

Address 2319 Lincolnway East, 46544 Tax Key # 16-1078-3186 Restrictions Lot Size 7748 sq ft / 3654 sq ft Improvements Zoning C-6 Linear office Appraisal A 105,000 Appraisal B 95,000 Market Rate 100,000

Lot 22 Brookside
Property is to be used as single family or mixed use residential and commercial consistent with existing zoning requirements.
Plans for remodel and usage must be submitted.
Plans for Parking must be submitted

October 3, 2013

Mr. David Thomas
Director
Community Development
City of Mishawaka, Indiana

RE: Restricted Use Appraisal Report
2331 Lincolnway East
Mishawaka, Indiana

Dear Mr. Thomas,

We have prepared the attached Restricted Use Appraisal Report for the purpose of estimating the market value of a 7748+/- s.f. parcel of land improved with a 3564 square foot former fire station building that was constructed in 1929.

The function of the Appraisal is to provide a market value of the land and improvements in order to provide you with assistance in making a municipal decision.

The analysis and conclusion within the attached appraisal report are based upon field research, interview with market participants, and publicly available data collected by the appraiser. The accompanying report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

Included is a summary description and analysis of the real estate. All pertinent data, valuation methodology, supporting relevant exhibits and addenda are attached to the report or contained in appraiser's file.

The scope of this Restricted Use Appraisal Report included a valuation of the subject property in it's as is condition as of the effective date of this appraisal report.

One approach is summarized within the valuation analysis. Further, only a limited market analysis was made and minimal analysis of highest and best use was conducted. It is the appraiser's determination that this appraisal is not so limited as to result in a misleading or confusing report.

It is our opinion that the market value of the fee simple interest in the subject property parcel as of September 30, 2013 is as follows: **\$105,000.**

Respectfully submitted,



Dave Waszak, MAI
Indiana State Certified General Appraiser

SUMMARY OF SALIENT FACTS

Type of Property:	-	FORMER FIRE STATION
Property Address:	-	2331 LINCOLNWAY EAST
City County, State:	-	MISHAWAKA, INDIANA St. Joseph County
Property Rights Being Appraised	-	Fee Simple Interest
Date of Report:	-	October 3, 2013
Effective Date of Appraisal:	-	September 30, 2013
Site:-		7748 s.f. +/-
Improvements: -		1- 3654 S.F. Building.
Zoning:-		R-1.. C-1 Hypothetical Condition
Highest and Best Use:-		Office Use/Retail Use
Cost Approach: -----		\$90,000
Income Capitalization Approach: --		CONSIDERED BUT NOT DEVELOPED
Direct Sales Comparison Approach: --		\$105,000
Final Estimate of Market Value:--		\$105,000
<i>Tax Key Number: 16-1078-3186</i>		

PURPOSE OF APPRAISAL

The **purpose** of this appraisal was to estimate the market value of the fee simple interest of the real estate located commonly at 2331 Lincolnway East in Mishawaka, Indiana as though individually owned under prudent management and responsible ownership, as of September 30, 2013.

FUNCTION OF THE APPRAISAL

The **function** of the report is to aid the client in making a municipal decision.
The **intended user** of this appraisal report is the City of Mishawaka.

COMPLEXITY

This is not a complex appraisal.

HYPOTHETICAL CONDITIONS

HYPOTHETICAL CONDITION: a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

We have applied the following hypothetical conditions to this appraisal report:

The subject is currently zoned for single family use. The client advised us to consider the most logical use of the building given the neighborhood trends. It is our conclusion that use consistent with C-1 zoning is the most logical for the subject property. This is considered a hypothetical condition.

EXTRAORDINARY ASSUMPTION:

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

We make the following extraordinary assumption:

NONE

SCOPE OF WORK FOR THIS ASSIGNMENT

This assignment required localized and area searches for appropriate sales and rental data including but not limited to sold comparable land, comparable improved sales, trend analysis focusing on value range sales within certain perimeters and trend analysis concerning external and internal factors that had a bearing on value. This data was verified, analyzed and reconciled. Factual data for the subject was collected by site inspection and from public record and included such verifications as tax and zoning.

Area economic data was obtained from the Indiana University Bureau of Business and Economic Research. In preparation for this assignment, we researched available local data and regional data.

Competency Provision:

COMPETENCY RULE

An appraiser must: (1) be competent to perform the assignment; (2) acquire the necessary competency to perform the assignment; or (3) decline or withdraw from the assignment.

Being Competent

The appraiser must determine, prior to accepting an assignment, that he or she can perform the assignment competently. Competency requires:

1. the ability to properly identify the problem to be addressed; and
2. the knowledge and experience to complete the assignment competently; and
3. recognition of, and compliance with, laws and regulations that apply to the appraiser or to the assignment.

Comment: Competency may apply to factors such as, but not limited to, an appraiser's familiarity with a specific type of property or asset, a market, a geographic area, an intended use, specific laws and regulations, or an analytical method. If such a factor is necessary for an appraiser to develop credible assignment results, the appraiser is responsible for having the competency to address that factor.

COMPETENCY RULE.

For assignments with retrospective opinions and conclusions, the appraiser must meet the requirements of this COMPETENCY RULE at the time of the assignment, rather than the effective date.

The analysis and conclusions are those of appraiser Dave Waszak, MAI.

Jerome E. Michaels, MAI



Real Estate Appraiser • Consultant

116 S. ST. LOUIS BOULEVARD • SOUTH BEND, INDIANA 46617

(219) 233-1449 • FAX (219) 288-1449

October 14, 2013

Mr. David Thomas
Program Coordinator
Dept. of Community Development
600 E. Third Street
Mishawaka, IN 46544

RE: \ Vacant Fire Station
2319 Lincoln Way East
Mishawaka, IN

Dear Mr. Thomas:

Pursuant to your request, I have personally inspected the above captioned property for the purpose of estimating its Market Value.

A definition of Market Value and a legal description of these lots are contained within this report.

The property rights appraised are all those right rights accruing to the "Fee Simple Title Holder."

It is my opinion that the Indicated Value of the subject property as of the date of this appraisal September 30, 2013 is \$95,000.00.

NINETY FIVE THOUSAND DOLLARS
(\$95,000.00)

Immediately following this letter of transmittal is a narrative appraisal report having several pages of documentation containing the methodology and rationale used in arriving at this value estimate. This report is for the exclusive use of my client, City of Mishawaka, Indiana..

I hereby certify to the best of my knowledge and beliefs that the statements contained in this report are correct, and that I have no present or future interest in the property appraised. The amount of my fee is not based in any way upon the valuation of the property appraised.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jerome E. Michaels".

Jerome E. Michaels, MAI
Certified General Appraiser
State of Indiana
CG69201428

Christopher J. Michaels, Trainee
Certified Residential Appraiser
State of Indiana
LR69201584

SUMMARY OF SALENT FACTS

LOCATION: 2319 Lincoln Way East
Mishawaka, IN

SITE: 7,748 sq. ft.

INDICATED VALUE VIA:

COST APPROACH	Not Developed
INCOME APPROACH	\$90,000.00
DIRECT SALES	
COMPARISON APPROACH	\$95,000.00

DATE OF VALUE ESTIMATE: September 30, 2013

DATE OF INSPECTION: September 30, 2013

INDICATED VALUE: \$95,000.00

FINAL VALUE ESTIMATE: \$95,000.00

USPAP APPRAISAL REQUIREMENTS

The Uniform Standards of Professional Appraisal Practice requires a number of items to be covered in this report, plus a signed certification. Some items are of particular importance and these are addressed as follows:

Competency Provision:

The appraiser established his full service appraisal company in 1969 and has appraised a number of commercial, industrial, and residential properties in St. Joseph County, Indiana. The appraiser is thoroughly familiar with the format for appraising a building such as the subject.

Sales History:

This property has been owned by the City of Mishawaka since it was built in 1929. The original construction cost is unknown. However, since this is in excess of 3 years, it is no longer relevant.

Marketing Period:

This is an unusual property having limited uses. Unique properties such as this are either sold quickly for an alternate use or remains on the market for several months or even years.

Market Trends:

The economy has been in a slump for the past few years. This not only involves residential but also commercial as well as unique properties such as the subject. Until the economy improves, it is felt that things will remain somewhat static.

Personal Property:

The value appraised is confined to the land and buildings constructed thereon, and no personal property is included in this report.

PERTINENT DATA

Location of the Property Appraised:

The subject property is located at 2319 Lincoln Way East, Mishawaka, Indiana. This is on the southwest corner of the intersection of Lincoln Way East and Brook Street.

Statement of Ownership:

The property is owned by the City of Mishawaka.

Present Occupant and Use:

As of the date of this appraisal, the building was vacant and unused. According to the Mishawaka Plan Commission, the property is zoned C-6 (Linear Office Commercial). This would include a wide variety of uses.

Property Rights Appraised:

The property rights appraised are those rights in the "Title in Fee Simple." This includes all rights which are lawfully owned, and is considered an "Absolute Fee" without limitations to any particular class of heirs or restrictions.

HUD Flood Plain Statement:

The subject property is not located in an area designated by HUD as having special flood hazards. Specifically, it is located in Community-Panel #180231 0004 C, map revised 02/17/88. This map identifies the subject as being located in a Flood Zone "C". A "C" zone is designated as being outside the 500-year flood plain.

Legal Description:

Lot 22 BROOKSIDE

Taxes and Assessments:

Tax ID 16-1078-3186

The property is owned by the City of Mishawaka and there is no assessed valuation or taxes due and payable.

PERTINENT DATA (cont.)

Date of Inspection:

The property was inspected on September 30, 2013.

Date of Appraisal:

The date upon which this appraisal applies is September 30, 2013.

Purpose of the Appraisal:

The purpose of the appraisal is to estimate the fair market value of the subject property. Market value is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised and each acting in what he considers his own best interest;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the sales price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

In simple terms, it is the likely selling price of the subject property as of the date of this appraisal, September 30, 2013.

PERTINENT DATA (cont.)

Scope of the Appraisal:

This appraisal is intended to be an Appraisal as defined in the Standards of Professional Practice of the American Institute of Real Estate Appraisers; i.e., it is our intent that the results of the analysis, opinion, or conclusion be that of a disinterested third party. It is our intent that all appropriate data deemed pertinent to the solution of the

appraisal problem be collected, confirmed and reported in conformity with the Standards of Professional Practice of the Appraisal Institute. The extent of the work and the size of the report are intended to be appropriate in relation with the significance of the appraisal problem.

Environmental Disclaimer:

The appraiser is not an environmental engineer. This appraisal is done without benefit of an environmental audit. This appraisal is not an environmental audit. The value conclusions expressed in this report are based on the assumption that there is no environmental damage. If such damage exists, the value conclusion may be affected.

If an environmental audit is conducted, and if this audit discloses environmental contamination requiring a cleanup, the estimated costs by the experts conducting this audit will have a substantial impact on the reported value of this property. As of the date of this appraisal, no such environmental audit with cost estimates is available.

Function of the Appraisal:

The function of the appraisal is for decision-making purposes by my client, the City of Mishawaka.