

Selling Excess Tall Oaks Acreage

Report by John Steinmetz

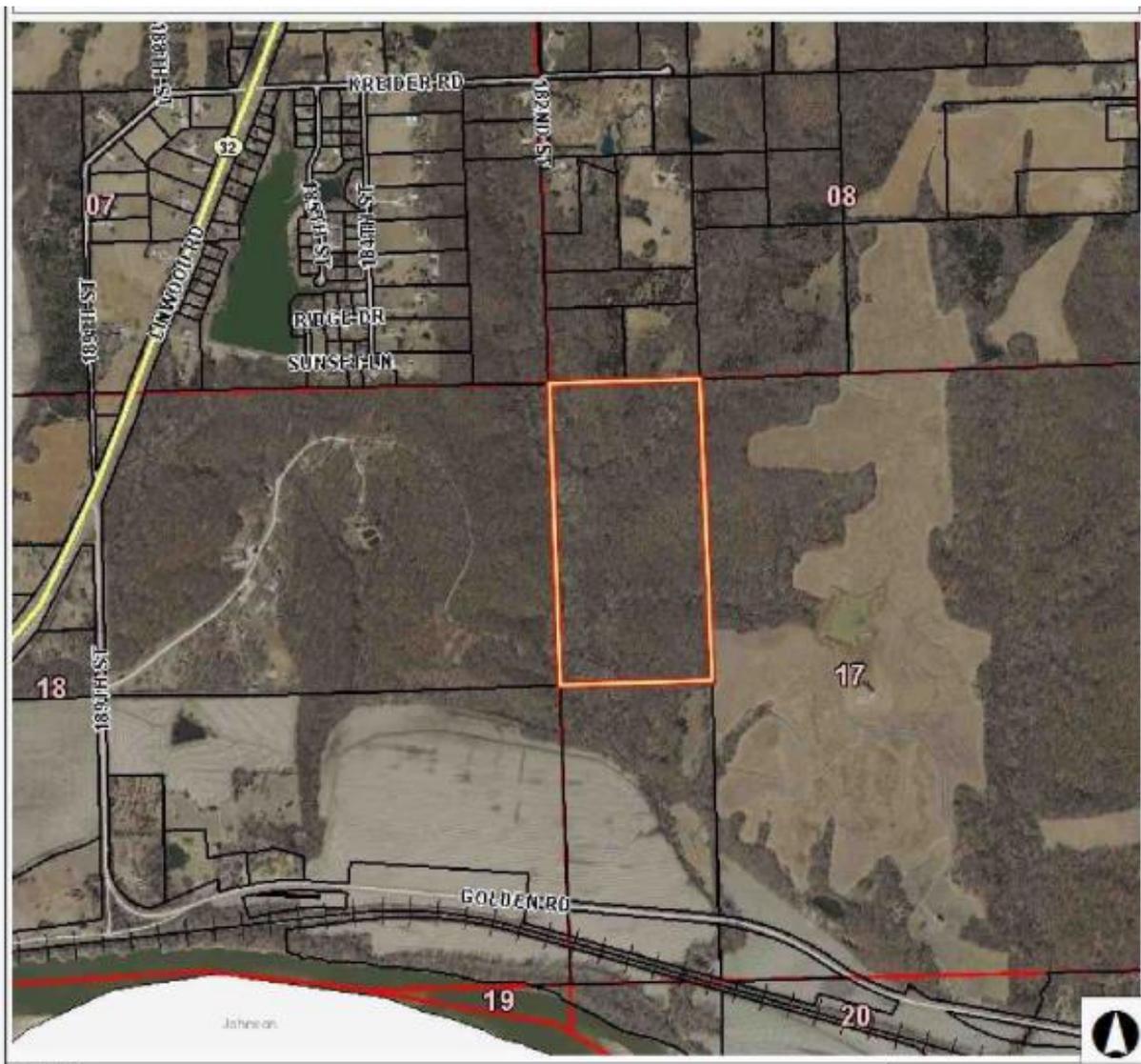
March 23, 2020

Background

Several parties have contacted Tall Oaks concerning interest in purchasing some acreage that is currently part of Tall Oaks. When UCCR did their assessment of Tall Oaks, they agreed that some of the acreage is excess land that could be sold, if so desired.

The Appraisal

To assist us in knowing what the acreage is worth, our Region recently paid for an appraisal. The appraisal was completed for 80 acres that the initial buyer was interested in. The 80 acres are shown here:



The appraisal was completed by Chad VanderPol, State Certified Residential Appraiser – 2005031988, VP & Company 4320 NE Courtney Dr Lee's Summit, MO 64064, (816)804-3171.

Mr. VanderPol's opinion is that the land has a fair market value of \$280,000 (\$3,500/acre). He noted that it is a "landlocked" parcel, which could impact marketability. Currently the access is via the Tall Oaks property. The subject site is bordered to the north by acreage plats for ag and single family homesites, the Tall Oaks Conference Center to the west, and vacant and undeveloped land to the east and south. The subject site is rolling, heavily treed and contains lowland marsh areas and a few natural creeks.

The Offers

We have been contacted by three different parties with interest in purchasing some of the land:

- 1) We have an offer for \$150,000 for the 80 acres that was appraised (the offer amounts to \$1,875/acre). The family making the offer owns adjoining property (about 900 acres). They also are interested in purchasing other Tall Oaks acreage, if we are interested.

They understand that the property has no access other than through Tall Oaks or through adjoining property. They also point-out that there are no utilities on the acreage in question.

They are willing to place some deed restrictions on the property that it would not be developed and only be used for recreational or family purposes. Under the family's estate plan, their property (including these 80 acres) would become a part of, and remain, in the family hands for at least 2 generations after their deaths, so there will not be an encroaching development with the surrounding property. These buyers reached-out in the summer of 2019, and I have been in contact with their attorney a number of times to discuss their offer – they have not been in a hurry to make a purchase, as they know we need time to determine what to do.

- 2) We received a letter from a local family in the summer of 2019 expressing an interest in buying some of the acreage. I called them after receiving the letter and left a voicemail. They did not call me back, and they haven't reached-out again. Given that this was 7-8 months ago, it appears that they are no longer interested.
- 3) We recently were contacted by people with the Forest School. They are very familiar with Tall Oaks and a number of families would like to buy some acreage together (not an exact amount of acreage, or in an exact spot, but at least 20 acres, that is wooded). I spoke to a representative of the group and she told me this group wants to build multiple small homes (more like mini-houses) and a larger community space.

They have six women that are retired, three families with small children, and one single male. Their desire is to have wooded land they can share with their family and the others. They plan to grow food and live in connection with the earth, while raising children in the outdoors.

I told the group representative that while I didn't know an exact price, it could be around \$3,000 an acre. She said they could afford that.

Next Steps

The Board needs to provide guidance on how to proceed. Potential options include:

1. Accept the offer from buyer #1
2. Negotiate with buyer #1 and see if we can get them to agree to a higher price, then finalize the offer with them
3. Establish a price with buyer #3, then determine which portion of the land, and finalize an offer with them
4. Determine what parcels we want to sell and put them on the market to see what other offers we can attract
5. Don't sell any of the acreage at this time
6. Another option preferred by the Board

Considerations:

- The advantage to buyer #1 is their offer to contractually agree to limiting usage of the land for several generations
- An advantage to buyer #3 is that we may get a higher price than #1, although homes would be built and access would need to be provided to the property
- We might get a higher price if we put specific acreage on the market, although if we want to limit usage of the land, that may well discourage others from making an offer (and access would also need to be provided)