

WAIVER VALUATION TITLE PAGE

Project: Phelan Road Intersection Improvement Project

Project Limits: On Phelan Road at Sonora Road, Tumbleweed Road, Sunny Vista Road, and Arrowhead Road.

The Waiver Valuation(s) contained have been prepared for County use only as a step in the eminent domain process upon which to base offers of settlement.

The undersigned has made the determination of just compensation of the properties contained herein and recommends approval of this report:

Real Property Agent

Derrick Washington

The undersigned has reviewed and approved this report and certifies that the requirements of the Caltrans R/W Manual have been met.

APPROVED:



Date:

8/2/21

Real Property Agent

Nancy Summers

This form is intended to be consistent with Exhibit 7-EX-21 A (Waiver Valuation Title Page)

WAIVER VALUATION

Report Number:	21-20
Date:	8-2-2021 this will be report date?
Project:	Phelan Road Intersection Improvement Project
Project Limits:	On Phelan Road at Sonora Road, Tumbleweed Road, Sunny Vista Road, and Arrowhead Road.
APN and Project Parcel Number:	3065-611-05 (portion)
Owner:	Cindea Lindley
Date Acquired:	3/10/2017
Property Address:	9525 Phelan Road, Phelan, CA 92371
Applicable zoning:	PH/RL-5 (per ArcGIS)
Current use:	Residential Dwelling
Highest and best use:	(as if vacant) Single-Family Residence/(as improved) Single-Family Residence
Possible Hazardous Waste (include underground tanks)	None noted
Property to be acquired:	The project requires one temporary construction easement at the northwest corner of the parcel (TCE-3).
Part or All:	Part – only partial acquisition and of temporary nature
Total Property Area:	138 square feet
Including Access Rights?	No – Access will remain available along Arrowhead Road
Interest valued:	Temporary Construction Easement
Date of valuation:	7-27-2021
Waiver Valuation	\$500 (nominal)

PARCEL DESCRIPTION:

The larger parcel is rectangular in shape consisting of approximately 170,319 square feet (3.91 acres) located on the southeast corner of Phelan Road and Arrowhead Road. The larger parcel extends approximately 280 feet along Phelan Road which is a major arterial highway, and it extends approximately 590 feet south on Arrowhead Road. The larger parcel's other surrounding uses are comprised of vacant residential lots and improved lots with single-family residential dwellings. There is a single-family residential dwelling with various site improvements constructed on the larger parcel.

The project requires a temporary construction easement (TCE) from the larger parcel to relocate large rocks that encroach into the right of way. The TCE is identified as TCE-3 which is approximately 138 square feet. This TCE is necessary to allow the improvement of the intersection with left and right turn pockets to help manage traffic flow.

ANALYSIS FINDING:

The valuation problem is simple and the fair market value of the interest to be acquired is \$10,000 or less (Nominal). A summary of the basis for just compensation is shown in the Valuation Summary. Among the criteria to be considered in making the determination are:

- A. There is no serious question as to highest and best use.
- B. Adequate market data is available.
- C. Substantial damages and benefits are not involved.

The Sales Comparison approach has been employed to value the larger parcel underlying land. There are five residential land sales that will be considered to help derive a credible opinion of value, and an appropriate just compensation for the acquisition area. These properties were sold between February 2020 to February 2021, and they range in price per square foot from \$0.20 to \$0.77. Sale 2 sets the highest end of the range because the located main highway and it is superior in zoning. Sale 1 sets the middle towards the higher end of the range because it is located on the main highway and it has superior zoning, but appears to have a natural drainage that is affect the lot utility. Sale 5 sets the middle towards the lower end of the range because it is superior in zoning, but it is located further away from the interstate freeway. Sales 3 and 4 set the lowest end of the range because they are located further away the main highway on unpaved roads. As such, the larger parcel should not be any less than Sale 2 (\$0.77) and closer to Sale 1 (\$0.52). Furthermore, in keeping with the "highest price" concept associated with the definition of fair market value, the value was reconciled to the high end of the range, or \$0.50 to \$0.60 per square foot for the larger parcel.

The single point value for the larger parcel is concluded to be \$0.60 per square foot.

CALCULATION

Fair market value for the larger parcel is concluded to be \$0.60/SF based on the five sales analyzed and is applied as follows:

TCE-3: $138 \text{ SF} \times \$0.60/\text{SF} \times 10\% \text{ annual rate of return} = \8.28 (or \$500 minimum)

DAMAGES AND BENEFITS:

No damages or benefits are apparent.

CONSTRUCTION CONTRACT WORK:

The TCE will allow the temporary right of entry for moving some of the existing landscaping rocks out of the road right-of-way.

Inspection Date:	7-27-2021
By: Derrick Washington	Real Property Agent

This form is intended to be consistent with RW 7-15 (Waiver Valuation)

Land Sales

Land Sale No.	Location	City	APN (s)	Zoning	Sale Date	Site Size (SF)	Sale Price	Price Per SF
1)	NWC/O Phelan Road @ Sunny Vista Road	Phelan	3065-441-03	PH/RL	12/15/2020	212,137	\$110,000	\$0.52
2)	Baldy Mesa Road n/o Phelan Road	Phelan	3065-471-08	PH/RL	12/31/2020	204,732	\$157,000	\$0.77
3)	Beaver Street s/o Muscatel Street	Phelan	3038-441-09	PH/RL-5	2/20/2020	205,167	\$41,000	\$0.20
4)	Elm Street e/o White Road	Phelan	3038-371-07	PH/RL-5	8/31/2020	193,842	\$40,000	\$0.21
5)	NWC/O Lindero Street @ Sierra Vista Road	Phelan	3066-121-46	PH/RL	2/22/2021	108,900	\$48,000	\$0.44
	minimum	---	---	---	---	108,900	\$40,000	\$0.20
	maximum	---	---	---	---	212,137	\$157,000	\$0.77
	average	---	---	---	---	184,956	\$79,200	\$0.43
Subject	Phelan Road at Arrowhead Road	Phelan	3065-611-05	PH/RL-5	---	170,319	---	---

Note: NWC/O is Northwest Corner, s/o is south of, e/o is east of, and n/o is north of.

VALUATION SUMMARY STATEMENT

Date Inspection:	7-27-2021
Project:	Phelan Road Intersection Improvement Project
Project Limits:	On Phelan Road at Sonora Road, Tumbleweed Road, Sunny Vista Road, and Arrowhead Road
Parcel Number:	3065-611-05 (portion)
Owner:	Cindea Lindley
Date Acquired:	3-10-2017
Property Address:	9525 Phelan Road, Phelan, CA 92371
Property to be acquired:	The project requires one temporary construction easement at the northwest corner of the parcel.
Part or All:	Part – only partial acquisition and of temporary nature
Total Property Area:	The total area is approximately 138 square foot.
Including Access Rights?:	No – Access will remain available along Arrowhead Road

DEFINITION OF VALUE

Code of Civil Procedure Section 1263.320 defines Fair Market Value as follows:

- 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 reading, willing, and able to buy but under no particular necessity for so doing, each dealing with each 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 take 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.

BASIC PROPERTY DATA

The larger parcel is rectangular in shape consisting of approximately 170,319 square feet (3.91 acres) located at the southeast corner of Phelan Road and Arrowhead Road. The larger parcel extends approximately 280 feet along Phelan Road which is a major arterial highway, and it

extends approximately 590 feet south on Arrowhead Road. The larger parcel's other surrounding uses are comprised of vacant residential lots and improved lots with single-family residential dwellings. There is a single-family residential dwelling with various site improvements constructed on the larger parcel.

The project requires a temporary construction easement (TCE) from the larger parcel to relocate the large rocks that encroachment into the right of way. The TCE is identified as TCE-3 which is approximately 138 square feet. This TCE is necessary to allow the improvement of the intersection with left and right turn pockets to help manage traffic flow.

Interest valued:	Temporary Construction Easement
Date of valuation:	7-27-2021
Applicable zoning:	PH/RL-5
Area to be acquired:	TCE-3 which consists of approximately 138 square feet
Highest and best use:	(as if vacant) Single-Family Residence/(as improved) Single-Family Residence
Current use:	Single-Family Residence

BASIS OF VALUATION

The interest being valued is a TCE in the northeast corner of the larger parcel. Since the larger parcel's structure and site improvements will not be impacted (other than through location out of the right of way) and the easement is temporary in nature, no damages are expected. Additionally, no benefits are anticipated. The Sales Comparison Approach is the only relevant approach because the valuation is to value the underlying land of the larger parcel. The Cost and Income Capitalization Approaches are not applicable and were not employed in this analysis.

Among the criteria to be considered in making determination are:

- A. There is no serious question as to highest and best use.
- B. Adequate market data is available.
- C. Substantial damages and benefits are not involved.

APPLICATION OF THE SALES COMPARISON APPROACH

The Sales Comparison approach has been employed to value the larger parcel underlying land. There are five residential land sales that will be considered to help derive a credible opinion of value, and an appropriate just compensation for the acquisition area. These properties were sold between February 2020 to February 2021, and they range in price per square foot from \$0.20 to \$0.77. Sale 2 sets the highest end of the range because the located main highway and it is superior in zoning. Sale 1 sets the middle towards the higher end of the range because it is located on the main highway and it has superior zoning, but appears to have a natural drainage that is affect the lot utility. Sale 5 sets the middle towards the lower end of the range because it is superior in zoning, but it is located further away from the interstate freeway. Sales 3 and 4 set the lowest end of the range because they are located further away the main highway on unpaved roads. As such, the larger parcel should not be any less than Sale 2 (\$0.77) and closer to Sale 1 (\$0.52). Furthermore, in keeping with the "highest price" concept associated with the definition of fair market value, the value was reconciled to the high end of the range, or \$0.50 to \$0.60 per square foot for the larger parcel.

The single point value for the larger parcel is concluded to be \$0.60 per square foot.

After determining a per square foot value for the larger parcel, the value of the TCE was determined by multiplying the per-square-foot value (\$0.60 per square foot) by the size of the TCE (138 square feet), by an annual fair market rate of return (10%).

Fair market value for the larger parcel is concluded to be \$0.60/SF based on the four single family residential land sales analyzed (see list of principal transactions on next page) and is applied as follows:

- TCE-3: $138 \text{ SF} \times \$0.60/\text{SF} \times 10\% \text{ annual rate of return} = \8.28 (or \$500 minimum)

Land Sales

Land Sale No.	Location	City	APN (s)	Zoning	Sale Date	Site Size (SF)	Sale Price	Price Per SF
1)	NWC/O Phelan Road @ Sunny Vista Road	Phelan	3065-441-03	PH/RL	12/15/2020	212,137	\$110,000	\$0.52
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	average	---	---	---	---	184,956	\$79,200	\$0.43
Subject:	Phelan Road at Arrowhead Road	Phelan	3065-611-05	PH/RL-5	---	170,319	---	---

Note: NWC/O is Northwest Corner, s/o is south of, e/o is east of, and n/o is north of.

CERTIFICATE OF WAIVER VALUATION

I Hereby Certify:

- That I have personally inspected the property herein and that the property owner has been afforded an opportunity to be present at the time of the inspection. That to the best of my knowledge and belief, the statements contained in the Waiver Valuation herein set forth are true, and the information upon which the opinions expressed therein are based is correct, subject to limiting conditions therein set forth.
- That I understand that such Waiver Valuation is to be used in connection with the acquisition of right of way for a public roadway improvement project.
- That such Waiver Valuation has been made in conformity with the appropriate State laws, Title VI of the 1964 Civil Rights Act, and regulations, policies, and procedures applicable to determining just compensation for the required right of way, and that, to the best of my knowledge, no portion of the value assigned to such property consists of items which are noncompensable under the established law of said State.
- That neither my employment nor my compensation for making this Waiver Valuation and report are in any way contingent upon the values reported herein.
- That I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such property.
- That I understand I may be assigned as the Acquisition Agent for one or more of the parcels contained in this report, but this has not affected my professional judgment nor influenced my opinions stated herein.
- That I have not revealed the finds and results of such Waiver Valuation to anyone other than the proper officials and I will not do so until so authorized, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such finds.
- That my opinion of the total Waiver Valuation, of TCE-3, included in this report and made a part hereof by reference, as of 7-27-2021, is \$500 (nominal); and that such conclusion was derived without collusion, coercion or direction as to value.

Date:

8-2-2021^[SN1]

Real Property Agent

Derrick Washington

This form is intended to be consistent with RW 7-6A Certificate of Waiver Valuation

WAIVER VALUATION REVIEW CERTIFICATE

Project: [Phelan Road Intersection Improvement Project](#)

1. I have have not personally inspected the subject property and comparable data. I have read this report and I am satisfied with the relative comparability noted. I am familiar with the subject property neighborhood and general area and I have relied upon the photographs and exhibits in this report in analyzing and concurring with the conclusions contained herein.
2. The highest and best use of each property, as shown in the report, is reasonable and proper.
3. Gross Income Multipliers are supported with factual data. Not applicable.
4. The Cost Approach is supported by data from recognized sources. Not applicable.
5. The Income Approach to value, including the interest rates, is supported by data from the market. Not applicable.
6. Damages, Benefits and Construction Contract Work are correct and are supported in accordance with existing instructions. Not applicable.
7. The amount listed for each parcel in the certificate is the amount approved to govern negotiation and settlement.
8. I understand that the approved amount may be used in connection with a public roadway project.
9. I have no direct or indirect, present or contemplated, future personal interest in such property or in any benefit from the acquisition of such property.
10. The amount approved is not a directed amount; it was arrived at fairly, without coercion, and is based on a review of relevant data.

<u>Parcel No.</u>	<u>Waiver Valuation</u>
TCE-3 3065-611-05 (portion)	\$500 (nominal)

Date: 8/2/2021

Real Property Agent



Nancy Summers
