

SUMMARY STATEMENT OF VALUATION

Subject Property:	6280 Brockton Avenue, Riverside, CA 92506
Owner:	According to the submitted title report, title to the subject parcel is vested in State of California. The property has not experienced any arms-length transactions during the past 5 years and the property is not currently listed for sale.
Assessor Parcel Number (APN):	225-041-007
Parcel Size:	1.97 acres
Date of Value:	March 13, 2024
Intended User(s):	The client for this appraisal assignment is Phaedra A. Norton, City Attorney with the city of Riverside. There are no other intended users. Anyone else using or relying on this appraisal is considered an unintended user and no fiduciary obligation is owed by the appraiser to that party.
Intended Use:	The intended use of this appraisal report is as a basis for potential acquisition of the interests being appraised. The appraisal cannot be used for evaluation for collateral for a loan, collateral for bond funding, appealing taxes, settling an estate, partnership dissolution, etc.
Highest and Best Use:	<p>Before Condition</p> <p>Physically Possible - The subject property is a relatively level, irregular shaped parcel that is in a primarily residential neighborhood, with retail and commercial uses along the major arterials. Due to the existence of train tracks and rail corridor along the south side of the property, access to the property from the south is eliminated. However, the property still has frontage on and primary access from Brockton Avenue as well as secondary access from Nogales Street on the east side. Consisting of three adjoining parcels, the property is larger than the average size of parcels in the immediate area, has all utilities available, and could accommodate a variety of legally permissible uses. The physical characteristics of the site contribute well to the existing use of the property for a Department of Motor Vehicles building.</p> <p>Legally Permissible – The property is zoned O (Office) within the city of Riverside and N-MU (Neighborhood – Mixed-use) per the General Plan of the city. The Office Zone (O) is intended for the location of offices for administrative, business and professional activities that involve a relatively low volume of direct customer</p>

contact. The Zone is also established to allow limited commercial uses that support the office users and their employees. This zone allows for a variety of commercial/retail uses. The existing use of the property as an office building is a legally permissible use under current zoning.

The General Plan Designation (MU-N – Mixed-Use – Neighborhood) is intended to allow for a neighborhood mixed-use, retail, office and residential uses. While the maximum density allowed in the zone is 10 dwelling units per acre and a 1.0 FAR (floor area ratio), the typical density found in this zone is 5 dwelling units per acre with a 2.0 FAR.

Financially Feasible – In addition to the legally permissible uses and the physical characteristics of a site, the surrounding land uses in the immediate area have a big impact on the financially feasible uses of a property. In the immediate area of the subject to the north and south, there are numerous office buildings and some retail buildings along Brockton Avenue. All of the interior streets (away from the major arterials), there are older single-family residences. The existing use of the property for office use is compatible with surrounding land uses and would appear to be the most financially feasible use of the property. Therefore, it is concluded that the continued use of the property as an office building is the most financially feasible use of the property.

Maximally Productive – Considering the legally permissible, physically possible, and financially feasible uses in the current market, the highest and best use is for development of some form of office building or for continued use of the property as a DMV office.

After Condition

In the after condition, the larger parcel will have the same use and development potential as in the before condition. As the acquisition is relatively small and does not have an impact on existing buildings or site utility, there is no negative impact on the remainder parcel due to the acquisition. Therefore, the highest and best use of the property in the after condition is the same as in the before condition.

Appraisal Procedures Followed, Methodologies

For the appraisal of the subject property, only the sales comparison approach will be undertaken. Neither the cost approach nor the income capitalization approach are appropriate valuation methods when valuing vacant land. The sales comparison approach derives a market value opinion by making a comparative analysis of recently sold properties having similar characteristics to the property being appraised. Each sale property is compared to the subject property focusing on similarities and

differences that influence value.

Sales Comparison Approach

The sales comparison approach is a primary valuation methodology in valuing unimproved land, in cases where existing building improvements contribute no value to the property, or when building improvements are unaffected in partial acquisition valuations. As such, this methodology will be undertaken in valuing the subject property. A summary of comparable properties in the surrounding market area is shown in the following chart.

Zoning:

O (Office); R-1-7000 (Residential)

Principal Transactions for the Sales Comparison Approach:

Land Sales Summary									
Data No.	Location APN	Land (SF)	Zone	Sale Date Doc No.	Buyer Seller	Sales Price	\$SF Land		
A	1213 Center Street Riverside 92507 247-042-009	47,916	CPS (Scenic Hwy Comm) 7 R-1	2/21/2024 24-0045100	Dan Foster Family Trust Laing International LLC	\$1,100,000	\$22.96		
B	4870 La Sierra Avenue Riverside 92505 146-220-041	34,530	CG (Commercial General)	7/1/2022 22-0298687	City of Riverside Encore Five Points LP	\$849,000	\$24.56		
C	1775-1795 University Avenue Riverside 92507 211-183-023, 024	27,443	MU-U (Mixed-Use Urban)	1/5/2023 N/A	Edward T. Chang UCR 1775 Development LLC	\$1,050,000	\$38.26		
D	Van Buren Blvd. & Gamble Ave Riverside 92508 274-140-047	43,560	CPS (Scenic Hwy Commercial)	9/14/2022 22-0394536	SDG Investments LLC Orangetrest Pacific Properties LLC	\$1,200,000	\$27.55		
E	Van Buren Blvd @ Arlington Riverside 92503 155-290-063	77,337	CR (Commercial Retail)	Listing N/A	Arthur Demirchyan N/A	\$2,000,000	\$25.79		
F	11144 Pierce Street Riverside 92505 146-220-040	68,825	CG (Commercial General)	7/1/2022 22-0298686	Redevelopment Agency City of Riverside Encore Five Points LP	\$1,653,000	\$24.02		
Subject	6280 Brockton Ave 92506 Riverside 225-041-007	85,813	O (Office)						
	Average Land Size (SF)	49,969							
	Average Sales Price Per SF	\$23.31							
	Minimum Sales Price Per SF	\$22.96							
	Maximum Sales Price Per SF	\$38.26							

Adjustment Analysis

Adjustment Summary						
	Data A	Data B	Data C	Data D	Data E	Data F
Address	1213 Center Street	4870 La Sierra Avenue	1775-1795 University Avenue	Van Buren Blvd. & Gamble Ave	Van Buren Blvd @ Arlington	11144 Pierce Street
Sale Price (PSF)	\$22.96	\$24.56	\$38.26	\$27.55	\$25.79	\$24.02
<i>Transactional</i>						
Interest Conveyed	Similar	Similar	Similar	Similar	Similar	Similar
Conditions of Sale	Similar	Similar	Similar	Similar	Superior	Similar
Financing	Similar	Similar	Similar	Similar	Similar	Similar
Market Conditions	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>
Comparison	Similar	Similar	Similar	Similar	Superior	Similar
<i>Physical</i>						
Location	Inferior	Similar	Superior	Superior	Similar	Similar
Access/Exposure	Inferior	Similar	Superior	Superior	Similar	Similar
Topography	Similar	Similar	Similar	Similar	Similar	Similar
Parcel Size/Shape	Inferior	Similar	Superior	Similar	Similar	Similar
Zoning	Similar	Similar	Similar	Similar	Similar	Similar
Utilities/Site Imp.	Similar	Similar	Similar	Similar	Similar	Similar
Entitlements	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>	<u>Similar</u>
Overall Comparison	Inferior	Similar	Superior	Superior	Superior	Similar
Value Per SF	>\$22.96	=\$24.56	<\$38.26	<\$27.55	<\$25.79	=\$24.02

Market Data Summary

After considering differences between these data items and the subject property, they demonstrate that the subject property should be worth something less than \$25.79 per square foot, something greater than \$22.96 per square foot, and something similar to the range of \$24.02 to \$24.56 per square foot.

Reconciliation of Value – Before Analysis

The adjusted data indicated a value range of \$24.56 to \$25.79 per square foot. The subject is irregular in shape, larger in size, and has good access from multiple streets. The location of the property is adequate to support a variety of commercial/retail developments based on its surrounding residential land use patterns. Based on these factors compared to the comparables, the subject's value is concluded to be at \$25.00 net per square foot. This results in a total fee simple value of \$2,145,325, rounded to \$2,145,000 for the subject property (85,813 square feet x \$25.00).

Value of the Part Acquired

A street & highway easement acquisition is required to accomplish the planned project. There will be no residual use of the easement area by the property owner after the granting occurs. As such, the easement is tantamount to a fee acquisition of the property, with the concluded land unit value discussed in the valuation of the larger parcel being used to value the acquisition. As concluded, a land value of \$25.00 will be applied to the acquisition area (156 square feet), resulting in a value for the acquisition area of \$3,900.

Value of the Remainder in the After Condition

The value of the remainder after the acquisition but before consideration of benefits can be discussed based primarily on the previously discussed value conclusions and market data. Due to the relatively large size of the larger parcel and the relatively small size and location of the proposed acquisition, it is concluded that the highest and best use would not be impacted in the after condition by the proposed acquisition.

Severance Damages

Severance damages are equal to the difference between the value of the remainder as a portion of the whole before any acquisition and the value of the remainder in the after condition before consideration of benefits. If the value of the remainder in the after condition is less than the value of the remainder as a portion of the whole before, the property suffers permanent severance damages. Damages can be caused by the actual taking or construction of the improvements in the manner proposed.

It is concluded that the larger parcel would have the same highest and best use after the acquisition and completion of the project, with no permanent damages concluded.

Project Benefits

In the after condition, the subject property will have similar utility to its before condition. Under California law, project benefits may only be used to offset severance damages. I have considered the potential benefits accruing to the subject property as a result of the construction of the improvements in the manner proposed. Because there are no damages to offset, the amount of the benefits, if any, from this project have not been calculated. Should it be determined there are damages, the appraiser reserves the right to calculate benefits.

Site Improvements in the Acquisition Area

No staking of the proposed acquisition area had occurred at the time of property inspection. However, based on inspection of the property, submitted engineers plat map, and aerial photos, it appears that the acquisition area is in a landscaped area (concrete strip/curb, mature tree, block wall, shrub hedge) that does not impact parking area, building area or access to the property. Site Improvements in this area are minimal. While the mature tree adjacent to the acquisition area will be protected in place, compensation to the property owners will be provided for the following impacted site improvements:

- 5 feet of brick wall
- 10-feet of concrete curb and gutter
- 5 feet of shrub hedge and accompanying irrigation

Per information from the client, it is assumed that the inlet drain in the acquisition area will be relocated, and that the irrigation serving the shrub hedge will be reconfigured to serve the balance of the hedge. A summary of the site improvement compensation is presented as follows:

Site Improvement Compensation											
Item	Type	Size (lf/sf)	RCN (l/s ft)	Cost Mult.	Local Mult.	Adj. Cost	Dep %	DRCN/PSF	DRCN	Install 50%	Total
Low-lying Wall	Brick	20	\$14.80	1.05	1.19	\$18.35	25%	\$13.76	\$275	\$138	\$413
Curb & Gutter	Concrete	10	\$32.00	1.05	1.19	\$39.68	25%	\$29.78	\$298	\$149	\$448
Shrub Hedge	Natal Plum	24	\$28.25	1.05	1.19	\$35.03	0%	\$35.03	\$841	\$420	\$1,261
Irrigation	Planter	24	\$10.60	1.05	1.19	\$13.14	0%	\$13.14	\$315	\$158	\$473
Fencing	Chain Link	10	\$27.75	1.05	1.19	\$34.41	25%	\$25.81	\$258	\$129	\$387
Totals									\$1,987	\$994	\$2,981

Valuation of TCE

TEMPORARY CONSTRUCTION EASEMENT							
	LAND VALUE/SF	SIZE (sf)	LAND VALUE	RATE OF RETURN	MONTHLY EASEMENT VALUE	MONTHS	VALUE
LAND RENT	\$25.00	150	\$3,750	8.0%	\$25	12	\$300
TEMPORARY CONSTRUCTION EASEMENT							\$300

Final Value Conclusions:

VALUATION SUMMARY		
	VALUE OPINIONS	VALUE OF PROPERTY RIGHTS
Value of the Larger Parcel	\$2,145,000	
Part Taken As Part of the Whole	\$3,900	\$3,900
Value of Remainder As Part of the Whole	\$2,141,100	
Value of Remainder in the After Condition	\$2,141,100	
Severage Damages	\$0	
Project Benefits	Not Calculated	
Net Severance Damages	\$0	
Temporary Construction Easement	\$300	\$300
Value of Improvements in Acquisition Area	\$2,981	\$2,981
TOTAL FAIR MARKET VALUE OF PROPOSED PROPERTY AND RIGHTS TAKEN		\$7,181
TOTAL FAIR MARKET VALUE OF PROPOSED PROPERTY AND RIGHTS TAKEN (ROUNDED)		\$7,200