

REQUEST FOR BOARD ACTION

HENDERSON COUNTY

BOARD OF COMMISSIONERS

MEETING DATE: 21 May 2008

SUBJECT: Offer to purchase former Department of Public Health building

ATTACHMENT(S): Appraisal report

SUMMARY OF REQUEST:

The County has received an offer from Boyd Hyder to purchase the former Department of Public Health building, located on Spartanburg Highway. The offer is for \$1,070,000.00.

The appraised value as of 27 December 2006 for the property was \$1,457,000.00 (attached). The tax value assessed for the two parcels involved are \$1,284,100.00 (parcel 9904885, which includes the main building) and \$521,600.00 (parcel 9904886, including parking lot and other area), or a total of \$1,805,700.00.

If the Board chooses to accept this offer, the process is as follows:

- 1) Offer made, and prospective purchaser deposits 5% of the offer price with the County. (This has been done.)
- 2) The Board determines whether to give preliminary approval of the offer. If so, then
- 3) Notice of the offer, and of the right to make an upset bid is made in *The Times-News*. If they wish to do so, any person or entity can made an “upset bid” (higher bid) on the property, which must be at least 10% of the first \$1,000.00 and 5% of the remainder higher than the existing bid, and must make a deposit of 5% of the new bid. The new bid must then be re-advertised for further upset bids. At the expiration of the last (or only) upset bid period without further upset bids, the offer is then given
- 4) Final consideration and decision by the Board of Commissioners.

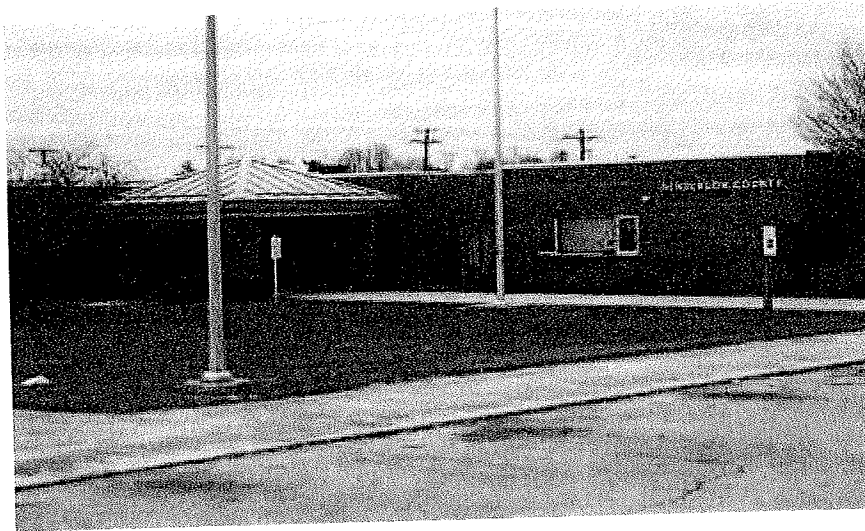
The Board may at any time up until final approval reject any and all offers.

BOARD ACTION REQUESTED: Consideration of the offer made by Mr. Hyder.

If the Board is so inclined, the following motion is suggested:

I move that the Board give preliminary approval, subject to publication and upset bid as required by Section 160A-269 of the General Statutes, of the offer to purchase the former Department of Public Health building by Boyd Hyder, for the sum of \$1,070,000.00.

APPRAISAL REPORT OF
HENDERSON COUNTY DEPARTMENT OF PUBLIC HEALTH BUILDING
1347 SPARTANBURG HIGHWAY
HENDERSONVILLE, NORTH CAROLINA 28792



Prepared for

MS. SELENA D. COFFEY
ASSISTANT COUNTY MANAGER
HENDERSON COUNTY
100 NORTH KING STREET
HENDERSONVILLE, NORTH CAROLINA 28792-5097

AS OF
September 29, 2006

Prepared by
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BTB

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December 27, 2006

Ms. Selena D. Coffey
Assistant County Manager
Henderson County
100 North King Street
Hendersonville, North Carolina 28792-5097

Re: Appraisal Report: Public Health Dept. Building
1347 Spartanburg Highway
Hendersonville, NC 28792

Dear Ms. Coffey:

In accordance with your request for an appraisal report of the market value on the above referenced property, we submit herewith a limited, restricted appraisal report and addenda with applicable exhibits that explain and demonstrate the process used in completing this assignment.

The property being appraised consists of a facility known as the Department of Public Health Building located on approximately 2.41 acres of land on the corner of Spartanburg Highway on the east and Brooklyn Avenue on the south. Principal improvements consist of a one-story office building plus a detached rear storage building.

The property is actually two parcels: one of approximately .92 acre or 40,075 square feet, was purchased by Henderson County in 1959 and is the site of the main building of approximately 13,878 square feet; and, the second parcel of approximately 1.49 acres or 64,904 square feet, was purchased by Henderson County in 1976 and is the site of the larger parking lot and grassy area on the west side of the property, plus the rear storage building containing approximately 1,106 square feet constructed in about 1995. The main building was constructed in three phases: approximate years were 1968 for phase one; 1981 for phase two; and, 1993-1994 for the smaller phase three.

The building appears to be in average condition with an anticipated remaining life of approximately 30 years. The highest and best use of the property is its current utility as a commercial office with the potential for separate detached storage area in the rear building. Access by Spartanburg Highway (U.S. 176) and the close proximity of the site to the central downtown Hendersonville area and the commercial south side indicate the likelihood of an increasing value due to economic factors such as the decreasing availability of property along main highways, population growth, and commercial growth in the Hendersonville area.

The value being reported herein is the economic or fair market value for the property. For structures such as the subject, other potential value considerations could be made; i.e. historic value, political value, or value in use among others. The other forms of value are more subjective and are non-tangible components of value. It is the economic value in terms of dollars in the marketplace that is of consideration in this study. The three approaches to property valuation were utilized in this study: cost approach; sales comparison approach; and, income capitalization approach.

To ascertain correct information for properties discussed herein, the appraiser consulted with a number of

individuals (named herein) familiar with the subject property as well as those familiar with the real estate market in the Hendersonville/Asheville area.

A walk-through inspection of the improvements on the subject property was made by the appraiser as accompanied by Les Capps, Henderson County Director of Maintenance Services, on September 29, 2006.

It should be noted that estimates of square footage for subject improvements were made by hand measurements and are believed to be accurate. However, these estimates differ from previous estimates made by other parties. Should actual size as determined by a professional engineer or other qualified professional indicate a significant size variation from those numbers estimated for this appraisal, the value could change and if so, the value reported herein would be null and void.

The appraisal report that follows summarizes the assignment, describes the area, neighborhood and subject property and briefly explains the techniques and reasoning leading to the final estimate of value. Numerous sites were analyzed as well as sales and rentals of comparable facilities in the valuation process. The sales and rentals used in this report are believed to adequately reflect the market conditions as of the valuation date. The Sales Comparison Approach to value is determined to be the most applicable approach for estimation of market value of the subject property.

The market value assumes a reasonable period of time to market the subject property were the property actually placed on the market. We believe a reasonable marketing period of 12 months or less could be expected at the appraisal value.

Based on the above, the appraiser is of the opinion that the property has a value of approximately:

ONE MILLION FOUR HUNDRED FIFTY SEVEN THOUSAND DOLLARS
(\$1,457,000)

Please refer to the body of the report for more detail supporting this conclusion of use and value.

Cordially yours,



Benjamin T. Beasley, MAI
NC State Cert. No. A-1058