

1) Page 3 of the RFP indicates that the following three valuation approaches be applied: Replacement Cost (aka Cost Approach), Sales Comparison Approach and Income Approach. According to the Uniform Standards of Professional Appraisal Practice (USPAP) --the approaches necessary to develop a credible opinion of market value are determined by the appraisers' Highest and Best Use Analysis. In the event that one or more of these approaches are deemed inapplicable, we would not include them in the appraisal report in order to remain USPAP compliant. The appraisers previously appraised the subject property in 2007 wherein only the land value was requested. We strongly suspect that the existing improvements have reached the end of their useful and economic lives and that the highest and best use of the property will be for demolition and development to another use. Such an appraisal can be performed in a summary format for a substantially lesser fee than one with a client's requirement that all approaches—whether applicable or not in the appraiser's judgment—be employed.

Q: If the appraisers were to arrive at an opinion that the existing structures are no longer physically, economically, or functionally salvageable, would the request for a Cost and/or Income Approach to value remain within the expected scope of work by the client or would you accept the decision of the appraisers to omit these approaches? **This would be a decision of the Board. At this time we do not have that direction.**

1) Does the client require an appraisal "as-improved" or "as ready for development?" The following are some scenarios that will help us define the scope. **At this time the direction from the Board is "as-improved."**

2

A) If "as-improved" then: a. The appraisers need to factor in environmental considerations (asbestos, lead paint etc...) as a potential purchaser/ the market would factor this into a purchase price whether their intention is for repurposing the buildings or for demolition or a combination thereof. There were indications from the inspection that asbestos is present to different degrees in each building. Similarly, lead paint is a concern for structures built pre-1978. The appraisers are not qualified to evaluate environmental hazards so we would need to rely on an environmental assessment of the property. Q: Will the County provide an environmental assessment to the appraisers? **At this time the County is not aware of an existing environmental assessment. It is unknown if the Board would agree to conduct such an assessment prior to the property being appraised.**

b. The appraisal can be done under the (hypothetical) assumption that no environmental hazards exist, however it is believed that a potential buyer would have concerns about environmental hazards and either seek to have an environmental study performed before submitting a bid or request that one be provided by the seller before bidding. If such a study were not possible before bidding, it is possible that an otherwise interested bidder would either decline to bid or offer a bid that would include a substantial discount because of unknown environmental concerns. It appears to the appraisers that an environmental study is inevitable for the eventual sale of the property whether ordered by the county or a prospective bidder. **Understood.**

B) If “as ready for development,” then: a. The property could be appraised as land value only under the assumption that the site would be cleared of all improvements and/or hazards and available for development to its highest and best use to the successful bidder. To be able to provide a valuation opinion for the vacant land, the appraisers would require a bid from a licensed demolition contractor to include as a deduction from the estimated land value as vacant. A demolition bid for this type and scale of property most likely would not be free of charge. Q: Would the County order and pay for such a bid if a contractor required payment, or should the appraisers seek such bid and include its cost—if any—in their bid? **This would be a decision of the Board. At this time we do not have that direction.**

C) Q: What are the “administrative requirements of the County” that we must adhere to? (see page 4, first paragraph, last bullet point of the RFP) **This is a general statement only. There are no specific requirements expected other than what is required by Idaho Code or the County’s own internal administrative procedures.**

3

D) Q: What building code violations are present or potentially present that you are aware of? **The County is currently not aware of any building code violations.**

E) Q: Can the County request that a City building inspector walk through the property and furnish a report for consideration by the appraisers? **The County would consider making such a request if it were determined to be material to the appraisal.**

F) We would request a copy of the feasibility study of the property conducted by AMDC (circa 1999) as it may contain additional information on the condition of the improvements and the feasibility for adaptive re-use of the facilities. **A copy of the feasibility study can be made available if the County is in possession of this document.**

G) Q: Is there a deadline for completion and submittal of the appraisal or can that be included in the appraiser’s response to the RFP once the scope of work and the availability of requested demolition/environmental studies has been determined? **The top of page 4 of the RFP indicates the final report is due May 8, 2015.**

H) An operational (income & expense) history for the property would be useful in the analysis of highest and best use of the property. Q: Is such information available? **Financial information can be made available as needed.**