



**City of O'Fallon  
Real Estate Brokerage Services  
Request for Proposals #26-012**

**CITY OF O'FALLON, MISSOURI**

**REQUEST FOR PROPOSALS**

**RFP NUMBER 26-012**

**Real Estate Brokerage Services**

**January 23, 2026**

INCLUDED ARE:

Proposal Instructions

Terms and Conditions

Scope of Services

Fee Proposal Form

Affidavits (Worker Eligibility, Anti-Collusion)

## **CITY OF O'FALLON, MISSOURI**

### **PROPOSAL INSTRUCTIONS**

#### **PURPOSE**

The City of O'Fallon, Missouri, is seeking proposals from qualified licensed real estate agents or brokerage firms to provide professional real estate services. The City requires expertise in property acquisition, disposition, leasing, market analysis, and strategic guidance to support municipal initiatives. The selected agent/firm will collaborate closely with City staff to ensure strategic, transparent, and efficient real estate transactions that benefit the public and municipal objectives.

The specific purpose of this Request for Proposal (RFP) is to obtain proposals from qualified companies capable of providing real estate brokerage services for the sale of city properties. While under contract for the sale of these properties, other real estate brokerage needs may arise where the city may choose to extend the contract for additional real estate services.

This RFP provides prospective companies with sufficient information to enable them to prepare and submit proposals for consideration by the City of O'Fallon (City) to satisfy the needs as outlined in the scope of work.

#### **SCHEDULE OF ACTIVITIES**

Release and advertisement of RFP:	January 23, 2026
Deadline for submission of questions:	February 10, 2026 at 12:00 P.M. CST
City response to questions:	February 13, 2026 at 12:00 P.M. CST
Proposal submission deadline:	February 19, 2026 at 12:00 P.M. CST

#### **PROPOSAL SUBMISSION**

Sealed proposals must be received by the City of O'Fallon, Missouri; Purchasing Office, 100 North Main Street; O'Fallon, Missouri 63366 prior to February 19, 2026, at 12:00 P.M. (prevailing central time). Each submittal shall consist of four original proposals (identified as such).

It is the responsibility of the proposer to ensure that their proposal is received in the Purchasing Office, prior to the deadline. Companies mailing proposals should allow ample mail delivery time to ensure timely receipt of their proposals. Proposals received after the deadline for receipt of proposals will not be opened or considered.

Proposals will be opened and evaluated in private by City staff. A public opening will not be held.

To make delivery of proposals for this project, the delivery vendor or bidder may hand deliver the proposal during City Hall hours of Monday – Friday 8:30 am – 4:30 pm. Mailed proposals are accepted with regular mail service each day.

Proposals must be clearly identified as a proposal for the City of O'Fallon, Missouri "**RFP # 26-012 Real Estate Brokerage Services**" and shall show such information on the outside of the proposal packet. Proposals will not be accepted by facsimile or email transmittal. *Do not staple or submit bid in any type of binder; binder clips are acceptable.*

#### **QUESTIONS**

All questions must be submitted in writing to Christine Grabin, Purchasing Agent, no later than 12:00 P.M. (CST) on February 10, 2026, via email [cgrabin@ofallonmo.gov](mailto:cgrabin@ofallonmo.gov). The City will only

respond, via addendum, by 12:00 P.M. (CST) on February 13, 2026, to questions from Respondents. Answers to questions will only be distributed via addendum and posted on our website. <http://www.ofallonmo.gov> under Bid Opportunities.

## **AMENDMENTS TO RFP**

In the event it should be necessary to revise any portion of this RFP, addenda will be provided to all proposers who received the original RFP from the City of O'Fallon. This does not relieve the submitting company the responsibility of regularly checking the City website listed below for updates regarding any addenda associated with this proposal request. Addenda are available on our website at: <http://www.ofallonmo.gov> under Bid Opportunities. If you received this RFP by means other than the bid system, you must furnish your company name, address, and telephone number to the Purchasing Agent identified in the Proposal Instructions section in order to receive any addendum to this RFP. Proposers shall acknowledge receipt of each addendum issued in the space provided on the RFP form.

## **ATTACHMENTS:**

1. Property Map
2. Appraisals
3. Resolution

END OF PROPOSAL INSTRUCTIONS

## **CITY OF O'FALLON, MISSOURI**

### **TERMS AND CONDITIONS**

#### **QUALIFICATIONS:**

All companies shall be licensed, insured, and bonded and shall furnish satisfactory evidence to the City that they have previously performed/provided the types of services as specified below.

#### **LAWS AND ORDINANCES, REGULATIONS, LICENSING FEES:**

Firm shall conform to all rules, regulations, ordinances, laws, or directives set forth by the City of O'Fallon and/or the State of Missouri.

#### **LAW GOVERNING:**

All State of Missouri and/or Federal Laws shall be hereby specifically made a part of this contract as set forth herein.

#### **NON-DISCRIMINATING:**

The Contractor, its employees and subcontractors, agree not to commit unlawful discrimination and agree to comply with applicable provisions of the U.S. Civil Rights Act and Section 504 of the Federal Rehabilitation Act, and rules applicable to each.

Firm shall comply with Section 285.525 – 285.550 RSMo regarding enrollment in a federal work authorization program. **A signed, notarized affidavit (attached) and supporting documentation affirming enrollment in a federal work authorization program must be submitted with proposal. Failure to comply with this provision may result in rejection of proposal.**

#### **E-VERIFY:**

Company shall be E-Verify compliant and shall provide documentation to support this requirement within the proposal including the memorandum of understanding (MOU) and the electronic signature page completed in its entirety.

#### **METHOD OF AWARD / SELECTION:**

The proposals will be evaluated by the City. A response summary of proposals will be available by contacting Christine Grabin, Purchasing Agent. The response summary will only include the names of the companies that submitted proposals that were delivered by the required RFP submittal date and time. Until award of the contract, the Responses shall be held in confidence and will not be available for public review.

#### **TERMS/CANCELLATION AND DAMAGES:**

This contract may be terminated by either or both parties upon thirty (30) days written notice or upon mutual agreement of both parties.

If the City, because of the Vendor's breach, terminates this Contract, the City shall have the right to purchase service elsewhere and to charge the Vendor with any additional cost incurred.

Notwithstanding the above, the Vendor shall not be relieved of any liability to the City for damages sustained by the City by virtue of any breach of this contract by the Vendor and the City may withhold

any payments to the Vendor until such time as the amount of such damages due the City from the Vendor shall be determined.

## **AWARD REQUIREMENTS:**

Once the City is prepared to award the contract to the selected company, the company will need to provide the following documents to the City.

- Signed contract agreement
- Current certificate of insurance

Once all of these items are received and fully executed, then the City will issue the Notice to Proceed.

It is the desire of the City to award a single contract for the entire scope of services outlined in this request for proposals. All proposals are subject to staff analysis. The City of O'Fallon reserves the right to accept or reject any and all proposals received.

## **CONTACT WITH CITY OF O'FALLON PERSONNEL:**

As specified above, all contact with the City regarding this RFP shall be channeled through the Purchasing Agent. No contact with other City employees, officials, or City Council members is to be made by responding proposers throughout the entire selection process.

## **RESPONSE MATERIAL OWNERSHIP:**

All proposals become the property of the City of O'Fallon, Missouri upon receipt and will only be returned to the proposer at the City's option. Selection or rejection of the proposal will not affect this right. The City shall have the right to use all ideas or adaptations of the ideas contained in any proposal received in response to this RFP. Disqualification of a proposal does not eliminate this right.

## **PROPRIETARY INFORMATION:**

All material submitted in response to this RFP will become public record and will be subject to inspection after an Intent to Award notice is issued. Any material requested to be treated as proprietary or confidential must be clearly identified and easily separable from the rest of the proposal. Such request must include justification for the request and approval by the City Clerk. Neither cost or pricing information nor a total proposal will be considered proprietary.

## **CONFIDENTIALITY:**

The Vendor agrees that it will not permit the disclosure or duplication of any information received from the City or stored on City systems unless such disclosure or duplication is specifically authorized in writing by the City, or as required by law.

The City agrees that it will not disclose or duplicate any information designated in advance by the Vendor as "Confidential/Proprietary" information to any person (other than City personnel who must have access to such information) unless such duplication, use or disclosure is specifically authorized in writing by the Vendor or is required by law. The term "Confidential/Proprietary" does not include ideas, techniques, or concepts that are in the public domain.

## **EVALUATION RIGHTS:**

The City reserves the right to: a) reject any or all proposals, or to make no award, b) require modifications to initial proposals, c) make partial or multiple awards, or d) further negotiate costs submitted in proposals. The City reserves the right to award the contract in any manner deemed in the best interest of its citizens.

### **REJECTION OF PROPOSALS:**

The City of O'Fallon, Missouri reserves the right to reject any or all proposals received in response to this RFP, or to cancel this RFP if it is in the best interest of the City to do so. Failure to furnish all information or to follow the proposal format requested in this RFP may disqualify the proposal. Any exception to the Scope of Work must be identified in the proposal.

### **INCURRING COSTS:**

The City of O'Fallon, Missouri shall not be obligated or be liable for any cost incurred by proposers prior to issuance of a contract. All costs to prepare and submit a response to this solicitation shall be borne by the proposer.

### **SUBMISSION OF PROPOSALS AND SUPPLEMENTAL MATERIALS:**

Proposals shall be submitted to the Purchasing Office. If supplemental materials are required or requested, then they must be submitted to the Purchasing Office as part of the proposal. Supplemental materials will not be accepted after the proposals have been opened, unless requested by the Purchasing Office. Submission or distribution by the company of unsolicited supplemental materials to City employees or Officials may result in rejection of the proposal.

### **DISCRIMINATION POLICY:**

The City of O'Fallon advises the public that it does not discriminate against any person on account of race, color, religion, creed, sex, age, ancestry, or national origin, and that such nondiscrimination is extended to procurement of materials and/or the provision of municipal services.

### **WAIVER:**

The City reserves the right to waive any variances from the original RFP in cases where the variances are considered to be in the best interest of the City.

### **INSURANCE:**

The firm or company that is awarded a contract shall maintain during the life of the agreement and furnish to the City the appropriate Professional Liability, Commercial General Liability, and Workers Compensation insurance certificates listing the City of O'Fallon as an "Additional Insured" during the Term of the Agreement, and a copy of such "Additional Insured" endorsement must accompany the certificate.

### **INDEMNITY:**

The Vendor shall, at all times, fully indemnify, hold harmless, and defend the City and its officers, members, agents, and employees from and against any and all claims and demands, actions, causes of action, and cost and fees of any character whatsoever made by anyone whomsoever on account of or in any way growing out of the performance of this contract by the Vendor and its employees, or because of any act or omission, neglect or misconduct of the Vendor, its employees and agents or its subcontractors including, but not limited to, any claims that may be made by the employees themselves for injuries to their person or property or otherwise.

Such indemnity shall not be limited by reason of the enumeration of any insurance coverage herein provided.

Nothing contained herein shall be construed as prohibiting the City, its directors, officers, agents, or its employees, from defending through the selection and use of their own agents, attorneys and experts, any claims, actions or suits brought against them.

The Vendor shall likewise be liable for the cost, fees and expenses incurred in the City's or the Vendor's defense of any such claims, actions, or suits.

#### **PRICING/FEE:**

The pricing/fee stated by the bidder in the bid documents shall remain firm for a one (1) year period from the start date of the contract. No price increases will be allowed for the duration of the contract. Price decreases are allowed at any time.

#### **RENEWAL & EXTENSION:**

The successful bidder will be awarded a one (1) year agreement effective the date of award. Fees must not be increased for the entire agreement period. At the City's option, the agreement may be renewed for one (1) year at the terms of the original contract.

#### **PAYMENT TERMS AND CONDITIONS:**

Unless The City's payment terms are Net 30 days. The City is exempt from Missouri sales and use taxes and will not pay taxes for any product or service. A copy of the City's tax-exempt certificate shall be presented to the firm or company that is awarded a contract.

#### **INQUIRIES:**

Inquiries concerning this Request for Proposals shall be directed to:

Christine Grabin  
Purchasing Agent  
City of O'Fallon, Missouri  
100 North Main Street  
O'Fallon, Missouri  
Phone: (636) 379-5527  
[cgrabin@ofallonmo.gov](mailto:cgrabin@ofallonmo.gov)

END OF TERMS AND CONDITIONS

## CITY OF O'FALLON, MISSOURI

### RFP NUMBER 26-012

#### SCOPE OF SERVICES

##### **BACKGROUND:**

The City of O'Fallon owns 2 adjoining lots that it intends to sell in 2026. These lots may be sold separately or together. The first lot is approximately 3 acres and known as 1001 Industry Dr., O'Fallon, 63366 on the County's mapping service ([https://maps.sccmo.org/public\\_web\\_map/](https://maps.sccmo.org/public_web_map/)) with a parcel ID of 2-0056-C402-00-0001.0000000. This property includes two buildings. The office building contains roughly 4,700 sf and the truck service building/warehouse contains roughly 7,700 sf. with parking lots and outside storage areas surrounding both buildings.

The second lot is approximately 2.57 acres and known as 1051 Industry Dr., O'Fallon, 63366 on the County's mapping service with a parcel ID of 2-0056-S027-00-0009.6000000. This property includes one office/warehouse structure of approximately 24,602 sf with parking lots and outside storage areas.

Please note for both these properties that the addresses changed when the street was renamed from Public Works Dr. to Industry Dr. The prior addresses were 1001 Public Works Dr. and 1051 Public Works Dr.

The City's Public Works and Fleet Departments are currently occupying these properties and are building a new facility that is expected to be completed in August of this year. With this, the city will continue to occupy the properties to be sold until September 30, 2026.

Unless otherwise agreed to, the city is expecting the selected agent to have the property marketed for 30 days prior to accepting any offers.

The city has been talking with four potential buyers of the property. If any of these four businesses enter into a sales contract with the city within 60 days of the property being marketed, the city is expecting to receive a discounted commission rate for the sale. The details of these contacts will be shared after contracts with the broker are signed. The Proposal Fee Form has a line to list the discounted rate.

There is also a vacant lot adjacent to the city's properties that also wants to sell their property. The selected agent may contact this property owner (Barb Widel 636-233-1858) to market this property at the same time as the City's properties, but this arrangement needs to be a separate deal with that property owner and not interfere in any way with the marketing and sale of the city's properties.

It is the City's intention that the salt dome/tent structure be removed and relocated by the City prior to vacating the property.

##### **PROJECT SCOPE:**

Responses to this RFP must include the team's qualifications, experience, and capabilities to provide:

1. Property Valuation and Market Analysis: Evaluate municipal property for fair market value, recommend pricing strategies, and prepare market reports.
2. Transaction Coordination: Assist with listing, marketing, showing, and closing transactions for purchases, sales, or leases.

3. Advisory Services: Recommend acquisition opportunities, zoning impacts, and optimal real estate disposition options.
4. Negotiation and Documentation: Lead negotiation processes and support execution of legal documentation.
5. Reporting and Recommendations: Submit periodic status reports and strategic recommendations to City stakeholders.

In addition to the core requirements above, the selected vendor will be expected to:

- Develop and implement a comprehensive marketing plan.
- List the property on appropriate commercial real estate platforms.
- Conduct property showings and respond to inquiries.
- Advise the City on pricing, market conditions, and negotiation strategies.
- Screen and qualify potential buyers.
- Assist in preparing and reviewing purchase agreements.
- Coordinate with City staff, legal counsel, and other stakeholders through closing.

The brokerage team shall have a good understanding and extensive experience with marketing and sale of industrial properties.

General guidance and direction on this project will come from the City of O'Fallon through the Director of Public Works. The fees paid for these services will be through the real estate commissions paid at closing of the sale of the properties.

## **PROPOSAL SUBMISSION REQUIREMENTS:**

Qualified responses shall submit a proposal following the outline below.

- a. Company Overview: Brief but detailed description of the firm, history, areas of expertise, number of licensed agents, and office locations.
  - i. A company overview and mission statement, core competencies, notable clients, and brief description of recent project successes.
  - ii. A statement of the firm's availability and timeline to begin the project.
- b. Key Personnel: Names, credentials, and roles of agents and support staff proposed for the City account.
  - i. short bios on professionals that will manage and support this project.
- c. Qualifications: Demonstrated experience with public-sector or municipal real estate transactions and specifically industrial properties.
- d. Proposed Approach: Outline methodology for property valuation, marketing approach, transaction management, and advisory services.
- e. Marketing Plan: A description of how the team will provide the proposed services to address Project Scope.
- f. Estimate of value: Provide an approximate estimate of the value of the properties identified to be sold. Estimates are expected to be refined after vendor selection and vendor being under contract.

- g. References: At least three references for similar projects completed within the last five years.
- h. Fee Structure: Complete and include the Fee Proposal Form below. In addition, proposals shall clearly state all fees for the proposed services, description of potential add-on services and their associated cost, any additional fees/expenses, and preferred payment process.

**Proposals shall be kept to a maximum of 14 pages maximum not including materials that are part of the addendum.** Any additional information beyond what is requested above may be included in an exhibit as part of an addendum to the proposal. Addendum shall include copies of relevant licenses/certifications.

#### **SELECTION CRITERIA:**

All submissions will be reviewed by a team of O'Fallon city staff for completeness and qualifications. The team reserves the right to select the respondent best able to meet and exceed the stated purpose of this Request for Proposal.

Criteria used to make this selection include, but are not limited to the following:

- 1) qualifications, experience, and previous successes of the firm and staff assigned to this project;
- 2) completeness of the submission, especially on the Project Scope and Response requirements;
- 3) ability to provide the proposed brokerage services in a timely and efficient manner; and
- 4) proposed fees and expenses.

The City of O'Fallon actively encourages submission of proposals from disadvantaged business enterprises and companies owned by minorities, women, immigrants, and veterans. The City does not discriminate on the basis of race, color, religion, creed, sex, sexual orientation, gender identity, age, ancestry, national origin, disability, or veteran status in consideration of this award.

#### **END OF SCOPE OF SERVICES**

Fee Proposal Form

**CITY OF O'FALLON, MISSOURI**

**FEE PROPOSAL FORM**

Signature of proposer indicates that the proposer understands and will comply with all terms and conditions and all other specifications stated in this Request for Proposals and any subsequent award or contract. All terms, conditions and representations made in this invitation will become an integral part of the contract.

In compliance with this Request for Proposal Number 26-012 and to all the conditions imposed herein, the undersigned offers and agrees to provide Real Estate Brokerage Services in accordance with the Scope of Services and intent of the request for proposals contained herein.

**A detailed proposal with the proposer's qualifications and full response to this request shall be included with this fee proposal form.**

- Proposed Commission on the sale of properties \_\_\_\_\_
- Proposed Discounted Commission for the sale of properties \_\_\_\_\_  
to one of the four contacts provided by the city. Information on  
these four contacts will be provided after there is a signed contract.

Indicate whether: ( ) Individual; ( ) Partnership; ( ) Corporation

Incorporated in the state of: \_\_\_\_\_

COMPANY: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

NAME: \_\_\_\_\_

CITY: \_\_\_\_\_

TITLE: \_\_\_\_\_

STATE/ZIP: \_\_\_\_\_

PHONE NO.: \_\_\_\_\_

TAX ID NO.: \_\_\_\_\_

DATE: \_\_\_\_\_

EMAIL: \_\_\_\_\_

## Fee Proposal Form

**Acknowledge the receipt of addenda by initialing box below as appropriate.**

**Addenda 1** \_\_\_\_\_ **Addenda 2** \_\_\_\_\_ **Addenda 3** \_\_\_\_\_ **Addenda 4** \_\_\_\_\_

**CERTIFICATION OF COMPLIANCE WITH SECTION 34.600 RSMO.,  
SUPP. 2020**

(Does not apply to contracts totaling less than \$100,000, or to contractors with fewer than 10 employees)

**NOTE:** Missouri law prohibits any public entity from entering into a contract to acquire or dispose of services, supplies, information technology or construction unless the contract includes a written certification that the company is not currently engaged in and shall not, for the duration of the contract, engage in a boycott of goods or services from the state of Israel; companies doing business in or with Israel or authorized by, licensed by or organized under the laws of the state of Israel; or person or entities doing business in the state of Israel.

I am \_\_\_\_\_ (name), and I am the \_\_\_\_\_  
(title) of \_\_\_\_\_ (company name) a (circle one)  
corporation, partnership, sole proprietorship, limited liability company, and  
am competent and authorized to make the following statement and attest to  
its truthfulness:

\_\_\_\_ I hereby certify that the company is not currently engaged in and shall not, for the duration of this contract, engage in a boycott of goods or services from the State of Israel; companies doing business in or with Israel or authorized by, licensed by or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel, in accordance with the terms and conditions set forth in Section 34.600 RSMo, Supp. 2020.

OR:

\_\_\_\_ The business employs fewer than 10 employees.

---

Company Name

---

Signature

---

Printed Name and Title

## Affidavit A

## **WORKER ELIGIBILITY VERIFICATION AFFIDAVIT**

STATE OF \_\_\_\_\_ )  
 ) ss  
COUNTY OF \_\_\_\_\_ )

On the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me appeared \_\_\_\_\_,   
Affiant name

personally known to me or proved to me on the basis of satisfactory evidence to be a person whose name is subscribed to this affidavit, who being by me duly sworn, stated as follows:

---

## Affiant Signature

Subscribed and sworn to before me in \_\_\_\_\_, \_\_\_\_\_, the day and year first above-written.  
city (or county) state

My commission expires:

---

## Notary Public

*[Attach documentation of enrollment/participation in a federal work authorization program]*

Affidavit B

## ANTI-COLLUSION STATEMENT

STATE OF \_\_\_\_\_

CITY/COUNTY OF \_\_\_\_\_

\_\_\_\_\_ being first duly sworn, deposes and says that he/she is the

*Title of Person Signing*

of \_\_\_\_\_

*Name of Bidder*

and that all statements made, and facts set out in the proposal for the above project are true and correct. In addition, the bidder (the person, firm, association, or corporation making said bid) has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with said bid or any contract which may result from its acceptance.

Affiant further certifies that bidder is not financially interested in, or financially affiliated with, any other bidder for the above project.

BY \_\_\_\_\_

BY \_\_\_\_\_

BY \_\_\_\_\_

*SWORN* to before me this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_.

\_\_\_\_\_ *Notary Public*

My Commission Expires \_\_\_\_\_

## Exhibit A – Property Map

St. Charles County Public Web Map

**County Parcel**

**Owner:** CITY OF OFALLON

**Site Address:** 1051 INDUSTRY DR

**Parcel ID:** 2-0056-S027-00-0009.6000000

**Account:** 197117D000

**Municipality:** City of O'Fallon

**Prop Type:** GOVERNMENT (EX)

**Subdivision:**

**Lot No:** 9

**Year Built:** 1982

**Updated:** December 27 2025

**County Parcel**

**Owner:** CITY OF OFALLON

**Site Address:** 1001 INDUSTRY DR

**Parcel ID:** 2-0056-C402-00-0001.0000000

**Account:** T170300151

**Municipality:** City of O'Fallon

**Prop Type:** GOVERNMENT (EX)

**Subdivision:** COOL SPRINGS RD & WIDEL LN PAR CONSOLID NW CORNER

**Lot No:** 1

**Year Built:**

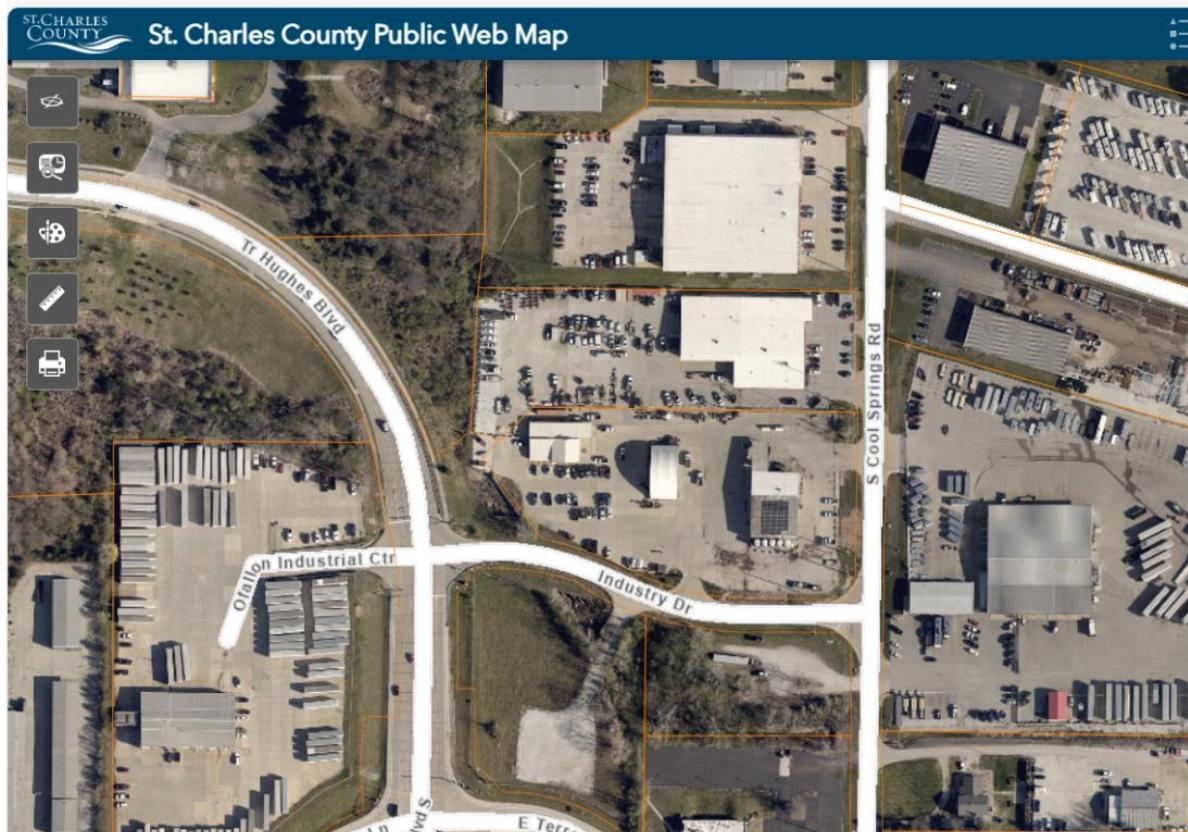


Exhibit B – Appraisals

Appraisals (3) attached separately

Exhibit C – City Council Resolution

**RESOLUTION NO. 09 11 2025D**

**A RESOLUTION DECLARING THE SURPLUS STATUS OF PROPERTIES OWNED BY THE CITY OF O'FALLON AND AUTHORIZING THEIR DISPOSAL.**

**WHEREAS**, the City of O'Fallon owns the property located at the northwest quadrant of Public Works Dr. and South Cool Springs Rd. as shown on Exhibit A; and

**WHEREAS**, the City of O'Fallon owns a strip of land located off Old Woodlawn Ave. as shown on Exhibit B; and

**WHEREAS**, the properties noted above have been determined to be surplus to the needs of the City and the sale of which will best serve the public interest; and

**WHEREAS**, City staff and the City's Planning and Zoning Commission have reviewed the disposal of the excess property and determined the action to be in keeping with the reasonably anticipated future plans for the City;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF O'FALLON, MISSOURI, AS FOLLOWS:**

**SECTION 1:** The City of O'Fallon hereby authorizes and directs the City Administrator to undertake the disposal of the real estate described in Exhibits A and B, as attached hereto and incorporated herein by reference, in accordance with City Code Section 135.145, the City's Financial Management Policies Manual and other applicable City Ordinances.

**SECTION 2:** The City of O'Fallon determines that the properties are excess to the present and reasonably anticipated future needs of the City.

**SECTION 3:** The City Council authorizes a selling process where the City Administrator is directed to represent it in negotiations or to secure the services of a real estate agent(s) or broker(s) to market the property including listing it on the Multiple Listing Service (MLS).

**PASSED BY THE CITY COUNCIL FOR THE CITY OF O'FALLON, MISSOURI, THIS 11<sup>TH</sup> DAY OF SEPTEMBER, 2025.**

Attest:

Katie Crabtree  
Katie Crabtree, Assistant City Clerk



P. W. Henney  
Presiding Officer

Exhibit C – City Council Resolution

**RESOLUTION NO. 09 11 2025D**

APPROVED BY THE MAYOR FOR THE CITY OF O'FALLON, MISSOURI, THIS 11<sup>TH</sup> DAY OF SEPTEMBER, 2025.

Attest:

Katie Crabtree  
Katie Crabtree, Assistant City Clerk



Bill Hennessy  
Bill Hennessy, Mayor

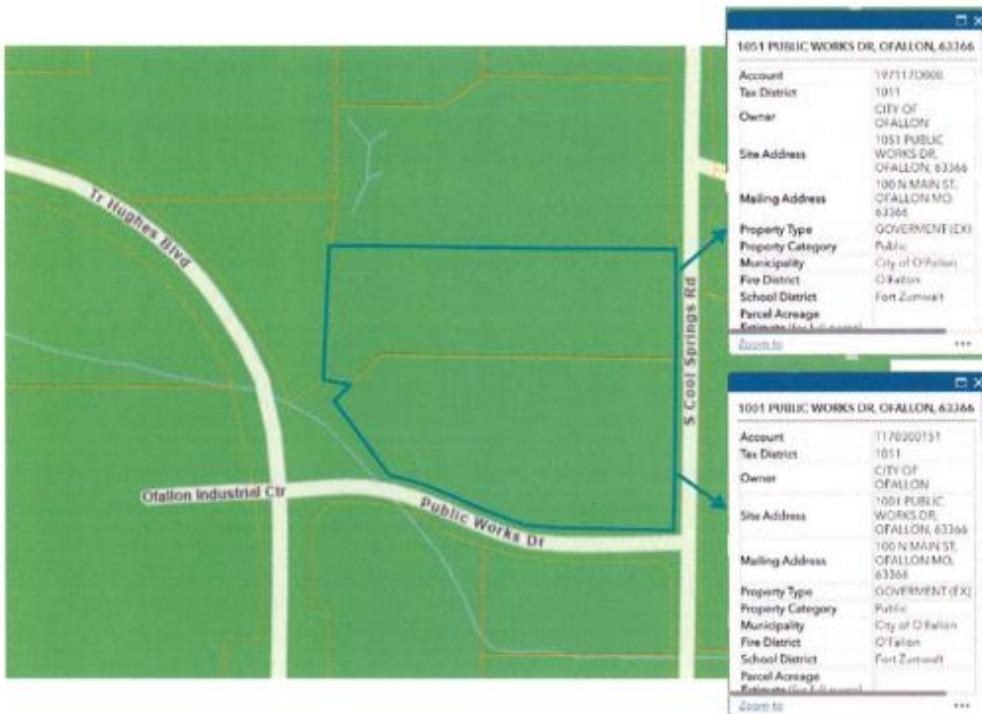
Approved as to Form:

Kevin M. O'Keefe  
Kevin M. O'Keefe, City Attorney

## Exhibit C – City Council Resolution

## EXHIBIT A

**TO A RESOLUTION DECLARING THE SURPLUS STATUS OF PROPERTIES OWNED BY  
THE CITY OF O'FALLON AND AUTHORIZING THEIR DISPOSAL**



Appraisal of:

Industrial Property  
1001 Public Works Drive  
O'Fallon, MO 63366

Appraisal by:

Dodge Appraisal Company  
202 Clarkson Executive Park  
Ellisville, MO 63011

# **Dodge Appraisal Company**

Real Estate Appraisers & Consultants

202 Clarkson Executive Park, Ellisville, MO 63011

Robert W. Dodge, MAI

Ph (636) 386-8997  
[www.dodgeappraisal.com](http://www.dodgeappraisal.com)

January 14, 2022

Mr. Steve Bender  
Managing Director of Public Works  
City of O'Fallon, Missouri  
100 N. Main Street  
O'Fallon, MO 63366

Reference:           Industrial Property  
                         1001 Public Works Drive  
                         O'Fallon, MO 63366                   File #21-164 (b)

Dear Mr. Bender:

In response to your request for an appraisal of the above referenced property, I have conducted the required investigation, gathered the necessary data, and made certain analysis that has enabled me to form an opinion of the market value of the fee simple interest in the above captioned property.

Based on the inspection of the property and the investigation and analysis undertaken, I have formed the opinion that as of January 4, 2022, and subject to the assumptions and limiting conditions which will be set forth in the appraisal report, the market value of the fee simple interest of the subject property is:

ONE MILLION FIFTY THOUSAND DOLLARS

(\$1,050,000)

The narrative report that follows sets forth the identification of the property, the assumptions and limiting conditions, pertinent facts about the subject property, comparable data, the results of the investigation and analysis, and the reasoning leading to the conclusion.

The business environment has been impacted by the COVID-19 virus. While this is a relatively recent development, the most recent sales of most general property types in the St. Louis metropolitan statistical area show little or no change in value from pre-2020. The appraisal process is largely dependent upon historical data which is a weakness inherent in the process. The data used for valuation within the report is from the current business cycle and is believed to be reflective of current value.

It has been a pleasure to work with you on this assignment. If you wish to further discuss this matter please contact my office.

Respectfully submitted,

DODGE APPRAISAL COMPANY



ROBERT W. DODGE, MAI  
MO State Certified General Real Estate Appraiser  
License # RA002990

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### Exhibits

Location Map
Tax Map
Aerial Tax Map
Flood Map
Plan
Land Sales Map

## Addenda

Title Policy

State Certification

Client Assumptions and Limiting Conditions

Client Certification

Assumptions and Limiting Conditions

Certification

Qualifications

**STANDARD APPRAISAL FORMAT**

**County:** St. Charles County  
**Route:** N/A  
**County Project No.:** N/A  
**Federal Project No.:** N/A  
**Parcel No.:** N/A  
**Area of Contiguous Ownership:** 130,680 sf or 3.0 acres

**Acquisition:**

(As indicated on plans)

**Normal Land:** 0 sf  
**New R/W:** 0 sf  
**Permanent Drainage Easement** 0 sf  
**Permanent Retaining Wall**  
**Easement:** 0 sf  
**Temporary Slope and  
Construction License** 0 sf  
  
**Remainder:** 130,680 sf or 3.0 acres  
  
**Appraiser:** Robert W. Dodge, MAI  
**Effective Date of Appraisal:** January 4, 2022

## 1. Owner and Tenant Owner

City of O'Fallon  
100 N. Main Street  
O'Fallon, MO 63366

## 2. Purpose of Appraisal

The purpose of this appraisal is to estimate the market value of the fee simple interest.

**A. Fair Market Value Definition:** Fair market value is the value of the property taken after considering comparable sales in the area, capitalization of income, and replacement cost less depreciation, singularly or in combination, as appropriate, and additionally considering the value of the property based upon its highest and best use, using generally accepted appraisal practices. If less than the entire property is taken, fair market value shall mean the difference between the fair market value of the entire property immediately prior to the taking and the fair market value of the remaining or burdened property immediately after the taking. (RSMo 523.000). Jurisdictional exception to Standards Rule 1-2 c.

**B. Intended Use:** The intended use of the appraisal report is to assist the agency in determining a potential sale price to aid in a potential sale of the property and internal decision making purposes.

**C. Intended Users:** The intended user of this report is the agency (City of O'Fallon). Although the agency may authorize copies of this report be provided to others for informational purposes, other parties are not intended users as defined by USPAP.

**D. USPAP Compliance Statement:** This appraisal was prepared according to the contract/assignment from the agency. The intended use of the appraisal is assist the agency in determining a potential sale price of the subject to aid in a potential sale of the property and related internal decision making purposes. The agency bears responsibility for

contract/assignment requirements that meet its needs and therefore are not misleading. In combination with the Scope of Assignment and review function, all appraisal reports assigned by the agency identify the problem to be solved, determine the scope of work necessary to solve the problem, and correctly complete research and analysis necessary to produce a credible appraisal, and are therefore in compliance with USPAP Standard 1. In that the agency is the only intended user of the report and others may only be provided copies for informational purposes, the agency has determined that reports prepared in conformance with these procedures constitute an Appraisal Report, which fulfills the agency's needs. For any inconsistencies with USPAP, appraisers are protected by the USPAP Jurisdictional Exception provision.

### **3. Interest Appraised:**

Fee simple

### **4. Scope of Work:**

The scope of work involved assembling various types of data, a physical inspection of the subject and comparable sales, and analysis of the data.

#### Property and Sale Inspection:

This report was prepared in conformance with the scope of assignment and the requirements of the format assigned. The physical inspection of the subject included viewing the exterior and representative areas of the interior of the subject in order to determine the quality and condition of improvements and suitability for their current or alternative uses. The land area is based upon county records and the gross building area is based upon the appraiser's field measurements. Land sales, rentals, and building sales were viewed from the curbside.

#### Extent of Data Research:

Sales data was researched through several sources including the appraiser's database, CoStar (sales and leasing database), local multiple listing service, and county records. When possible

information was confirmed with a party involved in the transaction. At a minimum, public records were relied upon for confirmation of sales and property data.

**Extent of Analysis:**

The valuation includes consideration of the use of the cost, income, and sales comparison approaches.

**5. Identification of the Realty:**

The property under consideration is 1001 Public Works Road, O'Fallon, MO 63366. The assessor's office identifies the subject as parcel number 2-0056-C402-00-0001.0000000. The brief legal description indicated by online county records is "Cool Springs Rd & Widel Lne Par Consolid NW Corner Lot 1".

**6. History of the Property:**

According to county records the subject is owned by the City of O'Fallon. There have been no other sales of the subject within the past five years.

**7. Description of Realty Prior to Acquisition:**

**A. Land:**

The site contains approximately 3.0 acres or 130,680 sf according to online county records.

The parcel has a slightly irregular shape and the overall topography of the site is basically level and at road grade. The site is situated within a zone X, outside the flood hazard area. No apparent adverse easements were observed at the time of inspection.

The subject is a corner site with frontage along Public Works Drive and S. Cool Springs Road. There is a curb cut along Public Works Drive and two curb cuts along S. Cool Springs Road. The site is served by public water, public sewer, electricity, and telephone.

**B. Zoning:**

According to the City of O'Fallon zoning map, the subject is located in an area which is zoned I-1, Light Industrial. Permitted uses in this district include manufacturing, offices, warehousing, and storage. This district requires a 30' front yard, 20' side yard, and 35' rear yard. The parking requirement is one space per employee plus one space per 1,000 sf of floor area. The improvements appear to conform to the basic requirements for this district; however, without a physical inspection by the city, definite compliance can not be ascertained.

**C. Fee Owned Improvements, Fixtures, and Personality:**

The site is improved with two metal buildings which contain a combined area of approximately 12,400 sf (appraiser's field measurements and county records measurements). The office building contains roughly 4,700 sf and the truck service building/warehouse contains roughly 7,700 sf. The overall percentage finished area for the two buildings is 49%.

The office building is situated near the west end of the site and consists of open cubicle areas, a training/conference room, break area, private offices, and a storage area. The interior floor has several levels including stairs between areas and sloping floor areas. The quality of the building is considered to be below average for offices in the area and the condition is average.

The truck service building/warehouse is situated at the east end of the site. The main level contains approximately 6,900 sf and there is approximately 800 sf of additional second floor office area. The overall percentage finished area within this building is 20% and consists of a first floor office, break room area and rest rooms, and second floor office area. The remainder of the building consists of two areas: a truck service warehouse area and a wash bay. The building is served by six overhead drive in doors and the clear height is 19' +- . The truck

service/warehouse areas are heated and feature ½ height interior liner panels over vinyl backed insulated metal walls. The service area features an exhaust system and there are roof mounted solar panels. The building also has an adjoining 1,200 sf covered outdoor storage area (not included in the building area).

The date of construction of the buildings is unknown and aerial photography indicates that the buildings existed as early as 1998. The effective age of the buildings is 35 years with a remaining economic life of 25 years and overall economic life of 60 years.

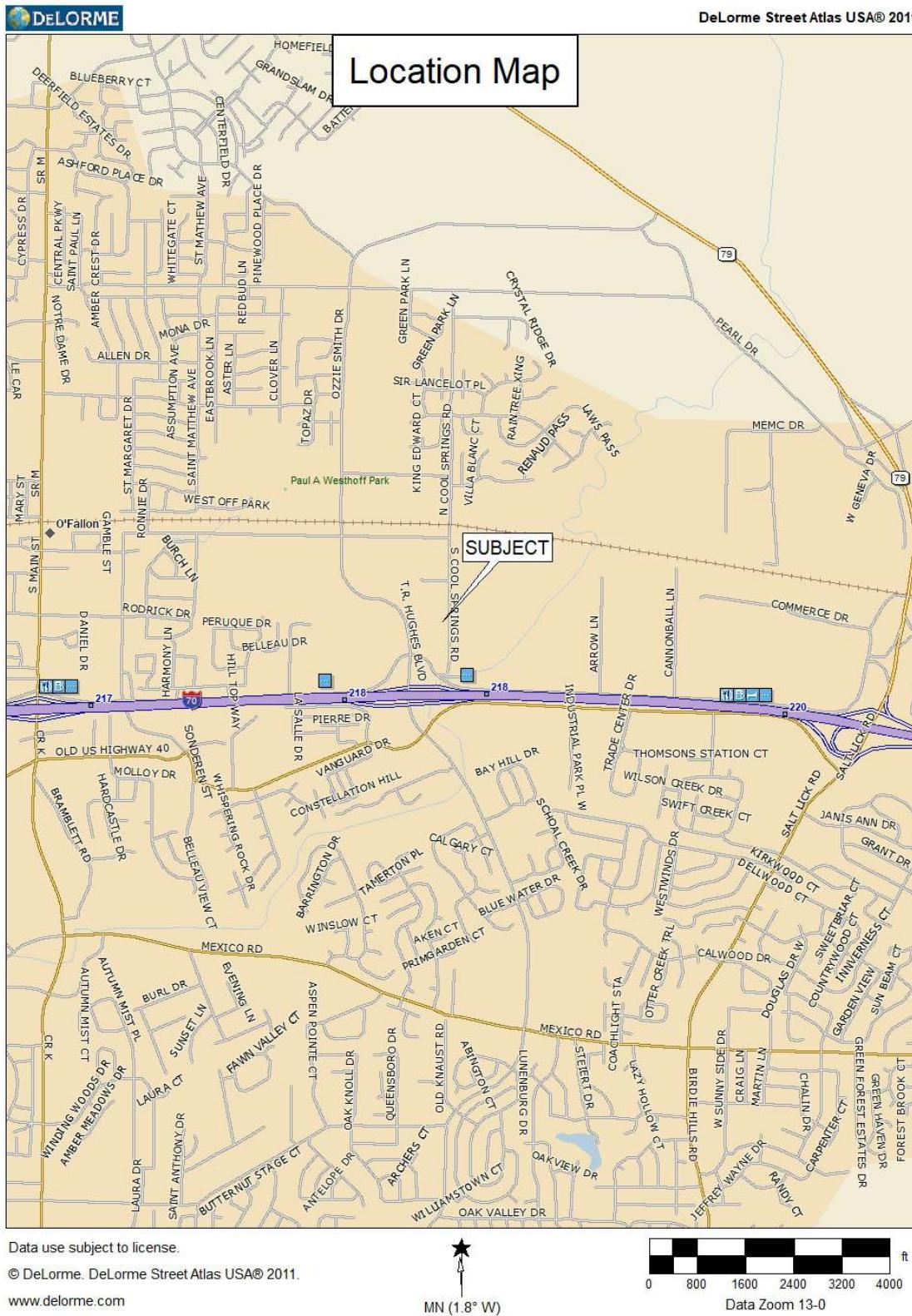
Site improvements include perimeter chain link fencing with gates along S. Cool Spring and Public Works, a combination of concrete and asphalt paving, two above ground fuel tanks, and a below ground fuel tank with dispenser. There is also a 3,200 sf +- canvas on steel frame storage shelter. This improvement is reported to have a 5 year permit for use. It is an amenity to the property, but is not considered to be a permanent improvement with significant contributory value. There are also five outdoor storage silos at the south end of the truck service building. 1051 Public Works Drive has a wind turbine which accrues energy to the subject. Note that while the cost savings of this energy efficient feature are unknown, it is believed to have only nominal contributory value. The land to building ratio is 10.5:1.

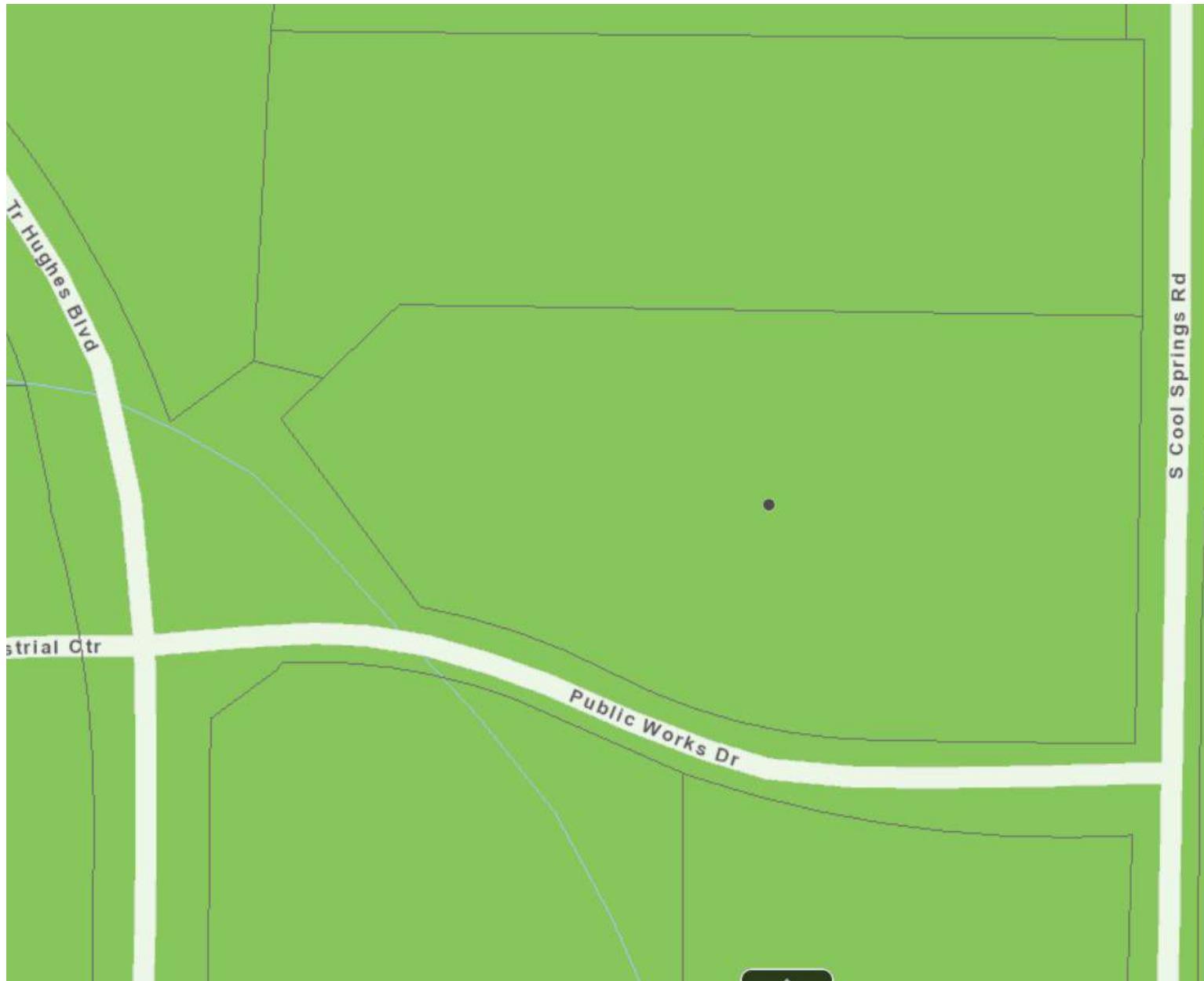
**D. Tenant Owned Improvements, Fixtures, and Personality:**

None.

**E. Other Appraisal Considerations**

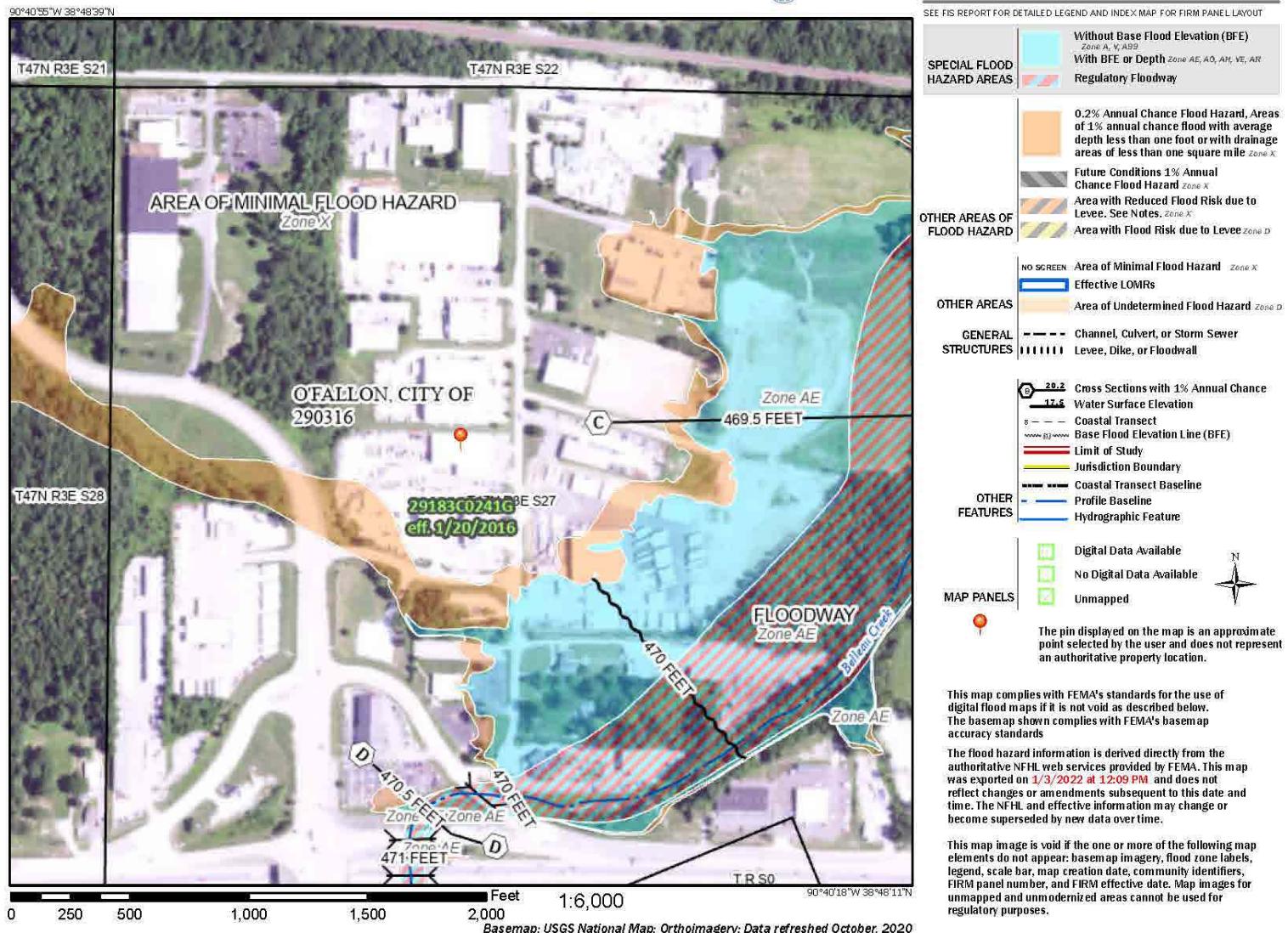
None.







## National Flood Hazard Layer FIRMette







**Exterior View of Office Building**



**Exterior View of Office Building**



**Exterior View of Office Building**



**Exterior View of Office Building**



**Interior View of Office Building**



**Interior View of Office Building**



**Interior View of Office Building**



**Interior View of Office Building**



**Exterior View of Truck Service Building**



**Exterior View of Truck Service Building**



**Exterior View of Truck Service Building**



**Exterior View of Truck Service Building**



**Interior View of Truck Service Building**



**Interior View of Truck Service Building**



**Interior View of Truck Service Building**



**Interior View of Truck Service Building**



**View of Above Ground Fuel Tanks**



**View of Fuel Dispenser**



**View of Material Storage Shelter**

## **8. Highest and Best Use Analysis Before Acquisition**

Highest and Best Use "As if Vacant" - The subject is situated within an area which is zoned for industrial uses. The shape of the site does not place any significant limitations upon typical development and the topography is basically level. All public utilities are available to the site. It has access from Public Works Drive and S. Cool Springs Road and is a corner site. The surrounding land uses are predominantly industrial and visibility is considered to average. While speculative new construction is unlikely, the subject site could be developed with a build to suit industrial project. The highest and best use is for industrial development.

Highest and Best Use "As Improved" - The current use as a industrial property is a permitted use. While the buildings are not new, they have been adequately maintained and are in average condition. The building materials for the truck service/warehouse building are typical for the area and the building is generally suitable for the intended use. Metal office buildings are relatively rare and most are typically masonry or brick veneer; however, the subject office is used in conjunction with the truck service building and is adequate for industrial use. The segmentation of the building area between two non-contiguous structures is atypical and less desirable than a single structure. The overall percentage finished area is adequate to support most industrial uses. The land to building ratio is higher than typical for modern suburban industrial buildings and there is adequate land area for a substantial building addition or construction of additional structures. While the land to building ratio is relatively high, the existing improvements continue to have contributory value above the value of the land "as if vacant". The clear height is 19' which is typical and adequate. The loading facilities are adequate. The highest and best use is for continued use as an industrial property.

## **9. Valuation**

The highest and best use is for continued use as an industrial building and the valuation will be based upon the sales comparison approach and income approaches. While the cost approach could be applied, the improvements have a large amount of depreciation and there have been few recent pertinent land sales within the neighborhood which would weaken the validity of this approach. The cost approach has been omitted from the valuation.

**A. Cost Approach**

As discussed above, the cost approach has been omitted from the valuation.

**B. Sales Comparison Approach**

The sales comparison approach is based upon competitive properties which sold recently in the local market area and then are adjusted to reflect differences in pertinent physical characteristics. The result of the adjustment process is to estimate what the comparable sale would have sold for had it possessed all of the salient characteristics of the subject. The sales are reconciled to a single per unit value which is then applied to the subject area to arrive at an indication of value.

Several sales of similar properties were found within the subject submarket. Buildings of similar size and construction have been included for comparison. Information concerning these sales are found on the following pages.

Value by Sales Comparison Approach: \$1,050,000



Comparable Sale #1

Location:	4536 S. St. Peters Parkway, St. Peters 63304
Locator #:	3-0016-5069-00-0004.0000000
Date of Sale:	1/2/20
Book/Page:	7209/2439
Grantor:	S. St. Peters Parkway, LLC
Grantee:	Arlington Heights Development, LLC
Building Size:	7,000 sf
Lot Size:	0.80 acres or 34,848 sf
Year Built:	1986
Ceiling Height:	12' - 14'
Office Finish:	N/A
Land to Building Ratio:	5.0 :1
Zoning:	C-3, Commercial
Sale Price:	\$560,000
Sale Price/SF:	\$80.00

Comments: Single tenant metal building. Purchaser performed over \$125,000 in renovations to suit use following acquisition. Information confirmed by purchaser.

Comparable Sale #2

Location:	1023 Cool Springs Industrial Drive, O'Fallon 63366
Locator #:	2-0051-8230-00-00006.0000000
Date of Sale:	3/9/20
Book/Page:	7244/1399
Grantor:	Layne Development, LLC
Grantee:	Cool Springs Industrial, LLC
Building Size:	7,200 sf
Lot Size:	1.14 acres or 49,658 sf
Year Built:	1999
Ceiling Height:	18' +-
Office Finish:	N/A
Land to Building Ratio:	6.9 :1
Zoning:	Industrial
Sale Price:	\$575,000
Sale Price/SF:	\$79.86

Comments: Multi-tenant metal building. 4 months marketing time at \$585,000.

Comparable Sale #3

Location:	21 Guenther Boulevard, St. Peters 63376
Locator #:	2-106A-C761-00-0001.0000000
Date of Sale:	3/17/20
Book/Page:	7249/1879
Grantor:	One Arrowhead Properties, LLC
Grantee:	25 Guenther, LLC
Building Size:	27,093 sf
Lot Size:	4.89 acres or 212,834 sf
Year Built:	1984
Ceiling Height:	15' - 18'
Office Finish:	10%
Land to Building Ratio:	7.9 :1
Zoning:	Industrial
Sale Price:	\$1,400,000
Sale Price/SF:	\$51.67

Comments: Single tenant metal building. Aka 25 Guenther. Information confirmed by listing broker. Roughly 1/4 of the site has a sloping topography and is of limited use. Property had been marketed for sale for \$1,612,325 for roughly 17 months.

Comparable Sale #4

Location:	9390 Veterans Memorial Parkway, O'Fallon 63366
Locator #:	2-0057-S030-00-0026.0000000
Date of Sale:	6/22/21
Book/Page:	02021-052719
Grantor:	Veterans Memorial Parkway 9390, LLC
Grantee:	Pinnacle Automotive Gallery, LLC
Building Size:	25,120 sf
Lot Size:	6.29 acres or 273,992 sf
Year Built:	1980
Ceiling Height:	16' +-
Office Finish:	29%
Land to Building Ratio:	10.9 :1
Zoning:	Industrial
Sale Price:	\$2,000,000
Sale Price/SF:	\$79.62

Comments: Two metal buildings. Property had been marketed for sale for \$2,300,000 for roughly 21 months. Purchased by tenant. Used car sales and service.

Comparable Sale #5

Location:	2081 Exchange Drive, St. Charles 63303
Locator #:	3-0117-6709-00-0007.2000000
Date of Sale:	3/18/21
Book/Page:	02021-023888
Grantor:	MJSM, LLC
Grantee:	2081 Exchange Drive, LLC
Building Size:	12,000 sf
Lot Size:	1.30 acres or 56,628 sf
Year Built:	1994
Ceiling Height:	22'
Office Finish:	13%
Land to Building Ratio:	4.7 :1
Zoning:	Industrial
Sale Price:	\$912,000
Sale Price/SF:	\$76.00

Comments: Single tenant metal building. Property had been marketed for sale for \$960,000 for roughly 3 months.

### Sales Comparison Approach Analysis

The sales are industrial buildings located throughout competing areas of the county which have sold within the past few years. The sales are summarized and analyzed below.

	Subject	Sale #1	Sale #2	Sale #3	Sale #4	Sale #5
Location	Public Works, O'Fallon	S. St. Peters, St. Peters	Cool Springs Industrial, O'Fallon	Guenther, St. Peters	Veterans Memorial, O'Fallon	Exchange, St. Charles
Sale Price	N/A	\$560,000	\$575,000	\$1,400,000	\$2,000,000	\$912,000
Price/SF	N/A	\$80.00	\$79.86	\$51.67	\$79.62	\$76.00
Characteristics						
Building Size	12,400	7,000	7,200	27,093	25,120	12,000
Date of Sale	N/A	1/20	3/20	3/20	6/21	3/21
Eff. Age @ Sale	35 yrs	30 yrs	20 yrs	35 yrs	35 yrs	25 yrs
% Office	49%	N/A	N/A	10%	29%	13%
Clg Height	19'	12' - 14'	18'	15' - 18'	16'	22'
Land:Bldg Ratio	10.5:1	5.0:1	6.9:1	7.9:1 (Pt slope)	10.9:1	4.7:1
Construction	Metal	Metal	Metal	Metal	Metal	Metal
Adjustments						
Conditions of Sale	-0-	-0-	-0-	-0-	-0-	-0-
CoS Adjusted \$/SF	\$80.00	\$79.86	\$51.67	\$79.62	\$76.00	
Market Conditions	6%	6%	6%	2%	3%	
MC Adjusted \$/SF	\$84.80	\$84.65	\$54.77	\$81.21	\$78.28	
Visibility/Location	-5%	-0-	-0-	-5%	-0-	
Age/Condition	-0-	-10%	-0-	-0-	-5%	
% Office	-0-	-0-	15%	5%	15%	
Ceiling Height	5%	-0-	-0-	-0-	-0-	
Land to Building Ratio	10%	5%	5%	-0-	10%	
Building Size	-0-	-0-	5%	5%	-0-	
Construction	-0-	-0-	-0-	-0-	-0-	
Net Adjustment	1.10	0.95	1.25	1.05	1.20	
<b>\$/SF</b>	<b>\$93.28</b>	<b>\$80.42</b>	<b>\$68.46</b>	<b>\$85.27</b>	<b>\$93.94</b>	

Following is a discussion of the adjustments applied.

Property Rights, Financing, & Conditions of Sale

No adjustment was necessary.

Market Conditions

Market conditions have continued to appreciate due to the increased demand for improved logistics for supply chains. A +3%/year (0.25%/month) adjustment was applied.

Location/Visibility

Sales one and four have above average visibility and some commercial influence. A -5% adjustment was applied.

Age/Condition Adjustment

Newer buildings tend to sell for more than otherwise similar, but older buildings. Adjustments of -5% to -10% were applied to the sales of much newer buildings.

% Finished Area

Industrial buildings with higher percentages of office finish tend to sell for higher prices than those with less office space. Based upon a comparison of sales and rentals of industrial properties, prices increase between 0 to 1% per 1% difference in finished area. Adjustments of +5% to +15% were applied to the sales which had significantly less finish.

Ceiling Height Adjustment

The ceiling height adjustment is based upon the variance in cost per foot of ceiling height indicated in Marshall & Swift (roughly 2% per foot). An examination of sales indicates a change in value of

0 - 4% per one foot of difference. A +5% adjustment was applied to sale one which had an overall lower clear height.

#### Land to Building Ratio

Buildings with a higher land to building ratio offer the potential for construction of an addition or greater parking and truck areas. Adjustments of +5% to +10% were applied to the sales with a significantly lower land to building ratio.

#### Building Size

Smaller buildings tend to sell for a higher price per square foot than otherwise similar larger buildings due to economies of scale. A +5% adjustment was applied to sales three and four which are much larger buildings.

#### Construction

Masonry and tilt up concrete buildings are generally perceived as more attractive and durable than metal and frame buildings. The subject and comparables are all similar quality and type construction and no adjustment was applied.

#### Conclusion

The following statistics can be derived from the sample of sales:

	Low	High	Median	Average
Before Adjustments	\$52	\$80	\$80	\$73
After Adjustments	\$68	\$94	\$85	\$84

The sales indicate a moderate range before and after adjustments. Each of the sales required several smaller to mid sized adjustments. Four of the five sales indicate a more defined range of \$80/sf to \$94/sf after adjustments. Most weight is given to the lower end to center of the predominant adjusted range. A value of \$85/sf has been selected. When applied to the subject, a value of \$1,054,000 is indicated. This can be rounded to \$1,050,000.

$$12,400 \text{ sf} \times \$85.00 = \$1,054,000$$

### **C. Income Approach**

The income approach is widely applied in appraising income producing properties. This procedure converts the anticipated income into a value estimate. The basic steps in translating the income stream projection into a value indication are:

- Estimate potential gross real estate income.
- Estimate and deduct vacancy and collection losses to derive effective gross income.
- Estimate and deduct expenses of operation to arrive at net operating income.
- Develop the appropriate capitalization rate.
- Capitalize the stabilized net operating income to estimate the property's value.

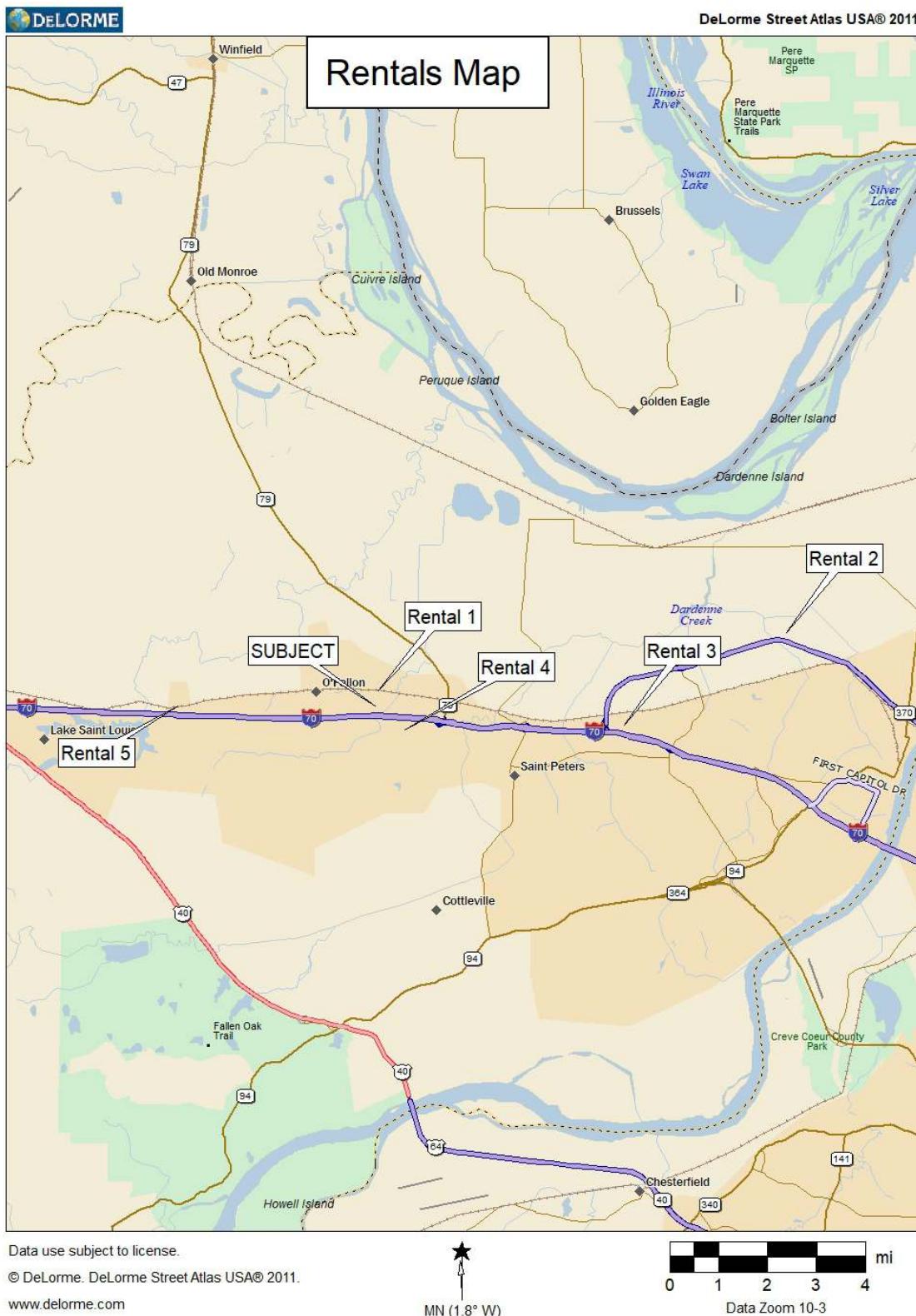
Value by Income Approach: \$900,000

Method of Capitalization - The direct capitalization method will be used.

Rent roll and Lease Abstracts - The subject is currently occupied by the ownership.

Historic Income and Expenses - Historic income and expense statements were not available.

Estimate of Market Rent - The first step in the income approach is to estimate the potential gross income the property can generate. This is done through an analysis of the comparable rentals which follow.



Comparable Rental #1

Location:	110 N. Cool Springs Road, O'Fallon
Lessor:	Edinburgh Limited of Missouri
Lessee:	Compressed Air Parts Company
Rental Rate:	\$6.25/sf
Terms:	Gross
Occupancy Date:	6/18
Leased Area:	6,000 sf
Building Area:	6,000 sf
Year Built:	1992
% Finished Area:	35%
Clear Height:	12' - 14'
Land Area:	0.68 acres

Comments: Lease of single tenant metal industrial property. 61 month lease with 1 month free rent. Escalations throughout term. Information confirmed by broker.

Comparable Rental #2

Location: 3896 Fountain Lakes Parkway E, St. Charles 63301

Lessor: 501 Partnership

Lessee: Fastenal

Rental Rate: \$6.75/sf

Terms: Net

Occupancy Date: 5/20

Leased Area: 14,275 sf

Building Area: 24,960 sf

Year Built: 2018

% Finished Area: N/A

Clear Height: 22'

Land Area: 1.97 acres

Land to Building Ratio: 3.4:1

Comments: Space in multi-tenant tilt up concrete building.

Comparable Rental #3

Location: 50-58 Algana Court, St. Peters 63376  
Lessor: Hemmer Cornell Indent. of Trust  
Lessee: Precision Detailing

Rental Rate: \$7.00/sf  
Terms: Gross  
Occupancy Date: 7/21

Leased Area: 9,081 sf  
Building Area: 20,480 sf  
Year Built: 1985  
% Finished Area: N/A  
Clear Height: 15'  
Land Area: 1.24 acres  
Land to Building Ratio: 2.6:1

Comments: Space in multi-tenant masonry building.

Comparable Rental #4

Location: 2026 - 2051 Trade Center Drive E., St. Peters 63376  
Lessor: Lyons Mary Jane & Lyons Michael J Residuary Trust & AFG Plumbing Co.  
Lessee: N/A

Rental Rate: \$6.07/sf  
Terms: Gross  
Occupancy Date: 5/20

Leased Area: 8,300 sf  
Building Area: 17,100 sf  
Year Built: 2001  
% Finished Area: N/A  
Clear Height: 18'  
Land Area: 1.62 acres  
Land to Building Ratio: 4.1:1

Comments: Space in multi-tenant masonry building.

Comparable Rental #5

Location: 10 W. Industrial Drive, O'Fallon 63366  
Lessor: 10 West Industrial Drive, LLC  
Lessee: Arcoplast

Rental Rate: \$5.15/sf  
Terms: Net  
Occupancy Date: 9/18

Leased Area: 6,600 sf  
Building Area: 6,600 sf  
Year Built: 1997  
% Finished Area: 10%  
Clear Height: 12'  
Land Area: 0.57 acres  
Land to Building Ratio: 3.8:1

Comments: Single tenant metal building.

## Rental Analysis

The previous comparable rentals are summarized below.

	Subject	Rental #1	Rental #2	Rental #3	Rental #4	Rental #5
Location	Public Works, O'Fallon	N. Cool Springs, O'Fallon	Fountain Lakes, St. Charles	Algana, St. Peters	Trade Center, St. Peters	W. Industrial, O'Fallon
Date of Lease	N/A	6/18	5/20	7/21	5/20	9/18
Leased SF	12,400	6,000	14,275	9,081	8,300	6,600
Effective Age	35 yrs	20 yrs	2 yrs	35 yrs	15 yrs	20 yrs
Ceiling Height	19'	12' - 14'	22'	15'	18'	12'
% Finish	49%	35%	N/A	N/A	N/A	10%
LB Ratio	10.5:1	4.9:1	3.4:1	2.6:1	4.1:1	3.8:1
Construction	Metal	Metal	Tilt up	Masonry	Masonry	Metal
Rent/SF	N/A	\$6.25	\$6.75	\$7.00	\$6.07	\$5.15
Terms	Net	Gross	Net	Gross	Gross	Net
Adjust to Net		(\$1.50)	-0-	(\$1.50)	(\$1.50)	-0-
Equivalent Net Rent		\$4.75	\$6.75	\$5.50	\$4.57	\$5.15
Adjustments						
Prop Rts, CoS, Fin, MC	8%	5%	2%	5%	7%	
Adjusted Rent/SF	\$5.13	\$7.09	\$5.61	\$4.80	\$5.51	
Size	-5%	-0-	-0-	-0-	-0-	-5%
Age/Condition	-10%	-30%	-0-	-15%	-10%	
Ceiling Height	5%	-0-	5%	-0-	5%	
% Finish	5%	-0-	-0-	-0-	15%	
LB Ratio	10%	10%	15%	10%	10%	
Location/Visibility	-0-	-0-	-0-	-0-	-0-	
Construction	-0-	-5%	-5%	-5%	-0-	
Net adjustment	1.05	0.75	1.15	0.90	1.15	
Adjusted Rent/SF	\$5.39	\$5.32	\$6.45	\$4.32	\$6.34	

Following is a discussion of the adjustments applied.

Equivalent Net Rent

The rentals are industrial buildings and spaces within the same submarket which have been leased within the past few years. The rentals indicate a range of \$5.15/sf to \$7.00/sf on a combination of net and gross lease agreements. An adjustment of -\$1.50/sf was applied to the gross rentals to reflect taxes, insurance, and common area maintenance which are paid by the lessor under a gross lease. After this adjustment, the range of equivalent net rent is \$4.57/sf to \$6.75/sf.

Property Rights, Conditions of Sale, Financing, Market Conditions

Market conditions had previously shown modest improvement and for local industrial properties have continued to appreciate due to the increased demand for improved logistics for supply chains. A +3%/year (0.25%/month) adjustment was applied.

Size

The size adjustment reflects economies of scale resulting from large differences in unit size. A -5% adjustment was applied to the rentals of much smaller spaces.

Age/Condition Adjustment

Newer buildings tend to rent for more than otherwise similar, but older buildings. Adjustments of -10% to -30% were applied to the rentals.

Ceiling Height Adjustment

The ceiling height adjustment is based upon the variance in cost per foot of ceiling height indicated in Marshall & Swift (roughly 2% per foot). An examination of sales indicates a change in value of 0 - 4% per one foot of difference. A +5% adjustment was applied to the rentals of spaces with a significantly lower clear ceiling.

% Finished Area

Industrial buildings with higher percentages of office finish tend to sell for higher prices than those with less office space. Based upon a comparison of sales and rentals of industrial properties, prices increase between 0 to 1% per 1% difference in finished area. Adjustments of +5% to +15% were applied to the spaces with less finish.

Land to Building Ratio

Buildings with a higher land to building ratio offer the potential for construction of an addition or greater parking and truck areas. Adjustments of +10% to +15% were applied to rentals with a much lower land to building ratio.

Location/Visibility

No adjustment was applied.

Construction

Masonry and tilt up concrete buildings are generally perceived as more attractive and durable than metal and frame buildings. A -5% adjustment was applied to the rentals of masonry and tilt up concrete buildings.

Conclusion of Market Rent

After adjustments for economic and physical characteristics, the rentals range from \$4.32/sf to \$6.45/sf. Three of the rentals indicate a more defined range of \$6.34/sf to \$6.45/sf. Most weight is given to these rentals. The market rent is estimated to be \$6.40/sf on a net basis.

**Lease Type**

The market rent is based upon a net basis in which the tenant either directly pays or reimburses real estate taxes, insurance, and maintenance expenses and pays for their own utilities. The landlord is responsible for structural maintenance/reserves, and management.

**Potential Gross Income**

The potential gross income is calculated below and is based upon the estimated market rate.

$$12,400 \text{ sf} @ \$6.40 \text{ /sf} = \$79,360$$

**Reimbursements**

No reimbursements are applicable.

**Vacancy**

CoStar Analytics indicates overall industrial vacancy of 3.6% for the St. Louis metro area. Vacancy for the St. Charles County submarket is 2.1%. 3% stabilized vacancy will be applied (which also includes consideration of collection loss).

**Effective Gross Income**

The effective gross income is calculated by deducting vacancy from the estimated potential gross income.

## Expenses

The market rent for the subject is estimated on a net basis in which most expenses (taxes, insurance, maintenance) are either directly paid by the tenant or reimbursed. The landlord is responsible only for structural maintenance/reserves and management.

Under a net lease, structural maintenance/reserves is minimal and is estimated to be \$0.20/sf or \$2,500 (rounded) based upon benchmarks in the *PwC Real Estate Investor Survey*.

The market rent is based upon a net lease and management responsibilities would be minimal. 3% of effective gross income will be applied.

While it is technically correct to apply vacancy to reimbursed expenses, most participants in the local industrial market do not follow this practice and excluding reimbursements more closely conforms to the actions and analysis of the local market.

## Stabilized Income and Expense Projection

Now that income and expenses have been properly estimated an income and expense statement can be formulated and is included below.

Potential Gross Income		\$79,360
Vacancy & Collection Loss	3%	<u>(2,381)</u>
Effective Gross Income		\$76,979
Less Expenses		
Structural Maintenance/Reserves	2,500	
Management	3%	<u>2,309</u>
Total Expenses		<u>(4,809)</u>
Net Operating Income		\$72,170

Note that the calculations above are carried out beyond the nearest dollar and nominal discrepancies in the calculations above may appear due to rounding.

### **Direct Capitalization Method and Rate Selection**

Once the net operating income has been estimated, the capitalization rate can be applied to this figure to estimate the value of the subject.

Market research is performed to estimate capitalization rates. The three general methods of estimating the appropriate rate are extraction from comparable sales, investor surveys, and the buildup method. The buildup method is not considered to be as reliable as the extraction and investor surveys and has been omitted.

#### Investor Surveys

The *PwC Real Estate Investor Survey* indicates a range of overall cap rates from 3.3% - 7.0% for the national warehouse market with an average of 4.8%. For non-institutional grade properties, the average increase in basis point spread is 225, or an indicated 7.1%. The RERC Real Estate Report indicates a 6.3% cap rate for first tier warehouse space in the St. Louis Market. However, these are reflective of larger, professionally managed institutional investment grade and first tier properties.

#### Cap Rate Extraction

The appraiser has provided further support for the selected capitalization rate by presenting a summary of industrial buildings which have sold while under lease.

Location	Date of Sale	Sale Price	OAR
6501 Hall, St. Louis *	4/21	\$8,000,000	8.1%
909 N. 20 <sup>th</sup> & 1020 N. 23 <sup>rd</sup> , St. Louis	9/20	\$27,000,000	7.0%
N. Rider Trail, Earth City *	5/20	\$6,300,000	6.9%
8610 Page, Overland	2/20	\$9,600,000	9.1%
Larkin Williams, Fenton	12/19	\$1,200,000	9.4%
Baumgartner Industrial, St. Louis	11/19	\$1,525,500	9.6%
38 <sup>th</sup> Street, St. Louis	9/19	\$1,600,000	11.7%
Phantom, Hazelwood	9/19	\$5,400,000	8.6%
Dielman, St. Louis	8/19	\$1,265,000	8.3%
Cassens, Fenton	6/19	\$13,976,121	7.5%
Lakeside Crossing, Maryland Heights	5/19	\$3,100,000	7.6%
Lackland, St. John	3/19	\$3,205,000	8.4%
Lakeside Crossing, Maryland Heights	2/19	\$8,700,000	8.3%
S. Hanley, Maplewood	2/19	\$3,250,000	6.0%
Northwest Industrial, Bridgeton	1/19	\$2,425,000	8.0%
Median			8.3%
Average			8.3%

The capitalization rates above range from 6.0% to 11.7% with a median of 8.3% and average of 8.3%. The cap rates indicated by the local sales tend to be higher than that indicated by the investor survey and are a better reflection of the local market.

#### Reconciliation of Capitalization Rate

The results of the three methods for determining a cap rate are summarized below.

Build Up Method

N/A

Investor Surveys

Averages 7.1% and 6.3%

Extraction from Sales

6.0% to 11.7% (average 8.3%, median 8.3%)

The subject is a single tenant building that is not encumbered by a binding lease. Most weight is given to the center of the range indicated by the local sales. By applying the selected rate of 8.0% to the net operating income, a value of \$902,125 is indicated. This can be rounded to \$900,000.

$$\$72,170 \quad / \quad 0.080 \quad = \quad \$902,125$$

## 10. Reconciliation of Value

Rarely do the three approaches to value reach identical value conclusions. To arrive at a final estimate of value, the quality and quantity of data used within each approach are examined and the value indications of each are compared to one another. Through this process of reconciliation, a final value estimate is reached.

The values indicated by the approaches are as follows:

- Cost Approach	N/A
- Sales Comparison Approach	\$1,050,000
- Income Approach	\$900,000

The subject is a single user property which would most likely be purchased by an owner occupant. Most consideration is given to the sales comparison approach which is generally supported by the income approach.

- Reconciled Value	\$1,050,000
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## **ADDENDA**

State of Missouri

Division of Professional Registration  
State Certified General Real Estate Appraiser



VALID THROUGH JUNE 30, 2022  
ORIGINAL CERTIFICATE/LICENSE NO. RA002990  
ROBERT W DODGE  
2308 OSSENFORT VALLEY COURT  
WILDWOOD MO 63038  
USA

ROBERT W DODGE  
2308 OSSENFORT VALLEY COURT  
WILDWOOD MO 63038  
USA

State of Missouri

Missouri Department of Commerce and Insurance  
Division of Professional Registration  
Real Estate Appraisers Commission  
State Certified General Real Estate Appraiser



VALID THROUGH JUNE 30, 2022  
ORIGINAL CERTIFICATE/LICENSE NO. RA002990

ROBERT W DODGE  
2308 OSSENFORT VALLEY COURT  
WILDWOOD MO 63038  
USA

*Vanessa Baucham*  
EXECUTIVE DIRECTOR

*Sarah E. Edgerwood*  
DIVISION DIRECTOR

## ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

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

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

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

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

All maps, plats, and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.

Consideration has not been given in this appraisal to personal property located on the premises, or to the cost of moving or relocating such personal property unless otherwise stated.

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

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

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

## **ADDITIONAL ASSUMPTIONS AND LIMITING CONDITIONS**

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

1. The Appraiser assumes no responsibility of a legal nature affecting 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 as though under responsible ownership and management, if applicable.
2. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraiser has not made a survey of the property.
3. 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 thereof.
4. Any allocation of valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
5. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structure, 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.
6. Information, estimates and opinions furnished to the Appraiser, and contained in the report were obtained from sources considered to be reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the Appraiser can be assumed by the Appraiser.
7. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulation of the professional appraisal organization with which the Appraiser is affiliated.
8. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the Appraiser, professional designations, reference to any professional organizations, or the firm with which the Appraiser is connected), shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee paid by same, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institute, any department, agency or instrumentality of the United States or any state of the District of Columbia, without the previous written consent of the Appraiser, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the Appraiser.
9. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.
10. All opinions of value are presented as Dodge Appraisal Company considered opinion based on the facts and data appearing in the report. We assume no responsibility for changes in market conditions or for the inability of the owner to locate a purchaser at the appraised value.
11. The appraiser assumes there to be no condemnation proceedings affecting the property.
12. The appraiser assumes there to be no easements other than normal utility easements affecting the property other than those easements specified by the Appraiser in writing or on a survey which has been provided to the Appraiser.

13. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the Appraiser. The Appraiser has no knowledge of the existence of such materials on or in the property. The Appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde insulation, and other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would could a loss in value. No responsibility is assumed for any such conditions, or for any expertise of engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.

14. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.

15. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

16. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report. The Appraiser assumes there are no adverse easements affecting the property.

17. The insurable value (if included in this report) has been estimated at the request of the client; however, the Appraiser is not a commercial cost estimator. The insurable value developed was based upon examples and materials taken from a sourcebook and the client is urged to compare these costs with actual quotes from estimators. The Appraiser assumes no liability for and does not guarantee that any insurable value estimated inferred from this report will result in the subject property being fully insured for any loss that may be sustained. Further, the insurable value may not be a reliable indication of replacement or reproduction cost for any date other than the effective date of the appraisal due to changing costs of labor and materials and due to changing building codes and governmental regulations and requirements.

## CERTIFICATE OF APPRAISER

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

The statements of fact contained in the appraisal herein set forth are true, and the information upon which the opinions expressed herein are based, is correct.

The reported analyses, opinions, and conclusions as well as my opinion of Just Compensation, Fair Market Value, or other defined value 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 direct or indirect present or contemplated future personal interest in such property or in any monetary benefit from the acquisition or disposal of such property appraised or the appraisal conclusion and no personal interest with respect to the parties involves.

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 employment or my compensation for completing this appraisal assignment and report are in no way 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 the Uniform Standards of Professional Appraisal Practice, in the appraisal of realty and realty rights except to the extent that the *Uniform Appraisal Standards for Federal Land Acquisitions* required invocation of USPAP's Jurisdictional Exception Rule.

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

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

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

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

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

Invoking the Jurisdictional Exception Rule and contrary to Standards Rule 1-3(a) and Standards Rule 1-4(f), I have disregarded any increase or decrease in the fair market value of the property to be acquired, prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of owner(s).  
49 CFR 24.103

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

I afforded the fee holder or the fee holder's representative, an opportunity to accompany me during my inspection of this property. I afforded the tenant owner or tenant owner's representative of any tenant-owned improvements affected by the acquisition an opportunity to accompany me during my inspection of this property

My opinion of Just Compensation, Fair Market Value, or other defined value, is based upon my independent appraisal and the exercise of my professional judgment.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, subject to the requirements of the Appraisal Institute relating to review by duly authorized representatives, and in any event only with proper written qualification and only in its entirety.

As of the date of the appraisal, Robert W. Dodge has completed the requirements of the continuing education program of the Appraisal Institute.

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.

1/14/22

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Date



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MO State Certified General Real Estate Appraiser  
License # RA002990

County	St. Charles
Route	N/A
State Project #	N/A
Federal Project #	N/A
Parcel #	N/A

**Robert W. Dodge, MAI**  
**Dodge Appraisal Company**  
**202 Clarkson Executive Park, Ellisville, MO 63011**

**Experience:**

Dodge Appraisal Company	2006 - present
Hottle Appraisal Company	1995 - 2006
Tom J. Keith and Associates	1993 - 1995
Homeowners, Ltd.	1991 - 1993
Manor Homes by Blake	1990 - 1991

**Memberships and Certifications:**

MAI, Member Appraisal Institute #11529  
Missouri General Certified Real Estate Appraiser #RA002990  
Illinois Certified General Real Estate Appraiser #153.0001777  
St. Louis Association of Realtors

**Education:**

City University of New York, Queens College, BA - 1987  
Fayetteville Technical Community College  
    Introduction to Real Estate Appraisal - 1992  
Real Estate Academy of the Carolinas  
    Valuation Principles and Procedures - 1993  
    Applied Residential Property Valuation - 1993  
    Introduction to Income Property Appraisal - 1993  
    Advanced Income Capitalization Techniques - 1993  
    Applied Income Property Valuation - 1993  
Appraisal Institute  
    Appraisal Principles - 1993  
    Appraisal Procedures - 1994  
    Standards of Professional Appraisal Practice, A - 1996, 2000, & 2002  
    Standards of Professional Appraisal Practice, B - 1996  
    Advanced Income Capitalization - 1995  
    Highest and Best Use and Market Analysis - 1996  
    Advanced Sales Comparison and Cost Approaches - 1997  
    Report Writing and Valuation Analysis - 1997  
    Advanced Applications - 1997  
    Standards of Professional Practice, Part C - 2000 & 2001  
    General Applications - 2003  
    Scope of Work - 2006  
    The Appraiser as Expert Witness - 2006  
    Office Building Valuation - 2007  
    Analyzing Commercial Lease Clauses - 2007  
    Analyzing from Blueprints and Specifications - 2007  
    7 - Hour National USPAP Update - various  
    Supervising Appraisal Trainees - 2008  
    Business Practices & Ethics - various  
    Appraising Convenience Stores - 2009  
    Marshall & Swift Commercial Cost Training - 2009  
    Analyzing Distressed Real Estate - 2009  
    Real Estate Appraisal Operations - 2009  
    Eminent Domain and Condemnation - 2009  
    Data Verification Methods - 2009  
    Appraisal Curriculum Overview - 2011  
    Analyzing Operating Expenses -2011  
    What Commercial Clients Would Like Appraisers to Know - 2012

Appraisal Institute continued

- Comparative Analysis - 2013
- Subdivision Valuation - 2013
- Advanced Internet Search Strategies - 2013
- The Discounted Cash Flow Model: Concepts, Issues, and Applications - 2013
- Forecasting Revenue - 2015
- Online Rates and Ratios - 2015
- General Appraiser Market Analysis & Highest and Best Use - 2016
- Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications - 2017
- Appraisal of Medical Office Buildings - 2018
- Appraising Automobile Dealerships - 2019
- Fundamentals of Apartment Appraising - 2019

**Property Types Appraised:**

Robert Dodge has appraised most general commercial property types including industrial, office, retail, and apartment properties as well as vacant land. In addition, he has a wide range of experience with other property types including churches, schools, bowling alleys, restaurants, mini-storage facilities, automotive facilities, and aircraft hangars. The large majority of this appraisal work has been in the St. Louis metro area.

Appraisal of:  
Industrial Property  
1001 & 1051 Public Works Drive  
O'Fallon, MO 63366

Appraisal by:  
Dodge Appraisal Company  
202 Clarkson Executive Park  
Ellisville, MO 63011

# **Dodge Appraisal Company**

Real Estate Appraisers & Consultants

202 Clarkson Executive Park, Ellisville, MO 63011

Robert W. Dodge, MAI

Ph (636) 386-8997  
[www.dodgeappraisal.com](http://www.dodgeappraisal.com)

January 14, 2022

Mr. Steve Bender  
Managing Director of Public Works  
City of O'Fallon, Missouri  
100 N. Main Street  
O'Fallon, MO 63366

Reference:           Industrial Property  
                         1001 & 1051 Public Works Drive  
                         O'Fallon, MO 63366

File #21-164 (c)

Dear Mr. Bender:

In response to your request for an appraisal of the above referenced property, I have conducted the required investigation, gathered the necessary data, and made certain analysis that has enabled me to form an opinion of the market value of the fee simple interest in the above captioned property.

Based on the inspection of the property and the investigation and analysis undertaken, I have formed the opinion that as of January 4, 2022, and subject to the assumptions and limiting conditions which will be set forth in the appraisal report, the market value of the fee simple interest of the subject property is:

TWO MILLION TWO HUNDRED TWENTY THOUSAND DOLLARS

(\$2,220,000)

The narrative report that follows sets forth the identification of the property, the assumptions and limiting conditions, pertinent facts about the subject property, comparable data, the results of the investigation and analysis, and the reasoning leading to the conclusion.

The business environment has been impacted by the COVID-19 virus. While this is a relatively recent development, the most recent sales of most general property types in the St. Louis metropolitan statistical area show little or no change in value from pre-2020. The appraisal process is largely dependent upon historical data which is a weakness inherent in the process. The data used for valuation within the report is from the current business cycle and is believed to be reflective of current value.

It has been a pleasure to work with you on this assignment. If you wish to further discuss this matter please contact my office.

Respectfully submitted,

DODGE APPRAISAL COMPANY



ROBERT W. DODGE, MAI  
MO State Certified General Real Estate Appraiser  
License # RA002990

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### Exhibits

Location Map
Tax Map
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Rentals Map

## Addenda

State Certification

Client Assumptions and Limiting Conditions

Client Certification

Assumptions and Limiting Conditions

Certification

Qualifications

## STANDARD APPRAISAL FORMAT

**County:** St. Charles County  
**Route:** N/A  
**County Project No.:** N/A  
**Federal Project No.:** N/A  
**Parcel No.:** N/A  
**Area of Contiguous Ownership:** 242,629 sf or 5.57 acres

**Acquisition:**

(As indicated on plans)

**Normal Land:** 0 sf  
**New R/W:** 0 sf  
**Permanent Drainage Easement** 0 sf  
**Permanent Retaining Wall**  
**Easement:** 0 sf  
**Temporary Slope and  
Construction License** 0 sf

**Remainder:** 242,629 sf or 5.57 acres

**Appraiser:** Robert W. Dodge, MAI  
**Effective Date of Appraisal:** January 4, 2022

**1. Owner and Tenant** **Owner** City of O'Fallon  
100 N. Main Street  
O'Fallon, MO 63366

## 2. Purpose of Appraisal

The purpose of this appraisal is to estimate the market value of the fee simple interest.

**A. Fair Market Value Definition:** Fair market value is the value of the property taken after considering comparable sales in the area, capitalization of income, and replacement cost less depreciation, singularly or in combination, as appropriate, and additionally considering the value of the property based upon its highest and best use, using generally accepted appraisal practices. If less than the entire property is taken, fair market value shall mean the difference between the fair market value of the entire property immediately prior to the taking and the fair market value of the remaining or burdened property immediately after the taking. (RSMo 523.000). Jurisdictional exception to Standards Rule 1-2 c.

**B. Intended Use:** The intended use of the appraisal report is to assist the agency in determining a potential sale price to aid in a potential sale of the property and internal decision making purposes.

**C. Intended Users:** The intended user of this report is the agency (City of O'Fallon). Although the agency may authorize copies of this report be provided to others for informational purposes, other parties are not intended users as defined by USPAP.

**D. USPAP Compliance Statement:** This appraisal was prepared according to the contract/assignment from the agency. The intended use of the appraisal is assist the agency in determining a potential sale price of the subject to aid in a potential sale of the property and related internal decision making purposes. The agency bears responsibility for contract/assignment requirements that meet its needs and therefore are not misleading. In combination with the Scope of Assignment and review function, all appraisal reports assigned

by the agency identify the problem to be solved, determine the scope of work necessary to solve the problem, and correctly complete research and analysis necessary to produce a credible appraisal, and are therefore in compliance with USPAP Standard 1. In that the agency is the only intended user of the report and others may only be provided copies for informational purposes, the agency has determined that reports prepared in conformance with these procedures constitute an Appraisal Report, which fulfills the agency's needs. For any inconsistencies with USPAP, appraisers are protected by the USPAP Jurisdictional Exception provision.

**3. Interest Appraised:**

Fee simple

**4. Scope of Work:**

The scope of work involved assembling various types of data, a physical inspection of the subject and comparable sales, and analysis of the data.

Property and Sale Inspection:

This report was prepared in conformance with the scope of assignment and the requirements of the format assigned. The physical inspection of the subject included viewing the exterior and representative areas of the interior of the subject in order to determine the quality and condition of improvements and suitability for their current or alternative uses. The land area is based upon county records and the gross building area is based upon the appraiser's field measurements. Land sales, rentals, and building sales were viewed from the curbside.

Extent of Data Research:

Sales data was researched through several sources including the appraiser's database, CoStar (sales and leasing database), local multiple listing service, and county records. When possible information was confirmed with a party involved in the transaction. At a minimum, public records were relied upon for confirmation of sales and property data.

**Extent of Analysis:**

The valuation includes consideration of the use of the cost, income, and sales comparison approaches.

**5. Identification of the Realty:**

The property under consideration is 1001 and 1051 Public Works Drive, O'Fallon, MO 63366. The assessor's office identifies the subject as parcel numbers 2-0056-C402-00-0001.0000000 and 2-0056-S027-00-0009.6000000. The brief legal descriptions indicated by online county records are "Cool Springs Rd & Widel Lne Par Consolid NW Corner Lot 1" and "Pt NW 1/4 Sec 27".

**6. History of the Property:**

According to county records, National Sales Co. sold a portion of the subject (1051 Public Works Drive) the subject to the City of O'Fallon on January 25, 2011 for \$1,000,000 (\$40.65/sf). 1001 Public Works has been owned by the City of O'Fallon for at least five years. There have been no other sales since the 2011 conveyance and the property is occupied by the ownership.

**7. Description of Realty:**

**A. Land:**

The site contains approximately 5.57 acres or 242,629 sf according to online county records.

The site is an assemblage of two adjoining tax parcels that has a slightly irregular shape. The overall topography of the site is two tiers with 1001 Public Works having a somewhat lower elevation than 1051 Public Works. The site is at road grade with Public Works and S. Cool Springs. The site is situated within a zone X, outside the flood hazard area. No apparent adverse easements were observed at the time of inspection.

The subject is a corner parcel with frontage along S. Cool Springs Road and Public Works Drive. It has four existing curb cuts along S. Cool Springs and one curb cut along Public Works Drive. The site is served by public water, public sewer, electricity, and telephone.

**B. Zoning:**

According to the City of O'Fallon zoning map, the subject is located in an area which is zoned I-1, Light Industrial. Permitted uses in this district include manufacturing, offices, warehousing, and storage. This district requires a 30' front yard, 20' side yard, and 35' rear yard. The parking requirement is one space per employee plus one space per 1,000 sf of floor area. The improvements appear to conform to the basic requirements for this district; however, without a physical inspection by the city, definite compliance can not be ascertained.

**C. Fee Owned Improvements, Fixtures, and Personality:**

The site is improved with a three metal office and industrial buildings which contain a combined area of approximately 37,002 sf (appraiser's field measurements and county records building dimensions). The overall percentage finished area is 33% and the clear height ranges from 13' - 19' overall.

1001 Public Works

This portion of the site is improved with two metal buildings which contain a combined area of approximately 12,400 sf (appraiser's field measurements and county records measurements). The office building contains roughly 4,700 sf and the truck service building/warehouse contains roughly 7,700 sf. The overall percentage finished area for the two buildings is 49%.

The office building is situated near the west end of the site and consists of open cubicle areas, a training/conference room, break area, private offices, and a storage area. The interior floor has several levels including stairs between areas and sloping floor areas. The quality of the building is considered to be below average for offices in the area and the condition is average.

The truck service building/warehouse is situated at the east end of the site. The main level contains approximately 6,900 sf and there is approximately 800 sf of additional second floor office area. The overall percentage finished area within this building is 20% and consists of a first floor office, break room area and rest rooms, and second floor office area. The remainder of the building consists of two areas: a truck service warehouse area and a wash bay. The building is served by six overhead drive in doors and the clear height is 19' +- . The truck service/warehouse areas are heated and feature  $\frac{1}{2}$  height interior liner panels over vinyl backed insulated metal walls. The service area features an exhaust system and there are roof mounted solar panels. The building also has an adjoining 1,200 sf covered outdoor storage area (not included in the building area).

### 1051 Public Works

The truck service/warehouse building at 1051 Public Works contains approximately 24,602 sf. The first floor contains 23,802 sf and there is a second floor office area containing an additional 800 +- sf. The building was constructed in 1982 and is basically configured for occupancy by a single user. The main office entrance is situated along S. Cool Springs and there are additional man doors around the perimeter of the building. The office areas consists of the primary office area with open office area, perimeter private offices, conference room, and rest rooms, a locker room area, second floor office area, and shop office areas. The office areas comprise approximately 25% of this building. The office areas are in average condition and have generally average quality finish overall.

There are two warehouse/service bay areas which comprise the remainder of this building. These areas are heated and feature  $\frac{1}{2}$  height interior liner panels over vinyl backed insulated metal walls. The south bay is accessed by a drive in door and covered loading area at the rear of the building and a drive in door at the front elevation. The north bay is accessed by a drive in door and a dock at the rear elevation. The clear height ranges from 13' - 17'. The service area features an exhaust system.

Date of Construction and Effective Age

The date of construction of the buildings located on 1001 Public Works is unknown and aerial photography indicates that the buildings existed as early as 1998. 1051 Public Works was constructed in 1982. The buildings have an effective age of 35 years, a remaining economic life of 25 years and an overall economic life of 60 years.

Site Improvements

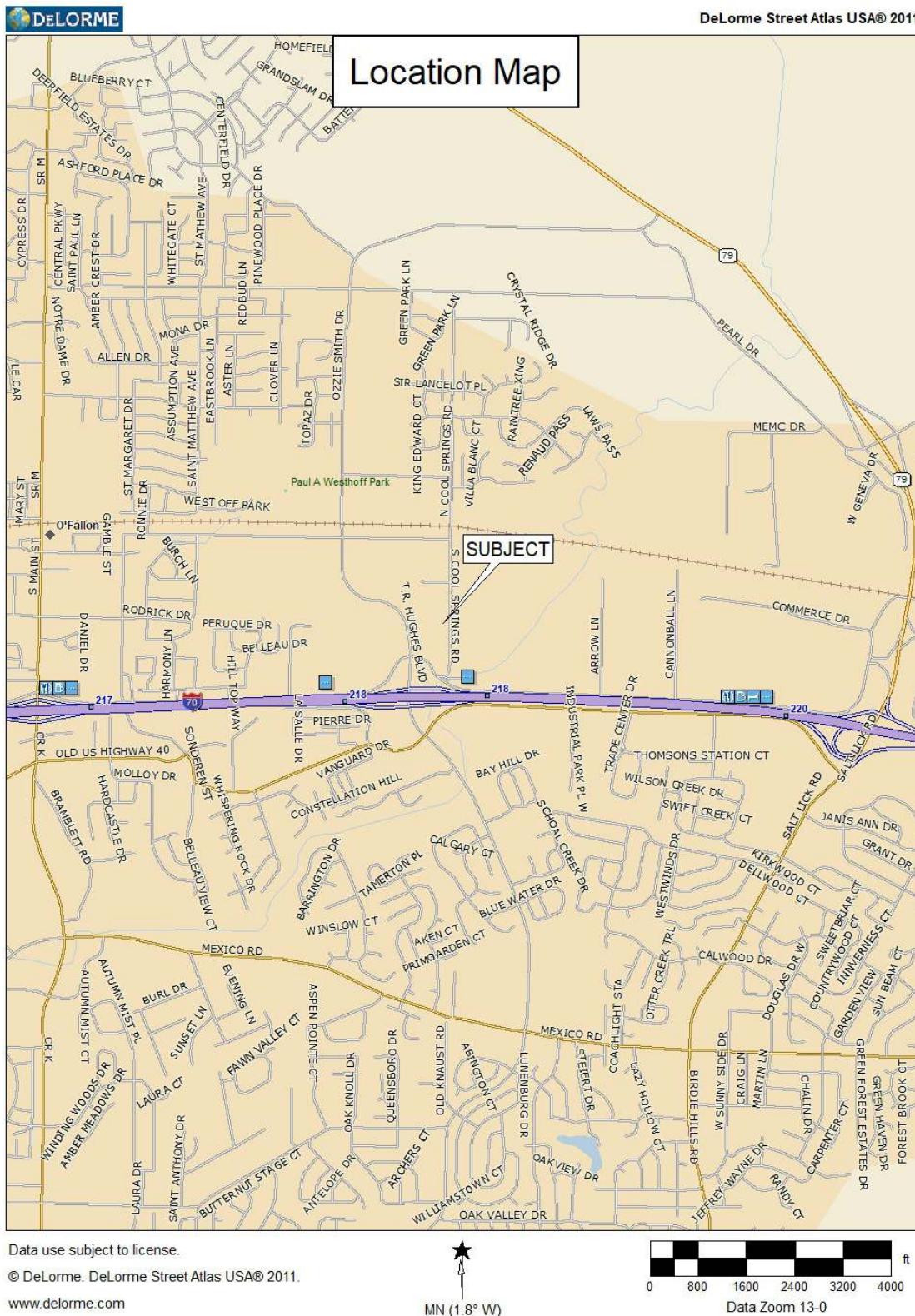
Site improvements include perimeter chain link fencing with gates along S. Cool Spring and Public Works, a combination of concrete and asphalt paving and gravel surfaces, two above ground fuel tanks, and a below ground fuel tank with dispenser. There is also a 3,200 sf +- canvas on steel frame storage shelter. This improvement is reported to have a 5 year permit for use. It is an amenity to the property, but is not considered to be a permanent improvement with significant contributory value. There are also five outdoor storage silos at the south end of the truck service building. 1051 Public Works Drive has a wind turbine which accrues energy to the subject. Note that while the cost savings of this energy efficient feature are unknown, it is believed to have only nominal contributory value. The land to building ratio is 6.6:1.

**D. Tenant Owned Improvements, Fixtures, and Personality:**

None.

**E. Other Appraisal Considerations**

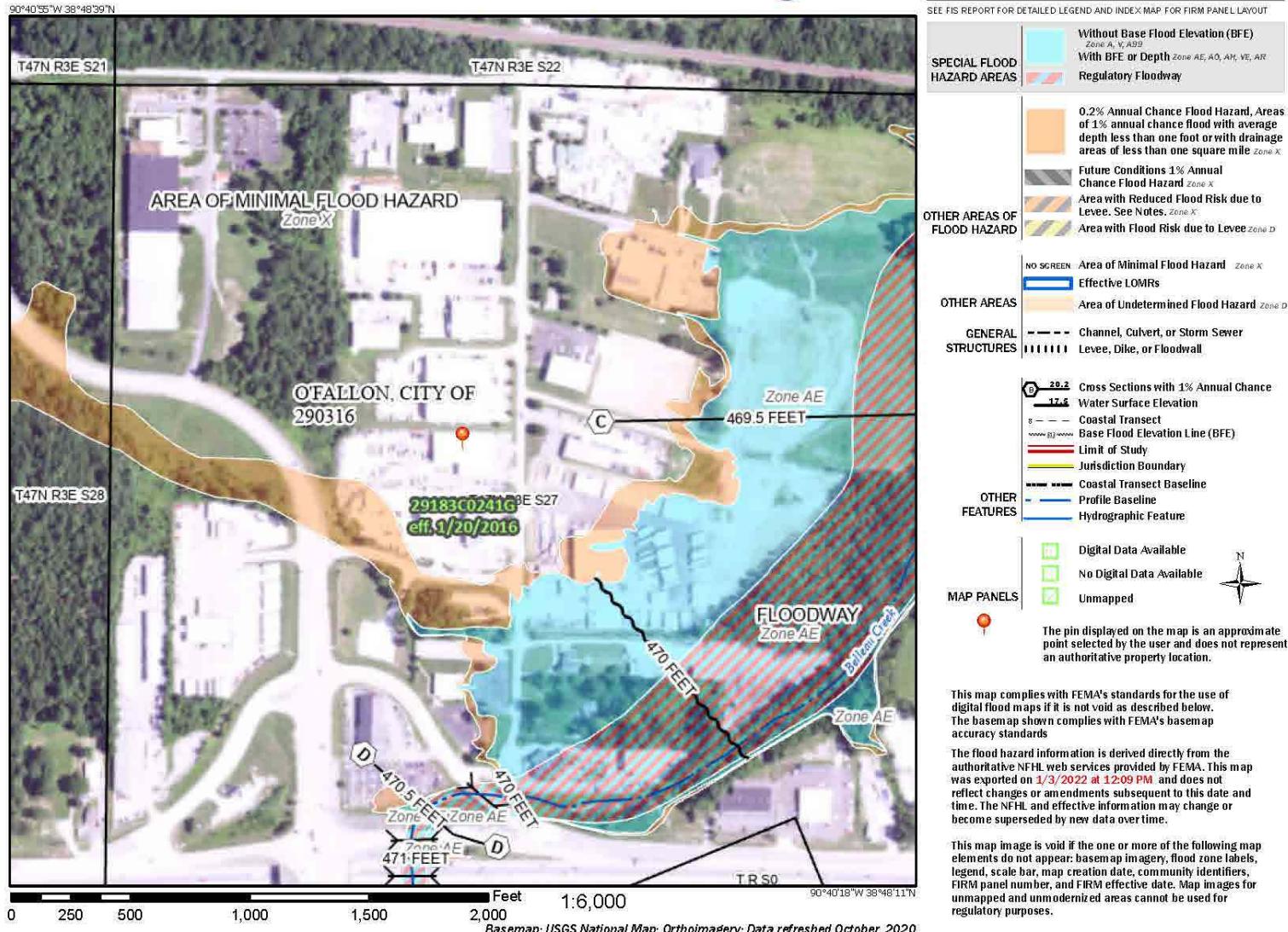
None.







## National Flood Hazard Layer FIRMette







**Exterior View of Office Building (1001 Public Works)**



**Exterior View of Office Building (1001 Public Works)**



**Exterior View of Office Building (1001 Public Works)**



**Exterior View of Office Building (1001 Public Works)**



**Interior View of Office Building**



**Interior View of Office Building**



**Interior View of Office Building**



**Interior View of Office Building**



**Exterior View of Truck Service Building (1001 Public Works)**



**Exterior View of Truck Service Building (1001 Public Works)**



**Exterior View of Truck Service Building (1001 Public Works)**



**Exterior View of Truck Service Building (1001 Public Works)**



**Interior View of Truck Service Building**



**Interior View of Truck Service Building**



**Interior View of Truck Service Building**



**Interior View of Truck Service Building**



**View of Above Ground Fuel Tanks**



**View of Fuel Dispenser**



**View of Material Storage Shelter**



**Front View of Subject (1051 Public Works)**



**Front View of Subject (1051 Public Works)**



**View of Office Area**



**View of Office Area**



**View of Office Area**



**View of Office Area**



**View of Warehouse**



**View of Warehouse**



**View of Warehouse**



**View of Warehouse/Service Area**



**Rear View of Subject (1051 Public Works)**



**Rear View of Subject (1051 Public Works)**

## **8. Highest and Best Use Analysis**

Highest and Best Use "As if Vacant" - The subject is situated within an area which is zoned for industrial uses. The shape of the site does not place any significant limitations upon typical development and the topography has a two tier elevation. All public utilities are available to the site. It has access from S. Cool Springs Road and Public Works and is a corner site. The surrounding land uses are predominantly industrial and visibility is considered to average. While speculative new construction is unlikely, the subject site could be developed with a build to suit industrial project. The highest and best use is for industrial development.

Highest and Best Use "As Improved" - The current use as an industrial property is a permitted use. While the buildings are not new, they have been adequately maintained and are in average condition. The building materials are typical for the area and the buildings. The building area is segmented between three structures which is generally inferior to a single contiguous building; however, it is still generally suitable for the intended industrial use. The percentage finished area is adequate to support most industrial uses and the land to building ratio is slightly higher than typical for modern suburban industrial buildings. The clear height ranges from 13' - 19' which at the lower end is lower than typical for newer industrial buildings and places some limitations upon the number and type of specific potential users. The loading facilities are adequate. The highest and best use is for continued use as an industrial property.

## **9. Valuation**

The highest and best use is for continued use as an industrial building and the valuation will be based upon the sales comparison approach and income approaches. While the cost approach could be applied, the improvements have a large amount of depreciation and there have been few recent pertinent land sales within the neighborhood which would weaken the validity of this approach. The cost approach has been omitted from the valuation.

**A. Cost Approach**

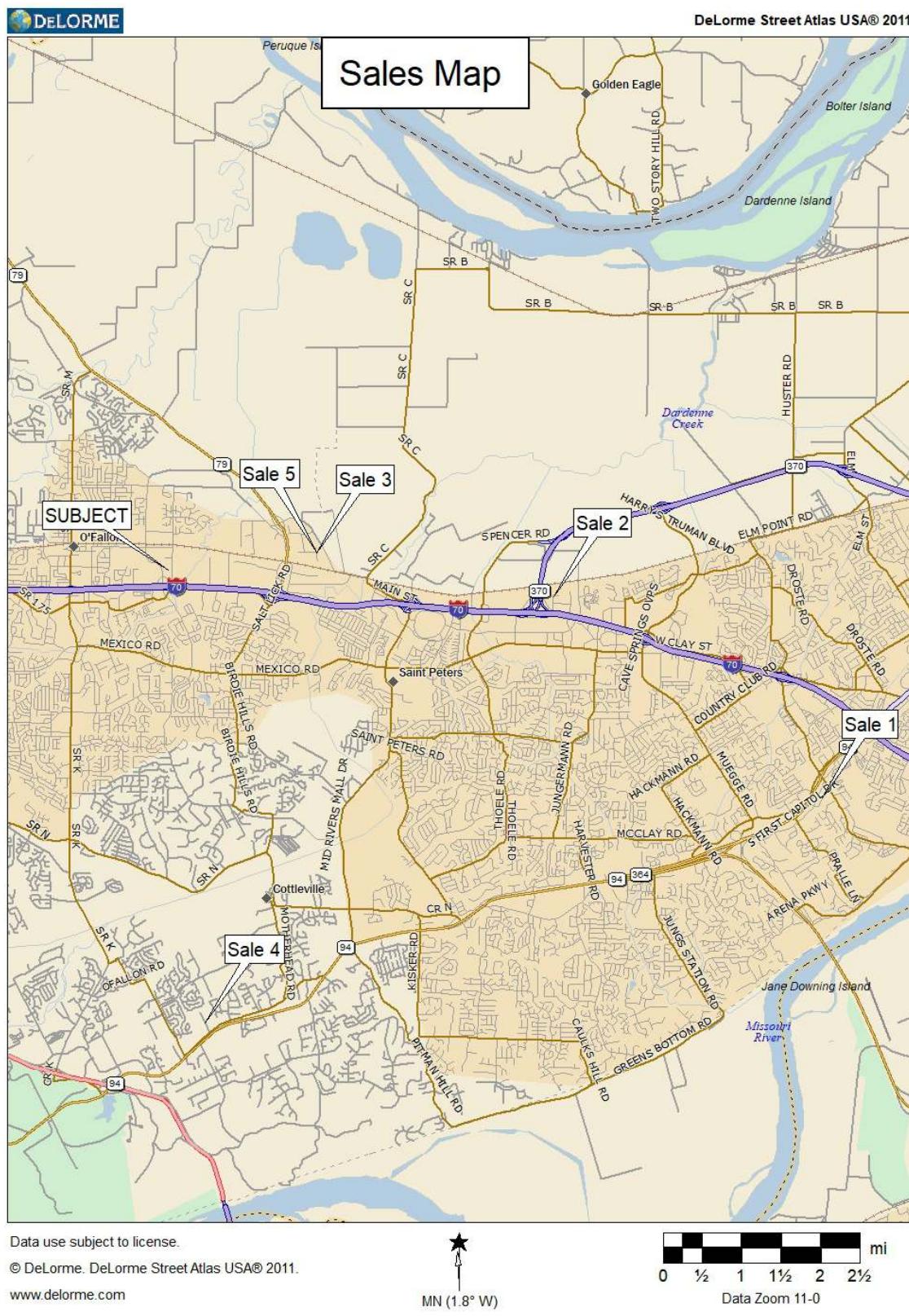
As discussed above, the cost approach has been omitted from the valuation.

**B. Sales Comparison Approach**

The sales comparison approach is based upon competitive properties which sold recently in the local market area and then are adjusted to reflect differences in pertinent physical characteristics. The result of the adjustment process is to estimate what the comparable sale would have sold for had it possessed all of the salient characteristics of the subject. The sales are reconciled to a single per unit value which is then applied to the subject area to arrive at an indication of value.

Several sales of similar properties were found within the subject submarket. Buildings of similar size and construction have been included for comparison. Information concerning these sales are found on the following pages.

Value by Sales Comparison Approach: \$2,220,000



Comparable Sale #1



Location:	1800 Scherer Parkway, St. Charles 63303
Locator #:	3-0116-0165-00-0001.1023000
Date of Sale:	10/29/21
Book/Page:	02021-089511
Grantor:	Steven C. White
Grantee:	Nationwide Realty, LLC
Building Size:	20,460 sf
Lot Size:	1.69 acres or 73,616 sf
Year Built:	1980
Ceiling Height:	14'
Office Finish:	N/A
Land to Building Ratio:	3.6 :1
Zoning:	Industrial
Sale Price:	\$1,200,000
Sale Price/SF:	\$58.65

Comments: Single user masonry and metal building.

Comparable Sale #2

Location:	50 Patmos Court, St. Peters 63376
Locator #:	2-0107-5254-00-0004.0000000
Date of Sale:	1/5/21
Book/Page:	2021/979
Grantor:	Patmos Real Estate, LLC
Grantee:	Stevenson Properties, St. Peters MO, LLC
Building Size:	25,450 sf
Lot Size:	5.00 acres or 217,800 sf
Year Built:	1978
Ceiling Height:	18' +-
Office Finish:	N/A
Land to Building Ratio:	8.6 :1
Zoning:	Industrial
Sale Price:	\$1,380,000
Sale Price/SF:	\$54.22

Comments: Two metal buildings. Actual sale price was \$1,275,000. Roof of front building was replaced following sale. Estimated cost of replacement is \$7/sf or \$105,000. Adjusted price to reflect need to correct deferred maintenance is \$1,380,000 and applied above. Fenced and graveled storage yard.

Comparable Sale #3

Location:	21 Guenther Boulevard, St. Peters 63376
Locator #:	2-106A-C761-00-0001.0000000
Date of Sale:	3/17/20
Book/Page:	7249/1879
Grantor:	One Arrowhead Properties, LLC
Grantee:	25 Guenther, LLC
Building Size:	27,093 sf
Lot Size:	4.89 acres or 212,834 sf
Year Built:	1984
Ceiling Height:	15' - 18'
Office Finish:	10%
Land to Building Ratio:	7.9 :1
Zoning:	Industrial
Sale Price:	\$1,400,000
Sale Price/SF:	\$51.67

Comments: Single tenant metal building. Aka 25 Guenther. Information confirmed by listing broker. Roughly 1/4 of the site has a sloping topography and is of limited use. Property had been marketed for sale for \$1,612,325 for roughly 17 months.

Comparable Sale #4



Location:	811 Westwood Industrial Park Drive, Weldon Spring
Locator #:	3-157C-7955-00-0002.0000000
Date of Sale:	7/20/21
Book/Page:	02021-060702
Grantor:	Bernard F. Kuenz, LLC
Grantee:	501 Partnership
Building Size:	32,710 sf
Lot Size:	2.55 acres or 111,078 sf
Year Built:	2000
Ceiling Height:	16' - 18'
Office Finish:	10% +-
Land to Building Ratio:	3.4 :1
Zoning:	Industrial
Sale Price:	\$2,200,000
Sale Price/SF:	\$67.26

Comments: Single user metal building.

Comparable Sale #5

Location:	13 Guenther Boulevard, St. Peters 63376
Locator #:	2-106A-C761-00-0019.0 & 8944-00-000A.0
Date of Sale:	8/17/20
Book/Page:	7372/1944
Grantor:	One Arrowhead Properties, LLC
Grantee:	Kyle Holdings, LLC
Building Size:	31,366 sf
Lot Size:	3.86 acres or 168,185 sf
Year Built:	1984
Ceiling Height:	16' - 23' (19' average)
Office Finish:	16%
Land to Building Ratio:	5.4 :1
Zoning:	I-2, Heavy Industrial
Sale Price:	\$1,500,000
Sale Price/SF:	\$47.82

Comments: Two buildings. 26,366 sf metal office warehouse and 5,000 sf brick warehouse. Purchased for owner occupancy. Land area above is based upon 3.861 acre parcel alone. Adjoining 0.75 acre parcel is surplus land and not included in land area above. Information confirmed by sale contract and listing broker.

## Sales Comparison Approach Analysis

The sales are industrial buildings located throughout competing areas of the county which have sold within the past few years. The sales are summarized and analyzed below.

	Subject	Sale #1	Sale #2	Sale #3	Sale #4	Sale #5
Location	Public Works, O'Fallon	Scherer, St. Charles	Patmos, St. Peters	Guenther, St. Peters	Westwood Industrial, Weldon Spring	Guenther, St. Peters
Sale Price	N/A	\$1,200,000	\$1,380,000	\$1,400,000	\$2,200,000	\$1,500,000
Price/SF	N/A	\$58.65	\$54.22	\$51.67	\$67.26	\$47.82
Characteristics						
Building Size	37,002	20,460	25,450	27,093	32,710	31,366
Date of Sale	N/A	10/21	1/21	3/20	7/21	8/20
Eff. Age @ Sale	35 yrs	40 yrs	35 yrs	35 yrs	20 yrs	35 yrs
% Office	33%	N/A	N/A	10%	10%	16%
Clg Height	13' - 19'	14'	18'	15' - 18'	16' - 18'	19' (ave)
Land:Bldg Ratio	6.6:1	3.6:1	8.6:1	7.9:1 (Pt slope)	3.4:1	5.4:1
Construction	Metal	Mas/Metal	Metal	Metal	Metal	Metal
Adjustments						
Conditions of Sale	-0-	-0-	-0-	-0-	-0-	-0-
CoS Adjusted \$/SF	\$58.65	\$54.22	\$51.67	\$67.26	\$47.82	
Market Conditions	1%	3%	6%	2%	4%	
MC Adjusted \$/SF	\$59.24	\$55.85	\$54.77	\$68.61	\$49.73	
Visibility/Location	-0-	-0-	-0-	-0-	-0-	
Age/Condition	-0-	-0-	-0-	-10%	-0-	
% Office	-0-	-0-	10%	10%	5%	
Ceiling Height	-0-	-0-	-0-	-0-	-0-	
Land to Building Ratio	5%	-5%	-0-	5%	-0-	
Building Size	-0-	-0-	-0-	-0-	-0-	
Construction	-0-	-0-	-0-	-0-	-0-	
Net Adjustment	1.05	0.95	1.10	1.05	1.05	
\$/SF	<b>\$62.20</b>	<b>\$53.05</b>	<b>\$60.25</b>	<b>\$72.04</b>	<b>\$52.22</b>	

Following is a discussion of the adjustments applied.

Property Rights, Financing, & Conditions of Sale

No adjustment was necessary.

Market Conditions

Market conditions have continued to appreciate due to the increased demand for improved logistics for supply chains. A +3%/year (0.25%/month) adjustment was applied.

Location/Visibility

No adjustment was applied.

Age/Condition Adjustment

Newer buildings tend to sell for more than otherwise similar, but older buildings. A -10% adjustment was applied to sale four which is a much newer building.

% Finished Area

Industrial buildings with higher percentages of office finish tend to sell for higher prices than those with less office space. Based upon a comparison of sales and rentals of industrial properties, prices increase between 0 to 1% per 1% difference in finished area. Adjustments of +5% to +10% were applied to sales three, four, and five which had significantly less finish.

Ceiling Height Adjustment

The ceiling height adjustment is based upon the variance in cost per foot of ceiling height indicated in Marshall & Swift (roughly 2% per foot). An examination of sales indicates a change in value of 0 - 4% per one foot of difference. No adjustment was applied.

Land to Building Ratio

Buildings with a higher land to building ratio offer the potential for construction of an addition or greater parking and truck areas. Adjustments of -5% to +5% were applied to the sales with a significant difference in land to building ratio.

Building Size

Smaller buildings tend to sell for a higher price per square foot than otherwise similar larger buildings due to economies of scale. No adjustment was applied.

Construction

Masonry and tilt up concrete buildings are generally perceived as more attractive and durable than metal and frame buildings. The subject and comparables are all similar quality and type construction and no adjustment was applied.

Conclusion

The following statistics can be derived from the sample of sales:

	Low	High	Median	Average
Before Adjustments	\$48	\$67	\$54	\$56
After Adjustments	\$52	\$72	\$60	\$60

The sales indicate a moderate range before and after adjustments. Each of the sales required limited adjustments and sales one and two required only a small adjustment for market conditions and one other adjustment. Roughly equal consideration is given to the sales and most weight is given to the center of the adjusted range. A value of \$60/sf has been selected. When applied to the subject, a value of \$2,220,120 is indicated. This can be rounded to \$2,220,000.

$$37,002 \text{ sf} \times \$60.00 = \$2,220,120$$

### C. Income Approach

The income approach is widely applied in appraising income producing properties. This procedure converts the anticipated income into a value estimate. The basic steps in translating the income stream projection into a value indication are:

- Estimate potential gross real estate income.
- Estimate and deduct vacancy and collection losses to derive effective gross income.
- Estimate and deduct expenses of operation to arrive at net operating income.
- Develop the appropriate capitalization rate.
- Capitalize the stabilized net operating income to estimate the property's value.

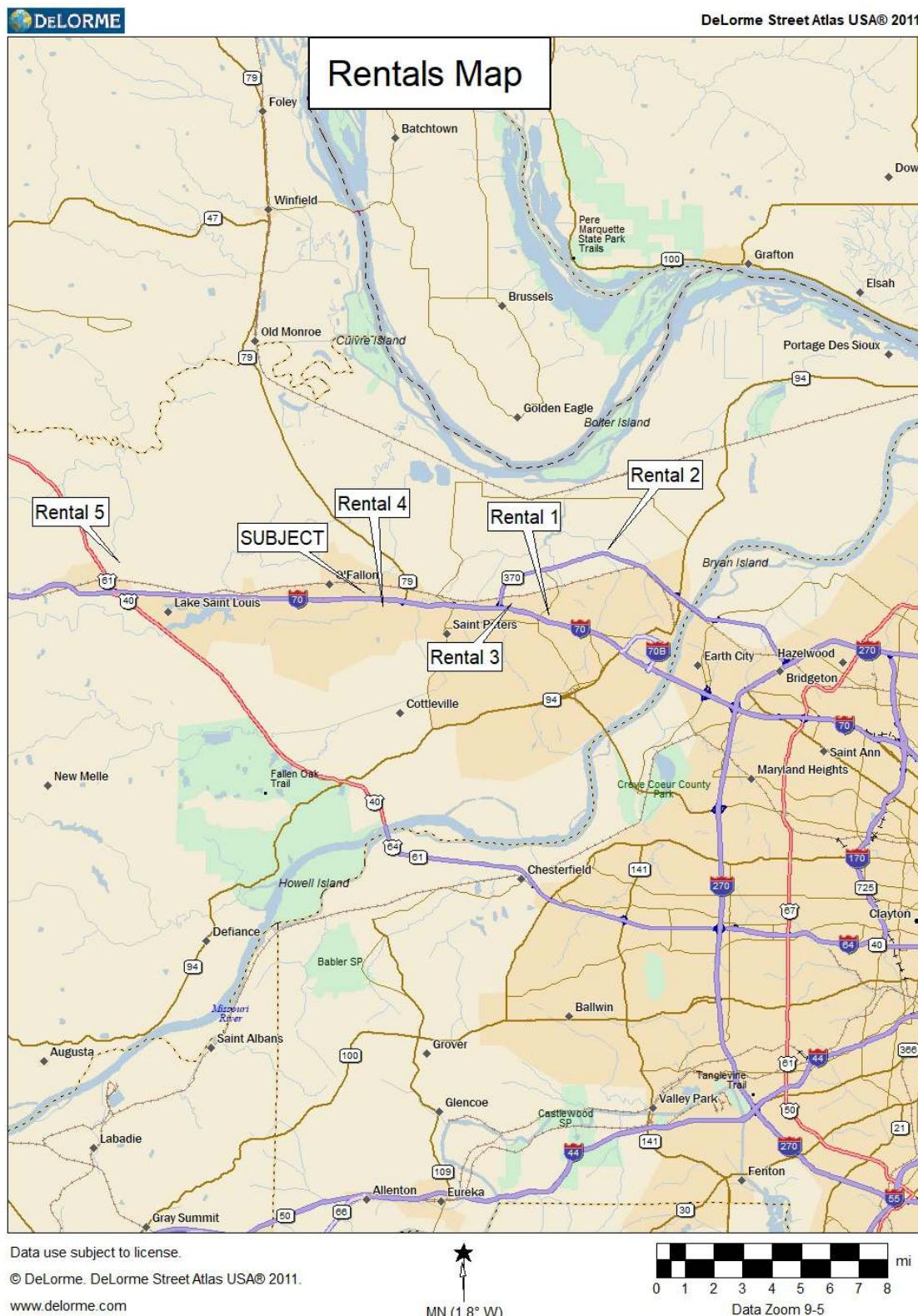
Value by Income Approach: \$2,080,000

Method of Capitalization - The direct capitalization method will be used.

Rent roll and Lease Abstracts - The subject is currently occupied by the ownership.

Historic Income and Expenses - Historic income and expense statements were not available.

Estimate of Market Rent - The first step in the income approach is to estimate the potential gross income the property can generate. This is done through an analysis of the comparable rentals which follow.



Comparable Rental #1



Location: 157 - 165 Compass Point Drive, St. Charles  
Lessor: Black Dog Acquisitions, LLC  
Lessee: Magic Shoe Cover

Rental Rate: \$6.25/sf  
Terms: Net  
Occupancy Date: 10/20

Leased Area: 22,577 sf  
Building Area: 57,800 sf  
Year Built: 2001  
% Finished Area: N/A  
Clear Height: 24'  
Land Area: 4.16 acres  
Land to Building Ratio: 3.1:1

Comments: Space in multi-tenant tilt up building.

Comparable Rental #2



Location: 3896 Fountain Lakes Parkway E, St. Charles 63301

Lessor: 501 Partnership

Lessee: Fastenal

Rental Rate: \$6.75/sf

Terms: Net

Occupancy Date: 5/20

Leased Area: 14,275 sf

Building Area: 24,960 sf

Year Built: 2018

% Finished Area: N/A

Clear Height: 22'

Land Area: 1.97 acres

Land to Building Ratio: 3.4:1

Comments: Space in multi-tenant tilt up concrete building.

Comparable Rental #3



Location: 50-58 Algana Court, St. Peters 63376

Lessor: Hemmer Cornell Indent. of Trust

Lessee: Precision Detailing

Rental Rate: \$7.00/sf

Terms: Gross

Occupancy Date: 7/21

Leased Area: 9,081 sf

Building Area: 20,480 sf

Year Built: 1985

% Finished Area: N/A

Clear Height: 15'

Land Area: 1.24 acres

Land to Building Ratio: 2.6:1

Comments: Space in multi-tenant masonry building.

Comparable Rental #4



Location:	2026 - 2051 Trade Center Drive E., St. Peters 63376
Lessor:	Lyons Mary Jane & Lyons Michael J Residuary Trust & AFG Plumbing Co.
Lessee:	N/A
Rental Rate:	\$6.07/sf
Terms:	Gross
Occupancy Date:	5/20
Leased Area:	8,300 sf
Building Area:	17,100 sf
Year Built:	2001
% Finished Area:	N/A
Clear Height:	18'
Land Area:	1.62 acres
Land to Building Ratio:	4.1:1

Comments: Space in multi-tenant masonry building.

Comparable Rental #5



Location:	1404 Sachs Business Parkway, Wentzville 63385
Lessor:	Point West Properties, LLC
Lessee:	SRS Distribution
Rental Rate:	\$6.69/sf
Terms:	Gross
Occupancy Date:	6/21
Leased Area:	36,500 sf
Building Area:	54,750 sf
Year Built:	2006
% Finished Area:	N/A
Clear Height:	18' - 22'
Land Area:	4.31 acres
Land to Building Ratio:	3.4:1

Comments: Aka 133 Enterprise Drive. Space in multi-tenant metal building.

## Rental Analysis

The previous comparable rentals are summarized below.

	Subject	Rental #1	Rental #2	Rental #3	Rental #4	Rental #5
Location	Public Works, O'Fallon	Compass, St. Charles	Fountain Lakes, St. Charles	Algana, St. Peters	Trade Center, St. Peters	Sachs, Wentzville
Date of Lease	N/A	10/20	5/20	7/21	5/20	6/21
Leased SF	37,002	22,577	14,275	9,081	8,300	36,500
Effective Age	35 yrs	15 yrs	2 yrs	35 yrs	15 yrs	15 yrs
Ceiling Height	13' - 19'	24'	22'	15'	18'	18' - 22'
% Finish	33%	N/A	N/A	N/A	N/A	N/A
LB Ratio	6.6:1	3.1:1	3.4:1	2.6:1	4.1:1	3.4:1
Construction	Metal	Tilt up	Tilt up	Masonry	Masonry	Metal
Rent/SF	N/A	\$6.25	\$6.75	\$7.00	\$6.07	\$6.69
Terms	Net	Net	Net	Gross	Gross	Gross
Adjust to Net		-0-	-0-	(\$1.50)	(\$1.50)	(\$1.50)
Equivalent Net Rent		\$6.25	\$6.75	\$5.50	\$4.57	\$5.19
Adjustments						
Prop Rts, CoS, Fin, MC		4%	5%	2%	5%	2%
Adjusted Rent/SF		\$6.50	\$7.09	\$5.61	\$4.80	\$5.29
Size		-0-	-5%	-5%	-5%	-0-
Age/Condition		-15%	-30%	-0-	-15%	-15%
Ceiling Height		-10%	-10%	-0-	-0-	-5%
% Finish		-0-	-0-	-0-	-0-	-0-
LB Ratio		5%	5%	10%	5%	5%
Location/Visibility		-0-	-0-	-0-	-0-	5%
Construction		-5%	-5%	-5%	-5%	-0-
Net adjustment		0.75	0.55	1.00	0.80	0.90
Adjusted Rent/SF		\$4.88	\$3.90	\$5.61	\$3.84	\$4.76

Following is a discussion of the adjustments applied.

Equivalent Net Rent

The rentals are industrial buildings and spaces within the same submarket which have been leased within the past few years. The rentals indicate a range of \$6.07/sf to \$7.00/sf on a combination of net and gross lease agreements. An adjustment of -\$1.50/sf was applied to the gross rentals to reflect taxes, insurance, and common area maintenance which are paid by the lessor under a gross lease. After this adjustment, the range of equivalent net rent is \$4.57/sf to \$6.75/sf.

Property Rights, Conditions of Sale, Financing, Market Conditions

Market conditions had previously shown modest improvement and for local industrial properties have continued to appreciate due to the increased demand for improved logistics for supply chains. A +3%/year (0.25%/month) adjustment was applied.

Size

The size adjustment reflects economies of scale resulting from large differences in unit size. A -5% adjustment was applied to the rentals of much smaller spaces.

Age/Condition Adjustment

Newer buildings tend to rent for more than otherwise similar, but older buildings. Adjustments of -15% to -30% were applied to the rentals.

Ceiling Height Adjustment

The ceiling height adjustment is based upon the variance in cost per foot of ceiling height indicated in Marshall & Swift (roughly 2% per foot). An examination of sales indicates a change in value of 0 - 4% per one foot of difference. Adjustments of -5% to -10% were applied to the rentals of spaces with a significantly higher clear ceiling.

% Finished Area

Industrial buildings with higher percentages of office finish tend to sell for higher prices than those with less office space. Based upon a comparison of sales and rentals of industrial properties, prices increase between 0 to 1% per 1% difference in finished area. No adjustment was applied.

Land to Building Ratio

Buildings with a higher land to building ratio offer the potential for construction of an addition or greater parking and truck areas. Adjustments of +5% to +10% were applied to the rentals which have a much lower land to building ratio.

Location/Visibility

Rental five is situated in a more distant area of the county and a +5% adjustment was applied.

Construction

Masonry and tilt up concrete buildings are generally perceived as more attractive and durable than metal and frame buildings. A -5% adjustment was applied to the rentals of masonry and tilt up concrete buildings.

Conclusion of Market Rent

After adjustments for economic and physical characteristics, the rentals range from \$3.84/sf to \$5.61/sf. Rental three required the least adjustments and indicates a rate at the upper end of the adjusted and unadjusted ranges. Most weight is given to the center to upper end of the adjusted range. The market rent is estimated to be \$5.00/sf on a net basis.

### **Lease Type**

The market rent is based upon a net basis in which the tenant either directly pays or reimburses real estate taxes, insurance, and maintenance expenses and pays for their own utilities. The landlord is responsible for structural maintenance/reserves, and management.

### **Potential Gross Income**

The potential gross income is calculated below and is based upon the estimated market rate.

37,002 sf @ \$5.00 /sf = \$185,010

### **Reimbursements**

No reimbursements are applicable.

### **Vacancy**

CoStar Analytics indicates overall industrial vacancy of 3.6% for the St. Louis metro area. Vacancy for the St. Charles County submarket is 2.1%. 3% stabilized vacancy will be applied (which also includes consideration of collection loss).

### **Effective Gross Income**

The effective gross income is calculated by deducting vacancy from the estimated potential gross income.

## Expenses

The market rent for the subject is estimated on a net basis in which most expenses (taxes, insurance, maintenance) are either directly paid by the tenant or reimbursed. The landlord is responsible only for structural maintenance/reserves and management.

Under a net lease, structural maintenance/reserves is minimal and is estimated to be \$0.20/sf or \$7,400 (rounded) based upon benchmarks in the *PwC Real Estate Investor Survey*.

The market rent is based upon a net lease and management responsibilities would be minimal. 3% of effective gross income will be applied.

While it is technically correct to apply vacancy to reimbursed expenses, most participants in the local industrial market do not follow this practice and excluding reimbursements more closely conforms to the actions and analysis of the local market.

## Stabilized Income and Expense Projection

Now that income and expenses have been properly estimated an income and expense statement can be formulated and is included below.

Potential Gross Income		\$185,010
Vacancy & Collection Loss	3%	<u>(5,550)</u>
Effective Gross Income		\$179,460
Less Expenses		
Structural Maintenance/Reserves		7,400
Management	3%	<u>5,384</u>
Total Expenses		<u>(12,784)</u>
Net Operating Income		\$166,676

Note that the calculations above are carried out beyond the nearest dollar and nominal discrepancies in the calculations above may appear due to rounding.

### **Direct Capitalization Method and Rate Selection**

Once the net operating income has been estimated, the capitalization rate can be applied to this figure to estimate the value of the subject.

Market research is performed to estimate capitalization rates. The three general methods of estimating the appropriate rate are extraction from comparable sales, investor surveys, and the buildup method. The buildup method is not considered to be as reliable as the extraction and investor surveys and has been omitted.

#### Investor Surveys

The *PwC Real Estate Investor Survey* indicates a range of overall cap rates from 3.3% - 7.0% for the national warehouse market with an average of 4.8%. For non-institutional grade properties, the average increase in basis point spread is 225, or an indicated 7.1%. The RERC Real Estate Report indicates a 6.3% cap rate for first tier warehouse space in the St. Louis Market. However, these are reflective of larger, professionally managed institutional investment grade and first tier properties.

#### Cap Rate Extraction

The appraiser has provided further support for the selected capitalization rate by presenting a summary of industrial buildings which have sold while under lease.

Location	Date of Sale	Sale Price	OAR
6501 Hall, St. Louis *	4/21	\$8,000,000	8.1%
909 N. 20 <sup>th</sup> & 1020 N. 23 <sup>rd</sup> , St. Louis	9/20	\$27,000,000	7.0%
N. Rider Trail, Earth City *	5/20	\$6,300,000	6.9%
8610 Page, Overland	2/20	\$9,600,000	9.1%
Larkin Williams, Fenton	12/19	\$1,200,000	9.4%
Baumgartner Industrial, St. Louis	11/19	\$1,525,500	9.6%
38 <sup>th</sup> Street, St. Louis	9/19	\$1,600,000	11.7%
Phantom, Hazelwood	9/19	\$5,400,000	8.6%
Dielman, St. Louis	8/19	\$1,265,000	8.3%
Cassens, Fenton	6/19	\$13,976,121	7.5%
Lakeside Crossing, Maryland Heights	5/19	\$3,100,000	7.6%
Lackland, St. John	3/19	\$3,205,000	8.4%
Lakeside Crossing, Maryland Heights	2/19	\$8,700,000	8.3%
S. Hanley, Maplewood	2/19	\$3,250,000	6.0%
Northwest Industrial, Bridgeton	1/19	\$2,425,000	8.0%
Median			8.3%
Average			8.3%

The capitalization rates above range from 6.0% to 11.7% with a median of 8.3% and average of 8.3%. The cap rates indicated by the local sales tend to be higher than that indicated by the investor survey and are a better reflection of the local market.

#### Reconciliation of Capitalization Rate

The results of the three methods for determining a cap rate are summarized below.

Build Up Method

N/A

Investor Surveys

Averages 7.1% and 6.3%

Extraction from Sales

6.0% to 11.7% (average 8.3%, median 8.3%)

The subject is a single tenant building that is not encumbered by a binding lease. Most weight is given to the center of the range indicated by the local sales. By applying the selected rate of 8.0% to the net operating income, a value of \$2,083,450 is indicated. This can be rounded to \$2,080,000.

$$\$166,676 \quad / \quad 0.080 \quad = \quad \$2,083,450$$

## 10. Reconciliation of Value

Rarely do the three approaches to value reach identical value conclusions. To arrive at a final estimate of value, the quality and quantity of data used within each approach are examined and the value indications of each are compared to one another. Through this process of reconciliation, a final value estimate is reached.

The values indicated by the approaches are as follows:

- Cost Approach	N/A
- Sales Comparison Approach	\$2,220,000
- Income Approach	\$2,080,000

The subject is a single user property which would most likely be purchased by an owner occupant. Most consideration is given to the sales comparison approach which is generally supported by the income approach.

- Reconciled Value	\$2,220,000
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## **ADDENDA**

State of Missouri

Division of Professional Registration  
State Certified General Real Estate Appraiser



VALID THROUGH JUNE 30, 2022  
ORIGINAL CERTIFICATE/LICENSE NO. RA002990  
ROBERT W DODGE  
2308 OSSENFORT VALLEY COURT  
WILDWOOD MO 63038  
USA

ROBERT W DODGE  
2308 OSSENFORT VALLEY COURT  
WILDWOOD MO 63038  
USA

State of Missouri

Missouri Department of Commerce and Insurance  
Division of Professional Registration  
Real Estate Appraisers Commission  
State Certified General Real Estate Appraiser



VALID THROUGH JUNE 30, 2022  
ORIGINAL CERTIFICATE/LICENSE NO. RA002990

ROBERT W DODGE  
2308 OSSENFORT VALLEY COURT  
WILDWOOD MO 63038  
USA

*Vanessa Baucham*  
EXECUTIVE DIRECTOR

*Sarah E. Edgerwood*  
DIVISION DIRECTOR

## ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

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

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

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

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

All maps, plats, and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.

Consideration has not been given in this appraisal to personal property located on the premises, or to the cost of moving or relocating such personal property unless otherwise stated.

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

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

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

## **ADDITIONAL ASSUMPTIONS AND LIMITING CONDITIONS**

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

1. The Appraiser assumes no responsibility of a legal nature affecting 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 as though under responsible ownership and management, if applicable.
2. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraiser has not made a survey of the property.
3. 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 thereof.
4. Any allocation of valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
5. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structure, 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.
6. Information, estimates and opinions furnished to the Appraiser, and contained in the report were obtained from sources considered to be reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the Appraiser can be assumed by the Appraiser.
7. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulation of the professional appraisal organization with which the Appraiser is affiliated.
8. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the Appraiser, professional designations, reference to any professional organizations, or the firm with which the Appraiser is connected), shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee paid by same, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institute, any department, agency or instrumentality of the United States or any state of the District of Columbia, without the previous written consent of the Appraiser, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the Appraiser.
9. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.
10. All opinions of value are presented as Dodge Appraisal Company considered opinion based on the facts and data appearing in the report. We assume no responsibility for changes in market conditions or for the inability of the owner to locate a purchaser at the appraised value.
11. The appraiser assumes there to be no condemnation proceedings affecting the property.
12. The appraiser assumes there to be no easements other than normal utility easements affecting the property other than those easements specified by the Appraiser in writing or on a survey which has been provided to the Appraiser.

13. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the Appraiser. The Appraiser has no knowledge of the existence of such materials on or in the property. The Appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde insulation, and other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would could a loss in value. No responsibility is assumed for any such conditions, or for any expertise of engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.

14. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.

15. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

16. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report. The Appraiser assumes there are no adverse easements affecting the property.

17. The insurable value (if included in this report) has been estimated at the request of the client; however, the Appraiser is not a commercial cost estimator. The insurable value developed was based upon examples and materials taken from a sourcebook and the client is urged to compare these costs with actual quotes from estimators. The Appraiser assumes no liability for and does not guarantee that any insurable value estimated inferred from this report will result in the subject property being fully insured for any loss that may be sustained. Further, the insurable value may not be a reliable indication of replacement or reproduction cost for any date other than the effective date of the appraisal due to changing costs of labor and materials and due to changing building codes and governmental regulations and requirements.

## **CERTIFICATE OF APPRAISER**

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

The statements of fact contained in the appraisal herein set forth are true, and the information upon which the opinions expressed herein are based, is correct.

The reported analyses, opinions, and conclusions as well as my opinion of Just Compensation, Fair Market Value, or other defined value 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 direct or indirect present or contemplated future personal interest in such property or in any monetary benefit from the acquisition or disposal of such property appraised or the appraisal conclusion and no personal interest with respect to the parties involves.

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 employment or my compensation for completing this appraisal assignment and report are in no way 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 the Uniform Standards of Professional Appraisal Practice, in the appraisal of realty and realty rights except to the extent that the *Uniform Appraisal Standards for Federal Land Acquisitions* required invocation of USPAP's Jurisdictional Exception Rule.

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

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

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

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

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

Invoking the Jurisdictional Exception Rule and contrary to Standards Rule 1-3(a) and Standards Rule 1-4(f), I have disregarded any increase or decrease in the fair market value of the property to be acquired, prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of owner(s).  
49 CFR 24.103

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

I afforded the fee holder or the fee holder's representative, an opportunity to accompany me during my inspection of this property. I afforded the tenant owner or tenant owner's representative of any tenant-owned improvements affected by the acquisition an opportunity to accompany me during my inspection of this property

My opinion of Just Compensation, Fair Market Value, or other defined value, is based upon my independent appraisal and the exercise of my professional judgment.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, subject to the requirements of the Appraisal Institute relating to review by duly authorized representatives, and in any event only with proper written qualification and only in its entirety.

As of the date of the appraisal, Robert W. Dodge has completed the requirements of the continuing education program of the Appraisal Institute.

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.

1/14/22

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Date



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MO State Certified General Real Estate Appraiser  
License # RA002990

County	St. Charles
Route	N/A
State Project #	N/A
Federal Project #	N/A
Parcel #	N/A

**Robert W. Dodge, MAI**  
**Dodge Appraisal Company**  
**202 Clarkson Executive Park, Ellisville, MO 63011**

**Experience:**

Dodge Appraisal Company	2006 - present
Hottle Appraisal Company	1995 - 2006
Tom J. Keith and Associates	1993 - 1995
Homeowners, Ltd.	1991 - 1993
Manor Homes by Blake	1990 - 1991

**Memberships and Certifications:**

MAI, Member Appraisal Institute #11529  
Missouri General Certified Real Estate Appraiser #RA002990  
Illinois Certified General Real Estate Appraiser #153.0001777  
St. Louis Association of Realtors

**Education:**

City University of New York, Queens College, BA - 1987  
Fayetteville Technical Community College  
    Introduction to Real Estate Appraisal - 1992  
Real Estate Academy of the Carolinas  
    Valuation Principles and Procedures - 1993  
    Applied Residential Property Valuation - 1993  
    Introduction to Income Property Appraisal - 1993  
    Advanced Income Capitalization Techniques - 1993  
    Applied Income Property Valuation - 1993  
Appraisal Institute  
    Appraisal Principles - 1993  
    Appraisal Procedures - 1994  
    Standards of Professional Appraisal Practice, A - 1996, 2000, & 2002  
    Standards of Professional Appraisal Practice, B - 1996  
    Advanced Income Capitalization - 1995  
    Highest and Best Use and Market Analysis - 1996  
    Advanced Sales Comparison and Cost Approaches - 1997  
    Report Writing and Valuation Analysis - 1997  
    Advanced Applications - 1997  
    Standards of Professional Practice, Part C - 2000 & 2001  
    General Applications - 2003  
    Scope of Work - 2006  
    The Appraiser as Expert Witness - 2006  
    Office Building Valuation - 2007  
    Analyzing Commercial Lease Clauses - 2007  
    Analyzing from Blueprints and Specifications - 2007  
    7 - Hour National USPAP Update - various  
    Supervising Appraisal Trainees - 2008  
    Business Practices & Ethics - various  
    Appraising Convenience Stores - 2009  
    Marshall & Swift Commercial Cost Training - 2009  
    Analyzing Distressed Real Estate - 2009  
    Real Estate Appraisal Operations - 2009  
    Eminent Domain and Condemnation - 2009  
    Data Verification Methods - 2009  
    Appraisal Curriculum Overview - 2011  
    Analyzing Operating Expenses -2011  
    What Commercial Clients Would Like Appraisers to Know - 2012

Appraisal Institute continued

- Comparative Analysis - 2013
- Subdivision Valuation - 2013
- Advanced Internet Search Strategies - 2013
- The Discounted Cash Flow Model: Concepts, Issues, and Applications - 2013
- Forecasting Revenue - 2015
- Online Rates and Ratios - 2015
- General Appraiser Market Analysis & Highest and Best Use - 2016
- Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications - 2017
- Appraisal of Medical Office Buildings - 2018
- Appraising Automobile Dealerships - 2019
- Fundamentals of Apartment Appraising - 2019

**Property Types Appraised:**

Robert Dodge has appraised most general commercial property types including industrial, office, retail, and apartment properties as well as vacant land. In addition, he has a wide range of experience with other property types including churches, schools, bowling alleys, restaurants, mini-storage facilities, automotive facilities, and aircraft hangars. The large majority of this appraisal work has been in the St. Louis metro area.

Appraisal of:

Industrial Property  
1051 Public Works Drive  
O'Fallon, MO 63366

Appraisal by:

Dodge Appraisal Company  
202 Clarkson Executive Park  
Ellisville, MO 63011

# **Dodge Appraisal Company**

Real Estate Appraisers & Consultants

202 Clarkson Executive Park, Ellisville, MO 63011

Robert W. Dodge, MAI

Ph (636) 386-8997  
[www.dodgeappraisal.com](http://www.dodgeappraisal.com)

January 14, 2022

Mr. Steve Bender  
Managing Director of Public Works  
City of O'Fallon, Missouri  
100 N. Main Street  
O'Fallon, MO 63366

Reference:           Industrial Property  
                         1051 Public Works Drive  
                         O'Fallon, MO 63366                   File #21-164 (a)

Dear Mr. Bender:

In response to your request for an appraisal of the above referenced property, I have conducted the required investigation, gathered the necessary data, and made certain analysis that has enabled me to form an opinion of the market value of the fee simple interest in the above captioned property.

Based on the inspection of the property and the investigation and analysis undertaken, I have formed the opinion that as of January 4, 2022, and subject to the assumptions and limiting conditions which will be set forth in the appraisal report, the market value of the fee simple interest of the subject property is:

ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS

(\$1,350,000)

The narrative report that follows sets forth the identification of the property, the assumptions and limiting conditions, pertinent facts about the subject property, comparable data, the results of the investigation and analysis, and the reasoning leading to the conclusion.

The business environment has been impacted by the COVID-19 virus. While this is a relatively recent development, the most recent sales of most general property types in the St. Louis metropolitan statistical area show little or no change in value from pre-2020. The appraisal process is largely dependent upon historical data which is a weakness inherent in the process. The data used for valuation within the report is from the current business cycle and is believed to be reflective of current value.

It has been a pleasure to work with you on this assignment. If you wish to further discuss this matter please contact my office.

Respectfully submitted,

DODGE APPRAISAL COMPANY



ROBERT W. DODGE, MAI  
MO State Certified General Real Estate Appraiser  
License # RA002990

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### Exhibits

Location Map
Tax Map
Aerial Tax Map
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Rentals Map

## Addenda

State Certification

Client Assumptions and Limiting Conditions

Client Certification

Assumptions and Limiting Conditions

Certification

Qualifications

## STANDARD APPRAISAL FORMAT

<b>County:</b>	St. Charles County
<b>Route:</b>	N/A
<b>County Project No.:</b>	N/A
<b>Federal Project No.:</b>	N/A
<b>Parcel No.:</b>	N/A
<b>Area of Contiguous Ownership:</b>	111,949 sf or 2.57 acres

### **Acquisition:**

(As indicated on plans)

<b>Normal Land:</b>	0 sf
<b>New R/W:</b>	0 sf
<b>Permanent Drainage Easement</b>	0 sf
<b>Permanent Retaining Wall</b>	
<b>Easement:</b>	0 sf
<b>Temporary Slope and Construction License</b>	0 sf
 <b>Remainder:</b>	
	111,949 sf or 2.57 acres

<b>Appraiser:</b>	Robert W. Dodge, MAI
<b>Effective Date of Appraisal:</b>	January 4, 2022

**1. Owner and Tenant** **Owner** City of O'Fallon  
100 N. Main Street  
O'Fallon, MO 63366

## 2. Purpose of Appraisal

The purpose of this appraisal is to estimate the market value of the fee simple interest.

**A. Fair Market Value Definition:** Fair market value is the value of the property taken after considering comparable sales in the area, capitalization of income, and replacement cost less depreciation, singularly or in combination, as appropriate, and additionally considering the value of the property based upon its highest and best use, using generally accepted appraisal practices. If less than the entire property is taken, fair market value shall mean the difference between the fair market value of the entire property immediately prior to the taking and the fair market value of the remaining or burdened property immediately after the taking. (RSMo 523.000). Jurisdictional exception to Standards Rule 1-2 c.

**B. Intended Use:** The intended use of the appraisal report is to assist the agency in determining a potential sale price to aid in a potential sale of the property and internal decision making purposes.

**C. Intended Users:** The intended user of this report is the agency (City of O'Fallon). Although the agency may authorize copies of this report be provided to others for informational purposes, other parties are not intended users as defined by USPAP.

**D. USPAP Compliance Statement:** This appraisal was prepared according to the contract/assignment from the agency. The intended use of the appraisal is assist the agency in determining a potential sale price of the subject to aid in a potential sale of the property and related internal decision making purposes. The agency bears responsibility for contract/assignment requirements that meet its needs and therefore are not misleading. In combination with the Scope of Assignment and review function, all appraisal reports assigned

by the agency identify the problem to be solved, determine the scope of work necessary to solve the problem, and correctly complete research and analysis necessary to produce a credible appraisal, and are therefore in compliance with USPAP Standard 1. In that the agency is the only intended user of the report and others may only be provided copies for informational purposes, the agency has determined that reports prepared in conformance with these procedures constitute an Appraisal Report, which fulfills the agency's needs. For any inconsistencies with USPAP, appraisers are protected by the USPAP Jurisdictional Exception provision.

**3. Interest Appraised:**

Fee simple

**4. Scope of Work:**

The scope of work involved assembling various types of data, a physical inspection of the subject and comparable sales, and analysis of the data.

Property and Sale Inspection:

This report was prepared in conformance with the scope of assignment and the requirements of the format assigned. The physical inspection of the subject included viewing the exterior and representative areas of the interior of the subject in order to determine the quality and condition of improvements and suitability for their current or alternative uses. The land area is based upon county records and the gross building area is based upon the appraiser's field measurements. Land sales, rentals, and building sales were viewed from the curbside.

Extent of Data Research:

Sales data was researched through several sources including the appraiser's database, CoStar (sales and leasing database), local multiple listing service, and county records. When possible information was confirmed with a party involved in the transaction. At a minimum, public records were relied upon for confirmation of sales and property data.

**Extent of Analysis:**

The valuation includes consideration of the use of the cost, income, and sales comparison approaches.

**5. Identification of the Realty:**

The property under consideration is 1051 Public Works Drive, O'Fallon, MO 63366. The assessor's office identifies the subject as parcel number 2-0056-S027-00-0009.6000000. The brief legal description indicated by online county records is "Pt NW 1/4 Sec 27".

**6. History of the Property:**

According to county records, National Sales Co. sold the subject to the City of O'Fallon on January 25, 2011 for \$1,000,000 (\$40.65/sf). There have been no other sales since the 2011 conveyance and the property is occupied by the ownership.

**7. Description of Realty:**

**A. Land:**

The site contains approximately 2.57 acres or 111,949 sf according to online county records.

The site has a slightly irregular shape and a basically level topography that is at road grade. The property is situated within a zone X, outside the flood hazard area. No apparent adverse easements were observed at the time of inspection.

The subject is an interior parcel with frontage along S. Cool Springs Road. While it has a "Public Works" address, it lacks frontage along Public Works. It has two existing curb cuts along S. Cool Springs. The site is served by public water, public sewer, electricity, and telephone.

**B. Zoning:**

According to the City of O'Fallon zoning map, the subject is located in an area which is zoned I-1, Light Industrial. Permitted uses in this district include manufacturing, offices, warehousing, and storage. This district requires a 30' front yard, 20' side yard, and 35' rear yard. The parking requirement is one space per employee plus one space per 1,000 sf of floor area. The improvements appear to conform to the basic requirements for this district; however, without a physical inspection by the city, definite compliance can not be ascertained.

**C. Fee Owned Improvements, Fixtures, and Personality:**

The site is improved with a truck service/warehouse building that contains approximately 24,602 sf. The first floor contains 23,802 sf and there is a second floor office area containing an additional 800 +- sf. The building was constructed in 1982 and is basically configured for occupancy by a single user. The main office entrance is situated along S. Cool Springs and there are additional man doors around the perimeter of the building. The office areas consists of the primary office area with open office area, perimeter private offices, conference room, and rest rooms, a locker room area, second floor office area, and shop office areas. The office areas comprise approximately 25% of this building. The office areas are in average condition and have generally average quality finish overall.

There are two warehouse/service bay areas which comprise the remainder of this building. These areas are heated and feature ½ height interior liner panels over vinyl backed insulated metal walls. The south bay is accessed by a drive in door and covered loading area at the rear of the building and a drive in door at the front elevation. The north bay is accessed by a drive in door and a dock at the rear elevation. The clear height ranges from 13'- 17'. The service area features an exhaust system.

Date of Construction and Effective Age

The building was constructed in 1982. It has an effective age of 35 years, a remaining economic life of 25 years and an overall economic life of 60 years.

Site Improvements

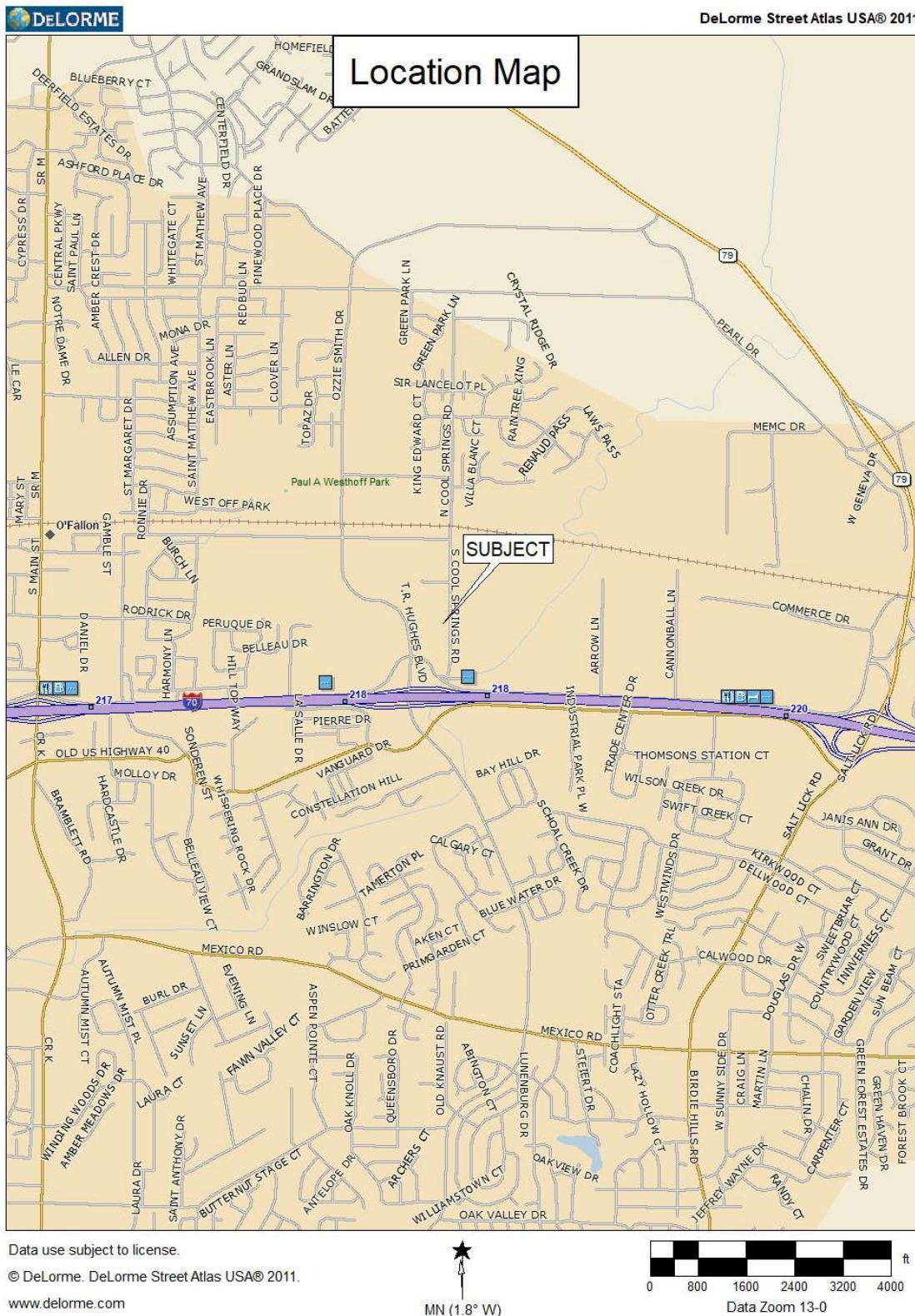
Site improvements include perimeter chain link fencing with gates along S. Cool Spring and a combination of asphalt paving and gravel surfaces. There is a wind turbine on-site which accrues energy that is credited toward the adjoining property at 1001 Public Works Drive. Note that while the cost savings of this energy efficient feature are unknown, it is believed to have only nominal contributory value. The land to building ratio is 4.6:1.

**D. Tenant Owned Improvements, Fixtures, and Personality:**

None.

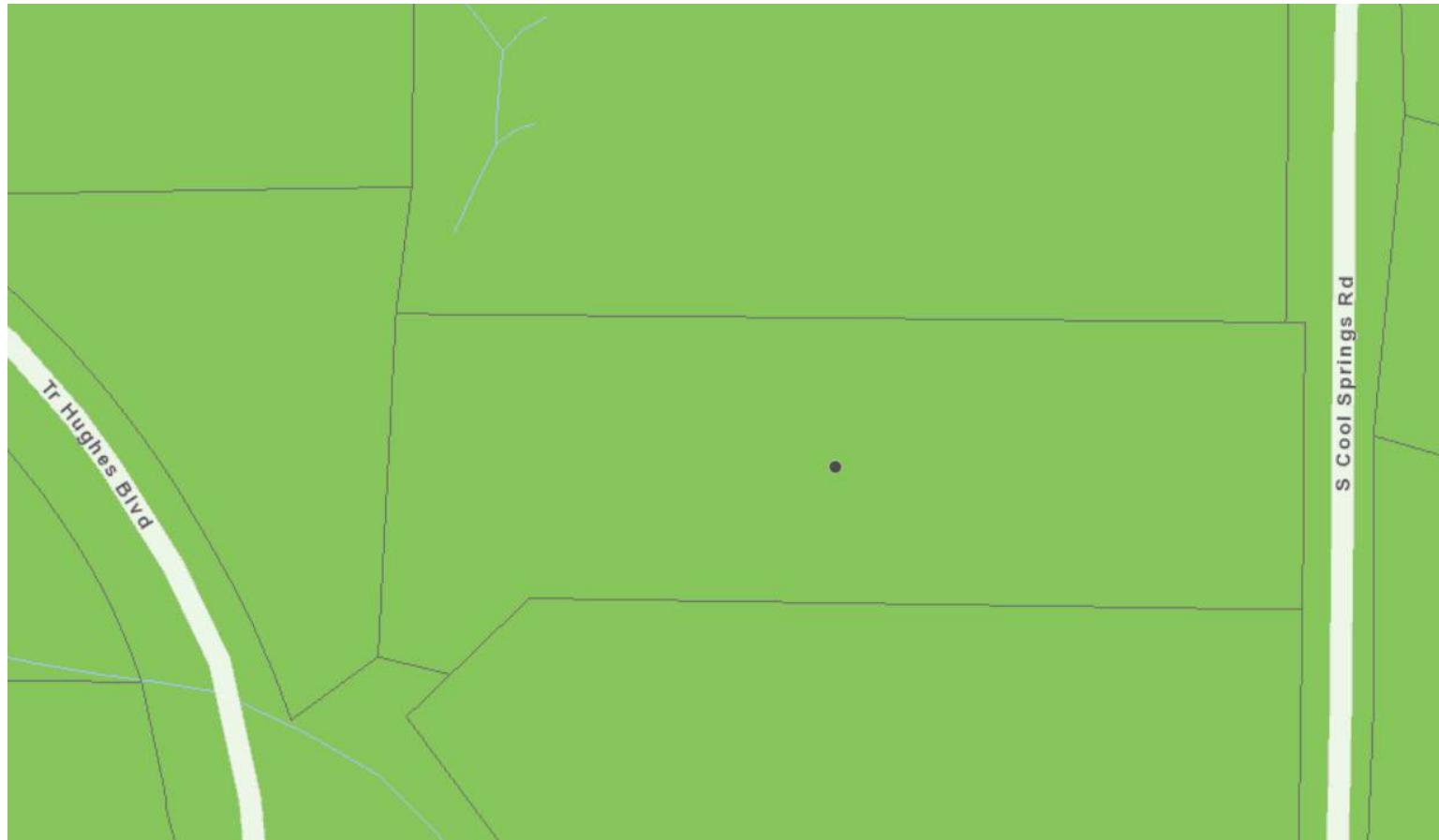
**E. Other Appraisal Considerations**

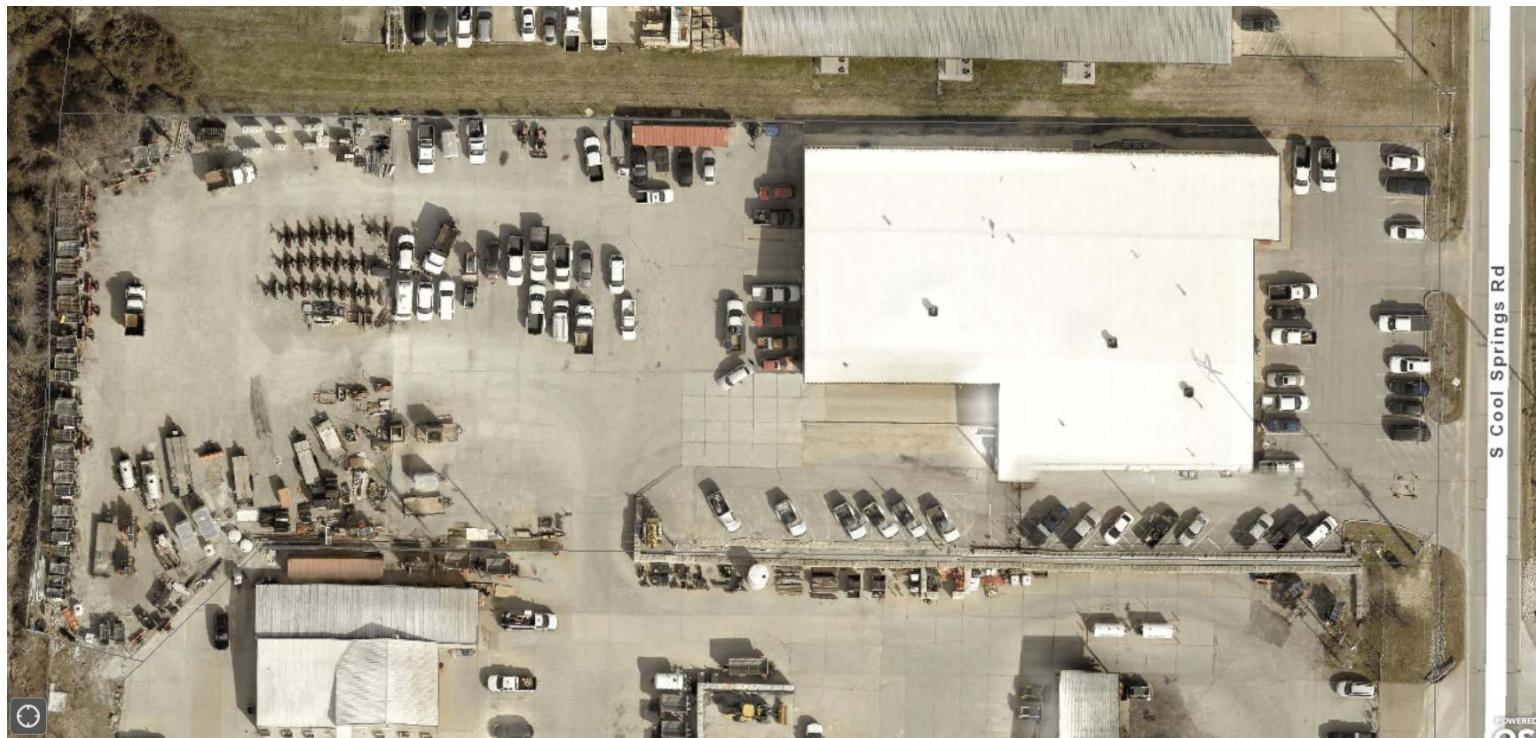
None.



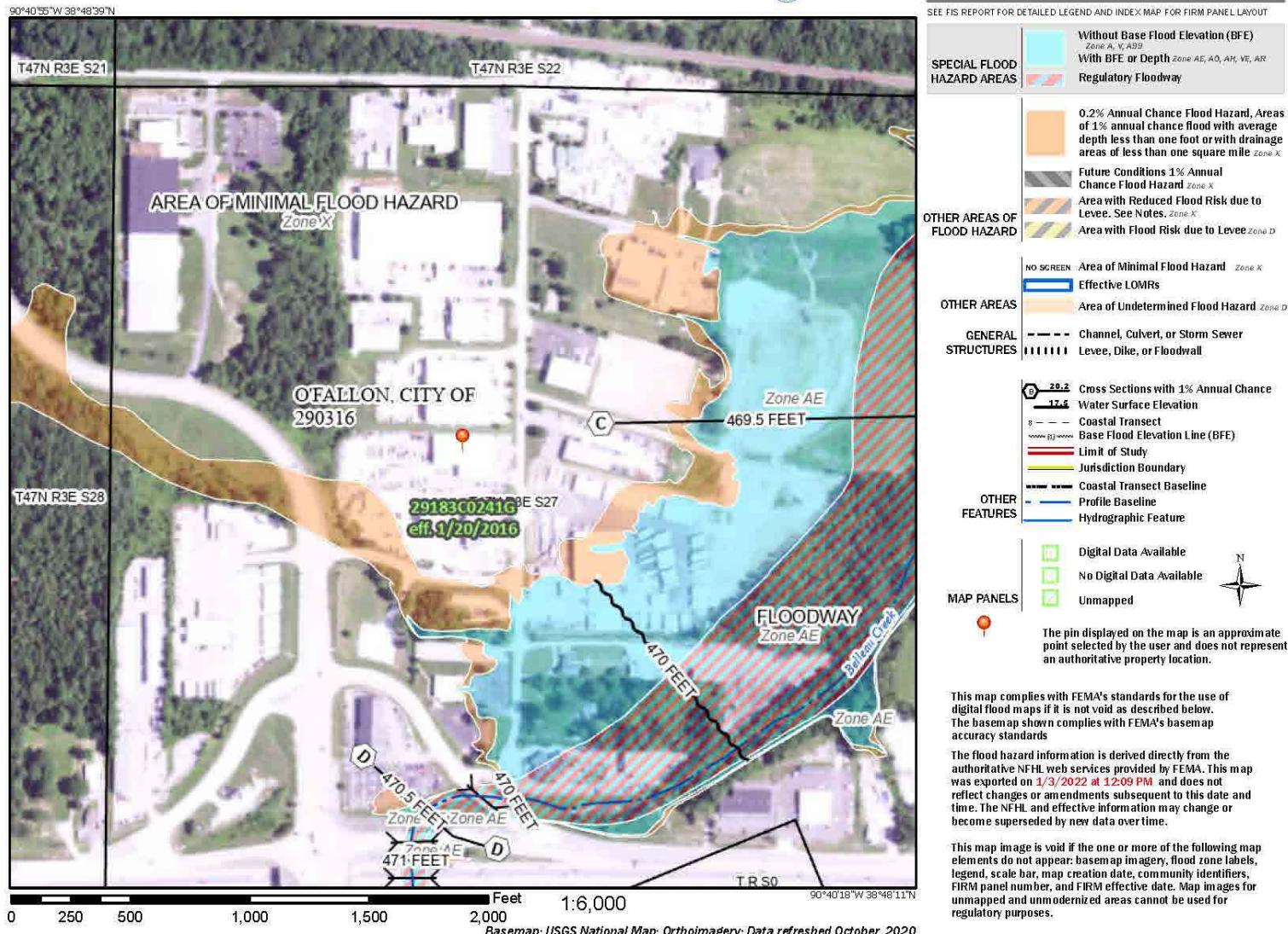
1051 Public Works Drive

O'Fallon, MO 63366





## National Flood Hazard Layer FIRMette





1051 Public Works Drive

O'Fallon, MO 63366



**Front View of Subject (1051 Public Works)**



**Front View of Subject (1051 Public Works)**



**View of Office Area**



**View of Office Area**



**View of Office Area**



**View of Office Area**



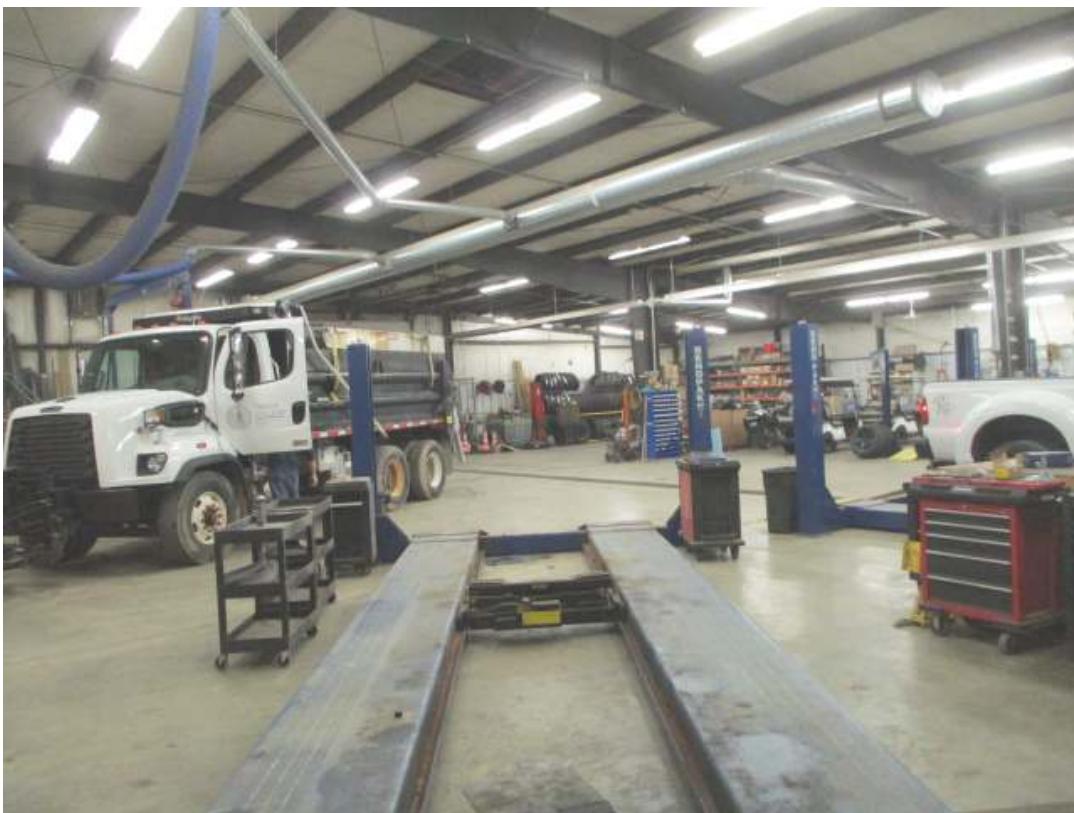
**View of Warehouse**



**View of Warehouse**



**View of Warehouse**



**View of Warehouse/Service Area**



**Rear View of Subject (1051 Public Works)**



**Rear View of Subject (1051 Public Works)**

## 8. Highest and Best Use Analysis

Highest and Best Use "As if Vacant" - The subject is situated within an area which is zoned for industrial uses. The shape of the site does not place any significant limitations upon typical development and the topography is basically level. All public utilities are available to the site. It has access from S. Cool Springs and is an interior site. The surrounding land uses are predominantly industrial and visibility is considered to average. While speculative new construction is unlikely, the subject site could be developed with a build to suit industrial project. The highest and best use is for industrial development.

Highest and Best Use "As Improved" - The current use as an industrial property is a permitted use. While the building is not new, it has been adequately maintained and is in average condition. The building materials are typical for the area and the building is generally suitable for the intended industrial use. The percentage finished area is adequate to support most industrial uses and the land to building ratio is typical for modern suburban industrial buildings. The clear height ranges from 13' - 17' which at the lower end is lower than typical for newer industrial buildings and places some limitations upon the number and type of specific potential users. The loading facilities are adequate. The highest and best use is for continued use as an industrial property.

## 9. Valuation

The highest and best use is for continued use as an industrial building and the valuation will be based upon the sales comparison approach and income approaches. While the cost approach could be applied, the improvements have a large amount of depreciation and there have been few recent pertinent land sales within the neighborhood which would weaken the validity of this approach. The cost approach has been omitted from the valuation.

### A. Cost Approach

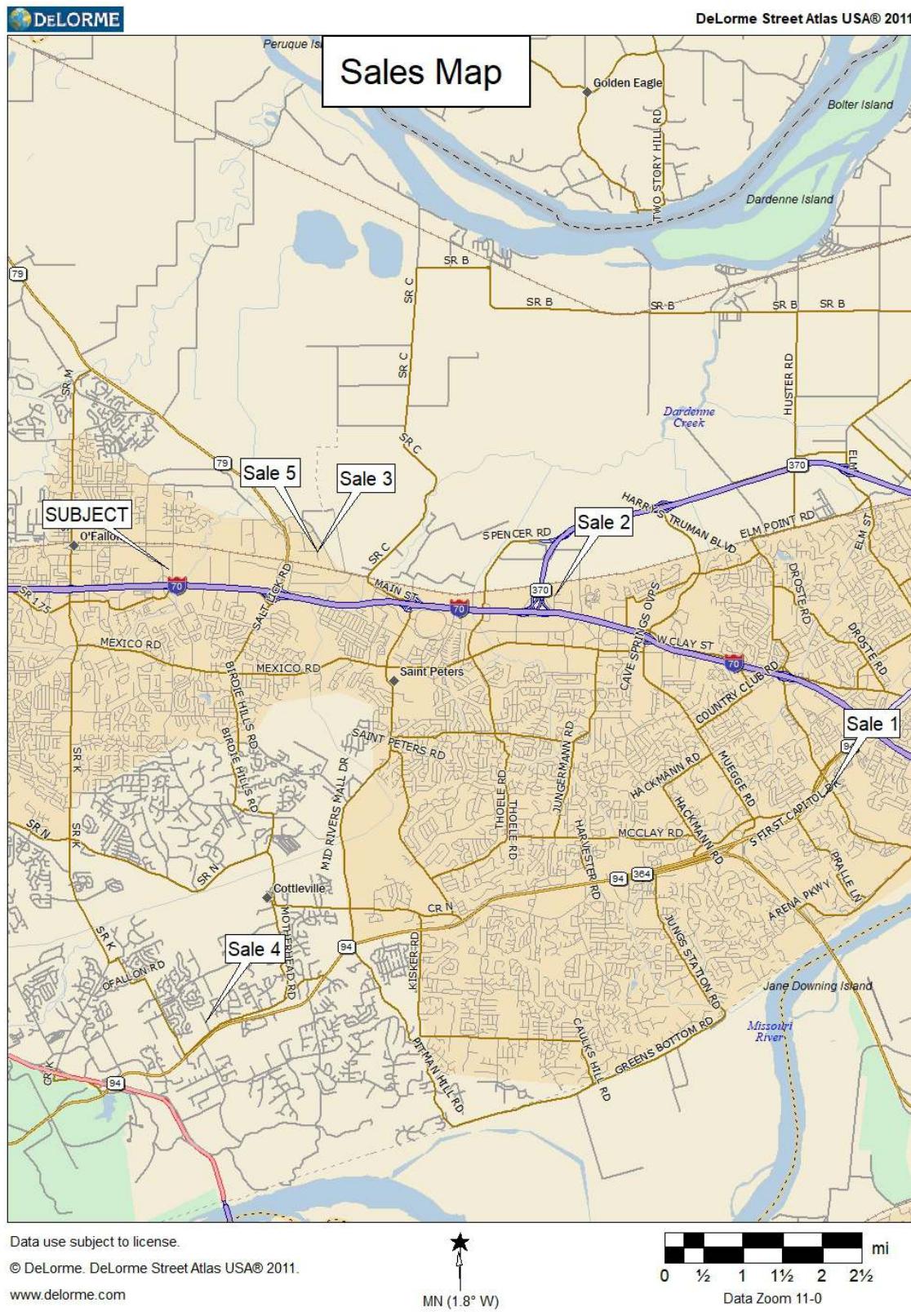
As discussed above, the cost approach has been omitted from the valuation.

## **B. Sales Comparison Approach**

The sales comparison approach is based upon competitive properties which sold recently in the local market area and then are adjusted to reflect differences in pertinent physical characteristics. The result of the adjustment process is to estimate what the comparable sale would have sold for had it possessed all of the salient characteristics of the subject. The sales are reconciled to a single per unit value which is then applied to the subject area to arrive at an indication of value.

Several sales of similar properties were found within the subject submarket. Buildings of similar size and construction have been included for comparison. Information concerning these sales are found on the following pages.

Value by Sales Comparison Approach: \$1,350,000



Comparable Sale #1



Location:	1800 Scherer Parkway, St. Charles 63303
Locator #:	3-0116-0165-00-0001.1023000
Date of Sale:	10/29/21
Book/Page:	02021-089511
Grantor:	Steven C. White
Grantee:	Nationwide Realty, LLC
Building Size:	20,460 sf
Lot Size:	1.69 acres or 73,616 sf
Year Built:	1980
Ceiling Height:	14'
Office Finish:	N/A
Land to Building Ratio:	3.6 :1
Zoning:	Industrial
Sale Price:	\$1,200,000
Sale Price/SF:	\$58.65

Comments: Single user masonry and metal building.

Comparable Sale #2

Location:	50 Patmos Court, St. Peters 63376
Locator #:	2-0107-5254-00-0004.0000000
Date of Sale:	1/5/21
Book/Page:	2021/979
Grantor:	Patmos Real Estate, LLC
Grantee:	Stevenson Properties, St. Peters MO, LLC
Building Size:	25,450 sf
Lot Size:	5.00 acres or 217,800 sf
Year Built:	1978
Ceiling Height:	18' +-
Office Finish:	N/A
Land to Building Ratio:	8.6 :1
Zoning:	Industrial
Sale Price:	\$1,380,000
Sale Price/SF:	\$54.22

Comments: Two metal buildings. Actual sale price was \$1,275,000. Roof of front building was replaced following sale. Estimated cost of replacement is \$7/sf or \$105,000. Adjusted price to reflect need to correct deferred maintenance is \$1,380,000 and applied above. Fenced and graveled storage yard.

Comparable Sale #3

Location:	21 Guenther Boulevard, St. Peters 63376
Locator #:	2-106A-C761-00-0001.0000000
Date of Sale:	3/17/20
Book/Page:	7249/1879
Grantor:	One Arrowhead Properties, LLC
Grantee:	25 Guenther, LLC
Building Size:	27,093 sf
Lot Size:	4.89 acres or 212,834 sf
Year Built:	1984
Ceiling Height:	15' - 18'
Office Finish:	10%
Land to Building Ratio:	7.9 :1
Zoning:	Industrial
Sale Price:	\$1,400,000
Sale Price/SF:	\$51.67

Comments: Single tenant metal building. Aka 25 Guenther. Information confirmed by listing broker. Roughly 1/4 of the site has a sloping topography and is of limited use. Property had been marketed for sale for \$1,612,325 for roughly 17 months.

Comparable Sale #4



Location:	811 Westwood Industrial Park Drive, Weldon Spring
Locator #:	3-157C-7955-00-0002.0000000
Date of Sale:	7/20/21
Book/Page:	02021-060702
Grantor:	Bernard F. Kuenz, LLC
Grantee:	501 Partnership
Building Size:	32,710 sf
Lot Size:	2.55 acres or 111,078 sf
Year Built:	2000
Ceiling Height:	16' - 18'
Office Finish:	10% +-
Land to Building Ratio:	3.4 :1
Zoning:	Industrial
Sale Price:	\$2,200,000
Sale Price/SF:	\$67.26

Comments: Single user metal building.

Comparable Sale #5

Location:	13 Guenther Boulevard, St. Peters 63376
Locator #:	2-106A-C761-00-0019.0 & 8944-00-000A.0
Date of Sale:	8/17/20
Book/Page:	7372/1944
Grantor:	One Arrowhead Properties, LLC
Grantee:	Kyle Holdings, LLC
Building Size:	31,366 sf
Lot Size:	3.86 acres or 168,185 sf
Year Built:	1984
Ceiling Height:	16' - 23' (19' average)
Office Finish:	16%
Land to Building Ratio:	5.4 :1
Zoning:	I-2, Heavy Industrial
Sale Price:	\$1,500,000
Sale Price/SF:	\$47.82

Comments: Two buildings. 26,366 sf metal office warehouse and 5,000 sf brick warehouse. Purchased for owner occupancy. Land area above is based upon 3.861 acre parcel alone. Adjoining 0.75 acre parcel is surplus land and not included in land area above. Information confirmed by sale contract and listing broker.

## Sales Comparison Approach Analysis

The sales are industrial buildings located throughout competing areas of the county which have sold within the past few years. The sales are summarized and analyzed below.

	Subject	Sale #1	Sale #2	Sale #3	Sale #4	Sale #5
Location	Public Works, O'Fallon	Scherer, St. Charles	Patmos, St. Peters	Guenther, St. Peters	Westwood Industrial, Weldon Spring	Guenther, St. Peters
Sale Price	N/A	\$1,200,000	\$1,380,000	\$1,400,000	\$2,200,000	\$1,500,000
Price/SF	N/A	\$58.65	\$54.22	\$51.67	\$67.26	\$47.82
Characteristics						
Building Size	24,602	20,460	25,450	27,093	32,710	31,366
Date of Sale	N/A	10/21	1/21	3/20	7/21	8/20
Eff. Age @ Sale	35 yrs	40 yrs	35 yrs	35 yrs	20 yrs	35 yrs
% Office	25%	N/A	N/A	10%	10%	16%
Clg Height	13' - 17'	14'	18'	15' - 18'	16' - 18'	19' (ave)
Land:Bldg Ratio	4.6:1	3.6:1	8.6:1	7.9:1 (Pt slope)	3.4:1	5.4:1
Construction	Metal	Mas/Metal	Metal	Metal	Metal	Metal
Adjustments						
Conditions of Sale	-0-	-0-	-0-	-0-	-0-	-0-
CoS Adjusted \$/SF	\$58.65	\$54.22	\$51.67	\$67.26	\$47.82	
Market Conditions	1%	3%	6%	2%	4%	
MC Adjusted \$/SF	\$59.24	\$55.85	\$54.77	\$68.61	\$49.73	
Visibility/Location	-0-	-0-	-0-	-0-	-0-	
Age/Condition	-0-	-0-	-0-	-10%	-0-	
% Office	-0-	-0-	5%	5%	-0-	
Ceiling Height	-0-	-0-	-0-	-0-	-5%	
Land to Building Ratio	-0-	-10%	-5%	-0-	-0-	
Building Size	-0-	-0-	-0-	-0-	-0-	
Construction	-0-	-0-	-0-	-0-	-0-	
Net Adjustment	1.00	0.90	1.00	0.95	0.95	
\$/SF	<b>\$59.24</b>	<b>\$50.26</b>	<b>\$54.77</b>	<b>\$65.17</b>	<b>\$47.25</b>	

Following is a discussion of the adjustments applied.

Property Rights, Financing, & Conditions of Sale

No adjustment was necessary.

Market Conditions

Market conditions have continued to appreciate due to the increased demand for improved logistics for supply chains. A +3%/year (0.25%/month) adjustment was applied.

Location/Visibility

No adjustment was applied.

Age/Condition Adjustment

Newer buildings tend to sell for more than otherwise similar, but older buildings. A -10% adjustment was applied to sale four which is a much newer building.

% Finished Area

Industrial buildings with higher percentages of office finish tend to sell for higher prices than those with less office space. Based upon a comparison of sales and rentals of industrial properties, prices increase between 0 to 1% per 1% difference in finished area. A +5% adjustment was applied to sales with significantly less finished area.

Ceiling Height Adjustment

The ceiling height adjustment is based upon the variance in cost per foot of ceiling height indicated in Marshall & Swift (roughly 2% per foot). An examination of sales indicates a change in value of 0 - 4% per one foot of difference. A -5% adjustment was applied to sale five.

Land to Building Ratio

Buildings with a higher land to building ratio offer the potential for construction of an addition or greater parking and truck areas. Adjustments of -5% to -10% were applied to the sales with a significant difference in land to building ratio.

Building Size

Smaller buildings tend to sell for a higher price per square foot than otherwise similar larger buildings due to economies of scale. No adjustment was applied.

Construction

Masonry and tilt up concrete buildings are generally perceived as more attractive and durable than metal and frame buildings. The subject and comparables are all similar quality and type construction and no adjustment was applied.

Conclusion

The following statistics can be derived from the sample of sales:

	Low	High	Median	Average
Before Adjustments	\$48	\$67	\$54	\$56
After Adjustments	\$47	\$65	\$55	\$55

The sales indicate a moderate range before and after adjustments. Each of the sales required limited adjustments and sale one required only a small adjustment for market conditions. Roughly equal consideration is given to the sales and most weight is given to the center of the adjusted range. A value of \$55/sf has been selected. When applied to the subject, a value of \$1,353,110 is indicated. This can be rounded to \$1,350,000.

$$24,602 \text{ sf} \times \$55.00 = \$1,353,110$$

### C. Income Approach

The income approach is widely applied in appraising income producing properties. This procedure converts the anticipated income into a value estimate. The basic steps in translating the income stream projection into a value indication are:

- Estimate potential gross real estate income.
- Estimate and deduct vacancy and collection losses to derive effective gross income.
- Estimate and deduct expenses of operation to arrive at net operating income.
- Develop the appropriate capitalization rate.
- Capitalize the stabilized net operating income to estimate the property's value.

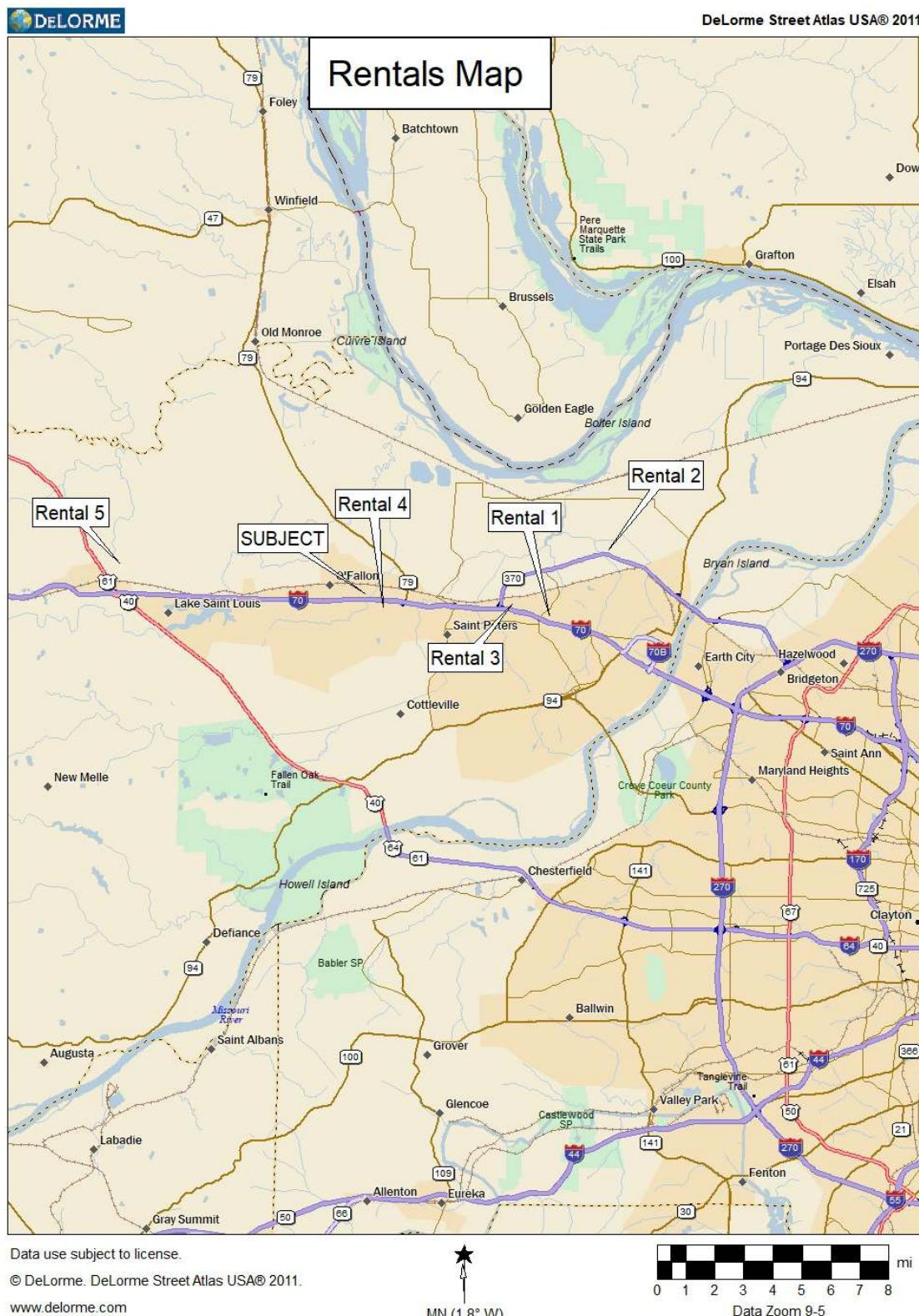
Value by Income Approach: \$1,310,000

Method of Capitalization - The direct capitalization method will be used.

Rent roll and Lease Abstracts - The subject is currently occupied by the ownership.

Historic Income and Expenses - Historic income and expense statements were not available.

Estimate of Market Rent - The first step in the income approach is to estimate the potential gross income the property can generate. This is done through an analysis of the comparable rentals which follow.



Comparable Rental #1



Location:	157 - 165 Compass Point Drive, St. Charles
Lessor:	Black Dog Acquisitions, LLC
Lessee:	Magic Shoe Cover
Rental Rate:	\$6.25/sf
Terms:	Net
Occupancy Date:	10/20
Leased Area:	22,577 sf
Building Area:	57,800 sf
Year Built:	2001
% Finished Area:	N/A
Clear Height:	24'
Land Area:	4.16 acres
Land to Building Ratio:	3.1:1

Comments: Space in multi-tenant tilt up building.

Comparable Rental #2



Location: 3896 Fountain Lakes Parkway E, St. Charles 63301

Lessor: 501 Partnership

Lessee: Fastenal

Rental Rate: \$6.75/sf

Terms: Net

Occupancy Date: 5/20

Leased Area: 14,275 sf

Building Area: 24,960 sf

Year Built: 2018

% Finished Area: N/A

Clear Height: 22'

Land Area: 1.97 acres

Land to Building Ratio: 3.4:1

Comments: Space in multi-tenant tilt up concrete building.

Comparable Rental #3



Location: 50-58 Algana Court, St. Peters 63376

Lessor: Hemmer Cornell Indent. of Trust

Lessee: Precision Detailing

Rental Rate: \$7.00/sf

Terms: Gross

Occupancy Date: 7/21

Leased Area: 9,081 sf

Building Area: 20,480 sf

Year Built: 1985

% Finished Area: N/A

Clear Height: 15'

Land Area: 1.24 acres

Land to Building Ratio: 2.6:1

Comments: Space in multi-tenant masonry building.

Comparable Rental #4



Location:	2026 - 2051 Trade Center Drive E., St. Peters 63376
Lessor:	Lyons Mary Jane & Lyons Michael J Residuary Trust & AFG Plumbing Co.
Lessee:	N/A
Rental Rate:	\$6.07/sf
Terms:	Gross
Occupancy Date:	5/20
Leased Area:	8,300 sf
Building Area:	17,100 sf
Year Built:	2001
% Finished Area:	N/A
Clear Height:	18'
Land Area:	1.62 acres
Land to Building Ratio:	4.1:1

Comments: Space in multi-tenant masonry building.

Comparable Rental #5



Location:	1404 Sachs Business Parkway, Wentzville 63385
Lessor:	Point West Properties, LLC
Lessee:	SRS Distribution
Rental Rate:	\$6.69/sf
Terms:	Gross
Occupancy Date:	6/21
Leased Area:	36,500 sf
Building Area:	54,750 sf
Year Built:	2006
% Finished Area:	N/A
Clear Height:	18' - 22'
Land Area:	4.31 acres
Land to Building Ratio:	3.4:1

Comments: Aka 133 Enterprise Drive. Space in multi-tenant metal building.

## Rental Analysis

The previous comparable rentals are summarized below.

	Subject	Rental #1	Rental #2	Rental #3	Rental #4	Rental #5
Location	Public Works, O'Fallon	Compass, St. Charles	Fountain Lakes, St. Charles	Algana, St. Peters	Trade Center, St. Peters	Sachs, Wentzville
Date of Lease	N/A	10/20	5/20	7/21	5/20	6/21
Leased SF	24,602	22,577	14,275	9,081	8,300	36,500
Effective Age	35 yrs	15 yrs	2 yrs	35 yrs	15 yrs	15 yrs
Ceiling Height	13' - 17'	24'	22'	15'	18'	18' - 22'
% Finish	25%	N/A	N/A	N/A	N/A	N/A
LB Ratio	4.6:1	3.1:1	3.4:1	2.6:1	4.1:1	3.4:1
Construction	Metal	Tilt up	Tilt up	Masonry	Masonry	Metal
Rent/SF	N/A	\$6.25	\$6.75	\$7.00	\$6.07	\$6.69
Terms	Net	Net	Net	Gross	Gross	Gross
Adjust to Net		-0-	-0-	(\$1.50)	(\$1.50)	(\$1.50)
Equivalent Net Rent		\$6.25	\$6.75	\$5.50	\$4.57	\$5.19
Adjustments						
Prop Rts, CoS, Fin, MC		4%	5%	2%	5%	2%
Adjusted Rent/SF		\$6.50	\$7.09	\$5.61	\$4.80	\$5.29
Size		-0-	-0-	-5%	-5%	-0-
Age/Condition		-15%	-30%	-0-	-15%	-15%
Ceiling Height		-10%	-10%	-0-	-0-	-5%
% Finish		-0-	-0-	-0-	-0-	-0-
LB Ratio		-0-	-0-	5%	-0-	-0-
Location/Visibility		-0-	-0-	-0-	-0-	5%
Construction		-5%	-5%	-5%	-5%	-0-
Net adjustment		0.70	0.55	0.95	0.75	0.85
Adjusted Rent/SF		\$4.55	\$3.90	\$5.33	\$3.60	\$4.50

Following is a discussion of the adjustments applied.

Equivalent Net Rent

The rentals are industrial buildings and spaces within the same submarket which have been leased within the past few years. The rentals indicate a range of \$6.07/sf to \$7.00/sf on a combination of net and gross lease agreements. An adjustment of -\$1.50/sf was applied to the gross rentals to reflect taxes, insurance, and common area maintenance which are paid by the lessor under a gross lease. After this adjustment, the range of equivalent net rent is \$4.57/sf to \$6.75/sf.

Property Rights, Conditions of Sale, Financing, Market Conditions

Market conditions had previously shown modest improvement and for local industrial properties have continued to appreciate due to the increased demand for improved logistics for supply chains. A +3%/year (0.25%/month) adjustment was applied.

Size

The size adjustment reflects economies of scale resulting from large differences in unit size. A -5% adjustment was applied to the rentals of much smaller spaces.

Age/Condition Adjustment

Newer buildings tend to rent for more than otherwise similar, but older buildings. Adjustments of -15% to -30% were applied to the rentals.

Ceiling Height Adjustment

The ceiling height adjustment is based upon the variance in cost per foot of ceiling height indicated in Marshall & Swift (roughly 2% per foot). An examination of sales indicates a change in value of 0 - 4% per one foot of difference. Adjustments of -5% to -10% were applied to the rentals of spaces with a significantly higher clear ceiling.

% Finished Area

Industrial buildings with higher percentages of office finish tend to sell for higher prices than those with less office space. Based upon a comparison of sales and rentals of industrial properties, prices increase between 0 to 1% per 1% difference in finished area. No adjustment was applied.

Land to Building Ratio

Buildings with a higher land to building ratio offer the potential for construction of an addition or greater parking and truck areas. A +5% adjustment was applied to rental three which has a much lower land to building ratio.

Location/Visibility

Rental five is situated in a more distant area of the county and a +5% adjustment was applied.

Construction

Masonry and tilt up concrete buildings are generally perceived as more attractive and durable than metal and frame buildings. A -5% adjustment was applied to the rentals of masonry and tilt up concrete buildings.

Conclusion of Market Rent

After adjustments for economic and physical characteristics, the rentals range from \$3.60/sf to \$5.33/sf. Rental three required the least adjustments and indicates a rate at the upper end of the adjusted and unadjusted ranges. Most weight is given to the center to upper end of the adjusted range. The market rent is estimated to be \$4.75/sf on a net basis.

### **Lease Type**

The market rent is based upon a net basis in which the tenant either directly pays or reimburses real estate taxes, insurance, and maintenance expenses and pays for their own utilities. The landlord is responsible for structural maintenance/reserves, and management.

### **Potential Gross Income**

The potential gross income is calculated below and is based upon the estimated market rate.

$$24,602 \text{ sf } @ \text{ } \$4.75 \text{ /sf } = \text{ } \$116,860$$

### **Reimbursements**

No reimbursements are applicable.

### **Vacancy**

CoStar Analytics indicates overall industrial vacancy of 3.6% for the St. Louis metro area. Vacancy for the St. Charles County submarket is 2.1%. 3% stabilized vacancy will be applied (which also includes consideration of collection loss).

### **Effective Gross Income**

The effective gross income is calculated by deducting vacancy from the estimated potential gross income.

## Expenses

The market rent for the subject is estimated on a net basis in which most expenses (taxes, insurance, maintenance) are either directly paid by the tenant or reimbursed. The landlord is responsible only for structural maintenance/reserves and management.

Under a net lease, structural maintenance/reserves is minimal and is estimated to be \$0.20/sf or \$4,900 (rounded) based upon benchmarks in the *PwC Real Estate Investor Survey*.

The market rent is based upon a net lease and management responsibilities would be minimal. 3% of effective gross income will be applied.

While it is technically correct to apply vacancy to reimbursed expenses, most participants in the local industrial market do not follow this practice and excluding reimbursements more closely conforms to the actions and analysis of the local market.

## Stabilized Income and Expense Projection

Now that income and expenses have been properly estimated an income and expense statement can be formulated and is included below.

Potential Gross Income		\$116,860
Vacancy & Collection Loss	3%	<u>(3,506)</u>
Effective Gross Income		\$113,354
Less Expenses		
Structural Maintenance/Reserves		4,900
Management	3%	<u>3,401</u>
Total Expenses		<u>(8,301)</u>
Net Operating Income		\$105,054

Note that the calculations above are carried out beyond the nearest dollar and nominal discrepancies in the calculations above may appear due to rounding.

### **Direct Capitalization Method and Rate Selection**

Once the net operating income has been estimated, the capitalization rate can be applied to this figure to estimate the value of the subject.

Market research is performed to estimate capitalization rates. The three general methods of estimating the appropriate rate are extraction from comparable sales, investor surveys, and the buildup method. The buildup method is not considered to be as reliable as the extraction and investor surveys and has been omitted.

#### Investor Surveys

The *PwC Real Estate Investor Survey* indicates a range of overall cap rates from 3.3% - 7.0% for the national warehouse market with an average of 4.8%. For non-institutional grade properties, the average increase in basis point spread is 225, or an indicated 7.1%. The RERC Real Estate Report indicates a 6.3% cap rate for first tier warehouse space in the St. Louis Market. However, these are reflective of larger, professionally managed institutional investment grade and first tier properties.

#### Cap Rate Extraction

The appraiser has provided further support for the selected capitalization rate by presenting a summary of industrial buildings which have sold while under lease.

Location	Date of Sale	Sale Price	OAR
6501 Hall, St. Louis *	4/21	\$8,000,000	8.1%
909 N. 20 <sup>th</sup> & 1020 N. 23 <sup>rd</sup> , St. Louis	9/20	\$27,000,000	7.0%
N. Rider Trail, Earth City *	5/20	\$6,300,000	6.9%
8610 Page, Overland	2/20	\$9,600,000	9.1%
Larkin Williams, Fenton	12/19	\$1,200,000	9.4%
Baumgartner Industrial, St. Louis	11/19	\$1,525,500	9.6%
38 <sup>th</sup> Street, St. Louis	9/19	\$1,600,000	11.7%
Phantom, Hazelwood	9/19	\$5,400,000	8.6%
Dielman, St. Louis	8/19	\$1,265,000	8.3%
Cassens, Fenton	6/19	\$13,976,121	7.5%
Lakeside Crossing, Maryland Heights	5/19	\$3,100,000	7.6%
Lackland, St. John	3/19	\$3,205,000	8.4%
Lakeside Crossing, Maryland Heights	2/19	\$8,700,000	8.3%
S. Hanley, Maplewood	2/19	\$3,250,000	6.0%
Northwest Industrial, Bridgeton	1/19	\$2,425,000	8.0%
Median			8.3%
Average			8.3%

The capitalization rates above range from 6.0% to 11.7% with a median of 8.3% and average of 8.3%. The cap rates indicated by the local sales tend to be higher than that indicated by the investor survey and are a better reflection of the local market.

#### Reconciliation of Capitalization Rate

The results of the three methods for determining a cap rate are summarized below.

Build Up Method

N/A

Investor Surveys

Averages 7.1% and 6.3%

Extraction from Sales

6.0% to 11.7% (average 8.3%, median 8.3%)

The subject is a single tenant building that is not encumbered by a binding lease. Most weight is given to the center of the range indicated by the local sales. By applying the selected rate of 8.0% to the net operating income, a value of \$1,313,175 is indicated. This can be rounded to \$1,310,000.

$$\$105,054 \quad / \quad 0.080 \quad = \quad \$1,313,175$$

## 10. Reconciliation of Value

Rarely do the three approaches to value reach identical value conclusions. To arrive at a final estimate of value, the quality and quantity of data used within each approach are examined and the value indications of each are compared to one another. Through this process of reconciliation, a final value estimate is reached.

The values indicated by the approaches are as follows:

- Cost Approach	N/A
- Sales Comparison Approach	\$1,350,000
- Income Approach	\$1,310,000

The subject is a single user property which would most likely be purchased by an owner occupant. Most consideration is given to the sales comparison approach which is generally supported by the income approach.

- Reconciled Value	\$1,350,000
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## **ADDENDA**

State of Missouri

Division of Professional Registration  
State Certified General Real Estate Appraiser



VALID THROUGH JUNE 30, 2022  
ORIGINAL CERTIFICATE/LICENSE NO. RA002990  
ROBERT W DODGE  
2308 OSSENFORT VALLEY COURT  
WILDWOOD MO 63038  
USA

ROBERT W DODGE  
2308 OSSENFORT VALLEY COURT  
WILDWOOD MO 63038  
USA

State of Missouri

Missouri Department of Commerce and Insurance  
Division of Professional Registration  
Real Estate Appraisers Commission  
State Certified General Real Estate Appraiser



VALID THROUGH JUNE 30, 2022  
ORIGINAL CERTIFICATE/LICENSE NO. RA002990

ROBERT W DODGE  
2308 OSSENFORT VALLEY COURT  
WILDWOOD MO 63038  
USA

*Vanessa Baucham*  
EXECUTIVE DIRECTOR

*Sarah E. Edgerwood*  
DIVISION DIRECTOR

## ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

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

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

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

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

All maps, plats, and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.

Consideration has not been given in this appraisal to personal property located on the premises, or to the cost of moving or relocating such personal property unless otherwise stated.

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

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

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

## **ADDITIONAL ASSUMPTIONS AND LIMITING CONDITIONS**

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

1. The Appraiser assumes no responsibility of a legal nature affecting 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 as though under responsible ownership and management, if applicable.
2. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraiser has not made a survey of the property.
3. 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 thereof.
4. Any allocation of valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
5. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structure, 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.
6. Information, estimates and opinions furnished to the Appraiser, and contained in the report were obtained from sources considered to be reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the Appraiser can be assumed by the Appraiser.
7. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulation of the professional appraisal organization with which the Appraiser is affiliated.
8. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the Appraiser, professional designations, reference to any professional organizations, or the firm with which the Appraiser is connected), shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee paid by same, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institute, any department, agency or instrumentality of the United States or any state of the District of Columbia, without the previous written consent of the Appraiser, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the Appraiser.
9. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.
10. All opinions of value are presented as Dodge Appraisal Company considered opinion based on the facts and data appearing in the report. We assume no responsibility for changes in market conditions or for the inability of the owner to locate a purchaser at the appraised value.
11. The appraiser assumes there to be no condemnation proceedings affecting the property.
12. The appraiser assumes there to be no easements other than normal utility easements affecting the property other than those easements specified by the Appraiser in writing or on a survey which has been provided to the Appraiser.

13. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the Appraiser. The Appraiser has no knowledge of the existence of such materials on or in the property. The Appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde insulation, and other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would could a loss in value. No responsibility is assumed for any such conditions, or for any expertise of engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.

14. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.

15. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

16. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report. The Appraiser assumes there are no adverse easements affecting the property.

17. The insurable value (if included in this report) has been estimated at the request of the client; however, the Appraiser is not a commercial cost estimator. The insurable value developed was based upon examples and materials taken from a sourcebook and the client is urged to compare these costs with actual quotes from estimators. The Appraiser assumes no liability for and does not guarantee that any insurable value estimated inferred from this report will result in the subject property being fully insured for any loss that may be sustained. Further, the insurable value may not be a reliable indication of replacement or reproduction cost for any date other than the effective date of the appraisal due to changing costs of labor and materials and due to changing building codes and governmental regulations and requirements.

## **CERTIFICATE OF APPRAISER**

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

The statements of fact contained in the appraisal herein set forth are true, and the information upon which the opinions expressed herein are based, is correct.

The reported analyses, opinions, and conclusions as well as my opinion of Just Compensation, Fair Market Value, or other defined value 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 direct or indirect present or contemplated future personal interest in such property or in any monetary benefit from the acquisition or disposal of such property appraised or the appraisal conclusion and no personal interest with respect to the parties involves.

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 employment or my compensation for completing this appraisal assignment and report are in no way 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 the Uniform Standards of Professional Appraisal Practice, in the appraisal of realty and realty rights except to the extent that the *Uniform Appraisal Standards for Federal Land Acquisitions* required invocation of USPAP's Jurisdictional Exception Rule.

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

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

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

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

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

Invoking the Jurisdictional Exception Rule and contrary to Standards Rule 1-3(a) and Standards Rule 1-4(f), I have disregarded any increase or decrease in the fair market value of the property to be acquired, prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of owner(s).  
49 CFR 24.103

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

I afforded the fee holder or the fee holder's representative, an opportunity to accompany me during my inspection of this property. I afforded the tenant owner or tenant owner's representative of any tenant-owned improvements affected by the acquisition an opportunity to accompany me during my inspection of this property

My opinion of Just Compensation, Fair Market Value, or other defined value, is based upon my independent appraisal and the exercise of my professional judgment.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, subject to the requirements of the Appraisal Institute relating to review by duly authorized representatives, and in any event only with proper written qualification and only in its entirety.

As of the date of the appraisal, Robert W. Dodge has completed the requirements of the continuing education program of the Appraisal Institute.

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.

1/14/22

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Date



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MO State Certified General Real Estate Appraiser  
License # RA002990

County	St. Charles
Route	N/A
State Project #	N/A
Federal Project #	N/A
Parcel #	N/A

**Robert W. Dodge, MAI**  
**Dodge Appraisal Company**  
**202 Clarkson Executive Park, Ellisville, MO 63011**

**Experience:**

Dodge Appraisal Company	2006 - present
Hottle Appraisal Company	1995 - 2006
Tom J. Keith and Associates	1993 - 1995
Homeowners, Ltd.	1991 - 1993
Manor Homes by Blake	1990 - 1991

**Memberships and Certifications:**

MAI, Member Appraisal Institute #11529  
Missouri General Certified Real Estate Appraiser #RA002990  
Illinois Certified General Real Estate Appraiser #153.0001777  
St. Louis Association of Realtors

**Education:**

City University of New York, Queens College, BA - 1987  
Fayetteville Technical Community College  
    Introduction to Real Estate Appraisal - 1992  
Real Estate Academy of the Carolinas  
    Valuation Principles and Procedures - 1993  
    Applied Residential Property Valuation - 1993  
    Introduction to Income Property Appraisal - 1993  
    Advanced Income Capitalization Techniques - 1993  
    Applied Income Property Valuation - 1993  
Appraisal Institute  
    Appraisal Principles - 1993  
    Appraisal Procedures - 1994  
    Standards of Professional Appraisal Practice, A - 1996, 2000, & 2002  
    Standards of Professional Appraisal Practice, B - 1996  
    Advanced Income Capitalization - 1995  
    Highest and Best Use and Market Analysis - 1996  
    Advanced Sales Comparison and Cost Approaches - 1997  
    Report Writing and Valuation Analysis - 1997  
    Advanced Applications - 1997  
    Standards of Professional Practice, Part C - 2000 & 2001  
    General Applications - 2003  
    Scope of Work - 2006  
    The Appraiser as Expert Witness - 2006  
    Office Building Valuation - 2007  
    Analyzing Commercial Lease Clauses - 2007  
    Analyzing from Blueprints and Specifications - 2007  
    7 - Hour National USPAP Update - various  
    Supervising Appraisal Trainees - 2008  
    Business Practices & Ethics - various  
    Appraising Convenience Stores - 2009  
    Marshall & Swift Commercial Cost Training - 2009  
    Analyzing Distressed Real Estate - 2009  
    Real Estate Appraisal Operations - 2009  
    Eminent Domain and Condemnation - 2009  
    Data Verification Methods - 2009  
    Appraisal Curriculum Overview - 2011  
    Analyzing Operating Expenses -2011  
    What Commercial Clients Would Like Appraisers to Know - 2012

Appraisal Institute continued

- Comparative Analysis - 2013
- Subdivision Valuation - 2013
- Advanced Internet Search Strategies - 2013
- The Discounted Cash Flow Model: Concepts, Issues, and Applications - 2013
- Forecasting Revenue - 2015
- Online Rates and Ratios - 2015
- General Appraiser Market Analysis & Highest and Best Use - 2016
- Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications - 2017
- Appraisal of Medical Office Buildings - 2018
- Appraising Automobile Dealerships - 2019
- Fundamentals of Apartment Appraising - 2019

**Property Types Appraised:**

Robert Dodge has appraised most general commercial property types including industrial, office, retail, and apartment properties as well as vacant land. In addition, he has a wide range of experience with other property types including churches, schools, bowling alleys, restaurants, mini-storage facilities, automotive facilities, and aircraft hangars. The large majority of this appraisal work has been in the St. Louis metro area.