

Attachment 1

ATTACHMENT NO. 1

APPRAISAL SUMMARY STATEMENT
CITY OF IRVINE
NWC BAKE PARKWAY AND IRVINE BOULEVARD
ASSESSOR'S PARCEL NO. 591-075-03

DATE OF REPORT: April 6, 2021

DATE OF VALUE: December 10, 2020

INTEREST TO BE ACQUIRED: Roadway Easement

PROJECT DESCRIPTION: The City of Lake Forest has decided to appraise all or a portion of the subject property known by the County of Orange's Assessor's Parcel No. 591-075-03 located on the northwest corner of Bake Parkway and Irvine Boulevard just north of the 5 Freeway in the City of Irvine, County of Orange with an address of 14155 Bake Parkway, Irvine, CA 92618. The project will create a roadway easement affecting one property. The project will benefit both the subject property as well as the community as a whole as it will improve traffic flow.

The subject is an 18.86-acre or 821,716-square-foot site. The subject is improved with industrial/office buildings owned by Southern California Edison. The Project proposes to acquire ("take") a 4,850 square feet portion of APN# 591-075-03 for a permanent roadway easement and 12,847 square feet for a temporary construction easement (TEC) for 6 months.

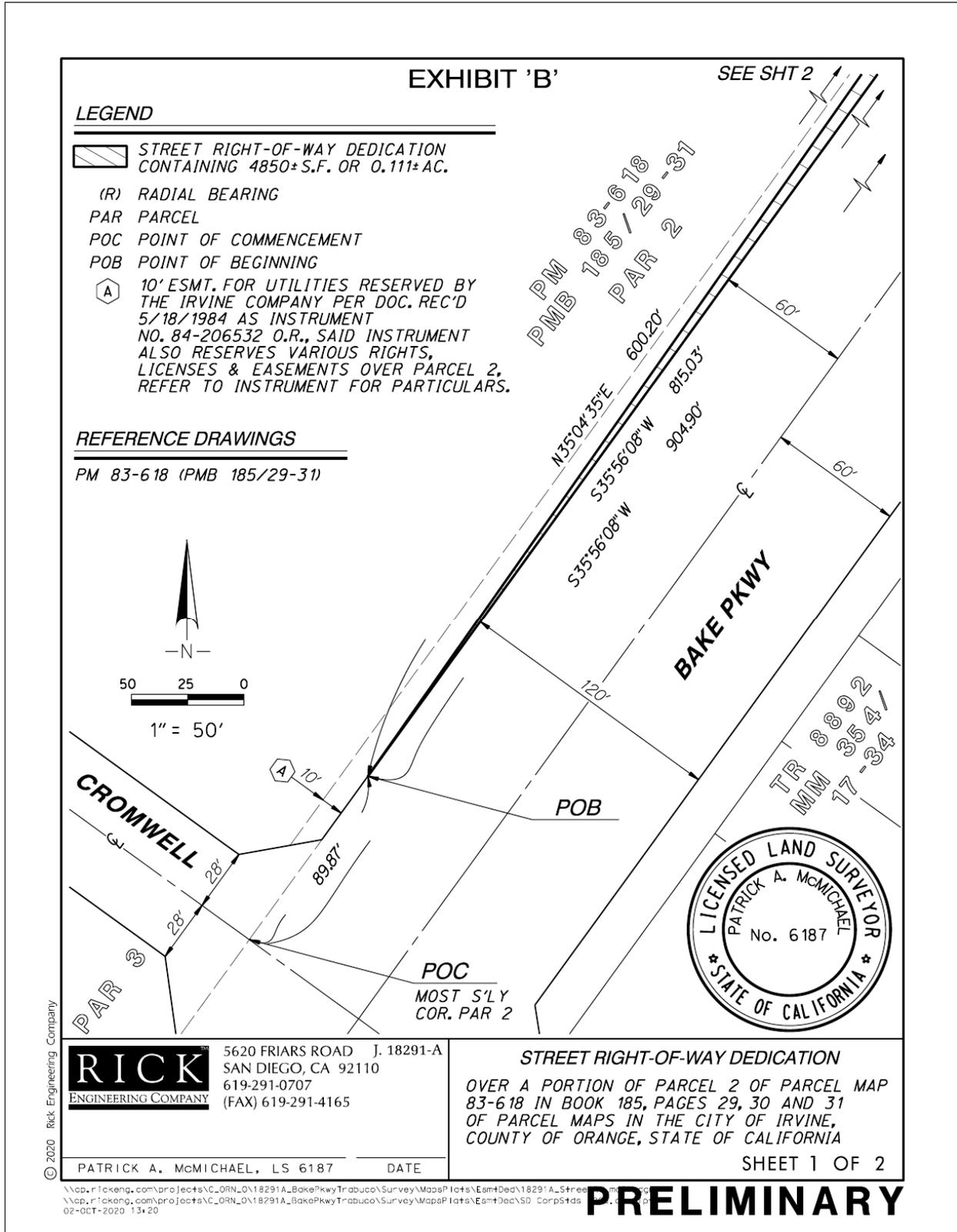
PROPERTY SUMMARY:

APN	Site Address	Owner Name	Zoning	Site Size
591-075-03	14155 Bake Parkway, Irvine, Orange County, California 92618	Southern California Edison	5.4 General Industrial	821,716 SF

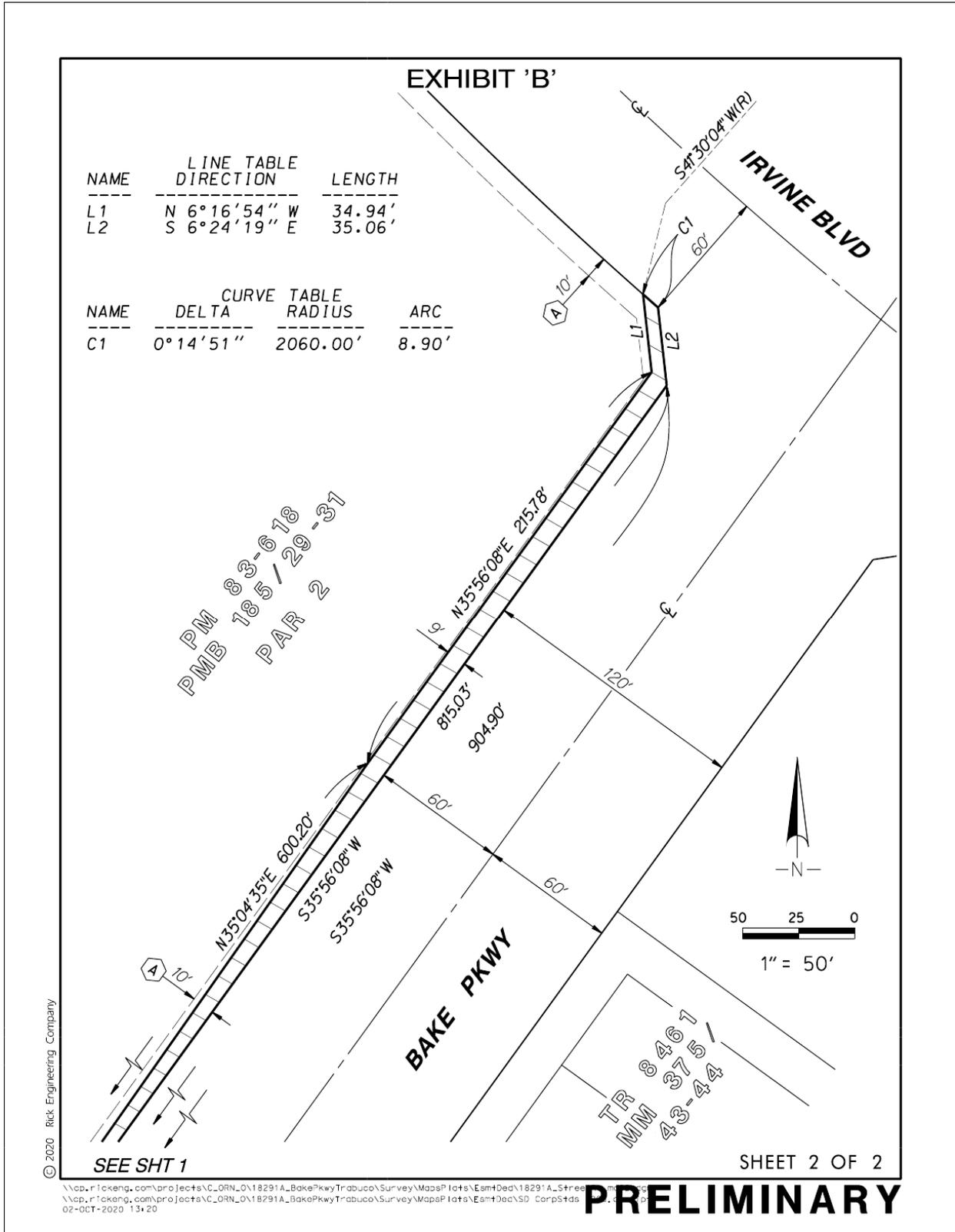
SUBJECT PROPERTY DATA:

The subject property is improved with industrial/office buildings and has curbs, gutters, and sidewalks along the street frontage of Bake Parkway and Irvine Boulevard. The site is generally level and is rectangular in shape. It is assumed that all utilities are available and adequate for the current use. The site has a corner lot location with good visibility and access. A parcel survey map and legal description of the subject site is presented on the following pages. The highest and best use of the subject "as vacant" is to develop an industrial/office development.

PARCEL MAP – ROADWAY EASEMENT (PAGE 1 OF 2)



PARCEL MAP – ROADWAY EASEMENT (PAGE 2 OF 2)



LEGAL DESCRIPTION – ROADWAY EASEMENT (PART 1 OF 2)

J-18291-A

EXHIBIT "A"

STREET RIGHT-OF-WAY DEDICATION

BEING A PORTION OF PARCEL 2 IN THE CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A PARCEL MAP 83-618, RECORDED DECEMBER 30, 1983 IN BOOK 185, PAGES 29, 30 AND 31 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST SOUTHERLY CORNER OF SAID PARCEL 2 AS SHOWN ON SAID PARCEL MAP, BEING ALSO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF BAKE PARKWAY, 120 FEET WIDE AS SHOWN ON SAID PARCEL MAP; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL 2 AND ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE NORTH 35°56'08" EAST 89.87 FEET TO THE **POINT OF BEGINNING;**

- 1) THENCE LEAVING SAID LINE NORTH 35°04'35" EAST 600.20 FEET TO A LINE WHICH IS 9.00' NORTHWESTERLY OF AND PARALLEL WITH SAID SOUTHEASTERLY LINE OF PARCEL 2;
- 2) THENCE ALONG SAID PARALLEL LINE NORTH 35°56'08" EAST 215.78 FEET;
- 3) THENCE LEAVING SAID PARALLEL LINE NORTH 06°16'54" WEST 34.94 FEET TO THE NORTHEASTERLY LINE OF SAID PARCEL 2, ALSO BEING A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF IRVINE BOULEVARD AS SHOWN ON SAID PARCEL MAP, SAID POINT BEING THE BEGINNING OF A NON-TANGENT 2060.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY TO WHICH A RADIAL LINE BEARS SOUTH 41°30'04" WEST;
- 4) THENCE ALONG SAID NORTHEASTERLY LINE OF PARCEL 2 AND ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 00°14'51" A DISTANCE OF 8.90 FEET;
- 5) THENCE CONTINUING ALONG SAID NORTHEASTERLY LINE AND SAID RIGHT-OF-WAY LINE NON-TANGENT TO SAID CURVE SOUTH 06°24'19" EAST 35.06 FEET TO THE SOUTHEASTERLY LINE OF SAID PARCEL 2, ALSO BEING A POINT ON SAID NORTHWESTERLY LINE OF BAKE PARKWAY;
- 6) THENCE ALONG SAID SOUTHEASTERLY LINE OF PARCEL 2 AND ALONG SAID NORTHWESTERLY LINE SOUTH 35°56'08" WEST 815.03 FEET TO THE **POINT OF BEGINNING.**

CONTAINING 4,850 SQUARE FEET, OR 0.111 ACRES, MORE OR LESS.

EXCEPT ANY AND ALL OIL, OIL RIGHTS, MINERALS, MINERAL RIGHTS, NATURAL GAS RIGHTS, AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN, GEOTHERMAL

LEGAL DESCRIPTION – ROADWAY EASEMENT (PART 2 OF 2)

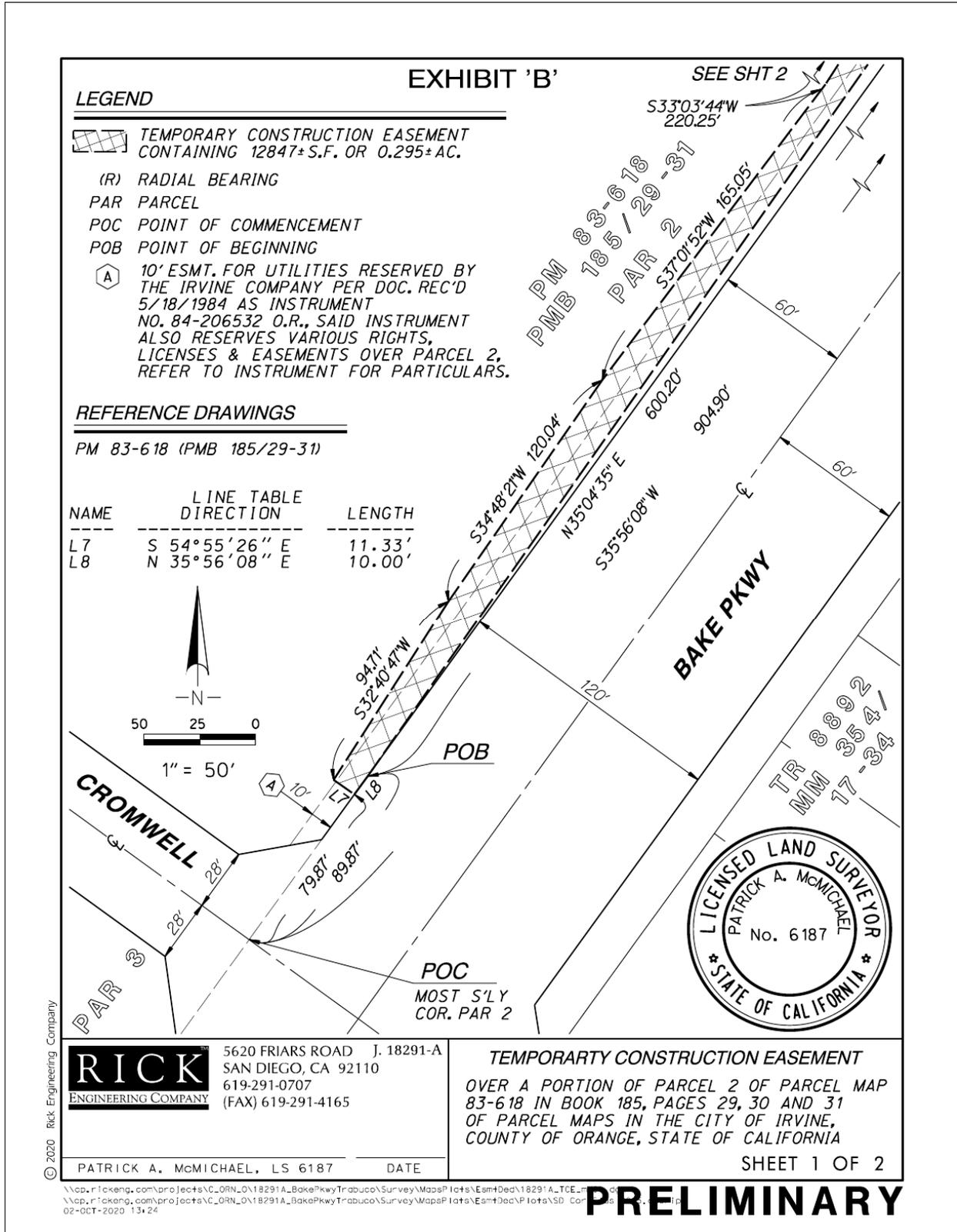
STEAM AND ALL PRODUCTS DERIVED FROM ANY OF THE FOREGOING, THAT MAY BE WITHIN OR UNDER THE LAND, TOGETHER WITH THE PERPETUAL RIGHT OF DRILLING, MINING, EXPLORING AND OPERATING THEREFOR AND STORING IN AND REMOVING THE SAME FROM THE LAND OR ANY LAND, INCLUDING THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE FROM LANDS OTHER THAN THOSE CONVEYED HEREBY, OIL OR GAS WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE LAND AND TO BOTTOM SUCH WHIPSTOCKED OR DIRECTIONALLY DRILLED WELLS, TUNNELS AND SHAFTS UNDER AND BENEATH OR BEYOND THE EXTERIOR LIMITS THEREOF AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS OR MINES; WITHOUT, HOWEVER, THE RIGHT TO DRILL, MINE, STORE, EXPLORE AND OPERATE THROUGH THE SURFACE OR THE UPPER 500 FEET OF THE SUBSURFACE OF THE LAND, AS SET FORTH IN THAT CERTAIN DOCUMENT RECORDED MAY 18, 1984 AS INSTRUMENT NO. 84-206531 OF OFFICIAL RECORDS.

DRAFT

Patrick A. McMichael, L.S. 6187 Date

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PARCEL SURVEY MAP: TEMPORARY CONSTRUCTION EASEMENT (PAGE 1 OF 2)



LEGAL DESCRIPTION – TEMPORARY CONSTRUCTION EASEMENT (PAGE 1 OF 2)

J-18291-A

EXHIBIT "A"

TEMPORARY CONSTRUCTION EASEMENT

BEING A PORTION OF PARCEL 2 IN THE CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A PARCEL MAP 83-618, RECORDED DECEMBER 30, 1983 IN BOOK 185, PAGES 29, 30 AND 31 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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- 1) THENCE LEAVING SAID LINE NORTH 35°04'35" EAST 600.20 FEET TO A LINE WHICH IS 9.00' NORTHWESTERLY OF AND PARALLEL WITH SAID SOUTHEASTERLY LINE OF PARCEL 2;
- 2) THENCE ALONG SAID PARALLEL LINE NORTH 35°56'08" EAST 215.78 FEET;
- 3) THENCE LEAVING SAID PARALLEL LINE NORTH 06°16'54" WEST 34.94 FEET TO THE NORTHEASTERLY LINE OF SAID PARCEL 2, ALSO BEING A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF IRVINE BOULEVARD AS SHOWN ON SAID PARCEL MAP, SAID POINT BEING THE BEGINNING OF A NON-TANGENT 2060.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY TO WHICH A RADIAL LINE BEARS SOUTH 41°30'04" WEST;
- 4) THENCE ALONG SAID NORTHEASTERLY LINE OF PARCEL 2 AND ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 00°12'31" A DISTANCE OF 7.50 FEET;
- 5) THENCE LEAVING SAID LINE NON-TANGENT TO SAID CURVE SOUTH 41°42'35" WEST 9.31 FEET;
- 6) THENCE SOUTH 06°38'58" WEST 39.37 FEET;
- 7) THENCE SOUTH 37°35'24" WEST 151.98 FEET;
- 8) THENCE SOUTH 84°39'26" WEST 9.92 FEET;
- 9) THENCE SOUTH 37°37'15" WEST 43.34 FEET;
- 10) THENCE SOUTH 09°09'23" EAST 10.98 FEET;
- 11) THENCE SOUTH 33°03'44" WEST 220.25 FEET;
- 12) THENCE SOUTH 37°01'52" WEST 165.05 FEET;
- 13) THENCE SOUTH 34°48'21" WEST 120.04 FEET;
- 14) THENCE SOUTH 32°40'47" WEST 94.71 FEET;
- 15) THENCE SOUTH 54°55'26" EAST 11.33 FEET TO THE SOUTHEASTERLY LINE OF SAID PARCEL 2, ALSO BEING A POINT ON SAID NORTHWESTERLY LINE OF BAKE PARKWAY;

LEGAL DESCRIPTION – TEMPORARY CONSTRUCTION EASEMENT (PAGE 2 OF 2)

16) THENCE ALONG SAID SOUTHEASTERLY LINE OF PARCEL 2 AND ALONG SAID NORTHWESTERLY LINE NORTH 35°56'08" EAST 10.00 FEET TO THE **POINT OF BEGINNING.**

EXCEPT ANY AND ALL OIL, OIL RIGHTS, MINERALS, MINERAL RIGHTS, NATURAL GAS RIGHTS, AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN, GEOTHERMAL STEAM AND ALL PRODUCTS DERIVED FROM ANY OF THE FOREGOING, THAT MAY BE WITHIN OR UNDER THE LAND, TOGETHER WITH THE PERPETUAL RIGHT OF DRILLING, MINING, EXPLORING AND OPERATING THEREFOR AND STORING IN AND REMOVING THE SAME FROM THE LAND OR ANY LAND, INCLUDING THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE FROM LANDS OTHER THAN THOSE CONVEYED HEREBY, OIL OR GAS WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE LAND AND TO BOTTOM SUCH WHIPSTOCKED OR DIRECTIONALLY DRILLED WELLS, TUNNELS AND SHAFTS UNDER AND BENEATH OR BEYOND THE EXTERIOR LIMITS THEREOF AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS OR MINES; WITHOUT, HOWEVER, THE RIGHT TO DRILL, MINE, STORE, EXPLORE AND OPERATE THROUGH THE SURFACE OR THE UPPER 500 FEET OF THE SUBSURFACE OF THE LAND, AS SET FORTH IN THAT CERTAIN DOCUMENT RECORDED MAY 18, 1984 AS INSTRUMENT NO. 84-206531 OF OFFICIAL RECORDS.

CONTAINING 12,847 SQUARE FEET, OR 0.295 ACRES, MORE OR LESS.

DRAFT

Patrick A. McMichael, L.S. 6187 Date

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Description of Parts to be Acquired

Take Area(s): A permanent taking for a roadway easement of 4,850 square feet and 12,847 square feet for a temporary construction easement (TEC) for 6 months.

Basis of Just Condemnation

The fair market value for the property to be acquired is based upon an appraisal, prepared in accordance with accepted appraisal principles and methodologies (see attached Definitions). The amount of this offer is the full amount believed to be Just Compensation for the subject property.

Any increase or decrease in the fair market value of the subject property as of the date of value caused by the public improvement for which such property is being acquired, other than that due to physical deterioration within the reasonable control of the property owner, has been disregarded in determining Just Compensation.

Appraisal Methodology

There are three recognized methods employed when valuing real property—(1) the Sales Comparison Approach, (2) the Income Approach and (3) the Replacement Cost Approach. The value estimates, as indicated by the three approaches, are then reconciled into a final estimate of the property's market value. In the final reconciliation, the appraiser weights the relative significance, defensibility and applicability of each approach depending on the quantity and quality of data and upon the type of property being appraised.

There appears to be unity of title and contiguity with the ownership and use of the subject property. The project is for a roadway easement on one property. The project will require permanent and temporary interests in one property in the Project area.

Specific take areas pertaining to the subject property will be discussed in the following valuation section. Since the acquisition (take) area involves only land, we have valued the land only for the purpose of this appraisal. The Sales Comparison Approach is the most applicable approach for valuing land and thus is the only approach utilized in this appraisal. Furthermore, the acquisitions are not expected to have a significant impact on the continuing use of the subject property as vacant. In conclusion, this analysis will be performed utilizing the theory of the "Larger Parcel". For the purposes of this appraisal, the "Larger Parcel" will refer to the subject site "as vacant" and unimproved.

Sales Comparison Approach

The Sales Comparison Approach is a method of estimating market value whereby a subject property is compared with comparable properties that have sold recently or are available for purchase. One premise of the Sales Comparison Approach is that the market will determine a price for the property being appraised in the same manner that it determines the prices of comparable, competitive properties. Essentially, the Sales Comparison Approach is a systematic procedure for carrying out comparative shopping. As applied to real estate, the comparison is applied to the unique characteristics of the economic good that causes real estate prices to vary.

COMPARABLE LAND SALE ADJUSTMENT GRID

	Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5	Sale # 6
Date of Value & Sale	12/10/20	11/13/20	5/22/20	12/18/19	8/30/19	6/14/19	5/1/19
Property Name	Industrial Land	Industrial Land	Industrial Land	Industrial Land	Industrial Land	Industrial Land	Industrial/Office Land
Address	14155 Bake Parkway	1631-1691 W. Lincoln Ave.	15171 Alton Pkwy.	1801 Penhall Way	2025 E. Orangewood Ave.	Scientific Way	400-700 Freedom Ln.
City	Irvine	Anaheim	Irvine	Anaheim	Anaheim	Irvine	Aliso Viejo
APN	591-075-03	072-110-19, 21 & 050	590-181-02 & 03	072-602-01	083-270-47,67,69,70,73-75	588-182-58	632-141-12 thru 015
Gross Acres	18.86 ac	7.00 ac	7.81 ac	1.48 ac	14.07 ac	2.99 ac	4.97 ac
Gross Square Feet	821,716 sf	304,920 sf	340,204 sf	64,469 sf	612,889 sf	130,157 sf	216,493 sf
Unadjusted Sale Price		\$15,303,000	\$18,721,281	\$3,420,626	\$32,000,000	\$7,608,000	\$10,175,000
Unadjusted Sale Price Per Square Foot		\$50.19	\$55.03	\$53.06	\$52.21	\$58.45	\$47.00
Transactional Adjustments							
Property Rights Conveyed		<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>
Adjustment		-	-	-	-	-	-
Financing Terms		<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>
Adjustment		-	-	-	-	-	-
Conditions of Sale		<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
Adjustment		-	-	-	-	-	-
Expenditures after Sale		<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
Adjustment		-	-	-	-	-	-
Market Conditions Adjustments							
Elapsed Time from Date of Value		<i>0.07 years</i>	<i>0.55 years</i>	<i>0.98 years</i>	<i>1.28 years</i>	<i>1.49 years</i>	<i>1.61 years</i>
Market Trend Through	3.0% Per Yr	-	-	3.0%	4.0%	4.0%	5.0%
Analyzed Sale Price		\$50.19	\$55.03	\$54.65	\$54.30	\$60.79	\$49.35
Property Adjustments							
Location	<i>14155 Bake Parkway</i>	<i>1631-1691 W. Lincoln Ave.</i>	<i>15171 Alton Pkwy.</i>	<i>1801 Penhall Way</i>	<i>2025 E. Orangewood Ave.</i>	<i>Scientific Way</i>	<i>400-700 Freedom Ln.</i>
Adjustment	<i>Irvine</i>	<i>Anaheim</i>	<i>Irvine</i>	<i>Anaheim</i>	<i>Anaheim</i>	<i>Irvine</i>	<i>Aliso Viejo</i>
Size		10.0%	-	10.0%	5.0%	-	5.0%
Adjustment	821,716 sf	304,920 sf	340,204 sf	64,469 sf	612,889 sf	130,157 sf	216,493 sf
Shape/Depth		-10.0%	-10.0%	-15.0%	-3.0%	-12.0%	-10.0%
Adjustment	<i>Rectangular</i>	<i>Irregular</i>	<i>Irregular</i>	<i>Rectangular</i>	<i>Rectangular</i>	<i>Irregular</i>	<i>Irregular</i>
Access/Visibility		3.0%	3.0%	-	-	3.0%	3.0%
Adjustment	<i>Corner</i>	<i>Interior</i>	<i>Corner</i>	<i>Corner</i>	<i>Corner</i>	<i>Interior</i>	<i>Interior</i>
Topography		3.0%	-	-	-	5.0%	5.0%
Adjustment	<i>Level</i>	<i>Level</i>	<i>Level</i>	<i>Level</i>	<i>Level</i>	<i>Level</i>	<i>Level</i>
Zoning		-	-	-	-	-	-
Adjustment	<i>5.4 General Industrial</i>	<i>M</i>	<i>IBC - I</i>	<i>M</i>	<i>I</i>	<i>IBC - I</i>	<i>I</i>
Utilities		-	-	-	-	-	-
Adjustment	<i>All To-Site</i>	<i>All To-Site</i>	<i>All To-Site</i>	<i>All To-Site</i>	<i>All To-Site</i>	<i>All To-Site</i>	<i>All To-Site</i>
Demolition / Contributing Improvements		-	-	-	-	-	-
Adjustment		<i>Old Metal Ind Bldg</i>	<i>Parking Lot</i>	<i>Ind Bldg./Parking Lot</i>	<i>Ind Bldg./Parking Lot</i>	<i>Vacant Land</i>	<i>Vacant Land</i>
Other		2.0%	1.0%	2.0%	2.0%	-	-
Adjustment	<i>"Subject As Vacant Land"</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
Net Physical Adjustment		-	-	-	-	-	-
		8.0%	-6.0%	-3.0%	4.0%	-4.0%	3.0%
Adjusted Sale Price per Gross Square Foot		\$54.20	\$51.73	\$53.01	\$56.47	\$58.36	\$50.83

Discussion and Analysis of Land Sales

Adjustments for property interests, special financing, or sales condition adjustments were not necessary. Southern California has been experiencing improvement in the economic environment. As there is very limited supply, vacancy has been on the decline, rental rates have increased, and property values have been increasing over the past few years, however, property values have come to a standstill since March 2020 due to the pandemic. Thus, the two sales in 2020 have not been adjusted for changes in market conditions. The other more dated sales (3 thru 6) have been adjusted upward by a growth rate of 3% annually. All of the land sales are analyzed, and adjustments are made for differences in the various elements of comparison including location, access/visibility, size, shape, topography, zoning, condition, presence of existing improvements, and other relevant factors. Adjustments for these elements are based on matched paired analysis where possible, discussions with market participants, and the experience and judgment of the appraisers. The table on the preceding page summarizes the sale comparables and appropriate adjustments.

Land Sale No.1

Land sale no. 1 is located west of the subject, at 1631-1691 W. Lincoln Ave., in the City of Anaheim. The sale price for this property was \$15,303,000, which equates to \$50.19 per square foot. The site is located on an interior lot location fronting a moderate traffic street. It is located in an area that is mainly industrial just south of the 5 Freeway. The property is not entitled and is currently a parking lot, old metal industrial building and vacant land. The buyer's plans for the site are not known. The site is zoned M, which is for industrial/office uses. The area is considered inferior in location as it has inferior demographics to the subject. A downward adjustment to the property was made for smaller size. Upward adjustments were necessary to account for the parking lot/building improvements, inferior access/visibility, inferior location, and irregular shape. Overall, this comparable was considered slightly inferior to the subject. After adjustments, this sale provides an indication of land value for the subject at **\$54.20** per square foot.

Land Sale No.2

Land sale no. 2 is located west of the subject, at 15171 Alton Pkwy., in the City of Irvine. The sale price for this property was \$18,721,281, which equates to \$55.03 per square foot. The site is located on a corner lot location fronting a moderate traffic street. It is located in an area that is mainly office and industrial just north of the 5 and 405 Freeways close to the Irvine Spectrum. The property is not entitled and is currently a parking lot. The area is considered similar in location as it is close to the Irvine Spectrum and is good for an industrial/office development like the subject. A downward adjustment to the property was made for smaller size. Upward adjustments were necessary to account for the parking lot improvements and irregular shape. Overall, this comparable was considered similar to the subject. After adjustments, this sale provides an indication of land value for the subject at **\$51.73** per square foot.

Land Sale No.3

Land sale no. 3 is located northwest of the subject, at 1801 Penhall Way, in the City of Anaheim. The sale price for this property was \$3,420,626 which equates to \$53.06 per square foot. The site is a corner site off a minor 2-lane traffic street just north of the 5 Freeway. The property is located in a small office/industrial area with surrounded by single family residences. The site was an old industrial building and parking lot at the time of sale. The site is zoned M, which is for industrial/office uses. The buyer's intentions were not known. The property is inferior in location demographically. The site is conducive to industrial/office uses. This comparable is much smaller in

size, however, similar in topography, access/visibility, shape, zoning and presence of utilities to the subject. A small positive adjustment was required for contributing improvements. Overall, this comparable was considered similar to the subject. After adjustments, this sale provides an indication of land value for the subject at **\$53.01** per square foot.

Land Sale No.4

Land sale no. 4 is located northwest of the subject, at 2025 E. Orangewood Ave., in the City of Anaheim. The sale price for this property was \$32,000,000 which equates to \$52.21 per square foot. The site is a corner site off a moderate 4-lane traffic street just west of the 57 Freeway and adjacent to Angel Stadium. The property is located in a mainly retail/office area with some older industrial surrounded by older single family residences and newer condominiums/apartments. The site was an old industrial building and parking lot at the time of sale. The buyer reportedly wants to put a mixed use project on the site, however, no plans have been submitted to the City of Anaheim. The site is zoned I, which is for industrial/office uses. The property is inferior in location demographically, however, offsetting this is the fact that the site is adjacent to the main parking lot to Angel Stadium. The site is also part of the Platinum Triangle area, which includes the Honda Center. The site is conducive to industrial/office uses. This comparable is smaller in size, however, similar in topography, access/visibility, shape, zoning and presence of utilities to the subject. A small positive adjustment was required for contributing improvements. Overall, this comparable was considered similar to the subject. After adjustments, this sale provides an indication of land value for the subject at **\$56.47** per square foot.

Land Sale No.5

Land sale no. 5 is located west of the subject, at Scientific Way, in the City of Irvine. The sale price for this property was \$7,608,000 which equates to \$58.45 per square foot. The site is an interior site off a minor 2-lane traffic street southwest of the 5 and 405 Freeways. The property is located in an industrial/office area that is part of the Irvine Spectrum. The site was vacant land at the time of sale. The site is zoned IBC-I, which is for industrial/office uses. The property is similar in location as it is located very close to the 5 Freeway and Irvine Spectrum like the subject. The site is conducive to industrial/office uses. This comparable is much smaller in size, inferior in access/visibility, inferior in shape, however, similar in zoning, topography, and presence of utilities to the subject. Overall, this comparable was considered similar to the subject. After adjustments, this sale provides an indication of land value for the subject at **\$58.36** per square foot.

Land Sale No.6

Land sale no. 6 is located south of the subject, at 400-700 Freedom Ln., in the City of Aliso Viejo. The sale price for this property was \$10,175,000 which equates to \$47.00 per square foot. The site is an interior site off a minor 2-lane traffic street south of the 5 Freeway. The property is located in a very small industrial/office area surrounded by mid-life single family residences and vacant land. The site was vacant land at the time of sale. The buyer will most likely build a corporate office. The site is zoned I, which is for industrial/office uses. The location is considered inferior based on its more isolated location further south from central Orange County and lower demographics. The site is conducive to industrial/office uses. This comparable is much smaller in size, inferior in access/visibility, inferior in shape, however, similar in zoning, topography, and presence of utilities to the subject. Overall, this comparable was considered similar to the subject. After adjustments, this sale provides an indication of land value for the subject at **\$50.83** per square foot.

Conclusion of Land Value

From the market data available, six land sales in competitive market areas which were most comparable to the subject were selected. We adjusted the comparable sales based on pertinent elements of comparison as discussed earlier and summarized the adjustments in the preceding adjustment grid.

Land Comparable Statistics

Metric	Unadjusted	Adjusted
Minimum Sale Price per Sq. Ft.	\$47.00	\$50.83
Maximum Sale Price per Sq. Ft.	\$58.45	\$58.36
Median Sale Price per Sq. Ft.	\$52.64	\$53.61
Mean Sale Price per Sq. Ft.	\$52.66	\$54.10

Location adjustments were primarily based on demographics of the area, the property's location in relation to major roadways and freeways, and the proximity of the property to the major Orange County and Los Angeles County markets. The subject fronts two moderate traffic streets in an area, which is primarily industrial/office in nature with single family residences, and vacant land surrounding the subject very close to the 5 and 405 Freeways and the Irvine Spectrum. Size adjustments are typically based on the premise that smaller parcels sell for more on a square foot basis than larger parcels due to the smaller requirements needed for purchase and site improvements. Adjustments for lot size were made to account for this variation. Only minor to moderate adjustments were required for location as all of the comparables are located in Orange County in similar industrial/office areas within a reasonable distance from the subject. The subject is a corner lot, which is similar to superior to all of the comparables, and is similar in zoning to all of the comparables, superior to similar in shape to all of the comparables, similar to superior in access/visibility to all of the comparables, larger in size to all of the comparables as large sites like the subject are very rare in the surrounding area, and is similar in presence of utilities to all of the comparables. Overall, the sales provide very good support for deriving a value.

Land Sale No. 2 and 5 are both in the same area of the City of Irvine and are very similar in zoning. Land Sale 1, 3 and 4 are in the City of Anaheim, however, are similar in presence of utilities, and zoning. Sale 6 is in the nearby City of Aliso Viejo, however, is further south from central Orange County.

Overall, the sales provide a reasonable range of value and provide a good indication of current values. In conclusion, we have given the greatest weight to Sales 2 & 5, which are both located in the Irvine Spectrum submarket. However, given the value premise for just compensation purposes, we have selected a price per square foot near the upper end of the adjusted range, which was determined to be **\$58.00** per square foot. The land valuation is summarized as follows:

LAND VALUE INDICATION

Land Valuation	
Land Area (square feet)	821,716
Indicated Value PSF	\$58.00
Indicated Value	<u>\$47,659,519</u>
Final Land Value Determination from Sales Comparison Approach (Rd.)	<u>\$47,660,000</u>

Condemnation Analysis

The subject acquisitions are not expected to have an impact on the continued use of the subject property. The subject larger parcel is assumed to be approximately **18.86** acres or **821,716** square feet based on the Orange County Assessor's Plat Map. Plat Maps provided by Paragon Partners Ltd. via Patrick A. McMichael, Professional Land Surveyor, show the permanent taking for the roadway easement and the temporary construction easement. The subject is improved with industrial/office buildings. The proposed acquisition area is expected to take a small portion of the subject's site close to the eastern boundary close to Bake Parkway and Irvine Boulevard. The subject takings include a permanent taking of a **4,850** square foot permanent taking for a roadway easement and a **12,847** square foot temporary construction easement for **6** months. The value of the Parts to be taken is considered as a portion of the value of the Larger Parcel. Thus, for the purpose of estimating the land value of the subject "as if vacant", the Larger Parcel has been estimated at a market value of **\$47,660,000** or **\$58.00** per square foot.

Description of the Part Taken

The City of Lake Forest is planning a roadway easement on one property within the City of Irvine. This is a public project, which will require the purchase of partial interests affecting a portion of one parcel located within the Project area. This project proposes to take a permanent taking for a roadway easement of **4,850** square feet starting close to the southern boundary of the subject site and runs north for approximately 850 square feet. This easement is necessary to support the construction of a roadway easement. The elongated shaped roadway easement runs north/south parallel to Bake Parkway along the eastern boundary of the subject site. The land area measures approximately 850 feet long and is approximately 10 feet in maximum width. Presently, the area is a landscaped area, which is estimated to contain approximately 4,850 square feet. The City of Lake Forest will construct the roadway easement. A diagram of this part taking, a legal description, and photos are shown on the following pages.

Analysis of the Part Taken

In the Land Sales Analysis, a value indicator of **\$58.00** per square foot is attributed to the land area for the larger parcel. The part to be taken is **4,850** square feet for the development of a permanent roadway easement. Thus, the impact to the subject would constitute a full taking of this land area. Any site improvements impacted by this taking will be replaced or put back in a manner similar to their current state. Work will also allow for continued ingress and egress to the site. The location of this land area is close to the eastern boundary of the site along Bake Parkway. It is assumed that the City of Irvine will provide a waiver for any setback requirement that is no longer in place due to the taking. As a permanent partial interest it will be 100% of the market value of the land area impacted. Therefore, utilizing a rate of 100% results in a value conclusion for the proposed roadway easement of **\$281,300**. This calculation is shown in the table below.

PERMANENT PARTIAL TAKING: ROADWAY EASEMENT

Parcel Type	Area of Part Taken	Value Per SF	% of Value	Value Conclusion
Roadway Easement	4,850 SF	\$58.00	100%	\$281,300

In addition to the reimbursement for the partial take of land, site improvements contained on the property will be removed and not replaced. As a result, one would expect the owner of the property be reimbursed 100% of the cost to replace those lost improvements. We have utilized Marshall Valuation Service Manual, a widely used construction costs guide, to estimate the replacement cost for the impacted improvements. Many of these estimates are provided as a range and we have utilized the top of these ranges to determine just compensation for the improvements impacted. The estimated costs for the improvements impacted for the subject are outlined in the table below.

SITE IMPROVEMENTS

Site Improvement	No.	Rate	Total
Medium Tree	7 Qty.	@ \$1,000	\$7,000
Landscaped Areas	4,850 SF	@ \$3.00 PSF	\$14,550
Total Site Improvements			\$21,550
Rd.			\$21,550

The impacted improvements of the subject include seven medium trees and landscaped grassy areas. According to the Marshall Valuation Service Manual a medium tree is approximately \$1,000, therefore, we have utilized \$1,000 for the medium trees multiplied by seven trees. According to the Marshall Valuation Service Manual landscaped grassy areas is approximately \$3.00 per square foot, therefore, we have utilized \$3.00 per square foot for the landscaped grassy areas multiplied by 4,850 square feet.

Applying the appropriate rates to the item above results in a just compensation valuation of the improvements of **\$21,550**, as shown in the table above.

Description of the Part Taken: TEC

This project proposes to take a temporary construction easement (TEC) of **12,847** square feet that is adjacent to the roadway easement along the eastern boundary of the subject site. This easement is to provide contractor access to the taking areas previously described. The area is presently improved with landscaped grassy areas and trees. A diagram of this taking, legal description and photos are shown on the following pages.

Analysis of the Part Taken – TEC

In the Land Sales Analysis, a value indicator of **\$58.00** per square foot is attributed to the land area for the larger parcel. The temporary construction easement will impact an area of **12,847** square feet. The specified duration for the construction easement is **6** months. It is assumed that the property will be returned to the condition it was in before the temporary construction easement as part of the project construction cost. Work will also allow for continued ingress and egress to the site.

Since the temporary construction easement does not represent a permanent easement, a rental amount for the land is applied over the length of the easement agreement. As in the previous analysis, the value of the larger parcel was estimated at **\$58.00** per square foot. This figure, times the land area of **12,847** square feet, equates to **\$745,126**. Land capitalization rates generally range in the market from 6% to 10% depending upon the location, use, zoning, size, etc. Historically a 10% rate of anticipated land value is the starting point for negotiation purposes, which is sometimes negotiated down to 8%. However, recently there has been a downward trend in land capitalization rates to where they are now typically in the 7% to 8% range in today's market. Given the administrative hassle of dealing with a temporary construction easement and the fact that the owner of the subject property will be responsible for the property taxes and other expenses to the property, we have utilized a rate at the high end of the normal market range. Thus, utilizing a capitalization rate of 10% multiplied by the **\$745,126** land value multiplied by **6** months, results in a Market Value for the Temporary Construction Easement of **\$37,256**. This calculation is shown in the table below.

TEMPORARY CONSTRUCTION EASEMENT (TEC)

Parcel Type	Area of Part Taken	Value Per SF	Total Value	Annual Land Rate of Return	No. of Months	Value Conclusion
Temporary Construction Easement (TCE)	12,847 SF	\$58.00	\$745,126	10.0%	6	\$37,256

Analysis of Severance Damages & Benefits

Severance damage is a loss in value to the remaining property after acquisition and construction in the manner proposed. Severance damages are valued by an appraisal of the remainder as a portion of the total property in the before condition and as a remainder in the after condition (disregarding the benefits of the construction project). The remainder is considered damaged if worth less after the project construction because of a legally compensable reason.

By taking the required 4,850 square feet for a permanent taking for a roadway easement, and 12,847 square feet for a temporary construction easement it is concluded that there will be no adverse impact to the property as a whole. Effectively, there will be no change in drainage or grade to the remainder property. Access, visibility and parking will also remain the same. The improvement project will replace or put the improvements back in a manner similar to their current state. The highest and best use of the site has also not changed in the after condition. Thus, it is our opinion that the subject remainder property will not be negatively impacted by the acquisition of the part taken or the construction of the project improvements. Therefore, it is concluded that there is no severance damages to the subject property.

Benefits are also valued by appraising the remainder both before, and after, the taking. Benefits are offset against any severance damages. There will be no change in either the drainage or grade level of the remainder property. Traffic and pedestrian flow is expected to improve with the proposed improvement project, but this is considered a benefit to the community at large, as well as to the subject. Therefore, considering all aspects of the taking and the proposed project, we have concluded that there are no benefits to the subject remainder property.

Conclusion of Just Compensation

Shown below are the conclusions of this report leading to the Just Compensation for the subject Part Taken. These conclusions are subject to the assumptions and limiting conditions included at the end of this report, as of December 10, 2020, and represent the market value of the fee simple interest in the subject property.

JUST COMPENSATION	
Value of Larger Parcel in Before Condition	\$47,660,000
Value of Part Taken - Roadway Easement	\$281,300
Value of Remainder in After Condition	\$47,378,700
Severance Damages	\$0
Less Benefits	\$0
Net Severance Damages	\$0
Value of Temporary Construction Easement	\$37,256
Site Improvements in Take Area	\$21,550
Just Compensation (Parts Taken, Severance Damages/Benefits)	\$340,106
Rd.	\$340,000

Definitions

Market Value

"(a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

(b) The fair market value of property taken for which there is no relevant market is its value on the date of valuation as determined by any method of valuation that is just and equitable."⁸

Just Compensation

"In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken; should put the owner in as good a position pecuniary as he or she would be if the property had not been taken; generally held to be market value, but courts have refused to rule that it is always equivalent to market value."⁹

Larger Parcel

"In condemnation, the portion of a property that has unity of ownership, contiguity, and unity of use, the three conditions that establish the larger parcel for the consideration of severance damages in most states. In federal and some states cases, however, contiguity is sometimes subordinated to unitary use."¹⁰

Partial Taking

"The taking of part of any real property interest for public use under the power of eminent domain; requires the payment of compensation."¹¹

Remainder

"In eminent domain condemnation, that portion of the larger parcel the property remaining in the ownership of the property owner after a partial taking."¹²

⁸ California Code of Civil Procedure, Section 1263.320

⁹ The Dictionary of Real Estate Appraisal, Appraisal Institute, Fourth Edition, 2002, page 154

¹⁰ The Dictionary of Real Estate Appraisal, Appraisal Institute, Fourth Edition, 2002, page 160

¹¹ The Dictionary of Real Estate Appraisal, Appraisal Institute, Fourth Edition, 2002, page 209

¹² The Dictionary of Real Estate Appraisal, Appraisal Institute, Fourth Edition, 2002, page 242

Damages

"In condemnation, the loss in value to the remainder in a partial taking of property. Generally the difference between the value of the whole property before the taking and the value of the remainder after the taking is the measure of the value of the part taken and the damages to the remainder. Note that different regions of the country and different courts may use terms such as consequential damages and severance damages differently."¹³

Property Rights Appraised

A "fee simple estate" is defined as "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."

Tenants in Common

Title to property held by two or more persons, in which, each has an "undivided interest" in the property and have an equal right to use the property, even if the percentage interests are not equal or the living spaces are different sizes. There is no "right of survivorship" if one of the tenants dies, and each interest may be separately sold, mortgaged or willed to another.

¹³ The Dictionary of Real Estate Appraisal, Appraisal Institute, Fourth Edition, 2002, page 73