

City of Fayetteville Staff Review Form

2019-0373

Legistar File ID

7/2/2019

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Tim Nyander

6/18/2019

WATER SEWER (720)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Staff recommends approval of the purchase of 0.72 acres from Dustin and Ryan Davis in exchange for the conveyance of 0.06 acres of City-owned land and payment in the amount of \$25,000.00 plus the City's share of closing costs, payment in the estimated amount of \$10,338.00 for water meters, impact fees, and the relocation of utility poles to facilitate the removal and reconstruction of the Benson water storage standpipe, and to approve a project contingency in the amount of \$2,000.00.

Budget Impact:

5400.720.5600-5808.00

Water and Sewer

Account Number

Fund

12009.1

Water System Rehabilitation/Replacement

Project Number

Project Title

Budgeted Item? Yes

Current Budget \$ 8,989,961.00

Funds Obligated \$ 2,802,308.11

Current Balance \$ 6,187,652.89

Does item have a cost? Yes

Item Cost \$ 38,338.00

Budget Adjustment Attached? No

Budget Adjustment \$ -

Remaining Budget \$ 6,149,314.89

V20180321

Purchase Order Number: _____

Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments: The total potential cost of this request is \$38,338.00, including the contingency.



MEETING OF JULY 2, 2019

TO: Mayor and City Council

THRU: Don Marr, Chief of Staff
Tim Nyander, Utilities Director

FROM: Corey Granderson, Utilities Engineer

DATE: June 18, 2019

SUBJECT: **Approval of a Resolution to convey 0.06 acres of land owned by the City to Dustin Davis and to purchase 0.72 acres in order to facilitate the removal and reconstruction of the Benson water storage standpipe**

RECOMMENDATION:

Staff recommends approval of the purchase of 0.72 acres from Dustin and Ryan Davis in exchange for the conveyance of 0.06 acres of City-owned land and payment in the amount of \$25,000.00 plus the City's share of closing costs, payment in the estimated amount of \$10,338.00 for water meters, impact fees, and the relocation of utility poles to facilitate the removal and reconstruction of the Benson water storage standpipe, and to approve a project contingency in the amount of \$2,000.00.

BACKGROUND:

The East Service Area Water System Improvements project is in the engineering design phase, and includes the demolition of an aged and undersized water storage standpipe located east of the City of Goshen at approximately 22032 Tower Road (WC4343). The standpipe is located on approximately 0.06 acres of City-owned land, engulfed by a larger parcel.

The new standpipe will be constructed in a different location on this larger parcel so that the old tank can remain in service during construction. Once the new tank is online, the old tank can be demolished and the property convey to the owner of the larger parcel. The City has negotiated for purchase of a new 0.72-acre tract created for the new tank site.

DISCUSSION:

The City's current parcel is appraised at \$5,000; therefore, that property may be sold without going through the competitive bidding process which is required for the sale of city land valued at more than \$20,000.00. The new parcel necessary for the new water standpipe is appraised at \$30,000 (due to larger area). Therefore, the terms of this offer include \$25,000 for the net purchase of the property, approximately \$4,338 for setting water meters and paying impact fees on this property, approximately \$6,000 for relocation of 3 utility poles incidental to construction, and \$1,000 towards the City's share of property closing costs. Additionally, this request will approve a project contingency in the amount of \$2,000. The total potential cost of this request is \$38,338.00, including the contingency.

BUDGET/STAFF IMPACT:

Funding for this project is available from the Water System Rehabilitation account.

Attachments:

Site Plan of Tract Split

Property Appraisal

Accepted offer letter to property owner



BENSON MTN TANK LAND
22032 WC 4343 | ELKINS, ARKANSAS 72727
EFFECTIVE DATE | JANUARY 27, 2019

Prepared For:
Holly Jones, Land Agent, Engineering Division | City of Fayetteville
125 W Mountain, Fayetteville, AR 72701



February 15, 2019

Holly Jones, Land Agent, Engineering Division
City of Fayetteville
125 W Mountain
Fayetteville, AR 72701

RE: Benson Mtn Tank Land
22032 WC 4343
Elkins, Arkansas 72727

Dear Ms. Jones:

As you requested, we have appraised the property above for the purpose of rendering an opinion of the "market value" of the Fee Simple interest. We have not appraised this property within the last three years.

The property was inspected and photographed January 27, 2019. The following report contains our research, findings, analysis, and resulting conclusions. This appraisal report conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

The subject property has no known significant natural, cultural, recreational, or scientific value. The appraisers signing this report have no knowledge concerning the presence or absence of toxic materials, asbestos, and/or urea formaldehyde foam insulation in existing improvements; if such is present, the value of the property may be adversely affected, and a reanalysis at additional cost necessary to estimate the effects of such.

Our opinion of the market value of the **Fee Simple** interest in the subject property as of:

Tract #1 (0.06 Acre)

January 27, 2019 is: \$5,000

Tract #2 (0.72 Acre)

January 27, 2019 is: \$30,000

Respectfully submitted,


Zach J. Holland
AR CG 2911



Certification

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

1. *The statements of fact contained in this report are true and correct.*
2. *The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.*
3. *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. *I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.*
5. *I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.*
6. *My engagement in this assignment was not contingent upon developing or reporting predetermined results.*
7. *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.*
8. *My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as the State of Arkansas.*
9. *To the best of the appraiser's ability, the analysis, opinions, and conclusions were developed and the report was prepared in accordance with the appraisal standards of the appropriate federal banking regulatory agencies.*
10. *Zach Holland made a personal inspection of the property that is the subject of this report.*
11. *Dallas Bartholomew (AR SR 4412) provided significant real property appraisal assistance to the persons signing this certification. He researched physical characteristics and researched and verified comparable information.*
12. *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.*
13. *The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.*
14. *As of the date of this report, Zach Holland has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.*


Zach J. Holland
AR CG 2911



EXECUTIVE SUMMARY

PHYSICAL CHARACTERISTICS		
Benson Mountain Tank	Property Name	
22032 WC 4343	Street Address	
Elkins	City	
AR	State	
72727	Zip	
1/27/2019	Effective Date	
2/11/2019	Report Date	
0.06	Acres - Land (Tract 1)	
0.72	Acres - Land (Tract 2)	
2,614	SqFt - Land (Tract 1)	
31,363	SqFt - Land (Tract 2)	
No City Zoning	Zoning	
VALUE INDICATIONS		
12 Months	Exposure Time	
\$ 5,000	Land Value As Vacant (Tract 1)	
\$ 30,000	Land Value As Vacant (Tract 2)	

SUBJECT DESCRIPTION:

The subject is two tracts of land. Tract #1 is a landlocked +/-0.06 Acre parcel located on the northeast side of WC 4343, approximately 0.25 miles from the intersection of WC 4343 and Fire Tower Rd. and contains a water tank known as the Benson Mountain Tank. Tract #2 is a +/-0.72 acre parcel located just on the other side of WC 4343, approximately 0.25 miles from the intersection of WC 4343 and Fire Tower Rd. The City of Fayetteville is planning to remove and replace the water tank currently known as the Benson Mountain Tank. They have arranged with the adjoining property owner a "swap" so that they may deed him the current tank site and in exchange he will warrant them the property south of WC 4343(Tract #2).

HIGHEST & BEST USE:

Vacant Land as Investment

APPRAISERS:

Zach J Holland, AR CG 2911

EXECUTIVE SUMMARY

Extraordinary Assumptions

Extraordinary Assumption is defined as follows: *An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: 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 an 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.
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.²

Hypothetical Conditions

Hypothetical Condition is defined as follows: *A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of the analysis. Comment: Hypothetical conditions are 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.*³

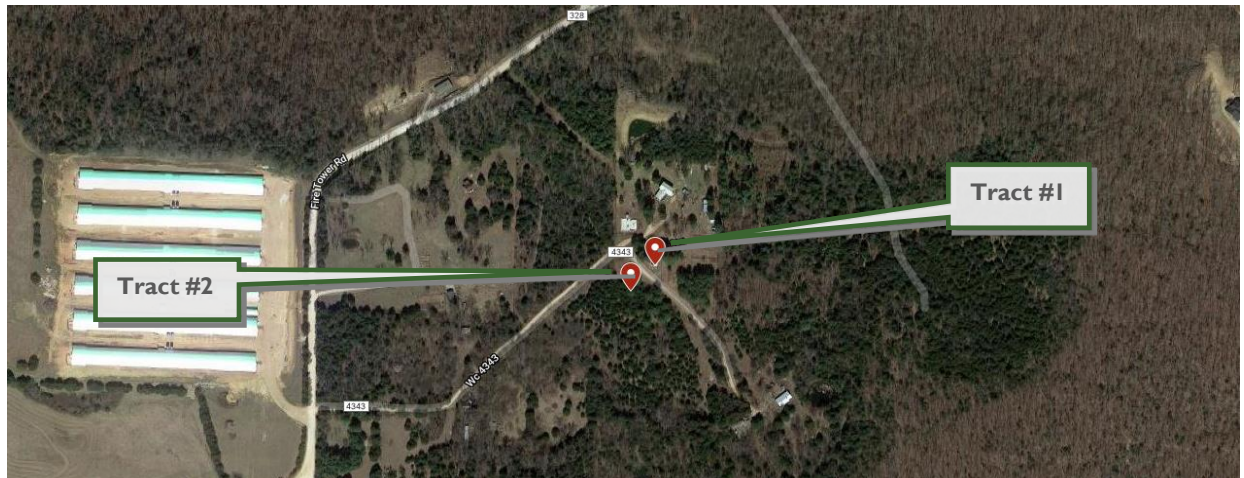
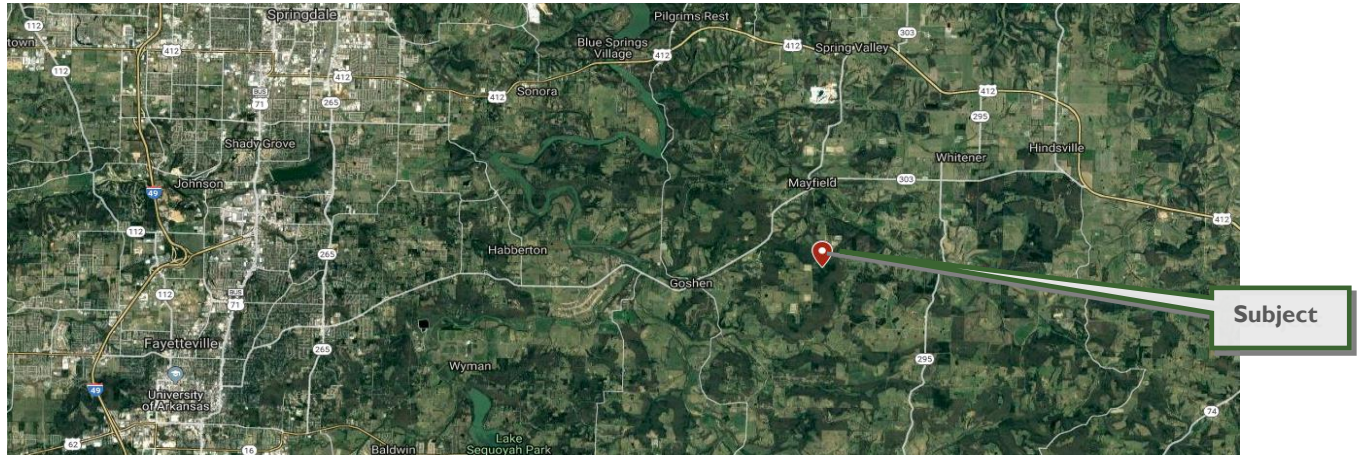
We are appraising both tracts as if vacant. We operate under the hypothetical condition that there are no improvements, tanks, etc on the site. We use this condition in order to reach a value for the underlying land only, as requested by the client.

¹ Appraisal Institute. (2015). The Dictionary of Real Estate Appraisal (6th ed.). Chicago, IL: Author. 83-84.

² Appraisal Standards Board. (2016). Uniform Standards of Professional Appraisal Practice (2016-2017 ed.). USA: Appraisal Foundation. 19.

³ Appraisal Institute. (2015). The Dictionary of Real Estate Appraisal (6th ed.). Chicago, IL: Author. 113.

SUBJECT PROPERTY SATELLITE IMAGERY



PERSONAL INSPECTION PHOTOGRAPHS



Personal Inspection Photographs, Continued



Personal Inspection Photographs, Continued



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Introduction and Overview

Property to be Appraised

Address: 22032 WC 4343, Elkins, Arkansas 72727

Location:

Tract #1:

Located on the northeast side of WC 4343, approximately 0.25 miles from the intersection of WC 4343 and Fire Tower Rd.

Tract #2:

Located on the southwest side of WC 4343, approximately 0.25 miles from the intersection of WC 4343 and Fire Tower Rd.

Legal Description:

Parent Tract:

A part of the East Half (E ½) of the East half (E ½) of the Southeast Quarter (SE ¼) of the Southeast Quarter (SE ¼) of Section 27, Township 17 North, Range 28 West, Washington County, Arkansas.

Tract #1

The East Half (E ½) of the Southeast Quarter (SE ¼) of the Southeast Quarter (SE ¼) of Section 27 in Township Seventeen (17) North, Range Twenty-eight (28) West, Washington County, Arkansas.

Tract #2

A part of the East Half (E ½) of the East Half (E ½) of the Southeast Quarter (SE ¼) of the Southeast Quarter (SE ¼) of Section 27, Township 17 North, Range 28 West, Washington County, Arkansas.

Property to be Appraised, Continued

Parent Tract, Tract #2, & Parcel # 001-14105-000

More Info	Map It	Parcel: 001-14105-000	RPID: 20701	Prev.Parcel:101837-000-00	Type: Agri Improved
Owner: DAVIS, DUSTIN & RYAN YOUNGBLOOD		Sub: 27-17-28			
Address: 22014 TOWER (WC 4343) RD		City: Fayetteville			
Mail Address: 22014 TOWER RD ELKINS, AR 72727		Assessed Value: 29,930			
		S-T-R: 27-17-28			
		Block / Lot: N/A / N/A			
		Acres: 8.660			
<p>Legal: PT SE SE 8.66 A FURTHER DESCRIBED AS: The East Half (E 1/2) of the Southeast Quarter (SE 1/4) of the Southeast Quarter (SE 1/4) of Section 27 in Township Seventeen (17) North, Range Twenty-eight (28) West, Washington County, Arkansas. LESS AND EXCEPT: A part of the SE 1/4 of the SE 1/4 of Section 27, Township 17 North, Range 28 West, being more particularly described as follows: From the SE corner of the SE 1/4 of the SE 1/4 of said Section 27, run North 43°32'24" W a distance of 271.61 feet to the Point of Beginning, thence South 0°48'58" E 69.71 feet to a set iron pin; thence North 47°28' 19" W 103.12 feet to a set iron pin; thence East 75.00 feet to the Point of Beginning, containing 0.06 acres, more or less excepted herein. LESS AND EXCEPT: The West Half of the East Half of the Southeast Quarter of the Southeast Quarter of Section 27, Township 17 North, Range 28 West, Washington County, Arkansas, being more particularly described as follows, to-wit: Beginning at a point N 89°42'41" W 331.44 feet from the Southeast corner of said forty acre tract and running thence N 89°42'41" W 331.44 feet to a set iron pin; thence N 00°10'29" W 1322.11 feet to a set iron pin; thence S 89°54'07" E 330.70 feet to a set iron pin; thence S 00°12'23" E 1323.21 feet to the point of beginning, containing 10.05 acres, more or less.</p>					

Tract #1 & Parcel # 001-14105-002

More Info	Parcel: 001-14105-002	RPID: 20703	Prev.Parcel:001-14105-000	Type: Ex. Government
Map It				
Owner: CITY OF FAYETTEVILLE		Sub: 27-17-28		
Address: 22032 TOWER (WC 4343) RD		City: Fayetteville		
Mail Address: 113 W MOUNTAIN ST FAYETTEVILLE, AR 72701-6083		Assessed Value: 0		
		S-T-R: 27-17-28		
		Block / Lot: N/A / N/A		
		Acres: N/A		
Legal: WATER TOWER PT SE SE 0.06AC				

COUNTY PARCELS

Property to be Appraised, Continued



COUNTY MAPS

Purpose of this Appraisal

The purpose of the appraisal is to render an opinion of the market value, as defined, of the **fee simple** interest in the subject property as vacant land.

Property Rights Appraised

The **fee simple estate** is defined as follows: *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

Personal Property / Intangible Assets

Personal Property is defined as follows: *Movable items of property that are not permanently affixed to, or part of, the real estate. Personal property is not endowed with the rights of real property ownership.*⁵

No personal property values were included in this conclusion of value. No Intangible assets were included in this conclusion of value.

Client and Intended User

City of Fayetteville is the “client/intended user” with regard to this appraisal report, and this appraisal report is prepared for the sole and exclusive use of the appraiser’s client. No third parties are authorized to rely upon this report without the express written consent of the appraiser.

Use of this Appraisal

This report is to provide information and supportive documentation to assist The City of Fayetteville in arriving at the final market value estimate of two different tracts of land. Tract #1 is owned by the City of Fayetteville and is approximately 0.06 acres. Tract #2 is owned by a second party and is approximately 0.72 acres. The city intends to deed the 2nd party Tract #1 in exchange for Tract #2 and consequently use this appraisal to justly compensate the owner.

4 Appraisal Institute. (2015). The Dictionary of Real Estate Appraisal (6th ed.). Chicago, IL: Author. 90.

5 Appraisal Institute. (2013). The Appraisal of Real Estate (14th ed.). Chicago, IL: Author. 7.

Appraiser Competency

The appraisers signing this report are competent to prepare appraisal reports for the subject property type.

Zach J Holland, Appraisal Institute, Candidate for Designation: Zach Holland has been preparing commercial appraisals since 2007. He is a certified general appraiser in Arkansas and Oklahoma. He has appraised many land, office, retail, industrial, lodging, special purpose, multifamily, and other commercial properties throughout Arkansas, Oklahoma, Mississippi, Missouri, Louisiana, and Tennessee. He has provided expert testimony in federal court. He serves as Principal Appraiser at HCA and reviews appraisals of contractors and trainees. He has completed the continuing education program for the state licensing board and the Appraisal Institute.

Date of Valuation

Effective Date: *The date in which the appraisal or review opinion applies.*⁶

The estimate and opinion of value is applied as of **January 27, 2019**.

Date of Report

Date of the Report: *The date on which the report is transmitted to the client*⁷

The date of this report is **February 15, 2019**.

⁶ Appraisal Institute. (2015). *The Dictionary of Real Estate Appraisal* (6th ed.). Chicago, IL: Author. 74.

⁷ Appraisal Institute. (2015). *The Dictionary of Real Estate Appraisal* (6th ed.). Chicago, IL: Author. 59.

Definition of Value

This appraisal has been prepared in accordance with the Federal Deposit Insurance Corporation (FDIC) Final Rules, 12 CFR Part 323.2(f), which incorporates the following market value definition.

Market Value is: *The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:*⁸

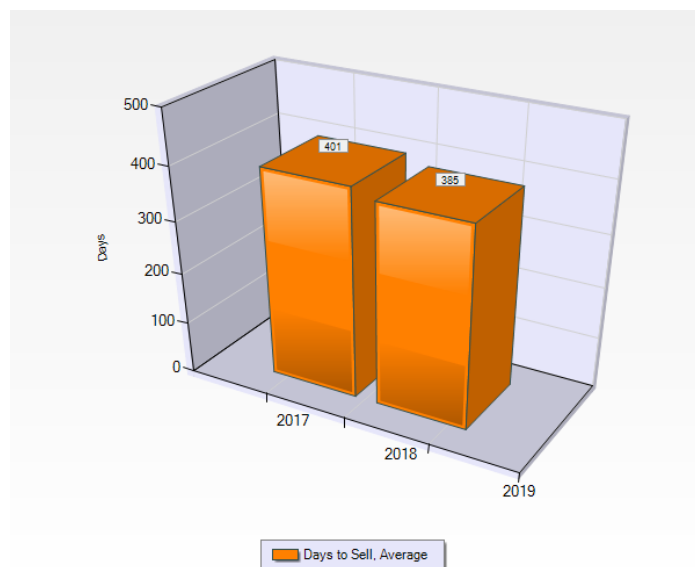
- Buyer and seller are typically motivated
- Both parties are well informed or well advised, and acting in what they consider their own best interests
- A reasonable time is allowed for exposure in the open market
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto
- 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.

Estimated Reasonable Exposure

Exposure Time is: *The estimated length of time that 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. Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.*⁹

Based on historical average days-on-market of similar properties in the market area¹⁰ and on our experience and knowledge of the neighborhood, we estimate exposure time for the subject property to be within **12 months** at the appraised value.

Time frame is from Jan 2017 to Dec 2018
Town is 'Fayetteville'
Property Type is 'Land'
Results calculated from 129 listings



⁸ Appraisal Standards Board. (2016). Uniform Standards of Professional Appraisal Practice (2016-2017 ed.). USA: Appraisal Foundation. 150.

⁹ Appraisal Institute. (2015). The Dictionary of Real Estate Appraisal (6th ed.). Chicago, IL: Author. 83.

¹⁰ nwa.mlsmatrix.com

Scope of this Appraisal

As described in the engagement letter from our client, the scope of this appraisal report is to estimate the ***“market value of the fee simple interest”*** of the subject property as vacant.

This appraisal is completed in phases; general data collection and analysis, neighborhood data collection and analysis, subject property data collection and analysis, highest and best use analysis, market data collection, verification and analysis, valuation, and report preparation. Each phase is performed as applicable to the property and market.

1) General Data Collection and Analysis

This phase includes collection of data relating to national, regional, and local trends, and identification and analysis of the social, governmental, and environmental forces affecting the market value of the subject property.

2) Neighborhood Data Collection and Analysis

This phase entails visiting the subject neighborhood; collecting data related to growth trends, demographics, physical characteristics, available utilities, public improvements and services, etc.; and analyzing the impact on the subject property.

3) Subject Property Data Collection and Analysis

In this phase, we inspect the subject property, interview the owner, engineer and other pertinent professionals available to obtain and review maps and site plans. Upon inspection, we ask owners, managers, and/or tenants about the property condition and recent updates. We collect information about real estate taxes, zoning and other governmental factors. We analyze the functionality, condition, etc. of the subject property. We cannot guarantee that the property is free of encroachments or easements, and we recommend further investigation and an ALTA survey. Our conclusion of value is based upon the assumption that there are no hidden or unapparent conditions of the property that might impact the buildability. We recommend due diligence be conducted through the local building department or municipality to investigate buildability and whether property is suitable for intended use. Roofs, interior framework, and foundations are not always visible and sometimes can only be assumed to be in similar condition to the visible areas of the building. We recommend an inspection by a professional building inspector. We make no representations, guarantees or warranties.

SCOPE OF THIS APPRAISAL Continued:**4) Market Data Collection and Analysis**

In this phase, we obtain and verify comparable sales data for vacant land and improved properties from public records and from personal interviews. We collect market data related to construction costs, depreciation, etc. from a variety of sources. All data is verified when possible. We attempt to interview parties to the transactions to shed light on details of the property and sale and/or lease. County records in this market are typically dependable sources of comparable sales data, but, at a minimum, we find two sources of comparable price and size by cross-referencing tax records, deeds, MLS, subscription sales databases, GIS data, commercial listings, and local press. Comparable leases are typically provided by property owners, but they frequently prefer the details remain confidential, relegating us to divulge only property type, general location and characteristics if we wish to include the details of the rental rate and other terms. Leases from public sources often include less details or are asking rates, but they are also included in order to provide non-confidential, detailed lease comparables as well as provide an estimate of the current asking rates.

5) Highest and Best Use Analysis

In highest and best use analysis, we analyze all compiled data to determine: supply and demand, legal uses, physically possible uses, feasible uses, and that use which is maximally productive for the site as vacant and/or improved. The appraisers utilize inferred market analysis. The projections utilized are based on the appraisers' experience with other similar properties in the market area and the market studies at our disposal. If unforeseeable changes in the market or subject property occur, the highest and best use and value may be impacted.

6) Valuation

In the valuation phase, we utilize the Sales Comparison Approach.

7) Report Preparation

In the final phase, we prepare a narrative appraisal report, a Real Estate Appraisal Report under Standards Rule 2-2, as defined in the Uniform Standards of Professional Appraisal Practice, USPAP, a complete appraisal performed under Standards Rule 1 of the USPAP.











Subject Property Details

Ownership and Marketing History

Research of Washington County Public Records indicates that the **Parent Tract and Tract #2** is owned by **Davis, Dustin, & Ryan Youngblood** while **Tract #1** is owned by **The City of Fayetteville**. There are no sales on record in the past three years. We found no evidence of current listings of the subject property. The City of Fayetteville is planning to remove and replace the water tank currently known as the Benson Mountain Tank. They have arranged with the adjoining property owner (**Davis, Dustin, & Ryan Youngblood**) a “swap” so that they may deed him the current tank site and in exchange he will warrant them the property south of WC 4343(Tract #2). We assume consideration or cash will be exchanged to make up for any difference in value.

The screen capture below is the transfer record from tax records:

Parent Tract, Tract #2, & Parcel # 001-14105-000

Deed Transfers									
Document Images brought to you by your County Circuit Clerk, Kyle Sylvester									
View Image	Deed Date	Book	Page	Deed Type	Stamps	Est. Sale	Grantee	Code	Type
	7/24/2012	2012	35307	Survey			DAVIS, DUSTIN & RYAN YOUNGBLOOD		
	3/13/2012	2012	29628	Survey			DAVIS, DUSTIN & RYAN YOUNGBLOOD		
	6/21/2011	2011	17411	Warr. Deed	280.50	\$85,000	DAVIS, DUSTIN & RYAN YOUNGBLOOD	Additional Properties	Improved
	12/15/2010	2010	37128	CorrDeed			ARVEST BANK	Unval.	
	11/30/2010	2010	35820				ARVEST BANK	Unval.	
	10/6/2009	2009	32651	Admin.D			BENSON, DIANA M	Unval.	
	9/24/2001	2001	117865	Quit Claim	0.00	\$0	BENSON, RICHARD ; KRISHER,		
	1/1/1985	1148	312	Warr. Deed	0.00	\$0	BENSON, RICHARD C	Valid	Improved

Ownership and Marketing History, Continued

Tract #1 & Parcel # 001-14105-002

Deed Transfers									
Document Images brought to you by your County Circuit Clerk, Kyle Sylvester									
View Image	Deed Date	Book	Page	Deed Type	Stamps	Est. Sale	Grantee	Code	Type
	12/30/1996	96	81284	Warr. Deed	0.00	\$0	CITY OF FAYETTEVILLE, ARKANSAS		Land Only
	2/23/1994	94	11676	Warr. Deed	0.00	\$0	WHITE RIVER RURAL WATER ASSOC		

Realist.com, an MLS subscriber service that accesses tax records reports the current ownership and sale history as follows:

Parent Tract, Tract #2, & Parcel # 001-14105-000

mls.realist.com

Last Market Sale & Sales History

Sale Date:	03/01/2016		Seller:	Day Jackie	
Sale Price:	\$255,000		Document Number:	D5411	
Owner Name:	Davis Dustin		Deed Type:	Warranty Deed	
Owner Name 2:	Ryan Youngblood		Price Per Square Feet:	\$113.03	

Sale/Settlement Date	03/01/2016	11/19/2012	11/19/2012	11/30/2010	10/06/2009
Sale Price	\$255,000	\$5,000		\$82,500	
Nominal			Y		Y
Buyer Name	Mounce Pamela & Justir	Henderson Scott	Henderson Scott	Arvest Bk	Benson Diana M
Seller Name	Day Jackie	Davis Dustin & Ryan \	Davis Dustin & Ryan \	Commissioner Of Circuit Court/Wa	Benson Richard C
Document Number	D5411	D38009	D35306	D35820	D32651
Document Type	Warranty Deed	Rerecorded Deed	Warranty Deed	Commissioner's Deed	Administrator's Deed

Tract #1 & Parcel # 001-14105-002

mls.realist.com

Last Market Sale & Sales History

Sale Date:	12/30/1996	Document Number:	D81284
Owner Name:	City Of Fayetteville	Deed Type:	Deed (Reg)
Seller:	White River Rural Water Assn		

Sale/Settlement Date	12/30/1996	02/23/1994
Buyer Name	City Of Fayetteville	White River Rural Water Assn
Seller Name	White River Rural Water Assn	Owner Record
Document Number	D81284	D11676
Document Type	Deed (Reg)	Deed (Reg)

Assessment and Tax Data

In Arkansas, real estate is assessed by the county tax assessor and the tax collected by the county collector for the city and the county. There is no state real property tax. Assessment is based upon 20% of the assessor's appraised valuation and the current assessment rate as established by the County quorum court and public vote. The combined appraisal and assessment has been taken directly from the county tax assessor's office data, for the subject parcel:

Parent Tract, Tract #2, & Parcel # 001-14105-000

Market and Assessed Values				Taxes	
	Estimated Market Value	Full Assessed (20% Market Value)	Taxable Value	Estimated Taxes:	1,196
Land	21,350	4,270	4,270		
Building	128,300	25,660	25,660		
Totals	149,650	29,930	29,930		
				Homestead Credit:	350
				Note: Tax amounts are estimates only. Contact the county/parish tax collector for exact amounts.	

Tract #1 & Parcel # 001-14105-002

Market and Assessed Values				Taxes	
	Estimated Market Value	Full Assessed (20% Market Value)	Taxable Value	Estimated Taxes:	0
Land					
Building			0		
Totals					
				Homestead Credit:	0
				Note: Tax amounts are estimates only. Contact the county/parish tax collector for exact amounts.	

The estimated tax liability appears to be in line with competing properties in the subject neighborhood.

SITE DESCRIPTION

The subject is two tracts of land. Tract #1 is a landlocked +/-0.06 Acre parcel located on the northeast side of WC 4343, approximately 0.25 miles from the intersection of WC 4343 and Fire Tower Rd. and contains a water tank known as the Benson Mountain Tank. Tract #2 is a +/- 0.72 acre parcel located just on the other side of WC 4343, approximately 0.25 miles from the intersection of WC 4343 and Fire Tower Rd. The City of Fayetteville is planning to remove and replace the water tank currently known as the Benson Mountain Tank. They have arranged with the adjoining property owner a “swap” so that they may deed him the current tank site and in exchange he will warrant them the property south of WC 4343(Tract #2).

Census Tract: The subject property is located in Block 100, Block Group 150, Census Tract 140, Washington County, Arkansas.

Abutting Land Uses: North: Residential; South: Residential; East: Vacant Land; West: Vacant Land

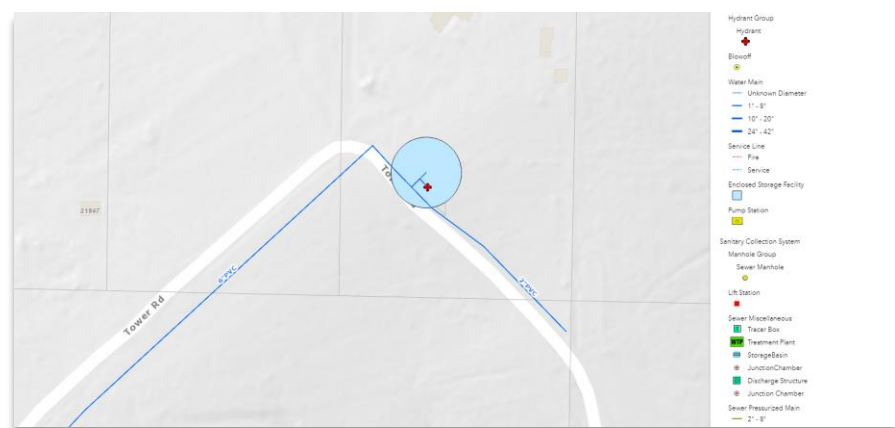
Size of the Site: Tract #1 and Tract #2 are: +/-2,614 SqFt & 31,363 SqFt respectively.

Shape of the Site: Tract #1: Triangular
Tract #2: Triangular

Soils: No soil test or analysis was available to the appraisers and no responsibility is taken for the soil conditions. The soil appears to be stable for the improvements.

Topography: The tracts are level.

Utilities: The tracts have water available at the street but no sewer.



Site Description, Continued

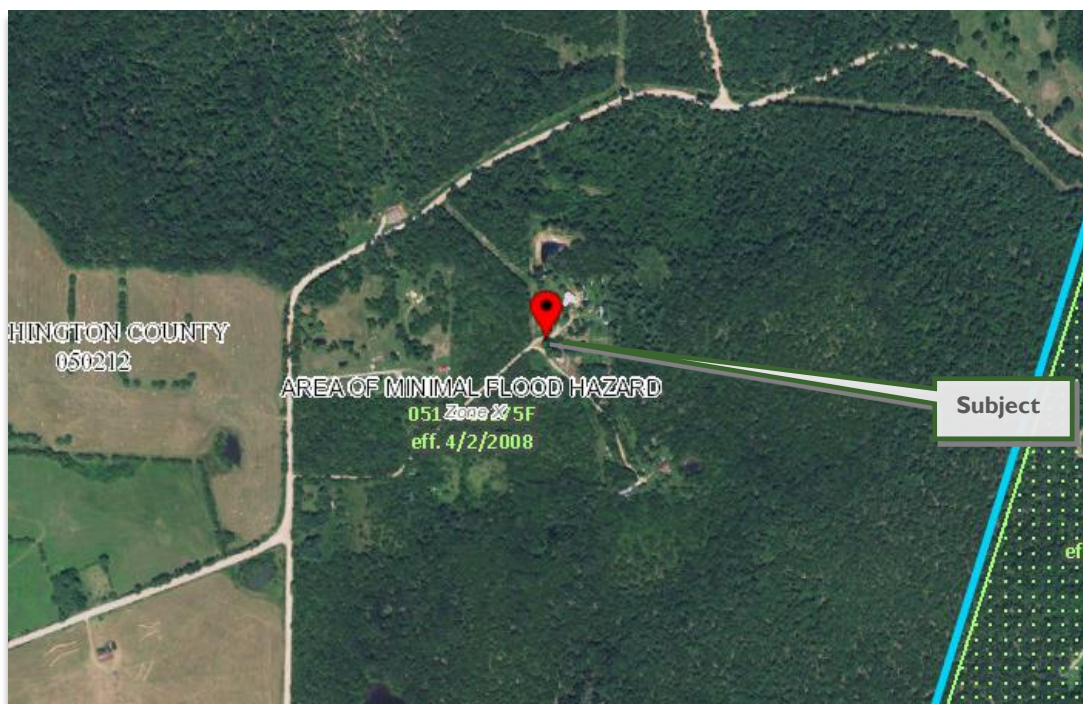
Streets (Ingress/Egress): WC 4343 is a single lane dirt road with no traffic.

Traffic counts: No traffic count data available.

Easements/Encroachments: The property appears to be subject to typical utility easements and road right-of-ways. Also, per a recent survey, the City of Fayetteville currently has an easement with the owner of the parent tract to allow access to the Benson Mountain Water Tank (Tract #1).

Zoning: The subject property has no city zoning.

Flood Status: The subject property site **does not** appear to be located within a flood hazard zone of the 100-year flood boundary per Flood Insurance Rate Map Community Panel #05143C0275F, effective 05/16/2008, a portion of which map is included below.



FLOOD PLAIN MAP

Site Description, Continued

Z:\1\2019\2019 GOSHEN RESERVOIR-BENSON STANDPIPE - CITY OF FAYETTEVILLE\DRAWINGS\SURVEY.DWG, 11/28/2018 2:22 PM, STEVE HENRICH, LAYOUT1

Record Description (Parent Tract)

The East Half (E 1/2) of the Southeast Quarter (SE 1/4) of the Southeast Quarter (SE 1/4) of Section 27 in Township Seventeen (17) North, Range Twenty-eight (28) West, Washington County, Arkansas, LESS AND EXCEPT: A part of the SE 1/4 of the SE 1/4 of Section 27, Township 17 North, Range 28 West, being more particularly described as follows: From the SE corner of the SE 1/4 of the SE 1/4 of said Section 27, run N43°32'24"W a distance of 271.61' to the Point of Beginning, thence S04°58'52"E 68.71' to a set iron pin; thence N47°28'19"W a distance of 103.12' to a set iron pin; thence East 75.00' to the Point of Beginning, containing 0.08 acres, more or less excepted herein, LESS AND EXCEPT: The West Half of the East Half of the Southeast Quarter of the Southeast Quarter of Section 27, Township 17 North, Range 28 West, Washington County, Arkansas, being more particularly described as follows, to-wit: Beginning at a point N89°42'41"W 331.44' from the Southeast corner of said forty acre tract and running thence N89°42'41"W 331.44'; thence N00°10'29"W 1322.11'; thence S89°54'07"E 330.70'; thence S00°12'23"E 1323.21' to the point of beginning, containing 10.05 acres, more or less, LESS AND EXCEPT: A part of the East Half (E 1/2) of the Southeast Quarter (SE 1/4) of the Southeast Quarter (SE 1/4) of Section 27 in Township Seventeen (17) North, Range Twenty-eight (28) West, being more particularly described as follows: Commencing at the SE corner of the SE 1/4 of said Section 27, thence along the east line of said section N00°14'33"W 1231.31' to the centerline of Fire Tower Road and the point of beginning; thence along said centerline along a curve to the left having a radius of 938.13' and a chord bearing and distance of S65°39'52"E 62.33'; thence S63°45'45"W 304.67'; thence leaving said centerline N00°14'33"E 253.81'; thence S89°52'23"E 330.73' to the east line of said section; thence along said east line S00°14'33"E 92.72' to the Point of Beginning, containing 1.31 acres more or less.

Tract 1

A part of the East Half (E 1/2) of the East Half (E 1/2) of the Southeast Quarter (SE 1/4) of the Southeast Quarter (SE 1/4) of Section 27, Township 17 North, Range 28 West, Washington County, Arkansas being more particularly described as follows: Beginning at the Southeast corner of said Southeast Quarter; thence along the south line of said section N89°42'41"W 69.01'; thence N47°17'47"W 274.20'; thence N57°15'29"W 73.79' to the west line of said east half of the east half; thence along said west line N00°12'23"W 844.50' to the centerline of Fire Tower Road; thence along said centerline N57°15'29"E 304.67'; thence continuing along said centerline along a curve to the right having a radius of 938.13' and a chord bearing and distance of S65°39'52"E 62.33' to the east line of said section; thence along said east line S00°14'33"E 1231.45' to the Point of Beginning, containing 8.04 acres more or less.

Tract 2

A part of the East Half (E 1/2) of the East Half (E 1/2) of the Southeast Quarter (SE 1/4) of the Southeast Quarter (SE 1/4) of Section 27, Township 17 North, Range 28 West, Washington County, Arkansas being more particularly described as follows: Commencing at the Southeast corner of said Southeast Quarter; thence along the south line of said section N89°42'41"W 69.01'; thence N00°12'23"W 224.90'; thence S57°15'29"E 73.79'; thence S47°17'47"E 274.20' to the Point of Beginning, containing 0.72 acres more or less.

Mutual Access Easement

A thirty foot (30') wide Mutual Access Easement lying in the East Half (E 1/2) of the East Half (E 1/2) of the Southeast Quarter (SE 1/4) of the Southeast Quarter (SE 1/4) of Section 27, Township 17 North, Range 28 West, Washington County, Arkansas being more particularly described as follows: Commencing at the centerline of which being more particularly described as follows: Commencing at the Southeast corner of said Section 27; thence along the south line of said section N89°42'41"W 69.01' to the Point of Beginning; thence N47°17'47"W 274.20'; thence S57°15'29"E 73.79' to the west line of said east half of the east half and the Point of Termination, containing 0.24 acres more or less.

1. CERTIFICATE OF ACCURACY OF SURVEY:

I certify that the plat shown and described hereon is a true and correct survey and that the monuments have been placed as shown hereon as required by Regulations, Standards and Specifications for the Division, Development and Improvement of Unincorporated Land in Washington County.
Date: _____
Surveyor: _____

2. CERTIFICATE OF OWNERSHIP & DEDICATION:

I, the owner of the property described hereon and I do hereby dedicate all street, access, utility, and drainage easements to public or private use as indicated.
Date: _____
Owner: _____

3. STATE HEALTH DEPARTMENT APPROVAL:

The plan and specifications as shown on the plat were approved by the Arkansas State Health Department by letter.
Date: _____
Signed By: _____

4. UTILITY EASEMENTS:

We hereby certify that all utility easements shown on this plat are satisfactory for providing service if and when service is available.
Gas: _____
Electricity: _____
Water: _____
Cable TV: _____

5. DECLARATIONS OF COVENANTS AND RESTRICTIONS (if applicable):

Covenants and restrictions are as shown on the appropriate document signed by the owner on _____, and filed with the Circuit Clerk on _____
Date: _____
Owner: _____

6. COUNTY ROAD SUPERINTENDENT APPROVAL:

(Use block 7a or 7b as appropriate, but not both.)
6a. The road and easement locations shown on this plat, the road plans submitted, and the grading and drainage plans submitted are approved. The required maintenance bonds have been received.
County Road Superintendent: _____
Date: _____
6b. The road easements shown are approved.
County Road Superintendent: _____
Date: _____

7. PLANNING BOARD APPROVAL:

(Use block 7a or 7b as appropriate, but not both.)
7a. This plat lies within the planning jurisdiction of the City of Fayetteville. The plans for ingress and egress shown on this plat were approved by the Washington County Planning Board at a meeting held on (date) _____
Planning Director: _____ Date: _____
7b. This plat was approved by the Washington County Planning Board at a meeting on (date) _____
Planning Director: _____ Date: _____

8. COUNTY JUDGE APPROVAL:

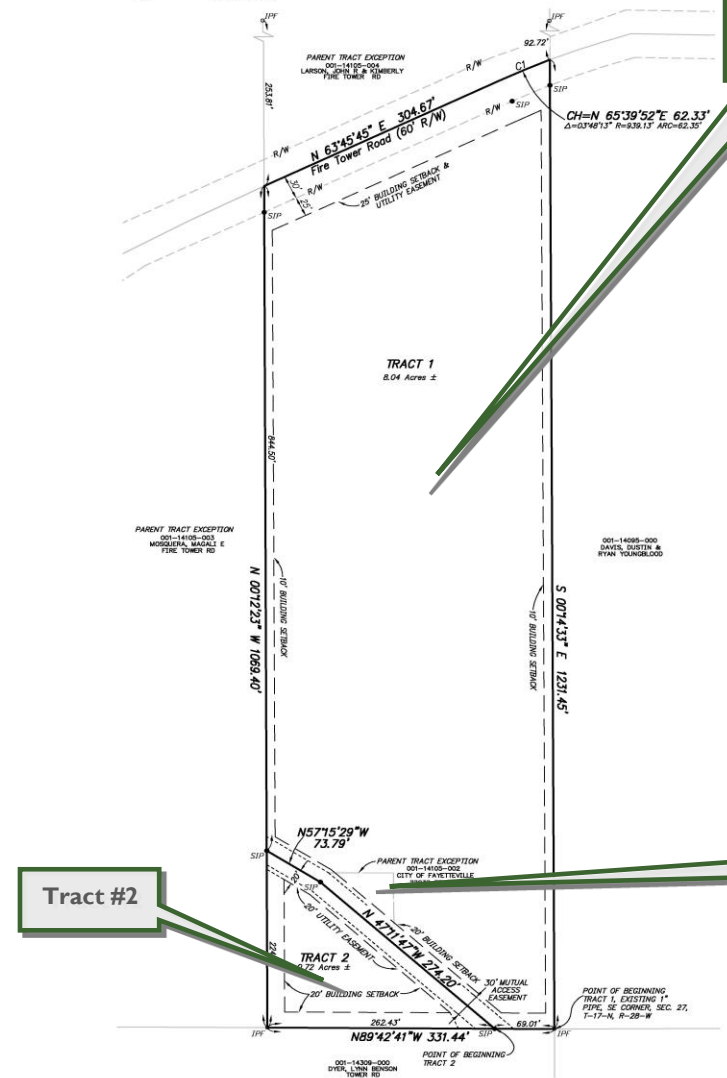
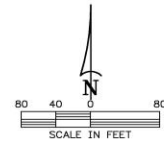
The road easement dedications shown are approved. Acceptance of roads and streets into the County Road System will occur after they are constructed to Washington County specifications.
County Judge: _____ Date: _____

SURVEYOR'S NOTES:

1. Surveyed property does not lie within an identified flood hazard area according to FEMA FIRM Panel No. 05143C0275F, Map Revised April 1, 2008.
2. Perimeter property corners have been set or noted where conditions allow. Set iron pins (SIP) indicates a 3/8"x18" steel rebar with yellow plastic cap stamped "PS 1791".
3. Basis of Bearing: Assumed south line of Section 27 per survey by Bates & Associates, Inc., file number 201200035307.
4. Property subject to a Twenty-Five Foot (25') water transmission line easement being Twelve and One Half Feet (12.5') on either side and parallel to the pipe as built, per documents #94-011762 and #96-081275 of the Washington County Records.

LEGEND

- JVP IRON PIN FOUND
- SIP SET IRON PIN



SHEET	1	OF	1
DATE	11/02/2018		
DESIGNED BY	AM		
DRAWN BY	AM		
CHECKED BY	AM		
DATE	11/02/2018		
PROJECT NO.	20190168		
PROJECT NAME	GOSHEN RESERVOIR-BENSON STANDPIPE		

HAWKINS & WEIR ENGINEERS, INC.
 Van Buren (479) 474-1227 | Fort Smith (479) 342-4685 | Fayetteville (479) 455-2206 | Little Rock (501) 374-4848
 www.hawkins-weir.com



REVISION	DATE

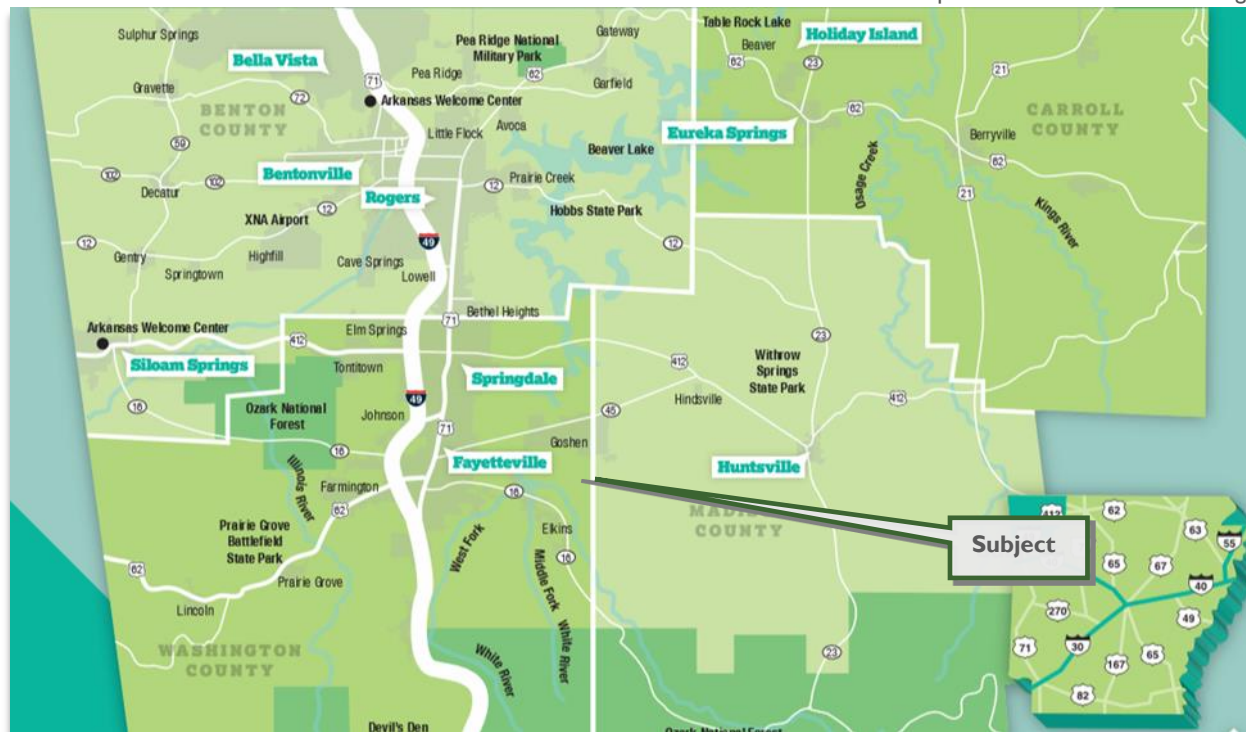
SURVEY



Market Area Description

Northwest Arkansas

<http://www.northwestarkansas.org>



The industrialization and urbanization of the state have made agriculture secondary in the past decade. Manufacturing accounts for almost 29 percent of the gross state product. Arkansas' manufacturing base is so diversified that it includes products from every major Standard Industrial Classification (SIC) code category for manufacturing except one - tobacco and tobacco related products. Labor unions are strong in transportation, utilities, construction, and the heavy industries. However, most of the state's labor force is unorganized.

The rapid growth of retail giant **Wal-Mart** and several other companies based in Arkansas contributed to the shift away from agricultural dominance, but agricultural companies maintain a significant presence in the state. A great deal of the state's growth is in food processing. **Poultry is the largest food processing segment in the state** thanks to such companies as **ConAgra, Hudson Foods, and Tyson Foods**. Tyson Foods, headquartered in Springdale, is the state's largest food processing firm and is one of America's largest producers, processors, and marketers of chicken and other meat products. Trucking distribution is another industry of note in Arkansas including, **JB Hunt**, one of the nation's largest trucking distributors.

Wal-Mart was founded in 1962, with the opening of the first Wal-Mart discount store in Rogers, AR. Wal-Mart now serves customers at more than 8,650 retail units under 55 different banners in 15 countries. With fiscal year 2015 sales of \$482 billion, Wal-Mart employs more than 2 million associates worldwide.

MARKET AREA DESCRIPTION, Continued:

Washington County is located in the Northwest corner of the State of Arkansas, which encompasses a large portion of the **Fayetteville-Springdale-Rogers MSA**, a commercial center for northwest Arkansas and the **headquarters for retail giant, Wal-Mart/Sam's Club**. A majority of the modern workforce works in manufacturing, retail, or education industries with major employers including Wal-Mart, Tyson (among other large poultry processors), University of Arkansas, other local colleges and primary schools, JB Hunt Trucking, Allen Canning, and there is a substantial medical community employing many local residents.

The population of the Fayetteville-Springdale-Rogers MSA has seen tremendous growth since 2000. Much of the growth has been attributed to the parallel growth of retailers Wal-Mart, Tyson, and other local businesses which expanded rapidly over the last three decades.

The county is located within the Ozark mountain range. Topography ranges from slightly sloping and level to extremely hilly. Most of the county is rocky with soils in the county varying widely from some crop/ pastureland to bottomland or wetland areas along the significant watersheds.

Health Care: Virtually all health care needs are served within the MSA including many new, modern facilities. There are multiple hospitals, medical parks, specialized clinics, and doctor's offices within 45 minutes of most residential and commercial areas including the subject location.

Education: Benton and Washington Counties have a number of public schools with grades from kindergarten to 12th grade. Fayetteville School District year-in and year-out ranks among the top three public school districts in the state for academics, arts/cultural and athletics. Springdale's HAR-BER High School, is ranked among the best high schools in the State of Arkansas. Benton County reportedly offers the highest teacher pay in the state.

Northwest Arkansas also offers post-secondary educational opportunities including Northwest Arkansas Community College and two four-year institutions within a 30-mile radius: the University of Arkansas at Fayetteville and John Brown University in Siloam Springs. **The University of Arkansas is based in Fayetteville with a student body of over 24,000 and employing approximately 4,000 faculty and staff.**

Transportation: There are approximately thirteen motor freight carriers that have service in the Bentonville and Northwest Arkansas area including, but not limited, to JB Hunt, P.A.M., Cannon Express and Willis-Shaw.

MARKET AREA DESCRIPTION, Continued:

Northwest Arkansas Regional Airport-(XNA) provides commercial air carrier service to the region. American Airlines, Delta Airlines, Continental, and U.S. Air serve the region. The airport is located at the southwest border of the Bentonville city limits and has an 8,800-foot runway. XNA is also serviced with a Regional Jet Center that caters to non-commercial air services. The Regional Jet Center is a state of the art service with meeting spaces and pilot accommodations.

Recreation: Northwest Arkansas is located at the foothills of the Ozark Mountains, and there are many outdoor recreation opportunities throughout the region. Cultural opportunities in Fayetteville, Rogers and Bentonville include theaters which accommodate large touring plays, ballets, and musical acts. The University of Arkansas draws and supports cultural activities of all variety. The most notable recent addition to the area is Crystal Bridges Museum in Bentonville.

Crystal Bridges is a world-class museum opened in 2012: the first of its kind in the region, and the museum and resulting hotels and tourism are sure to have profound impact on Benton County. From a Washington Post article about the museum:

“It is unprecedented what she is doing,” says Julian Zugazagoitia, director of the Nelson-Atkins Museum in Kansas City, Mo., the closest major art museum to Bentonville. Zugazagoitia says his museum expects to benefit in a spike of visitors as patrons drawn to Crystal Bridges explore regional options. “I hope for a Bilbao effect” in Bentonville, he says, referring to the Guggenheim outpost that opened in Spain in 1997, transforming a little-known Basque city into a major cultural hub. He says Crystal Bridges is already a good neighbor, planning collaborations with his museum.’

Endowed by the Walton Family Foundation with \$800 million, Crystal Bridges instantly joins the ranks of the richest museums in this country, and it has been using its extraordinary resources to assemble a collection of American art that may rival in quality, if not quantity, anything available to museum visitors in New York, Washington, Los Angeles or Chicago. It has aggressively pursued some of the most prized and iconic pieces of American art to come on the market in the past five years, leading some observers to detect an impact on prices that they call the “Walton effect.”

More recently, Crystal Bridges is planning a new art space which is one of many planned developments transforming central Bentonville and drawing tourists to NWA¹¹:

Crystal Bridges Museum of American Art in Bentonville, Ark. — home to Walmart — has announced plans to transform a defunct Kraft cheese plant into a raw space for contemporary-art exhibitions, artists’ projects, music, theater and film.

The 63,000-square-foot space is intended to function somewhat in the way that MoMA PS1 in Long Island City, Queens, serves as an edgier, more experimental affiliate of the Museum of Modern Art. It is expected to open in 2018, Crystal Bridges officials said, and the location, in downtown Bentonville, would not only provide a place to show more contemporary art but would also continue a transformation of the small city and the surrounding region into a cultural alternative to cities like New York and Los Angeles.

“This project is going to be huge for the younger generation, the millennials,” said Tom Walton, 32, a nephew of the museum’s founder, Alice L. Walton, in a telephone interview. He added that the hope was that Bentonville, whose population is 40,000, surrounded by rapidly growing neighborhoods and towns, would “become one of the hottest destinations in the country.”

11 <http://www.nytimes.com/2016/03/30/arts/design/crystal-bridges-museum-to-open-new-space-for-contemporary-art.html>

MARKET AREA DESCRIPTION, Continued:

The project will be supported by the Walton Family Foundation as part of its efforts to enhance the quality of life in northwest Arkansas, officials said. Stuart and Tom Walton — grandsons of Walmart's founder, Sam Walton, and his wife, Helen — are overseeing the development of the space, in a factory building from the 1940s, that will become part of what is being envisioned as a downtown market district in Bentonville.

Crystal Bridges — the brainchild of Alice Walton, the youngest child of Sam Walton and one of the world's wealthiest people, with an estimated worth of about \$33 billion — is the first museum of its size to be established between the coasts in more than a generation. It is home to a growing number of masterpieces of American art from the 19th and 20th centuries. And since its opening in 2011, it has become a major tourist draw and economic driver in its area. Last fall it announced that it had welcomed more than two million visitors in its first four years.

Tom Walton, who is also developing a culinary center in downtown Bentonville, said the Kraft plant, which closed in 2012, helped shape the museum's thinking about the need for a place where it could do things it might not be able to on the site of its permanent collection. He said that he thought of the industrial space as a "kind of living room for the community," where art, music, performance and food would be on offer in unexpected ways. The site is being developed in consultation with the Massachusetts Museum of Contemporary Art and will be reshaped by Wheeler Kearns Architects of Chicago to maintain its industrial feel.

It is worth noting some of the awards granted in recent years, in order to display the growing awareness of the area which is contributing to the population increases:

REGIONAL RANKINGS

Best cities to launch a career

Realtor.com in mid-2017 created a list of the 10 Best Cities to Launch a Career. Northwest Arkansas joined far larger middle America regions on the list, including Dallas, Kansas City and Nashville. Among the places listed, only Kansas City had a lower median home price.

Best Affordable Places to Live

U.S. News & World Report put Northwest Arkansas at No. 8 on its April 2018 ranking of the 25 Best Affordable Places to Live in the U.S.

Best cities for jobs

Forbes put the Fayetteville-Springdale-Rogers MSA at No. 2 on its list of Best Midsize Cities for jobs. The ranking was published in May 2018. The publication noted the region's **job count is up 20 percent since 2012**.

Best-Performing Cities

The Milken Institute, which published a new report in January 2018, put the Fayetteville-Springdale-Rogers Metropolitan Statistical Area's economy at No. 25 among large metropolitan areas. **The region was especially strong in job growth.**

MARKET AREA DESCRIPTION, Continued:

Best Places to Live

U.S. News & World Report put the Fayetteville-Springdale-Rogers (Northwest Arkansas) Metropolitan Statistical Area at No. 5 on its 2017 list of [Best Places to Live](#).

Best Suburb to Purchase a Home

According to [Realtor Magazine's June 2015 issue](#), Centerton in Northwest Arkansas was ranked by online publication Niche at No. 3 for best places in the nation to purchase a home with an average home price of \$133,400. Niche recently ranked America's suburbs, factoring in home values, property taxes, housing costs, and age of new homebuyers.

Family Friendliness

Researchers at Chapman University's Center for Demographics and Policy in California determined in a report that Northwest Arkansas ranked **No. 1 in the nation in family friendliness**. The report, called [Building Cities for People](#) and made public in January 2016, measured metropolitan areas in such categories as commute times, housing costs, income and migration.

Fastest-Growing Economy through 2021

The Fayetteville-Springdale-Rogers Metropolitan Statistical Area (Northwest Arkansas) economy, according to a report by IHS Global Insight for the U.S. Conference of Mayors. The report showed the region's economic growth rate will rank No. 5 nationally through 2021. Only four U.S. regions — two in Utah and two in Florida — are expected to see their economies grow at a faster rate. The 3.9 percent annual growth rate predicted for Northwest Arkansas will push the region's economy past \$30 billion. The [report is available here](#), and Page 36 shows the expectation regarding Northwest Arkansas' future growth.

NORTHWEST ARKANSAS JOINS LARGEST METROS IN 2019

“Northwest Arkansas ranked among the nation’s fastest-growing places in the most recent year, and a conservative estimate shows the region should soon be among the nation’s 100 largest metropolitan areas.

The new Census numbers, which show accelerated growth in Northwest Arkansas between July 2016 and July 2017, led the Council to adjust its previous timeline that had the region joining the Top 100 metropolitan statistical areas near the end of 2019.”¹²

¹² <http://www.nwacouncil.org/news/2018/3/22/analysis-northwest-bentonville-fayetteville-arkansas-census-top-100-population>

MARKET AREA DESCRIPTION, Continued:

This market area has relatively high incomes as compared to the state averages, and much of the high earning levels associated with this area result from the Wal-Mart Corporate Headquarters located in Bentonville. Unemployment rates in the area are considerably lower than state and national averages.

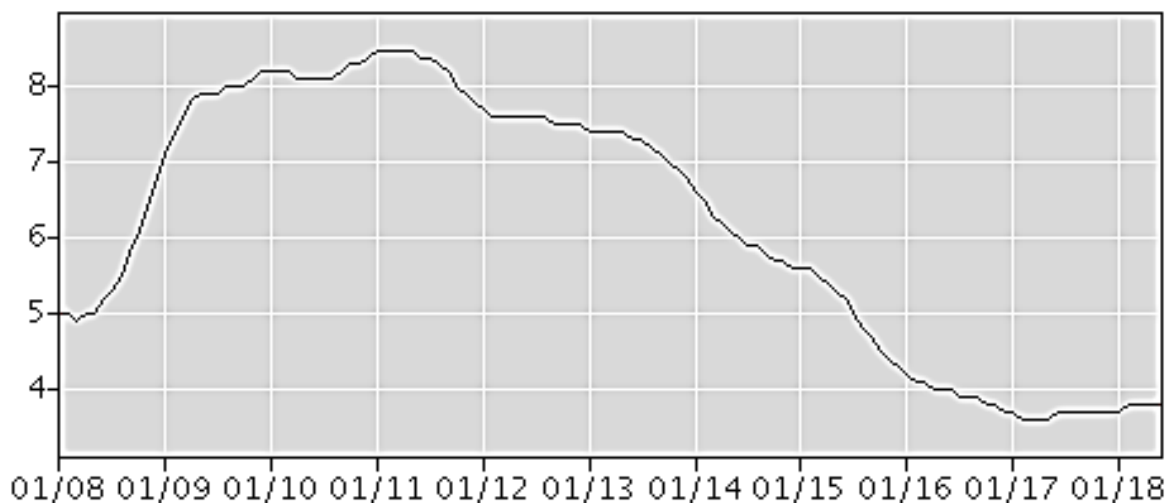
Unemployment Rate Rankings for Arkansas Counties

June 2018

Not Seasonally Adjusted, Preliminary Estimates

<u>Area</u>	<u>Rate</u>	<u>Rank</u>
Washington County	2.8	1
Carroll County	2.9	2
Madison County	2.9	2
Benton County	3.0	4
Newton County	3.1	5
Craighead County	3.3	6
Grant County	3.3	6
Lonoke County	3.3	6
Saline County	3.3	6

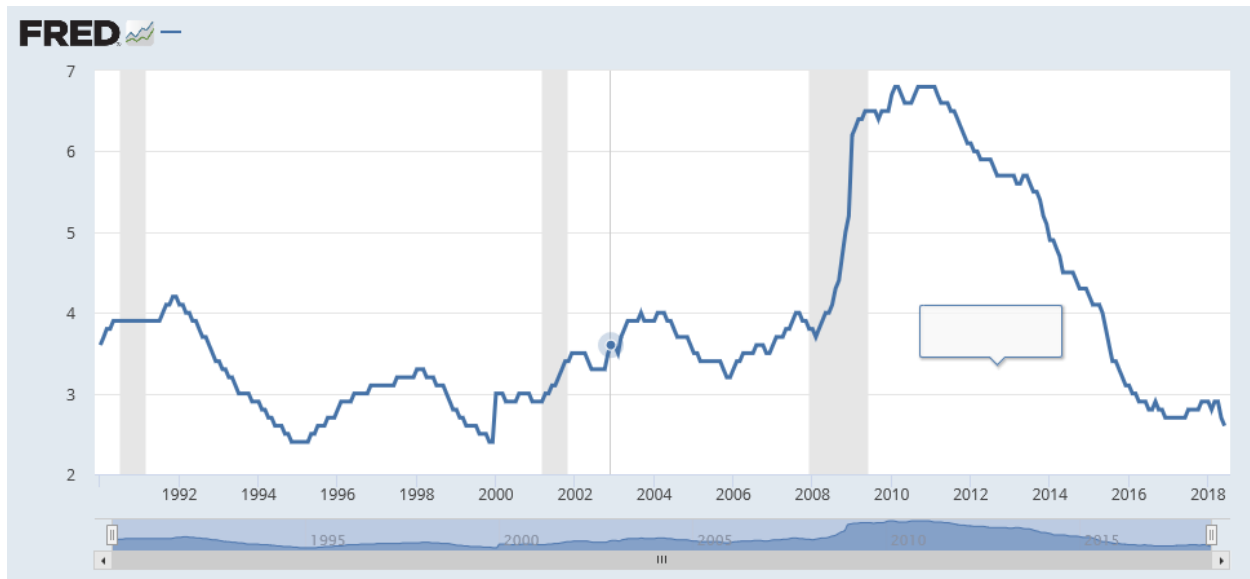
STATEWIDE UNEMPLOYMENT RATE



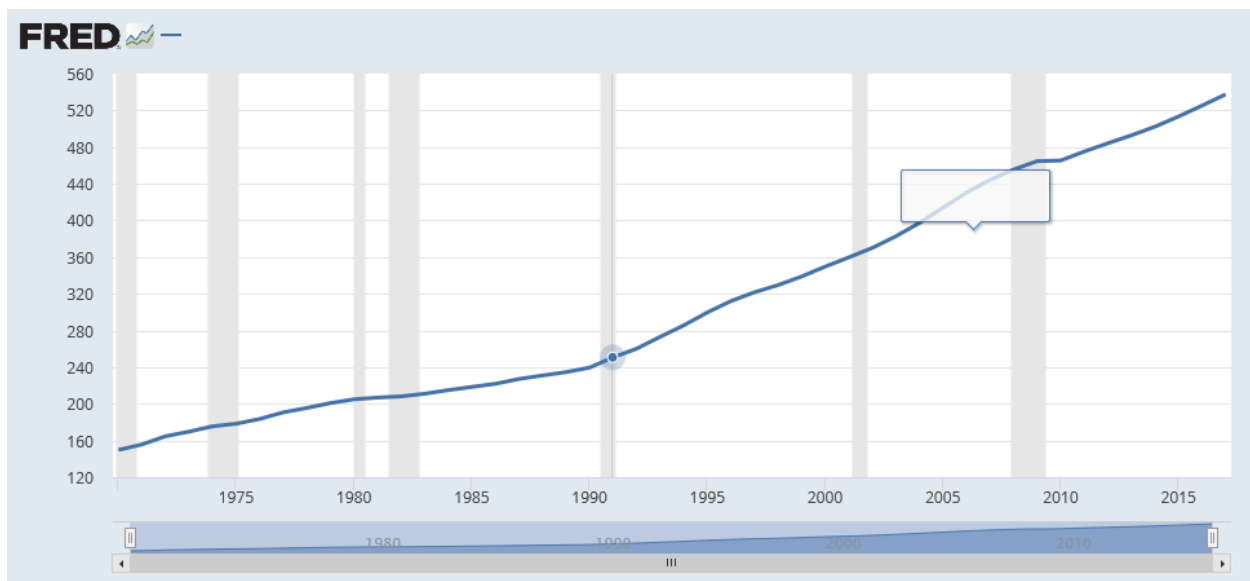
MARKET AREA DESCRIPTION, Continued:



ECONOMIC RESEARCH
FEDERAL RESERVE BANK OF ST. LOUIS



U.S. Bureau of Labor Statistics, **Unemployment Rate** in Fayetteville-Springdale-Rogers, AR-MO (MSA); <https://fred.stlouisfed.org/series/FASUR> - **August 2018.**



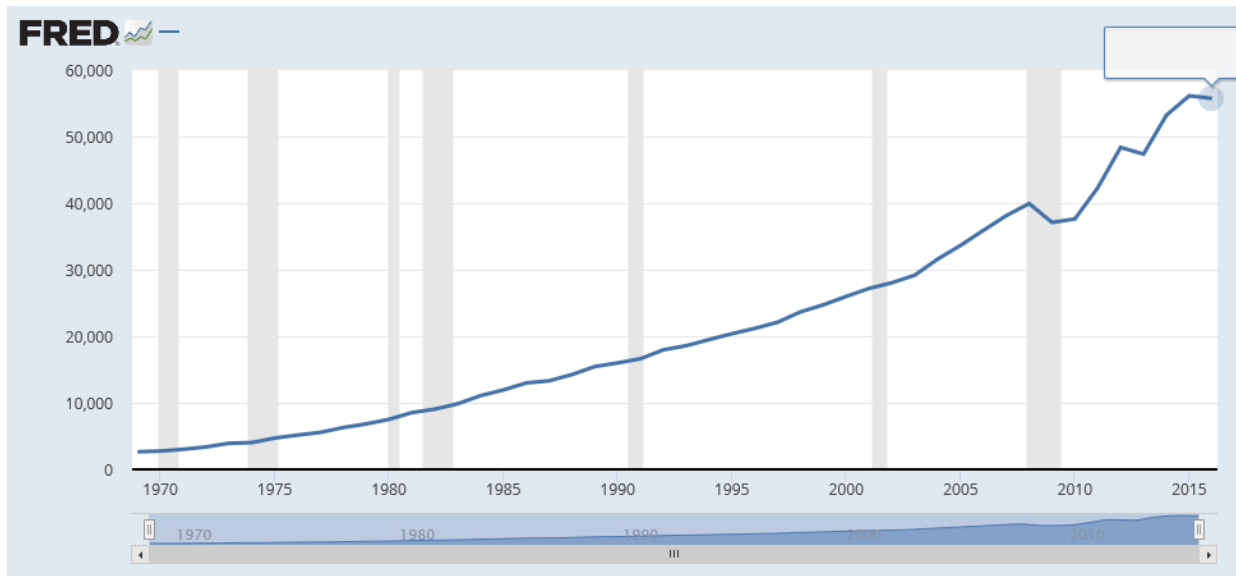
U.S. Bureau of the Census, **Resident Population** in Fayetteville-Springdale-Rogers, AR-MO (MSA); <https://fred.stlouisfed.org/series/FASPOP> - **August 2018.**

MARKET AREA DESCRIPTION, Continued:

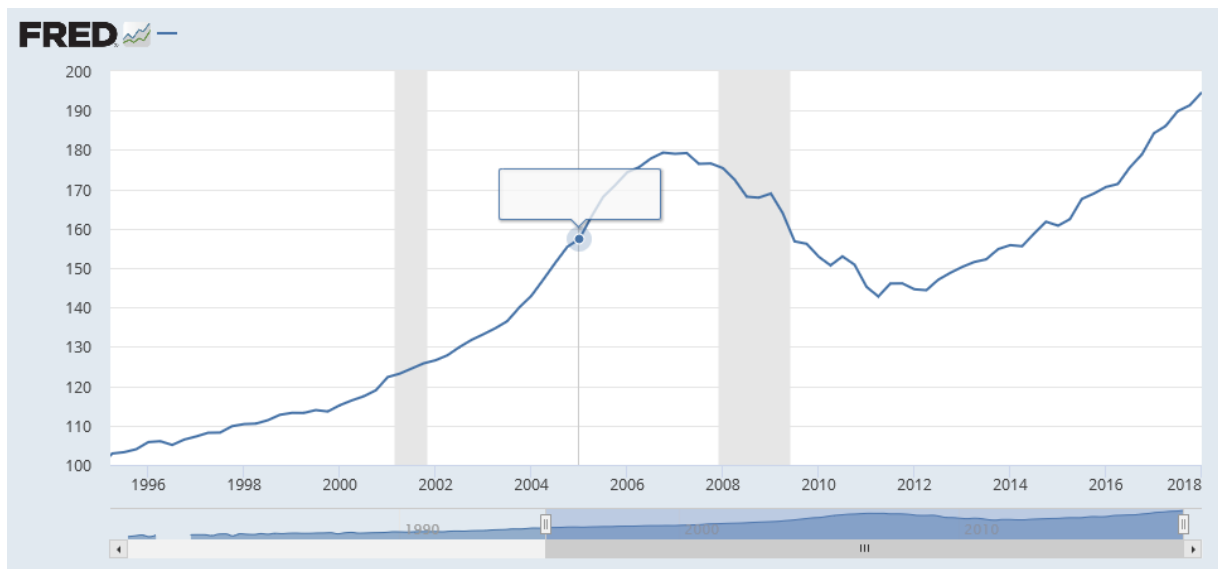


ECONOMIC RESEARCH

FEDERAL RESERVE BANK OF ST. LOUIS



U.S. Bureau of Economic Analysis, **Per Capita Personal Income** in Fayetteville-Springdale-Rogers, AR-
<https://fred.stlouisfed.org/series/FASPCPI> - August 2018.



U.S. Federal Housing Finance Agency, All-Transactions **House Price Index** for Fayetteville-Springdale-Rogers, AR-MO (MSA) August 2018.

MARKET AREA DESCRIPTION, Continued:

NWA LARGEST EMPLOYERS¹³

WalMart Corp	Retailer	7,500
Tyson Foods, Inc.	Protein Processing	4,300
University of Arkansas	Education	4,000
George's Inc.	Poultry Processing	2,500
J.B. Hunt	Motor Freight Carrier	2,500
Mercy Health of NWA	Healthcare	2,000
Washington Regional Medical Center	Medical	1,750
Pinnacle Foods, Int'l	Frozen Dinners	1,750
Superior Industries	Cast Aluminum Wheels	1,750
Bentonville School District	Education	1,500
McKee Foods	Snack Foods	1,400
Rogers Public Schools	Education	1,300
Simmons Foods	Food Products	1,206
Mercy Health System of NWA	Medical	1,200
Cargill, Inc.	Poultry Processing	1,000
Rockline Industries	Moist Towelettes	930
Glad Manufacturing	Glad Plastic Bags	850
Cherokee Casino	Casino	804
Danaher Tool Group	Small Hand Tools	800
Fayetteville School District	Education	750
Benton County	Public Service	750
Rogers Tool Works	Cutting Tools	700
Kawneer Company	Aluminum Extrusion	600
R T W – A Division of Kennametal	Tools	553
Siloam Springs School District	Public Education	550
Superior Industries International	Aluminum Road Wheels	520
Crossland Construction	General Contractors.	500
Northwest Arkansas Community College	Education	493
Gates Corporation	Rubber Belts & Hose	465
Allens, Inc.	Canned Fruits & Vegetables	427
John Brown University	Higher Education Institution	405

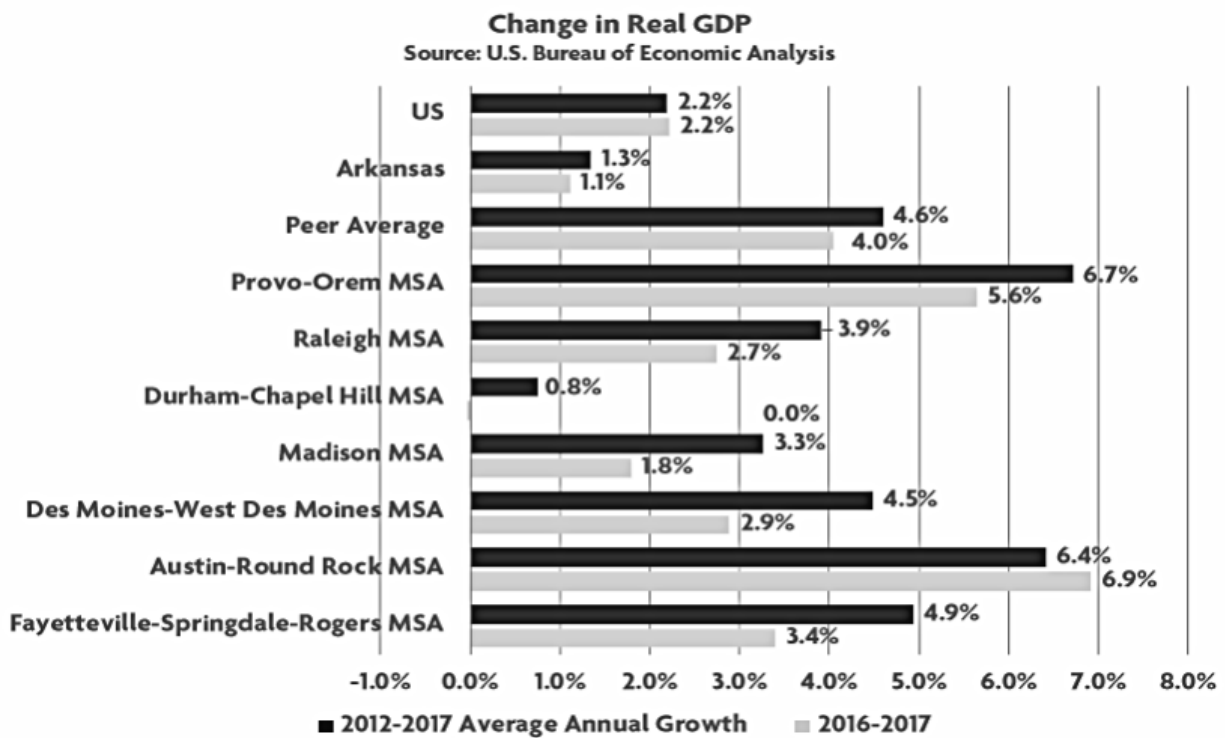
¹³ http://web.siloamchamber.com/Economic_Development/NWA_Largest_Employees.aspx

MARKET AREA DESCRIPTION, Continued:

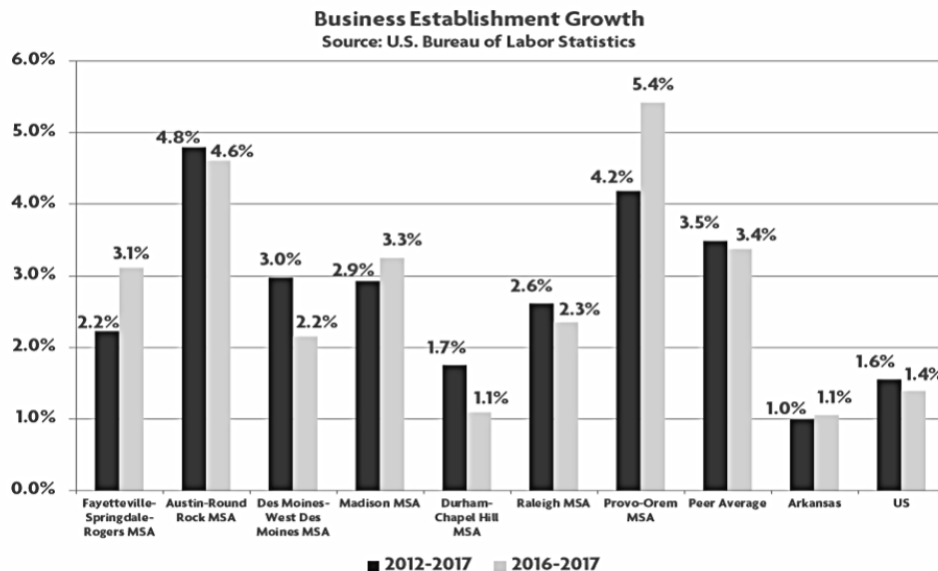
NORTHWEST ARKANSAS COUNCIL 2018 STATE OF THE REGION REPORT

Northwest Arkansas Economic Indicators				
Indicator	Most Recent Annual Data	Previous Year	Percent Change from Previous Year	
Population Estimate, July 2017	537,463	525,176	2.3%	▲
Real GDP (millions of chained 2009 dollars), 2017	\$25,341	\$24,507	3.4%	▲
Average Annual Unemployment Rate, 2017	2.8%	2.9%	-0.1%	▼
Total Nonfarm Employment, 2017	253,500	245,900	3.1%	▲
Median Household Income, 2017	\$56,038	\$51,848	8.1%	▲
Average Annual Wages, 2017	\$45,830	\$44,980	1.9%	▲
Business Establishments, 2017	13,047	12,653	3.1%	▲
Percent of Adult Population with a Bachelor's Degree or Higher, 2017	31.8%	30.9%	0.9%	▲
Poverty Rate, 2017	12.1%	13.2%	-1.1%	▼
R&D Expenditures (in thousands), 2016	\$145,020	\$133,660	8.5%	▲
Average Annual Domestic Airfare, 2017	\$538	\$509	5.8%	▲

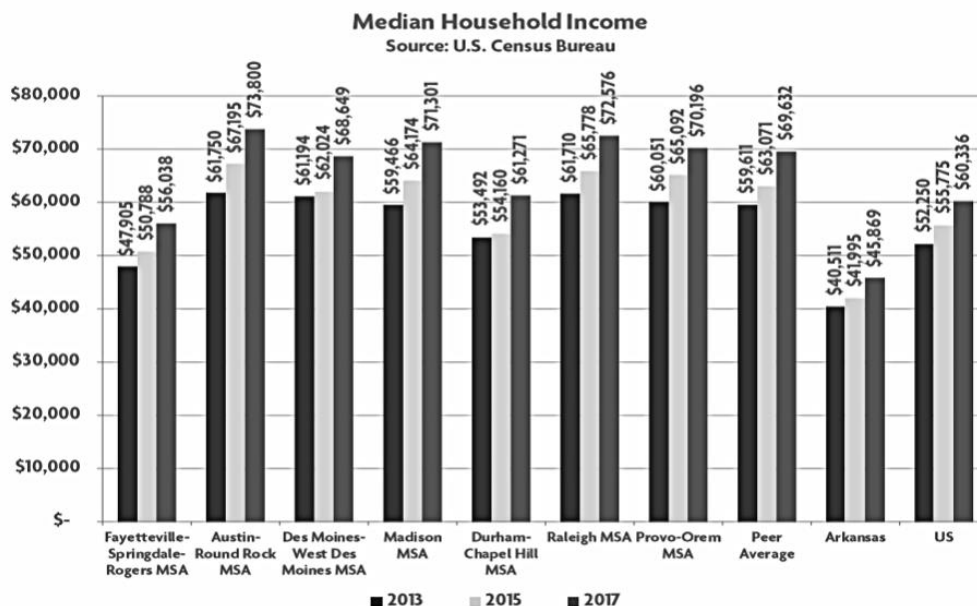
<http://www.nwacouncil.org>

PEER REGION COMPARISONS

MARKET AREA DESCRIPTION, Continued:

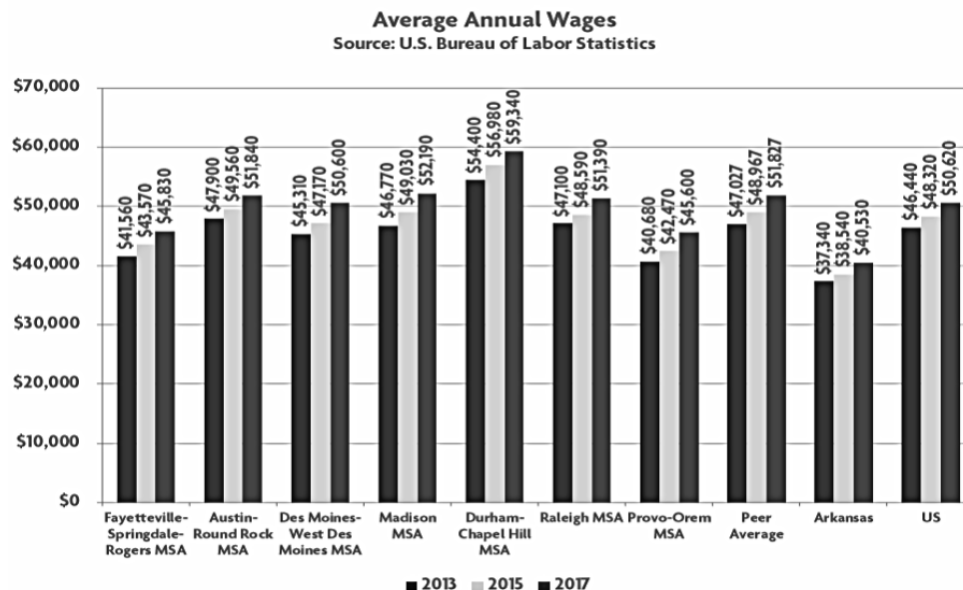


Northwest Arkansas business establishment growth from 2016 to 2017 was 3.1 percent, higher than both the state and the nation, but slightly slower than the average growth rate in peer regions. The five-year change in the number of establishments from 11,683 in 2012 to 13,047 in 2017 represents an annual increase of 2.2 percent.

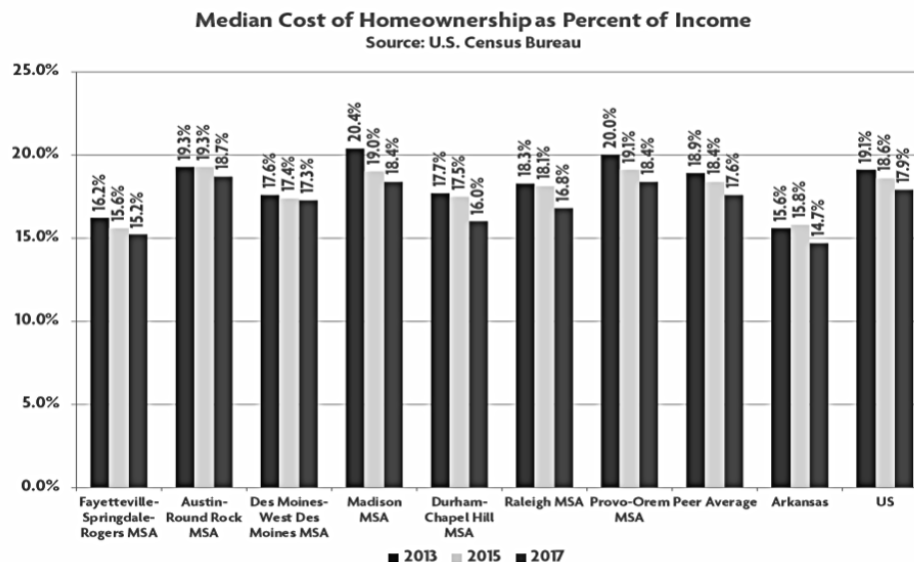


The median household income for Northwest Arkansas grew 8.1 percent to \$56,038 from 2016 to 2017. The region's median household income was 80.5 percent of the peer region median income and 92.9 percent of the national median household income. Northwest Arkansas' average annual rate of change was 4.0 percent, the same as average growth rate in the peer regions.

MARKET AREA DESCRIPTION, Continued:



In spite of having a low unemployment rate, average annual wages in Northwest Arkansas is the second lowest among peer regions at \$45,830 in 2017. From 2013 to 2017, average wages grew 2.5 percent in Northwest Arkansas, placing the region in the middle of the pack when compared to the peer regions.



The cost of homeownership as a percentage of monthly household income for Northwest Arkansas continued to be lower than all the peer regions and the nation. Homeownership costs were 15.2 percent of household income in 2017, down 0.1 percent from the previous year. Since 2013, median homeownership cost as a percent of household income in Northwest Arkansas has dropped 1.0 percent as a result of improvement in the region's household incomes.

MARKET AREA DESCRIPTION, Continued:

HISTORICAL TRENDS: The real estate market in the Fayetteville-Springdale-Rogers MSA went through a correction period from 2009 to 2013, like much of the state and nation. The local correction period was the result of excessive supply introduced into the market from 2003 to 2007 and declining economic conditions during the national recession. Prices were high for the state and region, but they were somewhat protected by the fact that they were still relatively low as compared to national averages, especially for MSA's experiencing similar economic and population growth. Prices declined somewhat, but overall, as long-term investments, most properties have recaptured their value, due to a thriving, diverse local economy including Wal-Mart, JB Hunt, Tyson, and the University of Arkansas among others. The local multifamily market weathered the recession relatively well and was among the first to resume construction. It is worth noting that economists are beginning to predict a potential repeat of a less severe recession.

"If the markets go down, it could bring on another recession. The housing market has been an important element of economic activity. If people start to get pessimistic about housing and pull back and don't want to buy, there will be a drop in construction jobs and that could be a seed for another recession. By the way, we're overdue for another recession." – Economist Robert Shiller; October 2018

CURRENT TRENDS:

"The fact that cap rates have reached record lows speaks to the interest investors continue to have in commercial real estate," MBA Vice President of Commercial Real Estate Research Jamie Woodwell; November 2018

"During the first half of 2018, the overall vacancy rate for commercial real estate (NWA) increased to 10.8 percent, up from 9.7 percent at the end of 2017. This increase was the result of 421,692 square feet of negative net absorption across all types of commercial space."¹⁴

The Arvest Skyline Report is our primary source of market data in the following profiles. The Arvest Skyline Report is a biannual analysis of the latest commercial, single-family residential and multifamily residential property markets in Benton and Washington counties. The report is sponsored by Arvest Bank and conducted by the Center for Business and Economic Research (CBER) in the Sam. M. Walton College of Business at the University of Arkansas.

In 2004, Arvest Bank contracted with CBRE to collect information about the local real estate markets. CBRE researchers aggregated and analyzed data from local governments, property managers, visual inspections and the business media to provide a complete picture of the status of property markets in the two counties.

¹⁴ 2018 Arvest Skyline Report

MARKET AREA DESCRIPTION, Continued:

Multifamily

Historical Trends: The unhealthy housing market resulted in increased demand for apartments. After a short period of increasing vacancy, oversupply was absorbed, and recovery was underway in the multi-family market by 2010.

Current Trends: There have been several successful midsize to large apartment complex developments in Fayetteville in more recent years, mostly serving the rapidly increasing student body. There are also several new multi-family projects directed at downtown living in Fayetteville and Bentonville. The project absorptions have exhibited demand in both cities, but there have also been some multi-family project stall-outs in Fayetteville, resulting in REO land sales that keep multi-family land prices from increasing in some areas (depending on the specific location). Some of those projects were subsequently resumed in the period of increased construction beginning in 2015.

“What we are seeing in the data is that more and more people are choosing to lease apartments instead of buying homes, because the apartments tend to be closer to the amenities they desire and are considered to be more affordable. This, in turn, is fueling the insatiable growth in the multifamily market, which continues to add new multifamily properties at a rapid pace without any sustained increase in the vacancy rate of those properties.”¹⁵

Much of the **new multifamily construction includes pocket communities and modern townhomes** that can be leased or purchased, mostly aimed at either student living or downtown dwellers. These relatively high-priced, high-density homes are a new property type in Northwest Arkansas, and they have proven that demand for these properties exists. These new developments often include tear-downs and redeveloping old single-family homes, and they are driving residential land prices up in select areas of downtown Fayetteville and especially Bentonville where townhome prices have regularly surpassed \$230 per SqFt, some reportedly over \$300 per SqFt.

¹⁵ 2018 Arvest Skyline Report

MARKET AREA DESCRIPTION, Continued:

Retail

Historical Trends: The retail sector was the strength of the commercial market through 2008. Then, economic conditions deteriorated and vacancies increased or remained stagnant through 2009, 2010, and 2011. Around the beginning of 2011 the retail market began to show improved occupancy which increased steadily and current demand is strong, although new construction has been mostly limited to only specific segments, including fast food and free-standing retail buildings.

Current Trends:

“The retail submarket, which has been under severe pressure nationally, showed resilience in Northwest Arkansas in the first half of the year. Despite adding 77,000 square feet of new space and the closing of major retailers Sears and Toys ‘R’ Us, the retail vacancy rate remained below 10 percent. The vacancy rate ended 2017 at 8.9 percent and rose to 9.7 percent in the first half of 2018. CBER researchers specifically pointed out that many retail spaces formerly used for selling goods are now being utilized for selling services.”

“During this cycle, we were also impressed with the retail market, as it continues to outperform national trends, even as large national retailers close and vacate local retail space. While the vacancy rate increased, it remains at healthy levels, and the market seems to be adjusting to the new retail landscape.”¹⁶

“As consumers have increasingly embraced online shopping, it stands to reason that these new shopping preferences will have an impact on different types of commercial real estate with the retail real estate market softening while the warehouse market begins to tighten, I think that is what we are likely witnessing here in Northwest Arkansas.” – Kathy Deck, U of A Econ.

¹⁶ 2018 Arvest Skyline Report

MARKET AREA DESCRIPTION, Continued:

Industrial

Historical Trends: The total vacancy rate has experienced increases over the last year, partially due to new flex space construction.

Due to the timing of the delivery of the CrossMar Industrial 2 site, only 50,000 square feet (sf) preleased, vacancy of flex space has climbed with the additional 150,000 sf of vacant space added to the inventory. The new availability in the Bentonville area would not be expected to remain vacant for long as the vacancy of the area had remained below 2% for more than five quarters. The new availability is expected to be heavily sought after, but the positive side of the delivery may not be seen until IQ 2018 or even later as tenants begin to occupy.

Generally, industrial growth has been limited to the expansion of existing companies, with a few exceptions. Statewide industrial prices fluctuated within a relatively small range and have shown recent upward trends. Northwest Arkansas has exhibited some of the most substantial price increases, especially in high-quality and new industrial properties, while existing industrial prices remain relatively stable. Overall, we consider the industrial real estate market to be stable to growing. The primary growth sector is expected to be light industrial flex space.

Current Trends:

“The warehouse submarket was the most significant contributor to the overall total negative absorption (of all commercial properties) as it accounted for 210,335 of negative net absorption, roughly half of the total. Interestingly, this was not because of newly constructed space entering the market but, rather, driven by previously leased warehouse space becoming vacant.”

“And while the warehouse sector experienced a very weak period in the first half of the year, this has always been a volatile market due to its small size in this area. To have a bad six-month period and still have a vacancy rate of just 8.1 percent tells us that there is no significant reason to worry about the warehouse market as the move to more e-commerce is expected to create sustained, long-term need for warehouse space.”¹⁷

¹⁷ 2018 Arvest Skyline Report

MARKET AREA DESCRIPTION, Continued:

Office

Historical Trends: Office lease rates declined from 2009 to 2012. Then they started to show improvement, which has continued to date, with some office classes meeting or surpassing pre-recession occupancy and rental rates.

While more recent leasing activity has remained steady, the bulk of the transactions checked in less than 2,500 sf in size with only one transaction greater than 10,000 sf. The larger vacancies that hit in 2017: ConAgra, Iberia Bank and Springs Industries resulted in a climbing vacancy rate.

While Fayetteville CBD and East Springdale submarkets offer the most affordable asking rents in the market, they also have had the lowest vacancy rates. Users looking in those submarkets will likely be pushed north into Benton County. Bentonville and Rogers have substantial new supply entering their area.

Some local experts were reporting a shortage of Class A office space for out of town vendors moving into the area. That perception led to new Class A office developments which added new office supply of more than 300,000 SqFt., but the impact to overall availability is minimal as the projects were delivered with substantial pre-leased occupancy.

Current Trends:

“The office submarket demonstrated continued strength, as 134,688 square feet of new office space was added while 165,224 square feet was absorbed, leading to the office vacancy rate being unchanged from the second half of 2017 at 9.1 percent. Researchers at the Center for Business and Economic Research (CBER) at the Sam M. Walton School of Business at the University of Arkansas specifically noted the strength of Class A and B office space in Bentonville as being a major contributor to the office sector’s overall positive performance.”¹⁸

“The office market in Northwest Arkansas continues to show strength and the ability to absorb the new space being introduced in the market,” said Mervin Jebaraj, CBER director.

¹⁸ 2018 Arvest Skyline Report

MARKET AREA DESCRIPTION, Continued:

CONCLUSIONS:

The MSA continues to experience a favorable interest rate environment. Recent population and employment numbers reflect growth and job supply. The unemployment rate for the MSA remains favorable relative to the national and state levels. Incomes and GDP are on the rise. **We expect that continued economic improvement will support the towns and bedroom communities within Benton and Washington County for the foreseeable future, and, local real estate values are expected to continue to improve.**

During the first half of 2018 commercial building permits totaled \$188,503,803, a 61.4 percent increase from the \$116,812,224 in permits issued in the first half of 2017.

Chris Thornton, loan manager with Arvest Bank of Springdale, said about the commercial market Skyline results, “It is very encouraging to see the commercial real estate market in Northwest Arkansas continue to grow and remain well balanced. We continue to work with our real estate development customers to help them identify the specific types of developments needed to match the growth in the market. Our commercial real estate financing teams will continue helping customers build the right projects at the right place and in the right time.”¹⁹

¹⁹ 2018 Arvest Skyline Report

MARKET AREA DESCRIPTION, Continued:

Market area is defined as: *The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area.*²⁰

Market areas are characterized by a number of factors, including, but not limited to: physical features (such as topography, transportation types, structure types, street patterns, vegetation, lot sizes, soil types, etc.), the demographic and socio-economic make-up of the area population, the condition of the improvements (age, upkeep, ownership, vacancy rates), and land-use trends.

To identify the boundaries of a market area, an appraiser:

- Examines and analyzes the subject property
- Examines and analyzes the area's physical features
- Examines and analyzes land-use propensities
- Draws preliminary boundaries based on these analyses
- Examines and analyzes the demographic and socio-economic character of the delineated area
- Reconciles these analyses to determine the best market-area boundaries for the assignment²¹

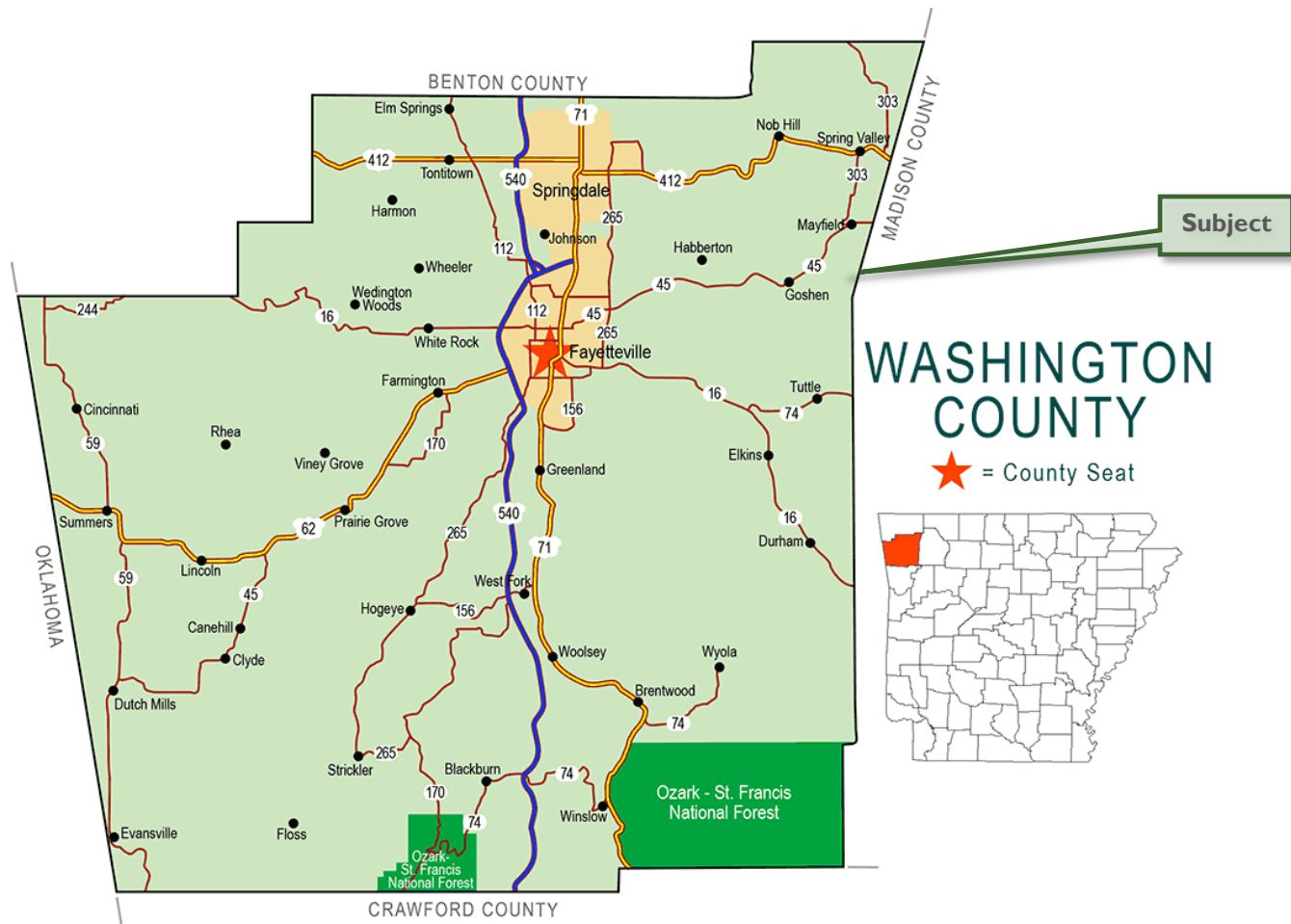
We define the subject market area as Washington County, and we will search the area for comparable sales and information. We focus our search efforts to mainly the rural areas in Washington County or more specifically the northeastern side of the county. The search area is bordered by Springdale to the north, Fayetteville to the west, and Elkins to the south.

20 Appraisal Institute. (2015). The Dictionary of Real Estate Appraisal (6th ed.). Chicago, IL: Author. 139.

21 Appraisal Institute. (2013). The Appraisal of Real Estate (14th ed.). Chicago, IL: Author. 165-166.

MARKET AREA DESCRIPTION, Continued:

MARKET AREA MAP



MARKET AREA DESCRIPTION, Continued:

When comparables cannot be located in the immediate area of the subject we attempt to find sales and rented properties in areas that share similar characteristics and have similar price levels. **The subject neighborhood is also described below for the clients' benefit in understanding the immediate surroundings and the characteristics we will seek out in comparable property neighborhoods within the market area.** More extensive and specific market information and analysis is also included in the income approach later in this report.

Neighborhood is: *A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.*²²

A neighborhood exhibits a greater degree of uniformity than the larger surrounding area. A neighborhood will generally exhibit a more homogenous landscape with regard to building types, building styles, and building ages than would be found in the larger surrounding area. Social, economic, and governmental forces operating within a neighborhood further define it.

Goshen

Goshen is a town in Washington County, Arkansas.

Area: 11.52 mi²

Zip code: 72735

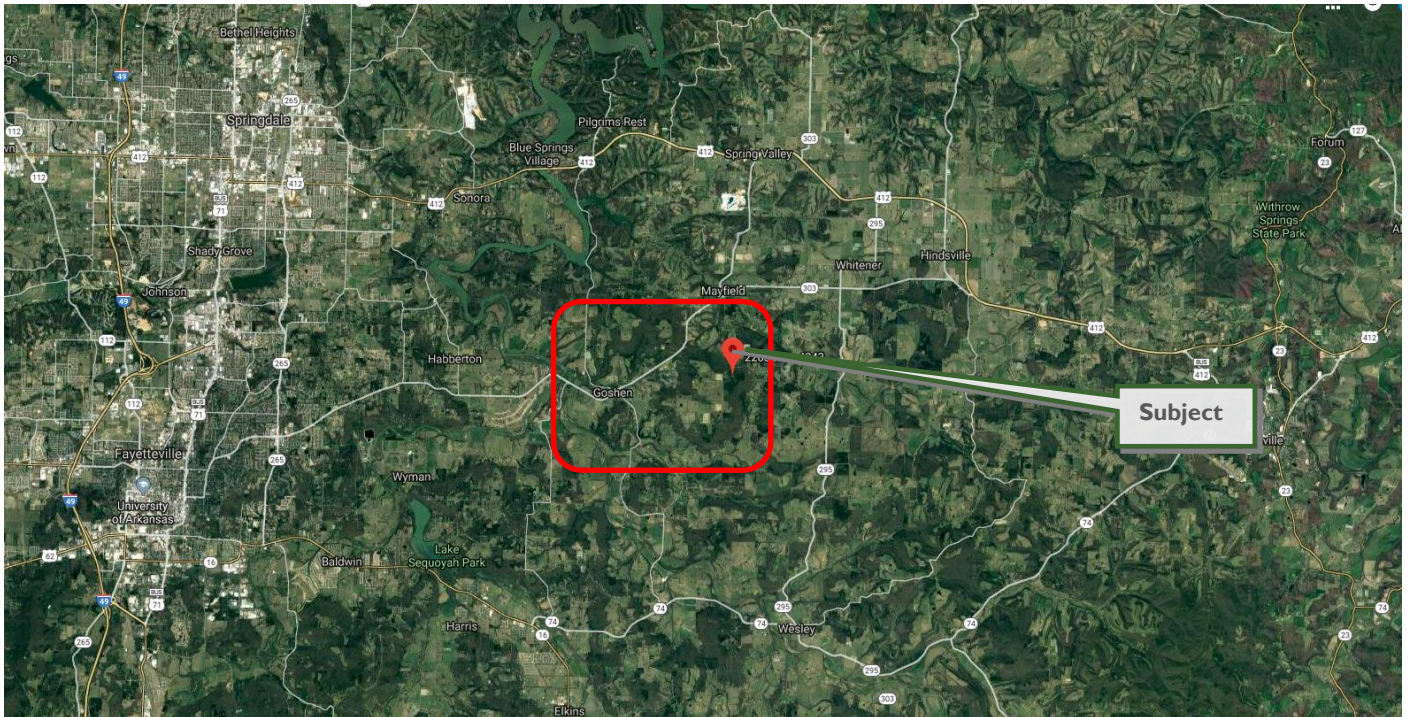
2018 Population = 1,760

While the subject has an Elkins address, its actually much closer to Goshen, AR and therefore we consider Goshen its neighborhood. Goshen has historically been an agricultural community though some residents work in Fayetteville, Springdale, Rogers, etc. It is a very small residential community with very few commercial properties. The highway corridor hosts a limited number of commercial businesses. The commercial properties are sparse and there's no new development. **Highway 45** is a state highway in Northwest Arkansas with moderate traffic and it runs though town from Fayetteville.

22 Appraisal Institute. (2015). The Dictionary of Real Estate Appraisal (6th ed.). Chicago, IL: Author. 156.

MARKET AREA DESCRIPTION, Continued:

The existing commercial properties have been maintained on a fair to average basis consisting of ages varying from 65 years old to 13 years old. Most businesses serve the highway travelers. It is currently in a stable stage of the market life cycle due to its highway location and its proximity to the growth center of NWA which makes it likely to continue as a stable area with potential for some growth.



NEIGHBORHOOD

Neighborhood Outlook: The neighborhood has benefitted from the population increases and income increases of the greater market area, and it enjoys solid employment. Overall, as a part of the greater, healthy Northwest Arkansas market, **Goshen and Elkins** are expected to remain a stable real estate market experiencing price trends similar to the greater market area.

Analysis and Conclusions

HIGHEST AND BEST USE ANALYSIS

Highest and Best Use is: *The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.*²³

The theoretical focus of highest and best use analysis is on the potential uses of the land as though vacant. In practice, however, the contributory value of the existing improvements and any possible alteration of those improvements are also important in determining highest and best use and, by extension, in developing an opinion of the market value of the property.

In the analysis of highest and best use of land as though vacant, we ask the following questions:

- Should the land be developed or left vacant?
- If left vacant, when would future development be financially feasible?
- If developed, what kind of improvements should be built?

In the analysis of the highest and best use of the property as improved, the appraiser must additionally answer:

- Should the existing improvements on the property be maintained in their current state, should they be altered in some manner to make them more functionally efficient, or should they be demolished to create a vacant site for a different use?
- If renovation or redevelopment is warranted, when should the new improvements be built?²⁴

Typically, when the value of a property as improved is greater than the value of the land as though vacant, the highest and best use is “as improved”. Sometimes, a property's existing use may represent an interim use in which case the value equals the land value for the proposed highest and best use plus the contributory value of the current improvements until the proposed highest and best use is later achieved. Property owners redeveloping a parcel of land sometimes remove an improvement even when the value of the property as improved exceeds the value of the vacant land. The costs of demolition and any remaining improvement values are taken into consideration when testing the financial feasibility of redevelopment.

Four steps are applied in the following order to determine the appraiser's highest and best use opinion:

Physically Possible; Legally Permissible; Financially Feasible; Maximally Productive

²³ Appraisal Institute. (2015). The Dictionary of Real Estate Appraisal (6th ed.). Chicago, IL: Author. 109.

²⁴ Appraisal Institute. (2013). The Appraisal of Real Estate (14th ed.). Chicago, IL: Author. 337.

HIGHEST AND BEST USE ANALYSIS continued:**Physically Possible:**

The availability and capacity of public utilities appear to be adequate for the subject property, and the land is located outside of the flood hazard area. No subsoil study was provided the appraiser and it is assumed that the subsoil conditions will not make utilization of the site restrictive or costly and that the site's potential future use is not affected. Alternative uses that would require a larger site are physically prohibited.

“As vacant,” the subject property could be developed as any number of uses that would not be limited by the property’s size and shape, terrain or by the availability of utilities.

The smaller of the two tracts is too small to serve many uses on its own, but as a supplementary tract to be added to a larger adjoining site, it has similar value to the land surrounding it.

Legally Permissible:

The property is not subject to zoning restrictions.

“As vacant,” the subject property could legally be put into service for any use consistent with the neighborhood.

Financially Feasible:

There may be numerous uses for the subject property. All uses that are expected to produce a positive return, after expenses, are regarded as economically feasible.

A comprehensive marketability or feasibility study was not requested nor performed in conjunction with this report. The appraisers utilize inferred market analysis. The projections utilized are based on our experience with other similar properties in the market area and the market studies at our disposal. The subject market is stable and balanced, based on current supply and demand observed.

“As vacant”: Given immediate neighborhood trends, residential or light industrial uses would be considered feasible. **Uses dependent on city sewer or commercial traffic would not be feasible.**

HIGHEST AND BEST USE ANALYSIS continued:

Maximally Productive:

The physically possible, legally permissible, and financially feasible use that results in the highest present value is the Maximally Productive Use. This assumes maximized profitability. Maximum profitability is somewhat subjective depending on ownership knowledge, management ability, management costs, changes in supply as well as other fluctuations in income and expenses, but it can be narrowed to a reasonable conclusion which also considers the risk of the use.

“As vacant”: Given immediate neighborhood trends, the **maximally productive use is as land to serve as a future home site or just to hold as vacant land as an investment.**

THE VALUATION PROCESS

The **Valuation Process** is: *A systematic procedure an appraiser follows to provide answers to a client's questions about real property value.*²⁵

The number of steps depends on the intended use of the assignment results, the nature of the property, the scope of work, and the availability of data. In assignments to develop an opinion of market value, the ultimate goal of the valuation process is a well-supported value conclusion that reflects all of the pertinent factors that influence the market value of the property being appraised given the intended use and users. To achieve this goal, an appraiser studies a property from three different viewpoints, which are referred to as the approaches to value.

The three approaches to value typically used in the valuation process are briefly introduced below:

1. In the **Cost Approach**, value is estimated as the current cost of reproducing or replacing the improvements (including an appropriate entrepreneurial incentive or profit) minus the loss in value from depreciation plus the land value.
2. In the **Sales Comparison Approach**, value is indicated by recent sales of comparable properties in the market.
3. In the **Income Capitalization Approach**, value is indicated by a property's earning power, based on the capitalization of income.

One or more approaches to value may be used depending on which approaches are necessary to produce credible assignment results, given the intended use. **This appraisal utilizes the Sales Comparison Approach to value the subject property. This is the most common and applicable method of valuation of vacant land.**

From the approaches applied, the appraiser derives separate indications of value for the property being appraised. To complete the valuation process, the appraiser integrates the information drawn from market research, data analysis, and the application of the approaches to form a value conclusion. This conclusion may be presented as a single point estimate of value or, if the assignment permits, as a range within which the value may fall (or as a point referenced from a benchmark). An effective integration of all the elements in the process depends on the appraiser's skill, experience, and judgment.²⁶

25 Appraisal Institute. (2015). The Dictionary of Real Estate Appraisal (6th ed.). Chicago, IL: Author. 243.

26 Appraisal Institute. (2013). The Appraisal of Real Estate (14th ed.). Chicago, IL: Author. 35-36.

LAND VALUE

The **Sales Comparison Approach** is: *The process of deriving a value indication for the subject property by comparing similar properties that have recently sold with the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. 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.*²⁷

To apply the sales comparison approach, appraisers follow a systematic procedure:

- **Research** the competitive market for information on properties that are similar to the subject property and that have recently sold, are listed for sale, or are under contract. Consider the characteristics of the properties such as property type, date of sale, size, physical condition, location, and land use constraints. The goal is to find a set of comparable sales as similar as possible to the subject property to ensure they reflect the actions of similar buyers. Market analysis and highest and best use analysis set the stage for the selection of appropriate comparable sales.
- **Verify** the information by confirming that the data obtained is factually accurate and that the transactions reflect arm's-length market considerations. Verification should elicit additional information about the property and the market so that comparisons are credible.
- **Select** the most relevant units of comparison in the market (e.g., price per acre, price per square foot, price per front foot) and develop a comparative analysis for each unit.
- Look for differences between the comparable sale properties and the subject property using all appropriate elements of comparison. Then **adjust** the price of each sale property, reflecting how it differs, to equate it to the subject property or eliminate that property as a comparable. This step typically involves using the most similar sale properties and then adjusting for any remaining differences. If a transaction does not reflect the actions of a buyer who would also be attracted to the subject property, the appraiser should be concerned about comparability.
- **Reconcile** the various value indications produced from the analysis of comparables to a value bracket and then to a single value indication.²⁸

²⁷ Appraisal Institute, The Appraisal of Real Estate, 14th Edition, 2013 p45

²⁸ Ibid p45-46

Land Value, continued

A wide search of MLS and County Records for land sales of any variety returned no sales of 0.10 acres or less in Washington County. There was only 1 sale of less than 0.07 Acres in the last 5 years, but it was located in Benton County, and it was a small neighborhood lot with typical utilities including sewer service. It was deemed incomparable.

Considering the intended use of the appraisal, it is more appropriate to use typical land sales from the surrounding area as they best represent the value difference and value lost by the land swap.

COMP SET – EAST FAYETTEVILLE RURAL LAND – 0.4 ACRE TO 1 ACRE

Comp #	MLS #	Location	Sewer	Address	Town
1	1020107	Rural, East Fay	N	358 N Vaughan Rd	Fayetteville
2	1024896	Rural	N	15572 Hamestring Road	Fayetteville
3	1000680	Twn edge, nbrhd	Y	3695 Huntsville Road	Fayetteville
4	1018965	Rural Subd	N	13436 Lichen	Fayetteville
5	1036722	Rural	N	16478 Hicks Road	Elkins
6	1025987	Rural nbrhd	N	19984 Combs-Bell Wc 31	Elkins

Comp #	Sold Date	Sold Price	DOM	Acres	Price/Acre
1	9/23/2016	\$ 20,000	86	0.43	\$ 46,512
2	12/2/2016	\$ 29,000	105	0.49	\$ 59,184
3	7/8/2016	\$ 33,000	260	0.64	\$ 51,563
4	7/8/2016	\$ 29,000	24	0.75	\$ 38,667
5	1/24/2017	\$ 28,600		0.93	\$ 30,753
6	11/18/2016	\$ 16,000	73	1.00	\$ 16,000
Averages		\$ 25,933	110	0.71	\$ 40,446

Land Value, continued

Adjustments to Comparable Sales are: *Mathematical changes made to market data to facilitate comparison or understanding. When dollar adjustments are used, individual differences between comparable properties and the subject property are expressed in terms of plus or minus dollar amounts. With percentage adjustments, individual differences are reflected in plus or minus percentage differentials.*

29

Despite all efforts to extract quantitative adjustments, some elements of value offer no quantitative basis but still warrant adjustment. In these cases, we use **qualitative adjustment**. We judge the properties on a scale of poor; fair; average; good; excellent, and we apply a % difference to each level of disparity, based on the range displayed by the comparable set. It is a method of relative adjustment used by our peers and approved by the Appraisal Institute. This method has proven, over time, to reach reasonable market-guided results, given proper selection and verification of the comps and using the appraisers' experience in the local market.

LAND COMPARABLE PROPERTIES ADJUSTMENT GRID:

Comp #	Cond	Mkt	Loc	Net Adj	Adj \$/Acre
1		12%		12%	\$ 51,966
2		11%	-20%	-9%	\$ 53,719
3		13%	-20%	-7%	\$ 47,840
4		13%		13%	\$ 43,609
5		10%		10%	\$ 33,841
6		11%		11%	\$ 17,753
				Avg	\$ 41,455

Explanation of Adjustments: The subject and sales all occurred under typical condition, financing and with similar property rights. The only substantial differences between the sales as they apply to the subject tracts, and the only adjustments necessary to perform reliable curve fit analysis on the comparable sales are for changing Market Conditions since the sale and Locational attributes including neighborhood property values, access, and utilities or lack thereof.

29 Appraisal Institute. (2015). The Dictionary of Real Estate Appraisal (6th ed.). Chicago, IL: Author. 4-5.

Land Value, continued

Market Conditions (Time) Adjustment: Market statistics drawn from MLS indicate average market appreciation of approximately 5% per year for residential and agricultural land in the Washington County.

Location Adjustment: We adjusted qualitatively for sales located closer to town, including consideration for comps which had sewer service, making them superior to the subject location.

Size Adjustment: A wide search of MLS and County Records for land sales of any variety returned only 1 sale of less than 0.10 Acres in the last 5 years. Since there were not sufficient sales of similar size to compare with Tract 1, we opt to utilize curve fit analysis to estimate the two respective subject tract prices per acre projected by the trendline set by the comparable sale points.

CONCLUSION:

Curve Fit Analysis (Linear): In curve fit analysis, a statistical formula is used to calculate a line or curve that represents the best fit for the data.³⁰

The trend line is placed at the position that results in the least variation between the data in the chart and the trend line. The trend line formula can then be used to make a projection or to estimate the value implications of some variable. The trend line calculation in Excel is based on regression analysis. However, for application in determining adjustments in an appraisal, the term *curve fit analysis* may be more appropriate than the term *regression analysis*.

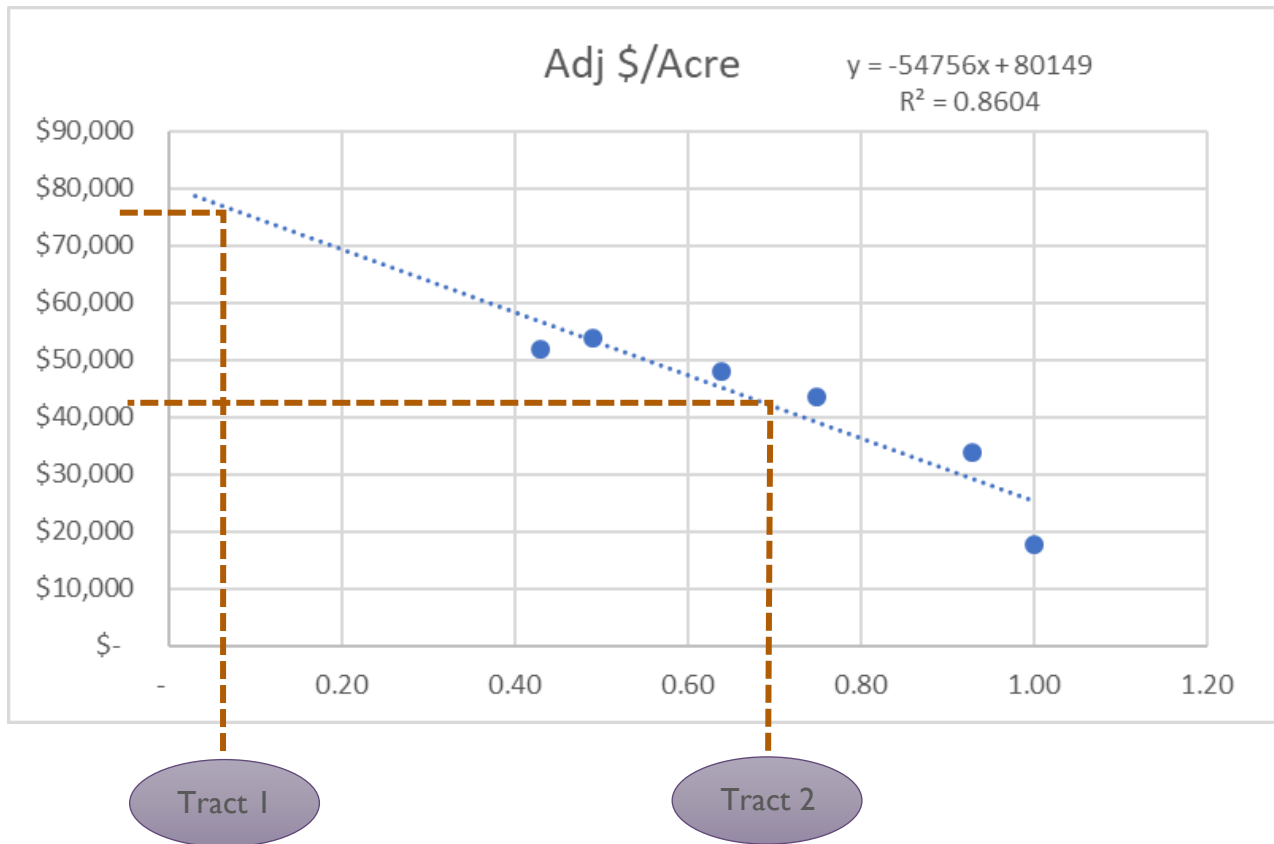
It may not be appropriate to consider this application a statistical regression analysis for several reasons:

1. The number of sales or rents in an appraisal analysis is often too small to provide any statistical reliability.
2. Appraisers are not generally able to use the kinds of controls on collection of data that would be considered necessary to avoid introducing bias into the statistics.
3. An appraiser may even make some preliminary adjustments to the data before completing graphic analysis, which may not be appropriate for regression analysis.

An important distinction is that, in curve fit analysis, it is important to only include sales which have already been researched and determined as reliable indications of subject value. The sales were chosen due to a high degree of similarity with the subject

³⁰ Appraisal Institute Advanced Concepts and Case Studies Part 2 – 31; 2016

Land Value, continued



The R2 value on the chart above indicates a strong correlation between size and price per acre and that the trendline equation is a reliable predictor of value or adjustment for size. The R2 value is a measure of the correlation of all sale points to the trend line with 1 being all points falling on the line.

We find the subject tract size on the bottom axis, and the comparable set trendline gives us the corresponding price per acre indicated for that size.

Y-Int		Slope	Subj Acres	Value/Acre	Value
80149.03111	+	-54756.264	0.06	\$ 76,864	\$ 4,612
Indicated Value of Tract 1				Rounded	\$ 5,000
Y-Int		Slope	Subj Acres	Value/Acre	Value
80149.03111	+	-54756.264	0.72	\$ 40,725	\$ 29,322
Indicated Value of Tract 2				Rounded	\$ 30,000

Assumptions / Limiting Conditions

1. *Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. HCA is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. HCA however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.*
2. *Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good useful condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. HCA professionals are not engineers and are not competent to judge matters of an engineering nature. HCA has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of HCA by ownership or management. Structural problems and/or building system problems may not be visually detectable. If negative findings are reported by engineering consultants, HCA reserves the right to amend the appraisal conclusions reported herein.*
3. *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 appraisers. HCA. has no knowledge of the existence of such materials on or in the property. HCA., however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater 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. We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.*
4. *All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard*

practices based upon the information submitted to HCA. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.

- 5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, HCA. has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, HCA. reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify HCA. of any questions or errors.*
- 6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, HCA will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.*
- 7. HCA assumes no private deed restrictions limit the use of the subject.*
- 8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.*
- 9. HCA. is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.*
- 10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.*
- 11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are*

estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. HCA does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of HCA.

- 12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of HCA to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.*
- 13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.*
- 14. This study may not be duplicated in whole or in part without the specific written consent of HCA nor may this report or copies hereof be transmitted to third parties without said consent, which consent HCA reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of HCA which consent HCA reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. HCA shall have no accountability or responsibility to any such third party.*
- 15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.*
- 16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.*
- 17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report*

18. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to HCA unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. HCA assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance.
19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor HCA. assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
20. HCA assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient or super-efficient.
21. 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.
22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, HCA. has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since HCA. has no specific information relating to this issue, nor is HCA qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.
24. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client approximately result in damage to Appraiser. Notwithstanding the foregoing, Appraiser shall have no obligation under this Section with respect to any loss that is caused solely by the active negligence or willful misconduct of a Client and is not contributed to by any act or omission (including any failure to perform any duty imposed by law) by Appraiser. Client shall indemnify and hold Appraiser harmless from

any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover, from the other, reasonable attorney fees and costs.

Addenda

Comparable Property Sale

Unzoned Land 358 N Vaughan Rd Fayetteville AR 72701

**Physical Characteristics**

County Parcel	001-11202-000
Property Type	Vacant Land
Property Sub Type	Dev Potential
Planned Use	Residential
Zoning	No City Zoning
Land Area	0.43 Acres
Land Area	18,731 SqFt
Excess Land	- Acres
Flood Status	No
Traffic Counts	N/A VPD



Utilities No Sewer

Sale Details

Closed/Listing/Pending	Closed	Fee Simple/Leased Fee	Fee Simple
Sale Date	9/23/2016	MLS #	1020107
Sale Price	\$ 20,000		
Price / SqFt	\$ 1.07		
Asking Price	\$ 22,000		
Sale to List	91%		
DOM	86		
Adjusted Price	\$ -		
Adj Price / SqFt	\$ -		
Deed			
Previous Sale Date	N/A	0.0 Yrs since sale	Price Change/Year
Previous Sale Price	N/A	\$ -	0.0%

**Buyer & Seller**

Recorded Buyer	Jack Carpenter	Recorded Seller	Karen L Deal
True Buyer	Jack Carpenter	True Seller	Karen L Deal
Contact		Contact	

Comments and Verification

Source: County Records and MLS all report similar details for the property and sale.

We verified and compiled the most reliable details from each source.

Attempted to reach buyer but was unsuccessful

On Site Septic Existing, Public Water on Site

Remarks: \$1.07 / SqFt. Utils: Water, Elec. **MLS # 1020107** Public Remarks: This is agent owned it has electric, water and septic on the property.

Comparable Property Sale

Unzoned Land 16478 Hicks Rd Elkins AR 72727



Physical Characteristics

County Parcel	001-14329-000
Property Type	Vacant Land
Property Sub Type	Dev Potential
Planned Use	Residential
Zoning	No City Zoning
Land Area	0.93 Acres
Land Area	40,511 SqFt
Excess Land	- Acres
Flood Status	No
Traffic Counts	N/A VPD



Utilities No Sewer

Sale Details

Closed/Listing/Pending	Closed	Fee Simple/Leased Fee	Fee Simple
Sale Date	1/24/2017		
Sale Price	\$ 28,600	MLS #	1036722
Price / SqFt	\$ 0.71		
Asking Price	\$ 28,600		
Sale to List	100%		
DOM			
Adjusted Price	\$ -		
Adj Price / SqFt	\$ -		
Deed			
Previous Sale Date	N/A	0.0 Yrs since sale	Price Change/Year
Previous Sale Price	N/A	\$ -	Price Change
			0.0%

Buyer & Seller

Recorded Buyer	Jacob & Christina Geurin	Recorded Seller	Daniel R Selph
True Buyer	Jacob & Christina Geurin	True Seller	Daniel R Selph
Contact		Contact	

Comments and Verification

Source: County Records and MLS all report similar details for the property and sale.

We verified and compiled the most reliable details from each source.

Attempted to reach buyer but was unsuccessful

Public Water, No Sewer

Remarks: \$0.71 / SqFt. Utils: Water, Elec. **MLS # 1036722** Public Remarks: No public remarks were available.

16478 Hicks Rd, Elkins, AR 72727

LAND



Sub Type: **Residential**
DOM: **0**

ML#: **1036722**

County: **Washington**

Description: **None**

Subdivision: **n/a**

School Dist:

Flood Zone:

Parcel ID: **001-14329-000**

List: **\$28,600**
Sold: **\$28,600**
Sold Date: **01/24/2017**

Sold

Block: **n/a**

Acres: **1.00**
Taxes: **\$622**
Manuf Hm: **No**
Homestead: **No**

Lot: **n/a**

Frontg:

Internal Information

List Agt:
Lst Agt Email: info@nwarealtors.org
List Ofc: **Non MLS Sales**
Buy Agt Fee: **2.7**
LP/HtSF:
SP/HtSF:
Subject To: **Non Listed**
LP/Acre: **\$28,600.00**

Agt Cell:

Variable: **No**
List Date: **01/24/2017**
With Date:

Agt Phone: **479-770-0241**

Ofc Phone:
Agt Fax:
Exp Date: **01/24/2017**
Pend Date: **01/24/2017**
Agency:
SP/Acre: **\$28,600.00**

Features

Water/Sewer: **Other-Specify In Remarks**
Roads: **County Road**
Topography: **Level**
Lot Desc: **Cleared**
Legal: **PT NW SE 1.00AC**

Fencing: **None**

Public Remarks: **Sold before print**

Directions: **Sold before print**

Sold Information

Selling Office: [Prime Real Estate & Development](#)
Selling Agent: [Calvin Tackett](#)
Sell Agt Email: calvin@primesellsnwa.com
Days Pending:

Phone: **479-571-1515**
Phone: **479-841-7445**

Prepared By: Zachary Holland , Holland Commercial Appraisals

Monday, February 11, 2019 4:55 PM

Information deemed reliable but not guaranteed.

13436 Lichen, Fayetteville, AR 72704

LAND



Sub Type: **Residential**
DOM: **24**

List: **\$29,000**
Sold: **\$29,000**
Sold Date: **07/08/2016**

ML#: **1018965**
County: **Washington**
Location: **Neighborhood**
Description: **Curbing**
Subdivision: **Harmon Trails Estates**
School Dist: **Springdale**
Flood Zone:
Zoning:
Parcel ID: **223-00020-000**

Lot: **20**

Block: **0**

Frontg:
Covenant: **Yes**

Acres: **0.75**
Taxes: **\$419**
Manuf Hm: **No**
Disclosure: **Yes**
Homestead: **No**

Internal Information

List Agt: **Midtown Associates**
Lst Agt Email: **admin@midtown.today**
List Ofc: **NWA Realty Group, LLC**
Co-Agt: **Michelle Dearing**
Co-Agt Email: **Michelle@Midtown.Today**
Buy Agt Fee: **3**
Showing Inst: **Call Appt Center**
Call to Show:
LP/HtSF:
SP/HtSF:
Subject To: **N/A**

Agt Cell: **479-366-7321**

Agt Phone: **479-268-5170**

Ofc Phone: **479-273-6900**
CoAgt Phone: **479-366-7321**

Variable: **No**

Agt Fax:

Direct Cont: **Michelle Dearing**
List Date: **06/14/2016**
With Date:

Exp Date: **10/31/2016**
Pend Date: **06/14/2016**
Agency: **Exclusive Right to Sell**
SP/Acre: **\$38,666.67**

LP/Acre: **\$38,666.67**

Features

Electric: **At Street**
Gas: **At Street**
Water/Sewer: **Public Water At Street**
Roads: **Public**
Topography: **Level**
Lot Desc: **Cleared, Curbing, In Subdivision**
Legal: **Lot 20 Harmon Trails**

Lake/Prop:
Internet/TV: **Cable At Street**

Fencing: **None**

Public Remarks: **The perfect lot to build!**

Directions: **From I49, take Exit 72 west down Hwy 412. Left onto Harmon Rd. Right on Lichen.**

Sold Information

Selling Office: **RE/MAX Associates**
Selling Agent: **Peggy Lucero**
Sell Agt Email: **plucero@sellingnwa.com**
Days Pending:

Phone: **479-684-5757**
Phone: **479-236-8438**

Prepared By: Zachary Holland , Holland Commercial Appraisals

Monday, February 11, 2019 4:55 PM

Information deemed reliable but not guaranteed.

[15572 Hamestring Rd, Fayetteville, AR 72704](#)

LAND



Sub Type: **Residential**
DOM: **105**

List: **\$32,500**
Sold: **\$29,000**
Sold Date: **12/02/2016**

ML#: **1024896**

County: **Washington**
Description: **Other-Specify In Remarks, Will Consider Divide**
Subdivision: **Baughman Lt Split**
School Dist: **Farmington**

Lot: **B**

Sold

Block: **-**

Flood Zone:
Zoning:
Parcel ID: **106-00002-000**

Frontg:
Covenant:

Acres: **0.49**
Taxes: **\$367**
Manuf Hm: **Yes**
Disclosure: **Yes**
Homestead: **No**

Internal Information

List Agt: [Nicole Brekelbaum](#)
Lst Agt Email: brekelbaum.realestate@gmail.com
List Ofc: [Gibson Real Estate](#)
Buy Agt Fee: **2.7**
Showing Inst: **Apmt Only, Call List Agent, Lockbox-Supra, Vacant**
LP/HtSF:
SP/HtSF:
Subject To: **N/A**

Agt Cell: **479-366-2658**
Variable: **No**
List Date: **08/19/2016**
With Date:

Agt Phone: **479-366-2658**
Ofc Phone: **479-267-4427**
Agt Fax:
Exp Date: **02/18/2017**
Pend Date: **09/18/2016**
Agency: **Exclusive Right to Sell**
SP/Acre: **\$59,183.67**

LP/Acre: **\$66,326.53**

Features

Electric: **On Site**
Water/Sewer: **On Site Septic Existing, On Site Well Existing, Public Water on Site**
Roads: **Public, Surface Paved**
Topography: **Level, Partially Wooded, Sloping**
Lot Desc: **Not In Subdivision, Out of City, Rural Property**
Legal: **-**

Lake/Prop:
Fencing: **Total**

Public Remarks: **Nice piece of land in west Fayetteville with existing septic, rural water, well and electric on site! Nice double door shop, well house/storage, and access from W. Double Springs or Hamestring. Removal of older buildings is negotiable. Lot lines are being surveyed and redrawn. This parcel will end up being closer to .75-1 acre. Contract will need to be contingent on survey and lot split approval. Additional 4 acres available for \$40,000.**

Directions: **Travel west on Wedington, take right onto Hamestring road. Property on the right (just before paved road turns to gravel)**

Sold Information

Selling Office: [Gibson Real Estate](#)
Selling Agent: [Nicole Brekelbaum](#)
Sell Agt Email: brekelbaum.realestate@gmail.com
Days Pending:

Phone: **479-267-4427**
Phone: **479-366-2658**

Prepared By: Zachary Holland , Holland Commercial Appraisals

Monday, February 11, 2019 4:55 PM

Information deemed reliable but not guaranteed.

3695 Huntsville Rd, Fayetteville, AR 72701

LAND



Sub Type: **Residential**
DOM: **260**

List: **\$39,900**
Sold: **\$33,000**
Sold Date: **07/08/2016**

ML#: **1000680**
County: **Washington**
Description: **Sidewalk**
Subdivision: **Fayetteville Outlots**
School Dist: **Fayetteville**
Lot Dim:
Flood Zone: **No**
Zoning:
Aso/POA Fee:
Parcel ID: **765-14243-000**

Lot: **0**

Block: **0**

Frontg: **113**
Covenant:
Aso/POA Paid: **None**

Acres: **0.64**
Taxes: **\$363**
Surveyed: **Yes**
Manuf Hm: **No**
Disclosure: **Yes**

Homestead:

Internal Information

List Agt: **Rhonda Sullivan**
Lst Agt Email: **rhonda@turn-keyhomesofnwa.com**
List Ofc: **Lazenby Real Estate**
Buy Agt Fee: **5**
Showing Inst: **Call List Agent**
LP/HtSF:
SP/HtSF:
Subject To: **N/A**

Agt Cell: **479-366-4427**

Agt Phone: **479-366-4427**

Variable: **No**

Ofc Phone: **479-521-6701**
Agt Fax:

List Date: **10/22/2015**
With Date:

Exp Date: **08/31/2016**
Pend Date: **06/20/2016**
Agency: **Exclusive Right to Sell**
SP/Acre: **\$51,562.50**

LP/Acre: **\$62,343.75**

Features

Electric: **At Street**
Gas: **At Street**
Water/Sewer: **Public Sewer At Street, Public Water At Street**
Roads: **Highway**
Topography: **Level**
Lot Desc: **Cleared**
Legal: **A part of the SW 1/4 of the SE 1/4 of Section13,Township 16 North,Range30 West Washington County Arkansas.**

Lake/Prop:
Internet/TV:

Fencing: **1 Side**

Public Remarks: **Convenient location right off of HWY 16. Current NC Zoning allows for home or duplex. All utilities on site only need to pay tap fees.**

MLS Remarks: **Convenient location right off of HWY 16. Current NC Zoning allows for home or duplex. All utilities on site only need to pay tap fees.**

Directions: **From HWY 256 and HWY 16 Intersection, go East on HWY 16 approximately 1.25 miles. Property is on your right before the White River Bridge.**

Sold Information

Selling Office: **Keller Williams Market Pro Realty - Bentonville**
Selling Agent: **John Grogan**
Sell Agt Email: **idgrogan@live.com**
Days Pending:

Phone: **479-657-6797**
Phone: **479-935-5336**

Prepared By: Zachary Holland , Holland Commercial Appraisals

Monday, February 11, 2019 4:55 PM

Information deemed reliable but not guaranteed.

[19984 Combs-Bell Wc 319 Rd, Elkins, AR 72727](#)

LAND



Sub Type: **Residential**
DOM: **73**

List: **\$16,900**
Sold: **\$16,000**
Sold Date: **11/18/2016**

ML#: **1025987**
County: **Washington**
Location: **Neighborhood, Rural**
Description: **None, Other-Specify In Remarks**
Subdivision: **rural elkins**
School Dist: **Elkins**
Flood Zone:
Zoning:
Parcel ID: **001-10101-006**

Lot: **10**

Block: **28**

Frontg:
Covenant:

Acres: **1.00**
Taxes: **\$100**
Manuf Hm: **Yes**
Disclosure: **Yes**
Homestead: **No**

Internal Information

List Agt: [Kathy Martine](#)
Lst Agt Email: riverwoodkathy@gmail.com
List Ofc: [Prime Real Estate & Development](#)
Buy Agt Fee: **5**
Showing Inst: **Call List Agent, Call List Office, Vacant**
LP/HtSF:
SP/HtSF:
Subject To: **N/A**

Agt Cell: **479-263-7407**

Agt Phone: **479-263-7407**

Variable: **No**

Ofc Phone: **479-571-1515**

Agt Fax: **479-442-7628**

List Date: **09/06/2016**

Exp Date: **03/06/2017**

With Date:

Pend Date: **10/24/2016**

Agency: **Exclusive Right to Sell**

LP/Acre: **\$16,900.00**

SP/Acre: **\$16,000.00**

Features

Electric: **On Site**
Gas: **On Site**
Water/Sewer: **On Site Septic Existing**
Roads: **County Road**
Topography: **Gently Rolling, Sloping**
Lot Desc: **Out of City**
Legal: **PT SE SW 1.00AC**

Lake/Prop:
Internet/TV: **Cable At Street**

Fencing: **None**

Public Remarks: **One acre building site (original home burned down). Buyer to determine if home is repairable; Seller does not warranty that it is repairable. SOLD AS IS.**

MLS Remarks: **This property is one acre. House burned down. Utilities on site. Vehicles will be moved prior to sale.**

Directions: **Hwy 16 E to Elkins, take Hwy 74 toward Goshen, left on McGuire MT, County RD 323, to left on Combs Bell.**

Sold Information

Selling Office: [Crye-Leike, REALTORS-Fayetteville](#)
Selling Agent: [Marilyn Shoffit](#)
Sell Agt Email: marilynshoffit@gmail.com
Days Pending:

Phone: **479-695-1277**

Phone: **479-871-1082**

Prepared By: Zachary Holland , Holland Commercial Appraisals

Monday, February 11, 2019 4:55 PM

Information deemed reliable but not guaranteed.

City of Fayetteville
125 W Mountain
Fayetteville, AR 72701

City of Fayetteville
113 W Mountain St
FAYETTEVILLE, AR 72701

DATE 01/28/2019


CONTACT

Holland Commercial Appraisals
209 N. College Ave.
FAYETTEVILLE, AR 72703



DELIVER BY	02/11/2019
SHIP VIA	
FREIGHT TERMS	1
ORIGINATOR	Holly Jones
RESOLUTION #	
PAYMENT TERMS	30

QUANTITY	U/M	DESCRIPTION	UNIT COST	TOTAL COST
1.0000	Each	Professional Services - Other - Fee Simple Appraisal 5400.720.5600-5314.00 (Professional Services :) 10006.1 (Benson Mountain Pressure Plane Upgrade, Benson Mountain Pressure Plane Upgrade)	\$2,200.0000	\$2,200.00
			SUBTOTAL	\$2,200.00
			SALES TAX	\$0.00
			TOTAL DUE	\$2,200.00



PAGE 1 OF 1

APPROVED BY

SPECIAL INSTRUCTIONS

To: Jones, Holly <hjones@fayetteville-ar.gov>

Subject: Re: Benson Mountain Tank Site Appraisal Bids

I could provide one report with the two values for \$2200, and I could complete within 2 weeks.

Thanks for the opportunity.

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From: Jones, Holly <hjones@fayetteville-ar.gov>

Sent: Thursday, January 3, 2019 9:49:39 AM

To: Zach Holland

Subject: Benson Mountain Tank Site Appraisal Bids

The City of Fayetteville is planning to remove and replace the water tank currently known as the Benson Mountain Tank. We have arranged with the adjoining property owner a "swap" so that we may deed him the current tank site and in exchange he will warrant us the property south of the road as shown on the attached lot split draft as Tract 2. For this to occur, we'd like to know the fee simple value of both tracts, the City of Fayetteville tract and Tract 2 as shown on the lot split survey attached by Hawkins-Weir.

Please provide a bid for a fee simple value of the City of Fayetteville property which currently contains the water tank, as well as Tract 2 as shown on the Benson Mountain Pressure Plan-Benson Tank Site Lot Split DRAFT pdf attached, where we'd like to move the tank. I will also need to know your timeline as well.

Thank you for your time,

Holly Jones
Land Agent, Engineering Division
City of Fayetteville, Arkansas
479-444-3414

ZACH J. HOLLAND

Certified General Appraiser

HCA Principal Commercial Appraiser

PO Box 1501

Fayetteville, AR 72702

479-276-2149 Direct/Mobile

holland@hollandcommercialappraisals.com



EDUCATION

University of Arkansas - Walton College of Business Fayetteville, AR

BSBA International Economics and Business - Graduated 2001

Advanced Appraisal Education: AI Advanced Market Analysis and Highest & Best Use, AI Quantitative Analysis, AI Advanced Income Capitalization, AI Appraisal Mathematics, Finance, & Statistics, AI Analyzing Tenant Credit Risk and Commercial Lease Analysis, AI Advanced Spreadsheet Modeling for Valuation Applications, AI Advanced Concepts and Case Studies, Income Capitalization Principles and Procedures, Fundamentals of Real Property Appraisal, Basic Appraisal & Reports, AI Basic Income Capitalization, AI Report Writing and Case Studies, Uniform Standards of Professional Appraisal Practice USPAP, AI Business Practices and Ethics, AI Demonstration Report Writing, AI Practical Regression for MS Excel, AI Specialized Experience Full Credit

Study Abroad - Benemerita Universidad Autonoma de Puebla Puebla, Mexico - Summer 2001

RELATED EXPERIENCE

CERTIFIED GENERAL APPRAISER (AR CG 2911, OK 13094CGA)

Current

HOLLAND COMMERCIAL APPRAISALS Fayetteville, AR

February 2006 to December 2017

FERSTL VALUATION SERVICES Little Rock and Fayetteville, AR

Perform appraisals throughout central US multi-state region including office buildings, light-industrial facilities, hotels, medical facilities, retail centers, specialty properties, subdivisions, vacant land, residential properties, etc.

OFFICE MANAGER

April 2004 to June 2005

CROMWELL ARCHITECTS/ENGINEERS Fayetteville, AR

Generated and logged client correspondence, payment applications, Statement of Qualifications letters, hardware submittals, etc. Measured buildings for feasibility studies.

ADMINISTRATIVE ASSISTANT

June 1999 to June 2000

LINDSEY & ASSOCIATES REALTY Fayetteville, AR

OTHER

Zach Holland, Appraisal Institute, Candidate for Designation

REALTOR, Northwest AR Board of Realtors

Has provided EXPERT TESTIMONY in federal court.

KEEP FAYETTEVILLE BEAUTIFUL COMMITTEE member since 2016



ARKANSAS
APPRAISER LICENSING &
CERTIFICATION BOARD

This is to certify that
Zachary Holland

License #: CG 2911

has complied with the requirements of
Arkansas Code Section §17-14-201 et seq.;
and is the holder of a valid certificate.
This card is for identification purposes only.

6/30/2019

Expiration Date

Shannon Mueller

Chairman

STATE OF ARKANSAS



APPRAISER LICENSING & CERTIFICATION BOARD

Attest That

ZACH J. HOLLAND

On this date was certified as a

STATE CERTIFIED GENERAL APPRAISER

The Arkansas Appraiser Licensing and Certification Board hereby affirms that this Certificate is issued in accordance with all the requirements of Arkansas Code Annotated, Section § 17-14-101 et seq., and subsequently adopted "Rules and Regulations" and shall remain in force when properly supported by a current pocket identification card.

JUNE 29, 2010

Date Issued

CG2911

Certificate Number

L. B. Pfe

Chairman, AAL & CB



April 11, 2019

Dustin & Ryan Youngblood Davis
22014 Tower Road
Elkins, AR 72727

RE: Benson Mountain Water Tank Improvement Project
Parcel No. 001-14309-000
Offer Letter

Dear Mr. and Mrs. Davis:

We are in receipt of your counter offer email from March 19.

We have reviewed your email and all your concerns and offer the following in return:

The City of Fayetteville hereby offers **\$25,000.00** for 0.72 acres south of the road as shown on the proposed lot split. This value is represented on the appraisal prepared by Zach Holland of Holland Commercial Appraisals for the City which gave this tract a total value of \$30,000.00 less the tract belonging to the city where the current tank sits and valued at \$5,000.00 which we will trade back to you with this transaction.

The City of Fayetteville will pay \$475.00 each for 3 taps for a total cost of \$1,425.00, as well as the water impact fees associated with those at a rate of \$971.00 each or a total of \$2,913.00. That total for taps and fees is **\$4,338.00**. These fees are not waived but paid on your behalf from the Benson Mountain Water Tank Improvement Project Budget and placed into the impact fees/meter budget.

The City will also bear the cost of moving the electric lines from your side of the road to our side of the road at a cost of \$2,000.00 per pole for 3 poles and a total of **\$6,000.00**.

Our original offer will stay the same but the costs we bear total **\$10,338.00** before Engineering, closing costs and filing fees.

This trade of property is subject to Lot Split approval by Washington County and the City of Goshen as well as approval for purchase of new property and sale of city owned property by the City Council of the City of Fayetteville, Arkansas.

Title insurance will be required, and a closing will be requested once a final settlement has been agreed upon by all parties.

Representatives of our department will be happy to meet with you to discuss this offer further or you may return a signed copy of this letter to Holly Jones or Brandi Samuels via email as your acceptance of this offer.

A City Land Agent will be glad to meet with you at your convenience and discuss all phases of this project and the associated acquisitions. Please contact Holly Jones at (479) 444-3414 (hjones@fayetteville-ar.gov) or Brandi Samuels (479) 444-3421 (bsamuels@fayetteville-ar.gov). For questions or concerns, please contact Corey Granderson, Utilities Engineer at cgranderson@fayetteville-ar.gov or Tim Nyander, Utilities Director at tnyander@fayetteville-ar.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Nyander".

Tim Nyander
Utilities Director

TN/hj

A handwritten signature in black ink, appearing to read "Dustin Davis".
Dustin DavisA handwritten signature in black ink, appearing to read "Ryan Y. Davis".
Ryan Y. Davis

Date:

4/16/19

Witness:

A handwritten signature in black ink, appearing to read "Holly Jones".

Preferred title company is
Lenders Title - Brandi Hoskins
(479) 444-3333

City of Fayetteville Water & Sewer: 479-575-8386

Mailing Address:
113 W. Mountain Street
Fayetteville, AR 72701

www.fayetteville-ar.gov