

THE APPRAISAL GROUP, LTD.

Real Estate Appraisers and Consultants

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State Certified General Appraisers
Steven M. Repac
Thomas C. Moss (1951-2003)

State Certified Residential Appraiser
Jody J. Deines-Pierce

Ms. Jessica Iverson, Building Official
Building and Facilities Mgr.
City of Billings
P.O. Box 1178 Avenue
Billings, Montana 59103

08 Dec 20

Re: Elmer Fox Estate Land Purchase Appraisal Reviews
Located N2N2N2SE4 Sec. 17, T1S, R26E, P.M.M.

Dear Ms. Iverson:

Pursuant to your instructions, I have conducted a review of two appraisals on the above referenced property. Both were conducted by certified real property appraisers in Billings, with relatively the same date of value indicated: the latter part of October of 2020. However, the concluded report values are widely divergent, and range from \$1,130,000 to \$2,100,000. I have asked each appraiser to expound on several points of concern that I noted in each initial report submitted; each appraiser was compliant with their responses, however the value divergence was not significantly reduced.

The main issues that remain between the two appraisers concern the adaptability of the subject real property to the marketplace in its "as-is" state. The subject tract, as you know, has a long and narrow configuration: 330 feet wide and 2,640 feet long. Both appraisers identified "light industrial uses" as the highest and best use of the subject tract; however, due to the tract's configuration there is an exceptionally reduced utility for such development. Additionally, the Suburban Ditch presents a significant hindrance to development on the east end. An appraisal for market value is not crafted for a "specific user," but for a "typical market participant" – and although I realize the City's desire for that specific property is keen – the higher value was not supportable.

The appraisal that, in my opinion, was the most comprehensively developed – and that best supported the appraiser's opinion of value – was the lower valued one, at \$1,130,000. I did not conclude the higher valued appraisal to be credible. My review reports remain attached to their respective appraisals in my files.

Thank you for your trust and confidence in employing my services for this important matter. Should you have any questions or need additional information pertaining to this appraisal assignment, please contact me at your convenience.

Respectfully,



Steven M. Repac
MT. General Certification No. 058