

**APPRAISAL REPORT
CITY OF FRANKLIN**

The Purpose of this Appraisal is to Estimate the Fair Market Value for Sewer Line Easement Acquisition

1. **Owner:** Henpeck Village Market Inc.
1268 Lewisburg Pike
Franklin, TN 37064-5000

Address and/or Location of Subject: 1268 Lewisburg Pike, Franklin, TN 37064-5000

Tax Map No. Map 106 Parcel 026.00

2. **Detail Description of Entire Tract:** The subject tract is identified as Lot 1 Final Plat of Willis E. Henson, Plat Book P36 Page 26. Lot 1 is 5.88+/- acres with access from Lewisburg Pike and Henpeck Lane. Lot 1 is an irregular rectangular shaped lot with approximately 187+/- linear feet of frontage on Lewisburg Pike and 468+/- linear feet of frontage on Henpeck Lane. The site is at road grade at the intersection of Lewisburg Pike and Henpeck Lane. The site is gently rolling and slopes toward the center of the tract toward the creek area, appearing to be the low-lying area of the tract, then rising towards the back area of the tract. The tract is a combination of open and wooded area. The building site and the septic fields use the open areas and the remainder areas are wooded.

The tract is improved with a 1.5 story building built in 1989 commercial restaurant building, 8,146 square feet built in 1989. The first-floor area is a restaurant and the second story area is a residential apartment. Support structures include 22,545 square feet paving and miscellaneous structures, including 4 underground storage tanks. The actual presence of underground storage tanks is unknown; however, a previous use of the site did have gas dispensers. Gas dispensers were not present on the date of site inspection. All improvements are stated to be in average condition. All details pertaining to all the improvements are based on the Williamson County Property Assessor records. As of the date of inspection, the business was closed and the improvements were not in use.

The total site area is 5.88+/- acres used as commercial restaurant site with support structures. The subject tract is the larger parcel, the subject of this appraisal assignment. The net usable site area is 1.9508 Acres or 84,975 square feet.

A legal description, plat map and acquisition area exhibit map and legal descriptions are contained in this report.

The acquisition areas located near the center of the property and along the low-lying area of the tract. The acquisition areas do not adversely affect the commercial structure or primary support structures; therefore, this appraisal is being completed as a **“FORMAL PART AFFECTED”** appraisal, appraising the land only. Any improvement that maybe affected by the acquisition will be replaced in like kind by the City of Franklin.

3. **Is Subject in a FEMA Flood Hazard Area?** Yes No
If yes, show FEMA Map/Zone No. 47187C0214G Date 12/22/2016

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4. **Interest Acquired:**
 Fee Simple N/A Permanent Sewer Line Easement x
 Temporary Construction Easement x
5. **Acquisition:** Partial
6. **Description of Land Acquired:** (Refer to the exhibit maps and legal descriptions contained in the report for a detailed description and Page 10 for detailed discussion of the areas)
- Fee: N/A SF Drain. Easement: N/A SF
 Permanent Sewer line Easement: 9,996 SF
 Temporary Construction Easement: 15,902 SF
7. **Sales of Subject:** (Show all recorded sales of subject in past five years; show last sale, if no sale occurred in last five years)

Date of Sale	Grantor	Grantee	Book/ Page	Verified Consideration	How Sale Verified
3/31/2017	Joe-Max Moore, LLC, a TN limited liability company	Henpeck Village Market, Inc.	7043/ 168	\$2,170,000	Deed, Public Records
Existing Use	Zoning	Utilities Available	Off-Site Improvements		Area Lot or Acreage
Restaurant	MGA-1; Municipal Growth Area 1	Water, Electric, Phone, Septic System,	Asphalt paved street		5.88 +/- Acres

The subject property is currently listed for sale with ResultsMLS.com, local MLS# 1904406. The property has been listed for 145 days (as of 7/17/2018), listing date, 2/22/2018. The original and current listing price is \$2,500,000.

8. **Highest & Best Use:** Highest and Best Use is defined by the Appraisal Institute as: *"The reasonably probable and legal use of vacant land or an improved property, that 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. Alternatively, the probable use of land or improved property-specific with respect to the user and timing of the use-that is adequately supported and results in the highest present value."* (Page 93, The Dictionary of Real Estate Appraisal, Sixth Edition).

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The definition indicates that there are two types of highest and best use. The first type is highest and best use of land or a site as though vacant. The second is highest and best use of a property as improved. Each type requires a separate analysis. Moreover, in each case, the existing use may or may not be different from the site's highest and best use. The highest and best use of an improved property will only be for another use when the value of the land as if vacant exceeds the value of the property as improved plus demolition costs. The subject's highest and best use "as though vacant" is discussed below:

AS THOUGH VACANT

The four tests of highest and best are applied and analysis is stated below:

Highest and Best Use Though Vacant:

1. **Legal permissibility:** The subject property is zoned MGA-1, Municipal Growth Area District, by Williamson County Planning and Zoning. The zoning following zoning information is stated in the Williamson County, Tennessee Zoning Ordinance, Adopted May 14, 2012, Effective January 1, 2013.

Purpose and Intent

The purpose of the Municipal Growth Area District 1 (MGA-1) is for this area to remain largely undeveloped until such a time as the land may be annexed into a municipality. Until such annexation, the municipal growth areas are considered a part of the County's rural landscape and as such, this district is established to protect the rural character of Williamson County by allowing for agricultural, rural, and low-density residential development.

(2) Dimensional Standards

- a) Table 10.02-7 establishes the dimensional standards for the MGA-1 District.
- b) Additional standards related to accessory uses are located in Section 11.04: Accessory Uses and Structures.
- c) Additional standards related to accessory uses are located in Section 11.04: Accessory Uses and Structures.

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TABLE 10.02-7: DIMENSIONAL STANDARDS FOR THE MUNICIPAL GROWTH AREA DISTRICT-I			
DIMENSIONAL STANDARDS	RESIDENTIAL STRUCTURES		NONRESIDENTIAL STRUCTURES
Minimum Lot Area	1 acre		1 acre
Maximum Gross Density	1.0 unit per acre		Not Applicable
Minimum Lot Width	Traditional Subdivisions 1 acre to 2.99 acres	130 feet	130 feet
	Traditional Subdivisions 3 acres to 4.99 acres	160 feet	
	Traditional Subdivisions 5 acres or Greater	200 feet	
Front Yard Setback	Traditional Subdivisions 1 acre to 4.99 acres	60 feet	60 feet
	Traditional Subdivisions 5 acres or Greater	100 feet	
Side Yard Setback	20 feet		35 feet
Rear Yard Setback	60 feet		60 feet
Maximum Height	3.0 stories		3.0 stories

TABLE 10.07-1: SUMMARY TABLE OF DIMENSIONAL STANDARDS						
DISTRICT	STRUCTURE TYPE	MINIMUM LOT AREA		MAXIMUM GROSS RESIDENTIAL DENSITY		MAXIMUM HEIGHT
		TRADITIONAL SUBDIVISIONS	CONSERVATION SUBDIVISIONS	TRADITIONAL SUBDIVISIONS	CONSERVATION SUBDIVISIONS	
MGA-I	Residential Structures	1 acre	Not Applicable	1 unit per acre		3.0 stories
	Nonresidential Structures	1 acre	Not Applicable	Not Applicable		3.0 stories

TABLE 10.07-2: SUMMARY TABLE OF MINIMUM SETBACKS								
DISTRICT	STRUCTURE TYPE	FRONT YARD SETBACK			SIDE YARD SETBACK		REAR YARD SETBACK	
		TRADITIONAL SUBDIVISIONS 1 ACRE TO 4.99 ACRES	TRADITIONAL SUBDIVISIONS 5 ACRES OR GREATER	CONSERVATION SUBDIVISIONS	TRADITIONAL SUBDIVISIONS	CONSERVATION SUBDIVISIONS	TRADITIONAL SUBDIVISIONS	CONSERVATION SUBDIVISIONS
MGA-I	Residential Structures	60 feet	100 feet	Not Applicable	20 feet	Not Applicable	60 feet	Not Applicable
	Nonresidential Structures	60 feet			35 feet	Not Applicable	60 feet	Not Applicable

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TABLE 10.07-3: SUMMARY TABLE OF MINIMUM LOT WIDTHS					
DISTRICT	STRUCTURE TYPE	MINIMUM LOT WIDTH			
		TRADITIONAL SUBDIVISIONS 1 ACRE TO 2.99 ACRES	TRADITIONAL SUBDIVISIONS 3 ACRES TO 4.99 ACRES	TRADITIONAL SUBDIVISIONS 5 ACRES OR GREATER	CONSERVATION SUBDIVISIONS
MGA-I	Residential Structures	130 feet	160 feet	200 feet	Not Applicable
	Nonresidential Structures	130 feet			Not Applicable

Section 11.04: Accessory Uses and Structures

(A) PURPOSE

This Section authorizes the establishment of accessory uses that are incidental and customarily subordinate to principal uses. The purpose of this Section is to allow a broad range of accessory uses, so long as such uses are located on the same site as the principal use, and so long as they comply with the standards set forth in this Section in order to reduce potentially adverse impacts on surrounding lands.

(B) GENERAL STANDARDS AND LIMITATIONS

(1) Compliance with Ordinance Requirements

All accessory uses and accessory structures shall conform to the applicable requirements of this Ordinance, including the district standards in Article 10: Zoning Districts, the use regulations in Section 11.03: Use-Specific Standards, and the development standards in Article 12: Conservation Subdivision Standards through Article 20: Nontraditional Wastewater Treatment and Disposal Systems. The provisions of this Section establish additional standards and restrictions for particular accessory uses and structures.

(2) General Standards

All accessory uses and accessory structures shall meet the following standards:

- a) Directly serve the principal use or structure;
- b) Be clearly incidental and subordinate to the principal use and structure;
- c) Be owned or operated by the same person as the principal use or structure;
- d) Be located on the same lot or parcel as the principal use or structure;
- e) When considered in conjunction with the principal use or structure, the accessory use or structure shall not violate any provisions of this Ordinance; and
- f) May be constructed or established so long as all required permits or approvals for the principal use have been obtained.

(3) Exceptions and Exclusions

- a) If an accessory structure is located within 10 feet of a principal structure, whether physically attached or not, the structure shall be considered to be a part of the principal structure and shall meet the setback requirements for principal structures established in Article 10: Zoning Districts.

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b) If an accessory structure is located within 20 feet of a principal structure and is connected via roofline, the structure shall be considered to be a part of the principal structure and shall meet the setback requirements for principal structures established in Article 10: Zoning Districts.

(4) Minor Site Plan Review Required

Accessory uses and structures shall be subject to Minor Site Plan review pursuant to Section 6.01: Minor Site Plan.

(5) Table of Permitted Accessory Uses and Structures

a) Listed Accessory Uses

Table 11.04-1: Permitted Accessory Uses and Structures lists what types of accessory uses, structures, and activities are allowed in each of the zoning districts. If a specific accessory use is allowed in a zoning district, the column underneath the zoning district is marked with a "P." If the specific accessory use requires BZA approval as a Special Use, the column underneath the zoning district is marked with a "S." If the accessory use or structure is not allowed in a zoning district, the column is blank. If there is a reference contained in the column entitled "Additional Requirements," refer to the cited section(s) for additional standards that apply to the specific accessory use.

b) Unlisted Accessory Uses and Structures

If an application is submitted for an accessory use or structure that is not listed Tables 11.04-1 and 11.04-2: Permitted Accessory Uses and Structures, the Planning Director is authorized to classify the new or unlisted use or structure into an existing accessory use type that most closely fits the new or unlisted use. The Planning Director may prepare an application for an amendment to the text of this Ordinance to clarify where and how the use should be permitted.

(6) Table of Permitted Accessory Uses and Structures

Tables 11.04-1 and 11.04-2: Permitted Accessory Uses and Structures specifies types of accessory uses and the zoning district where each type may be permitted.

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TABLE 11.04-1: PERMITTED ACCESSORY USES AND STRUCTURES															
P = PERMITTED USE S = SPECIAL USE BLANK = PROHIBITED															
	A	RD-5	RP-5	H	RD-1	RP-1	SIC	MGA-1	MGA-5	MGA-H	NC	NCMH	AP	840C	ADDITIONAL REQUIREMENTS
Accessory Dwelling Units	P	P	P	P	P	P	P	P	P	P	P	P		P	Section 11.04:(D)(1)
Accessory Dwelling Units, Commercial				P						P				P	Section 11.04:(D)(2)
Accessory Structures Not Otherwise Listed	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
Additional Principal Dwellings	P	P	P	P	P	P	P	P	P	P				P	Section 11.04:(D)(3)
Agricultural Product Sales	P	P	P	P	P	P	P			P			P	P	Section 11.04:(D)(4)
Cemeteries, Accessory		P	P	P	P	P	P	P	P	P	P	P	P	P	Section 11.04:(D)(5)
Day Care Centers Accessory to an Institutional Use		P	P	P	P	P	P	P	P	P	P	P	P	P	Section 11.04:(D)(6)
Family Child Care Homes	P	P	P	P	S	S	S	S	S	P	S	S		P	Section 11.04:(D)(7)

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TABLE 11.04-1: PERMITTED ACCESSORY USES AND STRUCTURES															
P = PERMITTED USE S = SPECIAL USE BLANK = PROHIBITED															
	A	RD-5	RP-5	H	RD-1	RP-1	SIC	MGA-1	MGA-5	MGA-H	NC	NCMH	AP	840C	ADDITIONAL REQUIREMENTS
Garages and Carports	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
Greenhouses Accessory to a Residential Use	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
Group Child Care Homes	S	S	S	S	S	S	S	S	S	S	S				Section 11.04:(D)(8)
Home Occupations	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 11.04:(D)(9)
Residential Businesses	S	S	S	S	S	S	S			S					Section 11.04:(D)(10)
Retaining Walls	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 11.04:(D)(14)
Small-Scale Wind Energy Turbines (SWET)	P	P	P		P	P	P	P	P					P	Section 11.04:(D)(11)
Solar Panels	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 11.04:(D)(12)
Stables Accessory to a Residential Use	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
Stadiums and Arenas Accessory to an Educational Facility		P	P	P	P	P	P	P	P	P	P			P	
Swimming Pools	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 11.04:(D)(13)
Yard Sales	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 11.04:(D)(15)

The subject tract's legally permissible Highest and Best Use is commercial development.

- 2. Physical possibility:** The topography of the subject tract is gently rolling, with level to sloping areas. The primary limiting physical condition of the tract, is the net useable area. The net useable area is defined, Plat Book 36 Page 26. The referenced plat map is contained in this appraisal report. The net useable area is defined in 5 areas, Residential septic areas 1&2, Market/Deli septic areas 1&2 and building site area in the southeast corner. The square footage for residential and commercial septic areas are defined on the plat. The square footage of the building envelope is based on the wide and depth measurements on the plat (175.99 feet x 213.20 feet). The square footage for the defined areas are stated below:

Building envelope	37,521 SF
Residential Portion Septic Area A	8,841 SF
Residential Portion Septic Area B	8,883 SF
Market/Deli Operation Septic Area A	15,113 SF
Market/Deli Operation Septic Area B	14,504 SF
Total Net Usable Area	84,862 SF

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The total net usable area of the tract is 84,862 square feet or 1.95 +/- Acres. The net usable area of the tract is approximately 33% of the total tract area or a 66% reduction. The physical limitation dramatically affects the possible uses of the site. The net useable area will be fundamental criteria for the basis of market value for the tract. The remaining area, 3.93 acres or 171,271+/- square feet is surplus land.

The physically possible highest and best use supported by the legally permissible highest and best use is for commercial use development.

3. Financial feasibility: Franklin, Williamson County, is one of the fastest growing areas in the southeast. The area is currently experiencing rapid residential and commercial construction growth and short marketing time for properties when offered to the open market.

The financially feasible highest and best use supported by legally and physically possible highest and best uses is for a commercial building site when the market supply is reduced and demand increases offsetting the increased cost of development due to the physical characteristics of the site.

4. Maximum productivity: The maximally productive use for the subject tract supported by the legally and physically possible and financially feasible is for holding for future commercial development.

Highest and Best Use conclusions:

- Use: Commercial development such as convenience store with gas dispensers or small retail mixed use development.
- Timing: Undetermined
- Market Participants: Builder/Developer to build a single or multi-tenant commercial building and support structures to sell to the end user, the owner/occupant, the most likely market participant. The end user, owner/occupant might also purchase the tract to develop for specific use.

AS THOUGH IMPROVED

The appraisal report is being completed as Formal Part Affected Appraisal, appraising only the land as if vacant, therefore, highest and best use as improved does not apply.

This Appraisal Is Based On Original Plans		Or Plan Revision	X	Dated: 5/24/2018
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9. Sales Comparison Approach- Land Value Analysis:

Land Sales Comparison Approach

(Insert Comparable Sale Numbers from Brochure or Attachments)

Analysis of Comparability		Sale No.: VL-1 Columbia Pike			Sale No.: VL-2 Moss Lane			Sale No.: VL-3 7020 Berry Farms Crossing		
Consideration		\$764,750			\$760,000			\$725,000		
Date of Sale/ Time Adjustment	3/6/18 6.00%	7/27/17 0.61	Yrs 0.37%	2/12/14 4.06	Yrs 24.36%	3/18/16 1.97	Yrs 11.82%			
Land Area (Acres):	1.95	1.61		1.34		1.11				
Land Area (SF)	84862.00	70189.00			58439.00			48152.00		
Time Adjusted Price per Acre		\$476,758.00			\$705,325.00			\$730,356.00		
Time Adjusted Price per SF		\$10.93			\$16.17			\$16.84		
Proximity to Subject (Miles)		4.66 Miles SW			0.631 Miles S			1+/- Mile SE		
Elements	SUBJECT	Description	Qualitative Analysis	Description	Qualitative Analysis	Description	Qualitative Analysis			
Road Frontage (ft)	176 LF	332 LF	Superior	313 LF	Superior	87 LF	Inferior			
Square Feet	84,862.00	70,189.00	Superior	58,439.00	Superior	48,152.00	Superior			
Location	Average	Average	Equal	Above Average	Superior	Above Average	Superior			
Zoning	MGA-1	CC	Equal	ML	Equal	ML	Equal			
Utilities Avail.	W,E,Septic	W,E,Septic	Equal	W,E,S	Superior	W,E,S	Superior			
Accessibility	Average	Average	Equal	Average	Equal	Average	Equal			
Shape	Irregular	Irregular	Equal	Irregular	Equal	Irregular	Equal			
Topography	Gently Rolling	Gently Rolling	Equal	Level	Superior	Level	Superior			
Other:										
Overall Qualitative Analysis			Equal		Superior		Superior			
Adjusted Indicated Unit Value			\$10.93		\$16.17		\$16.84			
Indicated Value for Subject Land:		\$15.00	per SF X	84,862.00	SF =					
						Value of Subject	\$1,272,930			

In this market area, the most widely accepted method of valuing small acreage residential tracts is on a price per acre basis. However, the price per acre is easily converted to price per square foot. For the purposes of this analysis, price per square foot is used as the value unit of measure. Therefore, I used the price per SF unit value as the appropriate unit of measurement for the analysis.

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The sales were compared to the subject based on property rights conveyed, financing, sale conditions, market conditions, and physical characteristics. To the best of my knowledge, all the sales represented arms-length transactions, which included the fee simple estate property rights. In addition, all of the sales were cash to seller conveyances, whereby financing was not a factor in the sales price. To my knowledge, there were no unusual sale conditions involved in any of other the transactions.

Market Conditions: The sales were adjusted based on a 6% annual appreciation rate (0.5% per month), which is typical for this area.

Qualitative Analysis: Although not enough data exists to form reliable quantitative adjustments to the sales, differences between the subject and comparables will be discussed and considered on a qualitative basis. All three sales were purchased for commercial development, being viable sites for commercial construction that could be developed independently as the subject tract. These sales have a similar highest and best use as the subject, therefore, no adjustment is required. The subject and all three sales have slightly different zoning; however, each zoning allows for similar commercial site development as the subject, therefore no adjustment for zoning is necessary.

Sale VL-1: The comparable has more road frontage and similar irregular site configuration as the subject. The time adjusted sales for this sale is \$476,758/Acre or \$10.93/SF. This sale is considered equal to the subject, establishing the low range of value.

Sale VL-2: The comparable has more road frontage and less acreage as compared to the subject. The time adjusted value for the comparable is \$705,325/Acre or \$16.17/SF. This sale establishes the mid-range of value and is superior to the subject.

Sale VL-3: The comparable has significantly less road frontage, on a private lane. The comparable is slightly smallest in size of the comparable sales and the subject. This sale sets the high range of value and the sale is considered to be superior to the subject.

Valuation Summary: In conclusion, sales VL-2 and VL-3 despite having a very close proximity the subject, are superior to the subject and VL-1. VL-2 and VL-3 are located in a planned platted development with access to all municipal utilities, including sewer. These two sales have greater market appeal as compared the subject. The primary singular factor shared with the subject is proximity. Sale VL-1 is the greatest distance to the subject, however, this sale remains the most similar. VL-1 is stand alone site located on similar highway artery as the subject, has similar municipal amenities.

The market value estimate for the subject is \$15.00/square foot or \$653,400/Acre for the subject's 84,862 square feet or 1.95 acres of net usable area.

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10. **Describe Remainder(s)**

The remainder will have the same shape and topography as in the before situation. There is no fee simple acquisition area, only easements. The site area will remain **5.88 +/- acres**.

11. **Permanent Easement**

There is a 20-foot permanent sewer line easement consisting of **9,996 square feet** located in the middle of the tract near the creek. The area is between the existing sewer line easement area and the rear property boundary. This area is for the construction of the proposed sewer line. The acquisition of this area does not adversely affect the subject tract or the improvements located near the front of the tract. There are no improvements located in the acquisition area. The exact location of the septic system lines is unknown, if the septic system lateral lines are disturbed, The City of Franklin will replace in like kind.

12. **Temporary Easement**

The proposed construction easements are located in **two areas**, one on the north side of the permanent easement consisting of **30-foot area of 14,635 SF** and one area on the south side of the permanent easement consisting of **10-foot wide are of 1,267 SF**. The **total area** of the temporary construction easement is **15,902 SF**. These easement areas run along the side of the permanent easement to from the existing permanent sewer line easement to the rear property boundary line and are irregular shaped.

The temporary construction easement and temporary access and construction easement will be used during the 12-month construction timeframe. After the construction is completed, the fee simple rights are retained by the property owner.

The most common methodology is to estimate the value of the construction easement based on the average per unit value of the subject site. The City of FRANKLIN has projected use of property for a 12-month period. I have used a 10% rate of return as the appropriate return on the land for a 1-year period to be applied to the acquisitions by the City of FRANKLIN.

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Market Value	Acreage	Price per Acre	Price per SF	
\$1,272,930	1.95	\$653,400	\$15.00	
Permanent Sewer line Easement				
Type	Price/SF	% of Fee Value	Square Feet	Acquisition Value
Permanent Sewer Line Easement	\$15.00	75%	9,966.00	\$112,455.00
Temporary Construction Easement				
Type	Price/SF	% of Fee Value	Square Feet	Acquisition Value
Temporary Construction Easement	\$15.00	10%	15,902.00	\$23,853.00
Amount Due Property Owner				
Value of Vacant Land- Before the Acquisition				\$1,272,930
Amount Due Owner if Only Part Acquired (Detail Breakdown)				
Permanent Sewer Line Easement	9,996.00	SF @	\$11.25	\$112,455.00
Temporary Construction Easement	15,902.00	SF @	\$1.50	\$23,853.00
Interest Acquired	<i>(See discussion preceding section)</i>			\$0.00
Value of Part Acquired Land & Improvements (Sub-Total)				\$136,308.00
Total Damages <i>(Explanation, breakdown and support in preceding section)</i>				\$0.00
Value of Property Rights Acquired				\$136,308.00
Benefits <i>(Must not exceed incidental damages.)</i>				\$0.00
Total Amount Due Owner (If only partial acquisition.)				\$136,400.00
Value of Vacant Land Only - After the Acquisition				\$1,136,530

Amount Due Property Owner is rounded to \$136,400.00

The sales comparison approach to value is the primary indicator to value for land valuation. The improvements are not considered in the completion of this appraisal report; therefore, the cost and income approaches are not completed.

Note: The foregoing calculations are very precise and imply an accuracy that does not exist in the valuation process. This is particularly true of the calculation of the value of the remainder. Normal

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practice would be to round to the nearest 1% or two significant digits, which would often fail to pay the property owner for all of the acquisition area. The amount due owner for each acquisition is rounded up to the nearest dollar and the final amount due owner is rounded up to the nearest hundred dollars.

13. **Improvements Acquired**

Landscaping: There is no landscaping in the acquisition areas.

Improvements: None

14. **Damages (Cost to Cure):** None

15. **Damages (Permanent i.e, Before and After):** None

The proposed acquisition has such a minimal effect on value that no discernible difference in market value before and after the acquisition can be ascertained in the marketplace. By State statute, the City of Franklin must pay for the actual acquisition, regardless of the fact that no discernible difference in market value before and after the acquisition can be demonstrated. Therefore, this report will address the Before Value and the value of the part acquired without consideration to the market value post acquisition.

Benefits: In the after situation, public sanitary sewer will be available to the subject tract. This is general benefit to each tract affected by the project.

Benefits can only be used to offset damages and not the value of acquisition. There are no damages associated with the acquisition area in relation to the remainder in the after situation, therefore, benefits are not calculated for the subject tract.

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VIEW OF EASEMENT AREA



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LEGAL DESCRIPTION OF ACQUISITION AREA

EASEMENT 15

A 20' Permanent Sanitary Sewer Easement and accompanying Temporary Construction Easement granted to the City of Franklin by Henpeck Village Market, said easement lying entirely within Parcel 26.00 of Map 106 as recorded in Deed Book 7043, Page 168 of the Registers Office of Williamson County, Tennessee. Said easement is as depicted on the preceding page and described herein.

Commencing at the southwest corner of said parcel, said point being in the boundary between Henpeck Village Market on the north and Williamson County Board of Education on the south. Thence from the Point of Commencement and with the southwestern boundary of said parcel N29°45'57"W, 96.54' to the Point of Beginning of this easement.

Thence from the Point of Beginning and with the southwestern boundary of said parcel N29°45'57"W, 20.55' (L1) to a point.

Thence along two lines as follows:

N46°59'14"E, 335.14' (L2) to a point, and

N21°46'55"E, 159.87' (L3) to a point in the northeastern boundary of said parcel.

Thence with the northeastern boundary of said parcel S56°38'57"E, 20.41' (L4) to a point.

Thence leaving the northeastern boundary of said parcel along two lines as follows:

S21°46'55"W, 160.25' (L5) to a point, and

S46°59'14"W, 344.32' (L6) to the Point of Beginning and containing 9,996 square feet (0.23 acre) more or less.

The easement herein described is accompanied by a Temporary Construction Easement that is 30' in width (14,635 square feet) on the north side of the permanent easement and 10' in width (1,267 square feet) on the south side of the permanent easement. Said Temporary Construction Easements will be abandoned upon completion of construction of the sanitary sewer line.



Bearings and distances specified herein are based on existing deed references and information provided by others and have not been field verified.

The easements shown herein are not intended to represent full boundary surveys and were prepared under the authority of TCA 62-18-126.

These easements are not general property surveys as defined under rule 0820-03-07.

EXHIBIT 1, PAGE 2 OF 2

REVISION #1 - 5/24/2018

 <p>278 FRANKLIN ROAD, SUITE 200 • 300 VESTAVIA PARKWAY, SUITE 2300 BRENTWOOD, TN 37027 • BIRMINGHAM, AL 35216</p>	<p>MAP SHOWING DEDICATION OF EASEMENT</p> <p>TO: CITY OF FRANKLIN</p> <p>FROM: HENPECK VILLAGE MARKET</p> <p>FOR: HENPECK LANE SEWER</p>	 <p>HISTORIC FRANKLIN</p>	<p>EASEMENT NO. 15</p> <p>MAP NO. 106</p> <p>PARCEL NO. 26.00</p> <p>H&D PROJECT NO 1082-05</p>
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**APPRAISAL REPORT
CITY OF FRANKLIN**

EASEMENT EXHIBIT MAP

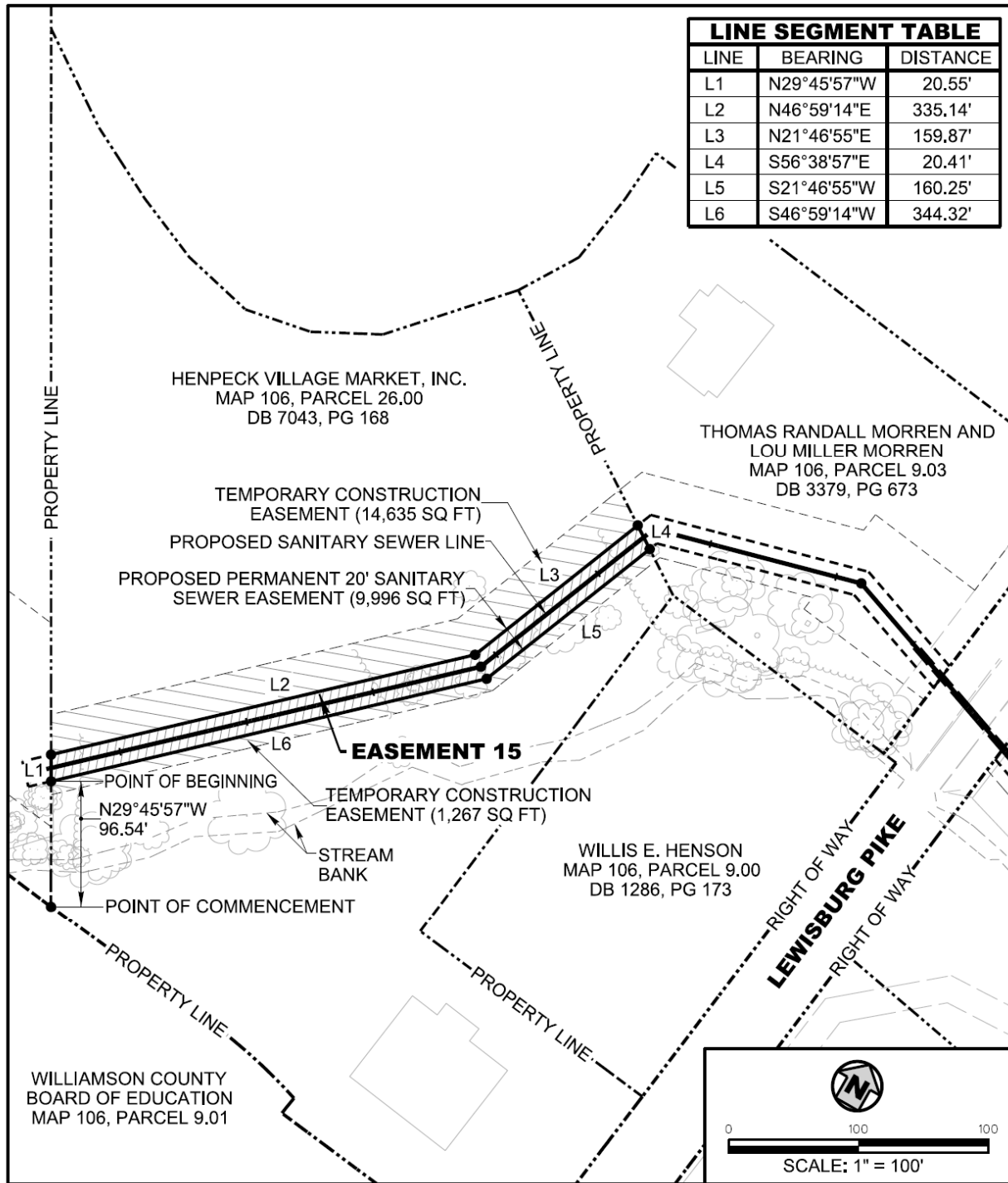



EXHIBIT 1, PAGE 1 OF 2

REVISION #1 - 5/24/2018

<p>HETHCOAT DAVIS ENGINEERS PLANNERS</p> <p>278 FRANKLIN ROAD, SUITE 200 BRENTWOOD, TN 37027 • 300 VESTAVIA PARKWAY, SUITE 2300 BIRMINGHAM, AL 35216</p>	<p>MAP SHOWING DEDICATION OF EASEMENT TO: CITY OF FRANKLIN FROM: HENPECK VILLAGE MARKET FOR: HENPECK LANE SEWER</p>	 <p>HISTORIC FRANKLIN</p>	<p>EASEMENT NO. 15 MAP NO. 106 PARCEL NO. 26.00 H&D PROJECT NO 1082-05</p>
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**APPRAISAL REPORT
CITY OF FRANKLIN**

AERIAL VIEW OF THE SUBJECT TRACT



**APPRAISAL REPORT
CITY OF FRANKLIN**

LEGAL DESCRIPTION OF THE SUBJECT TRACT

Being Lot No. 1 on the Final Plat of Willis E. Henson of record in Plat Book P36 Page 26 Register's Office for Williamson County, Tennessee to which plan reference is hereby made for a more complete and accurate description.

Being the same property conveyed to Joe-Max Moore, LLC by deed from Marshall L. Hix Successor Trustee of record in Book 5255 Page 597 and amended in Book 5296 Page 343 Register's Office for Williamson County, Tennessee

This conveyance is made subject to the following: 1) 2017 taxes, a lien which are not yet due and payable. 2) All matters appearing on plan of Willis E. Henson of record in Plat Book P36 Page 26 Register's Office for Williamson County, Tennessee. 3) Right of Way Easement for benefit of MTEMC of record in Book 819 Page 766

This property is improved property known as 1268 Lewisburg Pike, Franklin, Tennessee 37064

APPRAISAL REPORT CITY OF FRANKLIN

PLAT MAP

services from the house to the Williamson County Department of he finished elevation of the house

thereof, shall encroach on, in or within d or platted SSSS areas. It shall be y drainage improvement practice associated

MAP 106, PARCEL 9.04
EVERETT E. LANG, ETUX LINDA L.
DEED BOOK 1520, PAGE 938, R.O.W.C.

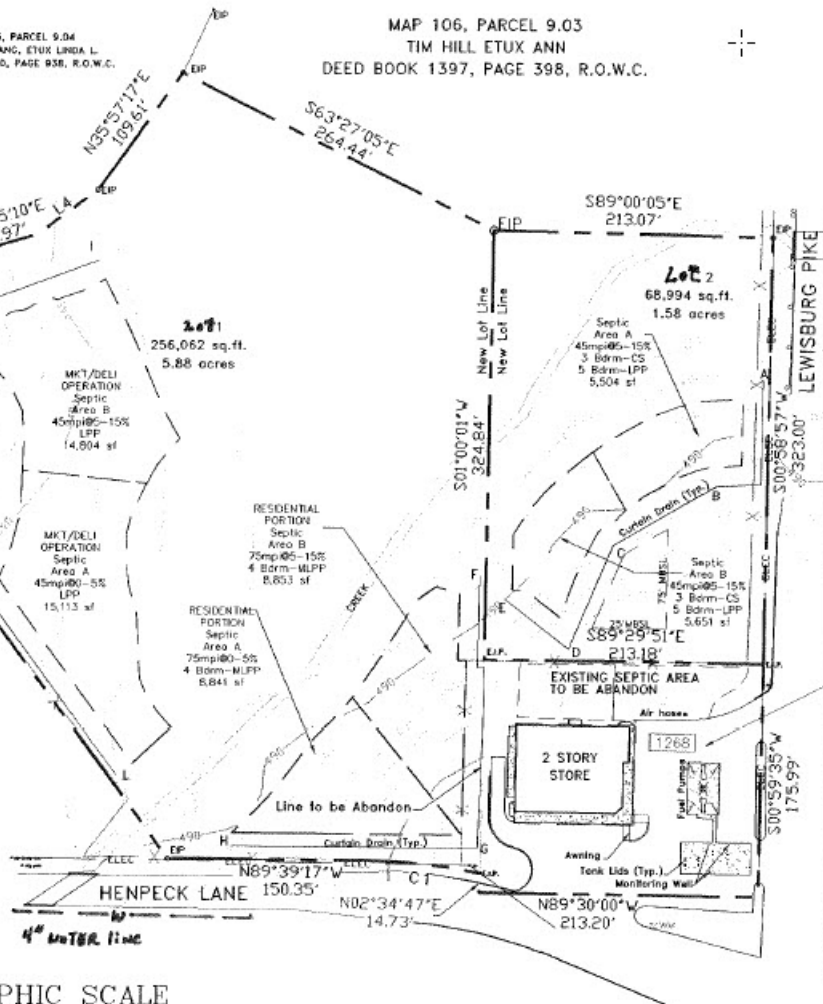
MAP 106, PARCEL 9.03
TIM HILL ETUX ANN
DEED BOOK 1397, PAGE 398, R.O.W.C.

MAP 106, PARCEL 9.01
WILLIAMSON COUNTY
BOARD OF EDUCATION
DEED BOOK 1018, PAGE 948, R.O.W.C.

MAP 10
WILLIS
DEED BOOK 128.

CHORD	DIST.
N83°56'24"W	87.07

GRAPHIC SCALE



**APPRAISAL REPORT
CITY OF FRANKLIN**

PURPOSE OF APPRAISAL

The purpose of the appraisal is to estimate the amount due the property owner as a result of acquisition of all, or a portion of, the property for a proposed highway right-of-way project. The value estimate in this report is based on market value. See "Definition of Market Value" below.

DEFINITION OF MARKET VALUE

All estimates of value prepared for agency acquisitions shall be based on "market value" –as defined and set forth in the *Tennessee Pattern Jury Instructions 2nd Edition* to wit: "the amount of money which a purchaser, willing but under no compulsion to buy, would pay, and which a seller, willing but under no compulsion to sell, would accept, taking into consideration all the legitimate uses to which the property was adaptable and might in reason be applied".

PROPERTY RIGHTS APPRAISED

Basic underlying property rights considered herein are those of a 100% ownership position in Fee Simple, 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." *The Appraisal of Real Estate, 14th ed. Chicago, IL (page 5)*.

The proposed acquisition consists of a fee acquisition and/or easement rights for the proposed construction of a **SEWER LINE**. The easement rights, if any, consist of the acquisition of less than fee simple title and in these cases the extent of the property rights conveyed have been considered in arriving at the estimate of value.

Any and all liens have been disregarded. The property is assumed to be free and clear of all encumbrances except easements or other restrictions as noted on the title report or during physical inspection of the property and mentioned in this report.

INTENDED USE

The intended use of this appraisal is to assist the City of FRANKLIN in sewer line easement acquisition.

INTENDED USER

The intended user of this report is the City of FRANKLIN. This Formal Part-Affected appraisal of a 100% ownership position is intended for the sole purpose of assisting the City of FRANKLIN in the acquisition of land for SEWER LINE purposes. This appraisal pursuit excludes those property elements (land and/or improvements) that are not essential considerations to the valuation solution. This is an **Appraisal Report**, which is intended to comply with Standard Rule 2-2(a). As such, it presents only highly limited discussions of the data, reasoning and analysis that were used in the appraisal process. Supporting documentation that is not provided within the report is retained in the appraiser's work file. The depth of discussion contained in this report is specific to the needs of the client.

NOTE: If this appraisal is limited to the area affected by the acquisition for the proposed project and consists of only a part of the whole property, the value for the portion appraised cannot be used to estimate the value of the whole by mathematical extension.

**APPRAISAL REPORT
CITY OF FRANKLIN**

Plans for the proposed construction, including cross sections of cuts and fills for the subject property, have been considered in arriving at the estimates of market value.

ATTACHMENTS

Sales information and/or other pertinent information, which is part of this appraisal report and referenced in the text of this appraisal, can be found:

 X attached at the end of this report.

 in a related market data brochure prepared for this project and which becomes a part of this report.

SCOPE OF WORK

The City of FRANKLIN has requested an appraisal to estimate the market value of the property described herein for the purpose of acquisition. In accordance with the client's request, appropriate/required inspections and investigations have been conducted to gain familiarity with the subject of this report and the market in which it would compete if offered for sale.

Reliable data-subscription services have been utilized as the primary search tool for transfers of vacant land as well as improved properties. Deeds have been read and interviews with property owners and project-area real estate professionals conducted to the extent necessary to gain clarity and market perspective sufficient to develop credible opinions of use and value. Where construction costs are an integral part of the valuation pursuit, national cost services have been employed, but supplemented by local suppliers and contractors where necessary.

Applicable and customary approaches to value have been considered. Each of the traditional approaches to value has been processed or an explanation provided for the absence of one or more in the valuation of the subject property. For acquisition appraisals, furnished SEWER LINE plans have been utilized to visualize the property in an after-state where there is a remainder. Damages and/or special benefits have been considered for all remainders. As well, for acquisition appraisals, a "Formal" appraisal includes all real property aspects of the "Larger Parcel" as defined in this report or the tract as shown on the right-of-way plans, in the acquisition table, or extant on the ground at the time of inspection or date of possession. A "Formal Part-Affected" appraisal generally constitutes something less than a consideration of the entire tract, but in no way eliminates appropriate analyses, or diminishes the amount due owner had a "Formal" appraisal been conducted.

Acquisition appraisals are conducted in accordance with Tennessee's State Rule which asserts that the part acquired must be paid for and that special benefits can only offset damages.

The public improvement project or its anticipation cannot be considered in the "before" value estimate; however, when there is a "remainder", the public improvement project must be considered as to its influence on said remainder (CFR, Title 49, Subtitle A, Part 24, Subpart B, Sec. 24.103(b). Source: USPAP FAQ 212.

Applicable to Formal Part-Affected type of appraisal – when all the land and or/all improvements are not appraised, the appraisal report must disclose the existence of land and improvements as part of the property.

Reasonable exposure time is not a component of the definition for the value opinion being developed. Source: Standards Rule 1-2(c) Comment and Advisory Opinion 35 effective with 2016-2017 edition of USPAP.

**APPRAISAL REPORT
CITY OF FRANKLIN**

Underlying Assumptions and Limiting Conditions

This appraisal report has been made with the following assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions:

- (1) The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- (2) Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purposes by any person other than the party to whom it is addressed without the written consent of the appraiser and in any event, only with proper written qualification and only in its entirety.
- (3) The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
- (4) Neither all nor any part of the contents of this report (*especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected*) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
- (5) Land areas are based on the Acquisition Table unless otherwise noted in this report.
- (6) No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- (7) The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
- (8) Responsible ownership and competent property managements are assumed.
- (9) The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- (10) All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- (11) It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- (12) It is assumed that there is full compliance with all-applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
- (13) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
- (14) It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- (15) It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

**APPRAISAL REPORT
CITY OF FRANKLIN**

(16) Unless otherwise stated in this report, the appraiser did not observe the existence of hazardous material, which may or may not be present on the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, area-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 are no additional materials on 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 or the costs involved to remove them. The appraiser reserves the right to revise the final value estimate if such substances are found on or in the property.

(17) Applicable to Formal Part-Affected type of appraisal when all the land area and/or all improvements are not appraised this is considered a hypothetical condition. The use of this hypothetical condition might have affected assignment results.

**APPRAISAL REPORT
CITY OF FRANKLIN**

Certification of the Appraiser

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

1. 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, impartial, and unbiased professional analyses, opinion, and conclusions.
2. 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 services as an appraiser or in any other capacity regarding the property that is the subject of this report within a three-year period immediately preceding acceptance of this assignment.
3. I have no bias with respect to the subject property or the parties involved with this assignment. My engagement was not contingent upon developing or reporting predetermined results. I have no bias with respect to the subject property or to the parties involved with this assignment. 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.
4. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, which encompass within them the Uniform Standards of Professional Appraisal Practice (USPAP) developed by the Appraisal Standards Board of The Appraisal Foundation. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute for designated members.
5. I have made a personal inspection of the property that is the subject of this report. I have also made a personal field inspection of comparable sales relied upon in making-said appraisal. The subject and the comparable sales relied upon in making a said appraisal were as represented by the photographs contained in the market data brochure.
6. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
7. My engagement was not contingent upon developing or reporting predetermined results. My compensation 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 estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. That I understand that such appraisal is to be used in connection with the acquisition of right-of-way for a SEWER LINE to be constructed by the City of FRANKLIN, without the assistance of Federal funds.
9. That any increase or decrease in fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, will be disregarded in determining the compensation for the property.


**APPRAISAL REPORT
CITY OF FRANKLIN**

10. That I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the City of FRANKLIN and I will not do so until so authorized by City Officials, or until I am released from such obligation by having to publicly testify as to such finding.

Date(s) of inspection of subject: March 6, 2018

Date(s) of inspection of Comparable sales: July 18, 2018

11. That the right-of-way limits were staked or marked sufficiently for proper identification of this tract.
12. The property owner, was NOT contacted per client instruction, and was not present during the inspection of the subject tract and easement area.
13. That my opinion of fair market value of the acquisition as of **March 6, 2018** was **\$136,400.00** based upon my independent appraisal and the exercise of my professional judgement. That value is based on the hypothetical condition that the proposed SEWER LINE improvements are in fact constructed as shown on the referenced plans.

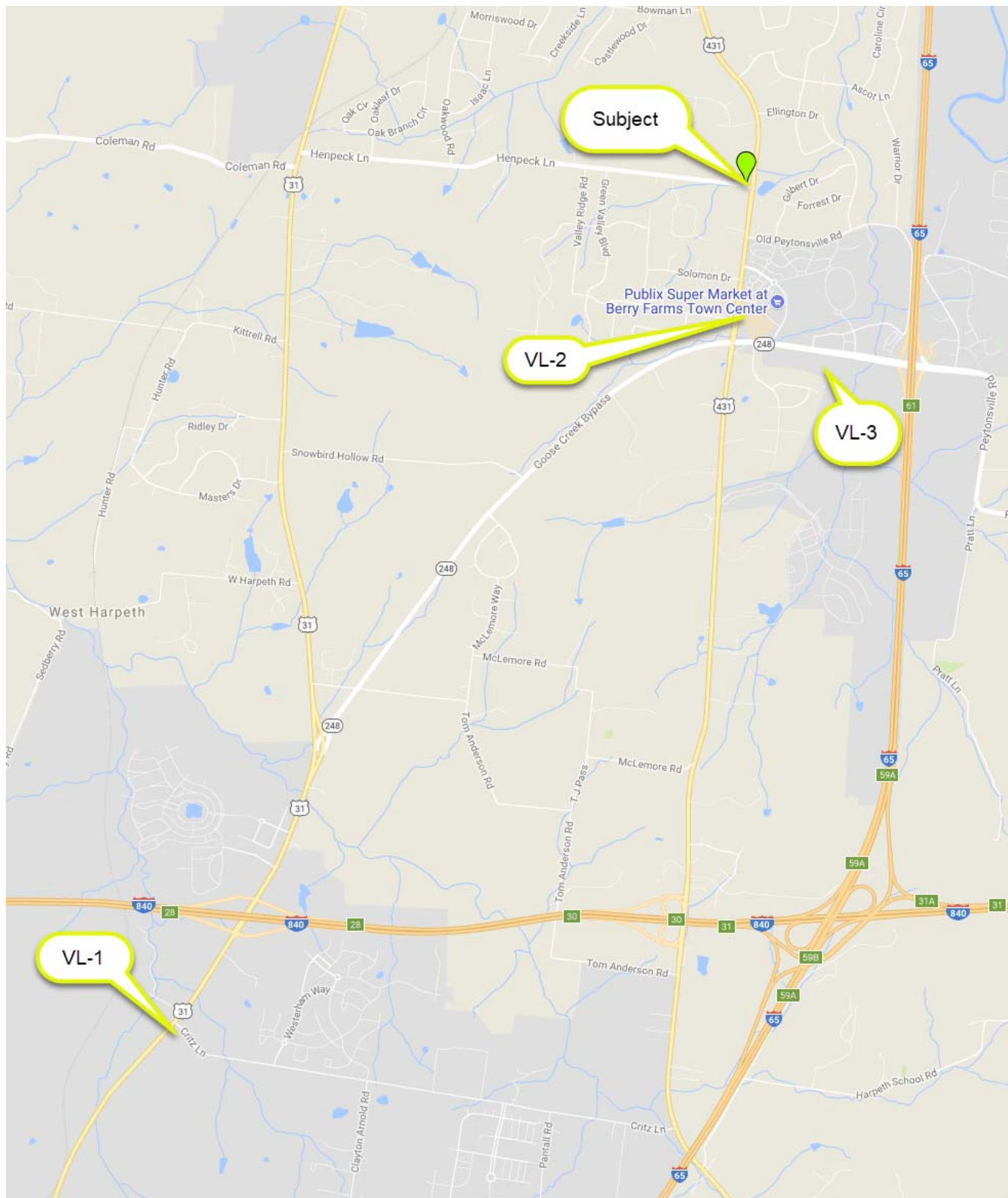
Appraiser's Signature 

Date of Report: August 2, 2018

Tennessee Certified General Appraiser No. TN CG-2244

APPRAISAL REPORT CITY OF FRANKLIN

LOCATION MAP



VACANT LAND MARKET SALES DATA

Vacant Land Sales Number: VL-1

Address or General Location: Columbia Pike, Thompson's Station, TN
Tax Map & Parcel Number: 145-02.05
Record Book & Page: 7111/711
Property Rights: Fee Simple
Grantor: Lillian C. Hill, unmarried
Grantee: Tri Star Energy, LLC, a Delaware Limited Liability Company
Date of Sale: 7/27/2017
Verified Consideration: \$764,750.00
Verified: Deed, Public Records
Financing: N/A
Motivation of Sale: Cash to seller

Physical Characteristics:

Land Area: **Square Feet** 70,189 +/- **Acres** 1.61+/-
Frontage: 332+/- Linear Feet **Depth:** 300+/- Linear Feet
Shape: Triangular **Topography:** Basically level
Access : Columbia Pike and Critz Lane
On Site Improvements : None
Off Site Improvements : None
Encumbrances : (Easements, etc.) Those of record in Record Book 7111 Page 712
Utilities : Water, Electric, Septic System
Zoning :
Highest and Best Use : Commercial

*Measurements are determined using CRS GIS data and measurement tools

Adjusted Unit of Comparison:

\$10.89 Per SF \$475,000 Per Acre

Comments:

This site was purchased for a convenience store. The price was negotiated one to two years prior to the sale, which was delayed by both the Highway 31 and Critz Lane widening projects.

The site size is analyzed as stated in cited deed, RB 7111 Page 711.

VACANT LAND MARKET SALES DATA

AERIAL VIEW FROM GIS MAP



PHOTOS FROM PUBLIC ROAD

DATE 7/18/2018



VACANT LAND MARKET SALES DATA



VACANT LAND MARKET SALES DATA

Vacant Land Sales Number: VL-2

Address or General Location: Moss Lane, Franklin, TN
Tax Map & Parcel Number: 106P-F-006.00
Record Book & Page: RB 6133 Page 441
Property Rights: Fee Simple
Grantor: Rural Plains Partnership
Grantee: Horseshoe Properties, LLC
Date of Sale: 02/21/2014
Verified Consideration: \$760,000
Verified: Deed, Public Records
Financing: N/A
Motivation of Sale: Cash to seller

Physical Characteristics:

Land Area: **Square Feet** 58,439 **Acres** 1.34
Frontage: 135+/- LF **Depth:** 313+/- LF
Shape: Irregular **Topography:** Basically level
Access : Paved road
On Site Improvements : None
Off Site Improvements : None
Encumbrances : (Easements, Those of record, RB 6133 Pg 441
etc.)
Utilities : Water, Sewer, Electric
Zoning : ML- Local Mixed-Use District
Highest and Best Use : Commercial development

*Measurements are determined using CRS GIS data and measurement tools

Adjusted Unit of Comparison:

\$13.00 Per SF \$567,164 Per Acre

Comments:

The site has been improved with The Goddard School.

VACANT LAND MARKET SALES DATA

PHOTOS FROM PUBLIC ROAD

DATE 7/18/2018



VACANT LAND MARKET SALES DATA

AERIAL VIEW FROM GIS MAP



PLAT MAP



VACANT LAND MARKET SALES DATA

PHOTOS FROM PUBLIC ROAD

DATE 7/18/2018

