



An Appraisal Report

of:

**Setback and Utility Easement
800 Block New Hampshire
Lawrence, Kansas 66044**

**Prepared For:
Mr. Scott Wagner
City of Lawrence
6 East 6th Street
Lawrence, Kansas 66044**

**Prepared By:
Ronald D. Aul, MAI
Aul Appraisals, L.C.**

**Date of Inspection:
February 4, 2016**

**Effective Date of Valuation:
February 4, 2016**



February 24, 2016

Mr. Scott Wagner
City of Lawrence
6 East 6th Street
Lawrence, Kansas 66044

RE: **Appraisal Report**
 Setback and Utility Easement
 800 Block New Hampshire
 Lawrence, Kansas 66044
 File No. C-1464

Mr. Scott Wagner:

In accordance with your request, I have personally inspected the subject property identified above and prepared an **Appraisal Report** in compliance with Standards Rule 2-2(a) of the *2016-2017 Uniform Standards of Professional Appraisal Practice*, Copyright ©The Appraisal Foundation.

The subject of this report is the City of Lawrence parking lot located along the east side of New Hampshire Street in the 800 Block. The site measures 200' x 117' for a total site area of 23,400 square feet or .54 acres. The proposed Setback and Utility Easement represents the north 30' of the parking lot and measures 30' x 117' for a total easement area of 3,510 square feet. The reader is referred to the following report for more detailed information on the subject property and proposed easement.

The purpose and intended use of this appraisal is to provide my client, Mr. Scott Wagner and the City of Lawrence with my opinion of the *Market Value* of the subject property before and after the Setback and Utility Easement for use in negotiations with the property owner of 800 New Hampshire.

My final opinion of value is based on the facts and circumstances pertinent to the analysis, the definition of value used, the purpose and intended use of the appraisal, the contingent and limiting conditions, and all aspects of the property and market information contained in the attached report. My opinion of the market value of the fee simple interest before the Setback and Utility Easement in the subject property subject to any existing encumbrances or easements of record as of the effective date of this appraisal, February 4, 2016, is as follows:

\$1,105,000

ONE MILLION ONE HUNDRED FIVE THOUSAND DOLLARS



Mr. Scott Wagner
February 24, 2016
Page 2

My opinion of the market value of the subject property after the Setback and Utility Easement and subject to any existing encumbrances or easements of record as of the effective date of this appraisal, February 4, 2016, is as follows:

\$1,035,000

ONE MILLION THIRTY FIVE THOUSAND DOLLARS

The market value opinion above reflects the hypothetical condition that the Setback and Utility Easement Agreement has been filed and recorded on the subject property at the Douglas County Register of Deeds Office.

The difference between the before and after market value opinions is \$70,000.

Thank you for the opportunity to be of service. If you have any questions or require additional information please contact me at your convenience.

Respectfully submitted,
AUL APPRAISALS, L.C.

A handwritten signature in blue ink that reads 'Ronald D. Aul'.

Ronald D. Aul, MAI
Certified General Real Property Appraiser
Kansas No. G-1241



Table of Contents

SUMMARY / GENERAL INFORMATION	2
Summary of Conclusions	2
Identification of the Subject Property	2
Scope of Work	3
Eminent Domain Statute	3
MARKET AREA ANALYSIS	8
Location Map	8
Market Analysis – Lawrence, Kansas	9
PROPERTY DESCRIPTION	14
Public Data Analysis	14
History of the Subject Property and Ownership	14
Site Description – Before Setback and Utility Easement	15
Proposed Easement Area Site Information	16
FEMA Flood Map	18
Aerial Map	19
Zoning Map	20
Sewer Location Map	21
Easement Area Diagram 1	22
Easement Area Diagram 2	23
Description of the Improvements	24
Photographs of the Subject Property	25
HIGHEST AND BEST USE	26
VALUATION METHODOLOGY	28
MARKET VALUE BEFORE SETBACK AND UTILITY EASEMENT AGREEMENT	29
Direct Sales Comparison Approach	29
Selection of the Comparables	29
Land Sale Comp Map	30
Land Sale Analysis	32
MARKET VALUE AFTER SETBACK AND UTILITY EASEMENT AGREEMENT	33
Land Sale Analysis	35
RECONCILIATION AND FINAL VALUE ESTIMATE	37
CERTIFICATION AND LIMITING CONDITIONS	38
Certification	38
CONTINGENT AND LIMITING CONDITIONS	39
Copyright Notice	43
GLOSSARY / DEFINITION OF TERMS	44
QUALIFICATIONS OF THE APPRAISER / COMPANY PROFILE	46
Qualifications Of Appraiser– Ronald D. Aul, CPA, MAI	46
Company Profile	47



Summary / General Information

SUMMARY OF CONCLUSIONS

Value Indications:	
Before Easement:	\$1,105,000
After Easement:	\$1,035,000
Difference:	\$70,000

IDENTIFICATION OF THE SUBJECT PROPERTY

Property Address:	800 Block New Hampshire Street Lawrence, Kansas 66044
Property Name:	City of Lawrence Parking Lot
Type of Property:	Parking Lot
Current Use:	Parking Lot
Site Size:	23,400 sf or .54 acres (200' x 117')
Improvements Size:	N/A
Legal Description (Larger Parcel):	Lots 52, 54, 56 and 58, New Hampshire Street, City of Lawrence, Douglas County, Kansas.

The legal description of the proposed Setback and Utility Easement Agreement area is as follows:

North 30 Feet, Lot 52, New Hampshire Street, City of Lawrence, Douglas County, Kansas.

It should be noted, the appraiser has analyzed the subject property based on the "stand alone" Douglas County parcel located along New Hampshire Street which is separated by an alley way. For some reason the draft easement includes additional site area along Rhode Island, but in the opinion of the appraiser that should not be included in the before and after market value opinion analysis.

SCOPE OF WORK

The *Scope of Work* is defined as *the type and extent of research and analyses in an appraisal or appraisal review assignment*¹. Scope of Work includes, but is not limited to, the following:

- the extent to which the property is identified;
- the extent to which tangible property is inspected;
- the type and extent of data researched; and
- the type and extent of analysis applied to arrive at opinions or conclusions.²

The Scope of Work of this appraisal assignment is summarized on the following pages.

NOTE: The *Glossary of Terms/Definitions* found later in this appraisal defines and expands on many of the terms found in this section.

EMINENT DOMAIN STATUTE

This report follows the Kansas Eminent Domain Statute and its associated fair market value definition which is shown following:

Same; compensation required for taking and damage; determination. (a) *Necessity*. Private property shall not be taken or damaged for public use without just compensation.

(b) *Taking entire tract*. If the entire tract of land or interest in such land is taken, the measure of compensation is the fair market value of the property or interest at the time of the taking.

(c) *Partial taking*. If only a part of a tract of land or interest is taken, the compensation and measure of damages is the difference between the fair market value of the entire property or interest immediately before the taking, and the value of that portion of the tract or interest remaining immediately after the taking.

(d) *Factors to be considered*. In ascertaining the amount of compensation and damages, the following nonexclusive list of factors shall be considered if such factors are shown to exist. Such factors are not to be considered as separate items of damages, but are to be considered only as they affect the total compensation and damage under the provisions of subsections (b) and (c) of this section. Such factors are:

- (1) The most advantageous use to which the property is reasonably adaptable.

¹ *The Uniform Standards of Professional Appraisal Practice- 2016-2017 Edition*, Copyright ©The Appraisal Foundation, p. U-4.

² *The Uniform Standards of Professional Appraisal Practice- 2016-2017 Edition*, Copyright ©The Appraisal Foundation, p. U-14.

- (2) Access to the property remaining.
- (3) Appearance of the property remaining, if appearance is an element of value in connection with any use for which the property is reasonably adaptable.
- (4) Productivity, convenience, use to be made of the property taken, or use of the property remaining.
- (5) View, ventilation and light, to the extent that they are beneficial attributes to the use of which the remaining property is devoted or to which it is reasonably adaptable.
- (6) Severance or division of a tract, whether the severance is initial or is in aggravation of a previous severance; changes of grade and loss or impairment of access by means of underpass or overpass incidental to changing the character or design of an existing improvement being considered as in aggravation of a previous severance, if in connection with the taking of additional land and needed to make the change in the improvement.
- (7) Loss of trees and shrubbery to the extent that they affect the value of the land taken, and to the extent that their loss impairs the value of the land remaining.
- (8) Cost of new fences or loss of fences and the cost of replacing them with fences of like quality, to the extent that such loss affects the value of the property remaining.
- (9) Destruction of a legal nonconforming use.
- (10) Damage to property abutting on a right-of-way due to change of grade where accompanied by a taking of land.
- (11) Proximity of new improvement to improvements remaining on condemnee's land.
- (12) Loss of or damage to growing crops.
- (13) That the property could be or had been adapted to a use which was profitably carried on.
- (14) Cost of new drains or loss of drains and the cost of replacing them with drains of like quality, to the extent that such loss affects the value of the property remaining.
- (15) Cost of new private roads or passageways or loss of private roads or passageways and the cost of replacing them with private roads or passageways of like quality, to the extent that such loss affects the value of the property remaining.

(e) *Fair market value.* "Fair market value" means the amount in terms of money that a well informed buyer is justified in paying and a well informed seller is justified in accepting for property in an open and competitive market, assuming that the parties are acting without undue compulsion. The fair market value shall be determined by use of the comparable sales, cost or capitalization of income appraisal methods or any combination of such methods.

History: L. 1963, ch. 234, § 13; L. 1969, ch. 196, § 2; L. 1999, ch. 111, § 3; Apr. 22.

Summary of Scope of Work:	
Intended use of the appraisal:	To provide my client (named below), with my opinion of the <i>Market Value</i> of the subject property before and after the Setback and Utility Easement Agreement. The appraiser is not responsible for unauthorized use of this report.
Intended user(s) of the appraisal:	The client named below. No other intended users are identified by the appraiser.
Client:	Mr. Scott Wagner City of Lawrence
Type of value(s) developed:	Market Value (as defined later in this report)
Property interest(s) appraised:	Fee Simple Interest Subject to any Encumbrances and/or Easements of record
Effective date(s) of value:	February 4, 2016
Date of inspection:	February 4, 2016
Date of report:	February 24, 2016
Report reflects the following value perspective:	<input checked="" type="checkbox"/> Current (the inspection date is the effective date) <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective
Type of inspection:	Site inspection with Scott Wagner of City of Lawrence
Person(s) inspecting:	Ronald D. Aul, MAI
Report format:	Appraisal Report
Value approaches developed for this appraisal:	<input type="checkbox"/> Cost Approach <input checked="" type="checkbox"/> Sales Comparison Approach <input checked="" type="checkbox"/> Income Approach
Reasons for excluding a value approach:	The Sales Comparison Approach was used in order to estimate the site value in this report with a contributory value to the site improvements based on a Cost Approach. The Income Approach was considered in the after valuation as a method of potential parking lot revenue.



Extent of Inspection:

The scope of this appraisal included a visual inspection of the subject to the extent noted above. Information regarding the size, design, and layout of the subject was derived from this inspection as well as information provided to the appraiser by the client, property owner, and/or public officials. Note that “inspection” for purposes of this appraisal means a *visual viewing of the subject property for purposes of appraisal analysis only*. The appraiser makes no warranties for any items outside the scope of this appraisal.

Extent of Research:

Comparable data was developed from the Lawrence Multiple Listing system, Douglas County records as well as conversations with area real estate agents, developers, appraisers and other market participants. Items provided by the client and/or property owner included:

- Diagrams, Draft Easement Agreement, etc.

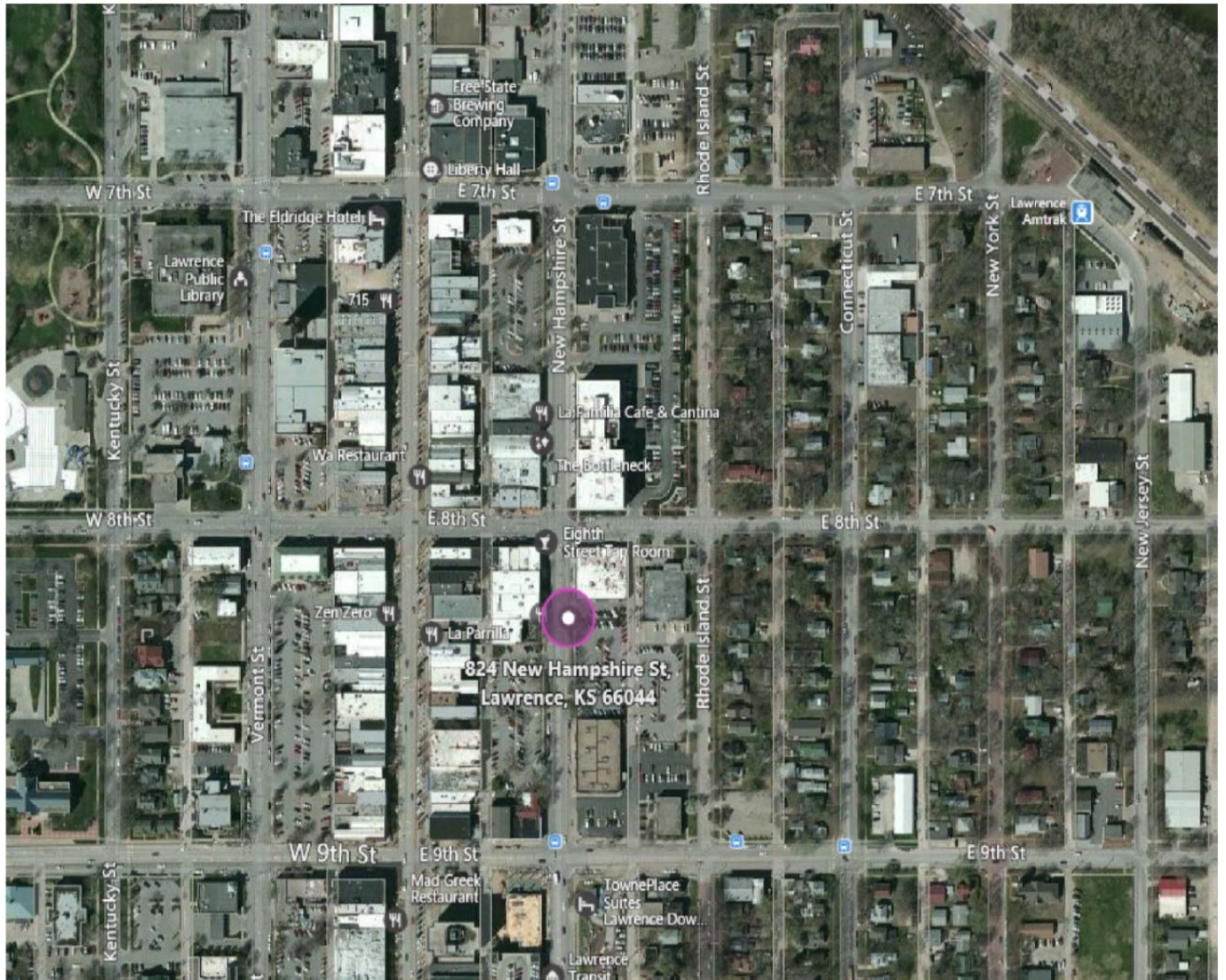
The development of the comparable data and all interpretations of this data are based on the appraiser’s judgment as it is presented in this appraisal. Items provided by the property owner and/or client included the items mentioned above.

Extraordinary Assumptions, Hypothetical Conditions and Special Conditions:

The after valuation in this report reflects the hypothetical that the Setback and Utility Easement Agreement has been filed with the Douglas County Register of Deeds Office and encumbers the subject property.

Market Area Analysis

LOCATION MAP





MARKET ANALYSIS – LAWRENCE, KANSAS

Location

The subject property is located in the central downtown Lawrence district. The City of Lawrence is located approximately 30 miles west of the Kansas City metropolitan area and is the county seat of Douglas County. Lawrence is accessible via Interstate 70 on the north and Highway K-10 (23rd Street) on the south, which is a major four-lane highway connecting Lawrence and suburban Kansas City. The University of Kansas is located in Lawrence which represents a significant influence on the community.

Population

The estimated population of the City of Lawrence for 2010 was 87,643 persons, according to data from the U.S. Census Bureau. The estimated population for 2014 was 92,763. This is an increase of 5.8%.

Education/Recreation

The Lawrence public school system (USD497) includes 14 elementary schools, four middle schools and two high schools. USD497 also has a virtual school for grades K-12. There are four private elementary/middle schools and two private high schools within the city of Lawrence.

There are two universities located in Lawrence. Haskell Indian Nations University, (1,000 students) is the nation's only inter-tribal university for Native Americans. The University of Kansas, a major state-supported university with approximately 25,000 students on the main campus, is located in the central portion of the City of Lawrence. KU has a significant impact on the local economy and is the city's largest employer. It should be noted that the total enrollment for all KU campuses reached 30,102 students in 2008 and then steadily declined until 2013 with 27,784 students. Enrollment has continually increased back to 28,091 students in 2015.

Local recreation and cultural attractions include Clinton Lake, located at the west edge of the city, Perry Lake, just north of the city in Jefferson County and several golf courses. In addition to the wide variety of activities at the University of Kansas, Lawrence benefits from its close proximity to the Kansas City metro area.

Employment/Income

The year 2010 information indicates approximately 36,739 households. The year 2010 indicates that approximately 57% of households in Lawrence have income greater than \$35,000.



Lawrence has a highly educated population to select from for employment opportunities with 94.5% of the population 25 years and over holding a high school degree, 52.3% holding a Bachelor's degree, and 25.7% holding a graduate or professional degree.

Unemployment in Douglas County in December of 2015 was registered at 3.0%, slightly lower than the overall unemployment number of 3.9% for the State of Kansas.

Major employers in the Lawrence area are shown on the following chart:

Major Employers in the Lawrence MSA	
Employer	# of Employees
University of Kansas	9881
Lawrence Public Schools	1650
Vangent	1500
City of Lawrence	1455
Lawrence Memorial Hospital	1322
Berry Plastics	739
Hallmark Cards, Inc.	525
Baker University	496
Amarr Garage Doors	461
Douglas County	435
Source: Lawrence Chamber of Commerce, 2016	

Local/Neighborhood Description

The subject property is located in the central downtown Lawrence district which has enjoyed significant change in recent years. There are brand new multistory buildings at the southeast and southwest corners of 9th and New Hampshire which contain retail, hotel, apartments and office. There is a multistory mixed use property currently under construction directly south of the subject at the northeast corner of 9th and New Hampshire. The property directly north of the subject property, formerly Pachamama's Restaurant is going to be retrofitted to add four additional floors of apartments going on top of the existing former National Guard structure. The Hobbs Taylor building is located to the north and the former Borders Bookstore will likely have a new use in the near future and there are ongoing discussions about a grocery store. The other uses in the vicinity would include Cielito Lindo, Lawrence Arts Center, Lawrence Journal World and numerous retail users along Massachusetts Street. In summary, the downtown Lawrence is perceived as a very popular place to live, work and play and would appear to be very stable and in demand at this time which would be evidenced by the discussions above.



Market Conditions

General market conditions for improved commercial properties in Lawrence, Kansas are considered to generally be fairly strong. The residential markets for subdivision lots have likely bottomed and it would appear that lot prices are starting to show some upward trends and residential construction is much increasing over previous years. Interest rates when considering a long term perspective are good. As of the effective date of this appraisal, a creditworthy borrower could get 15 year fixed rate financing on residential improved properties at an interest rate range of around 3.0%–5.0% which is a phenomenal rate considering the long term perspective. There has been some good local commercial news which would be the multistory facility completed at the southwest corner of 9th and New Hampshire which is occupied by 55 apartment units, second level office and the grade level by a health club, private work out facility and a restaurant. The southeast corner of 9th and New Hampshire recently finished a new hotel, retail, office and condo project. The quadrant of 6th and Wakarusa has enjoyed the newer opening of Wal-Mart, CVS Pharmacy, Starbucks, Theater Lawrence, Orange Leaf, Burger King, Taco Bell, Discount Tire Center and a tunnel car wash. This same quadrant has enjoyed the construction of a new Sprouts Farmers Market in the Spring of 2015. There have been several new multifamily facilities built in the area north of the quadrant of 6th and Wakarusa. The University of Kansas in cooperation with the City of Lawrence has completed work on the Rock Chalk Sports Park which is a mega rec center and sports complex northwest of the dead end of George Williams Way north of West 6th Street. This would be considered as a major development for the City of Lawrence. In November of 2015, the Lawrence Chamber of Commerce announced a preliminary deal with Midwest Manufacturing (a division of Menard Inc.) to build a \$25 million production plant on 90 acres in Lawrence VenturePark (on the east side of Lawrence north of K-10), employing approximately 100 people. Menard's recently also opened a new retail store of about 200,000 sf near 31st and Iowa.

The local real estate firm of Colliers International does annual and bi-annual studies of vacancy in the City of Lawrence, and the year end 2015 numbers compiled by Colliers indicated industrial vacancy had declined to a historical low rate of 3.49%, well-below the national rate of 6.6%. The retail rate is at a healthy 4.3%, well below the Kansas City area average of 7.7%. Office vacancy declined from 9.6% in 2014 to 8.79% in 2015 which is well-below the current national average of 11.2%. The appraiser is of the opinion that overall the improved commercial markets in the City of Lawrence are stabilized and it would appear at the end of 2015 things remain strong. The residential development business continues to improve but it may be a period of time to resume to former levels of residential building; for several years in a row, there have been steady increases. Information compiled by Aul Appraisals, L.C. and other sources of data indicate that the apartment vacancy rate is an overall 3.1%, and in the Northwest quadrant of Lawrence (North of 15th street and West of Iowa), the rate is at 1.2% for these newer complexes.



The South Lawrence Trafficway, after many years of litigation, delays, and protests, has completed the last stages of property acquisition through condemnation and the work for a new 31st Street alignment and SLT has begun. This is a very important announcement and is considered to enhance the City of Lawrence in general for much improved access to Topeka and Kansas City areas. There is also a new interchange at Bob Billings Parkway (15th Street) and the SLT.

The following chart includes a historical perspective for residential development in the City of Lawrence and would certainly give an indication of the slowdown.

Historical Building Permit Analysis – Lawrence, Kansas

Year	SF Permits	Duplex Permits	Tri-plex Permits	Four-Plex Permits	MF Units
2001	308	168	2	18	224
2002	299	118	2	0	271
2003	317	157	2	6	253
2004	313	110	0	0	102
2005	232	73	1	3	112
2006	247	28	2	5	87
2007	166	9	0	19	147
2008	102	12	1	1	550
2009	110	16	0	0	172
2010	146	10	0	0	220
2011	95	4	0	2	355
2012	123	3	0	0	184
2013	155	10	0	0	374
2014	101	15	0	0	143
2015	161	78	0	0	467

The table included above shows the historical results from 2001 to 2015 in the City of Lawrence for single family building permits, duplex permits, tri-plex permits, four-plex and multifamily units. Since 2012, all tri-plex and four-plex permits are now included in the multifamily permit numbers. Single family residential permits have increased over the past 8 years from 110 in 2009 to 161 in 2015, but still far from the numbers of permits in the early 2000's. Duplex permits roses dramatically in 2015 due to several new housing developments being constructed, including two near Monterey and Peterson Roads (one is an independent living facility with duplexes); one at 31st and Kasold on the curve; and several near George Williams Way and 6th street.



The number of building permits for multi-family housing in Lawrence is significantly higher in 2015 over the previous years' numbers. There have been multiple developments in the 6th and Wakarusa area of multi-family units within the past two years including Camson Townhomes (42 units), Camson Villas (38 units), Camson South Apartments (90 units), Westfield Place (163 units), Saddlebook Townhomes (52 units), Overland Pointe Townhomes (27 units), Apartment on Sixth (288 units), and Hunter's Ridge Apartments (300 units). Future plans for development of multi-family housing include Bauer Farms (100 units), Fairfield Farms (260 units), The Links (480 units), West End/Kellyn Court (172 units), Morgan (31 units), Alvamar (292 units), the former Pachamama's building (55 units), and Langston Heights (82 units). There is also a multi-family independent living complex under construction at Wakarusa and Harvard, an expansion of Pioneer Ridge. A second phase of the Hunter's Ridge apartments is also in plans for future development.

Estimated Market Exposure Time

The market exposure time is presumed to precede the effective date of appraisal. Exposure time may be defined as follows: *estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.*³ Exposure time is a function of price, time and use. It must be noted that the concept of reasonable exposure time encompasses not only adequate, sufficient and reasonable time, but also adequate, sufficient and reasonable effort.

The estimated exposure time presented herein is based on analysis of the following factors:

- statistical information about days on market;
- information gathered through sales verification;
- interviews with market participants; and
- anticipated changes in market conditions.

Based on the data presented in this report, and the fact that the market value estimated herein is representative of a price based on current acceptable returns indicated by market participants, I am of the opinion that the reasonable exposure time for the subject property in its present use as of the effective appraisal date would be approximately 12 months.

³ *Uniform Standards of Professional Appraisal Practice– 2016–2017 Edition, Copyright © by The Appraisal Foundation, p.U-2.*

Property Description

PUBLIC DATA ANALYSIS

Data Source(s):	Douglas County records
Subject Property Address(es):	824 New Hampshire Lawrence, Kansas 66044
Legal Description:	Lots 52, 54, 56 and 58, New Hampshire Street, City of Lawrence, Douglas County, Kansas. (Entire Subject Property – 200' x 117') North 30 Feet, Lot 52, New Hampshire Street, City of Lawrence, Douglas County, Kansas. (Easement Area – 30' x 117')
Parcel/PIN Number(s):	023-079-31-0-20-15-003.00-0
Owner(s) of Record:	City of Lawrence
2015 Real Estate Taxes:	N/A Tax Exempt

HISTORY OF THE SUBJECT PROPERTY AND OWNERSHIP

Data Source(s):	Douglas County records		
Subject transferred in prior 3 years?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Most recent transfer:	Date:	Sale Price:	Recording Reference:
	June 24, 1988	\$	419/708
Analysis of most recent transfer:	Ownership transfer from Johnny and Nancy Ezell, Robert and Pauline Johnson and Gary and Constance Sollars to the City of Lawrence. Research done by the City of Lawrence indicate the purchase was made out of General Funds and not through Special Assessments.		
Currently Listed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Pending Contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		



SITE DESCRIPTION – BEFORE SETBACK AND UTILITY EASEMENT

Site Size:	The subject site represents a rectangular shaped parcel which measures 200' x 117' for a total site area of 23,400 square feet or .54 acres. The reader is referred to the following aerial map for a graphic depiction of the subject site.
Site Shape:	Rectangular
Topography:	Generally level
Frontage:	New Hampshire Street, alley way to east
Access/Ingress/Egress:	One curb cut each on New Hampshire Street and the east alley way.
Street type:	Asphalt paved city street with sidewalks.
Utilities:	All utilities are available for development. There is an 8" sewer line located in the alley way to the east. There is a public drinking fountain located in the northwest corner of Lot 52 of which does not contain a lateral to the alley way sewer line. There is no recorded easement of record related to this public drinking fountain.
Current zoning:	CD, Downtown Commercial
Zoning comments:	Zoning confirmed with Sheila Stogsdill, Lawrence Planning Department and also the on line zoning map. A variety of retail, office and multifamily are allowable, no on site parking requirements.
Flood Zone:	FEMA Map 20045C0176E dated September 2, 2015 indicates the subject site is not located in a designated floodplain area. The appraiser makes no warranties for the subject's exact flood zone location.
Easements/Encroachments:	The appraiser was not provided with an ALTA Survey for a complete listing of easements and/or encumbrances but the south 30' of the subject site has a very similar easement for the building currently under construction. This easement was granted to the developers of the property to the south at no cost but did include some negotiations of other items.
Environmental considerations:	No apparent issues, however the reader is directed to the Limiting Conditions later in this report for the appraiser's limited scope of work regarding environmental issues. It should be noted, there are several former gas stations located throughout downtown Lawrence which certainly increase the potential for environmental issues.



PROPOSED EASEMENT AREA SITE INFORMATION

The proposed Setback and Utility Easement represents the North 30 Feet of Lot 52, New Hampshire Street and is located approximately 40 feet south of the southern edge of the current building structure at 800 New Hampshire (Pachamama's Building). The property is used as a City of Lawrence parking lot with long term 10 hour parking available with an annual pass cost of \$192. The appraiser counted approximately 10 parking spaces which would be within the 30' easement area. The parking lot is an open non covered lot and there are no reserved parking spaces within the lot.

Based on information provided by the City of Lawrence, the Lot 52 has no easements of record filed. The owner of 800 New Hampshire responded to the City of Lawrence in a letter format that there was a utility easement bisecting the property. However, upon further review it appears there is no utility easement of record and the public drinking fountain does not have a lateral to the sewer main, but rather drains into an on site gravel ground pit area.

The subject property is not located within the environs of any Local Landmarks or Locally Listed Districts, but it should be noted, it is located in the Downtown Urban Conservation Overlay District and is subject to the Downtown Design Guidelines.

The following represents questions submitted and responses received from Sheila Stogsdill of the Lawrence Planning Office.

4. Is there any reason this 30' x 117' strip could not be sold off separately? For example, if the City of Lawrence wanted to generate some cash, could it be sold off?

If there was not any restriction on use when it was first purchased/developed as a public parking lot, the property could be subdivided through the Minor Subdivision process and platted as a separate 30' wide lot. The CD district has a minimum lot width of 25' and lot area of 2500 sq. ft.

5. As of today and BEFORE the easement is filed, could this 30' x 117' strip be sold off separately and a stand alone building be constructed? If not, what would be the limitations or source of limitations?

If the property was replatted as outlined above, a building permit could be issued for a stand-alone building on the new 30' wide lot. The CD district permits buildings to be built to the property lines (0' setback); building codes may require some setback or extra-ordinary measures for fire separation/protection.

The Minor Sub process is administrative. HRC has the ability to comment on the land division. Any development project would go to HRC for review (Downtown Design Guidelines). The site plan would be administrative.

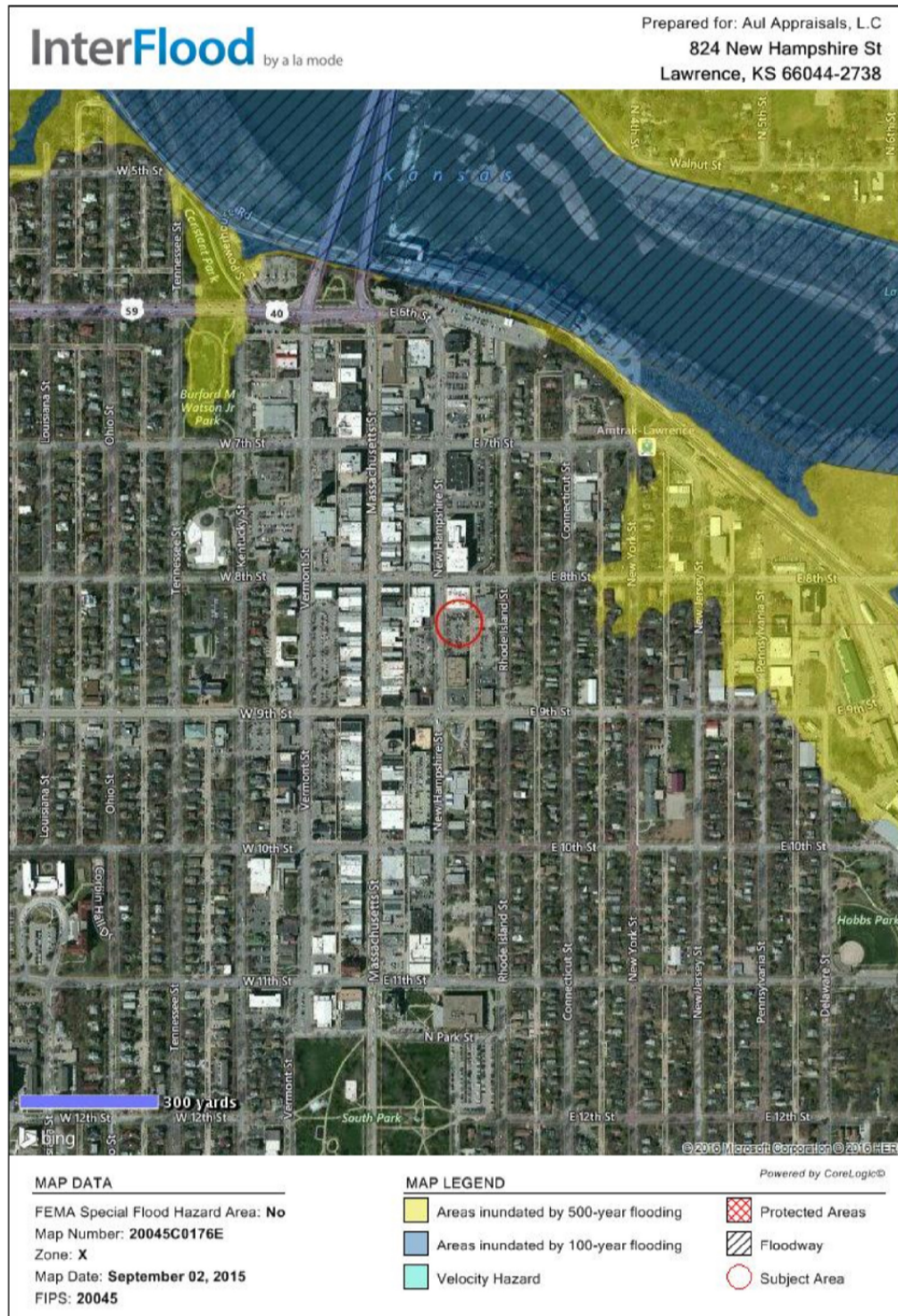
6. Are there already restrictions in place as of today that would not allow for a building to be constructed on the 30' x 117' strip of land?

I am not aware of any.

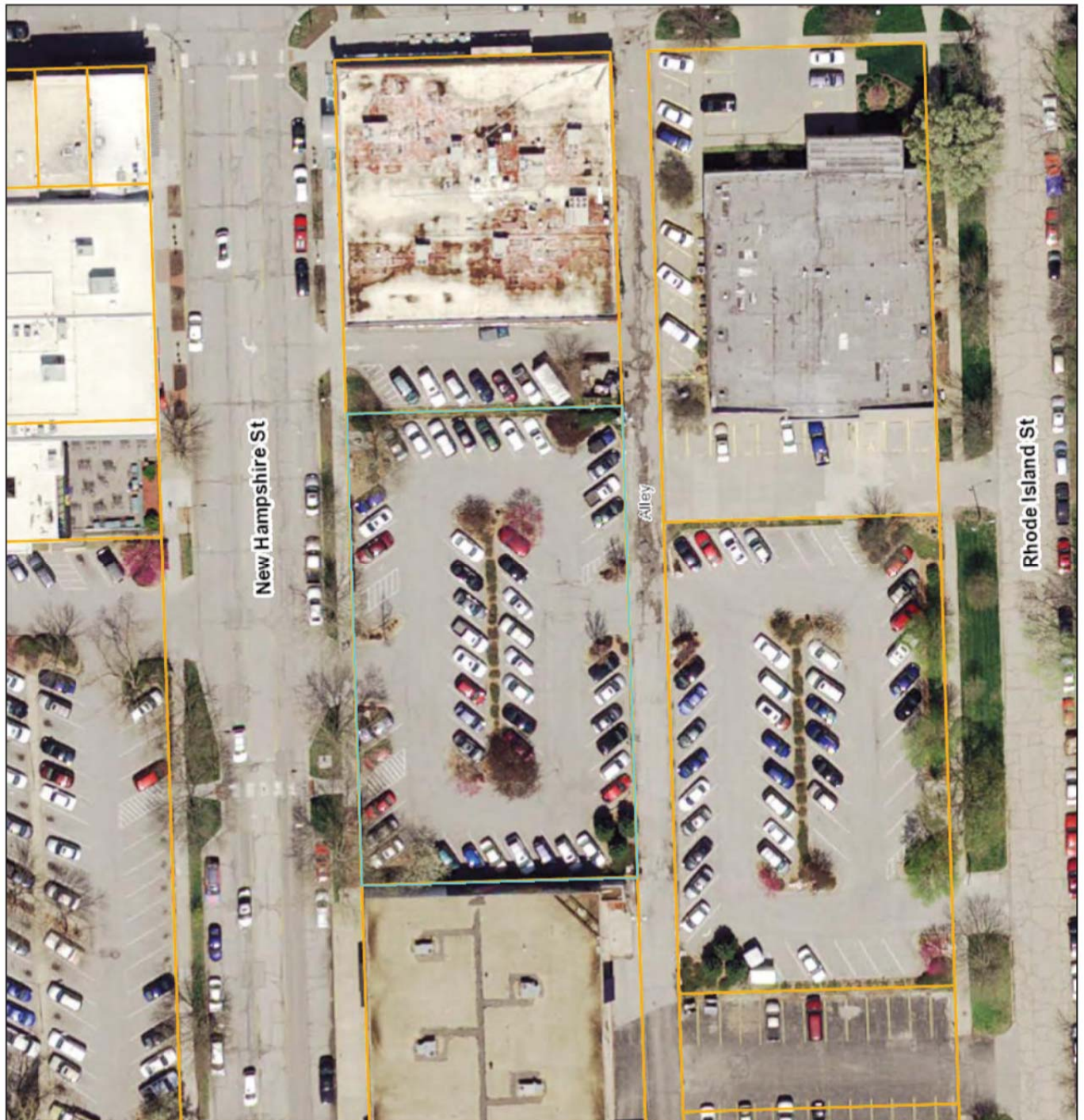


The following pages include copies of FEMA flood plain, aerial, zoning, sewer location and easement exhibit maps for the reader's reference in regards to the subject property.

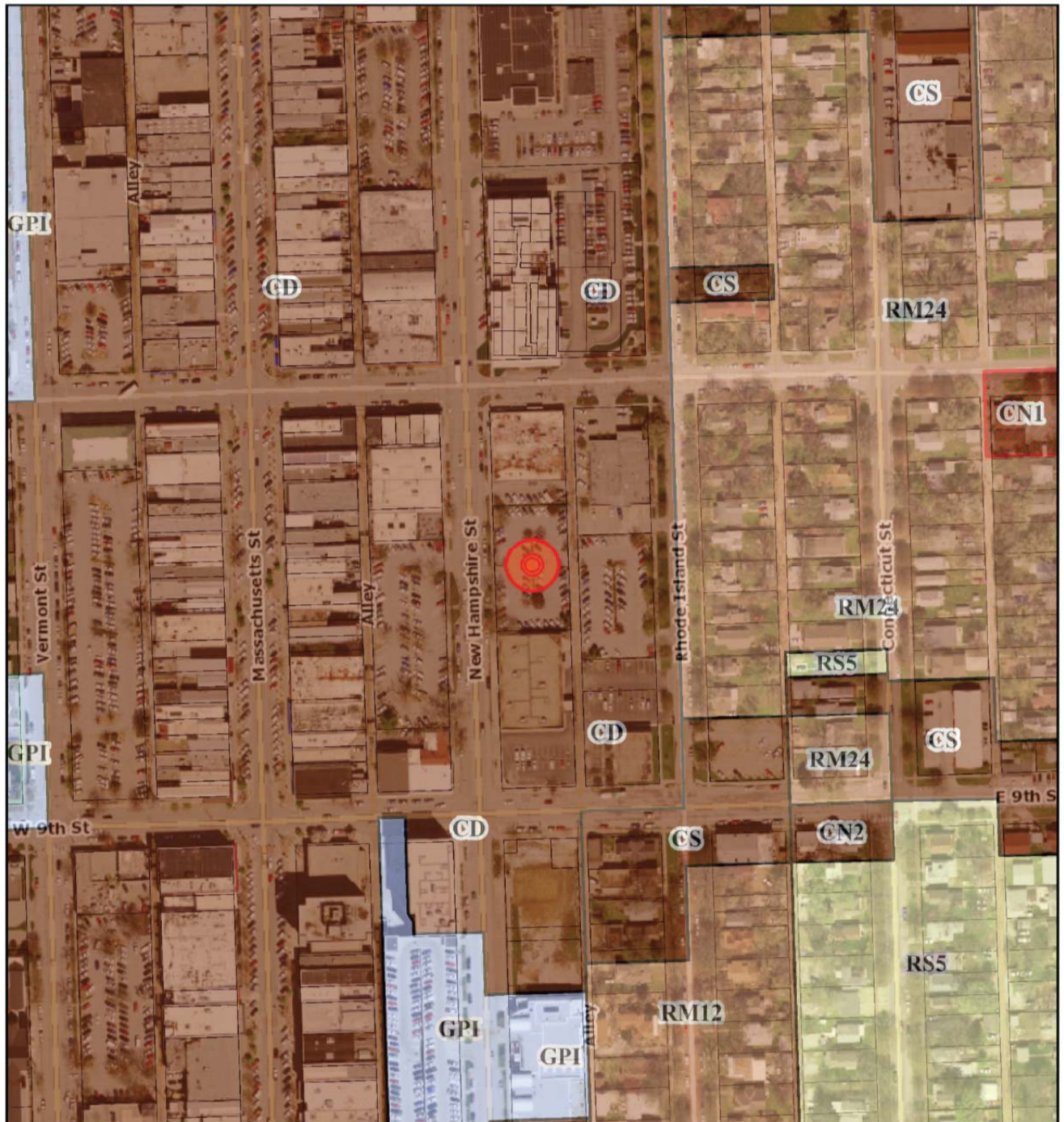
FEMA FLOOD MAP



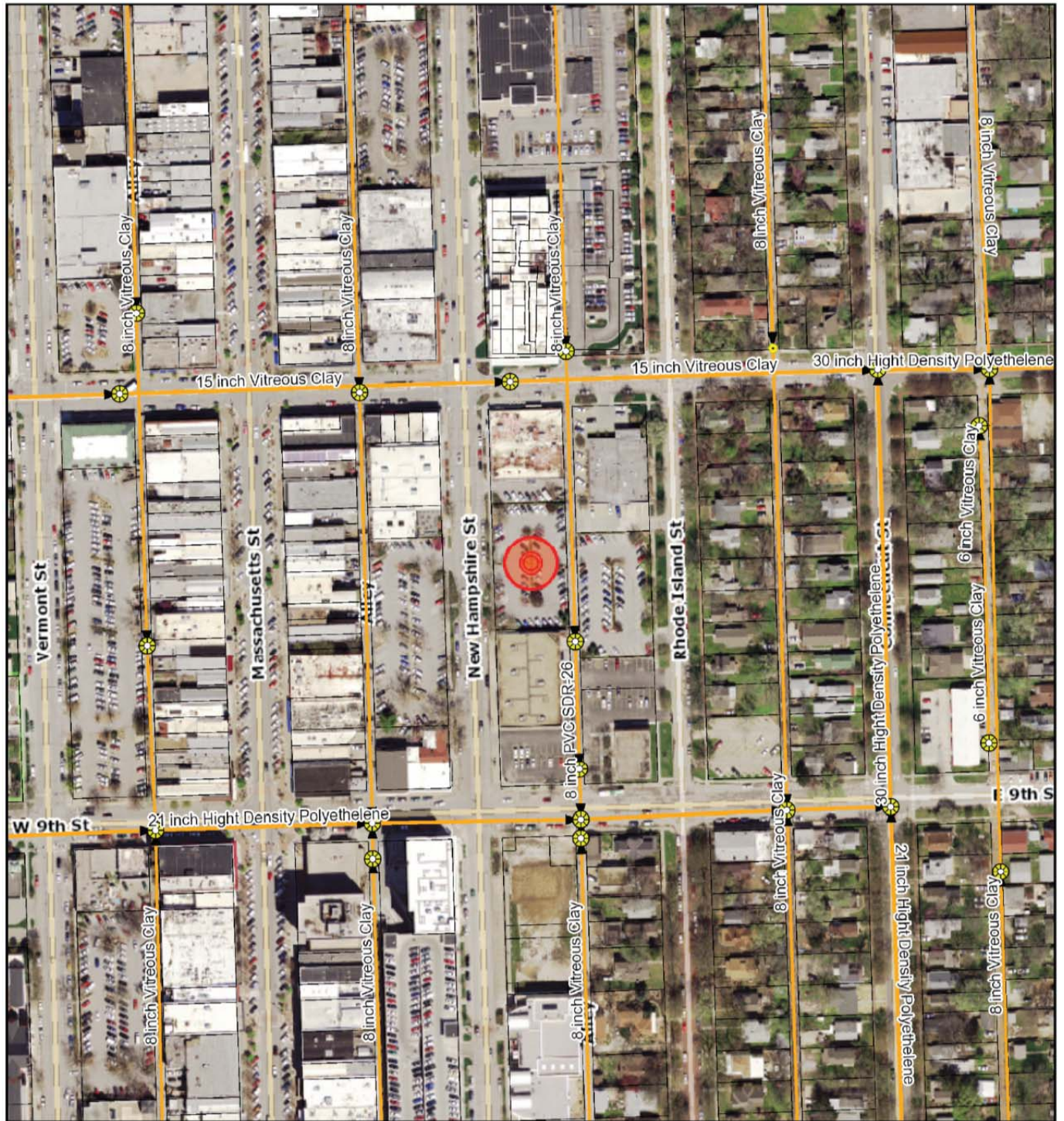
AERIAL MAP



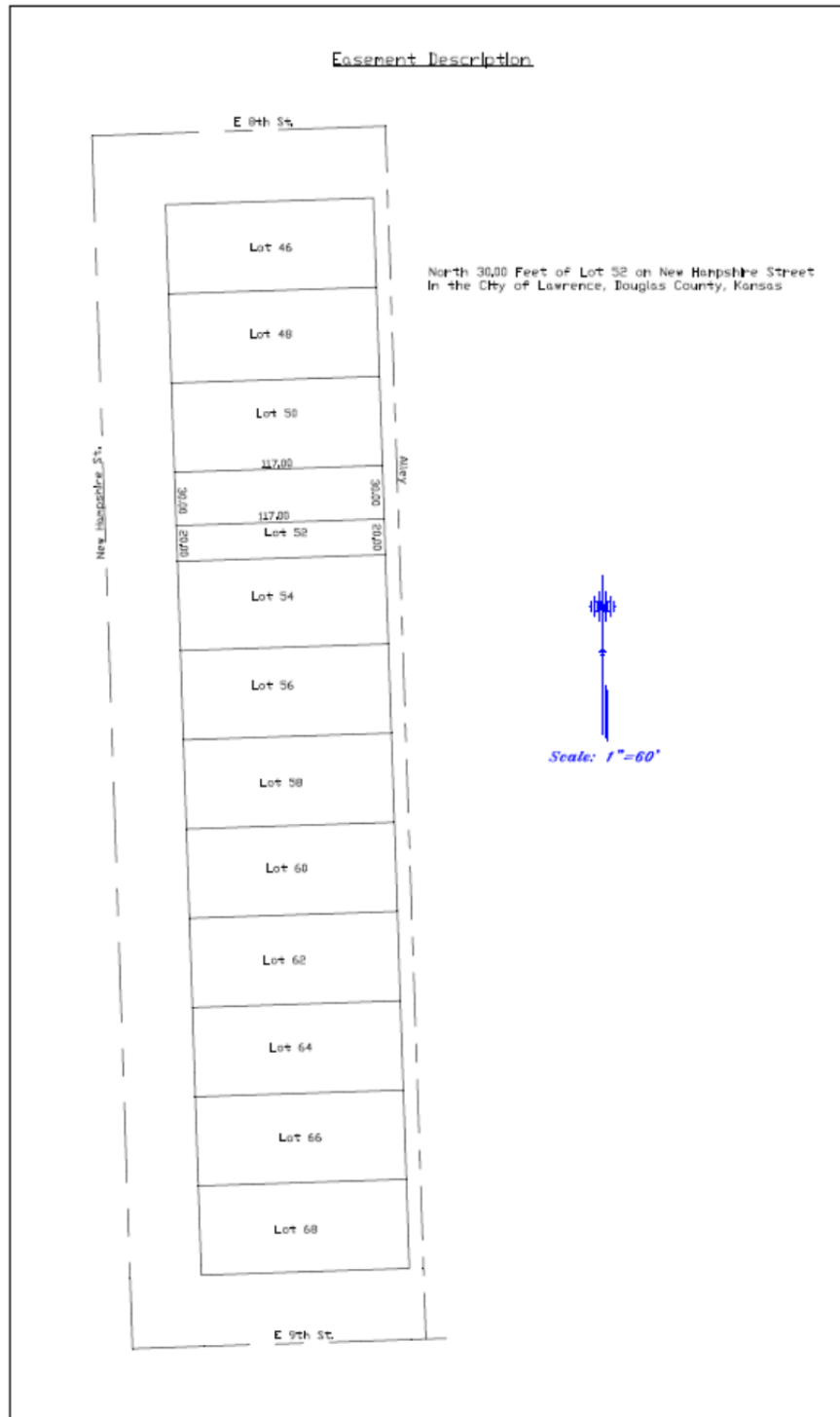
ZONING MAP



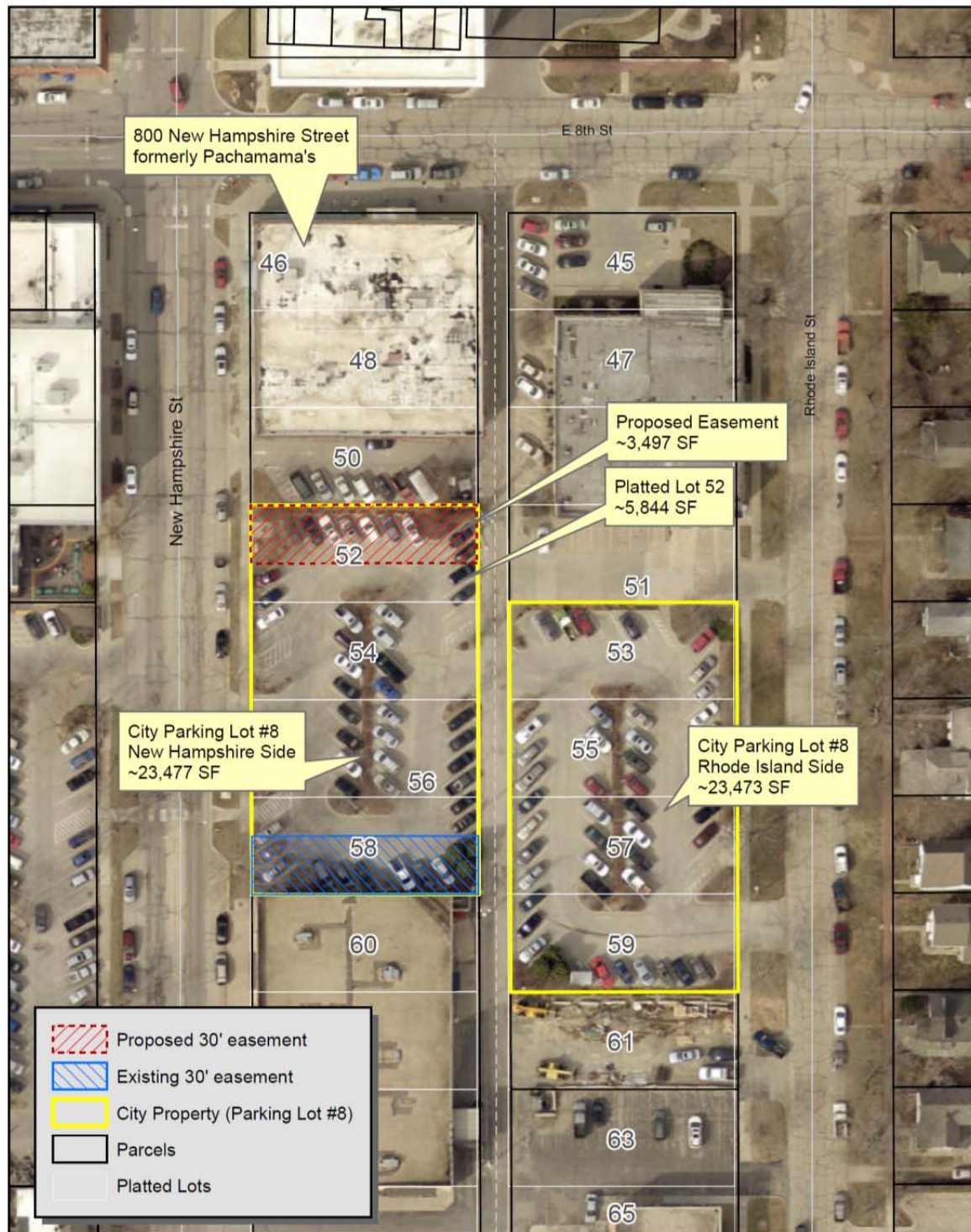
SEWER LOCATION MAP



EASEMENT AREA DIAGRAM 1



EASEMENT AREA DIAGRAM 2





DESCRIPTION OF THE IMPROVEMENTS

The subject has site improvements for approximately 52 vehicles along with concrete curbs and gutters and some landscaping features. There is a public drinking fountain in the northwest corner of the property. In both the before and after valuation the appraiser has estimated \$3,000 per parking space for site improvements new and with depreciation at 50% results in an estimated \$75,000 in contributory value to the site improvements.

PHOTOGRAPHS OF THE SUBJECT PROPERTY



EASEMENT AREA



STREET SCENE LOOKING NORTH



STREET SCENE LOOKING SOUTH



PROPERTY LINE



EASEMENT AREA



PARKING LOT VIEW

Highest and Best Use

Highest and best use is that reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal. Alternatively, it is that use, from among legally permissible, physically and reasonably possible uses, found to be economically and financially feasible, and which results in the most profitable of the alternatives.

Four questions must be answered in determining highest and best use:

1. **Legally Permissible Uses.** What uses are permitted by zoning and deed restrictions on the subject site?
2. **Physically Possible Uses.** To what uses is it physically possible to put the subject site?
3. **Financially Feasible Uses.** Which possible and permissible uses will produce any net return to the owner of the subject site?
4. **Maximally Productive Use.** Among the feasible uses, which use will produce the highest net return or result in the highest present worth?

The definition and questions above apply specifically to the highest and best use of land. In cases where a site has existing improvements, the highest and best use may be different from the existing use. The existing use will continue, however, unless and until the land value in its highest and best use exceeds the total value of the property in its existing use.

The subject site is 23,400 square feet or .54 acres and would represent a larger site in the downtown Lawrence area. The site is located along the east side of New Hampshire Street and has a curb cut on New Hampshire Street and also an alley way access from the east. The site is generally level and not in a floodplain district and has all utilities available for development with municipal sewer located in the alley way to the east. A 30' Setback and Utility Easement represents the southern 30' of the site. The appraiser has considered most any use to be physically possible on the subject site assuming it conforms to zoning, conforms to no buildings in the southern 30' and any other local code or fire requirements.



The subject site is zoned CD, Downtown Commercial District by the City of Lawrence. This district is primarily intended to implement the Comprehensive Plan's Downtown Commercial Center policy of providing for a variety of land uses, including governmental, retail, office, public and community facilities, institutional, churches, and residential and to accommodate new neighborhood, community and regional retail uses within the downtown area. Therefore, the legally permissible uses would include a wide variety of commercial uses primarily which would include retail, office, residential and other uses. The CD District does not require any on site parking.

The downtown Lawrence District has become a very popular place to live, work and play and reflects an area with a significant amount of new multifamily residential development with occupancies very strong in the apartment units. This is very evident by the recent and current construction activity directly south of the subject property. The developments have focused generally on multifamily and retail, speculative office development in the downtown area would not likely be considered feasible at this time, but retail overall in Lawrence is strong and multifamily is doing very well in the downtown area. The subject property does have site improvements of public parking as previously discussed. The appraiser has considered the highest and best use as interim parking lot but with the potential for the City of Lawrence to sell off the subject lot for commercial development, likely retail and multifamily based on the current market conditions.

It should be noted, the reason for this appraisal assignment is due to the property located directly north and is the former Pachamama's which has future plans for the current building shell to remain with grade level retail and the expansion going upward with four levels of apartment units with 55 units in total. The issue at hand is that for multifamily there has to be a 30 foot wide corridor for fire and safety regulations. The proposed Pachamama's expansion would result in four levels of apartment units stretching the entire property perimeter, therefore, the 30 foot wide corridor needed is located upon the City of Lawrence parking lot. A similar arrangement has been done and filed on the southern 30 feet of the subject property and with common ownership with Pachamama's with the City of Lawrence. This southern 30 foot easement was done with no cost to the developer but there were some tradeoffs relating to a former mural, etc.

Valuation Methodology

The traditional methods of processing market data into a value indication include:

- Cost Approach;
- Sales Comparison Approach; and
- Income Capitalization Approach.

The cost approach assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land, or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The sales comparison approach assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data that can be verified from authoritative sources. The sales comparison approach is less reliable in an inactive market, or when estimating the value of properties for which no real comparable sales data is available. It is also questionable when sales data cannot be verified with principals to the transaction.

The income capitalization approach reflects the market's perception of a relationship between a property's potential income and its market value, a relationship expressed as a capitalization rate. This approach converts the anticipated benefits (dollar income or amenities) to be derived from the ownership of property into a value indication through capitalization. This approach is widely applied when appraising income-producing properties.

As discussed previously, the appraiser has analyzed the subject property based on the Sales Comparison Approach of area land sales along with the cost based contributory value for the site improvements.



Market Value Before Setback and Utility Easement Agreement

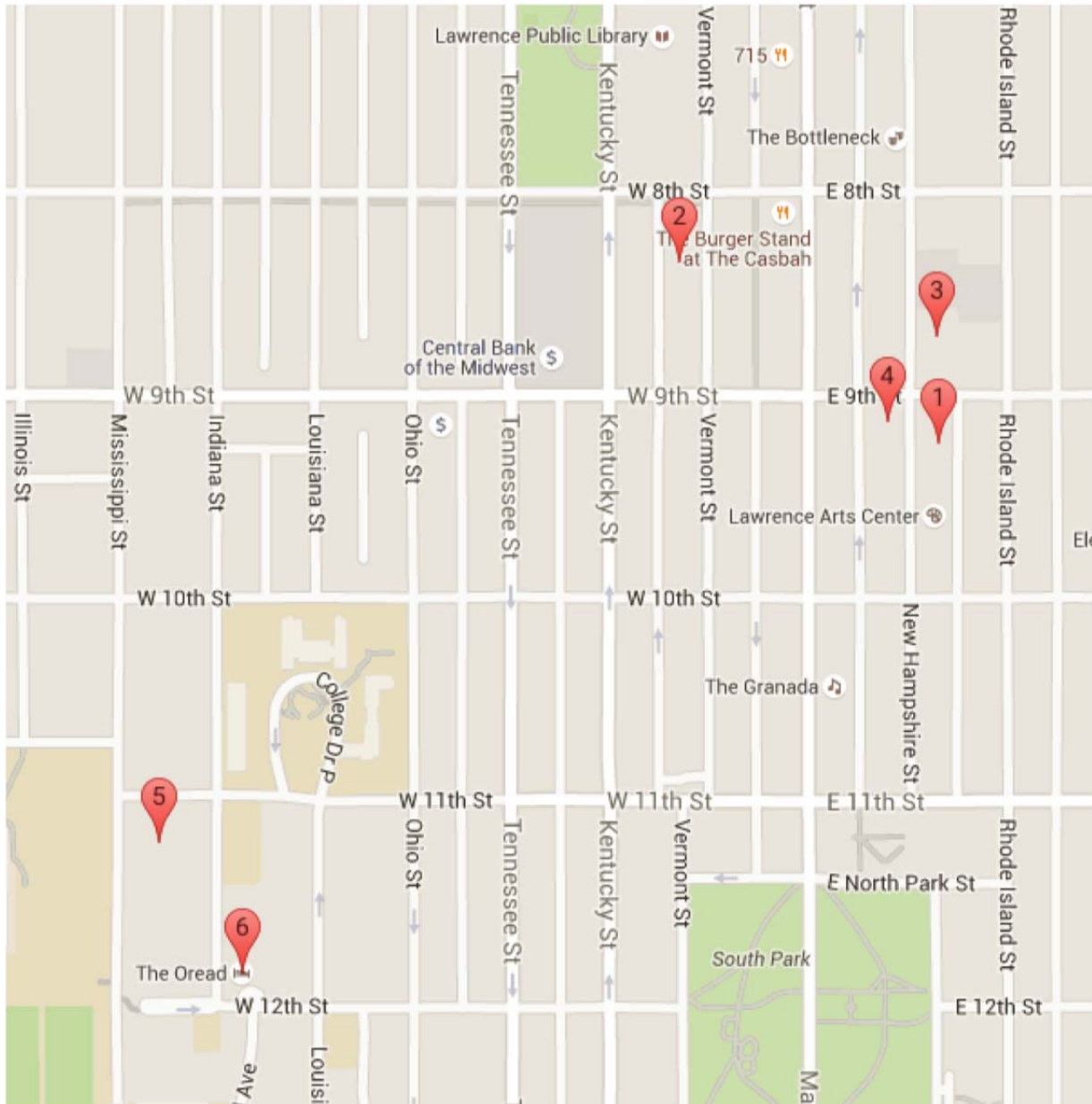
DIRECT SALES COMPARISON APPROACH

The Direct Sales Comparison Approach involves the comparison with the subject property of similar properties that have recently been sold or similar properties currently on the market. Differences in time/market conditions, tract size, zoning, access, utilities and other features are analyzed. Differences in the comparable properties are adjusted to the subject property to indicate a range of value for the property being appraised. These adjustments are extracted from the market, based on actions of typical buyers and sellers in the subject's market. The value range is then correlated into a final indicated value for the subject property by this Direct Market Comparison Approach.

SELECTION OF THE COMPARABLES

A total of six comparable land sales in the subject's market area were selected for the Direct Sales Comparison approach, as summarized on the Comparable Sales Grids on the following pages. These comparables were considered the most recent available sales of similar land properties in this market area. A summary of the comparable sales is included in the following pages and full writeups are in the addenda to this report.

LAND SALE COMP MAP



COMPARABLE MAP LEGEND		
Map Key	Comp ID No.	Comparable Address/Location
1	1357	900 New Hampshire, Lawrence, KS 66044
2	2234	800 Vermont Street Block 3, Lawrence, KS 66044
3	2128	100 E 9th Street, Lawrence, KS 66044
4	880	901 New Hampshire, Lawrence, KS 66044
5	2071	1101 and 1115 Indiana St., Lawrence, KS 66044
6	882	1140 Indiana, Lawrence, KS 66044



Comparable Land Sales Grid - Before
Setback and Utility Easement
800 Block New Hampshire
Lawrence, Kansas 66044

Before	SUBJECT PROPERTY	COMPARABLE #1	COMPARABLE #2	COMPARABLE #3	COMPARABLE #4	COMPARABLE #5	COMPARABLE #6
PROPERTY IDENTIFICATION	City of Lawrence	Hotel/Retail	Schumm Lot	Black Hills Energy	First Management, etal.	Here	The Oread
PROPERTY LOCATION	800 Block New Hampshire Lawrence, KS	900 New Hampshire Lawrence, KS	800 Block Vermont Lawrence, KS	100 East 9th Lawrence, KS	901 New Hampshire Lawrence, KS	1101-1115 Indiana Lawrence, KS	1140 Indiana Lawrence, KS
SALES DATA:							
DATE OF SALE		12/4/2012	11/10/2015	5/29/2012	8/9/2010	12/9/2014	10/22/2007
SALE PRICE	\$	695,000 \$	225,000 \$	1,775,000 \$	585,000 \$	7,500,000 \$	2,268,031
TERMS OF SALE		Market	Market	Market	Market	Market	Market
CONDITION OF SALE		Normal	Normal	Normal	Normal	Normal	Normal
SITE DATA:							
SITE AREA (ACRES)	0.54 acres	0.67 acres	0.12 acres	0.81 acres	0.25 acres	2.54 acres	0.75 acres
SITE AREA (SQ.FT.)	23,400 sq.ft.	29,250 sq.ft.	5,265 sq.ft.	35,100 sq.ft.	11,031 sq.ft.	110,500 sq.ft.	32,604 sq.ft.
ZONING	CD	CD	CD	CD	CD	RM32	PCD
PRICE PER SQ.FT.	\$	23.76 \$	42.74 \$	50.57 \$	53.03 \$	67.87 \$	69.56
PRICE PER ACRE	\$	1,035,015 \$	1,861,538 \$	2,202,821 \$	2,310,090 \$	2,956,561 \$	3,030,163
ADJUSTMENTS:							
TIME/MARKET CONDITIONS							
PERCENTAGE		0%	0%	0%	0%	0%	0%
DOLLAR ADJUSTMENT	\$	- \$	- \$	- \$	- \$	- \$	-
ADJUSTED PRICE PER SF	\$	23.76 \$	42.74 \$	50.57 \$	53.03 \$	67.87 \$	69.56
ADJUSTMENTS:							
TRACT SIZE/INFRASTRUCTURE							
PERCENTAGE		0%	10%	0%	0%	10%	10%
DOLLAR ADJUSTMENT	\$	- \$	4.27 \$	- \$	- \$	6.79 \$	6.96
EXISTING EASEMENT							
PERCENTAGE		-7.5%	-7.5%	-7.5%	-7.5%	-7.5%	-7.5%
DOLLAR ADJUSTMENT	\$	(1.78) \$	(3.21) \$	(3.79) \$	(3.98) \$	(5.09) \$	(5.22)
LOCATION/ZONING/PARKING GARAGE							
PERCENTAGE		0%	0%	0%	-5%	0%	0%
DOLLAR ADJUSTMENT	\$	- \$	- \$	- \$	(2.65) \$	- \$	-
ADJUSTED PRICE PER SQ.FT.	\$	21.98 \$	43.80 \$	46.78 \$	46.40 \$	69.57 \$	71.30
AVG ADJUSTED PRICE PER SF	\$	49.97					
SITE VALUE CONCLUSION PER SF	\$	44.00 \$	Site Value Indication 1,029,600	Rounded To \$ 1,030,000			
PLUS ESTIMATED SITE VALUE IMPROVEMENTS CONTRIBUTORY VALUE				\$ 75,000			
MARKET VALUE OPINION BEFORE SETBACK AND UTILITY EASEMENT AGREEMENT				\$ 1,105,000			



LAND SALE ANALYSIS

The appraiser has made several adjustments to the comparable land sales as discussed below.

Time/Market Conditions

The appraiser did not make an adjustment for time/market conditions.

Tract Size/Infrastructure

Sales 1, 3 and 4 were not adjusted. Sale 2 was adjusted upward 10% to reflect its smaller tract size and the reduced stand alone utility. Sales 5 and 6 were adjusted upward 10% to reflect their likely significant infrastructure and demolition and clean up costs which are not included in the base price per square foot.

Existing Easement

The southern 30' of the subject property is already encumbered with a similar Setback and Utility Easement Agreement which represents 15% of the total site area. As discussed following, the appraiser has estimated a diminution of value of 50% which would simply when math is applied equate to 7.5% of which each comparable sale was adjusted downward.

Location/Zoning/Parking Garage

The appraiser has not adjusted Sales 1–3 and 5–6. Sale 4 was adjusted downward 5% to reflect its location adjacent to the City of Lawrence parking garage.

After adjustments, the six land sales ranged from \$21.98 to \$71.30 per square foot. The appraiser has placed the most reliance on Sales 2–4 and with a heavier reliance on Sale 2 a recent sale and estimated the site value at \$44.00 per square foot. The market value of the subject site via the Sales Comparison Approach is shown below:

\$44.00 per square foot x 23,400 square feet = \$1,029,600, rounded to \$1,030,000

From the site value conclusion the appraiser has added the estimated contributory value of the site improvements at \$3,000 per space for the 52 spaces less 50% depreciation which resulted in a rounded \$75,000. When the \$75,000 is added to the \$1,030,000 results in **\$1,105,000**. This represents the before Setback and Utility Easement Agreement market value opinion.

Market Value After Setback and Utility Easement Agreement

The subject property northern 30 feet represents the location of a proposed Setback and Utility Easement Agreement. The southern 30 feet is already encumbered with a similar agreement. A copy of the draft unsigned document is retained in the addenda to this report. The key uses not allowed in the 30 foot strip are no buildings and access can not be restricted. The allowable uses in the 30 foot strip are parking, green space, utilities, access to building, sidewalk, landscaping, kneewall, directional signage, parking meters, etc. It is allowable to conduct maintenance and repair to the south exterior of the building located at the corner of 8th and New Hampshire.

The appraiser previously included information obtained from the City of Lawrence in regards to whether the 30 foot strip could be sold separately and built upon separately, the answer is yes to both questions. The 30 foot strip is not located within any historic environs but is subject to the Downtown Development Guidelines. The 30 foot strip is not encumbered with any utility easements or deed restrictions of which the appraiser was made aware of. In summary, the 30 foot strip could in theory be split and sold separately for a stand alone development.

The appraiser counted 10 parking spaces located within the easement area. The parking spaces are longer term spaces and the subject represents a 10 hour lot. The cost for an annual 10 hour parking permit from the City of Lawrence is \$192. In simple theory, if one person parked in each space and at that rental rate the annual income would be \$1,920.



Comparable Land Sales Grid - After
Setback and Utility Easement
800 Block New Hampshire
Lawrence, Kansas 66044

After	SUBJECT PROPERTY	COMPARABLE #1	COMPARABLE #2	COMPARABLE #3	COMPARABLE #4	COMPARABLE #5	COMPARABLE #6
PROPERTY IDENTIFICATION	City of Lawrence	Hotel/Retail	Schumm Lot	Black Hills Energy	First Management, etal.	Here	The Oread
PROPERTY LOCATION	800 Block New Hampshire Lawrence, KS	900 New Hampshire Lawrence, KS	800 Block Vermont Lawrence, KS	100 East 9th Lawrence, KS	901 New Hampshire Lawrence, KS	1101-1115 Indiana Lawrence, KS	1140 Indiana Lawrence, KS
SALES DATA:							
DATE OF SALE		12/4/2012	11/10/2015	5/29/2012	8/9/2010	12/9/2014	10/22/2007
SALE PRICE	\$	695,000	\$ 225,000	\$ 1,775,000	\$ 585,000	\$ 7,500,000	\$ 2,268,031
TERMS OF SALE		Market	Market	Market	Market	Market	Market
CONDITION OF SALE		Normal	Normal	Normal	Normal	Normal	Normal
SITE DATA:							
SITE AREA (ACRES)	0.54 acres	0.67 acres	0.12 acres	0.81 acres	0.25 acres	2.54 acres	0.75 acres
SITE AREA (SQ.FT.)	23,400 sq.ft.	29,250 sq.ft.	5,265 sq.ft.	35,100 sq.ft.	11,031 sq.ft.	110,500 sq.ft.	32,604 sq.ft.
ZONING	CD	CD	CD	CD	CD	RM32	PCD
PRICE PER SQ.FT.	\$	23.76	\$ 42.74	\$ 50.57	\$ 53.03	\$ 67.87	\$ 69.56
PRICE PER ACRE	\$	1,035,015	\$ 1,861,538	\$ 2,202,821	\$ 2,310,090	\$ 2,956,561	\$ 3,030,163
ADJUSTMENTS:							
TIME/MARKET CONDITIONS							
PERCENTAGE		0%	0%	0%	0%	0%	0%
DOLLAR ADJUSTMENT	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
ADJUSTED PRICE PER SF	\$	23.76	\$ 42.74	\$ 50.57	\$ 53.03	\$ 67.87	\$ 69.56
ADJUSTMENTS:							
TRACT SIZE/INFRASTRUCTURE							
PERCENTAGE		0%	10%	0%	0%	10%	10%
DOLLAR ADJUSTMENT	\$	-	\$ 4.27	\$ -	\$ -	\$ 6.79	\$ 6.96
EXISTING/PROPOSED EASEMENT							
PERCENTAGE		-15.0%	-15.0%	-15.0%	-15.0%	-15.0%	-15.0%
DOLLAR ADJUSTMENT	\$	(3.56)	\$ (6.41)	\$ (7.59)	\$ (7.95)	\$ (10.18)	\$ (10.43)
LOCATION/ZONING/PARKING GARAGE							
PERCENTAGE		0%	0%	0%	-5%	0%	0%
DOLLAR ADJUSTMENT	\$	-	\$ -	\$ -	\$ (2.65)	\$ -	\$ -
ADJUSTED PRICE PER SQ.FT.	\$	20.20	\$ 40.60	\$ 42.98	\$ 42.43	\$ 64.48	\$ 66.09
AVG ADJUSTED PRICE PER SF	\$	46.13					
SITE VALUE CONCLUSION PER SF	\$	41.00	Site Value Indication 959,400	Rounded To \$ 960,000			
PLUS ESTIMATED SITE VALUE IMPROVEMENTS CONTRIBUTORY VALUE				\$ 75,000			
MARKET VALUE OPINION BEFORE SETBACK AND UTILITY EASEMENT AGREEMENT				\$ 1,035,000			



LAND SALE ANALYSIS

The appraiser has made several adjustments to the comparable land sales as discussed below.

Time/Market Conditions

The appraiser did not make an adjustment for time/market conditions.

Tract Size/Infrastructure

Sales 1, 3 and 4 were not adjusted. Sale 2 was adjusted upward 10% to reflect its smaller tract size and the reduced stand alone utility. Sales 5 and 6 were adjusted upward 10% to reflect their likely significant infrastructure and demolition and clean up costs which are not included in the base price per square foot.

Existing/Proposed Easement

The southern 30' of the subject property is already encumbered with a similar Setback and Utility Easement Agreement which represents 15% of the total site area. The City of Lawrence has plans to negotiate a similar Setback and Utility Easement on the northern 30' of the subject property. The total of the existing and the proposed easement area is 30% of the total site area that will be encumbered. The appraiser previously discussed the allowable and non allowable uses within the easement area and a draft copy of the easement document is contained in the addenda to this report. The key item of the easement is there can be no buildings constructed in the easement area.

The appraiser counted 10 parking spaces within the proposed easement area. The annual parking pass rate is \$192 for a 10 hour parking pass which would basically allow a car to park in the parking lot during normal business hours of 8:00 AM to 6:00 PM, before and after these times the City of Lawrence does not check for parking violations. The annual income at this rate would equate to \$1,920. If for mathematical purposes this was divided by a low direct capitalization rate of say 4%, similar to a ground lease rate range would result in \$48,000, rounded to \$50,000. The before valuation estimated the overall site value at \$44.00 per square foot and when this is multiplied by the proposed easement square feet of 3,510 results in \$154,440, rounded to \$155,000. The percentage difference between these two numbers is 68%. The appraiser is of the opinion this should be tempered to reflect the narrow width of the proposed easement area and the reduced utility and lowered this to 50%. When the 50% is simply multiplied by 30% (total existing plus proposed easement area) results in a 15% adjustment for existing/proposed easement.



Location/Zoning/Parking Garage

The appraiser has not adjusted Sales 1–3 and 5–6. Sale 4 was adjusted downward 5% to reflect its location adjacent to the City of Lawrence parking garage.

After adjustments, the six land sales ranged from \$20.20 to \$66.09 per square foot. The appraiser has placed the most reliance on Sales 2–4 and with a heavier reliance on Sale 2 a recent sale and estimated the site value at \$41.00 per square foot. The market value of the subject site via the Sales Comparison Approach is shown below:

\$41.00 per square foot x 23,400 square feet = \$959,400, rounded to \$960,000

From the site value conclusion the appraiser has added the estimated contributory value of the site improvements at \$3,000 per space for the 52 spaces less 50% depreciation which resulted in a rounded \$75,000. When the \$75,000 is added to the \$960,000 results in **\$1,035,000**. This represents the after Setback and Utility Easement Agreement market value opinion.



Reconciliation and Final Value Estimate

Reconciliation is the process by which the appraiser weighs the relative significance, defensibility, and applicability of each approach as it pertains to the type of property being appraised. The analysis in this appraisal has led to the following value indications:

My opinion of the market value of the fee simple interest before the Setback and Utility Easement in the subject property subject to any existing encumbrances or easements of record as of the effective date of this appraisal, February 4, 2016, is as follows:

\$1,105,000

ONE MILLION ONE HUNDRED FIVE THOUSAND DOLLARS

My opinion of the market value of the subject property after the Setback and Utility Easement and subject to any existing encumbrances or easements of record as of the effective date of this appraisal, February 4, 2016, is as follows:

\$1,035,000

ONE MILLION THIRTY FIVE THOUSAND DOLLARS

The market value opinion above reflects the hypothetical condition that the Setback and Utility Easement Agreement has been filed and recorded on the subject property at the Douglas County Register of Deeds Office.

The difference between the before and after market value opinions is \$70,000.



Certification and Limiting Conditions

CERTIFICATION

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

- 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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report.
- I 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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 the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- 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.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.

A handwritten signature in blue ink that reads 'Ronald D. Aul'.

Ronald D. Aul, MAI
Certified General Real Property Appraiser
Kansas Certification No. G-1241

February 24, 2016

Date of Report

C-1464

File Number

Contingent and Limiting Conditions

The certification of the Appraiser appearing in the report is subject to the following conditions and to such other specific and limiting conditions as are set forth in the report.

1. This is an *Appraisal Report* which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the *Uniform Standards of Professional Appraisal Practice* (USPAP). As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the opinion of value. Supporting documentation concerning the data, reasoning, and analyses are retained in our file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use as noted herein. The appraiser is not responsible for unauthorized use of this report.
2. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised on the basis of it being under responsible ownership. The property is appraised as though under responsible engineer or architect, the Appraiser applied limited structural and design analysis to the problem and the cost estimates must be considered non-professional. The future operation of the property assumes skilled and adequate management but are not represented to be historically based. A property manager was not retained to estimate the revenue and expense projections. A reasonable understanding of zoning and life safety and other codes is assumed but no guarantee is given that permits and occupancy rights will be given by the appropriate authority of the probable uses discussed in the report.
3. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property and understanding the appraiser's determination of its size. The Appraiser has made no land survey of the property unless otherwise indicated.
4. The Appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made therefore.
5. Values for various components of the subject parcel and improvements or the value derived by one or two approaches to value as contained within this report are valid only when making a summation or final opinion of value and are not to be used independently for any purpose and must be considered invalid if so used. A separate report on only a part of a whole property, particularly if the reported value exceeds the value that would be derived if the property were considered separately as a whole, must be stated as a fractional report.



Any conclusions based on the assumed completion of public or private improvements will have clearly defined conditions, extent, and effects of such assumptions stated.

6. If the cost approach is included in this appraisal, the appraiser has estimated the value of the land in the cost approach at its highest and best use, and the improvements at their contributory value. Unless otherwise specifically indicated, the cost approach value is not an insurance value, and should not be used as such.
7. The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.
8. As part of the valuation process, the appraiser performs a non-invasive visual inventory that is not intended to reveal defects or detrimental conditions that are not readily apparent. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of and did not observe any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc. or any used in the construction or maintenance of the building) that would make the property more or less valuable, and has assumed that there are no such conditions. The appraiser makes no guarantees or warranties, express or implied, regarding the condition of the property. The presence of such conditions or defects could adversely affect the appraiser's opinion of value. 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 an environmental assessment of the property. Clients with concerns about such potential negative factors are encouraged to engage the appropriate type of expert to investigate.
9. This report is also is subject to the following additional environmental assumptions:

There is a safe, lead-free, adequate supply of drinking water, the subject property is free of soil contamination, there is no uncontained friable asbestos or other hazardous asbestos material on the property (the appraiser is not qualified to detect such substances), there are no uncontained PCB's on or near the property, the radon level is at or below EPA recommended levels, any functioning underground storage tanks (UST's) are not leaking and are properly registered; any abandoned UST's are free from contamination and were properly drained, filled and sealed, there are no hazardous waste sites on or near the subject property that negatively affect the value and/or safety of the property, there is no significant UREA formaldehyde (UFFI) insulation or other UREA formaldehyde material on the property, there is no flaking or peeling of lead-based paint on the property, the property is



free of air pollution, there are no other miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site (excess noise, radiation, light pollution, magnetic radiation, acid mine drainage, agricultural pollution, waste heat, miscellaneous chemical, infectious medical wastes, pesticides, herbicides, and the like).

The appraiser makes no warranties as to whether these assumptions are true or not.

10. Information, estimates, and opinions furnished to the Appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties. All information furnished regarding property for sale, rental, financing, or projections of income and expense is from sources deemed reliable. No warranty or representation is made as to the accuracy thereof, and it is submitted subject to errors, omissions, change of price, rental or other conditions, prior sale, lease, financing, or withdrawal without notice.
11. The appraiser will not disclose the contents of the appraisal report except as provided for in the *Uniform Standards of Professional Appraisal Practice* and any applicable federal, state or local laws. Disclosure of the contents of the appraisal report is also governed by the regulations of the Appraisal Institute with which the Appraiser is affiliated.
12. An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client or other party does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any other purpose by anyone without the previous written consent and approval of the Appraiser or the client for whom it is written and, in any event, only in its entirety. The contents of this report, neither all or any part, shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author(s), particularly regarding the valuation conclusions and the identity of the Appraiser or the firm with which he/she is associated or any of his/her associates.
13. Forecasts of effective demand for the highest and best use or the best fitting and most appropriate use were based on the best available data concerning the market and are subject to conditions of economic uncertainty about the future. Primary market research was not used due to time and budget limitations unless noted in the report.



14. On all analysis, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.
15. The Appraiser has referred to flood zone maps that are provided by the Federal Emergency Management Agency (or other data sources as indicated), however he/she is not an engineer or surveyor and no warranty, express or implied, is made to the reliability of this information.
16. 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 our opinion of value of the property.



COPYRIGHT NOTICE

This report is Copyright © 2016 by Aul Appraisals, L.C. The client named in this report (the "Licensee") has received a Restricted Use License to use this appraisal report (the "WORK") This license allows the client to use and copy the Work solely for purposes of the intended use (stated earlier in this report) associated with this Work. The client specified in this appraisal report may distribute the report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns for servicing said loan; and/or to all lenders in your organization to use the Work and to sell said Work as a package with the loan as intended. The licensee shall use the Work only for the purposes set forth above. Licensee shall not:

- Reproduce the Work in copies or electronic form;
- Prepare a Derivative Works based upon the Work;
- Distribute copies of the Work by sale or other transfer of ownership, or by rental, lease, or lending; in any form electronic, paper, or otherwise– this includes Internet application or Software application unless specified in this Agreement, including in any third party proprietary format, unless provided for in this Agreement;
- Allow end users to resell the Work or a derivation, or to resell data or services which are derived from the Work.

Glossary / Definition of Terms

Several terms utilized in this appraisal report require definition and/or reference. This glossary is considered a part of the attached appraisal report and this report is not valid without inclusion of this glossary. Not all terms in this glossary may specifically apply to this appraisal analysis.

Market Value:

The reader is referred to the front of this report for a fair market value definition as part of the Kansas Eminent Domain Statute.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Source: The Dictionary of Real Estate Appraisal – Sixth Edition, © 2015 by the Appraisal Institute, an Illinois not-for-profit corporation, p.90.

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Source: The Dictionary of Real Estate Appraisal – Sixth Edition, © 2015 by the Appraisal Institute, an Illinois not-for-profit corporation, p. 128.

Intended Use

The use or uses of an appraiser's reported appraisal, appraisal review, or appraisal consulting assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

Source: Uniform Standards of Professional Appraisal Practice– 2016–2017 Edition, Copyright ©The Appraisal Foundation, p. U-3.



Intended User(s)

The client and any other party identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment.

Source: Uniform Standards of Professional Appraisal Practice– 2016–2017 Edition, Copyright ©The Appraisal Foundation, p. U-3.



Qualifications of the Appraiser / Company Profile

QUALIFICATIONS OF APPRAISER– RONALD D. AUL, CPA, MAI

EDUCATION

- MBA, University of Kansas, 1986
- BS, Business Administration/Accounting, University of Kansas, 1984
- Completed the education requirements for the MAI designation of The Appraisal Institute.

LICENSES

- Kansas General Licensed Appraiser G-1241
- Missouri General Licensed Appraiser RA 003013
- Kansas Licensed Real Estate Broker, License Number EB00052460

EXPERIENCE

- Commercial and residential real estate appraisal, review and consulting since 1993. The commercial property experience includes multi-family, retail, office, industrial, special use, vacant land and agricultural properties. The residential experience has primarily focused on reviewing reports within the office.
- Currently Manager and Principal Owner of Aul Appraisals, L.C. Markets covered primarily include the Midwest region of the United States.
- Involved with the ownership and management of residential and commercial real estate since 1990.
- Prior to 1993 had various corporate positions in accounting and/or finance.

ORGANIZATIONS

- MAI Designation, Appraisal Institute, Member Number 11,279
- Kansas Real Estate Appraisal Board (Chairman 2004)
- Tau Kappa Epsilon Fraternity, Board of Control Member
- Graduate – Leadership Lawrence – Class of 1998
- Lawrence Schools Foundation – President

CLIENT LIST

- A list will be provided upon request.



COMPANY PROFILE

Aul Appraisals, L.C. is a full-service real estate appraisal and consulting firm founded by Ronald D. Aul, MAI. Aul Appraisals, L.C. brings the combined talents of 50+ years of appraisal experience across multiple geographic markets.

Our staff of commercial and residential appraisers are headquartered in Lawrence, Kansas with branch offices in Topeka and Kansas City metro areas. We serve an area stretching from eastern Kansas to western Missouri, including Lawrence, Topeka, Kansas City and the surrounding rural areas. Services include commercial and residential appraisal, a variety of consulting services and property management.

Members of the firm hold individual memberships in several organizations including the Appraisal Institute, Lawrence Board of REALTORS®, Topeka Board of REALTORS®, and the Kansas City Regional Association of REALTORS®. In addition, Ronald D. Aul, MAI is a former chairman of the Kansas Real Estate Appraisal Board.

For more information, visit www.aulappraisals.com



Addenda

Draft Copy Setback and Utility Easement Comparable Land Sales

SETBACK AND UTILITY EASEMENT AGREEMENT

THIS SETBACK AND UTILITY EASEMENT AGREEMENT is made this ____ day of February , 2016, by and between the City of Lawrence, Kansas, a municipal corporation, and 800 New Hampshire, LLC, a Kansas limited liability company.

RECITALS

- A.** The City of Lawrence, Kansas, a municipal corporation ("**City**"), owns certain real property, commonly known as 824 New Hampshire Street, Lawrence, Douglas County, Kansas, on which is located public a parking lot ("**Parking Lot**"). The legal description of the Parking Lot is as follows:

LOTS 52, 54, 56 & 58 ON NEW HAMPSHIRE STREET AND
LOTS 53, 55, 57 & 59 ON RHODE ISLAND STREET IN THE
ORIGINAL TOWNSITE OF THE CITY OF LAWRENCE,
DOUGLAS COUNTY, KANSAS.

- B.** 800 New Hampshire, LLC, a Kansas limited liability company ("**Owner**"), owns certain real estate, commonly known as 800 New Hampshire, Lawrence, Douglas County, Kansas ("**Owner's Property**"), on which it is constructing an addition to the existing building that will add four additional stories in height ("**Building**"). The legal description of the Owner's Property is as follows:

LOTS 46, 48, & 50 ON NEW HAMPSHIRE STREET IN THE
ORIGINAL TOWNSITE OF THE CITY OF LAWRENCE,
DOUGLAS COUNTY, KANSAS.

- C.** The Parking Lot and Owner's Property are adjacent and the south wall of the Building closely adjoins the Parking Lot.
- D.** The City and the Owner further acknowledge that, because of the residential use of the Building, certain utilities are needed for service at the Building and that City Code requires that access to the south wall of the Building be preserved for emergency access.
- E.** In order to preserve sight lines, to provide utility services, and to provide emergency access, the City hereby agrees, subject to execution of this Agreement and compliance with its terms, to grant to the Owner a Setback and Utility Easement on the Parking Lot, all as described in more detail below.

TERMS

NOW THEREFORE, in light of the mutual promises and obligations contained herein, and in exchange for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the City and the Owner agree as follows:

1. **Recitals**. The above-stated recitals are by reference incorporated herein and shall be as effective as if set forth *verbatim*.
2. **Parking Lot Building Setback Easement**. The City hereby grants to the Owner a permanent thirty-foot (30') building Setback Easement on the Parking Lot, which easement, as measured from the south property boundary of the Owner's Property, shall run the entire length of the south property boundary ("**Building Setback Area**") (A Site Plan, showing the Building Setback Area, is affixed hereto as Exhibit A and is incorporated herein by reference). The Owner agrees that neither it nor its successors shall construct within the Building Setback Area any improvements, buildings, or structures, or otherwise in any way encumber or restrict access to the Building Setback Area; provided, however, that the City or its successors may continue to use the Building Setback Area for parking purposes, may continue to maintain, in the Building Setback Area, any existing parking lot, sidewalks, landscaping, knee wall, or other existing improvements located in, or along or close to New Hampshire Street (including any utilities), and may place in the Building Setback Area directional signage, parking meters (at its discretion), or any other signage, so long as such signage or meters do not otherwise impede emergency access to the Building. The Owner shall also have a permanent easement in and to any part of the property owned by the City or its successors located in the Building Setback Area for the purposes of conducting maintenance and repair of the south exterior wall of the Building.
3. **Utility Easement**. The City hereby grants, establishes and dedicates along and over the Building Setback Area, a permanent non-exclusive easement for the location, construction, installation, relocation, maintenance, repair, and replacement of all utility services, including, without limitation, utility meters, valves, lines, wires, cables, poles, pipes, mains, drains, inlets, manholes, and conduits for electricity, gas, water, sanitary sewer, storm drainage, telecommunications, telephone, internet and cable, above ground and underground, to and for the benefit of the Owner's Property.
4. **Temporary Construction Easement**. The City agrees that the Owner may utilize the Building Setback Area during construction of the Building to place cranes and other construction equipment, stage materials, and to load and unload delivery vehicles to the job site. The City agrees that the Owner may

place a temporary chain link fence around the Building Setback Area during such construction activities, all in accordance with any Right of Way Use Agreement separately agreed to by and between the Owner's contractor (*i.e.*, First Construction) and the City.

5. **Maintenance and Repair.** The City shall be solely responsible for the maintenance and repair of the Parking Lot and all improvements located in the Building Setback Area. The Owner shall be solely responsible for exterior maintenance of the Building, including fixtures, equipment, glass, and all utility or service lines and equipment located therein or which provide utility services to said Building (pursuant to and consistent with normal City policy on maintenance of utility lines located within the boundaries of any lot). In performing such maintenance or repair, or in improving or altering the interior of their respective Parking Lot or Building, neither the City nor the Owner shall do any act or work that impairs or damages the Parking Lot, that impairs the structural soundness of the Building, or that interferes with any easement granted or reserved.
6. **Damage or Destruction.** In the event of damage to or destruction of the Parking Lot from activities conducted by the Owner on the Parking Lot, the Owner, at its sole expense, shall repair or rebuild the Parking Lot and the City shall have the full use of the Parking Lot so repaired or rebuilt.
7. **Insurance.** The Owner shall maintain insurance on the Building and the Building Setback Area against loss from fire and extended coverage perils (including vandalism and malicious mischief). The Owner shall also separately be responsible for insurance covering loss or damage to personal property and liability for injury, death, or damage occurring with respect to the repair or maintenance activities conducted on the Building if a portion of such activities are being conducted in the Building Setback Area. The Owner shall, on demand of the City, produce certificates of insurance evidencing that all insurance required hereunder is in force.
8. **Indemnification.** Each party shall hold harmless, indemnify, and defend the other party from all liability, penalties, losses, damages, costs, expenses, causes of action, liens, claims, and judgments arising by reason of any injury or death of any person or persons, or damage to the property of any person or persons arising from or relating to any party's negligence while conducting activities in the Building Setback Area that are for the benefit of the Building. If either the City or the Owner shall be made a party to any litigation commenced by or against the other as the result of the negligence of the other, then the negligent party shall defend, protect, and hold the non-negligent party harmless and shall pay all costs, expenses, and reasonable attorneys' fees incurred in connection with such litigation.

9. **Binding Effect.** This Agreement and each of the easement rights described herein shall at all times be construed as covenants running with the land and shall be binding upon and inure to the benefit of the owner or owners of the above-described Parking Lot and Owner's Property, their respective legal representatives, successors, grantees and assigns, and all parties claiming under them, and shall be for the benefit of and limitations upon all future owners of such real estate, provided, however, that the respective rights, duties, and obligations of the City and the Owner set forth herein shall cease with the termination of its ownership of a parcel, except for the duties and obligations arising during the period of its ownership. Nothing contained herein is intended nor shall it be construed as creating any rights in or for the benefit of the general public.
10. **Authority.** Each of the parties executing this Agreement, in behalf of their respective parties, represents and warrants that they have the authority to bind the party in behalf of whom they have executed this Agreement, and that all acts requisite to the authorization to enter into and to execute this Agreement have been taken and completed.
11. **Severability.** If any section, sentence, clause, or phrase of this Agreement is found to be invalid by any court of competent jurisdiction, it shall not affect the validity of any remaining provision of this Agreement.
12. **Governing Law.** This Agreement shall be construed and enforced in accordance with and shall be governed by the laws of the State of Kansas.
13. **Right to Enjoin.** In the event of any violation or threatened violation of any of the terms, restrictions, covenants or conditions provided herein by any party, the other party or their respective legal representatives, successors, grantees, or assigns, shall have, in addition to all other rights and remedies at law, the equitable right to enjoin such violation or threatened violation in a court of competent jurisdiction.
14. **Warranty of Title.** The City does hereby warrant that it has the good and lawful right to grant and convey the easement rights described in this Agreement, and will forever warrant and defend the title thereto.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, the undersigned have caused this Setback Easement Agreement to be executed as of the date noted above.

CITY:
City of Lawrence, Kansas, a municipal corporation

By: _____
Diane Stoddard
Interim City Manager

ACKNOWLEDGMENT

THE STATE OF KANSAS)
) ss:
THE COUNTY OF DOUGLAS)

BE IT REMEMBERED, that on this ____ day of _____, 2015, before me the undersigned, a notary public in and for the County and State aforesaid, came Diane Stoddard, as Interim City Manager of the City of Lawrence, Kansas, who is personally known to me to be the same person who executed this instrument in writing, and said person fully acknowledged this instrument to be the act and deed of the aforementioned entity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, the day and year last written above.

Notary Public

My Appointment Expires:

OWNER:
800 New Hampshire, LLC, a Kansas limited liability company

By:
Pachamama's Manager, Inc., a Kansas corporation, as manager of 800 New Hampshire, LLC, a Kansas limited liability company

By: _____
Douglas J. Compton
President

ACKNOWLEDGMENT

THE STATE OF KANSAS)
)
THE COUNTY OF DOUGLAS) ss:

BE IT REMEMBERED, that on this ____ day of _____ 2015, before me the undersigned, a notary public in and for the County and State aforesaid, came Douglas J. Compton, President of Pachamama's Manager, Inc., a Kansas corporation, the manager of 800 New Hampshire, LLC, a Kansas limited liability company, who is personally known to me to be the same person who executed this instrument in writing, and said person fully acknowledged this instrument to be the act and deed of the aforementioned entity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, the day and year last written above.

Notary Public

My Appointment Expires:



Land Sale

Land No. 1357

Future Hotel Site

900 New Hampshire
Lawrence, KS 66044
Douglas County

SEC 9th and New Hampshire



Property Type: Commercial Land None
Commercial Land

Legal Description: Lots 70, 72, 74, 76 and 78 on New Hampshire Street

Transaction Data:

Grantor: 9-10 LC
Grantee: 900 New Hampshire LLC
Date of Sale: Dec 4, 2012
Sale Price: \$695,000.00
Special Assessments: \$0.00
Cash Equiv. Adjust.: \$0.00 0
Adjusted Price: \$695,000.00

Financing:
Conditions of Sale:
Property Rights: Fee Simple

Recording Data:

Deed Type: WD
Book/Page: 1095/4356
Recording Date: Dec 4, 2012

Site Data:

Land Size: 29250 sq.ft. / 0.67 acres
Zoning: CD - Downtown Commercial
Units (if applicable): 1 units
Tax/Parcel ID(s): 023-079-31-0-20-18-002.00-0

**Site Comments:**

Sale of a site located at the SEC of 9th and New Hampshire. The site has 117' of frontage along the south side of 9th Street and 250' of frontage along the east side of New Hampshire Street.

The buyer is reported to have plans for the construction of a mixed use hotel facility, apartments, retail and/or office.

The property one year previous had been under contract for \$745,000 but was renegotiated to \$675,000. The sale is contingent on HRC approval and site plan approval, etc.

Improvements:**Analysis/Comments:**

Price/sq.ft.:	\$23.76
Price/acres	\$1,037,313.00
Price/units:	\$695,000.00

Comments:

Data Source: B. Fleming & Douglas County Records

Verification:**Land No. 1357**

Entered by: RDA Dec 22, 2012
Old DB# 1364 / Other Ref# 0

Latitude: 38.967069 Longitude: -95.234365

Land Sale

Land No. 2234

Vacant Downtown Lot

800 Vermont Street Block 3
Lawrence, KS 66044
Douglas County



Property Type: Commercial Land Retail

Legal Description: VERMONT STREET N 45 LT 53 45 X 117

Transaction Data:

Grantor: Downtown Equities II (Thomas Fritzel)
Grantee: Robert J and Sandra J Schumm
Date of Sale: Nov 10, 2015
Sale Price: \$225,000.00
Special Assessments: \$0.00
Cash Equiv. Adjust.: \$0.00
Adjusted Price: \$225,000.00

Financing: new loan
Conditions of Sale:
Property Rights: Fee Simple

Recording Data:

Deed Type: WD
Book/Page: 1130/1159
Recording Date: Nov 10, 2015

Site Data:

Land Size: 5265 sq.ft. / 0.121 acres
Zoning: CD - Commercial District
Units (if applicable): 1 units
Tax/Parcel ID(s): 023-079-31-0-20-12-015.00-0
Frontage: Vermont Street
Shape: rectangular



Site Comments:

Improvements:

Analysis/Comments:

Price/sq.ft.: \$42.74
Price/acres \$0.00
Price/units: \$225,000.00

Comments: Schumm owned the vacant lot adjacent to this for many years. Assembling this purchase plus the lot already owned would greatly increase the utility and development options. Based on the CD zoning, the site can be developed from lot line to lot line with no on site parking requirements. The site is located along the west side of Vermont Street, directly across the street from a public parking lot. The lot to the north already owned by Schumm measures 50' x 117' so the assemblage of these two lots creates a development lot of 95' x 117'.

Data Source: County records, SVQ

Verification:

Land No. 2234

Entered by: MHJ Dec 9, 2015
Old DB# / Other Ref#

Latitude: 38.968741 Longitude: -95.237421

Land Sale

Land No. 2128

Black Hills Energy
100 E 9th Street
Lawrence, KS 66044
Douglas County

NEC 9th and New Hampshire



Property Type: Commercial Land Office

Legal Description: Lot 61, Rhode Island Street, and Lots 60, 62, 64, 66 & 68, New Hampshire Street, City of Lawrence, Douglas County, Kansas

Transaction Data:

Grantor: Black Hills/Kansas Gas Utility Company LLC
Grantee: Compton Rentals LLC (Doug Compton)
Date of Sale: May 29, 2012
Sale Price: \$1,625,000.00
Special Assessments: \$0.00
Cash Equiv. Adjust.: \$150,000.00 Estimated demolition, clean up, and misc. costs
Adjusted Price: \$1,775,000.00

Financing:
Conditions of Sale:
Property Rights: Leased Fee

Recording Data:

Deed Type: WD
Book/Page: 1087/4105
Recording Date: May 29, 2012

Site Data:

Land Size: 35100 sq.ft. / 0.81 acres
Zoning: CD - Downtown Commercial District
Units (if applicable): 1 units
Tax/Parcel ID(s): 023-079-31-0-20-15-006.00-0
023-079-31-0-20-15-008.02-0

**Site Comments:**

The site in total contains an estimated 35,100 square feet or .81 acres. The property is comprised of two parcels of which are separated by a public alley way. The larger parcel is the NEC of 9th and New Hampshire and measures 117' x 250' for a total of 29,250 square feet. This parcel has 117' of frontage along the north side of 9th Street and 250' of frontage along the east side of New Hampshire Street. The second smaller parcel is 50' x 117' and fronts on the west side of Rhode Island Street for a total of 5,850 square feet.

Improvements:

Improvements have been demolished as of 4/28/2015. Planned development has 114 apartments with the ground floor being a mix of office/retail with a bank. 20,000 sf per floor with 5 1/2 stories. Total of 110,000 sf for improvements. This improvement information from the Lawrence Planning Office.

Analysis/Comments:

Price/sq.ft.:	\$50.57
Price/acres	\$2,191,358.02
Price/units:	\$0.00

Comments:

Data Source: Appraisal, Inspection
Verification:

Land No. 2128

Entered by: MHJ Apr 28, 2015
Old DB# OF260 / Other Ref#
Ron - 2012 C-1149

Latitude: 38.968043 Longitude: -95.234385



Land Sale

Land No. 880

Ninth & New Hampshire, L.L.C.

901 New Hampshire
Lawrence, KS 66044
Douglas County

SWC 9th & New Hampshire



Property Type: Commercial Land None
Commercial Land

Legal Description: Lot 1 in Downtown 2000 Addition

Transaction Data:

Grantor: 9-10, L.C.
Grantee: Ninth & New Hampshire, L.L.C.
Date of Sale: Aug 9, 2010
Sale Price: \$535,000.00
Special Assessments: \$0.00
Cash Equiv. Adjust.: ~~\$50,000.00~~ Non Refundable Extension Fees
Adjusted Price: \$585,000.00

Financing:
Conditions of Sale:
Property Rights: Fee Simple

Recording Data:

Deed Type: WD
Book/Page: 1064/3399
Recording Date: Aug 9, 2010

Site Data:

Land Size: 11031 sq.ft. / 0.25 acres
Zoning: CD - Downtown Commercial District
Units (if applicable): 1 units
Tax/Parcel ID(s): 023-079-31-0-20-19-001.03-0



Site Comments: Sale of a site which represents the SWC of 9th and New Hampshire in the downtown Lawrence district. The site has 75' of frontage on the south side of 9th Street and 150.15' of frontage on the west side of New Hampshire Street and is a rectangle except for a notch taken out in the SWC. The buyer has plans for a work out club, private work out facility, grade level restaurant, second level office and 55 apartment units. The site is enhanced by being adjacent to a City of Lawrence parking garage and in fact the improvements constructed on this parcel had direct elevator access to the parking garage.

Improvements:

Analysis/Comments:

Price/sq.ft.: \$53.03
Price/acres \$2,340,000.00
Price/units: \$0.00

Comments: The contract price was \$535,000 plus buyer paid \$50,000 in non refundable extension fees for a total consideration of \$585,000.

Data Source: ML HUD

Verification:

Land No. 880

Entered by: RDA Aug 23, 2010
Old DB# 887 / Other Ref# 0
C-1294 (2013)

Latitude: 38.967259 Longitude: -95.234964

Land Sale

Land No. 2071

**Here Lawrence Multi-Family Land (former
Berkeley Apartments)**

1101 and 1115 Indiana St.
Lawrence, KS 66044
Douglas County



Property Type: Multifamily Development Multifamily

Legal Description:

Transaction Data:

Grantor: Berkeley Flats Apartments, LLC and Georgia Bell
Grantee: Here Lawrence Property Owner LLC
Date of Sale: Dec 9, 2014
Sale Price: \$7,500,000.00
Special Assessments: \$0.00
Cash Equiv. Adjust.: \$0.00
Adjusted Price: \$7,500,000.00

Financing:
Conditions of Sale:
Property Rights: Fee Simple

Recording Data:

Deed Type: WD
Book/Page: 1119/3807 and 3033
Recording Date: Dec 9, 2014

Site Data:

Land Size: 110500 sq.ft. / 2.537 acres
Zoning: RM32 - Multi-Dwelling Residential District
Units (if applicable): 1 units
Tax/Parcel ID(s): 023-067-36-0-40-02-001.06-0
023-067-36-0-40-02-009.00-0



Site Comments: The site is sloping and north of the KU campus and east of Memorial Stadium. This sale writeup reflects only the purchase prices of the two properties, it does not include any demolition, site cleanup, tenant buy outs, etc.

Improvements: Building permit for site includes 237 residential units, 13,561 sf commercial space and 477 parking spaces

Analysis/Comments:

Price/sq.ft.: \$67.87
Price/acres \$2,956,247.54
Price/units: \$0.00

Comments: Will be demolishing and rebuilding
\$700,000 for single family residence at 115 Indiana St.
\$6,800,000 for Berkeley Flats Apartments

Data Source: LJWorld, County Records
Verification:

Land No. 2071

Entered by: MHJ Jan 6, 2015
Old DB# / Other Ref#

Latitude: 38.963394 Longitude: -95.243596

Land Sale

Land No. 882

The Oread
1140 Indiana
Lawrence, KS 66044
Douglas County

12th & Oread Avenue



Property Type: Commercial Land None

Legal Description: Lot 1, Triple T Addition, a Minor Subdivision

Transaction Data:

Grantor: Jeff Morrow, Skyscapes of Lawrence and Jerome Langdon
Grantee: Triple T LLC (Oread Inn LC)
Date of Sale: Oct 22, 2007
Sale Price: \$2,268,031.00
Special Assessments: \$0.00
Cash Equiv. Adjust.: \$0.00 0
Adjusted Price: \$2,268,031.00

Financing:
Conditions of Sale:
Property Rights: Unknown

Recording Data:

Deed Type:
Book/Page: 1022/919, etc.
Recording Date:

Site Data:

Land Size: 32604 sq.ft. / 0.75 acres
Zoning: PCD - Planned Commercial District
Units (if applicable): 1 units
Tax/Parcel ID(s): 023-067-36-0-40-03-006.02-0, -005.00-0, -004.02-0, -004.03-0

**Site Comments:**

Corner of 12th and Oread Avenue. This sale represents an assemblage of 4 Douglas County parcels which will be redeveloped as a 7 story mixed use facility with underground parking of 200 spaces. The tentative plans call for 99 guest rooms, 10 condo's and the balance as restaurant, retail or other commercial uses. The site which was replatted as Triple T Addition has 125.75' of frontage long the north side of 12th, 260.01' of frontage along the east side of Indiana Street and the north boundary is 125' and east boundary is 260.08'.

The price per square foot in this writeup reflects the amounts shown on COV's 49727, 51010 and 51086 which total to \$2,268,031. This amount would not include anything for demolition costs, site work costs, tenant buyouts, etc. of which there were additional costs expended.

Improvements:**Analysis/Comments:**

Price/sq.ft.:	\$69.56
Price/acres	\$3,024,041.00
Price/units:	\$0.00

Comments:

Data Source: Douglas County Records
Verification:

Land No. 882

Entered by: RDA Jun 1, 2008
Old DB# 889 / Other Ref# 0

Latitude: 38.962191 Longitude: -95.242597

