



Appraisal Report

Route	N/A	Project	NA
Section	N/A	Job No.	N/A
County	Cook	Parcel	N/A
		Unit	NA

Take: ☒ Whole ☐ Partial ☐ Other:
Appraisal Sequence: ☒ Original ☐ Supplemental

- Attached is a ☐ complex ☒ non-complex appraisal, per IDOT's Land Acquisition Policies and Procedures Manual.
- Location and Address: North side of Dixie Highway between Vincennes Court & Harwood Avenue, Homewood, Illinois with a common address of 17900 Dixie Highway, Homewood, Illinois 60430
- Identification: The tax pin numbers are 29-31-124-008 & 29-31-303-021.
- Present Owner's Name, Address and Telephone No.: Dixie Office Center, LLC, 10338 South Seeley Avenue, Illinois 60643
- Tenant's or Lessee's Name, Address and Telephone No.: Nexus Counseling Services LLC; Iroquois Paving Corporation; Original & Sons, Inc. & Hassan Original; Balloons 4 U; Bradley Counseling & Consulting; Rachael Shores & Lisa Zaharis; Security Dynamic Corporation; OHO & Associates LLC; & Amalgamated Transit Union, Local 1028
- Person Interviewed: Virginia Budny
- Interviewed by: Fred T. Tadrowski

8. Farmland Preservation Act (pertains to fee takings and permanent easements):

☐ CL ☐ OC ☐ HL ☐ PL ☐ FL ☐ FS ☐ RL ☐ OL ☒ N/A

9. Present Use: Office Building Highest and Best Use Before Taking: Office Building
Zoning: B-1 (CBD), Central Business District, Highest and Best Use After Taking: N/A
Village of Homewood

10. **Area of Whole Property**

Total Area to be Acquired in Fee Simple Title:

Area to be Acquired by New Dedication

Area Acquired by Previous Dedication

Area to be Acquired for Additional ROW

Area to be Acquired by Permanent Easement

Area to be Acquired by Temporary Easement

Area of Remainder

Acres

0.3702

0.3702

0

0

0.3702

0

0

0

Sq. Ft.

16,126

16,126

0

0

16,126

0

0

0

11. **Final Conclusion of Value**

Effective Date of Appraisal:

02/05/2022

Fair Market Value of Whole Property

\$560,000

For Partial Taking include the following:

Fair Market Value of property taken (including improvements) as part of the whole

\$560,000

Fair Market Value of remainder as part of the whole before taking

0

Fair Market Value of remainder after taking as will be affected by contemplated improvements

0

Damage to Remainder

0

Compensation for Permanent Easement(s)

N/A

Compensation for Temporary Easement(s)

N/A

Total Compensation

\$560,000

Date of the Report: 02/07/2022

Appraiser Name: Fred T. Tadrowski

License Type: State Certified General Real Estate Appraiser

Fred T. Tadrowski

Appraiser Signature

IL License # 553.001602

Expires: 9/30/2023

General Data

Definition of Fair Market Value: The fair cash market value of a property in an eminent domain proceeding is that price which a willing buyer would pay in cash, and a willing seller would accept, when the buyer is not compelled to buy and the seller is not compelled to sell. In the condemnation of a property for a public improvement, any appreciation or depreciation in value caused by the contemplated improvement shall be excluded from the consideration of the fair cash market value of the whole property and the value of the part taken. (Illinois Pattern Jury instructions)

In the event of a partial acquisition where there is remainder property, any appreciation or depreciation caused by the contemplated improvement shall be considered when determining the fair cash market value of the remainder. Any increase or decrease in value caused by the actual acquisition of a part of the property must be considered in estimating the value of the remainder after taking.

Property History: Has subject sold in the last five (5) years or is it currently listed for sale? Yes ☐ No ☒
If yes, an analysis of the recent sale(s) and/or current listing is summarized as follows: N/A

Property Interest to be Appraised: ☒ Fee Simple Estate ☐ Leased Fee Estate

Property Interest to be Acquired (check all that apply):

- ☒ Fee Acquisition ☐ Permanent Easement ☐ Dedication/Perpetual Easement
☐ Temporary Easement ☐ Other: _____
☐ None of the Above: This appraisal is for the disposal of excess land and/or the release of other rights.
If applicable, the disposition/release of rights is described as follows: N/A

USPAP Reporting Option (as defined by USPAP SR 2-2): ☒ Appraisal Report ☐ Restricted Appraisal Report

Type of Appraisal (per IDOT's Land Acquisition Policies and Procedures Manual):

- ☒ *Non-Complex:* Appraisal report "meets minimum requirements consistent with commonly accepted Federal and Federally-assisted program appraisal practices for those acquisitions, which, by virtue of their low value or simplicity," do not require in-depth analysis presentation.
- ☐ *Complex:* Appraisal report that meets all minimum requirements and also reflects "established and commonly accepted Federal and Federally-assisted program appraisal practices" with appropriate in-depth analysis and presentation.

Client: Village of Homewood

Intended User: The intended users of this report include the Client and any of its Federal-funding partners. Parties who receive a copy of this report as a consequence of the Client's disclosure policies are not intended users of the report.

Intended Use: The intended use of this appraisal report is for ☒ acquisition ☐ disposition of right of way by the Client. This report is not intended for any other use.

Authorization: The following person contacted the appraiser to provide this appraisal service: Mark Mathewson of Mathewson Right-of-Way Company.

Purpose of Valuation:

- ☒ The purpose of this valuation is to arrive at an opinion of the fair market value of the acquisition of the whole property and/or a portion thereof. When applicable, the fair market value of the whole will be established, as will the fair market value of the remainder after the taking. Fair Market Value may also be affected by contemplated improvements with consideration for damages or benefits, if any, to the remainder, and/or the fair market value of possible permanent easements and/or temporary easements as required by design, and the total just compensation due to property owner by reason of the taking.
- ☐ The purpose of this valuation is to arrive at an opinion of the fair market value of the subject land parcel and/or other rights to be disposed by the Client.

Assignment Conditions: Assignment conditions include assumptions, extraordinary assumptions, hypothetical conditions, laws and regulations, jurisdictional exceptions, and other conditions that affect the scope of work. Assignment conditions applicable to this appraisal assignment are summarized below.

The Client requires this appraisal assignment to comply with the following standards, laws, regulations, and policies:

- the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act) and its implementing regulation 49 CFR Part 24,
- the Uniform Standards of Professional Appraisal Practice (USPAP), and
- the Illinois Department of Transportation's Land Acquisition Policies and Procedures Manual.

Furthermore, the Client requires this appraisal to be prepared in accordance with the appropriate state laws, regulations and policies and procedures applicable to appraisal of right of way. No portion of the value assigned to such property shall consist of items which are non-compensable under the established laws of Illinois.

In accordance with 49 CFR Part 24 and IDOT's Land Acquisition Policies and Procedures Manual, in opining on the value of the property before the taking, the appraiser shall disregard any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner. This situation is considered to be a hypothetical condition for the purposes of this appraisal. The use of this hypothetical condition may affect the assignment results.

Any decrease or increase in value caused by the actual acquisition of a part of the property must be considered in opining on the value of the remainder after taking. Such changes in value are parcel-specific.

USPAP Standards Rule 1-2(c)(iv) requires that when exposure time is a component of the definition for the value opinion being developed, the appraiser must also develop an opinion of reasonable exposure time linked to that value opinion. However, the definition of fair market value in this report does not include exposure time as a component. Therefore, the appraiser is not required to develop and report an opinion of exposure time linked to the value opinion. This situation is considered to be an assignment condition for the purposes of this appraisal.

Scope of Work: Summarize the steps/process employed to develop the appraisal report, as required in 49 CFR Part 24, and the Uniform Standards of Professional Appraisal Practice (USPAP).

The amount and type of information researched and the analysis applied in an assignment includes, but is not limited to 1) the extent to which the property is inspected or identified; 2) extent of inspection and description of the neighborhood and proposed project area; 3) the extent of research into physical or economic factors that could affect the property; 4) the extent of data researched; and 5) the type and extent of analysis applied to arrive at opinions or conclusions.

The scope of work also needs to explain the various approaches utilized and the reasons for why any particular approach was not used.

In accordance with instructions from our client, this assignment is full scope in nature, consisting of:

1. Making a personal inspection of the property, which is the subject of this valuation.
2. Making an inspection of the immediate subject area, including an exterior inspection of the adjacent and proximately located properties.
3. Completing a search of the documents recorded against the subject property to ascertain any changes in fee ownership during the five-year period prior to the date of value.
4. Completing an investigation of public documents affecting the subject property, i.e. real estate tax assessment and taxes, zoning classification, tax maps, etc.
5. Review of flood maps of the immediate area.
6. Completing an investigation and analysis of the market to obtain sales of properties considered to be comparable to the subject property with which to establish a basis for rendering a value estimate for the subject property.
7. Inspection, verification, and documentation of comparable sales data.
8. Rendering an opinion of the highest and best use of the subject property as of the date of value.
9. Completing an analysis of the comparable sales data and rendering an opinion of the fair market value of the subject property by the sales comparison approach.
10. Completing an analysis of the rent rolls and rendering an opinion of the fair market value of the subject property by the income approach.
11. Reconciliation between the two approaches and determining the fair market value of the subject property.

Unless otherwise stated, this appraisal is subject to the following conditions:

1. This is an Appraisal Report as defined by the Uniform Standards of Appraisal Practice (USPAP). Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion in this report is specific to the needs of the client, and to the intended use as stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, or legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise of engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
15. Any proposed improvements are assumed to be completed in good workmanlike manner in accordance with the submitted plans and specifications.
16. The distribution, if any of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
17. Possession of this report, or copy thereof, does not carry with it the right of publication. It may not be used for any other purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.
18. Neither shall any part of the contents of this report (especially any conclusion as to value, the identity of the appraiser, or the firm with which the appraiser is connected) be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.
19. The Americans with Disabilities Act (ADA became effective January 26, 1992). The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this, this analysis does not consider possible compliance with the requirements of the ADA in estimating the value of the property.

Property Owner Contact/Interview: Summarize the appraiser's contact/interview with property owner. The property owner (or the owner's designated representative) must be provided the opportunity to accompany the appraiser during the appraiser's inspection of subject property (49 CFR Part 24.102).

Name of the property owner (or designated representative) who was offered an opportunity to accompany the appraiser:
Virginia Budney, property owner

The method used to contact the property owner included
(check all that apply):

- ☐ Personal contact
- ☒ Telephone
- ☐ Letter
- ☐ Other (explain): _____

The invitation to the property owner:

- ☒ was accepted
- ☐ was declined
- ☐ did not receive a response
- ☐ Other (explain): N/A

The appraiser personally inspected the subject property on the following date(s): 02/05/2022

Additional information relating to the appraiser's contact with the property owner, including any concerns expressed by the owner, is explained as follows: None

Subject Property

Photographs are required on all properties being appraised. Photographs of all principal above ground improvements or unusual features affecting the value of the property to be taken or damaged must also be included. Please use the format below for identifying the photographs.



Date of Photograph:	02/05/2022
Photograph By:	Fred T. Tadrowski
Camera Facing:	Southwest

Description: Subject Property



Date of Photograph:	02/05/2022
Photograph By:	Fred T. Tadrowski
Camera Facing:	West

Description: Subject Building

Photographs

Subject Property

Photographs are required on all properties being appraised. Photographs of all principal above ground improvements or unusual features affecting the value of the property to be taken or damaged must also be included. Please use the format



Date of Photograph:	02/05/2022
Photograph By:	Fred T. Tadrowski
Camera Facing:	Northwest

Description: Subject Parking Lot

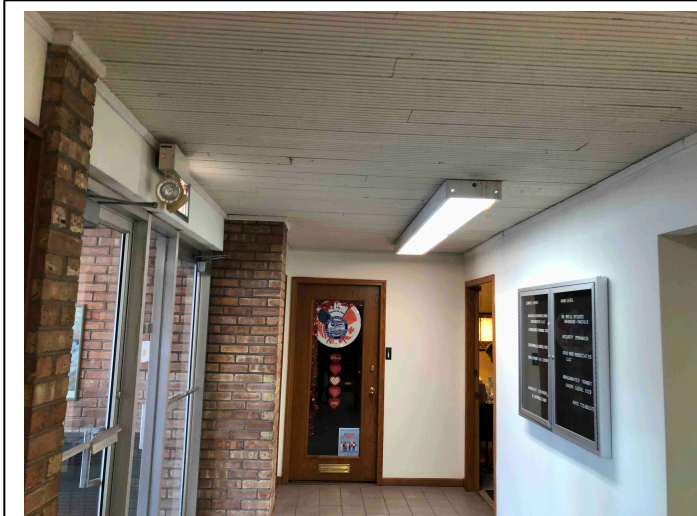


Date of Photograph:	02/05/2022
Photograph By:	Fred T. Tadrowski
Camera Facing:	Southwest

Description: Subject Building

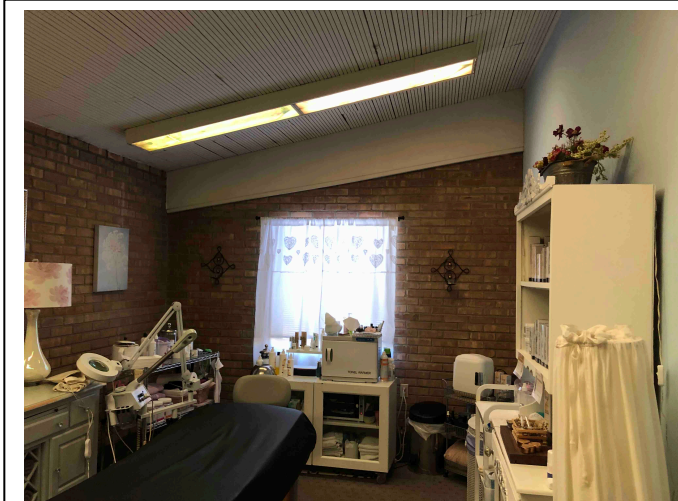
Subject Property

Photographs are required on all properties being appraised. Photographs of all principal above ground improvements or unusual features affecting the value of the property to be taken or damaged must also be included. Please use the format below for identifying the photographs.



Date of Photograph:	02/05/2022
Photograph By:	Fred T. Tadrowski
Camera Facing:	South

Description: Hallway



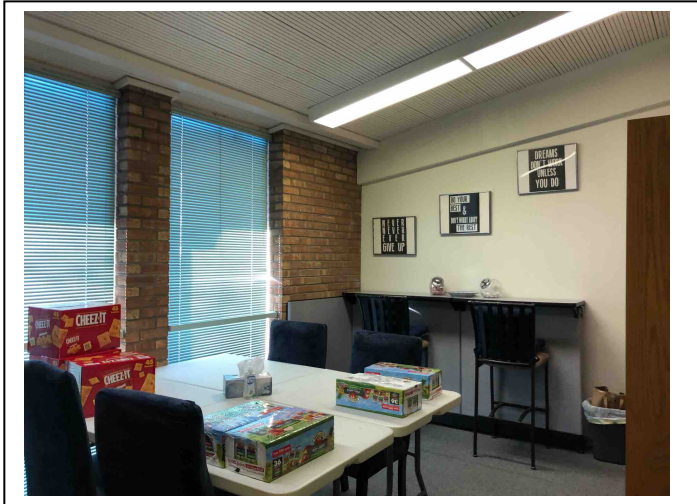
Date of Photograph:	02/05/2022
Photograph By:	Fred T. Tadrowski
Camera Facing:	West

Description: Office Interior

Photographs

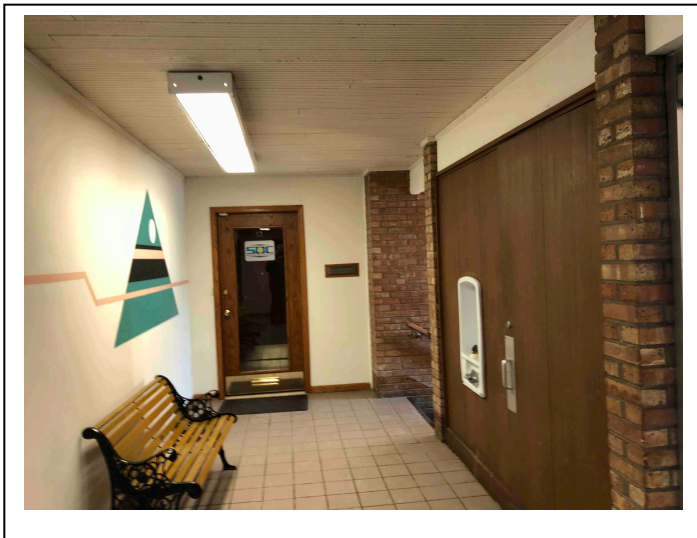
Subject Property

Photographs are required on all properties being appraised. Photographs of all principal above ground improvements or unusual features affecting the value of the property to be taken or damaged must also be included. Please use the format below for identifying the photographs.



Date of Photograph:	02/05/2022
Photograph By:	Fred T. Tadrowski
Camera Facing:	Southeast

Description: Office Interior



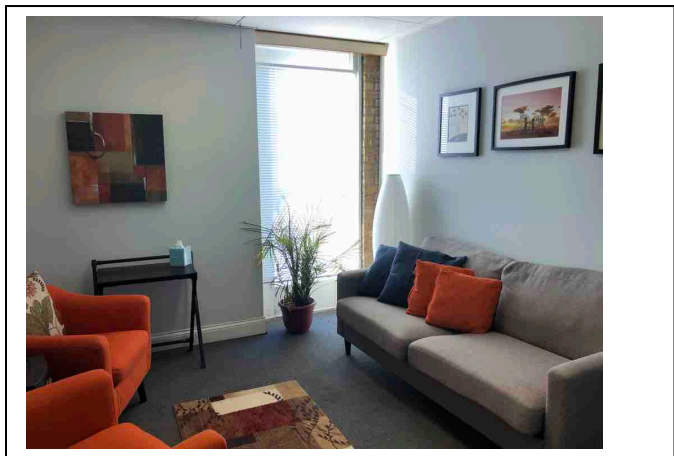
Date of Photograph:	02/05/2022
Photograph By:	Fred T. Tadrowski
Camera Facing:	North

Description: Lower Level Hallway

Photographs

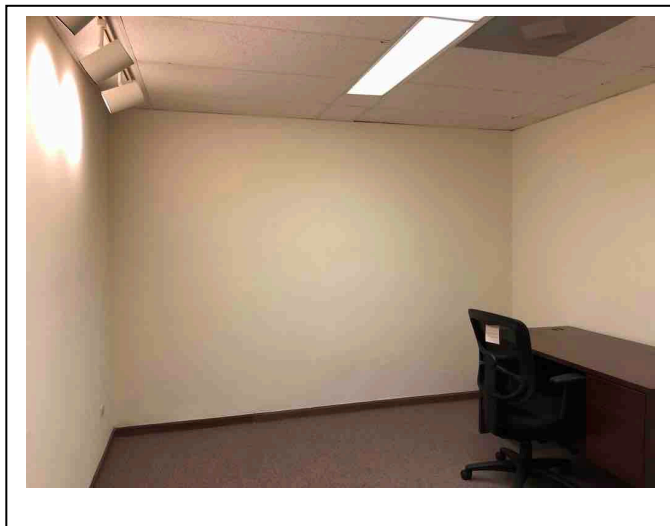
Subject Property

Photographs are required on all properties being appraised. Photographs of all principal above ground improvements or unusual features affecting the value of the property to be taken or damaged must also be included. Please use the format below for identifying the photographs.



Date of Photograph:	02/05/2022
Photograph By:	Fred T. Tadrowski
Camera Facing:	Southwest

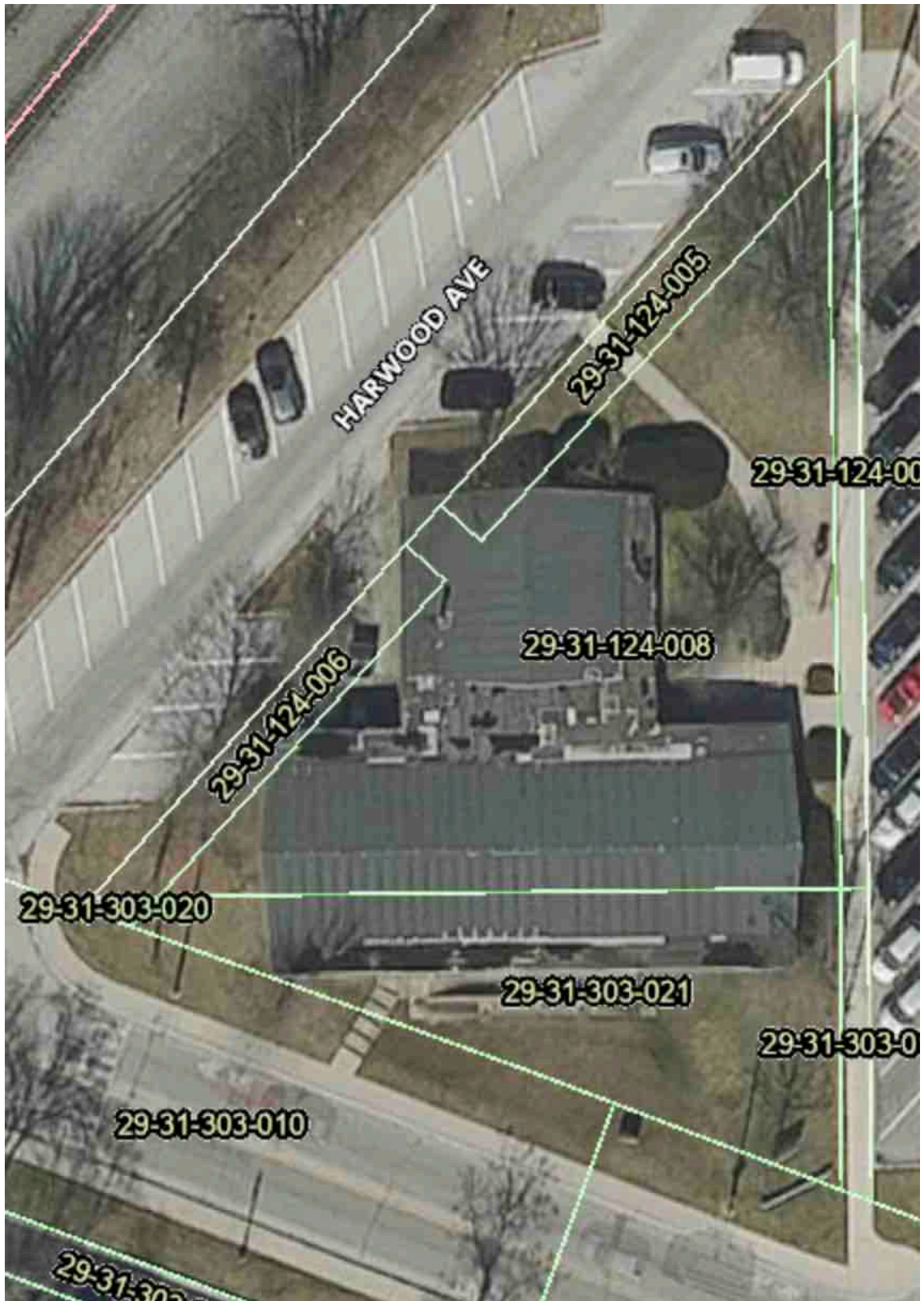
Description: Office Interior



Date of Photograph:	02/05/2022
Photograph By:	Fred T. Tadrowski
Camera Facing:	North

Description: Office Interior

Aerial View of Subject:



Descriptive Analysis of Whole Property: Describe entire property before the taking, including such items as: 1) location and environment; 2) land type and usage; 3) zoning; 4) improvements; 5) special features that serve to detract or enhance; 6) include an analysis of the general area, the neighborhood, and the site; and 7) explain and justify highest and best use if it differs from present use and/or zoning.

Homewood Data

The subject property is located in the commercial downtown area of the Village of Homewood, Illinois. Homewood is located in southern Cook County, roughly 26 miles south of the Chicago Loop. Neighboring communities include Hazel Crest to the northwest, East Hazel Crest to the north, Thornton and Glenwood to the east, Flossmoor and Chicago Heights to the south, and Country Club Hills to the west. The village had a population of 19,463 as of the 2020 census, which is currently estimated at 19,660 with a median household income of \$74,510. The village was founded in 1893 and has an area of 5.26 square miles of which 0.05 square miles is water.

Homewood has a diversified commercial and residential tax base that contributes to future opportunities for economic growth, which is further enhanced by several TIF districts. The primary commercial corridor is Halsted Street along the east side of the village. Several commercial areas within the village have seen recent commercial activity including Halsted Street, where Portillo's redeveloped a site with an older vacant restaurant building and a former Applebee's restaurant was razed in order to redevelop the site with a retail strip center now occupied by Potbelly, Mattress Firm, and Verizon. Menards also recently expended their existing facility in this corridor and there have been several other commercial redevelopments and façade upgrades of retail stores in the area.

In the downtown central business district an upscale hotel and restaurant, LaBanque Boutique Hotel along with La Voute Bistro & Bar, opened in 2015 and is envisioned as the cornerstone of the downtown redevelopment. Another new addition is the Vice District craft on Dixie Highway on the east side of the downtown area. Several other new retail stores have opened in the downtown area in the past couple of years and commercial activity in downtown Homewood appears to be strong.

Economic redevelopment is essential to a community like Homewood, which is land locked and has no room for expansion and has many older buildings that are ripe for redevelopment. The value of building permits within a community is a good indicator of investments being made in new construction and redevelopment of existing properties.

According to the village's 2016 Comprehensive Annual Financial Report the top ten employers are CN Railroad, Comcast, Jewel/Osco, School District 153, Village of Homewood, Target, Manor Health Care, Portillo's, Home Depot, and Menards. These employers account for nearly 15% of the total village population with an estimated 2,836 employees.

Transportation within and around the village is considered good. Interstate 294 runs along the north side of the village with an interchange at Halsted Street. Public transportation includes Metra commuter rail service on the electric line with daily service to Chicago as well as Amtrak train service and local Pace bus service. Midway International Airport is about a 40-minute drive to the north and O'Hare International Airport is an approximate hour drive to the north.

The average sale price for a single-family home in Homewood was \$243,763 during the last six months. Home values have been rising recently. The average sales price was for a condominium was \$99,887 recently.

Suburban Office Market Data

The suburban Chicago office market was affected by the COVID pandemic and is in a recovery mode. Vacancies were recorded at 18.3% at the end of the second quarter of 2021, up 280 basis points from pre-pandemic levels. Only \$436 million of suburban offices have sold in 2021, which is an annualized decrease of 38% compared with the past five-year average. There was also a 3.75% decrease in office-using employment during the pandemic. Office leasing activity also decreased 35.8% in 2020. Recent activity is putting 2021 on pace to outperform levels prior to last year, according to Avison Young.

Site Data

The subject property is located on the north side of Dixie Highway between Harwood Avenue and Vincennes Court, Homewood, Illinois with the common addresses of 18027 Harwood Avenue and 2052-2066 Ridge Road, Homewood, Illinois 60430.

The subject site is triangular in shape with 152 feet of frontage on Dixie Highway, 208 feet of frontage along Vincennes Court, and 212 feet of frontage on Harwood Avenue; it has an area of 0.3702 acre; or 16,126 square feet.

Available utilities include electric, gas, water, sewer, and telephone. Topography of the subject site is sloping. Access is via driveway off Harwood Avenue. The property is located in the central business district of Homewood. Most of the adjacent uses are commercial in nature. A railroad corridor is nearby to the west.

No soil tests were supplied to the appraiser. It is assumed that subsoil conditions are adequate to support typical improvements as no signs to the contrary were noted such as obvious settling, foundation or exterior wall cracks, etc. on subject site improvements or improvements in the area.

The subject property is zoned B-1 (CBD), Central Business District in the Village of Homewood, Illinois. The purpose of the B-1, Central Business District, is to allow commercial uses that provide goods and services to the Village as a whole. The B-1 District provides for a mix of commercial, residential and entertainment uses while maintaining a pedestrian-oriented environment and accommodating larger scale buildings. The subject property appears to be legally conforming.

According to the U.S. Fish & Wildlife Service, there are no wetlands on the site. According to the local Flood Insurance Rate Map prepared by the Federal Emergency Management, there is no 100-year floodplain on the site.

Description of Improvements

The site is improved with a two-story multi-unit brick office building, which was built in 1962 as the Village of Homewood Library. It was used as a library until 1990. The building is approximately 10,000 square feet in size of which 7,948 square feet is currently rentable.

The interior finishes include a combination of painted drywalls and exposed brick walls, a combination of acoustical tile ceilings, vaulted ceilings, and wood tile ceilings, fluorescent lighting, and carpeting in the office suites and tile flooring lobby areas and in the restrooms. The building has gas forced air heat and central air conditioning with five zones.

The building is split into ten office spaces:

1. Suite 1 is a lower-level suite with a rentable area of 875 square feet and consists of four private offices and an open reception/waiting area.
2. Suite 2 is a lower-level suite with a rentable area of 650 square feet and consists of two private offices and an open reception/waiting area.
3. Suite 3A is a lower-level suite with a rentable area of 325 square feet and consists of two private offices and a storage area.
4. Suite 3B is a lower-level suite with a rentable area of 325 square feet and consists of two private offices.
5. Suite 4 is a lower-level suite with a rentable area of 325 square feet and consists of one private office and private restroom.
6. Suite 5 is a lower-level suite with a rentable area of 325 square feet and consists of one private office.
7. Suite 11 is a main level suite with a rentable area of 1,648 square feet and consists of a reception/waiting area, five private offices, break room, and storage room.
8. Suite 12 is a main level suite with a rentable area of 1,275 square feet and consists of a reception/waiting area, conference room, three private offices, and storage room.
9. Suite 14 is a main level suite with a rentable area of 1,324 square feet and consists of a large open office area and four private offices.
10. Suite 15 is a main level suite with a rentable area of 876 square feet and consists of a reception/waiting area, private office, and storage room.

The property has a vacancy of approximately 4%; only Suite 4 is currently vacant.

It is in overall good condition and there have been some updates completed as new HVAC system in 2014 and painting in 2017.

Site improvements include an asphalt-paved driveway, concrete sidewalks, a concrete patio with a concrete retaining wall, lawn, trees, and landscaping. There are 27 parking spaces adjacent to the building on land, which is owned by the Village of Homewood. There are additional 22 spaces located across the street on the west side of Harwood Avenue.

Real Estate Taxes

PIN 29-31-124-008 (2021)

Land Assessed Value: \$19,603

Building Assessed Value: \$56,499

Total Assessed Value: \$76,102

Annual Tax: \$32,081.17

PIN 29-31-303-021 (2021)

Land Assessed Value: \$6,601

Building Assessed Value: \$14,125

Total Assessed Value: \$82,904

Annual Tax: \$8,842.99

Highest and Best Use Analysis: Summarize the **support and rationale** for the appraiser's determination of the highest and best use of the subject property. If the property is improved, address both highest and best use **as vacant**, and of the property **as improved**. Appraiser may provide a Land Only Grid to support highest and best use analysis. A detailed appraisal requires more in-depth analysis. A change in highest and best use requires more in-depth analysis of the subject property before the acquisition and the remainder.

Highest and Best Use as defined by the Courts is defined as "that use which would give the property its highest cash market value on the date of value." This may be the actual use of the property on that date or a use to which it was adaptable and which would be anticipated with such reasonable certainty that it would enhance the market value on that date.

Based on the aforementioned definition, zoning, surrounding uses, area trends, and site inspection, it is the appraiser's opinion that the highest and best use of the subject property as vacant is commercial development.

Based on the aforementioned definition, zoning, surrounding uses, area trends, and site inspection, it is the appraiser's opinion that the highest and best use of the subject property as improved is its existing use as an office building. The highest and best use of the subject property is as improved.

Sales Comparison Approach

The Sales Comparison Approach was completed to estimate the market value of the subject property in fee simple estate; the Sales Comparison Approach consists of a comparison of the subject property with sales of comparable properties. Research of the subject neighborhood and area real estate market was completed in order to find sales of comparable properties to that of the subject property location and site. The most comparable types of properties are those located in the subject neighborhood, which have a similar use or potential use. Several sale transactions of comparable properties were reviewed, and the most comparable sale transactions were selected for specific analysis in this approach.

Improved Sales

	Subject	Sale 1	Sale 2	Sale 3
Location	Dixie Hwy.	Burnham	Burnham	Harwood
City	Homewood	Lansing	Lansing	Homewood
Improvements	Office	Office	Office/Residential	Office
Age	1962	1971	1977	1946
Occupancy	96%	89%	100%	100%
Building Area	10,000 SF	6,100 SF	7,500 SF	10,800 SF
Land Area	16,125 SF	14,701 SF	86,467 SF	22,695 SF
LRB Ratio	1.61	2.41	11.53	2.10
Parking Ratio	2.70	2.62	4.67	2.41
Sale Date	N/A	10/2020	09/2019	05/2019
Sale Price	N/A	\$250,000	\$315,000	\$505,000
Price/Sq.ft.	N/A	\$40.98	\$42.00	\$46.76

Improved Sales

	Subject	Sale 4	Sale 5	
Location	Dixie Hwy.	127 th St.	Kedzie	
City	Homewood	Palos Hts.	Homewood	
Improvements	Office	Office	Office	
Age	1962	1968	1985	
Occupancy	96%	51.5%	100%	
Building Area	10,000 SF	9,500 SF	3,129 SF	
Land Area	16,125 SF	39,996 SF	28,950 SF	
LRB Ratio	1.61	4.21	9.25	
Parking Ratio	2.70	4.63	7.03	
Sale Date	N/A	10/2019	08/2020	
Sale Price	N/A	\$445,000	\$315,000	
Price/Sq.ft.	N/A	\$46.84	\$61.52	

The market conditions for office buildings was mostly flat during the past two years, so no adjustments were needed; Sales I-2, I-4, and I-5 were adjusted upward for their inferior locations; Sales I-1 and I-3 are located in central business districts like the subject building; Sale I-5 was adjusted downward for building size (smaller buildings typically sell at higher unit values); the sales were adjusted downward for their superior land-to building ratios; Sales I-2, I-4 and I-5 were adjusted downward for their superior parking ratios; Sales I-1 and I-3 were adjusted upward for their inferior parking ratios; Sales I-1-, I-2, I-3, and I-4 was adjusted upward for its inferior building conditions; and Sale I-5 was adjusted downward for its superior age.

After making the adjustments as described above, a fair market unit value of 10,000 square feet of building x unit value of \$56.00/square feet = \$560,000 is indicated for the subject property.

5. Appraiser's Final Estimate of Fair Market Value of Whole Property by the Sales Comparison Approach

\$560,000

Income Approach

Direct Capitalization is a method of estimating the Fair Market Value of a property used in the income capitalization approach to convert a single-year's income estimate into a value indication. This conversion is accomplished in one step, either by dividing the income estimate by an appropriate income rate or multiplying it by an appropriate income factor. Direct capitalization may be based in various income flows, such as potential gross income, effective gross income, net operating income, equity income, mortgage income, and others. Income rates and factors reflect the relationship between income and value and are derived from market data. It is essential that the properties used as comparables are similar to the property being appraised in terms of risk, income, expense, and physical and locational characteristics.

Investment properties are normally valued and purchased by investors in proportion to their ability to produce income. The Income Approach involves an analysis of the property in terms of its ability to provide a net annual income in dollars. The estimated net income is then capitalized at a rate commensurate with the risks inherent in ownership of the particular property, relative to the rate commensurate with the risks inherent in ownership of the particular property, relative to the rate of return offered by alternative investments.

Estimated Annual Income:

The gross rental income for 2021 was ±\$115,560 for the building. One office is currently vacant.

Based upon comparable rentals of other office buildings in the area, however, the appraiser believes these rents are at market rent. The gross rental income for the building is estimated at \$120,000 if 100% occupied.

Vacancy and Collection Loss: A vacancy and collection loss is a deduction from estimated gross annual income to allow for possible vacancies resulting from tenant turnovers, collection loss, etc. Based upon my analysis of the subject property and the subject commercial market, a vacancy loss of 4% was estimated for the subject. The effective gross income is $\$120,000 \times 0.96 = \$115,200$.

Operating Expense: A detailed expense account was not supplied to the appraiser. Based upon the operating expenses at other similar office buildings in the market, the operating expenses for the building are estimated at \$57,500 a year. The estimated annual net operating income is $\$115,200 - \$57,500 = \$57,700$.

Overall Capitalization Rate: An overall capitalization rate is the relationship between the net annual income generated by a property and its market value. Overall capitalization rates can be derived from the market through an analysis of comparable sales where sufficient net income data is available on said sales or it may be built-up utilizing current mortgage rates and equity rates. Based upon comparable sales, the current financial market and the economic downturn including current mortgage and equity rates, the financial risks inherent in the ownership of the subject property, and the type and physical characteristics of the subject improvements, is the appraiser's opinion that a 10.5% capitalization rate is indicated. The range of capitalization rates of similar office buildings in the suburban Chicago market range from 8% to 12% recently.

Estimate of Value: The Fair Market Value of the subject property in fee simple title ownership, free and clear of all encumbrances by the Income Approach is estimated as $\$57,700 / 10.5\% \text{ capitalization rate} = \$549,523.81$ say \$550,000.

CONCLUSION OF VALUE

Before Taking	X	After Taking

VALUATION SUMMARY

1. Indicated Value by Cost Approach.....	\$	N/A
2. Indicated Value by Sales Comparison Approach.....	\$	560,000
3. Indicated Value by Income Approach.....	\$	550,000

4. Analysis and Correlation of Approaches to Value

Because of the age of the building and the amount of physical obsolescence and economic obsolescence, the Cost Approach was not a good indication of value for the subject building and was not considered applicable.

The value of the subject property was based on the Sales Comparison Approach and supported by the Income Approach because this approach afforded the greatest consideration since it affirms the basic principle of substitution, i.e. no purchaser will pay more for a property than he or she can acquire a comparable property for, and reflects the actions of buyers and sellers in the market for similar-type properties.

The Income Approach was not considered as accurate an indicator of value as the Sales Comparison Approach because it was based on one year's income only; also there is a fair margin of error involved in estimating capitalization rates and estimating operating expenses.

APPRAISER CERTIFICATION

In accordance with USPAP, we certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. An appraisal review of the subject was completed on 09/18/2018.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our 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.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- We have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the persons signing this certification.

As required by the Client, we further certify that:

- We have afforded the property owner(s) or their designated representative the opportunity to accompany me at the time of inspection.
- We have made a personal field inspection of the comparable sales relied upon in this appraisal report.
- The subject and comparable sales relied upon in preparing this appraisal were as represented by the photographs contained within the report.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act) and its implementing regulation 49 CFR Part 24, as well as the Illinois Department of Transportation's Land Acquisition Policies and Procedures Manual.
- We understand this report may be used in connection with the acquisition of right of way for a highway to be constructed by the State of Illinois with its funds and/or with the assistance of Federal-aid highway funds, or other Federal funds.
- We have prepared this appraisal in accordance with the appropriate state laws, regulations and policies and procedures applicable to appraisal of right of way for such purposes; and that to the best of our knowledge no portion of the value assigned to such property consists of items which are non-compensable under the established laws of Illinois.
- We have not given consideration to, or included in our appraisal, any allowance for relocation assistance benefits.
- Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, was disregarded in opining on the value of the property before the taking. Any decrease or increase in value caused by the actual acquisition of a part of the property was considered in opining on the value of the remainder after the taking. This statement is in compliance with 49 CFR 24.103(b) as well as IDOT's Land Acquisition Policies and Procedures Manual.
- We have not revealed the findings of this appraisal to anyone other than the Client, and that we will not do so until authorized by the Client or until we are required to do so by law, or until we are released from this obligation by having publicly testified to these findings.
- The comments by the licensed real estate appraisers contained within this appraisal report on the condition of the property do not address "standards of practice" as defined in the Home Inspector License Act [225 ILCS 441] and 68 Ill. Adm. Code 1410 and are not to be considered a home inspection or home inspection report.
- Our opinion of the fair market value of the part taken and net damage to the remainder, if any, as of the effective date of this appraisal is \$560,000 based upon our independent appraisal and the exercise of our professional judgment.

Statements supplemental to this certification required by membership or candidacy in a professional appraisal organization are described on an addendum to this certificate and, by reference, are made a part hereof.

Date of the Report: 02/07/2022

Appraiser Name: Fred T. Tadrowski

License Type: State Certified General Real Estate Appraiser



Appraiser Signature

IL License # 553.001602

Expires: 9/30/2023


Comparable Sale Data

	Comparable Sale No.: I-1
	Seller: William M. Dyer & Kathy W. Dyer
	Purchaser: Living Spring Home Health, Inc.
	Sale Date: 10/23/2020
	County: Cook
	Deed Type: Warranty Deed Document Number: 2101220068
	Verified Sale Price: \$250,000
	Unit Price (if applicable): \$40.98
	Zoning: CBD, Downtown District (Lansing)
	Highest and Best Use: Office Building
Property Rights Conveyed: Fee Simple	
Financing: Normal	
Conditions of Sale: Market / Arm's-Length	
Name of party to the transaction with whom this sale was verified: (Seller's Broker) Name of appraiser(s) who verified this sale (date sale was verified): Fred T. Tadrowski (02/04/2022) Name of appraiser(s) who inspected this sale (date of inspection): Fred T. Tadrowski (02/06/2022) Secondary data sources used to verify this sale: Assessor, Deed, & MLS Additional comments on verification process (if applicable): N/A	
Address: 18225 Burnham Avenue, Lansing, IL 60438 PIN(s): 30-32-300-05 & 30-32-300-055 Location Description: East side of Burnham Avenue, south of Ridge Road, Lansing, Illinois Legal Description: N/A	
Description of the Land Area (Acres): 0.337 Area (SF): 14,701 Describe relevant site details below: Topography: Level Shape: Rectangular (See following pages) Wetlands: None Floodplain: None FAR: 2.41 Parking Ratio: 2.62/1000 SF The following utilities and services are available to this site: Electricity <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Gas <input checked="" type="checkbox"/> Sanitary Sewer <input checked="" type="checkbox"/>	Description of the Improvements (if applicable) Describe relevant building improvement details below: Improved with a two-story "Class C" 6,100-square foot office building, which was built in 1971. The building is in overall average condition and had 8 tenants at the time of the sale and was 89% occupied. Describe relevant site improvement details below: The site is also improved with parking lot with 16 spaces.
Use the space below to provide additional explanation of relevant details (use an additional page if necessary): 	

AERIAL MAP OF COMPARABLE SALE NO. I-1




Comparable Sale Data

	Comparable Sale No.: I-2
	Seller: Sharon Van Kley & James Van Kley Trust
	Purchaser: The Baby Academy For Babies and Children
	Sale Date: 09/11/2019
	County: Cook
	Deed Type: Trustee's Deed Document Number: 1925957063
	Verified Sale Price: \$315,000
	Unit Price (if applicable): \$42.00/Sq.ft
	Zoning: B2- Community Retail & Service District (Lansing)
	Highest and Best Use: Office Building
Property Rights Conveyed: Fee Simple	
Financing: Normal	
Conditions of Sale: Market / Arm's-Length	
Name of party to the transaction with whom this sale was verified: (Seller's Broker) Name of appraiser(s) who verified this sale (date sale was verified): Fred T. Tadrowski (02/04/2022) Name of appraiser(s) who inspected this sale (date of inspection): Fred T. Tadrowski (02/06/2022) Secondary data sources used to verify this sale: Assessor, Deed, & MLS Additional comments on verification process (if applicable): N/A	
Address: 19111 Burnham Avenue, Lansing, IL 60438 PIN(s): 33-05-300-023 Location Description: Southeast corner of Burnham Avenue & 191 st Street, Lansing, Illinois Legal Description: N/A	
Description of the Land Area (Acres): 1.985 Area (SF): 86,467 Describe relevant site details below: Topography: Level Shape: Rectangular (See following pages) Wetlands: None Floodplain: None FAR: 11.53 Parking Ratio: 4.67/1,000 SF The following utilities and services are available to this site: Electricity <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Gas <input checked="" type="checkbox"/> Sanitary Sewer <input checked="" type="checkbox"/>	Description of the Improvements (if applicable) Describe relevant building improvement details below: Improved with a two-story "Class C" 7,500-square foot office/residential building, which was built in 1977. The building is in overall average condition and had 1 tenant at the time of the sale and was 100% occupied. Describe relevant site improvement details below: The site is also improved with parking lot with 35 spaces.
Use the space below to provide additional explanation of relevant details (use an additional page if necessary):	

AERIAL MAP OF COMPARABLE SALE NO. I-2




Comparable Sale Data

	Comparable Sale No.: I-3
	Seller: Ken Harwood, LLC
	Purchaser: 18220 Harwood, LLC
	Sale Date: 05/02/2019
	County: Cook
	Deed Type: Warranty Deed Document Number: 1913501087
	Verified Sale Price: \$505,000
	Unit Price (if applicable): \$46.76/Sq.ft
	Zoning: B-1 (CBD) Central Business District (Homewood)
	Highest and Best Use: Office Building
Property Rights Conveyed: Fee Simple	
Financing: Normal	
Conditions of Sale: Market / Arm's-Length	
Name of party to the transaction with whom this sale was verified: (Seller's Broker) Name of appraiser(s) who verified this sale (date sale was verified): Fred T. Tadrowski (02/04/2022) Name of appraiser(s) who inspected this sale (date of inspection): Fred T. Tadrowski (02/06/2022) Secondary data sources used to verify this sale: Assessor, Deed, & MLS Additional comments on verification process (if applicable): N/A	
Address: 18220 Harwood Avenue, Homewood, IL 60430 PIN(s): 33-05-300-023 Location Description: West side of Harwood Avenue, north of 183 rd Street, Homewood, Illinois Legal Description: N/A	
Description of the Land Area (Acres): 0.521 Area (SF): 22,695 Describe relevant site details below: Topography: Level Shape: Rectangular (See following pages) Wetlands: None Floodplain: None FAR: 2.10 Parking Ratio: 2.41/1,000 SF The following utilities and services are available to this site: Electricity <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Gas <input checked="" type="checkbox"/> Sanitary Sewer <input checked="" type="checkbox"/>	Description of the Improvements (if applicable) Describe relevant building improvement details below: Improved with a one-story Class C 10,800-square foot office building, which was built in 1946. The building is in overall average condition and had 6 tenants at the time of the sale and was 100% occupied. Describe relevant site improvement details below: The site is also improved with parking lot with 26 spaces.
Use the space below to provide additional explanation of relevant details (use an additional page if necessary):	

AERIAL MAP OF COMPARABLE SALE NO. I-3




Comparable Sale Data

	Comparable Sale No.: I-4
	Seller: SMG MGMT, LLC
	Purchaser: 6420 Palos, LLC
	Sale Date: 10/02/2019
	County: Cook
	Deed Type: Warranty Deed Document Number: 1928015020
	Verified Sale Price: \$445,000
	Unit Price (if applicable): \$46.84/Sq.ft
	Zoning: B-1, Restricted Business District (Palos Heights)
	Highest and Best Use: Office Building
Property Rights Conveyed: Fee Simple	
Financing: Normal	
Conditions of Sale: Market / Arm's-Length	
Name of party to the transaction with whom this sale was verified: (Seller's Broker) Name of appraiser(s) who verified this sale (date sale was verified): Fred T. Tadrowski (02/04/2022) Name of appraiser(s) who inspected this sale (date of inspection): Fred T. Tadrowski (02/06/2022) Secondary data sources used to verify this sale: Assessor, Deed, & CoStar Comps Additional comments on verification process (if applicable): N/A	
Address: 6420 West 127 th Street, Palos Heights, IL 60463 PIN(s): 24-30-406-008 & 24-30-406-009 Location Description: North side of West 127 th Street, west of Ridgeland Avenue, Palos Heights, Illinois Legal Description: N/A	
Description of the Land Area (Acres): 0.918 Area (SF): 39,996 Describe relevant site details below: Topography: Level Shape: Rectangular (See following pages) Wetlands: None Floodplain: None FAR: 4.21 Parking Ratio: 4.63/1,000 SF The following utilities and services are available to this site: Electricity <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Gas <input checked="" type="checkbox"/> Sanitary Sewer <input checked="" type="checkbox"/>	Description of the Improvements (if applicable) Describe relevant building improvement details below: Improved with a two-story "Class C" 9,500-square foot office building, which was built in 1968. The building is in overall average condition and had 9 tenants at the time of the sale and was 51.5% occupied. Describe relevant site improvement details below: The site is also improved with parking lot with 44 spaces.
Use the space below to provide additional explanation of relevant details (use an additional page if necessary): There was a previous sale of the building on 10/09/2018 for \$400,000 (Document #1828819025).	

AERIAL MAP OF COMPARABLE SALE NO. I-4



Comparable Sale Data

	Comparable Sale No.: I-5
	Seller: KMP Prop. Ltd.
	Purchaser: Juris Biometrics
	Sale Date: 08/28/2020
	County: Cook
	Deed Type: Warranty Deed
	Document Number: 2030120299
	Verified Sale Price: \$192,500
	Unit Price (if applicable): \$61.52/Sq.ft
	Zoning: B-3, Service Business District (Homewood)
Highest and Best Use: Office Building	
Property Rights Conveyed: Fee Simple	
Financing: Normal	
Conditions of Sale: Market / Arm's-Length	
Name of party to the transaction with whom this sale was verified: (Seller's Broker) Name of appraiser(s) who verified this sale (date sale was verified): Fred T. Tadrowski (02/04/2022) Name of appraiser(s) who inspected this sale (date of inspection): Fred T. Tadrowski (02/06/2022) Secondary data sources used to verify this sale: Assessor, Deed, & CoStar Comps Additional comments on verification process (if applicable): N/A	
Address: 18237 Kedzie Avenue, Homewood, IL 60430 PIN(s): 28-36-304-074 Location Description: East side of Kedzie Avenue, north of 183 rd Street, Homewood, Illinois Legal Description: N/A	
Description of the Land Area (Acres): 0.665 Area (SF): 28,950 Describe relevant site details below: Topography: Level Shape: Irregular (See following pages) Wetlands: None Floodplain: None FAR: 9.25 Parking Ratio: 7.03/1,000 SF The following utilities and services are available to this site: Electricity <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Gas <input checked="" type="checkbox"/> Sanitary Sewer <input checked="" type="checkbox"/>	Description of the Improvements (if applicable) Describe relevant building improvement details below: Improved with a one-story "Class C" 3,129-square foot office building, which was built in 1985. The building is in overall good condition and had 1 tenant at the time of the sale and was 100% occupied. The building has been split up after the sale and now has 3 tenants. Describe relevant site improvement details below: The site is also improved with parking lot with 22 spaces.
Use the space below to provide additional explanation of relevant details (use an additional page if necessary):	

AERIAL MAP OF COMPARABLE SALE NO. I-5

