

Appraisal Report
on

5810 Fullerton Avenue,
Cleveland, Cuyahoga County, Ohio
Fullerton Elementary School

For

Mr. David Riley
The Riley Law Firm
24502 Cornerstone
Westlake, Ohio 44145

By

Emily L. Braman, MAI, SRA, AI-GRS, President
Charles P. Braman & Co., Inc.
23300 Chagrin Boulevard, Suite 102
Beachwood, Ohio 44122
(216) 831-8180 Cell: (216) 225-9383

Date of Value

August 17, 2020

Charles P. Braman & Co., Inc.
Real Estate Appraisals & Consulting
23300 Chagrin Blvd., Suite 102
Beachwood, OH 44122
(216) 831-8180 office
(216) 225-9383 cell

August 21, 2020

Mr. David Riley
The Riley Law Firm
24502 Cornerstone
Westlake, Ohio 44145

In Re: 5810 Fullerton Avenue, Cleveland, Ohio
Permanent Parcel Numbers: 132-12-043 to 048 and 132-12-053 to 057
Owner: Cleveland Metropolitan School District Board of Education

Dear Mr. Riley:

Pursuant to your request, I have prepared an appraisal of the captioned property as defined in the attached report. It is my conclusion that as of August 17, 2020, the fee simple interest in the subject property has a Fair Market Value of:

Land Only - If Vacant: \$167,500
Improved Property: \$310,000

To develop the land, the building would have to be razed and the estimated razing costs exceed the value of the site. This letter constitutes only a statement of final value and should not be considered independently. The attached report explains the analysis of market data and the development of the final estimate of value. The purpose of this appraisal is to estimate the market value of the subject property as of August 17, 2020. The intended use of the report is for internal decision making purposes for the Cleveland Metropolitan School District. The intended users of this report are Mr. Riley, Cleveland Metropolitan School District and the Cleveland Metropolitan School District Board of Education.

I, the undersigned, after having personally inspected this property, do hereby certify that, to the best of my knowledge and belief, the statements contained in this appraisal and upon which the opinions expressed herein are based, are correct, subject to the limiting conditions herein set forth. The appraisal has been made in conformity with the professional standards of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. Employment in and compensation for making this report are in no way contingent upon the value reported and I certify that I have no financial interest in the subject property. If you have any questions, do not hesitate to contact me.

Sincerely,



Emily L. Braman, MAI, SRA, AI-GRS
State Certified General Real Estate Appraiser
Certification Number 381955
ELB/lfs

Table of Contents

Summary of Important Facts and Conclusions.....	1
Area Map	2
Aerial View of Subject	3
Special Assumptions and Limiting Conditions	4
General Assumptions and Limiting Conditions	5
Certification of the Appraiser	8
Photographs of Subject Property	10
Reporting Option	12
Identify the Client and any Users	12
Intended Use of the Appraisal	12
Identity of the Real Estate Involved in the Appraisal	12
Real Property Interest Being Appraised	13
Purpose of the Appraisal	13
Definition of Market Value	14
Dates of Appraisal and Report	14
Appraisal Problem and Scope	15
Exposure Time	16
Accompaniment	16
Area, City and Neighborhood Analysis	17
Sale History of the Subject Property	23
Existing Use and Reflected Use in the Appraisal	23
Site Plan Sketch Reflecting Property.....	24
Site Description	25
Building Description	26
Building Sketch	27
Legal and Political Constraints	28
Highest and Best Use	30
Cost Approach	34
Sales Comparison Approach Land	35
Sales Comparison Approach Building	38
Income Capitalization Approach	41
Correlation and Value Conclusion	42

ADDENDA & EXHIBITS

Location Map
Land Sales
Building Sales
Qualifications

Summary of Important Facts and Conclusions

Address: 5810 Fullerton Avenue, Cleveland, Cuyahoga County, Ohio

Property Type: Fullerton Elementary School

Intended Use: Internal decision making purposes for the Cleveland Metropolitan School District

Intended Users: Mr. Riley, the Cleveland Metropolitan School District and the Cleveland Metropolitan School District Board of Education.

Owner of Record: Cleveland Metropolitan School District Board of Education

Permanent Parcel Numbers: 132-12-043 to 048 and 132-12-053 to 057

Land Area: 3.351 acres

Gross Building Area: 38,939 s.f. elementary school

Zoning: 2F-B1, Two Family

Highest & Best Use As If Vacant: Residential development

Highest & Best Use As Improved: Renovation for school or other use

Date of the Report: August 21, 2020

Date of Value: August 17, 2020

Value Indications:

Indicated Value from Sales Comparison Approach: ***Land Only – As if Vacant: \$167,500 – Razing costs exceed the value of the site***

Improved Property: \$310,000

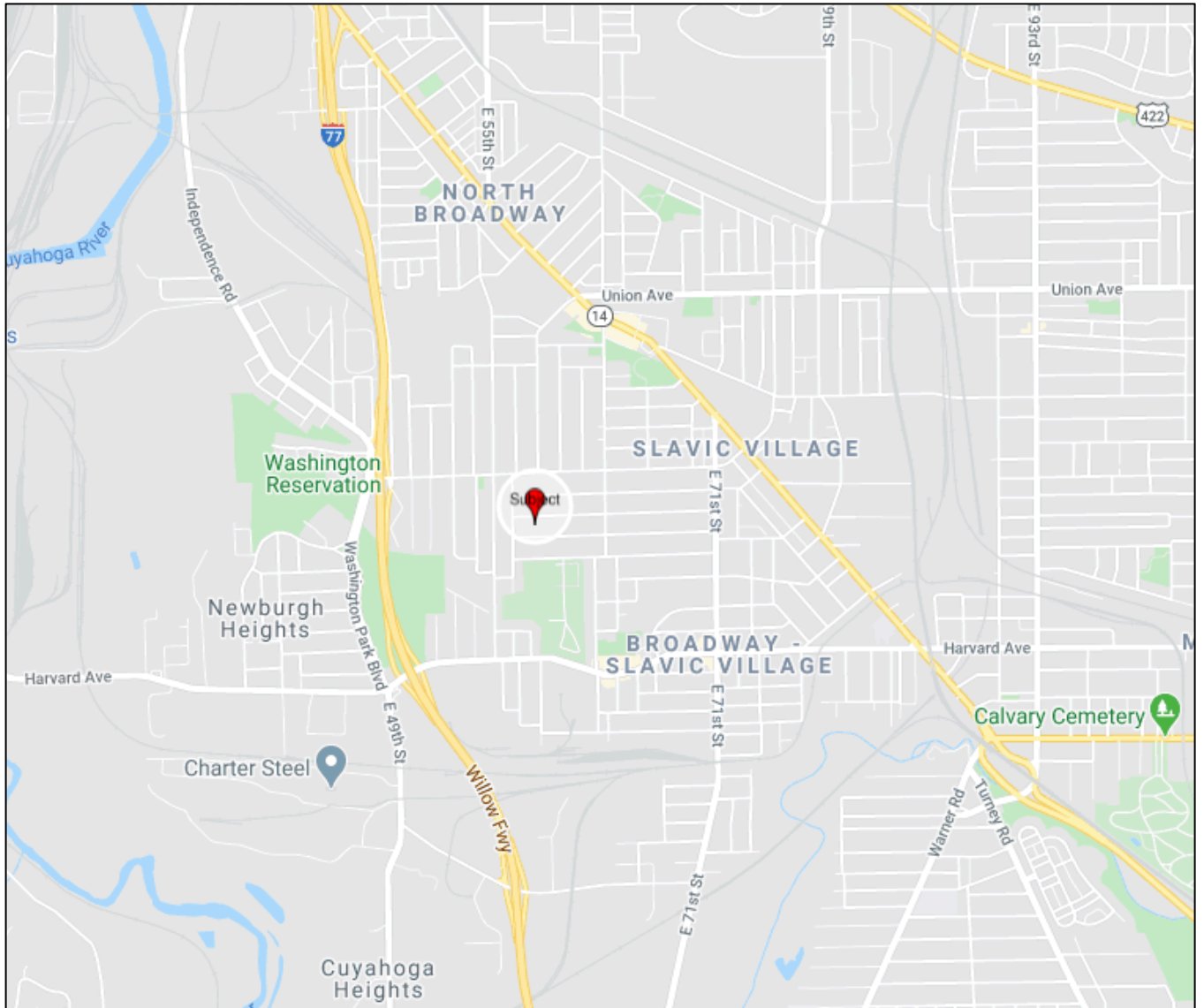
Indicated Value from Income Approach: ***N/A***

Indicated Value from Cost Approach: ***N/A***

Correlated Conclusion of Value: ***\$310,000***



Area Map



Aerial View of Subject

(Aerial view downloaded from GIS Cuyahoga County website on 8/17/2020)



Special Assumptions and Limiting Conditions

Extraordinary Assumptions:

Extraordinary assumptions are defined as:

“An assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in the analysis.”¹. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- the appraiser has a reasonable basis for the extraordinary assumption;
- use of the extraordinary assumption results in a credible analysis; and
- the appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions

This appraisal is not subject to any extraordinary assumptions.

Hypothetical Conditions:

Hypothetical conditions are defined as:

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.² A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- use of the hypothetical condition results in a credible analysis; and
- the appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions

This appraisal is subject to the following hypothetical condition: The appraiser is not aware of any Phase 1 or Phase 2 Environmental Assessment for the subject property. Properties of this type often have significant asbestos material however it is not known if there is any asbestos material in the subject property. This appraisal does not consider the cost of abatement of any potential asbestos material. If significant asbestos abatement is required, the assignment results could be affected.

¹ Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition (Chicago: Appraisal Institute, 2010) page 73

² Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition (Chicago: Appraisal Institute, 2010) page 97



General Assumptions and Limiting Conditions

The appraisal of the subject property is subject to the following limiting conditions:

Title is assumed to be marketable, and no responsibility has been assumed for matters that are legal in nature, nor has any opinion on title been rendered, this appraisal assuming marketable title. Liens and encumbrances, if any, have been disregarded and the property appraised as if free of indebtedness. The property is under responsible ownership and competent management and is available for its highest and best use. The appraiser assumes no responsibility for title services and furnishing of title policies that may be required, nor for survey or title conditions that have not been disclosed to the appraiser.

There are no existing judgments or pending or threatened litigation that could affect the value of the property.

Information identified in the appraisal as having been furnished by others is believed to be reliable, but no responsibility has been assumed for its accuracy.

The appraiser shall not be held responsible for errors and omissions, nor for revisions to this appraisal, resulting from information that was withheld or unavailable to the appraiser, nor from erroneous information supplied to the appraiser by others. The appraiser reserves the right to revise this appraisal, under separate service contract, for the disclosure of information that was not provided or was not available to the appraiser as of the date of this report.

Possession of the appraisal report does not carry with it the right to publication, nor may it be used for any purpose by anyone but the recipient without the consent of the appraiser. The valuation conclusions in this appraisal may not be used in conjunction with any other appraisal or appraisals.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, sales, news media, or other media without the prior written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraisers or firm with which connected, or any reference to the Appraisal Institute.

Employment in and compensation for making this report are in no way contingent upon the value reported. Liability of Charles P. Braman & Co., Inc. and its employees is limited to the fee collected for preparation of the appraisal. There is no accountability or liability to any third party. The appraiser will not be required to give testimony, respond to any subpoena or attend any hearing or appear in court by reason of this appraisal unless prior or special arrangements have been, and at additional fees.

No responsibility is assumed for failure to disclose damages to the property not readily visible through normal visual inspection. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering that might be required to discover such factors. While the general conditions of the property were observed, no guarantee can be made concerning the individual components of the structures including but not limited to the heating system, plumbing, electrical services, roof, possible termite damage or building foundation.



General Assumptions and Limiting Conditions, Continued

No facts affecting the value of this property have been knowingly overlooked or withheld. Factual data have been compiled by the appraiser from sources deemed reliable, but no responsibility has been assumed for their accuracy.

We accept no responsibility for considerations requiring expertise in other fields. Such considerations include but are not limited to, legal descriptions and other legal matters such as title, compensability, case law, legal title, etc., geologic considerations, civil, mechanical, electrical, structural and other engineering and environmental matters. The client is urged to retain an expert in these fields, if desired.

The land and building areas referenced in this appraisal are based upon available information, including information obtained from the County Auditor's public records. No responsibility is assumed by the appraiser for the accuracy of these records including the land and building areas and the dimensions referenced in the appraisal. The appraiser is also not responsible for the preparation of any site or building surveys. Any plans prepared for the project which are referenced in this appraisal are not the responsibility of the appraiser.

Assessment of the potential costs and effects on market value pertaining to compliance or non-compliance with the Americans with Disabilities Act (ADA) is beyond the scope of this appraisal. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility. For the purposes of this appraisal, the property is assumed to be in full compliance with current ADA guidelines.

The distribution, if any, of the total valuation between land and the improvements thereon applies only under the existing program of utilization and conditions stated in this report. The separate valuation for land and building must not be used in conjunction with any other appraisal and are invalid if so used. No part of this appraisal report shall be used separately and out of context.

This appraiser is not qualified to make a complete inspection of any well or septic system, consequently, it was beyond the scope of this report and no statements can be made concerning the adequacy or condition of these or other systems.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. The subject is assumed to be environmentally clean and marketable. The existence of significant undevelopable wetland areas were not observed by the appraiser, unless specifically described herein. The appraiser, however, is not qualified to define such areas. No responsibility is assumed for any such areas, or for any expertise required to delineate them.



General Assumptions and Limiting Conditions, Continued

Subsurface rights (minerals, natural gas, and oil) were not considered in this assignment unless specified otherwise within the report. We have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless noted otherwise in the report.

All engineering data is assumed to be correct. Sketches, plot plans and illustrated material in this report are furnished as an aid in visualizing the property; no surveys have been made, and as a result, no responsibility is assumed by this appraiser for such information.

Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.

No consideration has been given to personal property located on the premises or the cost of moving or relocating such personal property' only the real property has been valued.

The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material. Charles P. Braman & Co., Inc. and our appraisers are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment.

The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.

No changes in any federal, state or local laws, regulations or codes are anticipated.

Any appraisal is inherently subjective and represents our opinion as to the value of the property appraised as of the appraisal date, as subject to these limiting conditions and assumptions, extraordinary assumptions, and hypothetical conditions as described in this report.

Acceptance of and/or use of this report constitutes acceptance of the above conditions.



Certification of the Appraiser

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

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, unbiased professional analyses, opinions, and conclusions as a disinterested and unbiased third party.

I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

I have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.

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

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

I have made a personal inspection of the property that is the subject of this report.

No one provided significant real property appraisal assistance to the person signing this report.



Certification of the Appraiser, Continued

I have experience in appraising properties similar to the subject and am in compliance with the Competency Rule of USPAP.

As of the date of this report I, Emily Braman, MAI, SRA, AI-GRS have completed the Standards and Ethics Education Requirement of the Appraisal Institute for designated members.



Emily L. Braman, MAI, SRA, AI-GRS
Real Estate Appraiser
State Of Ohio
General Certification #381955

August 21, 2020

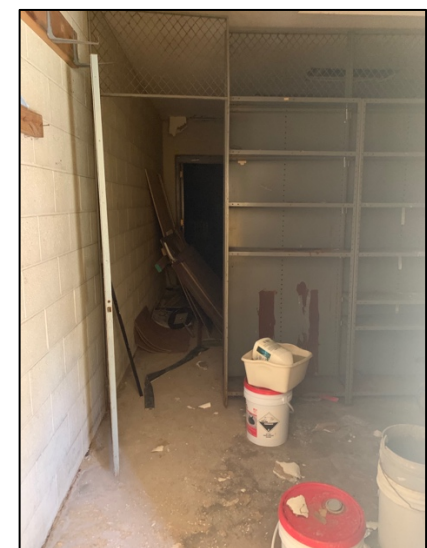


Photographs of the Subject Property

(all photos were taken by Emily Braman on August 17, 2020)



Photographs of the Subject Property, Continued



Reporting Option

This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of 2018-2019 of the Uniform of Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents summary discussions of the data, reasoning, and analyzes that were used in the appraisal process to develop the appraiser's opinion of value.

Identify the Client and Users

The client is the Cleveland Metropolitan School District. The users of the appraisal may include David Riley, Esq., Cleveland Metropolitan School District and the Cleveland Metropolitan School District Board of Education.

Note that all of the conclusions and opinions in this appraisal are subject to the Special and General Assumptions and Limiting Conditions that are an integral part of this report. No opinions or conclusions are valid unless this report is considered in its entirety and only if used for its intended use by the client and its intended users. No parties are authorized to rely upon this report, or any part thereof, for any other purpose whatsoever.

Intended Use of the Appraisal

The appraisal is intended to be used for internal decision making purposes for the Cleveland Metropolitan School District and the Cleveland Metropolitan School District Board of Education.

Identity of the Real Estate Involved In The Appraisal

This appraisal report and the estimates of value contained herein encompass the real estate defined as “the physical land and appurtenances affixed to the land³” including permanent structures, fixtures and site improvements. All items of personal property have been excluded from analysis in this appraisal report.

The subject property is located at 5810 Fullerton Avenue, Cleveland, Cuyahoga County, Ohio. It is known as Cuyahoga County Fiscal Officer’s Permanent Parcel Numbers 132-12-043 to 048 and 132-12-053 to 057. The property is 3.351 acre parcel of land improved with a 38,939 s.f. elementary school built in 1973.

³ Appraisal Institute, The Appraisal of Real Estate” Thirteenth Edition (Chicago: 2008) page 6



Real Property Interest Being Appraised

The real property interest being appraised is the fee simple estate in the whole property. Fee Simple Estate is defined as:

“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.⁴”

Purpose of the Appraisal

The purpose of the appraisal is to estimate the value of the property both as improved and as if vacant, for internal decision making purposes for the Cleveland Metropolitan School District.

⁴ Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition (Chicago: Appraisal Institute, 2008) page 78



Definition of Market Value

The most widely accepted components of market value are incorporated in the following definition:

"The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller, each acting prudently, knowledgeably, for their self-interest, and assuming that neither is under duress.⁵

Market value is described in the Uniform Standards of Professional Appraisal (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e. a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser and as applicable in an appraisal.⁶ Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised and each acting in what he considers his own best interest;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U. S. dollars or in terms of financial Arrangements comparable thereto; and
5. the 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.

The valuation analysis of this report is predicated upon cash, or terms equivalent to typical institutional debt financing as the basis of the market value estimate.

The current "as is" market value as established in this report represents an estimate of the market value of the property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the effective appraisal date.

Dates of the Appraisal and the Appraisal Report

The Date of the Appraisal is August 17, 2020

The Date of the Report is August 21, 2020

⁵ Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition (Appraisal Institute, Chicago, IL 2010) Page 122.

⁶ USPAP (2010-2011) ed.



Appraisal Problem and Scope of the Appraisal

The appraisal problem is to value the subject property both as improved and as if vacant, for internal decision making purposes for the Cleveland Metropolitan School District.

In arriving at the value of the property, the appraiser:

- Emily Braman has made a personal observation of the subject property and the comparable sales. This observation is limited to those things readily observable without the use of special testing equipment. The appraiser is not responsible for any and all items, aspects and or conditions that the appraiser is not skilled to detect. Observation of the subject property and comparable sales may or may not include the use of plans and specifications, photographs, property sketches, plat map, flood maps, topographical surveys, USGS surveys, zoning documents, aerials, surveys and other documents.
- Has developed an Appraisal Report that conforms to the USPAP regulations. The report will include regional and neighborhood analysis, site and building descriptions, appropriate exhibits, maps and photographs, zoning and tax information and other relevant information. The appraiser is not responsible for delinquent taxes or liens that may or may not be reported. All relevant information not included in this report is retained in the appraisers file.
- Emily Braman has compiled data upon which the value conclusions are based. Data have been compiled from public records, proprietary services such as Loopnet, Costar, the Northeast Ohio Multiple Listing Service and others, published market studies, and interviews with knowledgeable parties and in-house appraisal files. Sales of comparable properties in the area of the subject were verified from county records, buyer, seller, broker, attorney and/or appraiser and have been reviewed and analyzed and viewed by this firm.
- The valuation of the property encompassed the three traditional approaches to value including the Cost, Sales Comparison and Income Capitalization Approaches.
- The Cost Approach is applicable when the value of the land, the cost to replace the buildings, the amount of depreciation which has accrued and the value of the site improvements are independently measurable, and when the sum of these components is believed to reflect market value. The cost approach is not applicable when appraising unimproved land or obsolete improvements.
- The Income Capitalization Approach is applicable for income producing properties when adequate and accurate income and expense information is available. It is not applicable for properties that have no readily discernible income properties.
- The Sales Comparison Approach is applicable when there is adequate and accurate market data involving similar or comparable properties. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant, when an adequate supply of comparable sales is available.



Exposure Time

The concept of exposure time is defined as “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 on an analysis of past events assuming a competitive and open market.”⁷ The fact that exposure time is always presumed to occur prior to the effective date of the appraisal can be substantiated by related facts in the appraisal process such as supply/demand conditions as of the effective date of the appraisal and the analysis of historical sales information.

Given the current demand and supply relationships, the typical exposure time for a property similar to the subject, given its location would generally range in the area of 12-36 months or more assuming a reasonable, orderly approach to its sale and a stable economic environment. This estimate would encompass approximately two to three years in direct marketing of the property by a well-qualified brokerage company with an additional two to six months for due diligence and to secure the financing commitment and subsequent closing.

The current COVID-19 pandemic significantly lengthens the marketing time going forward.

Inspection

Inspection by: Emily L. Braman, MAI, SRA, AI-GRS

Date of the Inspection: August 17, 2020

Identification of the Person Who Accompanied the Appraiser: Dennis Jones, Cleveland Metropolitan School District

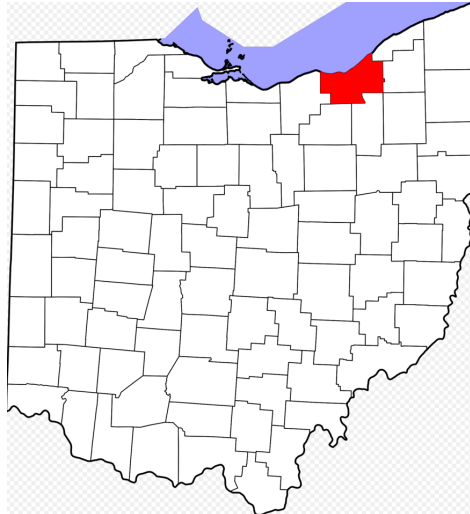
⁷ Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition (Chicago: Appraisal Institute, 2008) page 72



Area, City and Neighborhood Analysis

Regional Data

The subject property is situated in the City of Cleveland in Cuyahoga County, Ohio. Cleveland is part of the Cleveland/Akron/Elyria SMSA which covers eight counties and had a population of 2,891,988 in the 2010 census, the 16th largest nationally, down by 54,000 people since 2000. Cuyahoga County, housing the City of Cleveland, had a population 1,280,109 in 2010, a decrease of 8.5% over the previous decade and has a slightly lower estimated 2014 population of 1,259,828. The population of the surrounding suburban areas was more stable with a small overall loss but growth in some new outlying areas, while the older central core area decreased.



According to the 2010 figures of the Census Bureau, Cleveland had a population of 396,815 persons. This represents a 17.1% decrease in population from the 2000 census of 478,403. This is characteristic, however, of most major northern industrial cities in the United States. As pointed out, the population of the surrounding suburban areas was more stable with a small overall loss but growth in some new outlying areas, while the older central core area decreased. More than half the population of the United States resides within 500 miles of the State of Ohio. This is a very centrally located area with respect to population and, hence, markets as it is almost equidistant between New York and Chicago. New York is 576 miles to the east and Chicago is 339 miles to the west. While the number is dropping, approximately 25 of the 1,000 top industrial corporations in the United States are still headquartered in the Greater Cleveland area, more than any other city in the United States except New York and Chicago.

According to TeamNEO, from 1990 to 2015, the gross regional product (GRP) of Northeast Ohio grew by 17%, while productivity increased by 92%. GRP is projected to grow another 25%, and productivity another 63%, over the next 10 years. The \$43.6 billion manufacturing industry represents 19.5% of the region's economy today. By 2025, it is expected to grow to \$53.3 billion, representing 22% of the economy.⁸

⁸ Team NEO Regional Economic Development Report Q4 2014



Area, City and Neighborhood Analysis, Continued

Cleveland has transitioned from a manufacturing economy to one based on healthcare and innovation. The area experienced significant declines in manufacturing employment from 1990 to 2015 going from 453,000 to 273,000 workers (a decline of 40%). However, the loss in manufacturing jobs was balanced by significant increases in healthcare, where employment rose from 196,000 to 319,000 jobs (up 64%). A new report, by Cleveland State University's Center for Economic Development found that advanced manufacturing contributes \$21.8 billion annually to the regions GRP. Advanced manufacturing consists of 35 industries from automobile manufacturing to natural resource extraction to computer system design. That amounts to more than half of overall manufacturing GRP for the region and represents an 8% growth rate since 2013, 5 percentage points above the national average.⁹ The following Fortune 1000 corporations were still headquartered in the northeastern Ohio area at the end of 2017:

#41 Marathon Petroleum, Findlay, Ohio	#112 Progressive, Mayfield Village, Ohio
#187 Goodyear Tire & Rubber – Akron, Ohio	#190 Sherwin Williams, Cleveland, Ohio
#219 First Energy, Akron, Ohio	#256 Parker Hannifin, Cleveland, Ohio
#412 Key Corp, Cleveland, Ohio	#598 RPM International, Medina, Ohio
#339 TravelCenters of Am., Westlake, Ohio	#757 Diebold Nixdorf, North Canton, Ohio
#662 TransDigm Group, Cleveland, Ohio	#618 PolyOne, Avon Lake, Ohio
#731 Timkin, North Canton, Ohio	#748 Medical Mutual, Cleveland, Ohio
#751 Hyster-Yale Materials Handling, Inc., Clev. Oh	#757 Aleris International, Cleveland, Ohio
#759 Cooper Tire & Rubber, Findlay, Ohio	#804 Lincoln Electric Holdings, Cleveland
#810 Applied Industrial Technologies, Cleveland,	#837 A Schulman, Fairlawn, Ohio
#867 Cleveland Ciffs/Cliffs Natural Resources, Cle.	#939 Nordson, Westlake, Ohio ¹⁰

Other large companies in the area that have recently dropped off the Fortune 1000 list include JoAnn Stores, Invacare, J. M. Smucker, Lubrizol and American Greetings. TeamNeo reports an overall increase in employment in the northeast Ohio area. Other areas that grew include headquarters, increasing 100% or 30,000 jobs and professional, scientific and technical services, which increased 20,000 jobs or 21%. In 2019 unemployment in the Cleveland-Elyria MSA was slightly higher than the national average at 4.5%.

The region is a hub of medical innovation. The Cleveland Clinic, Case Western Reserve University and University Hospitals of Cleveland are major employers in the region with many research and development startup firms spinning off from their research. CNN Money reported that the 1,600-acre Health-Tech Corridor acts as Cleveland's biomedical nerve center, housing three major health-care institutions besides the Cleveland Clinic, four higher education institutions, more than 130 biomedical and other technology companies and eight incubators that lease space and provide consulting and other business development services. This is where the Cleveland Clinic and other partner organizations, such as incubator BioEnterprise, interact with researchers, clinical caregivers, academics and business executives. State-funded groups like Team NEO were launched to help attract new business to the region. Since Cleveland Heartlab opened in the Health-Tech Corridor's first building, eight additional buildings have opened for tenants. The top 20 employers in Northeast Ohio show this change away from manufacturing into healthcare and service industries.¹¹

⁹ <https://www.csuohio.edu/news/advanced-manufacturing-key-economic-driver-for-region>

¹⁰ Fortune.com May 2018 and <https://development.ohio.gov/files/research/B2020.pdf>

¹¹ <http://money.cnn.com/2014/08/08/news/economy/ozy-cleveland/>



Area, City and Neighborhood Analysis, Continued

Top Employers in Greater Cleveland Region¹²

Employer	Employees
Cleveland Clinic	44,843
University Hospitals	21,714
Group Management Services	15,942
US Government	14,957
Progressive Corp.	10,370
Giant Eagle Inc.	8,300
State of Ohio	8,096
Cuyahoga County	7,414
City of Cleveland	6,828
MetroHealth System	6,547
Cleveland Metro School District	6,517
Summa Health	5,788
KeyCorp	5,498
FirstEnergy Corp.	5,056
Kent State University	4,956
Sherwin-Williams Co.	4,940
Akron Children's Hospital	4,880
Swagelok Co.	4,671
Case Western Reserve University	4,534
Aultman Health Foundation	4,134

Between 2000 and 2013, Cleveland experienced a 25 percent increase in science, technology, engineering, math, and health-related jobs. Creative class job growth in Cleveland between 2015 and 2022 is projected to exceed the projected national average of 12.5 percent.¹³ According to the Downtown Cleveland Alliance, Cleveland is home to 105,000 jobs and is the largest job hub in Ohio with University Circle separately ranking at 4th with 68,132 jobs. Cleveland's economy generated \$139 billion, positioning the city as the 28th largest economy in the nation. Cleveland State University, Levin College of Urban Affairs ranks Cleveland as #7 in the U.S. with the highest percentage of our workforce aged 25-44 with an advanced degree.

In the first quarter of 2019, office vacancy was the lowest in 17 years, since 2001, at 15.8%, with average rental rates around \$18 per square foot. Since 2013, over 6 million square feet of office product in the CBD has been converted or plans have been proposed for re-purposing, according to Newmark Knight Frank. Recently announced projects include the 1.4 million square foot 925 Euclid Avenue which was purchased in May 2018 by The Millennia Cos. for nearly \$40 million. After years of being vacant and several attempts at redevelopment project, the new owners have announced a \$270 million renovation project dubbed The Centennial. Market speculation includes a mix of office, residential, retail, restaurants and possibly a hotel. Another project, the Market Square in Ohio City is expected to break ground in late 2019 with a 137,000 square foot office, retail and apartment building.

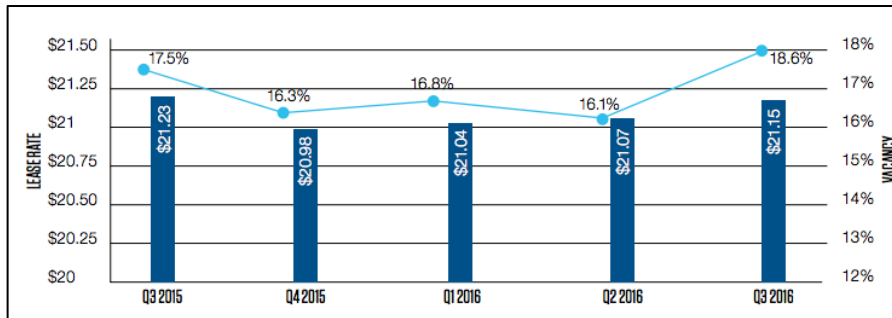
¹² Reported by Crain's Cleveland Business as of 6/30/18

¹³ http://www.downtowncleveland.com/media/249074/q2_2015-final.pdf



Area, City and Neighborhood Analysis, Continued

Downtown Class A office occupancy was 83.6% in the first quarter of 2017 and 86.9% in the first quarter of 2018, with overall office occupancy at 79.5%, with Class A asking rents averaging \$23.77 per square foot up from \$21.30 per square foot a year ago. In 2016, 70 employers leased 1,213,141 square feet of office space with 6,932 jobs created or retained in Downtown.



The Cleveland Clinic is a major employer in the area and there is some spin off economic development as a result of the clinic and partnerships with Case Western Reserve University and University Hospitals. The Medical Mart, Convention Center and a new Casino were all developed in the past decade. This combined with the successful East 4th Street entertainment district has brought new residents to downtown in the past decade. New development at Playhouse Square and East 4th Street have benefitted from the Health Line as well. The Midtown Tech Park, on Euclid Avenue, is a recent spec building which is home to JumpStart, Inc., a venture capital firm and now Cleveland Heart Lab.

According to the Downtown Cleveland Alliance, the Downtown Cleveland housing market is struggling to keep up with the increasing demand. The Cleveland area ranks 8th in the United States, tied with Miami and Seattle, in the growth of college educated 25-34 year-olds.

Downtown experienced a 136 percent increase in the number of residents who hold a four year or advanced degree between 2000 and 2014.

2018 HOUSING MARKET	
Total Housing Units	13,149
Total Market Rate Units	7,224
Total Income Restricted Units	4,884
Total Townhomes and Condo Parcels	880
2018 Market Rate Occupancy Rate	92 percent
Average Market Rate Rent	\$1.54 psf
Monthly Rent Range for 1 Bedroom Apartment	\$818 - \$1,934
2018 Condo/Townhome Sales	70
2018 Average Sale Price	\$248,034
2018 Average Sale Price per square foot	\$203.45 psf

At the end of 2016, the downtown housing market had 6 consecutive years of 94 percent occupancy or greater and has increased to more than 15,000 people. The Residences at The 9 reached 100 percent occupancy in its first full quarter of operation in 2013. A rapidly growing residential population especially among 25-34 years old and 55-64 years old attracting the attention of national retailers, as the City Planning Commission approved preliminary design for nuCLEus, a \$400 million mixed use development in the Gateway District with plans for 150,000 square feet.¹⁴

¹⁴ <http://www.craainscleveland.com/article/20141030/FREE/141039969/downtown-residential-population-exceeds-13000-in-latest-downtown>



Area, City and Neighborhood Analysis, Continued

Apartment occupancy rates remain over 90% despite multiple new residential projects. Even as new housing developments command lease rates over \$2.00 per square foot, the average one bedroom rental rate of \$1,189 per month remains affordable for a high percentage of Cleveland households. The average downtown rental rate increased from \$1.37 to \$1.55 per square foot in 2018.¹⁵ New residential development in 2018 includes a new 34 story tower with 318 luxury apartments in The Lumen at Playhouse Square. The renovation of the Cleveland Athletic Club will add another 166 apartment units. There were 17 projects totaling 3,300 units under construction at the end of 2017. In 2018, Downtown Cleveland Alliance engaged Urban Partners to study the demand for additional housing. The study confirmed demand for an additional 6,800 housing units between 2018-2030 bringing Downtown Cleveland's population to 30,000 by 2030. Multifamily development has expanded beyond downtown with new construction in University Circle and the Detroit Shoreway and Ohio City neighborhoods.

DOWNTOWN HOUSING MARKET				
	Q4 2012	Q4 2014 ¹⁶	Q3 2016 ¹⁷	Q3 2018 ¹⁸
RENTAL				
Total Units:	4,705	5,565	6,198	7,160
Occupancy:	96.2%	97.2%	94%	91.7%
PSF rental:	\$1.14	\$1.33	\$1.50	\$1.52
OWNED				
Total Units:	936	880 ¹⁹	880	880
Num. Sold:	13	14	19	19
Avg. Sale Price:	\$182,269	\$197,112	\$221,858	\$298,716
PSF For Sale:	\$150.50	\$181.06	\$181.55	\$223.59

There are six new hotels recently developed in downtown Cleveland. In 2014, there were 4,000 hotel rooms downtown with 900 additional rooms opened before the Republican National Convention in 2016, increasing Downtown's total number of hotel rooms to more than 4,800. New hotels opened in 2016 include the 600 room Hilton Hotel, the Kimpton Schofield and Drury Plaza Hotels. Hotels in the planning stages include a 175 room boutique hotel near the Rock and Roll Hall of Fame and a 279 room hotel in the former Huntington Building. 2018 occupancy was 67.5%, the ADR was \$150.23. There were 4,530 total hotel rooms in 19 hotels with an average RevPAR of \$101.44.

The last decade saw the announcement and completion of several significant investment projects. Construction was completed on the world's first Global Center for Health Innovation, which is now 100 percent leased, and the Cleveland Convention Center, which has already hosted more than 100 events. Sherwin Williams is has announced that their headquarters will remain in Cleveland, bring approximately 2,500 new jobs to the downtown area. Overall, the outlook for the City of Cleveland is good.

¹⁵ http://www.downtowncleveland.com/media/249074/q2_2015-final.pdf

¹⁶ www.downtowncleveland.com/media/.../dca-q4_2014-market-update.pdf

¹⁷ http://www.downtowncleveland.com/DCA/media/DCA_Media/Work/Reports/Q3_2016_SPREADS.pdf

¹⁸ https://www.downtowncleveland.com/DCA/media/DCA_Media/2018-Q3-REPORT.pdf

¹⁹ Number includes condominiums at the Avenue Tower that were converted to rentals to meet demand.



Area, City and Neighborhood Analysis, Continued

Neighborhood Data

Despite the progress and economic development downtown, many Cleveland neighborhoods still suffer from significant blight. The foreclosure crisis of 2008-2012, hit Cleveland neighborhoods particularly hard, destroying progress made in the previous decade. This crisis has not ended for many neighborhoods, with foreclosures resulting in many homes being abandoned, falling into disrepair and ultimately being razed. The result is the destruction of neighborhoods which were formerly thriving. Neighborhoods that were struggling prior to the crisis have declined even further as a result. The subject property is in the Broadway-Slavic Village neighborhood of Cleveland, perhaps one of the hardest hit areas of the country.

In the immediate area of the subject property from Mound Avenue on the north to Lansing Avenue on the south between East 53rd Street and East 71st Street, there have been 23 sales of single family homes since the beginning of 2019, ranging from \$6,000 to \$112,000 with an average price of \$39,963 and a median price of \$36,500. The median marketing time was just over one month.

Market Analysis Report												
Market Analysis												
(23)	Beds	Baths	Sqft	Org List Price	List Price	\$/Sqft	Sold Price	SP\$/LP\$	SP\$/OrigLP\$	Year Built	DOM	CDOM
Min	2	1	800	\$10,900	\$10,900	\$5.73	\$6,000	55.05%	53.51%	1900	2	2
Max	4	3	2,165	\$109,900	\$109,900	\$70.31	\$112,000	109.42%	109.42%	2006	214	351
Avg	3	2	1,295	\$46,135	\$44,417	\$31.37	\$39,963	85.87%	83.15%	1928	49	78
Median	3	2	1,168	\$44,900	\$44,900	\$23.09	\$36,500	90.60%	84.76%	1910	35	37
Sum				\$1,061,099	\$1,021,599		\$919,150					



Sale History of the Subject Property

There have not been any transfers of the subject property within the past five years.

Existing Use and Reflected Use In The Appraisal

The subject property is known as Fullerton Elementary School.



Site Description

Location: The subject property is located at 5810 Fullerton Avenue on the south side of Fullerton Avenue in the City of Cleveland, Cuyahoga County, Ohio.

Accessibility: The property is accessible from Fullerton Avenue and Gertrude Avenue.

Net Area: The subject property contains 3.351 acres of land.

Shape/Dimensions: The subject property is rectangular in shape and has 644' of frontage on Fullerton Avenue. It is 260' deep.

Topography: The property is located at the grade of the adjacent streets. It has level topography.



On Site Utilities: The site has all city utilities

Site Improvements: The site is improved with sod, surfacing and landscaping.

Easements/Encroachments/
Restrictions:

There are no easements or deed reservations of which the appraiser is aware that would significantly impact on use or marketability of the property. As a limiting condition, no responsibility shall be assumed by the appraiser for title and property conditions resulting from legal and title data from the property that may be incomplete, erroneous, or omitted. No encroachments were noted. There are no known deed restrictions or reservations running with the property.

Permanent Parcel Numbers: 132-12-043 to 048 and 132-12-053 to 057



Building Description

The site is improved with a school building known as Fullerton Elementary School.

School Building

Building Style:	Elementary school
Stories:	Two story
Construction:	Brick and Concrete block with brick facing
Foundation:	Concrete slab
Roof:	Flat/built up composition
Windows:	Plate glass and casement windows, boarded
HVAC:	Roof top units – vandalized, condition unknown
Building Area:	38,939 s.f.
Building Quality:	Good
Condition:	Fair
Year Built:	1973
Physical Age:	47 years
Effective Age:	40 years
Remaining Economic Life:	N/A
Features:	Gymnasium/Auditorium

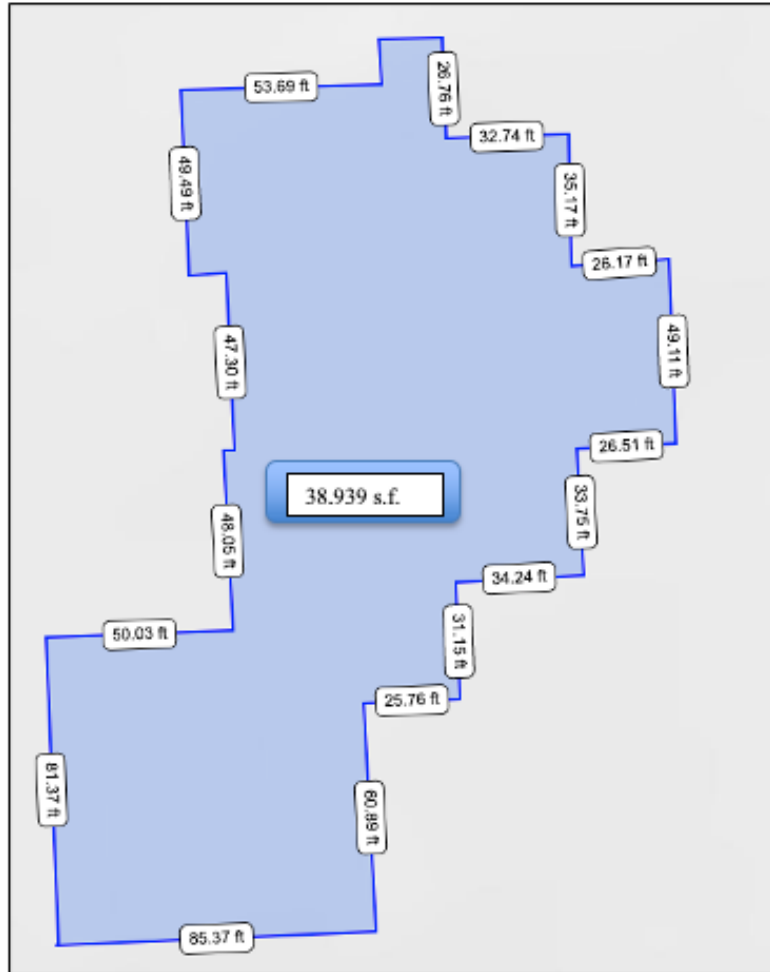
Comments: The building is a two story school building. It has been significantly vandalized with all wiring, pipes and copper removed. The vandalism appeared to be professionally done, as holes were cut in the ceilings and walls to efficiently remove all of the pipes.



Building Floor Plan Sketch

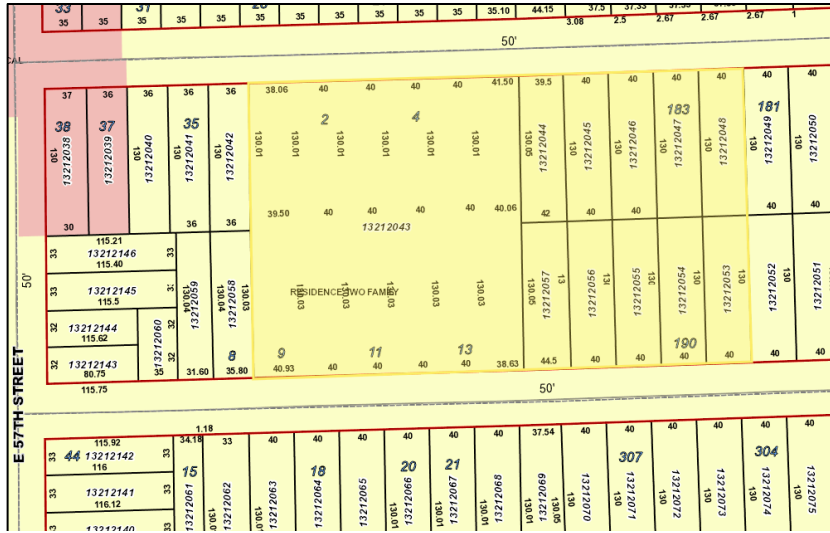
**5810 Fullerton Avenue, Cleveland, Ohio
38,939 s.f. elementary school**

Note: Map not to scale. For exhibit purposes only



Legal and Political Constraints

Zoning: 2F-B1, Two Family



- Municipal Zoning Code
2F
- Municipal Zoning Designation
TWO FAMILY
- Permitted Use(s)
RESIDENCE
- Standard County Zoning Category
2F
- County Zoning Category Description
RESIDENCE TWO FAMILY
- Minimum Lot Size (sq ft)
0
- Notes
**City
CLEVELAND**

- (a) Dwelling houses, each occupied by not more than two (2) families and not more than two (2) roomers or boarders.
 - (b) All other uses permitted and as regulated in a One-Family District.
 - (c) The Board of Zoning Appeals, after public notice and public hearing, and upon prescribing proper safeguards to preserve the character of the neighborhood, may grant special permits for the remodeling of existing dwelling houses or the erection of row houses to provide for more than two (2) dwelling units but not more than six dwelling units in each building, provided that:
 - (1) The square feet of lot area to be allotted to each dwelling unit is in accordance with the area regulations included in Chapter [355](#);
 - (2) The dwelling units to be created will be not smaller than two (2) rooms and a bathroom;
 - (3) There will be no exterior evidence that a remodeled dwelling house is occupied by more than two (2) families, except such as may be permitted by the Board;
 - (4) The building when altered or erected and when occupied will conform to all the applicable provisions of the Building and Housing Codes and as the Commissioner of Building and the Commissioner of Housing so certify;
 - (5) Garage space or hard surfaced and drained parking space will be provided upon the premises for the cars of the families to be accommodated on the premises at the rate of not less than one (1) car per family.
- (Ord. No. 740-67. Passed 5-22-67, eff. 5-23-67)

Area District	Maximum Gross Floor Area	Minimum Lot Width ** (feet)		Minimum Street Frontage *** (feet)	Minimum Lot Area (square feet)				Minimum Floor Area per Primary Residential Building (square feet)
		One Family Dwelling	Two Family Dwelling		One Family and Two Family Dwelling	One Family Dwelling	Two Family Dwelling	Row House: per Dwelling Unit	
AA	1/2 lot area	60	—	50	7200	—	—	—	1400
A	1/2 lot area	50	—	30	4800	—	—	—	1250
B	1/2 lot area	40	50	25	4800	6000	2400	2400	950



Legal and Political Constraints, Continued

Assessment and Taxes: The subject property is exempt from taxation. It has been valued by the Cuyahoga County Fiscal Officer at \$2,023,100 for 2019. The net effective tax rate for residential properties in the City of Cleveland is \$97.869272 per \$1,000 of assessed valuation.

132-12-043

- Tax year: 2019 - Total Value: \$1,974,600

	Tax	Exempt
Land Use Code		6500
Land	\$	\$85,900
Building	\$	\$1,888,700
Total	\$	\$1,974,600

132-12-045

- Tax year: 2019 - Total Value: \$4,800

	Tax	Exempt
Land Use Code		6500
Land	\$	\$4,800
Building	\$	\$
Total	\$	\$4,800

132-12-047

Tax year: 2019 - Total Value: \$4,800

	Tax	Exempt
Land Use Code		6500
Land	\$	\$4,800
Building	\$	\$
Total	\$	\$4,800

132-12-053

Tax year: 2019 - Total Value: \$4,800

	Tax	Exempt
Land Use Code		6500
Land	\$	\$4,800
Building	\$	\$
Total	\$	\$4,800

132-12-055

Tax year: 2019 - Total Value: \$4,800

	Tax	Exempt
Land Use Code		6500
Land	\$	\$4,800
Building	\$	\$
Total	\$	\$4,800

132-12-057

Tax year: 2019 - Total Value: \$5,200

	Tax	Exempt
Land Use Code		6500
Land	\$	\$5,200
Building	\$	\$
Total	\$	\$5,200

132-12-044

- Tax year: 2019 - Total Value: \$4,900

	Tax	Exempt
Land Use Code		6500
Land	\$	\$4,900
Building	\$	\$
Total	\$	\$4,900

132-12-046

- Tax year: 2019 - Total Value: \$4,800

	Tax	Exempt
Land Use Code		6500
Land	\$	\$4,800
Building	\$	\$
Total	\$	\$4,800

132-12-048

Tax year: 2019 - Total Value: \$4,800

	Tax	Exempt
Land Use Code		6500
Land	\$	\$4,800
Building	\$	\$
Total	\$	\$4,800

132-12-054

Tax year: 2019 - Total Value: \$4,800

	Tax	Exempt
Land Use Code		6500
Land	\$	\$4,800
Building	\$	\$
Total	\$	\$4,800

132-12-056

Tax year: 2019 - Total Value: \$4,800

	Tax	Exempt
Land Use Code		6500
Land	\$	\$4,800
Building	\$	\$
Total	\$	\$4,800

Highest and Best Use

Present use of the property: Fullerton Elementary School

Definition: The concept of highest and best use as defined by the Appraisal Institute the Dictionary of Real Estate Appraisal is as follows:

"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. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."²⁰

For the purposes of this report, consideration was given to the existing development, neighborhood characteristics, physical condition of the improvements, economic forces and zoning trends. The Highest and Best Use analysis is conducted in two basic steps. First, the site is analyzed as if vacant and available for development. After the highest and best use of the site has been estimated, the property is analyzed considering the existing improvements.

The Highest and Best Use As Vacant is defined as "Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements."²¹ The subject property is 3.351 acre parcel of land zoned for residential use. The highest and best use of the property as if vacant is for a residential development.

Legally Permissible Uses: The subject property is zoned for residential use. Only single family and two family uses are permitted. The City of Cleveland is very pro-development and zoning changes are not difficult to accomplish. Within this district, single family homes can be developed to a density of 9 units per acre. The property could also be used for senior housing to the same density.

Physically Possible Uses: The subject property is a 3.351 acre parcel of land. Of the legal uses discussed above, the property could be used for single family or two family residential uses to a density of 9 units per acre or 46 homes.

Financially Feasible Uses: The third test of highest and best use is what uses are financially feasible for the property. Based on the previous analysis, legally permitted and physically possible uses are limited to residential uses, playgrounds, parks, schools, metropolitan facilities, hospitals and group homes. The subject could be developed with a residential subdivision, however the average home sale price in the community is under \$40,000 with few new homes built since the recession of 2008-2012 which decimated the redevelopment of the area. The market for residential subdivisions, countywide, has been slow to recover after the recession, but national builders like Pulte Homes have reentered the market in some communities. The subject area however does not have the population growth necessary to support new single family home construction.

²⁰ Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition (Chicago: Appraisal Institute, 2008) page 95

²¹ Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition (Chicago: Appraisal Institute, 2008) page 95



Highest and Best Use, Continued

The property could also be developed with a hospital, rehabilitation hospital, nursing home, assisted living facility, or retirement community. There is a great deal of development and demand for assisted living and nursing homes in the area as the population ages, and this site would also be a good site for a retirement community, an assisted living facility or nursing home, due to the aging population in the community.

Maximally Productive Uses: The highest and best use of the property, as zoned and if vacant, is for residential development, senior housing or assisted living development.

The Highest and Best Use As Improved: is defined as “The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.²²” The subject property is improved with the Fullerton Elementary School .

Legally Permissible Uses: The subject property is zoned for residential use. Legal uses for the property include single family dwellings, two family dwellings and institutional uses including churches, schools, orphanages, homes for the aged, hospitals and other similar uses.

Physically Possible Uses: The subject is improved a two story elementary school containing 38,939 square feet. The structure of the building is sound, but the interior has been gutted by vandals. The wiring and plumbing has been removed. Any use for the building would require a total renovation. The building could be utilized as a school or it could be used as a church or other religious facility.

Financially Feasible Uses: The subject property is improved as an elementary school that was built in 1973. It is in fair condition because it has been vandalized. The cost to raze the building exceeds the value of the site as if vacant.

²² Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition (Chicago: Appraisal Institute, 2010) page 94



Highest and Best Use, Continued

Financially Feasible Uses, Continued

The market for vacant and abandoned school buildings has remained stable due to the formation of charter schools. Charter or Community schools, are privately operated public schools financed through State of Ohio per-pupil foundation funds. They receive no local property tax money and cannot charge tuition, although they may collect a materials fee. Many Community schools have been formed in the since 1997 and these schools need classroom space. The law requires School Districts to offer any closed school buildings to Community Schools before opening bids to other purchasers. Districts with struggling school systems have more opportunity for charter and community schools, However, even successful school districts can have interest from Community Schools. In 2016, Albert Einstein Academy leased a former school building in Strongsville that was purchased for \$220,000 the year before. The purchaser represented that the wanted to raze the building and build an assisted living facility on the 11.46 acre site, however once purchased, he marketed the property to charter schools. This particular company also operates a community school in Westlake, so even stronger school districts have potential for charter school uses. In the City of Cleveland, the school district has partnered with community schools in several cases.

Other potential purchasers for school use include cities, private and religious schools and day care centers. These purchasers, more so than charter schools, often lack funds for capital purchases even as they desire to expand operations.

Recent sales of school buildings area as follows:

<i>School</i>	<i>Address</i>	<i>City</i>	<i>Sale Date</i>	<i>Sale Price</i>	<i>Bldg size (s.f.)</i>	<i>Year Built</i>	<i>Land Size acres</i>	<i>Price / s.f. bldg.</i>	<i>Seller - use</i>	<i>Buyer -use</i>
Former St. Wenceslas School	17825 Libby Road	Maple Hts., OH	3/16	\$100,000	96,640	1950	3.5	\$1.03	Parochial School	Church
Chanel High School	480 Northfield Road	Bedford, Oh	8/16	\$400,000	155,187	1954	33.959	\$2.58	Catholic School	Charter School
Former Drake Elementary	20566 Albion Road	Strongsville, OH	10/16	\$220,000	47,000	1975	7.93	\$4.68	Public school district	Charter School
Rose Mary Center	19350 Euclid Ave.	Euclid, OH	1/19	\$625,000	70,773	1949	8.613	\$8.83	Developmental disabili	Addiction treatment
Washington Park School	4000 Washington Park Blvd	Newburgh Hts.	7/31/13	\$461,000	49,223	1920	1.13	\$9.37	Public school	Charter School
Former Sts. Peter & Paul School	4750 Turney Road	Garfield Heights	4/18/18	\$450,000	37,888	1967	7.34	\$11.88	Parochial School	Charter School
Former St. Catherine School	2220 W. 93rd St.	Cleveland, OH	4/1/16	\$682,500	55,515	1895	1.16	\$12.29	Child care	Charter School
Padre Pio Academy	12920 Madison Ave	Lakewood	6/12/19	\$180,000	13,546	1960	0.84	\$13.29	Parochial School	Private Catholic School
Dag Hammarskjold Elem.	4040 Tamarack Drive	Parma	12/9/14	\$700,000	49,528	1967	6.22	\$14.13	Public School	Charter School
Pearl Rd. Elementary	6125 Pearl Road	Parma	2/5/14	\$520,000	29,439	1921	7.92	\$17.66	Public School	Charter school
Broadmoor Elementary	7671 Johnnycake Ridge	Mentor	6/20/19	\$600,000	33,126	1954	7.27	\$18.11	Public School	Church
John Paull II Academy	10508 Granger Road	Garfield Hts.	Listing	\$700,000	37,037	1927/66	1.818	\$18.90	Parochial School	Listed for 3+ years
St. Francis de Sales School	3421 Snow Road	Parma, OH	8/15	\$825,000	38,745	1952	1.388	\$21.29	Parochial School	Charter School
Sacred Heart of Jesus Academy	4478 Rushton Road	South Euclid	7/9/20	\$830,000	30,443	1957	2.1398	\$27.26	Parochial School	Parochial School
Former West Preparatory Academy	13111 Crossbum Ave.	Cleveland, OH	2/6/18	\$730,000	26,628	1955	1.91	\$27.41	Charter School	Charter School

These sales range from \$1.03 to \$27.41 per square foot, however the majority, 9 of 15 or 60% were sold to Charter or Community Schools. Of the other 6 schools, one is a listing that has not yet sold and several were sold to private or parochial schools and one to an addiction treatment center. Chanel High School, a large Catholic high school in Bedford, Ohio sold in mid 2016 for \$400,000 or \$2.58 per square foot. In 2018, the Bedford City School District purchased the property for \$1.4 million or \$9.02 per square foot. This building was recently torn down at a reported cost of \$1.7 million. The 2016 sale is included as a building sale and the 2018 sale has been considered a land sale. The demand for these buildings on the open market is very limited.



Highest and Best Use, Continued

Financially Feasible Uses, Continued

Cities have also often stepped into purchased abandoned public schools, reluctant to let these resources out of the public domain. Many have been converted to libraries or preschool buildings. Cities have also stepped in to reclaim these former schools as public spaces. Some school buildings have historically been redeveloped for residential uses, either with condominiums or razed and redeveloped with housing. In Parma Hts. the former Stroud School is now the Park Creek Retirement Community.

Often these older school buildings are torn down. They have very high utility and maintenance costs and purchasers are reluctant to take on these obligations. Many of the school buildings are not ADA compliant, have multiple staircases, few elevators, basement bathrooms and are not air conditioned. Chanel High School is a recent example of a school building being razed for site redevelopment. Other examples include, the former John Glenn School in Seven Hills which was sold in 2014 by the Parma School District to Landsong, Ltd a residential developer with an adjacent project for \$285,000 or \$41,789 per acre. This property was proposed for an assisted living facility, but voters rejected the zoning change. The developer has built 22 single family homes on the site. Parma City Schools razed the State Road School in 2016 but has yet to sell or develop the site. The South Euclid/Lyndhurst school district has razed some school buildings. The 6 acre Lowden School site in South Euclid was under contract for an assisted living facility at \$56,000 per acre but the potential purchase was unable to get the zoning changed, the deal fell through and the property is still unsold and being used as a park by the school district. A 10.88 acre former school site on Rae Road in Lyndhurst did sell for an assisted living facility for \$114,890 per acre in 2017.

The subject property contains a 38,939 s.f. two story school building built in 1973 on a 3.351 acre site. The building could be used as a school or renovated for an alternate use.

Maximally Productive Uses: The highest and best use of the property as improved depends on the availability of potential user. The cost to remove the building exceeds the value of the site. The building appears to be structurally sound and could be used as a school or renovated for an alternate use.



Cost Approach to Value

The Cost Approach is defined as, "that approach in appraisal analysis which is based on the proposition In the Cost Approach, "a property is valued based on a comparison with the cost to build a new or substitute property. The cost estimate is adjusted for the depreciation evident in the existing property²³." The Cost Approach is defined as, "A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.²⁴"

The procedure involved in arriving at an indication of value via a Cost Approach analysis is briefly explained as follows:

1. The underlying site is valued as if vacant and available for development in its highest and best use.
2. The reproduction cost of the building is estimated as of the date of valuation.
3. The overall accrued depreciation of the buildings is estimated, reflecting all depreciation and obsolescence factors, both curable and incurable.
4. The depreciated contributory value of the supporting site improvements is estimated;
5. The various elements of value as listed above are summarized to yield an indication of value via the Cost Approach as follows: Value of the site plus the reproduction cost less accrued depreciation, plus the depreciated contributory value of the site improvements.

The cost approach is not applicable in the appraisal of the subject property since no prospective purchaser would give weight to this approach, as adequate and accurate depreciation data were not available to the appraiser due to the age, obsolescence and construction characteristics of the structure. Current construction materials and techniques are not compatible with those used in the era of the construction of the subject property and a replacement structure, like the subject property would not be considered by a prospective purchaser, due to those differing techniques and the amount of depreciation accrued.

²³ Appraisal Institute, *The Appraisal of Real Estate*, Thirteenth Edition (Chicago: Appraisal Institute, 2010) page 377.

²⁴ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition (Chicago: Appraisal Institute, 2010) page 47.



Sales Comparison Approach

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 sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.²⁵ The principle of substitution is the basis of the Sales Comparison Approach as it is based on the proposition 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.²⁶" The principle of substitution "holds that the value of property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability within a reasonable amount of time."²⁷

The Sales Comparison Approach is generally applied in the following steps:

1. Research the market to obtain information about transactions, listings and other offerings of properties similar to the subject property.
2. Verify the accuracy of the information by considering the transactions reflect arm's length market considerations. An appraiser verifies information by consulting knowledgeable source, usually one of the participants in the transaction.
3. Select the relevant units of comparison in the market (e.g., acre, square foot, multiplier, and develop a comparative analysis for each unit.
4. Compare the subject and comparable sales according the elements of comparison and adjust the sale price of each comparable as appropriate.
5. Reconcile the multiple value indications that result from the comparable into a single value indication or valuation range.

Land Value

These sales have been adjusted in the areas of property rights, financing, conditions of sale, market conditions, and physical characteristics. The first four of these adjustments are considered "transactional" adjustments while the later adjustments are considered "property" adjustments. The transactional adjustments are taken in sequence before the application of physical areas of adjustment, they are discussed as follows:

Real Property Rights: Adjustments in this category reflect differences in the interest conveyed and include adjustment for any leasehold interests. All of the sales considered were transfers of fee simple interests and have not been adjusted.

Financing Terms: Adjustments in this category reflect any below or above market financing of the comparable properties, and the effect of such financing on property value. All of the sales considered were sold for cash or with conventional financing, and no adjustments were required for financing.

²⁵ Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition (Chicago: Appraisal Institute, 2010) page 175.

²⁶ Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition (Chicago: Appraisal Institute, 2010) page 190.

²⁷ Appraisal Institute, The Appraisal of Real Estate, Thirteenth Edition (Chicago: Appraisal Institute, 2008) page 297.



Sales Comparison Approach to Value - Land Value, Continued

Conditions of Sale: Adjustments in this category reflect any unusual differences in purchase motivation. Examples of conditions, which may require adjustment, are distress sales, foreclosures, forced sales, or sales to adjacent owners. All of the properties considered were sold in arm's length transactions and do not require adjustment.

Market Conditions: No adjustment has been taken for market conditions because market conditions have been stable in the period 2017-2020 and the COVID-19 pandemic has injected uncertainty that has slowed decision making for developers.

There have not been many sales of large residential acreage parcels in the area since the recession of 2008-2012. Sales of similar residential sites were researched, and the following sales have been considered to be the best available in the valuation of the subject property and are detailed in the Addenda section of this report.

	<i>Sale One</i>	<i>Sale Two</i>	<i>Sale Three</i>	<i>Sale Four</i>
<i>Location</i>	5443 Rae Road	Duane Road	7640 Lakeshore Blvd	10217 Superior Ave
<i>City</i>	Lyndhurst	North Olmsted	Mentor	Cleveland
<i>Sale Date</i>	3/31/17	1/12/17	2/20/20	1/29/19
<i>Sale Price</i>	\$1,250,000	\$204,000	\$575,200	\$18,000
<i>Size (acres)</i>	10.88	3.624	7.8985	0.5626
<i>Price/unit</i>	\$114,890	\$56,291	\$72,824	\$31,994

Before adjustment for physical characteristics, the sales range from \$31,994 to \$114,890 per acre. Adjustment for physical characteristics are as follows:

Location: Sale One is a single family property in Lyndhurst, Sale Two is in North Olmsted and Sale Three is in Mentor. These areas all have significantly higher property values than Slavic Village and these sales have been negatively adjusted significantly. Sale Four is in the Glenville neighborhood of Cleveland, north of University Circle.

Size: Adjustments for size reflect the principle that larger parcels tend to sell for less per unit than smaller parcels, all other things being equal. Sales One and Three are larger parcels and have been positively adjusted slightly, although demand for housing in this area is limited, and a larger site would not be more desirable. Sale Four is smaller than the subject property and has been negatively adjusted.

Shape: Adjustments in this category reflect the fact that a regularly shaped parcel will tend to have greater utility and, therefore, a higher value than an irregular parcel. All of the parcels have developable shapes and no adjustments are necessary.

Topography: Adjustments may be necessary to adjust for sloped lands that are difficult, impossible or more expensive to develop. The subject and all of the comparable sales are relatively level and have not been adjusted.



Sales Comparison Approach to Value - Land Value, Continued

Zoning: The subject is zoned two family to a density of 9 units per acre, however, it is unlikely that it would be developed to this density. Sales One through Three are zoned single family to a lower density so have been positively adjusted slightly, although again, the increased density is not a benefit without demand for more. Sale Four is zoned for multifamily and 2 family use, it has not been adjusted.

These adjustments have been quantified as follows:

Subject		Sale One	Sale Two	Sale Three	Sale Four
5810 Fullerton Ave Cleveland	<i>Location</i>	5443 Rae Road Lyndhurst	Duane Road North Olmsted	7640 Lakeshore Blvd Mentor	10217 Superior Ave Cleveland
	<i>Sale Date</i>	3/31/17	1/12/17	2/20/20	1/29/19
	<i>Sale Price</i>	\$1,250,000	\$204,000	\$575,200	\$18,000
3.351 acres	<i>Size (acres)</i>	10.88	3.624	7.8985	0.5626
	<i>Price/unit</i>	\$114,890	\$56,291	\$72,824	\$31,994
<u>Sale Adjustments</u>					
<i>Fee Simple</i>	Property Rights	Similar 0%	Similar 0%	Similar 0%	Similar 0%
<i>Market</i>	Financing	Similar 0%	Similar 0%	Similar 0%	Similar 0%
<i>Arm's length</i>	Conditions of Sale	Similar 0%	Similar 0%	Required Razing 10%	Similar 0%
<i>Current</i>	Market Conditions	Similar <u>0%</u>	Similar <u>0%</u>	Similar <u>0%</u>	Similar <u>0%</u>
Total		0%	0%	10%	0%
	<i>Adjusted Unit Price</i>	\$114,890	\$56,291	\$80,106	\$31,994
<u>Physical Characteristics</u>					
Slavic Village	<i>Location</i>	Superior -35%	Superior -35%	Superior -35%	Similar 0%
3.351 acres	<i>Size</i>	Larger 5%	Similar 0%	Larger 5%	Smaller -5%
Good	<i>Access/shape</i>	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Level	<i>Topography</i>	Similar 0%	Similar 0%	Similar 0%	Similar 0%
2 family/9 units ac	<i>Zoning</i>	1 F 4 units/ac <u>5%</u>	3 units/acre <u>5%</u>	RVG/2.5 units ac <u>5%</u>	MF 14 units/ac <u>0%</u>
	<i>Total</i>	-25%	-30%	-25%	-5%
	<i>Adjusted Unit Value</i>	\$86,167	\$39,404	\$60,080	\$30,395
	<i>Value Indication:</i>	\$50,000			



Sales Comparison Approach to Value - Land Value, Continued

After adjustment, the indications range from \$30,395 to \$86,167 per acre with an average of \$54,011 and a median of \$49,742 per acre. Giving consideration to all of the sales, I have correlated the indications at the lower end of the range at \$50,000 per acre. The land cannot be redeveloped with the existing building on the site and the cost to remove the building exceeds the value of the site, however the value of the land has been estimated **as if vacant**.

Thus 3.351 acres @ \$50,000 per acre = say \$167,550 say \$167,500

Land Value from Sales Comparison Approach – As If Vacant \$167,500

In order to develop the land, the building would have to be removed. The cost to raze the building is estimated at \$10 to \$12 per square foot or \$310,000 to \$470,000 or more depending on the presence of asbestos and other hazardous materials. A professional demolition estimate is recommended as this is not within the appraiser's area of expertise.

Sales Comparison Approach – Building Value

Several sales of school and institutional buildings for continued use have also been considered in the valuation of the subject property. These sales have been adjusted in the areas of property rights, financing, conditions of sale, market conditions, and physical characteristics. The first four of these adjustments are considered “transactional” adjustments while the later adjustments are considered “property” adjustments. The transactional adjustments are taken in sequence before the application of physical areas of adjustment, they are discussed as follows:

Real Property Rights: Adjustments in this category reflect differences in the interest conveyed and include adjustment for any leasehold interests. All of the sales considered were transfers of fee simple interests and have not been adjusted.

Financing Terms: Adjustments in this category reflect any below or above market financing of the comparable properties, and the effect of such financing on property value. All of the sales considered were sold for cash or with conventional financing, and no adjustments were required for financing.

Conditions of Sale: Adjustments in this category reflect any unusual differences in purchase motivation. Examples of conditions, which may require adjustment, are distress sales, foreclosures, forced sales, or sales to adjacent owners. All of the properties considered were sold in arm's length transactions and do not require adjustment.

Market Conditions: The market for school buildings is fragmented and has not improved as the economy has improved over the past several years. No adjustments for market conditions has been taken.



Sales Comparison Approach to Value – Building Value, Continued

Sale	Property/Grantee	Sale Date	Bldg. Size/Year Built	Sale Price	Price /unit	Building Use
1.	20566 Albion Road Strongsville /Drake Elementary, LLC	10/16	42,872 s.f. school, built in 1972. Drake Elementary School, lot is 11.46 acres.	\$220,000	\$ 5.13	Charter school
2.	7671 Johnnycake Ridge Mentor /Life Point Church	06/19	33,126 s.f. school, built in 1954. Former Brentmoor School 7.27 acres	\$600,000	\$18.11	School
3.	4040 Tamarack Drive Parma /Steps Properties, LLC	12/14	49,528 s.f. school, built in 1967. Dag Hamaskjold School, lot is +/-6.22 acres.	\$700,000	\$14.13	School
4.	3421 Snow Road Parma /Constellation Schools	08/15	38,745 s.f. school, built in 1952. Former St. Frances De Sales, lot 1.388 acres.	\$825,000	\$21.29	Autism School
5.	12920 Madison Avenue Lakewood/ 12320 Madison Property LLC	6/19	13,546 s.f. school built in 1960 Former St. Gregory's land 0.84 acres now Padre Pio Academy	\$180,000	13.29	Private religious

These sales range from \$220,000 to \$825,000 or \$5.13 per square foot to \$21.29 per square foot. Sale One is the 2016 sale of Drake Elementary School in Strongsville. At the time of sale, the transfer was represented to be for redevelopment with an assisted living facility, but the purchaser ultimately kept the building and leased it to a Community School, Albert Einstein Academy. Sale Two is a recent sale of a one and two story school building in Mentor, Ohio that is a similar vintage as the subject property. This building was recently put up for auction and there were no bidders. Subsequently it was purchased by a church for \$600,000. This building is somewhat smaller than the subject property. Sale Five is a smaller school in Lakewood that was sold in 2019 to a private religious academy.

Mentor, Lakewood and Strongsville are similar in that there are fewer potential school purchasers than in a community with a weaker school district, such as Parma. Sales Three and Four are sales from the Parma City School District to school users. These sales range from \$14.13 to \$21.29 per square foot. Sales One Two and Five have been negatively adjusted for location because there is greater demand in Parma and Cleveland for school buildings than in districts with higher performing schools.

Additional adjustments have been taken for size, age and condition, land to building ratio, stories and bathrooms, and use and zoning.

Significant adjustments have been taken for size, as larger properties tend to sell for less on a unit basis, all other things being equal. In the case of school buildings, larger buildings are more difficult to sell due to increased maintenance and renovation costs and due to the smaller pool of prospective purchasers for a large building. The subject and all of the sales are similar in size and do not require adjustments.

The subject has a relatively low land to building ratio. All of the sales have higher land to building ratios and have been negatively adjusted. This adjustment reflects the ability to expand the building or parking.



Sales Comparison Approach – Building Value

Adjustments for stories and basement bathrooms relate to the increased desirability of a single story building based on ADA requirements. Older school buildings with inaccessible bathrooms and multiple levels with many staircases create ADA compliance issues for users and are less desirable.

Use and zoning adjustments relate to the flexibility of use based upon zoning restrictions. The City of Cleveland is flexible with zoning changes and would be likely to allow a variety of uses. No adjustments have been taken in this category.

These adjustments have been quantified as follows:

Subject		Sale One	Sale Two	Sale Three	Sale Four	Sale Five
5810 Fullerton Ave Cleveland		20566 Albion Road Strongsville	7671 Johnnycake Ridge Mentor	4040 Tamarack Drive Parma	3421 Snow Road Parma	12920 Madison Ave Lakewood
	<i>City</i>					
	<i>Sale Date</i>	10/20/16	6/19/19	12/9/14	8/28/15	6/12/19
	<i>Sale Price</i>	\$220,000	\$600,000	\$700,000	\$825,000	\$180,000
38,939	<i>Size s.f. of bldg</i>	42,872	33,126	49,528	38,745	13,546
	<i>Price/unit</i>	\$5.13	\$18.11	\$14.13	\$21.29	\$13.29
<u>Sale Adjustments</u>						
Fee Simple	<i>Property Rights</i>	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Market	<i>Financing</i>	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Arm's length	<i>Conditions of Sale</i>	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Current	<i>Market Conditions</i>	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Total		0%	0%	0%	0%	0%
	<i>Adjusted Unit Price</i>	\$5.13	\$18.11	\$14.13	\$21.29	\$13.29
<u>Physical Characteristics</u>						
Slavic Village	<i>Location</i>	Inferior 5%	Inferior 5%	Similar 0%	Similar 0%	Inferior 5%
38,939	<i>Size</i>	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Smaller -15%
47 years/fair	<i>Age/Condition</i>	48/Superior -25%	1954/Superior -25%	1967/Superior -25%	1955/Superior -25%	1960/Superior -25%
3.7:1	<i>Land/Bldg Ratio</i>	12:1 Superior -10%	10:1 Superior -15%	6:1 Superior -8%	5:1 Similar -3%	3:1 Similar 0%
2 story	<i>Stories/Basement</i>	Superior -5%	Similar 0%	Superior -5%	Similar 0%	Similar 0%
Res/School/Flexible	<i>Use/Zoning</i>	Charter School 0%	Church 0%	Charter School 0%	Charter School 0%	Private religious school 0%
	<i>Net adjustment</i>	-35%	-35%	-38%	-28%	-35%
	<i>Adjusted Unit</i>	\$3.34	\$11.77	\$8.76	\$15.33	\$8.64
	<i>Indicated Unit Value</i>	\$8.00				

After adjustment the indications range from \$3.34 to \$15.33 per square averaging \$9.57 per square foot with a median of \$8.76 per square foot. Giving weight to all of the sales, I have correlated the indications at the lower end of the range, due to the condition and location of the property, to a value of \$8 per square foot.

Thus: 38,939 s.f. @ \$8 per square foot = \$311,512 say \$310,000

Indicated Improved Value from Sales Comparison Approach. \$310,000



Income Capitalization Approach To Value

The Income Capitalization Approach is defined as, "A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate"²⁸

The application of the Income Capitalization Approach to the subject is done in three basic steps, including:

- 1) Projection of the gross income;
- 2) Projection of typical expenses to obtain the net income;
- 3) Capitalization of the net income into an indication of value.

Institutional buildings are typically not profitably leased except under unusual circumstances where the acquisition price is very low and they are purchased by speculators. In most instances, leases are entered into by non-profit groups, Charter schools, Cities or School Districts on a breakeven basis to cover maintenance costs

The Income Approach is not applicable for the subject property because adequate and accurate rental, expense and capitalization data is not available, and because a prospective purchaser would not utilize such an approach.

²⁸ Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition (Chicago: Appraisal Institute: 2010) Page 99.



Correlation and Conclusion of Value

The final determination of fair market value is achieved by analyzing the three approaches to value and comparing the relative strengths and weakness of each. Only the Sales Comparison Approach is applicable in the appraisal of the subject property as of August 17, 2020. The fair market value of the property is established at \$310,000.

Indicated Value from Sales Comparison Approach:

***Land Only – As if Vacant: \$167,500
Razing costs likely exceed the value of the
site at \$310,000 to \$470,000***

Improved Property: \$310,000

Indicated Value from Income Approach:

N/A

Indicated Value from Cost Approach:

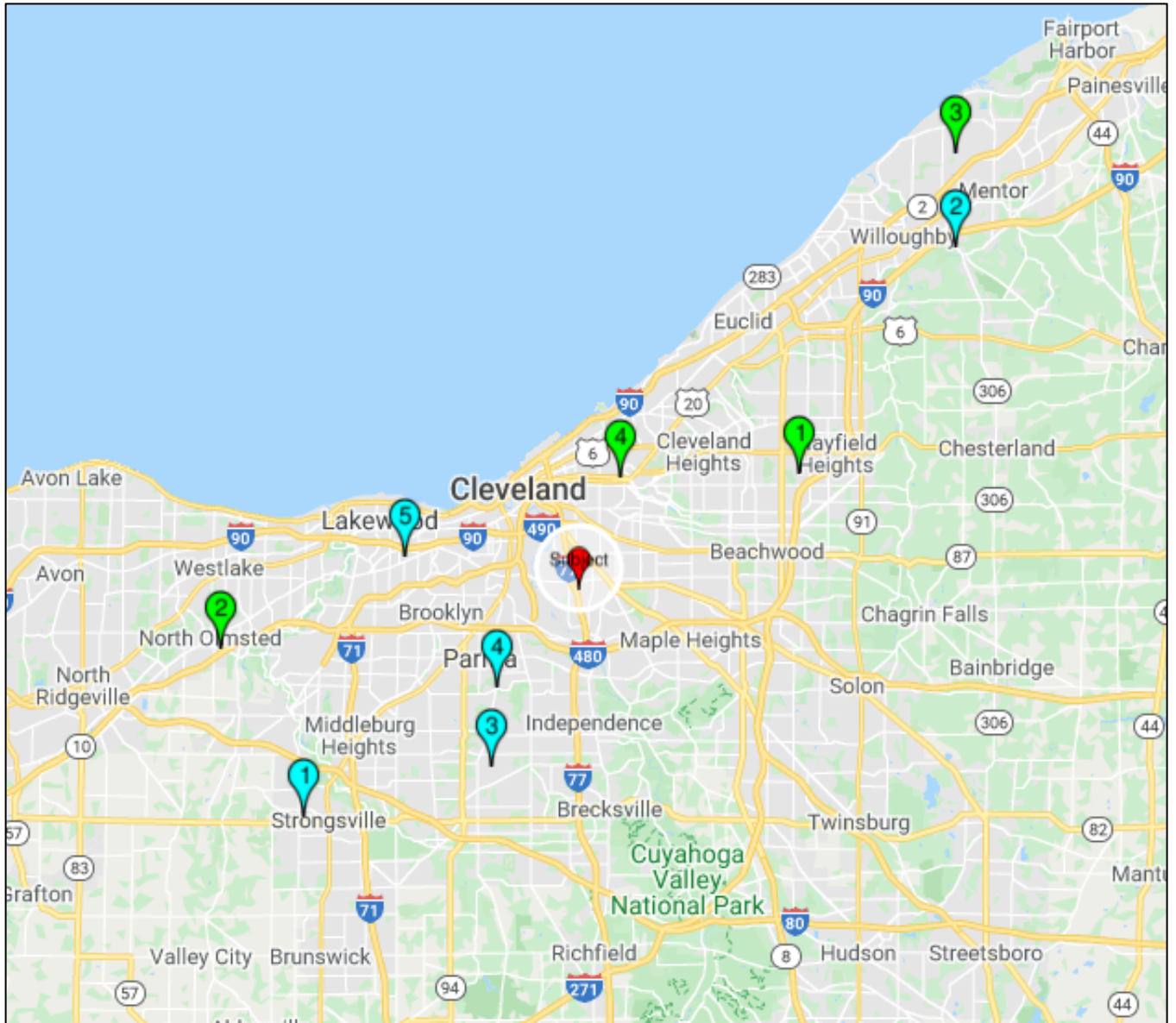
N/A



Addenda and Exhibits



Location Map



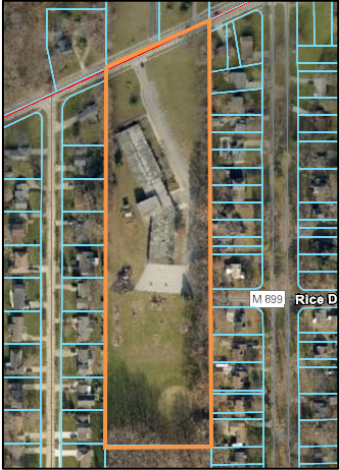

VACANT LAND SALE

County:	CUYAHOGA	City/Village/Twp:	LYNDHURST
Location Address:	5443 Rae Road, Lyndhurst, Ohio 44124		
Legal Description:	2-19 LYNDMEAD3 NXT N OF SUNVIEW RD BLKA		
Grantor:	Board of Education of the South Euclid-Lyndhurst School District	Grantee:	Progressive Lyndhurst Real Estate, LLC
Date of Transaction:	3/31/2017	Sale Amount:	\$1,250,000
Conditions of Sale:	Arm's length transaction	Financing:	Cash to Seller
Data Verification:	Cuyahoga County Fiscal Officer's, Recorders Records & Eitan Flank, Representative for Progressive @ eflank@progressivequalitycare.com		
Motivation of Parties:	Willing Buyer and Seller	Interest Conveyed:	Fee Simple
Date Inspected:	04/18/2017	Encumbrances:	N/A
Flood Plain Data:	Flood Zone C, not a flood hazard	School district:	S. Euclid/Lyndhurst S/D
Highest and Best use:	Health Care Development	Present Use	Vacant land
Total Area:	10.88 acres or 473,993 s.f.		
Unit Price:	\$114,890/acre or \$2.64/s.f.		
Zoning:	10,000 s.f. Single Family District		
Utilities:	All City available		
Topography:	Level at the grade of roadway		
Type of Improvements	None at time of sale		
Street Access:	768.27' of frontage on Rae Road by 749.89' deep on the west end of parcel.		
Other Pertinent Info:	Lot is irregular in shape.		
Photo Facing:	Facing north on Rae Road		
Remarks:	Sketch not drawn to scale		
Document Number:	201703310518		
Type of Instrument:	Limited Warranty Deed		
Auditor Parcel:	712-18-002, 001 & 712-19-002		
Sale No:	ONE		

VACANT RETAIL LAND SALE

County:	CUYAHOGA	City/Village/Twp:	NORTH OLMSTED
Location Address:	North side of Duane Road, just west of Canterbury Road, North Olmsted, Ohio 44070		
Legal Description:	VOL 372, PF 74 PCL C FF 476.7 D 343.02 3.6242 AC 16 17 OL2014 SR		
Grantor:	Kertis R. Limpert, Successor Trustee	Grantee:	Florence Development, LLC
Date of Transaction:	01/12/2017	Sale Amount:	\$204,000
Conditions of Sale:	Arm's length transaction	Financing:	Cash to Seller
Data Verification:	Cuyahoga County Fiscal Office Records & Recorders Office Records and Sara Binggeli, agent for grantor @ 216 210-2870		
Motivation of Parties:	Willing Buyer and Seller	Interest Conveyed:	Fee Simple
Date Inspected:	4/18/2017	Encumbrances:	N/A
Flood Plain Data:	Flood Zone C, not a flood hazard	School district:	North Olmsted CSD
Highest and Best use:	Development	Present Use	Vacant land
Total Area per Acre:	3.624 acres or 157,870 s.f.		
Unit Price per Acre:	\$56,291/acre		
Zoning:	A, One Family Residence, Minimum lot size 13,200 s.f.		
Utilities:	All public available		
Topography:	Level at the grade of roadway		
Type of Improvements	None at time of sale		
Street Access:	476.7' of frontage by 343.02' deep		
Other Pertinent Info:	Lot is irregular in shape, 11 units permitted, 3.3. units per acre		
Photo Facing:	North on Duane Road		
Remarks:	Sketch not drawn to scale		
Document Number:	201701120306		
Type of Instrument:	Fiduciary Deed		
Auditor Parcel:	232-24-003		
Census Tract/Block:	1741.05 / 2		
Sale No:	TWO		

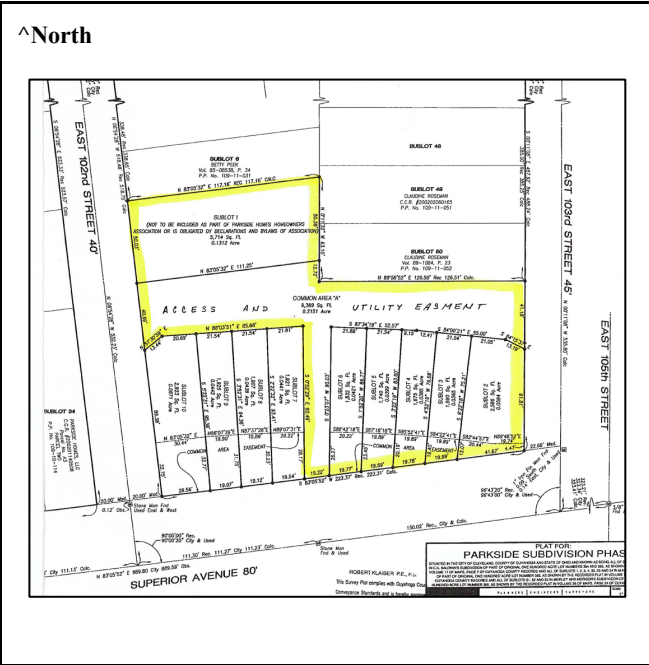
VACANT LAND SALE

County:	LAKE	City/Village/Twp:	MENTOR		
Location Address:	7640 Lake Shore Blvd., Mentor, Ohio				
School District:	Mentor EVSD	Legal Description:	PART OF LOT 6 TRACT 3		
Grantor:	The Board of Education of the Mentor Exempted Village School District				
Grantee:	3941 Erie Street, LLC				
Date of Sale:	2/20/2020	Type of Financing:	Conventional		
Condition of Sale:	Arm's length transaction	Sale Price:	\$425,000 + \$150,200 razing costs = \$575,200		
Sale Verified With:	County Fiscal and Recorder's office records and Daniel Wilson, Treasurer of the Mentor City Schools				
Motivation of Parties:	Willing Buyer and Seller	Verified By:	Emily L. Braman		
Sale Inspected Date:	8/13/2020	Encumbrances:	Typical		
Topography:	Level at the grade of roadway	Flood Plain Data:	Flood Zone X		
Use at time of sale:	Vacant land		Area of Minimal Flood Hazard		
Highest and Best use:	Residential Development				
Total Net Area:	7.8985 acres or 344,059 square feet	North ↑ Sketch not drawn to scale			
Unit Price:	\$72,824/acre or \$1.67/s.f.				
Zoning:	RVG Residential Village Green				
Utilities:	All Public Available				
Type of Improvements	30,034 s.f. elementary school building				
Dimensions:	330' of frontage on Lake Shore Blvd. by approx. 1080' deep				
Shape:	Irregular				
Photograph	facing south on Lake Shore Blvd.				
				Document Number:	2020R004501
				Type of Instrument:	Quit Claim Deed
				Auditor Parcel:	16-C-081-0-00-004-0
		Sale Number:	THREE		

VACANT LAND SALE

County:	CUYAHOGA	City/Village/Twp:	CLEVELAND
Location Address:	10217 Superior Avenue, Cleveland, Ohio 44106		
Legal Description:	S/L 2 VOL 339 PG 39-41 FF 41.67 D 75.21 OL 385 AC .0594 PARKSIDE		
Grantor:	Hunnington Professional Center Limited	Grantee:	Kessler Realty Holdings Inc. and Sbar Holdings LLC
Date of Transaction:	1/29/2019	Sale Amount:	\$18,000
Conditions of Sale:	Arm's length transaction	Financing:	Cash to Seller
Data Verification:	Cuyahoga County Fiscal Officers Records & Richard Piraino, Agent for Grantor @ richardpiraino@howardhanna.com		
Motivation of Parties:	Willing Buyer and Seller	Interest Conveyed:	Fee Simple
Date Inspected:	4/30/2020	Encumbrances:	N/A
Flood Plain Data:	Flood Zone X, area of minimal flood hazard	School district:	Cleveland City E/R
Highest and Best use:	Multifamily Development	Present Use	Vacant land

Total Net Area:	0.5626 acres or 24,506 s.f.
Unit Price:	\$31,994/acre or \$0.73/s.f.
Zoning:	RA-2-2, Residential MF-D2 Multifamily (109-11-030)
Utilities:	All public available
Topography:	Level at the grade of roadway
Type of Improvements	None at time of sale
Street Access:	136'± of frontage on Superior Avenue and 90.72' of frontage on E. 102 nd Street.
Other Pertinent Info:	Lot is irregular in shape
Photo Facing:	North on Superior Avenue



Remarks:	Sketch not drawn to scale
Document Number:	201901290476
Type of Instrument:	Fiduciary Deed
Auditor Parcel:	109-11-024 to 030
Census Tract/Block:	1181.01 / 3
Sale No:	FOUR

BUILDING SALE

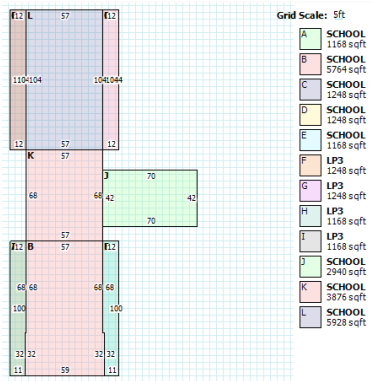
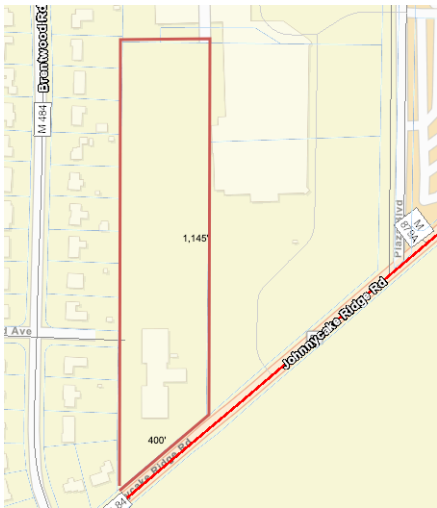
County:	CUYAHOGA	City/Village/Twp:	STRONGSVILLE
Location Address:	20566 Albion Road, Strongsville, Ohio 44149		
Legal Description:	73 EP 1377 37FT WP		
Grantor:	Strongsville Board of Education	Grantee:	Drake Elementary LLC
Date of Transaction:	10/20/2016	Sale Amount:	\$220,000
Conditions of Sale:	Arm's length transaction	Financing:	Cash to Seller
Data Verification:	5/14/18: Fiscal and Recorders Office and Mark Abood, Agent for Grantor (216) 239-5121		
Motivation of Parties:	Willing Buyer and Seller	Interest Conveyed:	Fee Simple
Date Inspected:	5/14/2018	Encumbrances:	N/A
Flood Plain Data:	Flood Zone X, area of minimal flood hazard	School district:	Strongsville
Highest & Best use:	As improved: Charter School	Use at time of sale:	Vacant school building
Total Area:	11.46 acres		
Type of Improvements:	A 42,872 s.f. school building built in 1972.		
Building Price/s.f.:	\$5.13/s.f.		
Utilities:	All public available		
Topography:	Level at the grade of roadway		
Zoning:	PF, Public Facility		
Street Access:	69.74' of frontage on Albion Road		
Other Pertinent Info:	Lot is irregular in shape		
Photo Below Facing:	West from parking lot		

BUILDING SALE TWO

County:	LAKE	City/Village/Twp:	MENTOR
Location Address:	7671 Johnnycake Ridge Road, Mentor, Ohio 44060	School district:	Mentor EVSD
Legal Description:	LOT 7 TRACT 3 AND PART OF LOT 4 TRACT 3	Parcel No.:	16A0050000010
Grantor:	Mentor Board of Education	Grantee:	Life Point Inc.
Date of Transaction:	6/20/2019	Sale Amount:	\$600,000
Conditions of Sale:	Arm's Length Transaction	Financing:	Cash to Seller
Data Verification:	Lake County Auditor & Recorders records		
Motivation of Parties:	Willing Buyer and Seller	Interest Conveyed:	Fee Simple
Date Inspected:	2/21/2020	Encumbrances:	N/A
Flood Plain Data:	Flood Zone X area of minimal flood hazard.	Type of Instrument:	Deed
Highest & Best use:	As Improved: School	Document Number:	2019R013886

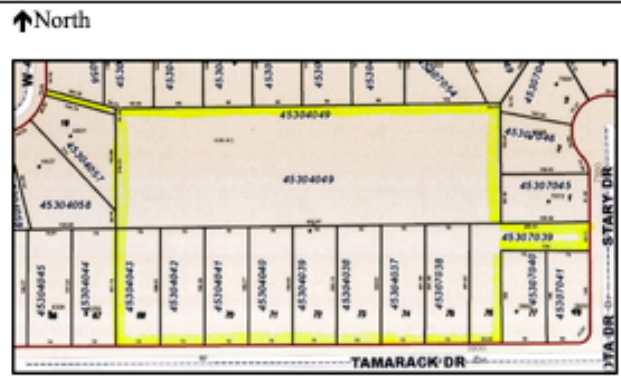
Total net area:	7.27 acres
Type of Improvements:	A 33,126 s.f. vacant school building built in 1954.
Building Price/s.f.:	\$18.11/s.f.
Utilities:	All Public Available
Topography:	Level at the grade of roadway
Zoning:	R4, Single family
Dimensions:	400' of frontage on Johnnycake Ridge Road by 1,145 feet deep.
Other Pertinent Info:	Lot is irregular in shape.
Photo Below Facing:	North on Johnnycake Ridge Road

↑North Sketch not drawn to scale



BUILDING SALE THREE

County:	CUYAHOGA	City/Village/Twp:	PARMA
Location Address:	4040 Tamarack Drive, Parma, OH	School district:	Parma CSD
Permanent Parcel No.:	453-04-037 to 043, 049, 453-07-038		
Grantor:	Parma City School District BOE	Grantee:	Steps Properties, LLC
Date of Transaction:	12/09/2014	Sale Amount:	\$700,000
Conditions of Sale:	Arm's length transaction	Financing:	Conventional
Data Verification:	County Fiscal Officer and Recorder Office Records		
Motivation of Parties:	Willing Buyer and Seller	Interest Conveyed:	Fee Simple
Date Inspected:	3/25/2015	Encumbrances:	N/A
Flood Plain Data:	Flood Zone X area of minimal flood hazard.	Type of Instrument:	Limited Warranty Deed
Highest & Best use::	As Improved: Educational Facility	Document Number:	201412090224
Total net area:	+/-6.22 acres or +/-270.943 s.f.		
Type of Improvements:	A 1-story 49,528 s.f. brick school built in 1967. It was in average condition at time of sale.		
Building Price/s.f.:	\$14.13/s.f.		
Utilities:	All Public utilities		
Topography:	Level at the grade of roadway		
Zoning:	AA1		
Street Access:	655.05' of frontage on Tamarack Drive by +/-410 feet deep		
Other Pertinent Info:	Lot is somewhat rectangular in shape.		
Photo Below Facing:	North on Tamarack Drive		



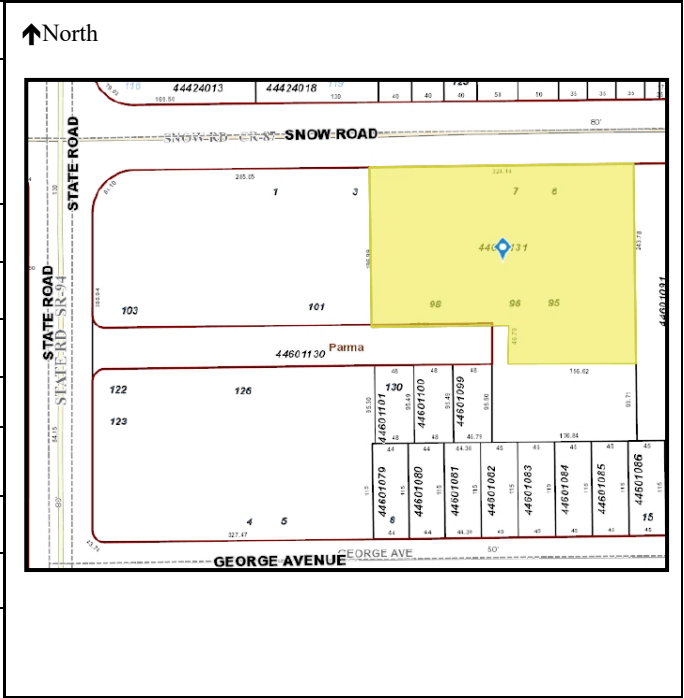
Remarks: Sketch not drawn to scale



BUILDING SALE FOUR

County:	CUYAHOGA	City/Village/Twp:	PARMA
Location Address:	3421 Snow Road, Parma, Ohio 44134		
Legal Description:	Parcel B in Lot Split & Consolidation of part of Original Parma Township Lot No. 10 in Blake tract		
Grantor:	The Most Reverend Richard G. Lennon, Bishop of the Diocese of Cleveland	Grantee:	Constellation Real Estate Holding Company LLC
Date of Transaction:	8/28/2015	Sale Amount:	\$825,000
Conditions of Sale:	Arm's length transaction	Financing:	Cash to Seller
Data Verification:	7/18/16: Fiscal and Records Office Records and Bruce Asmus, agent for grantor 216-453-3073		
Motivation of Parties:	Willing Buyer and Seller	Interest Conveyed:	Fee Simple
Date Inspected:	7/18/16	Encumbrances:	N/A
Flood Plain Data:	Flood Zone C, not a flood hazard	School district:	Parma CSD
Highest & Best use as improved:	As Improved: Institutional Use		

Total Area:	1.388 acres or 60,480 s.f. (net)
Type of Improvements:	A 38,745 s.f. school building built in 1952. It has 90 space asphalt parking area. It was the former St. Frances De Sales School
Building Price/s.f.:	\$21.29/s.f.
Utilities:	All public available
Topography:	Level at the grade of roadway
Zoning:	SF-B1 Residential
Street Access:	315' of frontage on Snow Road by 192' deep.
Other Pertinent Info:	Lot is rectangular in shape
Photo Below Facing:	Southeast on Snow Road

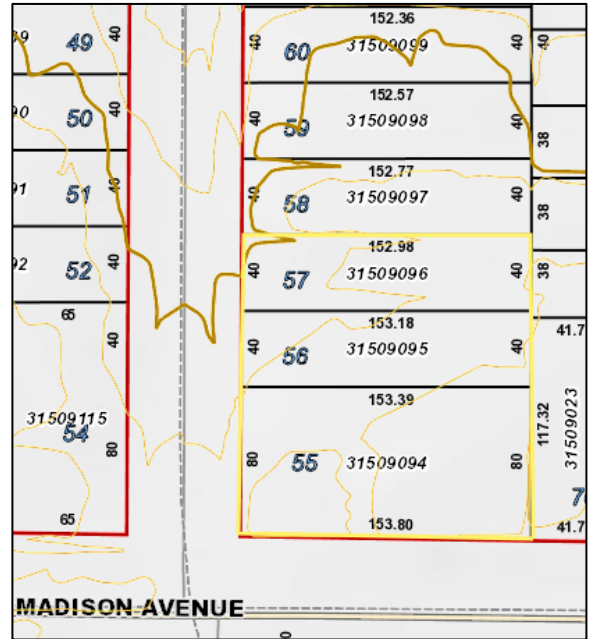


Remarks:	Sketch not drawn to scale
Document Number:	201508281034
Type of Instrument:	Limited Warranty Deed
Auditor Parcel:	446-01-131

BUILDING SALE FIVE

County:	CUYAHOGA	City/Village/Twp:	LAKWOOD
Location Address:	12920 Madison Avenue, Lakewood, Ohio 44107	School District:	Lakewood CSD
Legal Description:	21 SCHATZINGER & COTABISH SUBD 005 ALL	Parcel No.:	315-09-094, 095, 096
Grantor:	Most Reverend Milan Lach Sj Bi	Grantee:	12320 Madison Property LLC
Date of Transaction:	06/12/2019	Sale Amount:	\$180,000
Conditions of Sale:	Arm's length transaction	Financing:	Cash to Seller
Data Verification:	Cuyahoga County Fiscal and Recorder's office records		
Motivation of Parties:	Willing Buyer and Seller	Interest Conveyed:	Fee Simple
Date Inspected:	12/17/2019	Encumbrances:	N/A
Flood Plain Data:	Flood Zone X area of minimal flood hazard.	Type of Instrument:	Limited Warranty Deed
Highest & Best use:	As Improved: School facility	Document Number:	201906120680
Total net area:	0.84 acres or 36,798 s.f.		
Type of Improvements:	A 13,546 s.f. school building built in 1960.		
Building Price/s.f.:	\$13.29/s.f.		
Utilities:	All Public Available		
Topography:	Level at the grade of roadway		
Zoning:	C2, Commercial Retail		
Street Access:	153' of frontage on Madison Avenue by 180' deep.		
Other Pertinent Info:	3 parcels, lot is rectangular in shape		
Photo Below Facing:	North on Madison Avenue		

↑North Sketch not drawn to scale



Qualifications of Emily L. Braman, MAI, SRA, AI-GRS

Experience with the following types of Appraisal Problems:

Litigation involving zoning, eminent domain and ad valorem tax values. Estate tax planning, including partial interest valuation. Partial taking and easement valuation including aerial and avigation easements, sewer, utility, slope and channel easements, temporary construction easements, conservation and scenic preservation easements. Calculation of damages due to proximity issues, loss of parking, and other factors. Impact studies on property values for electronic billboards, correctional facilities, roadway proximity, historic façade easements, zoning issues, sewer assessment equalization and cellular towers.

Professional Designations, Membership & Affiliations:

Appraisal Institute, MAI Designation, Appraisal Institute, SRA Designation, Appraisal Institute, AI-GRS Designation

State of Ohio Certified General Real Estate Appraiser Certification No. 381955 since September 1991.

ODOT Pre-qualified for Real Estate Appraisal, Appraisal Review and Value Analysis since 1999.

Education:

Shaker Heights High School

The University of Michigan - 1987 - BGS - Concentration in Real Estate & Psychology

Appraisal Coursework: An Introduction to Appraising Real Property – 1987 SREA: Applied Residential Property

Valuation – 1988, AIREA 1B-A, 1B-B Capitalization Theory and Techniques, Parts A & B – 1988,

Appraisal Institute: Report Writing and Case Studies 2013, Advanced Applications and Case Studies - 2013,

Advanced Market Analysis and Highest and Best Use – 2014, Capstone 2015, Review Theory- General-

2017

Other Qualifications:

Qualified as an expert witness in the Ohio Board of Tax Appeals, the Cuyahoga & Portage County Boards of Revision, Cuyahoga County Court of Common Pleas, the Cuyahoga, Lake, Lorain, Medina & Summit County Probate Courts.

Rule 71.1 Commissioner to the United States District Court, Northern District of Ohio, Columbia Gas Transmission LLC vs. Booth et al – 2017

Small Business/Women Owned Business Certifications

EDGE Certified with the State of Ohio through 12/31/2020

Certified as a Female Business Enterprise (FBE), a Cleveland Small Business (CSB) and a Local Producer Enterprise (LPE) by the City of Cleveland, CMHA and Greater Cleveland Regional Transit Authority.

Certified as a Small Business Enterprise (SBE) by Cuyahoga County and the North East Ohio Regional Sewer District

Property Types Appraised:

Residential, commercial, industrial and special purpose properties including schools, hospitals, churches, railroads, municipal facilities, bike trails, power line easements, bridges, cemeteries, subdivisions, office buildings, shopping centers, manufacturing buildings, junkyards, warehouses, lakefront properties, vacant land and others.

Work Experience:

Emily Braman has been appraising properties in northeast Ohio for over 30 years. She has been sole owner of C. P. Braman & Co., Inc. since 2001.

Volunteerism:

First Vice President – Ohio Chapter Appraisal Institute 2020

Second Vice President – Ohio Chapter Appraisal Institute 2019, Secretary – Ohio Chapter Appraisal Institute 2018

Board of Directors - Appraisal Institute - Northern Ohio Chapter - 2001-2003

Candidate Liaison - Northern Ohio Chapter, Appraisal Institute - 1994, 1995

Shaker Hts. Middle School Parent Teacher Organization Co-President 2014-2015

Onaway Community Organization President 2000- Present

Qualifications of Emily L. Braman, MAI, SRA, AI-GRS

Representative Clients:

Attorneys including: Benesh, Berns, Ockner & Greenberger, LLC, Brindza, McIntyre & Seed LLP, Calfee, Halter & Griswold, LLP, Kadish Hinkle & Weibel, Mansour, Gavin, Gerlack & Manos, LPA, Gallagher Sharp, Kenneth J. Fisher, Co., LPA, McCarthy Lebit, Crystal & Liffman Co. LPA, Schneider, Smeltz, Spieth Bell, LLP, Singerman, Mills, Desberg & Kauntz, LPA, Taft Stettinius & Hollister LLP, Sleggs, Danzinger & Gill, LPA, Siegel Jennings Co., LPA, Thrasher, Dismore & Dolan LPA, Walter Haverfield, LLP, Weston Hurd, Wiles & Richards, LPA and others.

ODOT pre-qualified acquisition consultants including C.T. Consultants, Cuini & Assoc., DLZ, Inc., Finkbeiner, Pettis & Strout, Adachi, GPD, HNTB, Inc., KMJM Land Services, Krock Esser Engineering, ME Companies, M/S Consultants, Inc., O. R. Colan & Assoc., Palmer Engineering, PSI, RE Warner Co., Transystems Real Estate, URS Corp., Wade Trim.

Various municipalities including Ashtabula, Cuyahoga, Geauga, Lake, Mahoning, Medina, Portage, Stark, Summit and Trumbull Counties and the Cities of Akron, Alliance, Bay Village, Beachwood, Bedford Heights, Broadview Heights, Brook Park, Cleveland, Cleveland Heights, Eastlake, Elyria, Euclid, Garfield Heights, Highland Hills, Hudson, Independence, Kent, Lakewood, Maple Heights, Mayfield Village, Mentor, Mentor on the Lake, Middleburg Heights, Northfield, North Olmsted, North Royalton, Olmsted Twp., Orange, Painesville, Parma, Pepper Pike, Perry, Richmond Heights, Richfield, Rocky River, Sandusky, Seven Hills, Shaker Heights, Solon, South Euclid, Strongsville, Stow, Twinsburg, University Heights, Valley View, Willoughby, Willoughby Hills, Wickliffe, Willowick and Woodmere. Various Boards of Education including Beachwood, Brecksville, Broadview Heights, Chagrin Falls, Cleveland Hts., Euclid, Garfield Heights, Lakewood, Mentor, Olmsted Falls, Orange, Parma, Rocky River, South Euclid, Shaker Heights, and Solon.

Various individuals, corporations, and governmental entities including Allegro Realty Advisors, Bellaire Puritas Development Corp., Catholic Diocese of Cleveland, Catholic Charities Facilities Corp., The Cleveland Clinic, Cleveland Metroparks, Cleveland Public Power, Chagrin Valley Land Conservancy, CSX, Cuyahoga Community College, Dominion East Ohio, EDEN, Inc., Greater Cleveland Regional Transit Authority, Heritage Development, Jacobs Real Estate Services, Lake Health Systems, Lake Metroparks, Lombardo Investments, National Benevolent Association, National Park Service, Northeast Ohio Regional Sewer District, Ohio Department of Transportation, Ohio Turnpike Commission, Park View Federal, Pride One Omni, Pioneer Savings and Loan, the Private Trust Company, Self Service Mini Storage, Ltd., Shore Bank, Strnisha Development, Western Reserve Fine Arts Assoc., and the YWCA.

Continuing Education:

AI Seminars: Residential Housing in Cleveland – 1996, Lease Abstracting and Analysis – 1999, Supporting Sales Comparison Adjustments – 1999, Attacking & Defending the Appraisal in Litigation - 2000 & 2008, When Good Houses Go Bad – 2001, Partial Interests -Divided & Undivided – 2001, Residential Review Seminar – 2003, Subdivision Analysis – 2003, Appraisal Consulting – 2004, Dynamics of Office Building Valuation – 2004, Scope of Work – 2005, 2012, Uniform Standards of Appraisal Practice for Federal Land Acquisition – 2006, Quality Assurance in Residential Appraisals -2007, Feasibility Analysis – 2007, Essentials What Every Appraiser Should Know – 2008, Appraisal Challenges - Declining Markets & Sales Concessions – 2009, Appraisal of Local Retail Properties – 2009, Valuing Commercial Green Buildings – 2010, Business Practices and Ethics – 2011, Playhouse Square and the Central Business District 2011, Real Estate Appraisal Operations – 2011, Demonstration Report Seminar-2014, Appraising Convenience Stores – 2015, Analysing Operating Expenses -2017, Subdivision Valuation – 2017, Small Hotel/Motel Valuation – 2019, OCAI Annual Economic Seminars 2015, 2016, 2017, 2018, 2019 and others.

AI Seminar National USPAP Update Course - 2005, 2006, 2008, 2010, 2012, 2014, 2016, 2018 & 2020