

Robert E. Bainbridge



Robert E. Bainbridge is the recipient of the Appraisal Institute's *2004 George L. Schmutz Award* for outstanding technical manuscript or publication for his book *Convenience Stores and Retail Fuel Properties: Essential Appraisal Issues*, now in its second edition.

Mr. Bainbridge holds a Master of Science in Real Estate Appraisal from the University of St. Thomas. He has been a practicing appraiser for more than 35 years. His work has taken him to Bulgaria, Canada, Malaysia, Germany, Saudi Arabia, and the United Kingdom.

He is a non-practicing - retired member of the Appraisal Institute, having held the MAI and SRA designations from 1985 to 2025. He is a past Member of the Royal Institution of Chartered Surveyors in London having held the MRICS designation.

He is the developer of Petro**MARK**®

Valuation software, exclusively for gas stations and convenience stores.

He can be reached through his websites:

www.cstorevalue.com

www.Petro-Eval.com



Experience

Specialized Valuation Field Experience

1981 to 2026

More than 35 years of specialized experience preparing appraisals on real property, providing appraisal consultation services to clients, determining market value of properties, and applying federal, state and local and land-title laws to carry out appraisal assignments.

Appraisals have been prepared for acquisition, disposal, lease and similar purposes.

Tasks performed include on-site inspections, assembling data and compiling reports on lands and properties under investigation.

Senior Review Appraiser, U.S. Department of State

2010 to 2013

Senior Review Appraiser, Evaluations Division, Office of Planning and Real Estate, Bureau of Overseas Buildings Operation, Washington, D.C.

Primary liaison for all China valuations. Primary liaison for the Office of Site Acquisitions. Recipient of the 2013 *Meritorious Service Award*.

Specialized Mass Appraisal Experience

1983 to 1997

Appraisal services contractor for various federal and county government entities for multiple-property valuations. Duties included the planning, research, data compilation and analysis, report writing, and appeal testimony. (See page 12 for further details.)

Specialized Valuation Review Experience

2009

Reviewed real property appraisal reports prepared for Royal Dutch Shell Group for operating units in Europe, Asia, North and South America. Appraisal reports prepared by third parties were reviewed for compliance with International Valuation Standards (IVS) and Generally Accepted Valuation Practice (GAVP). (See page 13 for further details.)

General Real Estate Experience

1983 to 1995

Licensed real estate broker in the States of Idaho and Oregon.

Listing, marketing and closing of real estate transactions involving residential and commercial properties. Complied with state laws regulating the listing and sale of real property and maintenance and operation of client trust accounts.

Engaged in the land acquisition, planning, development and successful marketing of a 64-lot single-family residential subdivision.

Education

Master of Science in Real Estate Appraisal

(M.Sc.) Opus Graduate School and College of Business, University of St. Thomas; 2007.

Specialized Studies: Market Analysis and Feasibility Studies, Urban Land Economics, Statistical Analysis for Real Estate Appraisal, Legal Issues in Valuation, Advanced Topics in Real Estate Appraisal.

Bachelor of Business Administration in Real Estate

(B.B.A.), College of Business, Boise State University; 1981.

Specialized Studies: Regional Economics, Urban Economics, Real Estate Location Theory.

Core Studies: Real Estate Principles, Real Estate Appraisal, Real Estate Law, Real Estate Investment and Taxation, Property Development, Real Estate Finance, Property Management. Semester studies in Accounting, Business Finance, Economics and Business Management.

Professional Designation Curriculum Courses:

Real Estate Appraisal Principles, University of Portland
Basic Valuation Procedures, University of Portland
Residential Valuation, University of Colorado
Standards of Practice, University of Colorado
Capitalization Theory I, Stanford University
Capitalization Theory II, Stanford University
Capitalization Theory III, Stanford University
Report Writing, University of Texas
Case Studies, University of Texas
Rural Valuation, University of Colorado
Standards of Appraisal Practice (USPAP) Part A
Standards of Appraisal Practice (USPAP) Part B
Income Property Valuation, Course 2, IAAO, Boise, Idaho
Mass Appraisal of Residential Property, Course 301, IAAO, Boise, Idaho
Industrial Property Appraisal, IAAO, Boise, Idaho
Using the Commercial Cost Handbook Calculator Method, IAAO, Boise, Idaho
Business Valuation, Part 1, Appraisal Institute
Business Valuation, Part 2, Appraisal Institute

Professional Continuing Education Seminars:

Apartment Valuation	Investment Analysis
Technical Inspection of Real Estate	FHLBB R41 C
Retail and Commercial Valuation Research and Techniques	Mineral Valuation
The Appraiser as an Expert Witness	Easement Valuation
Separating Intangible Business Value from Real Estate	URAR Residential Report
International Valuation Standards	Income Property Techniques
Appraising Distressed Commercial Real Estate	
Valuation for Financial Reporting	
Site Use and Valuation Analysis	

Academic Papers

The following papers were authored by Mr. Bainbridge as a graduate student in the Master of Science Real Estate Appraisal Program at the University of St. Thomas. Reprints of these papers are available upon request.

Toward a Better Understanding of Reilly's Law and the Trade Area of Convenience Stores

Synopsis: Reilly's Law has been extensively used to estimate trade area boundaries and over the years has been empirically demonstrated to be reasonably accurate.

This paper shows that in adapting the Inverse Square Law in estimating the breakpoints of trade areas, Reilly should not have squared the denominator. Without squaring the denominator, trade areas are actually geographically larger than what Reilly's Law implies.

A Statistical Study of Traffic Capture Rates for Petroleum Marketing Properties

Synopsis: Proprietary computer models claim to predict traffic capture rates and fuel gallonage at convenience stores and gas stations. This paper demonstrates statistical modeling with a number of objective predictive variables and found a coefficient of determination no higher than 65%.

Intangible Asset Value in Special-Built Business Enterprises

Synopsis: This paper outlines a practical and useful methodology for separating intangible asset value from tangible asset value for special-built properties, such as convenience stores and gas stations. Combining micro-economic principles from perfectly competitive market supply and demand analysis and linking them to current valuation theory, this paper identifies the limit of tangible asset value in business enterprises.

Academic Papers (continued)

Observations on the Delineation of Retail Trade Areas

Synopsis: Ring and drive-time studies are commonly used in retail trade area analysis. On-line proprietary programs now allow quick and inexpensive demographic analysis of almost any location in the U.S. This paper examines the different results produced by ESRI®, one of the most highly regarded programs, for the one-mile ring and the one, two and three-minute drive-times for 23 actual retail locations. The study used an analysis of the variance, ANOVA, to examine the demographic metrics of population, median household income and retail sales estimates. A significant statistical difference was found at the one-mile ring and one-minute drive-time. This indicates that the one-mile ring and one-minute drive-time are not synonymous and that care should be taken in selecting retail trade area boundaries.

Identification of Severance Damages in Retail Gasoline Properties

Synopsis: Access management projects implemented by transportation authorities seek to limit the number of access points, lengthen turn radii, and limit left-turn maneuvers in an effort to enhance safety and reduce traffic congestion on major corridors. Recent studies conducted by several transportation authorities indicate that vehicle-oriented businesses such as gas stations, often suffer more economic damage than most other types of businesses as the result of access management takings. For example, one study found that the installation of raised medians reduced the customers-per-day at retail gasoline properties by 17.6%, far higher than other types of businesses.

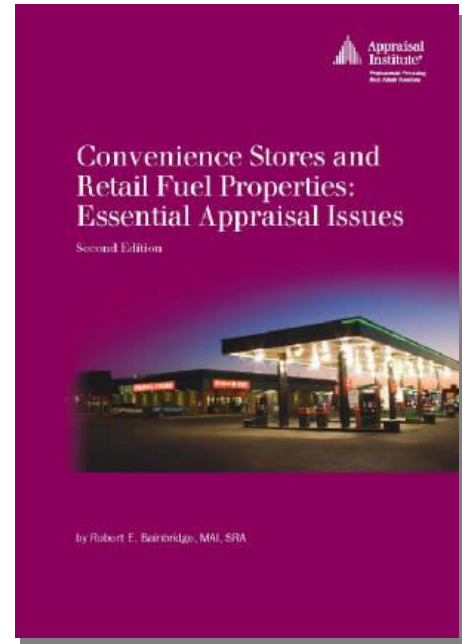
This paper reviews the emerging body of literature describing the results of access management programs and summarizes the findings. This paper also highlights the heightened role access plays for retail gasoline properties and provides several examples of typical access requirements for this type of business.

Published Works and Speaking

- TEXTBOOK AUTHOR
- PUBLISHED TECHNICAL JOURNAL ARTICLES

Mr. Bainbridge wrote the textbook and developed the seminar "Appraising Convenience Stores" for the Appraisal Institute, the world's largest publisher of appraisal literature. The Appraisal Institute confers the MAI and SRA professional designations. This multi-media classroom presentation is now offered to experienced appraisers for continuing education exclusively through the Appraisal Institute. The course material, including the 160-page Discussion Guide and the accompanying earnings analysis software, were authored by Mr. Bainbridge.

This seminar is the only formalized instruction anywhere on the appraisal of convenience stores and retail fuel properties. Mr. Bainbridge teaches the "Appraising Convenience Stores" seminar through local chapters of the Appraisal Institute across the U.S. and Canada.

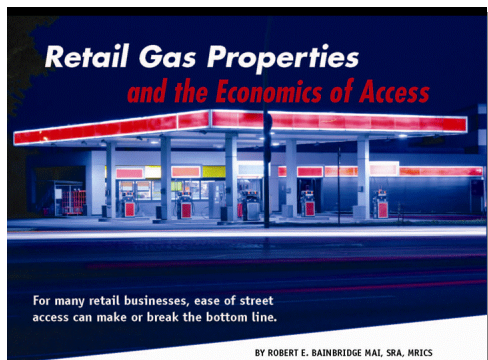


Mr. Bainbridge was a featured speaker at the Appraisal Institute of Canada and Appraisal Institute (USA) 2004 International Summer Conference in Toronto.

He also spoke at the Appraisal Institute's 2005 "Exploring Intangibles, Business Value and Going Concern" seminar in Seattle.

Mr. Bainbridge was a Featured Speaker at the 12th Annual 2013 CLE Eminent Domain Super Conference in Austin, Texas. His topic was **"How to Correctly Appraise Convenience Stores in Condemnation"**.

Mr. Bainbridge was a featured presenter at the American Law Institute | American Bar Association (ALI - ABA) "Eminent Domain and Land Value Litigation" Conference in Scottsdale, Arizona, February 4th through 6th, 2010. He spoke on the topic of **"When Access and Use are Inextricably Tied: The Case for Greater Compensation for Convenience Outlets That Suffer Access Impairment"**. This presentation was rated 93% by the attendees.



Emerging research conducted by several transportation authorities indicates that vehicle-oriented businesses, such as gas stations, car washes and fast-food restaurants often suffer a higher degree of economic damage than other types of businesses as a result of access management takings. These economic impact studies show a higher economic loss to retail gasoline properties than any other property type. In some cases, impaired access can make the business unviable and the property unsalable as a gasoline sales. The potential for revenue damages from access management takings should be weighed with greater scrutiny by stakeholders and the courts when retail gasoline properties are involved.

Access management is a destructive term widely used in transportation planning and refers to the practice of "closing" access

the traffic capacity of a roadway. According to the American Association of State Highway and Transportation Officials (AASHTO), "Access management involves providing or managing access to land development while simultaneously preserving the flow of traffic on the surrounding road system in terms of safety, capacity and speed."

HIGHLY SENSITIVE

The heightened role that access plays for retail gasoline properties may not be widely recognized. For example, when access management projects are implemented by transportation agencies, the focus may be more on enhancing safety and reducing traffic congestion than providing adequate access to retail properties. As a result, they may seek to limit the number



When the Government Takes Your Property

New research studies substantiate the impact of eminent domain actions on convenience retail sites

Convenience stores are frequently involved in eminent domain actions. Because they are often located at the intersections of major traffic routes, whenever streets are widened or traffic patterns change, the access to convenience stores also changes.

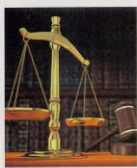
Eminent domain is the right of the government to take private property for the public good. The property owner must be compensated for any loss. The basis of this compensation is fair market value. As a convenience store owner, you need to know something about the latest published research on eminent domain takings and their impact on the value of convenience retail properties.

Roadway alterations often include widening the existing street, installing taper lanes, constructing left-turn lanes, adding raised medians and access management. Convenience retail properties suffer the most when access is degraded. A study from the Texas Transportation Institute shows that gas stations

In other words, the effects of a raised median could wipe out the pre-tax profit of \$40,000 to \$50,000 of the average store in the United States, and greatly reduce the market value of the real estate.

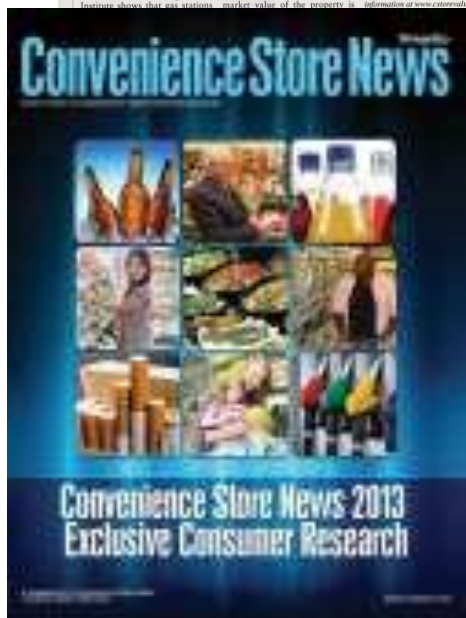
Another study by the Center for Transportation Research and Education at Iowa State University shows that although many businesses suffer when access is degraded, the economic loss for gas stations is the highest among all property types studied.

These published studies are the best evidence today of the severe economic impact on convenience stores when the site becomes less accessible. Because convenience stores are special-built properties with no alternative uses, the market value of the property is



port this fact. So, before settling an eminent domain taking, a convenience store owner should make sure they are receiving fair and full compensation for any loss.

Robert E. Bainbridge is an author, instructor and expert witness in the appraisal and valuation of convenience stores and gas stations. He can be reached at reb@centervalue.com or (541) 823-8029. Find more valuation information at www.centervalue.com.



Mr. Bainbridge's articles on the convenience industry and related appraisal issues have been published in the appraisal industry's leading professional journals.

"Today's Convenience Stores and Retail Fuel Properties are Combining Traditional Retail Channels" was published in *Valuation Insights and Perspectives* in 2003.

"Analyzing the Market for Convenience Stores: The Changing Convenience Store Industry" was published in the *Appraisal Journal* in 2003.

"Assessing the Supply and Demand of Convenience Stores" was published in the *Appraisal Journal* in 2003.

"Retail Gas Properties and the Economics of Access" was published in the January/February 2010 edition of *Right-of-Way* magazine. This article is an introduction to the severe economic impact of access degradation to convenience retail real estate.

"When the Government Takes Your Property" was published in the October 2011 edition of *Convenience Store News* magazine and *Single Store Owner* magazine. This article argues that awards of just compensation should reflect the fact that convenience retail property suffers more than other types of real estate from access degradation.

"Site Essentials of Convenience Store and Retail Fuel Properties" was published in the Winter Edition, 2012 of *The Appraisal Journal*, Appraisal Institute.

Mr. Bainbridge also writes a regular column on real estate-related topics for **Convenience Store News** magazine, the largest-circulation trade magazine in the convenience industry.

What Students Are Saying

"I went to Memphis to take the seminar Appraising Convenience Stores. Robert Bainbridge wrote the book for the Appraisal Institute and taught the seminar. It was the best seminar I have ever taken. One thing you learn from the seminar is that the Hyper Markets (c-stores) like Wal-Mart gas and Sam's Club are hurting the c-store business and many are in trouble. I read Home Depot may be selling gas soon. If any of you have a chance to take his seminar you ought to take it."

Joe Rosen, Columbia, SC

"I enjoyed the seminar Appraising Convenience Stores tremendously. It was one of the best seminars I have attended in a long time."

Bob McGee, Strongsville, OH

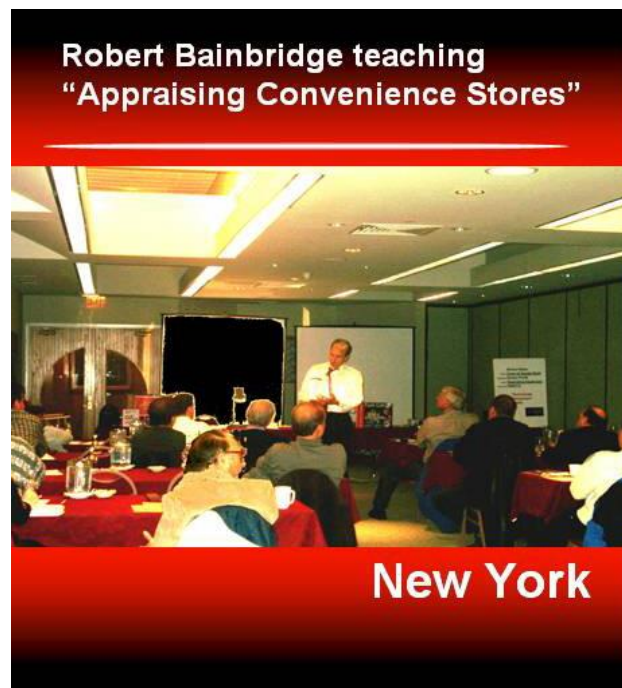
Seminar Description

You will gain valuable insights into the convenience industry from interviews with owner-operators, industry experts, and c-store lenders. Over 250 illustrative photographs, diagrams and video segments, along with discussion questions and a case study, familiarize students with every aspect of appraising convenience stores. Meet the challenge of appraising the going-concern value, separating and appraising the tangible assets and intangible assets of this specialized, yet frequently encountered appraisal assignment.

Seminar Development

Appraising Convenience Stores Seminar

APPRAISAL INSTITUTE
Chicago, IL



After attending this seminar, you will gain:

Specialized knowledge and skills to appraise these special purpose properties.

A comprehensive education into the convenience industry, including an in-depth look at the challenges facing the convenience store retail channel.

Analytical tools for assessing the trade area. Ways to accurately describe and consider the site, building, fuel service and equipment.

The ability to process the cost, sales comparison, and income capitalization approaches as applied to convenience stores.

Methods to avoid pitfalls and potential mistakes in appraising convenience stores.

Please note: It is recommended that students bring a calculator to the seminar.

Type: General

Level: Intermediate

TO TAKE THIS SEMINAR, CONTACT:

THE APPRAISAL INSTITUTE
(312) 335-4100
www.appraisalinstitute.com



**Robert Bainbridge teaching
"Appraising Convenience Stores"**



Toronto

**Robert Bainbridge teaching
"Appraising Convenience Stores"**



Oklahoma City

**Student Materials Authored by
Mr. Bainbridge:**

- Textbook
- Discussion Guide
- Earnings Analysis Software

PetroMARK® Valuation Software

Whether you need the market values of 100 convenience stores, or 5,000, PetroMARK is the answer. This is the fastest, most efficient valuation software available for appraising convenience store and retail fuel channel assets, allowing you to obtain reportable results in minutes. Clinically tested in hundreds of convenience store market value appraisals performed by qualified MAI appraisers. Software licensing available.



Generates the tangible and intangible asset market values of convenience store and retail fuel single and multi-site properties for the International Valuation Standards and Valuation for Financial Reporting.

Designed for accountants and CFOs implementing VFR standards and Mark-to-Market values for multi-site assets.

Unleash the Power. Visit our website to learn more.

www.PetroREPORT.com

The PetroMARK® Story

PetroMARK's® story is one of evolution; not instauration.

Hundreds of calculations and logic functions are performed within seconds. The culmination is the result of building upon a foundational idea that began in 2001. Refinements and improvements to the methodology and calculations were added and honed into the finest valuation software for the convenience and retail fuel industry.

PetroMARK® Valuation Software reports the market value of tangible assets, realty; tangible assets, non-realty; and intangible assets instantly and accurately.

This is not statistical modeling.

The valuations are fee simple market value derived from earnings capitalization. This is the only appropriate methodology for estimating the value of the total assets of the business.

PetroMARK® Valuation Software is trademarked through the U.S. Patent Office.

www.PetroREPORT.com

Significant Government Appraisal Projects

- **MULTIPLE PROPERTY VALUATIONS**
- **MULTI-YEAR APPRAISAL CONTRACT FULFILMENT**

**Real Property Appraisal Services Contractor,
Payette County Assessor's Office
1983-1987**

Responsible for the revaluation of 411 commercial properties for ad valorem taxation. Completed market studies, field inspections and completed appraisals. Responsible for project management and completion. Testified at appeal hearings.

**Real Property Appraisal Services Contractor,
Owyhee County Assessor's Office
1987-1991**

Responsible for the revaluation of commercial properties and residential properties for ad valorem taxation. Conducted market studies, field inspections and completed appraisals. Supervised field appraisers. Responsible for project management and completion.

**Real Property Appraisal Services Contractor,
Gem County Assessor's Office
1987-1989 & 1994-1997**

Responsible for the revaluation of commercial properties for ad valorem taxation. Conducted market studies, field inspections and completed appraisals. Supervised field appraisers. Responsible for project management and completion.

**Real Property Appraisal Services Contractor,
Boundary County Assessor's Office
1991-1993**

Responsible for the revaluation of over 1,500 residential properties for ad valorem taxation. Completed market studies on residential and commercial properties. Supervised field appraisers. Responsible for project management and completion.

**Real Property Appraisal Services Contractor,
Farmers Home Administration, U.S. Department of Agriculture
1988-1990**

Responsible for the appraisal of over 250 single-family residential properties for foreclosure and mortgage loan purposes in Ada, Canyon, Gem, Valley, and Payette Counties in Idaho; and, Malheur, Baker and Harney Counties in Oregon.

Corporate Appraisal Projects

- SEMINAR DEVELOPMENT
- INTERNATIONAL VALUATION STANDARDS
- GLOBAL APPRAISAL REVIEW



Shell Downstream Inc. 2008-2009

In conjunction with the Appraisal Institute, Mr. Bainbridge developed a custom training and **professional development seminar** for Shell Downstream, Inc. (part of Royal Dutch Shell) designed to instruct overseas acquisition and disposition personnel in real estate appraisal and valuation theory and techniques for land valuation. This program includes authoring a 400-page Student Handbook and developing land valuation models using Excel® templates for the sales comparison approach (when sales exist) and land residual technique (when sales do not exist) in addition to sessions on highest and best use and fundamentals of real estate economic theory, and global market conditions.

This seminar also included instructional sessions on **International Valuation Standards (IVS)** and **Generally Accepted Valuation Procedures (GAVP)** and **Valuation for Financial Reporting** as developed by the International Financial Reporting Standards (IFRS).

In completing this seminar, real estate-related investigations and expert interviews were conducted in Bulgaria, Germany, Indonesia, Malaysia, and the United Kingdom in addition to **reviewing appraisal reports** prepared for Shell from all over the world.



LAND VALUATION LAND RESIDUAL TECHNIQUE TEMPLATE					
UNLOCK PASSWORD: shell					
STEP 1: INPUT COLORED CELLS BELOW. DARKER CELLS ARE MANDATORY. LIGHTER CELLS ARE OPTIONAL.					
Income	Rent/sq. unit	\$100.00	Year	Occupancy	
Expenses			1	0%	
Operating expenses	10% of EGI		2	100%	
Holding expense	\$100 per year		3	100%	
(Mgmt., taxes, marketing)			4	100%	
Site and Building Information			5	100%	
Bldg. total sq. unit	100				
Bldg. cost per sq. unit	\$100.00	Current cost			
Year built	1				
Land size	100.0	sq. unit			
Financial Data	Low	Mid	High		
Discount rates	12.00%	13.00%	14.00%		
Terminal cap rate	10.00%	Terminal Year	2	Applied to trailing year	
Selling expenses	3.00%				
Rent increase per year	3.00%	Increase start Yr. 2			
Cost increase per year	3.00%				
Analysis					
Year	1	2	3	4	5
Potential gross income	\$0	\$10,300	\$10,609	\$10,927	\$11,255
Less collection and vacancy loss	\$0	\$0	\$0	\$0	\$0
Effective gross income	\$0	\$10,300	\$10,609	\$10,927	\$11,255
Less operating expense	\$0	\$1,030	\$1,061	\$1,093	\$1,126
Less holding expenses	\$100	\$0	\$0	\$0	\$0
Net operating income	(\$100)	\$9,270	\$0	\$0	\$0
Plus reversion	\$0	\$89,919	\$0	\$0	\$0
Less building cost	(\$10,300)	\$0	\$0	\$0	\$0
Total cash flow	(\$10,400)	\$99,189	\$0	\$0	\$0
INDICATED VALUES					
	Discount rate	Land residual value		Per sq. unit	
Present value @	12.00%	\$69,787		\$697.87	
	13.00%	\$68,476		\$684.76	
	14.00%	\$67,200		\$672.00	

Affiliations

Member, Appraisal Institute, MAI

Senior Residential Appraiser, Appraisal Institute, SRA

Member, Royal Institution of Chartered Surveyors, MRICS

Member, International Association of Assessing Officers.

Certified Ad Valorem Appraiser No. 323,
Department of Revenue and Taxation, State of Idaho.

Property Analyst and Urban Appraiser,
Oregon Department of Veterans Affairs, State of Oregon.

Certified Level I Appraiser,
Idaho Department of Transportation, State of Idaho.

Certified Appraiser,
Oregon Department of Transportation.

Certified Appraiser, State of California;

Certified Appraiser, State of Idaho;

Certified Appraiser, State of Oregon;

Certified Appraiser, State of Washington;

Past Affiliations and Activities

Panel Member, FHA, Federal Housing Administration,
U.S. Department of Housing and Urban Development, (1981-1991).

Panel Member, VA, Veterans Administration (1983-1991).

FNMA, Federal National Mortgage Association, (1982-1989).

FDIC, Federal Deposit Insurance Corporation.

Board of Directors, Southern Idaho Chapter,
American Institute of Real Estate Appraisers (1990).

Member, Regional Professional Standards Panel,
American Institute of Real Estate Appraisers, (1990-1992).

Past Affiliations and Activities (continued)

Grader, Residential Demonstration Appraisal Reports,
American Institute of Real Estate Appraisers (1987-1990).

Instructor, Real Estate Appraisal Principles,
Treasure Valley Community College, Ontario, Oregon,
(1991-1993).

Professional and Community Board Service

(PAST AND PRESENT)

- ☐ Board of Directors, Payette Industrial Corporation;
- Member, Nampa Industrial Corporation;
- Board of Directors, Payette Chamber of Commerce;
- Vice-Chairman, Payette County Planning and Zoning Commission;
- Member, NOVA, Oregon State Penitentiary Location Committee;
- Member, National Association of Convenience Stores;
- Member, National Association of Realtors;
- Member, Payette Municipal Airport Commission.