

## APPENDIX R

### SPECIFICATION FOR ANALYTICAL NARRATIVE APPRAISAL REPORT

To be used for Properties valued at \$25,000 or greater

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(In Conformance with "Uniform Appraisal Standards for Federal Land Acquisition" based on Interagency Land Acquisition Conference 1992 - "Yellow Book')

#### GENERAL

In the preparation of this report, the appraiser shall follow current professional appraisal practices giving consideration to three approaches to value, unless otherwise specified in these instructions.

1. COST LESS DEPRECIATION APPROACH
2. INCOME APPROACH
3. COMPARATIVE (OR MARKET) APPROACH

Should certain approaches or requirements covered in these specifications not be applicable to the assignment, the obligation can be fulfilled by identifying that approach or requirement together with a brief explanation for its omission (i.e. an appraisal involving land valuation only). Of necessity, supplementary specifications will be furnished requiring additional data in the appraisal of highly specialized properties or under other unusual circumstances.

#### FORMAT

The report shall be bound, in book-fashion, in the left margin, in a durable cover with an identification of the property on the face thereof. The paper used shall be a good grade bond of size 8 1/2x 11 inches. All pages shall be numbered consecutively, including all exhibits, and each important heading shall be shown in the Table of Contents. The text shall be divided into four parts as outlined below.

#### PART I - INTRODUCTION

1. Title Page. This shall include:
  - a. Project identification, County, and Parcel identification of the property;
  - b. Name of the individual making the report;
  - c. Effective date of the appraisal; and
  - d. Owner's name, address, and telephone number.
2. Table of Contents
3. Letter of Transmittal
  - a. Date of Letter and Salutation
  - b. Value Estimate

c. Appraiser's Signature

4. Photographs. Pictures shall show at least the front elevation of the major improvements, plus any unusual features. There should also be views of the abutting properties on either side and that property directly opposite. When a large number of buildings are involved, including duplicates, one picture may be used for each type. Views of the best comparables should be included whenever possible. Except for the overall view, photographs may be bound as pages facing the discussion or description which the photographs concern. All photographs shall include captions and be in color.
5. Statement of Limiting Assumptions and Conditions. The appraiser should provide clear concise statements of all assumptions including the following specifics:
  - a. that the title to the property is marketable,
  - b. that the appraiser assumes no responsibility for legal matters,
  - c. that all data furnished by others are presumed correct; and
  - d. any other assumptions and/or limitations.
6. References. If preferred, can be shown with applicable approach.

## Part II - FACTUAL DATA

7. Purpose of the Appraisal. This shall include the reason for the appraisal, a definition of Market Value (and any other values required), and property rights appraised.
8. Legal Description. This description shall be so complete as to properly identify the total holding and the portion which is to be required. If lengthy, it should be referenced and included in Part IV.
9. Area, City, and Neighborhood Data. All the important facts about the area, city, and neighborhood that the appraiser has judged pertinent to the specific appraisal problems should be included.
10. Project Data.
  - a. Site - Describe the soil, topography, mineral deposits, easements, etc. A statement must be made concerning the existence or non-existence of mineral deposits having a commercial value. In case of a partial taking discuss access both before and after to remaining tract. Also discuss the detrimental and hazardous factors inherent in the location of the property.
  - b. Improvements and Conditions - This shall be by narrative description, including dimensions of principal building and/or improvements. The current physical condition and relative use and obsolescence shall be stated for each item or group appraised and, whenever applicable, the repair or replacement to bring the property to useable conditions.
  - c. Equipment - This shall be described by narrative or schedule form and include all items of equipment, including a statement of the type and purpose of the equipment and its state of cannibalization. The current physical condition and relative use and obsolescence shall be stated for each item or group appraised, and whenever applicable, the repair or replacement requirements to bring the property to usable condition.

Any related personality or equipment, such as tenant trade fixtures, which are not attached or considered part of the realty, shall be separately inventoried. Where applicable, these detachable or individually owned items shall be separately valued.

- d. History - State briefly the purpose for which the improvements were designed, dates of original construction and major renovation and/or additions; include, for privately owned property, A TEN-YEAR RECORD as to each parcel, of all sales, and, if possible, officers to buy or sell, and recent lease(s); if no sale in the past ten years-include a report of the last sale, if available, or advise that there have been no sales in the last ten years.
- e. Assessed Value and Annual Tax Load - Include the current assessment and dollar amount of real estate taxes. If the property is not taxed, the appraiser shall estimate the assessment in case it is placed upon the tax roll, state the rate and give the dollar amount of the tax estimate.
- f. Insurance - If applicable, give the estimated rate per thousand and the annual cost of adequate insurance coverage for any improvements on the site.
- g. The Restrictions, Easements, and Other Fee Interests - give a detailed description of all utilities, easements, and/or title restrictions affecting the property and the resultant impact they may have, if any, on the site's value and/or use.
- h. Zoning - Describe the zoning for subject and comparable properties. If not zoned, state what the zoning probably will be under private ownership, and if rezoning is imminent, discuss further under Item 11.
- i. Hazardous Waste Statement - A statement indicating any hazardous waste on subject property in the form of waste disposal underground tanks, or solid waste that was visible at time of inspection.

### PART III - ANALYSIS AND CONCLUSIONS

11. Definition and Analysis of Highest and Best Use. The report shall state the highest and best use that can be reasonably made of the property (land and improvements and where applicable, machinery and equipment) for which there is a current market. The valuation shall be based on this use. In no case shall the land be appraised for one highest and best use and the value of the improvements added when they do not contribute to the fair market value of the land under the highest and best use. Such special purpose appraisals are not allowable.
12. Land Value. The appraiser's opinion of the value of the land shall be supported by confirmed sales of comparable, or nearly comparable lands having like optimum (highest and best) uses. Differences shall be weighed and explained to show how they indicate the value of the land adjustments are made for location, time, size, site characteristics, etc. and result in an adjusted sales price. This will establish an adjusted sales price range. If one or more of the comparables influence the final determination of value, it should be so stated. (It is preferable to include a grid showing each adjustment and the final adjusted sale price.)
13. Value Estimate:
  - a. Cost Approach - This section shall be in the form of computative data, arranged in sequence, beginning with the reproduction or replacement cost, and shall state the source (book and page if a national cost service) of all figures used. The dollar amounts of physical deterioration and functional and economic obsolescence, or the omission of same, shall be explained in narrative form. This procedure may be omitted on

improvements, both real and personal, for which only a salvage or scrap value is estimated.

- b. Income Approach - This shall include adequate factual data to support each figure and factor used and shall be arranged in detailed form to show at least:
- (1) estimated gross economic rent or income;
  - (2) allowance for vacancy and credit losses; and
  - (3) an itemized estimate of total expenses including reserves for replacements. '

Capitalization of net income shall be the rate prevailing for this type of property and location. The capitalization technique, method and rate used shall be explained in narrative form supported by a statement of sources of rate and factors.

- c. Comparative (Market) Approach - All comparable sales used shall be confirmed by the buyer, seller, broker, or other person having knowledge of the price, terms, and conditions of sale. Each comparable shall be weighed and explained in relation to the subject property to indicate the reasoning behind the appraiser's final value estimate from this approach.

Note: Each comparable sale shall have the same Highest and Best Use as the subject property or, if not, a full explanation is needed.

14. Appraisal of Partial Takings must be prepared using the Federal Method as shown on Pages 28 through 35 of the Uniform Standards for Federal Land Acquisitions, and include the following:
- a. Before Value, (valuation of the total ownership or whole property).
  - b. Less the After Value (valuation of the land remaining after the "taking").
  - c. Total Compensation, (Value of the part "taken).
  - d. Damage/Severance (if any) to the remainder after the "taking".

NOTE: The Before and After Method must be used even though there may be no Damage/Severance to the remainder.

15. Interpretation and Correlation of Estimates, The appraiser shall interpret the foregoing estimates and shall state his reasons why one or more of the conclusions reached in items 13(a), (b), and (c) are indicative of the market value of the property.

When correlating two or all three approaches, take into account the type of property in relation to the adequacy of the data processed in each approach. This summary should explain the strengths and weaknesses of each approach and influence the weight to be given each one.

Do not obtain a final estimate of value by averaging the individual indications. Place the greatest emphasis on the approach which most reliably reflects local thinking and marketability.

The appraiser shall give the final estimate of value in a definite statement.

16. Affidavit of Appraiser. (Form Attached) (Certification)
- a. No undisclosed interest

- b. Personally inspected property with permission
- c. State and value estimate

#### PART IV – EXHIBITS AND ADDENDA

- 17. Location Map.\* (Within the city or area) This map should be in such detail to clearly identify access to the site and adjacent boundaries.
- 18. Comparative Sales Data Map.\* This map should show the location of the subject property and the comparable sales on the same map to aid the review appraiser in the field inspection.
- 19. Details of the Comparative Sales Data. Sales must be identified by data taken from the recorded instrument (if recorded), AND from information obtained from the parties involved. In all cases, the comparable sales properties considered with the appraisal report must be personally visited/inspected (see appraiser affidavit) and color photographs provided of those properties. The following items must be part of the sales identification description;
  - a. Name of grantor and grantee.
  - b. Deed book, page number, and county.
  - c. Type of instrument (warranty deed, land contract, etc.),
  - d. Date of instrument.
  - e. Date of sale.
  - f. Reservations, exceptions, and deeded restrictions, if noted,
  - g. Value of State transfer tax stamps affixed to the instrument.
  - h. Sales consideration and terms.
  - i. Legal description.
  - j. Zoning
  - k. Soil description.
  - l. Verification (either buyer, sellers brokers other knowledgeable person).
  - m. Highest and Best Use analysis of comparable sale properties.

Additional documented data having a major bearing on valuation of the subject property may include:

- n. Quantity and quality of attached mineral rights.
  - o. Quantity and quality of attached water rights.
  - p. Quantity, quality, and legal description (or maps of functional boundary) of attached permits, leases, allotments, etc.
- 20. Plot Plan.\* Plan showing the configuration of the property being acquired.
  - 21. Floor Plans.\* (When needed to explain the value estimates.)
  - 22. Other Pertinent Exhibits. (Such as sketches to locate easements, or other-fee interests on subject property.)
  - 23. Qualifications. (Of all Appraisers and/or Technicians contributing to the report).

- \* All maps and plans may be bound as facing pages opposite the description, tabulation, or discussions they concern.

#### APPRAISAL CHECKLIST

(Adapted from "Uniform Appraisal Standards for Federal Standards Acquisitions" based on Interagency Land Acquisition Conference 1992 - "Yellow Book")

## PREFACE

1. Copy of Specifications and Checklist provided to appraiser prior to start.
2. Checklist attached.
3. A copy of the Preliminary Title Report, Opinion of Title or Commitment for Title Insurance attached.
4. Deed restrictions as found in the Preliminary Title Report, etc., included in appraisal.
5. Appraiser advised of legal description of subject property.

## FORMAT

1. Bound Report
2. Pages numbered

## PART I - INTRODUCTION

1. Title Page.
2. Letter of Transmittal
3. Table of Contents
4. Photographs (should include at least the front elevations of the subject, any major improvements, any unusual features. There should also be views of abutting properties on either side and the property directly opposite the subject property. Views of each comparable sales property must also be included. Original color photographs should be used in each copy of the appraisal rather than photocopies of the original photos. All graphic material shall include caption.)
5. Statement of Assumptions and Limiting Conditions
6. References

## PART II – FACTUAL DATA

7. Purpose of the Appraisal and Definitions of Market Value.
8. Legal Description.
9. Area, City, and Neighborhood Data.

10. Property Data.
  - A. Site (soil, topography, minerals, etc.)
  - B. Improvement and Conditions.
  - C. Equipment
  - D. History – (10 year history conveyance).
  - E. Assessed value and annual tax load
  - F. Insurance – (If applicable, give the estimated rate per thousand and the annual cost of adequate insurance coverage for any improvements on the site.)
  - G. Title restrictions/easements/other fee interests
  - H. Zoning
  - I. Hazardous Waste Statement.

### PART III ANALYSIS AND CONCLUSIONS

11. Definition and Analysis of Highest and Best Use.
12. Land Value.
13. Valued Estimate.
  - A. Cost Approach
  - B. Income Approach
  - C. Comparative (Market) Approach
14. If appraisal of a "partial taking", appraiser must appraise the entire ownership, and then deduct the value of the remainder for value. Severance Damage shall be estimated if applicable.
15. Interpretation and Correlation of Estimates.
16. Affidavit and Statement of owner notification, accompaniment, valuation date and value established.
17. Location Map (Within city or area).
18. Comparative Sales Data Map. (This map must be of sufficient detail as on a regional map, community map, neighborhood map with both the subject property and each comparable property clearly identified so as to allow the properties to be easily found during the required on-site inspections by the reviewing appraiser.)
19. Details of the Comparative Sales Data. (All sales must be verified either by the buyer, seller, broker or other knowledgeable person.) The following items must be a part of the comparable sales identification:
  - A. Name of grantor and grantee.
  - B. Legal/size description of comparable and street address or location description.
  - C. Deed Book, Page Number, and County.

- D. Type of Instrument (Warranty deed, contract).
- E. Date of Instrument.
- F. Date of Sale.
- G. Reservations, exceptions, deed restrictions, if noted.
- H. Value of State Transfer Tax affixed to the instrument.
- I. Sales consideration and terms.
- J. Zoning classification of comparable sales.
- K. Soil types of comparable sale.
- L. Sales confirmed with grantee, grantor or broker.
- M. Highest and best use of each comparable sale.

Additional documentation data having a major bearing on valuation of the subject property may include:

- N Quantity and quality of attached mineral rights.
- O Quantity and quality of attached water rights.
- P Quantity, quality and legal descriptions (or maps of functional boundary of attached leases, allotments, etc.)

- 20. Plot Plan.\*
- 21. Floor Plan.\*
- 22. Other pertinent exhibits (location sketches of easements, other fee interests, etc.)
- 23. Qualifications.

\* All maps and plans may be bound as facing pages opposite the description, tabulation or discussions that they concern.

AFFIDAVIT OF APPRAISER CERTIFICATION

STATE OHIO

)SS

COUNTY \_\_\_\_\_

\_\_\_\_\_, being duly sworn, deposes, and says:

That on \_\_\_\_\_ (date) I personally inspected the property herein appraised. The owner, or his representative, was advised of my mission and (did) (did not) accompany me. That I personally inspected the comparable sales property considered within this report.

That to the best of my knowledge and belief, the statements contained in this appraisal are true, and the information upon which the opinions expressed therein are based is correct, subject to the limiting conditions therein set forth.

That I understand that this appraisal is to be used in connection with the acquisition of said property by \_\_\_\_\_, and that to the best of my knowledge and belief, this appraisal has been made in conformity with the "Uniform Appraisal Standards for Federal Land Acquisition" instructions provided me and which are applicable to appraisal of property involving federal and/or State funding, and that no portion of the value assigned to such property, consists of items which are noncompensable under the established law of said State, and that value does not reflect influence of the proposed project.

That neither my employment, nor my compensation for making this appraisal and report are in any way contingent upon the values reported therein.

That I have no direct, or indirect, present, or contemplated future personal interest in this property, or in any way benefit from its acquisition.

That I will not reveal the findings and results of this appraisal to anyone other than the proper officials of the \_\_\_\_\_ or officials of the National Park Service, unless authorized by State officials to do so, or unless I am required to do so by due process of law, or until I am released from this obligation by having publicly testified to such findings.

That in my opinion the market value of the taking as of \_\_\_\_\_ is \$\_\_\_\_\_  
(Valuation Date)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date report submitted)

Subscribed and sworn to before me this \_\_\_\_\_ Day of \_\_\_\_\_, 20\_\_\_\_.

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

SEAL  
My Commission Expires: \_\_\_\_\_