

## MEMO

**To:** John Morris, Chair, Finance Committee  
**Thru:** Steve Williams, Chief Executive Officer  
**From:** Julee Farley, Chief Finance Officer  
**Date:** April 22, 2024  
**Re:** Appraisals for Commercial Real Estate Properties

### **REQUESTED MOTION:**

*The Finance Committee authorizes the expenditure in an amount not to exceed \$40,000 for the purpose of performing appraisals on all Commercial Real Estate portfolio properties, specifically to include those not previously scheduled to be conducted this year. These appraisals are to be performed on or before 30 June 2024.*

CRE properties are formally appraised on a 3-year cycle with approximately 1/3 of the portfolio appraised in a given year and the remaining property values assessed via broker opinions of value. This motion will allow appraisals to be performed on each of the properties this fiscal year. These appraisals are the final required data point for a public facing report on CRE performance.

#### *Background*

Monitoring the performance of CRE properties is a fiduciary responsibility of the Trust. This performance includes cash flows via rents and other income as well as capital appreciation in the form of increasing property values. An alternative investment vehicle for Trust assets, the APFC, publishes their performance yearly. By obtaining accurate appraisals of CRE properties, combined with income and expense data, the Trust can similarly report on CRE performance. This report can compare CRE performance with the best available alternative investment, the APFC. By reporting publicly on this comparative portfolio performance, the Trust can enhance public understanding of our wide range of activities to generate resources for the benefit of our Beneficiaries.