

**City of Shaker Heights  
Shaker Heights, Ohio**

# **Appraisal**

**Insurance Values**

Valuation Date: May 1, 2019

IAC Reference Number: D9-1180  
IAC Revaluation Number: 7279775



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June 6, 2019

City of Shaker Heights  
Shaker Heights, Ohio

The Industrial Appraisal Company is pleased to submit the results of its appraisal and report of the buildings and property in the open of the City of Shaker Heights located in Shaker Heights, Ohio.

This report is based on an on-site inspection and analysis by Industrial Appraisal Company personnel in accordance with a formal agreement authorizing the appraisal. The effective date of this appraisal is deemed to be May 1, 2019.

The purpose of this study is to establish an independent, professional opinion of the insurable value of the property appraised and to provide proof of loss documentation should the need arise.

This report includes a summarized description of the buildings and property in the open. The appraisal does not include land, landscaping, fixed or movable contents, consumable supplies, valuable papers, licensed vehicles, intangible assets, or property of third parties.

It must be noted that should a partial loss occur, the amount of the loss may be estimated based on the repair costs which are proportionately higher than the cost of reproduction new as defined and estimated.

The valuation determinations reflected in this report are defined as follows:

**Cost of Reproduction New** is the "cost of reproducing a new replica of a property on the basis of current prices with the same or closely similar materials allowing for contractor's overhead, profit, and architectural fees, but without provision for overtime, bonuses and premiums of any kind". The Replacement Insurable Value reflects the adjustment of "Exclusions" comprised of the following items: excavation and filling; portions of foundations which are below the under-surface of the lowest floor or are below the surface of the ground; and underground sewage, piping and wiring.

**Sound Value** – Value based upon the cost of reproduction new less an allowance for accrued depreciation resulting from age and condition. Sound Value is often referred to as Actual Cash Value within the insurance industry.

The valuation methodology utilized in this report for building assets involved the segregated cost method in the calculation of the Cost of Reproduction New, and in some instances the cost calculator and component part pricing methods, based upon proprietary indices available to and developed by the Industrial Appraisal Company. In estimating these replacement valuations, additional costs which could be associated with conforming to local building codes, municipal ordinances, federal standards, historical relevance, or other legal restrictions were not considered, nor was any value assigned to the cost of demolition or the removal of destroyed property should a loss occur.



The building account classification comprises (as applicable) general construction, plumbing, sewage, heating, ventilating, air conditioning, electrical lighting, sprinkler and fire alarm systems, and selected building fixtures.

The summary of values report also lists several different data elements of each building structures. Most of these are self-explanatory such as construction year, square footage, stories and occupancy. The construction class information is based on the ISO (Insurance Service Office) code, these are identified as follows:

- Class 1           Frame Construction
- Class 2           Joisted Masonry
- Class 3           Non Combustible
- Class 4           Masonry Non Combustible
- Class 5           Modified Fire Resistant
- Class 6           Fire Resistant

The fire alarm designations in your report are defined as follows:

- None            No fire alarm exists
- Local           Alarm sounds in captioned building only
- Central         Alarm sounds in captioned building and at remote designated location also (fire station, residence, etc.)

This report is comprised of the following sections:

- This Introductory Explanation and **Certificate** which summarizes the appraisal procedure and valuation methodology;
- A valuation **Summary** reflecting the insurable values by building/location;
- A **Building Index** and **Asset Classification Coding Index**.
- **Detail** section by building of movable contents by room or area
- **Single Page Summary** for each building which includes a building photograph, plat, appraised values, and general pertinent building information.

Based upon the foregoing investigation, analysis and methodology employed, it is our opinion that the aggregate values for all assets under appraisal are as follows:

<b>COST OF REPRODUCTION NEW</b>	-	<b>\$58,034,790</b>
<b>SOUND VALUE (ACV)</b>	-	<b>\$32,067,411</b>



In interpreting the Summary of Values report, the figures shown in Column 3 of the Summary report reflect the Cost of Reproduction New less exclusions. If the property coverage is based upon Sound Value (Actual Cash Value), the values shown in Column 6 represent the depreciated value less exclusions. Exclusions comprise such items as excavation and filling, below surface foundations, underground piping and wiring, and are generally considered as non-insurable.

Industrial Appraisal Company anticipates updating the report of insurable values on an annual basis to include property changes that can be reported, or if warranted and authorized, to include new site inspections on a selected basis. Updating procedures and reporting requirements will be coordinated through separate communications.

In the event of a loss covered by insurance, provided immediate written notice is given to the Corporate Office and our Annual Revaluation Service is in effect, the Industrial Appraisal Company will provide updated values for the properties appraised to assist in the preparation of Proof of Loss. Documentation support will be limited to the existing file.

All significant work papers and documents relating to this assignment will be held for five years beyond the last updating of valuations.

This appraisal is provided solely for the benefit of the purchaser of service and is not to be used for purposes other than as disclosed in advance of this engagement.

We have made no investigation of and assume no responsibility for title to or liabilities against the properties appraised. We have no present or prospective interest in the property appraised nor is our compensation for this appraisal contingent in any way to the conclusions of value.

Our estimates of value should be viewed as independently established, reasonable, true and correct to the best of our knowledge. We have inspected all of the property that is the subject of this report except where otherwise stated.

In formulating our conclusions, we may rely on information provided by the client or others. Should new information become available after a draft or final report has been submitted, we reserve the right to amend or modify our report and the conclusions therein.



If there are inquiries concerning the inclusion or exclusion of items not covered by this study, or the valuations set forth in the report, such inquiries must be transmitted in writing to the Industrial Appraisal Company no later than 60 days after receipt of this analysis. If no written inquiries are transmitted within the stipulated period, the complete report and valuations set forth therein shall be deemed to have been accepted.

We appreciate the opportunity to be of service in these valuation requirements.

Respectfully submitted,

INDUSTRIAL APPRAISAL COMPANY

Site Appraiser: Shaun M. Lasich

\*If you have any questions concerning this appraisal, contact Mr. Antonio Esposito at 1-800-245-2718, Ext. 1754 or [aesposito@indappr.com](mailto:aesposito@indappr.com)