

APPRAISAL REPORT

133 Broadway
Paducah, Kentucky 42001

Date of Valuation: January 9, 2020

Date of Report: January 20, 2020



PREPARED FOR

Katie Axt

Downtown Development Specialist

City of Paducah

PO Box 2267

Paducah, KY 42002



P.O. Box 1178

Hopkinsville, KY 42241

Bolinger Appraisal File No: CityofPaducah1219



BOLINGER APPRAISAL

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January 20, 2020

Katie Axt
Downtown Development Specialist
City of Paducah
PO Box 2267
Paducah, KY 42002

RE: 133 Broadway, Paducah, Kentucky 42001

Bolinger Appraisal File No: CityofPaducah1219

Ms. Axt:

Bolinger Appraisal is proud to present the appraisal that satisfies the agreed upon scope of work with the City of Paducah. The subject is Commercial Land on a site totaling 2.87 Acres located in Paducah, McCracken County, Kentucky.

The purpose of this appraisal is to develop an opinion of the As-Is (Fee Simple) value. The following table conveys the final opinion of value that is developed in this appraisal:

VALUATION SCENARIO	INTEREST APPRAISED	DATE	VALUE
As-Is	Fee Simple	January 9, 2020	\$810,000

This report conforms to the current Uniform Standards of Professional Appraisal Practice (USPAP).

Extraordinary Assumptions - The use of an extraordinary assumption may have impacted the results of the assignment. An assumption is being made that the subject is 2.87 acres.

Hypothetical Conditions - No Hypothetical Conditions were made for this assignment.



If there are any specific questions or concerns regarding the attached appraisal report, or if Bolinger Appraisal can be of additional assistance, please contact the individual listed below.

Sincerely,

BOLINGER APPRAISAL

A handwritten signature in black ink that reads 'Ben Bolinger'.

Ben R. Bolinger, MAI
Certified General Real Estate Appraiser
Kentucky License No. 4494
Expiration Date 6/30/2020
270-886-9220
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EXECUTIVE SUMMARY

PROPERTY IDENTIFICATION

Property	Commercial Land
Address	133 Broadway
City, State Zip	Paducah, Kentucky 42001
County	McCracken County
MSA	N/A
Market / Submarket	Western Kentucky / McCracken County
Geocode	37.0879284,-88.5951173
Census Tract	303.00

SITE

Number of Parcels	1	
Assessor Parcel Number	112-31-04-001	
Land Area	Square Feet	Acres
Usable	125,017	2.87
Total	125,017	2.87
Zoning	Downtown Business Zone (B-2)	
Shape	Square	
Topography	Level at street grade	
Flood Zone	Zone X (Shaded)	

QUALITATIVE

Site Quality	Good
Site Access	Good
Site Exposure	Good
Site Utility	Good

HIGHEST & BEST USE

As Vacant	Mixed Use Development
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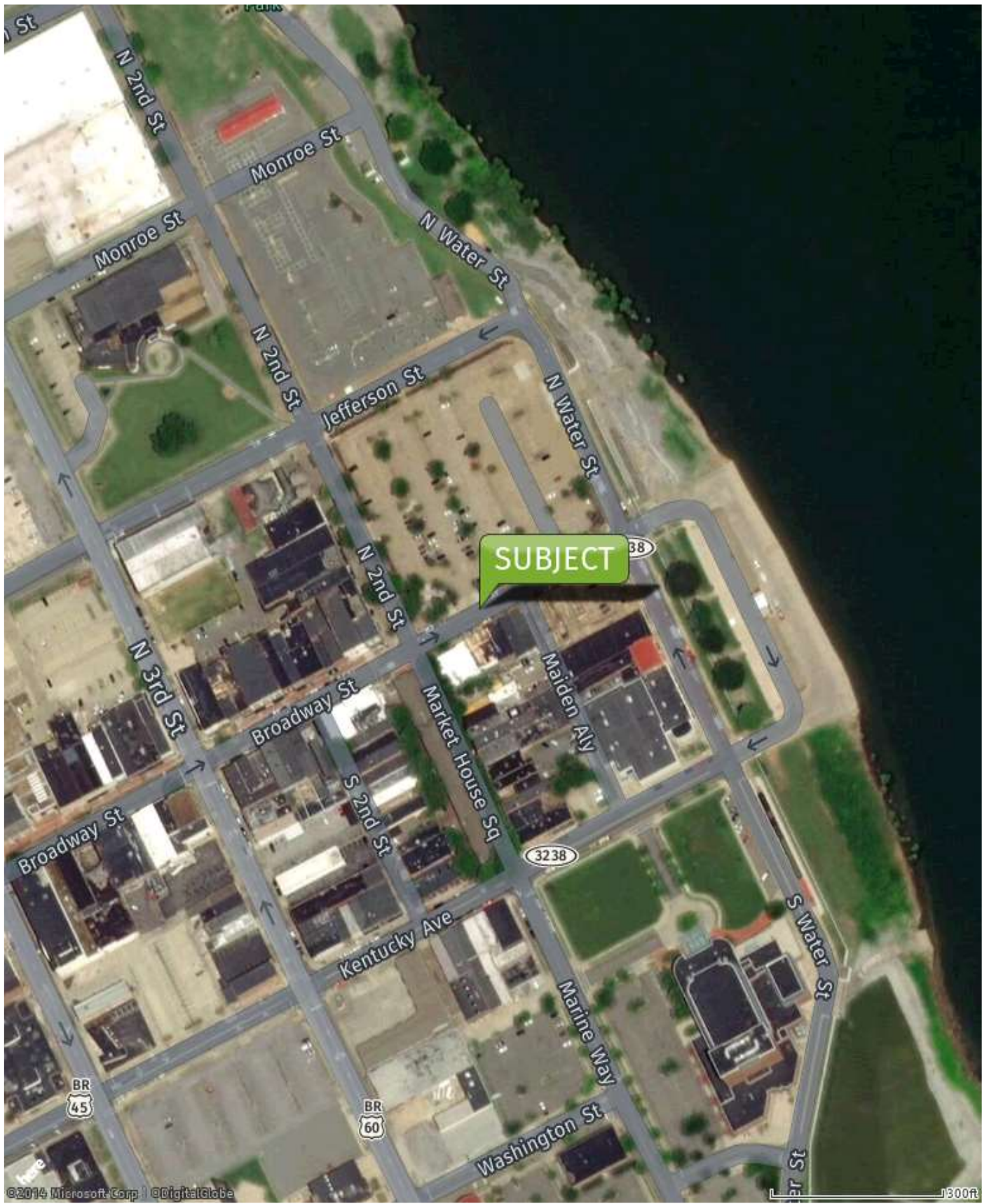
EXPOSURE & MARKETING TIME

Exposure Time	9 to 12 Months
Marketing Time	9 to 12 Months

VALUE CONCLUSION

VALUATION SCENARIOS	AS-IS
Interest	Fee Simple
Date	January 9, 2020
Site Value	\$810,000
Cost Approach	Not Presented
Income Approach	Not Presented
FINAL VALUE CONCLUSION	\$810,000

AERIAL PHOTOGRAPH



SUBJECT PROPERTY PHOTOGRAPHS



Site Frontage Along North Water Street



Site Frontage Along Broadway



Site View



Site Frontage Along Jefferson Street



Site View



Site View



Site Frontage Along North 2nd Street



Site View

IDENTIFICATION OF ASSIGNMENT

PROPERTY IDENTIFICATION

The subject is commercial land totaling 2.87 acres (125,017 SF) located at 133 Broadway in Paducah, McCracken County, Kentucky. The assessor parcel number is: 112-31-04-001. The legal description of the subject property is presented in the Addenda.

CLIENT IDENTIFICATION

The client of this specific assignment is the City of Paducah.

PURPOSE/INTENDED USE/USERS

The purpose of this appraisal is to develop an opinion of the As-Is (Fee Simple) value. The intended use of this appraisal is to assist the client in making internal business decisions related to this asset. Intended users include City of Paducah and professionals assisting the client in matters related to the intended use.

PERSONAL PROPERTY

There is no personal property (FF&E) included in this valuation.

PROPERTY AND SALES HISTORY

The subject title is currently recorded in the name of the City of Paducah, who acquired title to the property on May 15, 1991 as land for \$250,000, as recorded in Book 753/Page 578 of the McCracken County Deed Records. According to county records there has been no transfer of ownership for the subject property in the past three years and there is no known pending sale or listing of the subject. The subject is not currently listed for sale.

TAXES & ASSESSMENT

The subject is currently tax exempt since it is owned by the city.

EXPOSURE & MARKETING TIME

The subject is commercial land totaling 2.87 acres (125,017 SF) located at 133 Broadway in Paducah, McCracken County, Kentucky. Considering these factors, a reasonable estimate of exposure time for the subject As-Is is 9 to 12 months with a marketing time of 9 to 12 months.

DEFINITION OF 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, knowledgeably, and assuming that 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:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

¹ Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C -Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the FDIC, FRS and NCUA definitions of market value.

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the fee simple interest.

Fee Simple Interest - 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.²

VALUE SCENARIOS

As-Is Value - The estimate of the value of real property in its current physical condition, use, and zoning as of the appraisal date.³

² The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

³ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

SCOPE OF WORK

The scope of work for this appraisal assignment is outlined below:

- ▶ The appraisal analyzes the regional and local area profiles including employment, population, household income, and real estate trends. The local area was inspected to consider external influences on the subject.
- ▶ The appraisal analyzes legal and physical features of the subject including site size, flood zone, site zoning, easements, encumbrances, site access, and site exposure.
- ▶ The appraisal includes a retail market analysis for the Western Kentucky market and McCracken County submarket using vacancy, absorption, supply, and rent data. Conclusions were drawn for the subject's competitive position given its physical and locational features, current market conditions, and external influences.
- ▶ The appraisal includes a Highest and Best Use analysis, and conclusions have been completed for the highest and best use of the subject property As Vacant and As-Improved. The analysis considered legal, locational, physical, and financial feasibility characteristics of the subject site and existing improvements.
- ▶ In selecting applicable approaches to value, the appraiser considered the agreed upon appraisal scope and assessed the applicability of each traditional approach given the subject's characteristics and the intended use of the appraisal. As a result, this appraisal developed the Land Sales Comparison Approach. The value presented represents the As-Is (Fee Simple) value. The Cost Approach was considered but was not performed since it duplicates the Land Sales Comparison Approach. The Sales Comparison Approach for parking lots was considered but there was extremely limited sales data of parking lots that have sold in the region. Areas that were researched included Paducah. The search resulted in no sales data of parking lots in downtown districts. Furthermore, the Income Approach to value was considered, but given the lack of rental data in the area, an appropriate monthly rental rate could not be estimated. It should also be mentioned that there is an abundance of free parking in the downtown area, further straining the need for parking rental. Therefore, the income approach was not performed in this analysis due to the inherent lack of data. The Land Valuation Approach was the only approach to value performed.
- ▶ The assignment was prepared as an Appraisal Report in accordance with USPAP Standards Rules 2, with the analysis stated within the document and representing a summarized level of analysis.
- ▶ The author of this report is aware of the Competency Rule of USPAP and meets the standards.

ASSISTANCE PROVIDED

Bill Jobe, an Associate Real Property Appraiser in the Commonwealth of Kentucky, contributed significant professional assistance in the inspection of the property and gathering of data for the report.

SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information:

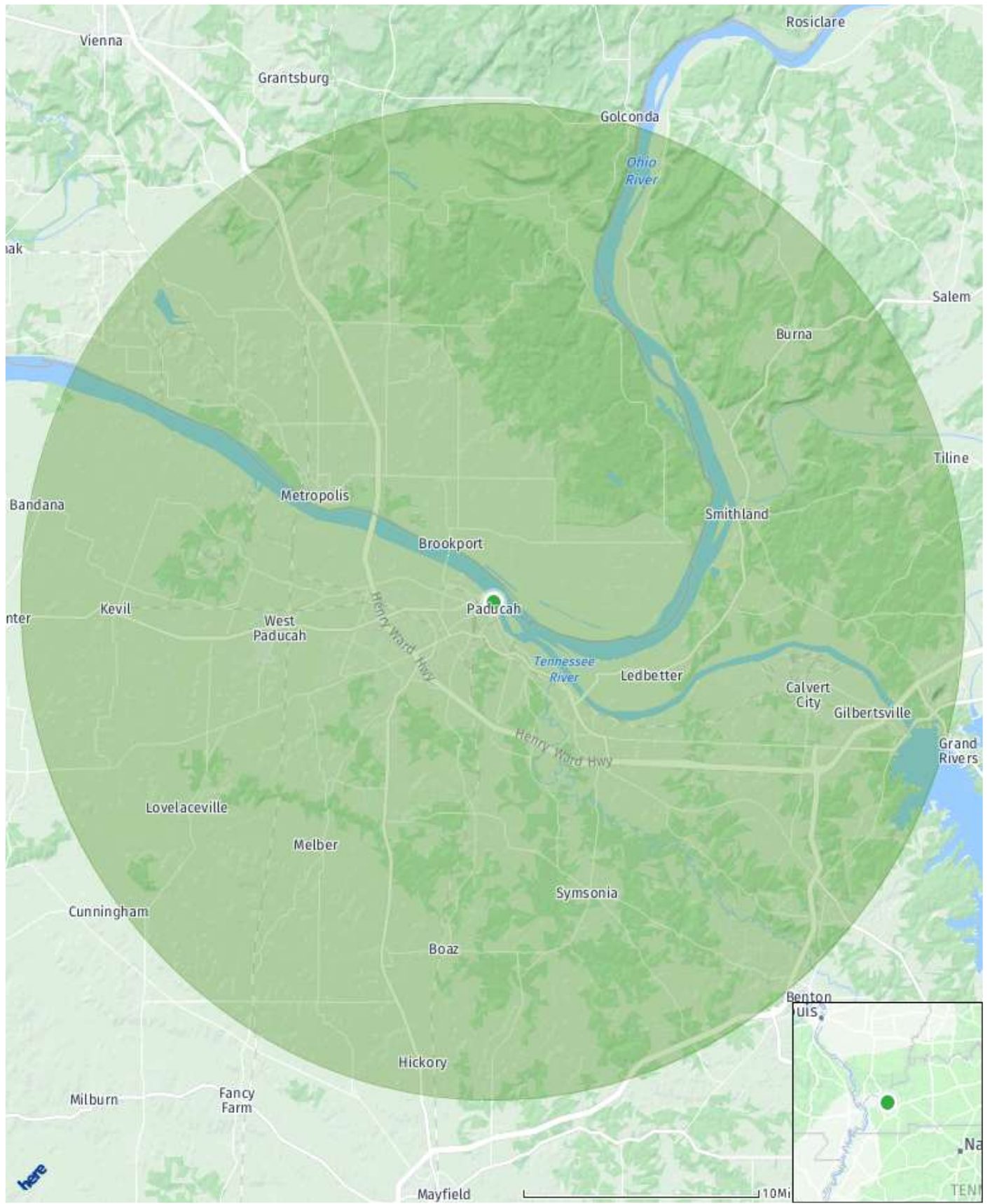
INFORMATION PROVIDED	
Property/Tax	McCracken County Tax Assessor
Zoning	City of Paducah Zoning
Site Size	McCracken County Tax Assessor
Supply & Demand	CoStar
Flood Map	FEMA Flood Map Service Center
Demographics	STDB On-Line
Comparable Information	PVA/Deed
Legal Description	McCracken County Clerk

The lack of unavailable items could affect the results of this analysis. As part of the general assumptions and limiting conditions, the subject is assumed to have no adverse easements, significant items of deferred maintenance, or be impacted by adverse environmental conditions.

SUBJECT PROPERTY INSPECTION

PROPERTY INSPECTION				
APPRAISER	INSPECTED	EXTENT	DATE	ROLE
Ben R. Bolinger, MAI	Yes	Site Only	January 9, 2020	Primary Appraiser

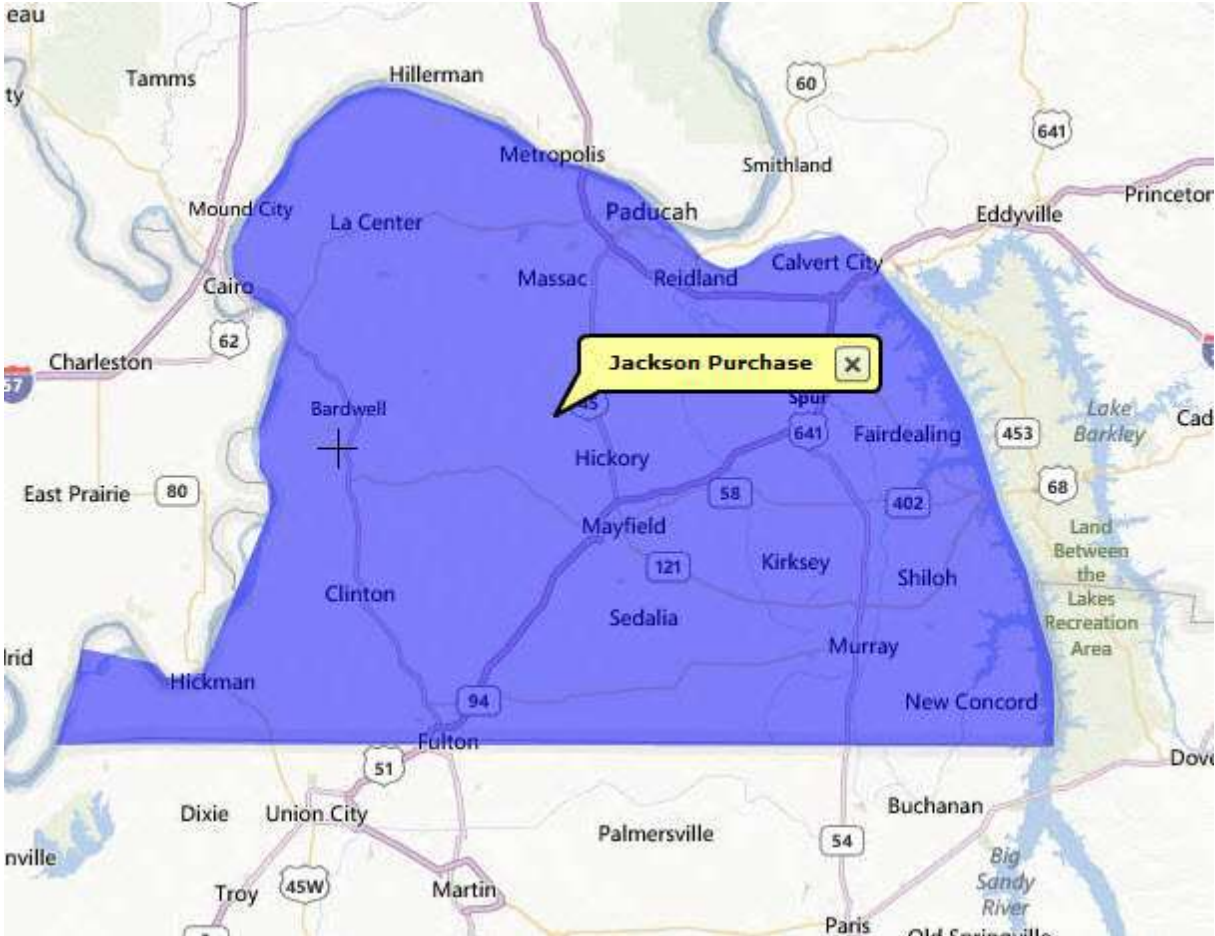
REGIONAL AREA MAP



REGIONAL AREA ANALYSIS

REGIONAL AREA ANALYSIS INTRODUCTION

Although the subject property is not in a metropolitan statistical area, it is a part of the Jackson Purchase Region, which is composed of eight counties in Kentucky. These eight counties include McCracken, Graves, Calloway, Ballard, Fulton, Carlisle, Hickman, and Marshall counties.



Demographics

McCracken County, like most of the counties in the region, has a stable to slightly declining population trend. It is also the home to the city of Paducah and has the largest population. However, Calloway County has the highest growth rate. Please see the chart below.

POPULATION TRENDS				
COUNTY	POPULATION 2010	% CHANGE	POPULATION 2018	% OF REGION
Ballard	8,249	-3.27%	7,979	4.07%
Calloway	37,191	5.23%	39,135	19.94%
Carlisle	5,104	-6.52%	4,771	2.43%
Fulton	6,813	-10.17%	6,120	3.12%
Graves	37,121	0.53%	37,317	19.01%
Hickman	4,902	-9.81%	4,421	2.25%
Marshall	31,448	-0.82%	31,191	15.89%
McCracken	65,565	-0.33%	65,346	33.29%
TOTAL POPULATION	196,393	-0.06%	196,280	100.00%

The most populated county of the Jackson Purchase Region, McCracken County, represents 33% of the region's total population of 196,280 residents. Currently none of the counties of the Jackson Purchase is part of an MSA. McCracken County has had a slow but steady growth pattern. Please see the chart below for population estimates for McCracken County and the city of Paducah.

LOCAL POPULATION		
YEAR	MCCRACKEN	PADUCAH
2018	65,346	24,850
2010	65,565	25,024
2000	65,514	26,307
1990	62,879	27,256
1980	61,310	29,315
1970	58,281	31,627

Employment

The McCracken County area is susceptible to the effects of unemployment and economic volatility stemming from the influence of the manufacturing sector. The Jackson Purchase Region provides some stability with a diverse economic base. The chart below lists the major manufacturing employers for the Jackson Purchase area.

MAJOR EMPLOYERS (450+ Employment)

Name	Employment	NAICS	Primary Product or Service	Location
Western Baptist Hospital	1,600	62211002	General Medical & Surgical Hospitals	Paducah KY
United States Enrichment Corp	1,200	32519904	All Other Basic Organic Chemical Manufacturing	Kevil KY
Lourdes Hospital	1,200	62211002	General Medical & Surgical Hospitals	Paducah KY
Briggs & Stratton Corp	1,100	33361803	Other Engine Equipment Manufacturing	Murray KY
Pilgrim's Pride Corp	1,100	31161501	Poultry Processing	Hickory KY
Murray Calloway County Hosp	1,000	62211002	General Medical & Surgical Hospitals	Murray KY
James Marine Inc	1,000	48833006	Navigational Services To Shipping	Paducah KY
Harrah's Metropolis Casino	1,000	71329002	Other Gambling Industries	Metropolis IL
Westlake Monomers	900	32611309	Unlaminated Plastics Film/Sheet (Except Packaging) Mfg	Calvert City KY
New Page Corp	630	32212103	Paper (Except Newsprint) Mills	Wickliffe KY
Jackson Purchase Medical Center	500	62211002	General Medical & Surgical Hospitals	Mayfield KY
Walmart Supercenter	500	45211101	Department Stores	Paducah KY
ISP Chemicals Inc	500	45399819	All Other Misc Store Retailers (Excluding Tobacco Stores)	Calvert City KY
Pella Windows & Doors	450	44419069	Other Building Material Dealers	Murray KY

Source: Reference USA

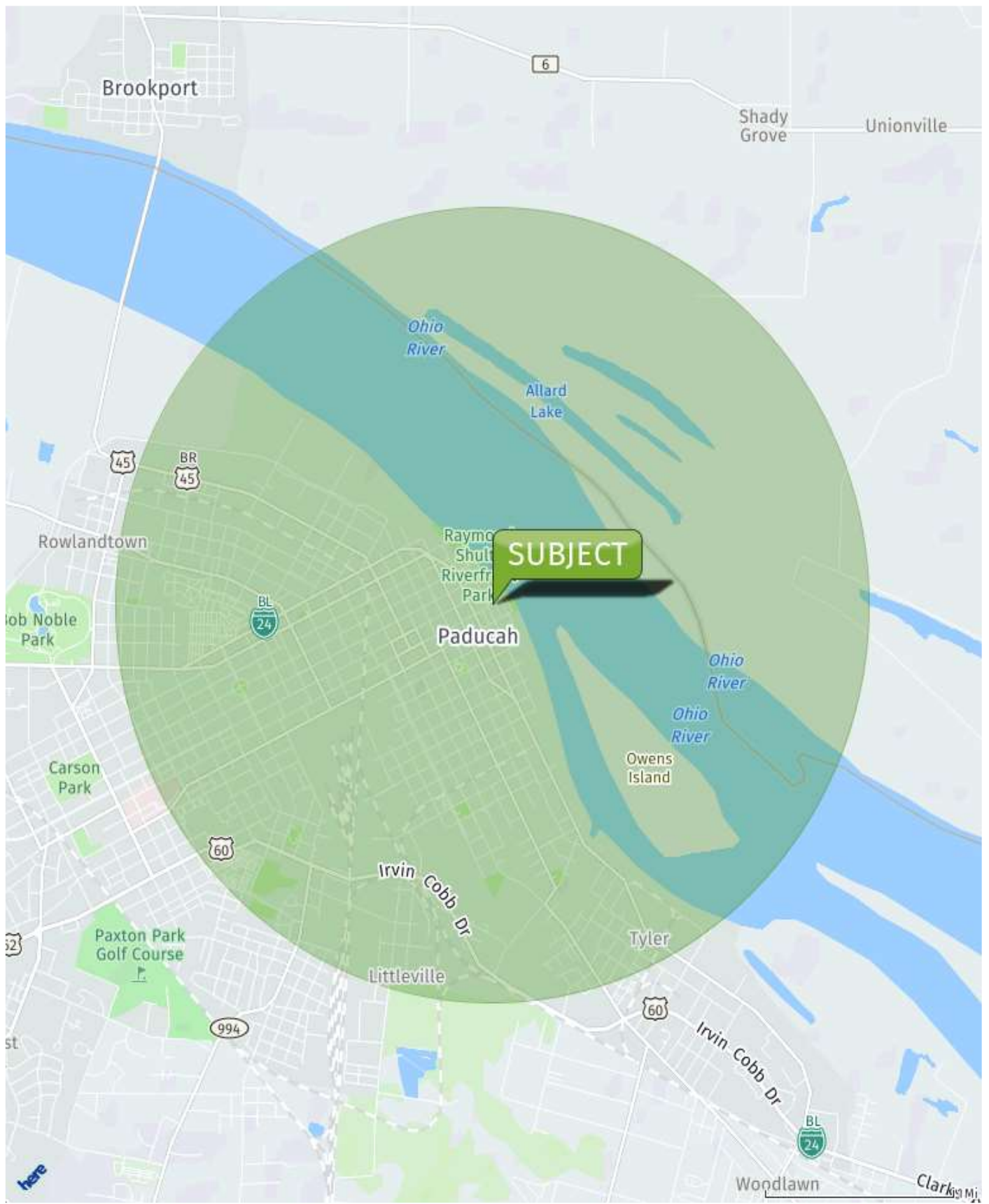
Transportation

The Jackson Purchase is served by several main highways. Interstate 24 is an important thoroughfare running across the state of Tennessee from Chattanooga in the southeast, through Nashville, passes through Calvert City, to Paducah and beyond. The Purchase Parkway is a north/south road that connects northwestern Tennessee to I-24 near Calvert City. US 641 is another north/south road that begins in Benton and eventually connects with I-40 in middle Tennessee. Finally, US 68 begins near Paducah in the west, passes through the northern part of the county, and continues on, eventually ending in Bowling Green to the east. Almost one-third of the major US cities and nearly 70 million people are within one day's drive of the area.

Rail transportation is served by divisions of the Paducah & Louisville Railway, as well as a few by CSX Transportation System. P&L Railways serve chemical plants, coal mines, quarries, lumber, and equipment. There is a large coal transportation hub in Calvert City in the area of large manufacturing plants.

Further servicing Marshall County in the Calvert City area is the Bailey Port, which is located on the Tennessee River. This port is especially used for receiving steel and metal products and transferring coal and grain products. The Paducah-McCracken County Riverport is responsible for handling a wide array of products including but not limited to construction material, agricultural products, and manufacturing equipment and inputs.

LOCAL AREA MAP



LOCAL AREA ANALYSIS

LOCAL AREA ANALYSIS INTRODUCTION

The subject property is located in the Paducah area of the McCracken County submarket. The immediate area of the subject is characterized by commercial uses.

Demographics - The following information reflects the demographics for the subject's area.

LOCAL AREA DEMOGRAPHICS							
DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION				HOUSEHOLDS			
2000 Total Population	3,348	19,715	37,040	2000 Households	1,509	8,787	16,293
2010 Total Population	2,900	18,278	35,312	2010 Households	1,323	8,140	15,702
2019 Total Population	2,772	17,919	35,053	2019 Households	1,264	7,981	15,640
2024 Total Population	2,743	17,788	34,901	2024 Households	1,249	7,927	15,598
Δ 2000-2010	(13.38%)	(7.29%)	(4.67%)	Δ 2000-2010	(12.33%)	(7.36%)	(3.63%)
Δ 2010-2019	(4.41%)	(1.96%)	(0.73%)	Δ 2010-2019	(4.46%)	(1.95%)	(0.39%)
Δ 2019-2024	(1.05%)	(0.73%)	(0.43%)	Δ 2019-2024	(1.19%)	(0.68%)	(0.27%)
Total Daytime Population	6,925	10,130	19,837	HOUSEHOLDS BY INCOME (2019)			
HOUSING UNITS				<\$15,000			
Total (2019)	1,596	9,537	17,950	\$15,000 - \$24,999	17.6%	19.2%	17.1%
Owner Occupied	23.0%	40.0%	48.8%	\$25,000 - \$34,999	12.4%	12.6%	11.6%
Renter Occupied	56.2%	43.7%	38.3%	\$35,000 - \$49,999	10.0%	13.1%	12.9%
Vacant Housing Units	20.8%	16.3%	12.9%	\$50,000 - \$74,999	16.4%	15.1%	16.6%
Total (2024)	1,613	9,594	18,096	\$75,000 - \$99,999	5.4%	8.2%	10.0%
Owner Occupied	23.2%	40.2%	49.1%	\$100,000 - \$149,999	2.9%	6.4%	9.4%
Renter Occupied	54.2%	42.4%	37.1%	\$150,000 - \$199,999	1.7%	1.2%	2.1%
Vacant Housing Units	22.6%	17.4%	13.8%	\$200,000+	2.2%	2.0%	3.5%
AVERAGE HOUSEHOLD INCOME				AVERAGE HOUSEHOLD SIZE			
2019	\$43,105	\$47,830	\$59,616	2019	1.81	2.14	2.17
2024	\$48,350	\$55,596	\$67,523	2024	1.81	2.14	2.16
Δ 2019-2024	12.17%	16.24%	13.26%	Δ 2019-2024	0.00%	0.00%	(0.46%)
MEDIAN HOUSEHOLD INCOME				MEDIAN HOME VALUE			
2019	\$25,573	\$31,063	\$39,270	2019	\$102,244	\$78,909	\$106,685
2024	\$28,494	\$36,411	\$45,357	2024	\$115,179	\$86,013	\$120,896
Δ 2019-2024	11.42%	17.22%	15.50%	Δ 2019-2024	12.65%	9.00%	13.32%
PER CAPITA INCOME				AVERAGE HOME VALUE			
2019	\$20,367	\$21,721	\$26,567	2019	\$118,392	\$98,578	\$153,795
2024	\$22,771	\$25,244	\$30,133	2024	\$129,200	\$109,738	\$163,645
Δ 2019-2024	11.80%	16.22%	13.42%	Δ 2019-2024	9.13%	11.32%	6.40%

Source: Sites To Do Business Online

Economic Influences - The local area economic status is important to recognize as the measurement of income levels provides an indication of the ability of the area population to buy, rent, and maintain property. The economic status of an area also provides an indication of the population's appetite for goods and services. Relevant economic information includes income levels, property ownership vs. rent, property rent levels, rent level trends, property vacancy, and new construction.

The vast majority of the housing units within the area are renter occupied, which contrasts with other parts of Paducah, which are mostly owner occupied.

Government Influence - Governmental considerations relate to zoning, building codes, regulations, flood plain restrictions, special assessment, and property tax.

Zoning in the area is mostly commercial. Zoning code is enforced by the municipality and enforcement in all areas of the City of Paducah is considered to be strong. Building codes are in force and require a certain standard of construction quality and design. This is a typical influence on properties similar to the subject and falls in line with the zoning classification.

Property taxes in the area are established by McCracken County and are assessed based on valuation. Considering broad authority of the county administration, the assessments in the neighborhood are similar to other neighborhoods in the area. There are no known special assessments that affect property in the neighborhood.

Access/Public Transportation - The streets within the neighborhood are laid out in a grid pattern with major streets generally along the section and ½ section lines. The major north/south streets in the neighborhood include 3rd and 4th Streets. The major east/west streets include Jefferson Street and Broadway. With the existing transportation system, most areas of Paducah are accessible from the subject neighborhood and access is considered good for the area. Public bus service is available throughout the area. Overall, access within the neighborhood is good for the area.

Environmental Influences - The subject area is a typical neighborhood with average building size and density. There are no extraordinary topographical features, nuisances, or hazards. Public utilities are available in most areas in quantities from public and private sources. The area has both public and private schools in adequate supply and quality.

Local Area Summary - The market benefits from a diverse blend of residential, commercial, and community uses and close proximity to many recreational activities. Although the area suffered during the recession of the late 2000's and into the 2010's, the market has been strengthening since roughly 2011-2012, due to the good livability factors associated with the region. The outlook for this market area is good into the foreseeable future.

Downtown District - According to the City of Paducah website, downtown Paducah has received many awards and accolades since starting downtown revitalization efforts over 20 years ago. Paducah Main Street, a division of Paducah's city government, works to preserve and promote historic Paducah through numerous programs, grants, and incentives. Among the downtown projects over the past few years was Paducah's Riverfront Redevelopment Project, which has included or will include construction of a transient boat dock and park. Another significant project was the Downtown Hotel Project which involved constructing the Holiday Inn Paducah Riverfront, which is now open.

The following information was obtained from the FAQ section of the City Block Development Project on the City of Paducah website. To complete Paducah's new Riverfront Park, the City Block Project has been initiated, which will transform the subject into a multi-use development. The city has partnered with a multi-disciplinary real estate development firm for planning and design of a boutique hotel, off-street public parking, public town square, and two mixed-use residential/retail buildings on this site, all intended to meet development program goals. The real estate development firm is known for creating new and vibrant neighborhoods while preserving a community's unique characteristics and heritage. Eight potential locations were considered for the project. The subject was identified as the most advantageous site for the City Block. According to the proposal, the City Block will maintain the majority of off-street public parking, and as outlined in this report, additional significant parking is already available in the downtown area. The City Block Project plans to further strengthen the downtown district and create more opportunities for downtown Paducah to thrive.

SITE DESCRIPTION

The subject site consists of one parcel and has 125,017 SF (2.87 AC) of land area. The area is estimated based on the assessor's parcel map. There is no surplus or excess land noted on the subject site. If a professional survey is completed it could result in more precise measurements. Unless otherwise noted, the appraisal will utilize the entire site area.

Number of Parcels	1	
Assessor Parcel	112-31-04-001	
Land Area	Square Feet	Acres
Usable	125,017	2.87
Total Land Area	125,017	2.87
Excess/Surplus Land	No	
Site Topography	Level at street grade	
Site Shape	Square	
Site Quality	Good	
Site Access	Good	
Site Exposure	Good	
Site Utility	Good	
Utilities	All available	

Adjacent Properties

North	Parking Lot
South	Retail/Office
East	Ohio River
West	Retail/Office

Accessibility Access to the subject site is considered good overall.

Street Improvements

	Type	Direction	Lanes	Streetlights	Curbs	Sidewalks	Parking	Center Lane	Bike Lane
Broadway	Neighborhood Street	one-way	2	x	x	x	x		
N Water St	Neighborhood Street	one-way	2	x	x	x			
Jefferson St	Neighborhood Street	one-way	2	x	x	x			
N 2nd St	Neighborhood Street	two-way	2	x	x	x			

Exposure & Visibility

Exposure of the subject is good with frontage along Broadway, N Water St, Jefferson St, and N 2nd St, all neighborhood streets in the downtown area.

Zoning

Downtown Business Zone (B-2)

ZONING		
Designation	Downtown Business Zone (B-2)	Downtown Business Townlift Zone (B-2-T)
Zoning Authority	City of Paducah	City of Paducah
Permitted Uses	Single and multi-family residential, Parking lots, Retail, Hotels/Motels	Single and multi-family residential, Parking lots, Retail, Hotels/Motels, Restaurants
Prohibited Uses	Any use which would impair the business character of the downtown area	Any use which would impair the business character of the downtown area
Current Use	Commercial Land	Commercial Land
Current Use Legally Permitted	Yes	Yes
Conforming Use	Legally conforming use	Legally conforming use
Zoning Change	Not Likely	Not Likely

Source: City of Paducah Planning & Zoning Department

Flood Plain Zone X (Shaded). This is referenced by Panel Number 21145C0153F, dated November 02, 2011. Zone X (shaded) is a moderate and minimal risk area. Areas of moderate or minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local storm water drainage systems are not normally considered in a community’s flood insurance study. The failure of a local drainage system can create areas of high flood risk within these zones. Flood insurance is available in participating communities, but is not required by regulation in these zones. Nearly 25% of all flood claims filed are for structures located within these zones. Moderate risk areas within the 0.2% annual chance floodplain, areas of 1% annual chance flooding where average depths are less than 1 foot, areas of 1% annual chance flooding where the contributing drainage area is less than 1 square mile, and areas protected from the 1% annual chance flood by a levee. No BFEs or base flood depths are shown within these zones. (Zone X (shaded) is used on new and revised maps in place of Zone B.)

Easements A preliminary title report was not available for review. During the property inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there are no adverse easements present. If questions arise, further research is advised.

Soils A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for improvements.

Hazardous Waste We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.

Site Rating

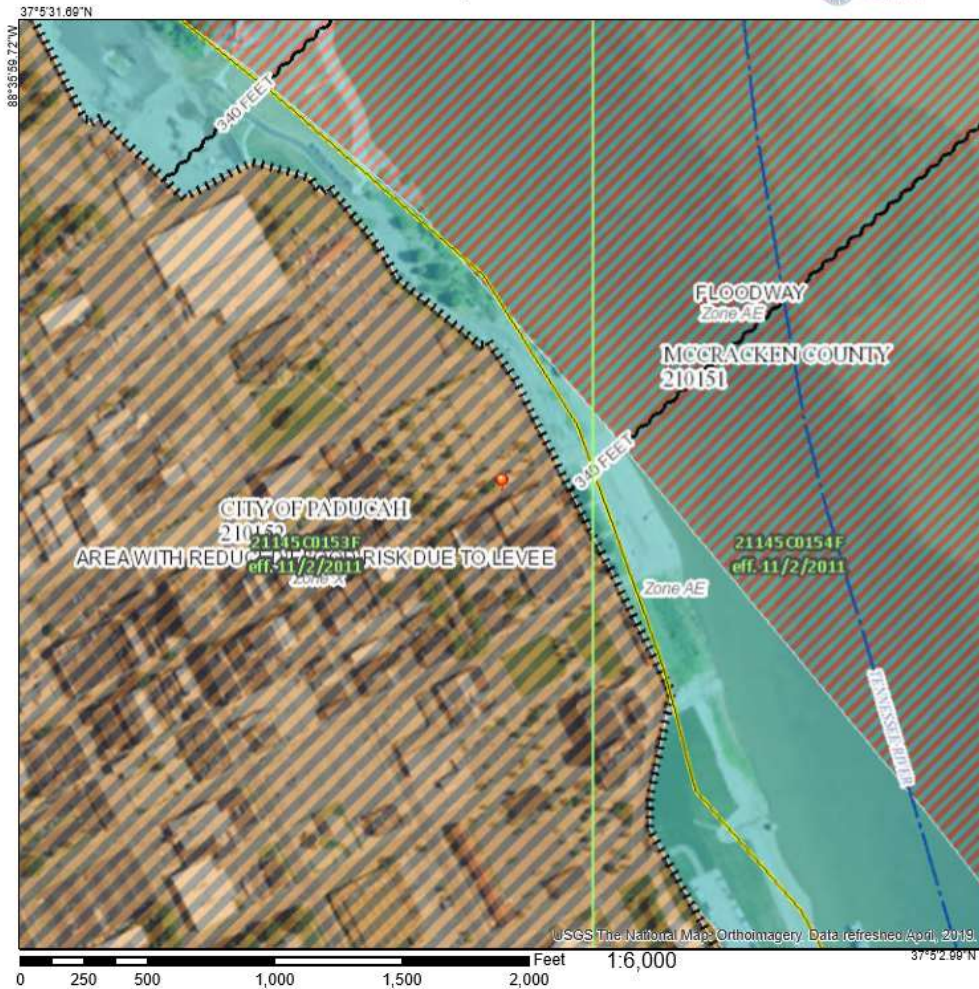
Overall, the subject site is considered a good commercial site in terms of its location, exposure, and access to employment, education, and shopping centers, recognizing its location along a neighborhood street.

ZONING MAP



FLOOD MAP

National Flood Hazard Layer FIRMeTte



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

- SPECIAL FLOOD HAZARD AREAS**
 - Without Base Flood Elevation (BFE) Zone A, X, A99
 - With BFE or Depth Zone AE, AO, AH, VE, AR
 - Regulatory Floodway
- OTHER AREAS OF FLOOD HAZARD**
 - 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
 - Future Conditions 1% Annual Chance Flood Hazard Zone X
 - Area with Reduced Flood Risk due to Levee, See Notes, Zone X
 - Area with Flood Risk due to Levee Zone D
- OTHER AREAS**
 - NO SCREEN Area of Minimal Flood Hazard Zone X
 - Effective LOMRS
 - Area of Undetermined Flood Hazard Zone D
- GENERAL STRUCTURES**
 - Channel, Culvert, or Storm Sewer
 - Levee, Dike, or Floodwall
- OTHER FEATURES**
 - 20.2 Cross Sections with 1% Annual Chance Water Surface Elevation
 - 17.3 Coastal Transect
 - Base Flood Elevation Line (BFE)
 - Limit of Study
 - Jurisdiction Boundary
 - Coastal Transect Baseline
 - Profile Baseline
 - Hydrographic Feature
- MAP PANELS**
 - Digital Data Available
 - No Digital Data Available
 - Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 1/10/2020 at 4:33:29 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRMeTte panel number, and FIRMeTte effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

MARKET ANALYSIS

In this section, market conditions which influence the subject property are analyzed. An overview of Retail supply and demand conditions for the Western Kentucky market and McCracken County submarket are presented. Key supply and demand statistics for the most recent quarter, last year and historical averages over the past 10 years are summarized in the tables below.

RETAIL MARKET AND SUBMARKET DATA SUMMARY (10 YEARS)					
INVENTORY SUPPLY (SF)				VACANCY (%)	
QTR	YEAR	MARKET	SUBMARKET	MARKET	SUBMARKET
Q4	2019	10,387,070	6,361,326	3.0%	2.5%
Q3	2019	10,387,070	6,361,326	2.9%	2.8%
Q2	2019	10,385,070	6,359,326	2.9%	4.0%
Q1	2019	10,385,070	6,359,326	3.2%	4.0%
	2018	10,377,870	6,352,126	2.2%	1.8%
	2017	10,352,870	6,327,126	2.4%	2.0%
	2016	10,254,637	6,242,543	1.9%	2.3%
	2015	10,165,051	6,191,957	1.5%	1.4%
	2014	10,136,607	6,163,513	2.1%	2.2%
	2013	10,127,507	6,163,513	2.7%	2.9%
	2012	10,149,451	6,163,513	3.2%	3.1%
	2011	10,149,283	6,163,513	3.0%	2.8%
	2010	10,129,810	6,157,140	3.1%	2.9%
	2009	10,107,132	6,151,740	2.7%	3.5%
RENT \$/SF			NET ABSORPTION (SF)		
QTR	YEAR	MARKET	SUBMARKET	MARKET	SUBMARKET
Q4	2019	\$10.25	\$9.89	(15,666)	17,154
Q3	2019	\$10.85	\$10.51	8,039	74,804
Q2	2019	\$11.55	\$11.19	29,272	950
Q1	2019	\$10.61	\$10.53	(99,202)	(128,213)
	2018	\$13.77	\$17.43	49,851	34,323
	2017	\$14.93	\$15.41	40,226	102,977
	2016	\$12.91	\$16.33	43,624	(9,995)
	2015	\$11.56	\$13.02	91,913	81,473
	2014	\$8.85	\$9.12	69,885	38,631
	2013	\$8.09	\$8.34	26,103	14,151
	2012	\$8.25	\$8.50	(16,935)	(15,476)
	2011	\$8.53	\$8.84	27,064	13,104
	2010	\$8.58	\$9.02	(12,306)	41,760
	2009	\$8.04	\$8.43	30,487	12,617

Source: CoStar Property®

The Western Kentucky Retail market demonstrates mixed conditions. There has been little variance in supply over the last year. Vacancy was relatively stable ranging from a low of 2.9% to a high of 3.2% with the most recent figure in-between at 3.0%. Asking rents decreased overall to \$10.25/SF in Q4 2019. Net absorption was negative for Q4 2019.

The McCracken County Retail submarket also demonstrates mixed conditions. Vacancy decreased steadily from 4.0% in Q1 2019 to 2.5% in Q4 2019. Asking rents also decreased overall from \$11.19/SF in Q2 2019 to \$9.89 in Q4 2019. Net absorption was negative in Q1 2019 but positive again for the remainder of 2019.

SUBJECT PROPERTY ANALYSIS

The subject is commercial land totaling 2.87 acres (125,017 SF) located at 133 Broadway in Paducah, McCracken County, Kentucky.

The following SWOT Analysis chart summarizes the major property strengths and weaknesses while outlining potential opportunities or threats to the subject's competitive position and overall marketability.

STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS

STRENGTHS

Site has access on 4 busy streets

WEAKNESSES

Site is within a city with a diminishing population

OPPORTUNITIES

None Known

THREATS

None Known

HIGHEST & BEST USE / VALUATION METHODS

Highest & Best Use - This section develops the highest and best use of the subject property As-Vacant and As-Improved.

The legal factors influencing the highest and best use of the subject site are primarily government regulations such as zoning ordinances. Permitted uses of the subject's Downtown Business Zone (B-2) include single and multi-family, parking lots, retail, and hotels/motels. Permitted uses of the subject's Downtown Business Town lift Zone (B-2-T) include all of those in B-2 plus Restaurants. In terms of physical features, the subject site totals 2.87-acres (125,017 SF), it is mostly square in shape, and has a level topography. The site has good exposure along four neighborhood streets and good overall access. The site is currently improved with paved concrete parking consisting of approximately 219 spaces. The current use is utilized as public parking which is determined to be an interim use of the site. There appears to be ample public parking in the immediate area, as indicated below.



As described previously in the Local Area Analysis section on page 15, the Paducah downtown district plans to transform the subject site into a multi-use development.

Given these factors, the highest and best use is for the site to be developed into a mixed-use development with the ideal improvement being a mixture of retail and residential development.

In conclusion, the highest and best use of the site as vacant is the same as improved. This is taken into consideration throughout the development of this report.

Valuation Methods - Based on the agreed upon scope with the client, the subject's specific characteristics, and the interest appraised, this appraisal developed the Land Sales Comparison Approach. The value presented represents the As-Is (Fee Simple) value. This appraisal does not develop the Cost, Sales Comparison, or Income Approaches, the impact of which is addressed in the reconciliation section.

The Valuation will be presented in the following order:

- ▶ Site Valuation
- ▶ Reconciliation of Value Conclusions

SITE VALUATION INTRODUCTION

This section values the subject site by comparing it with substitute land sales or listings within the local market area or in competitive areas throughout the region. Land value is influenced by a number of factors; most notably development and use potential. These factors, as well as others, are factored in the following analysis.

Unit of Comparison - The most relevant unit of comparison for competing land is the \$/Acres. All of the comparable sales presented in this section were reported on this basis.

Adjustments - Adjustments to the comparable sales were considered and made when warranted for expenditures after purchase, property rights transferred, conditions of sale, financing terms, and market conditions.

1. **Property Rights** - All of the sales comparables were fee simple sales, reflecting the property rights appraised herein per the agreed upon scope of work.
2. **Financing** - The sales all reflected typical cash equivalent, lender-financed transactions, and no adjustments were required for financing terms.
3. **Sale Conditions** - None of the comparables required a condition of sale adjustment, as all were confirmed to be arm's length transactions.
4. **Expenditures After Sale** - Expenses that the buyer incurs after purchase (demolition, cleanup costs, etc.). No adjustments are warranted based on review of the land sales.
5. **Market Conditions (Time)** - Based on research and interpretation of value trends, the analysis applies an upward market conditions adjustment of 2% annually reflecting the relatively consistent appreciation that occurred between the oldest comparable sale date up through the effective valuation date.

Quantitative Adjustment Process – Economies of scale appear to be a factor in the subject's market. A 10% adjustment was placed on Sales 1-3 since these sites are significantly smaller than the subject. The adjustment was derived from analysis of similar sales in the subject's market area, which are retained in the appraiser's general work file.

Comparable Selection - A thorough search was made for similar land sales in the area. The parameters of the survey were highest and best use, zoning, proximity to the subject, size, and date of sale. In selecting comparables, emphasis was placed on confirming recent sales of sites that are similar to the subject property in terms of location and physical characteristics. Overall, the sales used represent the best comparables available for this analysis.

Presentation - The following Land Sales Comparison Table, location map, and exhibits summarize the sales data. Following these items, the sales are adjusted for applicable elements of comparison, and the site value is concluded.

LAND SALES COMPARISON TABLE

	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4
Address	133 Broadway	4780 Village Square Dr	4790 Village Square Dr	Coleman Crossing Circle	5320 Hinkleville Road
City	Paducah	Paducah	Paducah	Paducah	Paducah
State	KY	KY	KY	KY	KY

SALE INFORMATION

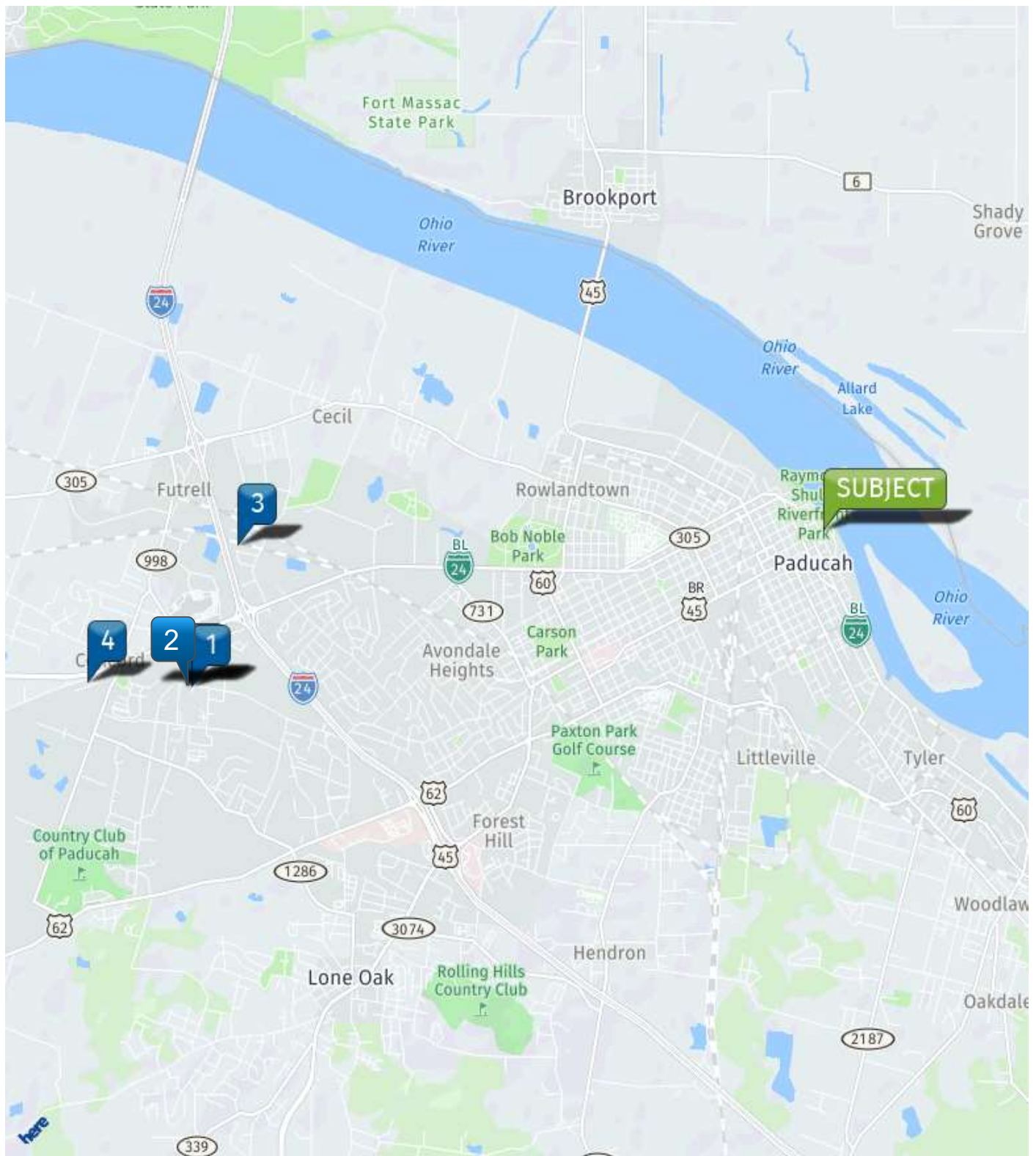
Transaction Price	\$270,000	\$260,000	\$453,024	\$925,000
Transaction Price \$/Acres	\$357,096	\$343,870	\$348,480	\$311,134
Property Rights ¹	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing ²	Same as cash	Same as cash	Same as cash	Same As Cash
Sale Conditions ³	Arms Length	Arms Length	Arms Length	Arm's Length
Expenditures After Sale ⁴	\$0	\$0	\$0	\$0
Market Conditions ⁵	12/20/2019	6/15/2018 3%	8/29/2017 5%	6/20/2017 5%
Sale Status	Recorded	Recorded	Recorded	Recorded
Total Transactional Adjustments	\$0 0%	\$10,316 3%	\$17,424 5%	\$15,557 5%
Adjusted \$/Acres	\$357,096	\$354,186	\$365,904	\$326,691

PHYSICAL INFORMATION

Square Feet	125,017	32,936	32,936	56,628	129,504
Acres	2.87	0.76 (10%)	0.76 (10%)	1.30 (10%)	2.97
Location	Good	Average	Average	Average	Average
Access	Good	Average	Average	Average	Average
Exposure	Good	Average	Average	Average	Average
Shape	Square	Generally Rectangular	Generally Rectangular	Irregular	Irregular
Topography	Level	Level	Level	Level	Level
Flood Zone	Zone X (Shaded)	Zone X (Unshaded)	Zone X (Unshaded)	Zone X (Unshaded)	Zone X (Unshaded)
Zoning	B-2	B-3	B-3	M-1	C
Corner	Yes	No	No	No	No
Total Physical Adjustments	(\$35,710) (10%)	(\$35,419) (10%)	(\$36,590) (10%)	\$0 0%	
Adjusted \$/Acres	\$321,386	\$318,767	\$329,314	\$326,691	

CONFIRMATION INFORMATION

Name	MLS/PVA/Deed	MLS/PVA/Deed	MLS/PVA/Deed	MLS/PVA/Deed
Affiliation	Public Record	Public Record	Public Record	Public Records
Date	1/16/2020	1/16/2020	1/16/2020	1/17/2020



COMPARABLE	LABEL	ADDRESS	MILES FROM SUBJECT
COMPARABLE 1	1	4780 Village Square Dr, Paducah, KY, 42001	5.3
COMPARABLE 2	2	4790 Village Square Dr, Paducah, KY, 42001	5.4
COMPARABLE 3	3	Coleman Crossing Circle, Paducah, KY, 42001	4.8
COMPARABLE 4	4	5320 Hinkleville Road, Paducah, KY, 42001	6.1

LAND SALE EXHIBITS



COMPARABLE 1



COMPARABLE 2



COMPARABLE 3



COMPARABLE 4

Land Sales Adjustment Discussion - The comparable land sales indicate an overall unadjusted value range from \$311,134/Acre to \$357,096/Acre, and average of \$340,145/Acre. After adjustments, the comparables indicate a narrower range for the subject site between \$318,767/Acre and \$329,314/Acre with an average of \$324,040/Acre.

The land sales utilized are all located in Paducah/McCracken County in a predominantly commercial area near I-24. There are no recent vacant land sales similar to the subject located within the downtown area. Sales such as the subject are rare in downtown districts of rural communities. The appraiser has attempted to reflect the market reaction to the subject by selecting sales in similar areas. These areas are mainly along main thoroughfares where new retail development is prevalent.

Quantitative adjustments were made in this analysis for market conditions and site size. These adjustments have been extracted from the market and applied where necessary. In determining the final estimate of value, most weight was placed on Sale 4 due to its similarity with the subject in site size, with all sales receiving some weight in the final estimate.

In order to estimate the current market value of the site, the site improvements must be taken into consideration. Heflins, a local general contractor, was contacted to determine the cost of clearing the site and removal of the concrete. Given the size, they estimated that the price would be from \$110,000-\$125,000 to clear the site. This cost was deducted from the overall value to estimate the "As Is" value.

LAND VALUE CONCLUSION

The comparables indicate a unit value, based on a general bracketing analysis, between \$318,767/Acre and \$329,314/Acre. Based on the subject's overall locational and physical features, a unit value conclusion of \$324,570/Acre is supported. The following table summarizes the comparable land sales analysis and applies the unit value conclusion to the site area to provide an indication of the as-vacant land value.

LAND SALES COMPARISON APPROACH CONCLUSION (ACRES)							
TRANSACTION	ADJUSTMENT				NET ADJ	GROSS ADJ	
	PRICE	TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²			FINAL
1	\$357,096	0%	\$357,096	(10%)	\$321,386	(10%)	10%
2	\$343,870	3%	\$354,186	(10%)	\$318,767	(7%)	13%
3	\$348,480	5%	\$365,904	(10%)	\$329,314	(5%)	15%
4	\$311,134	5%	\$326,691	0%	\$326,691	5%	5%
HIGH	\$357,096	5%	\$365,904	0%	\$329,314	5%	15%
AVG	\$340,145	3%	\$350,969	(8%)	\$324,040	(4%)	11%
MED	\$346,175	4%	\$355,641	(10%)	\$324,039	(6%)	12%
LOW	\$311,134	0%	\$326,691	(10%)	\$318,767	(10%)	5%
WEIGHTED TOTAL							
		SALE	ADJUSTED	WEIGHT	TOTAL		
		1	\$321,386	20%	\$64,277		
		2	\$318,767	20%	\$63,753		
		3	\$329,314	20%	\$65,863		
		4	\$326,691	40%	\$130,676		
			TOTAL		\$324,570		
		SUBJECT ACRES		\$/ACRE	VALUE		
Total Land Area		2.87	x	\$324,570	=	\$931,515	
INDICATED VALUE (ROUNDED TO NEAREST \$5,000)				\$324,042		\$930,000	
		Less Demo of Parking Lot		(\$41,812)		(\$120,000)	
INDICATED VALUE				\$282,230	=	\$810,000	

¹Cumulative ²Additive

RECONCILIATION OF VALUE CONCLUSIONS

Based on the agreed upon scope with the client, the subject's specific characteristics, and the interest appraised, this appraisal developed the Land Sales Comparison Approach. The value presented represents the As-Is (Fee Simple) value.

The Reconciliation of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property. Below, the individual strengths and weaknesses of each approach are analyzed.

The **Cost Approach** was not presented in this analysis because it would duplicate the land sales comparison approach.

The price per acre method has been presented in the **Land Sales Comparison Approach**. There have been limited recent sales of properties similar to the subject in the market area. However, the most likely buyer for the subject would be an owner-user and consequently, this approach is given weight.

The **Income Approach** to value is generally considered to be the best and most accurate measure of the value of income-producing properties. The value estimate by this approach best reflects the analysis that knowledgeable buyers and sellers carry out in their decision-making processes regarding such a property. Sufficient market data was not available to reliably estimate gross income, vacancy, expenses, or capitalization rates for the subject property. The property would be purchased by an owner-user, thus this approach was not developed.

After considering all factors relevant to the valuation of the subject property, all weight is placed on the Land Sales Comparison Approach in the following As-Is market value.

RECONCILIATION OF VALUES

VALUATION SCENARIOS	AS-IS
Interest	Fee Simple
Date	January 9, 2020
LAND VALUE	
LAND CONCLUSION	\$810,000
\$/AC Total Land Area	\$282,230
FINAL VALUE CONCLUSION	
FINAL VALUE CONCLUSION	\$810,000
\$/AC Total Land Area	\$282,230

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 of the signer are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- ▶ The signer of this report has 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.
- ▶ Ben R. Bolinger, MAI has performed no services, specifically 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.
- ▶ The signer is not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- ▶ The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ▶ The 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 reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute, and the *Uniform Standards of Professional Appraisal Practice*, as set forth by the Appraisal Standards Board of the Appraisal Foundation.
- ▶ Ben R. Bolinger, MAI inspected the property that is the subject of this report.
- ▶ Bill Jobe provided significant real property appraisal assistance to the appraiser signing the certification.

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, Ben R. Bolinger, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.



Ben R. Bolinger, MAI
Certified General Real Estate Appraiser
State of Kentucky License No. 4494
Expiration Date 6/30/2020

January 20, 2020
Date

ASSUMPTIONS & LIMITING CONDITIONS

- ▶ Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- ▶ This analysis assumes that the information provided for this appraisal accurately reflect the current condition of the subject property.
- ▶ This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- ▶ The appraiser may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made.
- ▶ The statements of value and all conclusions shall apply as of the dates shown herein.
- ▶ There is no present or contemplated future interest in the property by the appraiser which is not specifically disclosed in this report.
- ▶ Without the written consent or approval of the author neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraiser and the company with which the appraiser is connected.
- ▶ This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the author no portion of the report stands alone.
- ▶ We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- ▶ The appraisal has provided exhibits to assist the client(s)/intended user(s) to understand from a graphical standpoint some of the salient issues which impact the subject property. We have made no survey of the property and if further verification is required, a survey by a registered surveyor is advised.
- ▶ The appraiser assumes no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- ▶ The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- ▶ The liability of Bolinger Appraisal, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- ▶ The appraiser is not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Bolinger Appraisal and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.
- ▶ The appraiser assumes no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Bolinger Appraisal, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance.
- ▶ This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- ▶ Unless otherwise noted herein, a detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection of the subject property and surrounding properties, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.



December 30, 2019

Katie Axt
Downtown Development Specialist
City of Paducah, Department of Planning
P.O. Box 2267
Paducah, KY 42002

Dear Ms. Axt:

This letter agreement sets forth the terms of the City of Paducah ("Client") employment of Bolinger Appraisals, LLC ("Appraiser").

The Appraiser will prepare an appraisal of property located at 133 Broadway, Paducah, KY ("Subject Property").

The purpose of the appraisal is to provide an opinion of the market value of the Subject Property. The Client's intended use of the appraisal is for a future sale of the city block lot. The appraisal will be prepared as an Appraisal Report that conforms to the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Standards Board of the Appraisal Foundation. The use of this appraisal or the Appraisal Report by anyone other than the Client is strictly prohibited.

The Scope of work is to utilize appropriate appraisal techniques to estimate the "As Is" market value. Additional fees will be charged on an hourly basis for any work which exceeds the scope of this assignment, including performing additional valuation considerations, meetings, or conference calls.

The Appraisal Report is solely for the Client's use. No third party may rely upon this Appraisal Report under any circumstances unless such use by a third party is authorized in writing by the Appraiser. The Client has no authority to authorize a third party's use of the Appraisal Report. In the event that the Client provides the Appraisal Report to, or allows a third party to use such report, the Client shall indemnify and hold the Appraiser harmless from any and all damages, expenses, claims, including attorneys' fees incurred in investigating or defending any claim that arises from such unauthorized use.

The fee for preparing and producing the Appraisal Report is \$3,000. The delivery date of the written Appraisal Report is estimated to be three weeks from the acceptance of this engagement letter agreement. The fee is payable within two (2) weeks of the delivery of the report.

Late charges of 10% per year or the maximum statutory interest in Kentucky will apply to any unpaid balances. Attorneys' fees and all costs associated with collecting fees or the Client's breach of this agreement shall be paid by the Client. The laws of the State of Kentucky shall apply to this letter agreement and to the appraisal process. Any action brought against the Appraiser or arising out of this Appraisal Report shall be brought in the State of Kentucky and in the county where the Appraiser's office is located. If the Client cancels the appraisal assignment prior to its completion, Client agrees to pay all of Appraiser's expenses and time to-date for the percentage of work completed.

The delivery date of the report is expected to be January 16, 2020. This date is contingent upon Client obtaining timely access to the Subject Property for an inspection, and Client providing all requested information necessary to complete the assignment. A delay in either will cause a delay in the date of production of the Appraisal Report.

This engagement is limited to the appraisal of the Subject Property and the production of an Appraisal Report. Any subsequent litigation, arbitration, administrative hearings, tax appeals, or hearings of any nature as a result of this engagement or related to the Appraisal Report, to which Appraiser is not a party, will result in the Client being responsible for the payment of Appraiser's hourly rate for the preparation and presentation of testimony or other work related to such proceedings.

The data collected by the Appraiser will remain the Appraiser's property.

Unless Appraiser is provided with third party expert reports, the Appraiser will assume there are no environmental, wetland, ADA compliance issues, or building code violations. The fees charged for the Appraiser's services assume the absence of such issues. If any third party expert opinion is needed in order to properly perform the appraisal, the Appraiser will advise the Client of the need for such opinion. It is agreed that the Client shall be responsible for the cost for any such expert.

The Appraiser shall complete the appraisal according to the standards set forth in USPAP. Any liability arising out of or pertaining to the Appraisal Report or any work product of the Appraiser, shall be limited. The Appraiser shall not be responsible for any incidental or consequential damages or losses unless the appraisal was prepared with intentional misconduct. The liability of the Appraiser in any such action shall not exceed the fees paid for the preparation of the assignment.

Subpoenas and Testimony. In the event that our firm or any of its owners, appraisers or employees is required by subpoena or other legal process to provide testimony or produce documents relating to our services or work product in connection with this engagement, whether as an expert or percipient witness, and whether in court, deposition, arbitration or in any other proceeding, and regardless of the identity of the party requiring such testimony or production of documents, Client agrees to compensate our firm for the time incurred in connection with preparation for and provision of such testimony and/or documents at our regular hourly rates(\$300/Hr) in effect at that time for expert/testimonial services and to reimburse our


reasonable actual expenses. The foregoing shall not apply to the extent that a third party pays our fees or expenses.

Hold Harmless and Limitation of Liability. To assure that our services in this matter can be rendered freely and independently, Client agrees to indemnify, defend and hold harmless our firm, its owners, appraisers and employees from and against any and all liabilities, losses, costs and expenses relating to our consulting or testimonial services under this engagement. The foregoing shall not apply to any matter resulting from our gross negligence or willful misconduct.
Sincerely,



Ben Bolinger, MAI, ARA

Agreed and accepted this the 2nd day of Jan, 2020.

By, 
Authorized Agent

Tammara Tracy, Director of Planning
printed name, Authorized Agent



Qualifications of Appraiser

Benjamin R. Bolinger, MAI, SRA, ARA
P.O. Box 1178 – Hopkinsville, KY 42241
Phone: (270) 886-9220 – Cell: (270) 889-7848 – Fax: (270) 886-9415
Email: ben@bolingerappraisal.com

Certifications:

Certified General Real Property Appraiser - KY 4494
Certified General Real Estate Appraiser -TN 4001
Certified General Real Estate Appraiser –IL 553.002621

Real Estate License & Auctioneer License:

Kentucky Real Estate Sales License - Bolinger Real Estate & Auction
Kentucky Auctioneer Broker License - Bolinger Real Estate & Auction

Professional Associations:

Appraisal Institute

MAI Designated Member #521430 March 29, 2016

SRA Designated Member #521430 March 15, 2019

American Society of Farm Managers and Rural Appraiser

ARA Designated Member October 1, 2018

Appraisal Work Experience:

Benjamin R. Bolinger, MAI, SRA, ARA – Fee Consultant, Advisor, Real Estate Appraiser
Complete real estate appraisals for mostly private and some public entities. Primary focus is rural communities' with an emphasis on commercial, industrial and agricultural properties. Various eminent domain projects for local and private as well as litigation support.

Residential Fee Assignments

Single and Multi-Unit Structures, New Construction, Purchase, Refinance, Estate Liquidation/Foreclosure

Vacant Land Assignments

Small to large acreage tracts, production agriculture, development

Commercial Fee Assignments

Office Buildings, Retail Buildings (single and multi-tenant), Convenience Stores, Manufactured Home Parks, Mini Storage Units, Golf Courses, Churches, General Use, Industrial Warehousing, Light Manufacturing

General Purpose

Charitable Contributions, Stream Mitigation, Conservation Easements, Eminent Domain

Qualifications of Appraiser

Clients (Partial List)

Various lenders, mortgage companies, accountants, attorneys, private individuals, Local and State Government Agencies

State Testimony

Waldon vs. Waldon; November 2014, Dissolution of assets, Ballard County KY

Robert Hall vs. Christian County Quail Club; April 2014, Christian County KY

Anderson vs. Anderson; February 2018, Dissolution of assets Robertson County TN

Employment Time Line

<u>Bolinger Real Estate & Auction</u>	Hopkinsville, Kentucky
Broker	2019 - Present
<u>Harris Real Estate & Auction</u>	Hopkinsville, Kentucky
Real Estate Sales Associate	2009 - 2019
<u>Bolinger Appraisal</u>	Hopkinsville, Kentucky
Manager	2008 - Present
<u>Anderson Appraisal</u>	Hopkinsville, Kentucky
Associate Appraiser	2005 - 2007
<u>Darnell Appraisal</u>	Murray, Kentucky
Associate Appraiser	2003 - 2005

Professional

Skills and Education

Kentucky Real Estate Appraisers Board and the State Board for Proprietary Education completed courses

- USPAP 7 – Hour Update
- HP 12c Financial Calculator
- 7 Hour USPAP Standards Course
- Residential M&S Cost Handbook (410A)
- Site and Site Improvement
- National USPAP Standards Course
- Residential Sales Comparison
- 2008 Appraisal Issues
- National USPAP 7 – Hour Update
- General Appraiser Site Valuation & Cost Approach (402G)
- Supervisor and Associate Training Course
- General Appraiser Income Approach (Part 1 & 2) (403G)
- General Appraiser Report Writing and Case Studies (405G)
- General Appraiser Market Analysis & Highest and Best Use (N400G)
- General Demonstration Appraisal Report Writing Seminar

Qualifications of Appraiser

- Advanced Sales Comparison and Cost Approach (530)
- Advanced Income Capitalization (510)
- Report Writing and Valuation Analysis (540)
- Advanced Applications (550)
- Uniform Appraisal Standards for Federal Land Acquisitions
- Litigation Skills for the Appraiser
- Reviewing Appraisals in Eminent Domain (410)
- Eminent Domain (A250)
- Valuation of Conservation Easements (A315)
- Integrated Approaches to Value (A304)

Murray State University

Bachelors' of Science, 2004

Major: Agriculture Business

Hopkinsville Community College

Associates Degree 1999-2001



Summary

Parcel Number 112-31-04-001
 Account Number 194350
 Location Address 133 BROADWAY
 Description 1-7-1-19 133 BROADWAY PARKING LOT
 (Note: Not to be used on legal documents)
 Class EXEMPT CITY (94)
 Tax District 08-Paducah Independent School
 2018 Rate Per Hundred 1.4664

[View Map](#)

Map



Owner

CITY OF PADUCAH
 PADUCAH, KY 42001

Value Information

	2020 Tax Roll Value	2019 Certified Value
+ Land Value	\$250,000	\$65,000
+ Improvement Value	\$0	\$0
= Total Taxable Value	\$250,000	\$65,000
- Exemption Value	\$0	\$0
= Net Taxable Value	\$250,000	\$65,000

Exemption Homestead: No Homestead: No

Tax Estimator

Land Information

Condition		Topography	Not Used
Plat Book/Page		Drainage	
Subdivision		Flood Hazard	
Lot		Zoning	Residential
Block		Electric	No
Acres	2.87	Water	No
Front	0	Gas	No
Depth	0	Sewer	No
Lot Size	0x0	Road	
Lot Sq Ft	124964	Sidewalks	No
Shape		Information Source	

Property Record Card

112-31-04-001

Sales Information

Sale Date	Sale Price	Deed Book	Deed Page	Grantee	Grantor
5/15/1991	\$250,000	753	578	CITY OF PADUCAH	SMITH DEVELOPMENT INC

Recent Sales

From:

To:

 ▼

No data available for the following modules: Improvements, Photos, Sketches.

The McCracken County Assessor's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation.
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Version 2.3.23



- Legend**
- Parcels
 - <all other values>
 - Exempt
 - Roads
 - City of Paducah
 - City Labels

Parcel ID	112-31-04-001	Alternate ID	194350	Owner Address	CITY OF PADUCAH
Sec/Twp/Rng	n/a	Class	EXEMPT CITY (94)		PADUCAH, KY 42001
Property Address	133 BROADWAY	Acreage	2.8688		
District	08-Paducah Independent School				
Brief Tax Description	1-7-1-19 133 BROADWAY PARKING LOT (Note: Not to be used on legal documents)				

Date created: 12/3/2019
 Last Data Uploaded: 12/2/2019 8:35:22 PM

Developed by Schneider
 GEOSPATIAL

jk105/10/91

DEED OF CONVEYANCE

578

THIS DEED made and entered into this the 15 day of May, 1991, by and between SMITH DEVELOPMENT, INC., of One Executive Boulevard, Paducah, Kentucky 42001, Grantor, and CITY OF PADUCAH, KENTUCKY, of City Hall, Fourth and Washington Street, Paducah, Kentucky 42001, Grantee;

W I T N E S S E T H :

THAT FOR AND IN CONSIDERATION of the sum of \$250,000.00, cash in hand paid by the Grantee to the Grantor, the receipt of which is hereby acknowledged, Grantor sold and does by these presents grant, bargain, sell, alien and convey unto the Grantee, its successors and assigns forever, together with all the improvements, appurtenances and rights thereunto belonging, the following described property, lying and being in McCracken County, Kentucky, and more particularly described as follows:

PARCEL A

Parcel A being a portion of Block 5 Old Town Subdivision more particularly described as follows:

Beginning at a point in the south corner of Block 5, said point being the intersection of the east right of way line of Second Street and the north right of way line of Broadway; thence in a northerly direction along the east right of way line of Second Street a distance of 259.58 feet + to a point; thence in an easterly direction perpendicular to the east right of way line of Second Street a distance of 98 feet to a point; thence in a southerly direction perpendicular to the aforementioned line a distance of 13.25 feet to a point; thence in an easterly direction perpendicular to the aforementioned line a distance of 75.25 feet to a point, said point located in the west right of way line of a 16 foot alley; thence along the west side of said west right of way line a distance of 249.08 feet to a point, said point located in the north right of way line of Broadway; thence in a westerly direction along

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said north right of way line of Broadway a distance of 173.25 feet to the point of beginning.

PARCEL B

Parcel B being a portion of Block 5 Old Town
Subdivision more particularly described as follows:

Beginning at a point in the east corner of Block 5, said point located at the intersection of the west right of way line of First Street and the north right of way line of Broadway; thence in a westerly direction along said north right of way line of Broadway a distance of 173.25 feet to a point, said point located in the east right of way line of a 16 foot alley; thence along said east right of way line a distance of 198.25 feet + to a point; thence in an easterly direction perpendicular to the aforementioned alley a distance of 173.25 feet to a point, said point located in the west right of way line of First Street; thence in a southerly direction along said west right of way line of First Street to the point of beginning.

Being a part of the same property conveyed to Smith Development, Inc. by deed dated August 16, 1988, of record in Deed Book 717, page 554, in the office of the Clerk of the County Court of McCracken County, Kentucky.

TO HAVE AND TO HOLD the same, together with all improvements thereon and all rights and appurtenances thereunto pertaining unto Grantee, its successors and assigns forever, with Covenant of General Warranty.

It is mutually agreed by Grantor and Grantee that the above-described real estate shall not be utilized for the construction of or use as a hotel, motel, cocktail lounge or bar allowing alcoholic beverages and seating more than 50 people, or a facility which shall directly compete with the use of the Julian M. Carroll Convention Center for activities including, but not limited to, banquets, exhibit hall, trade shows, conventions, instructional seminars or dances. Should, at some future date,

.580

Grantee propose the construction or use of multi-purpose building on the above-described real estate which would have some incidental meeting space available to the public on a rental basis, then Grantor and Grantee shall meet and confer and draft reasonable and mutually acceptable restrictions to insure that the meeting space is not utilized to directly compete with the activities of the Julian M. Carroll Convention Center. Any covenants contained in this paragraph shall be construed as covenants running with the land, which shall be effective for a period of 15 years from the date of this instrument.

It is further mutually agreed by the parties hereto that possession of the aforesaid real property shall be surrendered upon the execution of this instrument and that all ad valorem taxes shall be prorated as of the date of this instrument.

IN WITNESS WHEREOF, the Grantor has hereunto set its hand.

SMITH DEVELOPMENT, INC.

By Steve Smith
 Title President

CONSIDERATION CERTIFICATE

The undersigned hereby swears and affirms, under penalty of perjury, that the consideration recited in the foregoing instrument is the full actual consideration paid or to

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be paid for the property transferred hereby. The grantee(s) join this deed for the sole purpose of certifying the consideration.

SMITH DEVELOPMENT, INC.

CITY OF PADUCAH, KENTUCKY

By Steve Smith
Title President
GRANTOR

By Gerry B. Montgomery
Gerry B. Montgomery, Mayor
GRANTEE

STATE OF KENTUCKY)
COUNTY OF McCRACKEN)

The foregoing instrument and consideration certificate were sworn and acknowledged before me this 15th day of May, 1991, by Steve Smith, President (title) at Smith Development, Inc., on behalf of said corporation, Grantor.

My commission expires 11-29-93.

Doris Pollock
NOTARY PUBLIC, STATE AT LARGE



STATE OF KENTUCKY)
COUNTY OF McCRACKEN)

The consideration certification was sworn and acknowledged before me this 15 day of May, 1991, by Gerry B. Montgomery, Mayor of the City of Paducah, Kentucky, on behalf of said City, Grantee.

My commission expires September 25, 1993.

Daphnia Paul
NOTARY PUBLIC, STATE AT LARGE



This instrument prepared by:

W. Denton
DENTON & KEULER
P. O. Box 929
Paducah, KY 42002-0929

STATE OF KENTUCKY)
COUNTY OF McCRACKEN) SCT.

I, Martha Nell Bradford, Clerk of the County Court for the County and State aforesaid, do certify that the foregoing instrument of writing was lodged for record on the 15th day of May, 1991, at 3:40 P. M. o'clock, and I have recorded the same together with this and the foregoing certificate in my office in Paducah. Book No. 753 Page No. 578.
Given under my hand this 15th day of May, 1991.

MARTHA NELL BRADFORD, CLERK

Martha Nell Bradford



4780 Village Square Dr

Comparable 1

Sale Information

Buyer	Driptine Investments, LLC	
Seller	Strawberry Hill LLC	
Sale Date	12/20/2019	
Transaction Status	Recorded	
Sale Price	\$270,000	\$357,096 /AC
Analysis Price	\$270,000	\$357,096 /AC
Recording Number	1400/790	
Rights Transferred	Fee Simple	
Financing	Same as cash	
Conditions of Sale	Arms Length	
Marketing Time	119 days	

Property

Land Area	0.7561 Acres (32,936 SF)
Number of Parcels	1
Zoning	B-3
Shape	Generally Rectangular
Topography	Level
Corner	No
Utilities	E, W, S, G
Easements	Typical
Frontage	137.84
Flood Zone	Zone X (Unshaded)

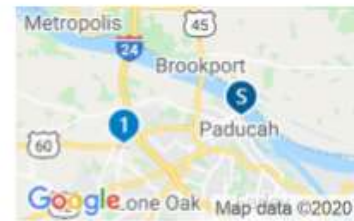


4780 Village Square Dr
Paducah, KY 42001

County
McCracken

Submarket
McCracken County

APN
086-20-00-023.54



Confirmation

Name	MLS/PVA/Deed
Affiliation	Public Record
Date	1/16/2020

Remarks

Located near I-24.



4790 Village Square Dr

Comparable 2

Sale Information

Buyer	Red's Donut Shop Mayfield, LLC	
Seller	Strawberry Hill LLC	
Sale Date	6/15/2018	
Transaction Status	Recorded	
Sale Price	\$260,000	\$343,870 /AC
Analysis Price	\$260,000	\$343,870 /AC
Recording Number	1368/288	
Rights Transferred	Fee Simple	
Financing	Same as cash	
Conditions of Sale	Arms Length	
Marketing Time	876 days	

Property

Land Area	0.7561 Acres (32,936 SF)
Number of Parcels	1
Zoning	B-3
Shape	Generally Rectangular
Topography	Level
Corner	No
Utilities	E, W, S, G
Easements	Typical
Frontage	166.89
Flood Zone	Zone X (Unshaded)

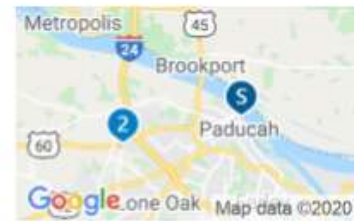


4790 Village Square Dr
Paducah, KY 42001

County
McCracken

Submarket
McCracken County

APN
086-20-00-023.56



Confirmation

Name	MLS/PVA/Deed
Affiliation	Public Record
Date	1/16/2020

Remarks

Located near I-24.



Coleman Crossing Circle

Comparable 3

Sale Information

Buyer	Parky, LLC	
Seller	Higdon Development, INC	
Sale Date	8/29/2017	
Transaction Status	Recorded	
Sale Price	\$453,024	\$348,480 /AC
Analysis Price	\$453,024	\$348,480 /AC
Recording Number	1350/507	
Rights Transferred	Fee Simple	
Financing	Same as cash	
Conditions of Sale	Arms Length	



Property

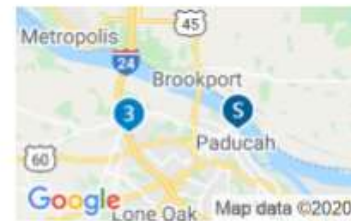
Land Area	1.3 Acres (56,628 SF)
Number of Parcels	1
Zoning	M-1
Shape	Irregular
Topography	Level
Corner	No
Utilities	E, W, S, G
Easements	Typical
Flood Zone	Zone X (Unshaded)

Coleman Crossing Circle
Paducah, KY 42001

County
McCracken

Submarket
McCracken County

APN
086-10-00-026.23



Confirmation

Name	MLS/PVA/Deed
Affiliation	Public Record
Date	1/16/2020

Remarks

Located near I-24.



5320 Hinkleville Road

Comparable 4

Sale Information

Buyer	KYCarrioTwo, LLC	
Seller	Falconite Real Estate Holdings, LLC	
Sale Date	6/20/2017	
Transaction Status	Recorded	
Sale Price	\$925,000	\$311,134 /AC
Analysis Price	\$925,000	\$311,134 /AC
Recording Number	1346/235	
Rights Transferred	Fee Simple	
Financing	Same As Cash	
Conditions of Sale	Arm's Length	



Property

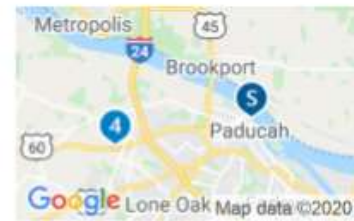
Land Area	2.973 Acres (129,504 SF)
Number of Parcels	1
Zoning	C
Shape	Irregular
Topography	Level
Corner	No
Utilities	E, W, S, G
Easements	Typical
Flood Zone	Zone X (Unshaded)

5320 Hinkleville Road
Paducah, KY 42001

County
McCracken

Submarket
McCracken County

APN
076-40-00-029.05



Confirmation

Name	MLS/PVA/Deed
Affiliation	Public Records
Date	1/17/2020

Remarks

This site is located to the west of I-24 off Hinkleville Road.