



Special Purpose - Former Public School

APPRAISAL REPORT

Former Gardendale School

1733 N. Gettysburg Ave.
Dayton, Ohio 45417

NKF Job No.: 734-2018-0047

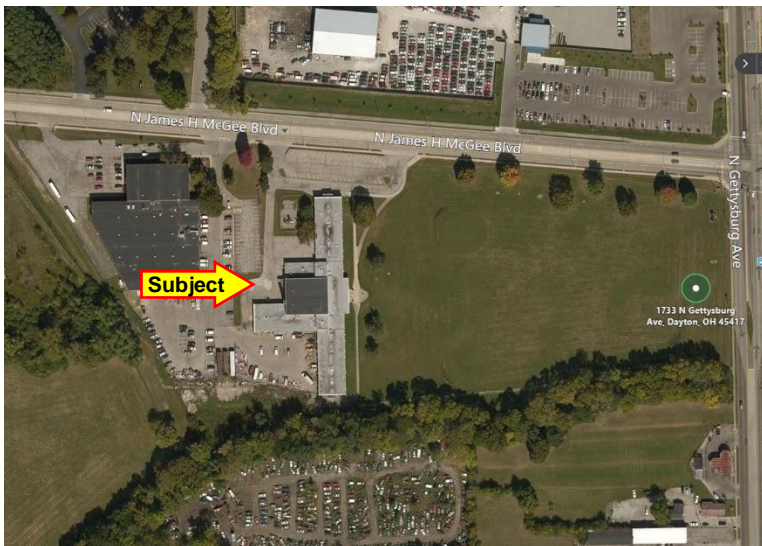
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**Newmark
Knight Frank**



Former Gardendale School
1733 N. Gettysburg Ave.
Dayton, Ohio

Appraisal Transmittal and Certification

March 30, 2018

Jyllian Bradshaw
Legal Counsel
The Dayton Board of Education
115 South Ludlow Street
Dayton, OH 45402

RE: Appraisal of Special Purpose - Former Public School known as Former Gardendale School located at 1733 N. Gettysburg Ave., Dayton, Montgomery County, Ohio 45417

NKF Job No.: 734-2018-0047

Newmark Knight Frank – Valuation & Advisory has prepared an appraisal of the market value of the referenced property presented in the following Appraisal Report.

Summary of the Subject Property

The subject is an existing special purpose - former public school property containing 41,721 square feet of gross building area. The improvements were constructed in 1968 and are 100% vacant as of the effective appraisal date. Besides the Former Gardendale School, the Dayton Public Schools Service Building is also located in the site. Since the Service Building is not part of the Scope of the valuation assignment, a total of 4.95 acres or 215,622 square feet has been excluded from the total site area. The resulting site area is 18.178 acres or 791,834 square feet. The underlying main site includes an estimated 2.000 Acres with approximately 16.178 Acres of Excess Land. The subject was occupied by the Gardendale Academy until 2015. The school premises have remained vacant since that time.

Key Investment Considerations

The top positive (+) factors influencing the subject property are:

- ❖ The subject has good exposure/visibility benefiting from its frontage along North James McGee Boulevard and North Gettysburg Avenue.

The most negative (-) or risk factors affecting the subject property are:

- ❖ The subject is located approximately four miles from the Interstate 75/Third Street interchange, and roughly two miles from the State Route 35/South Gettysburg Avenue exit.
- ❖ The subject property is 100% vacant.
- ❖ The subject improvements are outdated and need to be upgraded for the property to function under the current use and to meet the needs of today's educational system.
- ❖ The population and number of households within the subject's surrounding area have decreased over the last decade, and is projected to remain flat in the next five years.



Subject Conclusion: The subject is in the bottom of the market for the subject due to the outdated improvements and its location in a submarket with a declining population and number of households.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The value conclusions estimated within the scope of this assignment presume that the subject property can be easily subdivided into separate parcels, with each being made available for sale individually. Parcel R72 17405 0001 includes two improvements of which one contains a former public school, the subject of this report, and the other buildings houses the Dayton Public School Services Department and Garage. The scope of this assignment includes appraising the former public school and its underlying site only. We have extraordinarily assumed the two parcels could function independent of one another.
2. The value conclusions estimated within the scope of this assignment are based upon the Extraordinary Assumption that each portion of the subject property will have access to public infrastructure, including streets, sidewalks, and utilities.

The value conclusions are not based on any hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

Based on the analysis contained in the following report, the opinion of value for the subject is concluded as follows

Value Conclusion

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple	February 6, 2018	\$970,000

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark Knight Frank will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

The appraisal was developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and Title XI of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA) of 1989.



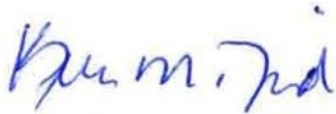
Certification

We certify that, to the best of our knowledge and belief:

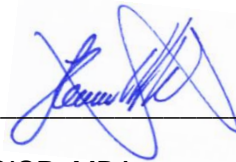
1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest in with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Ohio.
9. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Kelly Fried, MAI, has completed the continuing education program for Designated Members of the Appraisal Institute.
12. As of the date of this report, Kelly Fried, MAI and Ileana Abot, GISP, MBA have completed the continuing education requirements mandated by the State of Ohio.
13. Kelly Fried, MAI, made a personal inspection of the property that is the subject of this report. Ileana Abot has personally inspected the subject.
14. Valuation & Advisory operates as an independent economic entity within NKF. Although employees of other NKF divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.



15. Within this report, "Newmark Knight Frank", "NKF Valuation & Advisory", "NKF, Inc.", and similar forms of reference refer only to the appraiser(s) who have signed this certification and any persons noted above as having provided significant real property appraisal assistance to the persons signing this report.
16. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.



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Executive Summary

Property Name	Former Gardendale School
Address	1733 N. Gettysburg Ave. Dayton, Montgomery County, Ohio 45417
Property Type	Special Purpose - Former Public School - School/University
Owner of Record	The Dayton Board of Education
Tax ID	R72 17405 0001 and R72 15705 0004
Land Area - Total	18.1780 acres; 791,834 SF
Gross Building Area	41,721 SF
Percent Leased	NA
Year Built; Year Renovated	1968; N/A
Zoning Designation	ER-4 & T, Eclectic Residential and Transitional District
Highest and Best Use - As if Vacant	Multifamily residential use
Highest and Best Use - As Improved	Improvements to be repositioned for another use and the excess land to be marketed for sale or development
Exposure Time; Marketing Period	24 or less months; 24 or less months
Effective Date of the Appraisal	February 6, 2018
Date of the Report	March 30, 2018
Property Interest Appraised	Fee Simple
Market Value Indications	
Cost Approach	\$675,000
Sales Comparison Approach	\$970,000
Income Capitalization Approach	Not Used
Market Value Conclusion	\$970,000
The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than The Dayton Board of Education may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.	

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The value conclusions estimated within the scope of this assignment presume that the subject property can be easily subdivided into separate parcels, with each being made available for sale individually. Parcel R72 17405 0001 includes two improvements of which one contains a former public school, the subject of this report, and the other buildings houses the Dayton Public School Services Department and Garage. The scope of this assignment includes appraising the former public school and its underlying site only. We have extraordinarily assumed the two parcels could function independent of one another.
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Part Two

Land Value - Total Site	\$900,000
Cost Approach	
Indicated Value	\$675,000
Sales Comparison Approach	
Number of Sales	5
Range of Sale Dates	Apr-15 to Mar-17
Range of Unit Prices	\$1.39 - \$5.59
Indicated Value	\$970,000
Income Capitalization Approach	
Indicated Value	Not Used
Market Value Conclusion	\$970,000



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Introduction

Sale History

To the best of our knowledge, no sale or transfer of ownership has taken place within a three-year period to the effective appraisal date.

Pending Transactions

To the best of our knowledge, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

Description of the Appraisal and Appraisal Report

Intended Use and User

The intended use of the appraisal is for internal business decisions and no other use is permitted.

The client and intended user is The Dayton Board of Education.

Intended Users - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report.

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the market value of the fee simple estate in the property as of the effective date of the appraisal, February 6, 2018. The date of the report is March 30, 2018.

Definition of Value

Market value is defined as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:



- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Interest Appraised

We have appraised the fee simple estate of the subject property.

Fee Simple Estate - 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.

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

Scope of Work

This appraisal is presented in the form of an appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. This report incorporates practical explanation of the data, reasoning and analysis that were used to develop the opinion of value.

Extent to Which the Property is Identified

The property is identified through various sources such as:

- ❖ Postal address
- ❖ Assessor's records
- ❖ Legal description

Extent to Which the Property is Inspected

Kelly Fried, MAI, conducted an interior and exterior inspection of the property on February 6, 2018. Ileana Abot conducted an interior and exterior inspection on February 6, 2018.



Type and Extent of the Data Researched

- ❖ Exposure and marking time;
- ❖ Neighborhood and land use trends;
- ❖ Demographic trends;
- ❖ Market trends relative to the subject property type;
- ❖ Real estate tax data;
- ❖ Flood zone status;
- ❖ Zoning requirements and compliance;
- ❖ Comparable listing and sales data; and
- ❖ Cost data via Marshall Valuation Service.

Type and Extent of Analysis Applied

We analyzed the property and market data gathered through the use of appropriate, relevant, and accepted market-derived methods and procedures. Further, we employed the appropriate and relevant approaches to value, and correlated and reconciled the results into an estimate of market value, as demonstrated within the appraisal report.

Ileana Abot researched and reviewed data related to the subject property and market comparables. Ms. Abot also assisted in the development of the report.

Appraisal Methodology

Cost Approach - The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

Sales Comparison Approach - The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value.

Income Capitalization Approach - The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.



Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Applicable	Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

The income capitalization approach was not used because the subject is not an income producing property and this approach does not reflect market behavior for this property type. The exclusion of this approach is not considered to impact the reliability of the appraisal.



Economic Analysis

Dayton MSA Area Analysis

The subject is located in the Dayton, OH Metropolitan Statistical Area, hereinafter called the Dayton MSA, as defined by the U.S. Office of Management and Budget. The Dayton MSA is 1,282 square miles in size, and ranks 72 in population out of the nation's 382 metropolitan statistical areas.

Moody's Economy.com provides the following Dayton MSA metro area (DAY) economic summary as of June 2017. The full Moody's Economy.com report is presented in the addenda.

2011	2012	2013	2014	2015	2016	INDICATORS	2017	2018	2019	2020	2021	2022
35.9	35.8	35.6	36.1	36.5	36.8	Gross metro product (C09\$ bil)	37.8	39.0	40.0	40.5	41.2	42.1
3.6	-0.1	-0.6	1.5	1.0	0.9	% change	2.8	3.1	2.5	1.2	1.7	2.3
365.5	368.7	368.3	372.5	379.7	384.5	Total employment (ths)	389.1	394.0	398.8	401.0	401.8	405.5
1.3	0.9	-0.1	1.2	1.9	1.3	% change	1.2	1.3	1.2	0.5	0.2	0.9
9.3	7.8	7.7	5.7	4.8	4.7	Unemployment rate (%)	4.8	5.1	4.6	4.8	5.1	4.8
6.2	2.9	1.0	3.6	3.4	2.9	Personal income growth (%)	4.5	5.6	5.6	4.5	3.7	4.2
45.1	46.1	46.8	47.8	49.5	51.9	Median household income (\$ ths)	53.9	56.1	58.2	60.2	62.2	64.5
801	802	801	801	800	801	Population (ths)	800	800	799	798	796	796
0.1	0.1	-0.1	-0.1	-0.1	0.1	% change	-0.1	-0.1	-0.1	-0.2	-0.2	-0.1
-0.3	-0.8	-2.3	-1.6	-2.3	0.2	Net migration (ths)	-1.6	-1.7	-1.7	-2.1	-2.0	-1.4
712	889	781	743	857	1,043	Single-family permits (#)	1,680	1,986	2,103	1,847	1,736	1,894
15.0	225.0	35.0	36.0	123.0	319.8	Multifamily permits (#)	111.1	275.8	313.7	244.3	286.0	393.2
123	122	121	122	127	131	FHFA house price (1995Q1=100)	135	139	141	144	149	156

Recent Performance

Dayton's economy is shaping up, thanks primarily to its strengthening housing market. Although the pace falls short of the national average, house price growth is accelerating at its fastest rate in more than 15 years. Constricted supply and modestly rising demand pushed prices to an all-time high this spring and are bolstering household balance sheets.

Although payrolls are up slightly since January and the quality of positions added has improved, average hourly earnings remain down significantly over the year amid a still-loose labor market. Job losses have been concentrated in the public sector, construction, and nondurable goods production, and even traditional sources of strength such as healthcare and machinery manufacturing have flatlined in recent months. However, professional and technical services have marched upward since the start of the year, and steel manufacturers are still providing support.

Population

The Dayton MSA has an estimated 2017 population of 804,387, which represents an average annual 0.1% increase over the 2010 census of 799,232. The Dayton MSA added an average of 736 residents per year over the 2010-2017 period, and its growth in population contrasts with Montgomery County which had a 0.1% average annual decrease in population over this time.

Looking forward, the Dayton MSA's population is projected to increase at a 0.1% annual rate from 2017-2022, equivalent to the addition of an average of 1,001 residents per year. The



Dayton MSA's population growth differs from Montgomery County, which is projected to have little or no change in population during this time.

Population Trends

	Population			Compound Ann. % Chng	
	2010 Census	2017 Estimate	2022 Projection	2010 - 2017	2017 - 2022
Ohio	11,536,504	11,755,535	11,891,924	0.3%	0.2%
Dayton MSA	799,232	804,387	809,390	0.1%	0.1%
Montgomery County	535,153	533,054	532,490	-0.1%	0.0%
City of Dayton	141,542	140,450	140,353	-0.1%	0.0%

Source: ESRI

Employment

Total employment in the Dayton MSA is currently estimated at 389,000 jobs. Between year-end 2006 and the present, employment declined by 11,400 jobs, equivalent to a 2.8% loss over the entire period. There were declines in employment in three out of the past ten years, influenced in part by the national economic downturn and slow recovery.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Montgomery County unemployment rate has been consistently higher than that of the Dayton MSA, with an average unemployment rate of 7.7% in comparison to a 7.4% rate for the Dayton MSA. A higher unemployment rate is a negative indicator.

Recent data shows that the Montgomery County unemployment rate is 4.6% in comparison to a 4.4% rate for the Dayton MSA, a negative sign for Montgomery County.

Employment Trends

Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Montgomery County	% Change	Dayton MSA	% Change	Montgomery County	Dayton MSA
2006	272,317		382,943		6.0%	5.8%
2007	269,117	-1.2%	378,652	-1.1%	6.2%	5.9%
2008	256,689	-4.6%	362,887	-4.2%	7.5%	7.1%
2009	242,001	-5.7%	345,572	-4.8%	11.6%	11.3%
2010	241,552	-0.2%	347,615	0.6%	11.4%	10.9%
2011	244,525	1.2%	351,829	1.2%	9.7%	9.3%
2012	245,665	0.5%	353,242	0.4%	8.2%	7.8%
2013	245,482	-0.1%	354,055	0.2%	8.3%	7.9%
2014	250,854	2.2%	361,761	2.2%	6.1%	5.9%
2015	254,676	1.5%	368,383	1.8%	5.0%	4.8%
2016	255,752	0.4%	369,517	0.3%	4.8%	4.7%
Overall Change 2006-2016	-16,565	-6.1%	-13,426	-3.5%		
Avg Unemp. Rate 2006-2016					7.7%	7.4%
Unemployment Rate - September 2017					4.6%	4.4%

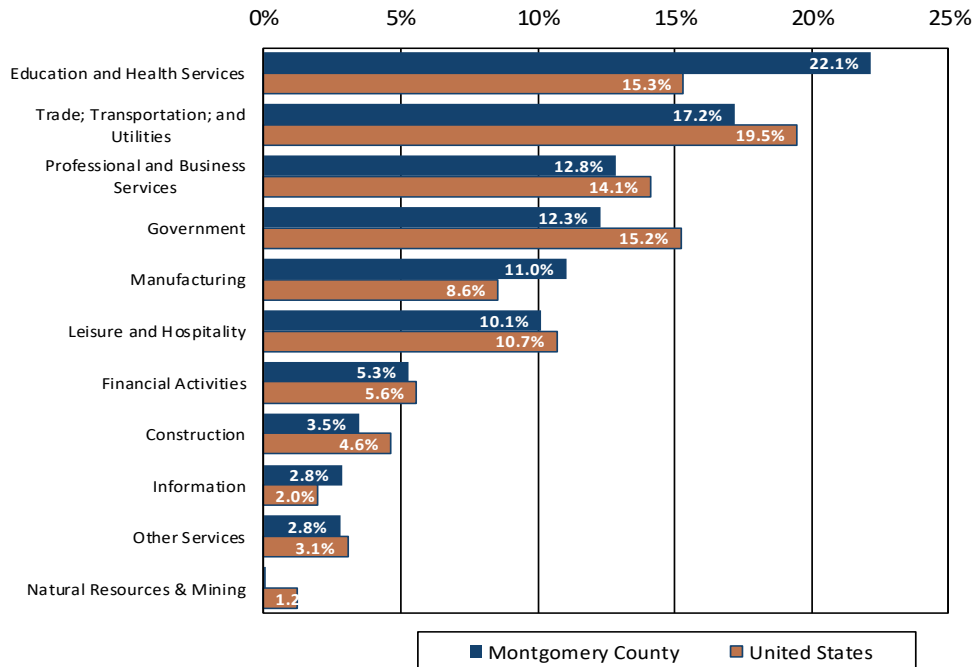
Source: Bureau of Labor Statistics and Economy.com. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.



Employment Sectors

The composition of the Montgomery County job market is depicted in the chart below. A complete data set is not available for the Dayton MSA, so we will compare Montgomery County to the United States. Total employment for the two areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Montgomery County jobs in each category.

Employment Sectors - 2016



Source: Bureau of Labor Statistics and Economy.com

Major Employers

Major employers in the Dayton MSA are shown in the following table.

Major Employers - Metropolitan Area - Dayton, OH Metropolitan Statistical Area

Name	Number of Employees
1 Wright-Patterson Air Force Base	26,270
2 Premier Health Partners	14,000
3 Kettering Health Network	7,115
4 The Kroger Co.	5,582
5 Miami University	3,564
6 Wright State University	3,303
7 LexisNexis	3,200
8 Sinclair Community College	2,601
9 Honda of America Manufacturing Inc.	2,600
10 AK Steel Corp.	2,400

Source: City of Springfield, Ohio



Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area. Although GDP figures are not available at the county level, data reported for the Dayton MSA is considered meaningful when compared to the nation overall, as Montgomery County is part of the MSA and subject to its influence.

The Dayton MSA ranks 68 in Gross Domestic Product (GDP) out of the nation's 382 metropolitan statistical areas.

Economic growth, as measured by annual changes in GDP, has been considerably lower in the Dayton MSA than the United States overall during the past eight years. The Dayton MSA has grown at a 1.1% average annual rate while the United States has grown at a 1.9% rate. As the national economy improves, the Dayton MSA continues to underperform the United States. GDP for the Dayton MSA rose by 0.7% in 2016 while the United States GDP rose by 1.5%.

The Dayton MSA has a per capita GDP of \$44,381, which is 12% less than the United States GDP of \$50,577. This means that Dayton MSA industries and employers are adding relatively less value to the economy than their counterparts in the United States overall.

Gross Domestic Product				
	(\$ Mil)		(\$ Mil)	
Year	Dayton MSA	% Change	United States	% Change
2009	32,901		14,320,114	
2010	33,007	0.3%	14,628,165	2.2%
2011	33,943	2.8%	14,833,679	1.4%
2012	34,375	1.3%	15,126,281	2.0%
2013	34,554	0.5%	15,348,034	1.5%
2014	35,114	1.6%	15,690,349	2.2%
2015	35,282	0.5%	16,094,516	2.6%
2016	35,535	0.7%	16,342,925	1.5%
Compound % Chg (2009-2016)		1.1%		1.9%
GDP Per Capita 2016	\$44,381		\$50,577	

Source: Bureau of Economic Analysis and Economy.com; data released September 2016. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2009

Flying Fortress

Despite recent softness, public sector and allied defense contractor employment will advance quickly over the next couple of years, driven by rising federal defense spending. Hiring at Wright-Patterson Air Force Base will accelerate as demand for unmanned aerial vehicle research and development rises. The Air Force Research Laboratory at the base is aggressively issuing contracts for UAVs as well as directly collaborating with manufacturers. For example, the laboratory issued a \$41 million contract to drone manufacturer Kratos to develop a low-cost, small and disposable stealth UAV. The aircraft will substitute for more expensive manned vehicles such as the F-22 and F-35, resulting in significant cost savings.



Wright-Patterson

Wright Patterson is also developing technology related to stealth capabilities, electronic jet controls, and cybersecurity. The base has expanded its Center for CyberSpace Research to protect critical civilian and military infrastructure nationwide. The allied Air Force Institute of Technology graduates 700 cybersecurity specialists annually, and surrounding defense contractors focusing on cybersecurity R&D have benefited.

Healing Up

Despite the hiccup in health services job growth, providers will again add jobs at a pace in line with the nation over the next two years. Hospitals are expanding facilities in order to keep up with rising demand for general and specialty care. For example, Miami Valley Hospital is breaking ground on a \$60 million expansion that will include a spine and joint center, sports medicine facilities, and a pain management services center. Dayton Children's Hospital will finish a \$140 million expansion this year, including an eight-story patient tower, boosting hiring of nurses and doctors.

Gearing Down

Local factories' hot streak will soon come to an end as weakness in steel and vehicle manufacturing pushes total manufacturing payrolls lower in 2018 and 2019. Steel manufacturing employment has been temporarily bolstered by countervailing duties enacted on imports in mid-2016, but this benefit will wane. Continued global oversupply spurred by overcapacity in East Asia will send steel prices lower, weighing on local producers. Hiring at local auto manufacturers will slow to a trickle over the next couple of years as national vehicle sales slacken. Pent-up U.S. auto demand has been exhausted and low gasoline prices and cheap auto financing have already provided their maximum advantage.

Household Income

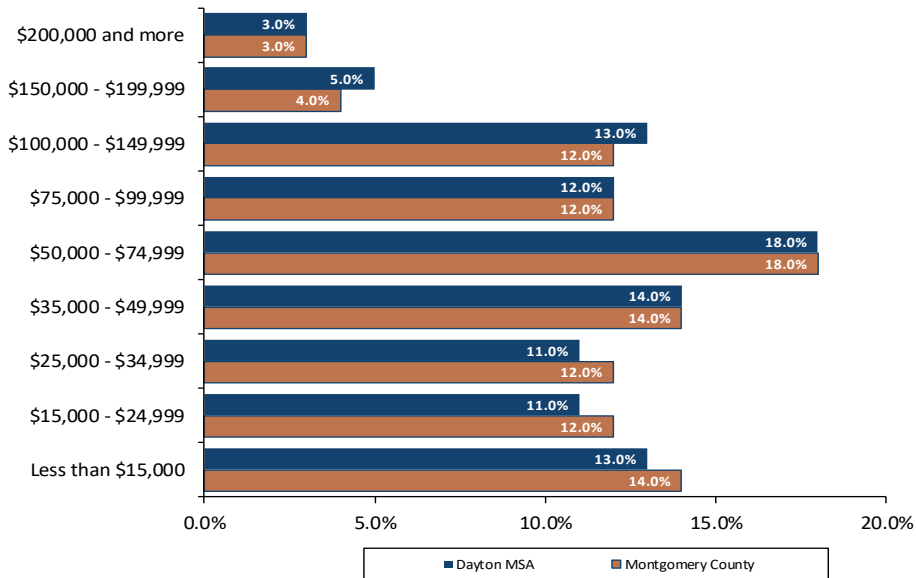
The Dayton MSA has a higher level of household income than Montgomery County. Median household income for the Dayton MSA is \$51,136, which is 8.7% greater than the corresponding figure for Montgomery County.

Median Household Income - 2017	
	Median
Dayton MSA	\$51,136
Montgomery County	\$47,048
Comparison of Dayton MSA to Montgomery County	+ 8.7%
Source: ESRI	

The following chart shows the distribution of households across nine income levels. The Dayton MSA has a greater concentration of households in the higher income levels than Montgomery County. Specifically, 33% of Dayton MSA households are at the \$75,000 or greater levels in household income as compared to 31% of Montgomery County households. A lesser concentration of households is apparent in the lower income levels, as 35% of Dayton MSA households are below the \$35,000 level in household income versus 38% of Montgomery County households.



Household Income Distribution - 2017

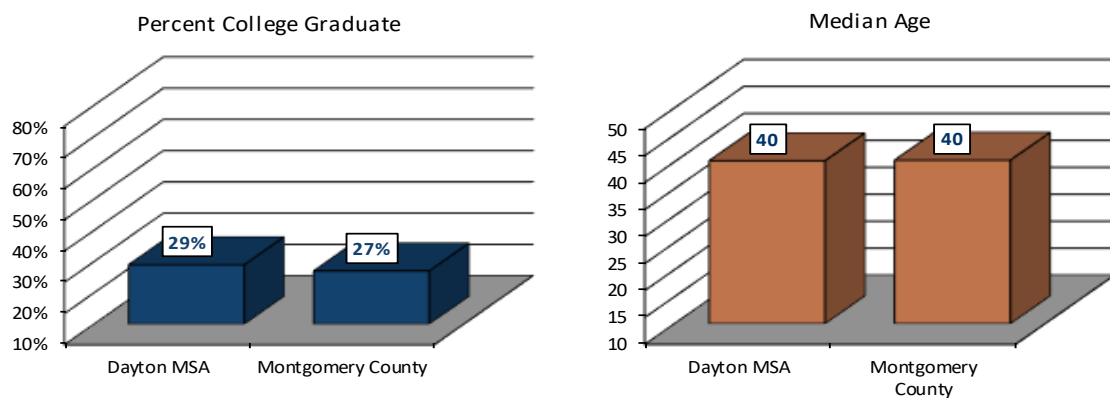


Source: ESRI

Education and Age

Residents of the Dayton MSA have a slightly higher level of educational attainment than those of Montgomery County. An estimated 29% of Dayton MSA residents are college graduates with four-year degrees, versus 27% of Montgomery County residents. People in the Dayton MSA are similar in age to their Montgomery County counterparts. The median age of both the Dayton MSA and Montgomery County is 40 years.

Education & Age - 2017



Source: ESRI



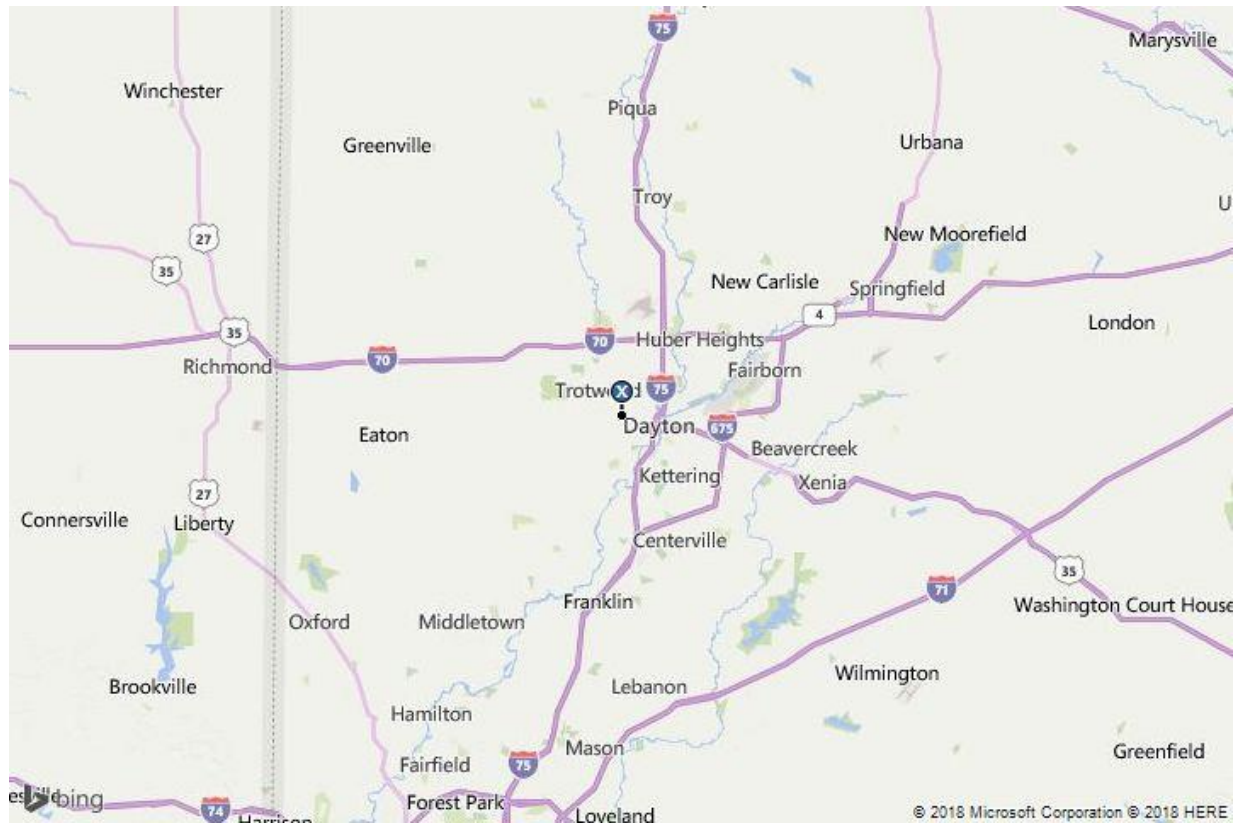
Conclusion

The Dayton MSA economy will be affected by a flat to declining population base and a lower level of median household income. The Dayton MSA experienced a decline in the number of jobs, and had a slightly lower unemployment rate than Montgomery County over the past decade.

Dayton will advance in line with the U.S. over the next couple of years, supported by defense and healthcare even as manufacturing detracts from growth. Nonetheless, Dayton will lag the U.S. in job growth longer term because of a shrinking population. In conclusion, we anticipate that growth in the Dayton MSA economy will be limited, resulting in only a modest level of demand for real estate in general.



Area Map



Surrounding Area

Location

The subject is located in the West submarket of the City of Dayton.

Access and Linkages

Primary highway access to the area is via Interstate 75, State Route 35 and State Route 49. Public transportation is provided by the Greater Dayton Regional Transit Authority (RTA), and provides access to Montgomery County and western Greene County. Overall, the primary mode of transportation in the area is the automobile.

Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics						
	1-Mile Drive Distance	3-Mile Drive Distance	5-Mile Drive Distance	Dayton MSA	Montgomery County	City of Dayton
2017 Estimates						
Population 2010	8,655	77,279	147,279	799,232	535,153	141,542
Population 2017	8,072	74,802	145,641	804,387	533,054	140,450
Population 2022	7,937	74,330	145,496	809,390	532,490	140,353
Compound % Change 2010-2017	-1.0%	-0.5%	-0.2%	0.1%	-0.1%	-0.1%
Compound % Change 2017-2022	-0.3%	-0.1%	0.0%	0.1%	0.0%	0.0%
Households 2010	3,582	31,937	59,894	327,630	223,943	58,411
Households 2017	3,368	31,082	59,443	330,944	223,940	58,109
Households 2022	3,319	30,966	59,629	333,643	224,251	58,272
Compound % Change 2010-2017	-0.9%	-0.4%	-0.1%	0.1%	0.0%	-0.1%
Compound % Change 2017-2022	-0.3%	-0.1%	0.1%	0.2%	0.0%	0.1%
Median Household Income 2017	\$25,317	\$28,041	\$30,326	\$51,136	\$47,048	\$29,862
Average Household Size	2.4	2.3	2.3	2.4	2.3	2.2
College Graduate %	10%	14%	18%	29%	27%	19%
Median Age	39	39	37	40	40	36
Owner Occupied %	33%	34%	35%	55%	52%	36%
Renter Occupied %	34%	39%	42%	34%	35%	41%
Median Owner Occupied Housing Value	\$56,566	\$70,585	\$77,994	\$135,267	\$120,504	\$76,110
Median Year Structure Built	1954	1953	1955	1966	1964	1949

Source: ESRI

As shown above, the current population within a 3-mile drive distance of the subject is 74,802, and the average household size is 2.3. Population in the area has declined since the 2010 census, and the trend is projected to be decreasing/remain flat over the next five years. This is similar to the trend in Montgomery County, which is also projected to be flat.

Median household income is \$28,041, which is lower than the household income for Montgomery County. Residents within a 3-mile drive distance have a lower level of educational attainment than those of Montgomery County, while median owner occupied home values are lower.



Land Use

The area is suburban in character and approximately 80% developed.

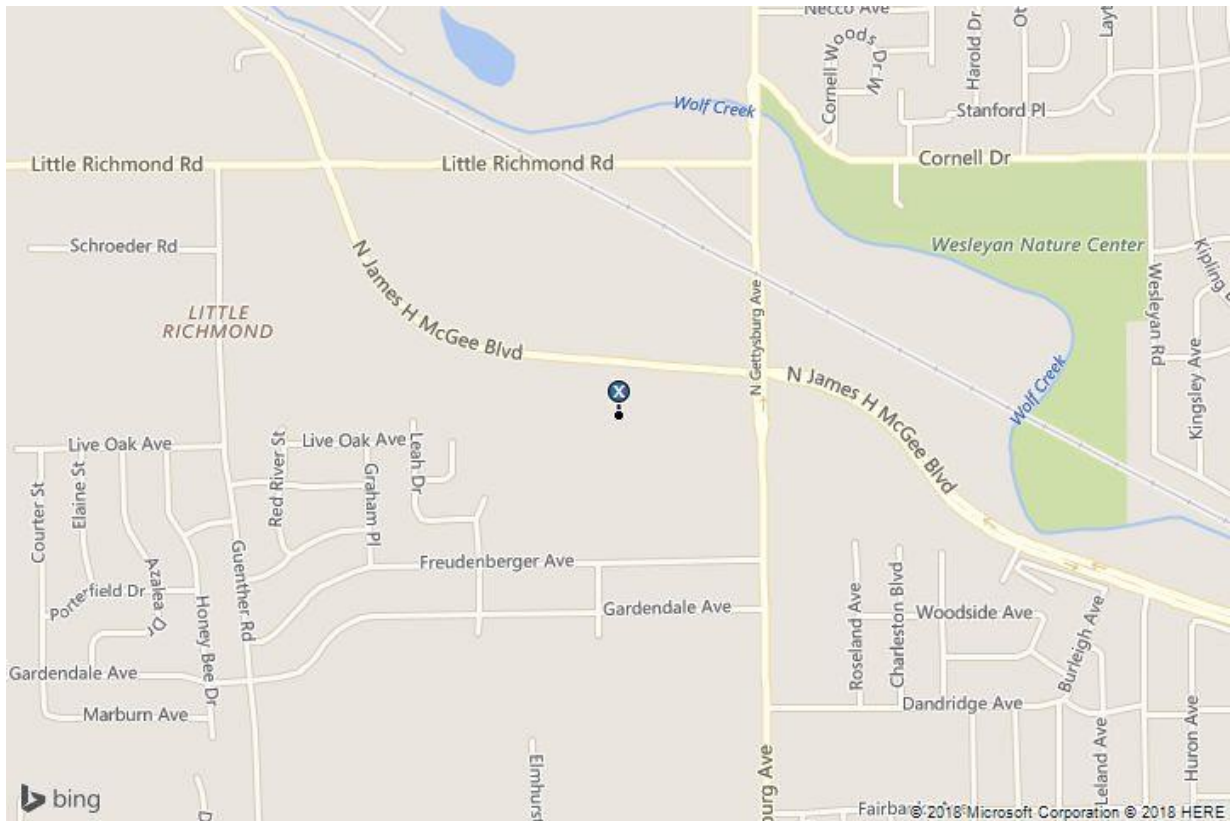
Land uses immediately surrounding the subject are predominantly commercial, light industrial and residential with typical ages of buildings being in their mid to late economic lives. Property types adjoining the subject include commercial and light industrial uses.

Outlook and Conclusions

The area is in the mature stage of its life cycle. Recent development activity has been limited. We anticipate that property values will remain stable to decreasing in the near future.



Surrounding Area Map



Multifamily Market Analysis

Although the subject property is improved with a special purpose use, a school, the highest and best use of the property as vacant has been determined as a residential multi-family use.

National Market Overview

The following was taken from the 3Q17 United States Multi-housing Market Overview prepared by ARA, a Newmark Company.

- ❖ **Sales Volume** – Sales volume for the past 12 months totaled \$148.5 billion with quarterly volume reaching \$39.3 billion, representing an 11.1% quarter-over-quarter increase and 4.0% year-over-year growth. Investors continue to pour capital into top-tier secondary markets such as Atlanta, Dallas, and Denver.
- ❖ **Cap Rates** – Cap rates remain flat year-over-year at 5.0% for institutional-quality assets. The third quarter represents the tightest spread between major markets and secondary markets as yield-driven capital continues to flow into secondary and tertiary markets.
- ❖ **Rent Growth** – Nationwide rent growth remains flat at 2.3% while still positive. Western metros such as Phoenix, Sacramento, San Diego, and Seattle continue to lead the nation in rent growth as they benefit from strong demographic and economic tailwinds.
- ❖ **Supply and Demand** – New supply is anticipated to peak in 2017 with over 389,000 units delivered throughout the United States. This cycle has been heavily weighted toward urban infill and luxury product compared with the previous cycle which was dominated by Class B suburban assets.
- ❖ **International Capital** – International capital sales volume rose to \$11.3 billion over the past 12 months. High net worth and sovereign wealth funds are increasingly growing their multihousing portfolios through indirect investment vehicles and joint ventures with domestic sponsors.
- ❖ **Debt Markets** – Debt outstanding increased \$21.7 billion to \$1.2 trillion with Agency and GSE lending accelerating 2.5% quarter-over-quarter compared to the broader market of 1.8%. Debt capital remains plentiful for well positioned assets despite a slowdown in the CMBS market.

The following was obtained from the REIS publication “Apartment First Glance” for the third quarter of 2017:

The national vacancy rate increased by 10 basis points in the third quarter, to 4.5%. This is quite in line with expectations for the year, given the large amount of new construction that has been coming online. Reis forecasts call for national vacancies in the high 4s by the end of the year, and if the latest estimates from developers materialize in the fourth quarter, we will likely hit vacancy rates in the 4.6% to 4.8% range by the end of the year.



Asking and effective rents rose by 1.0% and 0.9%, respectively, during the third quarter. While this is a slight deceleration relative to the second quarter, these still represent relatively healthy figures for rent growth. This suggests that demand for apartment units remain relatively strong, even as concessions have made a comeback in the most expensive markets where supply growth has also been ramping up. Overall rent growth in 2017 should be comparable to 2016—still a climb down relative to the banner year of 2015, but hardly a cataclysm.

Where are the Worries? (And When?)

The national picture suggests that vacancies began to rise from about one year ago, but in geographic markets with truly robust supply growth, vacancies had begun to rise from recent cyclical lows as far back as two to three years ago. For example, in Charleston, vacancies began rising as early as mid-2013, from a low of 4.3% to its current 7.0%. Inventory during that time period grew by over 26%. In Washington DC, vacancies began rising in early 2013, from 3.9% to its current 5.9%—inventory growth over that four and a half year period clocked in at close to 17%, with over 15,000 new units opening their doors. However, it is worthwhile to note that vacancies in Washington DC have actually climbed down from recent highs—vacancies declined by 10 basis points in the third quarter, from 6.0%, and in early 2016 actually dipped down to as low as 4.7%, from a recent high of 5.9% in the second quarter of 2015. In other words, supply growth has been pushing vacancies upwards, but in many markets demand has pushed back too whenever there was the slightest lull in deliveries.

New York is a bellwether case of how a market that has enjoyed very low vacancies will deal with historic levels of supply growth. Delays have pushed a lot of projects to 2018, but 2017 will mark the record year for new apartment deliveries in New York City—almost double the last record set back in 1986. Reis expects New York vacancies to peak in the low to mid-6s over the next year or two—vacancy levels that represent historic highs for this market.

Metro Area Overview

The subject is located in the Dayton metro area as defined by REIS. The following section analyzes the multi-family market within the Dayton MSA and its Northwest submarket.

Within Dayton's metro area, a flood of new apartments has outpaced net absorption during the last four quarters, resulting in increasing vacancy. Around 5,500 apartments are slated for completion in the fourth quarter of 2017 which will put deliveries at levels not seen since 2000. Additions are focused on garden and mid-rise complexes spread throughout the area but there are also several high-rise buildings to be completed in Midtown. Although the influx of supply will increase vacancy, rent growth remains strong and it is setting a record high this year.

2017 development is expected to be the peak of construction during this economic cycle but development is expected to remain heavy into next year. Demographics in the area remain supportive for leasing activity and demand will be catching up with supply. Jobs growth continues as many corporations are moving to, and expanding in, the metro area, bringing higher-wage jobs. Class A complexes will benefit from this jobs growth given the income



levels. Young professionals seeking a wide range of amenities with access to nearby shopping and entertainment may be willing to pay higher rents as high costs make homeownership out of reach in popular areas.

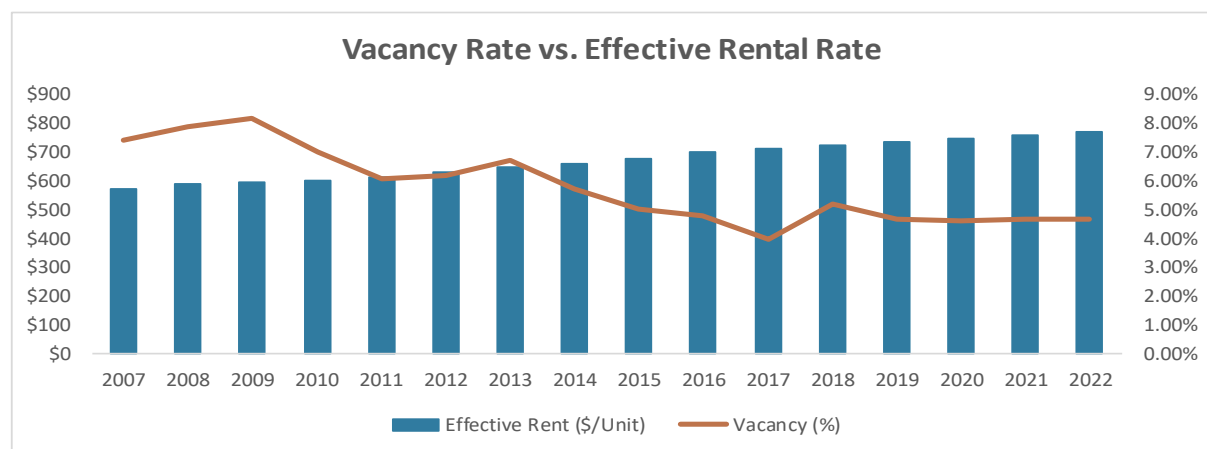
Supply and demand indicators, including inventory levels, absorption, vacancy, and rental rates for all classes of space are presented in the ensuing table.

Dayton Multifamily Market Trends and Forecasts

Year	Inventory (Units)	Occupied (Units)	Vacancy (Units)	Vacancy (%)	Completions (Units)	Absorption (Units)	Effective Rent (\$/Unit)	Effective Rental Rate (% Change)	Gross Revenue (\$/Unit)
2007	32,815	30,372	2,443	7.40%	188	785	\$574	2.70%	\$561
2008	33,318	30,697	2,621	7.90%	503	325	\$592	3.20%	\$574
2009	33,460	30,700	2,760	8.20%	142	3	\$594	0.20%	\$576
2010	33,668	31,318	2,350	7.00%	208	618	\$603	1.50%	\$588
2011	33,668	31,622	2,046	6.10%	0	304	\$616	2.20%	\$604
2012	33,668	31,595	2,073	6.20%	0	-27	\$632	2.70%	\$616
2013	33,948	31,687	2,261	6.70%	280	92	\$648	2.50%	\$626
2014	33,948	32,029	1,919	5.70%	0	342	\$663	2.30%	\$645
2015	34,028	32,311	1,717	5.00%	80	282	\$677	2.20%	\$662
2016	34,687	33,022	1,665	4.80%	659	711	\$700	3.30%	\$684
2017	35,096	33,693	1,403	4.00%	409	671	\$713	1.90%	\$709
2018	36,187	34,308	1,879	5.20%	1,091	615	\$724	1.50%	\$713
2019	36,386	34,666	1,720	4.70%	199	358	\$735	1.50%	\$728
2020	36,386	34,698	1,688	4.60%	0	32	\$748	1.80%	\$740
2021	36,540	34,821	1,719	4.70%	154	123	\$760	1.60%	\$752
2022	36,771	35,041	1,730	4.70%	231	220	\$771	1.40%	\$764
2007 - 2017 Average	33,846	31,731	2,114	6.27%	224	373	\$637	2.25%	\$622

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Market Trends Key Takeaways

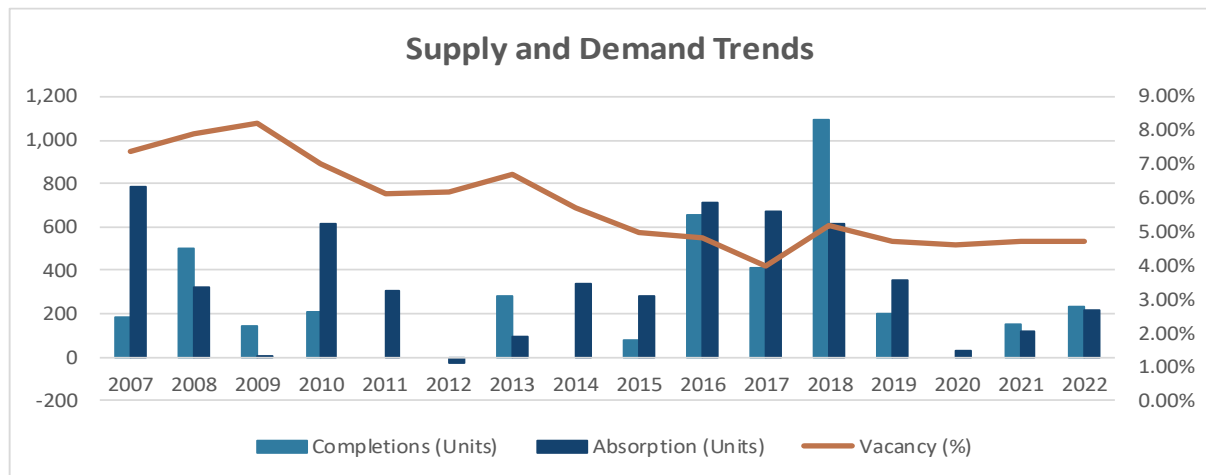


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- The current vacancy rate in the metro area is 4.0%; the vacancy rate has decreased by 220 bps from 2012.



- Four-year forecasts project a 4.7% vacancy rate in the metro area, representing an increase of 70 bps by year end 2022.
- Effective rent averages \$713/Unit in the metro area; future rent values are expected to increase by 8.1% to \$771/Unit by year end 2022.



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- Inventory in the metro area has increased by 4.2% from 2012, while the occupied stock has increased by 6.6%.
- Between 2012 and 2017, completions have averaged 238 Units annually and reached a peak of 659 Units in 2016.
- Between 2012 and 2017, absorption figures reached a peak of 711 Units in 2016 and a low of -27 Units in 2012.

Class B/C Multifamily Market

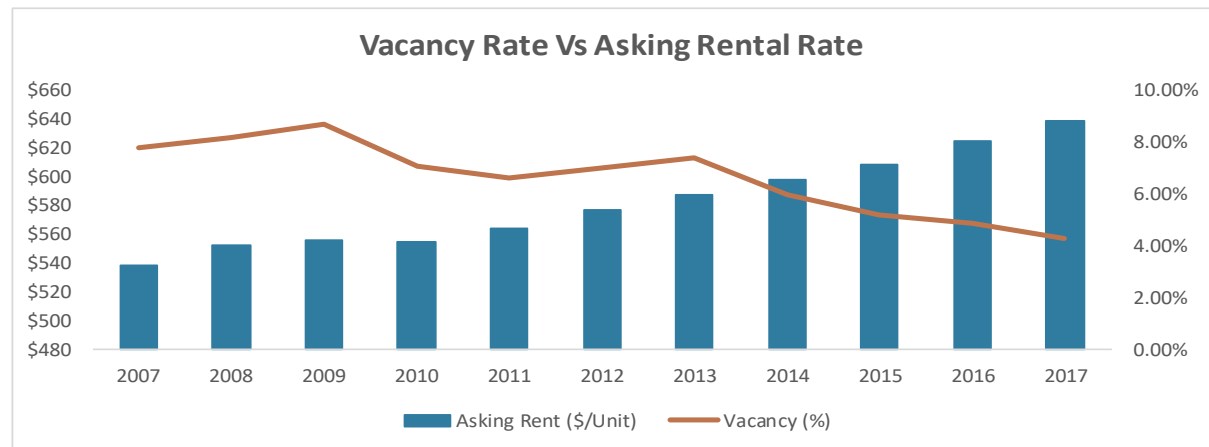
The subject is a Class B property as defined by REIS. Supply and demand indicators, including inventory levels, absorption, vacancy, and rental rates for all Class B/C space in the Dayton metro area are presented in the following table.



Dayton Multifamily Class B/C Market Trends

Year	Inventory (Units)	Occupied (Units)	Vacancy (Units)	Vacancy (%)	Completions (Units)	Absorption (Units)	Asking Rent (\$/Unit)	Asking Rental Rate (% Change)	Gross Revenue (\$/Unit)
2007	22,161	20,439	1,722	7.80%	0	465	\$538	2.50%	\$496
2008	22,161	20,353	1,808	8.20%	0	-86	\$553	2.80%	\$508
2009	22,161	20,230	1,931	8.70%	0	-123	\$556	0.50%	\$508
2010	22,161	20,579	1,582	7.10%	0	349	\$555	-0.20%	\$515
2011	22,161	20,689	1,472	6.60%	0	110	\$564	1.60%	\$527
2012	22,161	20,601	1,560	7.00%	0	-88	\$577	2.30%	\$536
2013	22,161	20,528	1,633	7.40%	0	-73	\$588	1.90%	\$545
2014	22,161	20,842	1,319	6.00%	0	314	\$598	1.70%	\$562
2015	22,161	21,002	1,159	5.20%	0	160	\$609	1.80%	\$577
2016	22,161	21,080	1,081	4.90%	0	78	\$625	2.60%	\$595
2017	22,161	21,210	951	4.30%	0	130	\$639	2.20%	\$612
2007 - 2017 Average	22,161	20,687	1,474	6.65%	0	112	\$582	1.79%	\$544

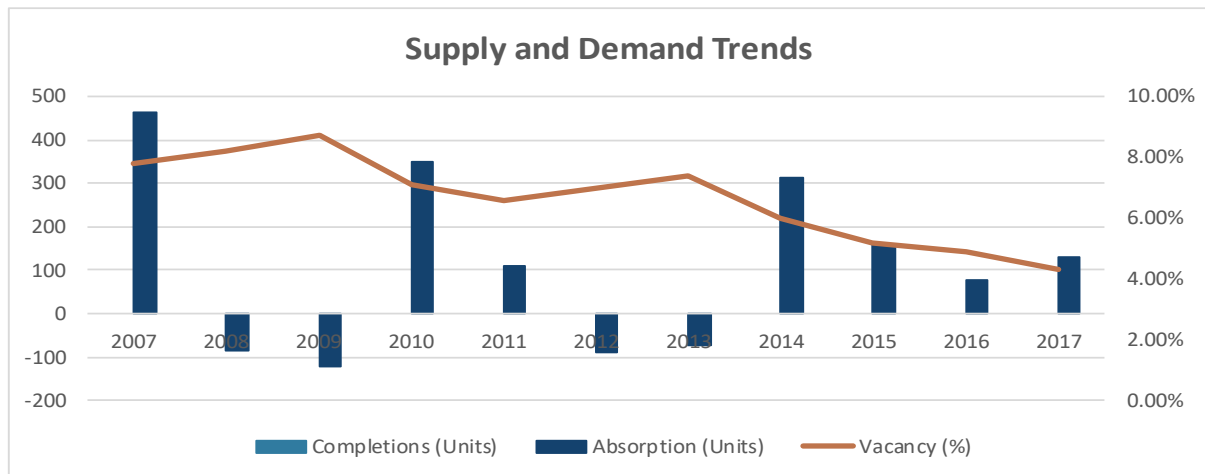
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Multifamily Class B/C Market Key Takeaways

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- The current vacancy rate for Class B/C properties in the metro area is 4.3%; the vacancy rate has decreased by 270 bps from 2012.
- Asking rent currently averages \$639/Unit and has increased by 10.7% from 2012.





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- Class B/C metro area inventory has remained constant from 2012, while the occupied stock has increased by 3.0%.
- There have not been any Class B/C completions in the metro area between 2012 and 2017.
- Between 2012 and 2017, absorption figures reached a peak of 314 Units in 2014 and a low of -88 Units in 2012.
- Between 2012 and 2017, gross revenue for Class B/C properties in the metro area averaged \$571/Unit and has increased by 12.3%.

Submarket Overview

The subject is located in the Northwest submarket. In order to evaluate the market appeal of the subject's submarket in comparison to others in the Dayton metro area, we compare key supply and demand indicators for all classes of space in the ensuing table.

Dayton Multifamily Submarket Comparison

Submarket	Inventory (Buildings)	Inventory (Units)	Asking Rent (\$/Unit)	Vacancy (%)	Free Rent (mos)	Expenses (%)
Miami County	18	1,342	\$634	4.20%	0.80	46.20%
Clark County	29	2,199	\$598	4.50%	0.38	46.60%
Central Dayton	61	6,689	\$659	5.30%	0.54	45.90%
Northeast	47	8,001	\$807	2.40%	0.50	45.10%
Northwest	33	4,367	\$684	2.60%	0.42	45.10%
South	74	12,498	\$793	4.70%	0.26	45.10%
Market Averages/Totals	262	35,096	\$696	4.00%	0.48	45.67%

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Northwest Submarket Snapshot

- The submarket contains 12.6% of the metro building inventory and 12.4% of the metro unit inventory.



- The submarket's asking rent is \$684/Unit which is less than the metro average of \$696/Unit.
- The submarket's vacancy rate is 2.60% which is less than the metro average of 4.00%.
- Operating expenses, as a percent of potential rent revenue, average 45.1% in the submarket compared to 45.7% for the overall metro area.
- Average free rent in the subject property's submarket is less than the free rent for the metro area.

In comparison to other submarkets in the region, the Northwest submarket is rated as follows:

Submarket Attribute Ratings	
Market Size/Stature	Average
Market Demand	Stable
Vacancy Trends	Stable
Threat of New Supply	Below Average
Rental Trends	Increasing

Submarket Analysis

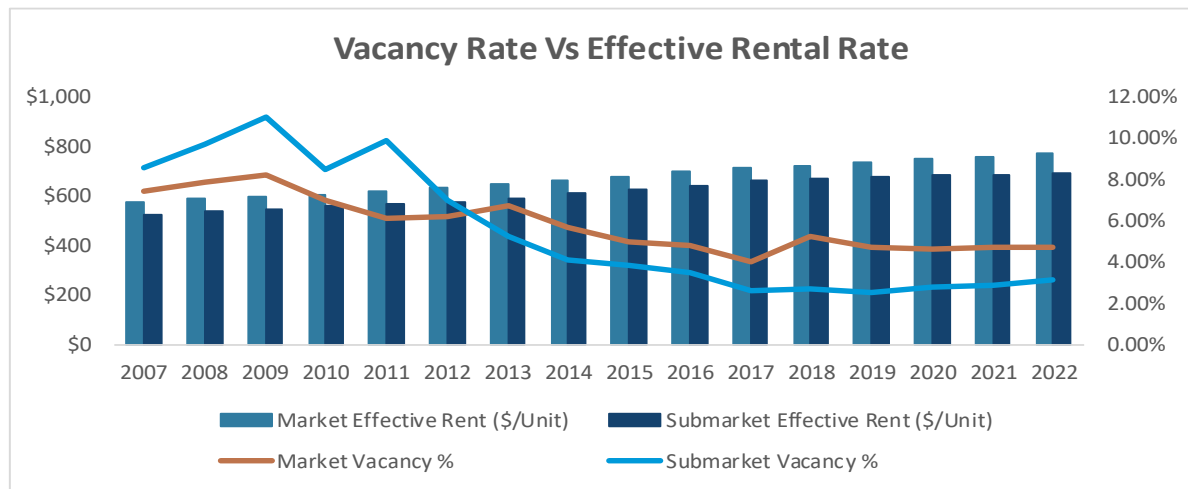
Supply and demand indicators for all classes of space in the Northwest submarket are displayed in the following table.

Northwest Multifamily Submarket Trends and Forecasts									
Year	Inventory (Units)	Occupied (Units)	Vacancy (Units)	Vacancy (%)	Completions (Units)	Absorption (Units)	Effective Rent (\$/Unit)	Effective Rental Rate (% Change)	Gross Revenue (\$/Unit)
2007	4,367	3,991	376	8.60%	0	26	\$527	4.60%	\$510
2008	4,367	3,943	424	9.70%	0	-48	\$539	2.30%	\$509
2009	4,367	3,887	480	11.00%	0	-56	\$545	1.00%	\$510
2010	4,367	3,996	371	8.50%	0	109	\$557	2.40%	\$532
2011	4,367	3,935	432	9.90%	0	-61	\$565	1.30%	\$530
2012	4,367	4,061	306	7.00%	0	126	\$578	2.40%	\$556
2013	4,367	4,140	227	5.20%	0	79	\$593	2.70%	\$581
2014	4,367	4,188	179	4.10%	0	48	\$612	3.10%	\$604
2015	4,367	4,200	167	3.80%	0	12	\$626	2.30%	\$616
2016	4,367	4,214	153	3.50%	0	14	\$643	2.70%	\$635
2017	4,367	4,253	114	2.60%	0	39	\$660	2.60%	\$666
2018	4,367	4,247	120	2.70%	0	-6	\$669	1.40%	\$679
2019	4,367	4,257	110	2.50%	0	10	\$676	1.00%	\$688
2020	4,367	4,243	124	2.80%	0	-14	\$682	0.90%	\$691
2021	4,441	4,310	131	2.90%	74	67	\$688	0.80%	\$695
2022	4,515	4,375	140	3.10%	74	65	\$695	1.00%	\$700
2007 - 2017 Average	4,367	4,073	294	6.72%	0	26	\$586	2.49%	\$568

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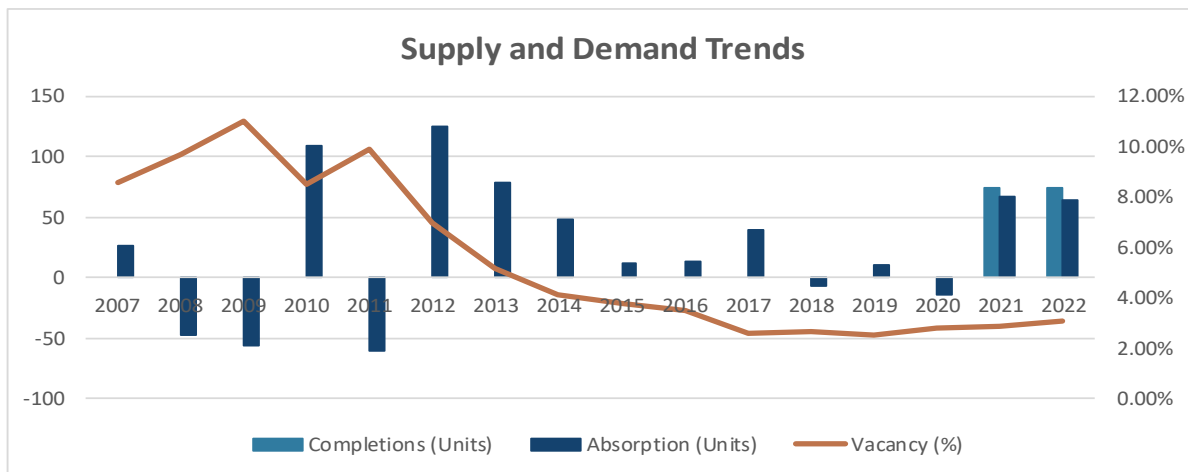


Northwest Submarket Multifamily Trends and Forecasts Key Takeaways



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- The current vacancy rate in the submarket is 2.6%; the vacancy rate has decreased by 440 bps from 2012.
- Four-year forecasts project a 3.10% vacancy rate in the submarket, representing an increase of 50 bps by year end 2022.
- Effective rent averages \$660/Unit in the submarket; future rent values are expected to increase by 5.3% to \$695/Unit by year end 2022.



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- The current inventory level of 4,367 Units is expected to increase by 3.4% through year end 2022.
- The inventory in the submarket has remained constant from 2012, while the occupied stock has increased by 4.7%.



- There have not been any completions in the submarket between 2012 and 2017.
- Between 2012 and 2017, absorption figures reached a peak of 126 Units in 2012 and a low of 12 Units in 2015.

Northwest Submarket Class B/C Trends

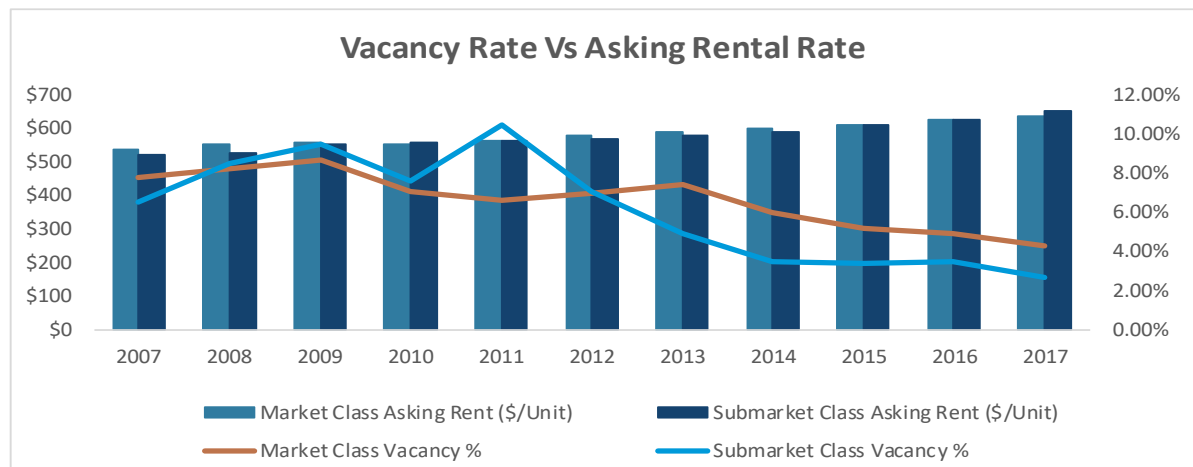
Supply and demand indicators, including inventory levels, absorption, vacancy, and rental rates for Class B/C space in the submarket are presented in the ensuing table.

Northwest Multifamily Class B/C Submarket Trends

Year	Inventory (Units)	Occupied (Units)	Vacancy (Units)	Vacancy (%)	Completions (Units)	Absorption (Units)	Asking Rent (\$/Unit)	Asking Rental Rate (% Change)	Gross Revenue (\$/Unit)
2007	3,218	3,009	209	6.50%	0	87	\$524	5.00%	\$490
2008	3,218	2,944	274	8.50%	0	-65	\$529	1.00%	\$484
2009	3,218	2,912	306	9.50%	0	-32	\$552	4.30%	\$500
2010	3,218	2,973	245	7.60%	0	61	\$556	0.70%	\$514
2011	3,218	2,879	339	10.50%	0	-94	\$561	0.90%	\$502
2012	3,218	2,988	230	7.10%	0	109	\$567	1.10%	\$526
2013	3,218	3,060	158	4.90%	0	72	\$578	1.90%	\$550
2014	3,218	3,105	113	3.50%	0	45	\$592	2.40%	\$571
2015	3,218	3,108	110	3.40%	0	3	\$610	3.00%	\$589
2016	3,218	3,105	113	3.50%	0	-3	\$628	3.00%	\$606
2017	3,218	3,131	87	2.70%	0	26	\$651	3.70%	\$633
2007 - 2017 Average	3,218	3,019	199	6.15%	0	19	\$577	2.45%	\$542

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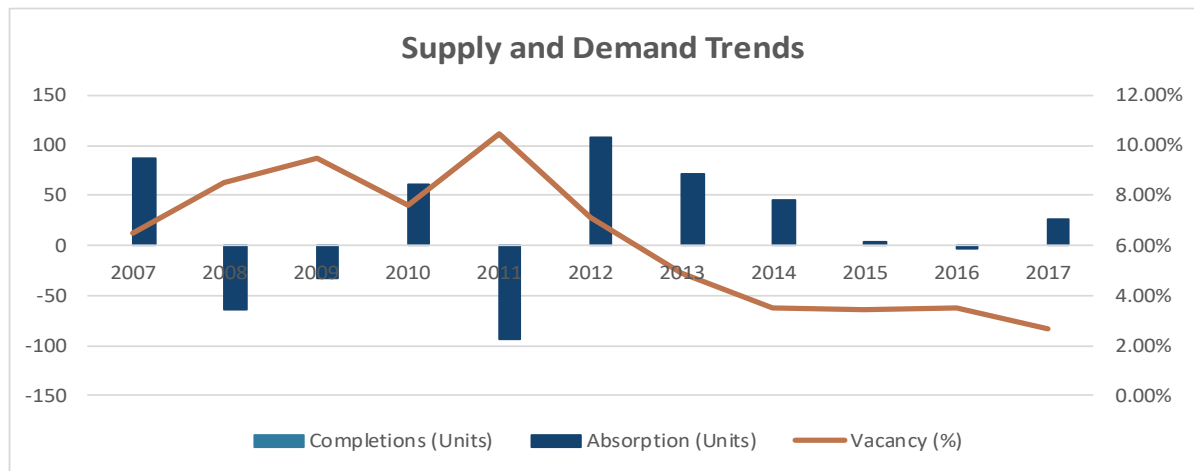
Northwest Submarket Class B/C Trends Key Takeaways



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- The current vacancy rate for Class B/C properties in the submarket is 2.7%; the vacancy rate has decreased by 440 bps from 2012.
- Asking rent currently averages \$651/Unit and has increased by 14.8% from 2012.





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- Class B/C inventory in the submarket has remained constant from 2012, while the occupied stock has increased by 4.8%.
- There have not been any Class B/C completions in the submarket between 2012 and 2017.
- Between 2012 and 2017, absorption figures reached a peak of 109 Units in 2012 and a low of -3 Units in 2016.
- Between 2012 and 2017, gross revenue for Class B/C properties in the submarket averaged \$579/Unit and has increased by 15.2%.

New and Proposed Construction

The following table summarizes properties that are under construction, planned, and/or proposed in the subject's metro area.

Dayton Multifamily Construction by Phase and Subtype						
Multifamily Subproperty Type	Under Construction		Planned Construction		Proposed Construction	
	Properties	Units	Properties	Units	Properties	Units
Apartment	9	1,553	4	542	5	365
Condominiums	0	0	1	32	3	292
Subsidized/Low Income	0	0	5	256	2	114
Townhomes	2	31	0	0	0	0
Other	0	0	0	0	0	0
N/A	0	0	0	0	0	0
Totals	11	1,584	10	830	10	771

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Multifamily Market Construction Key Takeaways

- There are 11 properties under construction, 10 properties in the planned construction phase, and 10 properties in the proposed construction phase in the metro area.



- Apartment properties within the under construction phase have an average size of 173 units and range in size between 32 units and 312 units.
- Apartment properties within the planned construction phase have an average size of 136 units and range in size between 40 units and 298 units.
- Apartment properties within the proposed construction phase have an average size of 73 units and range in size between 58 units and 114 units.
- Of the 1,584 units under construction, 98.0% are Apartment properties, 0.0% are Condominium properties, and 2.0% are Townhome properties.
- Of the 830 units planned for construction, 65.3% are Apartment properties, 3.9% are Condominium properties, and 0.0% are Townhome properties.
- Of the 771 units proposed for construction, 47.3% are Apartment properties, 37.9% are Condominium properties, and 0.0% are Townhome properties.

The following table summarizes properties that are under construction, planned, and/or proposed in the subject's submarket.

Northwest Submarket Construction by Phase and Subtype						
Multifamily Subproperty Type	Under Construction		Planned Construction		Proposed Construction	
	Properties	Units	Properties	Units	Properties	Units
Apartment	0	0	0	0	1	60
Condominiums	0	0	0	0	0	0
Subsidized/Low Income	0	0	0	0	0	0
Townhomes	0	0	0	0	0	0
Other	0	0	0	0	0	0
N/A	0	0	0	0	0	0
Totals	0	0	0	0	1	60

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New supply additions will directly impact the subject in terms of competitive space. Since, there is only one proposed project, the threat of new supply is considered below average.

Multifamily Market Outlook and Conclusions

Relevant vacancy rate indications are summarized as follows:

Vacancy Rate Indications	
Market Segment	Vacancy Rates
Dayton Metro Area	4.0%
Dayton Metro Area Class B/C	4.3%
Northwest Submarket Area	2.6%
Northwest Submarket Area Class B/C	2.7%
Directly Comparable Properties	2.9%
Subject Property - Current	3.0%

Based on the key metro and submarket area trends, construction outlook, and the performance of competing properties, NKF expects the mix of property fundamentals and



economic conditions in the Dayton metro area to have a neutral impact on the subject property's performance in the near-term. The site is well positioned due to its proximity to Dayton's CBD, the submarket low vacancy rates and the lack of new multi-family residential developments in the area. The subject property has two zoning designations, Eclectic Residential (ER-4) allowing only single and two family residences and Transitional (T) allowing multi-family residential uses. A variance would likely be granted for a multi-family residential use to be developed in the overall site due to the intention of the T district: "the purpose of this district is to support the rehabilitation and/or redevelopment of underutilized commercially zoned areas in the City where traditional business district is inappropriate or unsuccessful". Further, retail and manufacturing uses are not permitted in the Transitional (T) districts.



Property Analysis

Land Description and Analysis

Land Description		
Land Area	18.1780 acres; 791,834 SF	
Source of Land Area	Public Records	
Primary Street Frontage	North James McGee Boulevard - 1,050 feet	
Shape	Irregular	
Corner	Yes	
Topography	Generally level and at street grade	
Drainage	No problems reported or observed	
Environmental Hazards	None reported or observed	
Ground Stability	No problems reported or observed	
Flood Area Panel Number	39113C0144E	
Date	January 6, 2005	
Zone	X	
Description	Outside of 500-year floodplain	
Insurance Required?	No	
Zoning; Other Regulations		
Zoning Jurisdiction	City of Dayton	
Zoning Designation	ER-4 & T	
Description	Eclectic Residential and Transitional District	
Legally Conforming?	Appears to be legally conforming	
Zoning Change Likely?	No	
Permitted Uses	Single-family and two-family dwellings, family daycare homes for 1-6 children, residential facilities for up to 8 persons and park/playgrounds (ER-4). Single-family, two-family and multi-family dwellings; adult care facilities for 3-5 persons; libraries; churches; schools; administrative and professional offices as well as funeral homes (T).	
Utilities		
Service	Provider	Adequacy
Water	City of Dayton	Adequate
Sewer	City of Dayton	Adequate
Electricity	Dayton Power & Light	Adequate
Natural Gas	Vectren	Adequate
Local Phone	Spectrum	Adequate

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance with zoning is required.

Easements, Encroachments and Restrictions

We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Land Analysis

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. We have estimated the underlying land area for the improvements to be approximately 2.000 Acres, which has



been calculated based on comparable floor area ratios of similar uses. The remainder of the site of 16.178 Acres is concluded to be excess land and will be added to the value conclusion of the improvements and underlying 2.000 Acre site in the sales comparison approach. We have also included a land value on the entire 18.178 Acre site (As If Vacant) to test the highest and best use of the site, which will be further discussed in the cost approach. We are not aware of any other particular restrictions on development.



GIS Map



Improvements Description and Analysis

The subject is an existing special purpose - former public school property containing 41,721 square feet of gross building area. The improvements were constructed in 1968 and are 100% vacant as of the effective appraisal date. Besides the Former Gardendale School, the Dayton Public Schools Service Building is also located in the site. Since the Service Building is not part of the Scope of the valuation assignment, a total of 4.95 acres or 215,622 square feet has been excluded from the total site area. The resulting site area is 18.178 acres or 791,834 square feet. The underlying main site includes an estimated 2.000 Acres with approximately 16.178 Acres of Excess Land. The subject was occupied by the Gardendale Academy until 2015. The school premises have remained vacant since that time.

Improvements Description	
Name of Property	Former Gardendale School
General Property Type	Special Purpose - Former Public School
Property Sub Type	School/University
Competitive Property Class	C
Occupancy Type	Owner Occupied
Number of Buildings	1
Stories	1
Construction Class	C
Construction Type	Masonry
Construction Quality	Average
Condition	Average
Gross Building Area (SF)	41,721
Land Area (SF)	87,120
Floor Area Ratio (GBA/Land SF)	0.48
Building Area Source	Public Records
Year Built	1968
Year Renovated	N/A
Actual Age (Yrs.)	50
Estimated Effective Age (Yrs.)	35
Estimated Economic Life (Yrs.)	45
Remaining Economic Life (Yrs.)	10
Number of Parking Spaces	50
Source of Parking Count	Inspection
Parking Type	Surface
Parking Spaces/1,000 SF GBA	1.20



Construction Details	
Foundation	Poured Concrete
Basement	Yes
Structural Frame	Steel
Exterior Walls	Brick
Windows	Metal Frame
Roof	Flat - Rubber Membrane
Clear Height in Feet	8-22'
Interior Finishes	
Floors	Carpet, Hardwood Floors, Ceramic Tile, Vinyl Tile, Concrete
Walls	Painted Drywall, Wood Paneling, Ceramic Tile, Concrete Block
Ceilings	Acoustic Tile, Painted Drywall, Corrugated Metal
Lighting	Fluorescent Bulb, Incandescent
HVAC	Wall mounted
Electrical	Standard
Plumbing	Restrooms, Kitchen
Heating	Wall Units
Air Conditioning	Forced Air
Elevators	None
Rest Rooms	Standard
Sprinklers	None
Other Fire Safety	N/A
Landscaping	Minimal
No. of Customer Parking Spaces	50
Gates/Fencing	Yes, metal
Paving	Asphalt

Improvements Analysis

Quality and Condition

The quality and condition of the subject is considered to be inferior to that of competing properties. Outdated improvements and the lack of the functional needs of today's educational system places the subject on an inferior position.

Functional Utility

The improvements appear to be somewhat suited to their current use. No major items of functional obsolescence were seen during the inspection.

Deferred Maintenance

Minor deferred maintenance is identified based on our inspection. Some of the deferred maintenance items include: missing acoustic ceiling panels, leaking faucets and an outdated HVAC system.



ADA Compliance

Based on our inspection and information provided, we are not aware of any ADA issues. However, we are not expert in ADA matters, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

Hazardous Substances

An environmental assessment report was not provided for review and environmental issues are beyond our scope of expertise. No hazardous substances were observed during our inspection of the improvements; however, we are not qualified to detect such substances. Unless otherwise stated, we assume no hazardous conditions exist on or near the subject.

Personal Property

No personal property items were observed that would have any material contribution to market value.

Conclusion of Improvements Analysis

In comparison to other competitive properties in the region, the subject improvements are rated as follows:

Improvements Ratings	
Visibility/Exposure	Average
Design and Appearance	Average
Age/Condition	Average
% Sprinklered	Below Average
Interior Amenities	Below Average
Floor to ceiling heights	Average
Elevators	Below Average
Parking Ratios	Below Average
Distance of Parking to Building Access	Average
Landscaping	Below Average

Overall, the quality, condition, and functional utility of the improvements are below average for their age and location. The improvements were built in the late 1900s but are in need of upgrades for today's educational system.





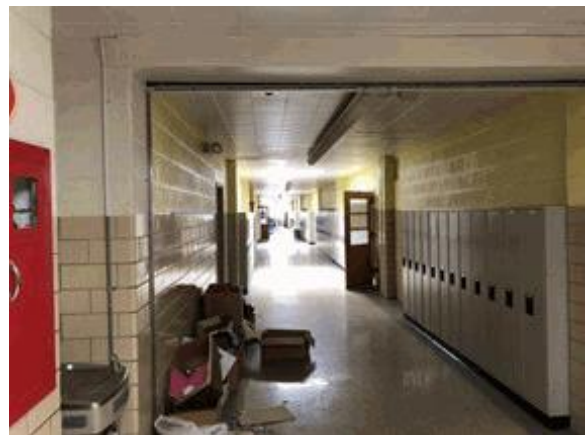
Subject Entrance



Subject Interior - Hallway



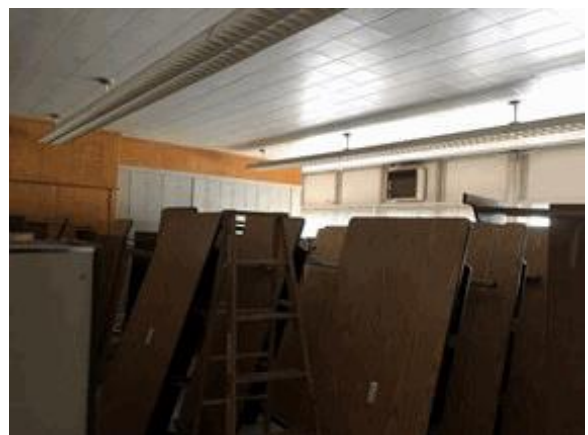
Subject Interior - Classroom Area



Subject Interior - Hallway



Subject Interior - Hallway



Subject Interior - Classroom Area



Subject Electrical Panel



Subject Interior – Classroom Area



Subject Interior – Restroom Area



Subject Interior – Classroom Area



Subject Interior – Classroom Area



Subject Interior – Gymnasium



Subject Interior – Gymnasium



Subject Interior – Gymnasium



Subject Interior



Subject Interior – Gymnasium Restroom Area



Subject Interior – Gymnasium Restroom Area



Subject Interior – Gymnasium Shower Area



Subject Interior - Hallway



Subject Interior - Hallway



Subject Interior - Classroom Area



Subject Southern Outdoor Area



Subject Southern Outdoor Area



Subject Southern Outdoor Area



Subject Basement –Hot Water Boiler



Subject Mechanical Room



Subject Mechanical Room



Western Elevation



Western Elevation



Facing West From North James McGee Boulevard Entrance



Western Elevation



Western & Northern Elevations



Facing East From Subject Parking Lot



Subject Outdoor Area



Eastern & Northern Elevations



Subject Access From North James McGee Boulevard

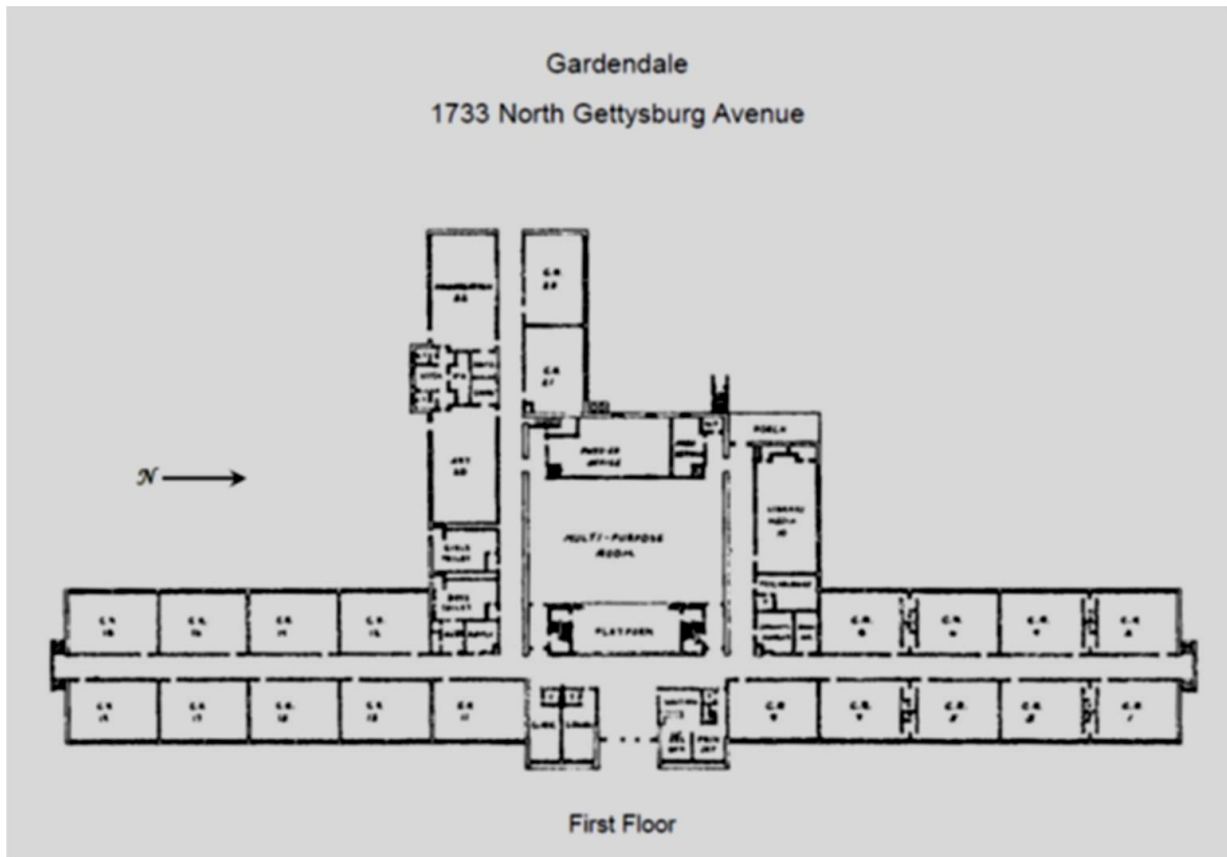


Facing East Along North James McGee Boulevard



Facing West Along North James McGee Boulevard

Floor Plan – First Floor



Real Estate Taxes

Real Estate taxes in Ohio are based upon assessed value, which is meant to represent 35% of true value, that to be somewhat synonymous with market value as determined by the County Auditor. The gross tax rate is expressed in millage, and then is subject to different reduction factors to arrive at an effective tax rate. Real estate taxes and assessments for the current tax year are shown in the following table:

Taxes and Assessments - 2017							
Tax ID	Assessed Value			Taxes and Assessments			
	Land	Improvements	Total	Ad Valorem Tax Rate	Taxes	Direct Assessments	Total
R72 17405 0001	\$93,299	\$231,690	\$324,988	10.979000%	\$0	\$4,964	\$4,964
R72 15705 0004	\$15,160	\$0	\$15,160	10.979000%	\$0	\$25	\$25
	\$108,459	\$231,690	\$340,148		\$0	\$4,989	\$4,989

The local assessor's methodology for valuation is typically based upon cost or sales. The property is assessed on a fee simple basis. The assessed value and assessments have been estimated on the allocation of land area for the underlying site and its excess land as well as building area versus that which is attributable to the Dayton Public Schools Service Building

The subject is owned by the Dayton Board of Education, therefore, the property is exempt from real estate taxes. While the subject property is exempt from paying real estate taxes, it is still subject to special assessments.

The table below demonstrates the current market value assessment by the County Auditor:

Assessor's Market Value			
Tax ID	Land	Improvements	Total
R72 17405 0001	\$266,566	\$661,973	\$928,539
R72 15705 0004	\$43,300	\$0	\$43,300
	\$309,866	\$661,973	\$971,839

Delinquency

According to the local tax assessor/collector/treasurer, there are no reported delinquent taxes for the subject.

Subject Tax Conclusion

Based on the concluded market value for the subject, the assessed value appears market supported. The subject property is appropriately assessed based on this appraisal.



Ad Valorem Tax Analysis		
	Subject 2017	Conclusion
Primary Tax ID Number	R72 17405 0001	R72 17405 0001
Total Assessed Value	\$340,148	\$339,500
Assessed Value/SF	8.15292318	8.137388845
Special Assessments	\$6,475	\$4,989
Tax Rate	\$.00 / \$1,000	\$109.79 / \$1,000
Actual / Pro Forma Taxes	\$6,475	\$42,262
Noted Tax Delinquencies	None Reported	None Reported
Tax Exemptions or Abatements	Exempt	Exempt

Although the property is currently tax exempt, a potential buyer is likely not to receive the exemption. Therefore, the estimated taxes based on the Market Value determined in the sales comparison approach has been included within the table above to properly reflect the actions of the marketplace.



Highest and Best Use

As Vacant

The site is zoned ER-4 & T, Eclectic Residential and Transitional District. Permitted uses include single-family and two-family dwellings, family daycare homes for 1-6 children, residential facilities for up to 8 persons and park/playgrounds (ER-4). Single-family, two-family and multi-family dwellings; adult care facilities for 3-5 persons; libraries; churches; schools; administrative and professional offices as well as funeral homes (T). . To our knowledge, there are no other legal restrictions such as easements or deed restrictions that would effectively limit the use of the property.

The subject site contains 791,834 square feet or 18.1780 acres and is adequately served by utilities, has an adequate shape and size, sufficient access, etc., to be a separately developable site. The subject site would support a site layout for any of the legally probable uses, which include multifamily residential use and other similar uses. There are no known physical reasons why the subject site would not support any of these legally probable developments.

The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally permissible and physically possible land uses versus the cost to create the uses. As discussed in the Market Analysis section of this report:

- The subject's immediate trade area is showing low vacancy rates
- There has been little or no new development
- Given these factors, it appears that multifamily residential use would have a value commensurate with its cost

Based on our analysis of the market, there is currently adequate demand for residential uses in the subject's area. It appears that a multifamily residential use on the site would have a value commensurate with its cost. Therefore, multifamily residential use is considered to be financially feasible.

The final test of highest and best use of the site as though vacant is that the use be maximally productive, yielding the highest returns to the land. In the case of the subject as if vacant, the analysis has indicated that development of the site for multifamily residential use would be most appropriate.

Based on the preceding analysis and upon information and analysis contained in the area, neighborhood, and market analyses, the highest and best use as vacant would be multifamily residential use. Although a portion of the site is zoned ER-4 allowing only for single and two family residential use and given the intention of the Transitional zoning designation, a variance would be likely granted for multi-family residential use in the overall site. Sufficient demand exists for development to occur in the near term. Our analysis of the subject and market yields the conclusion that the most likely buyer, as if vacant, would be an investor (land speculation) or developer.



As Improved

Legally Permissible

The subject site is improved with a school property, which is consistent with the legal restrictions of the site. The improvements are outdated and currently do not meet the market's expectations for a school property.

Financially Feasible

The financial feasibility for a school property is limited, based on the amount of rent that can be generated, less operating expenses required to generate that income. Further, the value of the property as improved exceeds the underlying land value minus demolition cost, implying that removal of the improvements and redevelopment of the site is not indicated.

Based on this analysis, the highest and best use of the subject property as improved is for the improvements to remain and likely be repositioned, and the excess land be marketed for sale. Other alternative uses would include residential multi-family or office uses which would produce a higher net income and/or value over time than the current use. Although conversion of the subject's improvements to an alternative use would not be cost effective due to the extensive need of repairs and updates, it would still be more financially feasible than razing the improvements and market the site as vacant land.



Valuation

Land Valuation

To develop an opinion of the subject's land value, as if vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties.

As previously discussed, the subject property includes excess land. We have estimated the underlying land area for the improvements to be approximately 2.000 Acres, which has been calculated based on comparable floor area ratios of similar uses. The remainder of the site of 16.178 Acres is concluded to be excess land and will be added to the value conclusion of the improvements and underlying 2.000 Acre site in the sales comparison approach.

The following valuation includes two analyses with one determining the land value for the total 18.178 Acre site in order to properly test the highest and best use of the property, as it is improved, within the cost approach. The second analysis will determine the land value for the 16.178 Acres of excess land, which will be applied to the concluded value in the sales comparison approach for the improved property and its 2.000 Acre underlying site. Due to both the overall site and the excess land being of similar sizes, the same set of sale comparables has been utilized.

Our search for comparable sales focused on transactions within the following parameters:

- Location: Dayton MSA
- Size: 1 Acre to 15 Acres
- Use: Residential – Multi-Family
- Transaction Date: January 1, 2015 to current

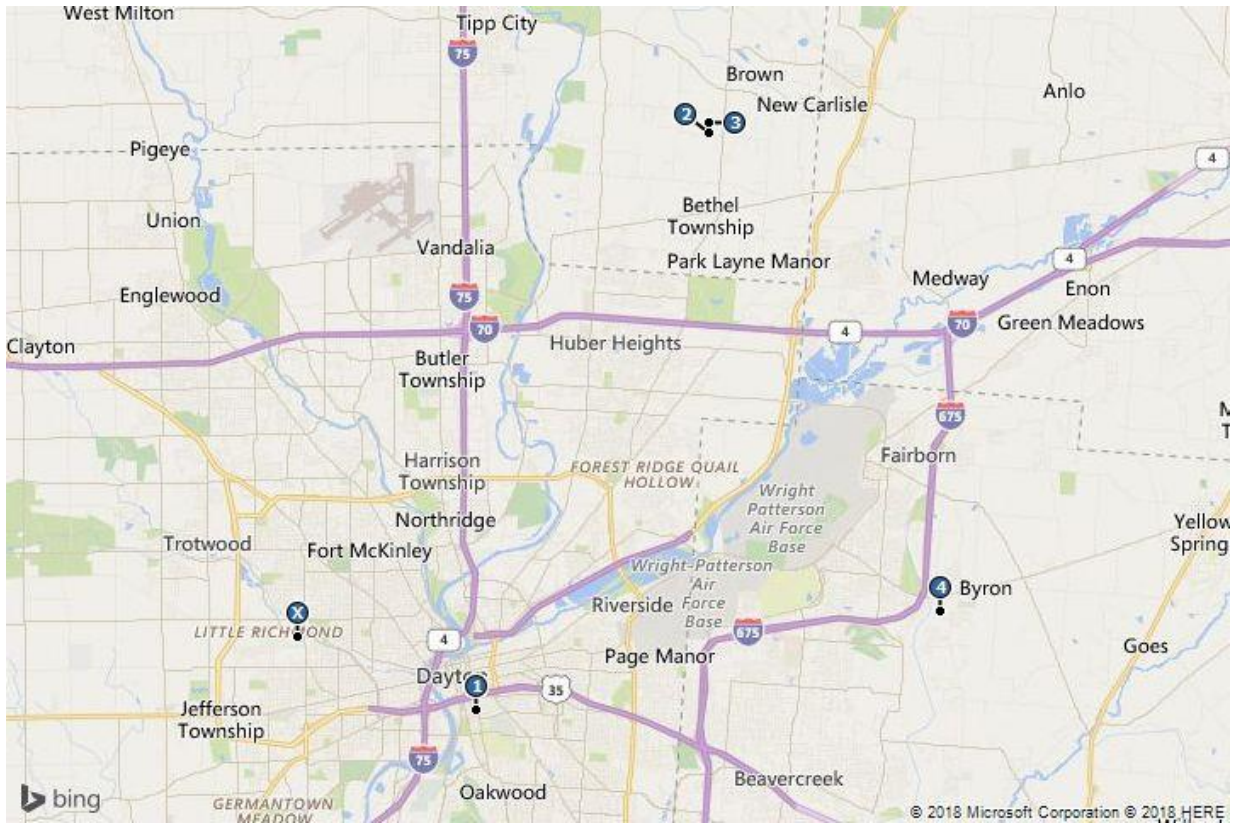
For this analysis, we use price per acre as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.



Summary of Comparable Land Sales							
No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Zoning	\$/SF Land	\$/Acre
1	Warren Street Vacant Land 512 Warren St. Dayton Montgomery County OH <i>Comments: This property sold in December 2016 for \$100,000 (\$75,358/Acre). The buyer planned to build a 4-story apartment complex: The Flats at South Park. The proposed 43 unit building is planned to include studios, one and two bedroom apartments.</i>	Dec-16 Recorded	\$100,000	57,804 1.33	Mature Neighborhood Commercial District	\$1.73	\$75,358
2	The Harrison Apartments Multi-Family Land 3044 Burgoyne Ct. Tipp City Miami County OH <i>Comments: This comparable land sale represents a multi-family land tract within the Carriage Trails PUD on the northern edge of Huber Heights within the Dayton MSA. The buyer represents an entity of Redwood Living. Subsequent to sale, the buyer had the approval to construct a series of attached ranch buildings with each unit having an attached two-car garage with a typical unit size of approximately 1,400 square feet.</i>	Jun-15 Recorded	\$1,056,000	559,223 12.84	Planned Unit Development	\$1.89	\$82,256
3	Waterstone at Carriage Trails Multi-Family Land 1998 Persimmon Way Tipp City Miami County OH <i>Comments: This multi-family land comparable is located within the Carriage Trails master-planned residential community on the northern fringes of Huber Heights within the Dayton MSA. The site is located within a section of the development that was approved for most of the community's higher density residential units. The site has since been developed into the suburban-style Waterstone at Carriage Trails apartment development.</i>	Jan-16 Recorded	\$768,000	619,293 14.22	Planned Unit Development	\$1.24	\$54,020
4	Fairfield Oakes Multi-Family Land 1612 Valley Oak Ln. Fairborn Greene County OH Tax ID: A02000200350011800 Grantor: Trebein Road LLC Grantee: Fairfield Oakes LLC <i>Comments: This multi-family comparable land site is located on the southeastern edge of the suburb of Fairborn within the Dayton MSA. The site is located at the southwest corner of Commerce Center Blvd. and Trebein Rd. and was purchased by an entity of Redwood Living. The site has since been developed into 17 ranch-style buildings totaling 104 units. The units average approximately 1,400 square feet in size with each unit including an attached two-car garage.</i>	Mar-15 Recorded	\$821,800	715,917 16.44	Planned Development	\$1.15	\$50,002
Subject Former Gardendale School Dayton, OH				791,834 18.18	Eclectic Residential and Transitional		



Comparable Land Sales Map





Sale 1
The Flats at South Park Multi-Family Site



Sale 2
The Harrison Multi Family Site



Sale 3
Waterstone at Carriage Trails Multi-Family Land



Sale 4
Fairfield Oakes Multi-Family Land

Analysis and Adjustment of Sales – Total Site

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factor	Accounts For	Comments
Effective Sale Price	Atypical economics of a transaction, such as demolition cost or expenditures by buyer at time of purchase.	No adjustments deemed necessary.
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	No adjustments deemed necessary.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	No adjustments deemed necessary.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	No adjustments deemed necessary.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	Sale Comparable 2 was considered to have transferred in a time inferior to the effective date of the appraisal and has been adjusted upward to account for the difference. Sale Comparable 4 was considered to have transferred in a time inferior to the effective date of the appraisal and has been adjusted upward to account for the difference.
Location	Market or submarket area influences on sale price; surrounding land use influences.	Sale Comparable 1 has been adjusted downward due to superior demographic characteristics in comparison to the subject property. Sale Comparable 2 has been adjusted downward due to superior demographic characteristics in comparison to the subject property. Sale Comparable 3 has been adjusted downward due to superior demographic characteristics in comparison to the subject property. Sale Comparable 4 has been adjusted downward due to superior demographic characteristics in



Adjustment Factor	Accounts For	Comments
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	comparison to the subject property. Sale Comparable 1 has been adjusted downward due to having superior exposure in comparison to the subject property. Sale Comparable 4 has been adjusted downward due to having superior exposure in comparison to the subject property.
Size	Inverse relationship that often exists between parcel size and unit value.	Sale Comparable 1 has been adjusted downward due to its smaller size in comparison to the subject property. Sale Comparable 2 has been adjusted downward due to its smaller size in comparison to the subject property. Sale Comparable 3 has been adjusted downward due to its smaller size in comparison to the subject property. Sale Comparable 4 has been adjusted slightly downward due to its smaller size in comparison to the subject property.
Shape Topography	and Primary physical factors that affect the utility of a site for its highest and best use.	No adjustments deemed necessary.
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.	No adjustments deemed necessary.
Entitlements	The specific level of governmental approvals attained pertaining to development of a site.	No adjustments deemed necessary.



The following table summarizes the adjustments we make to each sale.

Total Site Area

Land Sales Adjustment Grid - Total Site					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Former Gardendale School	Warren Street Vacant Land	The Harrison Apartments Multi-Family Land	Waterstone at Carriage Trails Multi-Family Land	Fairfield Oakes Multi-Family Land
Address	1733 N. Gettysburg Ave.	512 Warren St.	3044 Burgoyne Ct.	1998 Persimmon Way	1612 Valley Oak Ln.
City	Dayton	Dayton	Tipp City	Tipp City	Fairborn
County	Montgomery	Montgomery	Miami	Miami	Greene
State	Ohio	OH	OH	OH	OH
Sale Date		Dec-16	Jun-15	Jan-16	Mar-15
Sale Status		Recorded	Recorded	Recorded	Recorded
Sale Price		\$100,000	\$1,056,000	\$768,000	\$821,800
Square Feet	791,834	57,804	559,223	619,293	715,917
Acres	18.1780	1.3270	12.8380	14.2170	16.4352
Grantor	—	Miami Valley Hospital	Dec Land Co I, LLC	Dec Land Co. I, LLC	Trebein Road LLC
Grantee	—	The Flats at South Park I, LLC	Harrison One LLC	Waterstone at Carriage Trails LLC	Fairfield Oakes LLC
Land Acres	18.18	1.33	12.84	14.22	16.44
Land SF	791,834	57,804	559,223	619,293	715,917
Zoning Code	ER-4 & T	MNC	PUD	PUD	PD-1
Proposed Use Description	—	Residential - Multi-Family	Residential - Multi-Family	Residential - Multi-Family	Residential - Multi-Family
Price per Acre		\$75,358	\$82,256	\$54,020	\$50,002
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		—	—	—	—
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		—	—	—	—
Conditions of Sale		—	—	—	—
% Adjustment		—	—	—	—
Market Conditions	2/6/2018	Dec-16	Jun-15	Jan-16	Mar-15
Annual % Adjustment	2.5%	—	2.5%	—	2.5%
Cumulative Adjusted Price		\$75,358	\$84,312	\$54,020	\$51,252
Location		-10.0%	-15.0%	-15.0%	-5.0%
Access/Exposure		-5.0%	—	—	-5.0%
Size		-12.5%	-5.0%	-5.0%	-2.5%
Shape and Topography		—	—	—	—
Zoning		—	—	—	—
Entitlements		—	—	—	—
Net \$ Adjustment		-\$20,723	-\$16,862	-\$10,804	-\$6,407
Net % Adjustment		-27.5%	-20.0%	-20.0%	-12.5%
Final Adjusted Price		\$54,635	\$67,450	\$43,216	\$44,846
Overall Adjustment		-27.5%	-18.0%	-20.0%	-10.3%
Range of Adjusted Prices		\$43,216 - \$67,450			
Average		\$52,537			
Indicated Value		\$50,000			



Land Value Conclusion – Total Site Area

Prior to adjustment, the sales reflect a range of \$50,002 - \$82,256 per acre. After adjustment, the range is narrowed to \$43,216 - \$67,450 per acre, with an average of \$52,537 per acre. We give greatest weight to sales 1 and 3, and arrive at a land value conclusion as follows:

Land Value Conclusion - Entire Site	
Indicated Value per Acre	\$50,000
Subject Acres	18.1780
Indicated Value	\$908,900
Rounded	\$900,000



Analysis and Adjustment of Sales – Excess Land Only

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factor	Accounts For	Comments
Effective Sale Price	Atypical economics of a transaction, such as demolition cost or expenditures by buyer at time of purchase.	No adjustments deemed necessary.
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	No adjustments deemed necessary.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	No adjustments deemed necessary.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	No adjustments deemed necessary.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	Sale Comparable 2 was considered to have transferred in a time inferior to the effective date of the appraisal and has been adjusted upward to account for the difference. Sale Comparable 4 was considered to have transferred in a time inferior to the effective date of the appraisal and has been adjusted upward to account for the difference.
Location	Market or submarket area influences on sale price; surrounding land use influences.	Sale Comparable 1 has been adjusted downward due to superior demographic characteristics in comparison to the subject property. Sale Comparable 2 has been adjusted downward due to superior demographic characteristics in comparison to the subject property. Sale Comparable 3 has been adjusted downward due to superior demographic characteristics in comparison to the subject property. Sale Comparable 4 has been adjusted downward due to superior demographic characteristics in comparison to the subject property.



Adjustment Factor	Accounts For	Comments
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	Sale Comparable 1 has been adjusted downward due to having superior exposure in comparison to the subject property. Sale Comparable 4 has been adjusted downward due to having superior exposure in comparison to the subject property.
Size	Inverse relationship that often exists between parcel size and unit value.	Sale Comparable 1 has been adjusted downward due to its smaller size in comparison to the subject property. Sale Comparable 2 has been adjusted downward due to its smaller size in comparison to the subject property. Sale Comparable 3 has been adjusted downward due to its smaller size in comparison to the subject property.
Shape Topography	and Primary physical factors that affect the utility of a site for its highest and best use.	No adjustments deemed necessary.
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.	No adjustments deemed necessary.
Entitlements	The specific level of governmental approvals attained pertaining to development of a site.	No adjustments deemed necessary.



The following table summarizes the adjustments we make to each sale.

Excess Land Area

Land Sales Adjustment Grid - Excess Land					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Former Gardendale School	Warren Street Vacant Land	The Harrison Apartments Multi-Family Land	Waterstone at Carriage Trails Multi-Family Land	Fairfield Oakes Multi-Family Land
Address	1733 N. Gettysburg Ave.	512 Warren St.	3044 Burgoyne Ct.	1998 Persimmon Way	1612 Valley Oak Ln.
City	Dayton	Dayton	Tipp City	Tipp City	Fairborn
County	Montgomery	Montgomery	Miami	Miami	Greene
State	Ohio	OH	OH	OH	OH
Sale Date		Dec-16	Jun-15	Jan-16	Mar-15
Sale Status		Recorded	Recorded	Recorded	Recorded
Sale Price		\$100,000	\$1,056,000	\$768,000	\$821,800
Square Feet	704,714	57,804	559,223	619,293	715,917
Acres	16.1780	1.3270	12.8380	14.2170	16.4352
Grantor	—	Miami Valley Hospital	Dec Land Co I, LLC	Dec Land Co. I, LLC	Trebein Road LLC
Grantee	—	The Flats at South Park I, LLC	Harrison One LLC	Waterstone at Carriage Trails LLC	Fairfield Oakes LLC
Land Acres	16.18	1.33	12.84	14.22	16.44
Land SF	704,714	57,804	559,223	619,293	715,917
Zoning Code	ER-4 & T	MNC	PUD	PUD	PD-1
Proposed Use Description	—	Residential - Multi-Family	Residential - Multi-Family	Residential - Multi-Family	Residential - Multi-Family
Price per Acre		\$75,358	\$82,256	\$54,020	\$50,002
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		—	—	—	—
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		—	—	—	—
Conditions of Sale		—	—	—	—
% Adjustment		—	—	—	—
Market Conditions	2/6/2018	Dec-16	Jun-15	Jan-16	Mar-15
Annual % Adjustment	2.5%	—	2.5%	—	2.5%
Cumulative Adjusted Price		\$75,358	\$84,312	\$54,020	\$51,252
Location		-10.0%	-15.0%	-15.0%	-5.0%
Access/Exposure		-5.0%	—	—	-5.0%
Size		-10.0%	-2.5%	-2.5%	—
Shape and Topography		—	—	—	—
Zoning		—	—	—	—
Entitlements		—	—	—	—
Net \$ Adjustment		-\$18,839	-\$14,755	-\$9,453	-\$5,125
Net % Adjustment		-25.0%	-17.5%	-17.5%	-10.0%
Final Adjusted Price		\$56,518	\$69,558	\$44,566	\$46,127
Overall Adjustment		-25.0%	-15.4%	-17.5%	-7.8%
Range of Adjusted Prices		\$44,566 - \$69,558			
Average		\$54,192			
Indicated Value		\$50,000			



Land Value Conclusion – Excess Land

Prior to adjustment, the sales reflect a range of \$50,002 - \$82,256 per acre. After adjustment, the range is narrowed to \$43,216 - \$67,450 per acre, with an average of \$52,537 per acre. We give greatest weight to sales 1 and 3, and arrive at a land value conclusion as follows:

Land Value Conclusion - Excess Land	
Indicated Value per Acre	\$50,000
Subject Acres	16.1780
Indicated Value	\$808,900
Rounded	\$800,000



Cost Approach

When we compare the value of the subject improvements, concluded in the sales comparison approach, to the value of the land, we observe that the value of the land is higher. Therefore, we need to determine if the highest and best use of the property is to be vacant or improved. For this purpose, we utilized the cost approach. This method implies that if the improvements were to be removed, an estimate of the demolition costs of the current improvements needs to be determined. On a second step, these demolition costs are subtracted from the land value. Based on the Marshall Valuation Survey, the type of improvements and its adjustments for time and region; we concluded the following demolition cost per square foot of improvements:

Building Improvements - Demolition Costs				
Building 1 Name:	Former Longfellow High School			
MVS Building Type:	High and Alternative Schools	Unit	SF Current Multiplier	1.070
Const Class:	C	Unit Cost	\$5.36 Local Multiplier	0.980
Section/Page	66/11	Other:	\$0.00	
Economic Life	45	Subtotal:	\$5.36 Final Unit Cost	\$5.62
Source: Marshall Valuation Service				

Cost Approach Conclusion

Based on the above estimate, we deducted the demolition cost from the upper and lower range of the land value. The table below summarizes the process.

Value Indication Assuming Demolition			
		Maximum	Minimum
Indicated Land Value (As if Vacant)			
Sale Price (\$/Acre)	18.178	\$60,000	\$40,000
Indicated Land Value (As if Vacant)		\$1,090,680	\$727,120
Less: Indicated Demolition Costs			
\$5.62/SF	41,721	\$234,472	\$234,472
Implied As Is Value		\$856,208	\$492,648

Since the value of the property as vacant is not greater than the value of the improvements, if they were to remain, plus the excess land if it were to be marketed; we can conclude that the existing improvements contribute to the total market value of the subject, over and above the underlying land value less demolition costs.

Based on this analysis, the highest and best use of the subject property as improved is for the improvements to remain and likely be repositioned.



Sales Comparison Approach

The sales comparison approach develops an indication of value by comparing the subject to sales of similar properties. The steps taken to apply this approach are:

- Identify relevant property sales;
- Research, assemble, and verify pertinent data for the most relevant sales;
- Analyze the sales for material differences in comparison to the subject;
- Reconcile the analysis of the sales into a value indication for the subject.

To apply the sales comparison approach, we searched for sale transactions within the following parameters:

- Property Type: Schools Uses
- Location: Dayton, Cincinnati and Columbus MSAs
- Size: 20,000 SF to 125,000 SF
- Transaction Date: January 1, 2015 to current

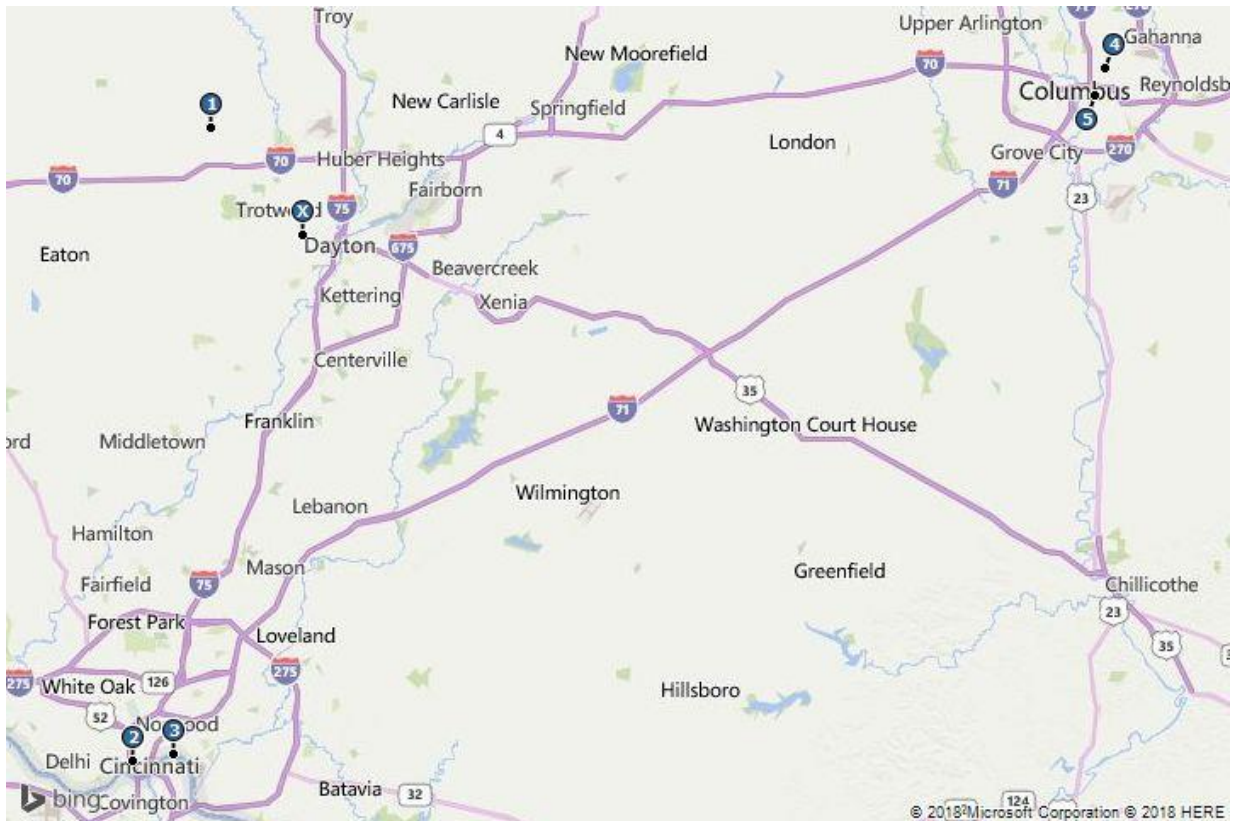
For this analysis, we use price per square foot of rentable area as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.



Summary of Comparable Improved Sales								
No.	Name/Address	Sale Date; Status	Yr. Bld.; # Stories; % Occ.	Acres; FAR; Parking Ratio	Prop Class; Const Type; Prop Rights	Effective Sale Price	Rentable SF	\$/Rentable SF
1	Former Phillipsburg 51 W. Main St. Village of Phillipsburg Montgomery County OH <i>Comments: This former school property sold in April 2017 for \$65,000 (\$2.69/SF). The property was said to be marketed for approximately 8.5 months at an asking price of \$99,900 (\$4.14/SF). The property formerly functioned as the Phillipsburg Elementary school and was purchased by A Critical Path, Inc. The improvements were built in 1920 and sit on 5 acres of land.</i>	Mar-17 Recorded	1920 3 —	5.00 0.11 —	C Masonry Fee Simple	\$65,000	24,142	\$2.69
2	Former Sands 940 Poplar St. Cincinnati Hamilton County OH <i>Comments: This former school property sold in April 2015 for \$150,000 (\$1.39/SF). The property was said to be marketed for approximately 30 months. The property was formerly occupied by the Sands Montessori school until 2002, when it moved to Mount Washington. The property remained vacant until the 2015 sale. The buyer planned to redevelop the site with a senior apartment complex. The project was completed with 65 apartment units which included: studios, 1Bed/1Bath and 2Bed/1Bath units.</i>	Apr-15 Recorded	1913 4 0%	2.37 1.05 —	C Masonry Fee Simple	\$150,000	108,028	\$1.39
3	Former Highlands 2423 Riverside Dr. Cincinnati Hamilton County OH <i>Comments: This former school property sold in May 2016 for \$225,000 (\$5.59/SF). The property was formerly occupied by the Highlands Elementary school. The school occupied the building until 2005 and, since then, the property remained vacant. The buyer planned to redevelop the site with single family residences. The original parcel has been replatted into the Rivers Edge Subdivision which contains eleven 27.33' width lots.</i>	May-16 Recorded	1900 3 0%	1.93 0.48 —	C Masonry Fee Simple	\$225,000	40,230	\$5.59
4	Former Pilgrim 440 Taylor Ave. Columbus Franklin County OH <i>Comments: This former school property sold in March 2016 for \$262,000 (\$4.38/SF). The property was formerly occupied by the East Pilgrim Elementary school. The school opened in 1922 and occupied the building until 2004. Since then, the property remained vacant. Initially, the buyer, a non-profit organization dedicated to create healthy, financially and environmentally sustainable communities, planned to occupy the building. Currently, the owner is considering demolishing the building due to its non-effective renovation costs.</i>	Mar-16 Recorded	1910 2 0%	3.24 0.42 —	C Masonry Fee Simple	\$262,000	59,862	\$4.38
5	Former Heyl Avenue 760 Reinhard Ave. Columbus Franklin County OH <i>Comments: This former elementary school sold in April 2016 for \$300,000 (\$5.56/SF). The property was formerly occupied by the Heyl Avenue elementary school. The school was built in 1910 and remodeled in 1956. The property was vacant at the time of the sale. The buyer planned to demolish the existing improvements and redevelop the site with a three-story building of 58 affordable housing units and four town-home buildings.</i>	Apr-16 Recorded	1910 3 0%	2.45 0.50 —	C Masonry Fee Simple	\$300,000	53,900	\$5.57
	Subject		1968	2.00	C		41,721	
	Former Gardendale		1	0.48	Masonry			
	Dayton, OH		NA	1.20/1,000	Fee Simple			



Comparable Improved Sales Map





Sale 1
Former Phillipsburg Elementary School



Sale 2
Former Sands Montessori School



Sale 3
Former Highlands Elementary School



Sale 4
Former Pilgrim Elementary School



Sale 5
Former Heyl Avenue Elementary School

Former Gardendale School



Analysis and Adjustment of Sales

Adjustment Factor	Accounts For	Comments
Effective Sale Price	Atypical economics of a transaction, such as excess land or non-realty components.	No adjustments deemed necessary.
Real Property Rights	Leased fee, fee simple, leasehold, partial interest, etc.	No adjustments deemed necessary.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	No adjustments deemed necessary.
Conditions of Sale	Extraordinary motivation of buyer or seller.	No adjustments deemed necessary.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	No adjustments deemed necessary.
Location	Market or submarket area influences on sale price; surrounding land use influences.	Sale Comparable 1 has been adjusted upward due to inferior demographics in comparison to the subject. Sale Comparable 3 has been adjusted downward due to its proximity to the Ohio River and its demographic differences. Sale Comparable 4 has been adjusted downward due to superior demographics in comparison to the subject. Sale Comparable 5 has been adjusted downward due to superior demographics in comparison to the subject.



Adjustment Factor	Accounts For	Comments
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	Sale Comparable 1 has been adjusted downward due to having superior exposure in comparison to the subject property. Sale Comparable 2 has been adjusted downward due to having superior exposure in comparison to the subject. Sale Comparable 3 has been adjusted downward due to having superior exposure in comparison to the subject property. Sale Comparable 4 has been adjusted downward due to having superior exposure in comparison to the subject property. Sale Comparable 5 has been adjusted downward due to having superior exposure in comparison to the subject property.
Size	Inverse relationship that often exists between building size and unit value.	Sale Comparable 1 has been adjusted downward due to its smaller size in comparison to the subject property. Sale Comparable 2 has been adjusted upward due to its larger size in comparison to the subject property. Sale Comparable 4 has been adjusted upward due to its larger size in comparison to the subject property. Sale Comparable 5 has been adjusted upward due to its larger size in comparison to the subject property.
Parking	Ratio of parking spaces to building area.	No adjustments deemed necessary.
Building to Land Ratio	Ratio of building area to land area; also known as floor area ratio (FAR).	Sale Comparable 1 has been adjusted downward due to its lower FAR ratio in comparison to the subject property. Sale Comparable 2 has been adjusted upward due to its higher FAR ratio in comparison to the subject property.



Adjustment Factor	Accounts For	Comments
Building Quality	Construction quality, amenities, market appeal, functional utility.	Sale Comparable 1 was adjusted upward as it was considered of lower construction quality in comparison to the subject. Sale Comparable 2 was adjusted upward as it was considered of lower construction quality in comparison to the subject.
Age/Condition	Effective age; physical condition.	Sale Comparable 1 was adjusted upward due to its inferior physical condition in comparison to the subject property. Sale Comparable 2 was adjusted upward due to its inferior physical condition in comparison to the subject property. Sale Comparable 3 was adjusted upward due to its inferior physical condition in comparison to the subject. Sale Comparable 4 was adjusted upward due to its inferior physical condition in comparison to the subject. Sale Comparable 5 was adjusted upward due to its inferior physical condition in comparison to the subject property.
Economic Characteristics	Non-stabilized occupancy, above/below market rents, and other economic factors.	No adjustments deemed necessary.



The following table summarizes the adjustments we make to each sale.

Improved Sales Adjustment Grid						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Property Name	Former Gardendale School	Former Phillipsburg Elementary School	Former Sands Montessori School	Former Highlands Elementary School	Former Pilgrim Elementary School	Former Heyl Avenue Elementary School
Address	1733 N. Gettysburg Ave.	51 W. Main St.	940 Poplar St.	2423 Riverside Dr.	440 Taylor Ave.	760 Reinhard Ave.
City	Dayton	Village of Phillipsburg	Cincinnati	Cincinnati	Columbus	Columbus
County	Montgomery	Montgomery	Hamilton	Hamilton	Franklin	Franklin
State	Ohio	OH	OH	OH	OH	OH
Sale Date		Mar-17	Apr-15	May-16	Mar-16	Apr-16
Sale Status		Recorded	Recorded	Recorded	Recorded	Recorded
Sale Price		\$65,000	\$150,000	\$225,000	\$262,000	\$300,000
Price Adjustment		—	—	—	—	—
Description of Adjustment						
Effective Sale Price		\$65,000	\$150,000	\$225,000	\$262,000	\$300,000
Gross Building Area	41,721	24,142	108,028	40,230	59,862	53,900
Rentable Area	41,721	24,142	108,028	40,230	59,862	53,900
Land Acres	2.00	5.00	2.37	1.93	3.24	2.45
FAR	0.48	0.11	1.05	0.48	0.42	0.50
Year Built	1968	1920	1913	1900	1910	1910
Year Renovated	N/A	—	1979	—	1991	1956
Proposed Use Description	—	N/A	Residential - Senior Apartments	Residential - Single Family	N/A	Residential - Affordable Housing
Price per SF of Rentable Area		\$2.69	\$1.39	\$5.59	\$4.38	\$5.57
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		—	—	—	—	—
Financing Terms		Cash to seller	Cash to seller	Cash to seller -	Cash to seller	Cash to seller
% Adjustment		—	—	—	—	—
Conditions of Sale		None	None	None	None	None
% Adjustment		—	—	—	—	—
Market Conditions	1/1/2017	Mar-17	Apr-15	May-16	Mar-16	Apr-16
Annual % Adjustment		—	—	—	—	—
Cumulative Adjusted Price		\$2.69	\$1.39	\$5.59	\$4.38	\$5.57
Location		15.0%	—	-30.0%	-25.0%	-30.0%
Access/Exposure		-5%	-5.0%	-15.0%	-15.0%	-20.0%
Size		-5.0%	15.0%	—	2.5%	2.5%
Parking		—	—	—	—	—
Building to Land Ratio (FAR)		-10.0%	10.0%	—	—	—
Building Quality		20.0%	10.0%	—	—	—
Age/Condition		25.0%	25.0%	25.0%	20.0%	20.0%
Economic Characteristics		—	—	—	—	—
Net \$ Adjustment		\$1.08	\$0.76	-\$1.12	-\$0.77	-\$1.53
Net % Adjustment		40.0%	55.0%	-20.0%	-17.5%	-27.5%
Final Adjusted Price		\$3.77	\$2.15	\$4.47	\$3.61	\$4.04
Overall Adjustment		40.0%	55.0%	-20.0%	-17.5%	-27.5%
Range of Adjusted Prices		\$2.15 - \$4.47				
Average		\$3.61				
Indicated Value		\$4.00				



Value Indication

Prior to adjustment, the sales reflect a range of \$1.39 - \$5.59 per square foot. After adjustment, the range is narrowed to \$2.15 - \$4.47 per square foot, with an average of \$3.61 per square foot. We give greatest weight to sales 1 and 2, and arrive at a value indication as follows:

Value Indication by Sales Comparison	
Indicated Value per SF	\$4.00
Subject Square Feet	41,721
Indicated Value	\$166,884
Adjustments	
Excess Land	\$800,000
Total Adjustments	\$800,000
Indicated Value	\$966,884
Rounded	\$970,000



Reconciliation and Conclusion of Value

The values indicated by our analyses are as follows:

Summary of Value Indications

Cost Approach	\$675,000
Sales Comparison Approach	\$970,000
Income Capitalization Approach	Not Used
Land Value - Total Site Area	\$900,000
Reconciled	\$970,000

Value Conclusion

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple	February 6, 2018	\$970,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The value conclusions estimated within the scope of this assignment presume that the subject property can be easily subdivided into separate parcels, with each being made available for sale individually. Parcel R72 17405 0001 includes two improvements of which one contains a former public school, the subject of this report, and the other buildings houses the Dayton Public School Services Department and Garage. The scope of this assignment includes appraising the former public school and its underlying site only. We have extraordinarily assumed the two parcels could function independent of one another.
2. The value conclusions estimated within the scope of this assignment are based upon the Extraordinary Assumption that each portion of the subject property will have access to public infrastructure, including streets, sidewalks, and utilities.

The value conclusions are not based on any hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the concluded market value stated previously, it is our opinion that the probable exposure time is 24 or less months.

Marketing Period

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. We estimate the subject's marketing period at 24 or less months.



Assumptions and Limiting Conditions

The Appraisal contained in this Report (herein "Report") is subject to the following assumptions and limiting conditions:

1. Unless otherwise stated in this report, title to the property which is the subject of this report (herein "Property") is assumed to be good and marketable and free and clear of all liens and encumbrances and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. No responsibility is assumed for the legal description, zoning, condition of title or any matters which are legal in nature or otherwise require expertise other than that of a professional real estate appraiser. This report shall not constitute a survey of the Property.
2. Unless otherwise stated in this report, it is assumed: that the improvements on the Property are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the Property and improvements conform to all applicable local, state, and federal laws, codes, ordinances and regulations including environmental laws and regulations. No responsibility is assumed for soil or subsoil conditions or engineering or structural matters. The Property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated. The physical condition of the Property reflected in this report is solely based on a visual inspection as typically conducted by a professional appraiser not someone with engineering expertise. Responsible ownership and competent property management are assumed.
3. Unless otherwise stated in this report, this report did not take into consideration the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances or underground storage tanks, or the cost of encapsulation, removal or remediation thereof. Real estate appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials and substances may adversely affect the value of the Property. Unless otherwise stated in this report, the opinion of value is predicated on the assumption that there is no such material or substances at, on or in the Property.
4. All statements of fact contained in this report as a basis of the analyses, opinions, and conclusions herein are true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to and relies upon the accuracy of information and material furnished by the owner of the Property or owner's representatives and on information and data provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by such members. Such information and data obtained from third party sources are assumed to be reliable and have not been independently verified. No warranty is made as to the accuracy of any



- of such information and data. Any material error in any of the said information or data could have a substantial impact on the conclusions of this Report. The appraiser reserves the right to amend conclusions reported if made aware of any such error.
5. The opinion of value stated in this report is only as of the date of value stated in this report. An appraisal is inherently subjective and the conclusions stated apply only as of said date of value, and no representation is made as to the effect of subsequent events. This report speaks only as of the date hereof.
 6. Any projected cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within this report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of market expectations of future income and expenses. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. There is no warranty or assurances that these forecasts will occur. Projections may be affected by circumstances beyond anyone's knowledge or control. Any income and expense estimates contained in this report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
 7. The analyses contained in this report may necessarily incorporate numerous estimates and assumptions regarding Property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from estimates, and the variations may be material.
 8. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of the estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. In making prospective estimates and forecasts, it is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
 9. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This report shall be considered only in its entirety. No part of this report shall be utilized separately or out of context.
 10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the Firm. Possession of this report, or a copy hereof, does not carry with it the right of publication.



11. Client and any other Intended User identified herein (should consider this report and the opinion of value contained herein as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors. The use of this report and the appraisal contained herein by anyone other than an Intended User identified herein, or for a use other than the Intended Use identified herein, is strictly prohibited. No party other than an Intended User identified herein may rely on this report and the appraisal contained herein.
12. Unless otherwise stated in the agreement to prepare this report, the appraiser shall not be required to participate in or prepare for or attend any judicial, arbitration, or administrative proceedings.
13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. No survey or analysis of the Property has been made in connection with this report to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. No expertise in ADA issues is claimed, and the report renders no opinion regarding the Property's compliance with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
14. Acceptance and/or use of this report constitutes full acceptance of these Assumptions and Limiting Conditions and any others contained in this report, including any Extraordinary Assumptions and Hypothetical Conditions, and is subject to the terms and conditions contained in the agreement to prepare this report and full acceptance of any limitation of liability or claims contained therein.



Addendum A

Appraiser Qualifications



KELLY M. FRIED, MAI

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Years of Experience

17 Years

Areas of Specialization

- ♦ Valuation of Retail, Office, Industrial, Multi-Family, Urban Redevelopment Projects and Mixed-Use Assets for Lending
- ♦ Property Tax Appeal and Expert Witness Testimony

Professional Background

Kelly Fried, MAI, joined Newmark Knight Frank's Valuation & Advisory in 2018 as a senior vice president in the Cincinnati office. As the co-team leader for the Southwest Ohio area, Ms. Fried is responsible for providing outstanding service to clients as well as preparing and reviewing appraisal reports. Since beginning her career in 2001, Ms. Fried has worked with clients on a variety of property types including retail, office, industrial, complex mixed-use developments, urban redevelopment projects, multi-family, medical facilities, land and special-use assets. She has also provided valuation and consulting services on federal and historical tax credits, tax increment financing (TIF) and a variety of tax abatements. Additionally, Ms. Fried has significant experience in litigation assignments, including the preparation of appraisals and providing expert witness testimony. She has also testified as an expert witness in a number of ad valorem tax appeal cases before the Ohio Board of Tax Appeals and before many of Ohio's 88 counties.

Prior to Newmark Knight Frank, Ms. Fried served as a senior vice president for the Gem Real Estate Advisory Group. She rejoined Gem in 2010 after serving with the company from 2001 to 2004. During her first three years with that firm, Ms. Fried provided valuation and consulting services to a broad range of clients and participated as an expert witness in litigation, condemnation and tax appeal cases. From 2004 to 2007, Ms. Fried assisted in the project management and development of the \$45 million Fountain Square redevelopment, the public square in the heart of Downtown Cincinnati, for Cincinnati Center City Development Corp. (3CDC). In addition, she provided financial underwriting, analyses and recommendations to The Cincinnati Equity Fund and the Cincinnati New Markets Fund for downtown and Over-the-Rhine project investments. From 2007 to 2009, Ms. Fried performed financial feasibility analysis and due diligence on potential land developments for a \$70 million private equity development fund of Phillips Edison & Company, a national developer and owner of shopping centers.

Professional Affiliations

- ♦ Director, Ohio Chapter of the Appraisal Institute
- ♦ Member, Urban Land Institute (ULI)
- ♦ Member, Past Presidents Advisory Committee, CREW (Commercial Real Estate Women Network) Greater Cincinnati; president, 2004
- ♦ MAI designation, Appraisal Institute
- ♦ Certified general real estate appraiser, states of Indiana, Kentucky, Ohio and West Virginia



Ms. Fried earned her Master of Business Administration degree in finance and her Bachelor of Business Administration degree in marketing and real estate from the University of Cincinnati. More recently, she has completed the requirements of the Appraisal Institute's continuing education program.

**STATE OF OHIO
DIVISION OF REAL ESTATE
AND PROFESSIONAL LICENSING**

**AN APPRAISER LICENSE/CERTIFICATE
has been issued under ORC Chapter 4763 to:**

NAME: Kelly M Fried
LIC/CERT NUMBER: 2004006077
LIC LEVEL: Certified General Real Estate Appraiser
CURRENT ISSUE DATE: 07/11/2017
EXPIRATION DATE: 08/10/2018
USPAP DUE DATE: 08/10/2018



**Indiana Professional Licensing Agency
402 W. Washington Street, Room W072
Indianapolis, IN 46204**

Kelly M. Fried

CG41600019

has completed all requirements for licensure in Indiana as a

CERTIFIED GENERAL APPRAISER

Expiring

June 30, 2018

To check the current status and expiration date for this license, please visit
<http://mylicense.in.gov/eVerification>

Michael R. Pence
Governor
State of Indiana

Deborah J. Frye
Executive Director
Professional Licensing Agency



<p><i>Certified General Real Property Appraiser</i> <i>License No: 5102</i></p> <p>Kelly M. Fried Gem Real Estate Advisory Group 9349 Water Stone Blvd., Suite 120 Cincinnati, OH 45249</p> <p>This certificate expires on 6/30/2018</p>	<p>Kelly M. Fried <i>has complied with the provisions of Chapter 324A of the Kentucky Revised Statutes IN WITNESS WHEREOF, we have caused the official seal to be affixed and attested for the year: 2017 - 18</i></p>
--	---

Commonwealth of Kentucky
Kentucky Real Estate Appraisers Board

2017 - 18

Hereby grants a

Certified General Real Property Appraiser

To Kelly M. Fried
Gem Real Estate Advisory Group
9349 Water Stone Blvd., Suite 120
Cincinnati, OH 45249

License No **5102**

*who has complied with the provisions of Chapter 324A of the Kentucky Revised Statutes IN
WITNESS WHEREOF, we have caused the official seal to be fixed and attested for the year
shown above.*



*John G. Kenkel, Jr., Chair
Dwain Wheeler, Vice Chair
Russ C. Lohan
Terry L. Bunnell*

This certificate expires 6/30/2018

ILEANA ABOT, GISP, MBA

Analyst, Valuation & Advisory



Newmark Knight Frank
300 E-Business Way
Suite 200
Cincinnati, OH 45241
ileana.abot@ngkf.com
T 513.247.6146
M 513.200.2573

Years of Experience

2.5 Years

Areas of Specialization

- ♦ Valuation of Office, Retail and Industrial Properties
- ♦ Site Selection, Demographic Analysis
- ♦ Location Analytics

Ileana Abot joined Newmark Knight Frank in 2018 and currently serves as an Analyst in the Valuation and Advisory team at the company's Cincinnati office. Ms. Abot is a Registered Real Estate Appraiser Assistant with 2.5-years of experience; a Geographic Information Systems (GIS) Professional with 10-years of experience in the local government GIS industry including planning, design, implementation, and management; and an Architect with 9-years of experience in architecture/civil engineering design and project management.

Ms. Abot joined Newmark Knight Frank after serving as a Commercial Real Estate Appraiser Assistant at Gem Real Estate Advisory Group in Cincinnati, OH. In this capacity, she prepared market value appraisals on commercial, office and retail, as well as industrial real estate assets; prepared written reports; conducted discussions with market participants; and made sales' comparison analyses. In addition, she performed demographic analyses and maintained databases of real estate property leases/sale transactions in the Cincinnati/Dayton/Columbus/Cleveland metropolitan areas. Prior to Gem Real Estate Advisory Group, Ms. Abot served as a GIS Manager for Hamilton County Planning Department where she planned, directed and prepared work programs for the maintenance of the department's GIS mapping systems. Previous work experience includes Dearborn County GIS, Cincinnati Area GIS and OKI Regional Council of Governments.

PROFESSIONAL ACHIEVEMENTS AND AFFILIATIONS:

- ♦ Registered Real Estate Appraiser Assistant in Ohio (#2016003772)
- ♦ Practicing Affiliate, Appraisal Institute
- ♦ Certified GIS Professional, GIS Certification Institute (#58493)
- ♦ Member of the Urban and Regional Information Systems Association (URISA)
- ♦ 2013-2014 Vice Chair of the Cincinnati Area GIS (CAGIS) Technical Advisory Committee
- ♦ 2010-2011 Chair of the Cincinnati Area GIS (CAGIS) Technical Advisory Committee
- ♦ Nominated Hamilton County Employee of the Year – Innovation Category - 2011
- ♦ Master of Business Administration, Xavier University – Pricing Strategy & Business Intelligence
- ♦ Master of Community Planning, University of Cincinnati – Physical Planning & GIS
- ♦ Architect, University of the Republic – Montevideo, Uruguay

**STATE OF OHIO
DIVISION OF REAL ESTATE
AND PROFESSIONAL LICENSING**

**AN APPRAISER LICENSE/CERTIFICATE
has been issued under ORC Chapter 4763 to:**

NAME: Ileana Lorena Abot
LIC/CERT NUMBER: 2016003772
LIC LEVEL: Registered Real Estate Appraiser Assistant
CURRENT ISSUE DATE: 07/12/2017
EXPIRATION DATE: 07/29/2018
USPAP DUE DATE: 07/29/2018

Addendum B

Financials and Property Information



PARID: R72 17405 0001

PARCEL LOCATION: GETTYSBURG AVE

NBHD CODE: C5001000

[Click here to view neighborhood map](#)

Owner

Name

BD OF ED DC SD

Mailing

Name DAYTON BD OF EDUCATION

Mailing Address 115 S LUDLOW ST

City, State, Zip DAYTON, OH 45402

Legal

Legal Description 80887 80890

Land Use Description 174-5-4
E - EXEMPT PROPERTY OWNED BY BD OF EDUC.

Acres 21.488

Deed 01720P00190

Tax District Name DAYTON CITY

Values

	35%	100%
Land	121,230	346,370
Improvements	661,970	1,891,350
CAUV	0	0
Total	783,200	2,237,720

Current Year Special Assessments

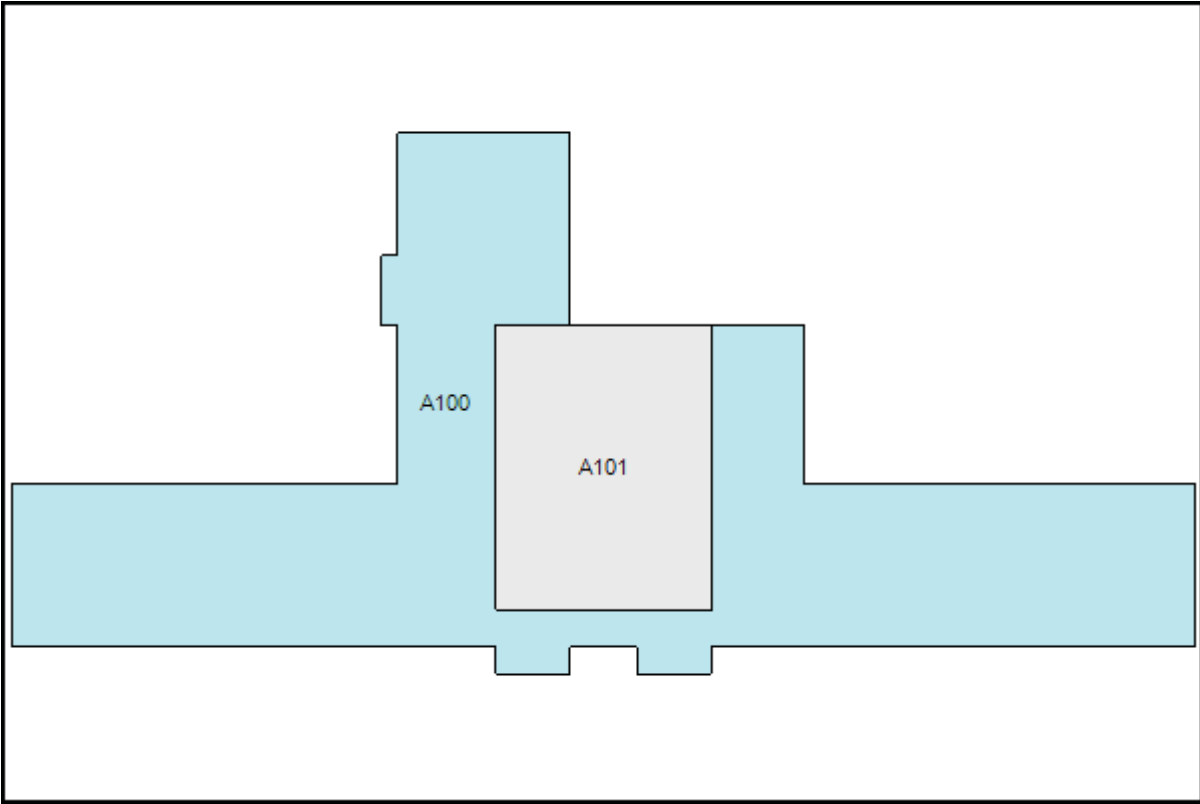
11777-APC FEE	\$5,307.02
31911-DAY LIGHT DISTRICT B	\$1,122.87
41100-MCD/AP MCD/AQUIFER PRES SUBD	\$19.72

Current Year Rollback Summary

Non Business Credit	\$0.00
Owner Occupancy Credit	\$0.00
Homestead	\$0.00
City of Dayton Credit	\$0.00
Reduction Factor	\$0.00

Tax Summary

Year	Prior Year	Prior Year Payments	1st Half Due 2/16/2018	1st Half Payments	2nd Half Due 7/20/2018	2nd Half Payments	Total Currently Due
2017	\$0.00	\$0.00	\$3,796.10	\$0.00	\$2,653.51	\$0.00	\$6,449.61



PARID: R72 17405 0001

PARCEL LOCATION: GETTYSBURG AVE

NBHD CODE: C5001000

Commercial Property Data

Primary Use of Building 398-WAREHOUSE
Year Built 1968
Number of Stories 02
Number of Units
Building Gross Floor Area 75742
Number of Bedrooms

Line	Description	Square Footage	Value
1	MULTI-USE OFFICE	11,432	309,870
2	MULTI-USE OFFICE	11,480	302,730
3	ULTI USE STORAGE	19,599	229,390
4	ULTI USE STORAGE	9,600	22,180
5	ULTI USE STORAGE	19,599	211,180
6	ULTI USE STORAGE	4,032	43,190

Out Building

1 of 5

Improvement SCHOOL
Quantity 1
Size (sq. ft) 33054
Year Built 1957
Grade C
Condition FAIR
Value 571410

Commercial Property Data

Primary Use of Building	398-WAREHOUSE
Year Built	1968
Number of Stories	02
Number of Units	
Building Gross Floor Area	75742
Number of Bedrooms	

Line	Description	Square Footage	Value
1	MULTI-USE OFFICE	11,432	309,870
2	MULTI-USE OFFICE	11,480	302,730
3	ULTI USE STORAGE	19,599	229,390
4	ULTI USE STORAGE	9,600	22,180
5	ULTI USE STORAGE	19,599	211,180
6	ULTI USE STORAGE	4,032	43,190

Out Building

3 of 5

Improvement	SCHOOL GYMNASIUM
Quantity	1
Size (sq. ft)	8667
Year Built	1957
Grade	C
Condition	FAIR
Value	127660

PARID: R72 15705 0004

PARCEL LOCATION: 1733 GETTYSBURG AVE

NBHD CODE: C5000000

[Click here to view neighborhood map](#)

Owner

Name

BD OF ED

Mailing

Name DAYTON BD OF EDUCATION

Mailing Address 115 S LUDLOW ST

City, State, Zip DAYTON, OH 45402

Legal

Legal Description 67647 PT

Land Use Description E - EXEMPT PROPERTY OWNED BY BD OF EDUC.

Acres 1.64

Deed 01720P00190

Tax District Name DAYTON CITY

Values

	35%	100%
Land	15,160	43,300
Improvements	0	0
CAUV	0	0
Total	15,160	43,300

Current Year Special Assessments

31911-DAY LIGHT DISTRICT B	\$24.11
41100-MCD/AP MCD/AQUIFER PRES SUBD	\$1.00

Current Year Rollback Summary

Non Business Credit	\$0.00
Owner Occupancy Credit	\$0.00
Homestead	\$0.00
City of Dayton Credit	\$0.00
Reduction Factor	\$0.00

Tax Summary

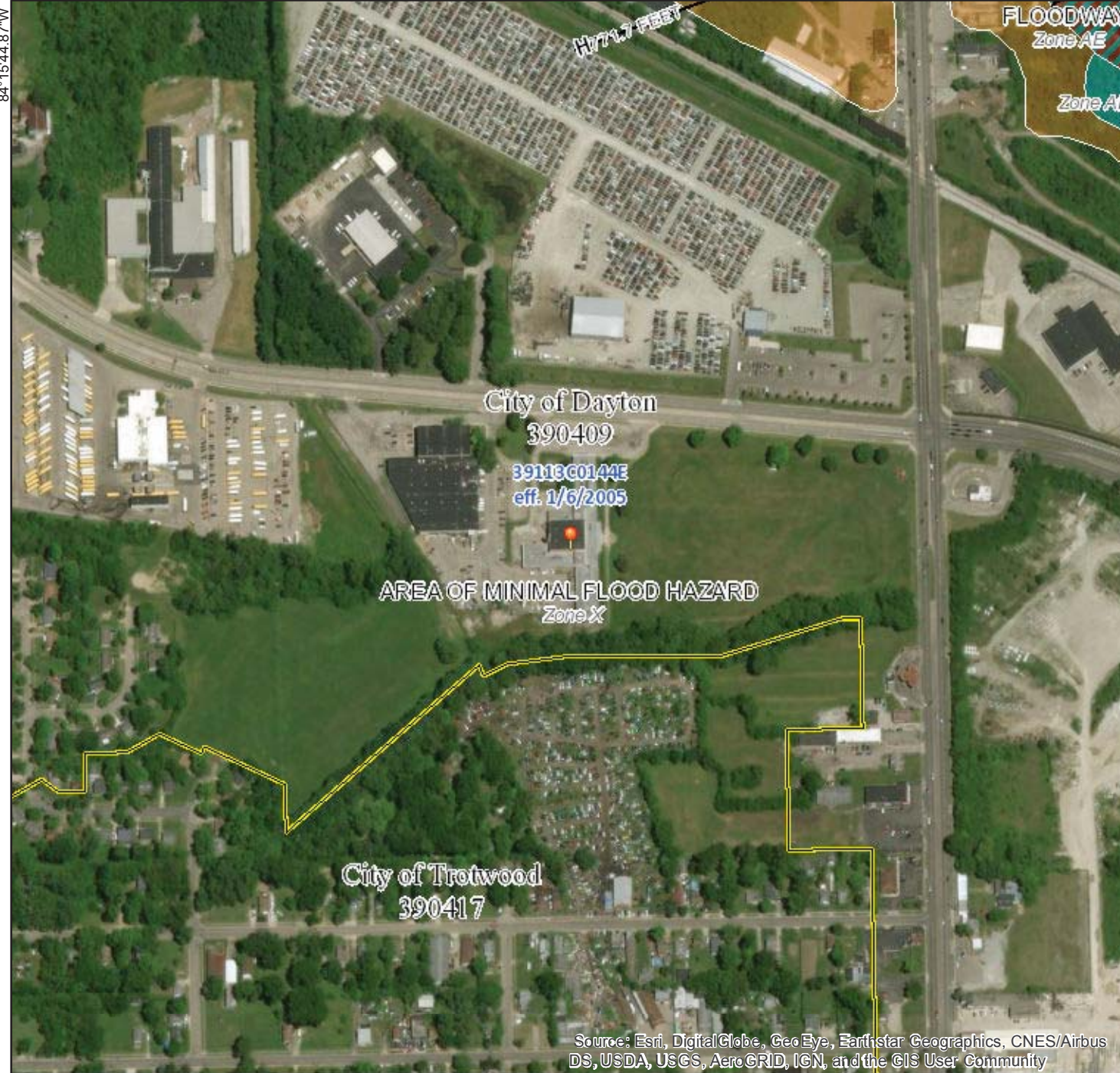
Year	Prior Year	Prior Year Payments	1st Half Due 2/16/2018	1st Half Payments	2nd Half Due 7/20/2018	2nd Half Payments	Total Currently Due
2017	\$0.00	\$0.00	\$25.11	\$0.00	\$0.00	\$0.00	\$25.11

National Flood Hazard Layer FIRMette



FEMA

39°46'31.01"N



0 250 500 1,000 1,500 2,000 Feet 1:6,241.13 39°46'2.25"N

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation (BFE) Zone A, V, A99
		With BFE or Depth
		Regulatory Floodway Zone AE, AO, AH, VE, AR
OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
		Future Conditions 1% Annual Chance Flood Hazard Zone X
		Area with Reduced Flood Risk due to Levee. See Notes. Zone X
		Area with Flood Risk due to Levee Zone D
OTHER AREAS		NO SCREEN Area of Minimal Flood Hazard Zone X
		Effective LOMRs
		Area of Undetermined Flood Hazard Zone D
GENERAL STRUCTURES		Channel, Culvert, or Storm Sewer
		Levee, Dike, or Floodwall
OTHER FEATURES		20.2 Cross Sections with 1% Annual Chance Water Surface Elevation
		17.5 Cross Sections with 1% Annual Chance Water Surface Elevation
		Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
		Jurisdiction Boundary
		Coastal Transect Baseline
MAP PANELS		Digital Data Available
		No Digital Data Available
		Unmapped



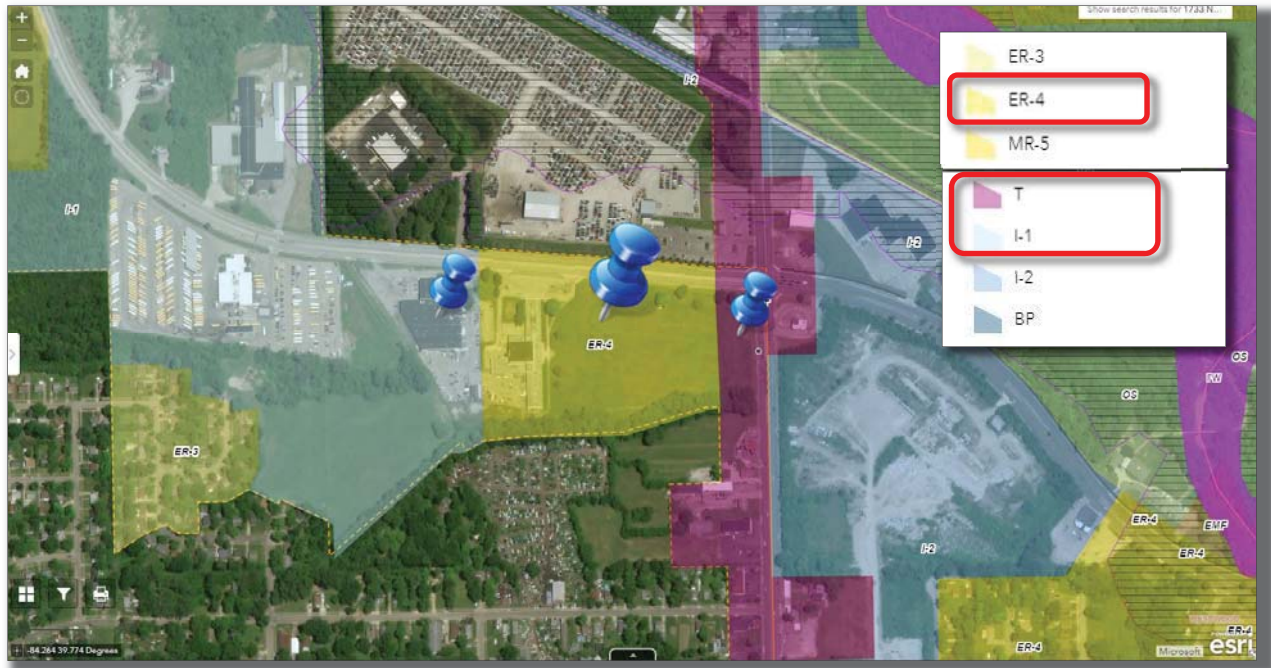
This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The base map shown complies with FEMA's base map accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 3/26/2018 at 1:28:12 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: base map imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

84°15'15.90"W

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



Section 150.305 Single-Family Residential Districts

§150.305.1	Purposes
§150.305.2	Use Regulations
§150.305.3	Lot and Setback Requirements
§150.305.4	Height Regulations
§150.305.5	Accessory Use Regulations
§150.305.6	Residential Contextual Standards
§150.305.7	Supplemental Regulations for Uses
§150.305.8	Projections into Required Setbacks
§150.305.9	Site Design Plan Review

150.305.1 Purposes

Single-family residential districts (SR-1, SR-2, ER-3, ER-4, and MR-5) and their regulations are established in order to achieve the following purposes:

- (A) To provide for orderly growth and development in the City of Dayton.
- (B) To reflect and reinforce desired development patterns in existing neighborhoods while accommodating the need for future growth.
- (C) To preserve the character of unique neighborhoods by creating separate districts with different densities and development standards.
- (D) To regulate the bulk and location of dwellings to maintain privacy, safety and open spaces for each unit appropriate for the various districts.
- (E) To provide for proper location of institutions and other community facilities for the general convenience, safety and amenity of residents.
- (F) To provide assurances to property owners, developers and neighbors about the limits of what is allowed in a residentially zoned area.
- (G) To protect and enhance property values.

To carry out the above purposes and to effectuate the goals and objectives in the City's Comprehensive Plan, it has been determined that the following types of districts are necessary. The specific purposes for these Districts are:

- (A) Suburban Single-Family Residential Districts. To promote, preserve and protect residential neighborhoods that are suburban in character. Suburban areas are typically located at the outer periphery of the city, and were generally developed after 1960. Curvilinear streets, cul-de-sacs and attached garages are common. As set forth in the City's Comprehensive Plan, Suburban residential development will adhere to contemporary standards.

- (B) Eclectic Single-Family Residential Districts. To promote, preserve and protect residential neighborhoods that have characteristics of both the Suburban and Mature districts. Eclectic areas are generally found between the Suburban and Mature areas, with neighborhoods of varying density. As set forth in the City's Comprehensive Plan, Eclectic residential development will match existing predominant development patterns.
- (C) Mature Single-Family Residential Districts. To promote, preserve and protect neighborhoods with traditional urban character. Mature areas are the oldest, close-to-downtown residential areas in the city. Small, dense lots were generally developed before 1920 in a regular grid street pattern. As set forth in the City's Comprehensive Plan, Mature residential development will encourage historic preservation, development similar in character to existing development and well-designed, adaptive reuse of commercial and industrial buildings. (Ord. 30515-05, passed 12-28-05)

150.305.2 Use Regulations.

- (A) Permitted Uses. See sub-section 150.300.2, Use Regulations.
- (B) Schedule 150.305.2 of Permitted Uses. (Ord. 30515-05, passed 12-28-05; amend Ord. 30893-09, passed 7-15-09; amend Ord. 31028-10, passed 10-20-10; amend Ord. 31142-11, passed 12-21-11; amend Ord. 31490-16, passed 5-04-16; amend Ord. 31574-17, passed 7-05-17)

Schedule 150.305.2 Permitted Uses in Single-Family Residential Districts					
	SR-1	SR-2	ER-3	ER-4	MR-5
	Suburban SF Residential	Suburban SF Residential	Eclectic SF Residential	Eclectic SF Residential	Mature SF Residential
(1) Residential					
(a) Single-family dwelling, detached	P	P	P	P	P
(b) Single-family dwelling, detached cluster	PD ¹	PD ¹			
(c) Single-family dwelling, attached	PD ⁷	PD ⁷	C	C	C
(d) Two-family dwelling	PD	PD	P*	P*	P*
(e) Multi-family dwelling					C ²
(f) Family day care home for 1-6 children (type B) See sub-section 150.305.7	P	P	P	P	P
(g) Family day care home for 7-12 children (type A)	C	C	C	C	C

Schedule 150.305.2 Permitted Uses in Single-Family Residential Districts					
	SR-1	SR-2	ER-3	ER-4	MR-5
	Suburban SF Residential	Suburban SF Residential	Eclectic SF Residential	Eclectic SF Residential	Mature SF Residential
(2) Group Residential					
(a) Adult care facility for 3-5 persons	P	P	P	P	P
(b) Residential facility for 5 or fewer persons	P	P	P	P	P
(c) Residential facility for 6-8 persons	P	P	P	P	P
(3) Residential/Work					
(a) Home occupation	A ³	A ³	A ³	A ³	A ³
(b) Live-work unit			C	C	C
(4) Community Facilities/Institutions					
(a) Cemetery	C	C	C	C	C
(b) Church/religious assembly	C	C	C	C	C
(c) Community center	C	C	C	C	C
(d) Library	C	C	C	C	C
(e) Public safety facility	C	C	C	C	C
(f) Utility substation/ distribution facility, indoor	C	C	C	C	C
(g) Utility substation/ distribution facility, outdoor	C	C	C	C	C
(5) Educational Facilities					
(a) Day care center, adult or child	C ¹³	C ¹³	C ¹³	C ¹³	C ¹³
(b) School (public/private), elementary/secondary	C	C	C	C	C
(6) Recreation/Open Space					
(a) Campground	C				
(b) Golf/swim/tennis club	C	C	C	C	C
(c) Park/playground	P	P	P	P	P
(d) Riding stable	C				

Schedule 150.305.2 Permitted Uses in Single-Family Residential Districts					
	SR-1	SR-2	ER-3	ER-4	MR-5
	Suburban SF Residential	Suburban SF Residential	Eclectic SF Residential	Eclectic SF Residential	Mature SF Residential
(7) Office/Professional Services					
(a) Office, administrative/professional			C ²	C ²	C ²
(8) Lodging					
(a) Bed and breakfast	C	C	C	C	C
(9) Other					
(a) Bee keeping	P ¹⁴	P ¹⁴	P ¹⁴	P ¹⁴	P ¹⁴
(b) Community garden	P*	P*	P*	P*	P*
(c) Harvesting	P*	P*	P*	P*	P*
(d) Parking lot, restricted	C	C	C	C	C
(e) Telecommunication facility	See Section 150.600	See Section 150.600	See Section 150.600	See Section 150.600	See Section 150.600
(f) Wall mural	C ¹⁵	C ¹⁵	C ¹⁵	C ¹⁵	C ¹⁵
(10) Accessory Uses					
(a) Accessory buildings	A ⁵	A ⁵	A ⁵	A ⁵	A ⁵
(b) Composting, incidental	A ¹⁶	A ¹⁶	A ¹⁶	A ¹⁶	A ¹⁶
(c) Driveways	A ⁵	A ⁵	A ⁵	A ⁵	A ⁵
(d) Fences, walls	A ⁵	A ⁵	A ⁵	A ⁵	A ⁵
(e) Golf, swim, tennis club, private	A ⁵	A ⁵			
(f) Home occupation	A ³	A ³	A ³	A ³	A ³
(g) Other accessory structures	A ⁵	A ⁵	A ⁵	A ⁵	A ⁵
(h) Private swimming pools	A ⁵	A ⁵	A ⁵	A ⁵	A ⁵
(i) Signs	A ^{5,6}	A ^{5,6}	A ^{5,6}	A ^{5,6}	A ^{5,6}
(j) Solar energy structure	A ⁸	A ⁸	A ⁸	A ⁸	A ⁸
(k) Solar panel, building	A ⁹	A ⁹	A ⁹	A ⁹	A ⁹
(l) Utility box	A ¹⁰	A ¹⁰	A ¹⁰	A ¹⁰	A ¹⁰
(m) Wind turbine	A ¹¹	A ¹¹	A ¹¹	A ¹¹	A ¹¹
(n) Windmill, micro	A ¹²	A ¹²	A ¹²	A ¹²	A ¹²

Schedule 150.305.2 Permitted Uses in Single-Family Residential Districts					
	SR-1	SR-2	ER-3	ER-4	MR-5
	Suburban SF Residential	Suburban SF Residential	Eclectic SF Residential	Eclectic SF Residential	Mature SF Residential
Notes to Schedule 150.305.2: ¹ As further regulated by Section 150.565, Single-family Dwelling, Detached Cluster. ² Shall only be permitted in a non-residentially constructed building existing prior to August 1, 2006. ³ As regulated by Section 150.440, Home Occupation Regulations. ⁴ Reserved. ⁵ See Section 150.305.5, Accessory Use Regulations ⁶ As regulated by Section 150.900, Sign Regulations. ⁷ As further regulated by Section 150.565, Attached Single-family Dwelling ⁸ As further regulated by Section 150.565, Solar energy structure ⁹ As further regulated by Section 150.565, Solar panel, building ¹⁰ As further regulated by Section 150.565, Utility box ¹¹ As further regulated by Section 150.565, Wind turbine ¹² As further regulated by Section 150.565, Windmill, micro ¹³ Shall be considered an accessory use if it serves fewer than thirty (30) children or adults and takes place in a school, community center, or church/religious assembly with a capacity of over 100 persons. The requirements in section 150.565.17 (A) shall also apply. ¹⁴ As further regulated by Section 150.420.1, Bee keeping ¹⁵ Shall only be permitted on non-residential buildings ¹⁶ As further regulated by Section 150.420.1.5, Composting, incidental P = Use permitted by right; PD = Permitted as part of a Planned Development; P* = Use permitted by right as further regulated by Section 150.500, Conditional Uses and Specific Use Regulations; C = Conditional use; A = Accessory use; Blank cell = Use not permitted in district					

150.305.3 Lot and Setback Requirements

- (A) One Dwelling per Lot. There shall not be more than one (1) dwelling unit constructed on a zoning lot, except as otherwise permitted as part of a planned development, a single-family attached development, a multi-family development or a two-family dwelling.
- (B) Lot Requirements. Lots created and used in a single family residential district shall comply with the minimum lot area, width, and the maximum lot coverage requirements specified in Schedule 150.305.3 for the district in which the lot is located, except as otherwise regulated in Section 150.350 for planned developments and as otherwise regulated in Section 150.500 for conditional uses and those uses denoted as a **P***.
- (C) Setbacks Requirements. Principal buildings shall be located on a zoning lot in a manner that maintains the required front, side, and rear setbacks set forth in Schedule 150.305.3 for the district in which the lot is located, except as provided for in Section 150.350 for planned developments and as otherwise regulated in Section 150.500 for conditional uses and those uses denoted as a **P***. Each setback shall remain unobstructed by structures except as otherwise permitted in this Code.
 - (1) Minimum Front Setback. In the ER-3, ER-4, and MR-5 Districts, the minimum front setback shall be the average setback of adjacent principal buildings. Such minimum front setback shall be the average distance, or within three (3) feet of such average, of the front setbacks of the four lots, two on either side, of the zoning lot

Section 150.330

Mixed-Use and Transitional Districts

§150.330.1	Purposes
§150.330.2	Permitted Uses
§150.330.3	Lot and Setback Requirements
§150.330.4	Height Regulations
§150.330.5	Off-Street Parking Requirements
§150.330.6	Accessory Use Regulations
§150.330.7	Landscaping and Screening Requirements
§150.330.8	Supplemental Regulations for Specific Uses
§150.330.9	Outdoor Display Regulations
§150.330.10	Performance Standards
§150.330.11	Required Design Elements
§150.330.12	Development Plan Review

150.330.1 Purposes.

The Mixed-Use and Transitional districts (MX, T) and their regulations are established in order to achieve the following purposes:

- (A) To provide for orderly growth and development in the City of Dayton.
- (B) To reflect and reinforce the existing density and pattern of development while accommodating the need for future growth.
- (C) To provide for and encourage a balanced, compatible mix of uses, rather than a separation of uses, in a pedestrian-friendly environment.
- (D) To provide assurances to property owners, developers and neighbors about the limits of what is allowed in a Mixed-Use or Transitional district.
- (E) To carry out the following specific purposes:
 - (1) Transitional (T) District. The purpose of this district is to support the rehabilitation and/or redevelopment of underutilized commercially zoned areas in the City where traditional business district zoning is inappropriate or unsuccessful. The Transitional District allows a mixture of uses appropriate for creating a mixed live-work environment at a scale and character compatible with the surrounding residential neighborhoods. Such uses include a limited range of “transitional” commercial services such as office and light industrial uses, residential development and live-work units. Retail and manufacturing uses are not permitted in this district.
 - (2) Mixed-Use Hub (MX) District. The purpose of this district is to concentrate high-density, mixed-use residential and commercial development at select major transit nodes or key thoroughfare intersections, encourage higher site and building design standards, and create a more attractive pedestrian environment. Uses incompatible with this purpose, such as most auto-related uses, industrial uses and single-family dwellings, are not permitted. All uses, buildings and structures will be sited and designed to be compatible with one another.

The MX District provides areas where regional or citywide shopping, employment or high-density residential uses may occur, and allows large-scale and tall buildings. This district allows a much greater intensity of development than the Mature, Eclectic or Suburban commercial districts, but less than the Downtown districts. A broad range of uses is permitted to encourage the development of diverse, interesting neighborhoods. Access to public transportation plays a key role in the development of the MX District. (Ord. 30515-05, passed 12-28-05)

150.330.2 Permitted Uses.

- (A) Permitted Uses. See sub-section 150.300.2, Use Regulations.
- (B) Schedule 150.330.2 of Permitted Uses. (Ord. 30515-05, passed 12-28-05; amend Ord. 30643-07, passed 3-21-07; amend Ord. passed 7-15-09, amend Ord. 31028-10, passed 10-20-10; amend Ord. 31142-11, passed 12-21-11; amend Ord. 31283-13, passed 12-18-13; amend Ord. 31490-16, passed 5-04-16; amend Ord. 31574-17, passed 7-05-17)

Schedule 150.330.2 PERMITTED USES IN THE MIXED-USE AND TRANSITIONAL DISTRICTS		
	T Transitional District	MX Mixed-Use Hub
(1) Residential		
(a) Dwelling units on or above the first floor of a dwelling	P	P
(b) Single-family dwelling, detached	P ¹	
(c) Single-family dwelling, detached cluster	P*	
(d) Single-family dwelling, attached	P*	C
(e) Two-family dwelling	P*	
(f) Multi-family dwelling	P*	P
(g) Family day care home for 1-6 children (type B)	P	P
(h) Family day care home for 7-12 children (type A)	C	C
(2) Group Residential		
(a) Adult care facility for 3-5 persons	P	P
(b) Adult care facility for 6-16 persons	C	C
(c) Residential facility for 5 or fewer persons	P	P
(d) Residential facility for 6-8 persons	P	P
(e) Residential facility for 9-16 persons	C	C
(3) Residential/Work		
(a) Home occupation	A ²	A ²
(b) Live-work unit	P*	P*
(c) Work-live unit	P	P

Schedule 150.330.2 PERMITTED USES IN THE MIXED-USE AND TRANSITIONAL DISTRICTS		
	T	MX
	Transitional District	Mixed-Use Hub
(4) Community Facilities/Institutions		
(a) Assembly hall/auditorium	P	C
(b) Church/religious assembly	P	C
(c) Community center	P	C
(d) Congregate care facility/nursing home	P	C
(e) Cultural institution	P	C
(f) Hospital	C	C
(g) Library	P*	P*
(h) Public safety facility	P	P
(i) Utility substation/distribution facility, indoor	C	C
(j) Utility substation/distribution facility, outdoor	C	C
(5) Educational Uses		
(a) Day care center, child and adult	C	C
(b) School (public/private), college/university	P	P
(c) School (public/private), elementary/secondary	C	C
(d) School (public/private), specialty/personal instruction	P*	P*
(6) Recreation/Open Space		
(a) Golf/swim/tennis club	P	
(b) Health club	P	P
(c) Park/playground	P	P
(d) Recreation facility, indoor	P*	C
(e) Theater, indoor		C
(7) Office/Professional Services		
(a) Office – administrative/professional	P	P
(b) Office – medical/dental/health services	P*	P*
(c) Research/development facility, laboratory	P	P
(8) Retail/Personal Services		
(a) Drive-thru facility		C
(b) Freestanding drive-thru facility		C
(c) Financial institution/bank		P
(d) Funeral home	P	
(e) Restaurant, indoor dining		P
(f) Restaurant, outdoor dining		P*
(g) Retail establishment		P

Schedule 150.330.2 PERMITTED USES IN THE MIXED-USE AND TRANSITIONAL DISTRICTS		
	T	MX
	Transitional District	Mixed-Use Hub
(h) Service establishment, business		P
(i) Service establishment, personal		P
(9) Lodging		
(a) Bed & breakfast		P
(b) Hotel/motel		P
(10) Motor Vehicle/Transportation		
(a) Helicopter landing facility		C
(b) Parking lot, restricted	C	C
(c) Parking structure	C	C
(d) Railroad station		C
(e) Transit station		C
(f) Transit turnaround	C	C
(g) Vehicle fueling station		C
(11) Storage and Distribution		
(a) Self-storage facility, indoor	C ³	
(b) Warehouse storage, indoor	C	
(c) Wholesale sales and/or distribution, indoor	C	C
(12) Industrial		
(a) Manufacturing, light	C ⁴	
(b) Microbottler	P*	P*
(13) Other		
(a) Bee keeping	P ⁶	P ⁶
(b) Community garden	P*	P*
(c) Harvesting	P*	P*
(d) Nightclub		P
(e) Solar energy structure	C	C
(f) Solar panel, building	P*	P*
(g) Telecommunication facility	See Section 150.600	See Section 150.600
(h) Utility box	P*	P*
(i) Wall mural	P*	P*
(j) Wind turbine	C	C
(k) Windmill, micro	P*	P*

Schedule 150.330.2 PERMITTED USES IN THE MIXED-USE AND TRANSITIONAL DISTRICTS		
	T	MX
	Transitional District	Mixed-Use Hub
(14) Accessory Uses		
(a) Accessory buildings	A	A
(b) Composting, incidental	A ⁷	A ⁷
(c) Fences and walls	A	A
(d) Home occupation	A ²	A ²
(e) Off –street parking areas and loading facilities	A	A
(f) Outdoor merchandise sales/display	A	A
(g) Private swimming pools	A ⁵	A ⁵
(h) Signs	A	A
(i) Solar energy structure	A ⁸	A ⁸
Notes to Schedule 150.330.2: ¹ New construction shall comply with the regulations of the abutting single-family residential district. If there is none, new construction shall comply with the regulations of the ER-4 district. ² As further regulated by Section 150.440, Home Occupation Regulations. ³ Shall be permitted by right in non-residential buildings existing prior to August 1, 2006. Shall be conditionally permitted in newly constructed buildings. ⁴ Shall only be conditionally permitted in a non-residential building existing prior to August 1, 2006. ⁵ As further regulated by Section 150.330.6 (E), Private Swimming Pools. ⁶ As further regulated by Section 150.420.1, Bee keeping ⁷ As further regulated by Section 150.420.1.5, Composting, incidental ⁸ As further regulated by Section 150.565, Solar energy structure P=Use permitted by right; P* = Use permitted by right as further regulated by Section 150.500, Conditional Use and Specific Use Regulations; C= Conditional Use; A=Accessory Use; Blank Cell = Use not permitted		

150.330.3 Lot and Setback Requirements

- (A) Lot Requirements. The minimum lot requirements for permitted, conditional, and accessory uses in the Mix-Use and Transitional Districts are specified in Schedule 150.330.3 except as otherwise regulated in Section 150.500 for conditional uses and those uses denoted with a **P***.
- (B) Setback Requirements. Every permitted use of land and all buildings and structures shall be located on a lot in a manner that maintains the required front, side, and rear setbacks set forth in Schedule 150.330.3, measured from the appropriate lot line, except as otherwise regulated in Section 150.500 for conditional uses and those uses denoted with a **P***. The area within the setback shall remain unobstructed by structures except as otherwise permitted in this Code.
- (C) Schedule 150.330.3. Development Standards in the Mixed Use and Transitional District

ECONOMIC DRIVERS

DEFENSE



MANUFACTURING



EMPLOYMENT GROWTH RANK

2016-2018

216
3rd quintile

2016-2021

208
3rd quintile

Best=1, Worst=409

RELATIVE COSTS

LIVING

88%

U.S.=100%

BUSINESS

97%

VITALITY

RELATIVE

81%

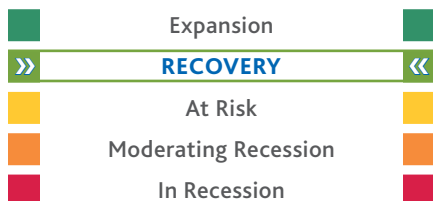
U.S.=100%

RANK

299

Best=1, Worst=402

BUSINESS CYCLE STATUS



STRENGTHS & WEAKNESSES

STRENGTHS

- » Stability from Wright-Patterson AFB and local universities.
- » Quality healthcare system that serves DAY and the surrounding region.

WEAKNESSES

- » Below-average educational attainment of the workforce.
- » Weak migration trends, frequent annual population losses.
- » Unfavorable age structure.

FORECAST RISKS

SHORT TERM



LONG TERM



RISK EXPOSURE
2017-2022

383

5th quintile

Highest=1
Lowest=402

UPSIDE

- » Linkages with more dynamic Cincinnati and Columbus provide more indirect benefits.
- » Research and development at Wright-Patterson and defense contractors lead to more robust job gains.

DOWNSIDE

- » Out-migration worsens, weighing on consumer spending and housing.
- » Low educational attainment results in fewer high-paying service jobs.

MOODY'S RATING

Aa1

COUNTY
AS OF OCT 03, 2013

ANALYSIS

Recent Performance. Dayton's economy is shaping up, thanks primarily to its strengthening housing market. Although the pace falls short of the national average, house price growth is accelerating at its fastest rate in more than 15 years. Constricted supply and modestly rising demand pushed prices to an all-time high this spring and are bolstering household balance sheets.

Although payrolls are up slightly since January and the quality of positions added has improved, average hourly earnings remain down significantly over the year amid a still-loose labor market. Job losses have been concentrated in the public sector, construction, and nondurable goods production, and even traditional sources of strength such as healthcare and machinery manufacturing have flatlined in recent months. However, professional and technical services have marched upward since the start of the year, and steel manufacturers are still providing support.

Flying fortress. Despite recent softness, public sector and allied defense contractor employment will advance quickly over the next couple of years, driven by rising federal defense spending. Hiring at Wright-Patterson Air Force Base will accelerate as demand for unmanned aerial vehicle research and development rises. The Air Force Research Laboratory at the base is aggressively issuing contracts for UAVs as well as directly collaborating with manufacturers. For example, the laboratory issued a \$41 million contract to drone manufacturer Kratos to develop a low-cost, small and disposable stealth UAV. The aircraft will substitute for more expensive manned vehicles such as the F-22 and F-35, resulting in significant cost savings.

Wright-Patterson is also developing technology related to stealth capabilities, electronic jet controls, and cybersecurity. The base has expanded its Center for Cyberspace Research to

protect critical civilian and military infrastructure nationwide. The allied Air Force Institute of Technology graduates 700 cybersecurity specialists annually, and surrounding defense contractors focusing on cybersecurity R&D have benefited.

Healing up. Despite the hiccup in health services job growth, providers will again add jobs at a pace in line with the nation over the next two years. Hospitals are expanding facilities in order to keep up with rising demand for general and specialty care. For example, Miami Valley Hospital is breaking ground on a \$60 million expansion that will include a spine and joint center, sports medicine facilities, and a pain management services center. Dayton Children's Hospital will finish a \$140 million expansion this year, including an eight-story patient tower, boosting hiring of nurses and doctors.

Gearing down. Local factories' hot streak will soon come to an end as weakness in steel and vehicle manufacturing pushes total manufacturing payrolls lower in 2018 and 2019. Steel manufacturing employment has been temporarily bolstered by countervailing duties enacted on imports in mid-2016, but this benefit will wane. Continued global oversupply spurred by overcapacity in East Asia will send steel prices lower, weighing on local producers. Hiring at local auto manufacturers will slow to a trickle over the next couple of years as national vehicle sales slacken. Pent-up U.S. auto demand has been exhausted and low gasoline prices and cheap auto financing have already provided their maximum advantage.

Dayton will advance in line with the U.S. over the next couple of years, supported by defense and healthcare even as manufacturing detracts from growth. Nonetheless, DAY will lag the U.S. in job growth longer term because of a shrinking population.

Brent Campbell
June 2017

1-866-275-3266
help@economy.com

2011	2012	2013	2014	2015	2016	INDICATORS	2017	2018	2019	2020	2021	2022
35.9	35.8	35.6	36.1	36.5	36.8	Gross metro product (C09\$ bil)	37.8	39.0	40.0	40.5	41.2	42.1
3.6	-0.1	-0.6	1.5	1.0	0.9	% change	2.8	3.1	2.5	1.2	1.7	2.3
365.5	368.7	368.3	372.5	379.7	384.5	Total employment (ths)	389.1	394.0	398.8	401.0	401.8	405.5
1.3	0.9	-0.1	1.2	1.9	1.3	% change	1.2	1.3	1.2	0.5	0.2	0.9
9.3	7.8	7.7	5.7	4.8	4.7	Unemployment rate (%)	4.8	5.1	4.6	4.8	5.1	4.8
6.2	2.9	1.0	3.6	3.4	2.9	Personal income growth (%)	4.5	5.6	5.6	4.5	3.7	4.2
45.1	46.1	46.8	47.8	49.5	51.9	Median household income (\$ ths)	53.9	56.1	58.2	60.2	62.2	64.5
801.3	802.2	801.3	800.7	799.8	800.7	Population (ths)	800.2	799.6	798.9	797.6	796.4	795.7
0.1	0.1	-0.1	-0.1	-0.1	0.1	% change	-0.1	-0.1	-0.1	-0.2	-0.2	-0.1
-0.3	-0.8	-2.3	-1.6	-2.3	0.2	Net migration (ths)	-1.6	-1.7	-1.7	-2.1	-2.0	-1.4
712	889	781	743	857	1,043	Single-family permits (#)	1,680	1,986	2,103	1,847	1,736	1,894
15	225	35	36	123	320	Multifamily permits (#)	111	276	314	244	286	393
123.2	122.1	121.2	122.2	126.7	131.3	FHFA house price (1995Q1=100)	135.0	138.8	141.3	144.3	149.3	155.6

ECONOMIC HEALTH CHECK

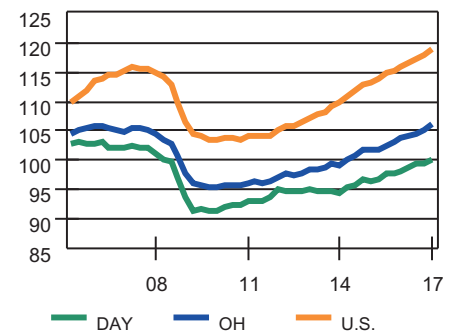
3-MO MA

	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17	May 17
Employment, change, ths	-0.5	-0.0	0.4	0.9	0.9	0.4
Unemployment rate, %	4.7	4.6	4.6	4.7	4.7	4.7
Labor force participation rate, %	60.1	60.1	60.4	60.7	61.0	61.1
Employment-to-population ratio, %	57.3	57.4	57.6	57.9	58.1	58.2
Average weekly hours, #	32.6	32.6	32.6	32.5	32.4	32.4
Industrial production, 2012=100	102.7	102.8	103.2	103.3	103.8	104.2
Residential permits, single-family, #	947	1,064	1,469	1,538	1,481	ND
Residential permits, multifamily, #	103	10	12	52	47	ND
<div> <div>Better than prior 3-mo MA</div> <div>Unchanged from prior 3-mo MA</div> <div>Worse than prior 3-mo MA</div> </div>						

Sources: BLS, Census Bureau, Moody's Analytics

BUSINESS CYCLE INDEX

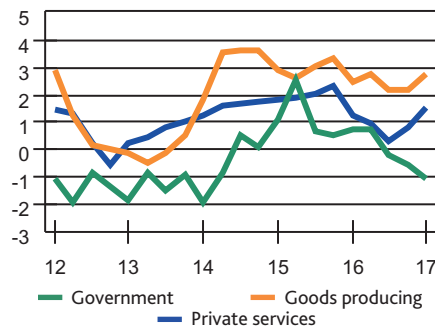
JAN 2002=100



Source: Moody's Analytics

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO



Sources: BLS, Moody's Analytics

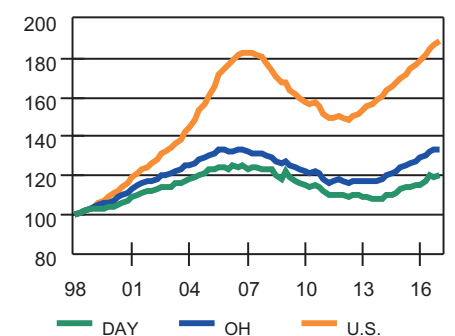
% CHANGE YR AGO, 3-MO MA

	Sep 16	Jan 17	May 17
Total	1.1	0.5	0.8
Mining	-15.2	-12.0	-4.0
Construction	0.2	-0.7	0.6
Manufacturing	3.6	3.3	2.3
Trade	-0.1	0.0	-0.4
Trans/Utilities	-2.9	-2.8	-0.8
Information	-1.9	-0.6	-2.3
Financial Activities	2.3	3.6	2.5
Prof & Business Svcs.	0.1	1.1	4.7
Edu & Health Svcs.	2.4	-0.4	-0.9
Leisure & Hospitality	2.4	1.3	1.5
Other Services	0.2	0.2	0.1
Government	0.7	-0.4	-0.4

Sources: BLS, Moody's Analytics

HOUSE PRICE

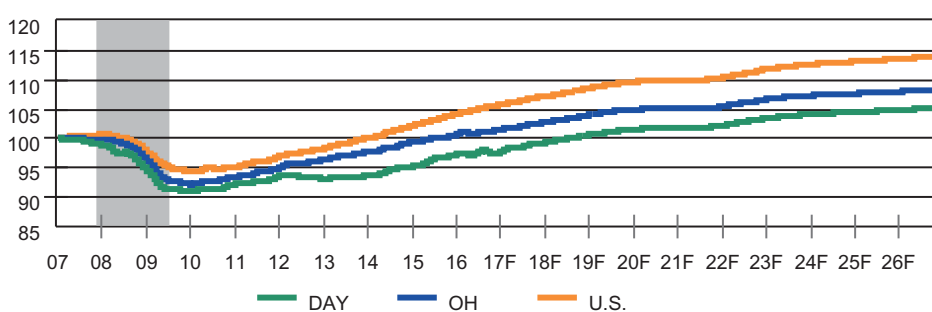
1998Q1=100, NSA



Sources: FHFA, Moody's Analytics

RELATIVE EMPLOYMENT PERFORMANCE

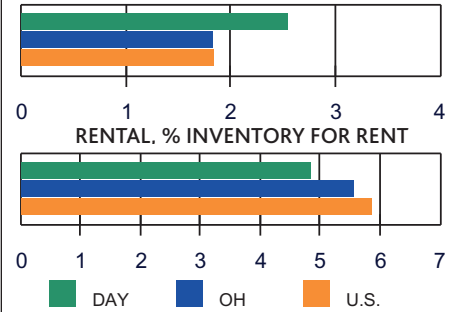
JAN 2007=100



Sources: BLS, Moody's Analytics

VACANCY RATES

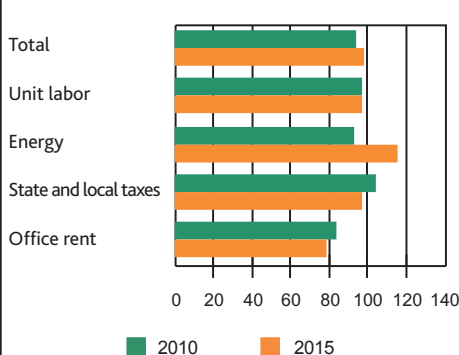
HOMEOWNER, % HOUSES FOR SALE



Sources: Census Bureau, ACS, Moody's Analytics, 2015

BUSINESS COSTS

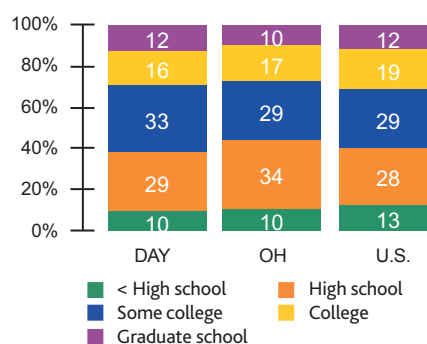
U.S.=100



Source: Moody's Analytics

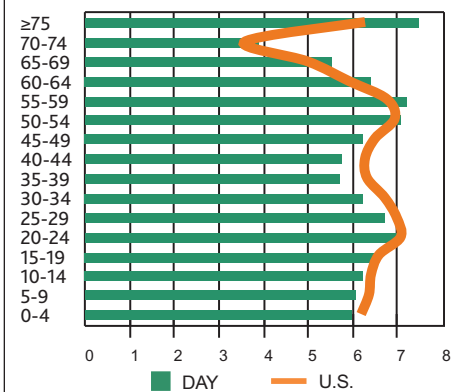
EDUCATIONAL ATTAINMENT

% OF ADULTS 25 AND OLDER



Sources: Census Bureau, Moody's Analytics, 2015

POPULATION BY AGE, %



Sources: Census Bureau, Moody's Analytics, 2015

EMPLOYMENT & INDUSTRY

TOP EMPLOYERS

Wright-Patterson Air Force Base	26,270
Premiere Health Partners	14,000
Kettering Health Network	7,115
The Kroger Co.	5,582
Miami University	3,564
Wright State University	3,303
LexisNexis	3,200
Sinclair Community College	2,601
Honda of America Manufacturing Inc.	2,600
AK Steel Corp.	2,400
University of Dayton	2,290
Community Mercy Health Partners	2,174
Assurant Specialty Property	2,100
Veterans Affairs Medical Center	2,060
The Children's Medical Center	1,945
GE Money	1,680
Emerson Climate Technologies	1,575
Meijer Inc.	1,559
Cintas Corp.	1,500
Navistar	1,500

Sources: Dayton Business Journal Book of Lists 2015, Military Installations Guide, 2011, Ohio Development Services Agency, 2016

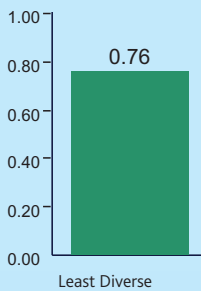
PUBLIC

Federal	18,442
State	7,522
Local	36,950

2016

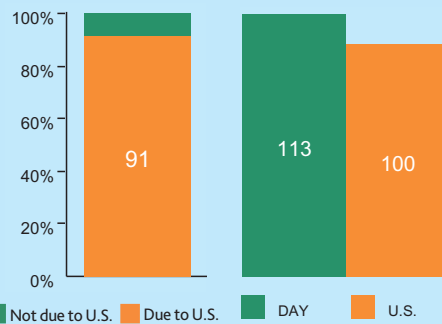
INDUSTRIAL DIVERSITY

Most Diverse (U.S.)



EMPLOYMENT VOLATILITY

Due to U.S. fluctuations Relative to U.S.



Not due to U.S. Due to U.S. DAY U.S.

MIGRATION FLOWS

INTO DAYTON OH

Number of Migrants

Cincinnati OH	3,707
Springfield OH	1,579
Columbus OH	1,089
Cleveland OH	203
San Antonio TX	181
Washington DC	166
Los Angeles CA	162
Chicago IL	161
Colorado Springs CO	128
Crestview FL	125
Total in-migration	23,902

FROM DAYTON OH

Cincinnati OH	4,439
Columbus OH	1,590
Springfield OH	1,383
Austin TX	334
San Antonio TX	284
Atlanta GA	213
Cleveland OH	212
Indianapolis IN	201
Colorado Springs CO	179
Chicago IL	177
Total out-migration	25,966

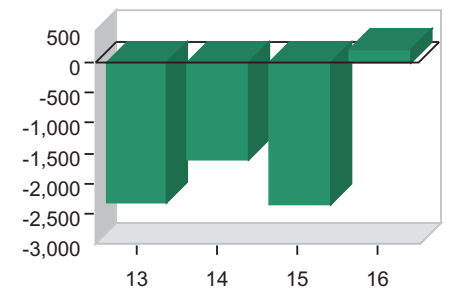
Net migration -2,064

COMPARATIVE EMPLOYMENT AND INCOME

Sector	% of Total Employment			Average Annual Earnings		
	DAY	OH	U.S.	DAY	OH	U.S.
Mining	0.0%	0.2%	0.4%	\$27,742	\$54,514	\$110,528
Construction	3.2%	3.8%	4.7%	\$58,595	\$60,736	\$64,354
Manufacturing	10.7%	12.5%	8.6%	\$74,258	\$76,253	\$80,667
Durable	74.3%	67.3%	62.5%	nd	\$76,939	\$82,450
Nondurable	25.7%	32.7%	37.5%	nd	\$74,802	\$77,689
Transportation/Utilities	3.3%	3.9%	3.8%	nd	\$65,357	\$67,456
Wholesale Trade	3.3%	4.3%	4.1%	nd	\$77,729	\$82,548
Retail Trade	10.3%	10.5%	11.0%	\$28,288	\$30,991	\$34,289
Information	2.2%	1.3%	1.9%	\$76,490	\$72,101	\$110,216
Financial Activities	4.7%	5.5%	5.7%	\$39,130	\$44,253	\$54,785
Prof. and Bus. Services	13.3%	13.2%	14.0%	\$55,912	\$62,954	\$67,615
Educ. and Health Services	18.9%	16.8%	15.7%	\$54,908	\$50,904	\$53,853
Leisure and Hosp. Services	10.1%	10.1%	10.8%	\$19,203	\$22,968	\$27,201
Other Services	3.6%	3.9%	3.9%	\$33,799	\$35,745	\$36,830
Government	16.4%	14.2%	15.4%	\$83,889	\$70,773	\$75,980

Sources: Percent of total employment — BLS, Moody's Analytics, 2016, Average annual earnings — BEA, Moody's Analytics, 2015

NET MIGRATION,

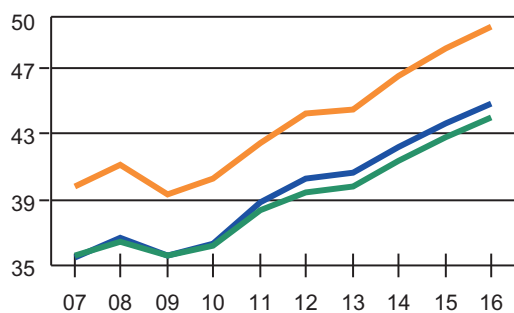


	2013	2014	2015	2016
Domestic	-3,772	-3,192	-4,044	-1,340
Foreign	1,449	1,592	1,704	1,557
Total	-2,323	-1,600	-2,340	217

Sources: IRS (top), 2014, Census Bureau, Moody's Analytics

PER CAPITA INCOME

\$ THS



Sources: BEA, Moody's Analytics

HIGH-TECH EMPLOYMENT

	Ths	% of total
DAY	21.7	5.7
U.S.	6,937.1	4.8

HOUSING-RELATED EMPLOYMENT

	Ths	% of total
DAY	31.9	8.3
U.S.	13,565.7	9.4

Source: Moody's Analytics, 2016

LEADING INDUSTRIES BY WAGE TIER

NAICS Industry	Location Quotient	Employees (ths)
GVL Federal Government	2.5	18.3
6211 Offices of physicians	1.4	9.3
5415 Computer systems design & related srvc.	1.4	7.4
5511 Management of companies & enterprises	0.9	5.2
GVL Local Government	1.0	36.5
6221 General medical and surgical hospitals	1.5	18.4
ML Total Military Personnel	1.4	7.3
6113 Colleges, universities & prof. schools	1.4	6.4
7225 Restaurants and other eating places	1.1	30.8
5613 Employment services	1.0	9.7
GVS State Government	0.6	7.9
6231 Nursing care facilities	1.8	7.7

Source: Moody's Analytics, 2016

About Moody's Analytics

Moody's Analytics helps capital markets and credit risk management professionals worldwide respond to an evolving marketplace with confidence. With its team of economists, the company offers unique tools and best practices for measuring and managing risk through expertise and experience in credit analysis, economic research, and financial risk management. By offering leading-edge software and advisory services, as well as the proprietary credit research produced by Moody's Investors Service, Moody's Analytics integrates and customizes its offerings to address specific business challenges.

Concise and timely economic research by Moody's Analytics supports firms and policymakers in strategic planning, product and sales forecasting, credit risk and sensitivity management, and investment research. Our economic research publications provide in-depth analysis of the global economy, including the U.S. and all of its state and metropolitan areas, all European countries and their subnational areas, Asia, and the Americas. We track and forecast economic growth and cover specialized topics such as labor markets, housing, consumer spending and credit, output and income, mortgage activity, demographics, central bank behavior, and prices. We also provide real-time monitoring of macroeconomic indicators and analysis on timely topics such as monetary policy and sovereign risk. Our clients include multinational corporations, governments at all levels, central banks, financial regulators, retailers, mutual funds, financial institutions, utilities, residential and commercial real estate firms, insurance companies, and professional investors.

Moody's Analytics added the economic forecasting firm Economy.com to its portfolio in 2005. This unit is based in West Chester PA, a suburb of Philadelphia, with offices in London, Prague and Sydney. More information is available at www.economy.com.

Moody's Analytics is a subsidiary of Moody's Corporation (NYSE: MCO). Further information is available at www.moodyanalytics.com.

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Addendum C

Comparable Data



Land Sales



Location & Property Identification

Property Name:	The Flats at South Park Multi-Family Site
Sub-Property Type:	Residential, Multifamily
Address:	512 Warren St.
City/State/Zip:	Dayton, OH 45409
County:	Montgomery
Submarket:	Dayton - South/Southeast
Market Orientation:	Suburban
Property Location:	At the southeast corner of Warren Street and Burns Avenue
Event ID:	1921686



Sale Information

Sale Price:	\$100,000
Effective Sale Price:	\$100,000
Sale Date:	12/29/2016
Recording Date:	12/29/2016
Sale Status:	Recorded
\$/Acre(Gross):	\$75,358
\$/Land SF(Gross):	\$1.73
\$/Acre(Usable):	\$75,358
\$/Land SF(Usable):	\$1.73
Grantor/Seller:	Miami Valley Hospital
Grantee/Buyer:	The Flats at South Park I, LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	2016-00073325
Verified By:	Ileana Abot
Verification Date:	03/21/2018
Verification Type:	Secondary Verification
Secondary Verific. Source:	Assessor, CoStar, Deed, News Article

Sale Analysis

Proposed Use Desc.:	Residential - Multi-Family
Sale Price Includes FF&E?	No

Occupancy

Occupancy at Time of Sale:	0.00%
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Improvement and Site Data

MSA:	Dayton
Legal/Tax/Parcel ID:	R72 01904 0121
Acres(Usable/Gross):	1.33/1.33
Land-SF(Usable/Gross):	57,804/57,804
Usable/Gross Ratio:	1.00
Shape:	Rectangular
Topography:	Level
Corner Lot:	Yes
AccessibilityRating:	Average
Visibility Rating:	Average
Zoning Code:	MNC
Zoning Desc.:	Mature Neighborhood Commercial District
Flood Plain:	No
Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone
Source of Land Info.:	Public Records

Comments

Comments (Cont'd)

This property represents vacant land that was owned by an entity of nearby Miami Valley Hospital, as the site was previously occupied by the Cliburn Manor public housing project, which was demolished in 2008. The site was re-platted and sold in December 2016 for \$100,000 (\$75,358/Acre) to an entity of Greater Dayton Construction and the Oberer Thompson Company. The four-story Flats at South Park is under development, which will include approximately 10,500 square feet of ground floor retail and 43 upper level apartment units.

Location & Property Identification

Property Name:	The Harrison Multi Family Site
Sub-Property Type:	Residential, Multifamily
Address:	3044 Burgoyne Ct.
City/State/Zip:	Tipp City, OH 45371
County:	Miami
Submarket:	Dayton - Outlying North
Market Orientation:	Suburban
Event ID:	1900067



Sale Information

Sale Price:	\$1,056,000
Effective Sale Price:	\$1,056,000
Sale Date:	06/01/2015
Sale Status:	Recorded
Eff. Price/Unit:	\$6,000 /Unit
\$/Acre(Gross):	\$82,256
\$/Land SF(Gross):	\$1.89
\$/Unit:	\$6,000 /Apt. Unit
Grantor/Seller:	Dec Land Co I, LLC
Grantee/Buyer:	Harrison One LLC
Assemblage:	No
Portfolio Sale:	No
Property Rights:	Fee Simple
Rent Controlled:	No
Rent Subsidized:	No
Verified By:	Robert Kamb
Confirmation Source:	John Lateulere, Redwood Living
Verification Type:	Confirmed-Buyer

Occupancy

Occupancy at Time of Sale:	0.00%
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Improvement and Site Data

MSA:	Dayton, OH
Legal/Tax/Parcel ID:	P48-002279

Acres(Gross):	12.84
Land-SF(Gross):	559,223
No. of Units (Potential):	176
Year Built:	2017
Property Class:	C
M&S Class:	D
Construction Quality:	Good
Improvements Cond.:	Excellent
Exterior Walls:	Vinyl siding
No. of Buildings/Stories:	28/1
Multi-Tenant/Condo.:	No/No
Fire Sprinkler Type:	None
Air-Conditioning Type:	Central
Shape:	Irregular
Topography:	Level
Vegetation:	Grass and shrubs
Corner Lot:	No
Frontage Type:	1 way, 2 lanes
Traffic Control at Entry:	Turn lane
Traffic Flow:	Low
AccessibilityRating:	Average
Visibility Rating:	Average
Density-Unit/Gross Acre:	13.71
Zoning Code:	PUD
Zoning Desc.:	Planned Unit Development
Easements:	No
Environmental Issues:	No
Flood Plain:	No

Improvement and Site Data (Cont'd)

Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer, Gas
Bldg. Phy. Info. Source:	Public Records
Source of Land Info.:	Public Records

Project & Unit Amenities

Leasing Office	Carpets/Drapes/Blinds
	Ceiling Fans
	Central AC
	Dishwasher
	Patios/Balcony
	Range-Refrig.
	Vaulted Ceilings
	Walk-in Closets
	Washer/Dryer Hookup

Comments

This comparable land sale represents a multi-family land tract within the Carriage Trails PUD on the northern edge of Huber Heights within the Dayton MSA. The buyer represents an entity of Redwood Living. Subsequent to sale, the buyer had the approval to construct a series of attached ranch buildings with each unit having an attached two-car garage with a typical unit size of approximately 1,400 square feet.

Location & Property Identification

Property Name:	Waterstone at Carriage Trails Multi-Family Land
Sub-Property Type:	Residential, Multifamily
Address:	1998 Persimmon Way
City/State/Zip:	Tipp City, OH 45371
County:	Miami
Submarket:	Dayton - Outlying North
Market Orientation:	Suburban
Event ID:	1900070



Sale Information

Sale Price:	\$768,000
Effective Sale Price:	\$768,000
Sale Date:	01/01/2016
Sale Status:	Recorded
\$/SF GBA:	\$4.52
\$/SF NRA:	\$4.56
Eff. Price/Unit:	\$4,000 /Apt. Unit
\$/Acre(Gross):	\$54,020
\$/Land SF(Gross):	\$1.24
\$/Unit:	\$4,000 /Apt. Unit
\$/Land SF(Potential):	\$4.52
Grantor/Seller:	Dec Land Co. I, LLC
Grantee/Buyer:	Waterstone at Carriage Trails LLC
Assemblage:	No
Portfolio Sale:	No
Property Rights:	Fee Simple
Rent Controlled:	No
Rent Subsidized:	No
Verified By:	Robert Kamb
Verification Type:	Secondary Verification

Occupancy

Occupancy at Time of Sale:	0.00%
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Improvement and Site Data

MSA:	Dayton, OH
Legal/Tax/Parcel ID:	P48-000949
GBA-SF:	169,975
NRA-SF:	168,500
Acres(Gross):	14.22
Land-SF(Gross):	619,292
No. of Units (Potential):	192
Year Built:	2017
Property Class:	C
M&S Class:	C
Construction Quality:	Good
Improvements Cond.:	Excellent
Exterior Walls:	Vinyl siding
No. of Buildings/Stories:	9/3
No. of Units/Unit Type:	192/Apt. Units
Multi-Tenant/Condo.:	Yes/No
Fire Sprinkler Type:	None
Air-Conditioning Type:	Central
Shape:	Rectangular
Topography:	Level
Vegetation:	Minimal
Corner Lot:	No
Frontage Type:	2 way, 1 lane each way
Traffic Control at Entry:	None
Traffic Flow:	Low
AccessibilityRating:	Average

Improvement and Site Data (Cont'd)

Visibility Rating:	Average
Density-Unit/Gross Acre:	13.50
Bldg. to Land Ratio FAR:	0.27
Zoning Code:	PUD
Zoning Desc.:	Planned Unit Development
Easements:	No
Environmental Issues:	No
Flood Plain:	No
Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer, Gas
Source of Land Info.:	Public Records

Project & Unit Amenities

Clubhouse/Rec. Bldg.	Carpets/Drapes/Blinds
Fitness Room	Ceiling Fans
Swimming Pool	Central AC
	Dishwasher
	Patios/Balcony
	Range-Refrig.
	Washer/Dryer In Unit

Comments

This multi-family land comparable is located within the Carriage Trails master-planned residential community on the northern fringes of Huber Heights within the Dayton MSA. The site is located within a section of the development that was approved for most of the community's higher density residential units. The site has since been developed into the suburban-style Waterstone at Carriage Trails apartment development.

Location & Property Identification

Property Name:	Fairfield Oakes Multi-Family Land
Sub-Property Type:	Residential, Multifamily
Address:	1612 Valley Oak Ln.
City/State/Zip:	Fairborn, OH 45324
County:	Greene
Submarket:	Dayton - Northeast
Market Orientation:	Suburban
Event ID:	1900065



Sale Information

Sale Price:	\$821,800
Effective Sale Price:	\$821,800
Sale Date:	03/25/2015
Sale Status:	Recorded
\$/SF NRA:	\$5.45
Eff. Price/Unit:	\$7,902 /Unit
\$/Acre(Gross):	\$50,002
\$/Land SF(Gross):	\$1.15
\$/Unit:	\$7,902 /Apt. Unit
Grantor/Seller:	Trebein Road LLC
Grantee/Buyer:	Fairfield Oakes LLC
Assemblage:	No
Portfolio Sale:	No
Property Rights:	Fee Simple
Verified By:	Robert Kamb
Confirmation Source:	Redwood Living purchasing representative
Verification Type:	Confirmed-Buyer

Occupancy

Occupancy at Time of Sale:	0.00%
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Improvement and Site Data

MSA:	Dayton
Legal/Tax/Parcel ID:	A02000200350011800
NRA-SF:	150,800

Fairfield Oakes Multi-Family Land

Acres(Gross):	16.44
Land-SF(Gross):	715,917
No. of Units (Potential):	104
Shape:	Rectangular
Topography:	Level
Vegetation:	Grass and shrubs
Corner Lot:	Yes
Frontage Type:	2 way, 1 lane each way
Traffic Control at Entry:	Turn lane
Traffic Flow:	Moderate
AccessibilityRating:	Average
Visibility Rating:	Average
Density-Unit/Gross Acre:	6.33
Zoning Code:	PD-1
Zoning Desc.:	Planned Development
Easements:	No
Environmental Issues:	No
Flood Plain:	No
Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer, Gas
Source of Land Info.:	Public Records

Comments

This multi-family comparable land site is located on the southeastern edge of the suburb of Fairborn within the Dayton MSA. The site is located at the southwest corner of Commerce Center Blvd. and Trebein Rd. and was purchased by an entity of Redwood Living. The site has

Comments (Cont'd)

since been developed into 17 ranch-style buildings totaling 104 units. The units average approximately 1,400 square feet in size with each unit including an attached two-car garage.

Improved Sales



Location & Property Identification

Property Name:	Former Phillipsburg Elementary School
Sub-Property Type:	Other
Address:	51 W. Main St.
City/State/Zip:	Village of Phillipsburg, OH 45354
County:	Montgomery
Market Orientation:	Suburban
Property Location:	At the southwest corner of West Main Street and Milan Road
Event ID:	1920395



Sale Information

Sale Price:	\$65,000
Effective Sale Price:	\$65,000
Sale Date:	03/15/2017
Recording Date:	04/04/2017
Listing Price:	\$99,900
Sale Status:	Recorded
\$/SF GBA:	\$2.69
\$/SF NRA:	\$2.69
Grantor/Seller:	Christopher Esterline
Grantee/Buyer:	A Critical Path. Inc.
Portfolio Sale:	No
Property Rights:	Fee Simple
Exposure Time:	9 (months)
Financing:	Cash to seller
Document Type:	Warranty Deed
Recording No.:	2017-00019685
Verified By:	Ileana Abot
Verification Date:	03/19/2018
Confirmation Source:	Private
Verification Type:	Confirmed-Seller Broker
Secondary Verific. Source:	Assessor, CoStar, Deed

Sale Analysis

Sale Price Includes FF&E?	No
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Occupancy

Occupancy Type Before Sale:	Single Tenant
Occupancy Type After Sale:	Single Tenant

Improvement and Site Data

MSA:	Dayton
Legal/Tax/Parcel ID:	C08 00116 0001
GBA-SF:	24,142
NRA-SF:	24,142
Acres(Usable/Gross):	5.00/5.00
Land-SF(Usable/Gross):	217,800/217,800
Usable/Gross Ratio:	1.00
Year Built:	1920
Property Class:	C
Construction Quality:	Average
Exterior Walls:	Brick
No. of Buildings/Stories:	1/3
Multi-Tenant/Condo.:	No/No
Shape:	Rectangular
Topography:	Level
Vegetation:	Trees and grasses
Corner Lot:	Yes
AccessibilityRating:	Average
Visibility Rating:	Average
Bldg. to Land Ratio FAR:	0.11

Improvement and Site Data (Cont'd)

Flood Plain:	No
Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone
Source of Land Info.:	Public Records

Comments

This former school property sold in April 2017 for \$65,000 (\$2.69/SF). The property was said to be marketed for approximately 8.5 months at an asking price of \$99,900 (\$4.14/SF). The property formerly functioned as the Phillipsburg Elementary school and was purchased by A Critical Path, Inc. The improvements were built in 1920 and sit on 5 acres of land.

Location & Property Identification

Property Name:	Former Sands Montessori School
Sub-Property Type:	Other
Address:	940 Poplar St.
City/State/Zip:	Cincinnati, OH 45214
County:	Hamilton
Market Orientation:	Urban
Property Location:	At the northeast corner of Poplar Street and Freeman Avenue
Event ID:	1920602



Sale Information

Sale Price:	\$150,000
Effective Sale Price:	\$150,000
Sale Date:	04/24/2015
Recording Date:	05/04/2015
Sale Status:	Recorded
\$/SF GBA:	\$1.39
\$/SF NRA:	\$1.39
Grantor/Seller:	The Board of Education of the Cincinnati City School District

Grantee/Buyer:	North & College, LLC
Portfolio Sale:	No
Property Rights:	Fee Simple
Exposure Time:	30 (months)
Financing:	Cash to seller
Document Type:	Warranty Deed
Recording No.:	12885-02132
Verified By:	Ileana Abot
Verification Date:	03/19/2018
Confirmation Source:	NAI Bergman
Verification Type:	Confirmed-Seller Broker
Secondary Verific. Source:	Assessor, CoStar, Deed, News Article

Sale Analysis

Proposed Use Desc.:	Residential - Senior Apartments
Sale Price Includes FF&E?	No

Occupancy

Occupancy Type Before Sale:	Single Tenant
Occupancy Type After Sale:	Single Tenant
Occupancy at Time of Sale:	0.00%
Number of Tenants at T.O.S.:	0

Improvement and Site Data

MSA:	Cincinnati
Legal/Tax/Parcel ID:	184-0002-0009 and 184-0002-0045
GBA-SF:	108,028
NRA-SF:	108,028
Acres(Usable/Gross):	2.37/2.37
Land-SF(Usable/Gross):	103,193/103,193
Usable/Gross Ratio:	1.00
Year Built:	1913
Most Recent Renovation:	1979
Property Class:	C
Construction Quality:	Average
Exterior Walls:	Brick
Construction Desc.:	Masonry
No. of Buildings/Stories:	1/4
Multi-Tenant/Condo.:	No/No

Improvement and Site Data (Cont'd)

Shape:	Rectangular
Topography:	Level
Vegetation:	Trees and grasses
Corner Lot:	Yes
AccessibilityRating:	Average
Visibility Rating:	Average
Bldg. to Land Ratio FAR:	1.05
Zoning Code:	RM-0.7
Zoning Desc.:	Residential Multi-Family District
Flood Plain:	No
Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone
Source of Land Info.:	Public Records

Comments

This former school property sold in April 2015 for \$150,000 (\$1.39/SF). The property was said to be marketed for approximately 30 months. The property was formerly occupied by the Sands Montessori school until 2002, when it moved to Mount Washington. The property remained vacant until the 2015 sale. The buyer planned to redevelop the site with a senior apartment complex. The project was completed with 65 apartment units which included: studios, 1Bed/1Bath and 2Bed/1Bath units.

Location & Property Identification

Property Name:	Former Highlands Elementary School
Sub-Property Type:	Other
Address:	2423 Riverside Dr.
City/State/Zip:	Cincinnati, OH 45202
County:	Hamilton
Market Orientation:	Urban
Event ID:	1920709



Sale Information

Sale Price:	\$225,000
Effective Sale Price:	\$225,000
Sale Date:	05/04/2016
Recording Date:	05/16/2016
Sale Status:	Recorded
\$/SF GBA:	\$5.59
\$/SF NRA:	\$5.59
Grantor/Seller:	Inman-Niehaus Builders LLC
Grantee/Buyer:	Cynthia W. Gore
Portfolio Sale:	No
Property Rights:	Fee Simple
Financing:	Cash to seller - buyer obtained financing
Document Type:	Deed
Recording No.:	16-042675
Verified By:	Ileana Abot
Verification Date:	03/19/2018
Verification Type:	Secondary Verification
Secondary Verific. Source:	Assessor, CoStar, Deed, News Article

Sale Analysis

Proposed Use Desc.:	Residential - Single Family
Sale Price Includes FF&E?	No

Occupancy

Occupancy Type Before Sale:	Single Tenant
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Occupancy Type After Sale:	Single Tenant
Occupancy at Time of Sale:	0.00%
Number of Tenants at T.O.S.:	0

Improvement and Site Data

MSA:	Cincinnati
Legal/Tax/Parcel ID:	032-0005-0081 and 032-0005-0082
GBA-SF:	40,230
NRA-SF:	40,230
Acres(Usable/Gross):	1.93/1.93
Land-SF(Usable/Gross):	84,070/84,070
Usable/Gross Ratio:	1.00
Year Built:	1900
Property Class:	C
Construction Quality:	Average
Exterior Walls:	Stucco
Construction Desc.:	Masonry
No. of Buildings/Stories:	1/3
Multi-Tenant/Condo.:	No/No
Shape:	Rectangular
Topography:	Level
Vegetation:	Trees and grasses
AccessibilityRating:	Average
Visibility Rating:	Average
Bldg. to Land Ratio FAR:	0.48
Zoning Code:	RF-R
Zoning Desc.:	Riverfront Recreational Residential District
Flood Plain:	Yes

Former Highlands Elementary School

Improvement and Site Data (Cont'd)

Flood Zone:	100 Year Flood Zone
Flood Zone Designation:	AE
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone
Source of Land Info.:	Other

Comments

This former school property sold in May 2016 for \$225,000 (\$5.59/SF). The property was formerly occupied by the Highlands Elementary school. The school occupied the building until 2005 and, since then, the property remained vacant. The buyer planned to redevelop the site with single family residences. The original parcel has been replatted into the Rivers Edge Subdivision which contains 11 27.33' width lots.

Location & Property Identification

Property Name:	Former Pilgrim Elementary School
Sub-Property Type:	Other
Address:	440 Taylor Ave.
City/State/Zip:	Columbus, OH 43203
County:	Franklin
Market Orientation:	Suburban
Property Location:	At the southeast corner of Taylor and Emerald Avenues
Event ID:	1920764



Sale Information

Sale Price:	\$262,000
Effective Sale Price:	\$262,000
Sale Date:	03/01/2016
Recording Date:	03/03/2016
Sale Status:	Recorded
\$/SF GBA:	\$4.38
\$/SF NRA:	\$4.38
Grantor/Seller:	Board of Education of the Columbus City School District
Grantee/Buyer:	Blueprint Community Development, LLC
Portfolio Sale:	No
Property Rights:	Fee Simple
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	201603030025881
Verified By:	Ileana Abot
Verification Date:	03/19/2018
Verification Type:	Secondary Verification
Secondary Verific. Source:	Assessor, CoStar, Deed, News Article

Sale Analysis

Sale Price Includes FF&E?	No
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Occupancy

Occupancy Type Before Sale:	Single Tenant
Occupancy Type After Sale:	Single Tenant
Occupancy at Time of Sale:	0.00%
Number of Tenants at T.O.S.:	0

Improvement and Site Data

MSA:	Columbus
Legal/Tax/Parcel ID:	010-066727-00
GBA-SF:	59,862
NRA-SF:	59,862
Acres(Usable/Gross):	3.24/3.24
Land-SF(Usable/Gross):	141,029/141,029
Usable/Gross Ratio:	1.00
Year Built:	1910
Most Recent Renovation:	1991
Property Class:	C
Construction Quality:	Good
Exterior Walls:	Stucco
Construction Desc.:	Masonry
No. of Buildings/Stories:	1/2
Multi-Tenant/Condo.:	No/No
Ceiling Height Minimum:	8.00
Ceiling Height Maximum:	12.00
Shape:	Rectangular
Topography:	Level

Former Pilgrim Elementary School

Improvement and Site Data (Cont'd)

Vegetation:	Trees and grasses
AccessibilityRating:	Average
Visibility Rating:	Average
Bldg. to Land Ratio FAR:	0.42
Zoning Code:	R-3
Zoning Desc.:	Residential District
Flood Plain:	No
Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone
Bldg. Phy. Info. Source:	Public Records
Source of Land Info.:	Public Records

Comments

This former school property sold in March 2016 for \$262,000 (\$4.38/SF). The property was formerly occupied by the East Pilgrim Elementary school. The school opened in 1922 and occupied the building until 2004. Since then, the property remained vacant. Initially, the buyer, a non-profit organization dedicated to create healthy, financially and environmentally sustainable communities, planned to occupy the building. Currently, the owner is considering demolishing the building due to its non-effective renovation costs.

Location & Property Identification

Property Name:	Former Heyl Avenue Elementary School
Sub-Property Type:	Other
Address:	760 Reinhard Ave.
City/State/Zip:	Columbus, OH 43206
County:	Franklin
Market Orientation:	Suburban
Property Location:	At the northeast corner of Reinhard and Heyl Avenues
Event ID:	1921049



Sale Information

Sale Price:	\$300,000
Effective Sale Price:	\$300,000
Sale Date:	04/05/2016
Recording Date:	04/25/2016
Sale Status:	Recorded
\$/SF GBA:	\$5.57
\$/SF NRA:	\$5.57
Grantor/Seller:	Board of Education of The City School District of Columbus

Grantee/Buyer:	Career Gateway Homes, LLC
Portfolio Sale:	No
Property Rights:	Fee Simple
Exposure Time:	46 (months)
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	201604250050387
Verified By:	Ileana Abot
Verification Date:	03/20/2018
Confirmation Source:	Columbus City Schools
Verification Type:	Confirmed-Seller Broker
Secondary Verific. Source:	Assessor, CoStar, Deed, News Article

Sale Analysis

Proposed Use Desc.:	Residential - Affordable Housing
Sale Price Includes FF&E?	No

Occupancy

Occupancy Type Before Sale:	Single Tenant
Occupancy Type After Sale:	Multi-Tenant
Occupancy at Time of Sale:	0.00%
Number of Tenants at T.O.S.:	0

Improvement and Site Data

MSA:	Columbus
Legal/Tax/Parcel ID:	010-066731-00
GBA-SF:	53,900
NRA-SF:	53,900
Acres(Usable/Gross):	2.45/2.45
Land-SF(Usable/Gross):	106,809/106,809
Usable/Gross Ratio:	1.00
Year Built:	1910
Most Recent Renovation:	1956
Property Class:	C
Construction Quality:	Good
Exterior Walls:	Brick
Construction Desc.:	Masonry
No. of Buildings/Stories:	1/3
Multi-Tenant/Condo.:	No/No
Shape:	Rectangular
Topography:	Level

Improvement and Site Data (Cont'd)

Vegetation:	Trees and grasses
Corner Lot:	Yes
AccessibilityRating:	Average
Visibility Rating:	Average
Bldg. to Land Ratio FAR:	0.50
Zoning Code:	LAR-1
Zoning Desc.:	Limited Apartment Residential District
Flood Plain:	No
Flood Zone Designation:	X
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone
Bldg. Phy. Info. Source:	Other
Source of Land Info.:	Public Records

Comments

This former elementary school sold in April 2016 for \$300,000 (\$5.56/SF). The property was formerly occupied by the Heyl Avenue elementary school. The school was built in 1910 and remodeled in 1956. The property was vacant at the time of the sale. The buyer planned to demolish the existing improvements and redevelop the site with a three-story building of 58 affordable housing units and four town-home buildings.