

APPRAISAL SUMMARY STATEMENT

The fair market value for the property to be acquired is based upon an appraisal prepared in accordance with accepted appraisal principles and procedures. Recent land sales and market trends were researched and analyzed to estimate fair market value by the sales comparison approach.

BASIC PROPERTY DATA

OWNER:	Home Depot U.S.A., Incorporated
SUBJECT PROPERTY ADDRESS:	79900 Highway 111, La Quinta, CA 92253
ASSESSOR'S PARCEL NUMBER(S):	600-010-017
PRESENT USE:	Big box retailer within a shopping center
HIGHEST AND BEST USE:	To develop a commercial or mixed-use project
PROPERTY CONSIDERED FOR ACQUISITION:	Partial acquisition for a fee acquisition and permanent access easement
INTERESTS VALUED:	Fee simple estate and easement interest
DATE OF VALUE:	February 19, 2024
APPLICABLE ZONING:	Regional Commercial (CR)La Quinta Municipal Code
APPLICABLE LAND USE:	General Commercial (CG) & Mixed-Use Overlay, City of La Quinta General Plan
LAND DESCRIPTION:	The larger parcel is rectangular in shape, with two street frontage and access along Jefferson Street and Highway 111. The site is situated at a signalized intersection with high traffic counts and desirable exposure. The rear of the site is encumbered by an existing flood channel easement and public trail right-of-way, which total 1.86 acres. With the exception of the flood channel easement area, the site is level and at street grade.
IMPROVEMENTS:	The property is improved with a freestanding, single-user retail building (±108,908 SF) constructed in 1998. Site improvements include asphalt paving striped for vehicle parking, landscaping, signage, and a rear masonry wall. <i>The proposed project does not affect the building improvements or impair access or parking on the larger parcel; therefore, the improvements were not valued.</i>
TOTAL PROPERTY AREA:	
Larger Parcel:	Gross acres: ±13.37 Ac (±582,397 SF) Net acres: ±11.51 Ac (±501,533.5 SF) (*net of 1.86-acre flood & trail easement)
Portion Sought:	Fee Acquisition: ±1.86 acres (±80,863.5 SF) Access Easement: ±0.1067 acres (±4,648.19 SF)

RECOMMENDED COMPENSATION FOR REQUIRED PROPERTY

Value of the Whole – Land Only (A)	\$11,553,871	
Value of the Portion Sought – (B - Fee) & (C - Easement)		\$39,982
Value of the Remainder as Part of the Whole	\$11,513,889	
Value of the Remainder in the After Condition, Before Benefits	\$11,513,889	
Severance Damages		\$0
Value of the Remainder in the After Condition, After Benefits	\$11,513,889	
Total Fair Market Compensation		\$39,982
Total Compensation (Rounded)		\$40,000

BASIS OF APPRAISAL

The sales comparison approach was used to opine the fair market value of the subject land. The income and cost approaches were not considered relevant.

(A) Larger Parcel Valuation: The subject property and comparables are being analyzed on a net usable acreage basis, as developers typically net out site areas encumbered by restrictive easements such as flood channel easements and public right of ways. In the case of the subject property, the usable area net of the flood channel easement and public trail right of way totals 11.51 net acres. This flood channel easement area of the site cannot be developed and only contributes nominally to the property as buffer. This easement area is located just north of the concrete block perimeter rear wall.

The following table is a summary of the principal commercial land data considered in the sales comparison approach and valuation of the identified larger parcel. Consideration was given to properties with similar physical, legal, and economic characteristics.

COMMERCIAL LAND SALE COMPARABLE DATA							
No.	Address	Rec. Date	Document No.	Seller Buyer	Net Size (Ac)	Sale Price	\$/SF*
1	NEC Hwy 111 & Dune Palms La Quinta, CA	11/02/23	2023-0327910	Dwcg1 LLC / Bp Dune Palms LP	8.69	\$8,500,000	\$22.45
2	NWC Hwy 111 & Miles Ave. Indian Wells, CA	09/09/22	2022-0390270	Miles Lodge LLC / Summit Developments	14.92	\$13,000,000	\$21.80
3	NEC Bob Hope & Gerald Ford, Rancho Mirage	04/14/23	2023-0107389	Heinrich-Steinberg / New Ahc Holdings	5.67	\$5,000,000	\$21.25
4	900 S Palm Canyon Dr Palm Springs, CA	03/27/19	2019-0102382	RREF II-DC Cameron/ Toll Brothers West	11.45	\$10,000,000	\$26.07
5	1010 Tahquitz Canyon Palm Springs, CA	02/13/24	2024-0037464	Agua Caliente Band/ Susan Ann Olinger	4.50	\$4,500,000	\$22.96

*Market Condition Adjusted Selling Price per square foot

Based on analysis of the comparable land sales, discussions with knowledgeable brokers, and market research, the concluded fair market value of the net usable area of the subject larger parcel was \$23.00 per net square foot.

The contributory value of the flood channel easement and trail right-of-way area of the site was opined by analyzing land sales of properties with significant legal and physical restrictions on use. Examples of restrictions included restrictive zoning and land use (open space zones), high flood risk areas (flood zone A), or more remote locations with limited access. These restricted land sales were located in Coachella

Valley and reflected speculative uses that better represent the use restrictions of the subject flood channel easement area. The sales data indicated that speculative land values ranged from approximately \$6,000 to \$12,000 per acre, with an average of \$8,744 per acre. Considering the substantial restrictions on use due to the existing easements, which prohibit the development of the area, a value of \$10,000 per acre was considered appropriate for the subject flood channel easement area.

Based upon these value conclusions, the fair market value of the larger parcel is calculated below:

<i>Fair Market Value of The Whole (Land Only)</i>	<i>Area Size</i>		<i>Unit Value</i>	<i>Value</i>
Developable Land (<i>net usable area</i>).....	501,533.5 SF	x	\$23.00 /net SF =	\$11,535,271
Flood Channel & Trail Easement Area.....	1.86 acres	x	\$10,000 /Acre =	\$18,600
	13.37 gross acres			\$11,553,871

VALUATION OF THE PORTION SOUGHT

The proposed project requires a fee acquisition and an access easement from the identified larger parcel.

(B) Land Acquisition: According to the right-of-way exhibits, the proposed fee acquisition comprises the area of the larger parcel encumbered by the existing flood channel easement and public trail right of way. The fee acquisition area totals 80,863.5 square feet or approximately 1.86 acres. The fair market value of the fee acquisition area is calculated as follows:

<i>Portion Sought</i>	<i>Size</i>		<i>Unit Value</i>	<i>Value</i>
Fee Acquisition	1.86 acres	x	\$10,000 /acre =	\$18,600

(C) Permanent Access Easement: According to the right-of-way exhibits, the proposed non-exclusive, permanent access easement is an “L” shaped strip of land extending from the intersection of Jefferson Street and Vista Grande to the lift station located within the fee acquisition area noted above. Several existing subsurface utility easements encumber most of this area of the site. The access easement area comprises 4,648.19 square feet or approximately 0.1067 acres. The fair market value of the proposed access easement is calculated as follows.

<i>Portion Sought</i>	<i>Size (Sq. Ft.)</i>		<i>Unit Value</i>	<i>% of Fee</i>	<i>Value</i>
Permanent Access Easement.....	4,648.19 SF	x	\$23.00 /SF x	20% =	\$21,382

SUMMARY OF FAIR MARKET VALUE COMPENSATION

In this case, compensation to the property owner comprises the fair market value of the fee acquisition and permanent access easement as follows:

Fee Acquisition	\$18,600
Permanent Access Easement.....	\$21,382
Total Fair Market Value.....	\$39,982
	Rounded: \$40,000

DEFINITION OF FAIR MARKET VALUE

(See California Code of Civil Procedure 1263.320, a & b)

(a) The fair market value...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 comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

APPRAISED BY: Mark J. Hendrickson, MAI, AI-GRS

APPRAISAL FIRM: **Hendrickson Appraisal Company, Inc.**
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PREPARED BY (Signature):



NAME (Printed):

Mark J. Hendrickson, MAI, AI-GRS

DATE:

March 21, 2024