



CDOT Appraisal Format - Complex Partial Take

Important notes regarding the use of this Complex Partial Take Appraisal Report format for eminent domain appraisal:

- This Complex Partial Take appraisal format is recommended for use by all appraisers for all eminent domain partial take appraisals in Colorado when the appraisal issues are more complex, particularly with respect to changes in highest and best use of the property after the take; damages, cost-to-cure damages, and benefits.
- This format is comprehensive and includes all three appraisal approaches for complete before and after appraisals of the subject in a partial taking assignment, whether vacant land or an improved property. However, the format is flexible and allows the user to add/delete/edit much of the format material as appropriate to the appraisal assignment. For simpler partial take appraisal assignments the user might consider using CDOT's Standard Partial Take appraisal format. Contact CDOT appraisal staff or other agency staff for more information.
- Further explanation for using this appraisal format, as well as many other issues affecting the eminent domain appraisal process, are found in the CDOT Right-of-Way Manual, Chapter 3. The appraiser is expected to use the manual as a primary guide and reference. Contact CDOT appraisal staff for a copy of the manual or instructions to access it online.
- This Complex Partial Take appraisal format is a working guide intended to model professional appraisal practice and clear and complete report presentation while addressing USPAP, federal law and the Uniform Act, and Colorado law. Using this format will aid the appraisal review process and benefit those involved in the eminent domain process.
- This appraisal format does not substitute for or supplant the judgment of the appraiser who ultimately bears the responsibility for the quality and compliance of the final appraisal report. Therefore, it is always the responsibility of the appraiser to exercise professional judgment and add to, delete or modify elements of this format to appropriately conform to the appraiser's scope of work.
- The Complex Partial Take format provides a working outline of the suggested appraisal report. Guide notes, explanations and examples **are highlighted in yellow and/or red text or highlighted red text. These are intended to be referenced** or used as appropriate **and then deleted from the format.**
- This format uses Trebuchet font with point sizes including 10 for normal text and ranging from 12 to 16 for various size headers. These may be modified at the user's discretion.
- CDOT recommends that appraisers save and maintain an unaltered original master electronic file of this Complex Partial Take appraisal format for future reference. This will be useful for future cross-checking against any subsequent cloned appraisal report versions or actual reports the appraiser might create as their own modified template.



COLORADO
Department of Transportation

replace LOGO/delete as appropriate

EMINENT DOMAIN - REAL PROPERTY APPRAISAL

PARTIAL TAKE APPRAISAL REPORT

PREPARED FOR:

Colorado Department of Transportation (CDOT)
Project Development - Right of Way Program - 3rd Floor
2829 W. Howard Place
Denver CO 80204

Note: or insert Region or other office address above

PREPARED BY:

EXAMPLE

John Smith, MAI, SRA, SR/WA (or other/none)
Smith & Associates Appraisal Co.
1444 Hatfield Blvd.
Denver CO xxxxx

PROJECT CODE:	XXXXX
PROJECT NO.:	Typically Alpha/Numeric for CDOT projects
PROJECT LOCATION:	General highway/other location, e.g. I-25/Colorado Boulevard City and/or County
PARCEL NO.:	List All Parcels/Easements/Access...ALL
PARCEL LOCATION:	Street address or other reasonably specific location
PROPERTY OWNER:	Property owners of record
APPRAISER:	List all appraisers who signed report
DATE OF VALUE:	State Effective Date of Value
DATE OF REPORT:	For Example, Date Report is Published/Printed



COLORADO
Department of Transportation

XXXXX xx, 202x

Colorado Department of Transportation (CDOT)
Project Development - Right of Way Program - 3rd Floor
2829 W. Howard Place
Denver CO 80204

Note: or insert Region or other client office address above

PROJECT CODE: XXXXX
PROJECT NO.: Typically Alpha/Numeric for CDOT projects
PARCEL NO.: List All Parcels/Easements/Access...ALL
PARCEL LOCATION: Street address or location
City and/or County
PROPERTY OWNER: Property owners of record

Region Appraisal Project Manager: or Review Appraiser or revise addressee as needed

This is my eminent domain appraisal report for the referenced property with an effective date of appraisal of XXXXX xx, 202x. The purpose of this appraisal is to provide a compensation estimate for the reasonable market value of the property actually taken; compensable damages, if any, to the residue; and special benefits, if any, to the residue. The development of my appraisal is contained in the attached appraisal report which sets forth my conclusions, supporting data, and reasoning.

I understand that this appraisal report may be used in connection with the acquisition of right-of-way for the referenced project to be constructed by CDOT or other city/county etc. and which might include Federal-aid transportation funding. If necessary, this report with supporting data, analyses, conclusions, and opinions is to serve as a basis for court testimony for condemnation trial purposes. This appraisal report will become a public record after final settlement with the property owner or after the conclusion of legal proceedings.

The reasonable market value and compensation estimate are subject to certain definitions, assumptions and limiting conditions, and certification of appraiser set forth in the attached appraisal report. Based upon my independent appraisal and exercise of my professional judgment, my compensation estimate for the acquisition as of XXXXX xx, 202x, is \$XXX,XXX. **Note:** Hypothetical condition or extraordinary assumption must be disclosed. This requires clear and conspicuous disclosure of the hypothetical condition or extraordinary assumption.

Sincerely,

Appraiser's Name, MAI, SRA, SR/WA (or other/none etc.)
Colorado Certified General Appraiser #CG XXXXXXXX

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Executive Summary

Delete/Edit these cells/rows as appropriate. Other cells are required data. Add cells as needed.

Project Code:	XXXXX
Project Number:	Typically Alpha-Numeric for CDOT projects
Parcel Number:	List all, including easements and AC lines
Name of Owner:	List all owners of record
Name of Tenant:	List all
Property Address or Location:	Street address or general location City and/or county
Project Location:	Example: Highway or intersection location City and/or County
Owner Present at Inspection:	Note whether owner was present or efforts made to invite owner to inspection. List all attendees who were present.
Property Interest Appraised:	Example: Fee Simple and Easement (and/or other)
Appraisal Effective Date of Value:	Example: Jan. 1, 2020
Date of Appraisal Report:	Might use date the report is published
Environmental Concerns:	Example: None or: Summarize any environmental conditions or concerns. ROW takings are appraised subject to environmental conditions unless otherwise instructed by CDOT. Discuss with CDOT appraisal staff.
Larger Parcel Land/Site Area:	Describe larger parcel and note its land area (LP might be more than a single land parcel).
Owner and/or Tenant Occupancy:	Example: Owner; or Tenant; or Owner and Tenant
Owner Off-Premise Sign Site: (billboard site)	Note whether there is a billboard site on the subject property that is leased to another user
Owner Improvements (buildings, structures, etc.):	Summary list
Owner Fixtures:	Summary list
Owner Trade Fixtures (real property):	Summary list
Owner On-Premise Signs:	List owner's signs on the premises
Tenant Improvements (buildings, structures, etc.):	Summary list
Tenant Fixtures	Summary list
Tenant Trade Fixtures (real property):	Summary list
Tenant On-Premise Sign:	Summary list
Tenant Off-Premise Sign (billboard):	Summary list
Subject 5-Year Sales History:	Min. 5-yr, but even older history might be relevant
Subject Use History:	Brief description of current and/or prior use
Zoning:	Example: PBC Planned Business Center, Denver
External Market Influences:	Summarize key external (neighborhood and/or other) influences on subject value
Highest/Best Use Before Take:	Example: Develop property with a retail use
Highest/Best Use After Take:	Example: Same; or Develop property with office use
Part Taken Parcel Nos.:	Example: 1, 1A, 2, PE-1, SE-1, UE-1, TE-1
Part Taken Total Land/Site Area:	Example: Fee takings total 1,000 SF/10% of larger parcel + easement takings at 500 SF/5% of larger parcel.
Purpose of Fee Part Taken:	Example: Take parcel needed for future interchange ramp
Purpose of Easement:	Example: Easement for relocated water line
Purpose of Temporary Easement:	Example: Easement for construction work area
Effect of Take on the Residue Parcel:	Example: None; no significant effect; or describe otherwise
Damage Considerations:	None, or describe otherwise

Net Cost to Cure:	None, or describe otherwise
Special Benefits Considerations:	None, or describe otherwise

Note: delete/edit highlighted cells/rows as appropriate. Other cells are required data. Add cells as needed. Delete this row as it is for information only.

Value and Compensation Conclusions		
Larger Parcel Value Before Take		Total Value
Land/Site Value		\$
Improvements Contributory Value		\$
Total Larger Parcel Value Before Take		\$

Value of Part Taken					
Land/Site Takings					
Parcel No.	Area SF (or other Unit)	\$ Unit Value		Value	Total Value
None or list parcels				\$	
Note: add/delete rows as needed in this section and sections below				\$	
				\$	
				\$	
				\$	
Owner Off-Premise Sign (billboard) Site Value				\$	
Total Land/Site Value of Part Taken					\$
Easement Takings					
Parcel No.	Area SF (or other Unit)	\$ Unit Value	x % of Fee	Value	Total Value
				\$	
				\$	
				\$	
Total Easement Value of Part Taken					\$
Owner Improvement Takings (Contributory Value)					
Descriptions of Improvements (buildings, structures, etc.)				Contributory Value	Total Value
None or provide detailed list of improvements				\$	
				\$	
				\$	
Owner Fixtures				\$	
Owner Trade Fixtures (Real property)				\$	
Owner On-Premise Signs Contributory Value				\$	
Total Owner Improvements Contributory Value of Part Taken					\$
Tenant Improvement Takings (Contributory Value)					
Descriptions of Improvements (buildings, structures, etc.)				Contributory Value	Total Value
				\$	
Tenant Fixtures				\$	
Tenant Trade Fixtures (Real property)				\$	
Tenant On-Premise Sign Contributory Value				\$	
Tenant Off-Premise Sign Contributory Value				\$	

Total Tenant Improvements Contributory Value of Part Taken	\$	
Total Value of Part Taken	\$	

Rental Value of Temporary Easement						
Parcel No.	Area SF (or other Unit)	\$ Unit Value	x Rate (%)	Term (Mos.)	Value	
						\$
						\$
						\$
						\$
						\$
						\$
Total Rental Value of Temporary Easement						\$

Compensation Estimate Summary

Add/Delete/Edit these cells/rows as appropriate. Other data is required.

Value of Part Taken		
Land/Site Value of Part Taken	\$	
Easement Value of Part Taken	\$	
Owner Improvements Contributory Value of Part Taken	\$	
Tenant Improvements Contributory Value of Part Taken	\$	
Total Value of Part Taken		\$
Compensable Damages and/or Offsetting Special Benefits		
Total Compensable Damages (per Residue Value After/As Is)	\$	
AND/OR		
Total Offsetting Special Benefits (per Residue As Is or As Cured) (enter -0- or the Special Benefit due to project or to cure here and in [A] below as a -\$)	(\$)	
Curable and/or Incurable Damages - Special Benefits Offset Damages		
Compensable Damages/Curable/Net Cost to Cure (enter -0- or \$)		\$
Compensable Damages/Incurable (No Cost to Cure)		\$
<Less> Offsetting Special Benefits due to project or to a cure (-0- or -\$) (Special Benefits offset 100% of incurable damages)	[A]	(\$)
=		
Net Compensable Damages/Incurable (answer is -0- or \$) >		\$
OR		
Net Offsetting Special Benefits due to project or to cure (answer is -\$) > (enter -0- or any Net Offsetting Special Benefit here and in [D] below)	[B]	(\$)
Special Benefits Offset Value of Part Taken		
Total Value of Part Taken and/or Cured Part Taken x 0.50 (Offsetting Special Benefits Not to Exceed 50% of Value of Part Taken)	[C]	\$
OR		
Net Offsetting Special Benefits (per Residue Value After/As Is or As Cured) Show as positive \$ >>	[D]	\$
Net Remaining Special Benefits Offset 50% Value of Part Taken = enter -0- or Lesser of [C] or [D] as a whole (-\$) >>		(\$)
Total Rental Value of Temporary Easement		\$
Compensation Estimate		\$

Subject Property

Provide a photo or other exhibit of the whole subject property (larger parcel) appraised. This is recommended as the place to insert only an introductory general overview photo-or-two of the property, however, there is no restriction. More photos of the subject larger parcel, including street scenes, might be placed in the *Property Description* section later in the report. The size and dimension of photo placed here is not restricted, nor is the photo box required.

The appraiser must note the view, date, and name of the person who took the photo(s), either with each photo or, for example: "All photos by John Smith on May 1, 2010"



View/Date/Photo Taken By:

Example: Subject view northeast across Powers Boulevard and Galley Road intersection. Airport runway directly south creates flight path above subject. Photo on Jan. 1, 202X by John Smith



View/Date/Photo Taken By:

Example: Aerial Photo Subject Larger Parcel (Bing Aerial)

Use of aerial photo here or elsewhere in the report is recommended.

PART 1 - SCOPE OF WORK

Assumptions and Limiting Conditions

The certification of the appraiser who developed this report is subject to the *Assumptions and Limiting Conditions* that are listed below:

Extraordinary Assumptions

Definition of Extraordinary Assumption: *"An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions."* (USPAP 2020-2021 ed.; The Appraisal Foundation)

None Specify "None" as shown left, or the appraiser will describe any EAs per guideline below:

1. **Note:** An Extraordinary Assumption must be disclosed. This requires clear and conspicuous disclosure of the Extraordinary Assumption. Multiple EAs might be numbered as shown here. State how their use might have affected assignment results.
2. **Note: Example of an Extraordinary Assumption:** the appraiser suspects there may be hazardous substances or environmental conditions affecting the property. The suspected condition is brought to the attention of CDOT, but the condition is uncertain until additional investigation is completed by CDOT. CDOT concurs with the appraiser to complete the assignment with an Extraordinary Assumption that the property is not affected by environmental hazards.
3. Extraordinary Assumptions should be *Extra-ordinary*. Do not use EAs to address what are more appropriately considered a general assumption. Ultimately, what is an EA vs. what is a general assumption is the appraiser's decision.

Hypothetical Conditions

Definition of Hypothetical Condition: *"A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis."* (USPAP 2020-2021 ed.; The Appraisal Foundation)

None Specify "None" as shown left, or the appraiser will describe any HYPOs per guideline below:

1. **Note:** A Hypothetical Condition must be disclosed. This requires clear and conspicuous disclosure of the Hypothetical Condition. Multiple HYPOs might be numbered as shown here. State how their use might have affected assignment results.
2. **Note: Example of hypothetical condition:** the appraiser knows there are hazardous substances or environmental conditions affecting the property. The known condition is brought to the attention of the appraiser based on investigations by CDOT. CDOT may find a valid and useful purpose to develop a value opinion for the property that excludes the consideration of known detrimental conditions. The appraisal would be based on a hypothetical condition that the property is not impacted by known detrimental conditions.

General Assumptions and Limiting Conditions

add/delete/edit as needed

1. The legal descriptions, land areas, surveying and engineering data provided by the Region **or list other provider(s)** are assumed to be correct. The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photographs and exhibits are included for the same purpose. Site plans are not surveys unless prepared by a separate surveyor.
2. This is an Eminent Domain Real Property Appraisal Report, which is intended to comply with the reporting requirements set forth in Standards Rule 2 of USPAP.
3. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report. The property is appraised "as if free and clear" of liens and encumbrances, but subject to existing easements, covenants, deed restrictions, and rights-of-way of record, and excepting therefrom all rights to oil, natural gas, or other mineral resources beneath such real property. This mineral interest exception is an assignment condition.
4. Opinions, estimates, data, statistics, exhibits, drawings, sketches and similar materials furnished by others in the course of studies relating to this report are considered reliable unless otherwise noted.
5. **Note: Delete the following if not applicable or edit as appropriate. Discuss with CDOT to determine if items will be replaced as part of construction** Any utility lines, water lines, irrigation or drainage facilities, and fencing disturbed during the course of the project will be properly cared for by the Region during construction, or will be replaced or restored by the project.
6. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated land use. Separate allocations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
7. This report is as of the date set out and is not intended to reflect subsequent fluctuations in market conditions, up or down. As an assignment condition, no specific exposure time is linked to the value and compensation conclusions in this appraisal report, however, reasonable exposure time is presumed. This is in accordance with the Uniform Appraisal Standards for Federal Land Acquisitions, which is a guiding document in eminent domain appraisal procedures and policies followed by CDOT and by other agencies, organizations and appraisal professionals.
8. It is assumed there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or arranging for engineering studies that may be required to discover them.
9. It is assumed the subject property complies with all applicable zoning and use regulations and restrictions, unless non-conformity has been stated, defined, and considered in this appraisal report.
10. It is assumed the use of land and improvements is within the boundaries or property lines of the property described and there is no encroachment or trespass unless otherwise stated in this report.
11. The property is appraised assuming responsible ownership and competent property management.
12. **Note: Use this limiting condition when there are no known or suspected hazardous substances or environmental conditions. If known or suspected, address the issue in Extraordinary Assumptions or Hypothetical Conditions.** Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection of the subject property. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such

hazardous substances may affect the value of the subject property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, or for any expertise or knowledge required to discover them.

13. **Note:** Insert if applicable [improved property] when there is no known or suspected lack of compliance with ADA. If known or suspected, address the issue in Extraordinary Assumptions and/or Hypothetical Conditions. The Americans with Disabilities Act (ADA) took effect in 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible non-compliance with the requirements of ADA was not considered in developing an opinion of the value of the property.

Purpose of the Appraisal

Eminent domain appraisal is subject to the Code of Federal Regulations (CFR) and the federal Uniform Act appraisal requirements, Colorado Revised Statutes (CRS), and Colorado Jury Instructions (CJI). Real property appraisal development and reporting is subject to the Uniform Standards of Professional Appraisal Practice (USPAP) and applicable portions of the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA, or "Yellow Book").

The purpose of this appraisal is to develop a compensation estimate for the reasonable market value of the property actually taken; compensable damages, if any, to the residue after take; and special benefits, if any, to the residue after take. Referred to as the modified state before-and-after rule, steps to develop a compensation estimate for the acquisition of real property are:

1. Larger Parcel Value Before Take
2. Value of Part Taken (including easements acquired)
3. Residue Value Before Take (= Value of Larger Parcel Before Take <Less> Value of Part Taken)
4. Residue Value After Take (including encumbered easement areas acquired)
5. Analysis of Damages and/or Benefits
6. Rental Value of Temporary Easements
7. Compensation Estimate Summary

Please see the Appendices for further details about the steps outlined above.

Identity of the Client and Intended Users

This appraisal report has been prepared for the client, CDOT. **or city/county/other etc.** Intended users of this appraisal report are CDOT, FHWA and the Colorado Attorney General's Office. **or edit as appropriate to client.** It is understood that this report may be provided to the property owner and/or the owner's representatives and agents as part of the right-of-way acquisition process. These persons, however, are not made part of the appraiser/client relationship by possession of a copy of this report (print or electronic), nor does such create an obligation to the property owner in the appraiser's development and reporting of the appraisal. **or edit as appropriate to client**

Intended Use of the Appraisal

The intended use of the appraisal is in connection with the acquisition of right-of-way for the referenced project to be constructed by CDOT **or other city/county etc.** and which might include Federal-aid transportation funding. If necessary, this appraisal report with supporting data, analyses, conclusions, and opinions will serve as a basis for court testimony in condemnation trial proceedings. The appraisal report will become a public record after settlement with the property owner or at the conclusion of legal proceedings. **or edit as appropriate to client**

Real Property Interest Appraised

The real property interest of the subject larger parcel before take, the part taken, and residue after take are valued as fee simple estate (title). The property is appraised "as if free and clear" of all liens, bond assessments, and indebtedness, but subject to existing easements, covenants, deed restrictions, rights-of-way of record, and excepting therefrom all rights to oil, natural gas, or other mineral resources beneath such real property. This mineral interest exception is an assignment condition. **Note: Any exceptions to the interest appraised must be stated and explained. Also, because mineral interests are excluded and not acquired, any damages to the remaining mineral estate must be considered.**

Definition of Reasonable Market Value

Colorado eminent domain proceedings use the following jurisdictional definition of reasonable market value:

“The value you are to determine for the property actually taken is the reasonable market value for such property on (insert valuation date Jan. 1, 202X etc.). ‘Reasonable market value’ means the fair, actual, cash market value of the property. It is the price the property could have been sold for on the open market under the usual and ordinary circumstances, that is, under those circumstances where the owner was willing to sell and the purchaser was willing to buy, but neither was under an obligation to do so.”

“In determining the market value of the property actually taken, you are not to take into account any increase or decrease in value caused by the proposed public improvement.” (CJI-Civil 2020, 36:3)

Colorado Revised Statutes also address Project Influence:

“Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, shall be disregarded in determining the compensation for the property.” (§ 24-56-117(1)(c) CRS)

Project Influence is only excluded in the Before Valuation of the subject property, not in the After Valuation. Other authorities that address Project Influence are the Uniform Act, Title III, § 301(3); 49 CFR § 24.103(b); and CJI-Civil 2020, 36:3. The treatment of project influence in Colorado eminent domain appraisal is an assignment condition (see USPAP 2020-21 FAQs #122 and 235), thus no requirement to describe and analyze any effect on value of anticipated public or private improvements on or off the subject property (USPAP Standard Rule 1-4(f)) in the Before Valuation.

See definitions of other terms and pertinent acronyms listed in the Addenda.

Effective Date of Appraisal

The effective date of appraisal, reasonable market value opinions, and compensation estimate for the proposed acquisition is as of XXXXX xx, 202x.

Date of Appraisal Report

The date of the appraisal report is XXXXX xx, 202x.

Date of Property Inspection and Owner Accompaniment

The owner of the subject property, xxxxx, met and accompanied the appraiser for the inspection of the subject property conducted on XXXXX xx, 202x. **Note:** If owner was not present or could not be contacted, document efforts made. List all attendees who were present at time of the property inspection.

Project Identification and Description

xx Enter project information here...contact CDOT appraisal staff or other responsible agency staff for further information to include here about the overall project.

Example: The project will widen a two-mile stretch of Hwy. xx from two lanes to four lanes from Arapahoe Road to Cherryvale Road in southeast Aurora. A traffic signal will be installed at the Boulder Valley School Vocational Technology complex entrance. The project also will add bike lanes, a sidewalk on the south side, and a multi-use path on the north side of the highway. **More detail can be provided as appropriate.**

Right-of-Way (ROW) Plans Relied on for Valuation Purposes

This appraisal was made under the assumption the acquisition for the proposed public improvement will occur as shown on CDOT's or city name, or county name, etc. right-of-way plans for Project No. XXXXX, located at XXXX highway and/or intersection and/or city and/or county etc. Specific reliance has been placed on the right-of-way plans designated as sheet XX of XX sheets having an original date of XXXXX xx, 202X and a last revision date of XXXX xx, 202X. If any modifications are made to the plans, the appraiser reserves the right to revise the appraisal and appraisal report to reflect the change.

Scope of Research and Analyses

xx **Note:** Describe or summarize: the degree to which the property is inspected; the extent of research into physical and economic factors; extent of data research (e.g., sales information collection, viewing and examining recorded transfer deeds of sales, personal inspection of sales, confirmation of sales with either the buyer or seller, etc.); construction costs of improvements obtained from local contractors or other cost publication sources, type and extent of analysis; summarize sources of information; and provide other information deemed appropriate for estimating the value of land and/or improvements according to the circumstances of the individual appraisal assignment.

Summary of Appraisal Problems

xx **Note:** Summarize the principal problems considered in the appraisal process. Describe some of the key challenges - i.e. questions not easily answered - in the appraisal process. What appraisal problems are present in this assignment that are unique from other assignments? These might be challenges related to larger parcel complexities, or issues raised by unique or odd land or building characteristics, access uncertainties, irrigation problems, highest and best use complexities and similar. Writing that there are "few available sales" and similar statements doesn't necessarily describe principal appraisal problems. The intent here is to "summarize" the appraisal problems that will be addressed ahead, not to solve them here.

PART 2 - FACTUAL DATA - LARGER PARCEL BEFORE TAKE

Identification of Larger Parcel Before Take

Appraisal for eminent domain is unique in that it requires consideration of damages and/or benefits to the residue property after take when a partial taking occurs, thus the larger parcel from which a taking will be made must be determined.

Three conditions establish the larger parcel for the consideration of compensable damages and/or special benefits. The three conditions include the portion of a property that has:

- unity of ownership
- contiguity
- unity of use

The larger parcel identified in this assignment is ... When the appropriate larger parcel is easily determined, the appraiser can briefly note here the support for their conclusion. Otherwise simply state or describe what is the larger parcel and direct the reader to *Highest and Best Use* and/or other sections where further explanation is provided. In some instances a larger parcel might be properly defined that does not meet or clearly meet all three conditions noted above. The conclusion of the defined larger parcel appraised must be well supported in appropriate sections of the appraisal report.

External Market and Location Influences

xx **Note:** SUMMARIZE the locational/market influences that likely affect the subject's value, from the big picture view to small. How do U.S economic conditions influence the subject's value? What about state and regional/metropolitan area conditions? This specific title and the subheads below can be changed, but the point is to note here the broader economic and market influences that affect the subject's value. It might not be necessary to discuss the U.S. economy; at the same time it might be more important to discuss global conditions. The appraiser's information here should be meaningful to the appraisal question ... interpretive narrative rather than simply an insertion of raw Chamber of Commerce data or other sourced material.

U.S. and Colorado Economy and Market Conditions (as pertinent)

xx

Regional/City Economy and Market Conditions (as pertinent)

xx

Neighborhood Description - Local Market Influences

Required

xx **Note:** Describe the subject's neighborhood and/or market area and the economic influences within the neighborhood that affect the subject's value. Define the boundaries and explain reasoning. What type of neighborhood is it? What stage of life cycle is the neighborhood in? Discuss and describe neighborhood/market area characteristics, conditions and trends that influence the subject's value, especially those directly related to the specific subject property type (industrial/warehouse, retail, office, residential, apartments, land, etc.). Such information might derive from interviews, industry surveys, anecdotal observations and other sources that

address such things as new construction, vacancy, rents, absorption trends, competing listings, days on market and similar. This is by no means a complete list, and of course available information will vary from one locale to the next.

Conclusions - External Market and Location Influences

xx The appraiser should provide a well-written and conclusive overview of the subject's neighborhood and/or market area and market conditions that define the competitive environment the subject property is in, and indicate whether the neighborhood and/or market area is economically stable, improving or declining. This discussion ultimately supports the highest and best use analysis in the report, and the conclusions presented here should prepare the reader for and be consistent with information, adjustments, and other analyses that appear later in the report.

Examples:

- The recent increase in households and low vacancy and increasing rents in the subject's market area support the feasibility for retail construction.
- Stable neighborhood characteristics and balanced supply and demand for office space in the neighborhood support stable office property values in the near term.
- Declining rents, increasing vacancy and a real scarcity of commercial real estate financing has clearly hurt prices and marketability of Class B and C office buildings in the area compared to two- or- three years ago.

NOTE: *Property Description* section begins on its own (next) page (recommended).

Property Description - Larger Parcel Before Take

Note: Describe the following characteristics and others as appropriate. **Add, delete or edit items as needed.** If the appraisal assignment involves a partial taking from vacant land, delete improvement entries below that are not pertinent to the appraisal problem. The sample listing below is not exhaustive, nor does it need to be presented in the following order:

Land/Site Data

Location

Street Address and/or general location. **Example:** The subject property is located at 1421 Smith St. near the intersection of Wadsworth and Ivora in northeast Denver ... **Example:** The subject property lies on the north side of Hwy. 115 about one mile south of Roaming Road and one mile east of Rustic Lane in rural Prowers County.

County Assessor Parcel No.

xx

Legal Description

Typically lot-and-block legal or metes-and-bounds legal. **If the metes and bounds is lengthy, the appraiser might simply write, for example ...** A tract in the NW4 of the SW4 of Section 13, Township 15 South, Range 65 west of the 6th p.m., El Paso County ... **and refer the reader to the full metes and bounds legal (if there is one) in the Addenda.**

Present Use

xx

Land Size, Shape, Dimensions, Frontage and Depth

xx **The appraiser also might note here whether the property is a corner or an interior parcel location.**

Access

xx **Note both the physical access, if any, as well as legal access the property might be allowed by the governing jurisdiction(s). Lack of an improved access does not mean the property has no access. Conversely, the fact that a property abuts certain street(s) does not presume the subject has legal access to any of those street(s).**

Visibility and/or View

xx **Discuss meaningful aspects of the subject's visibility (typically a commercial concern) and/or view (typically a residential concern). Edit subhead as appropriate.**

Topography

xx

Floodplain and Drainage

xx

Soil, Subsoil and Water Conditions

xx Soil survey maps are available for many locations across the U.S. through the U.S. Dept. of Agriculture (USDA) web site.

Easements, Encroachments, and Restrictive Covenants

xx This information sometimes is evident through r.o.w. or other plans provided to the appraiser by the client, and/or by any title work provided. Recorded plats and surveys might prove another source of information.

Utilities

xx What public and/or private utilities are available to the subject? Are any tap fees paid? Are utilities available but not close by and are expensive to extend to the property? In rural areas, for example, if well and septic are the only possible solution for water and wastewater service, are these actually installed? What is the condition of such equipment? The *Utilities* question, in other words, often is more than a simple answer of "All public utilities are available."

Land/Site Improvements

xx

Functional Adequacy of the Land/Site

xx

Adjacent and Surrounding Land Uses and Development

xx

Anticipated Public or Private Improvements

xx Describe public or private improvements, but equally inform the reader that these are ignored with respect to any potential Project Influence on the value of the larger parcel before the take.

Nuisances and Hazards

xx

Potential Environmental Hazards

xx Check with CDOT or responsible Agency about any available environmental information on the subject. Appraise as is per known conditions unless otherwise directed by CDOT or other Agency. Detrimental environmental conditions may not necessarily hurt property value, depending on HBU (continued use as is vs. redevelopment that requires excavation and/or building remodeling/demolition). Consider whether any environmental concern would only become an issue as a result of the Project.

Owner Off-Premise Sign (billboard) Site

xx Identify whether there is any billboard sign site on the subject property. Detailed information about the sign site, such as lease information, might be discussed in the valuation section(s) and/or addressed here.

Owner Improvements Data

Add/delete/edit improvement subheads as appropriate. Order of presentation is not critical. Note any personal property items that are included in the appraisal as realty, as well as any significant personal property items that are not included (e.g. in a residential appraisal, do note whether the refrigerator is included or excluded, but don't address items such as a TV or similar). Also note any realty items that will be relocated and are excluded from the appraisal. Include a CDOT *Certified Inventory of Real and Personal Property* (CIRPP) form in the Appendices, as appropriate. Consult CDOT appraisal staff or other agency staff for further information.

Owner Buildings/Structures

xx

Owner Fixtures

xx

Owner Trade Fixtures

xx

Owner Site Improvements

xx

Owner On-Premise Sign

xx

Tenant Improvements

Add/delete/edit tenant improvement subheads as appropriate (see also guide note under *Owner Improvements* above).

Tenant Buildings/Structures

xx

Tenant Fixtures (Attached/Integral to Improvements)

xx

Tenant Trade Fixtures (Attached/Not Integral to Improvements)

xx

Tenant On-Premise Sign

xx

Tenant Off-Premise Sign (billboard)

xx

Zoning and Other Land Use Regulations

Add/delete/edit zoning subheads as appropriate. Order of presentation is not critical.

Intent, Permitted Uses, Conditional Uses, Uses by Review

xx

Area Requirement

xx

Building Height and Maximum Building Coverage

xx

Parking

xx

Setbacks

xx

Open Space

xx

Enclosure of Activities

xx

Fences

xx

Use History

xx

Sales History

xx **Note: CDOT Assignment Condition** supplemental to USPAP Standards Rule 1-5(b), per 49 CFR § 24.103(a)(2)(i), **requires the appraiser to analyze at least a 5-year sales history of the subject.** However, an 8-year-old sale of the subject might be relevant or provide insight to current value where other neighborhood data is lacking. If a sale of the subject in the last five years is not used for valuation purposes, explain why.

Listing/Contract History

xx

Rental History

xx

Assessed Value - Real Estate Taxes - Special Taxing Districts

xx **Note both the assessed value of the subject property and the assessor's opinion of the subject's market value, as it provides another value point if nothing else. The appraiser might list the taxing entities and the total mill levy as well as the total property taxes, and whether they are paid. Is the property in tax sale? Do the taxes appear reasonable compared to other similar properties in the neighborhood? Note if the subject is in a special taxing district and, if so, describe the circumstance and explain its affect on the subject.**

Legal Entitlements and Stage of Development

xx **Zoning, of course, is an entitlement. Does the property have any other entitlements? An approved concept plan or development plan for raw land? Does it benefit from a legal non-conforming use? What is the property's stage of development - raw land? platted site? finished site ready for development? a site improved with new construction? a site with old and deteriorated improvements that might not be the parcel's highest and best use?**

Subject property photos might begin here or on their own (next) page or be placed elsewhere, but are recommended for placement in this *Property Description* section.

Subject Property Photographs (Larger Parcel)

Note: This photo box here does not have to be used and the size, dimension and number of photos placed here is not restricted. These photos might include subject pictures from different view perspectives as well as photos of surrounding properties, street scenes and similar. Improved properties must include photos of the improvements on the larger parcel, including interior photos if possible (this Complex Partial Take appraisal format presumes a complete before appraisal of the larger parcel and complete after appraisal of the remainder parcel).

Preferably only Larger Parcel photos are included here. Photos of the parts taken are suggested to be placed separately in Part 4 of the report, as that section is about the part taken while this section is about the whole larger parcel appraised.

The appraiser must note the view, date, and name of the person who took the photo(s), either with each photo or, for example: "All photos by John Smith on May 1, 202X."

View/Date/Photo Taken By:

View/Date/Photo Taken By:

PART 3 - ANALYSIS and VALUATION - LARGER PARCEL BEFORE TAKE

Highest and Best Use - Larger Parcel Before Take

Highest and best use is the most profitable and competitive use of a property. Colorado Jury Instructions-Civil 2020, 36:6 views highest and best use as follows:

“In determining the market value of the property actually taken (and the damages, if any, and specific benefits, if any, to the residue) you should consider the use, conditions and surroundings of the property as of the date of valuation.

In addition, you should consider the most advantageous use or uses to which the property might reasonably and lawfully be put in the future by persons of ordinary prudence and judgment. Such evidence may be considered, however, only insofar as it assists you in determining the reasonable market value of the property as of the date of valuation (or the damages, if any, or the benefits, if any, to the residue). It may not be considered for the purposes of allowing any speculative damages or values.”

Highest and Best Use defined: The Appraisal Institute, The Dictionary of Real Estate Appraisal, Sixth Edition, Chicago, © 2015, p. 109:

“The reasonably probable use of (vacant land or an improved) property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Highest and Best Use defined: Uniform Appraisal Standards for Federal Land Acquisition (UASFLA) 2016, p. 102:

“The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future.”

UASFLA (“Yellow Book”) further narrates (p. 102) that the highest and best use “must be reasonably probable,” or to paraphrase the text’s U.S. Supreme Court quotation, the highest and best use conclusion may not be unreasonably speculative or dependent on a combination of events and occurrences that are not reasonably probable.

First, in this analysis, the subject larger parcel is considered as if the property is vacant land or a vacant site or land that can be made vacant by demolishing any existing improvements. Second, the larger parcel is considered as it is currently improved (“as is”) or as an improved property. **NOTE: If there are no improvements, the appraiser can edit the above to state that the land is vacant, and delete reference to HBU as Improved. NOTE: For an improved property, the highest and best use analysis and subsequent valuation must conform to the principle of consistent use, that is, the underlying land cannot be valued at a different HBU than the land as improved.**

Highest and Best Use as Though Vacant

Legal Permissibility

xx

Physical Possibility

xx

Financial Feasibility

xx

Maximum Productivity

xx

Highest and Best Use as Improved

Legal Permissibility

xx

Physical Possibility

xx

Financial Feasibility

xx

Maximum Productivity

xx

Conclusion of Highest and Best Use

xx **The conclusion should also consider the most probable buyer and the timing of such HBU.**

Appraisal Valuation Methodology

xx Describe the approaches to value for land/site valuation and for improved property valuation, as appropriate. Explain the inclusion and exclusion of the approaches to value.

NOTE: *Land/Site Valuation* section begins on its own (next) page (recommended).

Land/Site Valuation - Larger Parcel Before Take

xx Introduce the land valuation section here. This might include an overview of the appraiser's sales research and selection process, the quality and quantity of available comparable sales, the appropriate unit(s) of comparison (price SF, price per AC, price per lot, etc.) and other relevant information. **Sign Site Value (billboard site)**: note if there is a sign site value to the property (see last subhead following land sale detail sheets).

Land Sale Summary Table

Include as appropriate either here or after the sales detail sheets.

Land Sales Location Map

Required. Include map here or after the sales detail sheets. Map must be detailed enough to actually locate sales, or if not, then plat/other detail maps will be required with the sale photos or somewhere in this section (i.e. there must be sufficient detail map or directions etc. for review appraiser/others to locate sales).

Land Sale Detail Sheets

Required. See following two pages. Each sheet must include a photo of the sale from ground level (aerial photos are fine in addition, but ground level view is minimum required). Also, if available, CDOT recommends including an assessor plat that shows the land sale's lot lines, shape, etc. See photo page examples that follow this guide note.

Land Sale No. 1

<p style="color: red; font-weight: bold;">Photo</p> <p style="color: red; font-weight: bold; font-size: 1.2em;">CONTENT IS IMPORTANT. THIS EXACT FORMAT IS NOT.</p> <p style="color: red; font-weight: bold; font-size: 1.2em;">SEE ALSO EXAMPLE SALE SHEET THAT FOLLOWS THIS SHEET</p>	<p style="color: red; font-weight: bold;">Assr. plat map</p>
---	--

View:			
Date Inspected/Photo by:			
Location/Address:			
Tax Schedule No.:			
Legal Description:			
Grantor:			
Grantee:			
Sale Confirmed with/Date:			
Appraiser Confirming:			
Recordation/Sale Deed:			
Property Rights Conveyed:			
Conditions of Sale:			
Financing Source and Terms:	Date of Sale:		
Post Sale Expense:	Selling Price:		
Project Influence:	Unit Price:		
Physical Characteristics - Legal Aspects			
Land Area:		Access:	
Shape:		Utilities:	
Topography:		Zoning:	
Drainage/Flood Plain:		Platted:	
Use at time of sale:		Stage of Development:	
Highest and Best Use:		xx other?:	
xx other?:			
xx other?:			
Remarks:	<p style="background-color: yellow;">The boxes for physical and legal characteristics shown above are not all encompassing. Some might not be appropriate while others should be added. The appraiser can modify.</p> <p style="background-color: yellow;">The content - not the actual sale sheet format here - is what matters.</p> <p style="background-color: yellow;">The appraiser should address necessary adjustments for rights conveyed, conditions of sale and financing, however, the actual adjustments might be shown separately on any adjustment grid made for handling other adjustments that are made to the comparable sales.</p>		

Land Sale No. 2

EXAMPLE ... MODIFY/REFORMAT AS NEEDED



View:	Southeast		
Date Inspected/Photo by:	March 16, 2020/Glen Scot		
Location/Address:	5845 Stetson Hills Blvd. (south side; indirect access)		
Tax Schedule No.:	53192-16-031		
Legal Description:	Lot 4 Stetson Pointe, Colorado Springs ... or abbreviated metes/bounds ... A tract in NW4 SW4 Section 15, Township 13 South, Range 65 West, El Paso County		
Grantor:	Stetson Pointe LLC		
Grantee:	Tower Plaza II LLC		
Sale Confirmed with/Date:	Buyer and Seller/May 23 and 30, 2019		
Appraiser Confirming:	Glen Scot		
Recordation/Sale Deed:	R# 2070412243/Warranty Deed		
Property Rights Conveyed:	Fee Simple		
Conditions of Sale:	Arm's Length		
Financing Source and Terms:	Cash to Seller	Date of Sale:	May 3, 2018
Post Sale Expense:	None	Selling Price:	\$500,000
Project Influence:	None	Unit Price:	\$12.00 SF
Physical Characteristics - Legal Aspects			
Land Area:	31,824 SF (0.73 AC)	Access:	Good
Shape:	Square	Utilities:	All public available at site
Topography:	Level	Zoning:	PBC Planned Bus. Center
Drainage/Flood Plain:	Adequate/No flood zone	Platted:	Yes
Visibility	Good	Corner/Inside:	Corner
Surrounding Properties:	Retail stores	Stage of Development:	Fully finished site
Use at time of sale:	Vacant site		
Highest and Best Use:	Retail store; fast food restaurant or similar commercial use		
Remarks:	<p>The boxes for physical and legal characteristics shown above are not all encompassing. Some might not be appropriate while others should be added. The appraiser can modify.</p> <p>The content - not the actual sale sheet format here - is what matters.</p> <p>The appraiser should address necessary adjustments for rights conveyed, conditions of sale and financing, however, the actual adjustments might be shown separately on any adjustment grid made for handling other adjustments that are made to the comparable sales</p>		

Land Sale Adjustment Table

Include as appropriate. See CDOT ROW. manual, Chapter 3, for further information about adjustments.

Land Sales Discussion and Value Conclusion

xx Some form of Land Sales discussion and conclusion is required.

Off-Premise Sign (billboard) Site Value

xx Delete if not applicable; otherwise describe and show sign site value for billboard sign site.

Cost Approach - Larger Parcel Before Take

DELETE THIS APPROACH IF IT DOES NOT APPLY

xx Introduce the Cost Approach section with an overview of the process or other appropriate narrative.

Cost New of Improvements

xx Explain if replacement or reproduction cost new is used. Identify cost service, local contractor or other sources used to develop the cost new. Elements typically include direct and indirect (hard/soft) costs and entrepreneurial profit or incentive.

Depreciation

xx Discuss depreciation. Depreciation might be allocated among physical, functional and external depreciation.

Cost Approach Summary and Value Conclusion

xx Show the Cost Approach summation and conclusion (typically sum of all development costs + profit or incentive [less] depreciation + land value -- order determined by appraiser).

Sales Comparison Approach - Improved Property Sales - Larger Parcel Before Take

DELETE THIS APPROACH IF IT DOES NOT APPLY

xx Introduce the Improved Sales Comparison Approach with an overview of the process undertaken. Types of sales considered comparable? Quantity and quality of sales researched? Search parameters? Was the appropriate analysis price per SF building, price per apartment unit, price per gross rentable area, etc?

Improved Sales Summary Table

Include as appropriate either here or after the improved sales detail sheets.

Improved Sales Location Map

Required. Include map here or after the improved sales detail sheets. Map must be detailed enough to actually locate sales, or if not, then plat/other detail maps will be required with the sale photos or somewhere in this section (i.e. there must be sufficient detail map or directions etc. for review appraiser/others to locate sales).

Improved Sale Detail Sheets

Required. See following two pages. Each sheet must include a photo of the sale from ground level (aerial photos are fine in addition, but ground level view is minimum required). Also, if available, CDOT recommends including an assessor plat that shows the land sale's lot lines, shape, etc. See photo page examples that follow this guide note.

Improved Sale No. 2

EXAMPLE ... MODIFY/REFORMAT AS NEEDED

Improved sale sheet should at minimum address same items as those pertinent in the land sales



View:	Southwest from xxxxxxx Street
Photo By:	xxxxxxxxxxxxxx
Date Inspected:	January 23, xxxxx
Location/Address:	1425 Smith Road
Highest and Best Use:	Fast food restaurant
Use at Time of Sale:	Dairy Queen restaurant
Project Influence:	No
Property Information	
Tax Schedule #:	xxxxxxxxxxxxxxxxxx
Land:	
Area:	10,560 SF or 0.242 acres
Shape:	Rectangular
Topography:	Fairly flat
Flood Plain:	Located within a 100-year flood hazard (FEMA Map panel no. xxxxxxxxx)
Access:	xxxxxxx Street and xx th Street
Utilities:	Yes, generally municipal
Zoning:	C-District General Commercial with Transitional Mixed Use Overlay District, Canon City
Corner/Inside:	Corner
Visibility:	Good
Surrounding properties:	Office and warehouse
Building(s):	
Gross Bldg./Leasable Area:	1,629 SF
Land/Building Ratio:	6.48 (10,560 SF / 1,629 SF)
Type/Quality Construction	Wood frame with brick veneer; Class D per M&S Cost Manual
Building Use:	Fast food
Owner/Tenant Occupancy:	Owner
Year Built:	1974
Property Taxes PSF:	\$2.15 PSF
Building Condition:	Average
Design/Shape:	One story/rectangular
Fire sprinkler:	No

Avg. Wall Height:	10'
Tenants:	None
Effective Age/Life:	25 to 30 years / 35 years
Remaining Economic Life:	5 to 10 years
Amenities:	Drive-up facility; good off-street parking
Handicap Accessible:	Yes
Deferred Maintenance:	None stated
% Finished:	100%
Trade Market/ Demographics:	City Name/County Name totaling over xxxxxxxx people
SALES INFORMATION	
Date of Sale:	June 10, 20xx
Grantor:	xx
Grantee:	xx
Selling Price:	\$225,000
Price per SF (building):	\$xx SF
Property Rights Conveyed:	Fee Simple; buyer was leasing at time of sale and lease terminated
Conditions of Sale:	xx
Financing source/method	The seller financed \$225,000 at 7.5% interest for 10 years with monthly payments of \$2,670.98. 8% interest if the principal is repaid in first 18 months as a penalty. Borrower can pay \$17,000 in payments of principal in 2020 without penalty; sales price adjusted to \$206,400 for influential seller financing using an HP12C calculator and 9.5% discount rate factor.
Post-Sale Expenses:	xx
Recordation/Sale Deed:	Reception #xxxxxxxxxxxxx Warranty Deed
Marketing Time:	Not Listed
Sale Confirmed with/Date:	Buyer and Seller/June 1 and June 4, 2019
Appraiser Confirming:	Glen Scot
ECONOMIC INDICATORS	
NOI at sale	\$10,000
NOI projected	\$11,000
Cap. rate at sale	0.09
Cap. rate estimated	0.085
GIM estimate	xx
Rental Information	
Vacancy at Sale	0%; buyer was tenant
Vacancy Currently	None; owner occupied
Rents at Sale	Not Available
Rents Currently	None
NNN Expenses / CAM	N/A
Tenant Obligations	N/A
Date of Leases	5 year lease with option to buy exercised at time of sale
Increases	N/A
Tenants at Sale	Dairy Queen
Tenants Currently:	None; owner-occupied as Dairy Queen
Comments:	xx

Improved Sales Adjustment Table

Include as appropriate. See CDOT ROW manual, Chapter 3, for further information about adjustments.

Improved Sales Discussion and Value Conclusion

xx Some form of Improved Sales discussion and conclusion is required.

Income Capitalization Approach

DELETE THIS APPROACH IF IT DOES NOT APPLY

xx Introduce the Income Approach section with an overview of the process or other appropriate narrative.

Abstract of Subject Leases

The subheads below may be added to/deleted or revised as appropriate

Date of Lease

xx

Lessor

xx

Lessee

xx

Description of Leased Premises

xx

Lease Term (Duration)

xx

Purpose

xx

Occupancy Date

xx

Rent

xx

Tenant Improvements

xx Note any tenant improvement allowance. What improvements belong to who, and can the tenant remove improvements at the end of the lease?

Performance Bonds

xx

Landlord Responsibilities/Expenses

xx Note who pays taxes, utilities, insurance, other

Tenant Responsibilities/Expenses

xx Note who pays taxes, utilities, insurance, other

Renewal Term, Option, and Rent

xx

Repairs and Maintenance

xx

Use

xx

Condemnation Clause

xx Note respective rights of lessor/lessee in eminent domain taking.

Rental Summary Table

Include as appropriate either here or after the rental comps detail sheets.

Rental Location Map

Required. Include map here or after the rental comp detail sheets. Map must be detailed enough to actually locate rentals, or if not, then plat/other detail maps will be required with the rental photos or somewhere in this section (i.e. there must be sufficient detail map or directions etc. for review appraiser/others to locate rentals).

Rental Comparable Detail Sheets

Required. See following two pages. Each sheet must include a photo of the rental from ground level (aerial photos are fine in addition, but ground level view is minimum required). Also, if available, CDOT recommends including an assessor plat that shows the rental comp's lot lines, shape, etc. See photo page examples that follow this guide note.

Rental No. 1

**CONTENT IS IMPORTANT.
THIS EXACT FORMAT IS NOT.**

**SEE ALSO EXAMPLE
RENTAL SHEET
THAT FOLLOWS
THIS SHEET**

View:	<< ANSWER ALL IN THIS SECTION - ORDER NOT IMPORTANT
Photo By:	
Date Inspected:	
Location/Address:	
Tax Schedule #:	
Sale Confirmed with/Date:	
Appraiser Confirming:	
Project Influence:	
Physical Characteristics:	
xx	Appraiser might itemize or otherwise describe pertinent land and/or
xx	building characteristics that influence the comparable's lease and income
xx	characteristics and which may support adjustment factors.
xx	Example: rent comp might be much older building w/poor visibility while subject is fairly new building on a busy corner intersection.
Lease/Income Information	
xx	Provide sufficient detail about:
xx	-leases
xx	-property income/expenses
xx	-no./size of units
xx	-actual rents; lease terms; expense basis/CAMS (gross/NNN etc.)
xx	-escalations, concessions, tenant finish allowance, etc.
xx	-leased area basis (GBA, GLA, RA, UA); overall vacancy
xx	-how are management expense and capital reserves handled?
xx	
xx	The above are examples only and not necessarily exhaustive
Comments:	<p>The format and layout of this rental comp sheet is for example only and may be modified.</p> <p>The rental comparable sheet is not limited to one page as shown here.</p>

Rental No. 2

EXAMPLE ... MODIFY/REFORMAT AS NEEDED



View:	West from xxxxxx Smith Road
Photo By:	xxxxxxxxxxxxxx
Date Inspected:	June 23, xxxxx
Location/Address:	2010 Smith Road, Anytown, CO
Tax Schedule #:	xxxxxx-xx-xxx
Leasing Contact:	John Dough, Office Experts Inc.
Appraiser Confirming:	xxxxx xxxxx
Project Influence:	None
Physical Characteristics:	
Gross. Bldg. Area/Quality/YOC:	GBA: 50,376 SF, 3-Stories, Class A (steel frame, masonry exterior), built 1984
Land/Parking:	2.48 Ac., 260 Parking Spaces (1/194 SF)
Features:	Clerestory atrium, elevator, smoker patio, mountain views, interstate visibility.
Environment:	Very good quality, mature office park with national tenant users
Lease/Income Information	
Rentable/Usable Area:	RA: 48,750 SF, UA: 40,950 SF (BOMA standards) UA/RA = 84%
Configuration:	27-Office suites ranging 1,200 SF to 6,300 SF, average 1,800 SF
Existing lease rates/basis:	\$9.75 - \$12.60 PSF (RA), NNN (Plus tx., ins., maint., utilities, mgmnt)
Current NNN:	\$5.85 PSF
Current Asking Rates:	1 st Fl.: \$10.50 PSF, 2-3 Fl.: \$12.50 PSF (An. CPI incr.) Mt. Views: +\$0.75 PSF
Typical Term/Allowances:	Minimum 5-year term with \$10.00 PSF Tenant Finish allowance
Current Vacancy:	4,400 SF (3-suites), 9.0%
Incentives:	1-month free rent upon renewal of lease
Capital Improvements:	Owner reserves 4%/year from rent proceeds
Forecast NOI:	\$485,300 (\$9.95 PSF Rentable Area, excludes TF allowance)
Comments:	This is a good quality mid-rise office building in the xxxxx Office Park, just east of the subject property. Access and visibility are very good. Most of the current tenants have rented here for over 10 years and include primarily insurance and technical services companies. The building is in above average condition. Public access areas have been recently updated with contemporary wall and floor coverings. Public records indicate the building last sold for \$5,200,000 in September 2004.

Rental Adjustment Table

Include as appropriate. See CDOT ROW manual, Chapter 3, for further information about adjustments.

Rental Comparables Discussion

xx Some form of Rental Comparables discussion and market rent conclusion is required.

Income and Expenses

Potential Gross Income

xx Note: Provide income information here

Vacancy and Collection Loss

xx

Effective Gross Income

xx

Expenses

xx Discuss fixed and variable expenses

Net Operating Income (NOI)

xx

Capitalization

xx Note: Discuss capitalization information here (cap rate, discount rate support, etc.)

Income Capitalization Approach Summary and Value Conclusion

xx Note: Provide Income Capitalization Approach value information and conclusion here.

The appraiser should use care in presenting all pertinent aspects of the comparable leases and apply them consistently when comparing and analyzing with the subject.

Reconciliation - Larger Parcel Value Before Take

Value Indications

xx **Note:** Introduce overview of valuation process or similar narrative here

Land/Site Value	\$
Cost Approach	\$
Sales Comparison Approach	\$
Income Capitalization Approach	\$

Reconciliation

xx **Note:** Describe final value conclusion analyses and state conclusion

Larger Parcel Value Before Take

Larger Parcel Value Before Take	Total Value	
Land/Site Value	\$	
Improvements Contributory Value	\$	
Total Larger Parcel Value Before Take		\$

PART 4 - FACTUAL DATA - PART TAKEN

Identification of the Part Taken

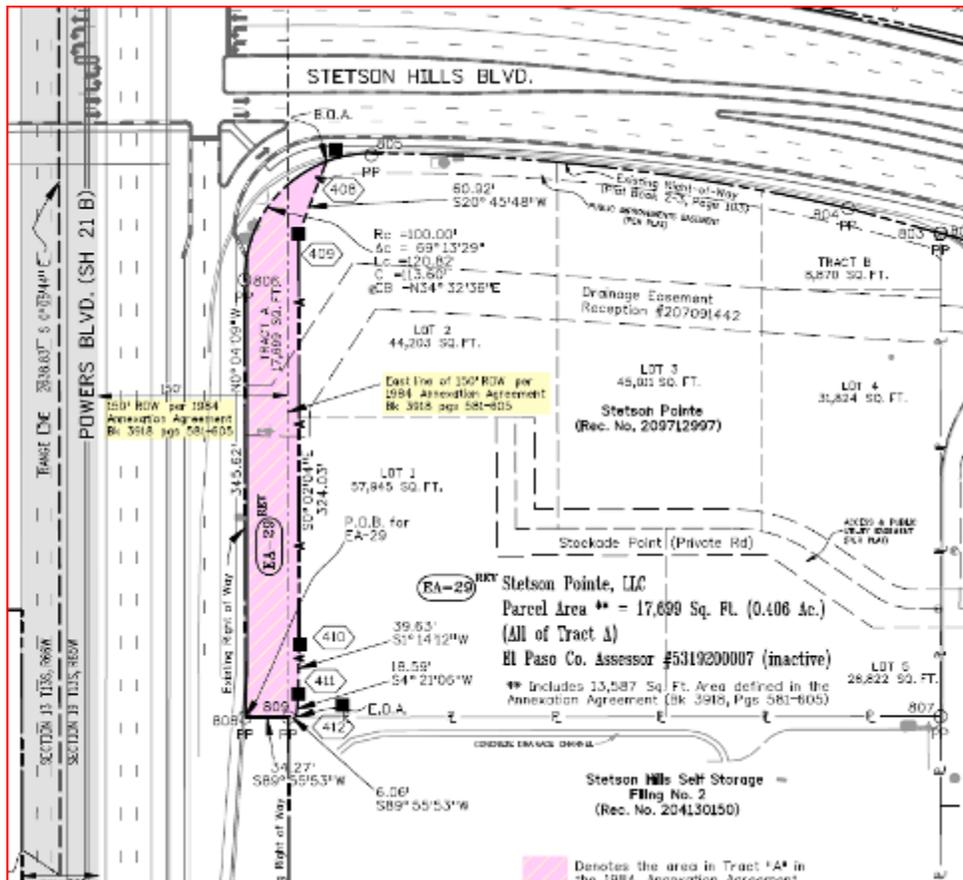
xx **Note:** Write an introduction here, as appropriate. The Part Taken description section below is for describing the parts taken. This is not intended as the place to describe or “presage” the effects of such takings on the remainder. Simply describe the proposed acquisitions. **Add or delete items below as needed.**

Example introduction: The proposed acquisitions from the subject property are described below, including two fee takings, two permanent easements, a slope easement and a temporary easement for construction. The fee takings are narrow strips along two sides of the property that are necessary for an added highway lane that will be built as part of the project. The permanent easements are necessary for relocating an existing water line along the widened highway, as well as for installing a gas line that will bring service to the neighborhood. The slope easement is required to maintain proper slope next to the widened roadway, while the temporary easement is necessary for a construction work area to build the highway and related improvements.

The acquisitions are shown on the r.o.w. plan sheet below/that follows:

CDOT ROW Plan Sheet

Insert CDOT r.o.w. plan sheet(s) or other exhibit showing the property taken for the project. This is a suggested location for this exhibit. Edit header as appropriate. **SAMPLE BELOW:**



Property Data - Part Taken

Add/delete/edit items below as appropriate.

Land/Site Data

Parcel No. XX

xx

Parcel No. XX

xx **Example:** Parcel 5 is a long, narrow, 1,000-SF land strip along the west side of the property. It measures 10 feet deep by 100 feet long.

Parcel No. XX

xx

Owner Off-Premise Sign (billboard) Site

xx

Access Control Line (A-line)

xx

Easement Data

PE-XX

xx

PE-XX

xx

UE-XX

xx

SE-XX

xx

Owner Improvements Data

Include any improvements in an easement or temporary easement that will be affected (damage/destroyed) and which will not be restored by the project. Contact CDOT appraisal staff or other agency staff for further information.

Description of Owner Buildings/Structures/Site Improvements

xx

Owner Fixtures

xx

Owner Trade Fixtures (Real Property)

xx

Owner On-Premise Sign

xx

Tenant Improvements Data

Include any improvements in an easement or temporary easement that will be affected (damage/destroyed) and which will not be restored by the project. Contact CDOT appraisal staff or other agency staff for further information.

Description of Tenant Buildings/Structures/Site Improvements

xx

Tenant Fixtures (Attached/Integral to Improvements)

xx

Tenant Trade Fixtures (Attached/Not Integral to Improvements)

xx

Tenant On-Premise Sign

xx

Tenant Off-Premise Sign (billboard)

xx

Partial Takings Photographs

Example: All Photos by John Smith on May 1, 202X

Note: This photo box here does not have to be used and the size, dimension and number of photos placed here is not restricted. Include individual photographs of each fee taking and easement parcel as well as temporary easement parcels. Photos should show affected improvements in the acquisition areas.

The appraiser must note the view, date, and name of the person who took the photos, either with each photo or, for example: "All photos by John Smith on May 1, 2020"

View/Date/Photo Taken By:



Example: Parcel 1, view south along Smith Road, affected fencing in foreground.

PART 5 - ANALYSIS and VALUATION - PART TAKEN

Value of Part Taken as Part of Larger Parcel

xx **Note:** Write an introduction here, as appropriate. Add or delete items below as needed.

Example: The value of the subject larger parcel was previously estimated at \$535,000, including \$135,000 contributory value for the building and all the site improvements. The land value is estimated at \$x.xx SF, with the value of the land parts taken contributing equally to the value of the land as a whole (larger parcel).

The value of the permanent/slope/utility easements is allocated/estimated/concluded/etc. at xx% of the fee value of the underlying land (provide support for the easement % allocation estimate/opinion).

The value of the land parts taken, easements and affected improvements are shown below:

Land/Site Value of Part Taken

Parcel No. XX

xx

Parcel No. XX

xx **Example:** 1,000 SF x \$x.xx = \$x,xxx

Parcel No. XX

xx

Owner Off-Premise Sign (billboard) Site

xx

Access Control Line (A-line)

xx

Easement Value of Part Taken

PE-XX

xx

PE-XX

xx **Example:** 1,000 SF x \$.xx x 0.xx = \$xxx

UE-XX

xx

SE-XX

xx

Owner Improvements Contributory Value of Part Taken

Include any improvements in a TE that will be affected (damage/destroyed) and which will not be restored by the project. Contact CDOT appraisal staff or other agency staff for further information.

Owner Buildings/Structures

xx

Owner Fixtures

xx

Owner Trade Fixtures (Real Property)

xx

Owner On-Premise Sign

xx

Tenant Improvements Contributory Value of Part Taken

Include any improvements in a TE that will be affected (damage/destroyed) and which will not be restored by the project. Contact CDOT appraisal staff or other agency staff for further information.

Tenant Buildings/Structures

xx

Tenant Fixtures

xx

Tenant Trade Fixtures (real property)

xx

Tenant On-Premise Sign

xx

Tenant Off-Premise Sign (billboard)

xx

Summary of Value of Part Taken

The value of the part taken as part of the larger parcel appraised is summarized as follows:

Note: delete/edit highlighted cells/rows as appropriate. Other cells are required data. Add cells as needed.

Value of Part Taken					
Land/Site Takings					
Parcel No.	Area SF (or other Unit)	\$ Unit Value	Value	Total Value	
None or list parcels			\$		
Note: add/delete rows as needed in this section and sections below			\$		
			\$		
			\$		
			\$		
Owner Off-Premise Sign (billboard) Site Value			\$		
Total Land/Site Value of Part Taken				\$	
Easement Takings					
Parcel No.	Area SF (or other Unit)	\$ Unit Value	% of Fee	Value	Total Value
				\$	
				\$	
				\$	
Total Easement Value of Part Taken				\$	
Owner Improvement Takings (Contributory Value)					
Description of Improvements (buildings, structures, etc.)				Contributory Value	Total Value
None or provide detailed list of improvements				\$	
				\$	
				\$	
Owner Fixtures				\$	
Owner Trade Fixtures (real property)				\$	
Owner On-Premise Signs Contributory Value				\$	
Total Owner Improvements Contributory Value of Part Taken				\$	
Tenant Improvement Takings (Contributory Value)					
Description of Improvements (buildings, structures, etc.)				Contributory Value	Total Value
				\$	
				\$	
				\$	
Tenant Fixtures				\$	
Tenant Trade Fixtures (real property)				\$	
Tenant On-Premise Sign Contributory Value				\$	
Tenant Off-Premise Sign (billboard) Contributory Value				\$	
Total Tenant Improvements Contributory Value of Part Taken				\$	
Total Value of Part Taken					\$

PART 6 - RESIDUE VALUE BEFORE TAKE

The residue value before take is a mathematical step that is simply the value of the larger parcel minus the value of the part taken, including fee takings, easements and improvements, but excluding any temporary easements. The calculation is shown below:

Residue Value Before Take		
Larger Parcel Value Before Take	\$	
<Less> Value of Part Taken (Land + Easements + Improvements)	(\$)	
Total Residue Value Before Take		\$

PART 7 - FACTUAL DATA - RESIDUE AFTER TAKE

NOTE: Any influence by the project on the neighborhood and/or the subject property itself must be considered in the residue analysis and valuation. The Project Influence rule (ignore Project Influence) does not apply in the After Valuation. Any influence of the project on the residue property must be addressed.

Neighborhood Description - Project Influences

xx Changes in the neighborhood due to the project can help establish whether there are any non-compensable damages and/or general benefits (vs. offsetting special benefits) to the subject remainder. Describe the affect the project has on market dynamics and property values in the neighborhood after the take and the assumed construction of the transportation or other project. If the project has no clear or measurable influence on the neighborhood, note this conclusion and the reasoning behind it.

Property Description - Residue After Take

Note: Describe the residue parcel: the subject remainder property after the take in its "as is" condition. Do not focus on what has changed in the property as a result of the taking, but simply describe the remainder as it is. At this point in the appraisal it does not matter what the property was before the taking. That's the point of the compensation estimate for the value of the part taken. The taking is compensated. There is no need to reference the remainder property as something less than what it was before the take. All that matters is what the remainder is now. The narrative should let go of the part taken and focus on the remainder that remains. Describing a remainder parcel as a 40,000-SF site before the take, now reduced in size by 75% to 10,000 SF, is narrative that has not let go of the part taken, and may create a false narrative of implied damage that is not supported in the remainder valuation. Simply describe the remainder as a 10,000-SF parcel. That the remainder was as part of something previously larger is not relevant. What matters is the appraisal of the remainder property as it is after the taking. This "residue after take" section provides foundation for the "highest and best use" after take, and whether there is any indication of compensable damages or special benefits to the residue parcel. Add/Delete/Edit subheads as appropriate.

Land/Site Data

xx In describing the residue land, note any new easements on the residue that were acquired for the project.

Owner Improvements Data

xx Delete category if N/A

Tenant Improvements Data

xx Delete category if N/A

Rental Analysis

xx Delete category if N/A

Assessed Value - Real Estate Taxes - Special Taxing Districts

xx Describe any changes or predictable changes to the remainder property for this category that might have bearing on value.

Zoning and Other Land Use Regulations

xx Describe whether the zoning and/or any land regulations change as a result of the project, or whether the property remains in conformity to the zoning after the take. Address any likely change in zoning or potential for rezoning as a result of the project that might have bearing on the residue value.

PART 8 - ANALYSIS and VALUATION - RESIDUE AFTER TAKE

Highest and Best Use - Residue After Take

Depending on how different the residue property is in comparison to the larger parcel before the take, the HBU discussion below may be fairly summarized and not require separate discussion under each category below, however, these are provided here as some or all might require discussion.

Highest and Best Use as Though Vacant

Legal Permissibility

xx

Physical Possibility

xx

Financial Feasibility

xx

Maximum Productivity

xx

Highest and Best Use as Improved

Legal Permissibility

xx

Physical Possibility

xx

Financial Feasibility

xx

Maximum Productivity

xx

Conclusion of Highest and Best Use - Residue After Take

xx

Land/Site Valuation - Residue After Take

NOTE: Any influence by the project on the value of the subject remainder property must be considered in the residue analysis and valuation. The Project Influence rule (ignore Project Influence) does not apply in the After Valuation. Any influence of the project on the residue property, and thus the appropriate sales and/or sales adjustments to apply in the residue valuation, must be considered.

Land/Site Value

xx Introduce the residue land valuation section with an overview of the land appraisal process undertaken. Types of sales considered comparable? Quantity and quality of sales researched? Search parameters? Was the appropriate analysis price per SF, price per AC, price per lot, etc. **See also note below.**

NOTE: Some partial take appraisal assignments will not require a new land sales search and analysis etc. in order to value the residue after the take. Sometimes the residue land valuation can rely on the same land sales used in the valuation of the larger parcel before the take, although possibly requiring revised adjustments, and can result in similar or the same unit value conclusion as before. Where the land unit value of the remainder parcel is unchanged, the appraiser might summarize to that effect and simply show the residue land value conclusion, and it will not be necessary to employ all the elements shown below. However, these are provided here again as some or all of these elements might require discussion. Appraise the residue parcel as is appropriate. **Add/Delete/Edit subheads below as necessary.**

Land Sale Summary Table - Residue After Take

Required only if new land sales are used. May be placed here or after the land sale detail sheets that follow.

Land Sales Location Map - Residue After Take

Required only if new land sales are necessary. Map must be detailed enough to actually locate sales, or if not, then plat/other detail maps will be required with the sale photos or somewhere in this section (i.e. there must be sufficient detail map or directions etc. for review appraiser/others to locate sales).

Land Sale Detail Sheets - Residue After Take

Required only if new land sales are necessary. See following two pages. Each sheet must include a photo of the sale from ground level (aerial photos are fine in addition, but ground level view is minimum required). Also, if available, CDOT recommends including an assessor plat that shows the land sale's lot lines, shape, etc. See photo page examples that follow this guide note.

Land Sale No. 1 - Residue After Take

DELETE THIS SALE SHEET IF NO NEW LAND SALES ARE REQUIRED FOR RESIDUE VALUATION

<p style="color: red; font-weight: bold;">Photo</p> <p style="color: red; font-weight: bold; font-size: 1.2em;">CONTENT IS IMPORTANT. THIS EXACT FORMAT IS NOT.</p> <p style="color: red; font-weight: bold; font-size: 1.2em;">SEE ALSO EXAMPLE SALE SHEET THAT FOLLOWS THIS SHEET</p>	<p style="color: red; font-weight: bold;">Assr. plat map</p>
---	--

View:			
Date Inspected/Photo by:			
Location/Address:			
Tax Schedule #:			
Legal Description:			
Grantor:			
Grantee:			
Sale Confirmed with/Date:			
Appraiser Confirming:			
Recordation/Sale Deed:			
Property Rights Conveyed:			
Conditions of Sale:			
Financing Source and Terms:	Date of Sale:		
Post Sale Expense:	Selling Price:		
Project Influence:	Unit Price:		
Physical Characteristics - Legal Aspects			
Land Area:		Access:	
Shape:		Utilities:	
Topography:		Zoning:	
Drainage/Flood Plain:		Platted:	
Use at time of sale:		Stage of Development:	
Highest and Best Use:		xx other?:	
xx other?:			
xx other?:			
Remarks:	<p style="background-color: yellow;">The boxes for physical and legal characteristics shown above are not all encompassing. Some might not be appropriate while others should be added. The appraiser can modify.</p> <p style="background-color: yellow;">The content - not the actual sale sheet format here - is what matters.</p> <p style="background-color: yellow;">The appraiser should address necessary adjustments for rights conveyed, conditions of sale and financing, however, the actual adjustments might be shown separately on any adjustment grid made for handling other adjustments that are made to the comparable sales.</p>		

Land Sale No. 2 - Residue After Take

EXAMPLE ... MODIFY/REFORMAT/DELETE AS APPROPRIATE



View:	Southeast		
Date Inspected/Photo by:	March 16, 2020/Glen Scot		
Location/Address:	5845 Stetson Hills Blvd. (south side; indirect access)		
Tax Schedule #	53192-16-031		
Legal Description:	Lot 4 Stetson Pointe, Colorado Springs ... or abbreviated metes/bounds ... A tract in NW4 SW4 Section 15, Township 13 South, Range 65 West, El Paso County		
Grantor:	Stetson Pointe LLC		
Grantee:	Tower Plaza II LLC		
Sale Confirmed with/Date:	Buyer and Seller/May 23 and 30, 2019		
Appraiser Confirming:	Glen Scot		
Recordation/Sale Deed:	R# 2070412243/Warranty Deed		
Property Rights Conveyed:	Fee Simple		
Conditions of Sale:	Arm's Length		
Financing Source and Terms:	Cash to Seller	Date of Sale:	May 3, 2018
Post Sale Expense:	None	Selling Price:	\$500,000
Project Influence:	None	Unit Price:	\$12.00 SF
Physical Characteristics - Legal Aspects			
Land Area:	31,824 SF (0.73 AC)	Access:	Good
Shape:	Square	Utilities:	All public available at site
Topography:	Level	Zoning:	PBC Planned Bus. Center
Drainage/Flood Plain:	Adequate/No flood zone	Platted:	Yes
Visibility:	Good	Corner/Inside:	Corner
Surrounding Properties:	Retail stores	Stage of Development:	Fully finished site
Use at time of sale:	Vacant site		
Highest and Best Use:	Retail store; fast food restaurant or similar commercial use		
Remarks:	<p>The boxes for physical and legal characteristics shown above are not all encompassing. Some might not be appropriate while others should be added. The appraiser can modify.</p> <p>The content - not the actual sale sheet format here - is what matters.</p> <p>The appraiser should address necessary adjustments for rights conveyed, conditions of sale and financing, however, the actual adjustments might be shown separately on any adjustment grid made for handling other adjustments that are made to the comparable sales.</p>		

Land Sale Adjustment Table - Residue After Take

Include as appropriate. See CDOT ROW manual, Chapter 3, for further information about adjustments.

Land Sales Discussion and Value Conclusion - Residue After Take

xx Some form of Land Sales discussion and conclusion is required.

Off-Premise Sign (billboard) Site Value - Residue After Take

xx Delete if not applicable; otherwise describe and show sign site value for billboard sign site.

Cost Approach - Residue After Take

DELETE THIS APPROACH IF IT DOES NOT APPLY

xx Describe the application of the Cost Approach in the valuation of the residue after the take in its "as is" condition (uncured).

Cost New of Residue Improvements

xx Often this information will be the same or similar as presented in earlier sections (before value/part take valuation) of the appraisal report, and a new narrative will not be necessary here or below. Otherwise, explain if reproduction or replacement cost new is used. Identify cost service, local contractor or other source(s) used to develop the cost new. Elements typically include direct and indirect (hard/soft) costs and entrepreneurial profit or incentive.

Depreciation

xx Discuss depreciation and explain and show any change as compared to the Cost Approach analysis of the larger parcel before the take. Depreciation might be allocated among physical, functional and external depreciation.

Cost Approach Summary and Value Conclusion - Residue After Take

xx Show the Cost Approach summation and conclusion (typically sum of all development costs + profit or incentive [less] depreciation + land value -- order determined by the appraiser).

Sales Comparison Approach - Improved Property Sales - Residue After Take

DELETE THIS APPROACH IF IT DOES NOT APPLY

xx Describe the application of the Improved Sales Approach in the residue valuation. Discuss the appropriate unit of value and whether this is different from the before valuation.

NOTE: Some partial take appraisal assignments will not require a new improved sales search and analysis etc. in order to value the residue after the take. Sometimes the residue as improved valuation can rely on the same improved sales used in the valuation of the larger parcel before the take, although possibly requiring revised adjustments, and can result in similar or the same unit value conclusion as before. Where the improved unit value of the remainder parcel is unchanged, the appraiser might summarize to that effect and simply show the residue value conclusion as improved, and it will not be necessary to employ all the elements shown below. However, these are provided here again as some or all of these elements might require discussion. Appraise the residue parcel as is appropriate. **Add/Delete/Edit subheads below as necessary.**

Improved Sales Summary Table - Residue After Take

Required only if new improved sale comparables are used. May be placed here or after the improved sale detail sheets that follow.

Improved Sales Location Map - Residue After Take

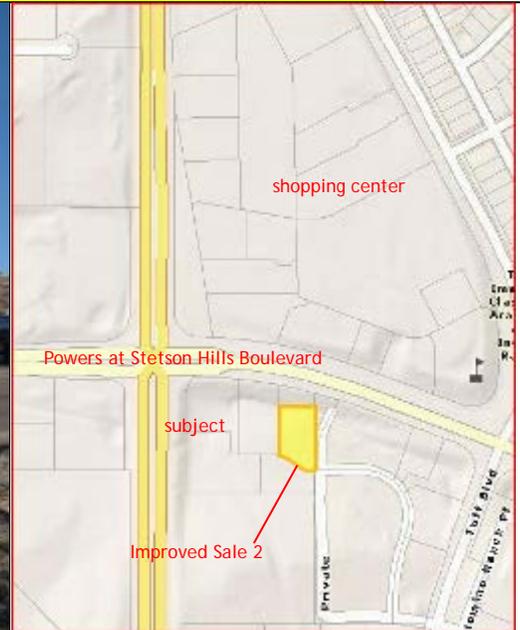
Required only if new improved sales are necessary. Include map here or after the improved sales detail sheets. Map must be detailed enough to actually locate sales, or if not, then plat/other detail maps will be required with the sale photos or somewhere in this section (i.e. there must be sufficient detail map or directions etc. for review appraiser/others to locate sales).

Improved Sale Detail Sheets - Residue After Take

Required only if new improved sales are necessary. See following two pages. Each sheet must include a photo of the sale from ground level (aerial photos are fine in addition, but ground level view is minimum required). Also, if available, CDOT recommends including an assessor plat that shows the improved sale's lot lines, shape, etc. See photo page examples that follow this guide note.

Improved Sale No. 2 - Residue Value After Take
EXAMPLE ... MODIFY/REFORMAT/DELETE AS NEEDED

Improved sale sheet should at minimum address same items as those pertinent in the land sales



View:	Southwest from xxxxxxx Street
Photo By:	xxxxxxxxxxxxxx
Date Inspected:	Jan. 23, xxxxx
Location/Address:	1425 Smith Road
Highest and Best Use:	Fast food restaurant
Use at Time of Sale:	Dairy Queen restaurant
Project Influence:	No
Property Information	
Tax Schedule #:	xxxxxxxxxxxxxxxxxx
Land:	
Area:	10,560 SF or 0.242 acres
Shape:	Rectangular
Topography:	Fairly flat
Flood Plain:	Located within a 100-year flood hazard (FEMA Map panel no. xxxxxxxxxx)
Access:	xxxxxxx Street and xx th Street
Utilities:	Yes, generally municipal
Zoning:	C-District General Commercial with Transitional Mixed Use Overlay District, Canon City
Corner/Inside:	Corner
Visibility:	Good
Surrounding properties:	Office and warehouse
Building(s):	
Gross Bldg./Leasable Area:	1,629 SF
Land/Building Ratio:	6.48 (10,560 SF / 1,629 SF)
Type/Quality Construction	Wood frame with brick veneer; Class D per M&S Cost Manual
Building Use:	Fast food
Owner/Tenant Occupancy:	Owner
Year Built:	1974
Property Taxes PSF:	\$2.15 PSF
Building Condition:	Average
Design/Shape:	One story/rectangular
Fire sprinkler:	No

Avg. Wall Height:	10'
Tenants:	None
Effective Bldg. Age/Life:	25 to 30 years / 35 years
Remaining Economic Life:	5 to 10 years
Amenities:	Drive-up facility; good off-street parking
Handicap Accessible:	Yes
Deferred Maintenance:	None stated
% Finished:	100%
Trade Market/ Demographics:	City Name/County Name totaling over xxxxxxxx people
SALES INFORMATION	
Date of Sale:	June 10, 202X
Grantor:	xx
Grantee:	xx
Selling Price:	\$225,000
Price per SF (building):	\$xx SF
Property Rights Conveyed:	Fee Simple; buyer was leasing at time of sale and lease terminated
Conditions of Sale:	xx
Financing source / method	The seller financed \$225,000 at 7.5% interest for 10 years with monthly payments of \$2,670.98. 8% interest if the principal is repaid in first 18 months as a penalty. Borrower can pay \$17,000 in payments of principal in 2020 without penalty; sales price adjusted to \$206,400 for influential seller financing using an HP12C calculator and 9.5% discount rate factor.
Post-Sale Expenses:	xx
Recordation/Sale Deed:	Reception #xxxxxxxxxxxxx Warranty Deed
Marketing Time:	Not Listed
Sale Confirmed with/Date:	Buyer and Seller/June 1 and June 4, 2019
Appraiser Confirming:	Glen Scot
ECONOMIC INDICATORS	
NOI at sale	\$10,000
NOI projected	\$11,000
Cap. rate at sale	0.09
Cap. rate estimated	0.085
GIM estimate	xx
Rental Information	
Vacancy at Sale	0%; buyer was tenant
Vacancy Currently	None; owner occupied
Rents at Sale	Not Available
Rents Currently	None
NNN Expenses/CAM	N/A
Tenant Obligations	N/A
Date of Leases	5 year lease with option to buy exercised at time of sale
Increases	N/A
Tenants at Sale	Dairy Queen
Tenants Currently:	None; owner-occupied as Dairy Queen
Comments:	xx

Improved Sale Adjustment Table - Residue After Take

Include as appropriate. See CDOT ROW manual, Chapter 3, for further information about adjustments.

Improved Sales Discussion and Value Conclusion - Residue Value After Take

xx Some form of Improved Sales discussion and conclusion is required.

Income Capitalization Approach - Residue After Take

DELETE THIS APPROACH IF IT DOES NOT APPLY

xx Describe the application of the Income Approach in the valuation of the residue after the take.

Abstract of Subject Lease

Some or all of the information below may be unchanged from the before valuation. If so, this can be summarized. The subheads below may be deleted/revised/added to as appropriate.

Date of Lease

xx

Lessor

xx

Lessee

xx

Description of Leased Premises

xx

Lease Term (Duration)

xx

Purpose

xx

Occupancy Date

xx

Rent

xx

Tenant Improvements

xx Note any tenant improvement allowance. What improvements belong to who, and can the tenant remove improvements at the end of the lease?

Performance Bonds

xx

Landlord Responsibilities/Expenses

xx **Note who pays taxes, utilities, insurance, other**

Tenant Responsibilities/Expenses

xx **Note who pays taxes, utilities, insurance, other**

Renewal Term, Option, and Rent

xx

Repairs and Maintenance

xx

Use

xx

Condemnation Clause

xx

Rental Summary Table - Residue After Take

Required only if new rental comparables are used. May be placed here or after the rental comps detail sheets that follow.

Rental Location Map - Residue After Take

Required only if new rental comparables are used. Include map here or after the rental comp detail sheets. Map must be detailed enough to actually locate rentals, or if not, then plat/other detail maps will be required with the rental photos or somewhere in this section (i.e. there must be sufficient detail map or directions etc. for review appraiser/others to locate rentals).

Rental Comparable Detail Sheets - Residue After Take

Required only if new rental comparables are used. See following two pages. Each sheet must include a photo of the rental from ground level (aerial photos are fine in addition, but ground level view is minimum required). Also, if available, CDOT recommends including an

assessor plat that shows the rental comp's lot lines, shape, etc. See photo page examples that follow this guide note.

Rental No. 1 - Residue After Take

**CONTENT IS IMPORTANT.
THIS EXACT FORMAT IS NOT.**

**SEE ALSO *EXAMPLE*
RENTAL SHEET
THAT FOLLOWS
THIS SHEET**

View:	<< ANSWER ALL IN THIS SECTION - ORDER NOT IMPORTANT
Photo By:	
Date Inspected:	
Location/Address:	
Tax Schedule #:	
Sale Confirmed with/Date:	
Appraiser Confirming:	
Project Influence:	
Physical Characteristics:	
xx	Appraiser might itemize or otherwise describe pertinent land and/or
xx	building characteristics that influence the comparable's lease and income
xx	characteristics and which may support adjustment factors.
xx	Example: rent comp might be much older building w/poor visibility while subject is fairly new building on a busy corner intersection.
Lease/Income Information	
xx	Provide sufficient detail about:
xx	-leases
xx	-property income/expenses
xx	-no./size of units
xx	-actual rents; lease terms; expense basis/CAMS (gross/NNN etc.)
xx	-escalations, concessions, tenant finish allowance, etc.
xx	-leased area basis (GBA, GLA, RA, UA); overall vacancy
xx	-how are management expense and capital reserves handled?
xx	
xx	The above are examples only and not necessarily exhaustive
Comments:	<p>The format and layout of this rental comp sheet is for example only and may be modified.</p> <p>The rental comparable sheet is not limited to one page as shown here.</p>

Rental No. 2 - Residue After Take

EXAMPLE ... MODIFY/REFORMAT/DELETE AS NEEDED



View:	West from xxxxxx Smith Road
Photo By:	xxxxxxxxxxxxxx
Date Inspected:	June 23, xxxxx
Location/Address:	2010 Smith Road, Anytown, CO
Tax Schedule #:	xxxxxx-xx-xxx
Leasing Contact:	John Dough, Office Experts Inc,
Appraiser Confirming:	xxxxx xxxxx
Project Influence:	None
Physical Characteristics:	
Gross. Bldg. Area/Quality/YOC:	GBA: 50,376 SF, 3-Stories, Class A (steel frame, masonry exterior), built 1984
Land/Parking:	2.48 Ac., 260 Parking Spaces (1/194 SF)
Features:	Clerestory atrium, elevator, smoker patio, mt. views, interstate visibility.
Environment:	Very good quality, mature office park with national tenant users
Lease/Income Information	
Rentable/Usable Area:	RA: 48,750 SF, UA: 40,950 SF (BOMA standards) UA/RA = 84%
Configuration:	27-Office suites ranging 1,200 SF to 6,300 SF, average 1,800 SF
Existing lease rates/basis:	\$9.75 - \$12.60 PSF (RA), NNN (Plus tx., ins., maint., utilities, mgmnt)
Current NNN:	\$5.85 PSF
Current Asking Rates:	1 st Fl.: \$10.50 PSF , 2-3 Fl.: \$12.50 PSF (An. CPI incr.) Mt. Views: +\$0.75 PSF
Typical Term/Allowances:	Minimum 5-year term with \$10.00 PSF Tenant Finish allowance
Current Vacancy:	4,400 SF (3-suites), 9.0%
Incentives:	1-month free rent upon renewal of lease
Capital Improvements:	Owner reserves 4%/year from rent proceeds
Forecast NOI:	\$485,300 (\$9.95 PSF Rentable Area, excludes TF allowance)
Comments:	This is a good quality mid-rise office building in the xxxxxx Office Park, just east of the subject property. Access and visibility are very good. Most of the current tenants have rented here for over 10 years and include primarily insurance and technical services companies. The building is in above average condition. Public access areas have been recently updated with contemporary wall and floor coverings. Public records indicate the building last sold for \$5,200,000 in September 2004.

Rental Adjustment Table - Residue After Take

Include as appropriate. See CDOT ROW manual, Chapter 3, for further information about adjustments.

Rental Comparables Discussion - Residue After Take

xx Some form of Rental Comparables discussion and market rent conclusion is required.

Income and Expenses - Residue After Take

Potential Gross Income

xx

Vacancy and Collection Loss

xx

Effective Gross Income

xx

Expenses

xx Discuss fixed and variable expenses

Net Operating Income (NOI)

xx

Capitalization - Residue After Take

xx **Note:** Discuss capitalization information here (cap rate, discount rate support, etc.)

Income Capitalization Approach Summary and Value Conclusion - Residue After Take

xx **Note:** Provide Income Capitalization Approach value information and conclusion here for the residue property after the take.

The appraiser should use care in presenting all pertinent aspects of the comparable leases and apply them consistently when comparing and analyzing with the subject.

Reconciliation - Residue Value After Take

Value Indications

xx **Note:** Introduce overview of residue property valuation process or similar narrative here

Land/Site Value	\$
Cost Approach	\$
Sales Comparison Approach	\$
Income Capitalization Approach	\$

Reconciliation

xx **Note:** Describe final value conclusion analyses and state \$ conclusion in table below.

Residue Value After Take

Residue Value After Take		
Land/Site Value (including encumbered easement areas acquired) Note: Where some type of permanent easement has been acquired, appraiser might show in this cell the calculation of portion of land remaining at fee value + portion at encumbered value, for example: (1,000 SF x \$x.xx fee value) + (500 SF encumbered part x \$x.xx fee value x 0.xx remaining % fee value of encumbered part) = Total \$ Residue Land/Site Value	\$	
Improvements Contributory Value	\$	
Total Residue Value After Take		\$

PART 9 - ANALYSIS of DAMAGES and/or BENEFITS

Indicated Damages or Benefits - Residue After Take

Any damages or benefits to the remainder property are measured by the difference in the residue value before the take vs. the residue value after the take in its "as is" (uncured) condition. Damages or benefits are indicated in the table below: The **and/or** aspect set-up in the table below allows the appraiser to show both indicated project-related special benefits to the residue value after the take as well market damages, should both result from the taking. For example, the project causes a damage to a vacant land residue after the take due to severance, but at the same time the project taking results in excess water rights tied to the subject property that can be sold separately from the real estate (special benefit unique to the subject). Any instance of both damages and benefits occurring at the same time will need explanation either here, or after the table below, or might be addressed in the preceding *Reconciliation—Residue Value After Take*.

Indicated Damages or Benefits to Residue After Take	
Residue Value Before Take	\$
<Less> Residue Value After Take (As Is condition/uncured)	(\$)
= Total Indicated Damages to Residue After Take (\$-0- or more):	\$
AND/OR	
= Total Indicated Benefits to Residue After Take (\$-0- or less):	(\$)
NOTE: Benefits display as a (negative) \$ because if later determined as Special Benefits (not General), they may offset part of the total compensation estimate for parts taken and any incurable damages. This is shown later in the Compensation Estimate Summary, Part 11.	

Compensable Damages or Offsetting Special Benefits

DAMAGES: xx Discuss here whether any damages to the subject remainder property are indicated in the table above. If none, note that no damages are indicated and delete the damages subheads that follow. If **there are damages** shown in the table above, describe whether all or some of the damages are compensable or not compensable and **show the total estimated \$ amount of compensable damages**. Consult the CDOT ROW manual, Chapter 3 and contact CDOT appraisal staff or other agency staff for further information.

BENEFITS: xx Discuss here whether any benefits to the subject remainder property are indicated in the table above. If none, note that no benefits are indicated. If benefits are indicated, discuss whether the benefits are general to the neighborhood and/or surrounding affected properties, or whether the benefits are special and specific to the subject property. Special benefits may offset 100% of damages and/or up to 50% of the value of the parts taken. **Show the total estimated \$ amount of any special benefits**. If only benefits are indicated in the table above and no damages, the narrative below about damages can be deleted. Consult the CDOT ROW manual, Chapter 3 and contact CDOT appraisal staff or other Agency staff for further information.

Compensable Damages - Incurable **and/or** Curable (Net Cost to Cure)

NOTE: A cost to cure is only appropriate where compensable damages are based on market evidence. Edit/Add/Delete below as appropriate.

Incurable Compensable Damages - xx If the concluded compensable damages noted above are all **Incurable**, describe same here and **show the total \$ amount of estimated Incurable Damages**. Delete the

balance of the cost-to-cure discussion below and cost-to-cure sections that follow. There is no cost to cure if all the damages are incurable. If the compensable damages might be curable or partially curable, describe same here and discuss curable damages below. Where only part of the compensable damages are curable, show the \$ amount here of the portion of damages that are incurable, and discuss the curable portion of damages below.

Curable Compensable Damages - Sometimes market damages to a remainder property can be cured (offset) through some type of restorative construction, reconstruction, remodeling or installation of improvements that restores the property to equal or even better functionality than before the taking. This is known as a *cost to cure*. The cost-to-cure analysis is appropriate when damages have been established by market evidence or when it is clear the cost to cure is the lesser measure of compensable damage. The cost to cure cannot exceed the diminution in the value of the residue after the take. In that circumstance the lesser market damages are the proper measure of compensation.

xx Describe and show here the \$ compensable damages (not the \$ cure) that might be cured or partially cured.

Cost to Cure

xx Where the compensable damages are determined to be curable or partially curable, explain the restoration solutions (cure) and their costs developed through cost manuals, specialty reports, etc.

xx State the total estimated \$ cost to cure.

Cost to Cure - Feasibility

A cost to cure may fully or partially offset damages to a remainder property. A cost to cure only applies and is only feasible when it meets the following condition:

- the cost to cure does not exceed the value returned (damages offset) to the remainder property as a result of the cure, whether the cure fully or only partially offsets the market damages indicated

If the cost to cure exceeds the amount of damages cured, then the damages cannot be cured and such damages remain as incurable market-derived damages.

xx **Cost to Cure Definitely Not Feasible:** Discuss whether the cost to cure is clearly not feasible and is thus an incurable damage (this conclusion may have been determined earlier above, in which case this feasibility section is not required). **Cost to Cure Definitely Is Feasible:** If it is clear and obvious that the cost to cure does meet the feasibility test described above, then explain same and provide support for such conclusion (not required to complete feasibility table below, but can show if the \$ amounts are known).

or

Cost to Cure Feasibility is Uncertain or Might Create Special Benefit - RESIDUE APPRAISAL AS CURED: If it appears that a cost to cure might be feasible but this is not certain, or if a cost to cure will not only fully offset damages but further create a special benefit to the remainder property, then the appraiser will re-appraise the remainder property "as cured" (consult CDOT appraisal staff or other agency staff for further advice in this situation). The appraiser will develop the "as cured" appraisal of the residue parcel using all or any portions of sections 7 and 8 of this Complex Part Take appraisal format, as well as any pertinent new information, as necessary to support a credible appraisal of the residue property value "as cured." This "as cured" appraisal may be developed and included here or it may be located separately in the Appendices, and the necessary information and conclusions presented here.

Whether the feasibility of the cost to cure is clear and obvious or instead the residue parcel requires a complete or some level of re-appraisal to establish feasibility of the cure, show the results in the table below.

Cost to Cure - Feasibility		
Compensable Damages - Curable (as determined in preceding analyses)	\$	
Residue Value After Take - Cured	\$	
<Less> Residue Value After Take/Uncured (As Is condition)	(\$)	
= Total Value of Cure (damages cured + any added benefit)	\$	
<Less> Cost to Cure (cure not achieved without paying the expense)	(\$)	
Cost to Cure <u>is</u> feasible if \$ = more than -0-		
Cost to Cure <u>is not</u> feasible if (\$) = less than -0-		
= Net Value of Cost to Cure	\$ or (\$)	

Net Cost to Cure

NOTE: If the net cost-to-cure analysis above shows the cure is infeasible, then the proper measure of damages are the lesser market-derived damages.

A proper cost to cure must take into account compensation already concluded for the value of the cured parts taken, thus leaving a *net cost to cure* as the proper measure of compensable curable damages to the remainder property. The net cost-to-cure analysis ensures there is no double payment (compensation) for cured items that were already compensated for in the value of the part taken. Total net cost to cure (compensable curable damages) is shown below:

Compensable Damages - Curable - Net Cost to Cure		
Total Cost to Cure	\$	
<Less> Value of Land and/or Improvements Cured/Paid for in Part Taken	(\$)	
Net Cost to Cure	\$ or (\$)	

xx **Net Cost to Cure = \$-0- (or less):** Where the net cost to cure shows \$-0- or (less), explain here that there is no cost to cure. The value of the cost to cure is already compensated in the value of the cured item(s) paid for in the part taken, and there is no additional cost-to-cure compensation. Otherwise, any amount more than \$-0- shown in the table above is the net cost to cure, and no discussion is required here.

Indicated Special Benefits - Residue After Take as Cured

Delete this benefits/cure segment if no special benefit results from the cure.

Special benefits may accrue to the residue after take when a feasible cost to cure has been completed. Special benefits resulting from a cure are measured by the difference in value of the residue after take/cured vs. the residue value before take. The total estimated offsetting special benefits determined in the table below are then allocated in the Compensation Estimate Summary, Part 11, as offsetting to 100% of any remaining incurable damages and up to 50% of the value of the part taken. Curable damages are not offset by special benefits because the cure is not achieved without the expenditure of the cost to cure. The cost to cure remains appropriate compensation to the owner in lieu of more costly damage expense to the Agency, so special benefits resulting from a cure do not offset damages cost to cure.

Offsetting Special Benefits to Residue After Take/Cured		
Residue Value After Take/Cured		\$
<Less> Residue Value Before Take		(\$)
Total Indicated Special Benefit Due to Cure >>		\$
NOTE: If \$-0- or less, show \$-0-. There is no offsetting special benefit due to the cure. Otherwise enter the result as a (-\$) in Part 11, Compensation Summary, Total Offsetting Special Benefits/Residue As Is or As Cured.		

xx **Special Benefits:** Where the \$ conclusion shown is -0- or (less), then explain here that there is no offsetting special benefit to the remainder property resulting from the cure. This is because the value of the residue parcel after the cure has not exceeded the value of the residue before the take. Otherwise, any amount more than \$-0- shown in the table above is an offsetting special benefit to the remainder as cured, and is allocated later as appropriate in the *Compensation Estimate Summary* table, Part 11, to offset all or portions of incurable damages and/or up to 50% of compensation for the part taken.

PART 10 - TEMPORARY EASEMENT RENTAL VALUE

Temporary Easement Data

TE-XX

xx **Note:** Describe location and state the land area occupied by temporary easement, note the duration of the easement (e.g. six months, one year, etc.), purpose of easement and other relevant information. Note whether any improvements in the TE area will be protected or replaced by the project. If not handled by the project, then any affected improvements in the TE area should have been valued and compensated for in the value of the larger parcel and value of parts taken.

TE-XX

xx **Example:** TE-1 is a 500-SF temporary easement at the subject's west driveway entrance on Fifth Avenue that will allow for reconstruction of the driveway as part of the project. The TE is for one year.

Temporary Easement Rental Value

xx Describe method of TE valuation, including support for land rental rate of return. Sometimes an appraiser will use actual comparable land rentals, in which case the appraiser will include photo pages and relevant information. **Add/Delete/Edit TE listings below as appropriate.**

TE-XX

xx **Note:** Show TE rental value conclusion here.

TE-XX

xx **Example:** TE-1 = 500xx SF x \$x.xx x 0.xx rental rate x 1.0 (1 year) = \$xxx.

Temporary Easement Rental Value Summary

Rental Value of Temporary Easement					
Parcel No.	Area	Unit Value	Rate (%)	Term (Mos.)	Value
					\$
Example: TE-1	500xx SF	\$x.xx	0.xx or xx%	xx mos./1 yr	\$xxx
					\$
					\$
					\$
Total Rental Value of Temporary Easement					\$

PART 11 - COMPENSATION SUMMARY

Explanation of Compensation

xx **Note:** Explain here the elements of compensation concluded in the appraisal report: land, easements, improvements, compensable damages, whether there is a net cost to cure, and temporary easements. Discuss whether any special benefits offset damages and/or the value of the part taken, and show the offset amount.

Compensation Estimate Summary

Add/Delete/Edit these cells/rows as appropriate. Other data is required.

Value of Part Taken		
Land/Site Value of Part Taken	\$	
Easement Value of Part Taken	\$	
Owner Improvements Contributory Value of Part Taken	\$	
Tenant Improvements Contributory Value of Part Taken	\$	
Total Value of Part Taken		\$
Compensable Damages and/or Offsetting Special Benefits		
Total Compensable Damages (per Residue Value After/As Is)	\$	
AND/OR		
Total Offsetting Special Benefits (per Residue As Is or As Cured) (enter -0- or the Special Benefit due to project or to cure here and in [A] below as a -\$)	(\$)	
Special Benefits Offset Damages		
Compensable Damages/Curable/Net Cost to Cure (enter -0- or \$) (see preceding net cost to cure table)		\$
Compensable Damages/Incurable (No Cost to Cure) <small>Note: A cure made to a curable portion of damages (above) and that results in overall special benefits to the remainder property might also zero out any incurable damages originally indicated.</small>	\$	
<Less> Offsetting Special Benefits due to project or to a cure (-0- or -\$) (Special Benefits offset 100% of incurable damages)	[A] (\$)	
=		
Net Compensable Damages/Incurable (answer is -0- or \$) >		\$
OR		
Net Offsetting Special Benefits due to project or to cure (answer is -\$) > (enter -0- or any Net Offsetting Special Benefit here and in [D] below)	[B] (\$)	
Special Benefits Offset Value of Part Taken		
Total Value of Part Taken and/or Cured Part Taken x 0.50 (Offsetting Special Benefits Not to Exceed 50% of Value of Part Taken)	[C] \$	
OR		
Net Offsetting Special Benefits (per Residue Value After/As Is or As Cured) Show as positive \$ >>	[D] \$	
Net Remaining Special Benefits Offset 50% Value of Part Taken = enter -0- or Lesser of [C] or [D] as a whole (-\$) >>		(\$)
Total Rental Value of Temporary Easement		\$
Compensation Estimate		\$

Certification of Appraiser

Project Code: XXXXX
Project No.: Typically alpha/numeric
Parcel No.: List All Parcels/Easements/Access...ALL
Property Owner: List all owners of record

I certify that, to the best of my knowledge and belief:

- I have (have not) personally inspected the subject property appraised and I also have (have not) made a personal field inspection of the comparable sales relied upon in making my appraisal, examined sales instruments of record, and have confirmed the sales transactions with the buyer and/or seller unless otherwise noted. The photographs in this appraisal report reasonably represent the subject property, the property to be acquired, and comparable sales relied upon. Note: all signatories to the certification must specify whether they did or did not inspect as described above, per USPAP. Unlicensed assistants who contributed to the appraisal process and/or reporting are not appraisers and shall not sign this certification, but whether they inspected as noted above may be listed here while their other contributions will be described elsewhere below (see 6th bullet from bottom).
- any increase or decrease in the reasonable market value of the real property appraised caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than physical deterioration within the reasonable control of the owner, was disregarded in this appraisal (CJI-Civil 2020, 36:3; § 24-56-117(1)(c), CRS; and 49 CFR § 24.103(b)). This also is known as the *Project Influence* rule and is an assignment condition in Colorado eminent domain appraisal (USPAP 2020-21 FAQs #122 and #235).
- my analyses, opinions, and conclusions were developed, and this report has been prepared in conformity and consistent with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act); 49 CFR Part 24; 23 CFR Part 710; § 38-1-101 et. seq. CRS; §24-56-101 et. seq. CRS; CDOT Right of Way Manual Chapter 3, as may be revised; appropriate State laws, regulations, policies and procedures applicable to appraisal of right-of-way; and the Uniform Standards of Professional Appraisal Practice (USPAP). To the best of my knowledge no portion of the value assigned to the property consists of items which are non-compensable under established State law.
- statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I understand this appraisal may be used in connection with the acquisition of right-of-way for the referenced project to be constructed by CDOT or other city/county etc. and may involve the assistance of Federal-aid highway funds.
- **Note:** Competency Provision of USPAP must be addressed if an appraiser does not have the knowledge and experience to complete the assignment competently. The appraiser must disclose the lack of knowledge and/or experience to CDOT before accepting the assignment. If the appraiser does not have the knowledge and experience, a certification statement must be made that describes the lack of knowledge and/or experience and the steps taken to complete the assignment competently. No statement is required here if the appraiser is competent to do the assignment; the bullet item may be deleted.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved. if this is not true, describe otherwise
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment. if this is not true, describe otherwise
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.

- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- I have performed no (or describe otherwise) services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding agreement to perform this assignment.
- I have not revealed the findings and results of this appraisal to anyone other than the proper officials of CDOT or officials of the Federal Highway Administration (FHWA), nor will I do so until required by due process of law or by having publicly testified as to the findings. edit or delete this bullet as appropriate to the client and/or assignment conditions
- I acknowledge that this appraisal report and all maps, data, summaries, charts and other exhibits collected or prepared under this agreement shall become the property of CDOT without restriction or limitation on their use. I also acknowledge that this appraisal report will become a public record after settlement with the property owner or after the conclusion of legal proceedings. edit or delete this bullet as appropriate to the client and/or assignment conditions
- no one provided significant real property appraisal assistance to the person signing this certification. **Note:** If another licensed appraiser (who doesn't sign the report) or other non-licensed person provided assistance, state the name of the person(s) providing assistance and "describe and summarize the research, analysis and reporting contributions of each such assistant or licensee" (per Rules of Colorado Board of Real Estate Appraisers, 11.2). The principal appraiser is responsible for any decision to rely on the assistance of others.
- the use of this report is subject to the requirements of the Colorado Board of Real Estate Appraisers, Department of Regulatory Agencies, relating to review by its duly authorized representatives. **Note: Insert any statement required by professional appraisal organizations you belong to.**
- as of the date of this report, I, [insert appraiser's name/remove brackets], have completed the requirements of the continuing education program of the Colorado Board of Real Estate Appraisers. **Note: Insert any statement required by professional appraisal organizations you belong to.**
- on XXXXX xx, 202x, the owner[s] [was/were/was not/were not] offered the opportunity to accompany the appraiser on the property inspection, which was held on XXXXX xx, 202x. The owner[s] [was/were/was not/were not] present at the inspection.
- the effective date of appraisal is as of XXXXX xx, 202x. The date of the appraisal report is XXXXX xx, 202x.
- based upon my independent appraisal and the exercise of my professional judgment, my compensation estimate for the acquisition as of XXXXX xx, 202x, is \$XXX,XXX. **Note: Hypothetical Condition and/or Extraordinary Assumption must be disclosed. This requires clear and conspicuous disclosure of the hypothetical condition and/or extraordinary assumption.**

Appraiser's Name, MAI, SRA, SR/WA (or other/none etc.)
 Colorado Certified General Appraiser #CG0000000

PART 12 - EXHIBITS and ADDENDA

Note: Include appropriate exhibits and additional information not already provided in the body of the report.

xx

xx

xx

xx

Acronyms and Definitions **see following**

Colorado 7-Step Partial Take Appraisal Process - Eminent Domain

Certified Inventory of Real and Personal Property **include as appropriate; consult CDOT appraisal staff or other agency staff for further information**

Qualifications of the Appraiser **Note:** If the appraisal involves likely or known litigation, then include listing of litigation experience with depositions, hearings, trials, etc., per Office of the Attorney General. Otherwise optional, or contact CDOT appraisal staff or other agency staff for further information.

BLANK PAGE FOR APPENDICES ITEMS

USE THIS PAGE AND ADD MORE AS NECESSARY, OR DELETE THIS PAGE IF YOU USE ONLY THE STANDARD PRE-INCLUDED APPENDICES ITEMS THAT FOLLOW:

Acronyms and Definitions

Following are certain acronyms and definitions of significant terms used in this appraisal report. Sources and authorities for the following definitions are shown as text notes. **Note: The following acronyms and definitions are recommended.**

AC - acre

CDOT - Colorado Dept. of Transportation

PSF or SF - per square foot; square foot

ROW or R.O.W. - Right of Way

OTHER - add/delete acronyms as needed, preferably in alphabetical order.

Benefits (Specific Benefits) - "...any benefits to the residue are to be measured by the increase, if any, in the reasonable market value of the residue due to the (construction) (improvement) of the (insert brief description of the proposed improvement). For anything to constitute a specific benefit, however, it must result directly in a benefit to the residue and be peculiar to it. Any benefits that may result to the residue but that are shared in common with the community at large are not to be considered." (CJI-Civil 2020, 36:4)

Compensation - "...determine the reasonable market value of the property actually taken..." (CJI-Civil 2020, 36:1) and "...determine the amount of compensable damages, if any, and the value of specific benefits, if any, to the residue..." (CJI-Civil 2020, 36:4)

Also:

CRS 38-1-114(2)

"(a) For acquisitions for highways and transportation projects undertaken by the regional transportation district created by article 9 of title 32, CRS, the right to compensation and the amount thereof, including damages and benefits, if any, shall be determined as of the date the petitioner is authorized by agreement, stipulation, or court order to take possession or the date of trial or hearing to assess compensation, whichever is earlier, but any amount of compensation determined initially shall remain subject to adjustment for one year after the date of the initial determination to provide for additional damages or benefits not reasonably foreseeable at the time of the initial determination. (b) If an entire tract or parcel of property is condemned, the amount of compensation to be awarded is the reasonable market value of the said property on the date of valuation. (c) If only a portion of a tract or parcel of land is taken, the damages and special benefits, if any, to the residue of said property shall be determined. When determining damages and special benefits, the appraiser shall take into account a proper discount when the damages and special benefits are forecast beyond one year from the date of appraisal. (d) In determining the amount of compensation to be paid for such a partial taking, the compensation for the property taken and damages to the residue of said property shall be reduced by the amount of any special benefits which result from the improvement or project, but not to exceed fifty percent of the total amount of compensation to be paid for the property actually taken."

Damages - "...Any damages are to be measured by the decrease, if any, in the reasonable market value of the residue, that is, the difference between the reasonable market value of the residue before the property actually taken is acquired and the reasonable market value of the residue after the property actually taken has been acquired. Any damages that may result to the residue from what is expected to be done on land other than the land actually taken from the respondent are not to be considered." (CJI-Civil 2020, 36:4)

Easement - "In general terms, an easement is a limited right to use or control land owned by another for specified purposes. An easement is a property interest less than the fee estate, with the owner of the

underlying fee (the servient estate) retaining full dominion over the realty, subject only to the easement (the dominant estate); the fee owner may make any use of the realty that does not interfere with the easement holder's reasonable use of the easement and is not specifically excluded by the terms of the easement." (Interagency Land Acquisition Conference, Uniform Appraisal Standards for Federal Land Acquisitions, 2016, p. 168).

Fee Simple Estate (Title) - "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat." (Appraisal Institute, The Dictionary of Real Estate Appraisal, Sixth Edition, Chicago, 2015, p. 90) **Note:** as an assignment condition all mineral rights are excepted from any fee simple property interest appraised in this report.

Larger Parcel - "The tract or tracts of land that possess a unity of ownership and have the same, or an integrated, highest and best use. Elements of consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use." (Interagency Land Acquisition Conference, Uniform Appraisal Standards for Federal Land Acquisitions, 2016, pp. 16 and 110)

Part Taken (Partial Taking) - "The taking of a part of a property for public use under the power of eminent domain; requires the payment of compensation." (Appraisal Institute, The Dictionary of Real Estate Appraisal, Sixth Edition, Chicago, 2015, p. 168)

Residue (Remainder) - "'Residue' means that portion of any property that is not taken but that belongs to the respondent, . . . , and that has been used by, or is capable of being used by, the respondent, together with the property actually taken, as one economic unit." (CJI-Civil 2020, 36:4)

Restoration Cost to Cure (Cost to Cure) - "In certain circumstances, damage to the remainder may be cured by remedial action. This is generally called the cost to cure and is a proper measure of damage only when it is no greater in amount than the decrease in the market value of the remainder if left as it stood. When the cost to cure is less than the compensable damages if the cure were (not) undertaken, the cost to cure is the proper measure of damage and the United States is not obligated to pay in excess of that amount." (Interagency Land Acquisition Conference, Uniform Appraisal Standards for Federal Land Acquisitions, 2016, p. 51)

Slope Easement - "A 'slope easement' is an easement reserved to the condemnor to use whatever portion of the property is needed to provide lateral support for a roadbed, and those surface rights to property which are not required for lateral support are retained by landowner for any usage which does not interfere with condemnor's slope easement." (State Dept. of Highways v. Woolley, 696 p. 2d 828, Colo. App. 1984)

Temporary Easement - "An easement granted for a specific purpose and applicable for a specific time period. A construction easement, for example, is terminated after the construction of the improvement and the unencumbered fee interest in the land reverts to the owner." (Appraisal Institute, The Dictionary of Real Estate Appraisal, Sixth Edition, Chicago, 2015, p. 231)

Compensation due for a temporary easement is the reasonable rental value for the time the easement is used. (State Dept. of Highways v. Woolley, 696 p. 2d 828, Colo. App. 1984)

Definitions - "add/delete definitions as needed, preferably in alphabetical order" (Source reference)

Colorado 7-Step Partial Take Appraisal Process - Eminent Domain

The purpose of this appraisal is to develop a compensation estimate for the reasonable market value of the property actually taken; compensable damages, if any, to the residue after take; and special benefits, if any, to the residue after take. Referred to as the modified state before-and-after rule, steps to develop a compensation estimate for the acquisition of real property are:

1. Larger Parcel Value Before Take

The first step in the appraisal process is to develop the reasonable market value of the subject larger parcel had there been no taking or any effect on value due to the proposed transportation project. It is an assignment condition in Colorado eminent domain appraisal to ignore Project Influence in the Before Valuation of the Larger Parcel (see USPAP 2020-21 FAQs #122 and 235), thus no requirement to describe and analyze any effect on value of anticipated public or private improvements on or off the subject property (USPAP Standard Rule 1-4(f)) in the appraisal of the Larger Parcel Before Take.

“Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, shall be disregarded in determining the compensation for the property.” (§ 24-56-117(1)(c), CRS)

2. Value of Part Taken (including easements acquired)

In the second step, the reasonable market value of the land or property actually taken is developed, again, under the assignment condition to ignore any Project Influence. The value of land taken is based on its value as part of the whole or the larger parcel. Value of improvements taken is based on their contributory value to the larger parcel. (49 CFR § 24.103(a)(2)(iv); §§ 38-1-114(2) and 115(b), CRS; and CJI-Civil 2020, 36:3)

3. Residue Value Before Take

The third step is calculating the reasonable market value of the residue before the property actually taken has been acquired. This step sets the initial basis for the ascertainment of damages and/or special benefits to the residue. The reasonable market value of the residue before the take is the mathematical difference of step 1 (larger parcel value before take) minus step 2 (value of part taken).

4. Residue Value After Take (including encumbered easement areas acquired)

The fourth step is to estimate the reasonable market value of the residue after the real property actually taken has been acquired and the proposed project improvements have been constructed. In this step, the appraisal of the reasonable market value of the residue after the taking no longer ignores Project Influence. Instead, the appraiser must value the remainder to include any influence on value of the project improvements as if completed. The Residue Value After Take conclusion - as compared to the Residue Value Before Take conclusion - will encompass whether there is any decrease or increase in value of the residue resulting from the project. However, any indicated benefits resulting from the public project that are shared in common with the community at large (general benefits) are excluded for compensation offset purposes (CJI-Civil 2020, 36:4), but may be shown in the appraisal with explanation how the benefits are general and not specific to the residue property.

The market value of the residue after take is made on the “as is” or “uncured” condition of the residue after the acquisition. Any decrease or increase in value of the residue after take is based on market evidence. Damage to the residue must be established before a cost to cure can be considered to mitigate some or all damage. Special benefits may accrue to the residue after take as a result of the project.

5. Analysis of Damages and/or Benefits

Fifth step in the process involves analysis of damages and benefits to the residue after the take. Depending upon the extent of damages and cost to cure, performance of another appraisal of the "cured" residue after take may be required (see *Feasibility of Cost to Cure* below). The damages and benefits analyses might include the following elements:

- Indicated Damages and/or Benefits
 - Compensable Damages and/or Offsetting Special Benefits
 - Compensable Damages - Incurable
 - Compensable Damages - Curable (net cost to cure) including:
 - Cost to Cure
 - Feasibility of Cost to Cure Damages (possible re-appraisal of residue after cure*)
 - Net Cost to Cure
 - Indicated Offsetting Special Benefits - Residue Value As Is or As Cured

*If damage to the residue is substantial and the cost to cure is not minor, an appraisal of the residue as cured might be necessary to analyze the feasibility of the cure. If the cost to cure is minor, an analysis of the feasibility of the cost to cure damages might not be required.

6. Rental Value of Temporary Easements

Sixth step in the process is the estimate of reasonable rental value for the time the temporary easement is used. A temporary (construction) easement is used for a limited time period and is terminated after the construction of the highway improvements. The unencumbered fee interest in the land reverts to the owner when the temporary easement expires.

7. Compensation Estimate Summary

The final step is a compensation summary. The compensation summary includes the following:

- Reasonable Market Value - Land and/or Real Property Taken
- Compensable Damages - Curable - Net Cost to Cure (residue after take/as is)
- Compensable Damages - Incurable (residue after take/as is)
- Offsetting Special Benefits (residue after take/"as is" or "as cured")
- Temporary Easements Rental Value
- Total Compensation Estimate

Special benefits to the residue property can offset 100% of compensable damages and/or up to 50% of the value of the part taken, as described in § 38-1-114(2)(d), CRS:

"In determining the amount of compensation to be paid for such a partial taking, the compensation for the property taken and damages to the residue of said property shall be reduced by the amount of any special benefits which result from the improvement or project, but not to exceed fifty percent of the total amount of compensation to be paid for the property actually taken."

CERTIFIED INVENTORY OF REAL AND PERSONAL PROPERTY

INSERT CIRPP FORM HERE IF APPLICABLE. CONTACT CDOT APPRAISAL STAFF OR OTHER AGENCY STAFF FOR FURTHER INFORMATION

OTHERWISE DELETE

APPRAISER QUALIFICATIONS HERE

Note: If the appraisal involves likely or known litigation, then include listing of litigation experience with depositions, hearings, trials, etc., per Office of the Attorney General. Otherwise optional, or contact CDOT appraisal staff or other agency staff for further information.