

CITY OF HOBART BOARD OF PUBLIC WORKS AND SAFETY
Resolution No. 2019- 14

**A Resolution Appointing Appraisers of Certain Real Estate for
Potential Purchase by the City**

WHEREAS, the Board of Public Works and Safety (“Board”) of the City of Hobart, Indiana (“City”) has been informed that the Common Council of the City adopted Resolution No. 2019-22 on August 7, 2019 declaring its interest in purchasing and authorizing appraisals for such potential purchase of a parcel of real estate north of 61st Avenue and west of Arizona Street, comprising approximately 4.15 acres for the purpose of residential development, parcel I.D. No. 45-12-01-451-007.000-018; and

WHEREAS, the Board is the purchasing agency for the City pursuant to §31.004(A) of the Municipal Code of the City of Hobart enacted pursuant to the authority of I.C. §5-22-4-5(a); and

WHEREAS, the Board, as the City’s purchasing agency, has the duty to appoint appraisers to determine a potential purchase price by the City under I.C. §36-1-10.5-1, *et seq.*; and

WHEREAS, pursuant to I.C. §36-1-10.5-4, the Board shall appoint two (2) appraisers who must be (1) professionally engaged in making appraisals and (2) licensed in the State of Indiana under I.C. 25-34.1; and

WHEREAS, the Department of Development has assisted the Board in obtaining proposals from qualified appraisers and has submitted same to the Board: and

WHEREAS, the Board now desires to appoint appraisers in this matter and to spread such appointments upon the public record.

THEREFORE, BE IT RESOLVED by the BOARD OF PUBLIC WORKS AND SAFETY of the CITY OF HOBART, INDIANA that:

The Board now appoints Thomas S. Bochnowski of Bochnowski Appraisal Company, 8152 Kennedy Avenue, Highland, Indiana 46322, and Frank Odar, Jr. of AER Group, 450 Vale Park Road, Suite B, Valparaiso, Indiana 46385 as appraisers each to determine the fair market value of the above-identified property in accordance with their respective written proposals.

The Board further authorizes the City Executive to execute the contracts for said appraisals and issue notice to the appraisers to proceed.

ALL OF WHICH is adopted as the Resolution of the Board of Public Works and Safety of the City of Hobart, Indiana on this 7th day of August, 2019.


BRIAN K. SNEDECOR, Presiding Officer

ATTEST:


DEBORAH A. LONGER, Clerk-Treasurer

BOCHNOWSKI APPRAISAL COMPANY

8152 Kennedy Avenue
Highland, IN 46322
Web site: www.bochnowskiappraisalco.com

Ph: (219) 923-1602
Fax: (219) 923-1802
Email: tsbochn@comnetcom.net

July 9, 2019

City of Hobart/Beth Jacobson
414 Main Street
Hobart, IN 46342
Email: bjacobson@cityofhobart.org

RE: Market Value Restricted Appraisal of 4010 E 61st Avenue, Hobart, IN 46342 (Irizarry Property)
(Parcel # 45-12-01-451-007.000-018)

This is an engagement letter and proposal for the appraisal of the above referenced property. This appraisal shall be prepared for the intended user, and the intended use for internal decision making purposes. *The Market Value Restricted Appraisal Report is provided when the intended users of the report do not include parties other than the client and the restricted report content and level of information are sufficiently adequate for the intended use of the report.* Written authorization is necessary before releasing the report to any other party. Bochnowski Appraisal Company is not responsible for unintended or unauthorized use of its appraisals.

- The purpose of the appraisal is to estimate the fee simple Market Value of the subject property.
- The effective date of the appraisal will be the date of inspection, unless otherwise stated.
- The Market Value Restricted Appraisal will be prepared in accordance to the 2018-19 Uniform Standards of Professional Appraisal Practice (USPAP).
- The appraisal performed under this Agreement will be subject to all statements, assumptions, limiting condition, and other conditions (collectively, "Appraisal Conditions") set forth in the appraisal report. Client agrees that Client will review the Appraisal's Conditions upon receipt of the report and the Client's use of the appraisal will constitute acceptance of the Appraisal Conditions. The Appraisal Conditions shall be considered as being incorporated into and forming part of this Agreement with respect to the appraisal in which they are contained and to the services relating that appraisal. Certain general assumptions shall be provided in advance upon request.
- The appraisal report will be completed within 30-45 Days after the inspection of the subject property.
- One original copy of the report will be provided.

The fee for the proposed appraisal is **\$800.00** (*Eight Hundred Dollars*).

This proposal including quoted fees and lead time expire in 5 days from the date of the engagement letter.

BOCHNOWSKI APPRAISAL COMPANY

Payment due upon delivery of the report.

Please be advised the liability of the appraiser is limited to the client only and the maximum liability relating to the valuation services shall be limited to the fee paid to the appraiser. Any use of or reliance on the appraisal by any party, regardless of whether the use or reliance is authorized or known by the Appraiser, constitutes acceptance of, and is subject to, all appraisal statements, limiting conditions and assumptions stated in the appraisal report.

By your signature, you agree to pay any court costs, collections, reasonable attorney fees, and liability conditions. The preparation of this will proceed upon receipt of a signed copy of this letter and deposit. If you have any questions or concerns regarding this engagement letter, please call.

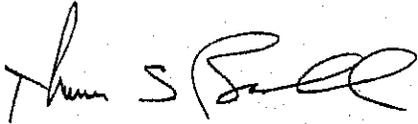
Please provide contact information for access to schedule to inspection:

Name _____

Phone(s): _____

Email: _____

Respectively submitted,



Thomas S. Bochnowski
Indiana Certified General Appraiser
Bochnowski Appraisal Company

Engagement Letter

Accepted: _____
Client's Signature Date

Title: _____



450 Vale Park Road, Suite B
Valparaiso, Indiana 46385



Phone 219 - 476 - 7337
Fax 219 - 476 - 7330

COST SEGREGATION • APPRAISAL • BROKERAGE • WWW.AERGROUP.COM

July 10, 2019

Ms. Beth Jacobson c/o
Mr. Brian K. Snedecor
Mayor of the City of Hobart
City of Hobart
414 Main Street
Hobart, IN 46342

**RE: Proposal for Professional Appraisal Services
Land in Hobart, Indiana**

Dear Mayor Snedecor,

Attached is our proposal for a Fair Market Value Appraisal on the land in Hobart, Indiana known as the Irizarry Property, located off Arizona St, Hobart, Indiana, and further described via assessment records contained in Exhibit B Attached. We are to understand that the report will include one value, which reflects the value of the assumed vacant 4.15 acre parcel. Report delivery will be within 30 days of your execution of this agreement, and our fee for this Sales Comparison Summary Report will be \$1,200.

Please review this proposal and call me with any questions you might have. An Authorization signature on the last page will serve as acceptance of this proposal and will initiate the appraisal process. Please sign and facsimile back to our office at the number above, forwarding the signed original to our office.

We look forward to working with you on this assignment.

Sincerely,

Frank Odar Jr
Indiana Certified Residential Appraiser
Indiana Licensed Real Estate Broker
President – AER Group



PROPOSAL FOR REAL ESTATE APPAISAL SERVICES

PARTIES: City of Hobart hereby agrees to employ Frank Odar Jr, d/b/a AER Group.

PROPERTY: Land located just off of Arizona Street, Hobart, Indiana, 46342. This parcel is currently unimproved with no building improvements present.

APPRAISAL REPORT: Appraiser agrees to prepare, in writing, a Summary Fair Market Value Appraisal Report in conformity with any professional organizations to which Appraiser may belong. A report will be developed which will include a single value for the primary 4.15 acre subject site.

PURPOSE: is to establish Fair Market Value for the potential purchase of the subject property. Report cannot be used to secure bank financing.

INTEREST: to be appraised shall be Fee Simple

COMPLETION: of the appraisal shall be within the time period stated below as a result of the execution date of this proposal. All subject to unforeseen circumstances or conditions beyond the control of the Appraiser. No hard copies of this report will be provided to the client. An electronic PDF copy of the report will be transmitted to the client.

AGREED FEE: Client agrees to pay Appraiser a fee of \$1,200 for a single report with one primary value.

RETAINER: No retainer is required however, the entire bill will become due at the delivery of the report. Payment must be made within 10 days of report delivery.

TIMING: Summary Report with Sales Comparison Approach will be delivered within thirty days of the execution of this proposal.



EXPENSES: All usual expenses for travel, mileage, copies, etc. are included in the fee quoted. Should the appraiser need to purchase comparable sales or rental information from another source, or pay for this information directly then, an additional fee for the expense will be charged. This is normally not the case however, it will be the client's responsibility to cover these costs above the normal operational expenses of AER Group.

LITIGATION: In the event Appraiser is called upon, voluntarily or otherwise, to testify in court or deposition regarding the Appraisal Report herein, Client agrees to pay the then current Per Diem rate for AER plus, Appraiser's usual and customary expenses.

CANCELLATION: If this agreement is cancelled at any time prior to the delivery of the Appraisal Report, Client agrees to pay a portion of the total fee based on time expended. A 50% minimum fee will be charged.

PAYMENT: All sums due hereunder shall be paid as agreed, and are payable in the County of Appraiser's principal residence. The entire fee plus expenses will be due at the time of report delivery. The Appraiser's fee is in no way based on the final value estimate of the appraised property, and all sums hereunder are due and payable regardless of the amount of the final value estimate. In the event it is necessary to employ an attorney to collect any sums due herein, Client agrees to pay reasonable attorney's fees and court costs expended by Appraiser. In addition, interest at a rate of 2% per month will be charged. Remaining fee plus expenses will be due at the time the report is delivered to the Client.

AUTHORITY: Appraiser and his subcontractors are hereby authorized to make on-site inspections of subject property at all reasonable times to obtain supporting property data.

CLIENT'S AUTHORITY: to execute this agreement is hereby warranted, and that client is either owner of the subject property or has authority of the owner to enter into this agreement.

CONDITIONS: The Appraisal Report shall be subject to Appraiser's conditions and limitations standard form or as shown on attachment hereto (Exhibit A). The Appraisal Report will be prepared for the sole and exclusive use of the Client. The appraiser acknowledges that the appraisal report may be used in a transaction involving public funds and will be subject to public disclosure under the Access to Public Records Act of the State of Indiana (I.C. §5-14-3-1, *et seq.*). Accordingly, the appraisal report may be reproduced or distributed without the written consent of Appraiser.



WARRANTIES AND INDEMNITY: Appraiser does not make any warranties or guarantees of any kind regarding the condition of the property, sufficiency of title, areas and boundaries, mechanical and structural conditions of the improvements (if applicable) and with the agreement that the Appraisal Report represents Appraiser's opinion of value only, without any warranty that the property will sell for the appraised value. Client agrees to indemnify Appraiser, his employees and independent contractors from all claims, suits and charges of any nature that may arise out of this agreement.

INFORMATION REQUEST: The following information is requested from the City of Hobart in order to expedite the appraisal process:

1. Contact Information in order to Gain Access to the property and/or assurance that the owner of the property agrees to the appraiser being on the site.
2. Zoning determination by the client and provided to the appraiser (if other than residential).

EXECUTION: on this _____ day of _____, 2019.

Client:

Mr. Brian K. Snedecor

Mayor of the City of Hobart

Signature: _____

Appraiser:

Frank Odar, Jr

AER Group

219-476-7337 Office

219-508-3219 Cell

Signature: Frank Odar, Jr.

Date: July 10, 2019



EXHIBIT A
LIMITING CONDITIONS

STATEMENT OF LIMITING CONDITIONS

Canon 5 of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute requires the appraiser to "clearly and unequivocally set forth all facts, assumptions and conditions upon which the appraisal is based." In compliance therewith, and to assist the reader in interpreting this report, said limiting conditions are set forth below.

No responsibility is assumed for the legal description nor for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated. The legal descriptions were furnished to AER Group by the Client and are assumed to be correct.

The appraiser reserves the right to make such adjustments to the valuation herein reported as may be required by consideration of additional data that may become available.

The sketches and maps in this report are for aiding the reader in visualizing the properties. Dimensions and descriptions are based on public records and information furnished by others and is not meant to be used as reference in matters of survey. All engineering provided is assumed to be correct.

We assume that there are no hidden nor unexpected conditions of the property, subsoil, or proposed structures which would adversely affect value and assume no responsibility either for such conditions or for arranging engineering studies that may be required to discover them.

All estimates of value are presented as our considered opinion based on the facts and data appearing in the report. We assume no responsibility for changes in market conditions nor for the inability of the owner to locate a purchaser at the appraised value.

The contents of this appraisal report may be disclosed to the public as required by the Access to Public Records Act of the State of Indiana (I.C. §5-14-3-1, *et seq.*) without the written consent and approval of AER Group. The City of Hobart Redevelopment Commission shall not use the report or any portion thereof in any advertising, public relations, news, sales, or other publication of any kind unless required by law

Documentation of the valuation premises and procedures utilized has been prepared in a manner to fully support our conclusions and will be retained in our files. However, any required testimony or appearance in court is outside the initial scope of our engagement but will be provided at our then prevailing per diem.

We were not engaged to nor have we conducted any borings, soil tests, or any other procedures to test toxicity or contamination of the subject property. Any values concluded in this report anticipate that the property is free of any such detriments.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the



existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless a noncompliance is stated, defined, and considered in the appraisal report.

It is assumed that all licenses, certificates of occupancy, consents or other legislative or administrative authority required by any local, state or national government or private utility or organization have been or can be obtained or renewed for any use on which the value estimated contained in this report is based.

It is assumed that the utilization of the land and/or improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in this report.

No fractional part of this appraisal is to be used in conjunction with another appraisal. Such use renders it invalid.

This report is to be used in its entirety and only for the purpose for which it is rendered.

The property is appraised free and clear of any and all liens or encumbrances unless otherwise stated.

The valuation of the interests appraised assumes that the subject property will most probably sell on an all cash basis to the seller, with the buyer obtaining a new conventional mortgage loan at current typical market rates and terms that are current and typical as of the date of valuation. Another alternative assumption is that the seller would elect to provide necessary financing at rates and terms typical for this type of property and locale.

Unless otherwise stated, the value appearing in this appraisal represents our opinion of the Market Value of the value defined as of the date specified. Values of real estate are affected by national and local economic conditions and consequently will vary with future changes in conditions. No responsibility is assumed for economic or physical factors occurring after the date of appraisal. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, or whether the property is subject to surface entry for the exploration or removal of such materials except as expressly stated.

Liability of AER Group and its employees is limited to the fee collected for this appraisal. There is no accountability nor liability to any third party.

The contract for appraisal, consultation or analytical service is fulfilled and the total fee is payable upon completion of the report. The appraiser or those assisting in the preparation of the report will



not be asked nor be required to give testimony in court or hearing because of having made the appraisal in full or in part; nor engage in post appraisal consultation with the client or third parties, except under separate and special arrangement and at an additional fee. No testimony will be given unless the appraisal fee has been paid.

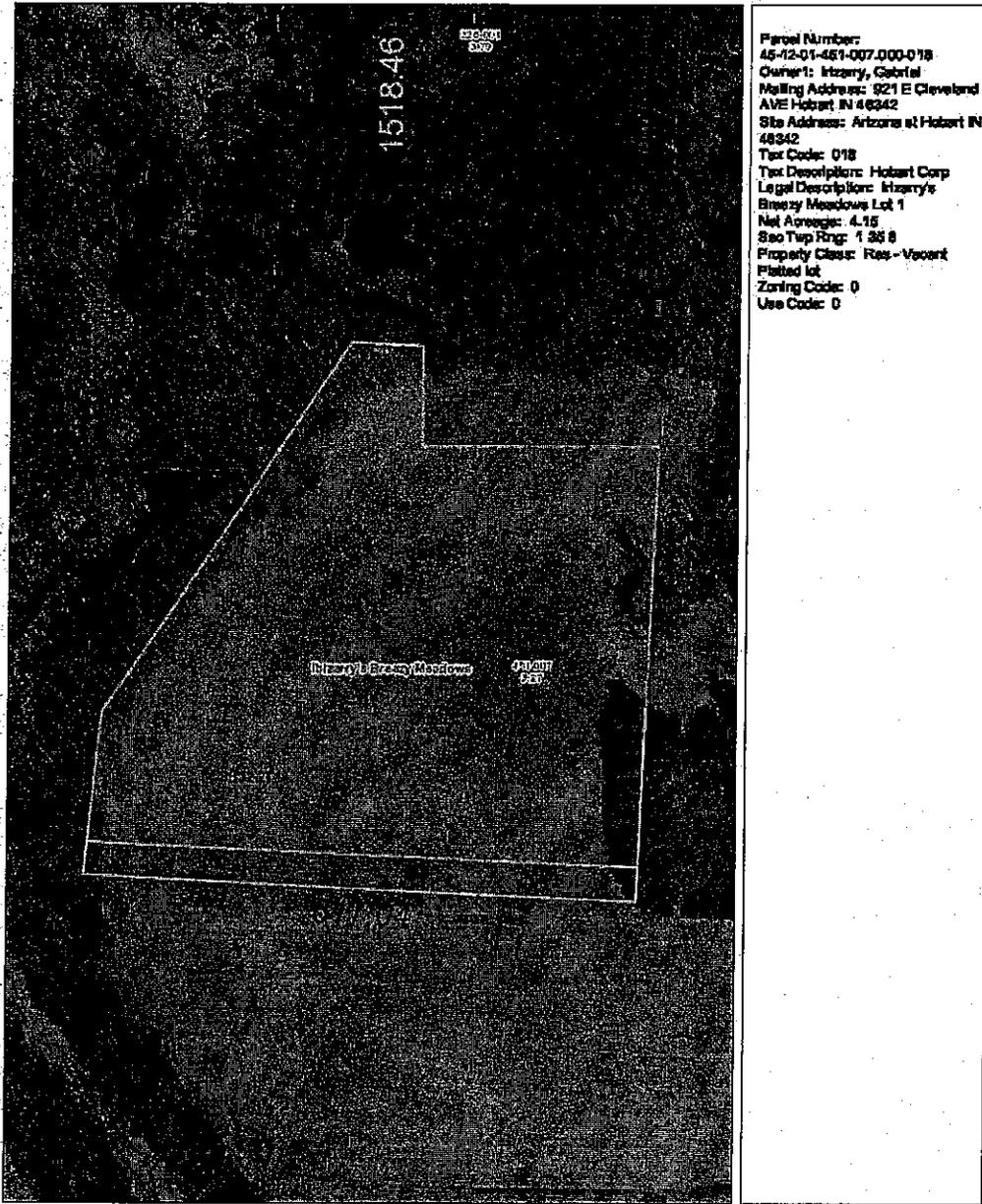
No environmental or impact study, special market studies or analyses, highest and best use study, nor feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. The appraiser reserves the unlimited right to alter, amend, revise or rescind any of the statements, findings, opinions, values, estimates or conclusions upon any subsequent such study or analysis or previous study or analysis subsequently becoming known to him.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it will be in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements for the ADA, could reveal that the property will not be in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of the ADA in estimating the value of the property.



EXHIBIT B

GIS Parcel Map



This map is a user generated static output from an internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.



Frank Odar Jr.
Valuation Consultant

Key Qualifications

Frank Odar is president of AER Group and Applied Engineering Resources, Inc. in Valparaiso, Indiana and has valuation experience with many types of commercial and industrial grade properties including aerospace, automobile dealerships, manufacturing, television broadcasting, power generation, resorts, hotels, offices, retail, supermarket, food service, processing, warehousing, distribution, truck stops, pharmaceutical laboratory, light and heavy manufacturing, recreational uses, and large multi-family and single family developments. Analysis of these properties include purchase price allocations, federal tax reporting, condemnation, highest and best use analysis, feasibility studies, and narrative FIRREA reporting for lending purposes.

Over the past thirty-two years Mr. Odar has provided clients with the following professional valuation assistance;

Assisted in the appraisal of over 45 retail stores as part of an acquisition. These regional facilities were part of a larger \$400 million transaction.

Allocation of purchase price analysis for a southeastern manufacturing concern which included both real and personal property assets.

Narrative FIRREA reporting of a subdivision which included the purchase of vacant land and the development of the property into a twenty-five acre residential community.

Assisted in the portfolio valuation of a series of bottling facilities located across the United States.

Lease analysis for a major pharmaceutical laboratory located in the Midwest. Project included determination of market rent for negotiation and the separation of rent from services provided.

Appraisal of an industrially zoned parcel in which a total taking was eminent due to interstate highway plans.

Assisted in the appraisal of over 35 truck stops located across the United States. The purpose of the appraisal was to secure primary financing as a result of an acquisition.

Assisted in the appraisal of over 15 discount department retail properties located in the western region of the United States. The purpose of the appraisal was to secure primary financing as a result of an acquisition.

Assisted in the appraisal of over 10 industrial feed mills located in the Midwest and southern United States. The purpose of the appraisal was to secure secondary financing.



Assisted in the appraisal of over 15 industrial paper mills located throughout the United States. The purpose of the appraisal was to secure primary financing as a result of an acquisition.

Completed feasibility study for the further development of a support facility for a major auto manufacturer located in the Midwest.

Completed over 3,000 federal depreciation and state use tax studies for financial reporting. Included an allocation of construction expenditures into depreciable tax lives. Also, completed Sales & Use Tax liability reporting for the establishment of state tax credits in the State of Indiana and Texas.

A complete list of Clients served will be provided upon request.

Professional Affiliations and Education

Member - Foundation of Real Estate Appraisers
Member - National Association of Realtors
Member - Indiana Association of Realtors
Member - NAERA National Association of Environmental Risk Auditors
Member - American Association of Cost Engineers
Member - Association of Energy Engineers
Member - Marshall Valuation Service for Commercial Properties
Designation - CERS Certified Environmental Risk Screener
Subscriber - Commerce Clearing House Federal Tax Reporter
Subscriber - Commerce Clearing House State Tax Reporter
License - Real Estate Broker State of Indiana No. IB59200347
License - Indiana Certified Residential Real Estate Appraiser No. CR49400441
Degree - Purdue University Bachelors of Science - Construction Engineering
Degree - Purdue University Associates of Science - Architecture
Officer - MLS President in 1997 of GNIAR Greater Northwest Indiana Association of Realtors
Director - MLS of GNIAR Greater Northwest Indiana Association of Realtors

Appraisal Course Work (Partial List)

Course 2.1 Introduction to Income Property Appraising - NAIFA*
Course 2.2 Techniques of Income Property Appraising - NAIFA
Course 2.3 Condemnation Appraising - NAIFA
Course 4.7 Basic HUD Appraisal Requirements - NAIFA
Course 4.9 HUD Review Requirements - NAIFA
Course 5.0 Uniform Standards of Professional Appraisal Practice - NAIFA
Course 101 Principles of Environmental Risk Screening - NAERA*
Course 102 Certified Environmental Risk Screening - NAERA
Course Uniform Appraisal Standards for Federal Land Acquisitions

*NAIFA - National Association of Independent Fee Appraisers

*NAERA - National Association of Environmental Risk Auditors



Professional Experience

Over the past twenty-nine years Mr. Odar has worked in a professional appraisal and tax consulting capacity with large valuation firms such as Valtec and Associates, Merrill Lynch Business Brokerage and Valuation, and Arthur Consulting Group. Early in his career he supervised construction projects as an owner/architect representative. Due to his Construction Engineering and Architectural background coupled with his project experience he has a diverse and thorough understanding of building systems and components.



**QUALIFICATIONS OF APPRAISER
KIMBERLY A. REDELMAN**

EDUCATION:

The New FHA Handbook 4000.1 – McKissock – April 2016
Uniform Standards of Professional Appraisal Practice – Equity Education February 2016
Appraising Land Subject to Ground Lease – McKissock – August 2015
Appraising Fast Food Restaurants – McKissock – August 2015
Land and Site Valuation – McKissock – May 2014
Uniform Standards of Professional Appraisal Practice – The Appraisal Education Center – November 2013
Supervisor Course – April 2013 – Mark Ratterman
Uniform Standards of Professional Appraisal Practice – The Appraisal Education Center – March 2012
Appraising and Analyzing Industrial and Flex Properties for Mortgage Underwriting – McKissock June 2012
Appraising and Analyzing Retail Shopping Center for Mortgage Underwriting – McKissock – May 2012
Appraising FHA Today - McKissock – June 2012
Private Appraisal Assignments – McKissock – May 2010
Land and Site Valuation – McKissock – May 2010
Indiana Appraisal Laws and Regulations – McKissock – April 2010
Ad Valorem Tax Consultation – McKissock -February 2010
Uniform Standards of Professional Appraisal Practice – McKissock – December 2009
The Dirty Dozen – McKissock – May 2008
The Basics of Fraud – McKissock – May 2008
The Cost Approach – McKissock – May 2008
Private Appraisal Assignments – McKissock, - May 2008
Uniform Standards of Professional Appraisal Practice, McKissock – November 2007
Indiana Law- McKissock – November 2007
Uniform Standards of Professional Appraisal Practice, Mark Ratterman – May 2005
Indiana Law- McKissock – June 2005
Case Studies in Commercial Highest and Best Use – October 2003
Uniform Standards of Professional Appraisal Practice, RECEP March 2003
Indiana Law, RECEP, March 2003
Appraising the Oddball, McKissock, May 2003
Appraiser Liability, McKissock, May 2003
Appraiser as an expert Witness, Appraisal Institute, June 2000
Advanced Income Capitalization, Appraisal Institute, March 2000
Basic Income Capitalization, Appraisal Institute, February 1999
Condemnation Appraising, National Association of Independent Fee Appraisers, November 1998
Uniform Standards of Professional Appraisal Practice, Appraisal Institute, August 1997
Uniform Standards, of Professional Appraisal Practice, RECEP, July 1994
Various Banking courses



PROFESSIONAL EXPERIENCE:

Redelman & Associates, Inc., January 2002 President, Appraiser
McCarthy & Associates, July 2000, Appraiser
The Gorman Group, Ltd. October 1998, Appraiser
Richard Adomatis & Associates, Research Analyst, Appraiser
R.B. Smith Co. – March 1989 – April 1991 – Insurance and Investment office
Indiana Federal Savings – March 1988 to March 1989 – Loan Collection Supervisor
Northern Indiana Savings Association – July 1987 – March 1988 – Mortgage Loan Servicing Department
First National Bank, Valparaiso – April 1984 – March 1987, Mortgage Loan Servicing Department

TYPE OF PROPERTY APPRAISED:

Commercial	Apartments
Industrial	Shopping Centers
Vacant Land	Subdivisions
Mobile Home Parks	Motels
Condemnation	Golf Course
Campgrounds	Multi-family
Residential	

PARTIAL LIST OF CLIENTS SERVED:

Indiana Federal Savings & Loan
LaSalle Bank
First National Bank,
First Savings Bank, Hegewisch,
Shirley Heinze Foundation
National City Bank
Banc One
National Park Service
State Highway Department
Town of Chesterton
Town of Merrillville
City of Valparaiso

PROFESSIONAL AFFILIATIONS:

State of Indiana – Certified General Appraiser #CG40100128
State of Illinois – Certified General Appraiser #553.001998

