

North Carolina Department of Transportation-Right of Way Unit

REVIEW CERTIFICATION

TIP/Parcel No.: M-0509/03 WBS Element: 44403 County: Wake
Owner(s): Wake County FedAid Project: NA

I HEREBY CERTIFY THAT, to the best of my knowledge and belief the facts and data reported by me and used in the review process are true and correct.

I understand that this estimate of value is to be used in connection with a highway project and/or NCDOT Real Estate transaction.

The analyses, opinions, and conclusions in this **Review Report** are limited only by the critical assumptions and limiting conditions stated in this **Review Report** and are my personal, unbiased professional analyses, opinions, and conclusions.

I have no direct or indirect, present or prospective interest in the subject property or in any benefit from the acquisition of the subject property and I have no personal interests or bias with respect to the parties involved.

I have ☒, have not ☐, performed NO appraisal and NO other services as an appraiser or any other capacity, regarding the property that is the subject of this appraisal within the three year period immediately preceding acceptance of this assignment.

My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this **Review Report**.

My estimate of the value of all items which are Compensable under State law but not eligible for Federal Aid reimbursement is \$ 0

I personally inspected the subject parcel. I did ☒ did not ☐ personally inspect all sales/rentals considered to be comparable to the subject parcel.

My analyses, opinions, and conclusions were developed and this **Review Report** was prepared in compliance with **NCDOT Real Estate Appraisal Standards and Legal Principles** and the **Uniform Standards of Professional Appraisal Practice**. The appraisals in this assignment are to be made in accordance with all of the requirements set out in the **NCDOT Real Estate Appraisal Standards and Legal Principles** and the **Uniform Standards of Professional Appraisal Practice** and shall also comply with all applicable **Local, State, and Federal** laws, ordinances, regulations, restrictions and/or requirements; and any additions, revisions and/or supplements thereto. No one provided me with significant professional assistance with this **Review Report**. My opinion of the difference, if any, in the "Market Value" of the entire tract **Before the Acquisition** and the

"Market Value" of the remaining property immediately **After the Acquisition** is \$ 422,775, as allocated:
Allocation

Right Of Way	\$	<u>375,275</u>
Permanent Easements	\$	<u>0</u>
Temporary Easements	\$	<u>47,500</u>
Total Value of Land Acquired	\$	<u>422,775</u>
Value of Improvements Acquired	\$	<u>0</u>
Damage to Remainder	\$	<u>0</u>
Benefits to Remainder	\$	<u>0</u>
DIFFERENCE	\$	<u>422,775</u>



June 7, 2017
DATE OF CERTIFICATION

R. Thomas
REVIEW APPRAISER

Un-Economic Remnant to the Owner is a Factor ☐ Yes ☒ No

Area Amount \$

Administrative Approval

R. Thomas
APPROVED BY:

June 8, 2017
DATE:

North Carolina Department of Transportation

Right of Way Branch

Appraisal Summary Sheet

1. **TIP/Parcel No.:** M-0509/003 **WBS Element:** 44403 **County:** WAKE

2. **Owner(s):** Wake County **Fed Aid Project:** N/A

3. **Plan Sheet No.:** 1 **Survey Stations:** SS 10+86 to SS 15+80 Left of SL PTBYP

4. Land Areas:	AREA LT.OF R/W	AREA IN R/W	AREA RT. OF R/W	TOTAL
	5.964 ac.	0.108 ac.	0.00 ac.	6.072 ac.
5. Less: Land Area in Existing R/W:	0.00 ac.	0.00 ac.	0.00 ac.	0.00 ac.
6. Appraise Net Areas	5.964 ac.	0.108 ac.	0.00 ac.	6.072 ac.

7. **Easements:** TCE: 0.136 ac. DRAINAGE: PDE 0.00 ac. TDE 0.00 ac.
PUE: 0.00 ac. OTHER: _____

8. Improvements Lt. of R/W	Improvements to be Acquired	Improvements Rt. of R/W
2 SBKBUS, Canopy, Paved	Landscaping, Portion of Paved	N/A
Parking Lot/Driveway, Landscaping	Driveway, Curb/Gutter	

9. Rights and Interests to be Appraised: **Unencumbered Fee Simple Interest**
(Subject to Existing Easements and Restrictions as Affected by Highway Acquisition.)

10. Estimated **"MARKET VALUE"** of Property Immediately Before:

Land \$ 21,159,675
Improvements \$ X
TOTAL \$ 21,159,675 + X

11. Estimated **"MARKET VALUE"** of Property Immediately After:

Land \$ 20,736,900
Improvements \$ X
TOTAL \$ 20,736,900 + X

12. **"DIFFERENCE"** Between Before and After Value (If Benefited, Type **"BENEFITS"**) \$ 422,775

Neil C. Gustafson

Signed

May 15, 2017

Date of Appraisal

Name: Neil C. Gustafson, MAI

Phone: (919)781-6300

Address: Worthy & Wachtel, Inc.

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Raleigh, NC 27609

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SCOPE OF WORK

Client and Intended Users:

North Carolina Department of Transportation (NCDOT) is our client. Intended users of this report include the North Carolina Department of Justice and the Federal Highway Administration. Other intended users of this report could include, but are not limited to, consulting firms acting on behalf of the NCDOT and the appropriate trial court and jury.

Purpose and Intended Use of the Appraisal:

The purpose of this appraisal is to estimate the market value of a permanent right-of-way easement and a temporary construction easement on a 6.072 acre parcel improved as a Wake County administrative facility with a street address of 401 Capital Boulevard in Raleigh, North Carolina.

The intended use of this report is to aid the North Carolina Department of Transportation in establishing a market value for the permanent right-of-way easement of 0.108 acres and a temporary loss of use of approximately 5,939 square feet (0.136 acres) of the subject property to facilitate a "Proposed Capital Yard South Lead Track" at the subject property's location in Raleigh. This appraisal report is intended to estimate the just compensation due to this taking for the client.

Subject:

That certain 6.072 acre parcel of land and improvements with a street address of 401 Capital Boulevard, in Raleigh, North Carolina (herein referred to as the "subject" or "subject property"). It is also identified as Wake County Tax PIN# 1704 51 6171 (REID 62081). Reference is made to Exhibit A entitled, "Area Map" for a map showing the approximate location of the property. The subject is owned by Wake County.

Interest Valued:

This is an appraisal of the market value of the fee simple interest in the subject property subject to easements of record. The fee simple interest is an absolute fee: a fee without limitation to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation.

Definition of Market Value:

As defined in, The Appraisal of Real Estate, 14th Edition, market value is "The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

Effective Date of the Appraisal and Date of the Report:

The appraisers made several personal inspections of the subject. We will use our inspection on May 15, 2017 as the effective date of this appraisal. The date of this report is May 31, 2017.

Existing Use of the Property:

The subject is currently an improved tract of land being operated as the Wake County General Services Center. This center is operated as an administrative and general services center as well as support and storage for Wake County's automotive fleet.

Extent of Research and Type of Analyses Used:

Estimating the market value of a parcel of real property "Before the Taking" involves the process of defining the valuation problem; collecting information on the subject property, the area, and like properties; and researching and analyzing recent sale transactions that are comparable to the subject property being appraised. Assuming that the taking is neither contemplated nor proposed, we process the data according to various techniques to arrive at a conclusion of market value of the subject as though the taking does not exist.

The "After the Taking" valuation involves the valuation process as the "Before the Taking" valuation process. Assuming the taking has been completed, we then process the data according to various techniques to arrive at a conclusion of market value of the subject property as though the taking exists. The damage due to this taking is determined the value difference between the two or by deducting the value of the property after the taking from the value of the property before the taking.

The proposed action by the NCDOT consists of a permanent right-of-way taking for a CSXT and NCDOT Rail Division proposed Capital Yard South Lead Track construction and installation. The proposed taking consists of a right-of-way area of 0.108 acres (4,691 square feet) and a temporary construction easement area of 0.136 acres (5,939 square feet) along the subject property's southern boundary with an existing CSX rail right-of-way of the property owned by Wake County. Based on our highest and best use analyses, we have concluded that the improvements are not impacted by the taking. That is, the value of the improvements are the same before the taking as they are after the taking. Because the improvements are not impacted, we have assigned a value of "X" for the improvements both before and after the taking. Because the value after the taking is deducted after the taking, the value of the improvements is 'cancelled out' and the resulting damages are not affected by the value of the improvements.

This approach is permitted by our client and by the Uniform Standards of Professional Appraisal Practice (USPAP). The Appraisal Standards Board's Comment on Standard's Rule 1-2(e) (v) states "An appraiser is not required to value the whole when the subject of the appraisal is a fractional interest, a physical segment or a partial holding." Accordingly, we will only need to value the land. To value the land, we will use a variation of the sales comparison approach, called land value by comparison. Land value by comparison is a technique where sales of listing of similar properties are compared to the subject in order to estimate the value of the subject property.

General Assumptions and Limiting Conditions:

This appraisal is subject to the following assumptions and limiting conditions:

1. The basic limitation of this and any appraisal is that the appraisal is an opinion of value, and is, therefore, not a guarantee that the property will sell at exactly the appraised value. The market price may differ from the market value, depending upon the motivation and knowledge of the buyer and/or seller, and may, therefore, be higher or lower than the market value. The market value, as defined herein, is our opinion of the probable price that is obtainable in a market free of abnormal influences.
2. This appraisal is being made based on the subject property having a land area of 6.072 acres. The date of this appraisal is May 15, 2017 which is the date of our inspection. We have made no survey of the subject and assume no responsibility for such matters. We also assume no responsibility for legality of title, which is assumed to be good and marketable. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. We are not aware of any uncontrolled hazardous substances such as polychlorinated biphenyls, petroleum leakage, agricultural chemicals, asbestos, or unacceptable levels of radon gas either in the subject building, or on the subject property. We are not experts in such fields and make no claim of technical knowledge with regard to such hazardous substances. The value estimate in this report assumes that there are no such substances present on the subject property. If any of these hazards are in fact present on the subject, the value of the subject would be reduced by at least the expense necessary to eliminate any potential hazard, and the income lost, if any, during this elimination. If the client wishes to assess such matters, we would urge the client to retain an expert in the field of environmental hazards.
4. We assume that there are no hidden conditions of the subject property such as structural defects that affect the value of the subject property.
5. Exhibits in this report are included to assist the reader in visualizing the subject property. We assume responsibility for these exhibits only to the extent that they are based upon information that has been supplied to us.
6. Possession of this report does not carry with it the right of publication, nor may it be used for any purpose other than that designated by our client without our previous written consent, and then only with proper qualifications.
7. It is our specific understanding that we are not required to give testimony or to appear in court by reason of this appraisal with reference to the subject properties, unless further arrangements acceptable to us are made, regarding compensation for my time.
8. For properties subject to eminent domain procedures, assumptions are made regarding both the before and after valuation conditions. In the before valuation analysis, the appraisers consider data assuming that a street project is either proposed or underway. In the after valuation, the appraisers analyze data and the resulting impact of a completed project, whether or not the project is realized.

We, the undersigned, do hereby certify that the information and statements contained in this appraisal, upon which this appraisal is based, are correct, subject to the limiting conditions set forth.

Extraordinary Assumption:

An extraordinary assumption is “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 appraisers’ opinions or conclusions.

The appraisers in this report are assuming that the project has been completed based on the NCDOT plans as of the date of this appraisal. We reserve the right to amend the report if this assumption is proved untrue.

Hypothetical Conditions:

According to USPAP, a hypothetical condition is “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.” In appraising property for the NCDOT, there are two significant hypothetical assumptions.

The first hypothetical condition, in the before condition, is that the NCDOT project is neither contemplated nor planned as of the effective date of the appraisal.

The second hypothetical condition, in the after condition, is that the proposed project has been completed as of the effective date of the appraisal.

DESCRIPTION OF THE REAL ESTATE APPRAISED**Ownership History and Legal Description:**

According to Wake County Registry of Deeds, The County of Wake, a political subdivision of the State of North Carolina acquired the subject property from Harold D. Plummer by a deed recorded on May 14, 1986 in Deed Book 3720, Page 808. Revenue stamps indicated a sales price of \$29,500. The subject property was improved with over 75,000 square foot of office, service area and parking deck built in 1968.

This property is further described as Lots 2 through 9 of Block C of the Capital Redevelopment Area on a plat recorded in Book of Maps 1985, Page 594. The recorded plat indicates a land area of 6.18 acre for the subject property. The Summary Sheet for this property shows a land area of 6.072 acres which was used for this valuation analysis. All of these instruments (deed and plat) were recorded in the Wake County Registry. A copy of the recorded survey is included in the addendum of this report as Exhibit D.

City and County Description:

The subject property is located in a large regional market known as the Triangle, six counties including Durham and Wake. The economy of the Triangle is based in great measure on five components, which have combined create one of the country's fastest growing metropolitan areas:

- Raleigh is the capital of North Carolina, and as such is the location for many state and federal agencies. The Raleigh-Cary metropolitan area is the 11th fastest-growing in the nation since the 2010 Census. The current enrollment for the Wake County School System has been reported as over 155,000 students for 2014, making it the largest school system in the state and the 16th largest in the nation.
- The Triangle has emerged as a center for high tech research, development and manufacturing. The role of the 7,000 acre Research Triangle Park has been crucial in this evolution. Currently about 50,000 people work in the Park, up from 42,000 in 2000. Numerous spin-off companies also exist in the Triangle, especially in the I-40 corridor and in Cary. The high tech fields of computer software, telecommunications, pharmaceuticals, biomedicine and transportation equipment are especially important in the Triangle.
- The Triangle is an important medical research and training center. The presence of nationally prominent hospitals at Duke University in Durham and the University of North Carolina at Chapel Hill, combined with research ongoing at many private businesses and laboratories, helps to attract professionals to the Triangle.
- Over 60,000 students attend colleges and universities full-time in the Triangle. This reserve of students and faculty help create an environment conducive to innovation and research, and attracts to the Triangle some of the nation's most active research and development-oriented corporations. Few metropolitan areas of similar size can boast of having three major universities.
- As the largest metropolitan area in eastern North Carolina, the Triangle is a center for shopping, services, government, culture and recreation for much of that section of the state.

The healthy economy draws people to the Triangle and provides employment for local residents and the population in the six county metropolitan statistical area has grown considerably since 1970:

<u>Population Trends</u>		
<u>Year</u>	<u>Population</u>	<u>%Change</u>
1970	537,365	N/A
1980	664,788	24%
1990	858,485	29%
2000	1,187,941	38%
2010	1,749,525	47%

Source: U.S. Census Bureau

Employment levels also grew over the past decade. Even during the recession of 1991-1992 employment growth continued, although at a reduced level. Currently, the rate of growth is once again improving and is slightly better than the national and state levels. The seasonally adjusted unemployment rate for the Raleigh-Cary MSA was about 4.3% in February 2017 compared to the

state's overall rate of about 5.1% while the national average is 4.7%. A history of the employment trends for the Raleigh-Cary area is summarized on the following table:

<i>Employment Trends</i>				
<u>Year</u>	<u>Labor Force</u>	<u>Growth</u>	<u>%</u>	<u>Unemployment</u>
2006	528,233	24,897	4.9	3.7%
2007	539,127	10,894	2.1	3.6%
2008	558,034	18,907	3.5	4.9%
2009	560,468	2,434	0.4	8.7%
2010	573,901	13,433	2.4	8.1%
2011	585,660	11,759	2.0	8.0%
2012	595,376	9,716	1.7	7.5%
2013	595,800	424	0.0	5.2%
2014	629,700	33,900	5.4	4.1%
2015	641,935	12,235	1.9	4.4%
2016	688,000	46,065	7.1	4.1%

The current local economy, lagging behind national trends somewhat, began to stall in late 2007 and then decline through 2009. On a national basis, a rise in the number of residential mortgage defaults created by sub-prime mortgage lending policies began to ripple through the economy. As these problems plagued Wall Street and the national economy, the local economy has suffered as well with the rise of unemployment, financial stress for private businesses as well as state and municipal governments, and the freezing of loan funding in the credit markets.

As a result of these negative economic developments, real estate values, both for improved properties and vacant land available for development, stagnated at that time. The economy and the real estate industry have shown improvements recently, and it is felt that real estate values are increasing for the short term. Overall, the national economy is coming out of this downturn. While the Triangle economy has certainly felt the effects of this downturn, the slowdown in the Triangle has been less severe and shorter than most areas of the country.

NEIGHBORHOOD DESCRIPTION

In regard to the subject's neighborhood, a neighborhood is defined by the Dictionary of Real Estate Appraisal, third edition, as "A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises." It is typically bounded by either natural or man-made barriers, although they may also be defined by changes in land uses. The subject property is located east of a neighborhood informally identified as the Glenwood South, a mixed land use area along or near Glenwood Avenue between Peace Street and Hillsborough Street. In the past decade or so this area has transitioned into one of Raleigh's attractive neighborhoods. New development includes an excellent mix of bars and restaurants, offices and high density residential development. As a result of this transformation, a number of multi-story high density residential projects both east and west of Glenwood Avenue have emerged or are in the planning stage.

While Glenwood South has seen excellent development activity over the past few years, the area to the east along West and Harrington Streets had remained industrial in nature until the last few years. The most prominent tract of land is the 18 acre +/- tract owned by the City of Raleigh just north of the subject property. This tract, which was formerly called Devereaux Meadow, was the site of Raleigh's minor league baseball field. After minor league baseball vacated the site in the 1960s, the site remained unused for years until the City of Raleigh converted it into a storage area for the city's garbage trucks. Raleigh's long term plan calls for this site to be converted into a city park. South of Devereaux Meadow, recent land assemblies for the Smokey Hallow project and other development projects along Peace Street, West Street, and Harrington Street indicate a land use conversion with the impetus on mixed use developments of residential, retail and office/commercial uses for this former industrial area.

South of the subject are several high-rise apartment and condominium developments in various stages of development. The Quorum Center, a high-rise condominium tower at 323 W. Jones, is an example of the land use change in the area. Across the street from the Quorum is the Metropolitan project which recently suffered a substantial fire during construction. Before this fire, there was a 241 unit apartment property planned. Since this casualty, it is uncertain what future development plans might call for this site. East of these properties is the Glenwood South Raleigh apartments which is a 204 apartment unit development at the corner of Harrington Street and Jones Street. North of these projects is the West at North, a 15-story high rise condominium development with retail on the ground floor located on the block just south of the subject property. Besides these recent residential developments, the area around the subject mostly consists of one story industrial buildings over 30 years old. While many of these buildings have been well maintained they are ripe for redevelopment.

Overall the subject neighborhood would be considered in the revitalization phase. This phase is a period of renewal, modernization and increasing demand. While land values have languished for decades, we expect redevelopment activity to spur land prices in the neighborhood in the near future.

Site Characteristics:

The property is a 6.072 acre parcel has a street address of 401 Capital Boulevard and lies on the western side of Capital Boulevard in Raleigh, Wake County, North Carolina. The subject site is accessed by a service road running parallel to Capital Boulevard just before the roadway crosses under a CSX railway trestle as Capital Boulevard as it splits into N. Dawson Street approaching the Downtown area of Raleigh. This site is also bounded on the north by W. Johnson Street and on the west by N. Harrington Street as well as by the CSX Railroad along its southern boundary. It has been improved as a 75,000 +/- square foot building that serves as the General Services Center facility. The structure was built in 1968 and has been remodeled over the years with the last renovation occurring in 2012. The site is irregular in shape and has over 188,000 square feet including a parking deck and additional surface parking for employee parking and a fleet storage yard. The subject property has roughly 560 feet of frontage along the service off the northbound lane of Capital Boulevard. Additionally W. Johnson Street connects to N. Harrington Street which has another 629 feet of frontage along the western side of the site. Both northbound and southbound traffic can access the property from this Harrington Street frontage.

The topography of the parcel, with the exception of its southern boundary along the CSX railroad track, is fairly level with the grade falling slightly to the northwest. The railroad bed is built up to an elevation of approximately 314 feet above sea level and falls northward to 300 feet for the main portion of the site. The City of Raleigh provides public water and sewer to the subject's neighborhood. Electricity and telephone service are currently available to the subject. A visual image of the subject's location and shape are shown by an Aerial Photograph as Exhibit C, and by a recorded survey shown as Exhibit D in the Addendum of this report. A Topographic Map of the southern portion of the subject is included as Exhibit E.

Zoning

The City of Raleigh has renovated the old zoning code into a more modern Unified Development Ordinance. The zoning designations applying to the neighborhood have been modified to encourage a more vertical approach to Downtown development. Within that framework, the former zoning ordinance that defined Industrial-2 as an industrial land use application has been changed to an IX-12 designation. The new IX district is intended to provide for a variety of light industrial and manufacturing uses while allowing for retail, service and commercial activity and limited housing opportunities. These residential uses would be limited to the upper stories of mixed used buildings. The "12" in this new designation indicates the number of stories that would allowed under this zoning category. This IX-12 designation is intended to provide for developments that incorporate commercial uses with housing, retail and service-related activity. IX can serve as a land use transition between heavy industrial areas and mixed-use districts.

Ad Valorem Taxes:

The property is identified as being Wake County Parcel Identification Number (PIN) 1704 51 6171. The 2017 tax value values are shown below.

PIN 1704 51 6171

Land	\$ 6,728,979
Buildings	<u>\$ 3,483,304</u>
Total Tax Assessed Value	\$10,212,283

The subject property is owned by Wake County and therefore not subject to ad valorem taxes. Nevertheless, we have undertaken the following process to estimate property taxes on the subject parcel as if it were taxable. A combined tax rate by Wake County and the City of Raleigh has not been set as yet. Thus, we have used the 2016 combined tax rate of \$1.0817 per \$100 of tax assessed value, including the Wake County rate of \$0.6005 per \$100, and a City of Raleigh rate of \$0.4183 per \$100 and a Special District tax rate of \$0.0629 per \$100. Applying the above listed tax rates, the 2017 taxes are estimated as follows:

2017 Total Tax Assessed Value	\$10,212,283
2016 Combined Tax Rate	\$1.0817 per \$100 of assessed value
Estimated 2017 Ad Valorem Taxes	\$110,466

The State of North Carolina requires that all of the real estate in every county be revalued for tax purposes at least every eight years. Wake County revalues its real estate every four years so the next reassessment for Wake County will be January 2020.

Public and Private Restrictions:

There are public easements including a public access easement encumbering the property shown on the recorded survey. None of these restrictions are considered to be onerous nor would they have an impact on the value of the subject.

APPRAISERS' OPINION OF THE HIGHEST AND BEST USE - Before the Taking

Highest and best use, as defined, is that use which, at the time of appraisal, is the most profitable and likely use to which a property can be put. It may also be defined as that available use and program of future utilization which produces the highest present land value.

According to *The Appraisal of Real Estate*, 9th Edition, the highest and best use must be 1) physically possible, 2) legally permissible, 3) financially feasible, and 4) maximally productive.

Physically Possible: The size, shape, area and terrain of a parcel of land affects the uses to which it may be developed. The highest and best use of a property must be a use to which the property is capable of being developed. It must consider factors including capacity and availability of utilities, topography, and sub-soil conditions and any other physical characteristics of a property that will alter the property's development potential.

Legally Permissible: The highest and best use must be a use that is legally allowable. Private restrictions, zoning, building codes, historic district controls, and environmental regulations must allow for the development of a site's highest and best use.

Financially Feasible: In the highest and best use analysis, all uses that generate a positive return on the property should be considered. If a use does not generate a positive return, it is not considered financially feasible and would not be considered as a potential highest and best use of a property.

Maximally Productive: Of the financially feasible uses, that use which produces the highest price, or value, (given a constant rate of return), is the highest and best use.

Highest and Best Use as Vacant:

The subject property is a 6.072 acre improved site at 401 Capital Boulevard in Raleigh with 183 feet of road frontage along Johnson Street; approximately 530 feet along the western boundary of the inbound lane of Capital Boulevard; and over 625 feet along the eastern boundary of Harrington Street. The subject has level topography off Harrington Street and reasonably good access off both Johnson Street and Capital Boulevard. The property has City of Raleigh public utility services as well as good visibility on a heavily trafficked connector. The overall development of the subject is only physically limited by its size and slightly limited by access.

The subject property is zoned Industrial Mixed Use with building heights allowed up to 12 stories (IX-12) by the City of Raleigh. This classification permits a wide variety of commercial uses. Given the wide variety of commercial permitted uses in this zoning classification, there is little chance that the subject could be rezoned to a classification which would result in a higher land value. The Downtown Raleigh real estate market is quite strong in this area with a variety of mixed use developments planned for the immediate area. There is strong demand for retail and

commercial uses, especially in the location of the subject site and a wide variety of commercial uses that would be feasible of the subject site.

Given the current market conditions, development of the subject as a mixed-use of residential, retail or service use would be the highest and best use of the subject site. Of all of the physically possible, legally permitted and financially feasible uses, this use will maximize the subject's land value.

Highest and Best Use as Improved:

The subject property is improved as a general service facility for the Wake County with administrative office space and fleet services at 401 Capital Boulevard in Raleigh. The improvements are in good condition and are physically capable for their continued use. Given the existing zoning and the age of the improvements, the existing improvements are permitted and meet all of the legal requirements of the City of Raleigh. That is, the improvements are legally permissible for their continued use.

The site is located on a heavy traffic corridor in Raleigh with reasonably good access. There are already a number of business, retail, professional and sales and service uses on the ground in the immediate area. Continued use for a Wake County service facility if financially feasible.

Given the current market conditions, the continued use of the subject as a retail or service operation would be the highest and best use of the property in our opinion. Of all of the physically possible, legally permitted and financially feasible uses, the continued use of the subject as a retail sales and service facility would maximize the subject's value in our opinion.

SUMMARY OF ANALYSIS AND VALUATION

As stated in the **Interest Valued** section of this report, we are seeking to estimate the fee simple interest of the subject property. As discussed in the Scope section of this report, it is our opinion that the proposed easement taking by NCDOT will not impact the subject property's building improvements. It is also our opinion the Highest and Best Use of the subject property will remain as an improved administrative and service facility in both the Before and After Conditions of this assignment. Given this line of reasoning, we feel that the component of the property's value that will be impacted by this proposed taking is the land component of the improved property. Interpreting Appraisal Standard's Rule 1-2(e) (v), we "are not required to value the whole when the subject of the appraisal is a "physical segment." Therefore, we have employed the sales comparison approach to value for comparable land sales to determine the fee simple interest of the property segment (i.e. land), with the assumption that the road project is neither planned nor contemplated.

SALES COMPARISON APPROACH TO VALUE – Before the Taking

The Sales Comparison Approach to Value, or Land Value by Comparison, is an appraisal technique in which the market estimate is predicated upon prices paid in actual market transactions of similar tracts of land.

With this in mind, we researched the land market in the Peace Street area and found six land sales that we judged relevant to the subject property. Those land sales are detailed on the following pages with an adjustment chart and summary of pertinent information for each land sale transaction in comparison to the subject property. A map showing their general location is included in Exhibit A entitled, "Area Map." We compared these sales to the subject making adjustments to the sales prices for differences in such characteristics as time, size, location, zoning and utility. A chart summarizing the adjustments and showing the value each sale indicates for the subject property are included after the following pages which show the pertinent land sales. The adjustments are positive where the sale property is considered inferior to the subject property and negative where it is considered superior. Due to the nature of these transactions, it is very difficult to use paired comparables in order to estimate these adjustments. Therefore, these adjustments are based primarily on several years of experience as appraisers and brokers in the Triangle real estate market and the close monitoring of sales activity in this market over the same time.

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY BRANCH
COMPARABLE NO: 1

Date: 03/21/17 **Deed Book:** 16727 **Page:** 334 **Stamps:** \$5,500 **County:** Wake
Grantor: Edwin E. Flythe, Jr. and wife, Agnes P. Flythe **Grantee:** Raleigh Development Company II LLC
Location: 424 W. Peace Street and 708 and 714 N. West Street, Raleigh
Sales Price: \$2,750,000 **Confirmed by (Name):** Skip Flythe, Grantor
Financing: Cash to Seller
Condition of Sale and Reason Bought/Sold: Market \ Three parcels acquired for future mixed-use residential development
Present Use: Retail **Zoning:** IX-12 by City of Raleigh
Highest and Best Use: Mixed-Use Residential Development
Size: 0.53 ACRES **Shape:** Somewhat Rectangular **Topography:** Sloping to the east
Existing R/W Area: N/A **Area Cleared/Wooded:** Cleared
Soil Type: N/A **Drainage:** Adequate **Available Utilities:** City of Raleigh municipal
Access: W. Peace & N. West St. **Frontage:** 128 feet on W. Peace Street and 217 feet on N. West Street
Improvements: Flythe Cyclery and warehouses
Lessor: N/A **Lessee:** N/A
Rentable Area: N/A **Rent:** N/A **V & C:** N/A **Expenses:** N/A **Term:** N/A
Unit Price: \$119.12 per square foot **Tax ID:** REIDs 2819, 39523 and 19233

Other Pertinent Information:



Taken by: Mike Moore / Wake County GIS

Date Inspected: May 19, 2017

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY BRANCH
COMPARABLE NO: 2

Date: 12/19/16 **Deed Book:** 16642 **Page:** 2004 **Stamps:** \$11,956 **County:** Wake
Grantor: Margie M. Fuller **Grantee:** Chaucer Investments, LLC
Location: 401 W. Peace Street, Raleigh
Sales Price: \$5,978,000 **Confirmed by (Name):** Lee Singleton, with Grantee
Financing: Cash to Seller
Condition of Sale and Reason Bought/Sold: Market / Part of redevelopment land assembly at Peace and West Street
Present Use: Under development **Zoning:** DX-12 by City of Raleigh
Highest and Best Use: Mixed-Use Residential Development
Size: 1.163 ACRES **Shape:** Roughly trapezoid **Topography:** Sloping to the northeast
Existing R/W Area: N/A **Area Cleared/Wooded:** Cleared
Soil Type: N/A **Drainage:** Adequate **Available Utilities:** City of Raleigh municipal
Access: W. Peace Street **Frontage:** 180 feet on southern margin of W. Peace Street
Improvements: Former Finch's Restaurant property
Lessor: N/A **Lessee:** N/A
Rentable Area: N/A **Rent:** N/A **V & C:** N/A **Expenses:** N/A **Term:** N/A
Unit Price: \$118.00 per square foot **Tax ID:** REID # 0058354

Other Pertinent Information:



Taken by: Mike Moore / Wake County GIS

Date Inspected: May 19, 2017

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY BRANCH
COMPARABLE NO: 3

Date: 12/13/16 **Deed Book:** 16635 **Page:** 2093 **Stamps:** \$2,128 **County:** Wake
Grantor: Hester and Hester, A NC General Partnership **Grantee:** Chaucer Investments, LLC
Location: 312 W. Johnson Street, Raleigh
Sales Price: \$1,064,000 **Confirmed by (Name):** Lee Singleton, with Grantee
Financing: Cash to Seller
Condition of Sale and Reason Bought/Sold: Market / Part of Smokey Hallow Peace Street/West Street/Harrington Street redevelopment land assembly
Present Use: Vacant pending development **Zoning:** DX-12 SH by City of Raleigh
Highest and Best Use: Mixed-Use Residential Development
Size: 0.21 ACRES * **Shape:** Rectangular **Topography:** Slightly sloping to the southwest
Existing R/W Area: N/A **Area Cleared/Wooded:** Cleared
Soil Type: N/A **Drainage:** Adequate **Available Utilities:** City of Raleigh municipal
Access: Johnson Street **Frontage:** 120' on northern margin Johnson St.; 150' on N. Harrington St.
Improvements: Former studio/warehouse property
Lessor: N/A **Lessee:** N/A
Rentable Area: N/A **Rent:** N/A **V & C:** N/A **Expenses:** N/A **Term:** N/A
Unit Price: \$115.04 per square foot **Tax ID:** REID #0042646

Other Pertinent Information:



*Remainder land after Eminent Domain action by NCDOT on original 0.41 acre tract.



Taken by: Mike Moore / Wake County GIS

Date Inspected: May 19, 2017

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY BRANCH
COMPARABLE NO: 4

Date: 09/19/16 **Deed Book:** 16535 **Page:** 1588 **Stamps:** \$6800 **County:** Wake
Grantor: 622 Capital, LLC **Grantee:** CH Realty VII – Baranof I Raleigh 622 Capital Self Storage LLC
Location: 622 Capital Boulevard, Raleigh, NC
Sales Price: \$3,400,000 **Confirmed by (Name):** Bert Nowell, Broker
Financing: Cash to Seller
Condition of Sale and Reason Bought/Sold: Market Sale / New four-story mini-storage property

Present Use: Former warehouse (razed) / Under construction **Zoning:** IX-12 by City of Raleigh
Highest and Best Use: Mixed Use Commercial
Size: 2.01 AC./87,556 S.F.* **Shape:** Irregular **Topography:** Sloping
Existing R/W Area: N/A **Area Cleared/Wooded:** 100% Cleared
Soil Type: N/A **Drainage:** Good **Available Utilities:** All City
Access: Capital Boulevard **Frontage:** 357 +/- feet on Capital Boulevard
Improvements: Building improvements totaling 31,000 +/- square feet has been demolished. New four-story mini-storage facility under construction.
Lessor: N/A **Lessee:** N/A
Rentable Area: N/A **Rent:** N/A **V & C:** N/A **Expenses:** N/A **Term:** N/A
Unit Price: \$38.83 per s.f. (land only) **Tax ID:** REID 0024270

Other Pertinent Information:



*Land area according to Broker.



Taken by: Mike Moore / Wake County GIS

Date Inspected: May 19, 2017

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY BRANCH
COMPARABLE NO: 5

Date: 4/25/14 **Deed Book:** 15640 **Page:** 332 **Stamps:** \$10,900 **County:** Wake
Grantor: PHP Development, LLC **Grantee:** Glenwood South Raleigh Apartments, LLC
Location: 201 N. Harrington Street, north side of W. Jones Street, east side of N. West Street
Sales Price: \$3,754,000 **Confirmed by (Name):** Cross Williams of Grantor
Financing: Cash to Sller; \$25.5 million acquisition/development loan by Western-Southern Life
Condition of Sale and Reason Bought/Sold: Market / Buyer to develop 204 apartment units on site; 161 du's/acre
Existing DukeNet Bldg. 5,200s.f. to remain at annual rent of \$122,987/yr. increasing at 3%/yr. Lease is for 18.58
yrs. (6.58 yrs. then 12 yrs. option renewal. Estimated present value of rental income is \$1.696 million.
Present Use: Old 5,300 s.f. warehouse **Zoning:** Ind-2 with Downtown Overlay (DX 12 SH)
Highest and Best Use: Urban density multi-family
Size: 55,147 S.F. **Shape:** Rectangular **Topography:** Level to gentle slopes
Existing R/W Area: None **Area Cleared/Wooded:** 100% Cleared
Soil Type: N/A **Drainage:** Good **Available Utilities:** All municipal
Access: N. Harrington, W. Jones and N. West Streets **Frontage:** 263.32', 210' and 262.76'
Improvements: Old warehouse to be razed

Lessor: N/A **Lessee:** N/A
Rentable Area: N/A **Rent:** N/A **V & C:** N/A **Expenses:** N/A **Term:** N/A
Unit Price: \$68.07 per square foot **Tax ID:** 0000282

Other Pertinent Information:



Price per dwelling unit is \$18,402/du; Sales price net of present value of lease income



Taken by: Mike Moore / Wake County GIS

Date Inspected: May 19, 2017

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY BRANCH
COMPARABLE NO: 6

Date: 01/27/16 **Deed Book:** 16276 **Page:** 2074, 2087 & 2092 **Stamps:** \$12370 **County:** Wake
Grantor: Greyhound Lines, Inc., Tarlton Properties, LLC and Lucy Clyde Williams and others **Grantee:** Metropolitan Apartments, LLC
Location: On the east side of N. Harrington Street between W. Lane Street and W. Jones Street, Raleigh, NC
Sales Price: \$6,185,000 **Confirmed by (Name):** Beth Voltz, attorney for the grantee
Financing: Cash to Seller
Condition of Sale and Reason Bought/Sold: Market/ buyer plans to raze the improvements and develop a 250 unit apartment building
Present Use: Former Greyhound bus station **Zoning:** DX-12-UG by City of Raleigh
Highest and Best Use: Future mixed use re-development
Size: 88,225 SQ FT **Shape:** Roughly rectangular **Topography:** Gently sloping
Existing R/W Area: _____ **Area Cleared/Wooded:** 100% Cleared
Soil Type: UNK **Drainage:** Good **Available Utilities:** All municipal
Access: Excellent **Frontage:** 210 on W. Lane, 420 on N. Harrington and 210 on W. Jones Sts
Improvements: 13,348 sf one-story brick bus station built in 1971, a 3,920 sf office building built in 1964, a 1,660 sf two frame story house plus typical site improvements.
Lessor: N/A **Lessee:** N/A
Rentable Area: N/A **Rent:** N/A **V & C:** N/A **Expenses:** N/A **Term:** N/A
Unit Price: \$70.11 per s.f. of land **Tax ID:** REIDs 0026550, 0077077 and 0045783

Other Pertinent Information:



Taken by: Mike Moore / Wake County GIS

Date Inspected: May 19, 2017

Land Sale Adjustment Chart 15-May-17							
	Subject Property	Land Sale No. 1	Land Sale No. 2	Land Sale No. 3	Land Sale No. 4	Land Sale No. 5	Land Sale No. 6
Date	15-May-17	21-Mar-17	19-Dec-16	13-Mar-17	19-Sep-16	25-Apr-14	27-Jan-16
Location	401 Capital Blvd.	424 W. Peace St. & 708-714 N. West St.	401 W. Peace St.	302 W. Johnson St.	622 Capital Blvd.	201 N. Harrington	314 W. Jones St.
	Raleigh	Raleigh	Raleigh	Raleigh	Raleigh	Raleigh	Raleigh
Land Area (SF)	264,496	23,087	50,606	9,249	87,556	55,147	88,225
Price (Land Only)		\$2,750,000	\$5,978,000	\$1,064,000	\$3,400,000	\$3,754,000	\$6,185,000
Price Per SF		\$119.11	\$118.13	\$115.04	\$38.83	\$68.07	\$70.10
Adjustments							
Time		1.00	1.00	1.00	1.00	1.10	1.05
Size		0.90	0.95	0.80	0.95	0.95	0.95
Location		0.90	0.90	1.00	1.05	1.00	1.05
Zoning		1.00	1.00	1.00	1.00	1.00	1.00
Utility		0.90	0.90	0.95	1.05	1.00	1.05
Composite		0.73	0.77	0.76	1.05	1.05	1.10
Indicated Value		\$86.83	\$90.90	\$87.43	\$40.67	\$71.14	\$77.10

Explanation of Land Sales Adjustments:

- Time -** Given the current redevelopment surge in Downtown Raleigh, land price appreciation is apparent within the neighborhood within the last year. It is our opinion that land prices have risen at least five percent annually since 2014. As a result, Land Sale Number 5 was adjusted upward by 10% to better reflect that increase and Land Sale Number 6 by 5% while the other land sales in late 2016 and 2017 are deemed to be current enough not to require an adjustment for time.
- Size -** Smaller land parcels normally achieve higher per unit prices in comparison to larger land parcels. Employing the converse of this, larger sales tract unit prices should be adjusted upward in order to compare to the subject property. All land sales were smaller than the subject. Land Sale Number 1 was adjusted downward by 10% while Land Sale Numbers 2 and 4 through 6 were adjusted downward by 5%. Land Sale Number 3 was much smaller and was adjusted down by 20%.
- Location -** Land Sale Numbers 3 and 5 are considered to have similar location to the subject and were not adjusted. Land Sale Numbers 1 and 2 have superior location on Peace Street and were adjusted downward by 10%. Land Sale Numbers 4 and 6 were considered to have inferior locations and were adjusted upward by 5%.
- Zoning -** This characteristic has been used to measure the redevelopment density available for the land sales shown. All Land Sales have been judged as similar and did not require adjustment.
- Utility -** Utility is the quality or condition that allows a parcel to provide usefulness toward an intended purpose. This would include corner location or shape as well as other qualities. Land Sale Numbers 1, 2 and 3 are judged to have superior utility to the subject and were adjusted 10% and 5% downward accordingly. Land Sale Number 5 is deemed to have similar utility and was not adjusted. Land Sale Number 4 and 6 have inferior utility in comparison to the subject and required a 5% upward adjustment.

Prior to any adjustments, the sales indicate a price range of \$38.83 per square foot to \$119.11 per square foot. After adjustment, the indicated value range was \$42.81 per square foot to \$90.90 per square foot. Given this analysis, it is the appraisers' opinion that the estimated land value of the subject should fall in the middle of this range at \$80 per square foot. Therefore, as of May 15, 2017, the land value of the 401 Capital Boulevard subject site is estimated at \$80 per square foot with the total value calculated as follows:

6.072 acres x 43,560 SF/acre x \$80.00 per SF =	\$21,159,680
Rounded	\$21,159,675

MARKET VALUE – Before the Taking:

Based on our estimated land value and the allocated value of the improvements of “X,” we estimate the market value of the that certain 6.072 acres of land and improvements located at 401 Capital Boulevard, Raleigh, North Carolina owned by Wake County before the taking as of May 15, 2017 is estimated as **\$21,159,675 + X.**

DESCRIPTION OF THE TAKING:

According to the NCDOT Summary Sheet, the land area of the subject property to be taken as permanent right-of-way is approximately 0.108 acres or 4,691 square feet according to a Parcel Index shown on a Preliminary Plan Sheet for the NCDOT Rail Division by Moffat & Nichol dated May 19, 2017. The plans also show temporary construction easement is approximately 5,939 square feet (0.136 acres). The area of this taking are graphically shown as Exhibit B, “Right of Way Map.” The Summary Sheet for this taking also indicates improvements to be taken to include a portion of landscaping, and some paved driveway and curb/gutter. Communication from Carolina Land Acquisitions indicates that the temporary construction limits will not encroach on a security area of property that is secured by chain link fencing. Our review of the proposed temporary construction easement limits does not confirm that statement. However, we have proceeded on the assumption that this temporary construction area will not encroach into the fenced-in area. We are also assuming any improvements taken in this action will be restored to its condition prior to the proposed taking.

The right-of-way area will be adjacent the existing CSX railroad bed on the southern boundary of the subject property running approximately 435 feet along the western portion of this boundary. North of this right-of-way will be the temporary construction easement area in depth to around 12 feet at its greatest depth. An aerial representation of the proposed taking is shown along with a plan sheet as Exhibit B in the Addendum of this report.

DESCRIPTION OF THE REMAINDER:

After this rail project is completed, the subject property will remain with the same building area, parking lot and land area as its Before Condition with a slight reduction in land area to 5.964 acres with the 75,000 +/- square foot building structure unaffected after the taking. In our opinion, the property's topography will not change in regard to drainage and access due to this construction project and should not damage the property in the After Condition.

HIGHEST AND BEST USE – After the Taking

As Vacant

The subject site, that is the subject property assumed vacant, has not been changed in any way by this taking. Obviously, therefore it is our opinion that the highest and best use of the property remains as it was before the taking, which is for an administrative and service use.

As Improved

Again, the subject property has not changed in any way by the taking. Accordingly, the highest and best use of the subject property after the taking remains for the continued use of the subject as an administrative and service facility.

LAND VALUE BY COMPARISON – After the Taking

The value of the subject property after the taking is slightly reduced due to the loss of land area compared to the value before the taking. Additionally, there is a loss in value during the construction period due to the taking of a temporary construction easement. Again, it is our assumption that the ownership owner can continue to use the areas for parking or perimeter security as the before condition and any damages to the easement area are fully restored to their original condition after the taking.

The temporary construction easement (TCE) contains 5,939 square feet. The damage due to the temporary construction easement is estimated by the loss of the use of that land area for a period of time commensurate with the construction period. A typical annual rental return on leased land is 10% of its market value.

Thus the following value calculation is provided considering the remainder land area and the easement area impacted by this street project.

Remainder Land Area	
5.9643 Acres or 43,560 SF x \$80/SF (Rounded) =	\$20,784,400
Less: Temporary Construction Easement	
5,939 SF x \$80/SF x 10% =	<u>(\$ 47,512)</u>
Market Value of Land After the Taking	\$20,736,888
Rounded	\$20,736,900

MARKET VALUE – After the Taking

Based on our estimated land value and the allocated value of the improvements of “X,” we estimate the market value of the that certain 5.964 acres of land and improvements located at 401 Capital Boulevard, Raleigh, North Carolina owned by Wake County after the taking as of May 15, 2017 is estimated as **\$20,736,900 + X.**

SUMMARY OF VALUES:

Before Value:	\$21,159,675 + X
Less: After Value:	<u>\$20,736,900 + X</u>
Difference:	\$ 422,775

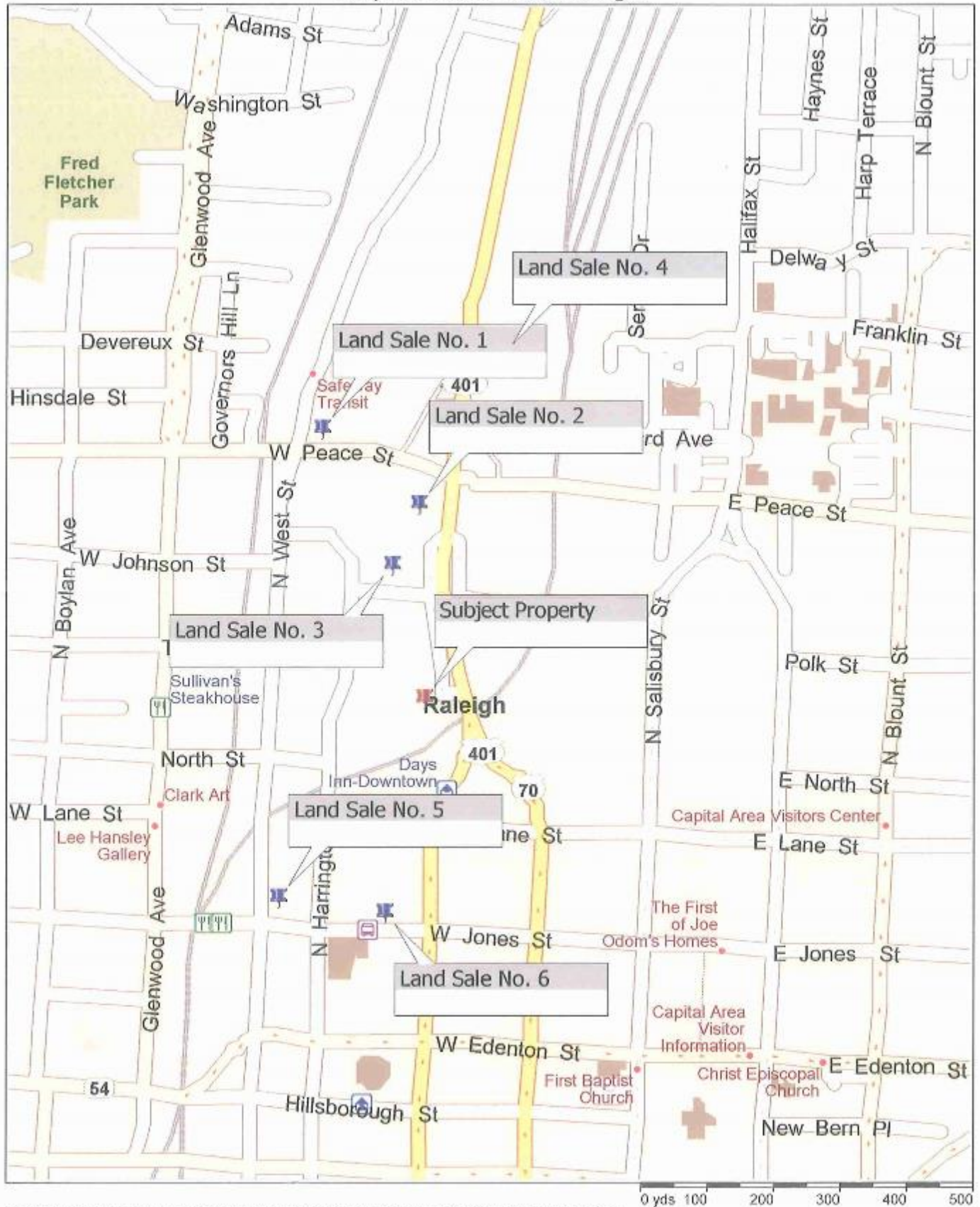
The damages to 401 W. Peace Street, Raleigh as of May 15, 2017 as a result of this right-of-way and temporary construction easement taking by North Carolina Department of Transportation is estimated to be **\$422,775**.

ALLOCATION:

Value of Land Being Taken:	\$422,775
Broken Down:	
Land -	\$422,775
ROW	\$375,275
TCE	\$ 47,500
Improvements -	\$ 0
Net Damages to Remainder:	\$ 0
Benefits	<u>\$ 0</u>
TOTAL	\$422,775

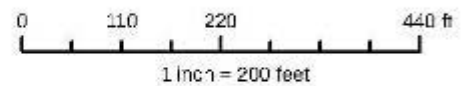
Based upon the information obtained regarding the property, and in the application of our best judgment, along with the use of sound appraisal techniques, it is our opinion that, as of May 15, 2017, the just compensation as a result of the taking of a 4,691 square foot right-of-way and a 5,939 square foot temporary construction easement by North Carolina Department of Transportation from that certain 6.072 acres of land and improvements located at 401 Capital Boulevard, Raleigh, Wake County, North Carolina and owned by Wake County is estimated to be **\$422,775**.

Capital Boulevard, Raleigh



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Exhibit A: Area Map



Disclaimer

Maps makes every effort to produce and publish the most current and accurate information possible. However, the maps are produced for information purposes, and are **NOT** surveys. No warranties, expressed or implied, are provided for the data herein, its use, or its interpretation.

Exhibit C: Wake County GIS Aerial Photograph

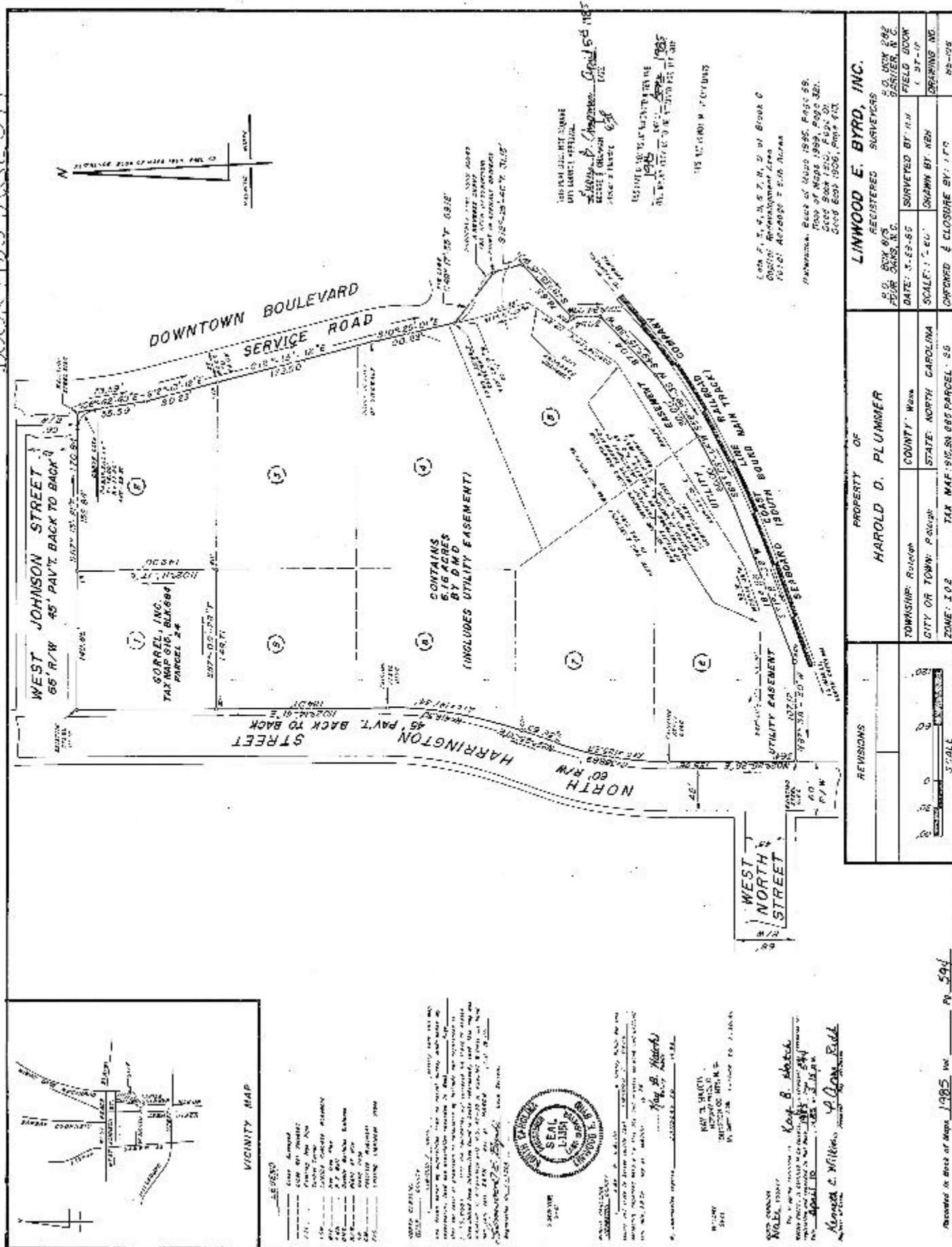
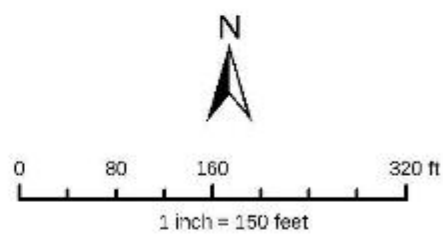
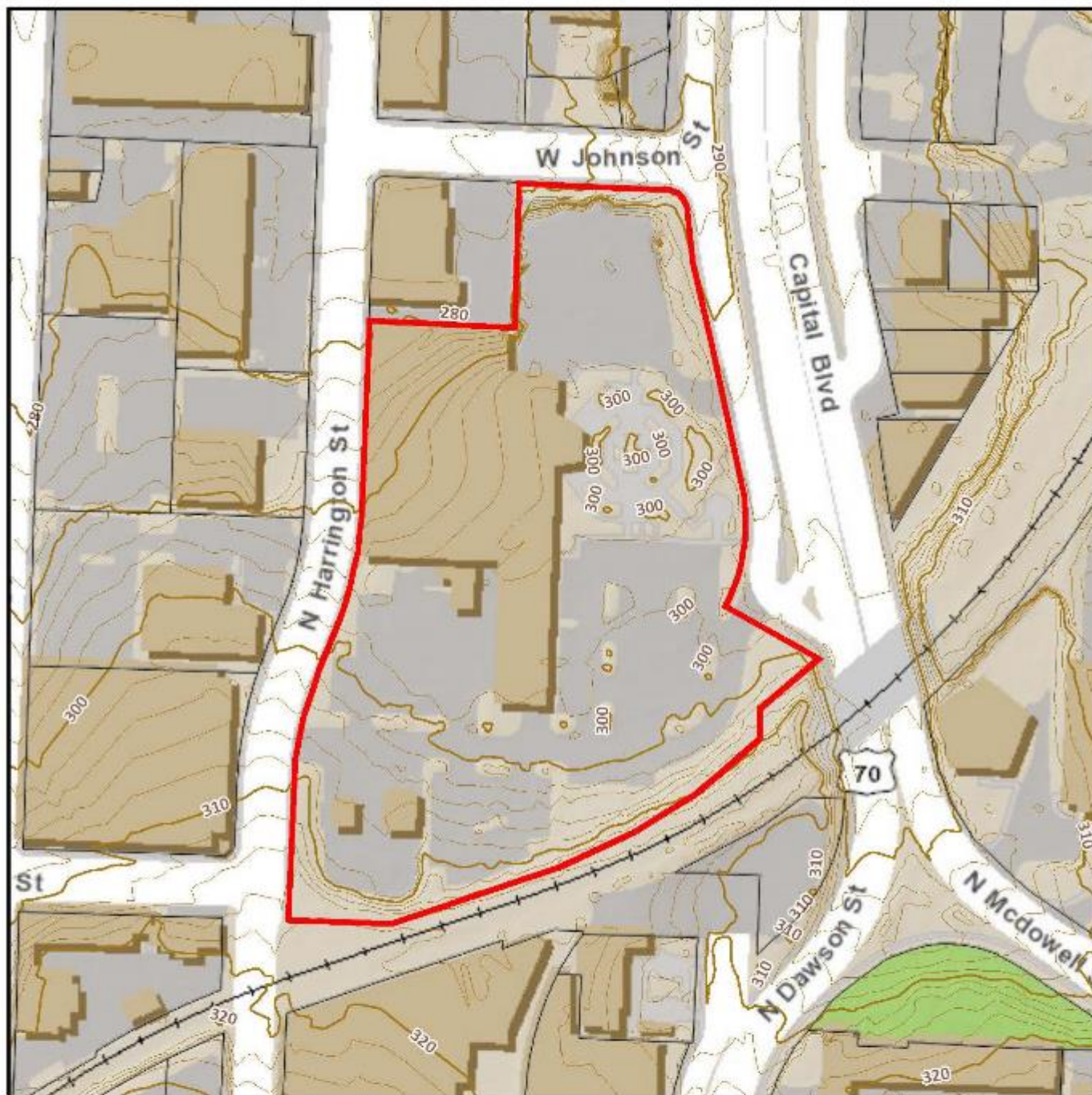


Exhibit D: Recorded Survey



Disclaimer
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Exhibit E: Wake County GIS Topographic Map



View of right-of-way taking looking southwest



View of TCE looking northeast



View of the subject's parking lot



Another view of TCE area



View of TCE and security fence for the subject



View of the southwestern end of the taking along existing CSX railing

**QUALIFICATIONS
OF
NEIL C. GUSTAFSON, MAI**

Professional Affiliations

- MAI Designation, Appraisal Institute (Formerly American Institute of Real Estate Appraisers). Currently Certified under Continuing Educational Program
- State Certified General Real Estate Appraiser (North Carolina) since 1991
- Licensed Real Estate Broker in the State of North Carolina since 1979
- Realtor, Triangle Commercial Association of Realtors
- Member of the Raleigh Commercial Listing Service since 1986
Board of Directors, 1991 to 1993
Treasurer, 1991, 1992

Formal Education

- 1973 Graduate of Needham B. Broughton High School, Raleigh, N.C.
- 1977 Graduate of North Carolina State University, Raleigh, N.C.
B. S. Civil Engineering
- 1985 Graduate of Fuqua School of Business, Duke University, Durham, N.C.
Master in Business Administration

Experience

- Principal, Worthy & Wachtel, Inc., 3803-B Computer Drive, Suite 100-A, Raleigh, N.C. 27609, 1985 to present
- Staff Appraiser, Worthy & Wachtel & Associates, 1978 to 1985

**QUALIFICATIONS
OF
NEIL C. GUSTAFSON, MAI
PAGE 2**

Partial List Of Clients Assisted In Appraisals For:

Raleigh Durham Airport Authority
Branch Bank & Trust
City of Raleigh
Lincoln Properties
Security Building Company
York Family Properties
United Carolina Bank
Southern National Bank
Research Triangle Foundation

North Carolina National Bank
Moore & Van Allen
State of North Carolina
Baker Roofing Company
Phillips Petroleum
Amoco Oil Company
First Union National Bank
Wachovia Bank and Trust Company
North Hills, Inc.

- Types of properties appraised includes office buildings, apartment complexes, shopping centers, tracts of land, commercial and industrial sites, industrial facilities, and commercial buildings.

Civic

- North Carolina Division of the American Cancer Society
 - Assistant Secretary, 1990 to present
 - Board of Directors, 1989 to present
 - Budgets and Audits Committee, 1985 to present
 - Finance Committee, 1986 to present
 - Housing Committee, 1987 to present
- Boy's and Girl's Club of Wake County
 - Lieutenant Campership Campaign (fund raiser), 1988, 1989, 1990
- United Way of Wake County
 - Allocation Committee, 1986 to 1991
- White Memorial Presbyterian Church
 - Men's Visitation Committee, 1988 to 1992

Personal

- Born May 15, 1955 in Raleigh, North Carolina
- Married Sharon Ayres Wilson on August 24, 1985, three children

**QUALIFICATIONS
OF
MICHAEL B. MOORE**

Michael B. Moore is a real estate appraiser engaged in commercial and industrial real estate valuation. He is employed by Worthy & Wachtel, Inc. which maintains offices at 3803-B Computer Drive, Raleigh, North Carolina 27609; (919) 781-6300.

He has appraised various types of properties, including commercial and industrial land, office buildings, apartment complexes, shopping centers, and industrial facilities.

He is a 1970 graduate of the University of North Carolina at Chapel Hill with a B.A. in Political Science. He subsequently served as a Lieutenant in the U.S. Navy and completed his service obligation in 1973. After the Navy, he was employed by Wachovia Bank in 1974 and worked in various positions including real estate account manager in the bank's Trust Department and mortgage loan officer in the bank's Income Property and Commercial Mortgage Departments. Responsibilities in these various positions included management, sale and lease negotiation and administration of trust real estate assets; and mortgage loan origination and placement for commercial and industrial properties as well real estate appraisal for various properties. He left Wachovia Bank in 1987 and performed commercial fee appraisal work for Morgan and Company through September 1991 and then commercial fee appraisal work for Worthy & Wachtel, Inc. through 1995. He has since worked as a real estate asset manager with Wachovia Trust through September 2006. He is presently performing commercial fee appraisal work for Worthy & Wachtel, Inc.

He is licensed as a N.C. Real Estate Broker and a member of the Raleigh Board of Realtors and its Commercial Listing Service. He is a candidate for membership in the Appraisal Institute and has successfully taken its Capitalization Theory and Techniques Parts A & B; Standards of Professional Practice; and Case Studies courses. He achieved North Carolina certification as a General Appraiser in 1991.

North Carolina Department of Transportation - Right of Way Unit

Certificate of Appraiser

TIP/Parcel No.: M-0509/003 WBS Element: 44403 County: Wake
Description: 401 Capital Boulevard - Proposed Capital Yard south Lead Track in Raleigh, NC
Property Owner's Name: Wake County Fed Aid Project: N/A

I HEREBY CERTIFY THAT:

I have ☐, have not ☒, performed AN appraisal and NO other services as an appraiser or any other capacity, regarding the property that is the subject of this appraisal within the three year period immediately preceding acceptance of this assignment. If "Have" box is marked, please see Scope of Appraisal Section for details.

I have personally inspected the property herein appraised and that I have also made a personal field inspection of the comparable sales/rentals relied upon in making said appraisal. The subject and the comparables relied upon in making said appraisal were as represented by the photographs contained in said appraisal.

I have given the owner or his designated representative the opportunity to accompany me during my inspection of the subject property.

Any decrease or increase in the "Market Value" of real property prior to the date of valuation caused by the public improvement for which such property is acquired or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, is disregarded in determining the compensation for the property.

The statements of fact contained in this appraisal report are true and correct, and the reported analyses, opinions and conclusions, subject to the critical assumptions and limiting conditions herein set forth, are my personal, unbiased, professional analyses, opinions and conclusions.

I understand such appraisal may be used in connection with the acquisition of or disposal of right-of-way for a highway to be constructed by the **State of North Carolina**, and that such appraisal has been made in conformity with appropriate State laws, regulations, and policies and procedures applicable to appraisal of right-of-way for such purposes, and that to the best of my knowledge, no portion of the value assigned to such property consists of items which are "Non-Compensable" under established laws of the **State of North Carolina**.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in compliance with NCDOT Real Estate Appraisal Standards and Legal Principles and the Uniform Standards of Professional Appraisal Practice. The appraisals in this assignment are to be made in accordance with all of the requirements set out in the NCDOT Real Estate Appraisal Standards and Legal Principles and the Uniform Standards of Professional Appraisal Practice and shall also comply with all applicable **Local, State, and Federal** laws, ordinances, regulations, restrictions and/or requirements; and any additions, revisions and/or supplements thereto.

Neither my employment nor my compensation for making this appraisal is in any way contingent on the values reported herein.

I have no direct or indirect, present or prospective interest in neither the subject property nor any benefit from the acquisition of this property nor any bias with respect to the parties involved.

In addition to the undersigned, those persons duly noted in this report and under my direct supervision and responsibility, in so far as this particular appraisal is concerned, have contributed to the production of this appraisal. The analyses, conclusions or value estimates set forth in this appraisal are those of the undersigned.

I will not reveal the findings and results of such appraisal to anyone other than the proper officials of the **State of North Carolina** or officials of the **Federal Highway Administration** until authorized by State officials to do so, or until I am required to do so by **due process of law**, or until I am released from this obligation by having publicly testified as to such findings or to a duly authorized professional peer review committee.

My independent opinion of the difference in Market Value as of the 15th day of May, 20 17, is \$ 422,775 based upon my independent appraisal and the exercise of my professional judgment.



Specified Appraiser

5/31/17

Date



North Carolina Department of Transportation - Right of Way Unit

Certificate of Appraiser

TIP/Parcel No.: M-0509/003 WBS Element: 44403 County: Wake
Description: 401 Capital Boulevard - Proposed Capital Yard south Lead Track in Raleigh, NC
Property Owner's Name: Wake County Fed Aid Project: N/A

I HEREBY CERTIFY THAT:

I have ☐, have not ☒, performed AN appraisal and NO other services as an appraiser or any other capacity, regarding the property that is the subject of this appraisal within the three year period immediately preceding acceptance of this assignment. If "Have" box is marked, please see Scope of Appraisal Section for details.

I have personally inspected the property herein appraised and that I have also made a personal field inspection of the comparable sales/rentals relied upon in making said appraisal. The subject and the comparables relied upon in making said appraisal were as represented by the photographs contained in said appraisal.

I have given the owner or his designated representative the opportunity to accompany me during my inspection of the subject property.

Any decrease or increase in the "Market Value" of real property prior to the date of valuation caused by the public improvement for which such property is acquired or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, is disregarded in determining the compensation for the property.

The statements of fact contained in this appraisal report are true and correct, and the reported analyses, opinions and conclusions, subject to the critical assumptions and limiting conditions herein set forth, are my personal, unbiased, professional analyses, opinions and conclusions.

I understand such appraisal may be used in connection with the acquisition of or disposal of right-of-way for a highway to be constructed by the **State of North Carolina**, and that such appraisal has been made in conformity with appropriate State laws, regulations, and policies and procedures applicable to appraisal of right-of-way for such purposes, and that to the best of my knowledge, no portion of the value assigned to such property consists of items which are "Non-Compensable" under established laws of the **State of North Carolina**.

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5/31/17

Date

