

# Toohey APPRAISALS, INC.

*Whole Church*



January 19, 1998

John Price  
United Evangelical Church  
925 S. East Avenue  
Baltimore, MD 21224

Re: Property Inspection for Replacement Cost  
925 S. East Avenue  
Baltimore, MD 21224  
Ward 26, Section 5, Block 6459, Lot 33

Dear John,

As per your request, I have inspected the above captioned property on December 12, 1997 in order to determine the replacement cost value. No sales comparison analysis and income approach were developed for this assignment. The subject property is a special purpose group of buildings consisting of a parsonage, church and school. The function of this report is to provide assistance in the insurance coverage of the three buildings. The church was founded in 1873 and it was dedicated in 1874. This report is on real estate and permanent fixtures only and no value was placed on removeable religious articles. This report is considered to be personal and confidential and is for the use of the client only. The property interest is "fee simple".

The site is level, rectangular in shape and is located on the corner of Dillon Street and East Avenue. The site measures 75 feet on Dillon Street and 148 feet on S. East Avenue for a total of 11,100 square feet. The immediate area is residential in nature and contains mostly old style brick row houses with a few small commercial buildings. Local shopping and commercial activities are located on Eastern Avenue. The immediate area is considered to be stable with some rejuvenation of old row houses. Major renovation of commercial and retail buildings is currently taking place on Boston Street near the harbor. The immediate area is known as Highlandtown/Canton. The site is not located in a major flood area according to FEMA Panel #240087-0012D dated September 30, 1988. The northwest harbor is approximately six blocks south of the subject site. There are various MTA bus stops and it is very convenient to major highways and employment centers from the subject property.

John Price  
Page 2  
January 19, 1998

According to state tax assessment records, the total full cash value of the subject property is \$1,301,750.00 with a breakdown of \$55,500.00 for the land and \$1,246,250.00 for the improvements. The 1993 assessment was \$520,700.00 and the property is exempt from real estate taxes since it is a religious property. I verified the zoning with the Baltimore City Zoning Enforcement Department which indicated the zoning is R-8 (Residential) which permits use as a church. The church applied for a day care permit in September, 1997, but their records did not indicate an approval for it.

The two story parsonage building was built in 1937 and is located on the corner of Dillon Street and S. East Avenue. The construction is brick and the gross building area is approximately 2,228 sq. ft. The first floor contains a living room, kitchen, dining room, half bath and small study with hallway. The walls are plaster, ceramic tile bath, tile floor in kitchen and wall to wall carpeting. The kitchen appliances are a dishwasher, refrigerator, range and disposal. There is average quality storm equipment. The second floor consists of four bedrooms, study and full bath. The bath contains a tub, wash basin and toilet with ceramic tile. The floors are wood, plaster walls and built in shelves in the study. The first and second floor is in average/good condition. The full basement contains approximately 1,114 sq. ft. and has a brick foundation with tile flooring and wood paneled walls. The laundry room has tubs and most of the basement is an open area. There is a flush and some drop ceiling. The mechanical room contains an oil heat system (Arco Boiler - American Radiator Company) which is serviced by Marex. The electrical system is a Square "D" circuit breaker. There is a relatively new 32 gallon Bradford White oil powered water heater. The overall condition of the basement is fair/average condition. The parsonage is currently occupied by the pastor and his wife.

The present church was dedicated on December 15, 1957. The basic design is semi-Gothic and has massive walls rising from a double door entrance to the church. There is a series of seedy marine vari-colored antique glass windows in the church. There is a light oak altar in the center with a pulpit and lectern on each side of it. Next to the pulpit is an organ area. The beamed ceiling and amplifiers are a part of the atmosphere in the Sanctuary.

The church building consists of a basement, nave, lectern, altar, pulpit, choir area and pews on the first floor and a gallery and pews on the upper level. The basement contains a commercial kitchen which includes ranges, storage closet, two large refrigerators, dishwasher, disposal, ice cube maker, coffee maker and various other types of fixtures and equipment. In addition, there is a McCord space heater, exhaust system, built-in tables and cabinets, tile flooring, finished ceilings and concrete block walls. The equipment is in good condition and has had a good maintenance program. This church is well known for their community dinners for fund raising in the local area. The gross area of the kitchen is approximately 1,000 sq. ft. The hall area is open space which is used for dining and meetings and contains a storage room. A boiler room contains a new boiler (Weil-McLain gas fired heating plant with serial number 0099999). It contains a boiler certification from the state of Maryland on the pressure vessel which expires on 8/21/99. It is #D 305880 case iron type maximum pressure R. S. I. 30 issued on 8/29/97. The estimated cost for this new boiler with installation is \$65,000. The circuit breaker system is a combination of Stab Lok and Square "D". In addition, there is a 74 gallon A. O. Smith water heater, sump pump and central air conditioning for the church. There are two ceramic rest rooms which are a men's room (two toilets, one urinal and two wash basins) and ladies room (three toilets and two wash basins). The gross area of this hall and other rooms is approximately 4,500 sq. ft.

The first floor of the church building contains an open worship and sanctuary area with an office, pastor's study, ceramic tile rest room (toilet and wash basin) and sitting room. The open church area contains 32 solid wood with vinyl seating pews (four feet by eighteen feet), sound system with radio wire, organ and piano. The floors are tile and wall to wall carpeting. There are an additional four solid wood pews (four feet by eleven feet), ten good quality stained glass windows measuring approximately four feet by twenty feet in the church. The lobby has wall to wall carpeting. The upper level or gallery has 16 wood pews and choir room with tile floors. There is an interior wood ceiling in the church. The office area contains approximately 1,000 sq. ft. and the first floor of the church contains approximately 3,750 sq. ft. The gallery area contains approximately 730 sq. ft. with a seating capacity of 179 spaces. The seating level on the first floor is approximately 425.

John Price  
Page 4  
January 19, 1998

The school building which was built in 1936 contains a full basement and three floors. The basement contains an auditorium with stage, tile floor, workshop, full stage lighting equipment and storage and cleaning room. The heating plant is a steam boiler with window air conditioners. The first floor contains a childrens play area, storage area, teachers office and rest room. The second floor contains a pre-kindergarten room, storage room, nursery room, men's room (2 toilets, 1 urinal and 1 wash basin), ladies rest room (2 toilets and 1 wash basin), teachers office and playroom. The third floor consists of an open area currently used by the scout program, office, Sunday School room and storage room. The floor is tile, drop ceiling, plaster walls with some wood paneling. There is a new 1500 series E-SL fire alarm system and emergency lighting system. There appears to be no leaks on the ceilings. The windows are wood double hung and vinyl. The church has a slate roof and the school has a flat tar roof. The belfry or tower has a new clock lighting system. Each floor contains approximately 3,375 sq. ft.

This cost estimate is based upon replacement cost new and not reproduction cost. The basic cost data was secured from the Marshall and Swift Cost Publications. In addition to my initial inspection on December 12, 1997, I made an exterior inspection on January 11, 1998. The church should review the Americans With Disabilities Act to insure compliance with this federal law. The front of the church has a metal ramp for entrance for physically handicapped persons. Due to the physical age of the buildings, they should be inspected for lead paint, asbestos, radon gas and termites. I did not notice any obvious toxic material in the subject property in my inspections. To my knowledge, the three buildings are not listed on any city, state or federal historical registration lists. The property contains many interior features of fine craftsmanship and it is difficult to estimate their value. I reviewed building plans dated 1957 by Frederick L. W. Moehle and Associates (architect/engineer) in completing this assignment. I did not include any removeable items such as chairs, tables, office and school equipment, religious items, personal items, etc. in my estimate. I suggest that you submit a written list of all the contents on removeable items to your insurance agent.

COST APPROACH• PARSONAGE BUILDING

2,228 sq. ft. @ \$57.23 =	\$127,508 (1st & 2nd floor)
1,114 sq. ft. @ \$21.01 =	<u>\$ 23,405 (basement)</u>
Total Replacement Cost New =	\$150,913
Depreciation - 20% - physical	<u>-\$ 30,183</u>
Depreciated Value of Improvements =	\$120,730
Appliance allowance new -	\$ 2,100
50% physical depreciation -	<u>\$ 1,050</u>
Depreciated value of appliances =	\$ 1,050
Cost value of parsonage =	<u><u>\$121,780</u></u>

The source of the above information was the Marshall and Swift Residential Cost Handbook. The total economic life is estimated to be 70 years and the effective age is estimated to be 15 years. Based upon the straight line method of physical depreciation, the estimated depreciation is 20%. The physical depreciation is higher for the appliances due to the shorter duration of economic life. No functional and economic obsolescence applies to this building. No personal contents are contained in this approach. The cost data was indicated on Pages AVG 21 and 27 (3/97) in two story average quality dwellings. The first and second floors were calculated to be:  $\$46.90 + \$2.09 + \$3.00 + .48 + \$2.00 \times 1.02 \times 1.03 = \$57.23$ . The basement area calculation is as follows:  $\$12.00 + \$8.00 \times 1.02 \times 1.03 = \$21.01$ .

COST APPROACH• CHURCH BUILDING

## Basement:

Kitchen (1,000 sq. ft. @ \$63.21) =	\$ 63,210	
Hall and related rooms (4,500 sq. ft. @ \$63.21) =	<u>284,445</u>	
		\$347,655

## First Floor:

Office area (1,000 sq. ft. @ \$63.21) =	\$ 63,210	
Church (3,750 sq. ft. @ \$145.78) =	<u>546,675</u>	
		\$609,885

## Second Floor:

Gallery (730 sq. ft. @ \$44.53) =	\$ 32,506	
-----------------------------------	-----------	--

Total real estate new

\$ 990,046

• PERMANENT FIXTURES

Commercial kitchen equipment package	\$ 75,000	
--------------------------------------	-----------	--

Pews, altar, fixtures, stained glass windows	\$300,000	
--	-----------	--

Belfry	\$100,000	
--------	-----------	--

Total fixtures new

\$ 475,000

Total Replacement Cost New

\$1,465,046

## Depreciation

(real estate) Physical - (20%) of \$990,046 =	\$198,009	
---	-----------	--

(fixtures) Physical - (50%) of \$475,000 =	<u>\$237,500</u>	
--	------------------	--

\$435,509

Depreciated Value of Real Estate and Improvements

\$1,029,537

(RD)

\$1,030,000

The source of the above information was the Marshall Valuation Service (Sections 16, pages 8 and 9 2/1997 - churches). The total economic life is estimated to be 70 years and the effective age is estimated to be 15 years. Based upon the straight line method of physical depreciation, the estimated depreciation is 20%. The physical depreciation is higher for the commercial equipment, kitchen appliances and other fixtures due to the shorter duration of economic life. No functional and economic obsolescence applies to this building. No personal or removeable contents are contained in this approach. The church area is calculated as follows:  $\$123.50 + \$10.00 \times 1.05 \times 1.04 = \$145.78$ . The finished basement and office area is calculated as follows:  $\$57.88 \times 1.05 \times 1.04 = \$63.21$ . The gallery area is calculated as follows:  $\$41.05 \times 1.05 \times 1.04 = \$44.83$ .

• SCHOOL BUILDING

Basement:		
3,375 sq. ft. @ \$63.20 P/SF =	\$213,300	
First Floor:		
3,375 sq. ft. @ \$72.44 P/SF =	\$244,485	
Second Floor:		
3,375 sq. ft. @ \$72.44 P/SF =	\$244,485	
Third Floor:		
3,375 sq. ft. @ \$72.44 P/SF =	<u>\$244,485</u>	
Total real estate new		\$ 946,755

• PERMANENT FIXTURES

Stage, lighting, school equipment, etc.		\$ 150,000
Total Replacement Cost New		\$1,096,755

DEPRECIATION

(real estate) Physical - 20% of \$946,755 =	\$189,351	
(fixtures) Physical - 50% of \$150,000 =	<u>\$ 75,000</u>	
Total Depreciation	\$264,351	
Depreciation Value of Improvements		\$ 832,404
	(RD)	<u>\$ 832,000</u>

The source of the cost information for the school building was the Marshall Valuation Service. The total economic life is estimated to be 70 years and the effective age is estimated to be 15 years. Based upon the straight line method of physical depreciation, the estimated depreciation is 20%. The physical depreciation is higher for the fixtures due to the shorter duration of economic life. No functional and economic obsolescence applies to this building. No personal or removeable contents are contained in this approach. The basement was calculated as follows: Class A/B finished, Section 16, page 9 2/1997 Church Basements -  $\$57.88 \times 1.05 \times 1.04 = \$63.20$ . The first, second and third floors were calculated as follows: Class C, Section 16, page 9 2/1997 Sunday Schools -  $\$66.34 \times 1.05 \times 1.04 = \$72.44$ .

The cost summary of the three building and permanent fixtures is as follows:

* Parsonage	\$ 153,013	
* Church Building	\$1,465,046	
* School Building	<u>\$1,096,755</u>	
<b>Total Replacement Cost New</b>		<u>\$2,714,814</u>
* Parsonage	\$ 121,780	
* Church Building	\$1,030,000	
* School Building	<u>\$ 832,000</u>	
<b>Depreciated Value of Real Estate and Improvements</b>		<u>\$1,983,780</u>

No land was included in the above cost estimate since it is not included in the insurance coverage. The subject property is a group of unique buildings with different types of construction class and quality. The quality of the church and school was consistent and the Parsonage was classified as a residential property. Churches, often because of extreme architectural styles, have a wide variation in costs and often are difficult to classify. According to Marshall Valuation Service, the Rule of Thumb for the average cost per seat of churches including pews, organs, bells and other ancillary facilities commensurate with the quality is as follows:

Low cost	-	\$ 850.00
Average	-	\$1,525.00
Good	-	\$2,775.00
High cost	-	\$5,000.00

I consider the subject church property to be between average and good quality which indicates a rough guideline to value as follows:

604 seats @ \$2,200.00 per seat = \$1,328,800.00

The above guideline is close to my replacement cost new for the church which is \$1,465,046.00. Due to this situation, I suggest an additional percentage of 5% to 10% be added to the total replacement cost of \$2,714,814.00 for fire insurance coverage. Please keep in mind that no removeable or personal items are included in this estimate.

If you have any additional questions concerning this matter, please contact me.

Very truly yours,



Donald A. Gabriel, ASA, SRA, IFAC  
Certified General #04-708  
Associate Appraiser