MX sale of rental propert

From: M Bret Blackford (bret_blackford@yahoo.com)

To: bret_blackford@yahoo.com

Date: Thursday, May 7, 2026 at 03:58 PM CDT

Memo: Fair Market Value Considerations for 1346 N. Rock Hill Road

To: MX Admin Elders / Finance Committee
From: Bret Blackford
Date: May 2026
Re: Fair Market Value Approach for 1346 N. Rock Hill Road

Background

McKnight Crossings owns the rental property at **1346 N. Rock Hill Road**, which is one of the Rock Hill rental homes previously considered in connection with the McCarthy/Vitale development discussions. McCarthy/Vitale has since decided not to pursue the acquisition of the Rock Hill properties, largely due to floodplain and redevelopment feasibility concerns.

Christian Family Services may have some interest in the property as a possible future office site. If CFS were to pursue the property, it may value the site differently depending on whether it intends to use the existing house, demolish the structure, or construct a new office facility.

Current Valuation Information

The available valuation information suggests that the property's current fair market value is likely in the general range of **$375,000 to $425,000**, with **approximately $400,000 to $406,600** being a reasonable working estimate.

Relevant data points include:

- A professional appraiser's value previously referenced for **1346 N. Rock Hill** was **$360,000**.
- The St. Louis County Board of Equalization reduced the assessor's 2025 valuation from **$590,800** to **$406,600**.
- The County property information also reflects the 2025 appraised value at **$406,600** and describes the property as a 1953 ranch home with **1,263 sq. ft.** of living area, 3 bedrooms, 1 bath, full basement, and central air.
- The tax appeal discussion noted that concerns such as the power lines at 1346 helped support a lower valuation.

Key Valuation Principle

From McKnight's perspective, the primary question should be:

> What is the property worth in the open market to a willing buyer and willing seller, considering the property's location, condition, zoning, floodplain concerns, rental potential, redevelopment potential, and comparable market data?

That value should be considered independently from what CFS may be willing to pay based on its own internal project plans.

If CFS intends to demolish the existing house and build a new office facility, that may affect **CFS's project-specific valuation**, but it should not automatically determine McKnight's fair market value. CFS may assign a lower value because of demolition costs, construction costs, zoning risk, site engineering, floodplain issues, parking requirements, or other project-specific concerns. Those are valid considerations for CFS, but they are not the same thing as fair market value to McKnight.

Important Nuance

CFS's intended use could matter indirectly if it reveals the property's true **highest and best use**. For example, if the market would generally value the property more as a redevelopment site than as a rental house, that should be considered in fair market value. However, that is different from simply accepting CFS's internal project economics as the sale price.

Recommendation

McKnight should use **fair market value** as the starting point for any discussion with CFS. Based on the information currently available, a reasonable working estimate for 1346 N. Rock Hill appears to be **around $400,000**, subject to updated appraisal, market review, and any additional due diligence.

If McKnight ultimately decides to sell the property to CFS below fair market value, that should be treated and documented as an intentional ministry-support decision, not as a market-value transaction.

Suggested Position

> McKnight should seek fair market value for the property, supported by objective appraisal or market evidence. CFS may assign a different value based on its own redevelopment plans, but that project-specific valuation should not by itself determine McKnight's sale price. Any sale below fair market value should be a deliberate and documented decision by McKnight leadership.

PDF StLouisCounty-TaxCommission.pdf
696.3 KB

PDF Yahoo Mail - Mcknight Crossings Rental Properties - Appraisals.pdf
236.7 KB