${DueDate}

${apponename}

${phoneone}

${apponeemail}

${cliname}

${ctitle}

${ccomp}

${caddress}

${ccsz}

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Appraisal Report Review – ${ccomp} Project – ${rowprojname}** | | | | | |
|  |  | |  |  |  |
| **Client(s):** | ${ccomp} | |  | **Client File No.:** | ${clientref} |
|  |  | **Client File Name:** | ${ccomp} – ${rowprojname} |
| **Original:**  **Revision:** |  |  |  | **ROW Section:** | Gateway to PDX Airport |
|  |  | |  | **Rail Line:** | RedLine |
| **Date of Legal Description:** | ${rowdold} | |  | **County:** | ${county} |
|  |  | |  |  |  |
| **Area to be Acquired:** | ${rowsfacq} SF | |  | **Rights to be  Acquired:** | Temporary Construction Easement |
|  |  | |  |  |  |

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| --- | --- | --- | --- | --- | --- |
| **Appraisal Report Summary** | | | | | |
|  |  |  |  |  | |
| **Appraiser / Firm:** | ${rowappname}  ${rowappfirm} |  | **Project Name:** | ${ccomp} – ${rowprojname} | |
| **Date of Report   Under Review:** | ${rowdoreport} |  | **Parcel Name:** | City of Portland/Prosper Portland Parcel (RL856) | |
| **Date of Review**: | ${rowdoreview} |  | **Subject Address:** | ${address}  ${citystatezip} | |
| **Review Appraiser:** | ${apponename} |  | **Interest Appraised**: | Fee Simple | |
| **L3V File No.:** | ${reportname} |  | **Personal Property   Disclosure**: | None included in the valuation. | |
|  |  |  |  |  | |
| **Date of Valuation** | **Original or Revision** | | **Concluded Market Value of Temporary Construction Easement** | | **Value of Entirety** |
|  |  | |  | |  |
| ${effdov} | Revision | | **$47,550** | | N / A |
|  |  | |  | |  |

Client and Intended Users of the Appraisal Review

${ccomp} is the client in this assignment. The intended user(s) of this report are ${cliname} / ${ccomp}.

Intended Use of the Appraisal Review

The intended use is to perform a technical review of the appraisal in accordance with UASFLA, USPAP, ${ccomp} requirements, and other required standards, and is intended for use by ${ccomp} and its assigns only in the association with the acquisition of a real property interest for a public project.

Note that if any corrective action was required, the reviewer has communicated directly with the appraiser with regard to curing any such deficiencies and has acted on behalf of the client to ensure those deficiencies are appropriately corrected.

Purpose of the Appraisal Review

The purpose of this review is to reject or accept the appraisal report as a basis for the agency’s recommendation of Just Compensation for the real property and property rights being acquired as described in the appraisal report.

Scope of Work

The review appraiser signing this review report has performed a thorough review of the information, comparable data and market analysis contained within the report along with checks for reasonableness and soundness of the data used and conclusions from which the appraiser used to form an opinion of value. In that the data presented within the report was relied upon to form a value conclusion, the review appraiser has made an ***extraordinary assumption*** that all of that data presented is accurate and correct. In addition, the review appraiser has personally inspected the subject site and comparable sales. The review appraiser has independently consulted with real estate professionals and developers to substantiate his conclusions. The appraisal review will provide an opinion of the completeness and reasonableness of the report under review and that it was written in compliance with the above noted standards. The intention of the appraisal review is to either recommend or not recommend the appraisal report as the basis of the agency’s recommendation for the offer of Just Compensation.

The **scope of this review** includes:

* Reading the appraisal report and checking the math calculations;
* Verification of any factual data that may be in question;
* Assessing the appropriateness of the appraisal techniques used in the report;
* Assessing the appropriateness of the highest and best use analysis;
* Viewing the subject property with emphasis on the acquisition area;
* Viewing the subject neighborhood and access characteristics;
* Viewing the market data used in the valuation analysis;
* Obtaining clarifications or corrections from the appraiser, if needed;
* Noting and explaining any deficiencies found in the appraisal.
* The review will not develop and express an opinion of the market value of the real property and property rights defined in the appraisal report;
* This review will not verify the subject’s boundaries, building sizes, zoning codes or easements unless an error is indicated.

The intention of the appraisal review is to either recommend or not recommend the appraisal report as the basis of the agency’s recommendation for the offer of Just Compensation. ***This appraisal review assignment is only to develop an opinion as to the quality of the appraisal described herein as set forth in USPAP Standards Rules 3-5(a) – (h). The review has not developed an independent opinion of value. In that the review is intended to comply with UASFLA Standards, the review appraiser will render an opinion whether the opinions of value are adequately supported and in compliance with all appropriate standards, laws and regulations.***

Reviewer’s Opinions, Reasons and Conclusions

The subject of the review is an appraisal of a parcel of land owned by the City of Portland (Prosper Portland), described as Map ${mappage} - Tax Lot ${taxlot}, ${county}, ${longstate}. The property is identified as **${ccomp} File ${clientref}**. It is located on the west side of NE 99th Avenue, between NE Multnomah Street to the north and NE Pacific Street to the south. The address is ${address}, ${citystatezip}.

The appraisal includes an adequate and appropriate description of the subject, including sufficient mapping and photos.

The property rights appraised is stated to be the **Fair Market Value** of the **Fee Simple Interest**. The definition of fair market value is from the 2018 ODOT Right of Way Manual – Section 5.315, which is appropriate.

The report includes a 5-year sales history. No other sales or transfers have occurred within this 5-year period.

Extraordinary Assumptions:

The report under review includes the following **Extraordinary Assumptions** that may impact assignment results:

* Dimensions and distances in this report have been based on the plans provided by the client.
* Asphalt surfaces within the Temporary Construction Easement will be replaced, avoided or restored as part of the project.
* The appraiser has been provided a copy of the easement document. It is assumed said acquisition of the subject’s property will be acquired as described in Exhibit A and B of said document.

Hypothetical Conditions:

There is one **Hypothetical Conditions** stated in the report under review that may impact assignment results:

* The appraisal of the subject remainder requires the hypothetical condition that the project was already completed “according to the construction plans and is in operation as of the valuation date” (2008 ODOT Guide to Appraising Real Property, Section 2, Paragraph 37, Page 26), as of the valuation date.

Subject Property Summary

The subject property description, including, zoning and comprehensive plan information, access and exposure, available utilities, easements and encumbrances, flood plain, soil conditions and environmental conditions is appropriate and adequate. The subject’s neighborhood description is thorough and adequate. The appraiser gives an reasonable description of the subject’s market conditions including the current unknown impact of COVID-19 on real estate. A thorough supply and demand analysis is included and gives the reviewer a sufficient understanding of the subject’s competitive position in its market.

The Highest and Best Use section is satisfactory. The subject is an irregularly shaped parcel that contains approximately 2.04 acres, per the First American title report included in the appraisal. The site has all available public utilities, fronts a fully improved city street (SE 99th Avenue) with developed approaches for access. It has good visibility and easy accessibility to main travel routes throughout the city.

The west side of the parcel abuts the Gateway Transit Center with light rail and bus routes. The site is not within a flood hazard zone. The site is level, at street grade. No geotechnical report was provided for the appraisal, but based on surrounding developments this is not considered to be an issue. The conclusion of highest and best use “As Vacant” is “that of supporting commercial or mixed-use development as permitted in the underlying zone that benefits from its roadway/highway exposure, access, and desirable surrounding synergy in an urban/sub-urban neighborhood.” The highest and best use “As Vacant” is reasonable and well supported.

Description of Proposed Acquisition

The proposed acquisition consists of a temporary construction easement as part of the larger parcel (consistent with the survey map and legal description provided in the Addenda of the report).

Review of the Valuation Analysis

The valuation method relied upon was the **Sales Comparison Approach**, including analysis of seven comparable properties to arrive at an estimate of fair market value for the subject site. The adequacy and relevance of the data is reasonable and well supported. The unit of comparison is the price per square foot with secondary consideration to the price per square foot of FAR (Floor Area Ratio). The sales closed between 2018 and the end of 2019. All sales are commercially zoned sites similar to the subject and range in size from 9,000 SF to 23,875 SF with a range in FAR from 1.5 : 1 to 4.0 : 1. The subject property is 2.04 acres / 88,862 SF with an allowable FAR of 0.25 : 1 to 8.0: 1. While the comparable sales don’t bracket the subject site size, they are considered good indicators of value. Unadjusted prices range from $98.02/sf to $219.46 / SF with an adjusted price range of $101.48 / SF to $174.34 / SF. Each comparable sale offers a similar highest and best use with a final conclusion of $140 / SF. The average FAR in the subject’s neighborhood is 4.0 : 1 based on the appraiser’s observations. This equates to $35 / SF of FAR based on this average and as noted by the appraiser is a secondary consideration as property in the subject’s neighborhood are more likely to be traded on a $ / SF basis. The appraisal report provides adequate support for the opinions expressed in the appraisal report.

The temporary construction easement (TCE) will be utilized for 34 months or 2.8333 years. The +1,392 SF of land in the TCE is valued at the aforementioned $140 / SF. The appraiser then analyzes (5) examples of land leases to conclude on an annual lease rate of 8.0% for the land value. The rental rate for the land and the value of the improvements are considered reasonable and generally well supported. The value of the improvements is added to the value of the land as they are being rented during the TCE term as seen as follows. Some of the improvements in the TCE will not be replaced as part of the project, so they are added to the acquisition cost.

Temporary Construction Easement Value

|  |  |
| --- | --- |
|  |  |
| Concluded Market Value - Temporary Construction Easement | $45,400 |
| Replacement Value of Improvements in TCE | $2,150 |
| **Concluded Market Value – TCE and Improvements** | **$47,550** |

Reviewer’s Conclusion

**The reviewer’s opinion is that the methods and techniques used in the report are appropriate for this assignment. The appraisal is complete within the scope of work described and to the required standards. The adequacy and relevance of the data used is reasonable and the analyses, opinions and conclusion are appropriate and reasonable. The concluded $47,550 in the appraisal report is recommended as the basis of the agency’s recommendation for the offer of Just Compensation.**

If you have any further questions, please do not hesitate to contact me.

Thank you for the opportunity to assist you in this review assignment.

Respectfully submitted,



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| ${apponedigsig} |
| ${apponename}  ${apponetitle}  ${apponelicst} Certified General  Appraiser License #${apponelicno} |

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| --- | --- |
| **Appraisal Compliance Checklist** | |
| **Appraisal Requirements** | **Comments** |
| **Conformance with UASFLA, USPAP,**  **Client Requirements, and**  **The Uniform Act CFR 49 § 24.2(a)(3)** | Yes, the report is in compliance with the current versions of *Uniform Appraisal Standards for Federal Land Acquisitions* (UASFLA), *Uniform Standards of Professional Appraisal Practice* (USPAP), the *Code of Ethics of the Appraisal Institute*, ${ccomp} Appraisal requirements, and the *Uniform Relocation and Assistance and Real Property Acquisition Policies Act - 49 CFR § 24.2(a)(3)*. \*  \*[www.fhwa.dot.gov/legsregs/directives/fapg/cfr4924a.htm](http://www.fhwa.dot.gov/legsregs/directives/fapg/cfr4924a.htm) |
| **Purpose and Intended Use** | Yes, the appraiser has provided the purpose and intended use of the appraisal on Page 2 of the report. |
| **Intended Use / Intended User(s)** | Yes, the appraiser has identified the intended use and user of the appraisal on Page 2 of the report. |
| **Scope of Work** | Yes, the appraiser has provided the scope of work. |
| **15-Day Inspection Notice Provided Owner** | The appraiser provided the owner with a 15-day notice. |
| **History and Ownership** | The appraiser provided a 5-year history and ownership of the subject. |
| **Market Value Definition** | Yes, the appraiser includes the correct definition of Fair Market Value as cited the 2018 ODOT Right of Way Manual – Section 5.315. |
| **Extraordinary or Special Assumptions** | Dimensions and distances in this report have been based on the plans provided by the client.  Asphalt surfaces within the Temporary Construction Easement will be replaced, avoided or restored as part of the project.  The appraiser has been provided a copy of the easement document. It is assumed said acquisition of the subject’s property will be acquired as described in Exhibit A and B of said document. |
| **Hypothetical Conditions** | The appraisal of the subject remainder requires the hypothetical condition that the project was already completed “according to the construction plans and is in operation as of the valuation date” (2008 ODOT Guide to Appraising Real Property, Section 2, Paragraph 37, Pg. 26), as of the valuation date. |
| **Preliminary Title Report** | Yes, a title report prepared by First American Title Company Order No. NCS-1017480-OR1 dated June 16, 2020 is referenced in the report and included in the Addenda. |

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| Certification of ${apponename} |

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this review report within the three-year period immediately preceding the agreement to perform this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, except to the extent that the Uniform Appraisal Standards for Federal Lands Acquisitions required invocation of USPAP’s Jurisdictional Exception Rule, as described in Section D-1 of Uniform Appraisal Standards for Federal Lands Acquisitions. This review is also intended to be in conformance with the appropriate State of Oregon laws, as well as the “Guide to Appraising Real Property” provided by the Right of Way Section of the Oregon Department of Transportation.
9. The appraisal review was conducted, and the review report prepared in conformity with the Uniform Appraisal Standards for Federal Lands Acquisitions.
10. I have made a personal exterior inspection of the subject property. In addition, I made exterior inspections of the comparables used in the appraisal report under review, and have verified the factual data presented in the appraisal review.
11. No one provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted.
12. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
13. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
14. As of the date of this report, the undersigned has completed the Standards and Ethics Education Requirement for Candidates/Practicing Affiliates of the Appraisal Institute.

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| ${apponedigsig} |
| ${apponename}  ${apponetitle}  ${apponelicst} Certified General  Appraiser License #${apponelicno} |