

From: Veldran, Katherine
To: Pitts, TedTedPitts@gov.sc.gov
Soura, ChristianChristianSoura@gov.sc.gov
Date: 6/14/2012 5:34:14 PM
Subject: Fw: Farmers Market purchase

From: Ralph Norman [mailto:rnorman@warrennormaninc.com]
Sent: Thursday, June 14, 2012 05:12 PM
To: Veldran, Katherine
Subject: FW: Farmers Market purchase

Katherine, don't know whether you or Nikki has kept up with the "Farmers Market" debacle however this is what I just sent out to Hugh after reading the appraisal and walking the property. There is no rhyme or reason for this to go without notice and I wanted to make sure you were aware. Let me know your thoughts, Ralph

From: Ralph Norman
Sent: Thursday, June 14, 2012 5:11 PM
To: Weathers, Hugh (hwheathe@scda.sc.gov)
Subject: Farmers Market purchase

Hugh, per our discussion on Monday, I promised to get back with you after I had compared your figures & estimates along with the appraisal as completed by Rosen Appraisal Associates. I spoke with Mr. Rosen on Wednesday to go over the figures per his appraisal and the following is what he has verified;

- a) UNSUBSTANTIATED INCOME FIGURES: The Corbett Bld. & lot 16-B 1.33 acres valued at \$3,600,000 was based on income that does not exist. Example: Page 96, line item "Judy's at the Market" depicting income as \$87,640- There is no lessee for this space presently paying this rent figure and Mr. Rosen explained this income as "Effective Income" that "could be received" on the open market. The other figure listed as "Corbett Lease" is \$195,000 currently being paid by the Farmers Market and according to Mr. Rich Richbourg, attorney for the Farmers Market, has a limited number of years left on the lease and can be cancelled. In walking through the building, I cannot determine what exactly the \$195,000 rental is covering as the front booths are 6,508 square ft., (had produce vendors in the space) the kitchen area is 4,040 square ft. & the specialty space is 1,574 and each space was vacant for the most part.
- b) PROPERTIES USED FOR COMPARABLES THAT ARE UNREALISTIC: Example: the McAlister's Deli (PAGE 87) located on Forest Drive is all brick, built up roof, elaborate interior located on Forest Drive which is a very desirable commercial location compared to the Corbett building which consist of metal siding, metal roof, limited interior finishes located on a secondary road with limited traffic. The other comparable was "Bonefish Grill" located on 4708 Forest Drive which is the same location, construction ect. Hugh I would compare this to the analogy of trying to argue that a Ford Fiesta and a Lexus LS 460 is the same car !!
- c) Unsubstantiated GATE INCOME : The "Gate" with an appraised value of \$2,030,000 was based on income of \$225,000 per year which was taken from income from the gate located at the old Farmers Market which Mr. Rosen said was \$175,000 per VERBAL CONVERSATIONS . He increase the present gate rental by over 28% with no accurate figures from the income of the present gate much of which is payment by cash. The actual income levels per talking with people familiar with the gate income stated the gate income was between \$58,000- 70,000 yearly. THE CARS & TRUCKS THAT ARE DOING BUSINESS WITH THE PRIVATE OWNERS & PROPERTIES OWNED BY THE STATE ARE EXCLUDED FROM PAYING THE FEES limiting the income for the gate.
- d) UNSUBSTANTIATED INCOME FROM SHED BUILDINGS- page 38 of appraisal- there were no leases used to

input the income as the majority of the income is CASH. PLEASE EXPLAINE TO ME WHY THE STATE SHOULD BE CONSIDERING DEALING IN "ALL CASH" TRANSACTIONS WHICH LEND THEMSELVES TO FRAUD AND CORRUPTION.

Hugh, there also appears to be substantial REDUCTIONS in the sales price when the purchaser is Stern Market Properties and large increases in the sales price used to value the current properties when the sales are made to the State Farmers Market.(Example: page 62 of appraisal showing a 45% discount of \$1,285,200). The Appraiser added back the reductions taken by Stern Market Properties when he was purchasing the properties in calculating the valuations for the proposed properties now being considered by the State Farmers Market resulting in SUBSTANTIALLY higher values. The bottom line is that this deal is totally UNFAIR TO THE TAXPAYER and any attempt to sell this deal by you or anyone else to the state is a COMPLETE FARCE. I am only one vote however I am going to do whatever I can to expose this cooked up deal and call it what it is which is a TOTAL SHAM. To think that the members of the General Assembly would have to even consider this 16 million SURPRISE GIVE AWAY with two days left in session is SAD to say the least. The taxpayers deserve better than this. I am going to go back to Columbia Sunday to walk the property and complete my report in anticipation of session on Tuesday. Ralph