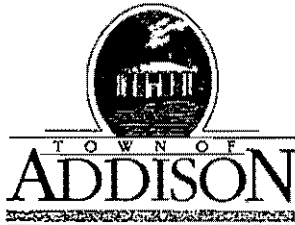


Oxford®

NO. D750 4/95

1997 KELLER SPRINGS TUNNEL - TUNNEL  
REAL ESTATE APPRAISALS

EXHIBIT A  
Airport Layout Plan



**CITY MANAGER'S DEPARTMENT**

• (214) 450-7000 • FAX (214) 960-7684

Post Office Box 144 Addison, Texas 75001-0144

5300 Belt Line Road

April 9, 1997

Mr. Otis Welch  
Federal Aviation Administration  
2601 Meacham Blvd.  
Fort Worth, Texas 76137-4298

Re: Keller Springs Toll Tunnel

Dear Otis:

The Town of Addison is excited about the prospect of meeting community and airport needs by constructing the Keller Springs Tunnel under Addison Airport. In working to bring this project forward, we are trying to address the FAA's concerns related to the project and the positive impact to the airport.

In reviewing your letter of December 18, 1996 it appears that we are approaching this from the position of surplus property. The Town does not believe that is the appropriate position. The property in question is not being disposed of, but is in fact still part of a roadway system that serves the airport. However, I will attempt to address your questions/issues as follows:

**The Town of Addison must address the following:**

**a. The land is no longer needed for aeronautical purposes:**

The Town of Addison is proposing to replace the 3 acres of land with 4 acres along the west side of the airport. This replacement will provide additional acreage expressly for airport use, thus making them no longer needed for aeronautical purposes.

**b. The airport is receiving fair market value for the property:**

The Texas Turnpike Authority (TTA) contracted with a professional appraiser to determine the fair market value of the property based on the State law pertaining to eminent domain taking. This appraisal valued the property at \$1.29 million. The Town, with the help of its real estate professionals Pat Haggerty and Marlin Blake, MAI, reviewed the appraisal and we negotiated a settlement of \$1.416 million for the affected property. It is our opinion that this settlement fairly compensates the Town/Airport for the taking.

**c. The Airport has an immediate need that can be accomplished using the sale proceeds:**

The proceeds of the sale will be invested in the following ways:

1. Purchase of 4 acres of property to replace the 3 acres affected by the tunnel.

Mr. Otis Welch  
April 9, 1997  
Page Two

2. Compensate leasehold investors, as required by law.
3. Pay for expenses associated with protecting the airport's interests relating to the right-of-way take by the Texas Turnpike Authority. The expenses include legal fees, appraisal expenses, and engineering fees associated with evaluating the impact of the tunnel and restructuring our agreements with our tenants.

In addition, the Town of Addison will supplement the TTA's funds to satisfy the affected participants and avoid litigation.

**The Town of Addison will need to formally request approval from the FAA for a release and sale. Your request should cover the following items:**

**a. What agreements with the United States obligates the land?**

The Town of Addison has fee interest in the affected property. This property was purchased with one of the following FAA grants 5-48-0063-01 or 5-48-863-02.

**b. What is requested?**

The Town of Addison respectfully requests that the FAA support the use of the property affected by the tunnel to permit the construction of this necessary infrastructure project. This includes 127,111 square feet (2.918 acres) of road right-of-way and 195,683 square feet (4.492 acres) of subsurface easement.

**c. Why the release of obligation is requested?**

The runway creates a physical barrier to the efficient movement of vehicles and goods in, across, and around the airport. The Town has evaluated a number of proposals to mitigate the congestion created in the community. Part of the solution includes constructing a tunnel under the airport that will connect east and west sections of Keller Springs, an arterial roadway that goes from Preston Road (State Highway 289) across IH-35E to Coppell in the west.

**d. What facts and circumstances justify the request?**

This project will benefit the airport by providing for the more efficient movement of vehicles and goods in, across and around the airport. It will provide better access to the aviation property on the west side of the field. While a total of three acres of airport property will be affected by the tunnel, the Town proposes to replace it with approximately four acres. This will provide additional land for continued development.

**e. What requirements of state or local law should be considered in the language of an FAA issued document if the request is granted?**

We are not aware of any specific language required by local or state law.

**f. What property is involved?**

See attached maps and descriptions.

**g. How was the property acquired by the town of Addison?**

The property was purchased by the Town of Addison from the original developers of the airport with an FAA grant and the appropriate sponsor match.

**h. What is the present condition of the property and how is it used?**

The property consists of a collection of hangar facilities. A total of 19 patio hangars, 23 T-hangars, and 2 jet hangars are affected by the construction. Currently, there are 21 aircraft in these facilities. It is our estimate that all but 5 to 10 of these aircraft can be placed in other T-hangers or patio hangars on the field and that there are multi-storage facilities available for the remainder without requiring investors to remove existing non-aviation uses from their hangars.

**i. How will the property be used?**

The property will be used to construct a tunnel under the runway that completes a missing link in Keller Springs Road, a major arterial roadway.

**j. What is the fair market value (FMV) of the property?**

It is our opinion that fair market value of the property and improvements are \$1.416 million based on the appraisal/negotiated settlement with the Texas Turnpike Authority.

**k. What will be done with the proceeds from the property?**

The Town of Addison will use the proceeds in the following ways:

1. To purchase 4 acres of replacement property.
2. To meet our obligations under the law to compensate the affected investors for their leasehold interest.
3. To pay for expenses that are not compensable under an eminent domain process associated with the taking by the TTA. These include professional services of legal counsel, real estate professionals, and engineering and surveying expenses incurred to reconfigure ground leases.

These proceeds will be supplemented with funds from the Town of Addison to satisfy the affected participants and avoid litigation.

Mr. Otis Welch  
April 9, 1997  
Page Four

- l. A comparison of the relative advantage or benefit to the airport from the sale of property as opposed to retention for rental income.**

After purchase of replacement property, the Town will actually have more leaseable property than before. It allows for more efficient use of the remaining hangars and provides an impetus for the redevelopment of the T-hangar areas to be more consistent with the airport master plan.

- m. Provide a scaled drawing showing all airport property and facilities currently obligated for airport purposes by agreements with the United States. Include the land appraisal for the land you request to be released.**

Attached is an airport layout plan, an exhibit "A" and property appraisals. A revised exhibit will be provided when the replacement property is purchased.

We appreciate your patience as we attempt to construct this important infrastructure project. As with most projects of this magnitude there is some impact to the adjacent properties. We believe our proposal fairly mitigates the affected properties.

Please call John Baumgartner at 972/450-2871 if you have any questions or need additional information regarding our submittal.

Sincerely,



Ron Whitehead  
City Manager

Attachments:

1. Airport layout plan
2. Exhibit "A"
3. Property appraisal

cc: Charles Carroll

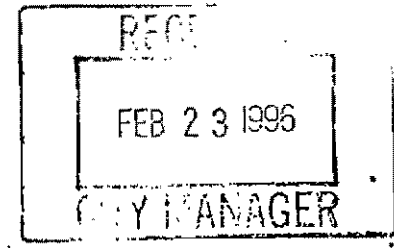


3015 Raleigh Street • P.O. Box 190369  
Dallas, Texas 75219  
Phone 214/522-6200  
Fax 214/528-4826

February 22, 1996

Town of Addison  
P.O. Box 144  
Addison, TX 75001

Attn: Mr. Ronald N. Whitehead  
City Manager



RE: Purchase of surface right-of-way tract and temporary construction easements, and donation of a subsurface easement (all designated as Parcel 13-5) situated in the Addison Airport, in the Town of Addison, Dallas County, Texas, being more particularly described as follows:

By Purchase:

- A. Surface Right of Way: 130,107 square feet or 3.987 acres out of a called 365.34 acre tract as conveyed to the Town of Addison by deed recorded in Volume 77010, Page 1391, Deed Records, Dallas County, Texas, and being out of the Wm. Lomax Survey, Abstract 792 and the E. Cook Survey, Abstract 326.
- B. Temporary Construction Easement No. 1: 68,911 square feet or 1.582 acres out of a called 365.34 acre tract as conveyed to the Town of Addison by deed recorded in Volume 77010, Page 1391, Deed Records, Dallas County, Texas, and being out of the Wm. Lomax Survey, Abstract 792 and the E. Cook Survey, Abstract 326.
- C. Temporary Construction Easement No. 2: 3,400 square feet or 0.078 acres out of a called 365.34 acre tract as conveyed to the Town of Addison by deed recorded in Volume 77010, Page 1391, Deed Records, Dallas County, Texas, and being out of the Wm. Lomax Survey, Abstract 792 and the E. Cook Survey, Abstract 326.
- D. Temporary Construction Easement No. 3: 4,902 square feet or 0.113 acres out of a called 365.34 acre tract as conveyed to the Town of Addison by deed recorded in Volume 77010, Page 1391, Deed Records, Dallas County, Texas, and being out of the Wm. Lomax Survey, Abstract 792 and the E. Cook Survey, Abstract 326.

MEMBERS: JERE W. THOMPSON, JR., CHAIRMAN, DALLAS • LUTHER G. JONES, JR., VICE CHAIRMAN, CORPUS CHRISTI  
ANNE S. WYNNE, AUSTIN • MICHAEL Y. CHOU, HOUSTON • DAVID M. LANEY, DALLAS • LORRAINE PERRYMAN, ODESSA  
TOMAS CARDENAS, JR., EL PASO • DAVID E. BERNSEN, BEAUMONT • LEAIRAY WROTEN, FAIRVIEW • RAUL A. BESTEIRO, JR., BROWNSVILLE  
WYNE A. KENNEDY, HOUSTON • PHILIP MONTGOMERY, DALLAS • JAMES W. GRIFFIN, EXECUTIVE DIRECTOR • JIMMIE G. NEWTON, SECRETARY • SUSAN A. BUSE, TREASURER

AN AGENCY OF THE STATE OF TEXAS

Mr. Ronald N. Whitehead  
Town of Addison  
February 22, 1996  
Page 2 of 3

- E. Permanent Subsurface Easement: 195,683 square feet or 4.492 acres out of a called 365.34 acre tract as conveyed to the Town of Addison by deed recorded in Volume 77010, Page 1391, Deed Records, Dallas County, Texas, and being out of the Wm. Lomax Survey, Abstract 792 and the E. Cook Survey, Abstract 326.

Ladies and Gentlemen:

The Texas Turnpike Authority (the "Authority") must obtain a portion of the Town of Addison's (the "City") property (Parcel 13-5) within the Addison Airport boundaries required for construction of the Addison Airport Toll Tunnel Project (the "Tunnel"). Two copies each of the legal description and plat of each of the above-referenced property interests to be acquired are being provided as attachments.

On the basis of appraisals made by a qualified appraiser, the Authority is hereby offering the City \$1,291,059 for the property required for the Tunnel. This amount is based on the fair market value for the following: (i) 130,107 square feet of surface easement for road right-of-way, valued as if fee title to the property were being acquired, and (ii) three temporary construction easements of 68,911 square feet, 3,400 square feet and 4,902 square feet, each, plus the current value of any improvements in the part taken, as well as any other damages to the remaining property.

Based upon prior discussions between the City and the Authority, it is the Authority's understanding that the City intends to donate approximately 195,683 square feet of subsurface area through which the Tunnel will be constructed. Consequently, the above offer excludes any compensation for the acquisition of subsurface area.

The enclosed plats do not include any encumbrances on the portion of the Addison Airport property to be acquired other than certain airplane hangers and related buildings, plus a few parking spaces in the right-of-way to be acquired from the premises currently occupied by Bill White's Ultimate Sports Bar and the Concourse Plaza office. If you find there are additional encumbrances to the property, we will need to investigate those jointly to determine if the Authority has an obligation to relocate or compensate the City for such additional encumbrances.

As we mentioned to the City staff during our meeting of November 28, 1995, it is the policy of the Authority, when purchasing right-of-way or any other property interests, that the owner of the land must satisfy such obligations as it may have to any lessees, optionees, mortgagees, or others who may own an interest in the land or improvements. Furthermore, we understand that the City is

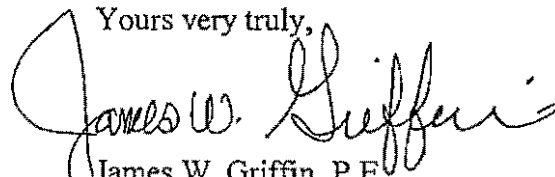
Mr. Ronald N. Whitehead  
Town of Addison  
February 22, 1996  
Page 3 of 3

prepared to negotiate with Addison Airport of Texas, Inc., and any other leasehold owner whose leasehold interests (or a portion thereof) will be acquired. In that regard, we intend to meet with the City's staff to review at 10:00 a.m. on March 1, 1996, the appraisals that have been prepared for acquisition of the above-described property.

If a sales agreement is executed between the City and the Authority, the Authority will pay all recording fees and title insurance costs.

After the City's staff has had an opportunity to meet with the Authority's staff to review the appraisal reports, if the City desires to accept this offer, please advise us as soon as possible so that a sales agreement can be drawn. Funds are available to purchase the property and a closing is possible within thirty days after execution of the sales agreement, provided any liens and judgments on the property required are released.

Yours very truly,



James W. Griffin, P.E.  
Executive Director

Enclosures

nlg



# MARLIN M. BLAKE & ASSOCIATES, INC.

REAL ESTATE APPRAISERS & CONSULTANTS  
FOREST ABRAMS PLACE SOUTH  
9304 FOREST LANE, SUITE 120 • DALLAS, TEXAS 75243  
TEL. (214) 340-8510 FAX (214) 553-1650

December 12, 1996

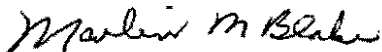
Town of Addison  
16801 Westgrove Drive  
Addison, Texas 75001-0144  
ATTN: Mr. John Baumgartner, P. E.  
Director of Public Works

Re: Appraisal Report  
Proposed Tunnel Connector for  
Keller Springs Road  
H & S Ventures  
Parcels J, K & L

Dear Mr. Baumgartner:

In accordance with your request I have reviewed the documents relating to the captioned parcel. I would propose to prepare an appraisal report on the property for a fee not to exceed \$2,200. I understand that time is of the essence and I would attempt to complete the report on or before December 31, 1996. It is difficult at this time of the year to reliably confirm market data for inclusion in the analysis. However, I will proceed diligently in order to satisfy your time constraints. I appreciate the opportunity to submit this proposal and hope to be of service to you in this matter.

Sincerely,



Marlin M. Blake, SRA

Accepted By:

 Date: 12-19-96

# MARLIN M. BLAKE & ASSOCIATES, INC.

REAL ESTATE APPRAISERS & CONSULTANTS  
FOREST ABRAMS PLACE SOUTH  
9304 FOREST LANE, SUITE 120 • DALLAS, TEXAS 75243  
TEL. (214) 340-8510 FAX (214) 553-1650

December 12, 1996

Town of Addison  
16801 Westgrove Drive  
Addison, Texas 75001-0144  
ATTN: Mr. John Baumgartner, P. E.  
Director of Public Works

Re: Appraisal Report  
Proposed Tunnel Connector for  
Keller Springs Road  
H & S Ventures  
Parcels J, K & L

Dear Mr. Baumgartner:

In accordance with your request I have reviewed the documents relating to the captioned parcel. I would propose to prepare an appraisal report on the property for a fee not to exceed \$2,200. I understand that time is of the essence and I would attempt to complete the report on or before December 31, 1996. It is difficult at this time of the year to reliably confirm market data for inclusion in the analysis. However, I will proceed diligently in order to satisfy your time constraints. I appreciate the opportunity to submit this proposal and hope to be of service to you in this matter.

Sincerely,

  
Marlin M. Blake, SRA

Accepted By:  Date: 12-19-96

ADDISON AIRPORT TUNNEL  
REAL ESTATE APPRAISAL REPORT

Parcel Number \_\_\_\_\_

Address Unallocated portions of right of way  
and temporary construction easements taken

Owner City of Addison

Address \_\_\_\_\_

Occupant's Name Addison Municipal Airport

Whole Taking \_\_\_\_\_ Partial Taking X

Purpose of the Appraisal

The purpose of this appraisal is to estimate the Market Value of the fee simple title encumbered by existing easements, if any, which are compatible to highway use of the subject property as of 12/20/95. It is being made for the Texas Turnpike Authority in connection with the investigation and defense of the claims by the owner of the property for compensation and damages, if any, arising out of the property acquisition by the Texas Turnpike Authority for right-of-way purposes. The estimates of value concluded herein will be used for settlement of such claims through negotiation or eminent domain proceedings.

Market Value may be defined as follows: "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged, to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonable adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."

Valuation

In my opinion the compensation due as a result of this taking is:

Owner \$ \_\_\_\_\_ Leasehold Interest \$ \_\_\_\_\_ Total \$ 120,121.

Appraiser's Certificate

I hereby certify that the opinion of value herein expressed has been reached after a careful examination of all pertinent data; that my fee is in no way contingent upon the value placed on the property; that neither I nor any employee in my service has directly or indirectly any financial or personal interest in or to the property appraised; and that should I or any employee in my service acquire any interest in or to the property appraised prior to the acquisition of the parcel by the Authority, I will immediately notify the Authority of such interest or interests.

12/20/95

Date Report Made

Charles P. Miller

Appraiser

REVIEWED BY:

[Signature]  
Director of Engineering

Approved by the Board of Directors Right-of-Way Committee on January 18, 1996

James W. Griffin  
James W. Griffin  
Executive Director

ATTACH ALL PERTINENT PICTURES

Parcel No. \_\_\_\_\_ Local Address \_\_\_\_\_

Date Taken \_\_\_\_\_ Taken by \_\_\_\_\_

1. Point from which taken \_\_\_\_\_ Looking \_\_\_\_\_

2. Point from which taken \_\_\_\_\_ Looking \_\_\_\_\_

DATA ON WHOLE PROPERTY

Legal Description Abstract 792, Addison Municipal Airport

Dimensions: Right of way taken 36,876 sq.ft. .8466 Acres  
 Location (Urban): Street & No. \_\_\_\_\_ on \_\_\_\_\_ side  
 between \_\_\_\_\_ and \_\_\_\_\_ streets.  
 (Rural): \_\_\_\_\_

Land Grant Survey

Neighborhood or Area Analysis: The Neighborhood is a commercial and industrial area, having restaurant, neighborhood service, office, office showroom and warehouse facilities. A major asset in the area is the Addison Airport, a general aviation operation. The subject is located on Airport property.

Highest and Best Use and Zoning of Subject Property: Airplane Storage, Industrial - 3

COST APPROACH WHOLE PROPERTY

N/A

Estimated Reproduction Cost:

Main Building: \_\_\_\_\_ ft. @ \$ \_\_\_\_\_ per square foot.....\$ \_\_\_\_\_  
 Parking Lot: \$ \_\_\_\_\_ per \_\_\_\_\_ ft .....\$ \_\_\_\_\_  
 Total Reproduction .....\$ \_\_\_\_\_  
 Less Accrued Depreciation:  
 Physical Deterioration.....\$ \_\_\_\_\_  
 Functional Obsolescence .....\$ \_\_\_\_\_  
 Economic Obsolescence .....\$ \_\_\_\_\_  
 Total Depreciation .....\$ \_\_\_\_\_  
 Value Building Contributes to Whole Property.....\$ \_\_\_\_\_

Garages: \_\_\_\_\_ ft. @ \$ \_\_\_\_\_ per \_\_\_\_\_ ft.....\$ \_\_\_\_\_  
 Less Depreciation .....\$ \_\_\_\_\_ \$ \_\_\_\_\_  
 Other (Detail).....\$ \_\_\_\_\_  
 Less Depreciation .....\$ \_\_\_\_\_ \$ \_\_\_\_\_

Depreciated Value:  
 Landscaping \$ \_\_\_\_\_, Fencing \$ \_\_\_\_\_,  
 Walks \$ \_\_\_\_\_, Drives \$ \_\_\_\_\_ .....\$ \_\_\_\_\_

Value Improvements Contribute to Whole Property .....\$ \_\_\_\_\_

LAND.....\$ \_\_\_\_\_ per.....\$ \_\_\_\_\_

ESTIMATED VALUE BY COST APPROACH.....\$ \_\_\_\_\_

Comment on Depreciation Factors:

MARKET DATA APPROACH WHOLE PROPERTY  
(Land Comparables)

Purchase Price of Subject Property \$ \_\_\_\_\_ Date \_\_\_\_\_

Improvements Since Purchase and Estimated Cost:

Lease Terms or Rental Agreement:

Sales and Information of Comparable Properties

SALE NO.	1	2	3
SALE DATE	10/31/94	3/21/95	04/17/95
GRANTOR-GRANTEE	Hope Inv. Ltd. Addison, Ltd.	M&F Development Co Diversco Mann	Chaiu Chin AER
SALE CONFIRMED WITH	Kent Hope	George Roddy	Pat Haggerty
ADDRESS & LOCATION IN RELATION TO SUBJECT	4901 Airport Pkwy, 344.47' E Addison Rd 1 Blk South	4500 blk Sunbelt, Approx. 667' W. of Addison Rd 5 blks N.	2030 Chenault @ Earhart southeast corner
ACTUAL SALE PRICE	\$742,000.	\$125,000.	\$530,500.
CONDITIONS OF SALE	Cash	Cash	Cash
ESTIMATED UNIT PRICE	\$3.10	\$2.76	\$3.00
LEASE OR RENTAL DATA			
CURRENT USAGE	Federal Express Distribution Facility	Unimproved	Warehouse under Construction
HIGHEST & BEST USE	Commercial	Commercial	Commercial
SIZE	5.4963 Acres	1.0382 Acres.	4 Acres
PHYSICAL FEATURES			
IMPROVEMENTS	None at sale	None at sale	None at sale

Correlation of Comparable Sales To Subject Property:

Use Additional Pages If Necessary

Estimated Land Value of Market Data  
Approach \$ 110,628.

INCOME APPROACH WHOLE PROPERTY

N/A

JUSTIFICATION OF RATE AND METHOD OF CAPITALIZATION: \_\_\_\_\_

Estimated remaining economic life of improvements	
Stabilized Gross Income.....	\$ _____
Vacancy _____ %.....	_____
Effective Gross Income.....	\$ _____
Taxes:	
City.....	\$ _____
State & County.....	\$ _____
Miscellaneous (School, etc.).....	\$ _____
Insurance:	
Fire & Extended Coverage.....	\$ _____
Miscellaneous.....	\$ _____
Annual Deferred Maintenance.....	\$ _____
Management _____ %.....	\$ _____
Operating Expenses .....	\$ _____
Other Expenses .....	\$ _____
Total Expenses before Depreciation .....	\$ _____
Net Income to Property.....	\$ _____
Less Income Attributable to (Land).....	\$ _____ @ _____ %.....\$ _____
Income Attributable to (Improvements) .....	\$ _____
Income Capitalized @ _____ % ( _____ % Interest _____ % for Recapture of Capital)....	\$ _____
(Land) (Improvements) .....	\$ _____
ESTIMATED VALUE BY CAPITALIZATION APPROACH .....	\$ _____

ADDITIONAL APPRAISAL INFORMATION

FINAL ESTIMATE OF VALUE  
OF WHOLE PROPERTY

Correlaton of Approaches to Value

See Page 6A

Estimated Value of Whole Property

Owner \$ \_\_\_\_\_ Leasehold \$ \_\_\_\_\_ .....\$ \_\_\_\_\_

---



## 6A CORRELATION

The City of Addison owns Addison Airport, which comprises approximately 360 acres of land. Addison Airport of Texas, Inc. operates, manages, and subleases the airport property. Unless renewed, this agreement terminates on December 31, 2000.

There are three approaches to value that may be utilized to estimate fair market value of the subject - Market, Income & Reproduction or Replacement Cost.

The Market Approach to Value is a basis for estimating value based upon units of comparison derived from sales of similar properties in the marketplace. Those units of comparison are then applied to the subject property to arrive at a range of values which should be indicative of the market estimate of value for the subject property.

The Income Approach to Value is based upon an analysis of the income stream of the property and comparison of that income stream with income streams of similar properties. This calculation and analysis results in a net income stream attributable to the real estate. That income is then capitalized at a rate which is commensurate with the rates expressed in the marketplace by investors for similar properties. The resulting figure is an income estimate of value.

The Cost Approach to Value embraces the philosophy that the reproduction costs or the principal of substitution for a property should limit the upper side of value. In this approach to value the appraiser calculates the market value of the site, the reproduction cost of the improvements less any applicable depreciation, then combines these two items to arrive at a cost estimate of value.

The market approach has been used to estimate the value of the land.

Sale #1 is located one block south of the subject and east of Addison Road. This comparable is slightly superior to the subject as Airport Parkway connects Addison Road and the Dallas North Tollway. Federal Express has constructed a distribution facility on this property.

Sale #2 is approximately 5 blocks north of the subject on a secondary street occupied by office showroom and warehouse facilities.

Sale #3 is west of the subject and on the west side of Addison Airport in an office warehouse neighborhood. An office warehouse facility is currently under construction on this property.

The market approach is used to determine the value of the land and it is the most reliable indicator of the value of the subject. These comparables give an accurate value for land in the vicinity of Addison Airport used for commercial and warehouse uses. After analyzing these sales, a value of \$3.00 per square foot is selected as fair market value of the land before the taking for the land taken, and for the land value after the taking.

This report values the unallocated portion of the property taken from the City of Addison contained in the Addison Municipal Airport that has not been considered as being related to a particular hanger or structure which has been valued previously with the tunnel project. Of the 130,107 square feet taken for right of way, 36,876 square feet are unallocated. Of the 77,213 square feet taken under the temporary construction easement, 15,068 square feet are unallocated.

At \$3. multiplied times 36,876 square feet, the fair market value of unallocated land taken for right of way equals \$110,628.

The temporary construction easement will be needed for two years. That compensation for the unallocated portion of the temporary construction easement will be equal to 10.5% of the fair market value of the land for that period or \$9,493. (15,068 sq.ft. x \$3. x 10.5% x 2 yrs = \$9,492.84).

The unallocated portions of the property taken for right of way and for the construction easement cause no damage to the remaining property.

Total just compensation is summarized as follows:

Right of Way Taken	\$110,628.
Construction Easement Taken	9,493. -----
Total Just Compensation	\$120,121.

DATA ON PARTIAL TAKING

Legal Description Part Taken Abstract 792, Addison Municipal Airport

Dimensions: Right of way taken 36,876 sq.ft. .8466 Acres

WHOLE PROPERTY:

The market value of the whole property is .....\$ 110,628.

PART TAKEN:

The market value of the fee simple title, less oil, gas and sulphur, to the part being taken for highway purposes, considered as a severed tract is:.....\$110,628. (1)

REMAINING PROPERTY:

The market value of the remainder immediately before the taking is:.....\$ \_\_\_\_\_ (2)

Considering the use to which the part taken is to be subjected to, the market value of the remainder immediately after the taking is:.....\$ \_\_\_\_\_ (3)

NET DAMAGES, if any .....\$ \_\_\_\_\_

SIGN ADJUSTMENT COSTS, if any .....\$ \_\_\_\_\_

TOTAL COMPENSATION.....\$110,628.

APPRAISALS OF PART TAKEN AND REMAINDER

Highest and Best Use of

Part Taken \_\_\_\_\_  
 Remainder Before Taking \_\_\_\_\_  
 Remainder after taking considering the use to which the part taken is to be subjected \_\_\_\_\_

Contributory Value of Improvements

Part Taken

Remainder Before Taking

Remainder After Taking

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

RIGHT OF WAY LAND-36,876 SQ.FT.

\$110,628.

TOTAL AS A UNIT

\$110,628. (1)    \$ -0- (2)    \$ -0- (3)

CONSTRUCTION EASEMENT

+ 9,493.  
\$120,121.

Explain difference, if any, between Remainder Before and After Taking (If extra space needed, use attachment.)

COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Hope Investment Ltd. Grantee Addison Ltd.

Dated 10/31/94 Recorded in Volume 94210 Page 3570

Local Address 4901 Airport Parkway

Legal Description Abst. 482, Tract 30, Addison, TX

Actual Price \$742,000. Verified With Kent Hope

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 5.4963 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$3.10

Street Curb & Gutter Utilities \_\_\_\_\_

Improvements None at sale

Size and Description \_\_\_\_\_

Condition and Desirability Minor dirt work to aid drainage from balance of the tract of which this is a part.

Current Use Fed Ex Distribution Facility Highest and Best Use Commercial

Date Inspected 7/15/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

  
 \_\_\_\_\_  
 Appraiser

COMPARABLE SALES DATA SUPPLEMENT



'95 12 23

Diversco Sale &

Sales Parties: Grantor M & F Development Co., Inc. Grantee Manufacturing

Dated 3/21/95 Recorded in Volume 95055 Page 463

Local Address 4500 Block Sunbelt Drive

Legal Description West 1/2, Tract 13 Sunbelt Business Park Addition, Addison, TX

Actual Price \$125,000. Verified With George Roddy

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 1.0382 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$2.76

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale

Size and Description Level, ready for development

Condition and Desirability \_\_\_\_\_

Current Use Unimproved Highest and Best Use Light Industrial & Commercial

Date Inspected 7/15/95 Zoning Commercial -1

Use reverse side for other pertinent information \_\_\_\_\_

*Charles G. Miller*

Appraiser

COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Chau Chin Grantee AER

Dated 4/14/95 Recorded in Volume 95074 Page 668

Local Address 2030 Chenault, Carrollton, TX

Legal Description Abstract 923, Tract 20

Actual Price \$530,500. Verified With Pat Haggerty

Conditions of Sale Cash

Rental Data \_\_\_\_\_

Land Size 4.0592 Acres Unit Price: As Improved \_\_\_\_\_ ; Unimproved \$3.00

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale

Size and Description \_\_\_\_\_

Condition and Desirability \_\_\_\_\_

Current Use Warehouse under constructon Highest and Best Use Commercial

Date Inspected 10/22/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

*Charles B. Miller*  
 \_\_\_\_\_  
 Appraiser

**ADDISON AIRPORT TUNNEL  
REAL ESTATE APPRAISAL REPORT**

Parcel Number Parcel A

Address 4700 Block Keller Springs Rd., Addison  
Texas

Owner \_\_\_\_\_

Address \_\_\_\_\_

Occupant's Name City of Addison

Whole Taking \_\_\_\_\_ Partial Taking X

**Purpose of the Appraisal**

The purpose of this appraisal is to estimate the Market Value of the fee simple title encumbered by existing easements, if any, which are compatible to highway use of the subject property as of 12/20/95. It is being made for the Texas Turnpike Authority in connection with the investigation and defense of the claims by the owner of the property for compensation and damages, if any, arising out of the property acquisition by the Texas Turnpike Authority for right-of-way purposes. The estimates of value concluded herein will be used for settlement of such claims through negotiation or eminent domain proceedings.

Market Value may be defined as follows: "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged, to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonable adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."

**Valuation**

In my opinion the compensation due as a result of this taking is:

Owner \$ \_\_\_\_\_ Leasehold Interest \$ \_\_\_\_\_ Total \$ 15,631

**Appraiser's Certificate**

I hereby certify that the opinion of value herein expressed has been reached after a careful examination of all pertinent data; that my fee is in no way contingent upon the value placed on the property; that neither I nor any employee in my service has directly or indirectly any financial or personal interest in or to the property appraised; and that should I or any employee in my service acquire any interest in or to the property appraised prior to the acquisition of the parcel by the Authority, I will immediately notify the Authority of such interest or interests.

12/20/95

Date Report Made

Charles B. Miller

Appraiser

REVIEWED BY:

[Signature]

Director of Engineering

Approved by the Board of Directors Right-of-Way Committee on January 18, 1996

[Signature]  
James W. Griffin  
Executive Director

ATTACH ALL PERTINENT PICTURES

Parcel No. \_\_\_\_\_ Local Address 4700 Block Keller Springs Road

Date Taken 9/7/95 Taken by Charles (Bo) Miller

1. Point from which taken Adjacent Property Looking West





DATA ON WHOLE PROPERTY

Legal Description Abstract 326, Addison Municipal Airport

Dimensions: \_\_\_\_\_ feet x \_\_\_\_\_ feet = 4,674 sq.ft. .1078 Acres  
 Location (Urban): Street & No. \_\_\_\_\_ on \_\_\_\_\_ side  
 between \_\_\_\_\_ and \_\_\_\_\_ streets.  
 (Rural): \_\_\_\_\_

Land Grant Survey

Neighborhood or Area Analysis: The Neighborhood is a commercial and industrial area, having restaurant, neighborhood service, office, office showroom and warehouse facilities. A major asset in the area is the Addison Airport, a general aviation operation. The subject is located on Airport property.

Highest and Best Use and Zoning of Subject Property: Airplane Storage, Industrial - 3

COST APPROACH WHOLE PROPERTY

Estimated Reproduction Cost:

Main Building: _____ ft. @ \$ _____ per square foot	.....\$ _____
Parking Lot: \$1.15 per square ft. 225 sq.ft.	.....\$ <u>259.</u>
Total Reproduction .....	\$ <u>259.</u>
Less Accrued Depreciation:	
Physical Deterioration .....	\$ _____
Functional Obsolescence .....	\$ _____
Economic Obsolescence .....	\$ _____
Total Depreciation .....	\$ _____
Value Building Contributes to Whole Property.....	\$ <u>259.</u>

Garages: _____ ft. @ \$ _____ per _____ ft.	.....\$ _____
Less Depreciation .....	\$ _____ \$ _____

Other (Detail)...Fencing @ \$6/linear foot x 215 ft.	.....\$ <u>1,290.</u>
Less Depreciation .....	\$ _____ \$ <u>1,290.</u>

Depreciated Value:

Landscaping \$ _____, Fencing \$ _____,	
Walks \$ _____, Drives \$ _____	.....\$ _____
Value Improvements Contribute to Whole Property .....	\$ <u>1,549.</u>

LAND.....4,694 square feet \$3.00 per sq.ft.	.....\$ <u>14,082.</u>
--	------------------------

ESTIMATED VALUE BY COST APPROACH.....	\$ <u>15,631.</u>
---------------------------------------	-------------------

Comment on Depreciation Factors:

**MARKET DATA APPROACH WHOLE PROPERTY**  
(Land Comparables)

Purchase Price of Subject Property \$ \_\_\_\_\_ Date \_\_\_\_\_

Improvements Since Purchase and Estimated Cost:

Lease Terms or Rental Agreement:

Sales and Information of Comparable Properties

SALE NO.	1	2	3
SALE DATE	10/31/94	3/21/95	04/17/95
GRANTOR-GRANTEE	Hope Inv. Ltd. Addison, Ltd.	M&F Development Co Diversco Mann	Chaiu Chin AER
SALE CONFIRMED WITH	Kent Hope	George Roddy	Pat Haggerty
ADDRESS & LOCATION IN RELATION TO SUBJECT	4901 Airport Pkwy, 344.47' E Addison Rd 1 Blk South	4500 blk Sunbelt, Approx. 667' W. of Addison Rd 5 blks N.	2030 Chenault @ Earhart southeast corner
ACTUAL SALE PRICE	\$742,000.	\$125,000.	\$530,500.
CONDITIONS OF SALE	Cash	Cash	Cash
ESTIMATED UNIT PRICE	\$3.10	\$2.76	\$3.00
LEASE OR RENTAL DATA			
CURRENT USAGE	Federal Express Distribution Facility	Unimproved	Warehouse under Construction
HIGHEST & BEST USE	Commercial	Commercial	Commercial
SIZE	5.4963 Acres	1.0382 Acres.	4 Acres
PHYSICAL FEATURES			
IMPROVEMENTS	None at sale	None at sale	None at sale

Correlation of Comparable Sales To Subject Property:

Use Additional Pages If Necessary

Estimated Land Value of Market Data  
Approach \$ 14,082. \_\_\_\_\_

N/A

INCOME APPROACH WHOLE PROPERTY

JUSTIFICATION OF RATE AND METHOD OF CAPITALIZATION: \_\_\_\_\_

---

Estimated remaining economic life of improvements \_\_\_\_\_

Stabilized Gross Income.....\$ \_\_\_\_\_

Vacancy \_\_\_\_\_ %..... \_\_\_\_\_

Effective Gross Income.....\$ \_\_\_\_\_

Taxes:

City.....\$ \_\_\_\_\_

State & County.....\$ \_\_\_\_\_

Miscellaneous (School, etc.).....\$ \_\_\_\_\_

Insurance:

Fire & Extended Coverage.....\$ \_\_\_\_\_

Miscellaneous.....\$ \_\_\_\_\_

Annual Deferred Maintenance.....\$ \_\_\_\_\_

Management \_\_\_\_\_ %.....\$ \_\_\_\_\_

Operating Expenses .....\$ \_\_\_\_\_

Other Expenses.....\$ \_\_\_\_\_

Total Expenses before Depreciation .....\$ \_\_\_\_\_

Net Income to Property.....\$ \_\_\_\_\_

Less Income Attributable to (Land)..... \$ \_\_\_\_\_ @ \_\_\_\_\_ %.....\$ \_\_\_\_\_

Income Attributable to (Improvements) .....\$ \_\_\_\_\_

Income Capitalized @ \_\_\_\_\_ % ( \_\_\_\_\_ % Interest \_\_\_\_\_ % for Recapture of Capital).....\$ \_\_\_\_\_

(Land) (Improvements) .....\$ \_\_\_\_\_

---

ESTIMATED VALUE BY CAPITALIZATION APPROACH .....\$ \_\_\_\_\_

---

ADDITIONAL APPRAISAL INFORMATION

FINAL ESTIMATE OF VALUE  
OF WHOLE PROPERTY

Correlaton of Approaches to Value

See 6A

Estimated Value of Whole Property

Owner \$ \_\_\_\_\_ Leasehold \$ \_\_\_\_\_ .....\$ \_\_\_\_\_

---

## 6A CORRELATION

The City of Addison owns Addison Airport, which comprises approximately 360 acres of land. Addison Airport of Texas, Inc. operates, manages, and subleases the airport property. Unless renewed, this agreement terminates on December 31, 2000. Several ground leases extend beyond that date. This property is under a ground lease with an original term of forty years, as of November 1, 1995. Twenty three (23) years, three (3) months remain on the lease.

For purposes of this report, it is assumed that the property is owned and operated by the fee owner. The fair market value estimated herein does not attempt to determine the value of the leased fee, the sublease position (sandwich position) of the airport management or the leasehold estate created by the lease for the tenant currently in possession of the property.

There are three approaches to value that may be utilized to estimate fair market value of the subject - Market, Income & Reproduction or Replacement Cost.

The Market Approach to Value is a basis for estimating value based upon units of comparison derived from sales of similar properties in the marketplace. Those units of comparison are then applied to the subject property to arrive at a range of values which should be indicative of the market estimate of value for the subject property.

The Income Approach to Value is based upon an analysis of the income stream of the property and comparison of that income stream with income streams of similar properties. This calculation and analysis results in a net income stream attributable to the real estate. That income is then capitalized at a rate which is commensurate with the rates expressed in the marketplace by investors for similar properties. The resulting figure is an income estimate of value.

The Cost Approach to Value embraces the philosophy that the reproduction costs or the principal of substitution for a property should limit the upper side of value. In this approach to value the appraiser calculates the market value of the site, the reproduction cost of the improvements less any applicable depreciation, then combines these two items to arrive at a cost estimate of value.

The market approach has been used to estimate the value of the land.

Sale #1 is located one block south of the subject and east of Addison Road. This comparable is slightly superior to the subject as Airport Parkway connects Addison Road and the Dallas North Tollway. Federal Express has constructed a distribution facility on this property.

Sale #2 is approximately 5 blocks north of the subject on a secondary street occupied by office showroom and warehouse facilities.

Sale #3 is west of the subject and on the west side of Addison Airport in an office warehouse neighborhood. An office warehouse facility is currently under construction on this property.

These comparables give an accurate value for land in the vicinity of Addison Airport used for commercial and warehouse uses. After analyzing these sales, a value of \$3.00 per square foot is selected as fair market value of the land before the taking and for the land taken. At \$3.00 per square foot the fair market value of the land is taken for right of way equals \$14,082. (4,694 sq.ft. x \$3).

The cost approach is the most reliable indicator of value of the subject. There is no damage to the remaining property.

Total just compensation is summarized as follows:

Improvement Taken	\$ 1,549.
Right of Way Taken	14,082.
	-----
Total Just Compensation	\$15,631.

DATA ON PARTIAL TAKING

Legal Description Part Taken \_\_\_\_\_

Dimensions \_\_\_\_\_ x \_\_\_\_\_ = 4,694 Sq.Ft. .1078 Acres

WHOLE PROPERTY:

The market value of the whole property is .....\$ 15,631.

PART TAKEN:

The market value of the fee simple title, less oil, gas and sulphur, to the part being taken for highway purposes, considered as a severed tract is:.....\$15,631. (1)

REMAINING PROPERTY:

The market value of the remiander immediately before the taking is:.....\$ (2)

Considering the use to which the part taken is to be subjected to, the market value of the remainder immediately after the taking is:.....\$ (3)

NET DAMAGES, if any .....\$ -0-  
 SIGN ADJUSTMENT COSTS, if any.....\$ -0-  
 TOTAL COMPENSATION.....\$15,631.

APPRAISALS OF PART TAKEN AND REMAINDER

Highest and Best Use of  
 Part Taken \_\_\_\_\_  
 Remainder Before Taking \_\_\_\_\_  
 Remainder after taking considering the use to which the part taken is to be subjected \_\_\_\_\_

Contributory Value of Improvements	Part Taken	Remainder Before Taking	Remainder After Taking
Paving 2,256 sf @ \$1.15	\$ 259. 1,290.	-0-	-0-
TOTAL IMPROVEMENTS	1,549.		
LAND 4,694 SF @ \$3.	14,082.	-0-	-0-
TOTAL AS A UNIT	\$15,631. (1)	-0- (2)	-0- (3)



Sales Parties: Grantor Hope Investment Ltd. Grantee Addison Ltd.

Dated 10/31/94 Recorded in Volume 94210 Page 3570

Local Address 4901 Airport Parkway

Legal Description Abst. 482, Tract 30, Addison, TX

Actual Price \$742,000. Verified With Kent Hope

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 5.4963 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$3.10

Street Curb & Gutter Utilities \_\_\_\_\_

Improvements None at sale

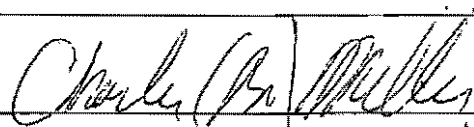
Size and Description \_\_\_\_\_

Condition and Desirability Minor dirt work to aid drainage from balance of the tract of which this is a part.

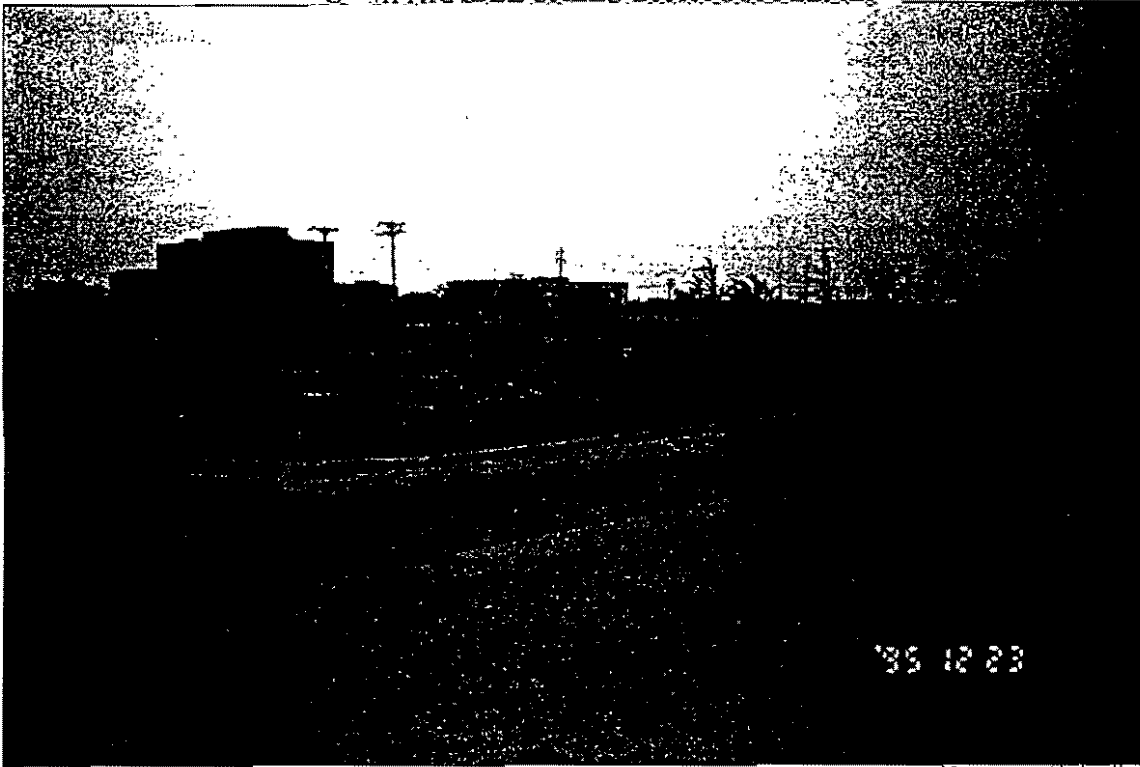
Current Use Fed Ex Distribution Facility Highest and Best Use Commercial

Date Inspected 7/15/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

  
 \_\_\_\_\_  
 Appraiser





85 12 23

Diversco Sale &

Sales Parties: Grantor M & F Development Co., Inc. Grantee Manufacturing

Dated 3/21/95 Recorded in Volume 95055 Page 463

Local Address 4500 Block Sunbelt Drive

Legal Description West 1/2 Tract 13 Sunbelt Business Park Addition, Addison, TX

Actual Price \$125,000. Verified With George Roddy

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 1.0382 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$2.76

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale

Size and Description Level, ready for development

Condition and Desirability \_\_\_\_\_

Current Use Unimproved Highest and Best Use Light Industrial & Commercial

Date Inspected 7/15/955 Zoning Commercial -1

Use reverse side for other pertinent information \_\_\_\_\_

*Charles W. Miller*  
 \_\_\_\_\_  
 Appraiser



Sales Parties: Grantor Chau Chin Grantee AER

Dated 4/14/95 Recorded in Volume 95074 Page 668

Local Address 2030 Chenault, Carrollton, TX

Legal Description Abstract 923, Tract 20

Actual Price \$530,500 Verified With Pat Haggerty

Conditions of Sale Cash

Rental Data \_\_\_\_\_

Land Size 4.0592 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$3.00

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale

Size and Description \_\_\_\_\_

Condition and Desirability \_\_\_\_\_

Current Use Warehouse under construction Highest and Best Use Commercial

Date Inspected 10/22/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

*Charles B. Miller*  
 \_\_\_\_\_  
 Appraiser

ADDISON AIRPORT TUNNELL  
REAL ESTATE APPRAISAL REPORT

Parcel Number \_\_\_\_\_

Address 16051 Addison Road

Owner City of Addison

Address \_\_\_\_\_

Occupant's Name Concourse Plaza

Whole Taking \_\_\_\_\_ Partial Taking X

Purpose of the Appraisal

The purpose of this appraisal is to estimate the Market Value of the fee simple title encumbered by existing easements, if any, which are compatible to highway use of the subject property as of 12/20/95. It is being made for the Texas Turnpike Authority in connection with the investigation and defense of the claims by the owner of the property for compensation and damages, if any, arising out of the property acquisition by the Texas Turnpike Authority for right-of-way purposes. The estimates of value concluded herein will be used for settlement of such claims through negotiation or eminent domain proceedings.

Market Value may be defined as follows: "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged, to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonable adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."

Valuation

In my opinion the compensation due as a result of this taking is:

Owner \$ \_\_\_\_\_ Leasehold Interest \$ \_\_\_\_\_ Total \$ 34,260.

Appraiser's Certificate

I hereby certify that the opinion of value herein expressed has been reached after a careful examination of all pertinent data; that my fee is in no way contingent upon the value placed on the property; that neither I nor any employee in my service has directly or indirectly any financial or personal interest in or to the property appraised; and that should I or any employee in my service acquire any interest in or to the property appraised prior to the acquisition of the parcel by the Authority, I will immediately notify the Authority of such interest or interests.

12/20/95

Date Report Made

Appraiser

REVIEWED BY:

Director of Engineering

Approved by the Board of Directors Right-of-Way Committee on January 18, 1996

James W. Griffin  
Executive Director

ATTACH ALL PERTINENT PICTURES

Parcel No. \_\_\_\_\_ Local Address 16051 Addison Road

Date Taken 9/7/95 Taken by Charles (Bo) Miller

1. Point from which taken Keller Springs Looking South



2. Point from which taken Addison Road Looking West

DATA ON WHOLE PROPERTY

Legal Description Abstract 326, Addison Municipal Airport

Dimensions: \_\_\_\_\_ feet x \_\_\_\_\_ feet = 72,348.19 sq.ft. 1.661 Acres

Location (Urban): Street & No. \_\_\_\_\_ on \_\_\_\_\_

between \_\_\_\_\_ and \_\_\_\_\_ streets.

(Rural): \_\_\_\_\_

Land Grant Survey

Neighborhood or Area Analysis: The Neighborhood is a commercial and industrial area, having restaurant, neighborhood service, office, office showroom and warehouse facilities. A major asset in the area is the Addison Airport, a general aviation operation. The subject is located on Airport property

Highest and Best Use and Zoning of Subject Property: Office use

COST APPROACH WHOLE PROPERTY

Estimated Reproduction Cost:

42,600 \$70.00 sq.ft...\$2,982,000.

Main Building: 7,525 ft. @ \$23.00 per sq.ft...\$ 173,075. \$3,155,075.

Parking Lot: \$43,523.@ \$2. per square ft .....\$ 87,046.

Total Reproduction .....\$3,242,121.

Less Accrued Depreciation:

Physical Deterioration.....25%.....\$ 810,530.

Functional Obsolescence .....\$ -0-

Economic Obsolescence .....\$ -0-

Total Depreciation .....\$ 810,530.

Value Building Contributes to Whole Property.....\$2,431,591

Garages: \_\_\_\_\_ ft. @ \$ \_\_\_\_\_ per \_\_\_\_\_ ft.....\$ \_\_\_\_\_

Less Depreciation .....\$ \_\_\_\_\_ \$ \_\_\_\_\_

Other (Detail).....\$ \_\_\_\_\_

Less Depreciation .....\$ \_\_\_\_\_ \$ \_\_\_\_\_

Depreciated Value:

Landscaping \$ \_\_\_\_\_, Fencing \$ \_\_\_\_\_,

Walks \$ \_\_\_\_\_, Drives \$ \_\_\_\_\_ .....\$2,431,591.

Value Improvements Contribute to Whole Property .....\$ \_\_\_\_\_

LAND.....72,348.19 per \$5.00 per square foot.....\$ 361,741.

ESTIMATED VALUE BY COST APPROACH.....\$2,793,332.

Comment on Depreciation Factors

MARKET DATA APPROACH WHOLE PROPERTY  
(Land Comparables)

Purchase Price of Subject Property \$ \_\_\_\_\_ Date \_\_\_\_\_

Improvements Since Purchase and Estimated Cost:

Lease Terms or Rental Agreement:

Sales and Information of Comparable Properties

SALE NO.	1	2	3
SALE DATE	10/31/94	7/19/95	10/2/95
GRANTOR-GRANTEE	Hope Inv. Ltd. Addison, Ltd.	USA Metroport Realty Corp.	Hope Inv. Ltd., State Farm Mutual Auto Insurance
SALE CONFIRMED WITH	Kent Hope	George Roddy	Kent Hope
ADDRESS & LOCATION IN RELATION TO SUBJECT	4901 Airport Pkwy, 344.47' E Addison Rd 1 Blk South	Extension of Frank Luke	N/E/C Addison Rd @ Airport Pkwy, 1 Blk South
ACTUAL SALE PRICE	\$742,000.	\$135,000.	\$600,000.
CONDITIONS OF SALE	Cash	Cash	Cash
ESTIMATED UNIT PRICE	\$3.10	\$4.08	\$5.60
LEASE OR RENTAL DATA			
CURRENT USAGE	Federal Express Distribution Facility	Unimproved	Unimproved
HIGHEST & BEST USE	Commercial	Commercial Hanger	Commercial
SIZE	5.4963 Acres	33.105 sq.ft.	2.5 Acres
PHYSICAL FEATURES	Some fill required	Level adj. to hanger	Fill and drainage req. by Seller
IMPROVEMENTS	None at sale	None at sale	None at sale

Correlation of Comparable Sales To Subject Property:

INCOME APPROACH WHOLE PROPERTY

JUSTIFICATION OF RATE AND METHOD OF CAPITALIZATION: \_\_\_\_\_

---

---

Estimated remaining economic life of improvements _____	
40,515 sf @ 12.50/sf, plus hanger income \$15,600 and other income \$10,000.	
Stabilized Gross Income: hanger & other income.....	\$532,037.
Vacancy 10 _____ %.....	53,203.
Effective Gross Income.....	\$478,834.
Taxes:	
City.....	\$ _____
State & County..... 1995.....	\$ 28,600.
Miscellaneous (School, etc.).....	\$ _____
Insurance:	
Fire & Extended Coverage.....	\$ 9,000.
Miscellaneous.....	\$ _____
Annual Deferred Maintenance.....	\$ 47,500.
Management _____ 4 % x.....	\$ 19,153.
Operating Expenses.....	\$ 169,500.
Other Expenses Tenant Improvements & Comm.....	\$ 46,000.
Total Expenses before Depreciation.....	\$ 319,753.
Net Income to Property.....	\$ 159,081.
Less Income Attributable to (Land) _____ \$361,741. @ 10 %.....	\$ 36,174.
Income Attributable to (Improvements).....	\$ 122,907.
Income Capitalized @ 10 _____ %.....	\$1,229,070.
(Land) (Improvements).....	\$ 361,741.
ESTIMATED VALUE BY CAPITALIZATION APPROACH.....	\$1,590,811.
	(Say) \$1,591,000.

---

---

ADDITIONAL APPRAISAL INFORMATION

FINAL ESTIMATE OF VALUE  
OF WHOLE PROPERTY

Correlaton of Approaches to Value

See Page 6A

Estimated Value of Whole Property

Owner \$ \_\_\_\_\_ Leasehold \$ \_\_\_\_\_ ..... \$ \_\_\_\_\_

---



The City of Addison owns Addison Airport, which comprises approximately 360 acres of land. Addison Airport of Texas, Inc. operates, manages, and subleases the airport property. Unless renewed, this agreement terminates on December 31, 2000. Several ground leases extend beyond that date. This property is under a ground lease with an original term of forty years, as of November 1, 1995. Twenty eight (28) years, eleven (11) months remain on the lease.

For purposes of this report, it is assumed that the property is owned and operated by the fee owner. The fair market value estimated herein does not attempt to determine the value of the leased fee, the sublease position (sandwich position) of the airport management or the leasehold estate created by the lease for the tenant currently in possession of the property.

There are three approaches to value that may be utilized to estimate fair market value of the subject - Market, Income & Reproduction or Replacement Cost.

The Market Approach to Value is a basis for estimating value based upon units of comparison derived from sales of similar properties in the marketplace. Those units of comparison are then applied to the subject property to arrive at a range of values which should be indicative of the market estimate of value for the subject property.

The Income Approach to Value is based upon an analysis of the income stream of the property and comparison of that income stream with income streams of similar properties. This calculation and analysis results in a net income stream attributable to the real estate. That income is then capitalized at a rate which is commensurate with the rates expressed in the marketplace by investors for similar properties. The resulting figure is an income estimate of value.

The Cost Approach to Value embraces the philosophy that the reproduction costs or the principal of substitution for a property should limit the upper side of value. In this approach to value the appraiser calculates the market value of the site, the reproduction cost of the improvements less any applicable depreciation, then combines these two items to arrive at a cost estimate of value.

The market approach has been used to estimate the value of the land.

Sale #3 is deemed most comparable to the subject. It is close in physical proximity and the sale occurred recently. Both properties are corners. The comparable is adjusted downward slightly because of the drainage expenditure to be made by the seller. This expenditure of approximately \$.25 per square foot is applied to the entire 15.8 acres of which the 2.5 acres was originally a part. Also, the N/E/C of Addison and Airport Parkway is the main entrance to the Addison Airport, thereby making this corner slightly superior to the subject.

After considering the comparables, a value of \$5.00 per square foot is assigned to the subject as the fair market value of the land before the taking, for the land taken and for the land value after the taking.

At \$5.00 per square foot, the fair market value of the land is \$361,741. When \$5.00 per square foot is multiplied times 4,752 square feet, fair market value of the land taken for right of way equals \$23,760.

In addition to the easement, paving and landscaping are located within the part taken. These improvements contribute \$17,000. to the value of the property.

The income approach is the most reliable indicator of value of the subject. The cost approach usually indicates an upper limit of value when the improvements are new and constitute the highest and best use of the property.

The income stream generated by the property can be compared to income from other investments available in the market with similar and varied degrees of risk and durability.

Direct capitalization - Building Residual technique is used to estimate the value of the property under the income approach. The land value has been established at \$361,741. from comparable sales. 10.5% is selected as adequate return on the value of the land or \$36,174. When this income is subtracted from net income to property, \$122,907. of income is attributed to the improvements. Capitalizing this income at 10%, gives value attributed to the improvements of \$1,229,070. The sum of the value of land and value of the improvements equals the estimated value of the whole property of \$1,590,811. say \$1,591,000.

Since the income approach is the most accurate estimate of the fair market value, therefore \$1,591,000. is the fair market value of the subject before the taking.

The value of the remainder before the taking is \$1,556,551. (\$1,590,881. less \$34,260.) After the taking, with the exception of paving and landscaping taken, the improvements are in tact. These improvements will generate income on a prorata basis equivalent to income generated before the taking. Therefore, the value of the remainder after the taking is unchanged and is equal to \$1,556,551.

Total just compensation is summarized as follows:

Improvement Taken	\$10,500.
Right of Way Taken	23,760.
	-----
Total Just Compensation	\$34,260.

DATA ON PARTIAL TAKING

Legal Description Part Taken \_\_\_\_\_

Dimensions \_\_\_\_\_ x \_\_\_\_\_ = 4,752 Sq.Ft. .1091 Acres

WHOLE PROPERTY:

The market value of the whole property is .....\$1,590,811.

PART TAKEN:

The market value of the fee simple title, less oil, gas and sulphur, to the part being taken for highway purposes, considered as a severed tract is:.....\$34,260. (1)

REMAINING PROPERTY:

The market value of the remainder immediately before the taking is:.....\$1,556,551. (2)

Considering the use to which the part taken is to be subjected to, the market value of the remainder immediately after the taking is:.....\$1,556,551. (3)

NET DAMAGES, if any .....\$ -0-

SIGN ADJUSTMENT COSTS, if any.....\$ -0-

TOTAL COMPENSATION.....\$34,260.

APPRAISALS OF PART TAKEN AND REMAINDER

Highest and Best Use of

Part Taken \_\_\_\_\_

Remainder Before Taking \_\_\_\_\_

Remainder after taking considering the use to which the part taken is to be subjected \_\_\_\_\_

Contributory Value of Improvements	Part Taken	Remainder Before Taking	Remainder After Taking
Paving-4,000 sf @ \$2.50	\$ 10,000.	_____	_____
Landscaping	500.	_____	_____
	_____	_____	_____
	_____	_____	_____
<b>TOTAL IMPROVEMENTS</b>	<b>\$ 10,500.</b>	<b>\$1,218,570.</b>	<b>\$1,218,570.</b>
<b>RIGHT OF WAY</b> 4,752 S.F. @ \$5.	<b>23,760.</b>	<b>\$ 337,981.</b>	<b>\$ 337,981.</b>
<b>TOTAL AS A UNIT</b>	<b>\$34,260. (1)</b>	<b>\$ 1,556,551. (2)</b>	<b>\$1,556,551. (3)</b>

Explain difference, if any, between Remainder Before and After Taking (If extra space needed, use attachment.)

COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Hope Investment Ltd. Grantee Addison Ltd.

Dated 10/31/94 Recorded in Volume 94210 Page 3570

Local Address 4901 Airport Parkway

Legal Description Abst. 482, Tract 30, Addison, TX

Actual Price \$742,000. Verified With Kent Hope

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 5.4963 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$3.10

Street Curb & Gutter Utilities \_\_\_\_\_

Improvements None at sale

Size and Description \_\_\_\_\_

Condition and Desirability Minor dirt work to aid drainage from balance of the tract of which this is a part.

Current Use Fed Ex Distribution Facility Highest and Best Use \_\_\_\_\_

Date Inspected 7/15/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

*Kent Hope*  
Appraiser

COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor United States of America Grantee Metroport Realty Corp.

Dated 7/19/95 Recorded in Volume 95139 Page 3650

Local Address Extension of Frank Luke

Legal Description A-792 Part of Addison Airport

Actual Price \$135,000 Verified With George Roddy

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 33,105 square feet Unit Price: As Improved \_\_\_\_\_; Unimproved \$4.08

Street Adjacent to airport taxi ways Utilities \_\_\_\_\_

Improvements None at Sale

Size and Description \_\_\_\_\_

Condition and Desirability \_\_\_\_\_

Current Use Unimproved Highest and Best Use Commercial - Hangar

Date Inspected 10/15/95 Zoning \_\_\_\_\_

Use reverse side for other pertinent information \_\_\_\_\_

Christie D. Miller  
Appraiser

#3  
COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Hope Invenstmnts Grantee State Farm Mutual Automobile Invst. Co.

Dated 10/2/95 Recorded in Volume 95191 Page 7045

Local Address NEC Addison Road & Airport Parkway

Legal Description Abstract 482, Addison, Texas

Actual Price \$600,000. Verified With Kent Hope

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 2.4592 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$5.60

Street Curb & Gutter Utilities All

Improvmnts None at Sale

Size and Description \_\_\_\_\_

Condition and Desirability Seller will provide drainage expenditure estimated of \$.25 per square foot for entire 15.8 acres. of which this property was a part.

Current Use Unprovred Highest and Best Use Commercial

Date Inspected 12/29/95 Zoning Commercial

Use reverse side for other pertinent information \_\_\_\_\_

Charles R. Miller  
Appraiser

ADDISON AIRPORT TUNNELL  
REAL ESTATE APPRAISAL REPORT

Parcel Number \_\_\_\_\_ Address 16101-16111 Addison Road

Owner City of Addison Address \_\_\_\_\_

William R. White &

Occupant's Name Ultimate Sports Grill Whole Taking \_\_\_\_\_ Partial Taking X

Purpose of the Appraisal

The purpose of this appraisal is to estimate the Market Value of the fee simple title encumbered by existing easements, if any, which are compatible to highway use of the subject property as of 12/20/95. It is being made for the Texas Turnpike Authority in connection with the investigation and defense of the claims by the owner of the property for compensation and damages, if any, arising out of the property acquisition by the Texas Turnpike Authority for right-of-way purposes. The estimates of value concluded herein will be used for settlement of such claims through negotiation or eminent domain proceedings.

Market Value may be defined as follows: "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged, to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonable adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."

Valuation

In my opinion the compensation due as a result of this taking is:

Owner \$ \_\_\_\_\_ Leasehold Interest \$ \_\_\_\_\_ Total \$ 12,320.

Appraiser's Certificate

I hereby certify that the opinion of value herein expressed has been reached after a careful examination of all pertinent data; that my fee is in no way contingent upon the value placed on the property; that neither I nor any employee in my service has directly or indirectly any financial or personal interest in or to the property appraised; and that should I or any employee in my service acquire any interest in or to the property appraised prior to the acquisition of the parcel by the Authority, I will immediately notify the Authority of such interest or interests.

12/21/95  
Date Report Made

Charles W. Miller  
Appraiser

REVIEWED BY:  
[Signature]  
Director of Engineering

Approved by the Board of Directors Right-of-Way Committee on January 18, 1996

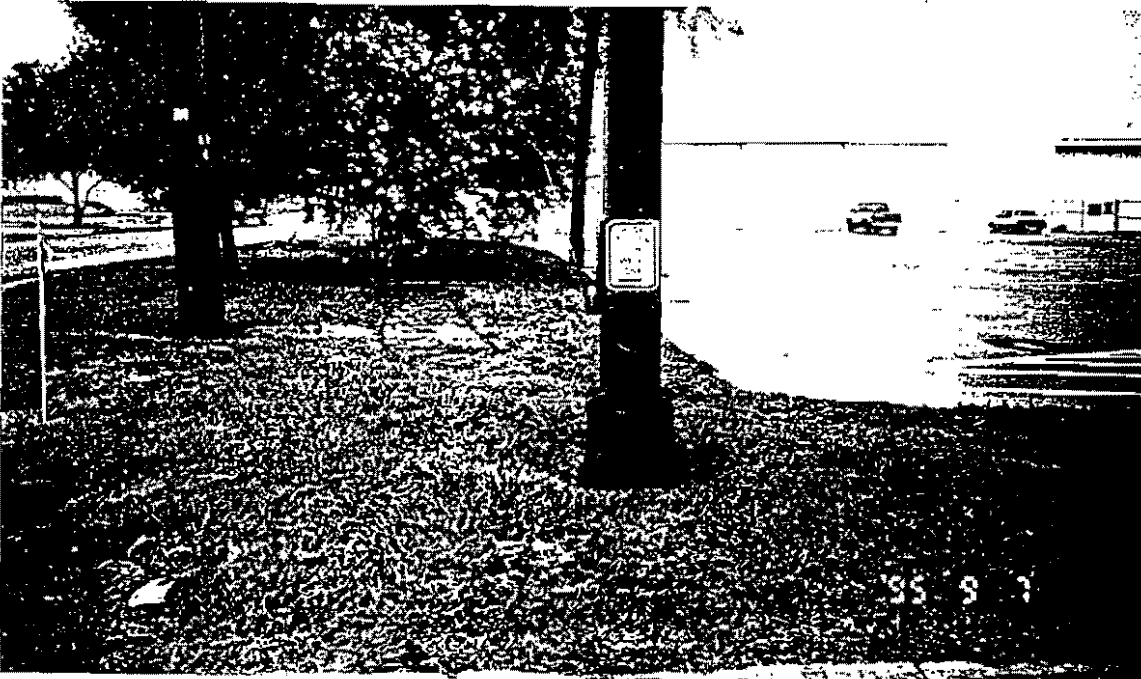
James W. Griffin  
James W. Griffin  
Executive Director

ATTACH ALL PERTINENT PICTURES

Parcel No. \_\_\_\_\_ Local Address 16101 ADDISON ROAD

Date Taken 9/7/95 Taken by CHARLES (BO) MILLER

1. Point from which taken ADDISON AT KELLER SPRINGS Looking WEST



2. Point from which taken ADDISON ROAD Looking WEST



DATA ON WHOLE PROPERTY

Legal Description Addison Municipal Airport, Abstract 326

Dimensions: 151.54 x 330.33 x 185.85 x 298.76 feet = 55,559.6 sq.ft. 1.2755 Acres  
 Location (Urban): Street & No. 16111 Addison Road on Northwest corner  
 between Keller Springs and Addison streets.  
 (Rural): \_\_\_\_\_

\_\_\_\_\_ Land Grant Survey  
 Neighborhood or Area Analysis: The Neighborhood is a commercial and industrial area, having restaurant, neighborhood service, office, office showroom and warehouse facilities. A major asset in the area is the Addison Airport, a general aviation operation. The subject is located on Airport property.

Highest and Best Use and Zoning of Subject Property: Retail and Commercial use.

COST APPROACH WHOLE PROPERTY

Estimated Reproduction Cost:  
 Main Building: 13,400 ft. @ \$37.57 per square foot.....\$503,500.  
 Parking Lot: \$38,600. per \$2.50 ft .....\$ 96,500.  
 Total Reproduction ..... \$600,000.  
 Less Accrued Depreciation:  
 Physical Deterioration.....15%..... \$ 90,000.  
 Functional Obsolescence ..... \$ -0-  
 Economic Obsolescence ..... \$ -0-  
 Total Depreciation ..... \$ 90,000.  
 Value Building Contributes to Whole Property.....\$510,000.

Garages: \_\_\_\_\_ ft. @ \$ \_\_\_\_\_ per \_\_\_\_\_ ft.....\$ \_\_\_\_\_  
 Less Depreciation .....\$ \_\_\_\_\_ \$ \_\_\_\_\_  
 Other (Detail).....\$ \_\_\_\_\_  
 Less Depreciation .....\$ \_\_\_\_\_ \$ \_\_\_\_\_

Depreciated Value:  
 Landscaping \$ 1,500., Fencing \$ \_\_\_\_\_,  
 Walks \$ \_\_\_\_\_, Drives \$ \_\_\_\_\_ ..... \$ 1,500.

Value Improvements Contribute to Whole Property .....\$511,500.

LAND.....55559.6 per \$5.00 per square foot..... \$277,798.

ESTIMATED VALUE BY COST APPROACH.....\$789,298.

Comment on Depreciation Factors

MARKET DATA APPROACH WHOLE PROPERTY  
(Land Comparables)

Purchase Price of Subject Property \$ \_\_\_\_\_ Date \_\_\_\_\_

Improvements Since Purchase and Estimated Cost:

Lease Terms or Rental Agreement:

Sales and Information of Comparable Properties

SALE NO.	1	2	3
SALE DATE	10/31/94	7/19/95	10/2/95
GRANTOR-GRANTEE	Hope Inv. Ltd. Addison, Ltd.	USA Metroport Realty Corp.	Hope Inv. Ltd., State Farm Mutual Auto Insurance
SALE CONFIRMED WITH	Kent Hope	George Roddy	Kent Hope
ADDRESS & LOCATION IN RELATION TO SUBJECT	4901 Airport Pkwy, 344.47' E Addison Rd 1 Blk South	Extension of Frank Luke	N/E/C Addison Rd @ Airport Pkwy, 1 Blk South
ACTUAL SALE PRICE	\$742,000.	\$135,000.	\$600,000.
CONDITIONS OF SALE	Cash	Cash	Cash
ESTIMATED UNIT PRICE	\$3.10	\$4.08	\$5.60
LEASE OR RENTAL DATA			
CURRENT USAGE	Federal Express Distribution Facility	Unimproved	Unimproved
HIGHEST & BEST USE	Commercial	Commercial Hanger	Commercial
SIZE	5.4963 Acres	33.105 sq.ft.	2.5 Acres
PHYSICAL FEATURES	Some fill required	Level adj. to hanger	Fill and drainage req. by Seller
IMPROVEMENTS	None at sale	None at sale	None at sale

Correlation of Comparable Sales To Subject Property:

Use Additional Pages If Necessary

Estimated Land Value of Market Data  
Approach \$ 277,798.

INCOME APPROACH WHOLE PROPERTY

JUSTIFICATION OF RATE AND METHOD OF CAPITALIZATION: Subject is under a 40 yr. ground lease with 28 yr., 4 mo. remaining as of 11/1/95. 12% cap rate is used to capitalize income from improvements and 10.5% is selected to capitalize ground rent and residual ground value.  
Estimated remaining economic life of improvements 28 years

Stabilized Gross Income.....	\$113,600.	
Vacancy <u>5</u> %.....	<u>5,680.</u>	
Effective Gross Income.....	107,920.	\$111,086.
Taxes: 1/3 of taxes pd by Tenant	3,166.	
City.....	\$	
State & County.....	\$ <u>9,500.</u>	
Miscellaneous (School, etc.).....	\$	
Insurance:		
Fire & Extended Coverage.....	\$ <u>2,500.</u>	
Miscellaneous.....	\$	
Annual Deferred Maintenance.....	\$ <u>5,400.</u>	
Management <u>3</u> % x \$107,920.....	\$ <u>3,238.</u>	
Operating Expenses .....	\$	
Other Expenses.....	\$	
Total Expenses before Depreciation .....		\$ 20,638.
Net Income to Property.....		\$ <u>90,448.</u>
Less Income Attributable to (Land).....	\$277,798. @ 10.5 %	\$ 29,169.
Income Attributable to (Improvements) .....		\$ 61,279.
Income Capitalized @ <u>12</u> % ( _____ % Interest _____ % for Recapture of Capital).....		\$510,658.
(Land) (Improvements) .....55559.6 @ \$5.....		\$277,798.
ESTIMATED VALUE BY CAPITALIZATION APPROACH .....		\$788,456.
	(Say)	\$788,500.

ADDITIONAL APPRAISAL INFORMATION

FINAL ESTIMATE OF VALUE  
OF WHOLE PROPERTY

Correlaton of Approaches to Value

See Page 6A

Estimated Value of Whole Property  
Owner \$ \_\_\_\_\_ Leasehold \$ \_\_\_\_\_ .....\$ \_\_\_\_\_

---

The City of Addison owns Addison Airport, which comprises approximately 360 acres of land. Addison Airport of Texas, Inc. operates, manages, and subleases the airport property. Unless renewed, this agreement terminates on December 31, 2000. Several ground leases extend beyond that date. This property is under a ground lease with an original term of forty years. As of November 1, 1995, twenty eight (28) years, four (4) months remain on the lease.

For purposes of this report, it is assumed that the property is owned and operated by the fee owner. The fair market value estimated herein does not attempt to determine the value of the leased fee, the sublease position (sandwich position) of the airport management or the leasehold estate created by the lease for the tenant currently in possession of the property.

There are three approaches to value that may be utilized to estimate fair market value of the subject - Market, Income & Reproduction or Replacement Cost.

The Market Approach to Value is a basis for estimating value based upon units of comparison derived from sales of similar properties in the marketplace. Those units of comparison are then applied to the subject property to arrive at a range of values which should be indicative of the market estimate of value for the subject property.

The Income Approach to Value is based upon an analysis of the income stream of the property and comparison of that income stream with income streams of similar properties. This calculation and analysis results in a net income stream attributable to the real estate. That income is then capitalized at a rate which is commensurate with the rates expressed in the marketplace by investors for similar properties. The resulting figure is an income estimate of value.

The Cost Approach to Value embraces the philosophy that the reproduction costs or the principal of substitution for a property should limit the upper side of value. In this approach to value the appraiser calculates the market value of the site, the reproduction cost of the improvements less any applicable depreciation, then combines these two items to arrive at a cost estimate of value.

The market approach has been used to estimate the value of the land.

Sale #3 is deemed most comparable to the subject. It is close in physical proximity and the sale occurred recently. Both properties are corners. The comparable is adjusted downward slightly because of the drainage expenditure to be made by the seller. This expenditure of approximately \$.25 per square foot is applied to the entire 15.8 acres of which the 2.5 acres was originally a part also, the N/E/C of Addison and Airport Parkway is the main entrance to the Addison Airport, thereby making this corner slightly superior to the subject.

After considering the comparables, a value of \$5.00 per square foot is assigned to the subject as the fair market value of the land before the taking, for the land taken and for the land value after the taking.

At \$5.00 per square foot the fair market value of the land is \$277,798. When \$5.00 per square foot is multiplied times 1,489 square feet, fair market value of the land taken for right of way equals \$7,445.

In addition to the easement, paving and landscaping are located within the part taken. These improvements contribute \$4, 5. to the value of the property.

The income approach is the most reliable indicator of value of the subject. The cost approach usually indicates an upper limit of value when the improvements are new and constitute the highest and best use of the property.

The income stream generated by the property can be compared to income from other investments available in the market with similar and varied degrees of risk and durability.

Direct capitalization - Building Residual technique is used to estimate the value of the property under the income approach. The land value has been established at \$277,798. from comparable sales. 10.5% is selected as adequate return on the value of the land or \$29,169. When this income is subtracted from net income to property, \$61,279. of income is attributed to the improvements. Capitalizing this income at 12%, gives value attributed to the improvements of \$510,658. The sum of the value of land and value of the improvements equals the estimated value of the whole property of \$788,456., say \$789,500.

Since the income approach is the most accurate estimate of the fair market value, therefore \$788,500. is the fair market value of the subject before the taking.

The value of the remainder before the taking is \$776,136. (\$788,456. less \$12,320.) After the taking, with the exception of paving and landscaping taken the improvements are in tact. These improvements will generate income on a prorata basis equivalent to income generated before the taking. Therefore, the value of the remainder after the taking is unchanged and is equal to \$776,136.

Total just compensation is summarized as follows:

Improvement Taken	\$ 4,875.
Right of Way Taken	7,445.
Total Just Compensation	<u>\$12,320.</u>

DATA ON PARTIAL TAKING

Legal Description Part Taken \_\_\_\_\_

Dimensions \_\_\_\_\_ x \_\_\_\_\_ = 1,489 Sq.Ft. \_\_\_\_\_ Acres

WHOLE PROPERTY:

The market value of the whole property is .....\$788,456.

PART TAKEN:

The market value of the fee simple title, less oil, gas and sulphur, to the part being taken for highway purposes, considered as a severed tract is:.....\$12,320. (1)

REMAINING PROPERTY:

The market value of the remainder immediately before the taking is:.....\$ 776,136. (2)

Considering the use to which the part taken is to be subjected to, the market value of the remainder immediately after the taking is:.....\$ 776,136. (3)

NET DAMAGES, if any .....\$ -0-

SIGN ADJUSTMENT COSTS, if any.....\$ -0-

TOTAL COMPENSATION.....\$12,320.

APPRAISALS OF PART TAKEN AND REMAINDER

Highest and Best Use of

Part Taken Commercial  
Remainder Before Taking Commercial  
Remainder after taking considering the use to which the part taken is to be subjected Commercial

Contributory Value of Improvements	Part Taken	Remainder Before Taking	Remainder After Taking
Paving-1,350 sf @ \$2.50	3,375.	_____	_____
Landscaping	1,500.	_____	_____
	_____	_____	_____
	_____	_____	_____
<b>TOTAL IMPROVEMENTS</b>	<b>4,875.</b>	<b>\$505,783.</b>	<b>\$505,783.</b>
<b>RIGHT OF WAY - 1,489 S.F. @ \$5.</b>	<b>7,445.</b>	<b>\$270,353.</b>	<b>\$270,353.</b>
<b>TOTAL AS A UNIT</b>	<b>\$12,320. (1)</b>	<b>\$776,136. (2)</b>	<b>\$776,136. (3)</b>

Explain difference, if any, between Remainder Before and After Taking (If extra space needed, use attachment.)

#1  
COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Hope Investment Ltd. Grantee Addison Ltd.

Dated 10/31/94 Recorded in Volume 94210 Page 3570

Local Address 4901 Airport Parkway

Legal Description Abst. 482, Tract 30, Addison, TX

Actual Price \$742,000. Verified With Kent Hope

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 5.4963 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$3.10

Street Curb & Gutter Utilities \_\_\_\_\_

Improvements None at sale

Size and Description \_\_\_\_\_

Condition and Desirability Minor dirt work to aid drainage from balance of the tract of which this is a part.

Current Use Fed Ex Distribution Facility Highest and Best Use \_\_\_\_\_

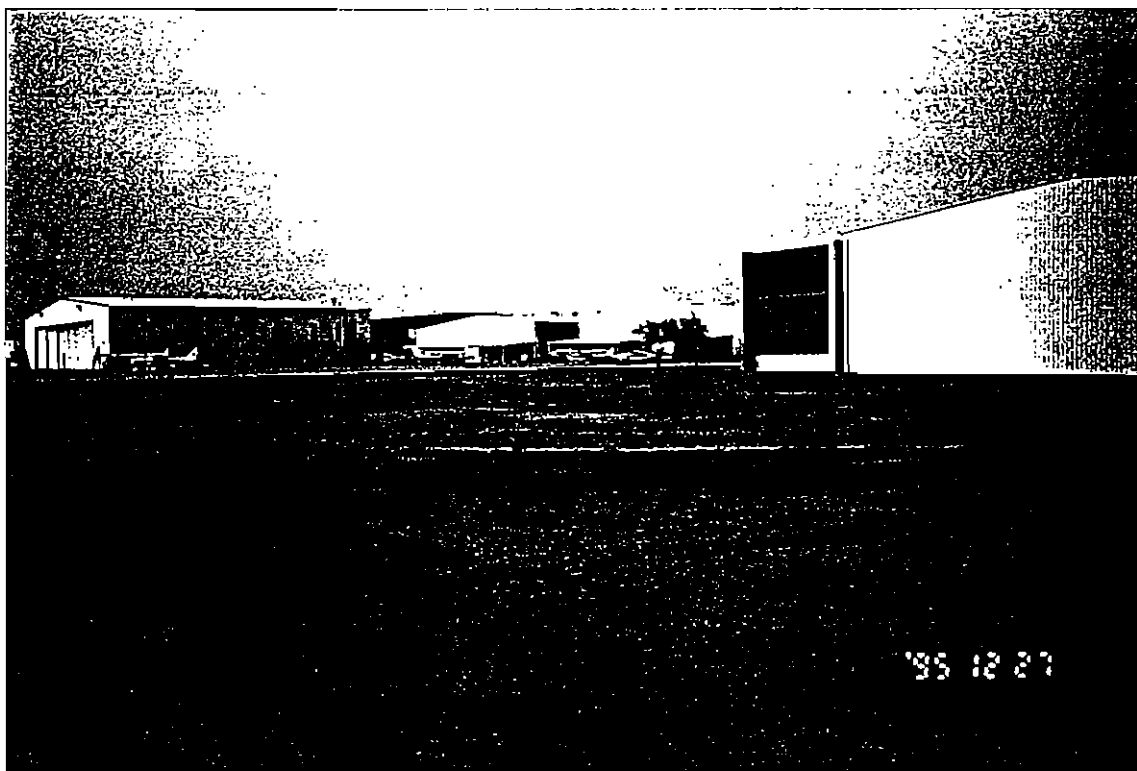
Date Inspected 7/15/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

*Clinton G. Miller*  
Appraiser



#2  
COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor United States of America Grantee Metroport Realty Corp.

Dated 7/19/95 Recorded in Volume 95139 Page 3650

Local Address Extension of Frank Luke

Legal Description A-792 Part of Addison Airport

Actual Price \$135,000. Verified With George Roddy

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 33.105 square feet Unit Price: As Improved \_\_\_\_\_: Unimproved \$4.08

Street Adjacent to airport taxi ways Utilities \_\_\_\_\_

Improvements None at Sale

Size and Description \_\_\_\_\_

Condition and Desirability \_\_\_\_\_

Current Use Unimproved Highest and Best Use Commercial - Hanger

Date Inspected 10/15/95 Zoning \_\_\_\_\_

Use reverse side for other pertinent information \_\_\_\_\_

Charles B. Miller  
Appraiser



Sales Parties: Grantor Hope Investments Grantee State Farm Mutual Automobile Invst. Co.

Dated 10/2/95 Recorded in Volume 95191 Page 7045

Local Address NEC Addison Road & Airport Parkway

Legal Description Abstract 482, Addison, Texas

Actual Price \$600,000. Verified With Kent Hope

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 2.4592 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$5.60

Street Curb & Gutter Utilities All

Improvements None at Sale

Size and Description \_\_\_\_\_

Condition and Desirability Seller will provide drainage expenditure estimated of \$.25 per square foot for entire 15.8 acres, of which this property was a part.

Current Use Unproved Highest and Best Use Commercial

Date Inspected 12/29/95 Zoning Commercial

Use reverse side for other pertinent information \_\_\_\_\_

*[Signature]*  
Appraiser

**FIELD NOTE DESCRIPTION**  
**SUB SURFACE AREA**  
**A PORTION OF ADDISON AIRPORT**  
**Wm. LOMAX SURVEY, ABSTRACT 792**  
**E. COOK SURVEY, ABSTRACT 326**  
**ADDISON, DALLAS COUNTY, TEXAS**  
**EXHIBIT 3**

Being 195,683 square feet or 4.492 acres out of a called 365.34 acre tract as conveyed to the City of Addison, by deed recorded in Volume 77010, Page 1391, Deed Records, Dallas County, Texas, said called 365.34 acre tract being out of the Wm. Lomax Survey, Abstract 792 and the E. Cook Survey, Abstract 326, all in the City of Addison, Dallas County, Texas and being more particular described as follows: (Bearings based on USC&GS Station "ARP 1966", with coordinates of N 7,038,355.36-E 2,478,877.80 NAD83 and USC&GS Station "Airport Beacon", with coordinates of N 7,039,062.68-E 2,478,167.73 NAD83)

**BEGINNING**, at a set 5/8" iron rod on the Easterly line of Dooley Road (width varies), said iron rod being S56°37'15"E, a distance of 64.79 feet from the Northerly cut-back corner at the northeast corner of the intersection of said Dooley Road with Keller Springs Road (50 feet wide);

**THENCE**, N00°43'52"W, departing the Easterly line of said Dooley Road, a distance of 18.61 feet to a point for corner;

**THENCE**, N89°16'08"E, a distance of 174.25 feet to a point for corner at the beginning of a tangent curve to the right, said curve having a radius of 1763.00 feet;

**THENCE**, continuing along said curve to the right, having a central angle of 05°47'20", a chord bearing of S87°50'12"E, a chord distance of 178.05 feet, and an arc distance of 178.13 feet to a point of tangency;

**THENCE**, S84°56'32"E, a distance of 1,301.25 feet to a point for corner;

**THENCE**, S05°03'28"W, a distance of 126.00 feet to a point for corner;

**THENCE**, N84°56'32" W, a distance of 1,301.25 feet to a point for corner at the beginning of a tangent curve to the left having a radius of 1,637.00 feet;

**THENCE**, continuing along said curve to the left, having a central angle of 05°47'20", a chord bearing of N87°50'12"W, a chord distance of 165.33 feet, and an arc distance of 165.40 feet to the point of tangency;

**THENCE**, S89°16'08"W, a distance of 48.34 feet to a point for corner on the Easterly line of Dooley Road;

**THENCE**, N00°12'22"W, continuing along said Easterly line 92.32 feet to a corner on the Northerly line of Dooley Road;

**THENCE**, S89°42'54"W, continuing along said Northerly line of Dooley Road, a distance of 105.72 feet to a point for corner;

THENCE, N56°37'15"W, continuing along the Northerly line of Dooley Road, a distance of 25.41 feet to the POINT OF BEGINNING, and containing 195,683 square feet or 4.492 acres in the metes and bounds recited.

This is to certify that the above description was prepared from an on the ground survey conducted under my supervision.

Ayub R. Sandhu

DATE: 12/29/95

Ayub R. Sandhu, P.E., R.P.L.S.  
Texas Surveyor Registration No. 2910

Approval: James W. Shuffert  
Texas Turnpike Authority Jan. 31, 1996



ADDISON AIRPORT TUNNEL  
REAL ESTATE APPRAISAL REPORT

Parcel Number \_\_\_\_\_ Address Hanger 1000, 4739 Keller Springs  
Owner City of Addison Address \_\_\_\_\_  
Occupant's Name Allen Tillev Whole Taking \_\_\_\_\_ Partial Taking X

Purpose of the Appraisal

The purpose of this appraisal is to estimate the Market Value of the fee simple title encumbered by existing easements, if any, which are compatible to highway use of the subject property as of 12/20/95. It is being made for the Texas Turnpike Authority in connection with the investigation and defense of the claims by the owner of the property for compensation and damages, if any, arising out of the property acquisition by the Texas Turnpike Authority for right-of-way purposes. The estimates of value concluded herein will be used for settlement of such claims through negotiation or eminent domain proceedings.

Market Value may be defined as follows: "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged, to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonable adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."

Valuation

In my opinion the compensation due as a result of this taking is:

Owner \$ \_\_\_\_\_ Leasehold Interest \$ \_\_\_\_\_ Total \$324,758

Appraiser's Certificate

I hereby certify that the opinion of value herein expressed has been reached after a careful examination of all pertinent data; that my fee is in no way contingent upon the value placed on the property; that neither I nor any employee in my service has directly or indirectly any financial or personal interest in or to the property appraised; and that should I or any employee in my service acquire any interest in or to the property appraised prior to the acquisition of the parcel by the Authority, I will immediately notify the Authority of such interest or interests.

12/20/95  
Date Report Made

[Signature]  
Appraiser

REVIEWED BY:  
[Signature]  
Director of Engineering

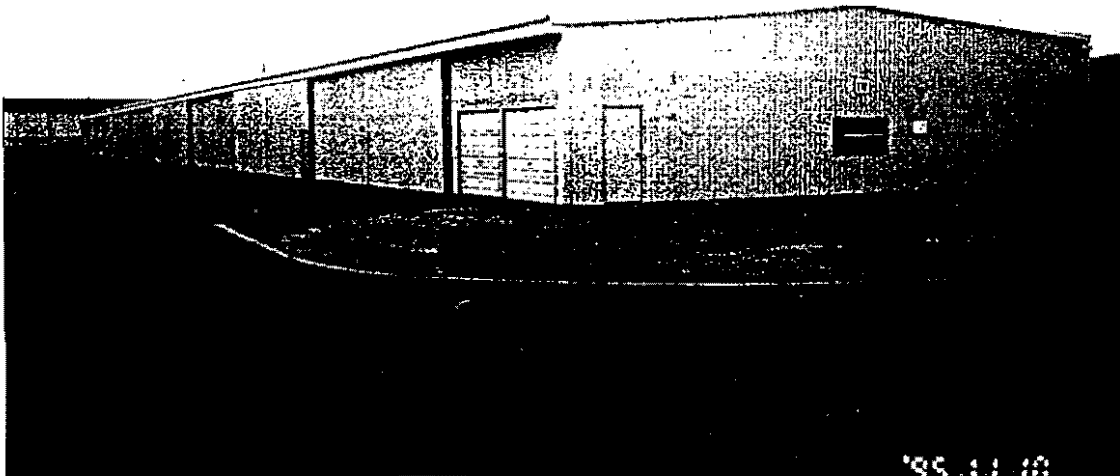
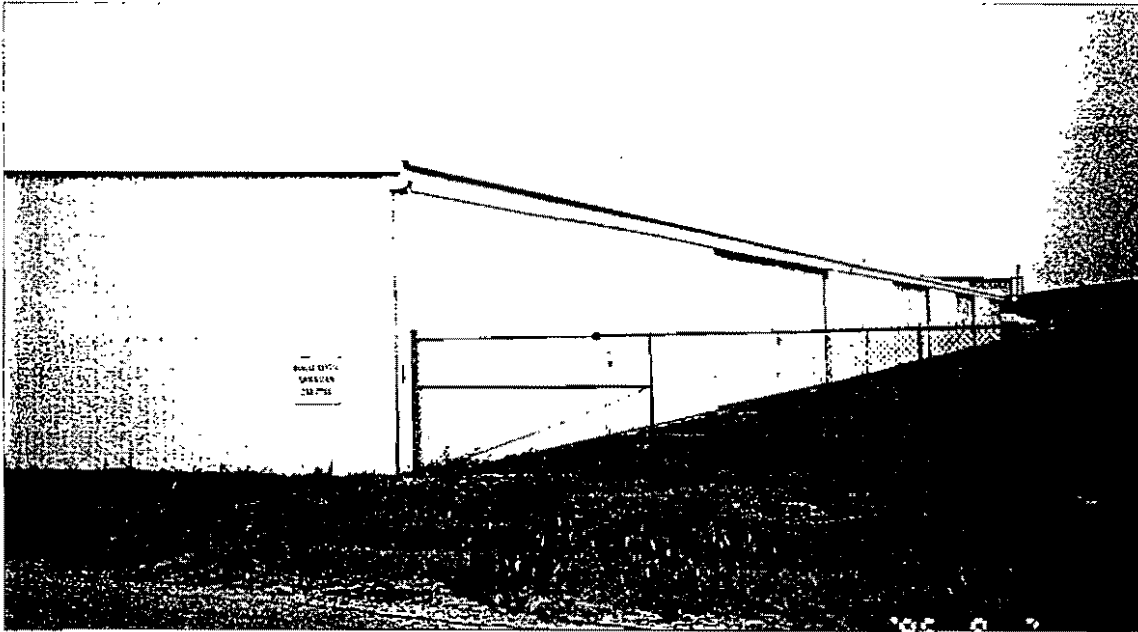
Approved by the Board of Directors Right-of-Way Committee on January 18, 1996  
[Signature]  
James W. Griffin  
Executive Director

ATTACH ALL PERTINENT PICTURES

Parcel No. \_\_\_\_\_ Local Address HANGER 1000 KELLER SPRINGS

Date Taken 9/7/95 AND 11/10/95 Taken by CHARLES (BO) MILLER

1. Point from which taken KELLER SPRINGS Looking NORTH



2. Point from which taken TAXIWAY Looking SOUTH

DATA ON WHOLE PROPERTY

Legal Description Abstract 792, Addison Municipal Airport

Dimensions: 144.17 feet x 350 feet = 50,462 sq.ft. \_\_\_\_\_ Acres

Location (Urban): Street & No. \_\_\_\_\_ on \_\_\_\_\_ side  
 between \_\_\_\_\_ and \_\_\_\_\_ streets.

(Rural): \_\_\_\_\_

Land Grant Survey

Neighborhood or Area Analysis: The Neighborhood is a commercial and industrial area, having restaurant, neighborhood service, office, office showroom and warehouse facilities. A major asset in the area is the Addison Airport, a general aviation operation. The subject is located on Airport property.

Highest and Best Use and Zoning of Subject Property: Airplane Storage, Industrial - 3

COST APPROACH WHOLE PROPERTY

Estimated Reproduction Cost:

Main Building: 18,761 ft. @ \$23.00 per square foot.....\$431,503.

Parking Lot: \$1.15 per square ft. 31,701 sq.ft.....\$ 36,456.

Total Reproduction ..... \$467,959.

Less Accrued Depreciation:

Physical Deterioration.....40%..... \$187,184.

Functional Obsolescence ..... \$ -0-

Economic Obsolescence ..... \$ -0-

Total Depreciation ..... \$187,184.

Value Building Contributes to Whole Property.....\$280,775.

Garages: \_\_\_\_\_ ft. @ \$ \_\_\_\_\_ per \_\_\_\_\_ ft.....\$ \_\_\_\_\_

Less Depreciation .....\$ \_\_\_\_\_ \$ \_\_\_\_\_

Other (Detail).....\$ \_\_\_\_\_

Less Depreciation .....\$ \_\_\_\_\_ \$ \_\_\_\_\_

Depreciated Value:

Landscaping \$ \_\_\_\_\_, Fencing \$ \_\_\_\_\_,

Walks \$ \_\_\_\_\_, Drives \$ \_\_\_\_\_ \$ \_\_\_\_\_

Value Improvements Contribute to Whole Property .....\$ \_\_\_\_\_

LAND.....50,462 square feet \$3.00 per sq.ft.....\$151,386.

ESTIMATED VALUE BY COST APPROACH.....\$432,161.

Comment on Depreciation Factors:

**MARKET DATA APPROACH WHOLE PROPERTY**  
(Land Comparables)

Purchase Price of Subject Property \$ \_\_\_\_\_ Date \_\_\_\_\_

Improvements Since Purchase and Estimated Cost:

Lease Terms or Rental Agreement:

Sales and Information of Comparable Properties

SALE NO.	1	2	3
SALE DATE	10/31/94	3/21/95	04/17/95
GRANTOR-GRANTEE	Hope Inv. Ltd. Addison, Ltd.	M&F Development Co Diversco Mann	Chaiu Chin AER
SALE CONFIRMED WITH	Kent Hope	George Roddy	Pat Haggerty
ADDRESS & LOCATION IN RELATION TO SUBJECT	4901 Airport Pkwy, 344.47' E Addison Rd 1 Blk South	4500 blk Sunbelt, Approx. 667' W. of Addison Rd 5 blks N.	2030 Chenault @ Earhart southeast corner
ACTUAL SALE PRICE	\$742,000.	\$125,000.	\$530,500.
CONDITIONS OF SALE	Cash	Cash	Cash
ESTIMATED UNIT PRICE	\$3.10	\$2.76	\$3.00
LEASE OR RENTAL DATA			
CURRENT USAGE	Federal Express Distribution Facility	Unimproved	Warehouse under Construction
HIGHEST & BEST USE	Commercial	Commercial	Commercial
SIZE	5.4963 Acres	1.0382 Acres.	4 Acres
PHYSICAL FEATURES			
IMPROVEMENTS	None at sale	None at sale	None at sale

Correlation of Comparable Sales To Subject Property:

Use Additional Pages If Necessary

Estimated Land Value of Market Data  
Approach \$ 151,386.



INCOME APPROACH WHOLE PROPERTY

JUSTIFICATION OF RATE AND METHOD OF CAPITALIZATION: Subject is under a ground lease with original 40 yr term. The lease has approximately 23 yrs and 8 mo. remaining. Net income from building is capitalized at 12%. 10.5% is the rate established as fair return on the land.

Estimated remaining economic life of improvements 25 years

Stabilized Gross Income.....	\$ 58,320.	
Vacancy 15 _____ %.....	8,748.	
Effective Gross Income.....		\$49,572.
Taxes:		
City.....	\$ _____	
State & County.....	\$ _____	
Miscellaneous (School, etc.).....	\$ _____	
Insurance:		
Fire & Extended Coverage.....	\$ 224.	
Miscellaneous.....	\$ _____	
Annual Deferred Maintenance.....	\$ 600.	
Management 4 _____ %.....	\$ 1,983.	
Operating Expenses ..Utilities.....	\$ 1,400.	
Other Expenses.....	\$ _____	
Total Expenses before Depreciation .....		\$ 4,207.
Net Income to Property.....		\$ 45,365.
Less Income Attributable to (Land).....	\$ _____ @ _____ %.....	\$ 15,896.
Income Attributable to (Improvements) .....		\$ 29,469.
Income Capitalized @ 12 _____ % ( _____ % Interest _____ % for Recapture of Capital).....		\$245,575.
(Land) (Improvements) .....		\$151,386.
Present value of \$1,458/mo. or \$17,496/yr + present value of land revises value.		=====
ESTIMATED VALUE BY CAPITALIZATION APPROACH .....		\$396,961.
	(Say)	\$397,000.

ADDITIONAL APPRAISAL INFORMATION

FINAL ESTIMATE OF VALUE  
OF WHOLE PROPERTY

Correlaton of Approaches to Value

See Page 6A

Estimated Value of Whole Property

Owner \$ \_\_\_\_\_ Leaschold \$ \_\_\_\_\_ .....\$ \_\_\_\_\_

---

## 6A CORRELATION

The City of Addison owns Addison Airport, which comprises approximately 360 acres of land. Addison Airport of Texas, Inc. operates, manages, and subleases the airport property. Unless renewed, this agreement terminates on December 31, 2000. Several ground leases extend beyond that date. This property is under a ground lease with an original term of forty years, as of November 1, 1995. Twenty three (23) years, eight (8) months remain on the lease.

For purposes of this report, it is assumed that the property is owned and operated by the fee owner. The fair market value estimated herein does not attempt to determine the value of the leased fee, the sublease position (sandwich position) of the airport management or the leasehold estate created by the lease for the tenant currently in possession of the property.

There are three approaches to value that may be utilized to estimate fair market value of the subject - Market, Income & Reproduction or Replacement Cost.

The Market Approach to Value is a basis for estimating value based upon units of comparison derived from sales of similar properties in the marketplace. Those units of comparison are then applied to the subject property to arrive at a range of values which should be indicative of the market estimate of value for the subject property.

The Income Approach to Value is based upon an analysis of the income stream of the property and comparison of that income stream with income streams of similar properties. This calculation and analysis results in a net income stream attributable to the real estate. That income is then capitalized at a rate which is commensurate with the rates expressed in the marketplace by investors for similar properties. The resulting figure is an income estimate of value.

The Cost Approach to Value embraces the philosophy that the reproduction costs or the principal of substitution for a property should limit the upper side of value. In this approach to value the appraiser calculates the market value of the site, the reproduction cost of the improvements less any applicable depreciation, then combines these two items to arrive at a cost estimate of value.

The market approach has been used to estimate the value of the land.

Sale #1 is located one block south of the subject and east of Addison Road. This comparable is slightly superior to the subject as Airport Parkway connects Addison Road and the Dallas North Tollway. Federal Express has constructed a distribution facility on this property.

Sale #2 is approximately 5 blocks north of the subject on a secondary street occupied by office showroom and warehouse facilities.

Sale #3 is west of the subject and on the west side of Addison Airport in an office warehouse neighborhood. An office warehouse facility is currently under construction on this property.

These comparables give an accurate value for land in the vicinity of Addison Airport used for commercial and warehouse uses. After analyzing these sales, a value of \$3.00 per square foot is selected as fair market value of the land before the taking for the land taken, and for the land value after the taking.

At \$3.00 per square foot the fair market value of the land is \$151,386. When \$3.00 is multiplied times 23,407 square feet, fair market value of the land taken for the right of way equals \$70,221. A temporary construction easement of 11,600 square feet is also being taken. Just compensation for the land taken under the construction easement equals \$7,308. 100% of the building is being taken with a value of \$245,575. attributed to the improvements.

The income approach is the most reliable indicator of value of the subject. The cost approach indicates an upper limit of value when the improvements are new and constitute the highest and best use for the property.

The income stream generated by the property can be compared to income from other investments available in the market with similar and varied degrees of risk and durability.

Direct capitalization - building residual technique is used to estimate the value of the property under the income approach. The land value has been established at \$154,386. from comparable sales. 10.5% is selected as adequate return on the value of the land or \$15,896. When this income is subtracted from net income to property, \$29,469. of income is attributed to the improvements. Capitalizing this income at 12% gives value attributed to the improvements of \$245,575. The sums of the value of land and value of the improvements equals the estimated value of the whole property of \$396,961 (say \$397,000.).

The income approach is the most accurate estimate of the fair market value. Therefore \$397,000. is the fair market value of the subject before the taking.

The value of the remainder before the taking is \$81,165. (\$396,961 less \$315,796). After the taking, the improvements are removed. 27,055 square feet of land remains with a value equal to \$81,165. The value of the remainder after the taking is unchanged and is equal to \$81,165.

In addition to taking of the improvement and the surface easement, a temporary construction easement will be taken. It is estimated that this easement will be needed for a period of two years and that compensation will be equal to 10.5% of the fair market value of the land for that period (11,600 sq.ft. + 2,625 sq.ft. = 14,225 sq.ft. x \$3 x 10.5% x 2 yrs. = \$8,961.75.

Total just compensation is summarized as follows:

Improvements Taken	\$245,575.
Right of Way Taken	70,221.
	<hr/>
	\$315,796.
Construction Easement Taken	8,962.
	<hr/>
Total Just Compensation	\$324,758.

DATA ON PARTIAL TAKING

Legal Description Part Taken \_\_\_\_\_

Dimensions 147 x 341 = 50,127 Sq.Ft. \_\_\_\_\_ Acres

WHOLE PROPERTY:

The market value of the whole property is .....\$ 396,961.

PART TAKEN:

The market value of the fee simple title, less oil, gas and sulphur, to the part being taken for highway purposes, considered as a severed tract is:.....\$315,796 (1)

REMAINING PROPERTY:

The market value of the remiander immediately before the taking is:.....\$ 81,165. (2)

Considering the use to which the part taken is to be subjected to, the market value of the remainder immediately after the taking is:.....\$ 81,165. (3)

NET DAMAGES, if any .....\$ -0-

SIGN ADJUSTMENT COSTS, if any.....\$ -0-

TOTAL COMPENSATION.....\$315,796.

APPRAISALS OF PART TAKEN AND REMAINDER

Highest and Best Use of

Part Taken \_\_\_\_\_  
 Remainder Before Taking \_\_\_\_\_  
 Remainder after taking considering the use to which the part taken is to be subjected \_\_\_\_\_

Contributory Value of Improvements	Part Taken	Remainder Before Taking	Remainder After Taking
Bldg.-18,761 sf (100%)	<u>\$245,575.</u>	<u>-0-</u>	<u>-0-</u>
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
TOTAL IMPROVEMENTS	_____	_____	_____
RIGHT OF WAY 23,407 sf @ \$3.	<u>70,221.</u>	<u>\$ 81,165.</u>	<u>\$ 81,165.</u>
TOTAL AS A UNIT	<u>\$315,796. (1)</u>	<u>81,165. (2)</u>	<u>81,165. (3)</u>
CONSTRUCTION EASEMENT	<u>+ 8,962.</u>		
	<u>\$324,758.</u>		

Explain difference, if any, between Remainder Before and After Taking (If extra space needed, use attachment.)

COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Hope Investment Ltd. Grantee Addison Ltd.

Dated 10/31/94 Recorded in Volume 94210 Page 3570

Local Address 4901 Airport Parkway

Legal Description Abst. 482, Tract 30, Addison, TX

Actual Price \$742,000. Verified With Kent Hope

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 5.4963 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$3.10

Street Curb & Gutter Utilities \_\_\_\_\_

Improvements None at sale

Size and Description \_\_\_\_\_

Condition and Desirability Minor dirt work to aid drainage from balance of the tract of which this is a part.

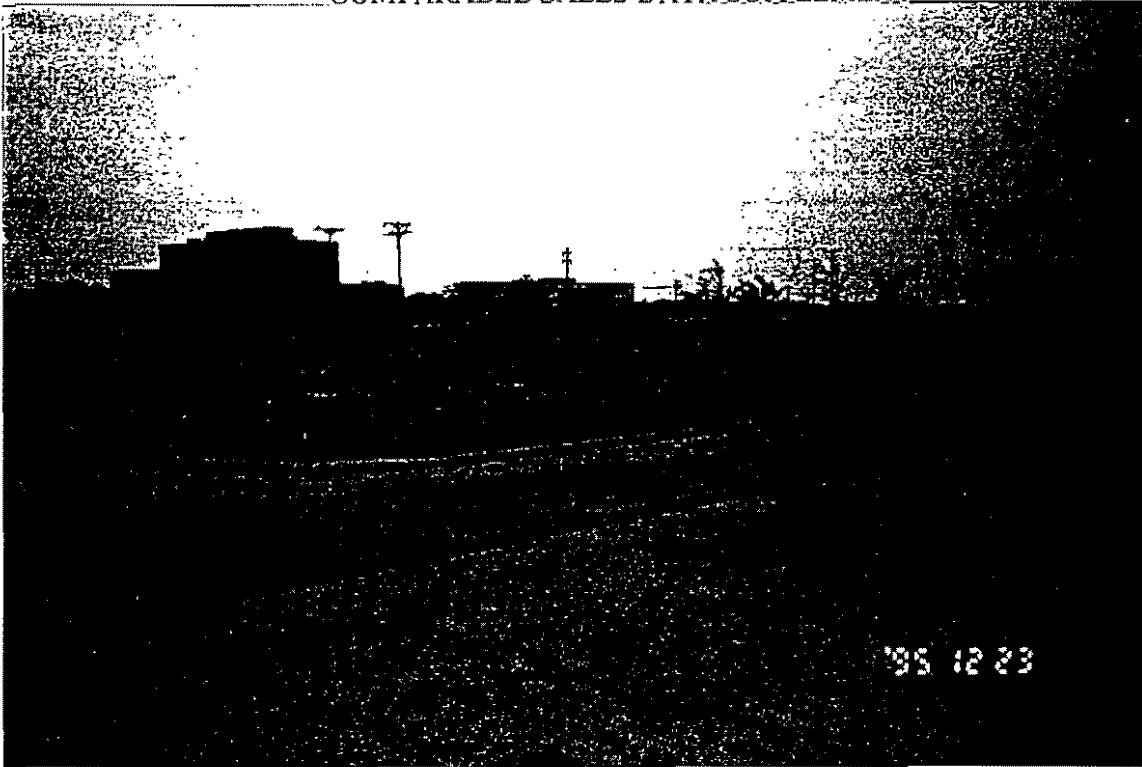
Current Use Fed Ex Distribution Facility Highest and Best Use Commercial

Date Inspected 7/15/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

Appraiser

COMPARABLE SALES DATA SUPPLEMENT



Diversco Sale &

Sales Parties: Grantor M& F Development Co., Inc. Grantee Manufacturing

Dated 3/21/95 Recorded in Volume 95055 Page 463

Local Address 4500 Block Sunbelt Drive

Legal Description West 1/2, Tract 13 Sunbelt Business Park Addition, Addison, TX

Actual Price \$125,000. Verified With George Roddy

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 1.0382 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$2.76

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale

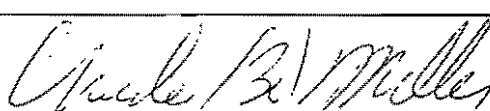
Size and Description Level, ready for development

Condition and Desirability \_\_\_\_\_

Current Use Unimproved Highest and Best Use Light Industrial & Commercial

Date Inspected 7/15/955 Zoning Commercial -I

Use reverse side for other pertinent information \_\_\_\_\_

  
 \_\_\_\_\_  
 Appraiser

COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Chaiu Chin Grantee AER

Dated 4/14/95 Recorded in Volume 95074 Page 668

Local Address 2030 Chenault, Carrollton, TX

Legal Description Abstract 923, Tract 20

Actual Price \$530,500. Verified With Pat Haggerty

Conditions of Sale Cash

Rental Data \_\_\_\_\_

Land Size 4.0592 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$3.00

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale

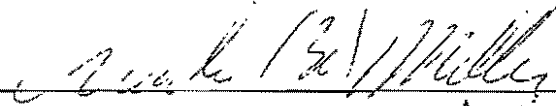
Size and Description \_\_\_\_\_

Condition and Desirability \_\_\_\_\_

Current Use Warehouse under construcion Highest and Best Use Commercial

Date Inspected 10/22/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

  
 \_\_\_\_\_  
 Appraiser



**ADDISON AIRPORT TUNNEL  
REAL ESTATE APPRAISAL REPORT**

Parcel Number \_\_\_\_\_ Address Hanger 1100 Keller Springs

Owner City of Addison Address \_\_\_\_\_

Occupant's Name \_\_\_\_\_ Whole Taking \_\_\_\_\_ Partial Taking X

**Purpose of the Appraisal**

The purpose of this appraisal is to estimate the Market Value of the fee simple title encumbered by existing easements, if any, which are compatible to highway use of the subject property as of 12/20/95. It is being made for the Texas Turnpike Authority in connection with the investigation and defense of the claims by the owner of the property for compensation and damages, if any, arising out of the property acquisition by the Texas Turnpike Authority for right-of-way purposes. The estimates of value concluded herein will be used for settlement of such claims through negotiation or eminent domain proceedings.

Market Value may be defined as follows: "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged, to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonable adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."

**Valuation**

In my opinion the compensation due as a result of this taking is:

Owner \$152,350. Leasehold Interest \$ \_\_\_\_\_ Total \$152,350.

**Appraiser's Certificate**

I hereby certify that the opinion of value herein expressed has been reached after a careful examination of all pertinent data; that my fee is in no way contingent upon the value placed on the property; that neither I nor any employee in my service has directly or indirectly any financial or personal interest in or to the property appraised; and that should I or any employee in my service acquire any interest in or to the property appraised prior to the acquisition of the parcel by the Authority, I will immediately notify the Authority of such interest or interests.

12/20/95  
Date Report Made

Charles A. Miller  
Appraiser

REVIEWED BY:  
[Signature]  
Director of Engineering

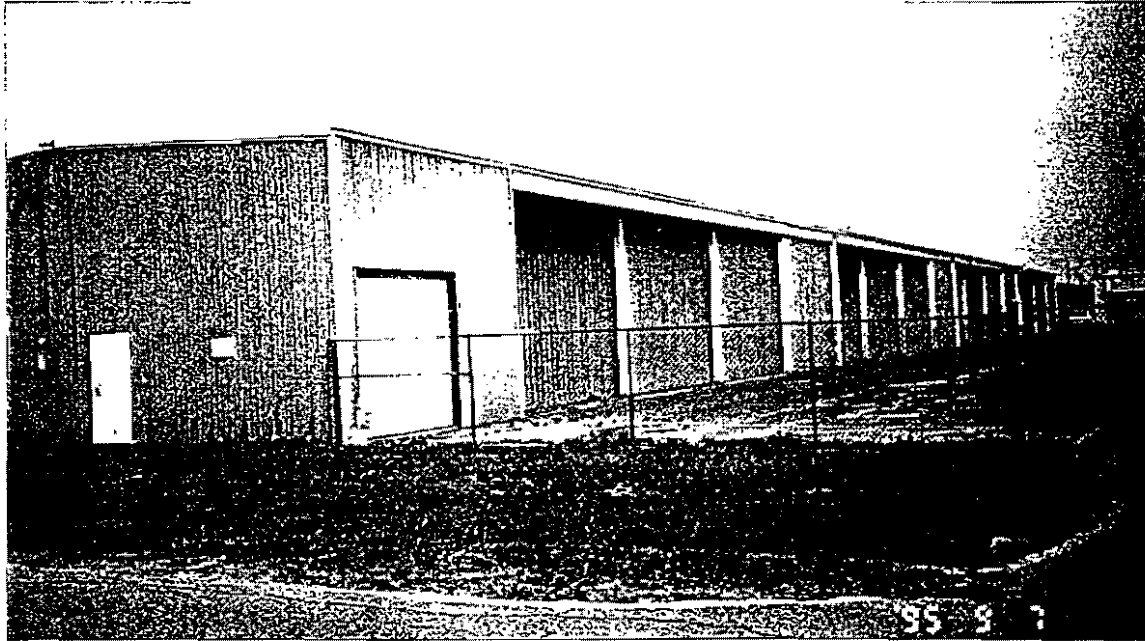
Approved by the Board of Directors Right-of-Way Committee on January 18, 1996  
James W. Griffin  
James W. Griffin  
Executive Director

ATTACH ALL PERTINENT PICTURES

Parcel No. \_\_\_\_\_ Local Address HANGER 1100 KELLER SPRINGS

Date Taken 9/7/95 AND 11/10/95 Taken by CHARLES (BO) MILLER

1. Point from which taken KELLER SPRINGS Looking NORTH



2. Point from which taken TAXIWAY Looking SOUTH

DATA ON WHOLE PROPERTY

Legal Description Abstract 792, Addison Municipal Airport

Dimensions: 127.5 feet x 340 feet = 43,350 sq.ft. .995 Acres

Location (Urban): Street & No. \_\_\_\_\_ on \_\_\_\_\_ side  
 between \_\_\_\_\_ and \_\_\_\_\_ streets.

(Rural): \_\_\_\_\_  
Land Grant Survey

Neighborhood or Area Analysis: The Neighborhood is a commercial and industrial area, having restaurant, neighborhood service, office, office showroom and warehouse facilities. A major asset in the area is the Addison Airport, a general aviation operation. The subject is located on Airport property.

Highest and Best Use and Zoning of Subject Property: Airplane Storage, Industrial - 3

COST APPROACH WHOLE PROPERTY

Estimated Reproduction Cost:

Main Building:	<u>15,300</u>	ft. @	<u>\$23.00</u>	per square foot.....	<u>\$351,900.</u>
Parking Lot:	<u>\$1.15</u>	per square	<u>ft</u>	<u>28,050</u> sq.ft.....	<u>\$ 32,258.</u>
Total Reproduction .....					<u>\$384,158.</u>
Less Accrued Depreciation:					
Physical Deterioration.....	<u>40%</u> .....				<u>\$153,663.</u>
Functional Obsolescence .....					<u>\$ -0-</u>
Economic Obsolescence .....					<u>\$ -0-</u>
Total Depreciation .....					<u>\$153,663.</u>
Value Building Contributes to Whole Property.....					<u>\$230,495.</u>

Garages: _____ ft. @ \$ _____ per _____ ft.....	\$ _____
Less Depreciation .....	\$ _____ \$ _____
Other (Detail).....	\$ _____
Less Depreciation .....	\$ _____ \$ _____

Depreciated Value:  
 Landscaping \$ \_\_\_\_\_, Fencing \$ \_\_\_\_\_  
 Walks \$ \_\_\_\_\_, Drives \$ \_\_\_\_\_

Value Improvements Contribute to Whole Property ..... \$230,495.

LAND.....43,350 square feet \$3.00 per sq.ft..... \$130,050.

ESTIMATED VALUE BY COST APPROACH..... \$360,545.

Comment on Depreciation Factors:

**MARKET DATA APPROACH WHOLE PROPERTY  
(Land Comparables)**

Purchase Price of Subject Property \$ \_\_\_\_\_ Date \_\_\_\_\_

Improvements Since Purchase and Estimated Cost:

Lease Terms or Rental Agreement:

**Sales and Information of Comparable Properties**

SALE NO.	1	2	3
SALE DATE	10/31/94	3/21/95	04/17/95
GRANTOR-GRANTEE	Hope Invt. Ltd. Addison, Ltd.	M&F Development Co Diversco Mann	Chaiu Chin AER
SALE CONFIRMED WITH	Kent Hope	George Roddy	Pat Haggerty
ADDRESS & LOCATION IN RELATION TO SUBJECT	4901 Airport Pkwy, 344,47' E Addison Rd 1 Blk South	4500 blk Sunbelt, Approx. 667' W. of Addison Rd 5 blks N.	2030 Chenault @ Earhart southeast corner
ACTUAL SALE PRICE	\$742,000.	\$125,000.	\$530,500.
CONDITIONS OF SALE	Cash	Cash	Cash
ESTIMATED UNIT PRICE	\$3.10	\$2.76	\$3.00
LEASE OR RENTAL DATA			
CURRENT USAGE	Federal Express Distribution Facility	Unimproved	Warehouse under Construction
HIGHEST & BEST USE	Commercial	Commercial	Commercial
SIZE	5.4963 Acres	1.0382 Acres.	4 Acres
PHYSICAL FEATURES			
IMPROVEMENTS	None at sale	None at sale	None at sale

Correlation of Comparable Sales To Subject Property:

Use Additional Pages If Necessary

Estimated Land Value of Market Data  
Approach \$ 130,050.

INCOME APPROACH WHOLE PROPERTY

JUSTIFICATION OF RATE AND METHOD OF CAPITALIZATION: Direct capitalization is used to estimate the value of subject. 10.5% is the rate established as fair rate of return value on the land and 12% is selected as fair return on the improvements.

Estimated remaining economic life of improvements <u>25 years</u>	
Stabilized Gross Income.....	<u>\$ 42,660.</u>
Vacancy <u>15</u> %.....	<u>6,399.</u>
Effective Gross Income.....	<u>\$36,261.</u>
Taxes:	
City.....	\$ _____
State & County.....	\$ _____
Miscellaneous (School, etc.).....	\$ _____
Insurance:	
Fire & Extended Coverage.....	\$ <u>224.</u>
Miscellaneous.....	\$ _____
Annual Deferred Maintenance.....	\$ <u>500.</u>
Management <u>4</u> %.....	\$ <u>1,450.</u>
Operating Expenses ..Utilities.....	\$ <u>1,360.</u>
Other Expenses.....	\$ _____
Total Expenses before Depreciation .....	<u>\$ 3,534.</u>
Net Income to Property.....	<u>\$ 32,727.</u>
Less Income Attributable to (Land).....	<u>\$130,050. @ 10.5 %</u> ..... <u>\$ 13,655.</u>
Income Attributable to (Improvements) .....	<u>\$ 19,072.</u>
Income Capitalized @ <u>12</u> % ( _____ % Interest _____ % for Recapture of Capital).....	<u>\$158,933.</u>
(Land) (Improvements) .....	<u>\$130,050.</u>
ESTIMATED VALUE BY CAPITALIZATION APPROACH .....	<u>\$288,983.</u>
	(Say) <u>\$289,000.</u>

ADDITIONAL APPRAISAL INFORMATION

FINAL ESTIMATE OF VALUE  
OF WHOLE PROPERTY

Correlaton of Approaches to Value

See Page 6A

Estimated Value of Whole Property

Owner \$ \_\_\_\_\_ Leasehold \$ \_\_\_\_\_ .....\$ \_\_\_\_\_

---

## 6A CORRELATION

The City of Addison owns Addison Airport, which comprises approximately 360 acres of land. Addison Airport of Texas, Inc. operates, manages, and subleases the airport property. Unless renewed, this agreement terminates on December 31, 2000.

There are three approaches to value that may be utilized to estimate fair market value of the subject - Market, Income & Reproduction or Replacement Cost.

The Market Approach to Value is a basis for estimating value based upon units of comparison derived from sales of similar properties in the marketplace. Those units of comparison are then applied to the subject property to arrive at a range of values which should be indicative of the market estimate of value for the subject property.

The Income Approach to Value is based upon an analysis of the income stream of the property and comparison of that income stream with income streams of similar properties. This calculation and analysis results in a net income stream attributable to the real estate. That income is then capitalized at a rate which is commensurate with the rates expressed in the marketplace by investors for similar properties. The resulting figure is an income estimate of value.

The Cost Approach to Value embraces the philosophy that the reproduction costs or the principal of substitution for a property should limit the upper side of value. In this approach to value the appraiser calculates the market value of the site, the reproduction cost of the improvements less any applicable depreciation, then combines these two items to arrive at a cost estimate of value.

The market approach has been used to estimate the value of the land.

Sale #1 is located one block south of the subject and east of Addison Road. This comparable is slightly superior to the subject as Airport Parkway connects Addison Road and the Dallas North Tollway. Federal Express has constructed a distribution facility on this property.

Sale #2 is approximately 5 blocks north of the subject on a secondary street occupied by office showroom and warehouse facilities.

Sale #3 is west of the subject and on the west side of Addison Airport in an office warehouse neighborhood. An office warehouse facility is currently under construction on this property.

These comparables give an accurate value for land in the vicinity of Addison Airport used for commercial and warehouse uses. After analyzing these sales, a value of \$3.00 per square foot is selected as fair market value of the land before the taking for the land taken, and for the land value after the taking.

At \$3.00 per square foot the fair market value of the land is \$130,050. When \$3.00 is multiplied times 17,887 square feet, fair market value of the land taken for the right of way equals \$53,661. A temporary two year construction easement of 2,375 square feet is also being taken. Just compensation for the land taken under the construction easement equals \$1,496. 9,247 square feet or 60.55% of the building is being taken with a value of \$96,059. attributed to this part of the improvements. (\$158,933. improvement value x 60.44%).

The income approach is the most reliable indicator of value of the subject. The cost approach indicates an upper limit of value when the improvements are new and constitute the highest and best use for the property.

The income stream generated by the property can be compared to income from other investments available in the market with similar and varied degrees of risk and durability.

Direct capitalization - building residual technique is used to estimate the value of the property under the income approach. The land value has been established at \$130,050. from comparable sales. 10.5% is selected as adequate return on the value of the land or \$13,655. When this income is subtracted from net income to property, \$19,072. of income is attributed to the improvements. Capitalizing this income at 12% gives value attributed to the improvements of \$158,933. The sums of the value of land and value of the improvements equals the estimated value of the whole property of \$288,983.

The income approach is the most accurate estimate of the fair market value. Therefore \$288,983. is the fair market value of the subject before the taking. The value of the remainder before the taking is \$139,263. (\$288,983 less \$149,720). After the taking, the improvements are reduced by 9,247 square feet or 60.44% of the value of the improvements leaving approximately 6,053 square feet. The remaining improvements will generate income on a prorata business equivalent to income generated before the taking. Therefore, the value of the remainder after the taking is unchanged and is equal to \$139,263.

In addition to taking a portion of the improvement and the right of way, a temporary construction easement will be taken. This easement will be needed for a period of two years and that compensation will be equal to 10.5% of the fair market value of the land for that period (2,375 sq.ft. + 1,800 sq.ft. = 4,175 sq.ft. x \$3. x 10.5% x 2 yrs. = \$2,630.25).

Total just compensation is summarized as follows:

Improvements Taken	\$96,059.
Right of Way Taken	53,661.
	<u>\$149,720.</u>
Construction Easement Taken	2,630.
Total Just Compensation	<u>\$152,350.</u>



DATA ON PARTIAL TAKING

Legal Description Part Taken \_\_\_\_\_

Dimensions \_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_ Sq.Ft. \_\_\_\_\_ Acres

WHOLE PROPERTY:

The market value of the whole property is .....\$ 288,983.

PART TAKEN:

The market value of the fee simple title, less oil, gas and sulphur, to the part being taken for highway purposes, considered as a severed tract is:.....\$149,720. (1)

REMAINING PROPERTY:

The market value of the remainder immediately before the taking is:.....\$ 139,263. (2)

Considering the use to which the part taken is to be subjected to, the market value of the remainder immediately after the taking is:.....\$ 139,263. (3)

NET DAMAGES, if any .....\$ -0-

SIGN ADJUSTMENT COSTS, if any.....\$ -0-

TOTAL COMPENSATION.....\$149,720.

APPRAISALS OF PART TAKEN AND REMAINDER

Highest and Best Use of

Part Taken \_\_\_\_\_  
 Remainder Before Taking \_\_\_\_\_  
 Remainder after taking considering the use to which the part taken is to be subjected \_\_\_\_\_

Contributory Value of Improvements	Part Taken	Remainder Before Taking	Remainder After Taking
Bldg.-9,247 sf (60.44%)	96,059.	62,874.	62,874.
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
TOTAL IMPROVEMENTS	_____	_____	_____
RIGHT OF WAY LAND 17,887 S.F. @ \$3.	53,661.	76,389.	76,389.
TOTAL AS A UNIT	\$149,720. (1)	\$139,263. (2)	\$139,263. (3)
CONSTRUCTION EASEMENT	+ 2,630.		
	\$152,350.		

Explain difference, if any, between Remainder Before and After Taking (If extra space needed, use attachment.)

COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Hope Investment Ltd. Grantee Addison Ltd.

Dated 10/31/94 Recorded in Volume 94210 Page 3570

Local Address 4901 Airport Parkway

Legal Description Abst. 482, Tract 30, Addison, TX

Actual Price \$742,000. Verified With Kent Hope

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 5.4963 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$3.10

Street Curb & Gutter Utilities \_\_\_\_\_

Improvements None at sale

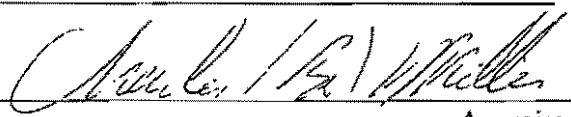
Size and Description \_\_\_\_\_

Condition and Desirability Minor dirt work to aid drainage from balance of the tract of which this is a part.

Current Use Fed Ex Distribution Facility Highest and Best Use Commercial

Date Inspected 7/15/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

  
 \_\_\_\_\_  
 Appraiser

COMPARABLE SALES DATA SUPPLEMENT



Diversco Sale &

Sales Parties: Grantor M & F Development Co., Inc. Grantee Manufacturing

Dated 3/21/95 Recorded in Volume 95055 Page 463

Local Address 4500 Block Sunbelt Drive

Legal Description West 1/2, Tract 13 Sunbelt Business Park Addition, Addison, TX

Actual Price \$125,000. Verified With George Roddy

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 1.0382 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$2.76

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale

Size and Description Level, ready for development

Condition and Desirability \_\_\_\_\_

Current Use Unimproved Highest and Best Use Light Industrial & Commercial

Date Inspected 7/15/95 Zoning Commercial -I

Use reverse side for other pertinent information \_\_\_\_\_

Appraiser

COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Chaiu Chin Grantee AER

Dated 4/14/95 Recorded in Volume 95074 Page 668

Local Address 2030 Chenault, Carrollton, TX

Legal Description Abstract 923, Tract 20

Actual Price \$530,500 Verified With Pat Haggerty

Conditions of Sale Cash

Rental Data \_\_\_\_\_

Land Size 4.0592 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$3.00

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale

Size and Description \_\_\_\_\_

Condition and Desirability \_\_\_\_\_

Current Use Warehouse under construcion Highest and Best Use Commercial

Date Inspected 10/22/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

*C. Miller*  
 \_\_\_\_\_  
 Appraiser

ADDISON AIRPORT TUNNEL  
REAL ESTATE APPRAISAL REPORT

Parcel Number \_\_\_\_\_ Address Hanger 1200 Keller Springs  
Owner City of Addison Address \_\_\_\_\_  
Occupant's Name \_\_\_\_\_ Whole Taking \_\_\_\_\_ Partial Taking X

Purpose of the Appraisal

The purpose of this appraisal is to estimate the Market Value of the fee simple title encumbered by existing easements, if any, which are compatible to highway use of the subject property as of 12/20/95. It is being made for the Texas Turnpike Authority in connection with the investigation and defense of the claims by the owner of the property for compensation and damages, if any, arising out of the property acquisition by the Texas Turnpike Authority for right-of-way purposes. The estimates of value concluded herein will be used for settlement of such claims through negotiation or eminent domain proceedings.

Market Value may be defined as follows: "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged, to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonable adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."

Valuation

In my opinion the compensation due as a result of this taking is:

Owner \$39,503. Leasehold Interest \$ \_\_\_\_\_ Total \$ 39,503.

Appraiser's Certificate

I hereby certify that the opinion of value herein expressed has been reached after a careful examination of all pertinent data; that my fee is in no way contingent upon the value placed on the property; that neither I nor any employee in my service has directly or indirectly any financial or personal interest in or to the property appraised; and that should I or any employee in my service acquire any interest in or to the property appraised prior to the acquisition of the parcel by the Authority, I will immediately notify the Authority of such interest or interests.

12/20/95  
Date Report Made

[Signature]  
Appraiser

REVIEWED BY:  
[Signature]  
Director of Engineering

Approved by the Board of Directors Right-of-Way Committee on January 18, 1996

[Signature]  
James W. Griffin  
Executive Director

ATTACH ALL PERTINENT PICTURES

Parcel No. \_\_\_\_\_ Local Address HANGER 1200 KELLER SPRINGS

Date Taken 9/7/95 AND 11/10/95 Taken by CHARLES (BO) MILLER

1. Point from which taken KELLER SPRINGS Looking NORTH



2. Point from which taken TAXIWAY Looking SOUTH

DATA ON WHOLE PROPERTY

Legal Description Abstract 792, Addison Municipal Airport

Dimensions: 127 feet x 340 feet = 43,180 sq.ft. .9913 Acres  
 Location (Urban): Street & No. \_\_\_\_\_ on \_\_\_\_\_ side  
 between \_\_\_\_\_ and \_\_\_\_\_ streets.  
 (Rural): \_\_\_\_\_

Land Grant Survey

Neighborhood or Area Analysis: The Neighborhood is a commercial and industrial area, having restaurant, neighborhood service, office, office showroom and warehouse facilities. A major asset in the area is the Addison Airport, a general aviation operation. The subject is located on Airport property.

Highest and Best Use and Zoning of Subject Property: Airplane Storage, Industrial - 3

COST APPROACH WHOLE PROPERTY

Estimated Reproduction Cost:

Main Building: <u>16,640</u> ft. @ <u>\$15.00</u> per square foot.....	<u>\$249,600.</u>
Parking Lot: <u>\$1.15</u> per square ft .. <u>26,540</u> sq.ft.....	<u>\$ 30,521.</u>
Total Reproduction .....	<u>\$280,121.</u>
Less Accrued Depreciation:	
Physical Deterioration.....40%.....	<u>\$112,048.</u>
Functional Obsolescence .....	<u>\$ -0-</u>
Economic Obsolescence .....	<u>\$ -0-</u>
Total Depreciation .....	<u>\$112,048.</u>
Value Building Contributes to Whole Property.....	<u>\$168,073.</u>

Garages: _____ ft. @ \$ _____ per _____ ft.....	\$ _____
Less Depreciation .....	\$ _____
Other (Detail).....	\$ _____
Less Depreciation .....	\$ _____

Depreciated Value:

Landscaping \$ _____, Fencing \$ _____,	
Walks \$ _____, Drives \$ _____ .....	\$ _____

Value Improvements Contribute to Whole Property ..... \$168,073.

LAND.....43,180 square feet \$3.00 per sq.ft..... \$129,540.

ESTIMATED VALUE BY COST APPROACH..... \$297,613.

Comment on Depreciation Factors:

**MARKET DATA APPROACH WHOLE PROPERTY  
(Land Comparables)**

Purchase Price of Subject Property \$ \_\_\_\_\_ Date \_\_\_\_\_

Improvements Since Purchase and Estimated Cost:

Lease Terms or Rental Agreement:

**Sales and Information of Comparable Properties**

SALE NO.	1	2	3
SALE DATE	10/31/94	3/21/95	04/17/95
GRANTOR-GRANTEE	Hope Inv. Ltd. Addison, Ltd.	M&F Development Co Diversco Mann	Chaiu Chin AER
SALE CONFIRMED WITH	Kent Hope	George Roddy	Pat Haggerty
ADDRESS & LOCATION IN RELATION TO SUBJECT	4901 Airport Pkwy, 344.47' E Addison Rd 1 Blk South	4500 blk Sunbelt, Approx. 667' W. of Addison Rd 5 blks N.	2030 Chenault @ Earhart southeast corner
ACTUAL SALE PRICE	\$742,000.	\$125,000.	\$530,500.
CONDITIONS OF SALE	Cash	Cash	Cash
ESTIMATED UNIT PRICE	\$3.10	\$2.76	\$3.00
LEASE OR RENTAL DATA			
CURRENT USAGE	Federal Express Distribution Facility	Unimproved	Warehouse under Construction
HIGHEST & BEST USE	Commercial	Commercial	Commercial
SIZE	5.4963 Acres	1.0382 Acres.	4 Acres
PHYSICAL FEATURES			
IMPROVEMENTS	None at sale	None at sale	None at sale

Correlation of Comparable Sales To Subject Property:

Use Additional Pages If Necessary

Estimated Land Value of Market Data  
Approach \$129,540. \_\_\_\_\_



INCOME APPROACH WHOLE PROPERTY

JUSTIFICATION OF RATE AND METHOD OF CAPITALIZATION: \_\_\_\_\_

Estimated remaining economic life of improvements <u>25</u> years	
Stabilized Gross Income.....	\$ <u>21,000.</u>
Vacancy <u>15</u> %.....	<u>3,150.</u>
Effective Gross Income.....	\$ <u>17,850.</u>
Taxes:	
City.....	\$ _____
State & County.....	\$ <u>-0-</u>
Miscellaneous (School, etc.).....	\$ _____
Insurance:	
Fire & Extended Coverage.....	\$ <u>69.</u>
Miscellaneous.....	\$ _____
Annual Deferred Maintenance.....	\$ <u>300.</u>
Management <u>4</u> %.....	\$ <u>714.</u>
Operating Expenses ..Utilities.....	\$ <u>863.</u>
Other Expenses.....	\$ _____
Total Expenses before Depreciation .....	\$ <u>1,946.</u>
Net Income to Property.....	\$ <u>15,904.</u>
Less Income Attributable to (Land).....	\$ <u>129,540.</u> @ <u>10.5</u> %.....\$ <u>13,602.</u>
Income Attributable to (Improvements) .....	\$ <u>2,302.</u>
Income Capitalized @ <u>12</u> % ( _____ % Interest _____ % for Recapture of Capital).....	\$ <u>19,183.</u>
(Land) (Improvements) .....	\$ <u>129,540.</u>
ESTIMATED VALUE BY CAPITALIZATION APPROACH .....	\$ <u>148,723.</u>

ADDITIONAL APPRAISAL INFORMATION

FINAL ESTIMATE OF VALUE  
OF WHOLE PROPERTY

Correlaton of Approaches to Value

See Page 6A

Estimated Value of Whole Property

Owner \$ \_\_\_\_\_ Leaschold \$ .....\$ \_\_\_\_\_

---

## 6A CORRELATION

The City of Addison owns Addison Airport, which comprises approximately 360 acres of land. Addison Airport of Texas, Inc. operates, manages, and subleases the airport property. Unless renewed, this agreement terminates on December 31, 2000.

There are three approaches to value that may be utilized to estimate fair market value of the subject - Market, Income & Reproduction or Replacement Cost.

The Market Approach to Value is a basis for estimating value based upon units of comparison derived from sales of similar properties in the marketplace. Those units of comparison are then applied to the subject property to arrive at a range of values which should be indicative of the market estimate of value for the subject property.

The Income Approach to Value is based upon an analysis of the income stream of the property and comparison of that income stream with income streams of similar properties. This calculation and analysis results in a net income stream attributable to the real estate. That income is then capitalized at a rate which is commensurate with the rates expressed in the marketplace by investors for similar properties. The resulting figure is an income estimate of value.

The Cost Approach to Value embraces the philosophy that the reproduction costs or the principal of substitution for a property should limit the upper side of value. In this approach to value the appraiser calculates the market value of the site, the reproduction cost of the improvements less any applicable depreciation, then combines these two items to arrive at a cost estimate of value.

The market approach has been used to estimate the value of the land.

Sale #1 is located one block south of the subject and east of Addison Road. This comparable is slightly superior to the subject as Airport Parkway connects Addison Road and the Dallas North Tollway. Federal Express has constructed a distribution facility on this property.

Sale #2 is approximately 5 blocks north of the subject on a secondary street occupied by office showroom and warehouse facilities.

Sale #3 is west of the subject and on the west side of Addison Airport in an office warehouse neighborhood. An office warehouse facility is currently under construction on this property.

These comparables give an accurate value for land in the vicinity of Addison Airport used for commercial and warehouse uses. After analyzing these sales, a value of \$3.00 per square foot is selected as fair market value of the land before the taking for the land taken, and for the land value after the taking.

At \$3.00 per square foot the fair market value of the land is \$129,540. When \$3.00 is multiplied times 10,428 square feet, fair market value of the land taken for the right of way equals \$31,284. 6,365 square feet or 38.25% of the building is being taken with a value of \$7,337. attributed to this part of the improvements (\$19,183. improvement value x 38.25%).

The income approach is the most reliable indicator of value of the subject. The cost approach indicates an upper limit of value when the improvements are new and constitute the highest and best use for the property.

The income stream generated by the property can be compared to income from other investments available in the market with similar and varied degrees of risk and durability.

Direct capitalization - building residual technique is used to estimate the value of the property under the income approach. The land value has been established at \$129,540. from comparable sales. 10.5% is selected as adequate return on the value of the land or \$13,602. When this income is subtracted from net income to property, \$2,302. of income is attributed to the improvements. Capitalizing this income at 12% gives value attributed to the improvements of \$19,183. The sum of the value of land and value of the improvements equals the estimated value of the whole property of \$148,723.

The income approach is the most accurate estimate of the fair market value. Therefore, \$148,723. is the fair market value of the subject before the taking.

The value of the remainder before the taking is \$110,102. (\$148,723. less \$38,621.). After the taking, the improvements are reduced by 6,365 square feet, leaving approximately 10,725 square feet. The remaining improvements will generate income on a prorata basis equivalent to income generated before the taking. Therefore, the value of the remainder after the taking is unchanged and is equal to \$110,102.

In addition to taking a portion of the improvements and the right of way, a temporary construction easement will be taken. This easement will be needed for a period of two years and that compensation will be equal to 10.5% of the fair market value of the land for that period (1,400 sq. ft. x \$3 x 10.5% x 2 yrs. = \$882.).

Total just compensation is summarized as follows:

Improvements Taken	\$ 7,337.
Right of Way Taken	31,284.
	-----
	\$38,621.
Construction Easement Taken	<u>882.</u>
Total Just Compensation	\$39,503.

DATA ON PARTIAL TAKING

Legal Description Part Taken \_\_\_\_\_

Dimensions \_\_\_\_\_ x \_\_\_\_\_ = 10,428. Sq.Ft. 2394 Acres

WHOLE PROPERTY:

The market value of the whole property is .....\$148,723.

PART TAKEN:

The market value of the fee simple title, less oil, gas and sulphur, to the part being taken for highway purposes, considered as a severed tract is:.....\$38,621. (1)

REMAINING PROPERTY:

The market value of the remainder immediately before the taking is:.....\$ 110,102. (2)

Considering the use to which the part taken is to be subjected to, the market value of the remainder immediately after the taking is:.....\$ 110,102. (3)

NET DAMAGES, if any .....\$ -0-

SIGN ADJUSTMENT COSTS, if any.....\$ -0-

TOTAL COMPENSATION.....\$38,621.

APPRAISALS OF PART TAKEN AND REMAINDER

Highest and Best Use of

Part Taken Airplane Storage

Remainder Before Taking Same

Remainder after taking considering the use to which the part taken is to be subjected Same

Contributory Value of Improvements	Part Taken	Remainder Before Taking	Remainder After Taking
Bldg.-6,365 (38.25%)	<u>7,337.</u>	<u>11,846.</u>	<u>11,846.</u>
<b>TOTAL IMPROVEMENTS</b>		<u>11,846.</u>	<u>11,846.</u>
<b>RIGHT OF WAY</b> 10,428 s.f. @ \$3.	<u>\$31,284.</u>	<u>\$ 98,256.</u>	<u>\$ 98,256.</u>
<b>TOTAL AS A UNIT</b>	<u>\$38,621. (1)</u>	<u>\$110,102. (2)</u>	<u>\$110,102. (3)</u>
<b>CONSTRUCTION EASEMENT</b>	<u>+ 882.</u>		
	<u>\$39,503.</u>		

COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Hope Investment Ltd. Grantee Addison Ltd.

Dated 10/31/94 Recorded in Volume 94210 Page 3570

Local Address 4901 Airport Parkway

Legal Description Abst. 482, Tract 30, Addison, TX

Actual Price \$742,000. Verified With Kent Hope

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 5.4963 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$3.10

Street Curb & Gutter Utilities \_\_\_\_\_

Improvements None at sale

Size and Description \_\_\_\_\_

Condition and Desirability Minor dirt work to aid drainage from balance of the tract of which this is a part.

Current Use Fed Ex Distribution Facility Highest and Best Use Commercial

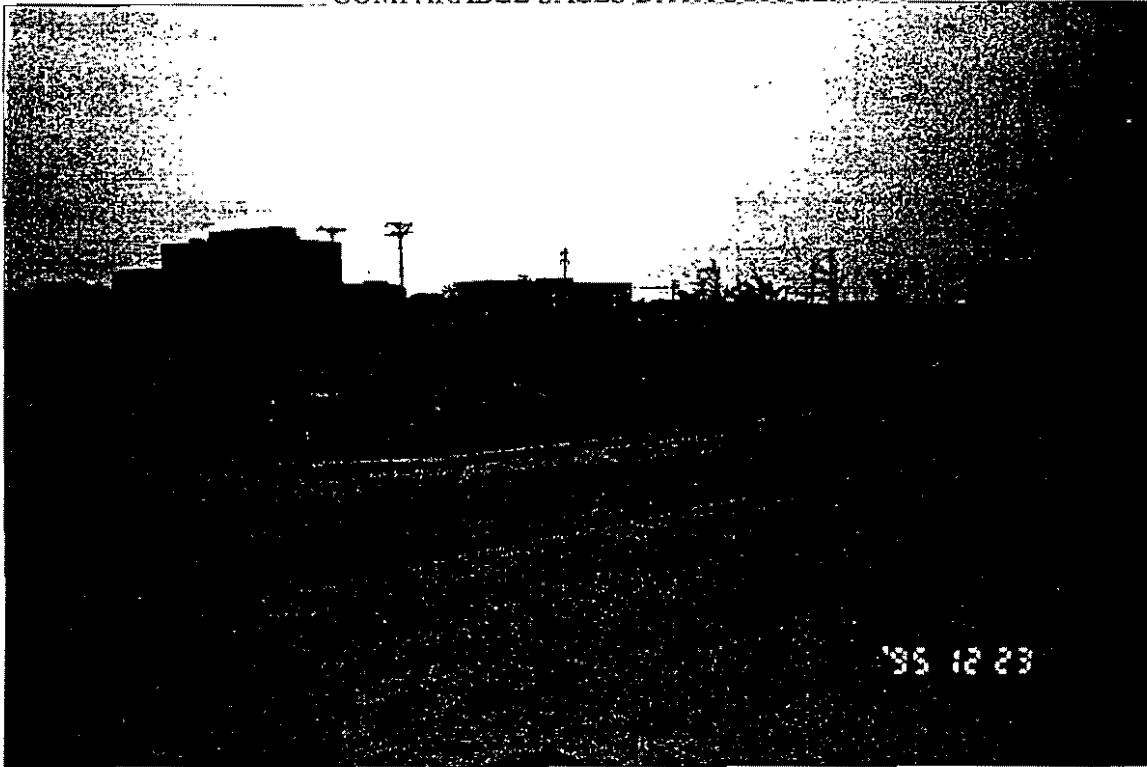
Date Inspected 7/15/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

Charles B. Miller

Appraiser

COMPARABLE SALES DATA SUPPLEMENT



Diversco Sale &

Sales Parties: Grantor M & F Development Co., Inc. Grantee Manufacturing

Dated 3/21/95 Recorded in Volume 95055 Page 463

Local Address 4500 Block Sunbelt Drive

Legal Description West 1/4, Tract 13 Sunbelt Business Park Addition, Addison, TX

Actual Price \$125,000. Verified With George Roddy

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 1.0382 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$2.76

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale

Size and Description Level, ready for development

Condition and Desirability \_\_\_\_\_

Current Use Unimproved Highest and Best Use Light Industrial & Commercial

Date Inspected 7/15/955 Zoning Commercial -1

Use reverse side for other pertinent information \_\_\_\_\_

*C. Miller*  
 \_\_\_\_\_  
 Appraiser

COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Chaiu Chin Grantee AER

Dated 4/14/95 Recorded in Volume 95074 Page 668

Local Address 2030 Chenault, Carrollton, TX

Legal Description Abstract 923, Tract 20

Actual Price \$530,500 Verified With Pat Haggerty

Conditions of Sale Cash

Rental Data \_\_\_\_\_

Land Size 4.0592 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$3.00

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale

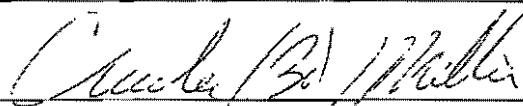
Size and Description \_\_\_\_\_

Condition and Desirability \_\_\_\_\_

Current Use Warehouse under construciton Highest and Best Use Commercial

Date Inspected 10/22/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

  
 \_\_\_\_\_  
 Appraiser



ADDISON AIRPORT TUNNEL  
REAL ESTATE APPRAISAL REPORT

Parcel Number \_\_\_\_\_ Address Hanger 1300 Keller Springs

Owner City of Addison Address \_\_\_\_\_

Occupant's Name Greg Hayes Whole Taking \_\_\_\_\_ Partial Taking X

Purpose of the Appraisal

The purpose of this appraisal is to estimate the Market Value of the fee simple title encumbered by existing easements, if any, which are compatible to highway use of the subject property as of 12/20/95. It is being made for the Texas Turnpike Authority in connection with the investigation and defense of the claims by the owner of the property for compensation and damages, if any, arising out of the property acquisition by the Texas Turnpike Authority for right-of-way purposes. The estimates of value concluded herein will be used for settlement of such claims through negotiation or eminent domain proceedings.

Market Value may be defined as follows: "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged, to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonable adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."

Valuation

In my opinion the compensation due as a result of this taking is:

Owner \$ \_\_\_\_\_ Leasehold Interest \$ \_\_\_\_\_ Total \$ 48,352.

Appraiser's Certificate

I hereby certify that the opinion of value herein expressed has been reached after a careful examination of all pertinent data; that my fee is in no way contingent upon the value placed on the property; that neither I nor any employee in my service has directly or indirectly any financial or personal interest in or to the property appraised; and that should I or any employee in my service acquire any interest in or to the property appraised prior to the acquisition of the parcel by the Authority, I will immediately notify the Authority of such interest or interests.

12/20/95

Date Report Made

Charles P. Mully

Appraiser

REVIEWED BY:

[Signature]  
Director of Engineering

Approved by the Board of Directors Right-of-Way Committee on January 18, 1996

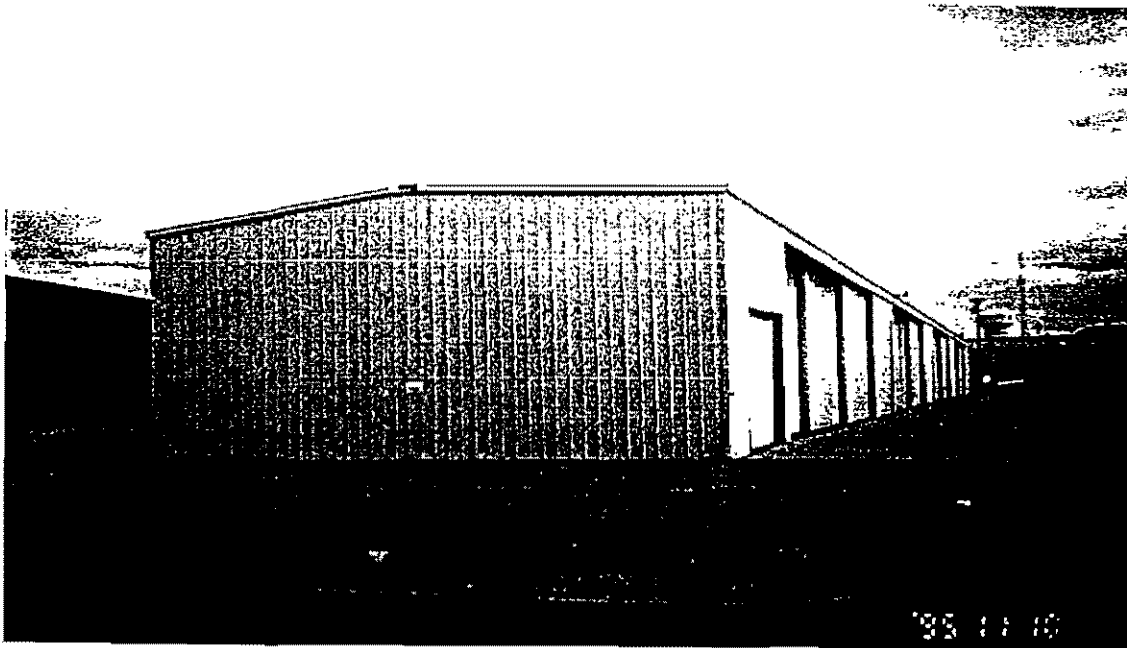
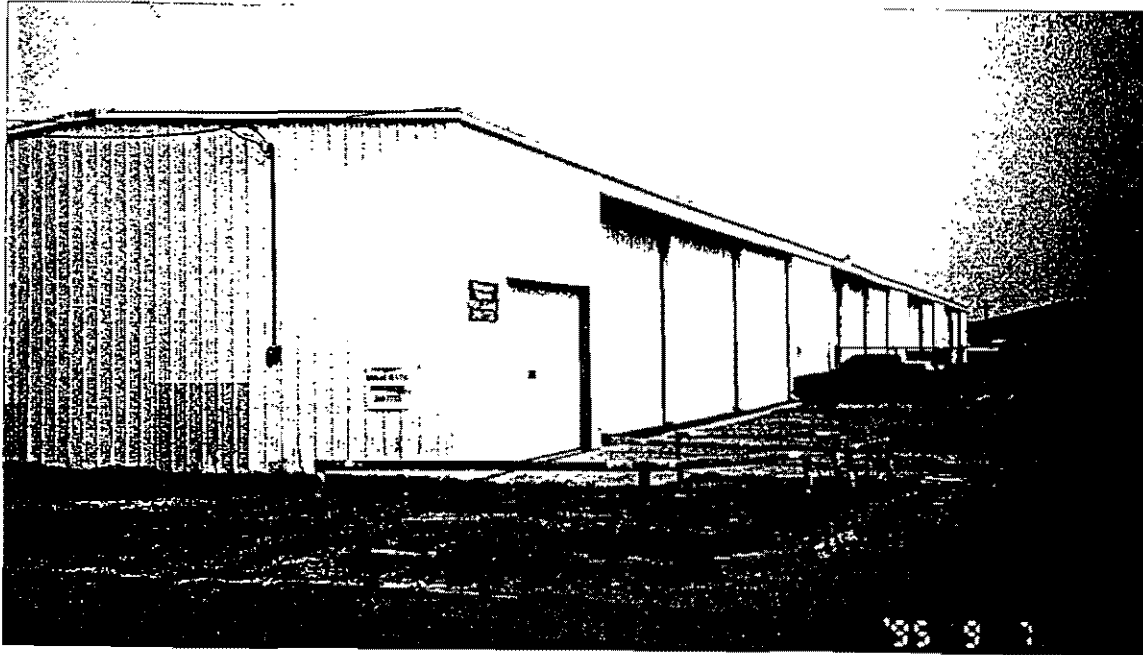
[Signature]  
James W. Griffin  
Executive Director

ATTACH ALL PERTINENT PICTURES

Parcel No. \_\_\_\_\_ Local Address HANGER 1300 KELLER SPRINGS

Date Taken 9/7/95 AND 11/10/95 Taken by CHARLES (BO) MILLER

1. Point from which taken KELLER SPRINGS Looking NORTH



2. Point from which taken TAXIWAY Looking SOUTH

DATA ON WHOLE PROPERTY

Legal Description Abstract 792, Addison Municipal Airport

Dimensions: 120 feet x 335 feet = 54,560 sq. ft. .976 Acres  
 Location (Urban): Street & No. \_\_\_\_\_ on \_\_\_\_\_ side  
 between \_\_\_\_\_ and \_\_\_\_\_ streets.  
 (Rural): \_\_\_\_\_

Land Grant Survey

Neighborhood or Area Analysis: The Neighborhood is a commercial and industrial area, having restaurant, neighborhood service, office, office showroom and warehouse facilities. A major asset in the area is the Addison Airport, a general aviation operation. The subject is located on Airport property.

Highest and Best Use and Zoning of Subject Property: Airplane Storage, Industrial - 3

COST APPROACH WHOLE PROPERTY

Estimated Reproduction Cost:	
Main Building: <u>15,300</u> ft. @ <u>\$23.00</u> per square foot.....	<u>\$351,900.</u>
Parking Lot: <u>\$2.00</u> per square ft. <u>25,260</u> sq. ft.....	<u>\$ 50,520.</u>
Total Reproduction .....	<u>\$402,420.</u>
Less Accrued Depreciation:	
Physical Deterioration.....40%.....	<u>\$160,968.</u>
Functional Obsolescence .....	<u>\$ -0-</u>
Economic Obsolescence .....	<u>\$ -0-</u>
Total Depreciation .....	<u>\$160,968.</u>
Value Building Contributes to Whole Property.....	<u>\$241,452.</u>
Garages: _____ ft. @ \$ _____ per _____ ft.....	
Less Depreciation .....	<u>\$ _____ \$</u>
Other (Detail).....	<u>\$ _____</u>
Less Depreciation .....	<u>\$ _____ \$</u>
Depreciated Value:	
Landscaping \$ _____, Fencing \$ _____	
Walks \$ _____, Drives \$ _____ .....	<u>\$ _____</u>
Value Improvements Contribute to Whole Property .....	<u>\$241,452.</u>
LAND.....40,560 square feet <u>\$3.00</u> per sq. ft.....	<u>\$121,680.</u>
ESTIMATED VALUE BY COST APPROACH.....	<u>\$363,132.</u>

Comment on Depreciation Factors: Building is approximately 15 yrs. old. Reasonable wear and tear is estimated at 40%. Remaining economic life is approximately 25 yrs.

MARKET DATA APPROACH WHOLE PROPERTY  
(Land Comparables)

Purchase Price of Subject Property      \$ \_\_\_\_\_ Date \_\_\_\_\_

Improvements Since Purchase and Estimated Cost:

Lease Terms or Rental Agreement:

Sales and Information of Comparable Properties

SALE NO.	1	2	3
SALE DATE	10/31/94	3/21/95	04/17/95
GRANTOR-GRANTEE	Hope Invt. Ltd. Addison, Ltd.	M&F Development Co Diversco Mann	Chaiu Chin AER
SALE CONFIRMED WITH	Kent Hope	George Roddy	Pat Haggerty
ADDRESS & LOCATION IN RELATION TO SUBJECT	4901 Airport Pkwy, 344.47' E Addison Rd 1 Blk South	4500 blk Sunbelt, Approx. 667' W. of Addison Rd 5 blks N.	2030 Chenault @ Earhart southeast corner
ACTUAL SALE PRICE	\$742,000.	\$125,000.	\$530,500.
CONDITIONS OF SALE	Cash	Cash	Cash
ESTIMATED UNIT PRICE	\$3.10	\$2.76	\$3.00
LEASE OR RENTAL DATA			
CURRENT USAGE	Federal Express Distribution Facility	Unimproved	Warehouse under Construction
HIGHEST & BEST USE	Commercial	Commercial	Commercial
SIZE	5.4963 Acres	1.0382 Acres.	4 Acres
PHYSICAL FEATURES			
IMPROVEMENTS	None at sale	None at sale	None at sale

Correlation of Comparable Sales To Subject Property:

Use Additional Pages If Necessary

Estimated Land Value of Market Data  
Approach \$ 121,680.

INCOME APPROACH WHOLE PROPERTY

JUSTIFICATION OF RATE AND METHOD OF CAPITALIZATION: Subject is under a ground lease with original 40 yr term. The lease has approximately 23 yrs and 3 mo. remaining. Net income from building is capitalized at 12%. Return on land value is 10.5%.  
Estimated remaining economic life of improvements 25 years

Stabilized Gross Income.....	\$ 41,520.	
Vacancy <u>15</u> %.....	<u>6,228.</u>	
Effective Gross Income.....		\$35,292.
Taxes:		
City.....	\$ _____	
State & County.....	\$ _____	
Miscellaneous (School, etc.).....	\$ _____	
Insurance:		
Fire & Extended Coverage.....	\$ 224.	
Miscellaneous.....	\$ _____	
Annual Deferred Maintenance.....	\$ 600.	
Management <u>4</u> %.....	\$ 1,412.	
Operating Expenses ..Utilities.....	\$ 1,400.	
Other Expenses.....	\$ _____	
Total Expenses before Depreciation .....		\$ 3,676.
Net Income to Property.....		\$ 31,656.
Less Income Attributable to (Land).....	\$121,680. @ 10.5 %.....	\$ 12,776.
Income Attributable to (Improvements) .....		\$ 18,880.
Income Capitalized @ <u>12</u> % ( _____ % Interest _____ % for Recapture of Capital).....		\$157,333.
(Land) (Improvements) .....		\$121,640.
ESTIMATED VALUE BY CAPITALIZATION APPROACH .....		\$279,013.
	Discounted Cash Flow	(Say) \$279,000.

ADDITIONAL APPRAISAL INFORMATION

FINAL ESTIMATE OF VALUE  
OF WHOLE PROPERTY

Correlaton of Approaches to Value

See Page 6A

Estimated Value of Whole Property

Owner \$ \_\_\_\_\_ Leaschold \$ \_\_\_\_\_ .....\$ \_\_\_\_\_

---

The City of Addison owns Addison Airport, which comprises approximately 360 acres of land. Addison Airport of Texas, Inc. operates, manages, and subleases the airport property. Unless renewed, this agreement terminates on December 31, 2000. Several ground leases extend beyond that date. This property is under a ground lease with an original term of forty years, as of November 1, 1995. Twenty three (23) years, three (3) months remain on the lease.

For purposes of this report, it is assumed that the property is owned and operated by the fee owner. The fair market value estimated herein does not attempt to determine the value of the leased fee, the sublease position (sandwich position) of the airport management or the leasehold estate created by the lease for the tenant currently in possession of the property.

There are three approaches to value that may be utilized to estimate fair market value of the subject - Market, Income & Reproduction or Replacement Cost.

The Market Approach to Value is a basis for estimating value based upon units of comparison derived from sales of similar properties in the marketplace. Those units of comparison are then applied to the subject property to arrive at a range of values which should be indicative of the market estimate of value for the subject property.

The Income Approach to Value is based upon an analysis of the income stream of the property and comparison of that income stream with income streams of similar properties. This calculation and analysis results in a net income stream attributable to the real estate. That income is then capitalized at a rate which is commensurate with the rates expressed in the marketplace by investors for similar properties. The resulting figure is an income estimate of value.

The Cost Approach to Value embraces the philosophy that the reproduction costs or the principal of substitution for a property should limit the upper side of value. In this approach to value the appraiser calculates the market value of the site, the reproduction cost of the improvements less any applicable depreciation, then combines these two items to arrive at a cost estimate of value.

The market approach has been used to estimate the value of the land.

Sale #1 is located one block south of the subject and east of Addison Road. This comparable is slightly superior to the subject as Airport Parkway connects Addison Road and the Dallas North Tollway. Federal Express has constructed a distribution facility on this property.

Sale #2 is approximately 5 blocks north of the subject on a secondary street occupied by office showroom and warehouse facilities.

Sale #3 is west of the subject and on the west side of Addison Airport in an office warehouse neighborhood. An office warehouse facility is currently under construction on this property.

These comparables give an accurate value for land in the vicinity of Addison Airport used for commercial and warehouse uses. After analyzing these sales, a value of \$3.00 per square foot is selected as fair market value of the land before the taking for the land taken, and for the land value after the taking.

At \$3.00 per square foot the fair market value of the land is \$121,680. When \$3.00 is multiplied times 3,515 square feet, fair market value of the land taken for the right of way equals \$10,545. 3,610 square feet or 23.59% of the building is being taken with a value of \$37,114. attributed to this part of the improvements (\$157,333. improvement value x 23.59%).

The income approach is the most reliable indicator of value of the subject. The cost approach indicates an upper limit of value when the improvements are new and constitute the highest and best use for the property.

The income stream generated by the property can be compared to income from other investments available in the market with similar and varied degrees of risk and durability.

Direct capitalization - building residual technique is used to estimate the value of the property under the income approach. The land value has been established at \$121,680, from comparable sales. 10.5% is selected as adequate return on the value of the land or \$12,776. When this income is subtracted from net income to property, \$18,880. of income is attributed to the improvements. Capitalizing this income at 12% gives value attributed to the improvements of \$157,333. The sums of the value of land and value of the improvements equals the estimated value of the whole property of \$279,000.

The income approach is the most accurate estimate of the fair market value. Therefore \$279,000 is the fair market value of the subject before the taking.

The value of the remainder before the taking is \$231,354. (\$279,013. less \$47,659.). After the taking, the improvements are reduced by 3,610 square feet or 23.59% leaving approximately 11,690 square feet. The remaining improvements will generate income on a prorata basis equivalent to income generated before the taking. Therefore, the value of the remainder after the taking is unchanged and is equal to \$231,254.

In addition to taking a portion of the improvements and the right of way, a temporary construction easement will be taken. This easement will be needed for a period of two years and that compensation will be equal to 10.5% of the fair market value of the land for that period (1,100 sq. ft. x \$3 x 10.5% x 2 yrs. = \$693.).

Total just compensation is summarized as follows:

Improvements Taken	\$37,114.
Right of Way Taken	10,545.
	<hr/>
	\$47,659.
Construction Easement Taken	<hr/> 693.
Total Just Compensation	\$48,352.



DATA ON PARTIAL TAKING

Legal Description Part Taken \_\_\_\_\_

Dimensions \_\_\_\_\_ x \_\_\_\_\_ = 3,797 Sq.Ft. .0867 Acres

WHOLE PROPERTY:

The market value of the whole property is .....\$279,013

PART TAKEN:

The market value of the fee simple title, less oil, gas and sulphur, to the part being taken for highway purposes, considered as a severed tract is:.....\$47,659. (1)

REMAINING PROPERTY:

The market value of the remainder immediately before the taking is:.....\$ 231,354. (2)

Considering the use to which the part taken is to be subjected to, the market value of the remainder immediately after the taking is:.....\$ 231,354. (3)

NET DAMAGES, if any .....\$ -0-

SIGN ADJUSTMENT COSTS, if any.....\$ -0-

TOTAL COMPENSATION.....\$47,659.

APPRAISALS OF PART TAKEN AND REMAINDER

Highest and Best Use of

Part Taken Airplane Storage

Remainder Before Taking Same

Remainder after taking considering the use to which the part taken is to be subjected \_\_\_\_\_

Contributory Value of Improvements	Part Taken	Remainder Before Taking	Remainder After Taking
Bldg.-3,610 (23.59%) and Concrete Paving approx.	<u>37,114</u>	<u>120,219</u>	<u>120,219</u>
TOTAL IMPROVEMENTS	_____	_____	_____
RIGHT OF WAY LAND 3,515 s.f. @ \$3	<u>10,545.</u>	<u>\$111,135.</u>	_____
TOTAL AS A UNIT	<u>\$47,659. (1)</u>	<u>\$231,354. (2)</u>	<u>\$231,354. (3)</u>
CONSTRUCTION EASEMENT	<u>+ 693.</u>		
	\$48,352.		

COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Hope Investment Ltd. Grantee Addison Ltd.

Dated 10/31/94 Recorded in Volume 94210 Page 3570

Local Address 4901 Airport Parkway

Legal Description Abst. 482, Tract 30, Addison, TX

Actual Price \$742,000. Verified With Kent Hope

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 5.4963 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$3.10

Street Curb & Gutter Utilities \_\_\_\_\_

Improvements None at sale

Size and Description \_\_\_\_\_

Condition and Desirability Minor dirt work to aid drainage from balance of the tract of which this is a part.

Current Use Fed Ex Distribution Facility Highest and Best Use Commercial

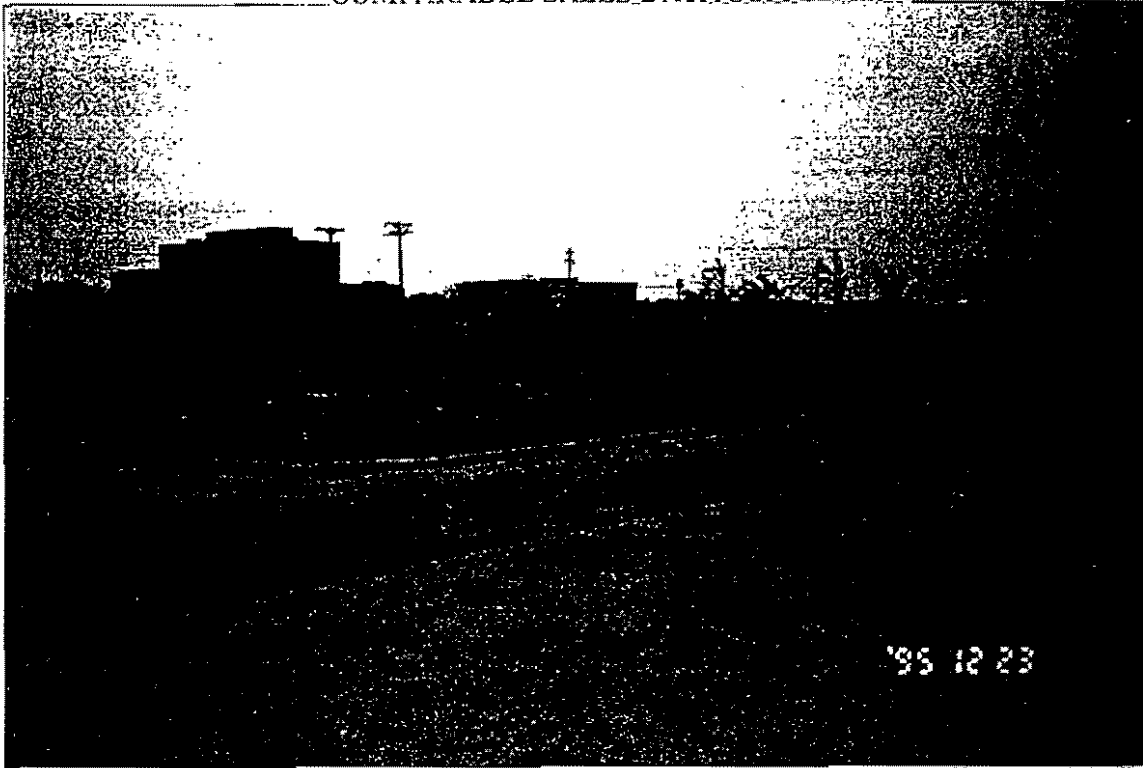
Date Inspected 7/15/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

*Charles B. Miller*

Appraiser

COMPARABLE SALES DATA SUPPLEMENT



Diversco Sale &

Sales Parties: Grantor M& F Development Co., Inc. Grantee Manufacturing

Dated 3/21/95 Recorded in Volume 95055 Page 463

Local Address 4500 Block Sunbelt Drive

Legal Description West 1/2, Tract 13 Sunbelt Business Park Addition, Addison, TX

Actual Price \$125,000. Verified With George Roddy

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 1.0382 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$2.76

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale


Size and Description Level, ready for development

Condition and Desirability \_\_\_\_\_

Current Use Unimproved Highest and Best Use Light Industrial & Commercial

Date Inspected 7/15/955 Zoning Commercial -1

Use reverse side for other pertinent information \_\_\_\_\_

  
 \_\_\_\_\_  
 Appraiser

COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Chaiu Chin Grantee AER

Dated 4/14/95 Recorded in Volume 95074 Page 668

Local Address 2030 Chenault, Carrollton, TX

Legal Description Abstract 923, Tract 20

Actual Price \$530,500 Verified With Pat Haggerty

Conditions of Sale Cash

Rental Data \_\_\_\_\_

Land Size 4.0592 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$3.00

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale

Size and Description \_\_\_\_\_

Condition and Desirability \_\_\_\_\_

Current Use Warehouse under constructon Highest and Best Use Commercial

Date Inspected 10/22/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

*Oscar G. Miller*

Appraiser

ADDISON AIRPORT TUNNEL  
REAL ESTATE APPRAISAL REPORT

Parcel Number \_\_\_\_\_ Address Hanger 1600 Keller Springs

Owner City of Addison Address \_\_\_\_\_

Occupant's Name \_\_\_\_\_ Whole Taking \_\_\_\_\_ Partial Taking X

Purpose of the Appraisal

The purpose of this appraisal is to estimate the Market Value of the fee simple title encumbered by existing easements, if any, which are compatible to highway use of the subject property as of 12/20/95. It is being made for the Texas Turnpike Authority in connection with the investigation and defense of the claims by the owner of the property for compensation and damages, if any, arising out of the property acquisition by the Texas Turnpike Authority for right-of-way purposes. The estimates of value concluded herein will be used for settlement of such claims through negotiation or eminent domain proceedings.

Market Value may be defined as follows: "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged, to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonable adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."

Valuation

In my opinion the compensation due as a result of this taking is:

Owner \$33,583. Leasehold Interest \$ \_\_\_\_\_ Total \$33,583.

Appraiser's Certificate

I hereby certify that the opinion of value herein expressed has been reached after a careful examination of all pertinent data; that my fee is in no way contingent upon the value placed on the property; that neither I nor any employee in my service has directly or indirectly any financial or personal interest in or to the property appraised; and that should I or any employee in my service acquire any interest in or to the property appraised prior to the acquisition of the parcel by the Authority, I will immediately notify the Authority of such interest or interests.

12/20/95  
Date Report Made

Cecilia B. Miles  
Appraiser

REVIEWED BY:  
[Signature]  
Director of Engineering

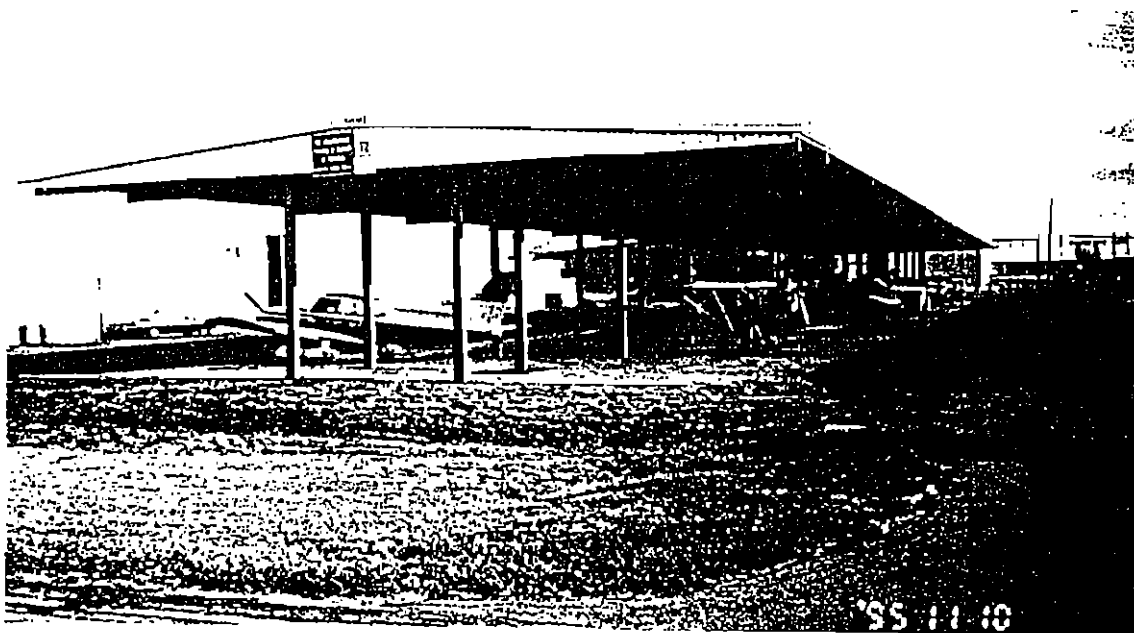
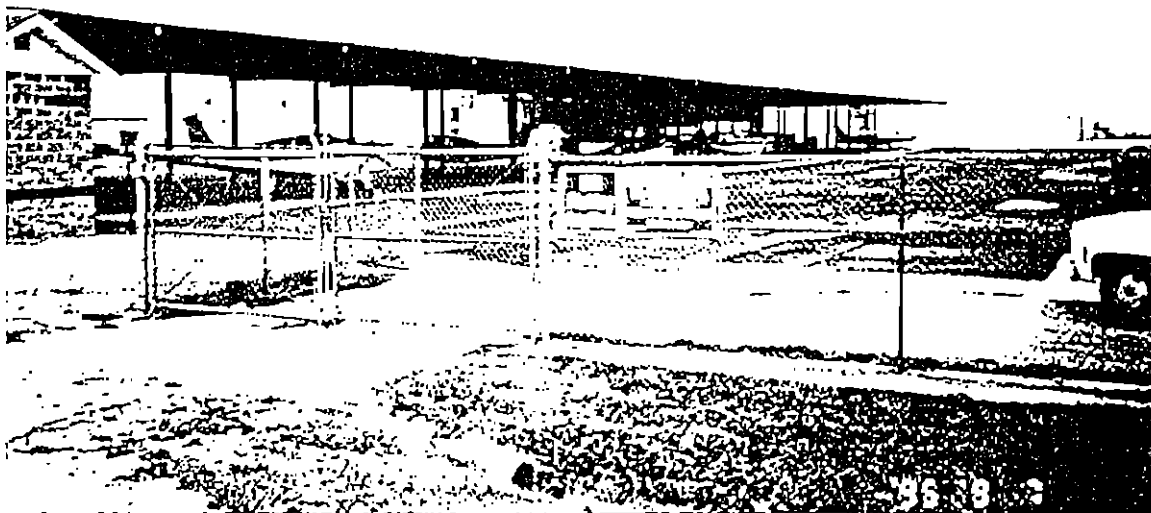
Approved by the Board of Directors Right-of-Way Committee on January 18, 1996  
[Signature]  
James W. Griffin  
Executive Director

ATTACH ALL PERTINENT PICTURES

Parcel No. \_\_\_\_\_ Local Address Hanger 1600 Keller Springs

Date Taken 9/7/95 AND 11/10/95 Taken by CHARLES (BO) MILLER

1. Point from which taken KELLER SPRINGS Looking NORTH



2. Point from which taken TAXIWAY Looking SOUTH

DATA ON WHOLE PROPERTY

Legal Description Abstract 792, Addison Municipal Airport

Dimensions: 135 feet x 325 feet = 43,875 sq.ft. 1.0072 Acres  
 Location (Urban): Street & No. \_\_\_\_\_ on \_\_\_\_\_ side  
 between \_\_\_\_\_ and \_\_\_\_\_ streets.  
 (Rural): \_\_\_\_\_

Land Grant Survey

Neighborhood or Area Analysis: The Neighborhood is a commercial and industrial area, having restaurant, neighborhood service, office, office showroom and warehouse facilities. A major asset in the area is the Addison Airport, a general aviation operation. The subject is located on Airport property.

Highest and Best Use and Zoning of Subject Property: Airplane Storage, Industrial - 3

COST APPROACH WHOLE PROPERTY

Estimated Reproduction Cost:

Main Building: <u>17,511</u> ft. @ \$ <u>15.00</u> per square foot.....	\$ <u>262,665.</u>
Parking Lot: \$ <u>1.15</u> per square ft. <u>26,364</u> sq.ft.....	\$ <u>30,319.</u>
Total Reproduction .....	\$ <u>292,984.</u>
Less Accrued Depreciation:	
Physical Deterioration.....40%.....	\$ <u>117,194.</u>
Functional Obsolescence .....	\$ <u>-0-</u>
Economic Obsolescence .....	\$ <u>-0-</u>
Total Depreciation .....	\$ <u>117,194.</u>
Value Building Contributes to Whole Property.....	\$ <u>175,790.</u>

Garages: _____ ft. @ \$ _____ per _____ ft.....	\$ _____
Less Depreciation .....	\$ _____
Other (Detail).....	\$ _____
Less Depreciation .....	\$ _____

Depreciated Value:

Landscaping \$ _____, Fencing \$ _____,	
Walks \$ _____, Drives \$ _____ .....	\$ _____
Value Improvements Contribute to Whole Property .....	\$ <u>175,790.</u>

LAND.....43,875 square feet \$3.00 per sq.ft..... \$131,625.

ESTIMATED VALUE BY COST APPROACH..... \$307,415.

Comment on Depreciation Factors:

**MARKET DATA APPROACH WHOLE PROPERTY  
(Land Comparables)**

Purchase Price of Subject Property \$ \_\_\_\_\_ Date \_\_\_\_\_

Improvements Since Purchase and Estimated Cost:

Lease Terms or Rental Agreement:

**Sales and Information of Comparable Properties**

SALE NO.	<u>1</u>	<u>2</u>	<u>3</u>
SALE DATE	<u>10/31/94</u>	<u>3/21/95</u>	<u>04/17/95</u>
GRANTOR-GRANTEE	<u>Hope Invt. Ltd. Addison, Ltd.</u>	<u>M&amp;F Development Co Diversco Mann</u>	<u>Chaiu Chin AER</u>
SALE CONFIRMED WITH	<u>Kent Hope</u>	<u>George Roddy</u>	<u>Pat Haggerty</u>
ADDRESS & LOCATION IN RELATION TO SUBJECT	<u>4901 Airport Pkwy, 344.47' E Addison Rd 1 Blk South</u>	<u>4500 blk Sunbelt, Approx. 667' W. of Addison Rd 5 blks N.</u>	<u>2030 Chenault @ Earhart southeast corner</u>
ACTUAL SALE PRICE	<u>\$742,000.</u>	<u>\$125,000.</u>	<u>\$530,500.</u>
CONDITIONS OF SALE	<u>Cash</u>	<u>Cash</u>	<u>Cash</u>
ESTIMATED UNIT PRICE	<u>\$3.10</u>	<u>\$2.76</u>	<u>\$3.00</u>
LEASE OR RENTAL DATA			
CURRENT USAGE	<u>Federal Express Distribution Facility</u>	<u>Unimproved</u>	<u>Warehouse under Construction</u>
HIGHEST & BEST USE	<u>Commercial</u>	<u>Commercial</u>	<u>Commercial</u>
SIZE	<u>5.4963 Acres</u>	<u>1.0382 Acres.</u>	<u>4 Acres</u>
PHYSICAL FEATURES			
IMPROVEMENTS	<u>None at sale</u>	<u>None at sale</u>	<u>None at sale</u>

Correlation of Comparable Sales To Subject Property:

Use Additional Pages If Necessary

Estimated Land Value of Market Data  
Approach \$ 131,625.



INCOME APPROACH WHOLE PROPERTY

JUSTIFICATION OF RATE AND METHOD OF CAPITALIZATION: \_\_\_\_\_

Estimated remaining economic life of improvements <u>25</u> years		
Stabilized Gross Income.....	\$ <u>21,000.</u>	
Vacancy <u>15</u> %.....	<u>3,150.</u>	
Effective Gross Income.....		\$ <u>17,850.</u>
Taxes:		
City.....	\$ _____	
State & County.....	\$ _____	
Miscellaneous (School, etc.).....	\$ _____	
Insurance:		
Fire & Extended Coverage.....	\$ <u>69.</u>	
Miscellaneous.....	\$ _____	
Annual Deferred Maintenance.....	\$ <u>300.</u>	
Management <u>4</u> %.....	\$ <u>816.</u>	
Operating Expenses ..Utilities.....	\$ <u>515.</u>	
Other Expenses.....	\$ _____	
Total Expenses before Depreciation .....		\$ <u>1,855.</u>
Net Income to Property.....		\$ <u>15,995.</u>
Less Income Attributable to (Land).....	\$ <u>131,625.</u> @ <u>10.5</u> %.....	\$ <u>13,820.</u>
Income Attributable to (Improvements) .....		\$ <u>2,175.</u>
Income Capitalized @ <u>12</u> % ( _____ % Interest _____ % for Recapture of Capital).....		\$ <u>18,125.</u>
(Land) (Improvements) .....		\$ <u>131,625.</u>
ESTIMATED VALUE BY CAPITALIZATION APPROACH .....		\$ <u>149,750.</u>

ADDITIONAL APPRAISAL INFORMATION

FINAL ESTIMATE OF VALUE  
OF WHOLE PROPERTY

Correlaton of Approaches to Value

See 6A

Estimated Value of Whole Property  
Owner \$ \_\_\_\_\_ Leaschold \$ .....\$ \_\_\_\_\_

---

The City of Addison owns Addison Airport, which comprises approximately 360 acres of land. Addison Airport of Texas, Inc. operates, manages, and subleases the airport property. Unless renewed, this agreement terminates on December 31, 2000.

There are three approaches to value that may be utilized to estimate fair market value of the subject - Market, Income & Reproduction or Replacement Cost.

The Market Approach to Value is a basis for estimating value based upon units of comparison derived from sales of similar properties in the marketplace. Those units of comparison are then applied to the subject property to arrive at a range of values which should be indicative of the market estimate of value for the subject property.

The Income Approach to Value is based upon an analysis of the income stream of the property and comparison of that income stream with income streams of similar properties. This calculation and analysis results in a net income stream attributable to the real estate. That income is then capitalized at a rate which is commensurate with the rates expressed in the marketplace by investors for similar properties. The resulting figure is an income estimate of value.

The Cost Approach to Value embraces the philosophy that the reproduction costs or the principal of substitution for a property should limit the upper side of value. In this approach to value the appraiser calculates the market value of the site, the reproduction cost of the improvements less any applicable depreciation, then combines these two items to arrive at a cost estimate of value.

The market approach has been used to estimate the value of the land.

Sale #1 is located one block south of the subject and east of Addison Road. This comparable is slightly superior to the subject as Airport Parkway connects Addison Road and the Dallas North Tollway. Federal Express has constructed a distribution facility on this property.

Sale #2 is approximately 5 blocks north of the subject on a secondary street occupied by office showroom and warehouse facilities.

Sale #3 is west of the subject and on the west side of Addison Airport in an office warehouse neighborhood. An office warehouse facility is currently under construction on this property.

These comparables give an accurate value for land in the vicinity of Addison Airport used for commercial and warehouse uses. After analyzing these sales, a value of \$3.00 per square foot is selected as fair market value of the land before the taking for the land taken, and for the land value after the taking.

At \$3.00 per square foot the fair market value of the land is \$131,625. When \$3.00 is multiplied times 2,000 square feet, fair market value of the land taken for right of way equals \$6,000. A subsurface easement of 10,262 square feet is also being taken. 10% of the fair market value of land is just compensation for the land taken under subsurface easement, which equals \$3,079. A two year temporary construction easement of 10,125 square feet is being taken. Compensation for the land used under the construction easement equals \$6,379.

The income approach is the most reliable indicator of value of the subject. The cost approach indicates an upper limit of value when the improvements are new and constitute the highest and best use for the property.

The income stream generated by the property can be compared to income from other investments available in the market with similar and varied degrees of risk and durability.

Direct capitalization - building residual technique is used to estimate the value of the property under the income approach. The land value has been established at \$131,625, from comparable sales. 10.5% is selected as adequate return on the value of the land or \$13,820. When this income is subtracted from net income to property, \$2,175. of income is attributed to the improvements. Capitalizing this income at 12% gives value attributed to the improvements of \$18,125. The sum of the value of land and value of the improvements equals the estimated value of the whole property of \$149,750.

The income approach is the most accurate estimate of the fair market value. Therefore \$149,750 is the fair market value of the subject before the taking.

The value of the remainder before the taking is \$122,546. (\$149,750. less \$27,204.). After the taking, the improvements are completely removed with a value attributed to the improvements of \$18,125. 43,875 square feet of land remains with part of the land encumbered by two permanent easements - surface easement of approximately 2,000 square feet and subsurface easement of approximately 10,262 square feet. Compensation for the surface easement has been established as the fair market value of the land. Compensation for the subsurface easement is equal to 10% of the fair market value of the land (10,262 square feet @ \$3.00 x 10% - \$3,078.60). As long as this property is operated as an airport facility, the subsurface easement should not materially affect any airport facility or operation. The value of the remainder after the taking is unchanged and is equal to \$122,546.

In addition to permanent taking of improvements, surface, and subsurface easement, a temporary construction easement will also be taken. It is estimated that this easement will be needed for a period of 2 years and that compensation will be equal to 10.5% of the value of the land for that period (10,125 sq.ft. x \$3.00 x 10.5% x 2 yrs. - \$6,378.75).

Total just compensation is summarized as follows:

Improvement Taken	\$18,125.
Right of Way Taken	6,000.
Subsurface Easement Taken	3,079.
	-----
	\$27,204.
Temporary Construction Easement	6,379.
	-----
Total Just Compensation	\$33,583.

DATA ON PARTIAL TAKING

Legal Description Part Taken \_\_\_\_\_

Dimensions \_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_ Sq.Ft. \_\_\_\_\_ Acres

WHOLE PROPERTY:

The market value of the whole property is .....\$149,750

PART TAKEN:

The market value of the fee simple title, less oil, gas and sulphur, to the part being taken for highway purposes, considered as a severed tract is:.....\$27,204. (1)

REMAINING PROPERTY:

The market value of the remiander immediately before the taking is:.....\$ 122,546. (2)

Considering the use to which the part taken is to be subjected, the market value of the remainder immediately after the taking is:.....\$ 122,546. (3)

NET DAMAGES, if any .....\$ -0-

SIGN ADJUSTMENT COSTS, if any.....\$ -0-

TOTAL COMPENSATION.....\$26,691.

APPRAISALS OF PART TAKEN AND REMAINDER

Highest and Best Use of

Part Taken \_\_\_\_\_  
 Remainder Before Taking \_\_\_\_\_  
 Remainder after taking considering the use to which the part taken is to be subjected \_\_\_\_\_

Contributory Value of Improvements	Part Taken	Remainder Before Taking	Remainder After Taking
Bldg.-17,511 sf (100%)	18,125	-0-	-0-
TOTAL IMPROVEMENTS			
RIGHT OF WAY EASEMENT-2,000 SQ. FT. @ \$3.	6,000.	\$122,546.	\$122,546.
SUBSURFACE 10,262 SQ.FT.	3,079		
TOTAL AS A UNIT	\$27,204. (1)	\$122,546. (2)	\$122,546. (3)
CONSTRUCTION EASEMENT	+ 6,379.		
	\$33,583.		

COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Hope Investment Ltd. Grantee Addison Ltd.

Dated 10/31/94 Recorded in Volume 94210 Page 3570

Local Address 4901 Airport Parkway

Legal Description Abst. 482, Tract 30, Addison, TX

Actual Price \$742,000. Verified With Kent Hope

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 5.4963 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$3.10

Street Curb & Gutter Utilities \_\_\_\_\_

Improvements None at sale

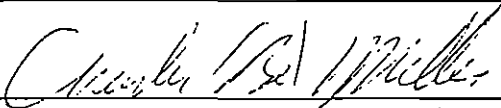
Size and Description \_\_\_\_\_

Condition and Desirability Minor dirt work to aid drainage from balance of the tract of which this is a part.

Current Use Fed Ex Distribution Facility Highest and Best Use Commercial

Date Inspected 7/15/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

  
 \_\_\_\_\_  
 Appraiser

COMPARABLE SALES DATA SUPPLEMENT



Diversco Sale &

Sales Parties: Grantor M& F Development Co., Inc. Grantee Manufacturing

Dated 3/21/95 Recorded in Volume 95055 Page 463

Local Address 4500 Block Sunbelt Drive

Legal Description West 1/2, Tract 13 Sunbelt Business Park Addition, Addison, TX

Actual Price \$125,000. Verified With George Roddy

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 1.0382 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$2.76

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale

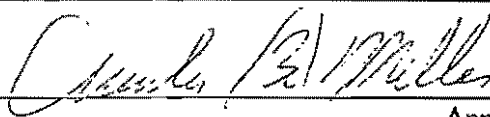
Size and Description Level, ready for development

Condition and Desirability \_\_\_\_\_

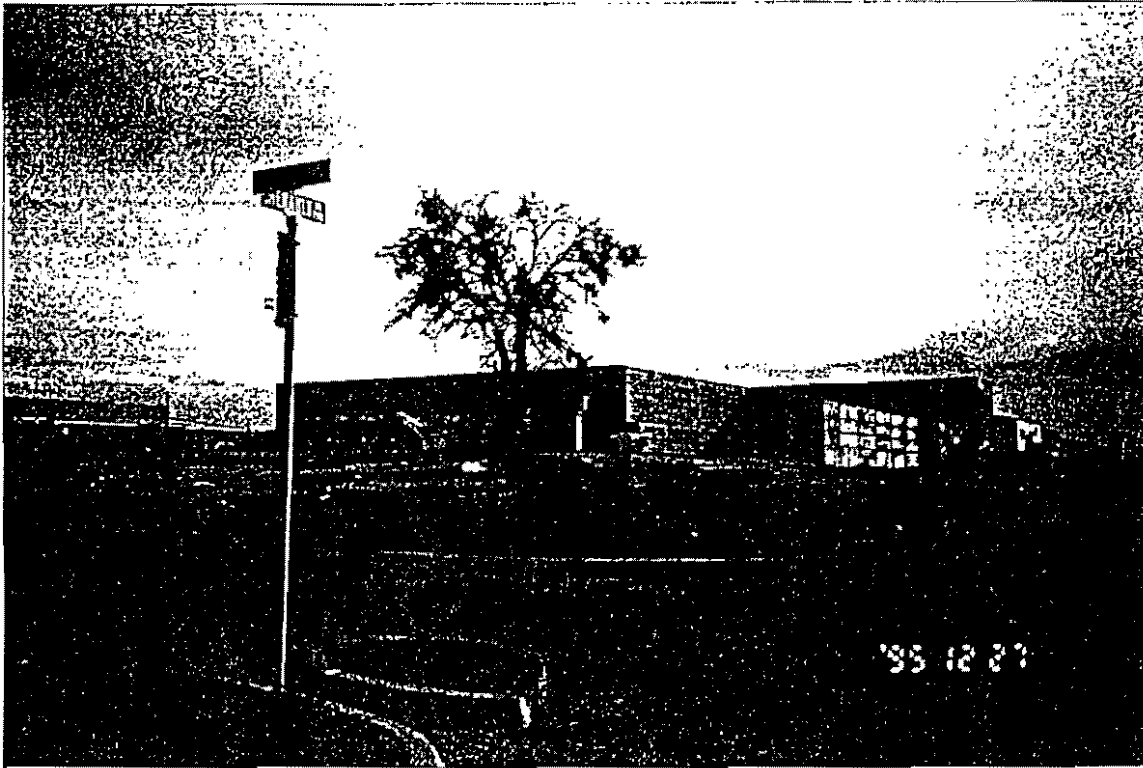
Current Use Unimproved Highest and Best Use Light Industrial & Commercial

Date Inspected 7/15/95 Zoning Commercial -1

Use reverse side for other pertinent information \_\_\_\_\_

  
 \_\_\_\_\_  
 Appraiser

COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Chaiu Chin Grantee AER

Dated 4/14/95 Recorded in Volume 95074 Page 668

Local Address 2030 Chenault, Carrollton, TX

Legal Description Abstract 923, Tract 20

Actual Price \$530,500 Verified With Pat Haggerty

Conditions of Sale Cash

Rental Data \_\_\_\_\_

Land Size 4.0592 Acres Unit Price: As Improved \_\_\_\_\_ ; Unimproved \$3.00

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale

Size and Description \_\_\_\_\_

Condition and Desirability \_\_\_\_\_

Current Use Warehouse under constructon Highest and Best Use Commercial

Date Inspected 10/22/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

*Charles P. Miller*  
 \_\_\_\_\_  
 Appraiser



**ADDISON AIRPORT TUNNEL  
REAL ESTATE APPRAISAL REPORT**

Parcel Number \_\_\_\_\_

Address Hanger T-6, Keller Springs

Owner City of Addison

Address \_\_\_\_\_

Occupant's Name \_\_\_\_\_

Whole Taking \_\_\_\_\_ Partial Taking X

**Purpose of the Appraisal**

The purpose of this appraisal is to estimate the Market Value of the fee simple title encumbered by existing easements, if any, which are compatible to highway use of the subject property as of 12/20/95. It is being made for the Texas Turnpike Authority in connection with the investigation and defense of the claims by the owner of the property for compensation and damages, if any, arising out of the property acquisition by the Texas Turnpike Authority for right-of-way purposes. The estimates of value concluded herein will be used for settlement of such claims through negotiation or eminent domain proceedings.

Market Value may be defined as follows: "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged, to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonable adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."

**Valuation**

In my opinion the compensation due as a result of this taking is:

Owner \$133,604. Leasehold Interest \$ \_\_\_\_\_ Total \$133,604.

**Appraiser's Certificate**

I hereby certify that the opinion of value herein expressed has been reached after a careful examination of all pertinent data; that my fee is in no way contingent upon the value placed on the property; that neither I nor any employee in my service has directly or indirectly any financial or personal interest in or to the property appraised; and that should I or any employee in my service acquire any interest in or to the property appraised prior to the acquisition of the parcel by the Authority, I will immediately notify the Authority of such interest or interests.

12/20/95  
Date Report Made

Charles (B) Melby  
Appraiser

REVIEWED BY:  
[Signature]  
Director of Engineering

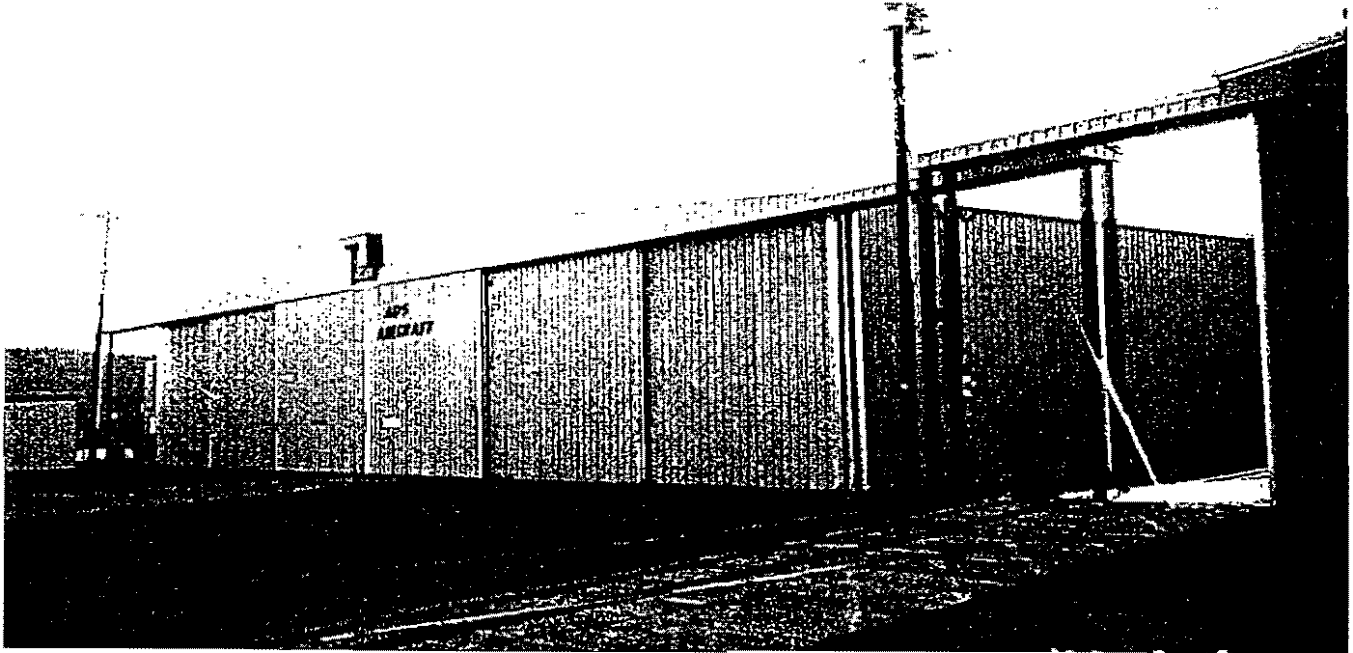
Approved by the Board of Directors Right-of-Way Committee on January 18, 1996  
James W. Griffin  
James W. Griffin  
Executive Director

ATTACH ALL PERTINENT PICTURES

Parcel No. \_\_\_\_\_ Local Address HANGER T-6, KELLER SPRINGS

Date Taken 12/10/95 Taken by CHARLES (BO) MILLER

1. Point from which taken EAST SIDE Looking WEST



2. Point from which taken WEST SIDE Looking EAST

DATA ON WHOLE PROPERTY

Legal Description Abstract 792, Addison Municipal Airport

Dimensions: 130 feet x 204 feet = 26,520 sq.ft. .6088 Acres  
 Location (Urban): Street & No. \_\_\_\_\_ on \_\_\_\_\_ side  
 between \_\_\_\_\_ and \_\_\_\_\_ streets.  
 (Rural): \_\_\_\_\_

Land Grant Survey

Neighborhood or Area Analysis: The Neighborhood is a commercial and industrial area, having restaurant, neighborhood service, office, office showroom and warehouse facilities. A major asset in the area is the Addison Airport, a general aviation operation. The subject is located on Airport property.

Highest and Best Use and Zoning of Subject Property: Airplane Storage, Industrial - 3

COST APPROACH WHOLE PROPERTY

Estimated Reproduction Cost:

Main Building: <u>7,556</u> ft. @ \$ <u>23.00</u> per square foot.....	\$ <u>173,788.</u>
Parking Lot: \$ <u>1.15</u> per square ft .. <u>18,964</u> sq.ft.....	\$ <u>21,809.</u>
Total Reproduction .....	\$ <u>195,597.</u>
Less Accrued Depreciation:	
Physical Deterioration.....40%.....	\$ <u>78,239.</u>
Functional Obsolescence .....	\$ <u>-0-</u>
Economic Obsolescence .....	\$ <u>-0-</u>
Total Depreciation .....	\$ <u>78,239.</u>
Value Building Contributes to Whole Property.....	\$ <u>117,358.</u>

Garages: _____ ft. @ \$ _____ per _____ ft.....	\$ _____
Less Depreciation .....	\$ _____ \$ _____
Other (Detail).....	\$ _____
Less Depreciation .....	\$ _____ \$ _____

Depreciated Value:

Landscaping \$ _____, Fencing \$ _____,	
Walks \$ _____, Drives \$ _____ .....	\$ _____

Value Improvements Contribute to Whole Property .....\$117,358.

LAND.....26,520 square feet \$3.00 per sq.ft..... \$ 79,560.

ESTIMATED VALUE BY COST APPROACH..... \$196,918.

Comment on Depreciation Factors:

**MARKET DATA APPROACH WHOLE PROPERTY**  
(Land Comparables)

Purchase Price of Subject Property \$ \_\_\_\_\_ Date \_\_\_\_\_

Improvements Since Purchase and Estimated Cost:

Lease Terms or Rental Agreement:

Sales and Information of Comparable Properties

SALE NO.	1	2	3
SALE DATE	10/31/94	3/21/95	04/17/95
GRANTOR-GRANTEE	Hope Inv. Ltd. Addison, Ltd.	M&F Development Co Diversco Mann	Chaiu Chin AER
SALE CONFIRMED WITH	Kent Hope	George Roddy	Pat Haggerty
ADDRESS & LOCATION IN RELATION TO SUBJECT	4901 Airport Pkwy, 344.47' E Addison Rd 1 Blk South	4500 blk Sunbelt, Approx. 667' W. of Addison Rd 5 blks N.	2030 Chenault @ Earhart southeast corner
ACTUAL SALE PRICE	\$742,000.	\$125,000.	\$530,500.
CONDITIONS OF SALE	Cash	Cash	Cash
ESTIMATED UNIT PRICE	\$3.10	\$2.76	\$3.00
LEASE OR RENTAL DATA			
CURRENT USAGE	Federal Express Distribution Facility	Unimproved	Warehouse under Construction
HIGHEST & BEST USE	Commercial	Commercial	Commercial
SIZE	5.4963 Acres	1.0382 Acres.	4 Acres
PHYSICAL FEATURES			
IMPROVEMENTS	None at sale	None at sale	None at sale

Correlation of Comparable Sales To Subject Property:

Use Additional Pages If Necessary

Estimated Land Value of Market Data  
Approach \$79,560.

## INCOME APPROACH WHOLE PROPERTY

## JUSTIFICATION OF RATE AND METHOD OF CAPITALIZATION: \_\_\_\_\_

---

 Estimated remaining economic life of improvements 25 years


---

Stabilized Gross Income.....2,300.....	\$ 27,600.	
Vacancy <u>10</u> %.....	<u>2,760.</u>	
Effective Gross Income.....		\$24,840.
Taxes:		
City.....	\$ _____	
State & County.....	\$ _____	
Miscellaneous (School, etc.).....	\$ _____	
Insurance:		
Fire & Extended Coverage.....	\$ 136.	
Miscellaneous.....	\$ _____	
Annual Deferred Maintenance.....	\$ 550.	
Management <u>4</u> %.....	\$ 994.	
Operating Expenses ..Utilities.....	\$ 312.	
Other Expenses.....	\$ _____	
Total Expenses before Depreciation .....		\$ 1,992.
Net Income to Property.....		\$ 22,848.
Less Income Attributable to (Land).....	\$79,5600. @ <u>10.5</u> %.....	\$ 8,384.
Income Attributable to (Improvements) .....		\$ 14,464.
Income Capitalized @ <u>12</u> % ( _____ % Interest _____ % for Recapture of Capital)....		\$120,533.
(Land) (Improvements) .....		\$ 79,560.
ESTIMATED VALUE BY CAPITALIZATION APPROACH .....		\$200,093.
	(Say)	\$200,100.

---

## ADDITIONAL APPRAISAL INFORMATION

FINAL ESTIMATE OF VALUE  
OF WHOLE PROPERTY

Correlaton of Approaches to Value

See Page 6A

Estimated Value of Whole Property

Owner \$ \_\_\_\_\_ Leaschold \$ \_\_\_\_\_ .....\$ \_\_\_\_\_

---

## 6A CORRELATION

The City of Addison owns Addison Airport, which comprises approximately 360 acres of land. Addison Airport of Texas, Inc. operates, manages, and subleases the airport property. Unless renewed, this agreement terminates on December 31, 2000.

There are three approaches to value that may be utilized to estimate fair market value of the subject - Market, Income & Reproduction or Replacement Cost.

The Market Approach to Value is a basis for estimating value based upon units of comparison derived from sales of similar properties in the marketplace. Those units of comparison are then applied to the subject property to arrive at a range of values which should be indicative of the market estimate of value for the subject property.

The Income Approach to Value is based upon an analysis of the income stream of the property and comparison of that income stream with income streams of similar properties. This calculation and analysis results in a net income stream attributable to the real estate. That income is then capitalized at a rate which is commensurate with the rates expressed in the marketplace by investors for similar properties. The resulting figure is an income estimate of value.

The cost approach to value embraces the philosophy that the reproduction costs or the principal of substitution for a property should limit the upper side of value. In this approach to value the appraiser calculates the market value of the site, the reproduction cost of the improvements less any applicable depreciation, then combines these two items to arrive at a cost estimate of value.

The market approach has been used to estimate the value of the land.

Sale #1 is located one block south of the subject and east of Addison Road. This comparable is slightly superior to the subject as Airport Parkway connects Addison Road and the Dallas North Tollway. Federal Express has constructed a distribution facility on this property.

Sale #2 is approximately 5 blocks north of the subject on a secondary street occupied by office showroom and warehouse facilities.

Sale #3 is west of the subject and on the west side of Addison Airport in an office warehouse neighborhood. An office warehouse facility is currently under construction on this property.

These comparables give an accurate value for land in the vicinity of Addison Airport used for commercial and warehouse uses. After analyzing these sales, a value of \$3.00 per square foot is selected as fair market value of the land before the taking for the land taken, and for the land value after the taking.

At \$3.00 per square foot the fair market value of the land is \$79,560. When \$3.00 is multiplied times 709 square feet, fair market value of the land taken for the right of way equals \$2,127. A temporary construction easement of 17,340 square feet is also being taken. Just compensation for the land taken for the construction easement equals \$10,924.

The income approach is the most reliable indicator of value of the subject. The cost approach indicates an upper limit of value when the improvements are new and constitute the highest and best use for the property.

The income stream generated by the property can be compared to income from other investments available in the market with similar and varied degrees of risk and durability.

Direct capitalization - building residual technique is used to estimate the value of the property under the income approach. The land value has been established at \$79,560. from comparable sales. 10.5% is selected as adequate return on the value of the land or \$8,384. When this income is subtracted from net income to property, \$14,464. of income is attributed to the improvements. Capitalizing this income at 12% gives value attributed to the improvements of \$120,533. The sums of the value of land and value of the improvements equals the estimated value of the whole property of \$200,093.

The income approach is the most accurate estimate of the fair market value. Therefore \$200,093 is the fair market value of the subject before the taking.

The value of the remainder before the taking is \$77,413. (\$200,093. less \$122,680.). After the taking, the improvements are completely removed. \$120,533. is the value attributed to the improvements. The value of the remainder after the taking is unchanged and is equal to \$77,415.

In addition to taking of the improvements and the surface easement, a temporary construction easement will be taken. It is estimated that this easement will be needed for a period of two years and that compensation will be equal to 10.5% of the fair market value of the land for that period (17,340 sq.ft. x \$3. x 10.5% x 2 yrs. = \$10,924).

Total just compensation is summarized as follows:

Improvements Taken	\$120,553.
Right of Way Taken	2,127.
	<u>\$122,680.</u>
Construction Easement Taken	<u>10,924.</u>
Total Just Compensation	\$133,604.



DATA ON PARTIAL TAKING

Legal Description Part Taken \_\_\_\_\_

Dimensions \_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_ Sq.Ft. \_\_\_\_\_ Acres

WHOLE PROPERTY:

The market value of the whole property is .....\$200,093.

PART TAKEN:

The market value of the fee simple title, less oil, gas and sulphur, to the part being taken for highway purposes, considered as a severed tract is:.....\$122,680. (1)

REMAINING PROPERTY:

The market value of the remainder immediately before the taking is:.....\$ 77,413. (2)

Considering the use to which the part taken is to be subjected to, the market value of the remainder immediately after the taking is:.....\$ 77,413. (3)

NET DAMAGES, if any .....\$ -0-  
 SIGN ADJUSTMENT COSTS, if any.....\$ -0-  
 TOTAL COMPENSATION.....\$122,180.

APPRAISALS OF PART TAKEN AND REMAINDER

Highest and Best Use of

Part Taken \_\_\_\_\_  
 Remainder Before Taking \_\_\_\_\_  
 Remainder after taking considering the use to which the part taken is to be subjected \_\_\_\_\_

Contributory Value of Improvements	Part Taken	Remainder Before Taking	Remainder After Taking
Bldg.-7,556 sf (100%)	120,553		
TOTAL IMPROVEMENTS	120,553		
RIGHT OF WAY 709 sf @ \$3	2,127	77,413	77,413
TOTAL AS A UNIT	\$122,680. (1)	\$ 77,413. (2)	\$ 77,413. (3)
CONSTRUCTION EASEMENT	+ 10,924		
	\$133,604		

COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Hope Investment Ltd. Grantee Addison Ltd.

Dated 10/31/94 Recorded in Volume 94210 Page 3570

Local Address 4901 Airport Parkway

Legal Description Abst. 482, Tract 30, Addison, TX

Actual Price \$742,000. Verified With Kent Hope

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 5.4963 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$3.10

Street \_\_\_\_\_ Curb & Gutter \_\_\_\_\_ Utilities \_\_\_\_\_

Improvements None at sale

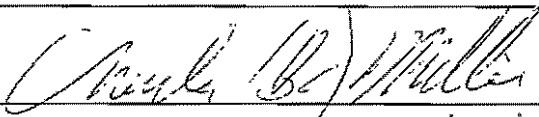
Size and Description \_\_\_\_\_

Condition and Desirability Minor dirt work to aid drainage from balance of the tract of which this is a part.

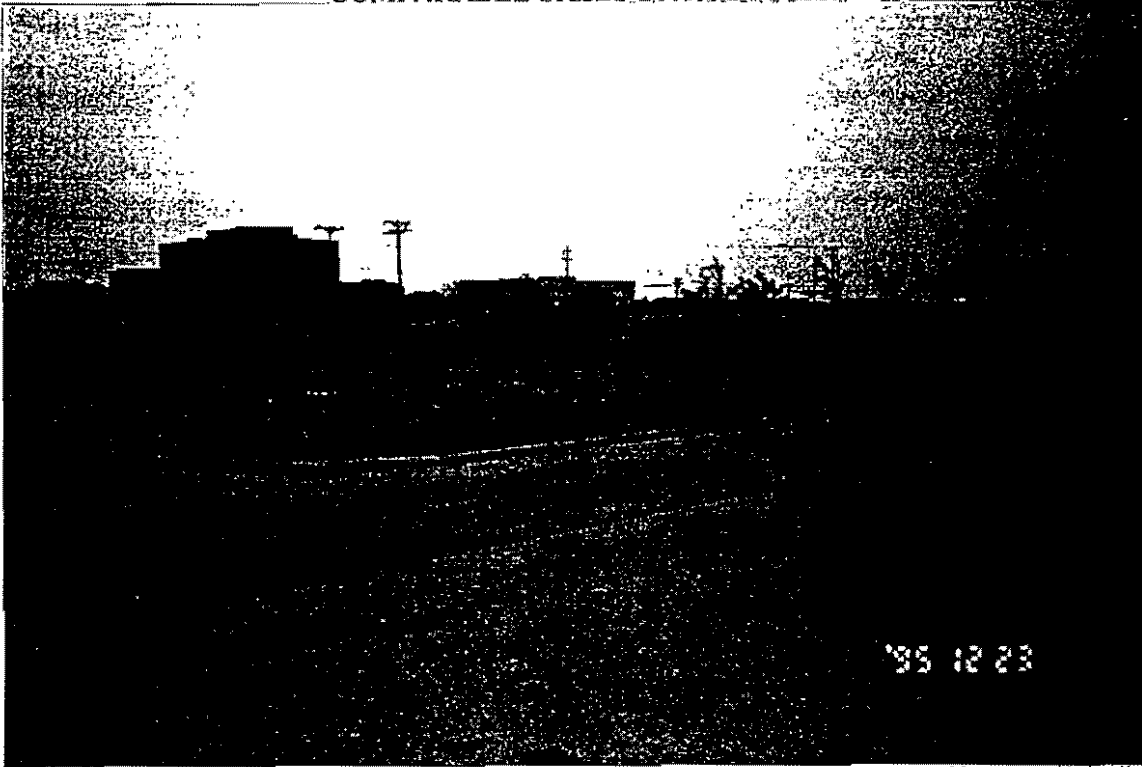
Current Use Fed Ex Distribution Facility Highest and Best Use Commercial

Date Inspected 7/15/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

  
 \_\_\_\_\_  
 Appraiser

COMPARABLE SALES DATA SUPPLEMENT



Diversco Sale &

Sales Parties: Grantor M& F Development Co., Inc. Grantee Manufacturing

Dated 3/21/95 Recorded in Volume 95055 Page 463

Local Address 4500 Block Sunbelt Drive

Legal Description West 1/2, Tract 13 Sunbelt Business Park Addition, Addison, TX

Actual Price \$125,000. Verified With George Roddy

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 1.0382 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$2.76

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale

Size and Description Level, ready for development

Condition and Desirability \_\_\_\_\_

Current Use Unimproved Highest and Best Use Light Industrial & Commercial

Date Inspected 7/15/955 Zoning Commercial -1

Use reverse side for other pertinent information \_\_\_\_\_

*Charles B. Miller*  
 \_\_\_\_\_  
 Appraiser

COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Chaiu Chin Grantee AER

Dated 4/14/95 Recorded in Volume 95074 Page 668

Local Address 2030 Chenault, Carrollton, TX

Legal Description Abstract 923, Tract 20

Actual Price \$530,500. Verified With Pat Haggerty

Conditions of Sale Cash

Rental Data \_\_\_\_\_

Land Size 4.0592 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$3.00

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale

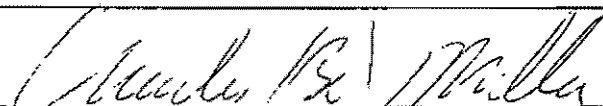
Size and Description \_\_\_\_\_

Condition and Desirability \_\_\_\_\_

Current Use: Warehouse under construciton Highest and Best Use Commercial

Date Inspected 10/22/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

  
 Appraiser

ADDISON AIRPORT TUNNEL  
REAL ESTATE APPRAISAL REPORT

Parcel Number \_\_\_\_\_

Address Hanger T-4, Keller Springs  
Dallas, Texas

Owner City of Addison

Address \_\_\_\_\_

Occupant's Name \_\_\_\_\_

Whole Taking \_\_\_\_\_ Partial Taking X

Purpose of the Appraisal

The purpose of this appraisal is to estimate the Market Value of the fee simple title encumbered by existing easements, if any, which are compatible to highway use of the subject property as of 12/20/95. It is being made for the Texas Turnpike Authority in connection with the investigation and defense of the claims by the owner of the property for compensation and damages, if any, arising out of the property acquisition by the Texas Turnpike Authority for right-of-way purposes. The estimates of value concluded herein will be used for settlement of such claims through negotiation or eminent domain proceedings.

Market Value may be defined as follows: "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged, to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonable adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."

Valuation

In my opinion the compensation due as a result of this taking is:

Owner \$ 251,417. Leasehold Interest \$ \_\_\_\_\_ Total \$251,417.

Appraiser's Certificate

I hereby certify that the opinion of value herein expressed has been reached after a careful examination of all pertinent data; that my fee is in no way contingent upon the value placed on the property; that neither I nor any employee in my service has directly or indirectly any financial or personal interest in or to the property appraised; and that should I or any employee in my service acquire any interest in or to the property appraised prior to the acquisition of the parcel by the Authority, I will immediately notify the Authority of such interest or interests.

12/20/95  
Date Report Made

Charles (B.) Miller  
Appraiser

REVIEWED BY:  
[Signature]  
Director of Engineering

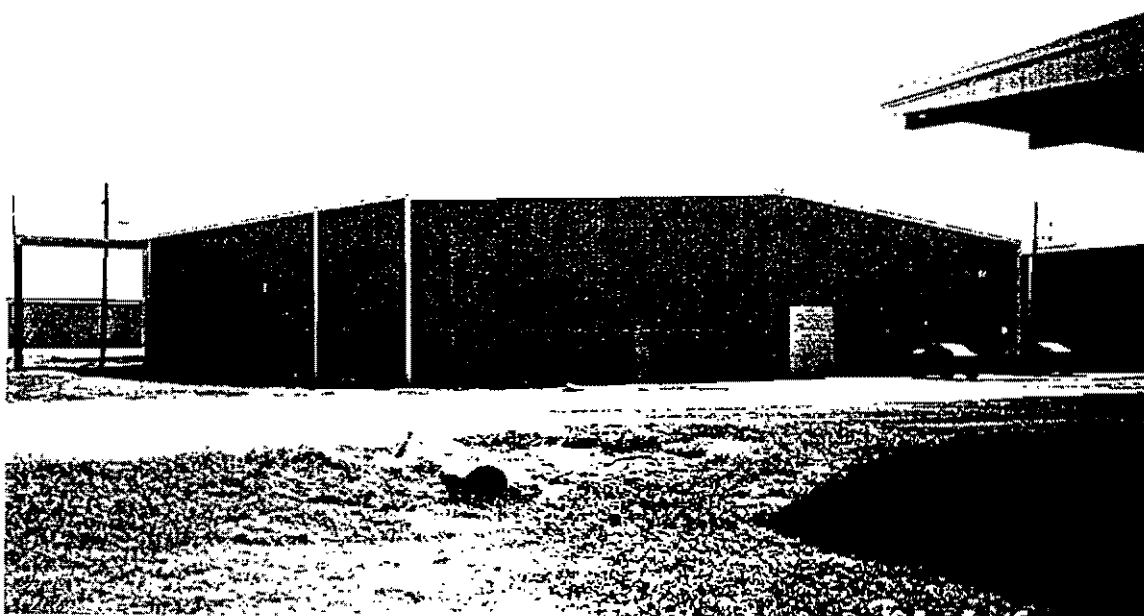
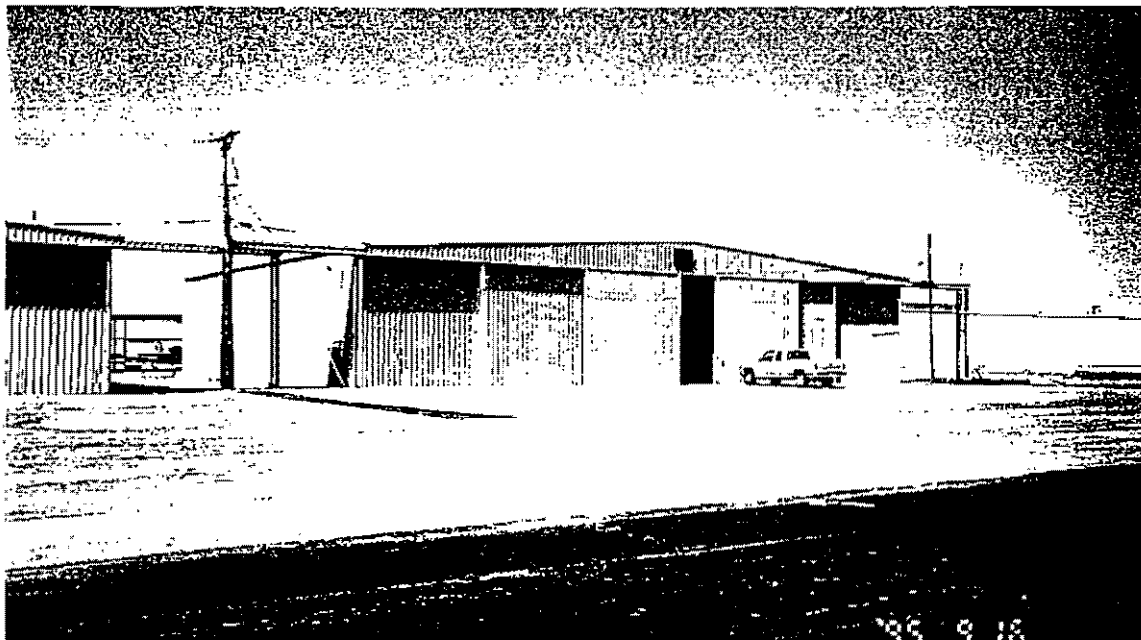
Approved by the Board of Directors Right-of-Way Committee on January 18, 1996  
James W. Griffin  
James W. Griffin  
Executive Director

ATTACH ALL PERTINENT PICTURES

Parcel No. \_\_\_\_\_ Local Address HANGER T-4, KELLER SPRINGS

Date Taken 9/16/95 Taken by CHARLES (BO) MILLER

1. Point from which taken EAST SIDE Looking WEST



2. Point from which taken WEST SIDE Looking EAST

DATA ON WHOLE PROPERTY

Legal Description Abstract 792, Addison Municipal Airport

Dimensions: 213 feet x 110 feet = 23,430 sq. ft. .5379 Acres  
 Location (Urban): Street & No. \_\_\_\_\_ on \_\_\_\_\_ side  
 between \_\_\_\_\_ and \_\_\_\_\_ streets.  
 (Rural): \_\_\_\_\_

Land Grant Survey

Neighborhood or Area Analysis: The Neighborhood is a commercial and industrial area, having restaurant, neighborhood service, office, office showroom and warehouse facilities. A major asset in the area is the Addison Airport, a general aviation operation. The subject is located on Airport property.

Highest and Best Use and Zoning of Subject Property: Airplane Storage, Industrial - 3

COST APPROACH WHOLE PROPERTY

Estimated Reproduction Cost:

Main Building:	<u>9,139</u>	ft. @	<u>\$23.00</u>	per square foot.....	<u>\$210,197.</u>
Parking Lot:	<u>\$1.15</u>	per square	ft ..	<u>13,981</u> sq.ft.....	<u>\$ 16,078.</u>
Total Reproduction .....					<u>\$226,175.</u>
Less Accrued Depreciation:					
Physical Deterioration.....	<u>40%</u> .....			<u>\$ 90,470.</u>	
Functional Obsolescence .....				<u>\$ -0-</u>	
Economic Obsolescence .....				<u>\$ -0-</u>	
Total Depreciation .....					<u>\$90,470.</u>
Value Building Contributes to Whole Property.....					<u>\$135,705.</u>

Garages: _____ ft. @ \$ _____ per _____ ft.....	\$ _____
Less Depreciation .....	\$ _____ \$ _____
Other (Detail).....	\$ _____
Less Depreciation .....	\$ _____ \$ _____

Depreciated Value:

Landscaping \$ _____, Fencing \$ _____,	
Walks \$ _____, Drives \$ _____ .....	\$ _____

Value Improvements Contribute to Whole Property ..... \$135,705.

LAND.....26,750 square feet \$3.00 per sq.ft..... \$ 80,250.

ESTIMATED VALUE BY COST APPROACH..... \$215,955.

Comment on Depreciation Factors: Building is approximately 15 yrs. old. Reasonable wear and tear is estimated at 40%. Remaining economic life is approximately 25 yrs.

MARKET DATA APPROACH WHOLE PROPERTY  
(Land Comparables)

Purchase Price of Subject Property \$ \_\_\_\_\_ Date \_\_\_\_\_

Improvements Since Purchase and Estimated Cost:

Lease Terms or Rental Agreement:

Sales and Information of Comparable Properties

SALE NO.	1	2	3
SALE DATE	10/31/94	3/21/95	04/17/95
GRANTOR-GRANTEE	Hope Inv. Ltd. Addison, Ltd.	M&F Development Co Diversco Mann	Chaiu Chin AER
SALE CONFIRMED WITH	Kent Hope	George Roddy	Pat Haggerty
ADDRESS & LOCATION IN RELATION TO SUBJECT	4901 Airport Pkwy, 344.47' E Addison Rd 1 Blk South	4500 blk Sunbelt, Approx. 667' W. of Addison Rd 5 blks N.	2030 Chenault @ Earhart southeast corner
ACTUAL SALE PRICE	\$742,000.	\$125,000.	\$530,500.
CONDITIONS OF SALE	Cash	Cash	Cash
ESTIMATED UNIT PRICE	\$3.10	\$2.76	\$3.00
LEASE OR RENTAL DATA			
CURRENT USAGE	Federal Express Distribution Facility	Unimproved	Warehouse under Construction
HIGHEST & BEST USE	Commercial	Commercial	Commercial
SIZE	5.4963 Acres	1.0382 Acres.	4 Acres
PHYSICAL FEATURES			
IMPROVEMENTS	None at sale	None at sale	None at sale

Correlation of Comparable Sales To Subject Property:

Use Additional Pages If Necessary

Estimated Land Value of Market Data  
Approach \$ 80,250.



INCOME APPROACH WHOLE PROPERTY

JUSTIFICATION OF RATE AND METHOD OF CAPITALIZATION: \_\_\_\_\_

Estimated remaining economic life of improvements 25 years

Stabilized Gross Income.....\$ 35,700.  
 Vacancy 10 %.....3,570.  
 Effective Gross Income.....\$32,130.

Taxes:

City.....\$ \_\_\_\_\_  
 State & County.....\$ \_\_\_\_\_  
 Miscellaneous (School, etc.).....\$ \_\_\_\_\_

Insurance:

Fire & Extended Coverage.....\$ 154.  
 Miscellaneous.....\$ \_\_\_\_\_

Annual Deferred Maintenance.....\$ 550.

Management 4 %.....\$ 1,285.

Operating Expenses ..Utilities.....\$ 311.

Other Expenses.....\$ \_\_\_\_\_

Total Expenses before Depreciation .....\$ 2,300.

Net Income to Property.....\$ 29,830.

Less Income Attributable to (Land).....\$ 80,250. @ 10.5 %.....\$ 8,426.

Income Attributable to (Improvements) .....\$ 21,404.

Income Capitalized @ 12 % ( \_\_\_\_\_ % Interest \_\_\_\_\_ % for Recapture of Capital).....\$178,367.

(Land) (Improvements) .....\$ 80,250.

ESTIMATED VALUE BY CAPITALIZATION APPROACH .....\$258,617.

ADDITIONAL APPRAISAL INFORMATION

FINAL ESTIMATE OF VALUE  
OF WHOLE PROPERTY

Correlaton of Approaches to Value

See Page 6A

Estimated Value of Whole Property

Owner \$ \_\_\_\_\_ Leaschold \$ .....\$ \_\_\_\_\_

---

## 6A CORRELATION

The City of Addison owns Addison Airport, which comprises approximately 360 acres of land. Addison Airport of Texas, Inc. operates, manages, and subleases the airport property. Unless renewed, this agreement terminates on December 31, 2000.

There are three approaches to value that may be utilized to estimate fair market value of the subject - Market, Income & Reproduction or Replacement Cost.

The Market Approach to Value is a basis for estimating value based upon units of comparison derived from sales of similar properties in the marketplace. Those units of comparison are then applied to the subject property to arrive at a range of values which should be indicative of the market estimate of value for the subject property.

The Income Approach to Value is based upon an analysis of the income stream of the property and comparison of that income stream with income streams of similar properties. This calculation and analysis results in a net income stream attributable to the real estate. That income is then capitalized at a rate which is commensurate with the rates expressed in the marketplace by investors for similar properties. The resulting figure is an income estimate of value.

The Cost Approach to Value embraces the philosophy that the reproduction costs or the principal of substitution for a property should limit the upper side of value. In this approach to value the appraiser calculates the market value of the site, the reproduction cost of the improvements less any applicable depreciation, then combines these two items to arrive at a cost estimate of value.

The market approach has been used to estimate the value of the land.

Sale #1 is located one block south of the subject and east of Addison Road. This comparable is slightly superior to the subject as Airport Parkway connects Addison Road and the Dallas North Tollway. Federal Express has constructed a distribution facility on this property.

Sale #2 is approximately 5 blocks north of the subject on a secondary street occupied by office showroom and warehouse facilities.

Sale #3 is west of the subject and on the west side of Addison Airport in an office warehouse neighborhood. An office warehouse facility is currently under construction on this property.

These comparables give an accurate value for land in the vicinity of Addison Airport used for commercial and warehouse uses. After analyzing these sales, a value of \$3.00 per square foot is selected as fair market value of the land before the taking for the land taken, and for the land value after the taking.

At \$3.00 per square foot the fair market value of the land is \$ 80,250. When \$3.00 is multiplied times 24,350 square feet, fair market value of the land taken for the right of way equals \$73,050. 100% of the building is being taken with a value of \$178,367. attributed to the improvements.

The income approach is the most reliable indicator of value of the subject. The cost approach indicates an upper limit of value when the improvements are new and constitute the highest and best use for the property.

The income stream generated by the property can be compared to income from other investments available in the market with similar and varied degrees of risk and durability.

Direct capitalization - building residual technique is used to estimate the value of the property under the income approach. The land value has been established at \$80,250. from comparable sales. 10.5% is selected as adequate return on the value of the land or \$8,426. When this income is subtracted from net income to improvements, \$21,404. of income is attributed to the improvements. Capitalizing this income at 12% gives value attributed to the improvements of \$178,367. The sum of the value of land and value of the improvements equals the estimated value of the whole property of \$258,617. (say \$259,000.).

The income approach is the most accurate estimate of the fair market value. Therefore \$259,000 is the fair market value of the subject before the taking.

The value of the remainder of the taking is \$7,200. (\$258,617 less \$251,417). After the taking, the improvements are completely removed. 2,400 square feet of land remain, with a value equal to \$7,200. The value of the remainder after the taking is unchanged and is equal to \$7,200.

Total just compensation is summarized as follows:

Improvements Taken	\$178,367.
Right of Way Taken	73,050.
	<hr/>
Total Just Compensation	\$251,417.

DATA ON PARTIAL TAKING

Legal Description Part Taken \_\_\_\_\_

Dimensions \_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_ Sq.Ft. \_\_\_\_\_ Acres

WHOLE PROPERTY:

The market value of the whole property is .....\$258,617.

PART TAKEN:

The market value of the fee simple title, less oil, gas and sulphur, to the part being taken for highway purposes, considered as a severed tract is:.....\$251,417. (1)

REMAINING PROPERTY:

The market value of the remainder immediately before the taking is:.....\$ 7,200. (2)

Considering the use to which the part taken is to be subjected, the market value of the remainder immediately after the taking is:.....\$ 7,200. (3)

NET DAMAGES, if any .....\$ -0-  
 SIGN ADJUSTMENT COSTS, if any.....\$ -0-  
 TOTAL COMPENSATION.....\$251,417.

APPRAISALS OF PART TAKEN AND REMAINDER

Highest and Best Use of

Part Taken Airplane Storage  
 Remainder Before Taking Same  
 Remainder after taking considering the use to which the part taken is to be subjected Same

Contributory Value of Improvements	Part Taken	Remainder Before Taking	Remainder After Taking
Bldg.-9,139 sf (100%) and Paving	<u>178,367.</u>	<u>-0-</u>	<u>-0-</u>
TOTAL IMPROVEMENTS			
RIGHT OF WAY LAND 24,350 S.F. @ \$3	<u>73,050.</u>	<u>7,200.</u>	<u>7,200.</u>
TOTAL AS A UNIT	<u>\$251,417. (1)</u>	<u>\$ 7,200. (2)</u>	<u>\$ 7,200. (3)</u>

Explain difference, if any, between Remainder Before and After Taking (If extra space needed, use attachment.)

COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Hope Investment Ltd. Grantee Addison Ltd.

Dated 10/31/94 Recorded in Volume 94210 Page 3570

Local Address 4901 Airport Parkway

Legal Description Abst. 482, Tract 30, Addison, TX

Actual Price \$742,000. Verified With Kent Hope

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 5.4963 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$3.10

Street Curb & Gutter Utilities \_\_\_\_\_

Improvements None at sale

Size and Description \_\_\_\_\_

Condition and Desirability Minor dirt work to aid drainage from balance of the tract of which this is a part.

Current Use Fed Ex Distribution Facility Highest and Best Use Commercial

Date Inspected 7/15/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

Appraiser

COMPARABLE SALES DATA SUPPLEMENT



Diversco Sale &

Sales Parties: Grantor M & F Development Co., Inc. Grantee Manufacturing

Dated 3/21/95 Recorded in Volume 95055 Page 463

Local Address 4500 Block Sunbelt Drive

Legal Description West 1/2, Tract 13 Sunbelt Business Park Addition, Addison, TX

Actual Price \$125,000. Verified With George Roddy

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 1.0382 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$2.76

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale

Size and Description Level, ready for development

Condition and Desirability \_\_\_\_\_

Current Use Unimproved Highest and Best Use Light Industrial & Commercial

Date Inspected 7/15/95 Zoning Commercial -1

Use reverse side for other pertinent information \_\_\_\_\_

*Charles G. Miller*

Appraiser

COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Chaiu Chin Grantee AER

Dated 4/14/95 Recorded in Volume 95074 Page 668

Local Address 2030 Chenault, Carrollton, TX

Legal Description Abstract 923, Tract 20

Actual Price \$530,500 Verified With Pat Haggerty

Conditions of Sale Cash

Rental Data \_\_\_\_\_

Land Size 4.0592 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$3.00

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale

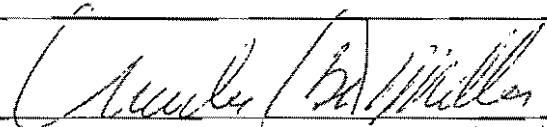
Size and Description \_\_\_\_\_

Condition and Desirability \_\_\_\_\_

Current Use Warehouse under construcion Highest and Best Use Commercial

Date Inspected 10/22/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

  
 \_\_\_\_\_  
 Appraiser



ADDISON AIRPORT TUNNEL  
REAL ESTATE APPRAISAL REPORT

Parcel Number \_\_\_\_\_

Address Port-O-Port, 4701 & 4700 Keller Springs, Also called Hanger T-8, T-10 & L-10 (3 Buildings)

Owner City of Addison

Address \_\_\_\_\_

Occupant's Name \_\_\_\_\_

Whole Taking \_\_\_\_\_ Partial Taking X

Purpose of the Appraisal

The purpose of this appraisal is to estimate the Market Value of the fee simple title encumbered by existing easements, if any, which are compatible to highway use of the subject property as of 12/20/95. It is being made for the Texas Turnpike Authority in connection with the investigation and defense of the claims by the owner of the property for compensation and damages, if any, arising out of the property acquisition by the Texas Turnpike Authority for right-of-way purposes. The estimates of value concluded herein will be used for settlement of such claims through negotiation or eminent domain proceedings.

Market Value may be defined as follows: "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged, to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonable adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."

Valuation

In my opinion the compensation due as a result of this taking is:

Owner \$ \_\_\_\_\_ Leasehold Interest \$ \_\_\_\_\_ Total \$118,114.

Appraiser's Certificate

I hereby certify that the opinion of value herein expressed has been reached after a careful examination of all pertinent data; that my fee is in no way contingent upon the value placed on the property; that neither I nor any employee in my service has directly or indirectly any financial or personal interest in or to the property appraised; and that should I or any employee in my service acquire any interest in or to the property appraised prior to the acquisition of the parcel by the Authority, I will immediately notify the Authority of such interest or interests.

12/20/95  
Date Report Made

Charles B. Malle  
Appraiser

REVIEWED BY:

[Signature]  
Director of Engineering

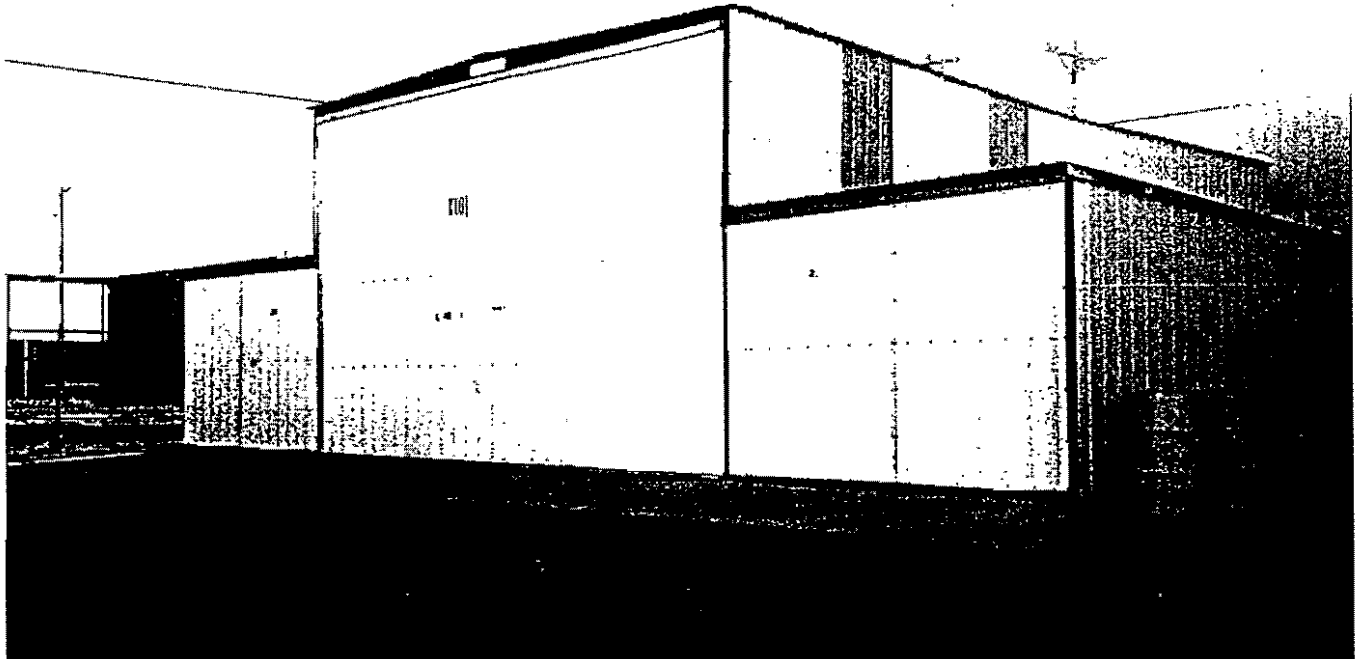
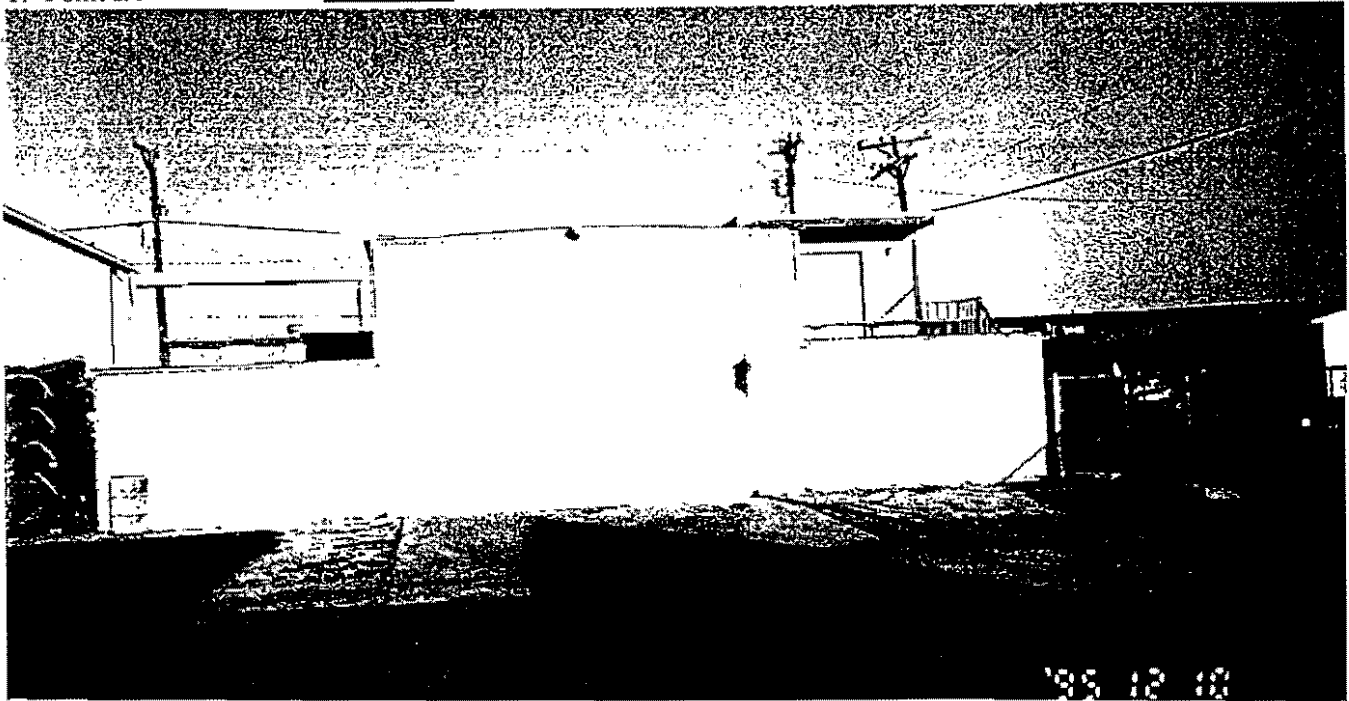
Approved by the Board of Directors Right-of-Way Committee on January 18, 1996

[Signature]  
James W. Griffin  
Executive Director

ATTACH ALL PERTINENT PICTURES

Parcel No. \_\_\_\_\_ Local Address Port-O-Port, 4701 & 4700 Keller Springs  
Also called Hanger T-8, T-10 & L-10 (3 Buildings)  
Date Taken 12/10/95 Taken by Charles (Bo) Miller

1. Point from which taken WEST SIDE Looking EAST



2. Point from which taken EAST SIDE Looking WEST

ATTACH ALL PERTINENT PICTURES

Parcel No. \_\_\_\_\_ Local Address Port-O-Port, 4701 & 4700 Keller Springs  
Also called Hanger T-8, T-10 & L-10 (3 Buildings)  
Date Taken 12/10/95 Taken by Charles (Bo) Miller

3. Point from which taken NORTH SIDE Looking SOUTH



DATA ON WHOLE PROPERTY

Legal Description Abstract 792, Addison Municipal Airport

Dimensions: 65 feet x 212 feet = 13,780 sq. ft. .3163 Acres  
 Location (Urban): Street & No. \_\_\_\_\_ on \_\_\_\_\_ side  
 between \_\_\_\_\_ and \_\_\_\_\_ streets.  
 (Rural): \_\_\_\_\_

Land Grant Survey \_\_\_\_\_

Neighborhood or Area Analysis:

Highest and Best Use and Zoning of Subject Property:

COST APPROACH WHOLE PROPERTY

Estimated Reproduction Cost:

3 Main Buildings: <u>5,254</u> ft. @ <u>\$23.00</u> per square foot.....	<u>\$120,842.</u>
Parking Lot: <u>\$1.15</u> per square ft... <u>6,626</u> sq. ft. <u>7,620</u> .....	<u>\$ 12,370.</u>
Concrete: <u>\$2.50</u> per square ft... <u>1,900</u> sq. ft. <u>4,750</u>	
Total Reproduction .....	<u>\$133,212.</u>
Less Accrued Depreciation:	
Physical Deterioration.....40%.....	<u>\$ 53,285.</u>
Functional Obsolescence .....	<u>\$ -0-</u>
Economic Obsolescence .....	<u>\$ -0-</u>
Total Depreciation .....	<u>\$ 53,285.</u>
Value Building Contributes to Whole Property.....	<u>\$ 79,927.</u>

Garages: _____ ft. @ \$ _____ per _____ ft.....	\$ _____
Less Depreciation .....	\$ _____
Other (Detail).....	\$ _____
Less Depreciation .....	\$ _____

Depreciated Value:

Landscaping \$ _____, Fencing \$ _____,	
Walks \$ _____, Drives \$ _____ .....	\$ _____
Value Improvements Contribute to Whole Property .....	<u>\$ 79,927.</u>

LAND.....13,780 square feet \$3.00 per sq. ft..... \$ 41,340.

ESTIMATED VALUE BY COST APPROACH..... \$121,267.

Comment on Depreciation Factors: Building is approximately 15 yrs. old. Reasonable wear and tear is estimated at 40%. Remaining economic life is approximately 25 yrs.

MARKET DATA APPROACH WHOLE PROPERTY  
(Land Comparables)

Purchase Price of Subject Property \$ \_\_\_\_\_ Date \_\_\_\_\_

Improvements Since Purchase and Estimated Cost:

Lease Terms or Rental Agreement:

Sales and Information of Comparable Properties

SALE NO.	1	2	3
SALE DATE	10/31/94	3/21/95	04/17/95
GRANTOR-GRANTEE	Hope Inv. Ltd. Addison, Ltd.	M&F Development Co Diversco Mann	Chaiu Chin AER
SALE CONFIRMED WITH	Kent Hope	George Roddy	Pat Haggerty
ADDRESS & LOCATION IN RELATION TO SUBJECT	4901 Airport Pkwy, 344.47' E Addison Rd 1 Blk South	4500 blk Sunbelt, Approx. 667' W. of Addison Rd 5 blks N.	2030 Chenault @ Earhart southeast corner
ACTUAL SALE PRICE	\$742,000.	\$125,000.	\$530,500.
CONDITIONS OF SALE	Cash	Cash	Cash
ESTIMATED UNIT PRICE	\$3.10	\$2.76	\$3.00
LEASE OR RENTAL DATA			
CURRENT USAGE	Federal Express Distribution Facility	Unimproved	Warehouse under Construction
HIGHEST & BEST USE	Commercial	Commercial	Commercial
SIZE	5.4963 Acres	1.0382 Acres	4 Acres
PHYSICAL FEATURES			
IMPROVEMENTS	None at sale	None at sale	None at sale

Correlation of Comparable Sales To Subject Property:

Use Additional Pages If Necessary

Estimated Land Value of Market Data  
Approach \$ 71,232.

INCOME APPROACH WHOLE PROPERTY

JUSTIFICATION OF RATE AND METHOD OF CAPITALIZATION: \_\_\_\_\_

Estimated remaining economic life of improvements 25 years

Stabilized Gross Income.....	\$23,100.	
Vacancy <u>15</u> %.....	\$ 3,465.	
Effective Gross Income.....		\$19,635.
Taxes:		
City.....	\$	
State & County.....}	\$ 1,000.	
Miscellaneous (School, etc.).....	\$	
Insurance:		
Fire & Extended Coverage.....	\$ 102.	
Miscellaneous.....	\$	
Annual Deferred Maintenance.....	\$ 275.	
Management <u>4</u> %.....	\$ 1,785.	
Operating Expenses .....	\$	
Other Expenses.....	\$	
Total Expenses before Depreciation .....		\$ 2,162.
Net Income to Property.....		\$ 17,473.
Less Income Attributable to (Land).....	\$ 41,340. @ 10.5 %	\$ 4,341.
Income Attributable to (Improvements) .....		\$13,132.
Income Capitalized @ <u>12</u> % ( _____ % Interest _____ % for Recapture of Capital).....		\$109,433.
(Land) (Improvements) .....		\$ 41,340.
ESTIMATED VALUE BY CAPITALIZATION APPROACH .....		\$150,773.

ADDITIONAL APPRAISAL INFORMATION

FINAL ESTIMATE OF VALUE  
OF WHOLE PROPERTY

Correlaton of Approaches to Value

See Page 6A

Estimated Value of Whole Property

Owner \$ \_\_\_\_\_ Leaschold \$ \_\_\_\_\_ .....\$ \_\_\_\_\_

---

## 6A CORRELATION

The City of Addison owns Addison Airport, which comprises approximately 360 acres of land. Addison Airport of Texas, Inc. operates, manages, and subleases the airport property. Unless renewed, this agreement terminates on December 31, 2000.

There are three approaches to value that may be utilized to estimate fair market value of the subject - Market, Income & Reproduction or Replacement Cost.

The Market Approach to Value is a basis for estimating value based upon units of comparison derived from sales of similar properties in the marketplace. Those units of comparison are then applied to the subject property to arrive at a range of values which should be indicative of the market estimate of value for the subject property.

The Income Approach to Value is based upon an analysis of the income stream of the property and comparison of that income stream with income streams of similar properties. This calculation and analysis results in a net income stream attributable to the real estate. That income is then capitalized at a rate which is commensurate with the rates expressed in the marketplace by investors for similar properties. The resulting figure is an income estimate of value.

The Cost Approach to Value embraces the philosophy that the reproduction costs or the principal of substitution for a property should limit the upper side of value. In this approach to value the appraiser calculates the market value of the site, the reproduction cost of the improvements less any applicable depreciation, then combines these two items to arrive at a cost estimate of value.

The market approach has been used to estimate the value of the land.

Sale #1 is located one block south of the subject and east of Addison Road. This comparable is slightly superior to the subject as Airport Parkway connects Addison Road and the Dallas North Tollway. Federal Express has constructed a distribution facility on this property.

Sale #2 is approximately 5 blocks north of the subject on a secondary street occupied by office showroom and warehouse facilities.

Sale #3 is west of the subject and on the west side of Addison Airport in an office warehouse neighborhood. An office warehouse facility is currently under construction on this property.

These comparables give an accurate value for land in the vicinity of Addison Airport used for commercial and warehouse uses. After analyzing these sales, a value of \$3.00 per square foot is selected as fair market value of the land before the taking for the land taken, and for the land value after the taking.

At \$3.00 per square foot the fair market value of the land is \$41,340. A two year temporary construction easement of 13,780 square feet is being taken. Just compensation for the land taken under the construction easement equals \$8,681.

The income approach is the most reliable indicator of value of the subject. The cost approach indicates an upper limit of value when the improvements are new and constitute the highest and best use for the property.

The income stream generated by the property can be compared to income from other investments available in the market with similar and varied degrees of risk and durability.



Direct capitalization - building residual technique is used to estimate the value of the property under the income approach. The land value has been established at \$41,340. from comparable sales. 10.5% is selected as adequate return on the value of the land or \$4,341. When this income is subtracted from net income to property, \$13,132. of income is attributed to the improvements. Capitalizing this income at 12% gives value attributed to the improvements of \$109,433. The sums of the value of land and value of the improvements equals the estimated value of the whole property of \$150,773.

The income approach is the most accurate estimate of the fair market value. Therefore \$150,800. is the fair market value of the subject before the taking.

The value of the remainder before the taking is \$41,340. (\$150,773. less \$109,433.). After the taking, the improvements are completely removed. \$109,433. is the value attributed to the improvements. The value of the remainder after the taking is unchanged and is equal to \$41,340.

In addition to taking of the improvements and the surface easement, a temporary construction easement will be taken. This easement will be needed for a period of 2 years. Fair rental value is equal to 10.5% of the value of the land for that period (13,780 sq.ft. x \$3 x 10.5% x 2 yrs = \$8,681.).

Total just compensation is summarized as follows:

Improvements Taken	\$109,433.
Construction Easement Taken	8,681.
Total Just Compensation	<u>\$118,114.</u>

DATA ON PARTIAL TAKING

Legal Description Part Taken \_\_\_\_\_

Dimensions \_\_\_\_\_ x \_\_\_\_\_ = \_\_\_\_\_ Sq.Ft. \_\_\_\_\_ Acres

WHOLE PROPERTY:

The market value of the whole property is .....\$150,773.

PART TAKEN:

The market value of the fee simple title, less oil, gas and sulphur, to the part being taken for highway purposes, considered as a severed tract is:.....\$109,433. (1)

REMAINING PROPERTY:

The market value of the remainder immediately before the taking is:.....\$ 41,340. (2)

Considering the use to which the part taken is to be subjected to, the market value of the remainder immediately after the taking is:.....\$ 41,340. (3)

NET DAMAGES, if any .....\$ -0-

SIGN ADJUSTMENT COSTS, if any.....\$ -0-

TOTAL COMPENSATION.....\$109,433.

APPRAISALS OF PART TAKEN AND REMAINDER

Highest and Best Use of

Part Taken \_\_\_\_\_

Remainder Before Taking \_\_\_\_\_

Remainder after taking considering the use to which the part taken is to be subjected \_\_\_\_\_

Contributory Value of Improvements	Part Taken	Remainder Before Taking	Remainder After Taking
Bldg. -5,254 (100%)	\$109,433.	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
<b>TOTAL IMPROVEMENTS</b>	<u>109,433.</u>	<u>41,340.</u>	<u>41,340.</u>
<b>TOTAL AS A UNIT</b>	<u>\$109,433. (1)</u>	<u>\$ 41,340 (2)</u>	<u>\$ 41,340. (3)</u>
<b>CONSTRUCTION EASEMENT</b>	+ 8,681.		
	\$118,114.		



Sales Parties: Grantor Hope Investment Ltd. Grantee Addison Ltd.

Dated 10/31/94 Recorded in Volume 94210 Page 3570

Local Address 4901 Airport Parkway

Legal Description Abst. 482, Tract 30, Addison, TX

Actual Price \$742,000. Verified With Kent Hope

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 5.4963 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$3.10

Street Curb & Gutter Utilities \_\_\_\_\_

Improvements None at sale

Size and Description \_\_\_\_\_

Condition and Desirability Minor dirt work to aid drainage from balance of the tract of which this is a part.

Current Use Fed Ex Distribution Facility Highest and Best Use Commercial

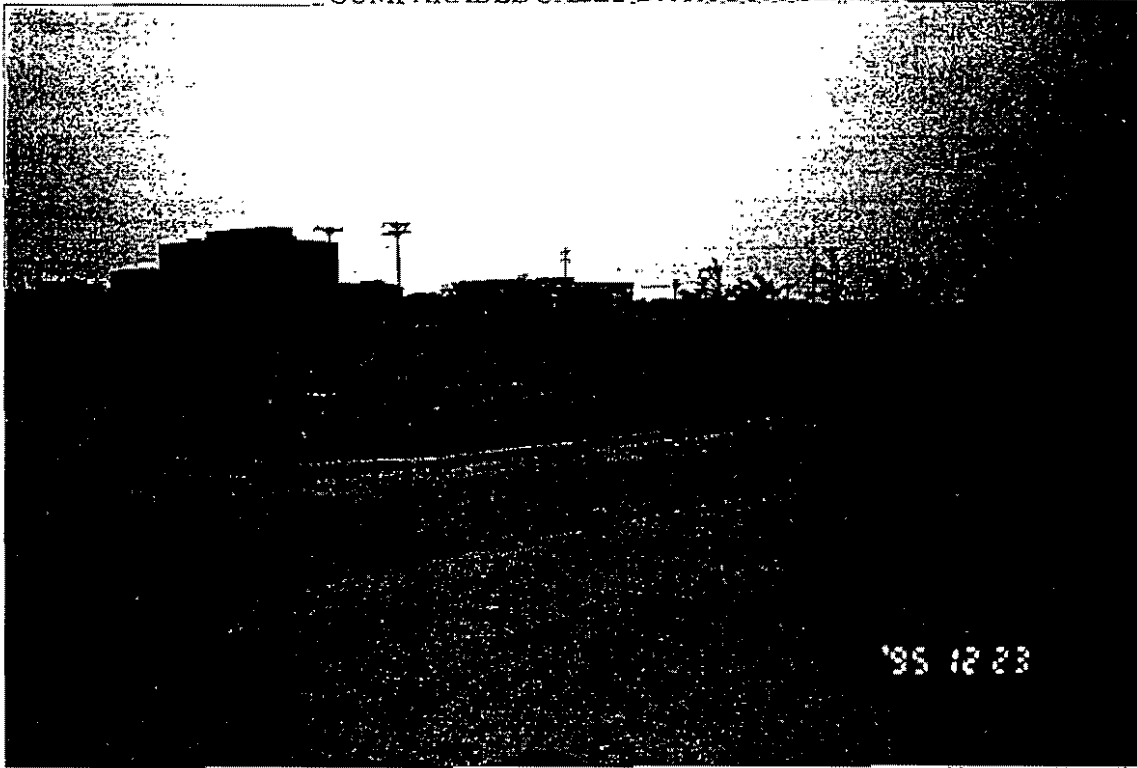
Date Inspected 7/15/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

*Charles H. Miller*

Appraiser

COMPARABLE SALES DATA SUPPLEMENT



Diversco Sale &

Sales Parties: Grantor M& F Development Co., Inc. Grantee Manufacturing

Dated 3/21/95 Recorded in Volume 95055 Page 463

Local Address 4500 Block Sunbelt Drive

Legal Description West 1/2, Tract 13 Sunbelt Business Park Addition, Addison, TX

Actual Price \$125,000. Verified With George Roddy

Conditions of Sale Cash

Rental Date \_\_\_\_\_

Land Size 1.0382 Acres Unit Price: As Improved \_\_\_\_\_; Unimproved \$2.76

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale

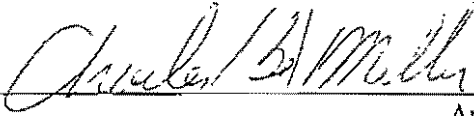
Size and Description Level, ready for development

Condition and Desirability \_\_\_\_\_

Current Use Unimproved Highest and Best Use Light Industrial & Commercial

Date Inspected 7/15/955 Zoning Commercial -1

Use reverse side for other pertinent information \_\_\_\_\_

  
 \_\_\_\_\_  
 Appraiser

COMPARABLE SALES DATA SUPPLEMENT



Sales Parties: Grantor Chaiu Chin Grantee AER

Dated 4/14/95 Recorded in Volume 95074 Page 668

Local Address 2030 Chenault, Carrollton, TX

Legal Description Abstract 923, Tract 20

Actual Price \$530,500. Verified With Pat Haegertv

Conditions of Sale Cash

Rental Data \_\_\_\_\_

Land Size 4.0592 Acres Unit Price: As Improved \_\_\_\_\_ ; Unimproved \$3.00

Street Concrete Curb & Gutter Utilities All

Improvements None at Sale

Size and Description \_\_\_\_\_

Condition and Desirability \_\_\_\_\_

Current Use Warehouse under construcion Highest and Best Use Commercial

Date Inspected 10/22/95 Zoning Commercial-1

Use reverse side for other pertinent information \_\_\_\_\_

*Charles W. Mills*  
 \_\_\_\_\_  
 Appraiser