

**Estimated**

**Completion Date:**  Approximately January 1, 2018 (roughly 7 months construction)

**Year Built (Remodeled):** Building 1 – 1979, partial remodel in 2005 / narthex addition in 1996

Building 2 – 1967, remodel 2001

Building 3 – 1981, no recent remodel

**Actual Age:** Existing Buildings – 36 to 50 years

Site Improvements – 36 years

**Effective Age:** Existing Buildings – 20 Years / 15 years after renovation

Site Improvements – 15 years / 5 Years after renovation

**Economic Life:** Existing Bldg. - 50 years total / 35 years remaining (assuming renovations)

Site Improvements – 15 years total / 10 years remaining (assuming renovations)

**Land-to-Bldg. Ratios:** ${landprim} to 1 (${primsf} SF Site Area ${gba} SF GBA)

**Site Coverage Ratios:** ${siteprim} (${footprint} SF Footprint ${primsf} SF Site Area)

**Special Features:** None.

**Utility:** The subject church/school complex represents a fair to average quality facility with average functional design for its existing use.

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| **Site Plan** |
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| **Floor Plan** |
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| **Elevations** |
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| **Appraiser Sketch** |
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