

**AN APPRAISAL REPORT OF:**

The 10.671 Acre "Marshall Elementary School" Property  
Located at 300 Normandy Road  
Seaside, CA

**REQUESTED BY:**

Mr. Michael Wegley  
District Engineer  
Marina Coast Water District  
2840 4<sup>th</sup> Avenue  
Marina, CA 93933

**APPRAISAL AS OF:**

September 25, 2017

**APPRAISED BY:**

R. Anthony Brigantino, MAI

**BRIGANTINO & COMPANY**

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October 5, 2017

Mr. Michael Wegley  
District Engineer  
Marina Coast Water District  
2840 4<sup>th</sup> Avenue  
Marina, CA 93933

Dear Mr. Wegley:

In response to your request, I have prepared an appraisal report of the 10.671 acre "Marshall Elementary School" property, located at 300 Normandy Road, Seaside, California. The property is more specifically identified in the following appraisal report. I personally viewed the property on June 24, 2017. The appraisal report that follows is made for the purpose of estimating just compensation for a hypothetical proposed permanent pipeline easement and temporary construction easement.

This letter is not a complete appraisal report. The complete appraisal report accompanies this letter. The report describes the approaches to value and the conclusions derived by application of the approaches.

The following appraisal report contains the identification of the property, assumptions and limiting conditions, pertinent facts about the area and the subject property, comparable data, the result of the investigations and analyses, and the reasoning leading to the conclusions. This appraisal is based on the extraordinary assumptions and hypothetical conditions listed under Item 11 of the Assumptions and Limiting Conditions outlined in the attached appraisal report.

Based on the observation of the property, and investigations and analyses performed, it is my opinion that as of September 25, 2017, and subject to the assumptions and limiting conditions set forth in the following report, just compensation for the hypothetical subject easements is summarized on the following page Summary of Just Compensation.

Respectfully Submitted,



R. Anthony Brigantino, MAI  
State Certified General License No. AG006530

## SUMMARY OF JUST COMPENSATION:

|   |              |          |                  |
|---|--------------|----------|------------------|
| Value of the whole (land only) before acquisition:                |              |          | \$3,484,800      |
| Land  | 435,600 SF @ | \$8.00 = | \$3,484,800      |
| Value of the part acquired as part of the whole:                  |              |          | \$266,584        |
| Permanent Easement  | 66,646 SF @  | \$4.00 = | \$266,584        |
| Value of the remainder as part of the whole:                      |              |          | \$3,218,216      |
| Land  | 368,954 SF @ | \$8.00 = | \$2,951,632      |
| Permanent Easement  | 66,646 SF @  | \$4.00 = | \$266,584        |
| Value of the remainder, after acquisition:<br>and before benefits |              |          | \$3,218,216      |
| Land  | 368,954 SF @ | \$8.00 = | \$2,951,632      |
| Permanent Easement  | 66,646 SF @  | \$4.00 = | \$266,584        |
| Total Severance Damages:  |              |          | \$0              |
| Benefits:   |              |          | \$0              |
| Temporary Construction Easement                                   |              |          | \$15,000         |
| <b>Total Just Compensation:</b>                                   |              |          | <b>\$281,584</b> |

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## SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

**DATE OF VALUE:** September 25, 2017  
**DATE OF VIEWING:** June 24, 2017  
**DATE OF REPORT:** October 5, 2017

**PROPERTY LOCATION:** 300 Normandy Road, Seaside, CA

**ASSESSOR'S PARCEL NUMBER:** 031-151-021

**GROSS LAND AREA:** Approximately 10.671 acres, according to the record of survey map

**USABLE LAND AREA:** Approximately ten acres

**BUILDING IMPROVEMENTS:** The Marshall Elementary School facility

**PROPERTY RIGHTS APPRAISED:** Fee Simple

**OWNERSHIP:** Monterey Peninsula Unified School District

**LAND USE CONTROLS:** PI-Public/Institutional

**SPECIAL ASSUMPTIONS:** See item 11 of assumptions and limiting conditions.

### CONCLUSION:

|   |              |                      |                  |
|---|--------------|----------------------|------------------|
| Value of the whole (land only) before acquisition:                |              |                      | \$3,484,800      |
| Land  | 435,600 SF @ | \$8.00 = \$3,484,800 |                  |
| Value of the part acquired as part of the whole:                  |              |                      | \$266,584        |
| Permanent Easement  | 66,646 SF @  | \$4.00 = \$266,584   |                  |
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| Land  | 368,954 SF @ | \$8.00 = \$2,951,632 |                  |
| Permanent Easement  | 66,646 SF @  | \$4.00 = \$266,584   |                  |
| <b>Total Severance Damages:</b>                                   |              |                      | <b>\$0</b>       |
| Benefits:   |              |                      | <b>\$0</b>       |
| Temporary Construction Easement                                   |              |                      | \$15,000         |
| <b>Total Just Compensation:</b>                                   |              |                      | <b>\$281,584</b> |

## PROPERTY IDENTIFICATION AND LOCATION

The subject property contains a gross land area of approximately 10.671 acres, according to the record of survey map, and is located at 300 Normandy Road, Seaside, California. It is further identified as Monterey County assessor's parcel number 031-151-021.

## LEGAL DESCRIPTION

A preliminary report was not made available to the appraiser. The record of survey map, filed in volume 19 of survey maps at page 22, was relied upon for identification of the subject property, and this appraisal assumes the map accurately describes the subject property.

## PROPERTY RIGHTS APPRAISED

This appraisal considers the property to include all rights lawfully held under fee simple estate exclusive of any encumbrances, liens, or additional restrictions on ownership. The valuation includes the real estate, real estate improvements, and all subsurface rights. The valuation excludes any interest in inventory, tradename, goodwill, vehicles, furniture, equipment, growing crops, and other non-itemized personal property.

## PURPOSE AND FUNCTION

Client: Marina Coast Water District

Intended User: Marina Coast Water District

Intended Use: To assist with the possible purchase of the easements

This appraisal is made at the request of Mr. Michael Wegley, Marina Coast Water District. The purpose of the appraisal is to estimate the current market value of the subject property and just compensation for the proposed acquisition of a permanent pipeline easement and temporary construction easement. This report is intended for use by the client only, to assist with the possible purchase of the easements. No other parties are authorized to rely upon this report without the express written consent of the appraiser. This appraisal report does not guarantee that the property is free of defects. Use of this report by others, or for other uses not identified above, is not intended by the appraiser.

## DATE OF VALUATION

The date of valuation is September 25, 2017.

## OWNERSHIP HISTORY

According to the assessor's data sheet, title to the subject property is currently held in the name of Monterey Peninsula Unified School District. A preliminary report was not made available to the appraiser and we are not title experts. Title to the property has remained relatively unchanged and it has not been formally listed for sale during the past three years.

## SCOPE OF THE APPRAISAL

This is an appraisal report prepared in conformance with the Code of Ethics of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP). Unless otherwise stated, this appraisal assignment is within the appraiser's area of professional expertise and competency.

*Property Identification:* The record of survey map, filed in volume 19 of survey maps at page 22, was relied upon for identification of the subject property. The appraised value of the property could be significantly different, if the legal parcel status or boundary lines of the property are significantly different than indicated by this map.

*Property Observation:* An on-site observation of the subject property was performed by the appraiser on June 24, 2017.

*Type and Extent of Data Researched:* A number of investigations and analyses were made during the process of performing this appraisal. The market area description is based on an independent inspection and survey of the city, county, and immediate neighborhood of the subject property. The statistical and demographic data included is based on the City of Seaside and Monterey County General Plans, and the United States Census.

Comparable market data was obtained through local Multiple Listing Services, County Assessor's Office records, and interviews with local real estate brokers, developers, property managers, and general contractors. Unless otherwise noted, all of the market data was confirmed with buyer, seller, and/or listing broker.

*Applied Analyses:* The Cost, Sales Comparison, and Income approaches were considered by the appraiser. All approaches necessary to produce a credible appraisal have been performed by the appraiser.

## **ASSUMPTIONS AND LIMITING CONDITIONS**

This appraisal was completed with the following assumptions and limiting conditions:

1. The information provided by others is assumed to be accurate and reliable. Maps, plats and exhibits are to assist the reader in visualizing the property and are not for legal reference, or represented as an engineer's work product.
2. It is assumed all applicable zoning, use regulations, and restrictions have been met unless a nonconformity is stated, defined, and considered in the report.
3. Title to the subject is assumed to be marketable and free and clear of all liens, encumbrances or defects of title. The property is assumed to be under responsible ownership and competent management, and available for its highest and best use.
4. This report is prepared for use by the client/agent for the purpose and function specified in the report, in accordance with the appraisal service agreement. It is the intent of the appraiser that this report meets the standards of, and complies with the Uniform Standards of Professional Appraisal Practice. This report is subject to review by duly appointed authorities of professional appraisal organizations, which the appraiser is a member of.
5. The appraiser is not required to give testimony or to appear in court as a result of appraising the subject property, unless arrangements have been made previously. Any additional time requested of the appraiser, or Brigantino & Company, will be billed at a market rate to be determined at the time those services are provided.
6. The value, if any, in growing crops and other non-itemized personal property, not specifically addressed, is not included in the final value estimate.
7. A Phase I environmental study was not available for review. The appraiser is not qualified to detect hazardous substances whether by visual inspection or otherwise, nor qualified to determine the effect, if any, of known or unknown substances present. Unless otherwise stated, the final value estimate is based on the subject property being free of hazardous waste contamination, and the final estimate is subject to any cost of clean up and/or stigma resulting from possible contamination.
8. The appraiser assumes no responsibility for legal matters, specialized investigation or knowledge beyond that typically used by real estate appraisers.
9. The appraiser reserves the right to change or alter the appraisal report and stated value, if new facts are received that, in his opinion, warrant a change.

10. The boundary lines, acreage, and square footage estimates provided in this report are approximate. No guarantee is given regarding the accuracy of these estimates. A qualified surveyor or engineer should be enlisted for more accurate estimates.

#### 11. Summary of Extraordinary Assumptions and Hypothetical Conditions:

**Extraordinary Assumption:** *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. 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. (USPAP, 2016-2017 ed.)*

None.

**Hypothetical Condition:** *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 analysis. 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 the data used in an analysis. (USPAP, 2016-2017 ed.)*

The subject easement acquisition is hypothetical. There have been no formal easement conditions drafted yet; therefore, this appraisal is made under the following hypothetical conditions, as discussed with Mr. Michael Wegley, Marina Coast Water District:

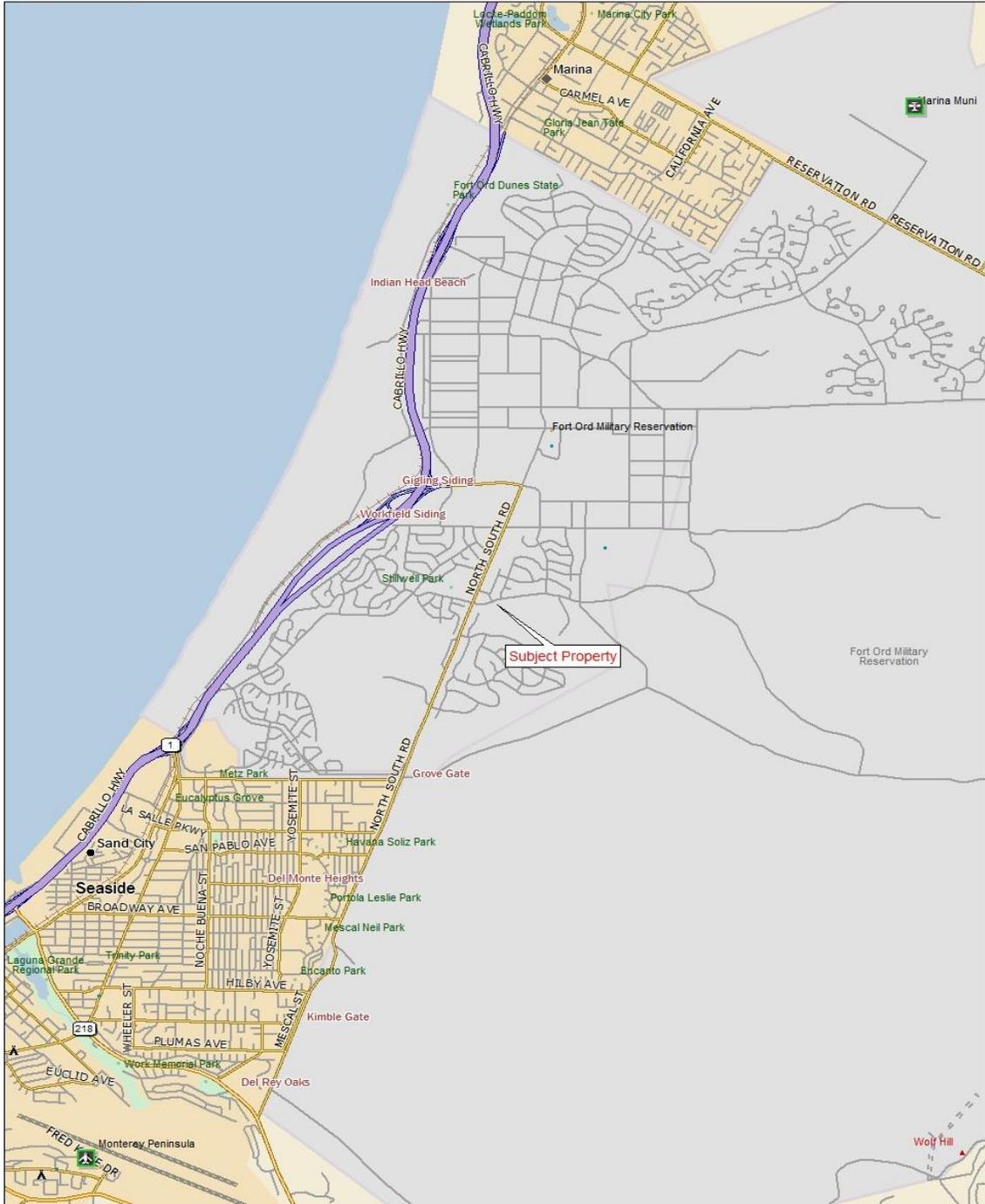
- 1) This easement is being granted specifically for MCWD to install a 24" underground water mainline.
- 2) The servient tenement will retain surface rights; however, MCWD will have the right to restrict any other uses, within the proposed easement, that might damage or threaten the proposed pipeline. If surface modifications are made by servient tenement, or under their authority, then they will be responsible for replacing MCWD surface infrastructure to previously existing state.
- 3) Servient tenement retains the right to install additional utilities within the proposed easement. MCWD will have the right to deny such additional improvements/utilities, but permission will not be unreasonably denied.

- 4) While this is a non-exclusive easement, MCWD will have the right to input and control over other utility installations within or above the easement. Uses such as asphalt roads, parking lots and certain modest landscaping free of trees would be allowed, but heavier construction, for example permanent structures, would be restricted.

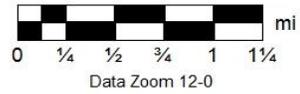
# SUBJECT LOCATION MAP



DeLorme Street Atlas USA® 2011



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 www.delorme.com



## MARKET AREA DESCRIPTION AND ANALYSIS

Seaside is located approximately 115 miles south of San Francisco, and 320 miles north of Los Angeles, in Monterey County. It is located on the Monterey Bay, adjacent to the communities of Sand City, Del Rey Oaks, and Monterey, towards the southern reach of the area known as the Monterey Peninsula, a popular tourist area.

From the 1930's through the 1960's the area boomed as the Fort Ord military installation expanded its activities and population. The City of Seaside was granted a portion of the former Fort Ord, which was deactivated in 1993. They picked up one elementary and one middle school in the process. Seaside now has five elementary schools, two middle schools, and one high school. Directly adjacent to the city, on the former Fort Ord property, is the campus of California State University Monterey Bay; community colleges are nearby in both Salinas and Monterey. City facilities include a library, a community center, a youth center, parks, miles of city-owned jogging/biking trails, and beaches. Additionally, Seaside is on the shores of the Monterey Bay National Marine Sanctuary, which has a wealth of available pursuits such as scuba diving, kayaking, sailing, and wildlife viewing.

The town comprises 8.89 square miles. Its population was 34,071, as of January 2016 (source: California Department of Finance). This population figure represents a 0.3% decrease over the January 2015 figure. Seaside has an average annual mean temperature of approximately 65 degrees, with an annual rainfall of 18.5 inches. The fog rolls in most afternoons, especially during the summer, raising the average annual humidity to 68.7%. Winter days are usually clear and bright.

Seaside has a Council-Manager form of government, comprised of five elected council members with the position of mayor rotated among them.

Seaside is served by the Monterey Airport, which is just minutes away and is directly off State Highway 1. Marina Municipal Airport, which was the former Fritzsche Army Airfield at Fort Ord, is nearby and serves private craft.

Seaside has some commercial development, mainly small family-owned businesses. However, the city has made moves to encourage the development of light industrial, office, and retail businesses. The city contains several motels and inns, although none are adjacent to the Monterey Bay shoreline - the reason being that the oceanfront dunes area was formerly owned and operated by the United States Army at Fort Ord as a firing range and military maneuvers area. However, Seaside is primarily a residential community and its economy is primarily related to tourism and local services.

### Economy:

Seaside's economy is based mainly on tourism and local services. It is viewed as a more moderately priced alternative to hostelrys in Monterey or Carmel. It has no major industrial base to speak of, and concentrates mainly on retail, small commercial, hostelry, restaurant, professional, and service industries.

The economic downturn that began at the end of 2000, coupled with the dramatic drop in travel after September 11, 2001, had a moderate to serious impact on tourism-oriented businesses in peninsula communities. An aggressive regional promotion program partnered by the County of Monterey and the Monterey County Travel & Tourism Alliance has been a factor contributing to the increases in revenue.

Seaside's unemployment rate is 5.4%, the second highest unemployment rate of the Peninsula cities. Part of the unemployment rate may be attributable to the high university student population in the area.

### Housing:

The amount of available housing in the City of Seaside had remained relatively steady for several years due to its lack of available building space for any additional residential development. However, this changed with the acquisition of the former Fort Ord land. Seaside Heights, the city's first development on this land, began in early 2004 and is considered a luxury home development. Additionally, The Dunes on Monterey Bay, in nearby Marina, began development but construction was temporarily halted due to the recent economic downturn. Construction continued recently.

### Marina:

Marina is located approximately 110 miles south of San Francisco and 324 miles north of Los Angeles, in Monterey County. It is located on the Monterey Bay, between Castroville and Seaside, at the northernmost reach of the area known as the Monterey Peninsula, a popular tourist area.

The town comprises 8.7 square miles and its population for January 2016 was 20,982 (source: State of California Department of Finance). It has an average annual mean temperature of approximately 65 degrees, with an annual rainfall of 18.5 inches. The fog rolls in most afternoons, especially during the summer, raising the average annual humidity to 68.7%. Winter days are usually clear and bright.

Marina has a Council-Manager form of government, comprised of five elected council members with the position of mayor rotated among them.

Marina is served by the Monterey Airport, which is just minutes away and is directly off State Highway 1. Its own Marina Municipal Airport, which was the former Fritzsche Army Airfield at Fort Ord, serves private craft.

Marina has some commercial development, but very little industrial activity. However, the city has made moves to bring increased light industrial, office, and research and development-oriented businesses to the city by the development of the area surrounding its airport. When the University of California MBEST center is complete, there will be more than 25,000 square feet of new office and research and development space. The city contains a number of motels and inns, some adjacent to the Monterey Bay shoreline, including the more upscale Marina Dunes Resort, located directly on the beach. However, it is primarily a residential community and its economy is primarily related to tourism and local services.

### Economy:

Marina's economy is based mainly on tourism and local services. It is generally viewed as a more moderately priced alternative to hostelrys in Monterey or Carmel. It has no major industrial base to speak of and concentrates mainly on retail, small commercial, hostelry, restaurant, professional, and service industries.

The conversion of the former Fort Ord Army Base is proceeding well. The shutdown of the base initially had a negative impact on the area's economy, especially in Marina, but has since recovered in most of the affected communities. The development of the two golf courses on the base, the headquartering of a regional GAO office, and the opening and continuing expansion of the California State University Monterey Bay campus have exceeded initial expectations for the base conversion. The Economic Forecast states that the continuing expansion of the California State University Monterey Bay will bring in over \$120 million annually to the local economy, and this amount is expected to increase in coming years.

Marina's unemployment rate is 3.9%, which is lower than the rate for Monterey County as a whole. Salinas has a higher unemployment rate, while Pacific Grove and Monterey have lower rates. Part of the unemployment rate may be attributable to the high university student population in the area.

### Housing:

The amount of available housing in the City of Marina had remained steady for several years. However, several new residential developments in and around Marina are underway, which will significantly increase the amount of available housing. Marina is viewed as a more economical alternative to the higher housing prices found in Monterey, Pacific Grove, and Carmel.

### New Development:

The continuing expansion of the California State University Monterey Bay will help drive retail and residential construction, such as the new Marina Landing Shopping Center. Both Marina Square and Seacrest Plaza shopping centers have had recent expansions. In 2000, the new Marina Dunes Resort opened with its more upscale accommodations. The University of California, Santa Cruz, began construction and development on nearly 1,000 acres, known as the Monterey Bay Educational Science and Technology Center (MBEST), which extends from the airport boundary to and down Reservation Road, and over to Blanco Road. The City of Marina offers low-interest small business loans to businesses wishing to locate in the city, with preference given to those businesses which will create new jobs. In the fall of 2000, the voters of the City of Marina voted against a general plan proposal, which would have allowed a large development on the Armstrong Ranch just north of town. A scaled-down development was approved. The last developable residential land within the city limits encompasses just under five acres and will contain 27 homes. However, the city, along with the county and state, have completed negotiations with the Army and the Fort Ord Reuse Authority over the development of the former Abrams Park Community housing area. Consensus seems to be that a combination of rehabilitation of some of these long-empty housing units along with new residential and commercial construction is the desired approach. A number of projects are underway:

The University Villages development was approved in July 2005 by the Fort Ord Reuse Authority (FORA). This large-scale development, on 420 acres, calls for:

- Development of 358 acres in three phases
- 1,129 homes and 108 apartments, of which 372 will be priced as affordable housing for low-income households
- Approximately 65 acres for retail uses, including regional retail stores at the 12<sup>th</sup> Street-Highway 1 interchange; total retail space could total 666,000 square feet
- Approximately 43 acres for business park use, totaling 661,000 square feet
- Approximately 16 acres for hotels, with a total of 500 rooms
- Approximately five acres for a cultural and arts district with galleries and shops
- Approximately 42 acres for parks, greenbelts, and recreation areas, including small neighborhood parks
- A “town square” with a main street

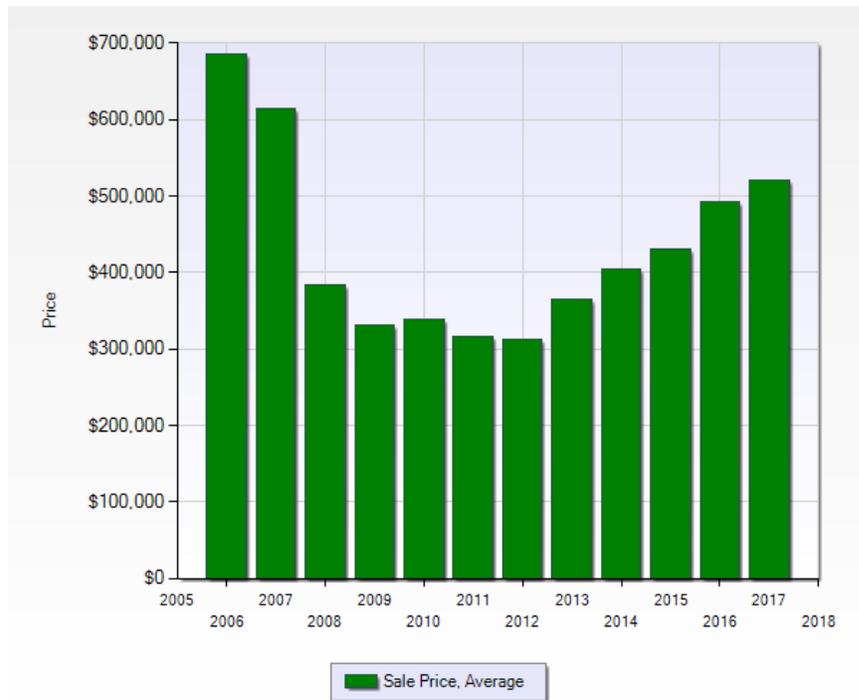
It is estimated that University Villages will eventually be home to more than 3,000 residents, and that stores, offices, and other businesses in the development could employ more than 4,000 people.

The Marina Heights development, which has started, will be a housing development on 247 acres, and will contain 1,050 single-family homes, with 192 affordable housing units.

Since the conversion of the former Fort Ord, which began with its closure in 1993, Marina has very actively pursued development possibilities on these former military properties. The airport is undergoing redevelopment and expansion. It has a full complement of fixed-based operations for support.

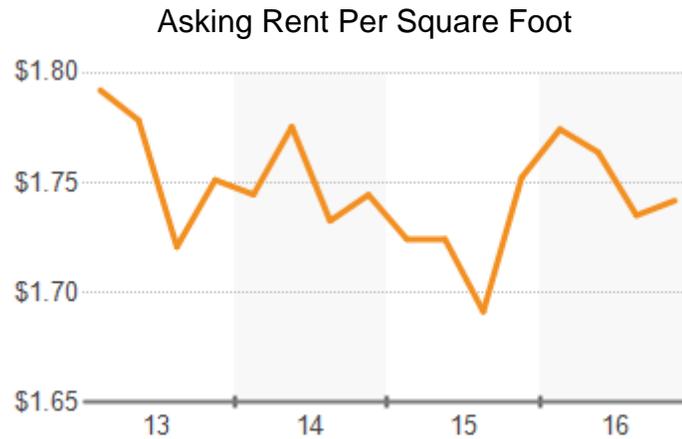
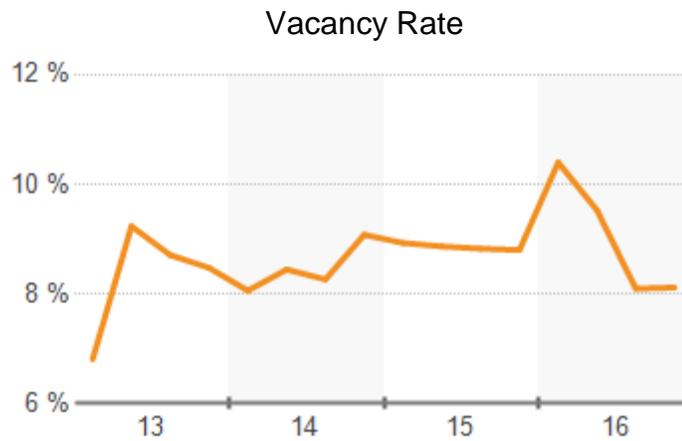
**Real Estate Market Trends:**

The following chart from MLSListings.com shows the average sale price for single family dwellings in Seaside and Marina through May 2017. In 2006, the average sale price was \$685,099. However, by the end of 2012, this figure had decreased 54%, to \$313,290. Since 2012, home prices have increased overall. As of May 2017, the average sale price has increased to \$521,071. This indicates a 66% increase from the 2012 figure.

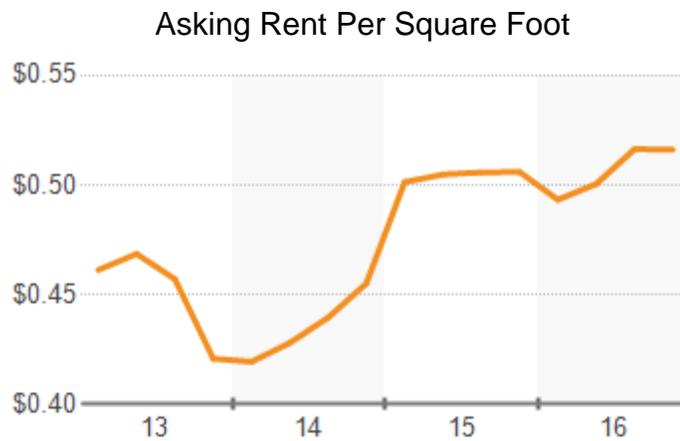
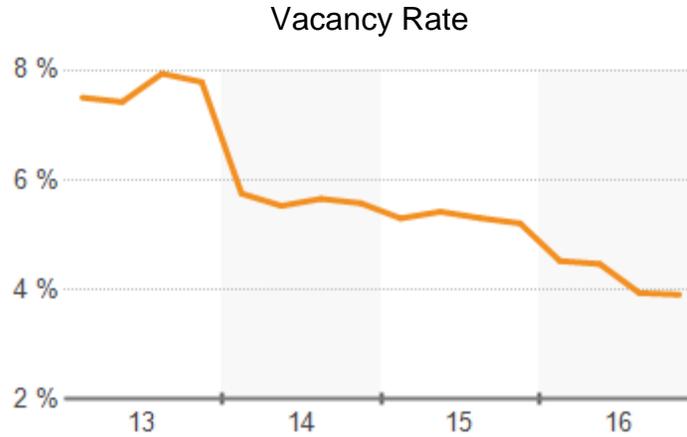


According to data provided by CoStar.com, the Monterey County office market is in a relatively stable trend overall. As shown on the following charts, the vacancy rate has

generally fluctuated between 8% to 10% over the past three years. The asking rent per square foot has fluctuated as well, but has slightly decreased since 2013.



The Monterey County industrial market is in an increasing trend. Vacancy rates have decreased significantly, while the asking rent per square foot has increased.



**Summary:**

The Monterey Peninsula, as a popular tourist destination, will continue to experience prosperity and growth. The peninsula cities have made a concerted effort to “roll out the red carpet” for its visitors and have found many new ways to encourage longer stays and increased spending. Their tie-in to the wineries of Carmel Valley and the Salinas Valley, with amenities such as tasting rooms and guided tours, has added a new dimension to their approach over the past few years.

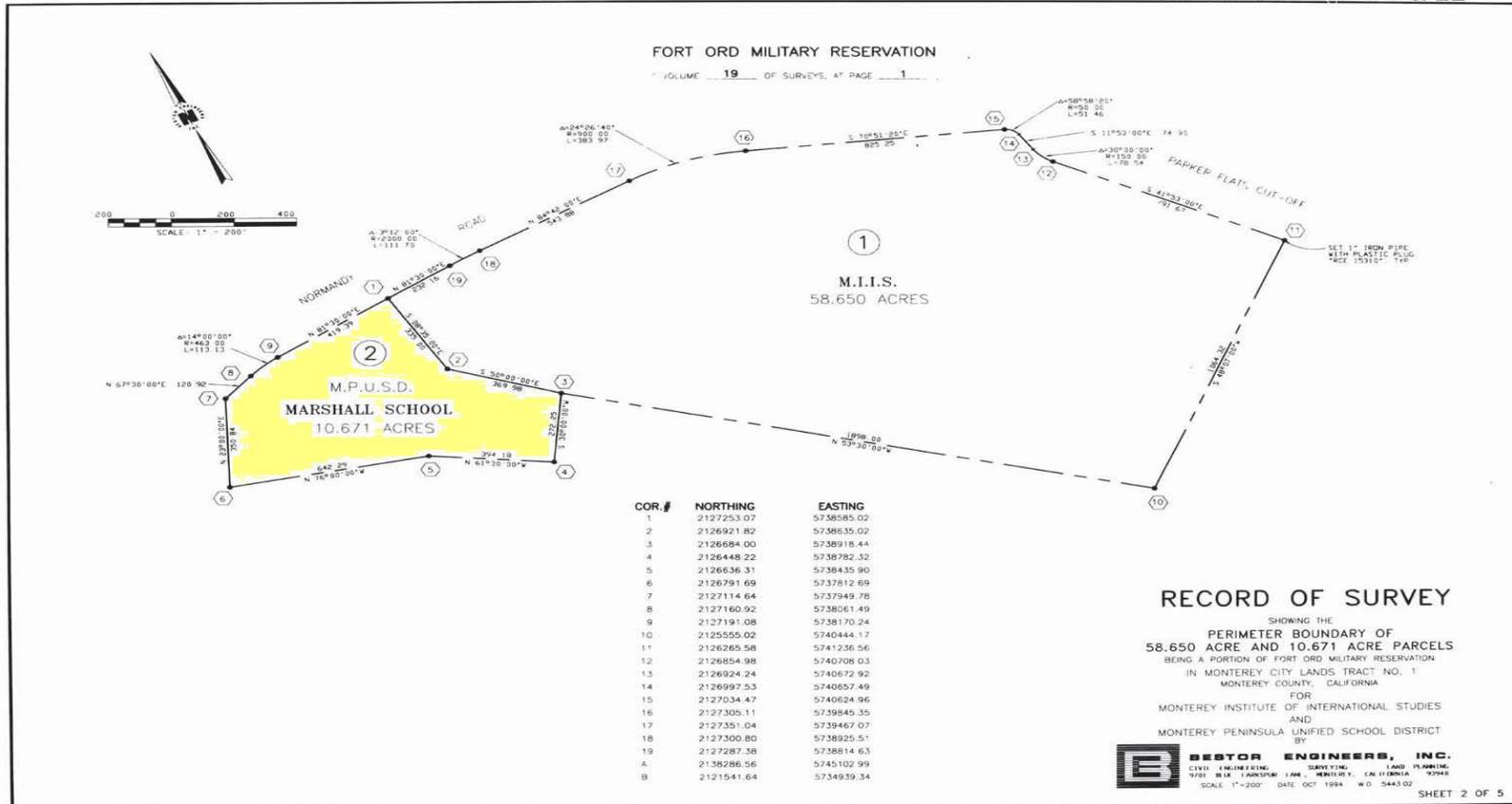
The transformation of the former Fort Ord continues and bodes well for future development. The peninsula will continue to show high selling prices due to the lack of developable residential areas and the desirability of the area itself.

**AERIAL PHOTOGRAPH**



# RECORD OF SURVEY MAP

VOL. 19 SUR. MAPS PG. 22



## SUBJECT PROPERTY DESCRIPTION

The subject is an irregular shaped property located along the south side of Normandy Road, just east of General Jim Moore Boulevard, in Seaside. The subject contains a gross land area of approximately 10.671 acres, according to the record of survey map. Of the gross land area, approximately ten acres are considered to be usable. The remaining land area is waste that is steep and heavily wooded. The overall topography of the subject ranges from nearly level to sloping. The majority of the property is nearly level, but there is an area on the eastern portion that slopes upward. The elevation ranges from approximately 300 to 340 feet above sea level.

The subject property is currently used as an elementary school facility. Adjoining land is primarily used for residential and government-related uses.

**Note:** The acreage estimates identified above are approximate. No guarantee is given regarding the accuracy of the estimates. A qualified surveyor or engineer should be enlisted for more accurate estimates.

### Soil:

The following soil information was obtained from the Web Soil Survey and the Soil Survey of Monterey County, issued April 1978, by the United States Department of Agriculture Soil Conservation Service, in cooperation with University of California Agricultural Experiment Station.

Based on these sources, the subject property is entirely composed of OaD – Oceano loamy sand, two to 15 percent slopes, Capability Class IV, Storie Index 61. This is an undulating to rolling soil on eolian dunelike hills. Runoff is slow to medium, and the erosion hazard is slight to moderate. This soil is normal for the area, and most commonly used for berry farming.

### Utilities:

Electricity, telephone, sewer, water, and gas are developed to the subject property.

### Improvements:

The subject property is currently improved with the Marshall Elementary School facility. This includes various building improvements, as well as asphalt and playground areas.

## Environmental Concerns:

### *Flood Hazard:*

According to the National Flood Insurance Program, Flood Insurance Rate Maps, Community Panel Number 06053C0195H, dated June 21, 2017 for Monterey County, the subject is located within flood zone X. This flood zone indicates areas determined to be outside the 0.2% annual chance flood plain.

### *Earthquake Hazard:*

The subject property is located in a seismically active area. The most recent seismic activity in the area occurred in October of 1989, when a large earthquake measuring 7.1 on the Richter scale rocked the central coast of California. The quake was centered in the Santa Cruz Mountains, approximately 40 miles north of the subject property. Heavy property damage occurred in Santa Cruz, Watsonville, and Hollister as a result of the quake. Salinas and the Monterey Peninsula sustained only moderate damage.

### *Hazardous Materials:*

A Phase I environmental study was not available for review. The appraiser is not qualified to detect hazardous substances whether by visual inspection or otherwise, nor qualified to determine the effect, if any, of known or unknown substances present. Unless otherwise stated, the final value estimate is based on the subject property being free of hazardous waste contamination, and the final estimate is subject to any cost of clean up and/or stigma resulting from possible contamination.

## Zoning/Land Use Controls:

The subject property is located within the City of Seaside. According to the City of Seaside Planning Department, the subject is zoned PI-Public/Institutional. The general plan land use designation is the same.

The Public/Institutional zone is applied to the sites of existing and proposed public buildings and facilities, utility facilities, and similar and related facilities.

The zoning and general plan are in conformance and are normal for the area.

Tax and Assessment Information:

According to the Monterey County Tax Collector's office, the subject property has tax assessments in the amounts shown for the 2016-2017 tax year

| <b>APN</b>  | <b>LAND VALUE</b> | <b>IMPROVEMENT VALUE</b> | <b>TOTAL VALUE</b> | <b>ANNUAL TAXES</b> |
|-------------|-------------------|--------------------------|--------------------|---------------------|
| 031-151-021 | -                 | -                        | -                  | \$4,114.64          |

## HIGHEST AND BEST USE

Highest and Best Use: *"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."*<sup>1</sup>

### As If Vacant:

The highest and best use of the subject property is for the continued use as a school site with the potential for future zoning change to residential use.

Given the large size of the subject property, a number of potential uses are physically possible. The location of the site, ample access, and infrastructure, would lend itself to be a prime location for more intense development, i.e. residential.

Although the physical characteristics of the subject are ideal, current land use policies restrict use of the site to Public/Institutional.

Demand for developable land for residential and Public/Institutional in the market area has increased over the past few years; however, prices paid for non-developable land are significantly lower than sites with development approvals in place. There are few, if any, buyers willing to pay large prices to speculate on future approvals and development. When a speculative transaction occurs, the price is typically much lower than normal for developable parcels. The market value of the subject property is significantly lower than land with approvals in place because of the speculative development potential.

### As Improved:

Not applicable.

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<sup>1</sup>Appraisal Institute, The Dictionary of Real Estate Appraisal, Sixth Edition, Chicago: Appraisal Institute, 2015, page 109.

## **EXPOSURE TIME**

“1) The time a property remains on the market. 2) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market.” (*USPAP, 2016-2017 ed.*)

USPAP Standard rule 1-2(c)(iv) requires an opinion of exposure time when the purpose of the appraisal is to estimate market value. An estimated exposure time for the subject is ten months assuming competitive pricing and prudent marketing efforts.

## **METHODS OF VALUATION**

In estimating the market value of the subject, the cost, direct sales comparison, and income capitalization approaches to value were considered. Of the three approaches, only the direct sales comparison approach is appropriate for estimating the fee simple interest in the before condition. The cost and income approaches are not used because there are no permanent improvements affected by the proposed acquisition.

## SALES COMPARISON APPROACH

The direct sales comparison approach is “the process of deriving a value indication for the subject property by comparing sales of similar properties to 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.”<sup>2</sup>

In estimating the value of the subject, an investigation was conducted for recent sales of comparable properties in the market area. As a result of the investigation, several sales were found, of which the following sales are considered the most comparable and indicative of value.

The sales are briefly described in the following pages and adjustments for characteristic differences between the sales and the subject property are summarized in the following table.

In order to make equal comparisons between the sales and the subject property, the sales are analyzed based on the price per usable square foot as the unit of comparison. This is the most consistent and most recognized unit of comparison.

Market support for adjustment amounts is based on matched sales pairings and/or industry data. The elements of comparison considered most by buyers are conditions of sale, financing, market conditions (time), location/access, site profile, site improvements, size, shape, utilities, and zoning. In comparing the sales to the subject, not all elements of comparison required adjustment. Those elements that require adjustment are discussed in more detail in the following paragraphs.

### Elements of Comparison:

#### Market Conditions (Time):

This adjustment reflects the change in land values from the date of each sale transaction until the date of valuation. The market for developable commercial land has been stable to increasing over the past few years and modest time adjustments are warranted for the more dated comparable sales.

#### Location/Access:

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<sup>2</sup>Appraisal Institute, The Dictionary of Real Estate Appraisal, Sixth Edition, Chicago: Appraisal Institute, 2015, page 207.

The location adjustment accounts for different locational characteristics such as distances to main transportation routes and commercial centers, access roads, elevation, climatic differences, and adjoining uses.

Land Profile/Topography:

Land profile adjusts for characteristics such as soil quality, topography, and any other physical conditions that might affect the development potential of the property.

Development Potential:

This adjustment accounts for characteristics such as zoning, possible commercial, industrial, or public uses, and the possibility of further subdivision.

Utilities/Infrastructure/Water:

Properties with utilities, infrastructure, and an abundant water supply (wells, mutual water company, etc.) are more desirable than those without.

Size:

Larger parcels tend to receive a lower price per square foot because of the larger size of the required investment. As investment requirements increase, the number of capable investors decreases and hence there is less competition, which results in lower prices.

## Comparable Land Sales:

| Comparable No.                                   | 1                       | 2                       | 3                         | 4                       | 5                        | 6                        | 7                        |
|--|-------------------------|-------------------------|---------------------------|-------------------------|--------------------------|--------------------------|--------------------------|
| Buyer Name                                       | Food Bank for MC        | P. Johnson, B. Massa    | Encore @ Marina, LLC      | Harbhajan Dadwal        | Gakhhal Properties LLC   | Hamstra-Appleton, LLC    | Amcal Mont. Bay, LLC     |
| Seller Name                                      | Massolo A & SL Tr.      | Tnsi, LLC               | Central Coast Builders    | Marina Comm. Prtnrs.    | Ottone-Salinas, Inc.     | Marina Comm. Prtnrs.     | City of Marina           |
| Location   | 345 West Rossi St.      | 3006 Highway 1          | 3 Imjin Rd.               | 2nd Av.                 | Work St.                 | Off 2nd Av.              | 8th St.                  |
| City   | Salinas                 | Marina                  | Marina                    | Marina                  | Salinas                  | Marina                   | Marina                   |
| Date of Sale                                     | 12/16/16                | 05/27/15                | 04/24/15                  | 12/26/14                | 1/31/2017                | 03/27/14                 | 12/18/13                 |
| Deed Reference                                   | 77116                   | 27535                   | 21058                     | 64618                   | 5654                     | 13549                    | 3925                     |
| County   | Monterey                | Monterey                | Monterey                  | Monterey                | Monterey                 | Monterey                 | Monterey                 |
| Assessor's Parcel No.                            | 003-171-014+            | 032-421-014             | 031-251-039               | 031-251-046, -047       | 003-012-015              | 031-282-049 through -056 | 031-101-051              |
| Gross Land Area - SF                             | 520,106                 | 208,216                 | 50,094                    | 196,891                 | 233,656                  | 623,349                  | 352,400                  |
| Gross Land Area - AC                             | 11.94                   | 4.78                    | 1.15                      | 4.52                    | 5.36                     | 14.31                    | 8.09                     |
| Usable Area - SF                                 | 479,160                 | 208,216                 | 50,094                    | 196,891                 | 174,240                  | 623,349                  | 294,030                  |
| Land Use Policies                                | IBP & IGC               | C-2 Comm.               | Office                    | Hotel site              | IG - Ind. Gen.           | Office/R & D             | PF-E                     |
| Utilities/Infrastructure                         | Elect./tel              | at lot line             | at lot line               | at lot line             | sew., wat., storm        | at lot line              | Lot Line                 |
| Water  | None                    | Yes, at lot line        | Yes, at lot line          | Yes, at lot line        | Yes, at lot line         | Yes, at lot line         | Lot Line                 |
| Improvements                                     | None                    | none                    | Parking lot, curb, gutter | street, curb, gutter    | curb & gutter            | street, curb, gutter     | Old Military Bldgs       |
| Sale Price                                       | \$2,609,000             | \$1,400,000             | \$400,000                 | \$1,150,000             | \$1,742,500              | \$6,539,000              | \$3,080,000              |
| Price Per SF                                     | \$5.44                  | \$6.72                  | \$7.98                    | \$5.84                  | \$10.00                  | \$10.49                  | \$10.48                  |
| FORA Development Fee                             | \$0.00                  | \$0.00                  | \$0.07                    | \$2.81                  | \$0.00                   | \$0.07                   | \$0.80                   |
| Adjusted Sale Price                              | \$5.44                  | \$6.72                  | \$8.05                    | \$8.65                  | \$10.00                  | \$10.56                  | \$11.28                  |
| <b>COMPARABLE LAND SALES COMPARISON APPROACH</b> |                         |                         |                           |                         |                          |                          |                          |
| Time Adjustment                                  | 0.00%                   | 0.00%                   | 0.00%                     | 5.00%                   | 0.00%                    | 5.00%                    | 5.00%                    |
| Time Adjusted Sale Price                         | \$5.44                  | \$6.72                  | \$8.05                    | \$9.08                  | \$10.00                  | \$11.09                  | \$11.84                  |
| Conditions of Sale                               | Similar                 | Similar                 | Similar                   | Similar                 | Similar                  | Similar                  | Similar                  |
| Financing  | Similar                 | Similar                 | Similar                   | Similar                 | Similar                  | Similar                  | Similar                  |
| Location/Access                                  | Inferior                | Inferior                | Similar                   | Superior                | Inferior                 | Similar                  | Similar                  |
| Land Profile/Topography                          | Similar                 | Inferior                | Similar                   | Inferior                | Similar                  | Similar                  | Similar                  |
| Development Potential                            | Superior                | Similar                 | Inferior                  | Superior                | Superior                 | Superior                 | Superior                 |
| Utilities/Infrastructure/Water                   | Similar                 | Similar                 | Similar                   | Similar                 | Similar                  | Similar                  | Similar                  |
| Size/Shape                                       | Similar                 | Superior                | Superior                  | Superior                | Superior                 | Inferior                 | Superior                 |
| <b>Overall Comparison</b>                        | <b>Inferior</b>         | <b>Inferior</b>         | <b>Similar</b>            | <b>Superior</b>         | <b>Superior</b>          | <b>Superior</b>          | <b>Superior</b>          |
| <b>Indicated Value of Subject Land</b>           | <b>More Than \$5.44</b> | <b>More Than \$6.72</b> | <b>Similar To \$8.05</b>  | <b>Less Than \$9.08</b> | <b>Less Than \$10.00</b> | <b>Less Than \$11.09</b> | <b>Less Than \$11.84</b> |

### Comparable 1

|                          |                    |
|--------------------------|--------------------|
| Buyer Name               | Food Bank for MC   |
| Seller Name              | Massolo A & SL Tr. |
| Location                 | 345 West Rossi St. |
| City                     | Salinas            |
| Date of Sale             | 12/16/16           |
| Deed Reference           | 77116              |
| County                   | Monterey           |
| Assessor's Parcel No.    | 003-171-014+       |
| Gross Land Area - SF     | 520,106            |
| Gross Land Area - AC     | 11.94              |
| Usable Area - SF         | 479,160            |
| Land Use Policies        | IBP & IGC          |
| Utilities/Infrastructure | Elect./tel         |
| Water                    | None               |
| Improvements             | None               |
| Sale Price               | \$2,609,000        |
| Price Per SF             | \$5.44             |
| FORA Development Fee     | \$0.00             |
| Adjusted Sale Price      | \$5.44             |



Comparable 1 is the 2016 sale of an 11.94 acre parcel, located off Rossi Street, Salinas. This is a slightly irregular shaped parcel with a nearly flat to gently sloping topography. The property has both IGC (Industrial General) and IBP (Industrial Business Park) zoning designations. The IBP is significantly less attractive to buyers than the IGC zoning, according to the listing broker. Electricity, telephone, sanitary sewer, and water are developed within Rossi Street, and there is no industrial sewer available. There is also a well on the property, but specific details were not available. The parcel has a relatively small amount (200+/- feet) of frontage along the south side of Rossi Street. In addition, there is no deeded access to the southernmost 2.2+/- acres, which is separated from the main portion of the site by a large drainage ditch. The seller indicated that they had obtained a bid for a bridge to access the 2.2+/- acres, but the cost was over \$500,000; therefore, prohibitive. The buyers allocated value to this 2.2+/- acre portion of the property.

The purchase price was \$2,609,000, and the seller received all cash in the transaction.

## Comparable 2

|                          |                      |
|--------------------------|----------------------|
| Buyer Name               | P. Johnson, B. Massa |
| Seller Name              | Tnsi, LLC            |
| Location                 | 3006 Highway 1       |
| City                     | Marina               |
| Date of Sale             | 05/27/15             |
| Deed Reference           | 27535                |
| County                   | Monterey             |
| Assessor's Parcel No.    | 032-421-014          |
| Gross Land Area - SF     | 208,216              |
| Gross Land Area - AC     | 4.78                 |
| Usable Area - SF         | 208,216              |
| Land Use Policies        | C-2 Comm.            |
| Utilities/Infrastructure | at lot line          |
| Water                    | Yes, at lot line     |
| Improvements             | none                 |
| Sale Price               | \$1,400,000          |
| Price Per SF             | \$6.72               |
| FORA Development Fee     | \$0.00               |
| Adjusted Sale Price      | \$6.72               |



Comparable 2 is the 2015 sale of a 4.78 acre site, located at 3006 Highway 1 (Del Monte Boulevard), Marina. The topography of the site has a moderate slope upwards. This parcel is currently accessed via an unpaved driveway directly off Del Monte Boulevard, which is on a right-of-way from the neighboring parcel. There is no turn or deceleration lane before this driveway. This portion of Del Monte Boulevard is part of the old State Highway 1, and is still owned by the State of California Department of Transportation. This parcel has greater than normal development issues and challenges relating to access and topography.

The purchase price was \$1,400,000, and the seller received all cash in the transaction. This property was previously purchased for \$1,600,000 in 2005 and \$900,000 in 2014.

### Comparable 3

|                          |                           |
|--------------------------|---------------------------|
| Buyer Name               | Encore @ Marina, LLC      |
| Seller Name              | Central Coast Builders    |
| Location                 | 3 Imjin Rd.               |
| City                     | Marina                    |
| Date of Sale             | 04/24/15                  |
| Deed Reference           | 21058                     |
| County                   | Monterey                  |
| Assessor's Parcel No.    | 031-251-039               |
| Gross Land Area - SF     | 50,094                    |
| Gross Land Area - AC     | 1.15                      |
| Usable Area - SF         | 50,094                    |
| Land Use Policies        | Office                    |
| Utilities/Infrastructure | at lot line               |
| Water                    | Yes, at lot line          |
| Improvements             | Parking lot, curb, gutter |
| Sale Price               | \$400,000                 |
| Price Per SF             | \$7.98                    |
| FORA Development Fee     | \$0.07                    |
| Adjusted Sale Price      | \$8.05                    |



Comparable 3 is the 2015 sale of a 1.15 acre office site, which included plans for a 12,122 square foot office. The site is situated off the north side of Imjin Road, at 2nd Avenue, Marina. This is a gently sloping site within a small office development. The parking lot improvements have already been constructed. A large retail power center housing Best Buy, Target, REI, Kohls, Old Navy, among several others, is located nearby. The purchase price was \$400,000, and the seller received all cash in the transaction. This property is subject to FORA development fees of \$3,404 in addition to the purchase price.

## Comparable 4

|                          |                      |
|--------------------------|----------------------|
| Buyer Name               | Harbhajan Dadwal     |
| Seller Name              | Marina Comm. Prtnrs. |
| Location                 | 2nd Av.              |
| City                     | Marina               |
| Date of Sale             | 12/26/14             |
| Deed Reference           | 64618                |
| County                   | Monterey             |
| Assessor's Parcel No.    | 031-251-046, -047    |
| Gross Land Area - SF     | 196,891              |
| Gross Land Area - AC     | 4.52                 |
| Usable Area - SF         | 196,891              |
| Land Use Policies        | Hotel site           |
| Utilities/Infrastructure | at lot line          |
| Water                    | Yes, at lot line     |
| Improvements             | street, curb, gutter |
| Sale Price               | \$1,150,000          |
| Price Per SF             | \$5.84               |
| FORA Development Fee     | \$2.81               |
| Adjusted Sale Price      | \$8.65               |



Comparable 4 is the 2014 sale of two parcels, totaling 4.52 acres, on the south side of 2nd Avenue, Marina. This is a relatively flat site and somewhat elevated. It is situated in The Dunes development off Imjin Road. The site was designated for a hotel with a maximum of 110 rooms and was purchased for this use. The purchase price was \$1,150,000, and the seller received all cash in the transaction. This property is subject to FORA development fees of \$553,300 in addition to the purchase price.

## Comparable 5

|                          |                       |
|--------------------------|-----------------------|
| Buyer Name               | Gakhal Properties LLC |
| Seller Name              | Ottone-Salinas, Inc.  |
| Location                 | Work St.              |
| City                     | Salinas               |
| Date of Sale             | 1/31/2017             |
| Deed Reference           | 5654                  |
| County                   | Monterey              |
| Assessor's Parcel No.    | 003-012-015           |
| Gross Land Area - SF     | 233,656               |
| Gross Land Area - AC     | 5.36                  |
| Usable Area - SF         | 174,240               |
| Land Use Policies        | IG - Ind. Gen.        |
| Utilities/Infrastructure | sew., wat., storm     |
| Water                    | Yes, at lot line      |
| Improvements             | curb & gutter         |
| Sale Price               | \$1,742,500           |
| Price Per SF             | \$10.00               |
| FORA Development Fee     | \$0.00                |
| Adjusted Sale Price      | \$10.00               |



Comparable 5 is the 2017 sale of a 5.364 gross acre site located along the north side of Work Street, Salinas. Of the gross land area, 4.0 acres are considered to be usable. The remaining land area is waste within a detention pond at the north end of the property. This is an irregular shaped site with a nearly level topography. Work Street is improved with curb and gutter, and utilities are developed to the site.

The purchase price was \$1,742,500, and the seller received all cash in the transaction. The buyer reportedly plans to use the property as a trucking facility.

## Comparable 6

|                          |                          |
|--------------------------|--------------------------|
| Buyer Name               | Hamstra-Appleton, LLC    |
| Seller Name              | Marina Comm. Prtnrs.     |
| Location                 | Off 2nd Av.              |
| City                     | Marina                   |
| Date of Sale             | 03/27/14                 |
| Deed Reference           | 13549                    |
| County                   | Monterey                 |
| Assessor's Parcel No.    | 031-282-049 through -056 |
| Gross Land Area - SF     | 623,349                  |
| Gross Land Area - AC     | 14.31                    |
| Usable Area - SF         | 623,349                  |
| Land Use Policies        | Office/R & D             |
| Utilities/Infrastructure | at lot line              |
| Water                    | Yes, at lot line         |
| Improvements             | street, curb, gutter     |
| Sale Price               | \$6,539,000              |
| Price Per SF             | \$10.49                  |
| FORA Development Fee     | \$0.07                   |
| Adjusted Sale Price      | \$10.56                  |



Comparable 6 is the 2014 sale of eight parcels, totaling 14.31 acres, off the north side of 2nd Avenue, Marina. This is a relatively flat site in The Dunes development off Imjin Road. The site was designated for office/R & D use. The purchase price was \$6,539,000, and the seller received all cash in the transaction. This property is subject to FORA development fees of \$42,358 in addition to the purchase price. The property is in the process of being developed with facilities for the US Department of Defense and a VA clinic.

### Comparable 7

|                          |                      |
|--------------------------|----------------------|
| Buyer Name               | Amcal Mont. Bay, LLC |
| Seller Name              | City of Marina       |
| Location                 | 8th St.              |
| City                     | Marina               |
| Date of Sale             | 12/18/13             |
| Deed Reference           | 3925                 |
| County                   | Monterey             |
| Assessor's Parcel No.    | 031-101-051          |
| Gross Land Area - SF     | 352,400              |
| Gross Land Area - AC     | 8.09                 |
| Usable Area - SF         | 294,030              |
| Land Use Policies        | PF-E                 |
| Utilities/Infrastructure | Lot Line             |
| Water                    | Lot Line             |
| Improvements             | Old Military Bldgs   |
| Sale Price               | \$3,080,000          |
| Price Per SF             | \$10.48              |
| FORA Development Fee     | \$0.80               |
| Adjusted Sale Price      | \$11.28              |



Comparable 7 involves the 2013 purchase of an 8.09 acre site, located on 8th Street at Imjin Road, Marina. The parcel has a slightly irregular shape, and approximately 1.34 acres are strongly sloping and not developable. The 6.75 acre developable land is mostly flat with some sloped area. There were a number of abandoned former military buildings on the property at the time of sale. This property was owned by the City of Marina who recently had rezoned the property to Public-Educational to accommodate this sale. They also could have rezoned the property to market rate housing and water allocations were available from the city. The city also owns an adjacent parcel and this sale includes the right to use an approximately one-half acre portion of this parcel for drainage.

The purchase price was \$1,900,000, and the seller received all cash in the transaction. The buyer is also responsible for paying Fort Ord Reuse Authority developer fees totaling \$236,000, and demolition cost which was estimated to be \$1,180,000. The city was responsible for any environmental clean-up.

### **Larger Parcel Value Conclusion:**

After adjusting for time, the preceding sales indicate a range in value of \$5.44 to \$11.84 per square foot. Comparables 1 and 2 are both inferior to the subject overall and bracket the low end of the value range. Comparables 4 through 7 are all superior to the subject and bracket the upper end of the range. All things considered, and with similar emphasis given each of the comparable sales, the current market value of the subject property is estimated to be \$8.00 per square foot of usable area.

Land     435,600 SF @            \$8.00 = \$3,484,800

## ESTIMATE OF JUST COMPENSATION

In estimating just compensation, a before and after valuation approach is utilized. The current market value of the larger parcel (ten usable acres) is estimated to be \$8.00 per square foot:

Land 435,600 SF @ \$8.00 = \$3,484,800

The second part of the process is to estimate the value of the remainder property “after value”, which considers the full impact of the acquisition. The first step in this process is to identify and value the acquisition area and the remainder parcel. The second step estimates the value of the remainder property, both before and after the acquisition, and considers the full impact of the acquisition including severance damages and benefits.

### VALUE OF THE PART ACQUIRED, AS PART OF THE WHOLE:

#### Fee Acquisition:

None.

#### Permanent Easement:

The permanent easement will encompass approximately 1.53 acres (66,646 square feet) along the south and west sides of the subject. The easement will be used to install, maintain, and protect an underground water mainline that is 24 inches in diameter. This easement includes the right of access by the dominant tenement for inspections, repairs, etc.

The servient tenement will retain the right to use this area, as it will not be enclosed or fenced off. In fact, it is designed so that a playground, parking, landscaping, etc., excluding permanent structures, can continue to take place on the surface of the land. Given the relatively small impact on the use potential in the after condition, the value of the part acquired (permanent easement) is estimated to be 50% of fee value.

Value of the part acquired as part of the whole: \$266,584

Permanent Easement 66,646 SF @ \$4.00 = \$266,584

### VALUE OF THE REMAINDER PARCEL, AS PART OF THE WHOLE:

The remainder parcel will be ten usable acres in the after condition, which will be encumbered by the permanent easement and temporary construction easement.

Market participants would adjust the value of the property after such an acquisition, but an adjustment would be reflective of the market value of the parts.

|  |              |          |             |             |
|--|--------------|----------|-------------|-------------|
| Value of the remainder as part of the whole: |              |          |             | \$3,218,216 |
| Land   | 368,954 SF @ | \$8.00 = | \$2,951,632 |             |
| Permanent Easement                           | 66,646 SF @  | \$4.00 = | \$266,584   |             |

**VALUE OF THE REMAINDER, AFTER ACQUISITION:**

The value of the remainder, after the acquisition, is relatively unaffected.

|   |              |          |             |             |
|---|--------------|----------|-------------|-------------|
| Value of the remainder, after acquisition:<br>and before benefits |              |          |             | \$3,218,216 |
| Land  | 368,954 SF @ | \$8.00 = | \$2,951,632 |             |
| Permanent Easement  | 66,646 SF @  | \$4.00 = | \$266,584   |             |

**SEVERANCE DAMAGES:**

None.

**BENEFITS:**

None.

**Temporary Construction Easement:**

The temporary construction easement encompasses approximately 49,658 square feet. It is temporary and the property will be left in near original condition. Short term rents for commercial/industrial properties in the market area generally range from approximately \$0.03 to \$0.09 per square foot per month on a gross basis. Based on this analysis, and given the location, size, and zoning of the subject, a rate at the lower end of the range is indicated, and \$0.05 per square foot is appropriate.

The term of the temporary construction easement is estimated to be approximately six months.

|  |        |        |                         |                 |
|--|--------|--------|-------------------------|-----------------|
| Market Rent                                      |        |        | \$0.05 Per SF Per Month |                 |
| Temporary Construction Easement Area             | 1.14 x | 43,560 | = 49,658 SF             | \$2,483         |
| Term   |        | 6 Mos  |                         | <b>\$14,898</b> |
| <b>Market Value of the Temp. Const. Easement</b> |        |        |                         | <b>\$15,000</b> |

**SUMMARY OF JUST COMPENSATION:**

|   |              |          |                  |
|---|--------------|----------|------------------|
| Value of the whole (land only) before acquisition:                |              |          | \$3,484,800      |
| Land  | 435,600 SF @ | \$8.00 = | \$3,484,800      |
| Value of the part acquired as part of the whole:                  |              |          | \$266,584        |
| Permanent Easement  | 66,646 SF @  | \$4.00 = | \$266,584        |
| Value of the remainder as part of the whole:                      |              |          | \$3,218,216      |
| Land  | 368,954 SF @ | \$8.00 = | \$2,951,632      |
| Permanent Easement  | 66,646 SF @  | \$4.00 = | \$266,584        |
| Value of the remainder, after acquisition:<br>and before benefits |              |          | \$3,218,216      |
| Land  | 368,954 SF @ | \$8.00 = | \$2,951,632      |
| Permanent Easement  | 66,646 SF @  | \$4.00 = | \$266,584        |
| Total Severance Damages:  |              |          | \$0              |
| Benefits:   |              |          | \$0              |
| Temporary Construction Easement                                   |              |          | \$15,000         |
| <b>Total Just Compensation:</b>                                   |              |          | <b>\$281,584</b> |

## CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The appraisal was made and the appraisal report prepared in conformity with the Appraisal Foundation's *Uniform Standards for Professional Appraisal Practice*, except to the extent that Federal Government required invocation of USPAP's Jurisdictional Exception Rule excluding an estimate of exposure time.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.

Date: October 6, 2017

Appraiser: \_\_\_\_\_

  
R. Anthony Brigantino, MAI  
License No. AG006530

## **ADDENDA**

Definitions of Appraisal Terms  
Assessor's Parcel Map  
Photographs of Subject Property  
Comparable Sales Location Map  
Acquisition Map and Legal Description  
Qualifications of Appraiser

## DEFINITIONS OF APPRAISAL TERMS

### Market Value:

"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, knowledgeable 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 passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well-informed or well-advised and each acting in what he considers his own best interest;
- 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; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."<sup>1</sup>

### Easement:

"The right to use another's land for a stated purpose"<sup>2</sup>

### Fee Simple Estate:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."<sup>3</sup>

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<sup>1</sup>Financial Institutions Reform, Recovery and Enforcement Act (FIRREA), August 9, 1989, Title XI, the Appraisal Reform Amendments.

<sup>2</sup>Appraisal Institute, The Dictionary of Real Estate Appraisal, Sixth Edition, Chicago: Appraisal Institute, 2015, page 71.

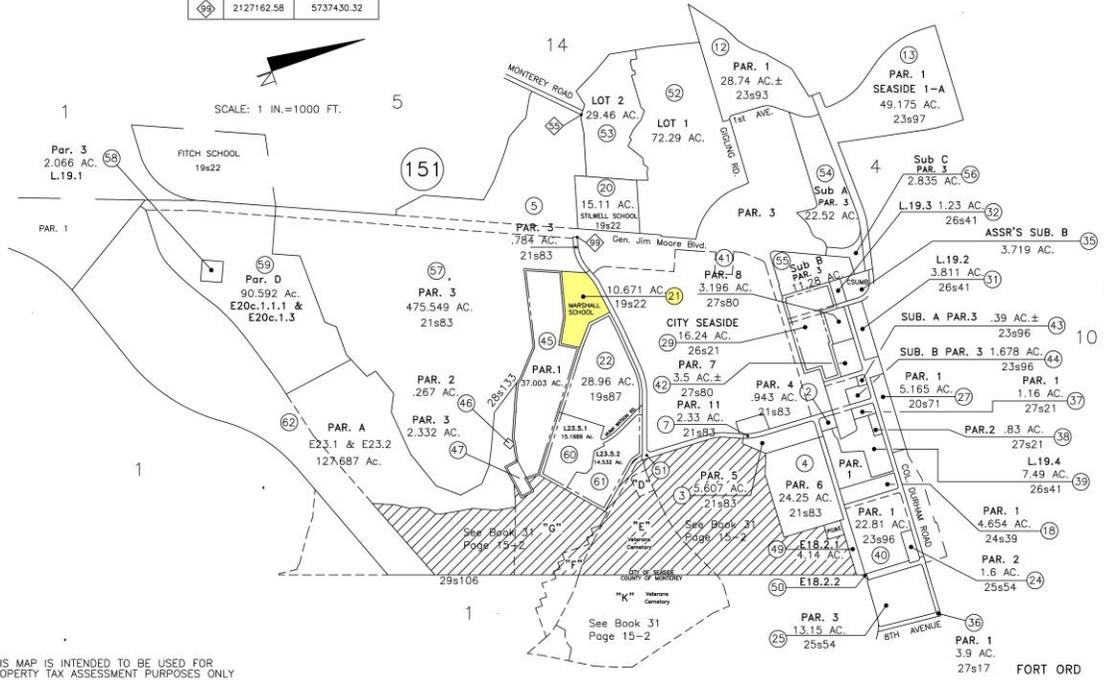
<sup>3</sup>Appraisal Institute, The Dictionary of Real Estate Appraisal, Sixth Edition, Chicago: Appraisal Institute, 2015, page 90.

# Assessor's Parcel Map

| CALIFORNIA PLANE COORDINATES |            |            |
|------------------------------|------------|------------|
| POINT                        | NORTHING   | EASTING    |
| 52                           | 2127781.17 | 5735806.85 |
| 53                           | 2127162.58 | 5737430.32 |

TAX CODE AREA

COUNTY OF MONTEREY  
ASSESSOR'S MAP  
BOOK 31 PAGE 15



THIS MAP IS INTENDED TO BE USED FOR  
PROPERTY TAX ASSESSMENT PURPOSES ONLY

# Photographs of Subject

Taken June 24, 2017



Street scene of Normandy Road, facing west, subject Marshall School on left.

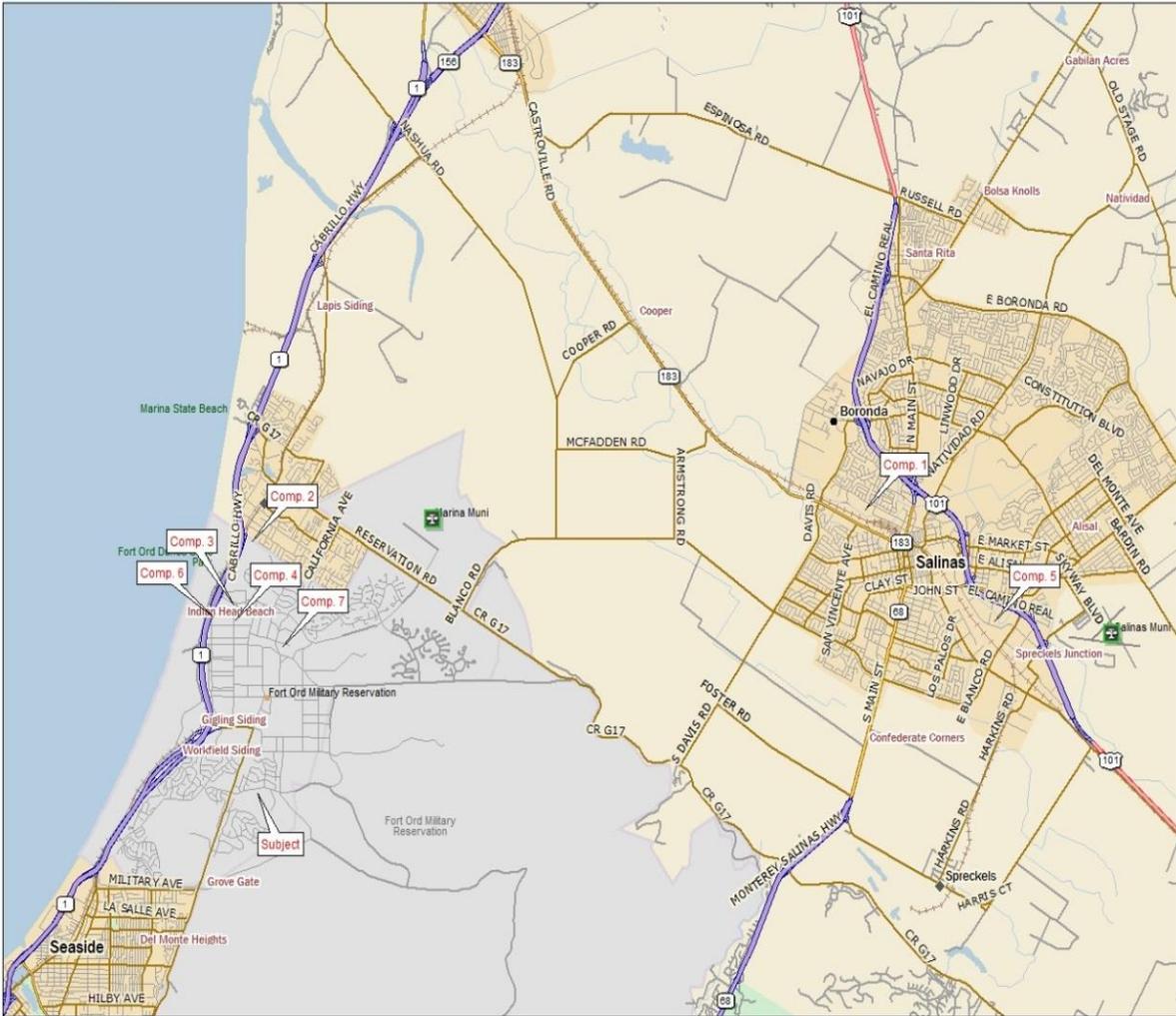


Approximate location of proposed easement, as it intersects with Normandy Road.

# Comparable Location Map



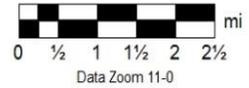
DeLorme Street Atlas USA® 2011



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www.delorme.com





**Marina Coast Water District**  
 11 Reservation Road  
 Marina, CA 93933  
 mcwd.org

**Marshall School Easement**

Drawn By:  
 J.Hollida  
 Date:  
 09/15/2017

**LEGAL DESCRIPTION  
OF A PIPELINE EASEMENT**

Certain real property situate in the County of Monterey, State of California, being a portion of Parcel 2 as said parcel is shown on the map filed in Volume 19 of Surveys at Page 22 in the office of the County Recorder of said County, described as follows

**Beginning** at the southwest corner of said Parcel 2; thence along the westerly line of said parcel

- 1) North 23°00'00" East, 350.84 feet to a point on the southerly line of "Normandy Road", being also the southerly line of Parcel 10 as shown on the map recorded in Volume 21 of Surveys at Page 83, in the office of the County Recorder of said County; thence along said southerly line
- 2) North 67°30'00" East, 20.00 feet; thence leaving said southerly line
- 3) South 22°30'00" East, 27.29 feet; thence
- 4) South 24°48'21" West, 53.55 feet; thence
- 5) South 13°33'21" West, 83.29 feet; thence
- 6) Southerly 61.29 feet along the arc of a non-tangent curve to the right having a radius of 582.99 feet, (a radial line to the center point of said curve bears North 75°27'10" West), through a central angle of 06°01'23"; thence.
- 7) South 22°14'13" West, 34.17 feet; thence
- 8) South 67°11'39" East, 258.93 feet; thence
- 9) Easterly 43.72 feet along the arc of a non-tangent curve to the right having a radius of 647.33 feet, (a radial line to the center point of said curve bears South 00°24'33" East), through a central angle of 03°52'12"; thence.
- 10) South 76°31'00" East, 72.35 feet; thence
- 11) South 74°32'28" East, 40.76 feet; thence
- 12) North 82°59'00" East, 26.93 feet; thence
- 13) North 37°59'00" East, 15.58 feet; thence
- 14) South 53°38'28" East, 117.69 feet; thence
- 15) South 64°53'28" East, 60.52 feet; thence
- 16) South 42°23'28" East, 56.90 feet; thence
- 17) South 19°53'28" East, 48.31 feet, more or less, to a point on the southerly line of said Parcel 2; thence along said southerly line
- 18) North 61°30'00" West, 116.19 feet; thence
- 19) North 76°00'00" West, 642.29 feet, more or less to said **Point of Beginning**.

Containing 1.530 Acres, more or less.

As shown on the plat attached hereto and made a part hereof.

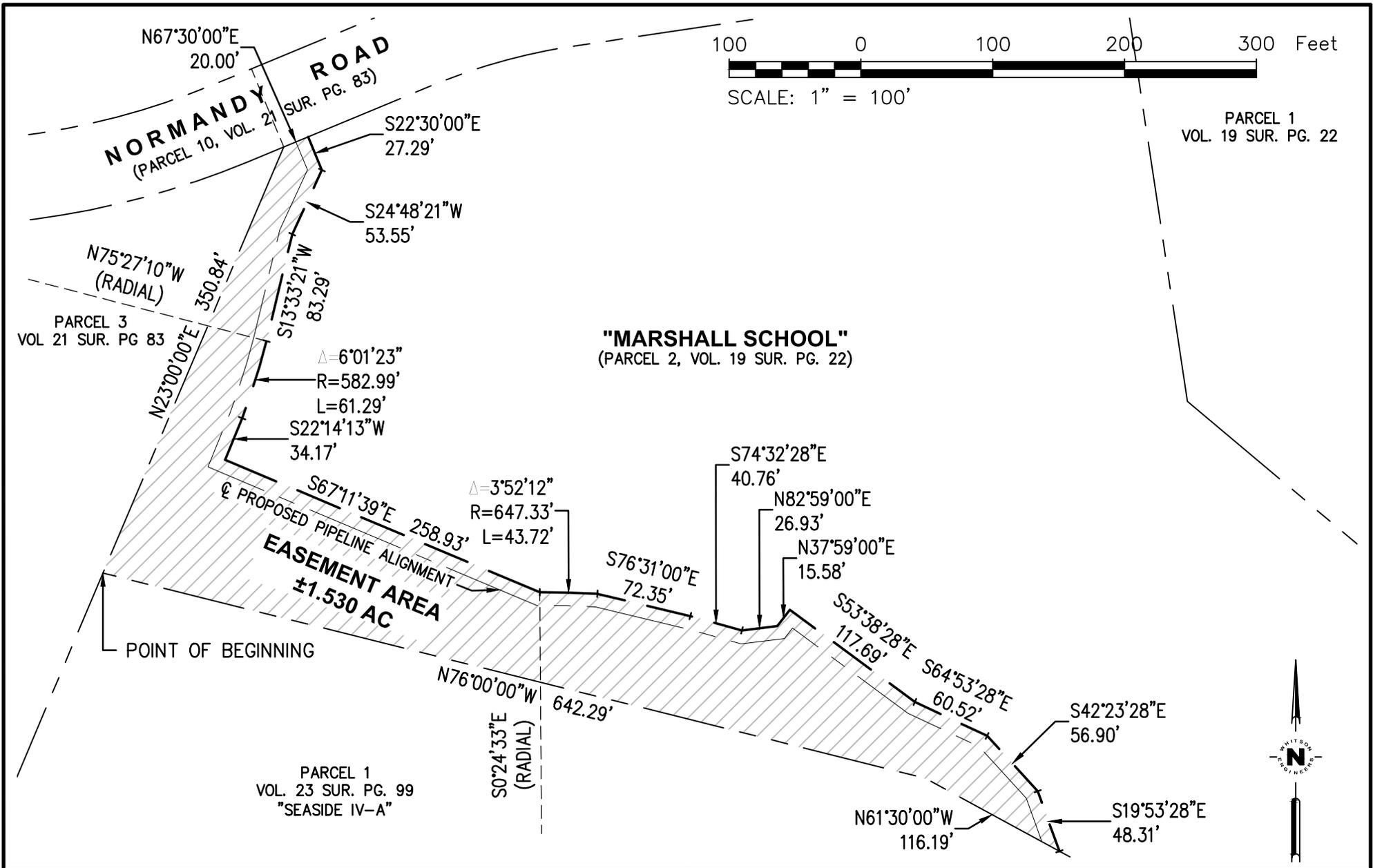
**END OF DESCRIPTION**

PREPARED BY:  
WHITSON ENGINEERS



RICHARD P. WEBER, LS  
L.S. No. 8002  
Job No.: 3708.00





# PLAT TO ACCOMPANY DESCRIPTION

OF A PIPELINE EASEMENT OVER A PORTION OF

PARCEL 2, VOL. 19 SURVEYS, PG. 22

COUNTY OF MONTEREY, CALIFORNIA

SEPTEMBER 13, 2017

## WE WHITSON ENGINEERS

6 Harris Court ■ Monterey, CA 93940

831 649-5225 ■ Fax 831 373-5065

CIVIL ENGINEERING ■ LAND SURVEYING ■ PROJECT MANAGEMENT



# Brigantino & Company

Real Estate Appraisers, Brokers & Consultants

## **R. ANTHONY BRIGANTINO, MAI**

### **APPRAISAL SPECIALTY**

Appraising complex agricultural, commercial, industrial, and transitional properties in Monterey, Santa Cruz, San Benito, and southern Santa Clara Counties since 1984.

Some specific assignments include farmland, large farm and ranch tracts, conservation easements, vineyards, wineries, greenhouses, food processing, and cold storage. Commercial properties such as vacant land, retail, office, medical, apartments, residential care facilities, municipal properties, and industrial warehouses. Existing and proposed improvements, current, historical, and future dates of value. Purposes such as financing, litigation, eminent domain and partial acquisition, tax planning, purchase, IRS and general market analysis.

Appraisal reports are prepared under the guidelines of the Uniform Standards of Professional Appraisal Practice, or the Uniform Standards for Federal Land Transactions and the Ethics and Standards of the Appraisal Institute.

### **PROFESSIONAL AFFILIATIONS AND LICENSES**

MAI Member 09840, Appraisal Institute. (continuing education program - current)

Certified General Real Estate Appraiser, State of California, Appraiser Number AG006530, Expires 4/29/2019.

Licensed Real Estate Broker, State of California, expires 1/28/2020.

Valuation of Conservation Easements Program, Certificate of Completion, May 23, 2008

Candidate - American Society of Farm Managers and Rural Appraisers.

Member - International Right of Way Association.

Director - Northern California Chapter of the Appraisal Institute, 2000-2003.

Member - Appraisal Institute, Region I Panel, Ethics Administration Division.

President - Monterey Bay Chapter of the Appraisal Institute, 1998.

Director - Monterey Bay Chapter of the Appraisal Institute, 1994 - 1997.

Member – Christians In Commerce

### **APPRAISAL EXPERIENCE**

Expert Witness      Qualified as an expert witness in Monterey, Santa Cruz, Santa Clara, and San Luis Obispo Counties Superior Courts.

4/95 - Present      President/CEO - Brigantino & Company, Salinas, CA

11/91 - 4/95      Senior Appraiser, Pacific Coast Farm Credit, Salinas, CA

06/86 - 10/91      Associate Appraiser, Piini Realty, John W. Piini, MAI, Salinas, CA

01/84 - 05/86      Appraiser/Loan Officer, Federal Land Bank Association, Salinas, CA

### **EDUCATION**

1983      Bachelor of Science Degree in Agriculture Business,  
California State University, Fresno, CA

**(R. Anthony Brigantino cont.)**

**APPRAISAL CONTINUING EDUCATION:**

|      |          |  |
|------|----------|--|
| 2017 | 22 Hours | Condemnation Appraising: Principles & Applications               |
| 2017 | 7 Hours  | Appraisal of Fast Food Facilities                                |
| 2017 | 6 Hours  | Appraising Small Apartment Properties                            |
| 2017 | 7 Hours  | USPAP Update   |
| 2017 | 4 Hours  | Laws and Regulations   |
| 2014 | 7 Hours  | USPAP Update   |
| 2013 | 4 Hours  | California Land Conservation Conference – Appraisers Forum.      |
| 2013 | 7 Hours  | USPAP Update   |
| 2013 |          | Federal and California Statutory and Regulatory Law              |
| 2012 | 7 Hours  | Fall Conference, San Francisco.                                  |
| 2011 | 7 Hours  | USPAP Update   |
| 2011 | 7 Hours  | – Corridor Valuation   |
| 2010 | 6 Hours  | Fall Conference, San Francisco.                                  |
| 2010 | 15 Hours | The Appraiser as an Expert Witness.                              |
| 2010 | 7.5      | IRS Valuation Summit.  |
| 2009 | 7 Hours  | Fall Conference, San Francisco.                                  |
| 2009 | 5 Hours  | Business Practices and Ethics.                                   |
| 2009 | 4 Hours  | Real Estate Appraisal Operations.                                |
| 2008 | 31 Hours | Valuation of Conservation Easements Certification.               |
| 2006 | 7 Hours  | USPAP Update   |
| 2003 | 7 Hours  | USPAP Update – Standards I and II                                |
| 2003 | 8 Hours  | Business Practices and Ethics                                    |
| 2003 | 7        | Scope of Work: Expanding Your Range                              |
| 2002 | 7 Hours  | Vineyard Valuation III   |
| 2002 | 2 Hours  | Undivided Interest Valuation                                     |
| 2001 | 6 Hours  | - Fall Conference  |
| 2001 | 40 Hours | – Course 401, The Appraisal of Partial Acquisitions              |
| 2000 | 6 Hours  | - Fall Conference  |
| 2000 | 12 Hours | – Valuation 2000 (Partial Interests, Mock Trial, Feng Shui)      |
| 2000 | 4 Hours  | - Misc. Offerings  |
| 2000 | 16 Hours | - Appraising Conservation Easements                              |
| 2000 |          | Spring Ag. Outlook Forum   |
| 1999 | 8 Hours  | - Misc. Offerings  |
| 1999 | 14 Hours | - Attacking and Defending an Appraisal in Litigation             |
| 1999 | 6 Hours  | - Fall Conference  |
| 1999 | 7 Hours  | - USPAP Update   |
| 1998 | 4 Hours  | - The Technical Inspection of Commercial/Industrial Real Estate. |
| 1998 | 4 Hours  | - Business Value in the World of Real Estate Appraisal.          |
| 1998 | 4 Hours  | - Operating Expense Information.                                 |
| 1998 | 4 Hours  | - Valuation Considerations Regarding a Partial Acquisition.      |
| 1998 | 6 Hours  | - Misc. Offerings.   |
| 1998 |          | Spring Ag. Outlook Forum   |
| 1998 | 16 Hours | - Eminent Domain Law Basics for Right of Way Professionals       |
| 1997 |          | Spring Ag. Outlook Forum   |
| 1997 | 7 Hours  | - Internet and Appraising  |
| 1997 | 8 Hours  | - Misc. Offerings  |
| 1996 | 6 Hours  | - Misc. Offerings  |
| 1996 | 16 Hours | - Permanent Plantings Appraisal                                  |
| 1995 | 8 Hours  | - Eminent Domain   |
| 1994 | 25 Hours | - Standards of Professional Practice, Parts A & B                |
| 1993 | 40 Hours | - Advanced Rural Appraisal                                       |
| 1992 | 8 Hours  | - Principles of Rural Appraisal                                  |

**PUBLIC SPEAKING/MISCELLANEOUS:**

|             |                          |   |
|-------------|--------------------------|---|
| 2001 & 2002 | Attendee                 | – Appraisal Institute, Leadership Development Advisory Council, Wash. D.C. – Congressional Visits, Meeting with Congressman Sam Farr. |
| 1999        | Panel Speaker            | , Monterey County Economic Forecast, hosted by Steven Nukes & Associates, Management Strategy and Economic Consultants.               |
| 1998 & 2000 | Conference Panel Speaker | - American Society of Farm Managers and Rural Appraisers; Spring Ag. Outlook Forum. (Quoted by the Associated Press)                  |
| 1998        | Panel Discussion         | - Monterey Bay Chapter of the Appraisal Institute   |



Business, Consumer Services & Housing Agency  
**BUREAU OF REAL ESTATE APPRAISERS**  
**REAL ESTATE APPRAISER LICENSE**

**Ralph A. Brigantino**

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 006530

Effective Date: April 30, 2017

Date Expires: April 29, 2019

  
\_\_\_\_\_  
Jim Martin, Bureau Chief, BREA

3033604