

**APPRAISAL OF**

100 E. Patterson and 805 S. Evans Streets,  
Tecumseh,  
Lenawee County, Michigan 49286

---

As of the Effective Date of August 2, 2023

For Lenawee County



**GERALD ALCOCK COMPANY, LLC**

**Real Estate Counseling and Appraising**

315 East Eisenhower Parkway, Suite 5  
Ann Arbor, Michigan 49286  
Phone: (734) 994-0554  
[www.geraldalcock.com](http://www.geraldalcock.com)

# GERALD ALCOCK COMPANY, LLC

---

## Real Estate Counseling and Appraising

Principals  
Julie M. Simpson  
Marcel H. Vidovic, MAI  
Michael T. Williams, MAI

---

Susan B. Campbell, CPA  
Controller

---

Lorie D. Alcock  
Stephen J. Simpson  
Karen L. Paul  
Glee R. Loman  
David A. Williams, PGA  
Joanne M. Stockman  
Alexander J. Groves, MAI  
Robert F. Elder, PGA  
Kristina L. Kieft  
Craig M. Coleman

---

Gerald V. Alcock, MAI  
Founder, 1977

August 18, 2023

Ms. Kimberly L. Murphy, County Administrator  
Lenawee County  
301 North Main Street  
Adrian, MI 49221

Re: Appraisal of 100 East Patterson and 805 South Evans Streets, Tecumseh,  
Lenawee County, MI

Dear Ms. Murphy:

As requested in the engagement letter, we have made an appraisal of the above referenced property, the findings of which are submitted in this report. The purpose of this appraisal is to express an opinion of the As Is market value of the fee simple title interest in the above referenced real estate. In addition you have requested a second valuation under the scenario of the noted building and supporting parking area.

This appraisal cannot be completely understood without reading the "General Assumptions and Limitations of Appraisal" and "Extraordinary Assumptions" sections of this report. Any reader of this report is advised to thoroughly read and understand said sections before relying on any information, analyses, or conclusions presented herein.

The appraisers prepared this report and the value estimates herein in compliance with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP). This is an Appraisal Report.

It is the appraisers' opinion that the As Is market value of the fee simple title to the subject property, as of August 2, 2023, is:

**Four Hundred Forty Thousand ( \$440,000 ) Dollars.**

It is the appraisers' opinion that the As Is market value of the fee simple title to the subject property identified as the building and supporting parking area, as of August 2, 2023, is:

**Three Hundred Seventy Thousand ( \$370,000 ) Dollars.**

315 East Eisenhower  
Parkway, Suite 5  
Ann Arbor, Michigan  
49286

Telephone:  
(734) 994-0554

Facsimile:  
(734) 939-1100

email:  
[manager@geraldalcock.com](mailto:manager@geraldalcock.com)

Web:  
[www.geraldalcock.com](http://www.geraldalcock.com)

August 18, 2023

Ms. Kimberly L. Murphy, County Administrator  
Lenawee County

Page Two

The preceding value estimates are made subject to the "General Assumptions and Limitations of Appraisal" of this report and to the following "Extraordinary Assumptions". There are no Hypothetical Conditions.

**Extraordinary Assumptions**

1. The appraisers were informed that the previous property owner, Tecumseh Products Company (TPC), is the party responsible for contaminated soil, groundwater, and soil vapor at the former TPC Facility. They addressed certain environmental obligations by placing a restrictive covenant on the deed recorded September 27, 2016, and prohibiting use or occupancy of the building unless institutional and engineering controls were installed. The appraisers advise that any user of this report obtain his or her own engineering and legal advice concerning this matter. The appraisers do not render an opinion concerning this because we are not qualified to do so. The appraisers specifically note that the recognition, detection or measurement of contamination is outside the scope of this appraisal assignment and their professional expertise. It is an assumption of this report that the appraisal property is free and clear of any contamination and/or environmental hazards, which would materially affect the value of the property. If not, the estimated value may be impacted; and
2. A property condition assessment report for the subject was not provided. According to Mr. Edward Engle, Tecumseh's Director of Building Services & Building Inspector, the subject building is vacant, and in disrepair with all utilities turned off and no certificate of occupancy in place. Portions of the building have been unoccupied in excess of 15 years and are in various stages of finishes ranging from below average shell in the 1994 portion to poor condition in the older sections. The appraisers assume that a significant portion of the mechanical systems within the building including the heating, electrical, plumbing, including the fire suppression, are damaged, removed and or not in working condition. The roof is reportedly sound however evidence of water indicative of roof and leaking issues. It is an assumption of this report that building areas, construction detail and condition ratings presented herein conform to actual conditions. If such condition of these items are found to be substantially different than noted herein, the value conclusion would be affected;
3. Access to the former guard shack/security building, identified as S-building, was not provided and reportedly was not safe to inspect. The overall condition is deemed to be poor and valuation is predicated upon non-contributory value of improvements. If such condition of these items are found to be substantially different than noted herein, the value conclusion would be affected; and

August 18, 2023

Ms. Kimberly L. Murphy, County Administrator  
Lenawee County

Page Three

4. The client has requested a second valuation under the scenario of the noted building and supporting parking area. A legal description or survey detailing this potential split was not provided. As such, we used Google Maps aerial to calculate an estimated improved site comprising of 20 acres located primarily in the northeast corner of the property. We assume that the estimated improved site area is correct and that all governmental agencies involved approve the split. If not, the estimated value may be impacted.

The intended use of this appraisal is for potential disposition or sale.

The intended user of this report is Lenawee County.

*The appraisers have not identified any other party as an intended user of this appraisal. Receipt of a copy of the appraisal by such a party or any other third party does not mean that the party is an intended user of the appraisal. Such parties are advised to obtain an appraisal from an appraiser of their own choosing if they require an appraisal for their own use.*

This letter of transmittal is not an appraisal report, however, it is part of the following appraisal, which reveals the data used and methods applied in estimating the value. This letter and report must not be separated because together they provide the necessary detail and analysis for explaining and supporting the value opinion for the subject property.

The attached report, comprising 10 sections and no exhibits, is an explanation of the method of valuation.

Respectfully submitted,

Gerald Alcock Company, LLC



Michael T. Williams, MAI  
Certified General Appraiser  
License No. 1205004033



Julie M. Simpson  
Certified General Appraiser  
License No. 1205002499



---

## CONTENTS

Executive Summary .....	1
Photographs.....	4
Identification Of Property .....	20
Real Property .....	20
Purpose, Definition Of Market Value, Use And Intended User Of Report, And Scope ....	23
Description Of Property .....	26
Regional and Local Data.....	26
Location and Neighborhood .....	30
Site, Site Improvements and Utilities .....	32
Building Improvements .....	34
Easements.....	37
Assessed Valuation and Taxes .....	38
Environmental Hazards .....	38
Flood Hazard .....	39
Zoning .....	39
Analysis Of Value .....	41
Current Market Conditions and Trends.....	41
Highest and Best Use of Property .....	50
Methods and Date of Valuation .....	55
Sales Comparison Approach and Conclusion of Value-Scenarios 1 and 2.....	57
Sales History Analysis .....	71
Estimated Marketing Period, Exposure Period .....	71
Assumptions And Limitations Of Appraisal.....	73
Appraiser's Certifications .....	79
Required Statements .....	81
Professional Qualifications .....	83

## EXHIBITS

None



## Executive Summary

**Location:** The site is located on the south side of E. Patterson Street, with frontage along the east side of S. Evans Street and the west side of S. Maumee Street, in the city of Tecumseh, Lenawee County, Michigan.

**Tax Identification/  
Assessor's Valuations**

Property	Tax ID #	2023 Taxable Value (TV)	2023 Assessed Value (SEV)	True Cash Value
100 E Patterson St.	XT0-325-0241-00	\$0	\$0	\$0
805 S Evans St.	XT0-325-0250-00	\$0	\$0	\$0

**Property Owner:** Lenawee County

**Type of Report:** Appraisal Report

**Occupancy & Use:** Historically, the former Tecumseh Products Company (TPC) facility contained large number of interconnected buildings/building additions once totaling a reported 750,000 square feet. After two somewhat recent demolition programs, the remaining building area (referred to as the P-Building) comprises of 160,000 square feet, is vacant, and does not have a certificate of occupancy.

**Site:** The subject site, comprises of two contiguous parcels, is slightly rectangular in shape and contains a total of 50.55± acres.<sup>1</sup> The site has extensive frontage along the south side of E. Patterson Street, the east side of S. Evans Street and the west side of S. Maumee Street. Topography is generally level. As shown in the aerials within the report, the concrete slab of the demolished building(s) remains and covers an estimated 30 percent of the total site area. The old water tower and brick chimney remain and are not in working condition.<sup>2</sup> The majority of the site improvements are in poor to fair condition. Overall, the subject property's land-to-building ratio is 13.2 (includes the main P-building, the guard/security S-building and L-building, the detached treatment building for the environment program). The site is enclosed by fence and

<sup>1</sup> Site area provided by Lenawee County GIS and City of Tecumseh Assessment Records

<sup>2</sup> As shown and provided by the Existing Conditions Site Plan drawn by TRC, date May 2020.



security gates. Available utilities are electricity, water and sewer systems, natural gas, cable and telephone.

Improvements: The industrial building contains 160,000± square feet with 2,974± square feet or 2% of interior shop office area.<sup>3</sup> Various construction forms consists of steel framing, concrete block and masonry over concrete floors with varied built up roof systems. The shop ceiling height appears to be 12 feet in the older sections and 21 feet in the newer section. Assessing shows the subject is 160,000 square feet. The detached environmental treatment L-building and former guard/security building (S-building) are not included in the building square footage. Reportedly built in 1948, with subsequent additions in 1950, 1964 and 1994,<sup>4</sup> the vacant property is in disrepair. The Tecumseh Building Department lists the subject as a vacant inactive property, without a certificate of occupancy. The overall working condition of the heating, electrical, and plumbing systems including the fire suppression are unknown and the roof leaks. Portions of the building have been vacant in excess of 15 years-- and ranges from below average in the newer 1994 section to poor condition overall.

Zoning: I-1, Industrial District

Highest & Best Use: Intended interim industrial use

Interest Appraised: Fee Simple Estate

Estimated Exposure Time: 12 Months

Est'd Market Value of Property:	Valuation	Valuation	Value
	<u>Condition</u>	<u>Date</u>	<u>Estimate</u>
Scenario I	As Is	08/02/2023	\$440,000
Scenario II	As Is	08/02/2023	\$370.000

General Assumptions: The preceding value estimates are made subject to the “General Assumptions and Limitations of Appraisal” of this report and to the following “Extraordinary Assumptions”. There are no Hypothetical Conditions.

<sup>3</sup> Building square footage is derived from a combination of an online calculator tool, superimposed over P-Building Layout drawn by TRC, dated April 2021, the Assessor’s Property Sketch, Historical Listings, and appraisers’ spot checked measurements during inspection.

<sup>4</sup> The year built is taken from the Tecumseh Products Company records and corroborated by the property contact.



### **Extraordinary Assumptions**

1. The appraisers were informed that the previous property owner, Tecumseh Products Company (TPC), is the party responsible for contaminated soil, groundwater, and soil vapor at the former TPC Facility. They addressed certain environmental obligations by placing a restrictive covenant on the deed recorded September 27, 2016, and prohibiting use or occupancy of the building unless institutional and engineering controls were installed. The appraisers advise that any user of this report obtain his or her own engineering and legal advice concerning this matter. The appraisers do not render an opinion concerning this because we are not qualified to do so. The appraisers specifically note that the recognition, detection or measurement of contamination is outside the scope of this appraisal assignment and their professional expertise. It is an assumption of this report that the appraisal property is free and clear of any contamination and/or environmental hazards, which would materially affect the value of the property. If not, the estimated value may be impacted; and
2. A property condition assessment report for the subject was not provided. According to Mr. Edward Engle, Tecumseh's Director of Building Services & Building Inspector, the subject building is vacant, and in disrepair with all utilities turned off and no certificate of occupancy in place. Portions of the building have been unoccupied in excess of 15 years and are in various stages of finishes ranging from below average shell in the 1994 portion to poor condition in the older sections. The appraisers assume that a significant portion of the mechanical systems within the building including the heating, electrical, plumbing, including the fire suppression, are damaged, removed and or not in working condition. The roof is reportedly sound however evidence of water indicative of roof and leaking issues. It is an assumption of this report that building areas, construction detail and condition ratings presented herein conform to actual conditions. If such condition of these items are found to be substantially different than noted herein, the value conclusion would be affected;
3. Access to the former guard shack/security building, identified as S-building, was not provided and reportedly was not safe to inspect. The overall condition is deemed to be poor and valuation is predicated upon non-contributory value of improvements. If such condition of these items are found to be substantially different than noted herein, the value conclusion would be affected; and
4. The client has requested a second valuation under the scenario of the noted building and supporting parking area. A legal description or survey detailing this potential split was not provided. As such, we used Google Maps aerial to calculate an estimated improved site comprising of 20 acres located primarily in the northeast corner of the property. We assume that the estimated improved site area is correct and that all governmental agencies involved approve the split. If not, the estimated value may be impacted.







Southbound on S. Evans St.

Westbound on E. Patterson St.



Eastbound on E. Patterson St.



Front or North Elevation;  
Facing West



Side or East Elevation;  
Facing South



Front or North Elevation; Facing  
South





Side Elevation of Guard/  
Security Building-S;  
Facing South

Gerald Alcock Company, LLC

Side or West Elevation;  
Facing South



Gerald Alcock Company, LLC



Partial Side Elevation;  
Facing North

Gerald Alcock Company, LLC



Rear or South Elevation;  
Facing East

Gerald Alcock Company, LLC



Side or East Elevation;  
Facing West

Gerald Alcock Company, LLC



Partial Side or East Elevation;  
Facing West

Gerald Alcock Company, LLC



View of Site;  
Facing South

View of Site including  
Slab of Demolished Building;  
Facing East



View of Site;  
Facing East





View of Site;  
Facing South

View of Site including  
Slab of Demolished Building;  
Facing East



View of Site;  
Facing North



View of Site;  
Facing North

View of Site including  
Slab of Demolished Building;  
Facing South



View of Site;  
Facing North





Shop Interior

Shop Interior



Shop Interior



Shop Interior



Shop Interior



Shop Interior



Shop Interior



Shop Interior



Shop Interior





Shop Interior

Shop Interior (Missing Overhead Doors)



Shop Interior



Shop Interior



Shop Interior



Shop Interior



Shop Interior



Shop Interior



Shop Interior





Shop Interior



Shop Interior



Shop Interior



Shop Interior



Shop Interior



Shop Interior





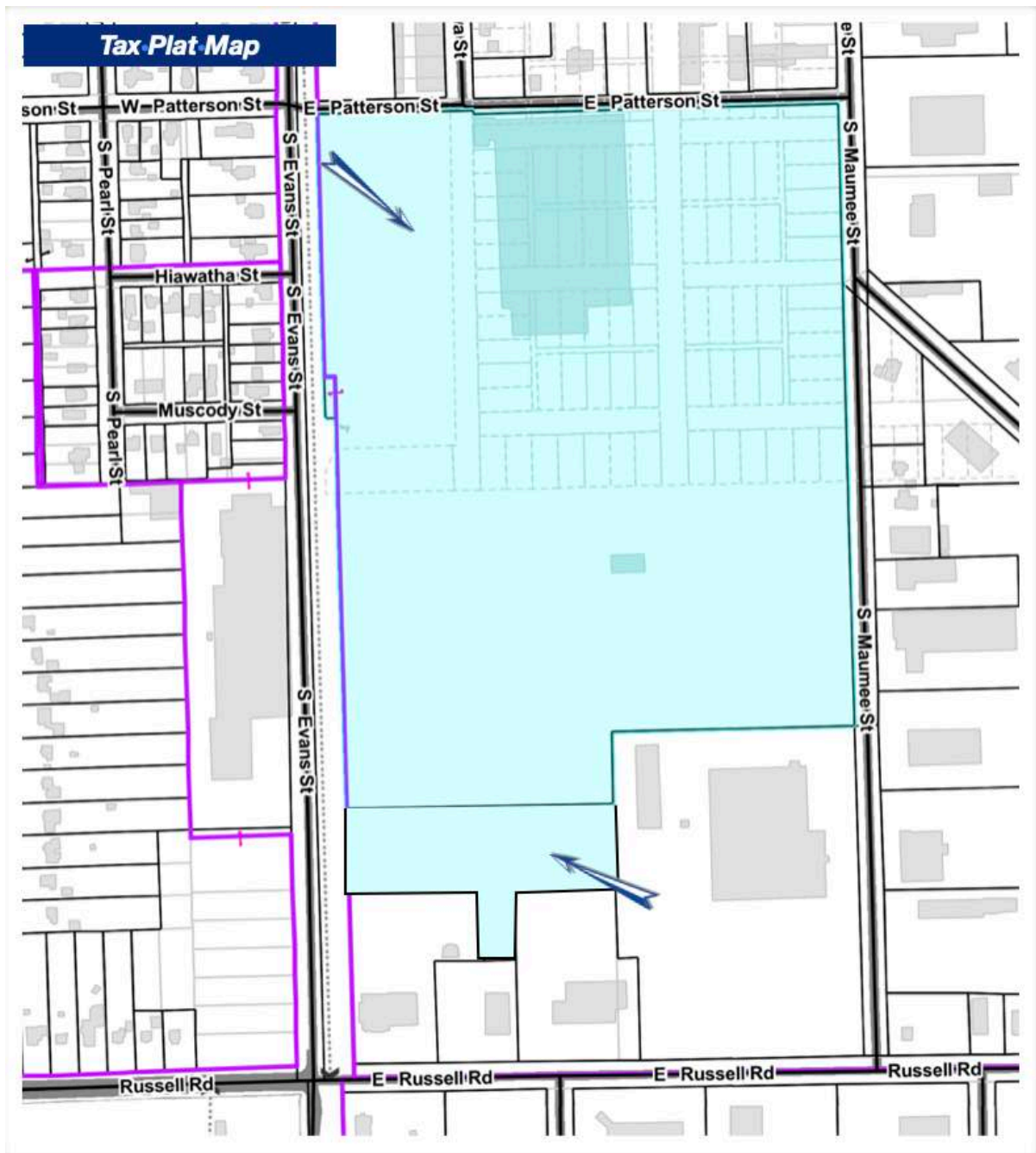
## Identification of Property

### Real Property

#### Address, Tax Identification Number and Legal Description <sup>5</sup>

<u>Address</u>	<u>Tax ID #</u>	<u>Legal</u>
100 E Patterson St. Tecumseh, MI 49286	XT0-325-0241-00	LOT 24 EX E 30 FT ASSESS PLAT NO 6 ALSO LAND DESC AS BEG ON W LI LOT 24 ASSESSOR'S PLAT #6 REC AS 57.30 FT S 89D 04M E & 1622.25 FT N 0D 17M E FROM SW COR SEC 34 TH N 0D 17M E 101.45 FT ALG W LI LOT 24 TH N 89D 26M W 25 FT TH S 0D 17M W 101.45 FT TH S 89D 26M E 25 FT TO POB CONT 2536 SQ FT T5S R4E CITY OF TECUMSEH
805 S Evans St. Tecumseh, MI 49286	XT0-325-0250-00	LOT 25 EX S 250 FT OF E 450 FT ALSO EX THAT PART O SW 1/4 SEC 34 DESC AS BEG AT SW COR SD LOT 25 57.36 FT S 89D 4M E & 33 FT N 0D 17M E FROM SW COR SD SEC 34 TH N 0D 17M E 426 FT TH S 89D 04M E 326.97 FT TH S 0D 17M W 176 FT TH N 89D 04M W 120 FT TH S 0D 21M W 250 FT TH N 89D 04 W 206.68 FT TO POB ALSO EXC THAT PRT OF SW 1/4 SEC 34 ALSO BEING PART OF LOT 25 ASSESSOR'S PLAT #6 DESC AS BEG 464.03 FT S 89D 04M E & 283 FT N 0D 21M E TH N 0D 21M E 176 FT TH S 89D 04M E 250 FT TH S 0D 21M W 176 FT TH N 89D 04M W 250 FT TO POB 1.01 ACRES ASSESSOR'S PLAT NO 6 CITY OF TECUMSEH

<sup>5</sup> The legal description was taken from the Tecumseh Assessor's Property Card.



The above Tax Plat Map indicates the location of the building in relation to the overall parcel. Please note the boundary lines are not exact and are shown for illustration purposes only.

**Client**

The appraisers were engaged by Lenawee County to prepare this appraisal report.



**Property Owner**

Lenawee County

**Leases & Title Interest**

The title interest under analysis is the fee simple estate.

**Personal Property, Fixtures and Intangibles**

This appraisal excludes all personalty or trade fixtures found within the subject building and site improvements.



---

## Purpose, Definition of Market Value, Use and Intended User of Report, and Scope

### Purpose

The purpose of this appraisal is to estimate the market value as of the effective date of the fee simple title to the appraisal property, identified in the foregoing section of this report, subject to the conditions and limitations stated in this report.

**Fee simple title (Interest):** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.<sup>6</sup>

### Definition of Market Value

As used herein, the definition of market value is as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and by the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>7</sup>

---

<sup>6</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, IL, 2015, p. 90.

<sup>7</sup> As defined in the Board of Governors of the Federal Reserve System, in accordance with Title XI of FIRREA (1989).



### **Intended Use and User**

The intended use of this appraisal is for potential disposition or sale.

The intended user of this report is Lenawee County.

### **Appraisal Development and Report Process (Scope)**

The scope of this appraisal encompasses the necessary research and analysis to prepare a report in accordance with its intended uses as set forth in the above subsection and with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. In the appraisal of the subject property, the appraisers employed the following data sources:

#### **Physical Data**

The property was inspected, both interior and exterior, on the date noted at the "Narrative Dates" subsection of this report. Ms. Kimberly L. Murphy, Lenawee County Administrator, Mr. Jason Smith, Corporate Director of Environmental Control / Legal Support, with Tecumseh Products Company LLC, were interviewed regarding various aspects of the property. In addition, the appraisers secured assessment, zoning, and utilities data pertinent to the subject property from the following sources.

City of Tecumseh and Lenawee County Municipal Offices

#### **Area and Neighborhood Data**

The appraisers conducted a physical inspection of the area within which the subject is located to obtain area and neighborhood data. Additionally, governmental sources were contacted in order to obtain information pertaining to such things as adequacy of infrastructure; availability of utilities; employment statistics; zoning; flood hazards; environmental hazards; and anticipated development trends. Government officials, and real estate brokers conducting business in the area of the subject were contacted regarding supply, demand, and market trends.

#### **Market Data Sources**

Physical data for each individual comparable sale is detailed at within the "Analysis of Value," subsection of this report. The sources of this data are cited at this section. The process employed in preparing this report involved the use of public, as well as private data sources including city and county records and information contained in the appraisers' files. Sales data utilized in this report were obtained from county assessor records, brokers and a data source of which the appraiser is a participating member. The property was inspected and the market for similar industrial properties was investigated. Various contacts were made with brokers as well as other appraisers in



the gathering of data. When possible, sale price was confirmed with either the buyer, seller or the broker of the transaction. Sources of additional general market data are listed as follows:

- Data files of the Gerald Alcock Company
- Various local municipal assessment offices
- Various local and regional appraisal firms
- Local real estate brokers
- CoStar

The estimation of Market Value for an income property is the result of a multistep analytical process which begins with a Description of Property. This process provides an overview of economic and the neighborhood influences which impact the property. The subject property and neighborhood were inspected and pertinent data reviewed with respect to determination of highest and best use and economic analysis. The economic indices produced by the subsequently outlined approaches to value are used to formulate an opinion of the Highest and Best Use for the subject property which becomes the foundation on which market value rests. The steps the appraisers used to develop the value estimates stated herein proceed from the Highest and Best Use analysis set forth at the "Analysis of Value" section of this report.

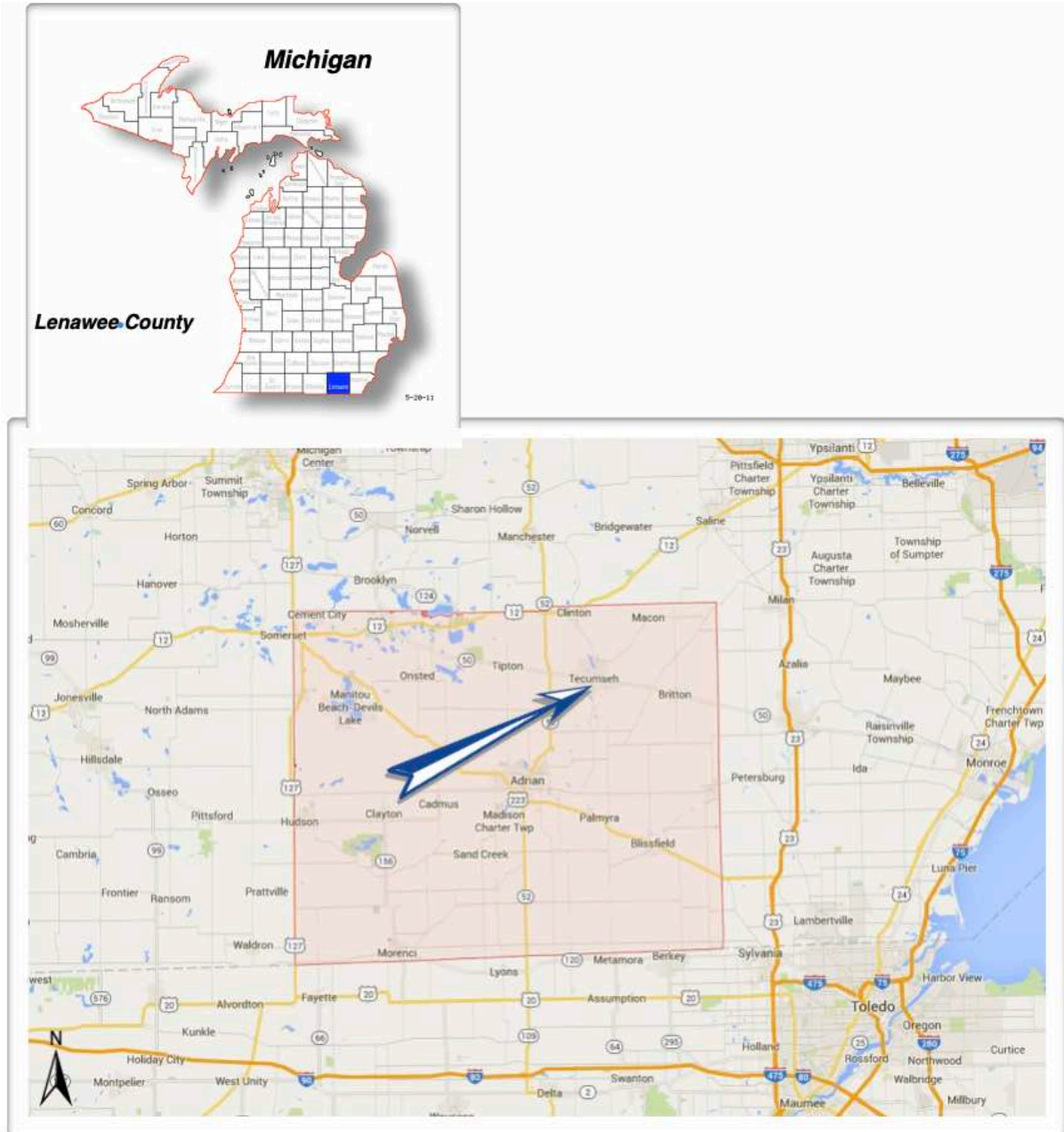
The General Assumptions and Limitations of Appraisal to which this report and its value conclusions are subject are set forth in the section bearing that title and must be thoroughly read and understood by anyone using this report.



## DESCRIPTION OF PROPERTY

### Regional and Local Data

As shown below, the subject property is located in Tecumseh, Lenawee County, Michigan.





As shown above, the appraisal property is found in the city of Tecumseh - a community found within the central region of Lenawee County, which is located in the southeast region of Lower Michigan is bounded to the north by Jackson and Washtenaw Counties, to the east by Monroe County, to the south by Lenawee and Hillsdale Counties, and to the west by Hillsdale County. Lenawee County has a total area of 761.4 square miles.

Lenawee County comprises the Adrian, MI Micropolitan Statistical Area and is included in the Detroit-Warren-Ann Arbor, MI Combined Statistical Area. It is served by the Toledo Media market. According to the US Census Bureau, the county has a total area of 761 square miles, of which 750 square miles is land and 12 square miles (1.6%) is water. The county is considered to be part of Southeastern Michigan.

The City of Tecumseh is approximately 5 square miles. The City is bordered by Tecumseh Township to the north, west, and east, and Raisin Charter Township to the south. The City is also in close proximity to the Villages of Clinton and Britton, as well as Clinton, Macon, Franklin, Adrian, and Ridgeway Townships.

The City of Tecumseh is in the northeast corner of Lenawee County near the southern border of Washtenaw County and the western border of Monroe County. State Highway 50 (M 50) runs east/west through Tecumseh, connecting the City to US 23, Britton, Dundee, and Monroe to the east and Brooklyn, Napoleon, and Jackson to the west. State Highway 52 (M 52) runs north/south just west of the City, providing access Adrian to the south and Manchester and Chelsea to the north. The City also has convenient access to US 12 via Tecumseh-Clinton Highway (Evans Street), which connects Tecumseh to Saline, Ann Arbor, Ypsilanti, US 23, and Interstate 94 to the northeast. The City of Tecumseh is located approximately sixty miles from Detroit, forty miles from Toledo, thirty-five miles from Jackson, thirty miles from Ann Arbor and Monroe, and twelve miles from Adrian.

The following discussion will provide an overview of population and household demographics of the subject area. The data is provided by ESRI, Inc., a national demographic tracking firm.

### **Population and Households**

A summation of the area population and households is presented on the following page.





### Population & Household Trends

Population	2010	2022	2027	Compound Annual Change	
				2010-2022	2022-2027
City of Tecumseh	8,559	8,683	8,661	0.1%	-0.1%
Lenawee County	99,892	98,924	98,247	-0.1%	-0.1%
State of Michigan	9,883,640	10,078,165	10,054,399	0.2%	-0.0%
<b>Households</b>					
City of Tecumseh	3,643	3,852	3,871	0.5%	0.1%
Lenawee County	37,514	38,551	38,545	0.2%	-0.0%
State of Michigan	3,872,508	4,055,668	4,067,530	0.4%	0.1%

*Source: ESRI*

As depicted above, the City of Tecumseh had an increase in population over the past 12 years while Lenawee County saw slight decreases. Each demographic is projected to maintain their current population level over the next five years.

The total number of households generally mirrors the population trends for all demographic areas.

### Median Household Income

Median household income is one indicator by which area incomes may be measured and compared. Median household income is used over average household income because the latter tends to be misleading, particularly in areas where there is a disproportionate share of college, military, or other institutional-style populations housed in-group quarters. Median household income levels are illustrated at Table, 'Median Household Income.' The reader should note that the figures cited in the following Table are expressed in current dollars.

Median Household Income	2022	2027	Compound Annual
			2022-2027
City of Tecumseh	\$60,180	\$65,658	1.8%
Lenawee County	\$55,397	\$61,972	2.3%
State of Michigan	\$63,818	\$75,735	2.9%

*Source: ESRI*



Average household incomes are expected to increase at a modest rate for all study areas over the next five years.

**Employment**

Important factors in determining present and potential commercial and industrial growth include total employment and the distribution of employment among industry segments. Per the 2000 Census, “management and professional” and “sales and office” occupations make up the majority of the total occupations of City of Tecumseh residents. The employment industry distribution of Tecumseh residents is dominated by the manufacturing; educational, health and social services; and retail trade industries.<sup>8</sup>

Employment projections between 2018 and 2028 for the Southeast Michigan Prosperity Region and the State of Michigan, are shown below.

<b>Employment Trends</b>			
	2018	2028	2018-2028
<b>Region</b>	Actual	Est'd	% Change
Southeast Michigan Prosperity Region	460,900	466,340	1.2%
State of Michigan	4,672,450	4,675,200	0.1%
Average			0.6%

Source: Michigan DTMB

As the chart indicates overall area employment for the Southeast Michigan Prosperity Region, is projected to increase by 1.2% between 2018 and 2028, and by 0.1% for the State of Michigan.

Lenawee County is characterized by an economy that is heavily dependent on the manufacturing and agricultural sectors. However, it has declined due to the changing of market conditions and the desire to diversify the Michigan and Lenawee economy. Other important economic sectors include educational institutions, healthcare facilities, retail, insurance, and professional services. There is also a potential for tourism development in the area, and the quality of life is desirable. Much of the population work out-of-county, primarily in Washtenaw County, Michigan and Lucas County, Ohio.

<sup>8</sup> Tecumseh Comprehensive Plan, Adopted December 7, 2004



## Unemployment

According to local MESC officials, the closest annual unemployment rates and employment growth rates for the subject's area are defined by all of Lenawee County. They are summarized in the following table.

<b>Unemployment Trends</b>								
	2015	2016	2017	2018	2019	2020	2021	2022
	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual
	Average	Average	Average	Average	Average	Average	Average	Average
<b>Lenawee County</b>								
Labor Force	47,944	47,618	47,139	46,891	46,448	45,546	44,522	44,786
Employment	45,643	45,482	44,951	44,971	44,613	41,328	42,093	42,695
Unemployment	2,301	2,136	2,188	1,920	1,835	4,218	2,429	2,091
Rate	4.8%	4.5%	4.6%	4.1%	4.0%	9.3%	5.5%	4.7%
<b>State of Michigan</b>								
Labor Force	4,760,000	4,849,000	4,911,000	4,945,000	4,976,000	4,863,000	4,780,000	4,836,000
Employment	4,502,000	4,607,000	4,686,000	4,739,000	4,774,000	4,379,000	4,502,000	4,633,000
Unemployment	258,000	242,000	225,000	206,000	202,000	484,000	278,000	203,000
Rate	5.4%	5.0%	4.6%	4.2%	4.1%	10.0%	5.8%	4.2%

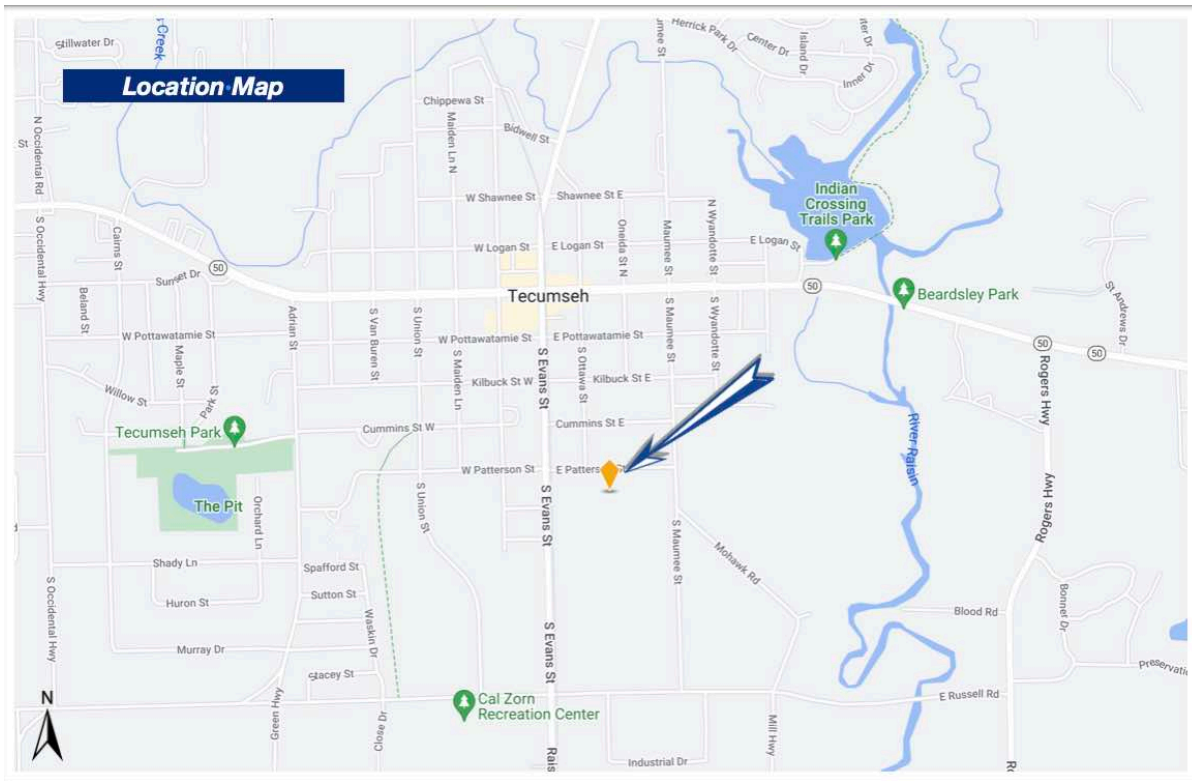
Source: [www.bls.gov/LAU](http://www.bls.gov/LAU)

The 2022 unemployment rates for Lenawee County is 4.7%, versus 4.2 for the state of Michigan. The 2020 rates represent a spike in unemployment attributed to the mandated shutdowns from the Covid-19 pandemic, with 2021 rates settling back down towards the average levels in prior years.

## Location and Neighborhood

As indicated on the following page, the subject property is located on the south side of E. Patterson Street, with frontage along the east side of S. Evans Street and the west side of S. Maumee Street, in the city of Tecumseh, Lenawee County, Michigan.

The subject is located in a mixed-use area in the south central segment of the city of Tecumseh; it is four blocks west of the Herrick Hospital and its campus, which closed in 2020 and has remained vacant since. The hospital is owned by Toledo, Ohio-based Promedica, an 11-hospital entity. On July 2, 2023, the Daily Telegram reports that a purchase agreement has been signed for sale to Behavioral Health Consulting Partners of North America (BHCPNA) for use as a behavioral health solutions center. Other neighbors include the Department of Public Works facility and industrial uses emanating southward and eastward. Single-family residences are found on Cummins Street, to the north.



Chicago Boulevard, four blocks north of the subject, is the city’s commercial corridor, improved with turn-of-the-century, zero-lot-line commercial buildings, with retail uses at grade and office or apartment uses on upper levels. Chicago Boulevard, is also known as M-50, a state trunkline.

Both M-50, and M-52, are the primary entrance corridors to the cities of Tecumseh and Adrian. M-50 runs in an east-west direction and provides linkages to M-52, US-12, and the Jackson area to the west, as well as US-23 at Dundee and I-75 at Monroe to the east. US-23 is about 10 miles east of the subject. The city of Monroe is about 35 miles to the east and the city of Jackson is 40 miles northwest. The Detroit Metropolitan area is roughly 60 miles to the northeast and Toledo, Ohio is less than 25 miles southeast of the subject.

The aerial neighborhood map on the following page shows the location of the subject site and surrounding properties.



The City of Adrian, the county seat for Lenawee County, lies ten miles to the south. Tecumseh has no direct access to an interstate highway. However, three important state routes traverse the area connecting it to several cities. One of these roadways is M-52, located in the eastern portion of Franklin Township, which connects with I-94 near Chelsea to the north and south to the City of Adrian. US-12 and Michigan Avenue, which is north of the subject, links the Village of Clinton and the Ann Arbor-Ypsilanti metro area approximately 20 miles to the northeast. M-50, an east-west route bisecting the City of Tecumseh, connects with the City of Jackson approximately 34 miles to the northwest and the City of Tecumseh.

The City is also conveniently located near several airports, including Meyers Airport in Tecumseh Township, the Lenawee County Airport near Adrian, as well as international airports in Detroit and Toledo.

### Site, Site Improvements and Utilities

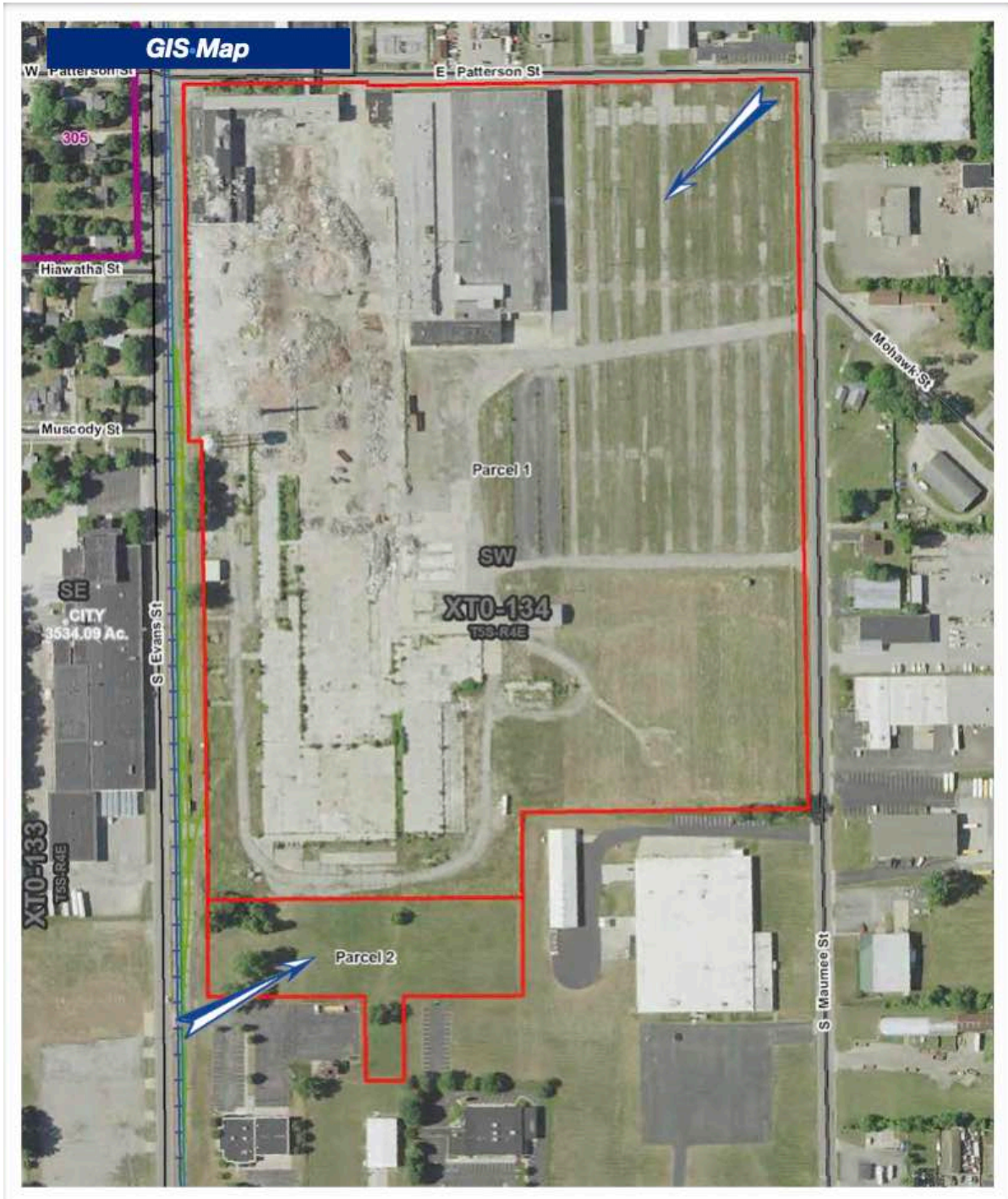
As shown on the GIS Map followed by a Site Plan, the subject site, comprises of two contiguous parcels, is slightly rectangular in shape and contains a total of 50.55± acres.<sup>9</sup> The site has extensive frontage along the south side of E. Patterson Street, the east side of S.

<sup>9</sup> Site area provided by Lenawee County GIS and City of Tecumseh Assessment Records





Evans Street and the west side of S. Maumee Street. Topography is generally level. There are several driveways that lead into the site's interior.



The above aerial indicates the location of the buildings in relation to the overall parcel. Please note the boundary lines are not exact and are shown for illustration purposes only.







Foundation: Concrete and are assumed to be reinforced poured concrete slab

Structural Framing: Masonry and steel frame





- Exterior Walls:** Concrete block and steel. There are several overhead grade doors some with doors removed, sliding doors, and a truck dock area with doors removed. In addition, there are several pedestrian doors at the exterior of the building.
- Roof:** The roof type varies. Built up, over what appears to be metal decking, with a membrane type cover. Open web steel joists support the roof system. The age of the various covers are unknown. According to Mr. Jason Smith, Corporate Director of Environmental Control / Legal Support, with Tecumseh Products Company LLC, the roof is reportedly sound, however there are numerous puddles, indicative of roof and leaking issues.
- HVAC:** Tecumseh's Director of Building Services & Building Inspector, Mr. Edward Engle, reports the subject utilities have been turned off for years and is no longer heated or cooled. There are several suspended gas fired forced air units, however we are not able to determine whether any portion of the entire heating and cooling system is functioning.
- Plumbing:** Plumbing is assumed to consist of cast iron vent pipes, drain and sewer with galvanized steel and copper domestic water pipes and fittings. Again, we are informed by the Director of the Building Department that the entire plumbing system has been turned off and is considered to be nonfunctioning.
- Fire Suppression:** Historically, the plan was fully wet sprinklered for fire suppression, however because it has been turned off for years, it is considered to be nonfunctioning
- Electrical:** According to the Director of the Building Department, portions of the electrical system have been stripped and removed as such, are not in working condition and do not comply with present code requirements
- Layout:** Historically, the former Tecumseh Products Company (TPC) facility contained large number of interconnected buildings/building additions once totaling about 750,000 square feet. After the completion of two demolish programs over the past decade, the remaining building area (referred to as the P-building) comprises of 160,000 square feet, is vacant, and does not have a certificate of occupancy. The entire property, including the remains of the former manufacturing building and the surrounding grounds, is in a dilapidated state. It would appear the subject site has continuously operated as an industrial facility since at least circa 1900s.



At present P-building is vacant. In general the layout is separated into two main shop areas. There are several former shop office areas scattered in the building. The northern portion of P-building is a large open area separated from the southern portion of P-building by a row of smaller rooms including former restrooms and some sort of control room. The southern portion of P-building is sub-divided into several large areas including loading docks along the southern wall. Most of the overhead grade dock doors have been removed and boarded up. Access to the former guard shack/security building-S was not provided and reportedly was not safe to inspect. The overall condition is deemed to be poor and valuation is predicated upon non-contributory value of improvements.

Condition: Reportedly built in 1948, with subsequent additions in 1950, 1964 and 1994, the vacant subject improvements are in disrepair. The Tecumseh Building Department lists the subject as a vacant inactive property, without a certificate of occupancy. A significant portion of the mechanicals appear not in working order, damaged, or removed and all are turned off. Some of the exterior, interior and overhead doors are either missing or are in poor condition and require repair/ replacement. No property condition assessment report was provided by ownership. The appraisers cannot determine the condition of the roof, although there is evidence of water. Nor can we determine whether the suspended gas fired heaters found in the newer 1994 building section, and the fire suppression system have the potential to be brought up to a level of working condition. Portions of the building have been vacant in excess of 15 years-- and ranges from below average in the newer section 1994 to poor condition overall.

## Easements

The appraisal property is subject to a restrictive covenant for no residential use as implemented by Tecumseh Products Company, the titleholder at the time. The appraisal property is subject to a non residential deed restriction which reads: "Any residential use is specifically prohibited from the non-residential land use category."<sup>11</sup>

The appraisers express no opinion as to the existence of any other easements or other restrictions on the subject property that would adversely affect the subject's market value or in any way create an exception to clear title. For the purposes of this appraisal, it is presumed that any other easements or restrictions to clear title consist only of typical utility easements

---

<sup>11</sup> Restrictions contained in the Declaration of Restrictive Covenant, dated September 16, 2016 Exhibit 4, *Description of Allowable Uses* .



that do not preclude normal development of the site and have no influence on the subject's market value.

**Assessed Valuation and Taxes**

According to General Property Tax Law for the state of Michigan, real property tax liability is calculated by multiplying the municipal millage rate by the Taxable Value of the property. The concept of Taxable Value was historically implemented to limit the amount of property tax increase in a given year to 5.0 percent or the rate of inflation, whichever is less. The real property is identified on the Tecumseh tax rolls as follows:

<b>Taxable &amp; Assessed Value</b>						
Property	Tax Identification #	Sq. Ft.	Acres	2023 Taxable (TV)	2023 Assessed (SEV)	True Cash Value (TCV)
100 E Patterson St.	XT0-325-0241-00	106,000	47.15	\$0	\$0	\$0
805 S Evans St.	XT0-325-0250-00		3.40	\$0	\$0	\$0
			50.55	\$0	\$0	\$0

The property does not have established taxable values due to its tax exempt status as a County-owned property.

Additionally, according to Mr. Dan Swallow, the Tecumseh City Manager, reports that possible financial incentives for the subject such as a Brownfield Incentive that may use Tax Increment Financing (TIF) as a tool for property redevelopment. However, no benefit for the Brownfield Program is considered within our analysis.

According to Lenawee County Treasurers Office, there reportedly are no delinquent taxes. The value estimated herein assumes that these taxes have been paid in full. If not, they would be considered to be a direct offset to value. In addition, the appraisers assume no other open liens against the subject property. As our market value herein is based upon property that is free and clear of financial liens or encumbrances that may in any way affect market value, we suggest a thorough title search, as any outstanding obligations may be considered a direct offset to market value.

**Environmental Hazards**

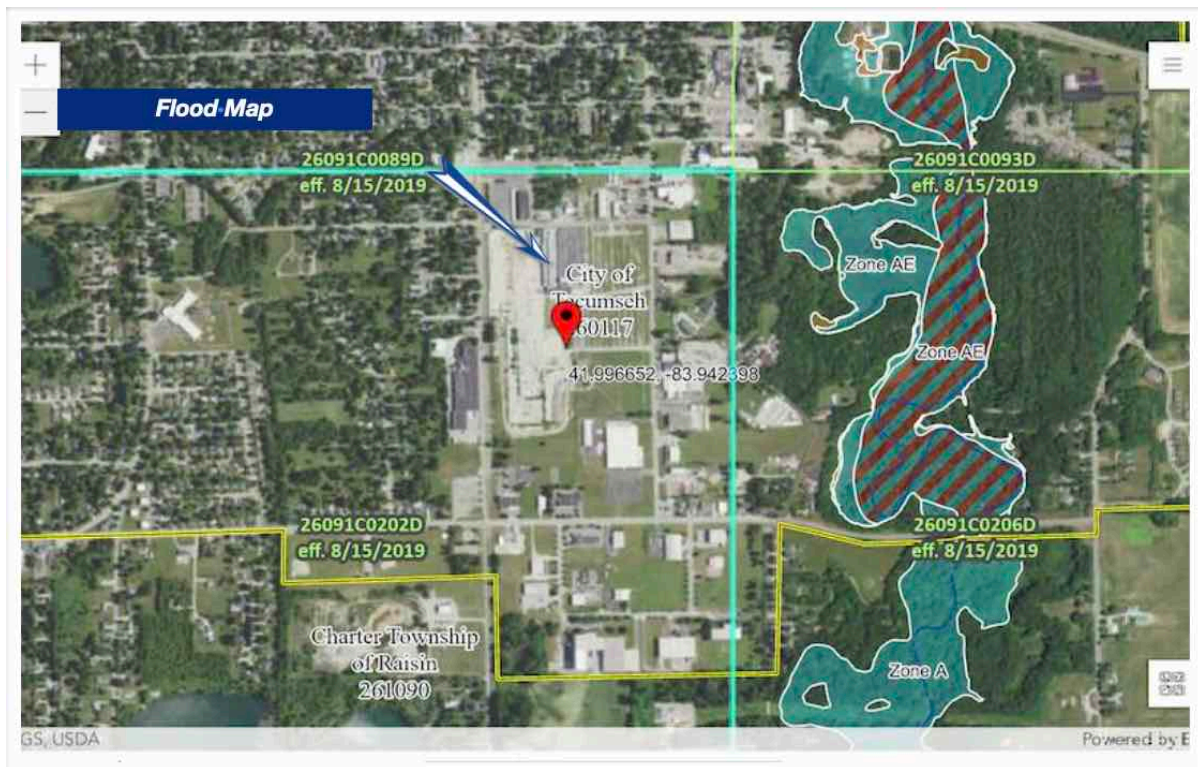
The appraisers were informed that the previous property owner, Tecumseh Products Company (TPC), is the party responsible for contaminated soil, groundwater, and soil vapor at the former TPC Facility. They addressed certain environmental obligations by placing a restrictive covenant on the deed recorded September 16, 2016, and prohibiting use or occupancy of the building unless institutional and engineering controls were installed.



The appraisers advise that any user of this report obtain his or her own engineering and legal advice concerning this matter. The appraisers do not render an opinion concerning this because we are not qualified to do so. Notwithstanding the foregoing statement, the appraisers specifically note that the recognition, detection or measurement of contamination is outside the scope of this appraisal assignment and their professional expertise. Consequently, the value opinion expressed herein is predicated on the absence of toxic or otherwise hazardous substances or materials from the property. If contaminants now affect the appraisal site, or will do so in the future, their presence may adversely affect the marketability and/or value of the property as expressed herein.

### Flood Hazard

According to the Flood Insurance Rate Map published by the Federal Emergency Management Agency (FEMA), Community-Panel No. 26091 C0202D, dated 8/15/2019, the subject property is in Zone X, area outside of the .2% annual chance of floodplain. A portion of said flood insurance rate map is presented below.



### Zoning

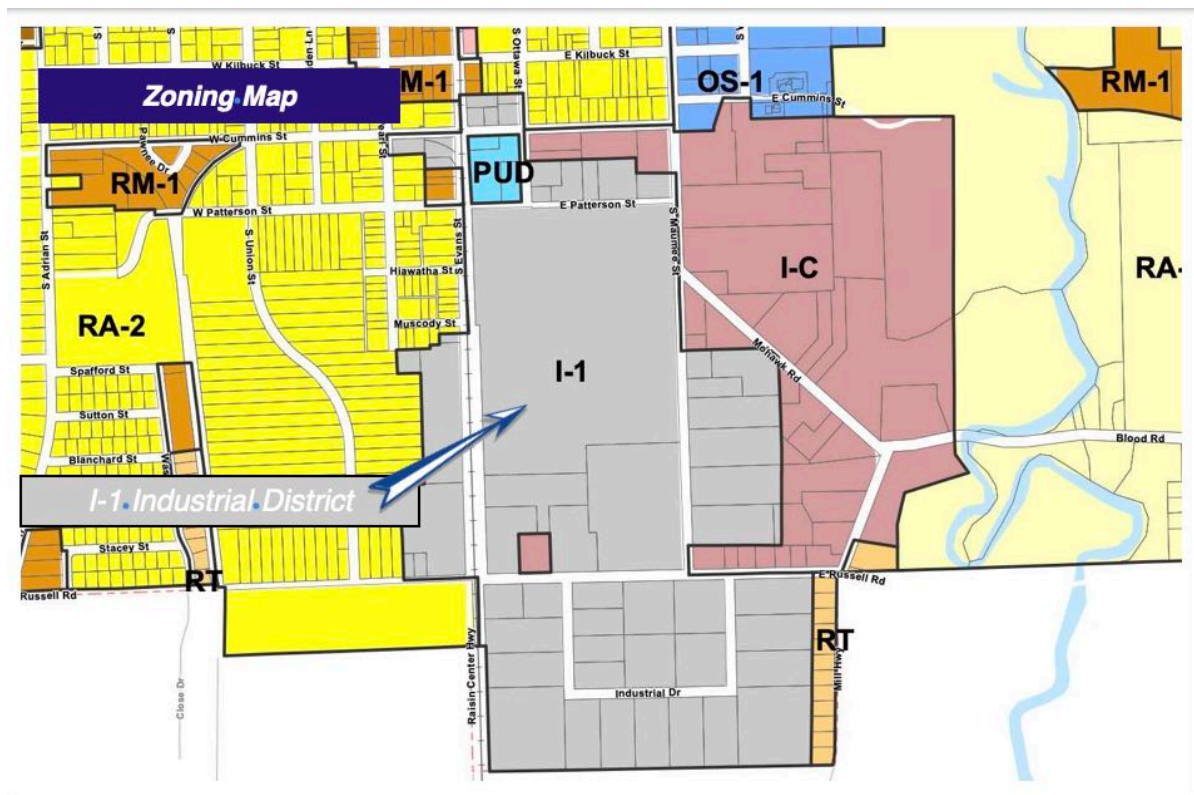
According to the Tecumseh zoning map set forth on the following page, the entire subject property is zoned I-1, Industrial District.



Permitted Uses include, but are not be limited to, professional offices, warehousing and storage, manufacturing and assembly and religious institutions.

Special Land Uses include distribution centers, wireless communications and outdoor storage of equipment, to name a few. In addition, if the use is discontinued for more than 30-days the land will have to conform.

There is no minimum lot area for this zoning designation.



According to the Tecumseh Building Department, the former industrial use was permitted under the current zoning ordinance, however the improvements will need to be brought up to code and requires a certificate of occupancy in order to be occupied. The Tecumseh Building Department reports that the subject has been neglected and unoccupied for a very long time, however it is not or has never been listed or "red tagged" as a dangerous building.

The Tecumseh Comprehensive Plan advises that the adopted future land use map indicates continued industrial use specifically for subject site.

Further information describing permitted uses, accessory uses, set backs, and size restrictions are contained within the appraisers' work file.



---

## ANALYSIS OF VALUE

### Current Market Conditions and Trends

#### National<sup>12</sup>

According to the University of Michigan's Research Seminar in Quantitative Economics executive summary, dated May 2023, "A wide range of economic scenarios remains in play for the next year and a half. The recent stress in the banking sector has added to the pre-existing uncertainty. While the primary focus is on regional banks, the broader banking system balance sheet is under pressure from declines in asset values, deposit outflow, and the prospect of an upcoming recession. We believe that the stress in the banking sector will persist until banks have had time to heal their balance sheets. Many banks are likely to tighten standards further to lower the average credit risk of their loan portfolios.

The debt ceiling was officially reached on January 19, 2023. The Treasury could run out of "extraordinary" measures for debt management as soon as early June. The level of stress in the debt markets is high, with steep discounts for Treasury bills maturing next month. The probability of a U.S. default, while still very low, is markedly higher than during previous debt ceiling fights. Nonetheless, we expect the current standoff to be resolved with minimal damage to the economy.

These stressors aid the widespread narrative that recession is imminent. Tighter lending standards, low current and expected level of industrial activity, stalled business fixed investment, and declining service sector sentiment all support that view. While the unemployment rate remains exceptionally low, the labor market appears to be cooling meaningfully along several other key metrics, albeit from an overheated state.

On the other hand, consumption expenditures grew at a 3.7 percent annualized pace in 2023Q1, the fastest since 2021Q2. Vehicle sales have surprised on the upside so far this year. Wage growth remains brisk, supporting incomes. So, there are plenty of reasons for optimism that the U.S. economy will be able to avoid a recession in 2023–24. Our outlook lies somewhere in between these two scenarios.

Considerable year-over-year declines in energy prices, stabilizing food prices, and a substantial slowdown of inflation for goods are contributing to ongoing declines of all-items inflation. Measures of underlying trend inflation, however, remain stubbornly high. Despite shelter inflation finally beginning to slow, core CPI inflation has averaged an annualized pace of 5.1 percent from January to April 2023. Inflation in wage sensitive service industries has yet to begin cooling. As shelter inflation slows further, core inflation will decelerate, but a meaningful slowing to levels consistent with the Federal Reserve's 2.0 percent target is likely to require noticeable labor market softening."

---

<sup>12</sup> University of Michigan, RSQE, May 19, 2023





More highlights within the May 2023, released RSQE executive summary forecast are reported as, “The 30-year fixed mortgage rate topped 7.0 percent last fall, but has since settled into the mid-6.0 percent range. The demand for housing appears to have stabilized after plummeting during last year’s run-up in rates. We therefore judge the remaining housing market correction to be marginal, with the market avoiding large volumes of distressed sales or mortgage defaults with major spillovers to the rest of the economy.

Current homeowners’ reluctance to give up their low rate mortgages has contributed to limited supply in the market for existing homes, cushioning prices against larger declines. As a result, the residential construction sector is likely already seeing an inflow of buyers unable to find an existing house to purchase.

Despite stubbornly high measures of trend inflation and the still tight labor market, the Fed is widely expected to pause its monetary tightening cycle. The Fed is hoping policy lags from the previously-administered 500 basis points of rate increases to cool off the economy without additional hikes.

Research suggests that the effects of monetary tightening ramp up gradually over the course of many quarters, and it can take a few years before the full impact is evident. Additionally, the anticipated disinflation is expected to deliver gradually rising short-term real interest rates over the next few quarters, effectively tightening monetary policy further.

We project the Fed will hold its current 5.0–5.25 percent target range for the federal funds rate steady for the rest of 2023. We expect the Fed to start cutting rates in early 2024, as inflation slides and the labor market softens, decreasing at a pace of roughly 25 basis points at every other meeting.

House Republicans are demanding spending cuts in exchange for lifting the debt ceiling, and we expect that the eventual deal will feature some. Given the tight schedule, a short-term relaxation of the debt ceiling appears likely, with a broader deal passing later this summer.

We think that mandatory spending reform is unlikely and that defense spending will probably be spared from cuts. Hence, discretionary non-defense spending growth is set to bear the brunt of cuts in the debt ceiling deal and the upcoming fiscal 2024 budget fight.

The modest projected slowdown of federal spending growth will not be enough to lower the deficit due to the ballooning interest payments on debt. The federal deficit grows from 4.3 percent of GDP in fiscal 2022 to 5.9 percent in fiscal 2024.”<sup>13</sup>

---

<sup>13</sup> Ibid



### RSQE 2023-2024 Outlook<sup>14</sup>

“We expect growth to falter by late 2023, driven by a slowdown in consumer spending. Headline growth slows but remains positive in 2023Q2–Q3. By 2023Q4, economic momentum fades, as the effects of prior monetary policy tightening accumulate and scarcer credit bites. Headline growth turns slightly negative in 2023Q4–24Q1, with a cumulative contraction of about 0.2 percent of GDP. By early 2024, conditions warrant some monetary policy easing, which helps GDP growth to rebound above the 2.0 percent pace by 2024H2. Weak quarterly growth readings late in 2023 and early in 2024 contribute to the slowdown of calendar year GDP growth from 1.3 percent in 2023 to 0.5 percent in 2024.

We project significant progress on inflation over the next year as consumers pull back due to higher interest rates and the rental market cools. Core CPI inflation falls from 4.9 percent in 2023 to 3.1 percent in 2024. Headline CPI inflation is expected to stay below core inflation throughout the forecast, with food and energy price growth lagging behind.

The downward trend in job gains continues in the forecast. The economy sheds 522,000 jobs between 2023Q4 and 2024Q3 before adding back 90,000 jobs in 2024Q4. On a calendar year basis, payroll employment adds 3.3 million jobs in 2023 and loses 0.1 million in 2024. The unemployment rate stays flat in 2023, and climbs to 4.1 percent in 2024.

The pace of light vehicle sales is expected to stall for the next several quarters at around 15.5 million units as the economy goes through a soft patch and high vehicle financing interest rates bite. As economic growth returns in the second half of 2024, and interest rates fall, the vehicle sales pace turns up, topping 16 million units late in the year.

With the recent peak in mortgage rates behind us, the pace of single-family starts bottoms out in the third quarter of 2023 before embarking on a slow recovery. As a wave of new supply comes to the market and a slowing economy puts further downward pressure on rents, multi-family starts fall modestly throughout the forecast. As a result, total housing starts edge down during 2023 and stabilize in 2024, averaging 1.4 and 1.3 million units, respectively.”<sup>15</sup>

### Michigan<sup>16</sup>

According to the University of Michigan’s Research Seminar in Quantitative Economics executive summary, dated May 2023, “Michigan’s labor market is flashing unmistakable signs that it is nearing a full recovery from the pandemic recession. The state lost 1,056,000 payroll jobs at the start of the pandemic, but after three years of recovery, the remaining shortfall is only 30,000 jobs. If the average pace of job gains over the past six months were to continue, Michigan would recover to its pre-pandemic employment level by this September.

---

<sup>14</sup> Ibid

<sup>15</sup> Ibid

<sup>16</sup> University of Michigan, RSQE, May 26, 2023





Longtime observers of the state economy can be forgiven for worrying that the good news means something is about to go wrong. We acknowledge the rising risks that Michigan's recovery could shift into reverse, but we forecast the state economy to keep growing through 2024. We project job gains to total 67,300 this year and 49,100 next year, even as the national economy flirts with recession. We believe Michigan's blue-collar industries will continue to lead the recovery.

Michigan's unemployment rate fell to 3.8 percent in April, in line with its pre-pandemic level. We project it to edge up toward 4.5 percent by the middle of next year as labor force growth outpaces job gains and then hover near that level.

Michigan's personal income per capita increased by nearly 15 percent between 2019 and 2021, from \$49,300 to \$56,500. It barely eked out positive growth last year, to \$56,800, as the labor market recovery continued but federal stimulus faded into the rearview mirror. We project Michigan's personal income per capita to grow by an average of 3.4 percent per year in 2023 and 2024. That trajectory would bring Michigan's personal income per capita to \$60,700 next year, or 23.3 percent higher than in 2019.

Real disposable income per capita fell by nearly 10 percent last year, as nominal income growth was hit hard by skyrocketing inflation. Unfortunately, we expect elevated inflation to continue to chip away at nominal income growth. Real disposable income per capita slips by a cumulative 0.3 percent over the next two years. Our forecast would take real disposable income per capita in 2024 to an average of \$45,000, or roughly \$1,100 less than 2019's average. Thus, we project that state residents will experience a decrease in living standards over a period of five years, from 2019 to 2024, despite the growth in nominal incomes during that time."<sup>17</sup>

### **Detroit Industrial Economic Summary-Costar<sup>18</sup>**

Detroit's economy experienced a generational downturn since the coronavirus pandemic, like many other cities throughout the country and even the world. Self-isolation, lockdowns, social distancing, and state-mandated business closures all contributed to Michigan suffering from the worst unemployment rate in over half a century, with 22.7% of the labor force out of work at its peak.

Before the pandemic, the worst unemployment number tracked in the past 45 years was 16.2%, in 1982. Catastrophic unemployment like this has a domino effect. Because unemployed workers were out of money, they were unable to purchase items that had been keeping productivity numbers stable. The cycle continued, as those making the previously in-demand products often lost their jobs.

---

<sup>17</sup> Ibid

<sup>18</sup> CoStar .



Fortunately, federal stimulus packages, totaling over \$10 billion in the form of direct stimulus checks, advanced child tax credits, rent forbearance, and additional federal unemployment insurance payments, have softened some of the damage. Michigan's government established a staged economic reopening, called the MI Safe Start Plan, which began in spring 2021 and is being implemented through a phased approach across various regions and workplaces.

Detroit's economic recovery has gained strength and momentum this year, with improved vaccination rates and easing of restrictions. With another 152,400 jobs added in June, the year-over-year job growth rate for the Detroit area was 8.6%, outpacing the national rate of 5.8%. Many employees have been allowed to return to the workplace, with significant operational changes relating to vaccination status, social distancing, and occupancy standards. Since the pandemic began, there's been a seismic shift in attitudes and preferences regarding where and how to work with those who can work from home expressing a 70% preference to do just that. This could have a lasting impact on how businesses operate in Michigan, with office workers making up the largest grouping of Michigan's labor force by workplace, at 29%. With continued uncertainty surrounding new COVID-19 variant cases, the timeline horizon for workers physically returning to the office may have been lengthened.

One of the largest employers in the Detroit area, General Motors, announced its cultural shift, called "work appropriately." Under this new directive, employees are empowered to work at whatever location they can work the most efficiently and productively. The next two largest segments of the labor force are industrial at 19% and healthcare at 13%. Most major sectors within healthcare, including hospital, nursing homes, assisted- living facilities, and outpatient settings, are operating but are under continued COVID-19 workplace safety rules. The industrial workforce, while back on the job, has been hamstrung by persistent side effects of the pandemic, like logistical challenges, supply-chain issues, and raw material shortages. The ISM July Manufacturing PMI was 59.5%, down slightly from June, but still an expansion of the overall economy for the 14th consecutive month. Easing of supply bottlenecks is expected as consumer spending rotates from goods to services.

Two of the areas hardest hit during the pandemic, restaurants and lodging, together employing roughly 12% of the state's workforce, continue grappling with challenges of finding workers to fill empty positions. In December 2019, approximately 416,900 leisure and hospitality positions existed in Michigan. Exactly a year later, that number was down to 217,900.

While the Detroit area is still known as the auto capital of the world, Michigan has been ranked fourth nationwide for high-tech employment. Michigan has organized the state into 20 economic Smart Zones, five of which are in the metro Detroit region. The Smart Zones technology clusters promote resource collaboration between universities, governmental and community-based groups, research organizations, and industries.

Economic recovery across southeastern Michigan has been concentrated in suburban areas, which have outperformed core urban areas across multiple real estate class types. Even though urban areas have suffered from recent underperformance, many positive key economic drivers remain, which should aid in the recovery. One example is Ford Motor Company's 30-acre development centered on the Michigan Central Station, west of Downtown Detroit. Ford's



Mobility Innovation District, known as the Corktown Campus, will create a centralized location for startups, innovators, and entrepreneurs to create, experiment, and launch innovative mobility solutions on real-world streets. A total of 5,000 new jobs will be created within the Corktown Campus, with 2,500 from Ford and 2,500 from business partners.

Foreign direct investment (FDI)-related job growth in Michigan has ranked No. 1 in the U.S. for the past five years. Of the 313,000 workers employed in Michigan from FDI, 64% of the jobs created are in the manufacturing sector, with the majority being in the metro Detroit area. One of the larger recent additions was Fiat Chrysler Automobiles' new Detroit Assembly Complex, which along with the Jefferson North Assembly Plant will create approximately 4,950 new jobs.

### PWC Real Estate Barometer

“After an additional increase to the federal funds rate in early February 2023 and the lingering threat of a near-term recession, overall cap rates have noticeably increased in most property sectors both on a quarterly and year-over-year basis. Across the 33 markets that we regularly survey each quarter, excluding lodging and niche markets, average overall cap rates have increased an average of 30 basis points. While this single quarterly change may seem small given the extent to which interest rates have risen over the past year, it represents the fourth largest quarterly increase since we started tracking a composite overall cap rate average in 1997. The three larger quarterly increases occurred in the first quarter of 2009 (+33 basis points), the second quarter of 2009 (+52 basis points), and the third quarter of 2009 (+35 basis points) – all during the Great Recession.”<sup>19</sup>

### National Surveys

The SitusRERC Real Estate Report© (RERC), for the Second Quarter of 2023<sup>20</sup>, and PwC cites the following investment parameters for institutional grade industrial warehouse properties. These surveys are summarized in the following chart.

#### Investor Surveys

	PwC National Warehouse Market	RERC 2nd Tier Investment Industrial Warehouse (Midwest Criteria)	RERC 3rd Tier Investment Industrial Warehouse (Midwest Criteria)	RERC Detroit Warehouse	Average
Going-in Rate	4.96%	7.70%	8.60%	6.40%	6.92%
Exit Rate	5.31%	8.20%	9.10%	6.90%	7.38%
Discount Rate	6.48%	9.10%	9.90%	7.80%	8.32%
Spread to Going-In	152	140	130	140	141

Source: PwC 2nd Quarter 2023 & RERC 2nd Quarter 2023 Investor Surveys

<sup>19</sup> PwC 2023 2nd Quarter Real Estate Investor Survey

<sup>20</sup> Situs Real Estate Report, 2nd Quarter 2023 <http://www.situs.com>.



According to the 2023 2nd Quarter PwC Real Estate Investor Survey, “While some investors feel that the troubles in the banking industry are having little impact on their buying strategy, many are being more selective and “performing further due diligence to assure underwriting terms are accurate...”.<sup>21</sup>

Set forth on the following Table RERC forecasts increases in values and rents over the next year.

Anticipated 1-year Growth Rates*	2Q '23 Values %	2Q '23 Rents %	4Q '19 Values %	4Q '19 Rents %
National	2.0	2.9	3.1	2.7
Midwest	1.9	2.2	1.8	1.9
*2Q '23 and 4Q '19 RERC Survey, Warehouse				

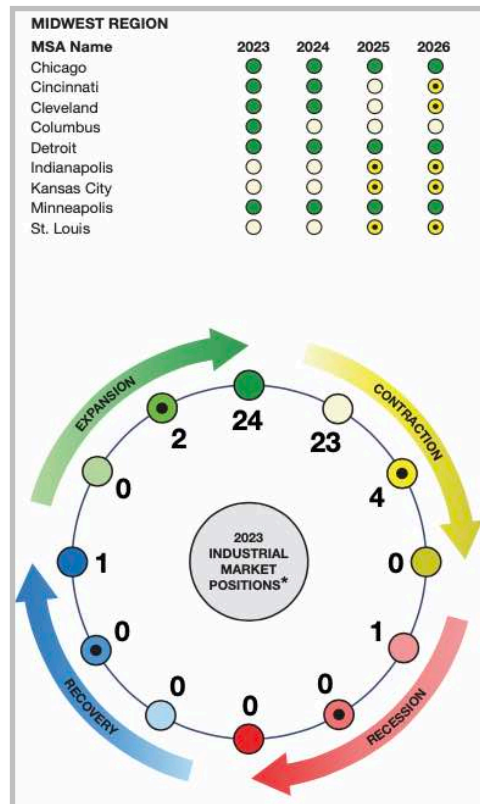
The appraisers also present a comparison chart below with current Survey data as well as 4th Quarter 2019 data. The data shows change in basis points for each PwC rate. RERC shows a 70 basis point decrease in 1st Tier properties and no change in overall cap rates for Midwest 2nd Tier or 3rd Tier properties.

Investor Surveys-Warehouse Sector										
	PwC National Warehouse		RERC Investment Warehouse Midwest 1st Tier		RERC Investment Warehouse Midwest 2nd Tier		RERC Investment Warehouse Midwest 3rd Tier		Avg	Avg
	2Q 2023	4Q 2019	2Q 2023	4Q 2019	2Q 2023	4Q 2019	2Q 2023	4Q 2019	2Q 2023	4Q 2019
Going-in Rate	4.96%	5.00%	6.50%	7.10%	7.70%	7.60%	8.60%	8.60%	6.94%	7.07%
Exit Rate	5.31%	5.83%	7.00%	7.60%	8.20%	8.00%	9.10%	9.00%	7.40%	7.61%
Discount Rate	6.48%	6.13%	7.90%	8.20%	9.10%	8.90%	9.90%	9.70%	8.34%	8.23%
Spread to Going-in	152	113	140	110	140	130	130	110	141	116

Source: Situs RERC (2Q '23 & 4Q '19) & PwC (2Q '23 & 4Q '19) Investor Surveys

PwC included a chart focused on market outlook over the next few years for different U.S. regions. The Detroit market is included in the Midwest sector. Projections include four years of full expansion in the warehouse market. The chart is shown on the following page.

<sup>21</sup> Ibid



**Local Market**

The appraisers consulted CoStar, an online service for commercial real estate information. Our survey, as shown below, is comprised of Industrial properties within a 10-mile radius of the subject. All of these elements add to the marketability of this property and it is believed that this property will be attractive to potential purchasers as owner occupants.

As shown on the following Table, the current vacancy rate within the 10-mile radius is estimated at 7.0% for industrial properties with an average asking rent of \$6.96 per square foot on a triple net rent basis, but is based on a limited pool of properties. These are merely asking rents. The overall market has experienced positive net absorption for the first and second quarters of 2023.






---

**Market Summary**

	<b>10-Mile Radius Industrial</b>
Buildings	89
Rentable Building Area	4,437,477
Vacant Building Area	310,676
YTD Net Absorption	275
2022	144,341
2021	10,066
2020	(98,650)
2019	(246,600)
Vacancy	7.0%
2Q 2022	9.7%
2Q 2021	10.1%
2Q 2020	10.4%
2Q 2019	2.9%
	<u>NNN Rent</u>
Average Rent	
2Q 2023	\$6.96

Source: CoStar

---

In comparison to major cities in Michigan, the city of Tecumseh is considered a secondary market for industrial development. Industrial development within the city is limited due to the lack of demand and overshadowed by the more intense development located closer to the various expressways north and south within the Metro Detroit/Ann Arbor and Toledo areas. That said, Tecumseh is best characterized as rural and agricultural in nature as the lack of major highway access precludes the area from becoming a dominant industrial center, which lies along an Interstate.

The subject property is very centrally located in the city of Tecumseh and is in an area that is dominated by industrial, and quasi commercial use, with a surrounding ring of residential development. Whereas, new industrial development is found northeast of the subject, in the newer Tecumseh Technology park as the industrial park south of Russell Road, is roughly built out.

Historically in 2019, the subject property was offered for sale at \$1,000,000. In 2021, Lenawee County purchased the subject for a consideration of \$2.3 million for the construction of the Lenawee Community Complex, a mixed use sport complex which did not come to fruition. Prior, in 2016 there was a major redevelopment project proposed which included zoning use change from industrial to mixed use including the addition of retail, office and light industrial space. During this past redevelopment proposal, the significant demolition of the older structures took place.



The Tecumseh City Manager, Mr. Dan Swallow, advises that the property has not received much interest in the past few years; however, reservations cited by all with regard to the location of the property in Tecumseh, the amount of lead time necessary for the environmental issues, the overall size of the site including the concrete slab remains of the former building structures, and the challenging process of receiving a current certificate of occupancy after such an extended period of vacancy.

### **Highest and Best Use of Property**

As defined by the Appraisal Institute, the highest and best use is

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.<sup>22</sup>

The use to which land can be put and the intensity to which it can be developed have a direct bearing on its value. The purpose of the highest and best use analysis, therefore, is to identify the most probable and profitable use of the property so that a value may be estimated predicated on that use.

This definition reflects the importance of determining the subject property's most productive use as it relates to value. Certain criteria - physically possible, legally permissible, financially feasible, and maximally productive - are considered in order to determine its highest and best use.

The highest and best use of the land as if vacant and available for development may differ from the highest and best use of the property as improved--this is true when the existing improvements do not constitute an appropriate use. The existing use will continue unless or until the land value in its highest and best use exceeds the sum of the value of the entire property in its existing use plus the cost to remove the improvements. Therefore, the analysis of highest and best use includes consideration of the property under two assumptions: land as if vacant for development, and property as presently improved. These two analyses are then correlated into a final estimate of the highest and best use.

### **As Though Vacant For Redevelopment**

#### **Physically Possible**

This aspect considers all physical characteristics of a site, with special consideration for any features that might preclude or enhance development of the property to a particular type of use. The property contains 50.55± acres. Topography is generally level. There is adequate access within the subject streets. All utilities are available to the site. According to the FEMA flood map, no portion the site is located within a

---

<sup>22</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, IL, 2015, p. 109



special flood hazard zone. Based upon these factors, the site is physically suitable for most economically feasible improvements.

**Legally Permissible**

Legal restrictions, as they apply to the subject property, involve the public restrictions of the present zoning, the restrictions of the Declaration of Restrictive Covenants and utility easements. The subject is zoned I-1, Industrial District. It is reasoned then that the legally permissible uses for the site as if vacant land are those permitted by the current zoning ordinance--namely, a broad range of industrial uses.

**Financially Feasible**

The financial feasibility considers the use that will produce an income or return which is equal to or greater than the amount needed to satisfy operating expenses along with a return on investment. Of the financially feasible uses, the use that produces the highest value is the highest and best use.

As of the current effective date of valuation, the subject is improved with a larger-sized, vacant industrial shell, which underutilizes the site with a 13.2 to one land-to-building ratio. As a test of reasonableness, the appraisers examine vacant land sales in our data base. As shown on the following page, after all adjustments the indicators range from 7¢ to 49¢ with a mean of 25¢ and a median of 22¢ per square foot of land area, yielding an estimated value range from about \$150,000 to \$1,080,000, applied to the subject 2,201,958-square-foot (50.55 acre) site area.

Given the economic characteristics of the subject and lack of demand currently in the immediate market, the appraisers' conclude below the mean and median indicators of the adjusted spectrum, concluding to 20¢ per square foot (\$8,712 per acre) as an appropriate market rate for the land, comprising 50.55 acres or 2,201,958 square feet. Thus, its theoretical value as if vacant is as follows.

<u>Land</u>	<u>Value Indicator</u>	<u>Indicated Value</u>
2,201,958 sq. ft.	@ \$0.20 sq. ft.	= \$440,000 (rd)



**Comparable Land Sales**

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Title Interest tr.		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Sales Price		\$40,000	\$825,000	\$225,000	\$450,000	\$1,100,000	\$526,500	\$42,000
Acres	50.550	2.50	55.00	17.40	15.20	55.00	35.10	8.30
Price per Acre		\$16,000	\$15,000	\$12,931	\$29,605	\$20,000	\$15,000	\$5,060
Price per Sq. Ft.		\$0.37	\$0.34	\$0.30	\$0.68	\$0.46	\$0.34	\$0.12
Date of Sale		Oct-20	Asking	Feb-23	Asking	Asking	Asking	Dec-19
Buyer Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Rights		0%	0%	0%	0%	0%	0%	0%
Financing Terms		0%	0%	0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%	0%	0%
Market Conditions		0.00%	-10.00%	0.00%	-10.00%	-10.00%	-10.00%	0.00%
Adjusted Price		\$0.37	\$0.31	\$0.30	\$0.61	\$0.41	\$0.31	\$0.12
Size	50.550	2.50	55.00	17.40	15.20	55.00	35.10	8.30
Adjustment		-25%	0%	-20%	-20%	0%	-10%	-20%
Location	Patterson	Industrial	Steger	S. Meridian	Beecher	E. Chicago	Industrial	Treat
City/Twp/Village	Tecumseh	Tecumseh	Hudson	Columbia Twp	Adrian	Tecumseh	Adrian	Madison Twp
County	Lenawee	Lenawee	Lenawee	Jackson	Lenawee	Lenawee	Lenawee	Lenawee
Adjustment		0%	5%	0%	0%	0%	0%	0%
Frontage/ Access	Adq. / Adq.	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustments		0%	0%	0%	0%	0%	0%	0%
Shape/ Topo	Rec./ Level	Similar	Similar	Inferior	Similar	Similar	Similar	Similar
Adjustments		0%	0%	10%	0%	0%	0%	0%
Utilities	Municipal	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Adjustments		0%	0%	0%	0%	0%	0%	0%
Zoning	I-1	I-1	Industrial	C-2	Industrial	TRD	Industrial	Industrial
Adjustments		0%	0%	0%	0%	0%	0%	0%
Improvements	Slab, Debris	Superior	Superior	Superior	Similar	Superior	Superior	Superior
Adjustments	Water Tower	-20%	-20%	-20%	0%	-20%	-20%	-20%
Gross Adjustments		45%	25%	50%	20%	20%	30%	40%
Net Adjustments		-45%	-15%	-30%	-20%	-20%	-30%	-40%
Adj. Price Per SF		\$0.20	\$0.26	\$0.21	\$0.49	\$0.33	\$0.22	\$0.07

Index of Comparable Sales

1	908 Industrial Dr., Tecumseh	Last parcel in Tecumseh Industrial Park	<b>High</b>	<b>\$0.49</b>
2	Steger Industrial Dr., Hudson	Hudson Industrial Park	<b>Mean</b>	<b>\$0.25</b>
3	Reed Rd. & S. Meridian Rd. (US-127), Columbia Twp.	Site for proposed construction/owner occup	<b>Median</b>	<b>\$0.22</b>
4	7501 S. Meridian Rd., (US-127), Napoleon Twp.	Former automotive supplier manufacturing	<b>Low</b>	<b>\$0.07</b>
5	1400 E. Chicago Blvd., Tecumseh	Tecumseh Business and Technology Park		
6	500 Industrial Dr., Adrian	Adrian Industrial Park		
7	2454 Treat St., Madison Twp.	Vacant industrial site near Adrian		



In addition, issues needing reconciliation before redevelopment takes place include the razing of the existing structure estimated at \$640,000 or \$4.00 per square foot of building area.

As such, the property was valued hypothetically as if vacant by the sales comparison approach. The unit value was estimated at 20¢ per square foot. The market data is considered to be reliable to reach our final value conclusion. Thus, the current “as is” as if vacant value is as follows.

Land Value	\$440,000
Less Cost to Raze Est. \$4.00 per sq. Ft of Bldg.	\$640,000
“As Is”	-\$200,000 (rd)

The hypothetical value of the subject land as if vacant on a per square foot basis for future industrial development use, yields an estimated liability of negative \$200,000. Furthermore, a market participant would likely penalize price, relative to historical indicators, in recognition of the necessity to speculatively hold the property until such time as to redevelop.

#### **Maximally Productive**

Development of the subject today would be scrutinized and probably not be financially feasible given exorbitant development costs attributable to new construction projects that generally are not supported by achievable rents present under current market conditions. Thus, holding the site for a future industrial use is the only financially feasible use.

#### **As Improved:**

##### **Physically Possible**

The design, location, zoning, and existence of the structure on the parcel prove the project to be physically possible. Additionally, the existence of similar buildings on nearby lots further affirms this possibility. The subject is strategically located four blocks south of Tecumseh’s Central Business District. The subject has been vacant since roughly 2008, and all industrial operations have ceased. Further, the vacant property cannot be habited until the Tecumseh Building Department inspects and issues a certificate of occupancy. The building and site have many characteristics that pose serious challenges for occupancy. Overall, the building appears to suffer from a notable degree of deferred repairs and maintenance, as electrical, heating and/or plumbing systems are reported to partially or not exist or are in non working condition. The subject was built from 1948 to 1994 for





industrial use, and any newer industrial development is taking place predominantly south of the subject, in the Tecumseh Industrial Park or northeast in the City's newer Technology Park. In addition, the entire facility would need substantial capital expenditures to bring the property up to par and continue as an industrial use. Uncertainty in risk involved considering all of the unknowns with the vacant subject property increases the apprehensiveness of the area developers, users and investors.

#### **Legally Permissible**

The subject's former industrial use is a permitted use within Tecumseh's I-1, Industrial District zoning designation and, as such, is considered legally permissible. The Tecumseh Building Department reports that the subject has been neglected and unoccupied for a very long time. Further, the city has classified the subject property as a vacant, inactive parcel lacking a certificate of occupancy, however it is not or has never been listed or "red tagged" as a dangerous building.

#### **Financials Feasible**

The financial feasibility considers the use that will produce an income or return which is equal to or greater than the amount needed to satisfy operating expenses in addition to a return on investment. The overall area occupancy rate is reasonably stable. The regional industrial market is active as demonstrated by a number improved sales over the past five of years. Currently, the market evidence indicates positive values for industrial properties.

Given that manufacturing is no taking place in this facility concomitant with the below average to poor condition of the facility and the extensive capital required to bring the property up to par, the question arises as to whether the property has a higher value as improved or a higher value as vacant available for redevelopment. Following from the foregoing, it is noted that as the existing improvements on the subject site depreciate further and substantial renovations are not made, and as land values likely increase over the long term, the market value of the underlying land will overtake the market value of the property as improved, thereby, signaling a change in the highest and best of the subject property. Presuming of course that the subject would be redeveloped to a use that is legally conforming to the site. As shown previously, this is not yet the case.

The appraisers have found a number of large, older buildings in fair to poor condition that have sold in a range of 42¢ to \$11 per square foot before adjustments. These transactions coupled with the cost of new construction indicate that there is a market for the property with



improvements in place to buyers who would renovate to the extent needed for their enterprise. The appraisers therefore conclude, the highest and best use is for sale to a buyer who would contemplate the shell for an interim industrial use. There is a deed restriction on the property preventing residential use because of onsite contamination, but is reportedly eligible for possible Brownfield Re-development funds. Continued use of the subject property as an industrial shell for possible industrial use is financially feasible based upon by recent improved sales of similar industrial building shells.

#### **Maximally Productive**

Additionally, based on a review of recent vacant industrial land sales within the area, the value of the property as improved exceeds the value as if it were vacant, less demolition costs. Hence, the improvements can be said to contribute to the value of the subject property overall. The existing use is the only use that satisfies the first three steps of the analysis as improved meets the test of maximum productivity.

Highest and best use of the property is deemed to be its interim use, as an industrial shell with an industrial use awaiting eventual redevelopment as permitted under the zoning designation. The configuration or density of development of this site is beyond the scope of the appraisers' expertise to determine.

If the subject site were vacant, the highest and best use of the land would be for development to an industrial use as allowed by the code.

#### **Methods and Date of Valuation**

There are three generally recognized approaches to valuing real property: The cost approach, the sales comparison approach, and the income approach. Each of the three approaches has inherent strengths. In selection of the procedures and techniques to be used in a valuation, the appraisers must consider the appropriateness of the valuation approaches relative to the nature of the property under valuation to determine which approaches will produce supportable estimates of market value. Each method and its applicability in the instant analysis are discussed below.

#### **Discussion of the Cost Approach and Its Appropriateness in this Analysis**

In the cost approach, the cost of replacement or reproduction of the buildings and all other improvements to the land are estimated. Depreciation, if any, from all causes is then estimated and deducted from reproduction or replacement cost to give net depreciated reproduction or replacement cost of improvements. To this is added land value to give an indication of total property value by the cost approach. This approach is most useful for valuing property with new or proposed improvements that utilizes a site to its most intense use. In valuing income-producing properties, this approach



generally sets an upper limit to value. This is based on the tenet known in appraising as the principle of substitution which, ‘...states that when several similar or commensurate commodities, goods, or services are available, the one with the lowest price will attract the greatest demand and widest distribution.’<sup>23</sup>

Given the subject’s chronological age, the cost approach is not considered a probative indicator of value. Numerous assumptions and reliance upon conjecture would be required to differentiate and measure the various forms of depreciation. Furthermore, potential buyers aren’t motivated by the cost to construct an equally desirable substitute as much as they are by the cost to acquire one. Therefore, the appraisers will not use the cost approach in this valuation.

#### **Discussion of the Income Approach and Its appropriateness in this Analysis**

The income capitalization approach assumes that the value of the property arises from its potential for producing income to an investor. First, gross income, operating expenses and net operating income before allowances for depreciation charges and debt service are estimated. The resulting estimated net operating income (NOI or I<sub>0</sub>) is then capitalized into an indication of value using a market related capitalization rate.

The subject property is vacant and in disrepair and produces no arm’s length income. The vast majority of similar properties in this market are owner-occupied and the fee simple estate is being valued. For this reason, the appraisers will omit the Income Approach analysis which is not needed to produce a credible value opinion.

#### **Discussion of the Sales Comparison Approach and its Appropriateness in this Analysis**

The sales comparison approach, is defined as ‘The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sales prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.’<sup>24</sup>

The sales comparison approach is typically used in valuing properties such as the subject, when there is an adequate amount of reliable sale information for comparable properties. Because we do have several recent transactions of similar buildings and shells, we will analyze the subject by the sales comparison approach.

---

<sup>23</sup>The Appraisal Institute. *The Dictionary of Real Estate Appraisal*, 190.

<sup>24</sup>The Appraisal Institute. *The Dictionary of Real Estate Appraisal*, 175.



## Effective Dates

The date of the appraisal report is August 18, 2023. The As Is valuation date is August 2, 2023, the date of the property inspection.

## Sales Comparison Approach and Conclusion of Value-Scenarios 1 and 2

The sales comparison approach is based on the principle of substitution. The sales comparison approach has its greatest value in appraisal situations involving land or improved properties within a particular area and having common elements and similar amenities. In the absence of sales with sufficient similarity to allow direct comparison, other reasonably similar improved properties are considered because they provide a range of unit prices within which the current real estate market is operating and within which the appraised property would be expected to sell.

Application of the sales comparison approach involves the development of indicators had the comparable possessed all the pertinent and economic characteristics of the subject property. The indicator applied to the subject should be represented by a pattern or cluster of figures developed from several adjusted comparables.

Generally, the value indicator used for properties such as the subject is price per square foot building area. The pertinent information of each sale is summarized on the following Table with a brief discussion of each property and the necessary adjustments. A location map, along with detailed write-ups of each comparable, are presented on the next several pages, and are followed by our analysis.

While we prefer to formulate adjustments extracted from the market, there is simply insufficient data with which to arrive at probative adjustments. As such, the following adjustments have been formulated using our best judgment. The elements of comparison considered by the appraisers are:

<b>Transaction Items</b>	<b>Physical Items</b>
• Buyer Expenditures	• Location
• Property Rights	• Size
• Financing Terms	• Land-to-Building Ratio
• Conditions Of Sale	• Condition
• Market Conditions	• Quality & Appeal
	• Dedication
	• Amenities

The adjustments to the comparable properties are clearly delineated in the Table, 'Improved Sales Adjustment Grid'--where an element of comparison was considered superior to the subject, the comparable sale price was adjusted downward; where an element of comparison was considered inferior to the subject, the sale price was adjusted upward.



Any minor numerical discrepancies within the table are attributable to rounding within the spreadsheet.







## Comparable 1

### MARKET DATA Light/Warehouse Sale



Photograph Date:

Location: 511 North Mead Street, St. Johns, Clinton County, Michigan

Sale Date: February 2021

Sale Price: \$110,000 Cash

Purchaser: C&N Saint Johns, LLC

Seller: Mead St Properties, LLC

Site: The property comprises of the improved 9.8 acre site, and a 1.08 acre parking lot site totaling 10.88 acres. Individually, the main improved parcel and the vacant parcel are not contiguous, rather North Mead St. bisects the main improved parcel from the 1.08 acre parking lot. Overall, the subject property's land-to-building ratio is 1.8 to one. Topography is level.

Improvements: The single tenant, industrial bldg., built circa 1950s with additions completed between the 1960s to 1980s, and renovations and updates in 2012, contains 264,913 sq. ft. There is 20,120 sq. ft. of administrative office, which equates to 8% of the total bldg. The plant has a fire suppression system. There are several overhead doors at grade and dock high doors. The shop ceiling height on average is 18' clear. Additional features include crane capacity for one, 10-ton, overhead crane, heavy electrical and is fully heated. The overall working condition of the heating, electrical, and fire suppression and plumbing systems are unknown and the roof leaks. It appears to have been poorly maintained and --despite the fact that it was fully owner occupied in 2015-- is considered to be in below average to poor condition overall.

Zoning: I2, Industrial-Liberal Performance District (Improved Site)\*

Utilities: All Municipal

Tax Code: 300-490-1111-001-60

Exposure Time: 33 months

Occupancy: Vacant

Comments: There is a second level shop breakroom as well as office and mezzanines, however, this areas is not included in the building sq. ft. The property was available for sale at a revised asking price of \$1,500,000 and sold at a 93% discount. The purchaser is an owner occupant.

\*I1, Industrial-High Performance District (Parking Lot)

Source: St. John Assessor, Tom Oldham, Newmark and Appraisers' Files, 248-357-6595

Indicators: \$0.42 per square foot

Warranty Deed Liber/Page 530/5800



## Comparable 2

### MARKET DATA Light/Warehouse Sale



Photograph Date:

**Common Name:** Former Hillsdale Automotive an Eagle Pitcher Co.

**Location:** 651 Beck Street, Jonesville, Hillsdale County, Michigan

**Sale Date:** May 2022

**Sale Price:** \$165,000 Cash

**Purchaser:** 651 Beck, LLC

**Seller:** Hillsdale Solutions, LLC

**Site:** The site is rectangular in shape and is 479,160 sq. ft. or 11.0 acres. The land-to-building ratio of 3.6 to one. The site has 110 parking spaces.

**Improvements:** Built in 1965 with a 1985 addition, the one story industrial building contains 130,805 sq. ft. with 3,650 sq. ft. or 2.8% office area. The building is constructed of masonry over concrete slab with a flat built up roof system and membrane cover. Building features include: shop height of 16' clear, bay sizes of 20' x 30', (4) 12' x 14' overhead doors at grade, truckwell utilizing (6) dock high doors, overhead crane capacity, and former heavy electrical system. The electrical power, heating and plumbing, and the fire suppression sprinkler system were turned off and considered non functioning.

**Zoning:** I-1, Light Industrial District

**Utilities:** All Municipal

**Tax Code:** 06-009-100-021-09-6-3

**Occupancy:** Vacant

**Comments:** The building was reportedly vacated in 2008, and after several years of exposure sold in April 2011 for \$250,000. In August 2019, the property sold again for \$100,000. The current purchaser intends to update the property and make it available for lease.

The property is located near US Highway-12 (E Chicago Rd), I-69 is 15 miles west, I-94 expressway is 20 miles north and the Ohio Turnpike (I-80/90) is 20 miles south.

**Source:** Jonesville Assessing, Hillsdale Co. Economic Development, Till Pacella, Pilot Property

**Indicators:** \$ 1.26 per square foot

Warranty Deed Liber 1827Page 1019



### Comparable 3

#### MARKET DATA Light/Warehouse Offer



Photograph Date:

Location: 140/ 150 W. North Street, Jackson, Jackson County, Michigan

Offering Date: August 2023

Offering \$50,000 Cash

Purchaser: Unavailable

Seller: Commercial Exchange, Inc.

**Site:** The site, comprises of 3-contiguous parcels, is irregular in shape and contains a total of 8.29± acres or 361,112± sq. ft.. The site has frontage on the NS of W. North Street, the WS of Hamilton St. the SS of Walker St. and the SS of Argyle St. The railroad right-of-way runs along the western boundary with a reported vacated rail spur. The topography is generally level to sloping. The land-to-building ratio is 1.8 to one.

**Improvements:** The multi story industrial building contains 199,688± sq. ft. Construction is a combination of timber and steel beams, laminated plank and steel beams, or concrete and steel beams with varying roof systems. There are several overhead doors at grade, ground level truck entrances, and truckwells. Access to the upper level and lower levels is limited to freight elevators (non functioning) and one main stairs. Roughly 15% of the building is heated. Built circa 1900 and 1940, only 18% is occupied while the remaining vacant space has been unoccupied in excess of 20 to 30 years, and is in various stages of finishes ranging from shell to poor condition; electrical power is limited to occupied spaces, heating and plumbing are estimated at only 15% of the building area, the fire suppression sprinkler system is turned off and considered non functioning, the roof is reportedly sound however evidence of water, extensive single pane glazing is in constant repair/replacement. The occupied spaces range in condition from below average to fair.

**Zoning:** I-1, Light Industrial District

**Utilities:** All Municipal

**Tax Code:** 8-245800000, 8-246000000 and 8-243900000

**Exposure Time:** 36 months

**Occupancy:** Est. 18% Occupied

**Comments:** The property has been listed for sale for several years with asking price of roughly \$595,000 and is recently put up for an absolute auction with one bidder at \$50,000. An Absolute Auction means this property will sell to the highest bidder regardless of price.

**Source:** Jackson Assessing, and Appraisers' Files

**Indicator:** \$ 0.25 per square foot



## Comparable 4

### MARKET DATA Light/Warehouse Sale



Photograph Date:

Location: 90 Spring Street, Kent City, Kent County, Michigan

Sale Date: August 2019

Sale Price: \$1,750,000 Cash to mortgage

Purchaser: Kent City Properties, LLC

Seller: Kent Properties, LLC

Site: The site is approximately 62.92 acres and is located along the south side of Spring Street, two blocks east of South Main Street. However, due to significant wetland areas on the southern half of the, the broker estimated 35 usable acres. The usable land-to-building ratio is 9.5 to one.

Improvements: The site is improved with an industrial building consisting of 160,000 square feet. The office areas in this building encompass 16,000 square feet, or 10% office. The building was constructed in 1965 with a more recently renovated office area. The amenities include a 22' ceiling height, 4 grade level overhead doors, ten loading docks, craneways supporting two 5-ton cranes, and two unheated storage buildings containing 29,000 square feet. Overall condition is average.

Zoning: Industrial

Utilities: All Municipal

Tax Code: 41-01-33-105-007

Exposure Time: 34 months

Occupancy: 100% Occupied

Comments: The property was listed at \$1,995,000, representing a 12% list to sale price discount. Occupancy at the time of sale was 20% leased and 80% owner-occupied. The purchaser will be an owner-occupant.

Source: Steve Marcusse, Colliers International, 616-988-5850

Indicator: \$ 10.94 per square foot



## Comparable 5

### MARKET DATA Light/Warehouse Sale



Photograph Date:

Location: 905 (includes 945) E. Woodland Drive, Saline, Washtenaw County, Michigan

Sale Date: February 2021

Sale Price: \$1,100,000 Cash

Purchaser: Jadco Holdings, LLC (Abdul Saleh)

Seller: Saline Metal Systems, LLC

Site: The site is configured to a slightly rectangular shape having approximately 704' of frontage on the NS of E Woodland Dr., containing 9.83 acres or 428,195 sq. ft., net of roadway. The average depth is 500 feet. Topography is generally level. The land-to-building ratio is 3.4:1 (rd). About 5 miles to US-23 interchange and 5 miles to I-94 interchange. Lots 27 & 28 in the Saline Industrial Park.

Improvements: The site is improved with two buildings built in 1974 and 1981. The west bldg. 1 (905) contains 82,244 sq. ft. and the east bldg. 2 (945), contains 45,500 sq. ft. for a total of 127,744 sq. ft. Total office areas include 6,773 sq. ft., or 5.3%. Construction is a combination of masonry and steel frame with pitched roof systems and metal cover. Overall amenities include a 13' to 26' shop ceiling height, (7) cranes: (1) 2-T, (1) 3-T, (5) 5-T, 5-loading docks, and 8-grade-level overhead doors.

Zoning: I-2, General Industrial District

Utilities: All Municipal

Tax Code: 18-12-31-205-015

Exposure Time: 28 months

Occupancy: Vacant

Comments: The property was available for sale at a revised asking price of \$1,277,440 and sold at a 14% discount. The purchaser is an owner occupant.

Source: Saline Assessor, and Jay Chavey, Signature Associates, 248-948-4196

Indicator: \$8.61 per square foot





## Comparable 6

### MARKET DATA Light/Warehouse Sale



Photograph Date:

Location: 701/ 703 South Cooper Street, Jackson, Jackson County, Michigan

Sale Date: July 2017

Sale Price: \$400,000 Cash or Equivalent

Purchaser: Jacktown Property, LLC (Jim Walters)

Seller: John Crowley, Inc.

Site: The site is irregular in shape and comprises of five, contiguous parcels which together contain 4.614 acres or 200,986 sq. ft., which appears net of road. The site has frontage along the ES of S. Cooper St., Adrian Ave. and E. Biddle St. Topography is generally level to sloping. A former railroad right-of-way runs along the eastern boundary. The land-to-building ratio is 3.5 to one.

Improvements: The industrial building was constructed originally circa 1920s, with additions completed in 1958 and 1977. The total overall building area is 57,002 sq. ft. with about 2% office area. Construction is steel and masonry with built up roof. The shop ceiling height ranges from 21' to 31', with the average of 26'. There are several overhead doors at grade. There are no truck or loading docks. The building is not sprinklered. Crane capacity for 5, overhead bridge cranes ranging from 5 to 20 tons.

Zoning: I-2, General Industrial District

Utilities: All Municipal

Tax Code: 5-028900000, 5-028300000, 5-0305.1000, 5-032200000, 5-0453.1A00

Occupancy: Vacant

Comments: The property was not exposed to the market. The purchaser is an owner occupant. The new owner plans to renovate and update the property. The renovation project includes cleaning & power washing, commercial painting, replacing & adding radiant heating, filling in former equipment pits & total slab replacement of bays 1 and 4 with 12" reinforced concrete, new high efficiency lighting, updating office finishes, replacing overhead door, and resealing plant floors.

Source: Jackson Assessing, Purchaser and Appraisers' Files

Indicator: \$ 7.02 per square foot



**Improved Sales Adjustment Grid**

	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6
Title Interest tr.		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
CE Sales Price		\$110,000	\$165,000	\$50,000	\$1,750,000	\$1,100,000	\$400,000
Building Sq. Ft.	160,000	264,913	130,805	199,688	160,000	127,744	57,002
Dedication Ratio	2%	8%	3%	6%	10%	5%	2%
Price per Sq. Ft.		\$0.42	\$1.26	\$0.25	\$10.94	\$8.61	\$7.02
Site Area	2,201,958	473,933	479,160	361,112	1,524,600	428,195	200,986
Date of Sale		Feb-21	May-22	Pending	Aug-19	Feb-21	Jul-17
Buyer Expenditure		\$0	\$0	\$0	\$0	\$0	\$0
Property Rights		0%	0%	0%	0%	0%	0%
Financing Terms		0%	0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%	0%
Market Conditions		5.0%	2.3%	0.0%	8.0%	5.0%	12.2%
Adjusted Price		\$0.44	\$1.29	\$0.25	\$11.81	\$9.04	\$7.87
Location	Patterson	Mead	Beck	West	Spring	Woodland	Cooper
City/Twp/Village	Tecumseh	St Johns	Jonesville	Jackson	Kent City	Saline	Jackson
County	Lenawee	Clinton	Hillsdale	Jackson	Kent	Washtenaw	Jackson
Adjustment		-5%	0%	-5%	-5%	-10%	-5%
Building Area	160,000	264,913	130,805	199,688	160,000	127,744	57,002
Adjustment		10%	-5%	5%	0%	-5%	-10%
Land-to-Bldg. Rat	13.2 to 1	1.8 to 1	3.7 to 1	1.8 to 1	9.5 to 1	3.4 to 1	3.5 to 1
Adjustment		11%	10%	11%	4%	10%	10%
Condition	1948-94/ Vacant	1950-80 (Ren)/Sim Vacant	1965-85/Sim Vacant	1900, 40/Sim 18% Occupied	1965/Sup Occupied	1974-81/Sup Vacant	1920-77/Sup Vacant
Adjustment	Bel Ave-to-Fair	0%	0%	0%	-30%	-20%	-20%
Quality & Appeal	Ave/Fair	Superior	Superior	Superior	Superior	Superior	Superior
Adjustment		-10%	-10%	-10%	-10%	-10%	-10%
Dedication	2%	8%	3%	6%	10%	5%	2%
Adjustment		-3%	-0%	-2%	-4%	-2%	-0%
Amenities	Typical	Similar	Superior	Superior	Superior	Superior	Superior
Adjustment		0%	-1%	-4%	-15%	-5%	-5%
Gross Adjustment		40%	26%	37%	68%	62%	60%
Net Adjustments		4%	-7%	-5%	-60%	-42%	-41%
Adjusted Price Per SF		\$0.45	\$1.20	\$0.24	\$4.68	\$5.26	\$4.67

Index of Comparable Sales

1. 511 N. Mead St., St. Johns	<b>High</b>	<b>\$5.26</b>
2. 651 Beck St., Jonesville	<b>Average</b>	<b>\$2.75</b>
3. 140 & 150 W. North St., Jacks	<b>Median</b>	<b>\$2.94</b>
4. 90 Spring St., Kent City	<b>Low</b>	<b>\$0.24</b>
5. 905 (inc 945) E Woodland Dr., Saline		
6. 701/703 S Cooper St., Jackson		



### Buyer Expenditures

Buyer expenditures that are typically associated with industrial sales can include demolition of some improvements, remodeling of existing improvements, additions, or build out of unfinished space. These are costs that a purchaser must endure in order to adequately operate the facility for its intended use. To the best of our knowledge, none of the cited sales involved any additional buyer expenditures. As such, no adjustments are applied.

### Property Rights

The sales sold with fee simple title, or with market rents in place and no adjustments are made.

### Terms of Sale/ Financing

All sales were purchased on the basis of cash to mortgage terms. Therefore, no adjustments for financing are made.

### Conditions of Sale

All of the sales are reported to be arm's length transactions. Therefore, no adjustments are made.

### Market Conditions

In order to determine whether market conditions are different from the effective date of valuation and those at the time of the comparable sales, local industrial sales are examined. Also, the appraisers reviewed information published by Real Estate Research Corporation (RERC) set forth at the Table below.

#### Anticipated 1-Year Growth Rates, Value

	4Q 2015	4Q 2016	4Q 2017	4Q 2018	4Q 2019	4Q 2020	4Q 2021	4Q 2022	2Q 2023	Ave.
<b>Detroit</b>										
Offc - Suburban	1.9%	2.4%	1.7%	1.8%	1.2%	-0.8%	-0.1%	0.4%	-2.0%	0.7%
Ind - Warehouse	2.6%	3.0%	2.5%	2.3%	1.8%	2.7%	4.7%	3.4%	2.0%	2.8%
Ind - Flex	2.2%	2.9%	1.8%	1.8%	1.7%	1.5%	2.6%	2.6%	1.4%	2.1%
Ind - R&D	2.2%	2.4%	1.8%	1.5%	1.5%	1.5%	2.1%	2.2%	0.8%	1.8%
Ret - Neigh/ Comr	2.0%	2.7%	1.6%	1.4%	1.4%	-0.9%	1.2%	0.8%	1.5%	1.3%
Apartment	3.0%	2.8%	2.5%	2.0%	2.1%	1.9%	4.3%	4.1%	1.0%	2.6%
Hotel	2.5%	2.8%	2.2%	2.0%	1.5%	-2.3%	1.0%	2.1%	2.5%	1.6%
Average	2.3%	2.7%	2.0%	1.8%	1.6%	0.5%	2.3%	2.2%	1.0%	1.8%

Based on the growth rates exhibited in industrial markets, we have applied upward market condition adjustments of 2.0% per year from the date of sale through the effective date of report in order to reflect the increasing change in market conditions adjustment.



## Location

Location adjustments are made considering visibility, traffic patterns, highway accessibility, local economies, demographic trends, and neighborhood real estate values. The following adjustments are applied to the comparable Sales based on their overall location as compared to the subject. The following table illustrates the median household income, population projections and distance to expressway for the subject as well as the comparables.

### Location Adjustments-Sales

	Location	Median Household Income	Projected Population Growth	Distance to Hwy/X-Way	Overall Adj.
Subject	Tecumseh	\$60,180	-0.1%	15 & 24-Miles	
1	St Johns	\$64,540	-0.2%	2 & 25-Miles	-5%
2	Jonesville	\$49,507	-0.1%	16 & 21-Miles	0%
3	Jackson	\$38,374	-0.1%	2 & 2-Miles	-5%
4	Kent City	\$65,909	0.1%	7 & 15-Miles	-5%
5	Saline	\$85,931	0.0%	5 & 5-Miles	-10%
6	Jackson	\$38,374	-0.1%	2 & 2-Miles	-5%

Varying downward adjustment is applied to five of the six Sales located in locations with superior characteristics. Sale 2 is considered similar.

## Building Area

The subject contains 160,000± square feet. The comparables range from 57,002 to 264,913 square feet with an average of 156,692 square feet. Adjustments are made to size differentials based upon a basic tenet recognized in real estate in which unit sale price tends to increase as total number of units decrease; significantly smaller properties tend to sell at higher unit prices. However, as the number of units increase beyond 100,000, the trend levels. As in the case of this data pool, the sales exhibit this trend.

There appears to be an irregular pattern in the instant analysis. When analyzing the comparables on a size neutral basis prior to adjustments, the smallest comparable (Sale 6) does not set the high end of the range however, the largest comparable (Sale 1) sets the low end of the range. In this instance, varying upward adjustment is applied to the two largest Sales, 1 and 3. Conversely, negative adjustment is applied to the three smallest Sales, 2, 5 and 6. The remaining Sale is considered similar warranting no further adjustment.

## Land-to-Building Ratio

These adjustments are intended to account for those sales that include some excess or expansion land or have significantly different land-to-building ratios than the subject. The subject property has a land-to-building ratio of 13.8 to one (which includes two other building besides P-building- ). Adjustments have been made by applying a 1% adjustment for 1% difference between the subject and the comparables. This adjustment, while quantitative, is



designed to adjust for the value differences that typical and informed buyers and sellers associate with site size.

**Age/Condition**

Adjustments for age and condition are somewhat subjective but based on general observations and reports of the building condition and age at the time of transaction. The subject was reportedly built in 1948 with subsequent additions through 1994, and has an overall below average to poor condition rating given the age, construction, and its length of vacancy. The comparable sales were constructed in 1900 to 1974 with later additions and renovations. Sales 4, 5 and 6 warrant varying downward adjustment for their lower estimated effective ages and superior condition. The remaining Sales are considered similar warranting no further adjustment.

**Quality/Appeal**

These adjustments consider the construction quality and building type of the subject and comparable properties. The subject facility is deemed to possess average masonry and steel construction quality characteristics, similar to the presented Sales, for which no adjustment is applied. In terms of market appeal, the presented Sales are deemed superior to the subject.

**Dedication**

Adjustments for office space have been made by applying a 1/2% adjustment for every 1% of office space difference between the subject and the comparables. The presented data possess varying office ratios relative to the subject property and warrant adjustments of varying degrees for this consideration.

**Amenities**

These items are considered on an overall basis in comparison to the comparable sales. The following grid shows the comparables' amenities and corresponding adjustments.

<b>Adjustment for Amenities</b>								
	<b>Adjustments For</b>							
	<b>Shop Ceiling Ht. (Ft)</b>	<b>Fire Suppression</b>	<b>HVAC</b>	<b>Truckwells/ Doors</b>	<b>Ancillary Space/ Mezzanine</b>	<b>Electrical</b>	<b>Overhead Crane</b>	<b>Overall Adjustment</b>
<b>Subject</b>	12' to 19' to 21'	Assume Non Functioning	Assume Non Functioning	Adq./Adq.	Adq.	Assume Non Functioning	No	
<b>Comp 1</b>	0%	0%	0%	0%	0%	0%	0%	<b>0%</b>
<b>Comp 2</b>	0%	0%	0%	0%	0%	0%	-1%	<b>-1%</b>
<b>Comp 3</b>	0%	0%	-2%	0%	0%	-2%	0%	<b>-4%</b>
<b>Comp 4</b>	-4%	0%	-5%	0%	0%	-5%	-1%	<b>-15%</b>
<b>Comp 5</b>	0%	0%	-2%	0%	0%	-2%	-1%	<b>-5%</b>
<b>Comp 6</b>	0%	0%	0%	0%	0%	0%	-5%	<b>-5%</b>



### Summary

The adjusted sales indicate a range from 24¢ to \$5.26 with a mean of \$2.75 and median of \$2.94 per square foot. Sale 4 is the most (gross) adjusted sales at \$4.68 per square foot. Sale 2 is the least (gross) adjusted sale at \$1.20 per square foot. Sale 3 is a recent pending auction transaction after a 36 month traditional exposure and sets the low end of the range. Sales 1, 2 and 5 are similar vacant industrial properties and average \$2.30 per square foot.

Omitting the high and low indicators tightens the range from 45¢ to \$4.68 with an average of \$2.75 per square foot.

After careful analysis of the market data and considering the subject's location, size, age and condition, the appraisers conclude at a value of \$2.75 per square foot, to be reasonable for the subject property.

<u>Building Size</u>	<u>Value Indicator</u>	<u>Indicated Value</u>
160,000 sq. ft. @	\$2.75 sq. ft. =	\$440,000 (rd)

Following from this, the appraisers conclude that the As Is market value of the fee simple title interest in the entire subject property, as of August 2, 2023, is:

**Four Hundred Forty Thousand ( \$440,000 ) Dollars.**

### Valuation Scenario #2

The client has requested a second valuation under the scenario of the noted building and supporting parking area. A legal description or survey detailing this potential split was not provided. As such, we used Google Maps aerial to calculate an estimated improved site comprising of 20 acres located primarily in the northeast corner of the property. We assume that the estimated improved site area.

The appraisers use the similar improved grid with the only line item change for the lower land-to-building ratio due to the smaller site size.

The table for the second requested valuation scenario is set forth on the following page.





**Improved Sales Adjustment Grid**

	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6
Title Interest tr.		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
CE Sales Price		\$110,000	\$165,000	\$50,000	\$1,750,000	\$1,100,000	\$400,000
Building Sq. Ft.	160,000	264,913	130,805	199,688	160,000	127,744	57,002
Dedication Ratio	2%	8%	3%	6%	10%	5%	2%
Price per Sq. Ft.		\$0.42	\$1.26	\$0.25	\$10.94	\$8.61	\$7.02
Site Area	871,200	473,933	479,160	361,112	1,524,600	428,195	200,986
Date of Sale		Feb-21	May-22	Pending	Aug-19	Feb-21	Jul-17
Buyer Expenditure		\$0	\$0	\$0	\$0	\$0	\$0
Property Rights		0%	0%	0%	0%	0%	0%
Financing Terms		0%	0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%	0%
Market Conditions		5.0%	2.3%	0.0%	8.0%	5.0%	12.2%
Adjusted Price		\$0.44	\$1.29	\$0.25	\$11.81	\$9.04	\$7.87
Location	Patterson	Mead	Beck	West	Spring	Woodland	Cooper
City/Twp/Village	Tecumseh	St Johns	Jonesville	Jackson	Kent City	Saline	Jackson
County	Lenawee	Clinton	Hillsdale	Jackson	Kent	Washtenaw	Jackson
Adjustment		-5%	0%	-5%	-5%	-10%	-5%
Building Area	160,000	264,913	130,805	199,688	160,000	127,744	57,002
Adjustment		10%	-5%	5%	0%	-5%	-10%
Land-to-Bldg. Rat	5.3 to 1	1.8 to 1	3.7 to 1	1.8 to 1	9.5 to 1	3.4 to 1	3.5 to 1
Adjustment		4%	2%	4%	-4%	2%	2%
Condition	1948-94/ Vacant	950-80 (Ren)/Sim Vacant	1965-85/Sim Vacant	1900, 40/Sim 18% Occupied	1965/Sup Occupied	1974-81/Sup Vacant	1920-77/Sup Vacant
Adjustment	Bel Ave-to-Fair	0%	0%	0%	-30%	-20%	-20%
Quality & Appeal	Ave/Fair	Superior	Superior	Superior	Superior	Superior	Superior
Adjustment		-10%	-10%	-10%	-10%	-10%	-10%
Dedication	2%	8%	3%	6%	10%	5%	2%
Adjustment		-3%	-0%	-2%	-4%	-2%	-0%
Amenities	Typical	Similar	Superior	Superior	Superior	Superior	Superior
Adjustment		0%	-1%	-4%	-15%	-5%	-5%
Gross Adjustment		32%	18%	30%	68%	54%	52%
Net Adjustments		-4%	-15%	-13%	-68%	-50%	-49%
Adjusted Price Per SF		\$0.42	\$1.10	\$0.22	\$3.75	\$4.54	\$4.05

Index of Comparable Sales

1. 511 N. Mead St., St. Johns	<b>High</b>	<b>\$4.54</b>
2. 651 Beck St., Jonesville	<b>Average</b>	<b>\$2.35</b>
3. 140 & 150 W. North St., Jacks	<b>Median</b>	<b>\$2.42</b>
4. 90 Spring St., Kent City	<b>Low</b>	<b>\$0.22</b>
5. 905 (inc 945) E Woodland Dr., Saline		
6. 701/703 S Cooper St., Jackson		



### Summary-Scenario #2

The adjusted sales indicate a range from 22¢ to \$4.54 with a mean of \$2.35 and median of \$2.42 per square foot. Sale 4 is the most (gross) adjusted sales at \$3.75 per square foot. Sale 2 is the least (gross) adjusted sale at \$1.10 per square foot. Sale 3 is a recent pending auction transaction after a 36 month traditional exposure and sets the low end of the range. Sales 1, 2 and 5 are similar vacant industrial properties and average \$2.02 per square foot.

Omitting the high and low indicators tightens the range from 42¢ to \$4.05 with an average of \$2.33 per square foot.

After careful analysis of the market data and considering the subject's location, size, age and condition, the appraisers conclude at a value of \$2.30 per square foot, to be reasonable for the subject property.

<u>Building Size</u>	<u>Value Indicator</u>	<u>Indicated Value</u>
160,000 sq. ft. @	\$2.30 sq. ft. =	\$370,000 (rd)

It is the appraisers' opinion that the As Is market value of the fee simple title to the subject property identified as the building and supporting parking area, as of August 2, 2023, is:

**Three Hundred Seventy Thousand ( \$370,000 ) Dollars.**

### Sales History Analysis

To the best of our knowledge, title to the subject property in its entirety has been held by Lenawee County since its purchase on November 10, 2021 for a consideration of \$2,300,000 or \$14.38 per square foot building area or \$1.05 per square foot of land area. The seller was 100 East Patterson, LLC.

Lenawee County purchased the subject in 2021 as part of Project Phoenix, a proposed redevelopment project comprising of an indoor/outdoor community center and sports complex. According to Kimberly Murphy, County Administrator, an appraisal was not part of the sale price negotiation and the project was terminated because the lack of funding from the State of Michigan. No other information was provided.

To the best of the appraisers' knowledge, the property is not currently listed for sale and we are not aware of any other title transfers or sales within the past three years that would impact the market value reported herein.

### Estimated Marketing Period, Exposure Period

As used herein, the definition of exposure time is as follows.



'The time a property remains on the market. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal: a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal...'<sup>25</sup>

The exposure time of comparable sales is considered by the appraisers to be an implicit indicator for exposure time for the subject. Exposure times are known for five of the six comparable sales which ranged from 28-to-36 months.

Discussions with local brokers familiar with the area, as well as canvassing industrial property sales on file, indicate typical exposure times of three to 48 months.

'Taking all factors into consideration, the appraisers consider an exposure time of 28-to-36 months to be a reasonable estimate for the subject property.

As used herein, the definition of marketing period is as follows.

'The time it takes an interest in a real property to sell on the market subsequent to the date of an appraisal. Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal...'<sup>26</sup>

Marketing time is prospective and takes into account current market conditions. The estimated market value in this report assumes a reasonable exposure time to the market, which is normal for properties of this type. The marketing time is the estimated length of time the property interest under analysis would have been listed on the market prior to a hypothetical sale at the estimated market value on or after the effective date of the appraisal.

Assuming the subject property was aggressively marketed by a competent broker at a listing price close to the estimated market value, the appraisers estimate a marketing time approximately 18 to 36 months for the property.

---

<sup>25</sup> The Appraisal Institute. *The Dictionary of Real Estate Appraisal*, p 73.

<sup>26</sup> Ibid.



---

## **ASSUMPTIONS AND LIMITATIONS OF APPRAISAL**

This appraisal is for no purpose other than property valuation, and the appraiser(s) is neither qualified nor attempting to go beyond that narrow scope. The reader should be aware that there are also inherent limitations to the accuracy of the information and analysis contained in this appraisal. Before making any decision based on the information and analysis contained in this report, it is critically important to read this entire section to understand these limitations.

### **Appraisal Is Not A Survey**

It is assumed that the utilization of the land and improvements is within the boundaries of the property lines of the property described and that there is no encroachment or trespass unless noted in this appraisal report.

No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Any maps, plats, surveys, or drawings reproduced and included in this report are intended only for the purpose of showing spatial relationships or location. Sizes and dimensions should not be scaled from them. The reliability of the information contained on any such map or drawing is assumed by the appraiser and cannot be guaranteed to be correct. A surveyor should be consulted if there is any concern on boundaries, setbacks, encroachments, or other survey matters.

The legal description given to the appraiser is presumed to be correct, but it has not been confirmed by a survey.

### **Appraisal Is Not A Legal Opinion**

No responsibility is assumed for matters of a legal nature that affect title to the property nor is an opinion of title rendered. The title is assumed to be good and marketable. The value estimate is given without regard to any questions of title, boundaries, encumbrances, or encroachments. We are not usually provided an abstract of the property being appraised and, in any event, we neither made a detailed examination of it nor do we give any legal opinion concerning it.

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 this appraisal report. A comprehensive examination of laws and regulations affecting the subject property was not performed for this appraisal.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined, and considered in the appraisal report. Information and analysis shown in this report concerning these items is based only on a rudimentary investigation. Any significant question should be addressed to local zoning or land use officials and/or an attorney.



It is assumed that all required licenses, 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 estimated contained in this report is based. Appropriate government officials and/or an attorney should be consulted if an interested party has any questions or concerns on these items since we have not made a comprehensive examination of laws and regulations affecting the subject property.

### **Appraisal Is Not An Engineering Or Property Inspection Report**

This appraisal should not be considered a report on the physical items that are a part of this property. Although the appraisal may contain information about the physical items being appraised (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed physical report. The appraisers are not construction, engineering, environmental, or legal experts, and any statement given on these matters in this report should be considered preliminary in nature.

The observed condition of the foundation, roof, exterior walls, interior walls, floors, heating system, plumbing, insulation, electrical service, and all mechanicals and construction is based on a casual inspection only and no detailed inspection was made. For instance, we are not experts on heating systems and no attempt was made to inspect the interior of the furnace. The structures were not checked for building code violations, and it is assumed that all buildings meet applicable building codes unless so stated in this report.

Some items such as conditions behind walls, above ceilings, behind locked doors, or under the ground are not exposed to casual view and therefore were not inspected. The existence of insulation, if any is mentioned, was found by conversation with others and/or circumstantial evidence. Since it is not exposed to view, the accuracy of any statements about insulation cannot be guaranteed.

It is assumed that there are no hidden or unapparent conditions of the property, sub-soil, or structures that would render it more or less valuable. No responsibility is assumed for such conditions, or for the engineering that may be required to discover such factors. Since no engineering or percolation tests were made, no liability is assumed for soil conditions. Sub-surface rights (mineral and oil) were not considered in making this appraisal.

Wells, septic systems, and utility lines, if any, are assumed to be in good working condition and of sufficient size and capacity for the stated highest and best use.

The age of any improvements to the subject property mentioned in this report should be considered a rough estimate. We are not sufficiently skilled in the construction trades to be able to reliably estimate the age of improvements by observation. We therefore rely on circumstantial evidence, which may come into our possession (such as dates on architectural plans) or conversations with those who might be somewhat familiar with the history of the property such as property owners, on-site personnel, public records, or others. Parties interested in knowing



the exact age of improvements on the land should contact us to ascertain the source of our data and then make a decision as to whether they wish to pursue additional investigation.

The appraiser(s) has observed those parts of the mechanical equipment and systems that constitute an integral part of the property and that are generally visible. From such observation, the appraiser(s) has reported any apparent conditions that the appraiser believes might bear on the conclusions of this report. The appraiser(s) has not, however, tested such mechanical equipment and systems, and thus assumes no responsibility for their operating performance (unless specifically so stated in this appraisal).

The appraiser(s) has not made a specific compliance survey and analysis of the subject to determine whether or not it is in conformity with the Americans with Disabilities Act ("ADA"). It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of ADA. If so, this fact could have a negative impact upon the value of the property. The appraiser has no direct evidence relating to this issue and did not consider possible non-compliance with the requirements of the ADA in estimating the value of the property.

Because no detailed inspection was made, and because such knowledge goes beyond the scope of this appraisal, any observed condition or other comments given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is made as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating system, air conditioning system, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party is concerned about the existence, condition, or adequacy of any particular item, we would strongly suggest that a construction expert be hired for a detailed investigation.

### **Appraisal Is Not An Environmental Issues Or A Hazardous Materials Report**

We are not environmental experts, and we do not have the expertise necessary to determine the existence of environmental hazards such as the presence of urea-formaldehyde foam insulation, toxic waste, asbestos, radon gas, PCB's, lead-based paint, contaminants such as petroleum products, or hazardous chemicals escaping from underground storage tanks, other potentially hazardous materials, or any other environmental hazards on the subject or surrounding properties. If we know of any problems of this nature, which we would believe would create a significant problem, they are disclosed in this report. Nondisclosure should not be taken as an indication that such a problem does not exist, however. An expert in the field should be consulted if any interested party has questions on environmental factors.

No chemical or scientific tests were performed by the appraiser(s) on the subject property, and it is assumed that the air, water, ground, and general environment associated with the property present no physical or health hazard of any kind unless otherwise noted in the report. It is further assumed that the property does not contain any type of dumpsite and that there are no





underground tanks (or any underground source) leaking toxic or hazardous materials or substances into the groundwater or the environment unless otherwise noted in the report.

### **Appraisal Is Made Under Conditions Of Uncertainty With Limited Data**

As can be seen from limitations presented above, this appraisal has been performed with a limited amount of data. Data limitations result from a lack of certain areas of expertise by the appraiser(s) (that go beyond the scope of the ordinary knowledge of an appraiser), the inability of the appraiser(s) to view certain portions of the property, the inherent limitations of relying upon information provided by others, etc.

There is also an economic constraint, however. The appraisal budget (and the fee for this appraisal) did not contain unlimited funds for investigation. We have spent our time and effort in the investigative stage of this appraisal in those areas where we think it will do the most good, but inevitably there is a significant possibility that we do not possess all information relevant to the subject property.

Before relying on any statement made in this appraisal report, interested parties should contact us for the exact extent of our data collection on any point, which they believe to be important to their decision-making. This will enable such interested parties to determine whether they think the extent of our data gathering process was adequate for their needs or whether they would like to pursue additional data gathering for a higher level of certainty.

Information (including projections of income and expenses) provided by local sources, such as government agencies, financial institutions, accountants, attorneys, and others is assumed to be true, correct, and reliable. No responsibility for the accuracy of such information is assumed by the appraiser(s).

The comparable sales data relied upon in this appraisal are believed to be from reliable sources. Though all the Comparables were examined, it was not possible to inspect them all in detail. The value conclusions are subject to the accuracy of said data.

Engineering analyses of the subject property were neither provided for use nor made as a part of this appraisal contract. Any representation as to the suitability of the property for uses suggested in this analysis is therefore based only on a rudimentary investigation by the appraiser and the value conclusions are subject to said limitations.

All values shown in the appraisal report are based on our analysis as of the effective date(s) of valuation stated in this appraisal report. (The value[s] estimated in this appraisal report may change in the future because of changing local or national economic conditions or capital money market changes.) These values may not be valid in other time periods or as conditions change. We take no responsibility for events, conditions, or circumstances affecting the property's market value that take place subsequent to either the date of value contained in this report or the date of our field inspection, whichever occurs first.



Since projected mathematical models and other projections are based on estimates and assumptions, which are inherently subject to uncertainty and variation depending upon evolving events, we do not represent them as results that will actually be achieved.

This appraisal is an estimate of value based on an analysis of information known to us at the time the appraisal was made. We do not assume any responsibility for incorrect analysis because of our incorrect or incomplete information. If new information of significance comes to light, the value given in this report is subject to change without notice.

Opinions and estimates expressed herein represent our best judgment but should not be construed as advice or recommendation to act. Any actions taken by you, the client, or any others should be based on your own judgment, and the decision process should consider many factors other than just the value estimate and information given in this report.

### **Restrictions Upon Disclosure And Use Of The Appraisal**

Disclosure of the contents of this appraisal report is governed by the Bylaws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which he is connected, or any reference to the Appraisal Institute or the MAI designation shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the appraiser.

The appraisal report may not be used for any purpose except substantiation of the value estimated without written permission from the appraiser. All valuations in this appraisal report are applicable only under the stated program of use. The valuation of a component part of the property is applicable only as a part of the whole property.

Neither the name of Gerald Alcock Company nor the name of the appraiser(s) nor this appraisal report nor any material contained in this appraisal report may be included in any prospectus, or used in any activities or transactions such as offerings or representations in connection with a real estate syndicate or syndicates, a real estate investment trust or trusts, or any securities-related exposures.

Neither this appraisal report nor any part of it may be submitted to the Securities and Exchange Commission or to any state securities regulatory agency without the express written permission of the appraiser(s).

Neither the name of the Gerald Alcock Company nor the name of the appraiser(s) nor this appraisal report nor any material contained in this appraisal report may be used for activities or transactions that are subject to the Employee Retirement Income Security Act of 1974, as amended, without the express written permission of the appraiser(s).



### **Appraisal Report Limitations**

Appraisal reports are technical documents addressed to the specific needs of clients. Casual readers should understand that this report does not contain all of the information we have concerning the subject property or the real estate market. While no factors we believe to be significant but unknown to the client have been knowingly withheld, it is always possible that we have information of significance which may be important to others but which, with our limited acquaintance of the property and our limited expertise, does not seem to be important to us.

Appraisal reports made for lenders are technical documents specifically made to lender requirements. Casual readers are cautioned about their limitations and cautioned against possible misinterpretation of the information contained in these reports.

The appraiser should be contacted with any questions before this report is relied on for decision-making.



---

## APPRAISER'S CERTIFICATIONS

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct;
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions;
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved;
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
7. Our analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice;
8. We (I) have not performed 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 the agreement to perform this assignment;
9. Julie Simpson has made a personal inspection of the property that is the subject of this report. Michael Williams did not inspect the property;
10. No one provided significant real property appraisal assistance to the author of this report;
11. The reported analysis, opinions and conclusions were developed and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute;
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;



13. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan; and
14. As of the date of this report, Michael T. Williams has completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.

A handwritten signature in black ink that reads "Michael T. Williams". The signature is written in a cursive style with a long horizontal stroke at the end.

Michael T. Williams, MAI  
Michigan Certified General Appraiser  
License No. 1205004033

A handwritten signature in black ink that reads "Julie M. Simpson". The signature is written in a cursive style with a long horizontal stroke at the end.

Julie M. Simpson  
Certified General Appraiser  
License No. 1205002499



## REQUIRED STATEMENTS

### LICENSURE

Appraisers are required to be licensed, and are regulated by the Michigan Department of Licensing and Regulatory Affairs, P.O. Box 30018, Lansing Michigan 48909. The appraiser(s) are currently and properly licensed. Copies of these licenses are set forth below.

GRETCHEN WHITNER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
BUREAU OF PROFESSIONAL LICENSING  
CERTIFIED GENERAL REAL ESTATE APPRAISER LICENSE

MICHAEL THOMAS WILLIAMS

LICENSE NO. 1205004033      EXPIRATION DATE 07/31/2025      23196130747      THIS DOCUMENT IS DULY ISSUED UNDER THE LAWS OF THE STATE OF MICHIGAN

GRETCHEN WHITNER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
BUREAU OF PROFESSIONAL LICENSING  
CERTIFIED GENERAL REAL ESTATE APPRAISER LICENSE

JULIE M SIMPSON

LICENSE NO. 1205002499      EXPIRATION DATE 07/31/2024      22185140719      THIS DOCUMENT IS DULY ISSUED UNDER THE LAWS OF THE STATE OF MICHIGAN





## **APPRAISAL REPORT**

This report is classified as an Appraisal Report under the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, Standards Rule 2-2(a). Broadly defined, an Appraisal Report gives the contents of the report in a summary form and connotes a concise level of detail in the presentation of information.

## **USPAP COMPETENCY PROVISION**

This appraisal complies with the Competency Provision of the USPAP.

## **NARRATED DATES**

### **Date of Appraisal Report**

The date of this appraisal report is August 18, 2023.

### **Effective Date(s) of Value**

The effective date of valuation As Is August 2, 2023, the date of inspection.

### **Date(s) of Inspection and Inspector(s)**

The property was inspected by Julie Simpson on August 2, 2023.



---

## PROFESSIONAL QUALIFICATIONS

### **MICHAEL T. WILLIAMS, MAI**

Principal and President with the Gerald Alcock Company, LLC since 2003 and an associate since 1995 preparing and managing valuation and consulting assignments.

Valuations have been performed on various properties including, but not limited to, retail shopping centers, net leased retailers, general commercial properties, single and multi-tenant industrial buildings, high-tech office properties, professional and medical office buildings, mixed-use facilities, residential subdivisions, apartments, and vacant land for a variety of uses. Assignments for special purpose properties include public and private golf courses and country clubs, tennis and health clubs, gas station and convenience stores, car washes, bowling alleys, hotels, self-storage facilities, churches, schools, day care facilities, specialty-medical properties, and assisted living facilities.

Consulting assignments include appraisal reviews, lease recommendations, market studies, ground lease consultations, and buy-sell negotiations.

Assignments have been performed for financing, disposition and acquisition, estate planning, federal estate tax filing, tax appeal, condemnation, internal corporate planning, and foreclosure due diligence. Valuations and market studies have been completed for proposed, partially completed, renovated, and existing structures.

Clients served include commercial banks, life insurance companies, mortgage bankers, law firms, accountants, investment firms, developers, as well as private and public agencies.

### EDUCATION:

UNIVERSITY OF MICHIGAN  
School of Business Administration  
Bachelor of Business Administration, 1993  
Concentration in Finance and Real Estate

WALSH COLLEGE  
Master of Science in Finance, 2002  
Magna Cum Laude  
Course work in Business Valuation, Real Estate Finance, and Lease Finance  
APPRAISAL INSTITUTE

### Courses Completed:

Standards of Professional Practice, Part A, 1993  
Standards of Professional Practice, Part B, 1994  
Standards of Professional Practice, Part C, 1999



Appraisal Principles, 1994  
Appraisal Procedures, 1993  
Basic Income Capitalization, 1993  
General Applications, 1994  
Advanced Income Capitalization, 1994  
Highest & Best Use/Market Analysis, 1994  
Advanced Sales Comparison & Cost Approach, 1996  
Report Writing & Valuation Analysis, 1996  
Advanced Applications, 1997  
Fundamentals of Separating Real Property, Personal Property, and  
Intangible Business Assets, 2012

Seminars Completed:

Building Construction In Michigan, 1995  
Small Hotel/Motel Valuation, 1997  
Non-Residential Demonstration Report Writing, 1998  
Appraisal Office Management, 1999  
Attacking and Defending an Appraisal for Litigation, 1999  
Appraisal Review – General, 2001  
Effective Report Writing, 2002  
The Road Less Traveled: Special Purpose Properties, 2003  
Rates and Ratios, 2003  
Regression Analysis, 2003  
Uniform Standards For Federal Land Acquisitions, 2003  
National USPAP Update, 2004  
Michigan Appraiser Licensing Law & Rules, 2004  
Appraisal of Local Retail Properties, 2004  
Appraisals and Real Estate Lending, 2004  
Appraising Convenience Stores, 2005  
Business Practice and Ethics, 2005  
Mortgage Fraud, 2006  
Reappraising, Readdressing, Reassigning, 2007  
Analyzing Distressed Real Estate, 2007  
National USPAP Update, 2007  
Appraisal Issues In Publicly-Funded Land Transactions, 2007  
Effective Bank - Appraiser Communication, 2007  
Appraisal Issues in Publicly Funded Land Transaction, 2007  
Capstone Realty Sources: Land Conservation Marketplace I, 2009  
Appraisal Curriculum Overview (Two-Day General), 2009  
Spotlight on USPAP: Common Errors and Issues, 2009  
Michigan Economy, 2009  
Online McKissock: Michigan Law, 2009  
Online McKissock: 2008-09 National USPAP Update, 2009  
Spotlight on USPAP: Confidentiality, 2010  
Business Practice and Ethics, 2010  
Data Verification Methods, 2010



Spotlight on USPAP: Appraisal Review, 2011  
Michigan Economy, 2011  
Online McKissock: Michigan Law, 2011  
Online Analyzing Distressed Real Estate, 2011  
National USPAP Equivalent Course 2010-2011, 2011  
Spotlight on USPAP: Agreement For Services-Instructions, 2011  
Preparing Valuation Disclosures, Entire MI Tax Tribunal, 2011  
Supervising Appraisers, A Mentoring Process, 2012  
Michigan Economy, 2012  
National USPAP Equivalent Course 2012-2013, 2012  
Michigan Laws and Rules, 2012  
Contemporary Topics For Appraisers Involving the MI Tax Tribunal, 2013  
Michigan Economics, 2013  
Great Lakes Chapter Economic Summit, 2013  
Online Subdivision Valuation, 2013

Contemporary Topics For Appraisers Involving the MI Tax Tribunal, 2014  
Great Lakes Chapter Economic Summit, 2014  
Michigan Economics, 2014  
Appraising Airports and Airplane Hangars, 2014  
National USPAP Equivalent Course 2014-2015, 2014  
Michigan Economics, 2015  
Online McKissock: Michigan Law, 2015  
Government and The Housing Market, 2015  
Great Lakes Chapter Economic Summit, 2015  
Business Practices and Ethics, 2015  
LARA and the Michigan Real Estate Appraisal Profession, 2016  
Contemporary Michigan Property Tax Issues, 2016  
National USPAP Equivalent Course 2016-2017, IRWA, 2016  
Michigan Economics, 2016  
Michigan Legislative Update, 2016  
Supervisory Appraiser/Trainee Appraiser Course, 2016  
Great Lakes Chapter Economic Summit, 2016  
Natural Resources: An Economic Drive, 2017  
Contract or Effective Rent: Finding the Real Rent, 2017  
Michigan Economy, 2017  
Michigan Appraisal Law, 2017

PROFESSIONAL AND TRADE AFFILIATIONS:

Michigan State Certified General Appraiser #1205004033

Ohio State Certified General Appraiser #2011002568

Member, Appraisal Institute (MAI), Certificate No. 11570



Leadership Ann Arbor Program, Ann Arbor Chamber of Commerce, 2006-2007

Leadership Development & Advisory Council (LDAC), Appraisal Institute, 2014, 2015, & 2016

Treasurer, Southeast Michigan Subchapter of the Great Lakes Chapter of Appraisal Institute, 2001-2003

Board of Directors, Great Lakes Chapter of Appraisal Institute, 2007-2011

Chairperson, Membership Development, Retention and Development, Great Lakes Chapter of Appraisal Institute, 2007-2012

Assistant Regional Ethics Administrator For Region III, Appraisal Institute, 2004-2007

Regional Member Ethics Administrator For Region III, Appraisal Institute, 2008-2009

Chair, Ethics Administration Division, Appraisal Institute, 2010-2011

Chair, Ethics Appeals Panel, Appraisal Institute, 2012

Member, Professional Standards and Guidance Committee, 2013

Secretary, Great Lakes Chapter of Appraisal Institute, 2013

Treasurer, Great Lakes Chapter of Appraisal Institute, 2014

Vice President, Great Lakes Chapter of Appraisal Institute, 2015

President, Great Lakes Chapter of Appraisal Institute, 2016

Past President, Great Lakes Chapter of Appraisal Institute, 2017

**Julie M. Simpson**

Principal with the Gerald Alcock Company, LLC since 2003 and an associate since 1986 preparing and managing valuation and consulting assignments.

Valuations have been performed on various properties including, but not limited to general commercial properties, single and multi-tenant industrial buildings, high-tech office properties, professional and medical office buildings, mixed-use facilities, residential subdivisions, and vacant land for a variety of uses. Assignments for special purpose properties include funeral homes, self-storage facilities, and multi-plexed movie theaters.

Consulting assignments include appraisal reviews, lease recommendations, market studies, ground lease consultations, and buy-sell negotiations.

Assignments have been performed for financing, disposition and acquisition, estate planning, tax appeal, condemnation, internal corporate planning, foreclosure due diligence, and litigation support. Valuations and market studies have been completed for proposed, partially completed, renovated, and existing structures.

Clients served include commercial banks, life insurance companies, mortgage bankers, law firms, accountants, investment firms, developers, as well as private and public agencies.

Clients served include commercial banks, life insurance companies, mortgage bankers, law firms, accountants, investment firms, developers, as well as private and public agencies.

**EDUCATION:**

Bachelor of Arts Albion College, 1985  
Boston College Summer Program, 1984  
State of Michigan Residential Building Class, 1988  
Stonier Graduate School of Banking  
At the University of Delaware, 1990-1991

American Institute of Real Estate Appraisers  
"Real Estate Principles ", 1987  
"Basic Valuation Procedures ", 1987  
"Standards of Professional Practice, Part A and B", 1991  
"Capitalization Theory and Techniques, Part A and B", 1991  
" Case Studies in Real Estate Valuation", 1992





COURT EXPERIENCE

Qualified as expert witness in Federal Bankruptcy Court in Detroit.

TEACHING EXPERIENCE

Guest lecturer, Eastern Michigan University School of Business, Finance Department

LICENSURE

Certified General Real Estate Appraiser, State of Michigan, #1205002499

EMPLOYMENT

Gerald Alcock Company, LLC

Ann Arbor, Michigan

1986 to 2002	Commercial Appraiser
2003 to Present	Principal