

**304 S FRANKLIN ST
DECATUR, ILLINOIS**



Washington Street from the east



Aerial view of the neighborhood from the northeast

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COMMENTS:

According to county records and headstone [Grindol & Watt 1927] the property was built in 1927. The property was originally operated as a new car show room and was renovated into the Franklin Mall in 1967. It has had ongoing remodeling and maintenance including new windows in 1997, new water heaters in 1998, and new electrical system in 2000. The roof and parking lot also appear to have been well maintained.

The property floor plan is somewhat awkward but the property has generally been well maintained and is in above average to good condition.

HIGHEST AND BEST USE AND EXPOSURE TIME

The highest and best use is defined as follows:

The reasonably profitable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

The Dictionary of Real Estate Appraisal, Fourth Edition, (Chicago; Appraisal Institute, 2002).

There are three logical users for the subject property. First would be an investor who would continue to operate the facility as a specialty shopping mall. Second would be an owner/occupant who would occupy part of the facility and continue to rent out the remaining shops. Finally, the Macon County offices and facilities have a space problem and could use this area.

The highest and best use would be to continue to operate as a specialty shopping mall.

The typical exposure time for this property would be six to nine months.

APPRAISAL APPROACHES TO VALUE

There are three generally recognized approaches to valuation problems:

1. *Cost - estimating the replacement cost of the improvements, deducting the accrued physical depreciation, functional and external obsolescence, then adding land value.*
2. *Sales Comparison - comparing properties that have sold and/or are listed in the market, making adjustments for the difference*
3. *Income- capitalizing the estimated net income*

The availability of data often dictates the choice of the appraisal method on which to place the most reliance. The cost approach is a summation process in which the value of the land is estimated from the market and cost of improvements is secured from data from Marshall Valuation Service and/or local cost sources, but the proper amount of depreciation is difficult to ascertain.

In the income approach, a check must be made of the market to determine that the contractual rental is in line with economic rental. An overall capitalization rate may be estimated from market data or from the type of available financing.

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VALUE

Land: An examination was made for sales of sites that could attract a similar type of buyer. The following were considered appropriate:

Comparable Land Sale 1

Address: Northwest Quadrant North & Union Streets, Decatur
Sale Date: October 2004 **Price:** \$ 75,000
Book: 3565 **Page:** 132

Dimensions: 125.32' on North, 148.75' deep, 80' on Union, 62.66' deep; for 23,654 SF.

Parcel: 04-12-15-206-018

Brief Legal: Lots 3, 6, & N. 80' of Lot 2 Block 15 C.H. Moore

Grantor: Central United Methodist Church

Grantee: Plaza Care Mngt

Zoning: R-6, Multifamily & Special Use

Twp: Decatur

Price Per SF: \$ 3.17

Utilities: All City

Comments: 62.66' x 68.75' concrete parking lot wraps around corner on North and Union Streets. Site has special use permit allowing parking lot use.

Comparable Land Sale 2

Address: 1315 N Water Street, Decatur
Sale Date: September 2004 **Price:** \$980,000
Book: 3537 **Page:** 433

Dimensions: Generally rectangular site except 185.5' x 40' out of NW corner with 371' on the north, 296.8' on east fronting Water Street, 382.75' on south fronting Grand, and 237.84' on the west; total of 97,455 SF or 2.24 Acres.

Parcel: 04-12-10-281-011, 012, 021, & 030

Observed: 11/12/03-KF

Brief Legal: Part B. Dill's Subdivision and part SE ¼ NE ¼ 10-16N-R2E

Grantor: Decatur Memorial Health Foundation

Grantee: Blackstone Group

Zoning: B-2, Commercial Planned Unit Dev.

Township: Decatur

Effective Price Per SF: \$11.08

Utilities: All City

Comments: Two-level, 31,512 SF building is to be razed and site developed with a Walgreen's Drug Store. Estimated cost to clear building of \$100,000 or over \$3 per SF would increase effective price of land to \$1,080,000. Major intersection with Water carrying northbound U.S. Route 51 traffic and Main Street southbound U.S. Route 51.

Comparable Land Sale 3

Address: 249-279 West William Street, Decatur
Sale Date: March 2004 **Price:** \$50,000
Book: 3471 **Page:** 159

Dimensions: 195.25' x 160' or 31,240 SF

Parcel: 04-12-15-276-001 thru 004

Brief Legal: Lots 6-9 Block 6 William Bandy's & adjacent 30'

Grantor: TMS

Grantee: First Presbyterian

Zoning: B-2, Commercial

Twp: Decatur

Price Per SF: \$1.60

Utilities: All City

Comments: Former parking lot with rough asphalt surface located 138.5' west of Church Street on south side of William Street. Purchaser is adjoining owner.

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Comparable Land Sale 4

Address: 1949-1975 N Main Street, Decatur
Sale Date: October 2002
Book: 3237, 3238 & 3241

Sale Price: \$144,000
Page: 906-910, 474 & 233

Dimensions: 240' on Main x 155.33' on Garfield, less curb cut, or 35,496 SF

Parcel: 04-12-10-227-010 through 015
Brief Legal: Lots 1, 4, 5, 8, 9 and 12 in Richview Addition
Grantor: Revelle, Brown, Yobski & Eastin

Grantee: Heckman Health Care

Zoning: B-1, Neighborhood Shopping
Effective Price Per SF: \$4.85

Township: Decatur
Utilities: All City

Comments: Cost of \$28,000 to raze dwellings at 1949, 59 and 69 N Main and trees, increases the effective price to \$172,000. Purchaser has assembled six lots on the southwest corner of Main and Garfield for an office/service development.

Comparable Land Sale 5

Address: SW Corner of W Prairie Avenue and N Church Street, Decatur
Sale Date: May 2001
Book: 3061

Sale Price: \$135,000
Page: 1

Dimensions: 161' on Prairie, 160' on church; total of 25,760 SF

Parcel: 04-12-15-279-007 & 008
Brief Legal: Lots 1 and 2, and the E 22.5' of Lot 3 in Block 5 of William Bandy's Add and Lots 3 and 4 in Block 6 of the Original Town of Decatur.
Grantor: YMCA

Grantee: Real Estate Investors

Zoning: B-2, Commercial
Price Per SF: \$5.24

Township: Decatur
Price Per Parking Space: \$2,288

Comments: 59-space asphalt parking lot purchased by owner of the lot to the south, across the alley.

SUMMARY OF COMPARABLE LAND SALES						
Sale	Date	Effective Price	Zoning	Interior Corner	SF	Price/SF
Sbj	Dec-04	----	B-2	Corner	36,660	----
1	Oct-04	\$ 75,000	R-6	Interior	23,654	\$ 3.17
2	Sep-04	\$1,080,000	B-2	Corner	97,455	\$11.08
3	Mar-04	\$ 50,000	B-2	Interior	31,240	\$ 1.60
4	Oct-02	\$ 172,000	B-1	Corner	35,496	\$ 4.85
5	May-01	\$ 135,000	B-2	Corner	25,760	\$ 5.24

The land sales range are in a wide range of price from \$1.60 to \$11.08 per SF. Generally, as the size of the tract increases, the unit price decreases. However, smaller tracts may be more difficult to develop.

Sale 1 is a recent transaction of a concrete parking lot, smaller, not as dense surrounding development, and more restrictive zoning. Unit price would be adjusted up.

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Sale 2 is a larger site with a stronger corner location. Walgreen's tends to pay a premium for sites with high visibility. Unit price would be adjusted down.

Sale 3 is a smaller site that has much poorer access and exposure. Unit price would be adjusted up.

Sale 4 is similar in size, has somewhat better access and exposure than the subject, but not as good surrounding development. Unit price would be adjusted up.

Sale 5 is a smaller corner site at the west edge of downtown Decatur with poorer access and exposure. Unit price would be adjusted up.

After analysis, a unit price of \$6.00 per SF would be in line. Applying this:

36,660 SF x \$6.00 or

Indicated land value [rounded] \$220,000

COST APPROACH

The cost approach is particularly applicable when the property being appraised involves relatively new improvements. Due to the original age of the subject of over 75 years, design, and condition, there would be great difficulty in properly measuring physical depreciation as well as functional and external obsolescence.

The cost approach is not considered to be a reliable value indicator for this property and is omitted.

SALES COMPARISON APPROACH

A survey was made for sales of multi-tenant commercial facilities throughout Macon County that would attract a similar type buyer. The following were considered pertinent:

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COMPARABLE SALE 1

4829-4865 EAST U.S. ROUTE 36, DECATUR



Sale Date: November 2004
Book: 3548
Parcel I.D.: 09-13-20-477-003 & 004
Brief Legal: Lots 2 & 3 Airport Plaza Addition
Grantor: Soy Capital Bank Tr. 8041

Price: \$3,000,000
Page: 21
Observed: 9/27/04-KF

Grantee: Airport Plaza LLC

Zoning: B-2, Commercial
Condition: Good

Parking: 132 Asphalt Spaces
Year Built: 1997-98

Site Description: 353.54' U.S. 36 frontage, 294.44' on east, 343.48' on Maryland, 418.45' on west; total of 121,968 SF or 2.8 Acres.

Improvement Description: Airport Plaza is a one-story neighborhood shopping center with a total gross area of 22,117 SF; steel frame, brick walls, metal roof, and separate unit roof mounted heating and air conditioning. Building is on concrete slab with typical finish carpet or tile floor, 9' ceiling height, plasterboard walls, and acoustical tile ceiling.

Price Per Building SF: \$135.64

G.R.M.: 10

Comments: Nine tenant units plus Soy Bank on land lease; unit 4833 is not finished. Estimated gross of \$300,000 and net income of \$255,000 or sold at an overall rate of 8.5%.

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**COMPARABLE SALE 2
1645 W GRAND AVENUE, DECATUR**



Sale Date: August 2004	Price: \$275,000
Book: 3528	Page: 376
Parcel I.D.: 04-12-09-327-007	Observed: 8/27/04-KF
Brief Legal: N. 150' of Lot 5, all of Lot 6 Assessor's Sub of Lot 19 SW ¼ 9-16-2	Grantee: Shivpuja
Grantor: Estes	

Zoning: B-1, Neighborhood Shopping	Parking: 23 Asphalt Spaces
Condition: Average to Above Average	Year Built: 1971

Site Description: 151' x 150' or total of 22,650 SF located 277' east of Dennis.

Improvement Description: Grand Convenience Center is a one-story building 100' x 50' or 5,000 SF. Concrete block structure, brick facing, flat built-up roof, concrete slab floor, roof mounted heating and air conditioning. The interior is divided into three units and is improved with tile floors, 9'6" ceiling height, plasterboard walls and suspended acoustical tile ceilings.

Price Per Building SF: \$55.00	G.R.M.: 7.53
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Comments: Fully occupied at the time of the transaction, the estimated yearly gross income is \$36,500 and net income of \$23,840 or property sold at overall rate of 8.67%.

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**COMPARABLE DOWNTOWN SALE 3
102 EAST MAIN STREET, DECATUR**



Sale Date: March 2003

Book: 3317

Parcel I.D.: 04-12-15-281-003

Brief Legal: Lots 9-12 Blk 1 Franklin Priests Resurvey Lots 5-7 Block 2 Original Town

Grantor: Jacobs

Price: \$140,000

Page: 881

Observed: 4/28/03-KF

Grantee: Mason

Zoning: B-4, Central Business District

Condition: Above Average

Site Description: 28' x 80' or 2,240 SF

Parking: None on site

Year Built: 1964

Improvement Description: 28' x 80' two-story concrete block structure with brick facing. Building has 2,240 SF on the main level and 4,480 SF above grade; has full basement, flat roof with rubberized surface, hot water boiler installed 12/00, forced air units and separate central air conditioners.

Price/Building SF: \$31.25

Price/Main Lev SF: \$62.50

Comments: Floor plan consists of two retail/office unit on the main level, retail/office unit and efficiency apartment on the second floor, and one retail/office unit in basement.

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COMPARABLE SALE 4

3655-3777 ROUTE 36 EAST, DECATUR



Sale Date: January 2003
Book: 3278
Parcel I.D.: 09-13-20-303-005
Brief Legal: Lot 3 of Decatur Plaza Subdivision
Grantor: Decatur Plaza LLC

Price: \$750,000
Page: 176
Observed: 12/16/02-KF

Grantee: Wicker

Zoning: B-1, Neighborhood Shopping
Condition: Above Average

Parking: Concrete
Year Built: 1982

Site Description: Irregular with 268.8' Route 36 frontage [but no access], 248.22' on Fulton Avenue, 116,624 SF or 2.68 acres.

Improvement Description: The Decatur Plaza is a one-story neighborhood shopping center with 20,570 SF. Metal walls, metal shed roof, 12'-15' eave height, separate heating and air conditioning. Interior finish consists of concrete slab floor, carpet and tile flooring, plasterboard walls and partitions, and suspended acoustical tile ceiling.

Price Per Building SF: \$ 36.46

Comments: Property had one unit of 1,600 SF or 8% of the space vacant at the time of the transaction. Net income was \$75,000 or sold at a 10% overall rate.

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COMPARABLE SALE 5

135-145 S OAKLAND AVENUE AND 1130 W WOOD STREET, DECATUR



Sale Date: January 2001

Price: \$235,000

Book: 3025

Page: 702

Parcel ID: 04-12-16-278-004 through 007

Brief Legal: Lots 3-6 and the E 40' of Lot 7, Block 1 of Oakland Place

Grantor: Entler

Grantee: Gresham

Zoning: B-2, Commercial

Parking: 25 Asphalt spaces

Condition: Average

Year Built: 1920 & 1650

Site Description: Irregular with 220' on Wood and 127' on Oakland; total of 22,225 SF

Improvement Description: This is a small neighborhood shopping center with three buildings with a total of 7,418 SF. Ralph's Pub is the original structure with 1,728 SF and connected to it is an "L" shaped building with 5,074 SF. A freestanding building with 616 SF is at the southwest corner of the property. Main building construction consists of concrete block with brick facing, flat built-up roofs, full basements, separate forced air furnaces and central air.

Price Per Building SF: \$31.68

Comments: Property had net income of \$24,200, or sold at an overall capitalization rate of 10.3%.