

**Central Lutheran Church Property, Summary of Evaluation Results**

The Department of General Services contracted with 2 appraisers and an environmental engineer to evaluate the Central Lutheran Church Property at Des Moines and East 9<sup>th</sup> Streets. The property consists of 2 sites: The church building located at 525 East 9<sup>th</sup> Street and a separate, small parcel of land containing a paved parking lot located across the street to the North at 910 Des Moines Street. Both sites are owned by the Lutheran Church, which has told us they are interested in selling them together. We have received their reports.

Appraisals

The appraisers' evaluation is based on highest and best use of the property – continuing use as a church or as a community type use. The cost of abatement is not included.

Frandsen, Knapp & Associates (FKA) appraised the property and estimated the market value of the fee simple interest as:

Main Church Property and Separate Parking Lot (combined):	\$800,000
Main Church Property (20,000 square feet land area, as improved)	\$740,000
Separate Parking Lot (6,900 square feet land area, as improved):	\$ 50,000

Iowa Appraisal and Research Corporation (IARC) appraised the property and estimated the market value of the fee simple interest as:

Main Church Property (20,000 square feet land area, as improved):	\$850,000
Separate Parking Lot (6,900 square feet land area, as improved):	\$ 69,000

The County Assessor's Office shows assessed values for the 2 parcels as: \$1,349,000 and \$23,280.

Phase 1 Environmental Site Assessment (ESA) and Asbestos Containing Materials (ACM) Survey

Terracon performed this service. The ESA identified recognized environmental conditions (RECs), the presence of hazardous, toxic, or petroleum substances on the site, which may or may not require remediation, as well as to identify RECs that may exist on neighboring properties in the vicinity and may affect the properties. It consisted of a regulatory database review, review of historical and physical records, interviews, including local government inquiries, and visual noninvasive reconnaissance of the sites and adjoining properties. No excavation or destructible means to conduct an examination are part of Phase 1 services, so the ESA cannot wholly eliminate uncertainty regarding the potential for RECs. Terracon's summation stated that they did not identify recognized environmental conditions in connection with the properties, either on the properties or on other area properties, which in their opinion would require additional investigation at this time.

Terracon provided results of the asbestos survey requested by the State. An accredited laboratory analyzed the collected samples and identified different materials or varieties as containing asbestos; different resilient floor tile colors/patterns with associated mastic, mastic used with a ceramic floor tile, stair cap, sprayed-on ceiling texture, boiler jacket thermal insulation, water heater jacket thermal insulation, pipe fitting thermal insulation, and a black, rubbery adhesive as part of the roofing materials. Other ACM materials may exist, but they may be located in interstitial spaces or other locations that cannot be detected without more invasive or destructive means of investigation.

The report states that the jacket insulation and pipe fitting insulation materials and the sprayed-on ceiling texture must be removed prior to demolition or renovation of the building that would disturb ACMs. Actual quantities of ACMs or estimated costs of their abatement were not provided in the report.