
RJS

& ASSOCIATES, INC.

March 1, 2022

Mr. Jason Purse
Assistant County Administrator
JAMES CITY COUNTY
101 Mounts Bay Road, Building D
Williamsburg, Virginia 23185

Dear Jason:

Re: Market Value of Excess Properties
James City County Municipal Consolidation Study

Guernsey Tingle's Municipal Consolidation Fiscal Impact Analysis Proposal dated December 10, 2021, tasked RJS & Associates, Inc. ("RJS") with determining the market value of those properties to be vacated and sold based on the current James City County (JCC) Facilities Master Plan. During the analysis, the list of properties to be sold was updated as follows:

1. Mounts Bay Road Government Complex and Excess Land (Exhibits A-1 and A-1.2). This property consists of three contiguous tax parcels: Parcel #49-201-6, #50-101-11, and #50-101-9 containing a total of \pm 135.5 acres.
2. Ironbound Village Buildings #1, 2 and 3 located at 5300, 5320 and 5340 Palmer Lane (Exhibit A-2).
3. Human Services Center located at 5249 Olde Towne Road and the contiguous vacant \pm 0.81-acre parcel at 5237 Olde Towne Road (Exhibit A-3).
4. The James City County Service Authority (JCSA) and General Services (GS) campus located at 119 Tewning Road on Tax Parcel #39-101-3 (Exhibit A-4).

The address, zoning classification, acreage, building size and current real estate assessment for these properties are shown on the attached table (Exhibit B).

RJS consulted with Simerlein Appraisals, Ltd. (Simerlein) to develop an opinion of Market Value for each of the properties. RJS and Simerlein decided the best approach in determining market value was the "*Sales Comparison Approach*", particularly since all

the properties will be vacant and not encumbered with leases at the time of sale. A copy of Simerlein's report is attached along with a summary of the market value range for each property (Exhibit A). The report includes plats, surveys, building plans, and/or general information on each property and current sales data on various real estate sectors (i.e., Commercial, Residential, Industrial, etc.) in the Greater Williamsburg and Southeastern Virginia markets.

Based upon Simerlein's report and my knowledge of the Williamsburg market, I am providing the following summary for each group of properties as previously referenced.

Mounts Bay Road – Government Complex and Excess Land

This property consists of three adjacent parcels, identified as Parcels 1, 2 and 3 on Exhibit A.1-2 and contains a total of ± 135.5 acres. The Government Complex is located on Parcel 1 and is improved with five (5) one-story buildings totaling $\pm 59,686$ SSF, covering ± 13.9 acres of the 60 acres as shown on Exhibit A-1. Parcel 2 contains ± 27.5 acres and is encumbered by The Country Road. Parcel 3 contains ± 48 acres, abuts the Route 199 right-of-way, and has frontage on Tutter's Neck Creek. The Colonial Gas Pipeline transits Parcel 3 as shown on Exhibit A-1.2.

In determining the total developable acreage of the property, it was assumed the Colonial Pipeline would remain in place. The Country Road right-of-way would be reduced to 50 feet and be rerouted through any future residential development. The property is also adversely affected by steep slopes and RPA as shown on Exhibit A-1.2. Therefore, the net developable acreage is ± 91 acres as shown on the bottom legend on Exhibit A-1.2.

The ultimate market value of the property is determined by the development constraints James City County places on the property to include use and density. I have considered three different scenarios.

SCENARIO ONE

The entire property is developed for single-family residential. This will involve razing the Government Complex and rerouting The Country Road through the planned residential development.

Density	2 units/acre
Price/Unit	\$25,000
Developable Acreage	± 91 acres

Market Value

Total Units	2 x 91 = 182	
Price/Unit	\$25,000	
Total Value:		\$ 4,550,000

SCENARIO TWO

The Government Complex on the ± 13.9-acre parcel and the ±2.9-acre parcel fronting on Mounts Bay Road, are subdivided out from the entire property, as shown on Exhibit A-1. The remaining developable acres of ± 77.1 acres is developed for single-family residential. The Government Complex would be converted into a condominium development in which a condominium association is formed to maintain and manage the common areas and each building is sold as a condominium. Sell the ±2.9 acres for office development and the remaining ±77.1 acres of developable land for a single-family development at a density of 2 units/acre.

Assumptions:

1. Offices valued at \$100/SF
2. 2.9 acres valued at \$150,000/acre
3. Residential Land valued at \$25,000/lot

Market Value

Office Complex 59,686 SF x \$100/SF	\$ 5,968,600
±2.9 acres at \$150,000/acre	435,000
Residential ±77.1 acres x \$50,000/acre	<u>3,855,000</u>
Total Value:	\$10,258,600

SCENARIO THREE

Same as Scenario Two, except a ±15-acre parcel on the northeast quadrant of the property is subdivided out for an Independent/Assisted Living Development which is valued at \$300,000/acre.

Market Value

Office Complex	\$ 5,968,000
±2.9 acres at \$150,000/acre	435,000
Senior Living Development (15 acres at \$300,000/acre)	4,500,000
Residential ±62.1 acre at \$50,000/acre	<u>3,105,000</u>
Total Value	\$14,008,000

Market Value

RJS	\$4,550,000 to \$14,000,000
Simerlein	\$8,860,000 to \$10,225,000

In the event JCC prefers the entire tract be rezoned for a residential development, Escalante Kingsmill Resort, LLC is the logical buyer. They could incorporate this tract into their existing development, *Kingsmill*, and allow the residents use of the existing amenities. The sales price should be based on the number of residential units approved in the entitlement process.

IRONBOUND VILLAGE CAMPUS

The Ironbound Village Campus has three two-story, \pm 5,000 SF office buildings and related parking located on five (5) parcels as shown on (Exhibit A-2). The maximum aggregate sales price can be attained by selling each building separately. This will probably require creating a condominium development in which a condominium association is formed to maintain and manage the common areas and each building is sold as a condominium.

Potential buyers are accounting firms, insurance companies, law firms, etc. Sales comparables support a value of \$115/SF for a total value of \$1,725,000.

Market Value

RJS	\$1,750,000
Simerlein	\$1,650,000 to \$1,800,000

HUMAN SERVICES CENTER (HRC)

The \pm 29,316 SF one-story, building, and associated parking lot is located on a \pm 5.5-acre parcel. JCC also owns the contiguous undeveloped \pm 0.81-acre parcel shown on Exhibit A-3. Both properties should be marketed as one allowing more flexibility should the buyer need to enlarge the existing building or parking lot.

Potential buyers would be a private school, church, medical offices, etc.

I assigned a value of \$75/SF to the HSC building to allow for the reconfiguration of the floor layout and \$180,000 to the contiguous parcel. The market value of the combined properties is \pm \$2,380,000.

Market Value

RJS	\$2,380,000
Simerlein	\$2,510,000 to \$2,800,000

JCSA/GS CAMPUS

The property contains ± 19.6 acres and is delineated on Exhibit A-4. The ± 10 -acre sub-parcel, outlined in red, is the location of a JCC Convenience Center and will be retained by JCC. Much of the acreage is not developable due to steep slopes and Resource Protection Area (RPA).

The remaining ± 9.6 acres are configured such that it could be subdivided into a ± 3.6 -acre parcel and a ± 6 -acre parcel as shown on Exhibit A-4; however, I believe the entire ± 9.6 -acre parcel is more marketable to a single user. A general contractor, sitework contractor, or VDOT, could use the $\pm 13,536$ sf JCSA Operations Building for offices, the Fleet Maintenance Facility (Building #4) to service vehicles and equipment and Building #5 for storage. Buildings 1,2,3 and 6 would be razed to free-up ± 3 acres for a storage yard or more warehouse space.

Based on sales comparables, the market value is as follows:

	<u>Area</u>	<u>Unit Value</u>	<u>Value</u>
JCSA Operations Building	13,536 SF	\$110/SF	\$1,488,960
Fleet Maintenance Building (Bldg. #4)	14,321 SF	\$70/SF	\$1,002,470
Warehouse (Bldg. #5)	6,924/SF	\$60/SF	\$ 415,440
Front ± 3 acres	± 3 acres	\$150,000/acre	<u>\$ 450,000</u>
			\$3,356,870

Market Value

RJS	\$3,350,000
Simerlein	\$2,760,000 to \$3,040,000

I look forward to discussing the market valuation with you and your staff at our JCC Consolidation Study Work Session on March 9, 2022. In the interim should you have any questions after your review of the report, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Singley', with a stylized flourish at the end.

Robert J. Singley

RJSsr/pab
Enclosures

5/10/2022

EXHIBIT "A-1.2"



8746 HAMELSINE PKWY WILLIAMSBURG, VA 23186
 90 MOUNTS BAY ROAD WILLIAMSBURG, VA 23186
 201 MOUNTS BAY ROAD WILLIAMSBURG, VA 23186
 48.11 ACRES
 27.14 ACRES
 133.6 ACRES
 48.11 ACRES
 27.14 ACRES
 133.6 ACRES
 COMBINED AREAS STEEP GRADE
 COMBINED AREAS RPA
 CARTERS GROVE COUNTY ROAD 100' RIGHT OF WAY
 BASE LINE RIGHT OF WAY
 NET DEVELOPABLE AREA
 85.9 ACRES

① JCC MOUNTS BAY ROAD PARCELS
 1" = 100'-0"

EXHIBIT "A-1"

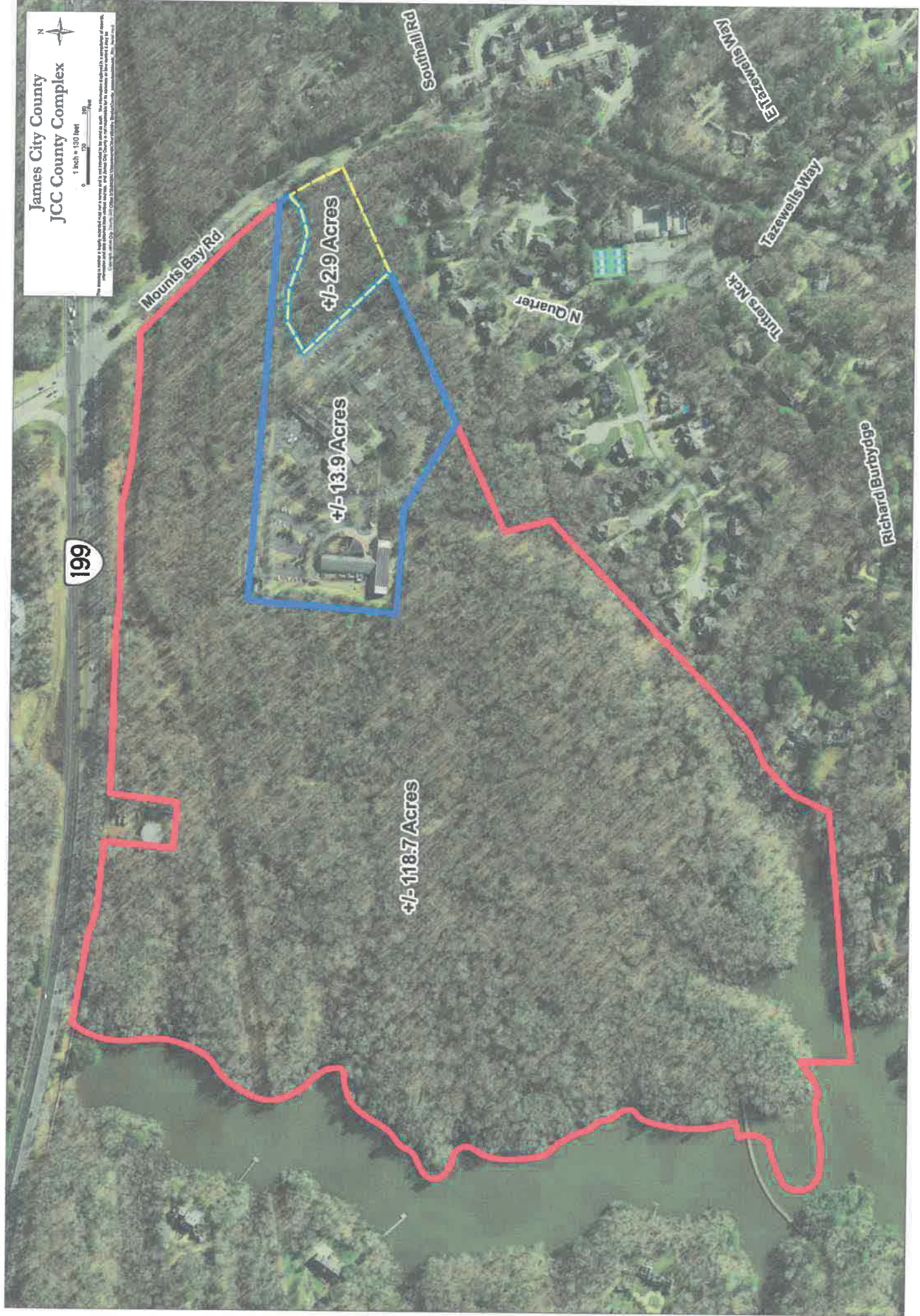


EXHIBIT "A-2"



EXHIBIT "A-3"

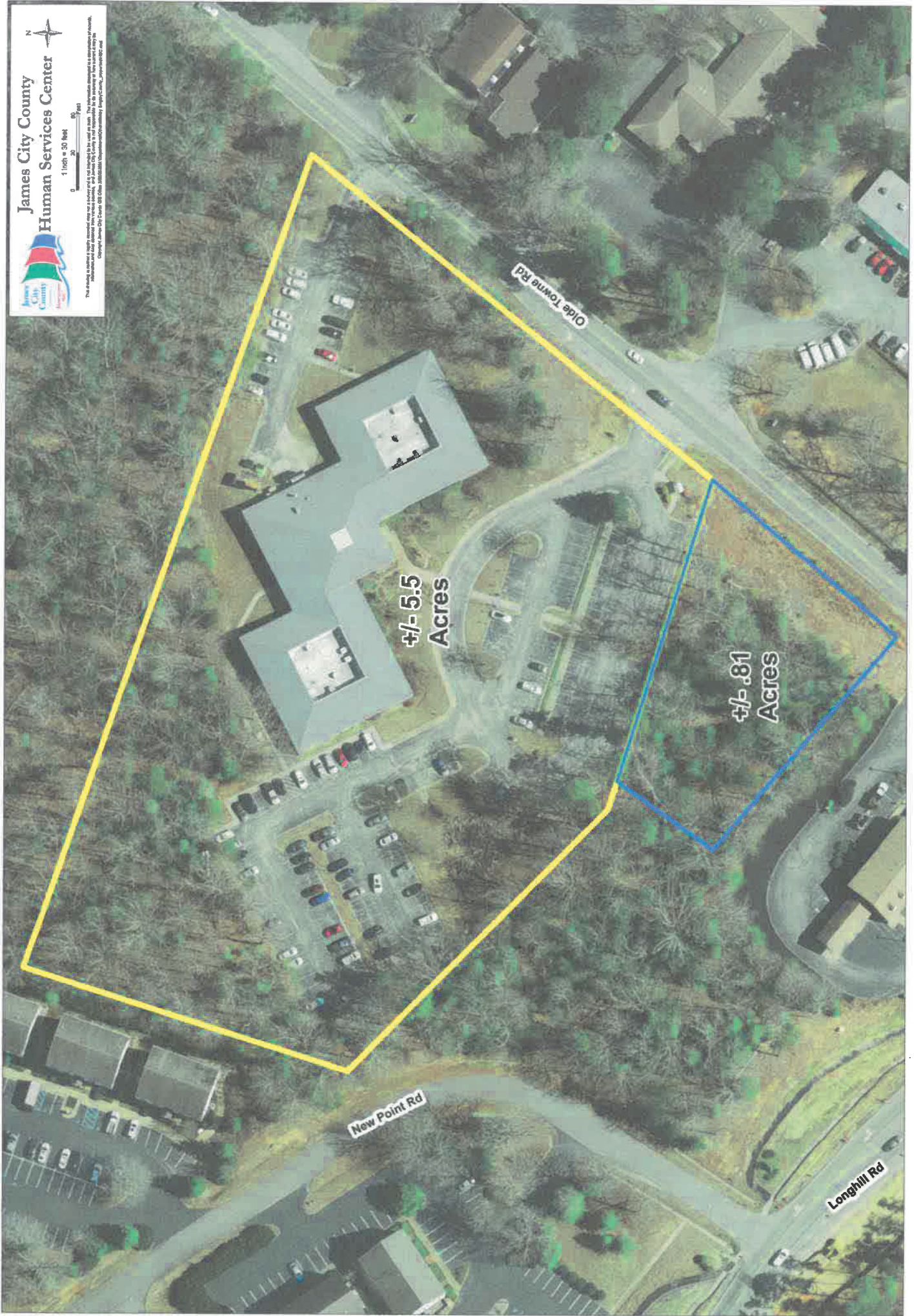


EXHIBIT "A-4"

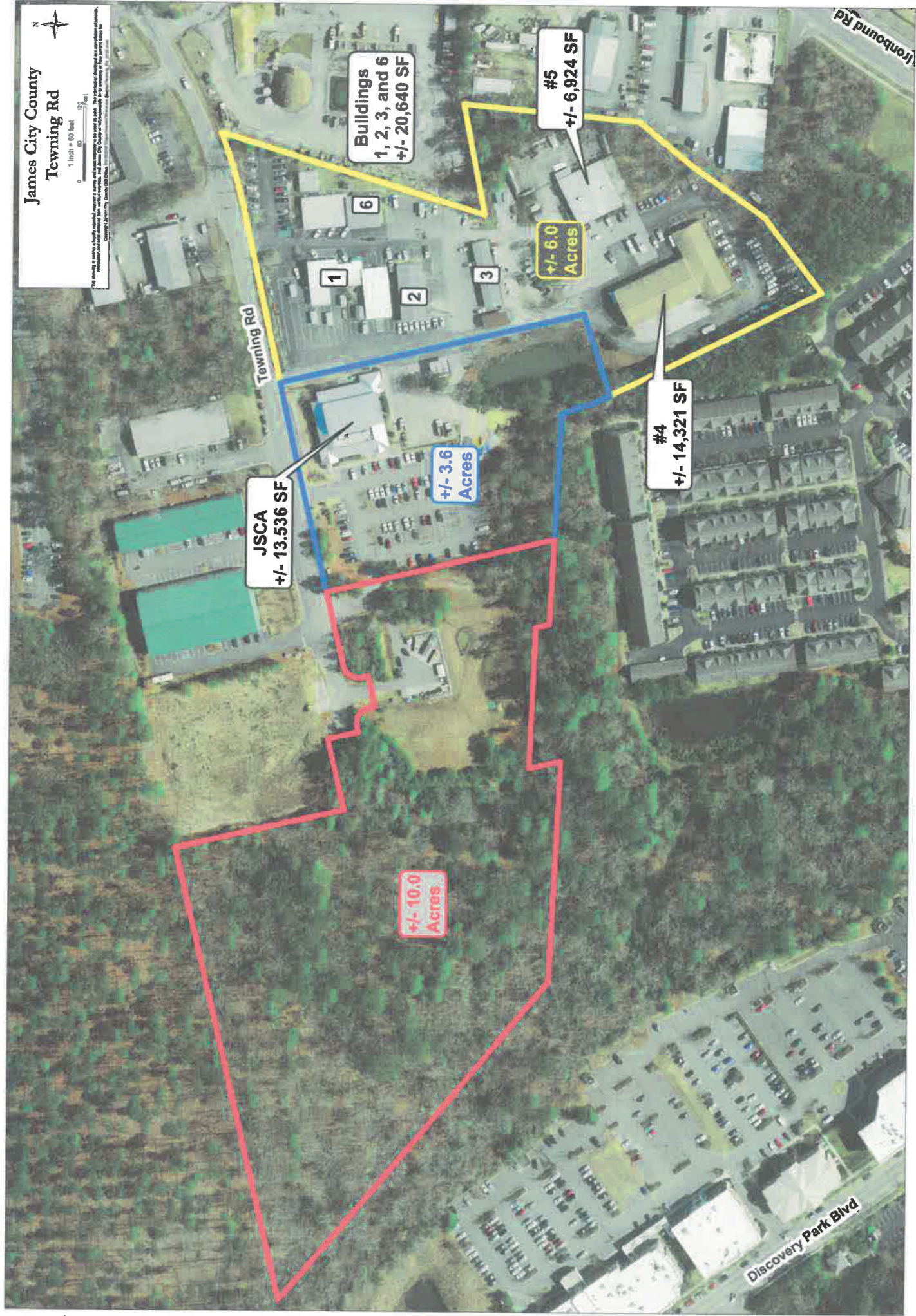




EXHIBIT "B"
JCC GOVERNMENT EXCESS PROPERTIES
Property Data

5/10/2022

	A	B	C	D	E	F	G	H	I	J
1								Tax Assessment		
2	#	Facility	Address	Zoning	Land Size	Bldg. Sqft	Land	Improvements	Total	Note
3	1	JCC Government Center	101 Mounts Bay Road	R-4	60	59,686	\$5,187,000	\$6,911,200	\$12,098,200	
4		Building A				6,311				
5		Building B				8,638				
6		Building D				10,481				
7		Building E				9,109				
8		Building F				24,000				
9	2	Parcel behind Government Center	95 Mounts Bay Road	R-4	27.5		\$54,900		\$54,900	JCC purchased Properties #2 & #3 in July 2018 for \$1,200,000 (\$15,894/acre)
10	3	Land fronting Rt 199	6745 Humelsine Pkwy	R-8	48		\$914,000		\$914,000	
11	4	Ironbound Village Building #1	5300 Palmer Lane	PL	0.2	4,800	\$222,800	\$527,000	\$749,800	
12	5	Ironbound Village Building #2	5320 Palmer Lane	PL	0.1	4,800	\$172,600	\$527,000	\$699,600	
13	6	Ironbound Village Building #3	5340 Palmer Lane	PL	0.4	4,800	\$194,200	\$527,000	\$721,200	
14	7	Ironbound Village Parking #1	5304 Palmer Lane	PL	0.2		\$300	\$0	\$300	
15	8	Ironbound Village Parking #2	5324 Palmer Lane	PL	0.5		\$1,100	\$0	\$1,100	
16	9	JCSA/General Services	105 Tewning Road	PL & M1	20	51,538	\$2,150,000	\$3,900,200	\$6,050,200	
17	10	Human Services	5249 Olde Towne Road	PL	5.5	29,316	\$2,269,000	\$713,900	\$2,982,900	
18	11	Human Services Vacant Land	5237 Olde Towne Road	PL	0.8		\$186,000	\$0	\$186,000	