



Office of the City Manager
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Memo

To: Members of Dublin City Council
From: Marsha I. Grigsby, City Manager *Sjg/MIG*
Date: March 7, 2013

Initiated By: Fred Hahn, Director of Parks & Open Space
Re: Ordinance 23-13 - Parkland Fees – 2013 and 2014

Background

Attached is the City of Dublin Parkland Fee report from Horner Appraisal Group, Inc., which details the recommended Parkland fee for the years 2013 and 2014. The establishment of this fee is detailed under Section 152.086, Part C of the Subdivision Regulations for the City of Dublin, which stipulates that:

"Estimate average value of land per acre shall be estimated every two years by resolution of Council based upon the recommendation of a qualified land appraiser retained by the City to research recent real estate transactions and provide Council with a suggested price per acre for raw land within the City."

The suggested raw land value found in this report is \$45,000 per acre. The value for 2011 and 2012 was \$40,000 per acre. This value, once approved, will be used by the City when it is determined that payment in lieu of land for parkland donation is in the best interest of the City. A summary of the justification for the land values is included in the attached correspondence. A complete copy of the appraisal report is available for review in the Council planning room.

Recommendation

Staff has reviewed the appraisal document and found it to be complete and in order and is recommending adoption of Ordinance 23-13, changing the raw land value to \$45,000, at the second reading/public hearing on March 25, 2013.

RECORD OF ORDINANCES

Ordinance No. 23-13

Passed _____, 20____

AN ORDINANCE ACCEPTING THE UPDATED ESTIMATED AVERAGE PER ACRE VALUE OF LAND FOR PARK FEES IN LIEU OF LAND DEDICATION.

WHEREAS, Section 152.086(C)(6) of the Dublin Codified Ordinances requires that an estimated average value of land per acre shall be established by Council based on the recommendation of a qualified land appraiser; and

WHEREAS, the estimated price per acre value provides a base for the payment of the park fee in lieu of a land dedication; and

WHEREAS, the Horner Appraisal Group, Inc. has completed their update of raw land transactions within the Dublin area and is recommending an average suggested price per acre of \$45,000.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Dublin, State of Ohio, _____ of the elected members concurring that:

Section 1. The report of the Horner Appraisal Group, Inc. is hereby accepted, estimating per acre value for raw land at \$45,000 within the City of Dublin, Ohio for use pursuant to the provisions of Chapter 53, Section 152.086(C)(6) of the Dublin Codified Ordinances.

Section 2. This estimated value per acre shall be retained for a period of two (2) years, commencing with the effective date of this ordinance.

Section 3. This ordinance shall be effective at the earliest date permitted by law.

Passed this _____ day of _____, 2013.

Mayor - Presiding Officer

ATTEST:

Clerk of Council

HORNER APPRAISAL GROUP, INC.

REAL ESTATE APPRAISERS AND CONSULTANTS
22 EAST GAY STREET, SUITE 300
COLUMBUS, OHIO 43215

JAMES R. HORNER, MAI
SAMUEL R. HORNER, APPRAISER

February 25, 2013

TEL. 614/246-8383
FAX 614/246-8384

Mr. Fred Hahn
Director of Grounds & Facilities
City of Dublin
6555 Shier Rings Road
Dublin, Ohio 43016

Re: Single-Family Development Land Study
Suggested Unit Price/AC of Raw Development Land
Park Fees in Lieu of Land Dedication
Time Period: 2013 & 2014

Dear Mr. Hahn:

At your request, we have completed a market investigation and analysis for the purpose of providing an *average suggested price per acre for raw residential development land* that is to be applicable for the two year time period (2013-2014). This estimate considered the current and anticipated future economic conditions and their effect on the overall average unit price/demand for single-family development land, in the Dublin Submarket. The Intended Use of the suggested unit value is to establish the basis for the payment by a developer of the park fee in lieu of a land dedication, as specified in City Ordinance 152.086 Part C of the Subdivision Regulations, at the time of the plat approval.

Based on a review of the City Ordinance, it has been our conclusion that the *base acre value* should be premised on the analysis of raw single-family residential development land transactions, located in the Dublin Submarket. Unfortunately, there have been few transactions that fall into this category which has taken place since the onset of the real estate recession. Real estate values "peaked" in 2006/2007.

It does appear that economic conditions for residential development are improving, especially within the Dublin area. This is exemplified by transactions involving the Riviera Golf Course on Avery Road, across from the Muirfield subdivision. This 167 AC golf club is "in-contract" under an option agreement with Charles Ruma, et al. While we do not have specific information in regards to the option price, it is recognized that various developers had proposed "bids" that were "north" of \$6.0M and based upon confidential information, it is reasonable to assume that the final price of this property would be in excess of \$40K/AC. It is expected that this sale will "close" within the next 12 and 18-months after rezoning has been approved.

The lower range in residential development land is reflected by "options" of land that are part of the Jerome Village development within Union County. SALES D-1 through D-5 reflects these sale prices, which are in the range of approximately \$25K to \$29K/AC, but were based upon prior agreements that do not necessarily reflect current values as of 2013.

While we have included additional residential development land sales within the northwest quadrant of "Greater Columbus", we have also included similar sales that have taken place within the New Albany area.

We have included within this document, those sales that we consider to be meaningful as it relates to this appraisal assignment and we have incorporated by reference the Binns House Market Report for the years 2011 and 2012.

As a result of our appraisal and analysis, it is our recommendation that the *average price per acre* of raw development land as of the Retrospective Date of January 1, 2013 through the Future or Prospective Valuation Date of December 31, 2014, is:

FORTY FIVE THOUSAND DOLLARS PER ACRE

(\$45,000)

The unit value estimated represents an average unit value for single-family residential development land for the entire City of Dublin, to be used in the calculation for the payment of a park fee in lieu of parkland dedication, by the developer. It should not be construed as an appraisal of any individual acre located within the City or used for valuation purposes, other than the stated purpose of this report.

This report has been prepared in accord with the basic valuation principles and regulations of the Appraisal Institute and USPAP.

We certify that we have no present nor contemplated future interest as it would relate to parkland property and that our compensation is not contingent upon the result of this reported average unit value estimate.

Thank you for the privilege of serving you in this matter.

Respectfully submitted,



James R. Horner, MAI
GA Certification #380744



Samuel R. Horner, Appraiser
GA Certification #430914



Nicholas J. Belcastro, Staff Appraiser
Appraiser Assistant #2012003225