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**APPRAISAL OF
PARCEL 31
DEER CREEK DRIVE EXTENSION
HUNTERS MEADOW DRIVE
ST. CHARLES COUNTY, MISSOURI**

**DATE OF REPORT
MAY 17, 2013**

**DATE OF VALUE
APRIL 8, 2013**

**PREPARED FOR
ST. CHARLES COUNTY**

**PREPARED BY
REAL ESTATE ANALYSTS LIMITED
6255 KNOX INDUSTRIAL DRIVE
ST. LOUIS, MISSOURI**

FILE NUMBER 2013-084-31

REAL ESTATE ANALYSTS LIMITED

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May 22, 2013

Mr. Craig Tajkowski, P.E.
St. Charles County Engineer
St. Charles County
201 North Second Street
St. Charles, Missouri 63301

RE: Deer Creek Drive Extension – Parcel 31

Dear Mr. Tajkowski:


The following Standard Format Appraisal Report of which this letter of transmittal is a part, was completed in accordance with the requirements outlined in the *Local Public Agency Land Acquisition Book*, as well as in accordance with the *Uniform Standards of Professional Appraisal Practice* and with both the *Rules of Professional Ethics and the Standards of Professional Practice* of The Appraisal Institute. The report is subject to the included General Assumptions and Limiting Conditions.

Having completed my inspection of the subject property and all other necessary investigations, I have concluded the following Just Compensation due the owners on or about April 8, 2013:

TWENTY THOUSAND SEVEN HUNDRED FIFTY TWO DOLLARS (\$20,752)

After reviewing the report, if you or your staff have any questions or concerns, please be sure to call. I look forward to talking with you about it.

Respectfully submitted,



Michael A. Green
Principal

STANDARD APPRAISAL FORMAT

County: St. Charles
Route: Deer Creek Drive
Parcel No.: 31
Area of Contiguous Ownership: 944,967 square feet
(As calculated from plans)

Acquisition:
(As indicated on plans)

| | |
|-------------------------------|--------------------|
| Normal Land: | 36,283 square feet |
| Controlled Land: | N/A |
| Fully Controlled Land: | N/A |
| Permanent Easement: | N/A |
| Temporary Easement: | 21,818 square feet |

Remainder: 908,684 square feet

Appraiser: Michael A. Green
Effective Date of Appraisal: April 8, 2013

1. Owner and Tenant-owner:

The current owners of the subject property are the Manors at Deer Creek Homeowners Association whose mailing address is 3 Hollenberg Court, City of Bridgeton, Missouri 63044. The owner's telephone number is unlisted, but a representative of the Homeowners Association, Mr. Ron Connell (314-607-8614), met with me at the property.

2. Purpose of Appraisal:

The purpose of this appraisal is to estimate just compensation, if any, due the owners as a result of appropriating certain realty rights as herein described.

A. Fair Market Value Definition: Fair market value is the value of the property taken after considering comparable sales in the area, capitalization of income, and replacement cost less depreciation, singularly or in combination, as appropriate, and additionally considering the value of the property based upon its highest and best use, using generally accepted appraisal practices. If less than the entire property is taken, fair market value shall mean the difference between the fair market value of the entire property immediately prior to the taking and the fair market value of the remaining or burdened property immediately after the taking. (RSMo 523.001).

B. Intended Use: The intended use of the appraisal report is to assist the agency (St. Charles County) in its determination of the amount paid for the property rights acquired or conveyed.

C. Intended Users: Intended users of this report are the agency, the Missouri Highways and Transportation Commission, the Missouri Department of Transportation, the Federal Highway Administration, and the United States Department of Transportation, and persons authorized by the client, state enforcement agencies and such third parties as may be authorized by due process of law, and a duly authorized peer review committee. Although the Agency and the Missouri Department of Transportation authorizes a copy of this report be provided to the owner of the subject property of this appraisal for information and settlement purposes only, the owner is not an intended user as defined by USPAP.

D. USPAP Compliance Statement: This appraisal was prepared according to the contract/assignment from the agency. The intended use of the appraisal is for eminent domain related acquisition and the agency is the only intended user (except as indicated above). The agency bears responsibility for contract/assignment requirements that meet its needs and therefore are not misleading. In combination with the Scope of Assignment and review function, all appraisal reports assigned by the agency identify the problem to be solved, determine the scope of work necessary to solve the problem, and correctly complete research and analysis necessary to produce a credible appraisal, and are therefore in compliance with USPAP Standard 1. In that the agency is the only intended user of the report and others may only be provided copies for informational purposes, the agency has determined that reports prepared in conformance with these procedures constitute a Summary Appraisal Report, which fulfills the agency's needs. For any inconsistencies with USPAP, appraisers are protected by the USPAP Jurisdictional Exception provision.

3. Interest Appraised: The interest being appraised is the Fee Simple Interest. According to *The Dictionary of Real Estate Appraisal*, 4th ed., 2002, Fee Simple Estate is *An absolute fee; a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. An inheritable estate.*

4. Scope of Work: The scope of this appraisal is as follows:

- ◆ To identify the property by street address, tax parcel number and legal description.
- ◆ To inspect the subject property. The subject was inspected on April 8, 2013 by Michael A. Green in the company of Mr. Ron Connell, a Homeowners Association representative. Mr. Connell and I viewed the property from the terminus of Deer Creek Drive. Aerial photographs and County plat maps were also reviewed.
- ◆ To determine the size of the site. The site size was obtained from the provided plans. I have also referenced the site size per the St. Charles County Assessor's Office records.
- ◆ To assess the economic effects of the neighborhood and the community at large upon the subject property.
- ◆ To gather and analyze comparable sale data (vacant land) and when and where possible, to obtain confirmation of market data by one or more parties to the transaction, or a participating broker. If this were not the case, the information was obtained from sources we believe to be reliable. Additional data sources such as MetroScan and Loopnet were reviewed. Michael A. Green visited all of the comparables used.
- ◆ In the preparation of this appraisal, I relied upon data from the St. Charles County Assessor's Office records and the City of O'Fallon Zoning Department in respect to some of the physical, legal and economic characteristics of the subject property and the comparables.
- ◆ In the preparation of this appraisal, I gathered comparable sale data (vacant land sales) and analyzed this data as it relates to the subject. The analysis of the data resulted in the conclusion of value presented in this appraisal report.

Based upon the intended use and users of this report, in conjunction with the complexity of the assignment I utilized the following approach to value:

- ◆ Sales Comparison Approach

Appraisal of Parcel 31 -- Deer Creek Drive Extension, St. Charles County, Missouri

The date of the final property inspection and the date to which the value estimate applies is April 8, 2013.

This report was prepared in conformance with the Scope of Assignment and the requirements of the format assigned.

5. Identification of the Realty:

The subject property (Parcel 31) is located on Hunters Meadow Drive in the City of O'Fallon, St. Charles County, Missouri. The County Assessor's Office tax identification number is 2-0050-9700-00-A.

The legal description, as taken from St. Charles County Records is as follows:

MANORS AT DEER CREEK #3 LOT A CG

6. History of the Property:

Ownership of the property is currently vested in Manors at Deer Creek Homeowners Association, who has owned the property since December 2004.

7. Description of Realty Prior to Acquisition:

A. Zoning:

The subject property is zoned "R-1", Single Family Residential District by the City of O'Fallon. As noted in the zoning ordinance,

This District is composed of those areas of the City whose principal use is and ought to be single-family dwellings on moderate to small sized lots. The regulations of this District are designed to create and preserve a predominately urban character as evidenced by lot sizes, and street and drainage requirements. In addition to the dwelling permitted in this District, certain compatible recreational and public uses are conditionally allowed and strictly regulated to ensure harmony with the principal use of this District.

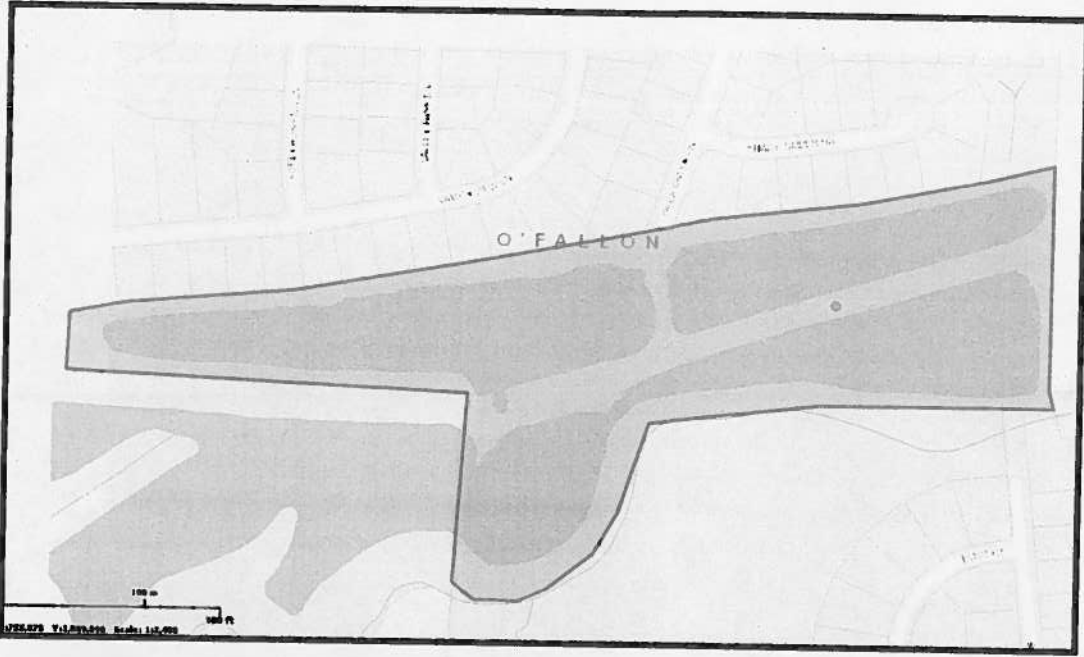
There is a minimum lot size requirement, but this varies with the lot depth as follows:

| <i>Lot Area (square feet)</i> | <i>Minimum Lot Depth (feet)</i> | <i>Minimum Lot Width (feet) at the Building Line</i> |
|--------------------------------------|--|---|
| 10,000--11,999 | 100 | 80 |
| 12,000--14,999 | 120 | 85 |
| 15,000--21,999 | 120 | 100 |

As an undeveloped site, the subject conforms to the zoning ordinance.

B. Land:

- ◆ **Size/Dimensions** - The subject site, per the plans provided, comprises 944,967 square feet or 21.693457 acres fronts the south terminus of Deer Creek Drive by 60 feet.
- ◆ **Configuration** – The site is irregular in shape. The reader is referred to the plat map and aerial photograph that follow for a clear indication of the site's shape.



Appraisal of Parcel 31 – Deer Creek Drive Extension, St. Charles County, Missouri

- ◆ **Topography/Drainage** – Overall, the site has level topography – as can be seen it comprises mostly lakes – the land around the lake perimeters is about 10 feet above the lake level. Drainage is adequate and flows into the lakes.
- ◆ **Flood Plain** - Per Flood Insurance Community Panel No. 29183C0230F March 17, 2003 the subject is largely within a High Flood Risk zone due to Peruque Creek running along the southern edge of the site.
- ◆ **Ground Stability** - I was not furnished a soil analysis, therefore, no conclusion can be ascertained with regard to the stability of the site. However, based upon visual inspection, no problems were identified.
- ◆ **Easements/Encumbrances/Moratoriums** – The subject property appears to be encumbered with only the typical utility easements as are noted on the plans.
- ◆ **Encroachments** – Based on the provided plans, there were no obvious encroachments.
- ◆ **Access Before Acquisition**

The subject is served by a single point of access, being the south terminus of Deer Creek Drive.

- ◆ **Utilities In Use Before Acquisition**

None.

- ◆ **Utilities Available Before Acquisition**

All public utilities are available.

C. Fee Owned Improvements, Fixtures and Personalty:

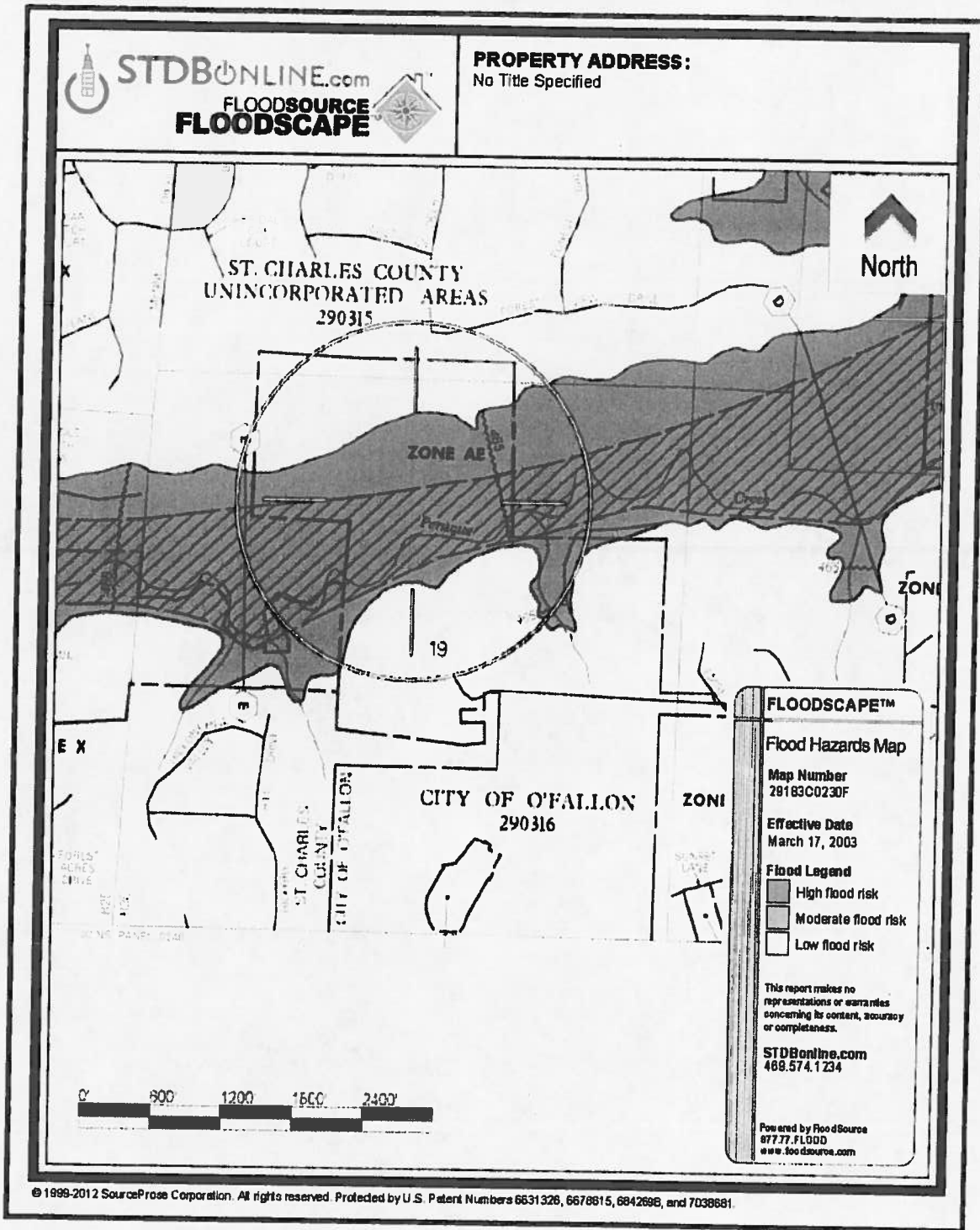
N/A

D. Tenant Owned Improvements, Fixtures and Personalty:

None apparent.

E. Other Appraisal Considerations:

None.



8. Highest and Best Use Analysis Before Acquisition:

Considering the subject's zoning, its size and shape and its location in a residentially developed area, its highest and best use, as vacant would be for a residential development – essentially as land used to support the subdivision development to which it is adjacent. Developers buy land with topographic and flood plain difficulties knowing that the “difficult land” can be set aside as common ground, but still used in the density of development calculations. As can be noted from the following exhibit, parcels on the more topographically challenged and tree covered land (generally to the west of the subject) tend to be larger than those of the subdivisions to the east and south.



While I note that the subject is at present technically undevelopable as its use is restricted to “common ground” serving the adjacent subdivision, when it was originally acquired it was, as part of the whole, a subdivision development site and as such has been valued as such.

9. Valuation Before Acquisition:

A. Sales Comparison Approach Before Acquisition

The Sales Comparison Approach is based upon the presumption that an informed purchaser would pay no more for a property than the cost of acquiring an existing property with the same utility. This approach is applicable when an active market provides sufficient quantities of reliable data which can be verified from authoritative sources. The Sales Comparison Approach is relatively unreliable in an inactive market or in estimating the value of properties for which no real comparable sales data is available. I have assembled data regarding the sale of undeveloped land parcels and have concluded that there is sufficient relevant and comparable data to use this approach. My field inspection included a search of the public and private records, as well as interviews with brokers knowledgeable of the area.

I searched for sales of infill type tracts where the likely use was a low density residential development.

Sale No. 1



| | |
|-------------------------------|---|
| Seller | Weaver Investments LLC |
| Buyer | Ronald L. Palmer & Holly M. Albrecht |
| Instrument | Warranty Deed dated August 24, 2009 |
| Recorded | Book 5253 Page 1410 |
| County | St. Charles |
| Selling Price | \$630,000 |
| Unit Price | \$31,500 per acre |
| Type of Transaction | Sale of the fee simple interest |
| Financing | Seller received all cash |
| Site Area | 20.00 acres |
| Zoning | "A", Agricultural District |
| Zoning Compliance | N/A vacant site |
| Highest & Best Use | Residential development – a single home |
| Utilities | Water, electric & telephone |

Specific Location of Sale

This site is located just east of Hopewell Road on Schwede Road at its intersection with Spring Branch Drive – it does not have a formal address.

Sale Verification: Sale price was confirmed by Michael A. Green on December 3, 2012 with James White of Tidd Realty, the current listing broker, who was able to confirm the prior purchase price. St. Charles County Assessor's Office reports the same purchase price on their records. The property is currently listed for sale at \$660,000 or \$33,000 per acre – after acquisition, the new owner spent \$30,000 on fencing.

This sale was personally inspected by Michael A. Green.

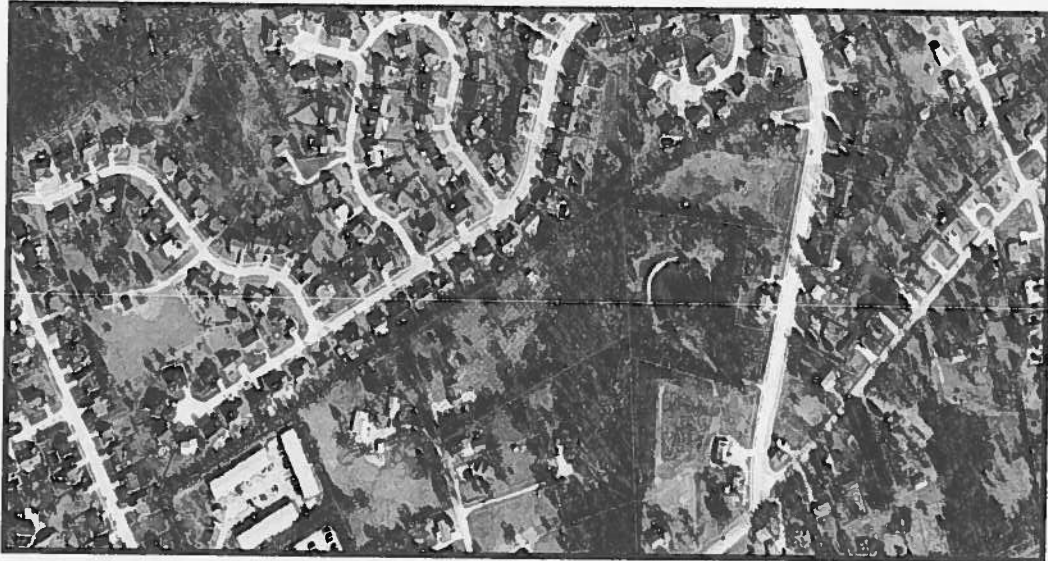
PROPERTY DESCRIPTION

This is the sale of a generally rectangular shaped tract located on the north side of Schwede Road, with 630 feet of frontage and a depth of 1,465 +/- feet. It is gently rolling and is largely clear of trees over two thirds of its depth and then is wooded.

PHOTOGRAPH OF COMPARABLE SALE NO. 1



Sale No. 2



| | |
|-------------------------------|---|
| Seller | Frontenac Bank |
| Buyer | Robert & Christina Campbell |
| Instrument | Warranty Deed dated August 28, 2009 |
| Recorded | Book 5256 Page 1844 |
| County | St. Charles |
| Selling Price | \$225,000 |
| Unit Price | \$39,405 per acre |
| Type of Transaction | Sale of the fee simple interest |
| Financing | Seller received all cash |
| Site Area | 5.71 acres |
| Zoning | "R-1B" Residential – 20,000 square foot minimum lot size |
| Zoning Compliance | N/A vacant site |
| Highest & Best Use | Residential development |
| Utilities | All public utilities available, but only electric connected |

Specific Location of Sale

This site is located at 1148 Crystal Drive, in unincorporated St. Charles County, Missouri, just north of Highway 94.

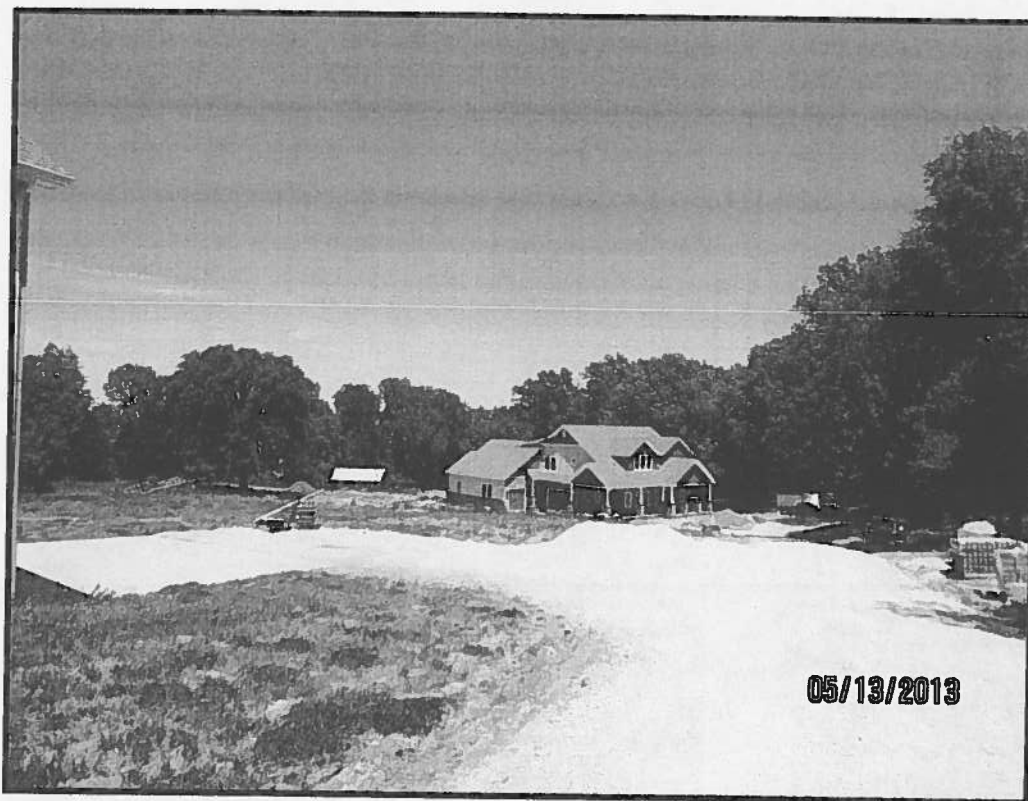
Sale Verification: Sale price was confirmed by Michael A. Green on May 3, 2013, with Scott A. Sacco of Scott Sacco Real Estate, the seller's broker.

This sale was personally inspected by Michael A. Green. While this was a bank sale, it was not sold under duress. The property was fully and properly exposed to the market and was on the market for 295 days before a contract was submitted and accepted.

PROPERTY DESCRIPTION

This is the sale of a mostly rectangular shaped lot with access from a street that dead ends at the property. The site was improved with a small, 560 square foot residence at the time of the sale but this was given no contributory value (it was built in 1965). The property was not connected to any public utility, except for electric, but all are available. The site is generally level, except over the eastern third, which is heavily wooded, where it slopes down to a creek.

PHOTOGRAPH OF COMPARABLE SALE NO. 2



Topographic Map

Sale No. 3



| | |
|-------------------------------|--|
| Seller | Glen & Kathleen Mitchell |
| Buyer | James & Amy Hankins |
| Instrument | Warranty Deed dated June 2, 2011 |
| Recorded | Book 5593 Page 2255 |
| County | St. Charles |
| Selling Price | \$126,900 |
| Unit Price | \$36,997 per acre |
| Type of Transaction | Sale of the fee simple interest |
| Financing | Seller received all cash |
| Site Area | 3.43 acres |
| Zoning | "R-1" Single Family Residential – 10,000 to 21,199 square foot minimum lot size dependent on lot frontage. The rear parcel is zoned HTCD – High Tech Corridor District (5 acre minimum lot size) |
| Zoning Compliance | N/A vacant site |
| Highest & Best Use | Residential development |
| Utilities | All public utilities available |

Specific Location of Sale

This site is located at 9025 Spy Glass Hill Court in O'Fallon, Missouri, and is in the Winghaven development. It is a cul-de-sac lot of 0.42 acres and an adjacent mostly wooded and steeply sloped site of 3.01 acres.

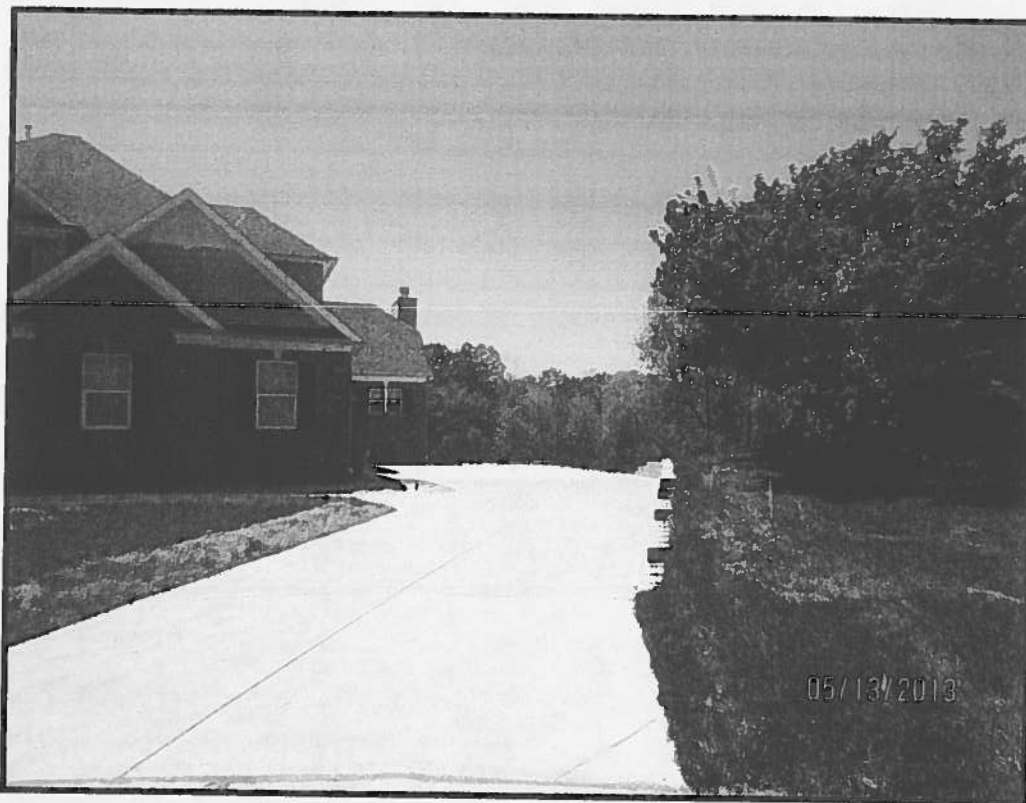
Sale Verification: Sale price was confirmed by Michael A. Green on May 8, 2013, with Bill Luetkenhaus of Luetkenhaus Properties, the seller's broker. St. Charles County records also show the same purchase price.

This sale was personally inspected by Michael A. Green.

PROPERTY DESCRIPTION

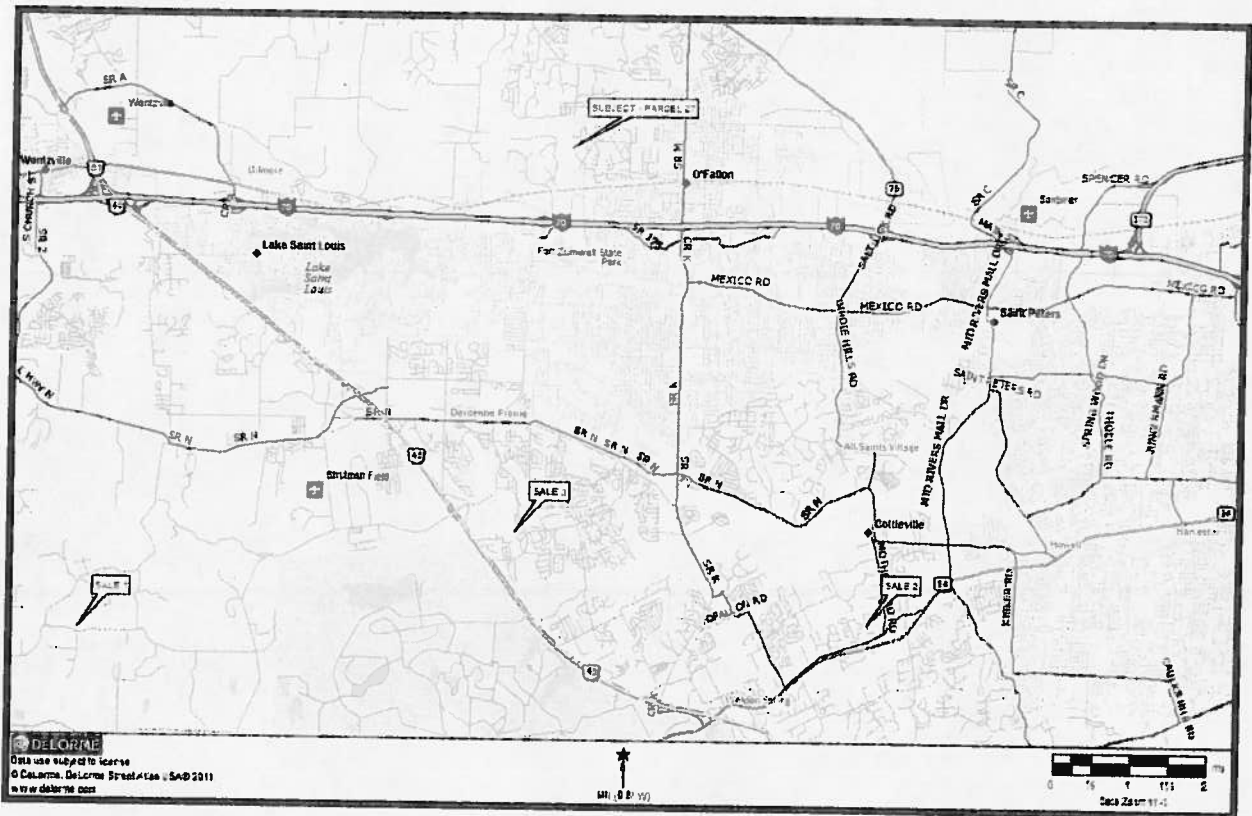
This is the sale of a cul-de-sac lot of 0.42 acres, plus an adjacent 3.01 acres of mostly wooded and steeply sloped land. The buyers built a new home of the cul-de-sac lot.

PHOTOGRAPH OF COMPARABLE SALE NO. 3



Cul-De-Sac Lot Shaded – Additional Lot To Rear

COMPARABLE SALES MAP



The elements of comparison for which adjustments may be required include:

- ♦ **Property Rights** - Any dissimilarity in property rights conveyed in the sale of the comparable and those being valued in respect to the subject need to be considered.
- ♦ **Financing Terms** - Any significant unusual financing conditions affecting the sale, such as advantageous seller financing, are adjusted in the cash equivalence calculation.
- ♦ **Conditions of Sale** - Any known unusual or atypical buyer and/or seller motivations, such as one of the parties acting under duress, or where the sale is known not to be an arm's length transaction, are adjusted for in the analysis.
- ♦ **Time/Market Conditions** - Market conditions change over time. Therefore, past sales must be examined in the light of the direction of change, if any, between the date of the sale of the comparable and the date of valuation of the subject property.

Physical Characteristics

- ♦ **Location** - The location of a site in terms of its neighborhood and the economic influences of that neighborhood are critical factors in the value of real property.
- ♦ **Access** - Access is critical and buyers will pay a premium for a site that offers quicker access to major traffic ways and area services.
- ♦ **Size/Configuration** - All else being equal, a smaller site will tend to be priced at and sell for a higher unit price than a larger site, and adjustments for significant variations in size are warranted. In addition, generally the more symmetrical a site is the more useful it is to a developer or user; hence the value is usually higher.

- ◆ **Topography** - Sites may differ in value due to topographical characteristics. Sites with steeply sloping terrain may make the construction of improvements more difficult and therefore more expensive.
- ◆ **Zoning** - Land use and development may be regulated by city or county government and these regulations may preclude or restrict (in terms of height, density and size) certain types of development. Sites with fewer restrictions allowing more varied or intensive development may command a higher price, all other things being equal.
- ◆ **Utilities** - The need to provide all or some utilities to a site is a cost to a user or developer and would tend to result in a lower price paid compared to a similar site with all utilities provided.
- ◆ **Site Improvements** - Land already improved with utilities, curb cuts, gutters, paving and other improvements making the site ready for immediate development may command a higher price than a similar site without such improvements. Sites may also be improved with structures that are considered an encumbrance to the proposed development and this would tend to adversely affect price.

The characteristics for which adjustments are required as discussed above are analyzed in relation to each comparable as follows:

Property Rights - All of the sales were of the fee simple interest, the same interest that is being valued at the subject.

Financing Terms – As far as I am aware none of the comparables were subject to any unusual financing terms.

Conditions of Sale – As far as I am aware the comparables were not subject to any conditions of sale.

Time/Market Conditions – The sales occurred between August 2009 and June 2011, during which time the market was initially in decline, from early 2009 through to late 2011, but since has been generally stable. I have made a negative time / market conditions adjustment of 5.0 percent per year from January 1, 2009 through to December 31, 2009, a negative adjustment of 10.0 percent for 2010 and then a negative adjustment of 5.0 percent for 2011; and then made no adjustment from this latter date through to the date of value.

The adjustments for physical characteristics are as follows:

Comparable 1 is located south and west of the subject in a more rural area and more distant from I-64 than the subject is from I-70, although access to comparable is superior in that it has extensive (630 feet) street frontage whereas the subject has a street that dead ends into it. Both the subject and comparable are similar in terms of usage, with both best suited to low density residential development. Physically, the comparable is similar in size at 20.0 acres (the subject is 21.69 acres), and like the subject it is generally level and mostly percent clear, but the subject is flood plain affected. Neither the subject nor the comparable are served by public water and sewer services, but the subject, being adjacent to an existing subdivision has better access to public utilities. Overall, I have made positive adjustments to reflect the subject's superior location and easier access to utilities, but negative adjustments to reflect its inferior street frontage and its flood plain status.

Comparable 2 is located south and east of the subject in an area considered to be slightly superior to the subject's immediate neighborhood due to the level of development in the area. However, like the subject, the comparable is adjacent to an existing subdivision (to its north) and while it is situated just off of Highway 94, it too has access via a single street which dead ends at the property (in this case the street is unpaved – gravel surface). Overall, the comparable's general location is considered to be superior to the subject's, but both have similar specific locations, with similar access. Physically, the comparable is much smaller than the subject, but the comparable has slightly inferior topography, being somewhat rolling, and like the subject mostly clear. The comparable is not flood plain affected. As with comparable 1, this comparable and the subject are both suited to low density development (the buyer has constructed two homes on this site). In terms of utilities, public water was connected to the existing house on the property, but sewers were not connected. However, as with the subject all public utilities are available. Overall I made negative adjustments to reflect the comparable's superior location, smaller size, non-flood plain status and existing utility service, but a positive adjustment reflecting the subject's superior topography. No other adjustments were indicated.

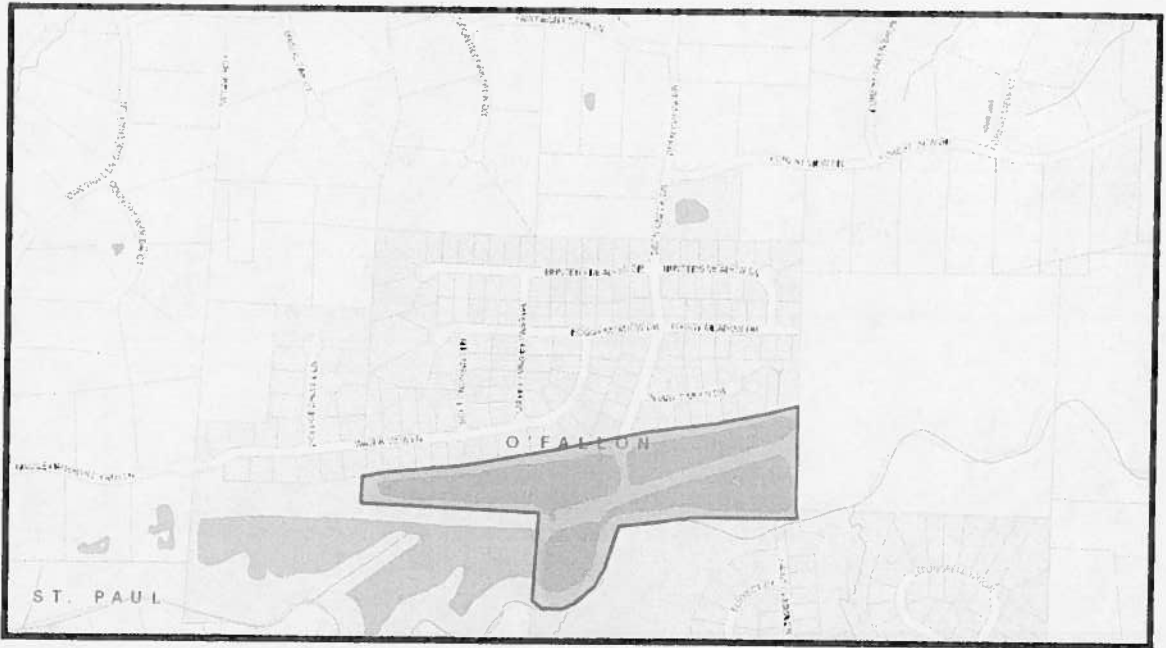
Comparable 3 is located due south of the subject in an existing subdivision, but the land that was purchased was both a lot and an adjacent undeveloped and generally similar property to the subject. Overall, the location of the comparable is considered to be superior to that of the subject as it is situated in the Winghaven Subdivision, a premier subdivision / development in St. Charles County / O'Fallon. The comparable has easy access to I-64, as the subject does to I-70 and both have limited street frontage (the comparable is a cul-de-sac lot). Both properties are best suited to low density residential development (a single home has been built on the comparable). Physically, the subject is much larger, displays a less severe topography and is less heavily wooded, but the comparable has all utilities connected. The rear lot was zoned for commercial development as part of the I-64 "High Tech" corridor, however, this lot was below the minimum lot size and was essentially landlocked – in my opinion this zoning did not contribute to its value as its ideal use was for assemblage with the adjacent cul-de-sac lot for use as a buffer (which is what it was purchased for). Overall, I made negative adjustments to reflect the comparable's superior location, non-flood plain status, utilities and its smaller size and a positive adjustment reflecting the subject's superior topography – no other adjustments are indicated.

Regarding the subject's flood plain status and the adjustment to reflect this issue - I have reviewed sale data in respect to partially flood plain affected land (while the subject is essentially fully flood plain affected, it is in reality a part of a larger tract – subsequently developed with a subdivision) to determine what the price per unit differential there is in this part of St. Charles County.

The most recent sale I was able to find was in respect to an 80.276 acre tract located off of North Point Prairie Road in Wentzville (details are in the addenda). This tract was 25 percent in the flood plain (which included 20 percent of the total land area being in the floodway). Based upon the following aerial plat map exhibit, which shows the subject and the Deer Creek subdivision of which it was originally a part (abutting the subject to the north), it seems that of the total overall site of the subdivision, about 25 to perhaps 33 percent is now the common ground / lakes / flood plain, as such it is reasonably similar to the comparable in this regard.

This parcel sold in September 2010 for \$16,500 per acre. Comparable 1, a smaller parcel at 20.0 acres sold in August 2009 for \$31,500 per acre. While a true matched pair analysis is not possible between the flood plain land and Comparable 1 (which would isolate the effect of the flood plain status) it can be seen that the overall differential, due largely to size and flood plain status is about 50 percent. The flood plain land sale is four times the size of Comparable 1 and as such the adjustment for size would be significant, in my opinion 25 percent, indicating that the flood plain adjustment is also 25 percent. I have used a 25 percent adjustment in the following grid

Appraisal of Parcel 31 – Deer Creek Drive Extension, St. Charles County, Missouri



The adjustment grid that follows utilizes percentage adjustments based on the qualitative and to some degree quantitative analysis discussed above in the absence of market extracted dollar adjustments.

| | Subject | Sale 1 | Sale 2 | Sale 3 | Average |
|--------------------|-------------------|------------------|--------------------|---------------------|-----------|
| Address | Parcel 30 | 899 Schwede Road | 1148 Crystal Drive | 9025 Spy Glass Hill | |
| Sale Date | 4/8/2013 | 8/24/2009 | 8/28/2009 | 6/2/2011 | |
| Sale Price | N/A | \$ 630,000 | \$ 225,000 | \$ 126,900 | |
| Land Area/Acres | 21.69346 | 20.00 | 5.71 | 3.43 | 9.71 |
| Price/Acre | | \$ 31,500 | \$ 39,405 | \$ 36,997 | \$ 35,967 |
| Adjustments | | | | | |
| Property Rights | | 0.00% | 0.00% | 0.00% | |
| Financing Terms | | 0.00% | 0.00% | 0.00% | |
| Time - Ann Adj. to | 12/31/2009 @ -5% | -2.00% | -2.00% | 0.00% | |
| Time - Ann Adj. to | 12/31/2010 @ -10% | -10.00% | -10.00% | 0.00% | |
| Time - Ann Adj. to | 12/31/2011 @ -5% | -5.00% | -5.00% | -3.00% | |
| Time - Ann Adj. to | 4/8/2013 @ 0% | 0.00% | 0.00% | 0.00% | |
| Conditions of Sale | | 0.00% | 0.00% | 0.00% | |
| Total | | -17.00% | -17.00% | -3.00% | |
| Adjusted Price | | \$ 26,145 | \$ 32,706 | \$ 35,887 | \$ 31,579 |
| Location | | 15.00% | -10.00% | -10.00% | |
| Access/Visibility | | -5.00% | 0.00% | 0.00% | |
| Size/Configuration | | 0.00% | -5.00% | -5.00% | |
| Topography | | 0.00% | 5.00% | 5.00% | |
| Zoning | | 0.00% | 0.00% | 0.00% | |
| Flood Plain Status | | -25.00% | -25.00% | -10.00% | |
| Utilities | | 5.00% | -5.00% | -5.00% | |
| Total | | -10.00% | -40.00% | -25.00% | |
| Adjusted Price | | \$ 23,531 | \$ 19,623 | \$ 26,915 | \$ 23,356 |

After adjustments, the comparables indicate a value range of \$19,623 to \$26,915 per acre, with an average of \$23,356 per acre. Placing most weight on Comparable 1 due to its similar size, I have concluded a unit value of \$23,500 per acre.

A unit value of \$23,500 per acre indicates a total value for the subject land as follows:

$$21.693457 \text{ acres} \times \$23,500 \text{ per acre} = \$509,796$$

Before Value By Sales Comparison Approach:

\$509,796

B. Cost Approach Before Acquisition

Not applicable

C. Income Approach Before Acquisition

Not applicable

10. Reconciliation of Value Before Acquisition

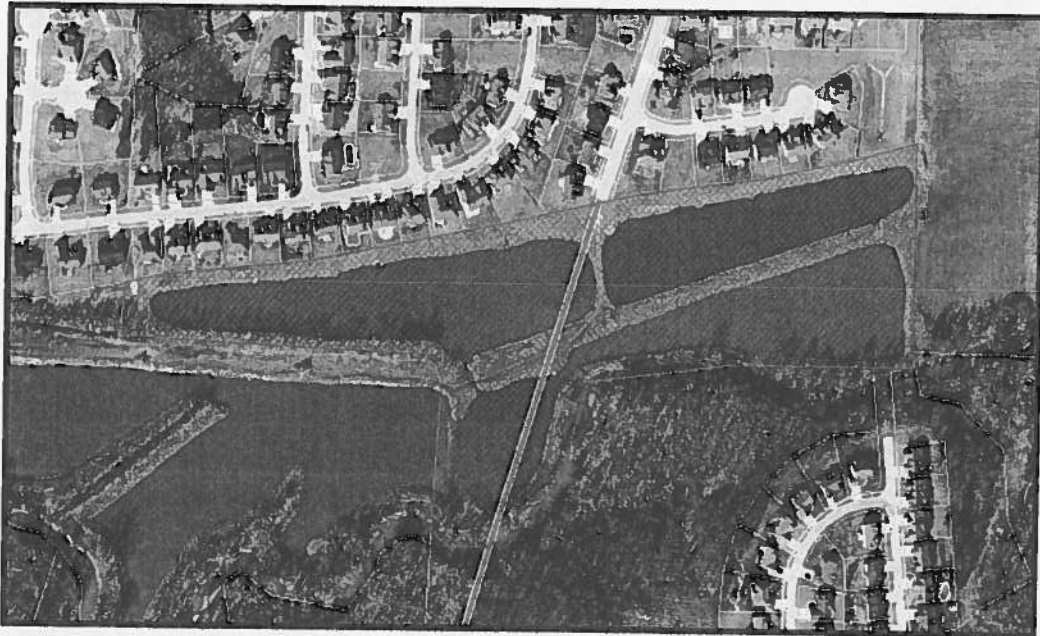
Total Value Before Acquisition: **\$509,796**

11. Description of Property After Acquisition:

A. Land:

The property will be affected by a 36,283 square foot, or 0.832943 acre Right of Way acquisition, which comprises an 80 foot wide strip that extends south from the subject's north property line and then cuts south across the property leaving two remaining parcels, one on each side of the new right of way (to be known as Deer Creek Drive). The following aerial photograph shows the *approximate* location of the new roadway as it crosses the property.

As can be seen, the new roadway will for the most part be a bridge over the two lakes and which will connect the subject subdivision to Elaine Drive to the south.



After the taking the property will comprise a left parcel of 493,926 square feet or 11.338981 acres and a right parcel of 414,758 square feet or 9.521534 acres. The total land area remaining after the taking is 908,684 square feet, or 20.860515 acres

Additionally, a 21,818 square foot Temporary Construction Easement (TCE) is required. This comprises an irregular shaped strip of land on either side of the new right of way, required to allow the construction workers room to undertake the construction of the roadway and bridge.

Access After Acquisition: No Change in terms of pedestrian access to the common land

Utilities In Use After Acquisition: No Change

- Utilities Available After Acquisition: No Change
- B. Zoning:**
Code: No Change
Category: No Change
Compliance: No Change

C. Fee Owned Improvements, Fixtures and Personalty:

None.

D. Tenant Owned Improvements, Fixtures and Personalty:

None

E. Other Appraisal Considerations:

None

12. Highest and Best Use Analysis After Acquisition:

The highest and best use after the acquisition remains the same as in the before condition, that is as common land serving the subdivision to the north. As a parcel of common ground, the fact that it has been split into two separate parcels after the taking does not affect its use as common ground.

13. Valuation After Acquisition:

A. Sales Comparison Approach After Acquisition:

In my opinion the same sale data that was previously analyzed is applicable and is the best data available, and while the land has been split into two parcels, it is my opinion that the same value conclusion of \$23,500 per acre applies.

A unit value of \$23,500 per acre indicates a total value for the subject parcels as follows:

| | | |
|-------------------------------------|---|------------------|
| 11.338981 acres x \$23,500 per acre | = | \$266,466 |
| 9.521534 acres x \$23,500 per acre | = | <u>\$223,756</u> |
| Total | = | \$490,222 |

After Value By Sales Comparison Approach: Before Damages \$490,222

Damages to the remainder include the Temporary Construction Easement (TCE), which comprises 21,818 square feet.

A TCE is essentially a lease of the fee holder's property for the period of the easement, in this case, 12 months. The easements are for land only. As such, a payment for the "lease" of the land, or rent, can be established by reference to the value of the land. I have determined that the land value is \$23,500 per acre or \$0.54 per square foot. The rent payable is in effect a return on the value of the land. Rates of return for land, a non-depreciating asset, are generally close to 10.0 percent.

The damages payable in respect to the TCE is calculated as follows:

| | | |
|-----------------------|---|-------------------------------------|
| Area of TCE | = | 21,818 square feet (0.500872 acres) |
| Fee Value | = | \$0.54 per square foot |
| Annual Rate of Return | = | 10.0 percent |
| Period of TCE | = | 12 months |

21,818 square feet x \$0.54 per square foot x 10.0 percent x 1.0 year = \$1,178.

Appraisal of Parcel 31 – Deer Creek Drive Extension, St. Charles County, Missouri

Based upon my analysis and making the appropriate adjustments I have concluded that the value of the subject after the taking considering the damages is as follows:

| | |
|---|----------------|
| After Value by Sales Comparison Approach: | \$490,222 |
| Less Damages to Remainder (TCE): | <u>\$1,178</u> |
| After Value: | \$489,044 |

B. Cost Approach After Acquisition

N/A

C. Income Approach After Acquisition

N/A

14. Reconciliation of Value After Acquisition:

| | |
|-------------------------------|------------------|
| Total Value After Acquisition | <u>\$489,044</u> |
|-------------------------------|------------------|

15. Estimate of Total Just Compensation:

| | |
|--|------------------|
| Estimated Value Before Acquisition: | \$509,796 |
| Estimated Value After Acquisition: | <u>\$489,044</u> |
| Indicated Just Compensation Due to Acquisition | <u>\$ 20,752</u> |

16. Allocation of Just Compensation:

A. Allocation of the Fee Holder's Interest:

| | |
|---|-----------------|
| 1. Land Acquired: | \$19,574 |
| 2. Improvements, Fixtures and Personality: | \$ 0 |
| 3. Total Land and Improvements, Fixtures and Personality: | <u>\$19,574</u> |
| 4. Damages to the Remainder: | |
| Temporary Easement (TCE): | <u>\$1,178</u> |
| Total Damages to the Remainder: | <u>\$ 1,178</u> |
| 5. Total Just Compensation Due Fee Holder: | <u>\$20,752</u> |

B. Allocation of the Tenant Owner's Interest:

| | |
|--|----|
| 1. Tenant Owned Improvements, Fixtures and Personality: | NA |
| Total Tenant Owned Improvements: | NA |
| 2. Damage to Tenant Owned Improvements Fixtures and Personality: | NA |
| Total Damage to Tenant Owned Improvements: | NA |
| 3. Leasehold Interest: | NA |
| Total Leasehold Interest: | NA |
| 4. Total Just Compensation Due Tenant Owner: | NA |

17. Uneconomic Remnant:

Not Applicable

18. Salvage Value:

Not Applicable

19. Required Attachments:

ASSUMPTIONS AND LIMITING CONDITIONS

This report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice, in the appraisal of realty and realty rights except to the extent that the *Uniform Appraisal Standards for Federal Land Acquisitions* required invocation of USPAP's Jurisdictional Exception Rule.

The appraiser assumes no responsibility for matters legal in character, nor does he/she render any opinion as to the title, which is assumed to be good. Unless otherwise specified in the report, the property is analyzed as though free and clear and under responsible ownership and competent management.

Information furnished by others is assumed to be true, correct and reliable. A reasonable effort has been made to verify such information; however, the appraiser assumes no responsibility for its accuracy. The value conclusions are subject to the correctness of said data.

The appraiser assumes that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity had been stated, defined, and considered in the appraisal report. The appraiser assumes that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he/she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

The appraiser has made no engineering survey. Except as specifically stated, data relative to size and areas were taken from sources considered reliable. The utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

The distribution of the total valuation in this report between land, improvements and estimated damages applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

The appraisal is for purposes of valuation only and is not to be taken, used or represented as an endorsement or guarantee of the physical, structural or equipment conditions which exist in the property. It is assumed that there are no hidden defects that would not be apparent from visual inspection and that all equipment is operable unless otherwise indicated by the owner or owner's representative.

All maps, plats, and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose. Consideration has not been given in this appraisal to personal property located on the premises, or to the cost of moving or relocating such personal property unless otherwise stated.

Possession of this report or any copy hereof does not carry with it the right of publication, nor may the same be used for any purpose by any party except the Missouri Department of Transportation without the previous written consent of the appraiser, and in any event, only in its entirety and with proper qualification. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relation, news, sales or other media without the written consent and approval of author. The appraiser acknowledges that a copy of the report will be provided to the owner of the property appraised, or their representative. No opinion is expressed as to the value of subsurface oil, gas, or mineral rights and that the property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated. No consideration has been given in the appraisal to the value, if any, attributable to growing crops on any portion of the property appraised unless otherwise stated.

The estimated value after acquisition is based on the project being constructed in the manner proposed, as furnished to the appraiser as of the date of appraisal.

It is assumed that drainage, surface condition of land and easements, access, access during construction will not be detrimental to the value of the property, unless otherwise stated and addressed in the report.

Appraisal of Parcel 31 – Deer Creek Drive Extension, St. Charles County, Missouri

Certificate of Appraiser

I hereby certify that:

I have personally inspected the realty rights, personalty, and/or outdoor advertising structures herein appraised and that I have also made a personal field inspection of the comparable sales, leases, equipment or structures, relied upon in making said appraisal. The subject and the comparable sales relied upon in making said appraisal were as represented in said appraisal or in the data book or report which supplements said appraisal.

To the best of my knowledge and belief the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed herein are based is correct; subject to contingent and limiting conditions therein set forth, or referenced.

I understand that such appraisal may be used in connection with the acquisition or disposal of realty, realty rights, and/or personalty for a project of the State of Missouri with the possible involvement of Federal-aid highway or other Federal funds.

Such appraisal has been made in conformity with the appropriate State laws, regulations and policies and procedures applicable to appraisal of realty, realty rights, and/or personalty for such purposes; and that to the best of my knowledge no portion of the value assigned to such property consists of items which are noncompensable under the established law of said State.

Neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein.

I have no direct or indirect present or contemplated future personal interest in such property or in any monetary benefit from acquisition or disposal of such property, appraised or the appraisal conclusion.

The reported analyses, opinions and conclusions are limited only by the reported, or referenced contingent and limiting conditions and are my personal unbiased professional analyses, opinions, and conclusions.

My analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice, in the appraisal of realty and realty rights.

No one provided significant professional assistance to the person signing this report except as specified herein.

I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the acquiring agency of said State or officials of the United States Department of Transportation and I will not do so until so authorized by said officials, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

I have disregarded any increase or decrease in the fair market value of the property to be acquired, prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of owner(s).

My estimate of Just Compensation, Fair Market Value, or other defined value, as shown herein does not include any consideration or allowance for relocation assistance benefits.

I did on April 8, 2013, afford Manors at Deer Creek Homeowners Association, the fee holder(s) (X), the fee holder(s) representative (), an opportunity to accompany me during my inspection of this property.

There are (x) are not () tenant-owned improvements affected by the acquisition.

I did on _____, 2013, afford _____ an opportunity to accompany me during my inspection of this property. Said last named party is the owner (), owner's representative () of tenant-owned improvements.

My opinion of Just Compensation, Fair Market Value, or other defined value, for the acquisition as of April 8, 2013 is \$20,752 based upon my independent appraisal and the exercise of my professional judgment.



May 22, 2013

Date

County

Route

Parcel Nos.

Project No.

Signature

St. Charles

Deer Creek Drive Extension

31

N/A

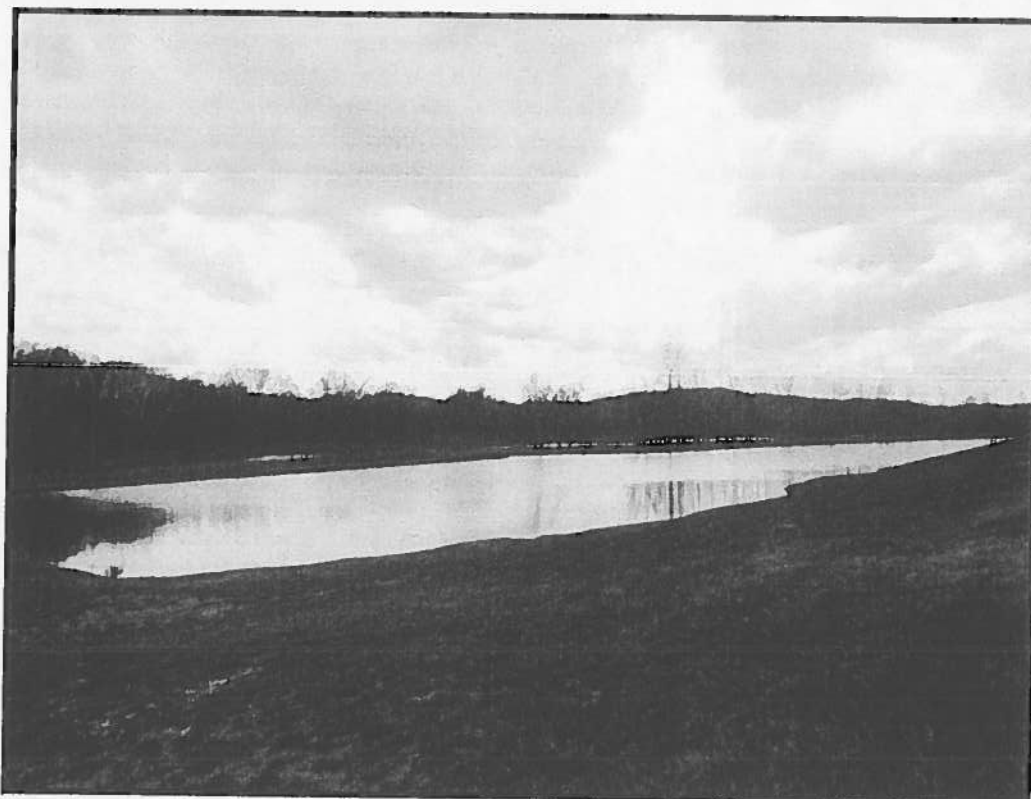
PHOTOGRAPHS



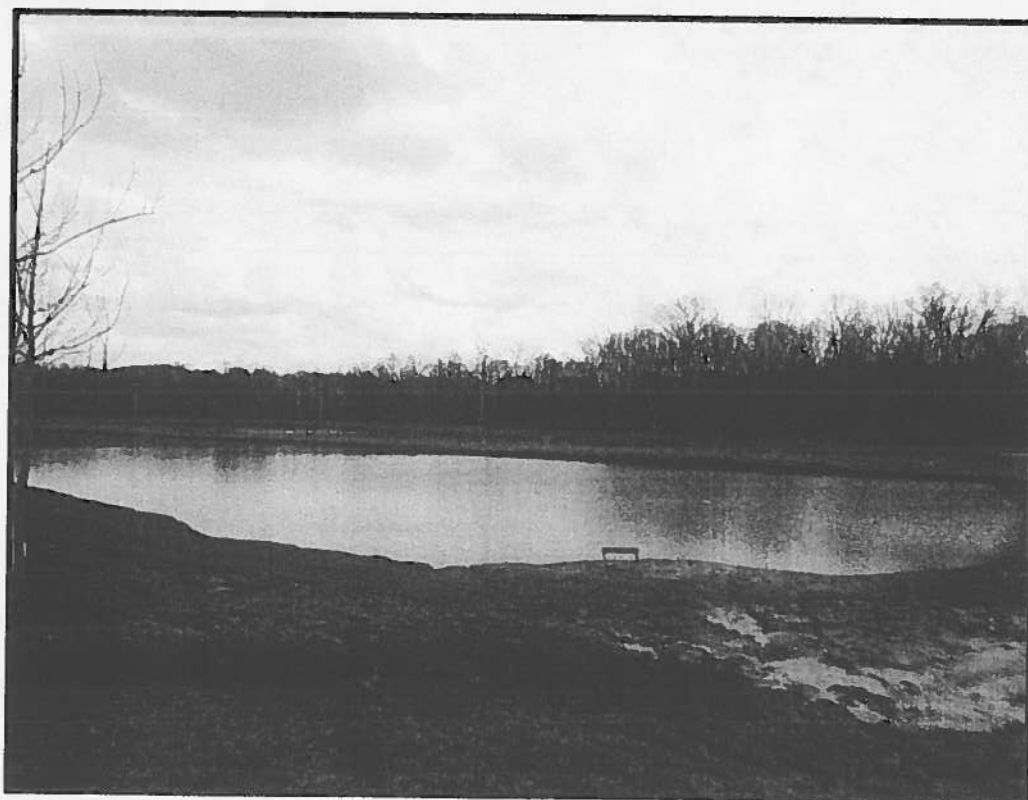
View South Across Subject From Deer Creek Drive Terminus



View South Across Subject From Deer Creek Drive Terminus

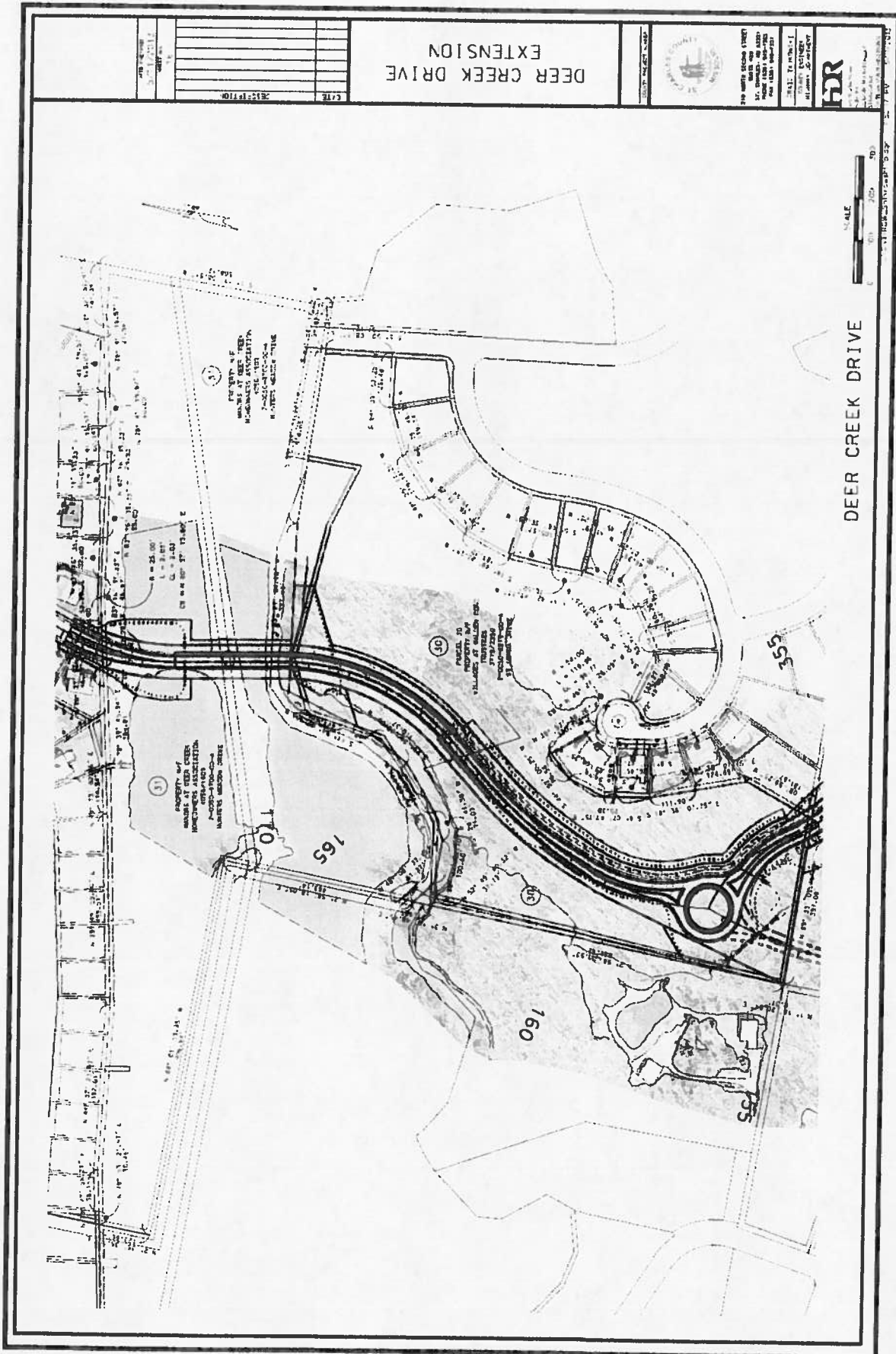


View West Across Subject From Deer Creek Drive Terminus



View Southeast Across Subject From Deer Creek Drive Terminus

CUT PLAN



Land Sale No. 1



Property Identification

| | |
|----------------------|---|
| Record ID | 876 |
| Property Type | Residential, Medium Density |
| Address | North Point Prairie Road, Wentzville, St. Charles County, Missouri 63348 |
| Tax ID | 4-0006-S009-00-5.1, 4-0006-S009-00-5.13, 4-0006-S009-00-5.14, 4-0094-0386-00-3, 4-0094-0386-00-3.1, 4-0005-S004-00-15.2 |
| MSA | St. Louis |
| Market Type | St. Charles County |

Sale Data

| | |
|---------------------------|--|
| Grantor | First National Bank of St. Louis |
| Grantee | 300 Watson Road LLC & Howard L Chilcutt Family Trust |
| Sale Date | September 20, 2010 |
| Deed Book/Page | 5454-726 & 730 |
| Property Rights | Fee Simple |
| Conditions of Sale | None |
| Financing | All Cash to Seller |
| Verification | Tim Steinhoff of First National Bank; Confirmed by Michael Green |

Sale Price \$1,324,560 (\$662,280 each)

Land Sale No. 1 (Cont.)

Land Data

| | |
|-------------------|--|
| Zoning | "PD-R" , Planned Development Residential |
| Topography | Rolling |
| Utilities | All Available |
| Shape | Irregular |
| Flood Info | Partial Flood Plain & Flood Way - 20 Acres |

Land Size Information

| | |
|---------------------------|---------------------------------------|
| Gross Land Size | 80.276 Acres or 3,496,823 SF |
| Useable Land Size | 60.276 Acres or 2,625,623 SF , 75.09% |
| Unusable Land Size | 20.000 Acres or 871,200 SF , 24.91% |

Indicators

| | |
|--------------------------------|----------|
| Sale Price/Gross Acre | \$16,500 |
| Sale Price/Gross SF | \$0.38 |
| Sale Price/Useable Acre | \$21,975 |
| Sale Price/Useable SF | \$0.50 |

Remarks

The two current owners of the comparable each purchased and undivided 1/2 interest in the property for \$662,280 or a total purchase price of \$1,324,560. One of the property owners also owns adjacent land and the subject was purchased for future assemblage. The land was an original assemblage of six parcels totaling 80.276 acres upon which First National Bank foreclosed, and on the same day, September 20, 2010 sold it to the present owners. The site displays rolling topography and is divided by a creek (McCoy Creek), which runs through the south part of the property. Per the seller approximately 20 acres are in the flood plain or floodway (16 acres). The buyers intend to hold the property, with a long terms plan of developing it with a subdivision (medium density). The width of the creek and the floodway has at present made building a bridge to provide access to the land north of the creek from North Pointe Prairie Road (to which the south part of the site abuts) infeasible. The buyers own an adjacent 114.33 acre tract to the subject's northeast, which when assembled with the subject will provide access to the land north of the creek.