

STATE OF NEW HAMPSHIRE
INTER-DEPARTMENT COMMUNICATION

LRCP 19-030
Late Item

FROM: Stephen G. LaBonte
Administrator *[Signature]*

DATE: September 5, 2019

AT: Dept. of Transportation
Bureau of Right-of-Way

SUBJECT: **Sale of State Owned Land in Rochester**
RSA 4:39-c

TO: Representative John Cloutier, Chairman
Long Range Capital Planning and Utilization Committee

REQUESTED ACTION

The Department of Transportation, pursuant to RSA 4:39-c, requests authorization to sell a 2.1 +/- Ac parcel of State owned land located on the westerly side of North Main Street, just south of the Spaulding Turnpike Exit 15 Northbound Off Ramp in the City of Rochester directly to 400 North Main Street for \$33,100.00 which includes a \$1,100.00 Administrative Fee subject to the conditions as specified in this request.

EXPLANATION

The Department has received a request from 400 North Main Street, LLC who wishes to acquire a parcel of State owned land on the westerly side of North Main Street, just south of the Spaulding Turnpike Exit 15 Northbound Off ramp in the City of Rochester.

The parcel, consisting of 2.1 +/- Ac, was acquired by the Department in 1957 in connection with the construction of the Spaulding Turnpike. It was brought to the Department's attention that this parcel has been incorporated with the use of the abutting parcel for many years which has included Thompson Center Arms and Smith and Wesson and not used for right of way purposes. The State parcel has been noted on City of Rochester Tax Maps as being part of the abutting parcel. Both parcels are contaminated as a result of their prior use. 400 North Main Street, LLC is currently remediating both its site as well as the State parcel through the Brownfields program. Attached is a copy of a plan showing the location of the monitoring wells. This site is also registered on the DES one stop website.

The abutting parcel was purchased by 400 North Main Street, LLC in 2012 and was the former Thompson Center Arms (TCA) manufacturing facility. Adjacent to the Spaulding Turnpike, 400 North Main Street, LLC intends to redevelopment the site with Brownfield's status. 400 North Main Street, LLC had no reason to believe that it did not have clean title to the entire 13.1 acres including the State owned parcel. The State owned parcel had been used and occupied openly by TCA for decades.

400 North Main Street, LLC purchased their property for \$1,150,000 and have spent more than \$1,317,000 cleaning up the property sufficiently to redevelop the land. In addition there will be monitoring cost of \$25,000 to \$30,000 per year related to the contamination once the site is cleaned-up.

Conditions of this sale will include that no access will be granted along North Main Street or the Spaulding Turnpike to the parcel.

This request has been reviewed by this Department and it has been determined that the requested area is surplus to its operational needs and interest.

400 North Main Street, LLC, hired an appraiser firm, Bergeron Commercial Appraisal, which is prequalified to provide appraisal services to the Department, to complete an opinion of value for the subject property for the purpose of establishing a fair market value assuming the State of New Hampshire provides the abutter credit for clean-up costs incurred for this 2.1 +/- Ac parcel of State owned land. The appraiser also used seven (7) in Rochester and surrounding towns as comparables. Based upon the analysis and adjustments of those sales as well as factoring in credits for the clean-up cost for the parcels it was felt that reasonable fair market values for the subject with this clean-up cost credit as of June 12, 2019 to be \$32,000.00.

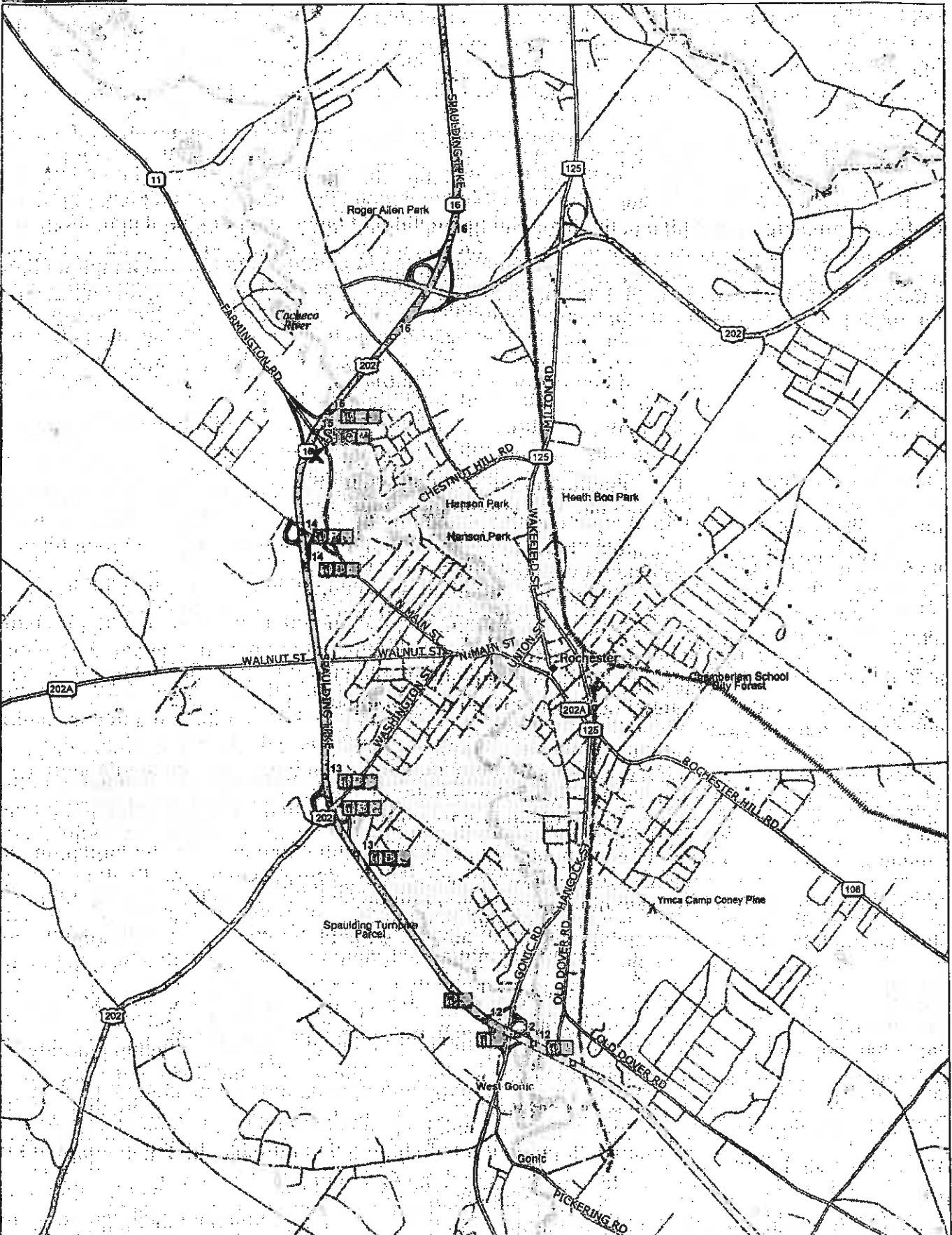
A staff appraiser for the Department review the appraisal prepared by Bergeron Commercial Appraisal for this parcel and determined that the value determined by the appraiser with clean - up cost credit is appropriate for this parcel.

The Department, as part of the sale process, will also offer the property to the City of Rochester and the New Hampshire Housing Finance Authority.

Whereas 400 North Main Street, LLC, is the sole abutter to the parcel and with the issue of the clean - up of the contamination on the parcel that they are currently addressing, the Department of Transportation proposes to offer the sale of this parcel to 400 North Main Street, LLC, for \$ 33,100.00 which includes an Administrative Fee of \$1,100.00.

Authorization is requested to sell the subject parcel as outlined above.

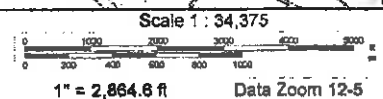
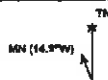
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Attachments



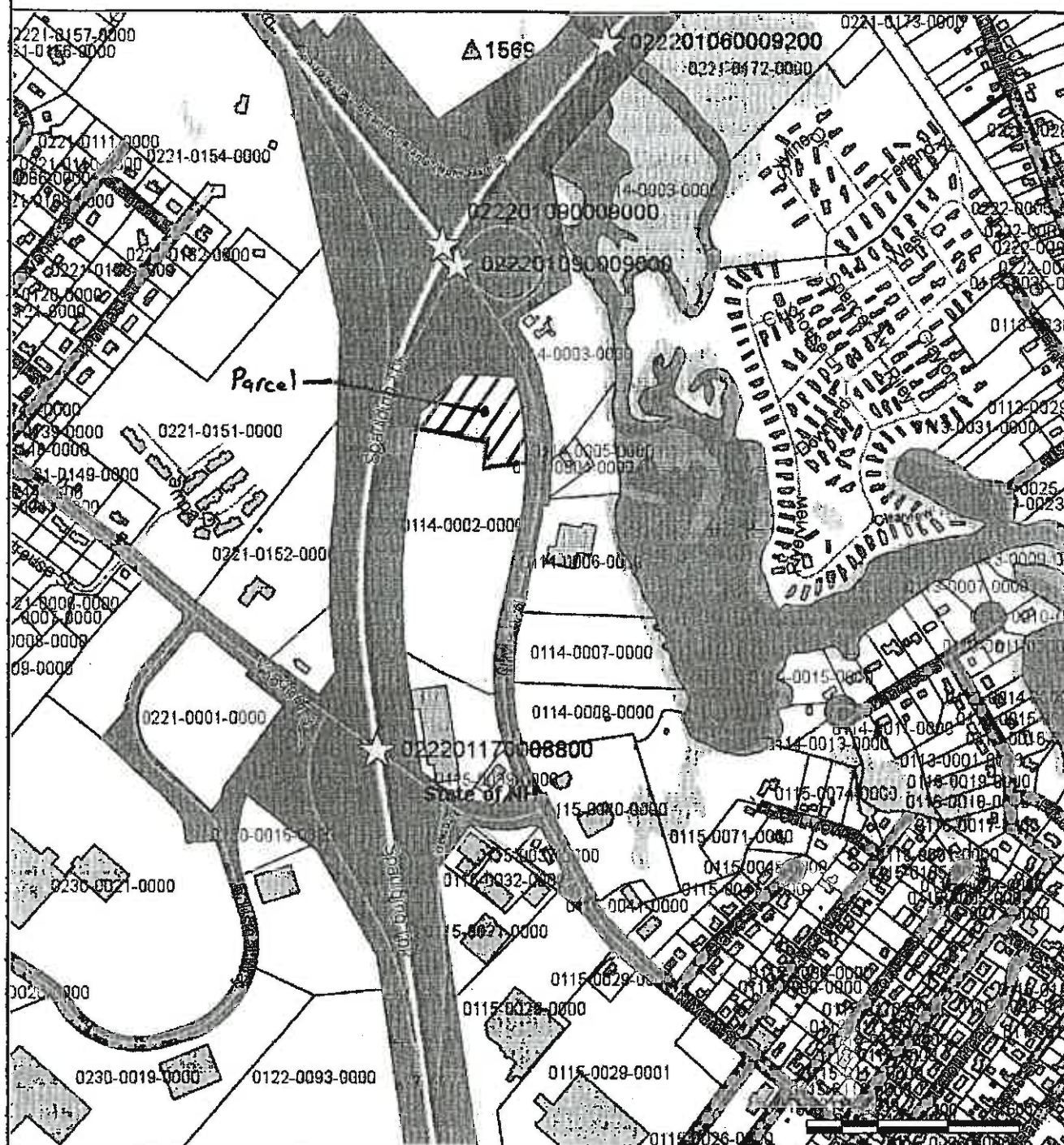
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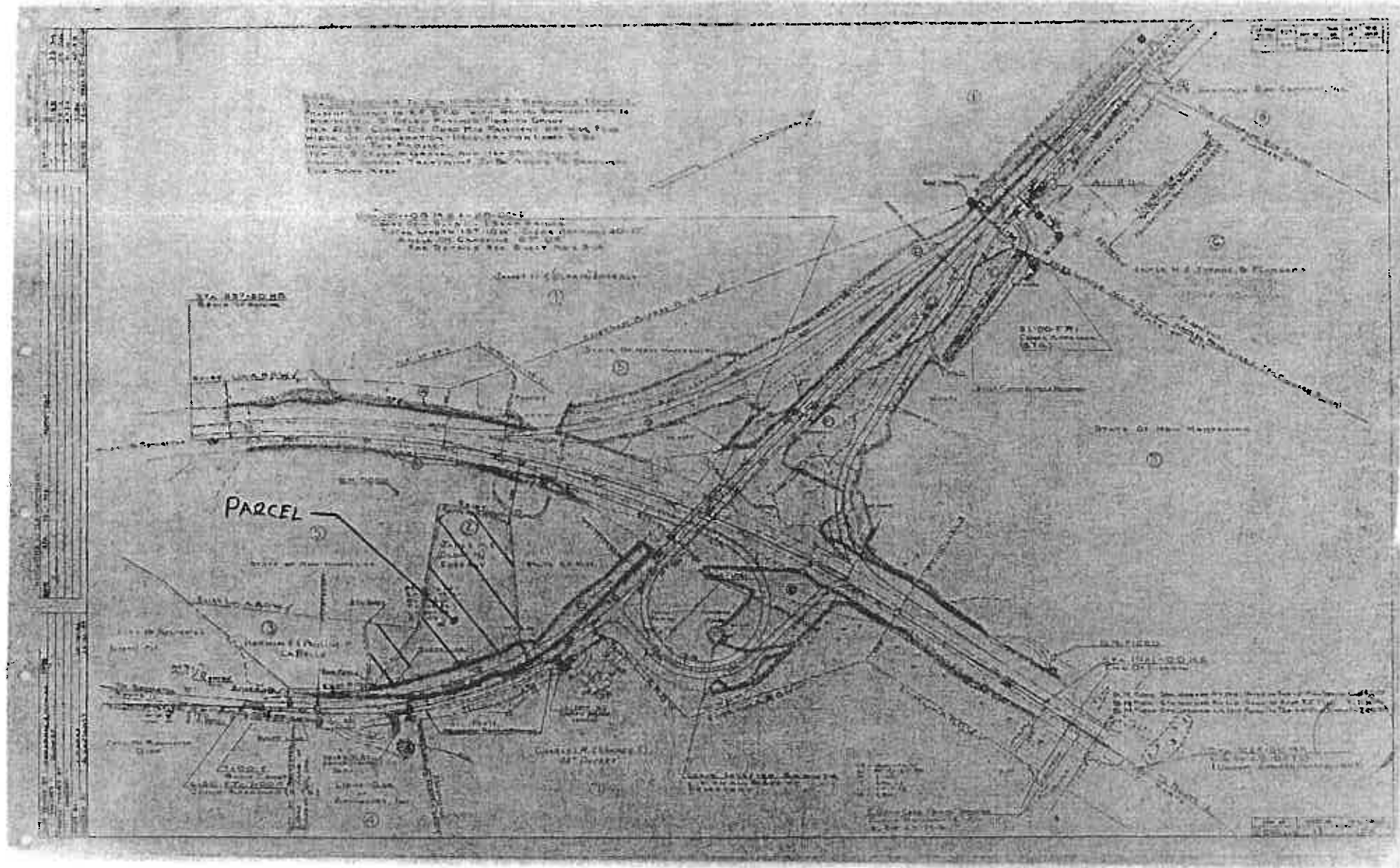
www.delorme.com



**MOSAIC PARCEL
MAP SHARING
POOL**



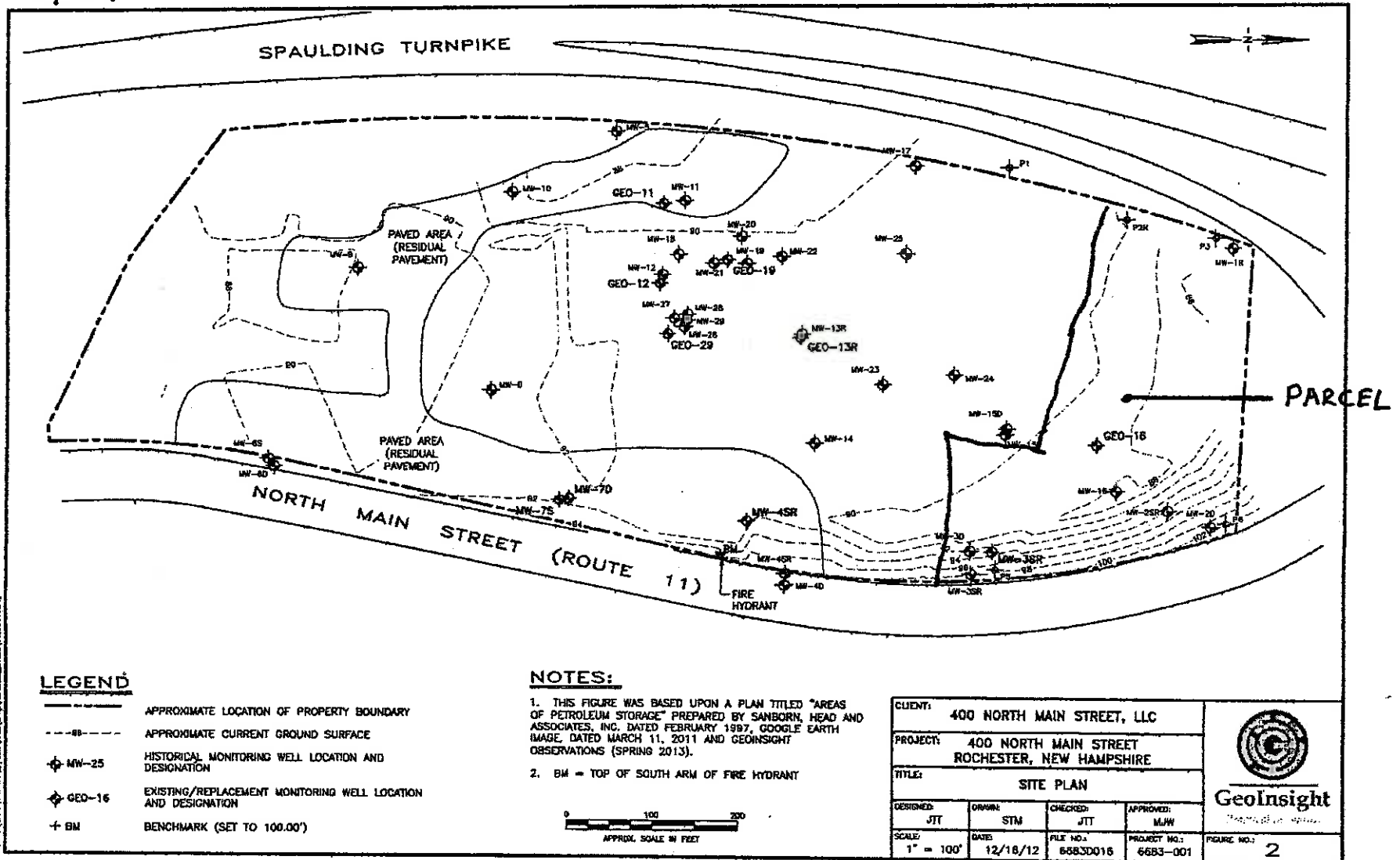
This map was compiled using data believed to be accurate; however, a degree of error is inherent in all maps. This map was distributed "AS-IS" without warranties of any kind, either expressed or implied, including but not limited to warranties of suitability to a particular purpose or use. No attempt has been made in either the design or production of the maps to define the limits or jurisdiction of any federal, state, or local government. Detailed on-the-ground surveys and historical analyses of sites may differ from the maps.



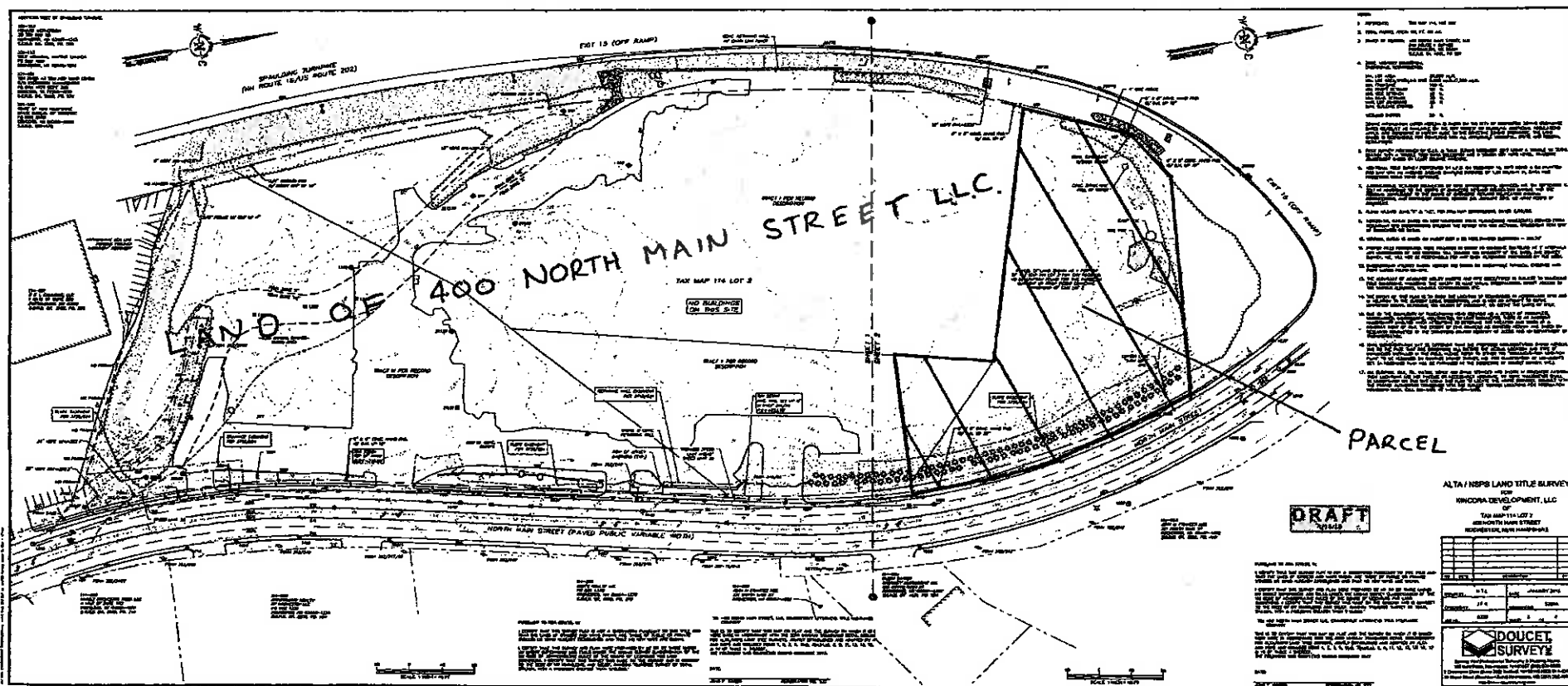
5/16/19

400 No. MAIN ST.

Monitoring Wells on Northern Tract







APPRAISAL OF:
2.1 ACRE PORTION OF MAP 114, LOT 2
NORTH MAIN STREET & SPAULDING TURNPIKE
CITY OF ROCHESTER, NEW HAMPSHIRE
OWNER: STATE OF NEW HAMPSHIRE

PREPARED FOR:
MR. STEPHEN H. ROBERTS, ESQ.
HOEFLE, PHOENIX, GORMLEY & ROBERTS, P.A.
127 PARROTT AVENUE
PORTSMOUTH, NEW HAMPSHIRE 03801

PREPARED BY:
STEPHEN J. BERGERON, MAI
BERGERON COMMERCIAL APPRAISAL
487 STATE STREET
PORTSMOUTH, NEW HAMPSHIRE 03801

DATE OF VALUE ESTIMATE:
JUNE 12, 2019

BERGERON COMMERCIAL APPRAISAL

CONSULTANTS IN REAL ESTATE VALUATION

487 State Street
Portsmouth, New Hampshire 03801
(603) 436-3009
www.bergeronappraisal.com

July 23, 2019

Mr. Stephen H. Roberts, Esq.
Hoefle, Phoenix, Gormley & Roberts, P.A.
127 Parrott Avenue
Portsmouth, New Hampshire 03801

RE: Appraisal of a 2.1 acre portion of Map 114, Lot 2 owned by the State of New Hampshire and located at the junction of the Spaulding Turnpike and North Main Street in the city of Rochester, New Hampshire.

Dear Mr. Roberts:

At your request, I am submitting an appraisal of the above referenced property. The purpose of this appraisal is to estimate the following values: 1) the market value of the fee simple interest in the subject property on a "as is" basis, and 2) the value providing the abutter credit for environmental clean-up costs incurred. The intended use of the appraisal is to assist the owner of 400 North Main Street LLC and the State of New Hampshire in estimating market value of this surplus parcel for a potential sale. The date of value is June 12, 2019, the most recent date of inspection.

The analysis and conclusion within the attached narrative report are based upon field research, interviews with market participants, and publicly available data. The accompanying report was prepared in accordance with USPAP and UASFLA.

This narrative appraisal report contains 59 pages, 12 exhibits and 2 addenda. The methods that I have used and all pertinent data gathered in my investigation are included in this report. I certify that I have no personal interest or bias with respect to the subject matter of the appraisal report or to the parties involved. I have personally inspected the subject property and the comparable data utilized within this report. Your attention is specifically called to the "Limiting Conditions and Assumptions" section of this report, where the parameters of the assignment are outlined in more detail.

As of June 12, 2019, I estimate the following values for the subject:

MARKET VALUE CONCLUSIONS:

**2.1 ACRE PORTION OF MAP 114, LOT 2
NORTH MAIN STREET & SPAULDING TURNPIKE
ROCHESTER, NEW HAMPSHIRE**

"AS IS" MARKET VALUE ESTIMATE: \$250,000

**VALUE ESTIMATE ASSUMING THE STATE OF NH PROVIDES THE ABUTTER CREDIT
FOR CLEAN-UP COSTS INCURRED: \$32,000**

Sincerely,



Stephen J. Bergeron, MAI
NHCG - 512

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CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Appraisal Standards for Federal Land Acquisitions*.
- I have made personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Stephen J. Bergeron has completed the continuing education program for Designated Members of the Appraisal Institute.
- As of June 12, 2019, I estimate a market value of \$250,000 for the fee simple interest in the subject property.



Stephen J. Bergeron, MAI
NHCG-512

July 23, 2019
Date

EXECUTIVE SUMMARY

Appraisal Assignment

Scope of Appraisal:	Narrative appraisal relying on all applicable approaches to value.
Purpose of Appraisal:	The purpose of this appraisal is to estimate the following values: 1) the market value of the fee simple interest in the subject property on a "as is" basis, and 2) the value providing the abutter credit for environmental clean-up costs incurred.
Interest Appraised:	Fee simple estate
Intended Use of Appraisal:	The intended use of the appraisal is to assist the owner of 400 North Main Street LLC and the State of New Hampshire in estimating market value of this surplus parcel for a potential sale.
Effective Date of Appraisal:	June 12, 2019
Date of Inspection:	June 12, 2019
Date Report Transmitted:	July 23, 2019

Subject Property Characteristics

Property Type:	Commercial Land
Property Owner:	State of New Hampshire
Location (Address):	Portion Map 114, Lot 2 / 400 North Main Street, Rochester, New Hampshire
Improvements:	None
Land Area:	2.1 acres, estimated 1.1 usable acres due to wetlands and slope.
Zoning:	Highway Commercial
Highest and Best Use:	Retail-oriented and/or travel service-oriented development

Valuation Indications:

Cost Approach	Not completed
Income Approach	Not completed
Sales Comparison Approach	\$250,000
Market Value Estimate:	\$250,000
Value With Credit For Clean-Up:	\$32,000

APPRAISER'S COMMENTS

The purpose of this appraisal is to value a parcel of surplus land that is owned by the State of New Hampshire. It is located along the Exit #15 Interchange of the Spaulding Turnpike and North Main Street in Rochester. The parcel is 2.1 acres with an estimated 1.1 usable acres, due to slope and wetlands. The parcel is located at the northern tip of the manufacturing site formerly occupied by Thompson Center Arms (TCA) manufacturing facility. TCA, which had been at this site since at least the mid-1900s, was acquired by Smith & Wesson in 2007. The Rochester facility was later closed and sold to a local investor (400 North Main Street LLC) in 2012 for \$1,150,000. The manufacturing facility was demolished and the contaminated site was cleaned at a reported cost of \$1,317,000. The site is currently enrolled in the Brownfields program and is subject to an ongoing Groundwater Management Permit, and contains monitoring wells.

At the time of the 2012 acquisition and site clean-up, the former TCA property was believed to be 13.1 acre land tract. The state of New Hampshire is asserting title to the subject, a 2.1 acre portion of this larger tract, and the site has been determined to be a surplus property. The intended use of this appraisal is to determine the market value of this surplus property for the potential sale to 400 North Main Street LLC for use as part of the former TCA property. The client has also requested a market value estimate whereby a credit is given for the environmental clean-up costs incurred when the 2.1 acre subject site was believed to be part of the larger TCA parcel.

The subject parcel does not have legal access from North Main Street, and therefore, the only access is over the former TCA parcel. The subject is also impacted by wetlands and steep slopes. As a result, it is only marketable to the owner of the TCA parcel. Given the parcels highway frontage but indirect access, the highest and best use is retail-oriented development as part of the larger TCA parcel.

EXHIBIT A - SUBJECT PHOTOGRAPHS
(THE FOLLOWING SUBJECT PHOTOS ON PAGE #S 7-13 WERE TAKEN BY STEPHEN
BERGERON ON JUNE 12, 2019, THE DATE OF INSPECTION)



View of Subject Site and Frontage along Spaulding Turnpike - June 2019



View of Subject Site and Frontage along Spaulding Turnpike - June 2019

EXHIBIT A - SUBJECT PHOTOGRAPHS



View from North Main Street - June 2019



View from North Main Street - June 2019

EXHIBIT A - SUBJECT PHOTOGRAPHS



View of subject Site, Facing North - June 2019



View of Subject Site, Facing North - June 2019

EXHIBIT A - SUBJECT PHOTOGRAPHS



View of Subject Site - June 2019



View of Subject Site - June 2019

EXHIBIT A - SUBJECT PHOTOGRAPHS



Subject Site & North Main Street Frontage, Facing North - June 2019



View from North Main Street, Facing Northwest - June 2019

EXHIBIT A - SUBJECT PHOTOGRAPHS



Frontage along North Main Street - June 2019



Street Scene and Frontage along North Main Street, Facing South - June 2019

EXHIBIT A - SUBJECT PHOTOGRAPHS



Street Scene and Frontage along North Main Street, Facing North - June 2019

LIMITING CONDITIONS AND ASSUMPTIONS

1. No responsibility is assumed for legal matters. It is assumed that title of the property is marketable and it is free and clear of liens, encumbrances and special assessments other than stated in this report.
2. Plot plans and maps are included to assist the reader in visualizing the property. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources thought to be reliable and believed to be true. However, no responsibility for accuracy can be assumed by the appraiser.
3. All information has been checked where possible and is believed to be correct, but it is not guaranteed as such.
4. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors. It is assumed that no soil contamination exists as a result of chemical drainage or leakage in connection with any production operations on or near the property. No testing has been done for the presence of asbestos-containing materials and it is assumed that no hazardous amounts are present.
5. The appraiser is not required to give testimony or appear in court in connection with this appraisal unless arrangements have been previously made.
6. Distribution of this report is the sole prerogative of the client and no distribution will be made without specific direction of the client. No reproduction of this report, in whole or in part, shall be made without the prior approval of the appraiser.
7. Neither all nor part of the contents of this report shall be conveyed to the public through advertising, public relations, news sales, or other media without the written consent and approval of the appraiser, particularly as to the valuation conclusions, the identity of the appraiser, or any reference to the Appraisal Institute or the MAI Designation.
8. Information regarding any flood hazard zones for the subject property was provided from outside sources. Accurately reading flood hazard maps, as well as tracking constant changes in the zone designations, is a specialized skill and outside the scope of the services provided in this appraisal assignment. No responsibility is assumed by the appraiser in the misinterpretation of these maps. It is strongly recommended that any lending institution reconfirm flood hazard locations for any property for which they are providing a mortgage loan.
9. The report and data investigated, except that furnished by the client, remains the sole property of the firm.
10. I did not observe any endangered species or endangered species' habitats during my property inspection. It should be noted that I do not have any expertise in matters of endangered species.

11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of the property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this factor could have a negative impact upon the value conclusion reached herein. Since I have no direct evidence relating to this issue, I did not consider non-compliance with the requirements of ADA in estimating the value of the subject property.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

12. The land area and usable land area relied upon in this appraisal is based on information provided by the client and the State of New Hampshire, and is assumed to be correct. Any change in this assumption could impact the values estimated in this appraisal.

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject property consists of 2.1 acres located along the west side of North Main Street in the city of Rochester, Strafford County, New Hampshire. The property is currently owned by the State of New Hampshire. The site is identified as being a portion of Map 1 14, Lot 2 by the city of Rochester.

LEGAL DESCRIPTION

Book 680, Page 452 and Book 681, Page 296 (Strafford County Registry of Deeds).
A copy of these deeds is presented in the Addendum of this appraisal.

PROPERTY RIGHTS APPRAISED

The fee simple interest is valued in this appraisal. "Fee Simple Estate" is defined as follows:

"absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Source: *The Dictionary of Real Estate Appraisal*, 6th Edition © 2015; The Appraisal Institute

DEFINITION OF MARKET VALUE

"Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property."

Source: Uniform Appraisal Standards for Federal Land Acquisitions, Section 4.2.1 / 2016 Edition.

PURPOSE AND INTENDED USE OF APPRAISAL

The purpose of this appraisal is to estimate the following values: 1) the market value of the fee simple interest in the subject property on a "as is" basis, and 2) the value providing the abutter credit for environmental clean-up costs incurred. The intended use of the appraisal is to assist the owner of 400 North Main Street LLC and the State of New Hampshire in estimating market value of this surplus parcel for a potential sale.

INTENDED USERS OF APPRAISAL

The client and intended users of this appraisal are Mr. Stephen H. Roberts, Esq. Hoefle, Phoenix, Gormley & Roberts, P.A. and 400 North Main Street, LLC. This appraisal was prepared for the sole and exclusive use of the clients. No third parties are authorized to rely upon this report without the express written consent of the clients and Bergeron Commercial Appraisal.

SCOPE OF THE APPRAISAL

The scope of this narrative appraisal is summarized as follows:

- Discussed the subject property and scope of the appraisal with Mr. Stephen Roberts Esq. of Hoefle, Phoenix, Gormley & Roberts, P.A., Michel J. Webster of GeoInsight, Inc., and Mark Hodgdon Esq. of Law Office of Mark P. Hodgdon, PLLC.
- Discuss the scope of the appraisal with Mr. Steve Bernard, Steve Labonte, and Philip Myles of NHDOT.
- Discuss the subject property with Seth Creiton of the Rochester Planning Department.
- Tour the subject site, photograph the site, and subject neighborhood.
- Gather and analyze information available on the subject property, including information provided by the NHDOT, client, property owner, city of Rochester, county records at the Strafford County Registry of Deeds, and other public sources.
- Research and analyze regional, community, and neighborhood market conditions, trends, and economics.
- Analyze the subject and market data to draw a conclusion regarding the Highest and Best Use of the subject.
- Determine the best method(s) of valuing the subject property, given available subject information, available market data, market conditions, highest and best use, and the most likely buyer.
- Research, analyze, and confirm market sales data that is relevant to the valuation of the subject. This information is gathered and confirmed with brokers, appraisers, public officials, public data sources, private publications, periodicals, personal research, and interviews with buyers and sellers.
- Analyze the available data to assemble the most appropriate set of comparable data from which to draw a value conclusion.
- Inspect the comparable properties.
- Report the subject description, comparable data, and value conclusion(s) in a narrative appraisal format using all approaches to value. Developed a report that is in conformance with UASFLA.
- Produce the narrative appraisal report with all exhibits and addendum.

REGIONAL DATA

The subject property is located in the Northern New England region, which includes the states of New Hampshire, Maine, and Vermont. Southern New Hampshire contains a majority of the state's population, with commercial development concentrated in the population centers of Nashua, Salem, and Manchester. These three municipal centers are connected by the state's major highways, which include I-93, Route 101, and the FE Everett Turnpike. This region is heavily influenced by its proximity to the greater population density of Eastern Massachusetts. New Hampshire's highest priced real estate tends to be in communities near the Massachusetts border and within the Seacoast Region.

Despite the rapid economic growth during the past few decades, real estate developers and lenders have generally been cautious following the widespread overbuilding of the 1980s. As a result, little speculative construction has been undertaken in the region. Owner-user and build-to-suit development has been most prevalent in the industrial, retail, and office sectors. These trends have kept inventory levels low, resulting in moderate rent and price appreciation. During the Great Recession of 2007-2008 new construction came to a near standstill. More recently, some new commercial construction is evident, mainly in prime locations.

In recent years New Hampshire's unemployment rate has remained below national levels. Additionally, New Hampshire's residential and retail sectors have been fueled by the highest rate of population growth in the New England region. A common motivation of relocating residents has been "quality of life" and relatively affordable housing, compared to neighboring states to the south. This residential growth resulted in unprecedented levels of new single-family residential construction during the past decade. Several of the state's rural agricultural communities have quickly become suburban bedroom towns, with school systems and infrastructure struggling to catch up. New apartment construction is just beginning to occur in the New Hampshire market for the first time in decades as a result of rising rents.

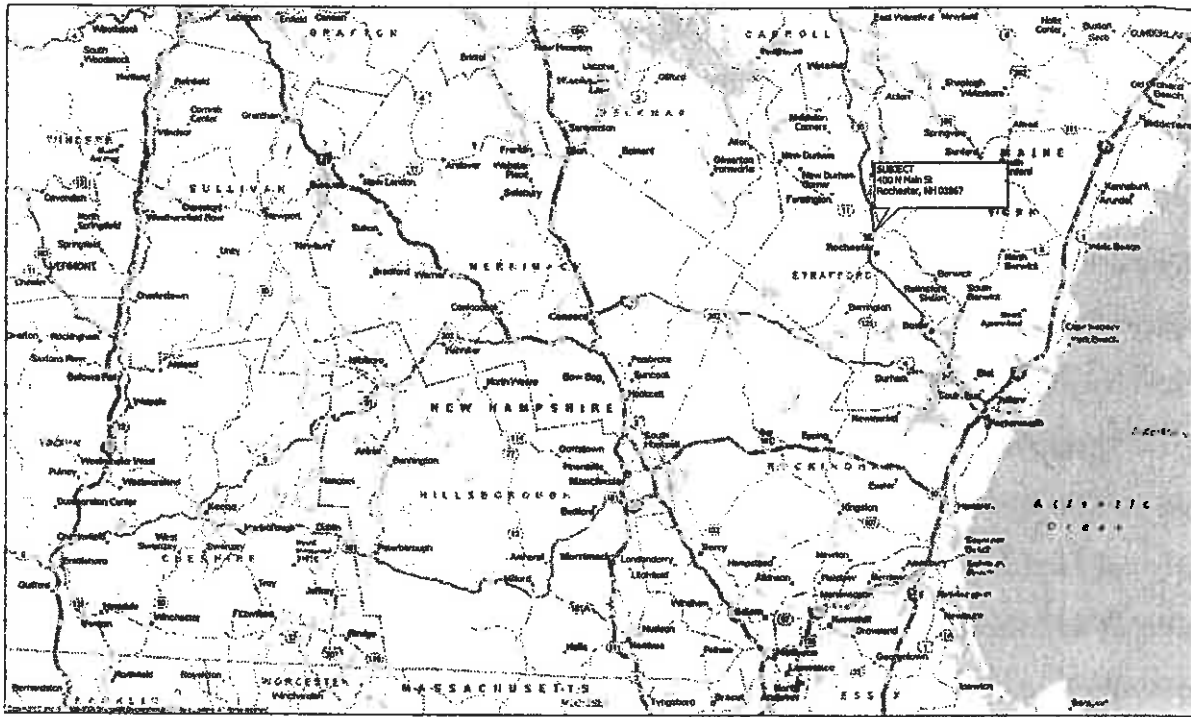
The Great Recession and recovering economy that followed impacted individual communities within New Hampshire at different rates. In general, the rate of foreclosures and declining home prices was below national levels and new foreclosures are now very limited. Projected economic and population growth in New Hampshire is expected to outpace the remaining New England states in the coming decade.

The residential real estate market has demonstrated positive activity and price growth during the past several years. New home construction has resumed at a modest pace.

The commercial real estate market's decline during the recession was only minor, and as of mid-2019, occupancy and prices in most segments of the commercial market have demonstrated moderate appreciation. Limited new construction is evident in most segments of the commercial market.

Overall, the New Hampshire market appears to be well positioned during the current economic cycle, compared to other regions of the United States, due to a broad employment base and healthy commercial and residential real estate markets. New Hampshire continues to be one of the only states in the U.S. to rely almost exclusively on property and business profits taxes for its revenue base, with no personal income or sales tax.

EXHIBIT B – REGIONAL MAP



COMMUNITY DATA

The city of Rochester is centrally located within Strafford County, New Hampshire. Rochester had a 2017 population of 30,797, which is a 7.8% increase since 2000. It is the second largest city in the Seacoast Region and the state's sixth largest community, overall. The city encompasses a large geographic area, with 46 square miles. Development ranges from a densely populated downtown to rural agricultural on the city's outskirts.

Rochester is bordered to the north by the towns of Farmington and Milton. To the south are the cities of Somersworth and Dover. To the west are the towns of Barrington and Strafford, while the town of Lebanon, Maine is located to the east, across the Salmon Falls River. The communities of Rochester, Dover, and Somersworth together make up the "Tri-City" area which serves as the economic and employment center for Strafford County. Each city is accessible from the Spaulding Turnpike. Rochester is approximately 20 miles north of Portsmouth, and 50 miles southwest of Portland, Maine.

The major roadways in Rochester include the Spaulding Turnpike and Routes 16, 108, 202, 125, and 11. The Spaulding Turnpike is a four-lane toll road extending from the Portsmouth Traffic Circle to the city of Rochester, where it merges with Route 16. Route 16 is a two-lane road that travels northwesterly towards the White Mountain region. Route 125 extends southerly into the state of Massachusetts and northerly through New Hampshire. Route 11 traverses northwesterly to the lakes region of New Hampshire. Route 108 is commercially developed, traveling parallel to the Spaulding Turnpike through Dover, Somersworth, and Rochester.

Rochester is the urban center for most of the bordering communities to the north and west. The city's retail and office development is contained in the downtown business district and just north of downtown, along Milton Road and Route 11. The downtown market includes city services, as well as local retail and office businesses. Major retail development is centered around Exits 13, 14 and 15 off the Spaulding Turnpike. The new 570,000 SF Ridge Marketplace retail center along Route 11, next to a Walmart Supercenter, was recently completed. The city has four major industrial parks, including the New Hampshire Northcoast Industrial Park, Nadeau Drive Industrial Park, Ten Rod Road Industrial Park, and the Granite State Business Park, located just east of the Sky Haven Airport.

Approximately 59% of working residents commute to employment in other New Hampshire communities, and another 9% commute out-of-state. The largest employers in the city include: Frisbie Memorial Hospital (1,060 employees), City of Rochester School Department (806 employees), Market Basket (569 employees), Albany Engineered Composites (475 employees), and the City of Rochester (359 employees). As of 2016, Rochester's median household income was \$50,759, and the median family income was \$65,260.

NEIGHBORHOOD DATA

The subject property is located along the west side of North Main Street (Route 11), just south of the Spaulding Turnpike. This is a well traveled, mostly retail, location with good highway accessibility. Traffic counts are in the vicinity of 12,000 vehicles per day (2015 NHDOT). Route 11 travels from Rochester northward to New Hampshire's Lake's Region.

Directly to the north and west of the subject is the Spaulding Turnpike (Route 16). The subject is located at Exit #15, with exposure to an estimated 29,000 vehicles per day along the Turnpike (2013 NHDOT). The Turnpike travels north/south through the eastern portion of New Hampshire. A 0.49 acre portion of the TCA property along with some easements were previously taken as part of the expansion of the Turnpike from one to two lanes in either direction between the Rochester toll booth and NH Route 11.

Directly to the east, across North Main Street, are an auto service property and a Chrysler Plymouth Jeep auto dealership. North of the Turnpike are several restaurants, gas stations, motels, and auto sales and service properties.

South of the subject, development is mostly retail, including Brock's Building Supply, a Home Depot, Hannaford Supermarket, as well as Dunkin Donuts, McDonalds and Dominos, and Pizza Hut restaurants. Other uses to the south include a retail strip center and gas station. Further to the south are residential neighborhoods and downtown Rochester.

A 7.16 acre portion of the former Thompson Center Arms site at 400 North Main Street, directly south of the subject, is currently listed for sale with The Boulos Company at an asking price of \$2,965,000, or \$414,106 per acre. This asking price is at the upper-end of the range indicated by the commercial land comparables presented in this appraisal. The owner of the remaining land, located directly south of the subject, is planning the construction of a new auto dealership.

6

SUBJECT
400 N Main St
Rochester, NY 14607

Map showing streets and landmarks in Rochester, NY. Key streets include Main St, Elm St, and others. Landmarks include St. Anthony's Cemetery and St. Mary's Cemetery.

This is a black and white aerial map of a section of Rochester, New York. The map is oriented with North at the top. A major highway, I-190, runs vertically through the center of the image. To the right of I-190, another major highway, I-19, runs horizontally. The area is densely packed with buildings, parking lots, and commercial establishments. Labels on the map include: 'Rochester TV Sales & Services' at the top right; 'Integrity Automotive' and '400 North Main Street' in the upper center; 'Planet Fitness' and 'Domino's Pizza' in the center; 'Papa John's' and 'Pizza Hut' to the right of the center; 'Stegmann USA B' further right; 'Hannaford Supermarket' at the bottom center; 'The Home Depot' and 'Home Services' at the bottom; and 'Charles of Rochester' at the bottom right. The 'Connetquot River' is labeled on the right side, flowing vertically. Other labels include 'True Memorial Baptist Church' on the left, 'Granville State College' at the bottom left, and 'LAARS' at the very bottom left. The map is credited to 'Google' at the bottom center.

OWNERSHIP DATA AND HISTORY

OWNER OF RECORD: State of New Hampshire
GRANTOR: James H. Edgerly
DEED REFERENCE: Book 680, Page 452 (Strafford County Registry of Deeds)
DATE RECORDED: October 8, 1957

OWNER OF RECORD: State of New Hampshire
GRANTOR: Frank Palazzi & Sons
DEED REFERENCE: Book 681, Page 296 (Strafford County Registry of Deeds)
DATE RECORDED: October 25, 1957

The above deeds were provided by the NHDOT. They appear to be the most recent sales of the subject to the State of New Hampshire. A copy of these deeds is presented in the Addendum of this appraisal. No sales were noted within the past 10 years.

SITE DESCRIPTION

ACREAGE: 2.1 acres (estimated 1.1 usable acres)

TAX MAP #: Map 114, Lot 2

ZONING: Highway Commercial

UTILITIES: Electricity, natural gas, public water and sewer

FRONTAGE: Along North Main Street (linear frontage is not known).
Additional frontage along Spaulding Turnpike, but no access.

TOPOGRAPHY: Center of site is level. West, East, and North borders are
sloped along Spaulding Turnpike and North Main Street.

GRADE: Estimated 10 to 14 feet below grade with Spaulding Turnpike
and North Main Street.

SHAPE: Irregular

ACCESS: None. Per Seth Creiton of Rochester's Planning Department, a
curb cut would likely not be permitted by the city or NHDOT.
Access would have to be negotiated via a cross easement over
Map 114, Lot 2, directly to the south.

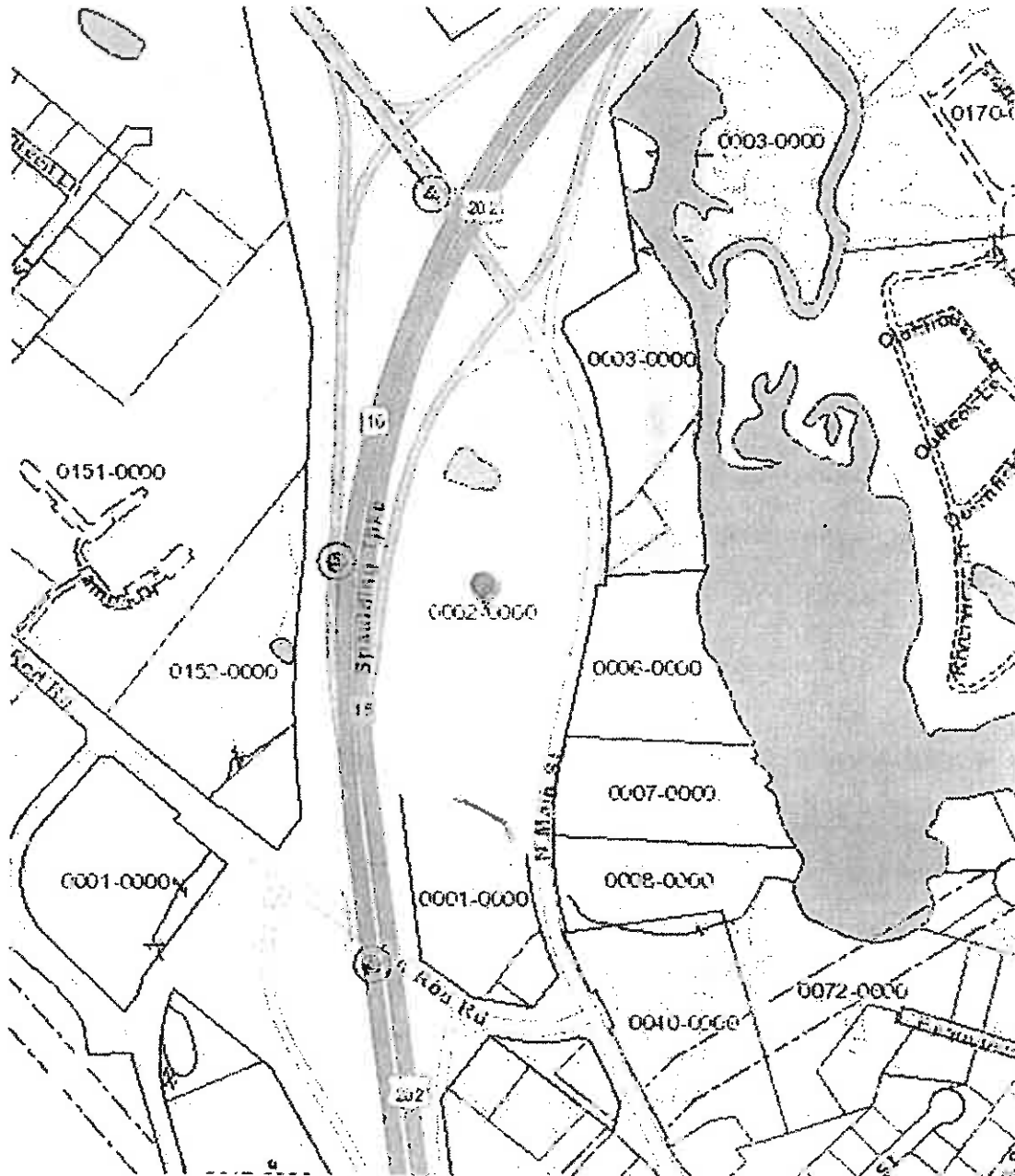
VISIBILITY: Good visibility along Spaulding Turnpike, Exit #15 Off-Ramp,
and North Main Street.

**EASEMENTS OR
ENCROACHMENTS:** The subject site is impacted by a slope easement per Book
3750, Page 624.

**PRESENCE OF
TOXIC WASTES:** The site is currently enrolled in the Brownfields program and
is currently subject to an ongoing Groundwater Management
Permit, and contains monitoring wells (See Exhibit J). A
single Remediation Action Plan (RAP) for 13.1 acres (subject
and parcel to the south) was submitted to NHDES in October
2012. The site was impacted by lead and lubricating oils – the
impacted soils were removed. Site has arsenic levels above
permitted State standards.

**FLOOD
STATEMENT:** The subject property appears to be located in Zone X; an area
determined to be outside the 100 and 500 year flood hazard area,
according to Flood Insurance Rate Map 33015C0259E, effective
May 17, 2005. (See Exhibit K; FIRM Flood Insurance Rate
Map).

EXHIBIT E – ROCHESTER TAX MAP



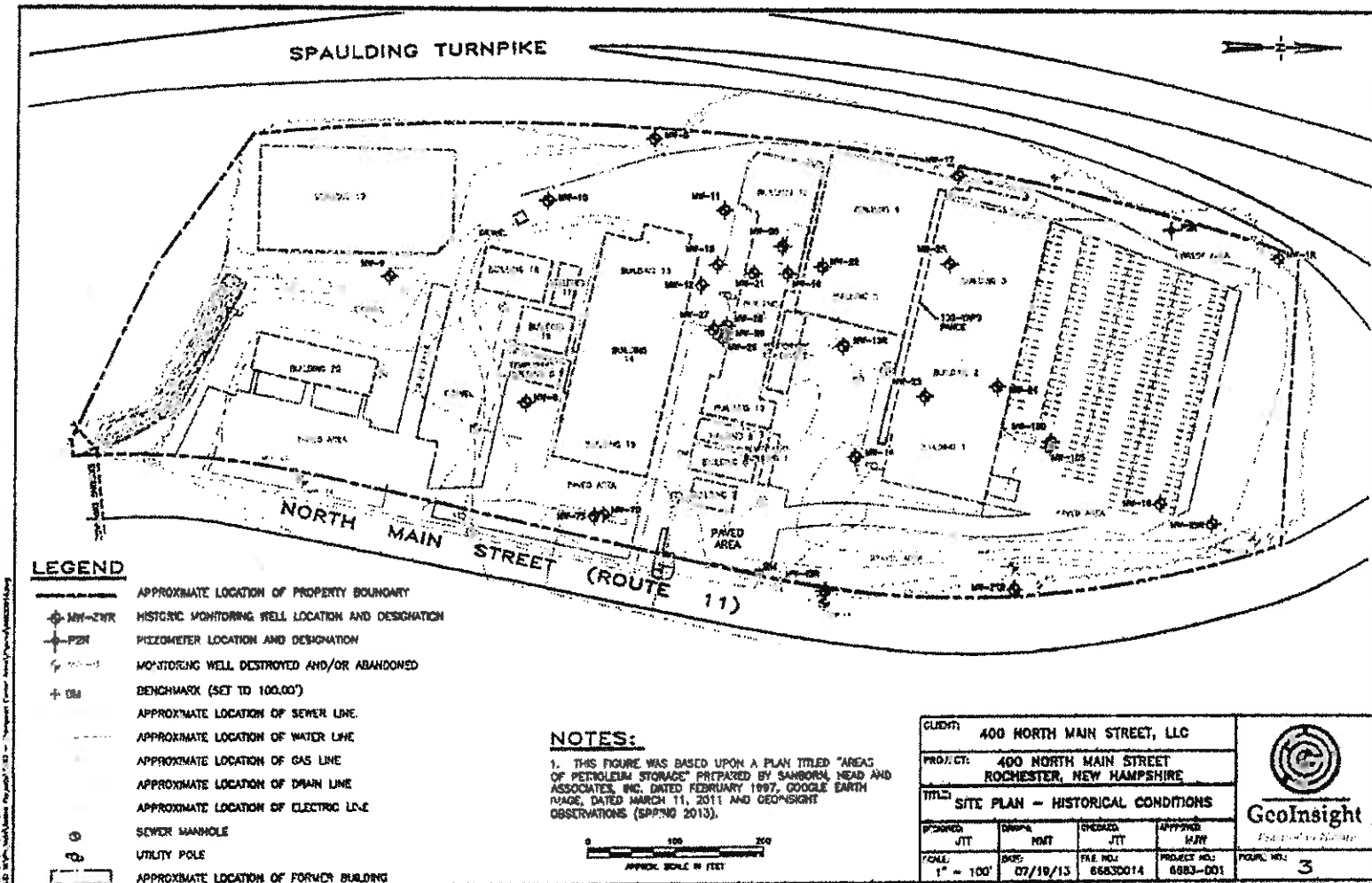
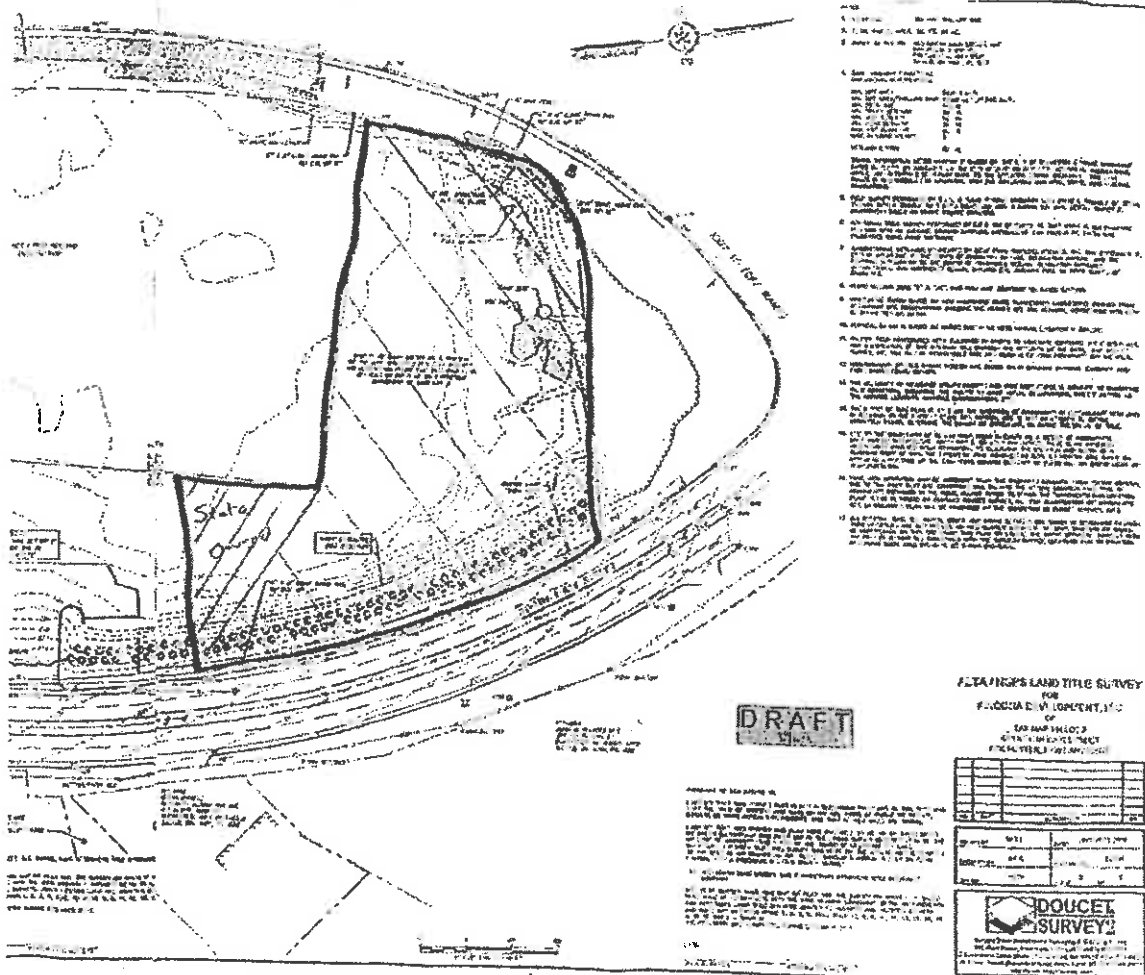


EXHIBIT G – SITE PLAN, TOPOGRAPHY AND WETLANDS



EXHIBIT H - SITE PLAN, SUBJECT PARCEL



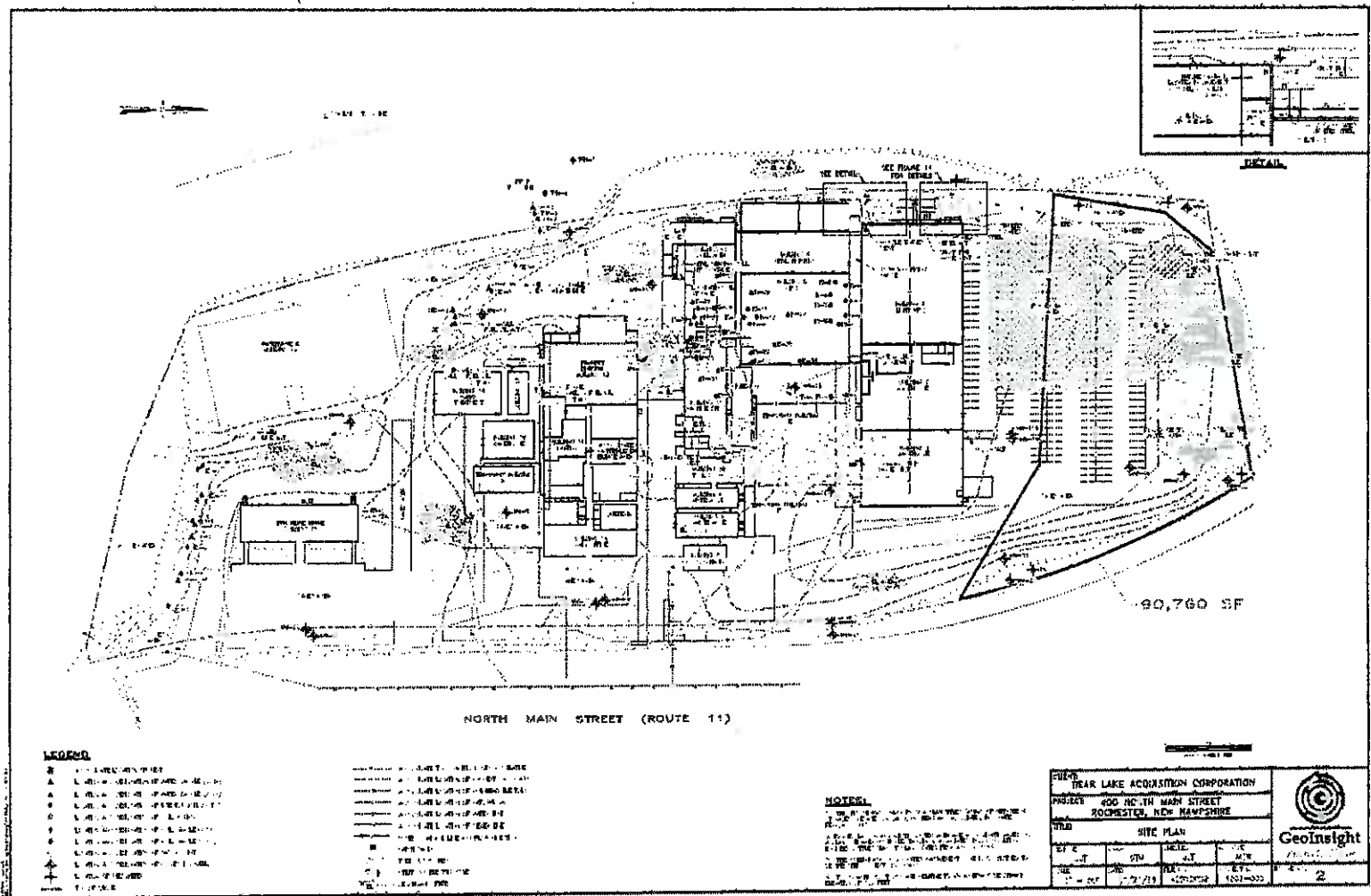


EXHIBIT J - SITE PLAN, MONITORING WELL LOCATIONS

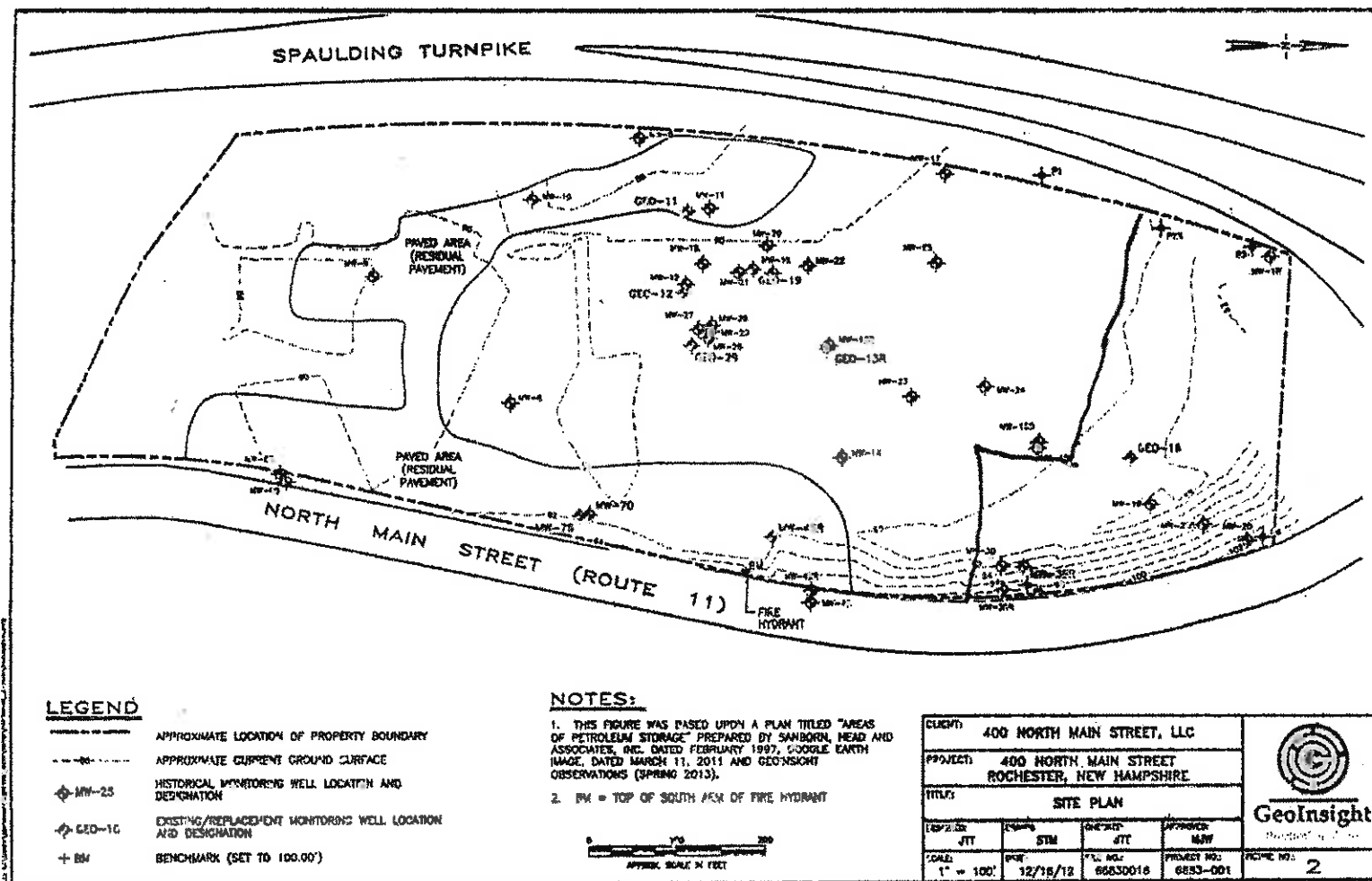
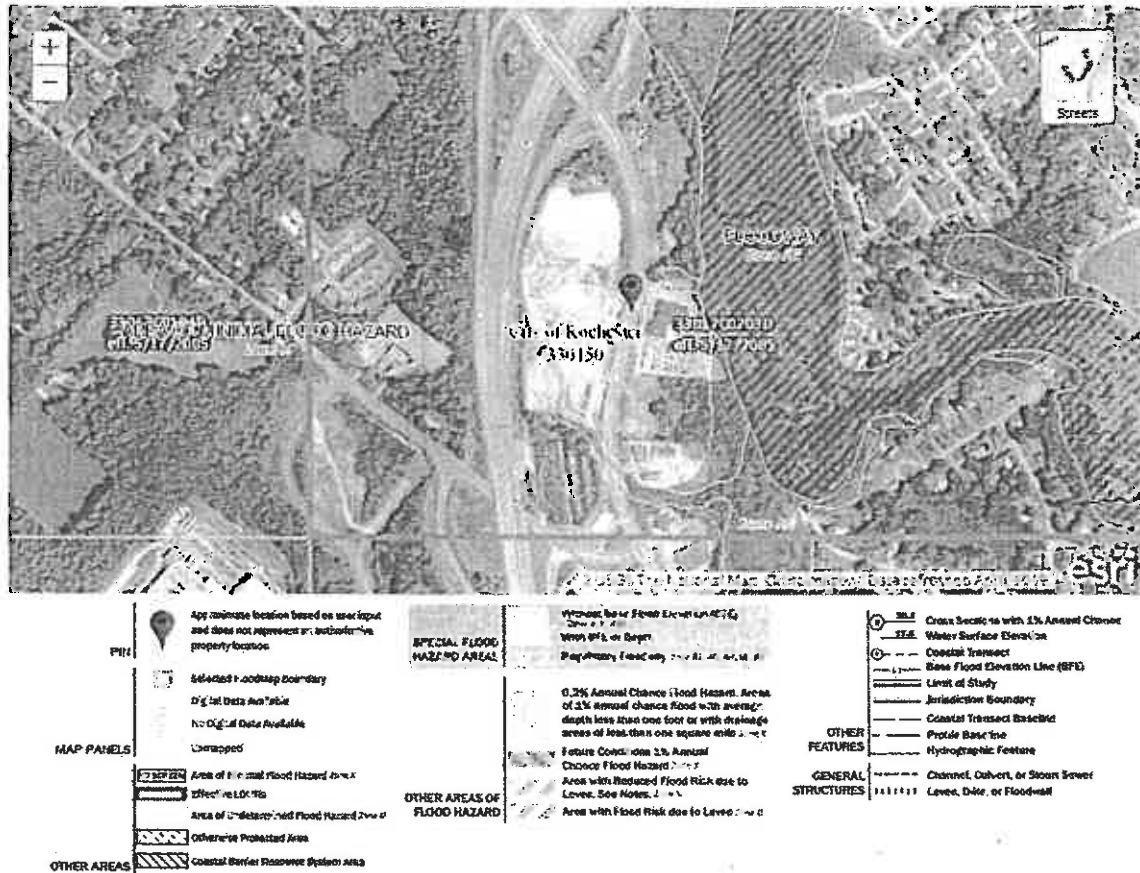


EXHIBIT K - FLOOD INSURANCE RATE MAP



ASSESSMENT AND TAX DATA

The city of Rochester currently assesses the subject property as follows:

Map/Lot	Land	Improvements	Total	Annual RE Taxes
114/2 Whole Parcel	\$1,512,000	\$0	\$1,512,000	\$41,610

The current (FY 2018) tax rate for the city of Rochester is \$27.52 per \$1,000 of assessed value. The current real estate tax expense for the subject property is presented above.

Rochester's most recent 2018 equalization ratio is 88.12%, indicating an equalized assessed value of \$1,715,842, or \$130,980 per acre (based on 13.1 acres listed on property card). The subject's equalized assessed value is below the market value estimated in this appraisal. However, the assessment is in-line with other commercial land in the Rochester market.

ZONING

The subject property is located in Rochester's HC - Highway Commercial district. Permitted uses within the HC zone include residential (single and multi-family), home occupation, day care, retail sales and services, professional and medical offices, personal services, new and used vehicle sales, convenience store, gas station, restaurants (including drive-thru), lodging, conference center, health club, theater, grocery store, bank, schools, church, funeral home, light industry, research & development, warehouse and vet clinic.

Dimensional requirements for the HC district are summarized as follows:

- | | |
|------------------------------|----------------------|
| 1. Minimum lot size | - 20,000 square feet |
| 2. Minimum frontage | - 100 feet |
| 3. Minimum setback | |
| a) front | - 20 feet |
| b) side | - 10 feet |
| c) rear | - 25 feet |
| 4. Maximum height | - 3 stories |
| 5. Maximum building coverage | - 85% |

The subject parcel is a legal conforming lot, and meets minimum lot size and frontage requirements.

HIGHEST AND BEST USE

The first step in the valuation process involves the determination of the highest and best use of the property. Establishing the highest and best use provides the framework from which to value a property, by establishing the most probable and profitable use, market, and the most likely user of the real estate being valued.

Highest and Best Use is defined as follows:

“The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are: -

1. legal permissibility
2. physical possibility
3. financial feasibility, and
4. maximum productivity.”

Source: *The Dictionary of Real Estate Appraisal*, 6th Edition © 2015; The Appraisal Institute

The highest and best use of a property is analyzed in two ways: the subject site as though vacant and ready to be improved; and as presently improved as of the date of the appraisal. The purpose of the “as vacant” analysis is to determine the ideal use for the site, given its unique location, size, zoning, neighboring properties, and economic conditions. The highest and best use conclusion, as vacant, is generally the use that would yield the highest land value and return to the developer in the current marketplace. In making a determination of highest and best use, such factors as market conditions, supply and demand, and financial feasibility must all be considered and weighted in the final conclusion.

This Highest and Best Use discussion assists in determining the most appropriate buyer and marketplace for the subject, as well as the most appropriate market data from which to derive a market value estimate. In general, properties are appraised according to their highest and best use, or the use that yields the highest value.

The subject property consists of a 2.1 acre parcel of land with an estimated 1.1 usable acres due to existing wetlands and slope. The site is zoned Highway Commercial by the city of Rochester and is surrounded by retail properties, industrial, restaurants, auto

service, auto dealerships, and local services. The subject does not have a legal driveway along North Main Street, and the Spaulding Turnpike is a limited access right-of-way. Therefore, the only access is over Map 114, Lot 2 is directly to the south. An access easement does not currently exist, and therefore, would have to be negotiated by a third party buyer of the subject site. The subject site is also located adjacent to the former Thompson Center Arms manufacturing site, and therefore, is enrolled in the Brownfield program, along with Lot 2. This designation may limit the pool of prospective users and possible users. However, given the commercial zoning and available public utilities, some type of development is likely.

As small commercial parcel at a highway interchange, retail or commuter-oriented development would be highest and best use of the site, given its exposure along North Main Street and the Spaulding Turnpike. Possible uses include a fast food restaurant, gas station, or auto service business. A small retail business is also possible. As noted above, access would have to be via an easement over Lot 2, resulting in somewhat of a pad site configuration with indirect access. Alternatively, the site may be combined with Lot 2 and developed as part of a larger project.

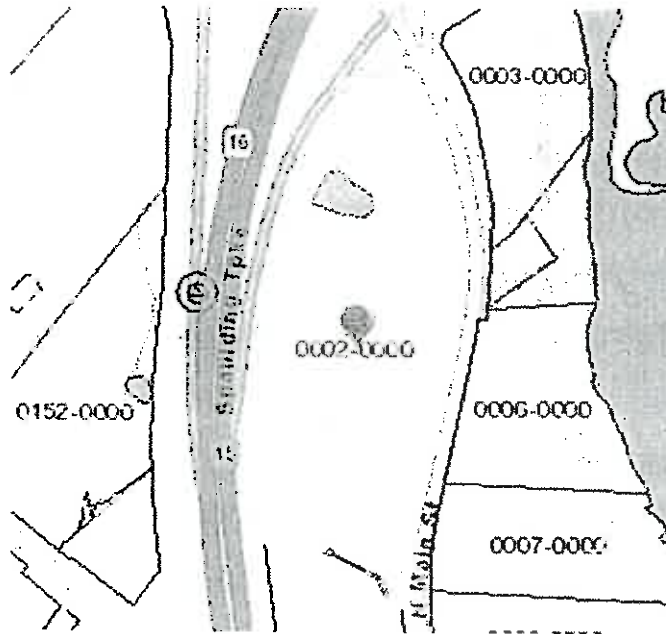
APPRAISAL PROCESS

The purpose of this appraisal is to estimate the following values: 1) the market value of the fee simple interest in the subject property on a “as is” basis, and 2) the value providing the abutter credit for environmental clean-up costs incurred.

The subject parcel is 2.1 acres with an estimated 1.1 usable acres. The intended use of the appraisal is to assist the owner of 400 North Main Street LLC and the State of New Hampshire in estimating market value of this surplus parcel for a potential sale. In the completion of this appraisal, all applicable approaches to value have been considered. In the valuation of vacant land, the Sales Comparison Approach is typically the only applicable approach to value.

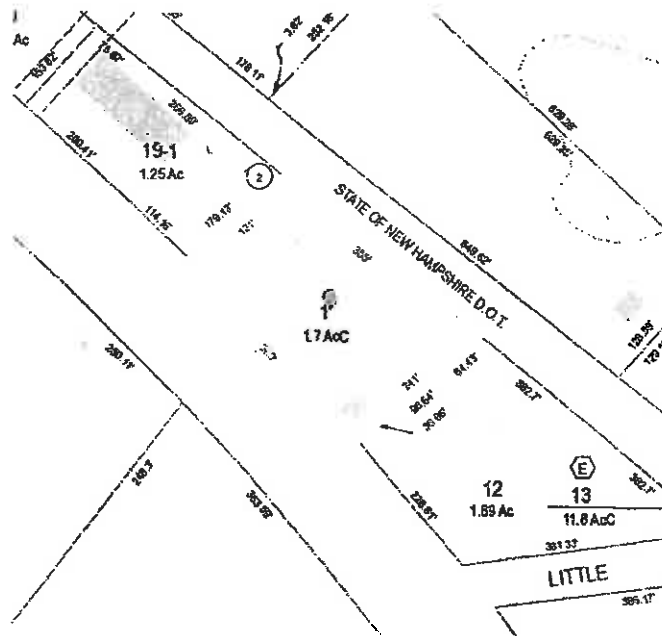
SALES COMPARISON APPROACH

The subject property is zoned Highway Commercial, and the highest and best use is retail or travel-oriented development. Considering the site’s lack of a direct access along North Main Street, the most likely development as part of an assemblage with the 11.0 acre parcel located directly to the south. Therefore, in selecting comparable land sales for use in this analysis, emphasis was placed on finding comparables within the Seacoast Region of New Hampshire, with specific emphasis on finding sales with similar highway exposure and development potential. The land sale comparables used in the valuation of the subject property are presented on the following pages. The valuation analysis has been completed on the basis of price per usable acre.



LAND SALE COMPARABLE NO. 1

LOCATION:	400 North Main Street (NH Route 11), Rochester, New Hampshire
GRANTOR:	O.L. Development, Inc.
GRANTEE:	400 North Main Street, LLC
SALE PRICE:	\$1,150,000
EFFECTIVE PRICE:	\$2,467,000
DATE OF SALE:	December 19, 2012
BOOK/PAGE:	4081/957
LAND SIZE:	13.10 acres; 12.10 Usable Acres (originally intended to purchase – actual land size was later determined to be 11.0 acres).
MAP/LOT:	Map 114, Lot 2
TOPOGRAPHY:	Mostly level
ZONING:	Industrial 2
UTILITIES:	City water and sewer
UNIT PRICE:	\$203,884 per usable acre
COMMENTS:	Site is located along North Main Street (NH Route 11), adjacent to the Exit 15 interchange off the Spaulding Turnpike. The site is mostly level with 1,360 feet of frontage on Route 11 and additional non-access frontage on Route 16. Existing improvements consist of an older industrial complex totaling 160,000 SF. Purchased for redevelopment with an automobile dealership with potential for additional pad sites. The buyer was responsible for building demolition and environmental clean-up costs of \$1,317,000.
CONFIRMATION:	Broker – Kent White, CBRE



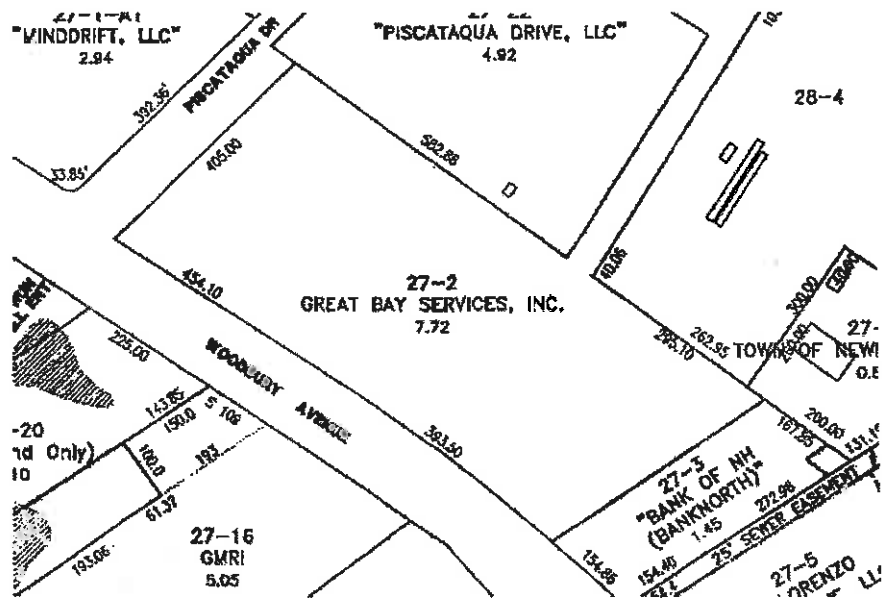
LAND SALE COMPARABLE NO. 2

LOCATION: 105 Farmington Road (NH Route 11), Rochester, New Hampshire
 GRANTOR: Rudolph A. Tetreault
 GRANTEE: 105 Farmington Road LLC
 SALE PRICE: \$350,000
 DATE OF SALE: June 22, 2015
 BOOK/PAGE: 4302/330
 LAND SIZE: 1.7 acres
 MAP/LOT: Map 209, Lot 1
 TOPOGRAPHY: Level
 ZONING: GRD; Granite Ridge Development
 UTILITIES: Public water and sewer
 UNIT PRICE: **\$205,882 per acre**
 COMMENTS: Site sold to a developer reportedly connected to the Granite Ridge Group. At the time of sale the site was improved with a 644 square foot residence that had no contributory impact on value. Land is reportedly all usable with public water and sewer. Located near Granite Ridge retail development and Super Walmart.
 CONFIRMATION: Broker – Helen Constantine



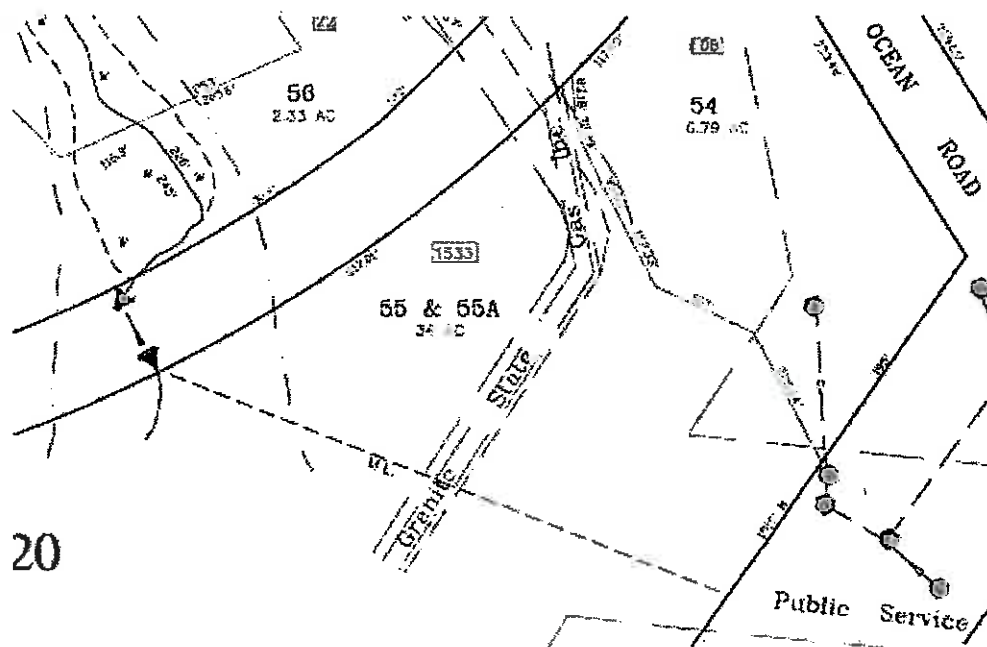
LAND SALE COMPARABLE NO. 3

LOCATION: 824, 826, & 828 Central Avenue & 8 Glenwood Avenue
 Dover, New Hampshire
GRANTOR: Judith T. Sprang RT of 2003, 826 Central Avenue, LLC; Parkstone Properties, Inc., and Charles Banaian.
GRANTEE: Okad of Dover, LLC
PRICE: \$2,195,000 (\$350,000, \$345,000, \$1,000,000, and \$500,000)
FINANCING: \$2,700,000 (Newburyport Five Cents Savings Bank)
DATE OF SALE: September 1, 2017 (3 lots) & June 1, 2016 (828 Central Ave)
BOOK/PAGE: 4507/355; 4507/360; 4507/365; and 4386/628
LAND SIZE: 5.44 acres total, per site plan (0.70 acres, 0.585 acres, 0.82 acres, and 3.28 acres, per city records)
MAP/LOT: Map 37, Lots 35, 36, 37, and 38
FRONTAGE: Along Central Avenue & Glenwood Avenue
SHAPE: Roughly rectangular
TOPOGRAPHY: Level
ZONING: Business 3
UTILITIES: All public utilities
UNIT PRICE: **\$403,493 per acre**
COMMENTS: This assemblage is located at the lighted intersection of Central Avenue and Glenwood Avenue, south of the Weeks Crossing and north of Wentworth Douglass Hospital. Also directly west of retail centers anchored by Hannaford and Shaw's Supermarkets and south of Walgreens. Developer purchased assemblage to develop a bank branch, restaurant, and retail strip center.
CONFIRMATION: Lender for development and appraiser for development



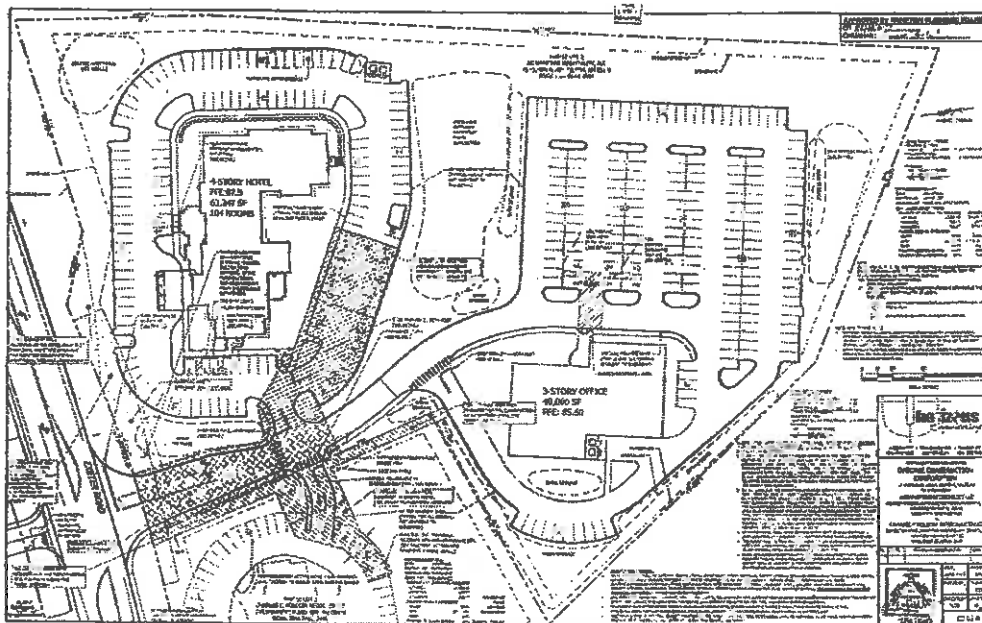
LAND SALE COMPARABLE NO. 4

LOCATION:	2061 Woodbury Avenue, Newington, New Hampshire
GRANTOR:	2061 Woodbury Avenue, LLC
GRANTEE:	Katy Land Holdings, LLC
SALE PRICE:	\$4,500,000
DATE OF SALE:	December 19, 2018
BOOK/PAGE:	5969/2417
LAND SIZE:	7.72 acres
MAP/LOT:	Map 27, Lot 2
TOPOGRAPHY:	Level and cleared
FRONTAGE:	848 feet along Woodbury Ave & 405 feet along Frying Pan Lane
ZONING:	Office
UTILITIES:	All public utilities
UNIT PRICE:	\$582,902 per acre
COMMENTS:	Site is improved with several older structures previously occupied by a non-profit. Purchased by a bank development consultant, then immediately re-sold to Northeast Credit Union for \$5.55 million. Located directly across from the Fox Run Mall at lighted intersection. However, Office zoning does not permit retail use. Previously sold to an abutter as an investment for \$2.35 million in June 2016.
CONFIRMATION:	Representative for Grantor



LAND SALE COMPARABLE NO. 5

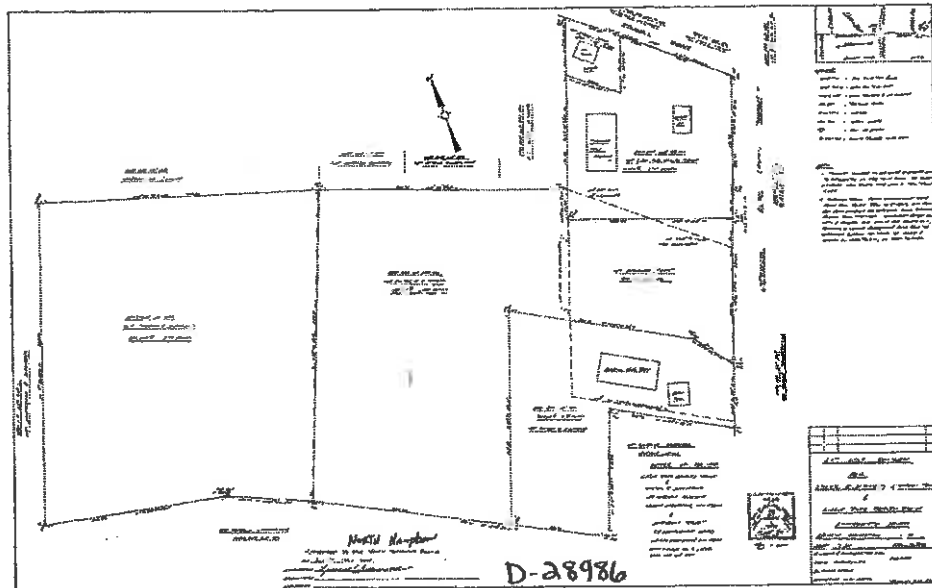
LOCATION:	1533 Greenland Road (NH Route 33), Greenland, New Hampshire
GRANTOR:	Clan Murphy L.P.
GRANTEE:	Thurken IV, LLC
SALE PRICE:	\$1,400,000
DATE OF SALE:	September 15, 2015
BOOK/PAGE:	5653/2948
LAND SIZE:	34.0 acres (6.5± acres usable)
MAP/LOT:	Map R-21, Lots 55 & 55A
TOPOGRAPHY:	Sloping
ZONING:	Industrial
UTILITIES:	On-site septic required
UNIT PRICE:	\$215,385 per usable acre
COMMENTS:	Site is located along NH Route 33, just south of the Ocean Ave. intersection, west of I-95, and across from Holloway Mercedes. The site is mostly wetlands and is encumbered by gas and electric utility easements further limiting usable land area which is estimated at 6.5± acres. A movie theater was previously proposed for the site, but that sale fell through. Purchased for the development of a multi-building retail property that includes a Tractor Supply, Aroma Joe's, and small retail center.
CONFIRMATION:	Broker – Jean Kane



D-40358

LAND SALE COMPARABLE NO. 6

LOCATION:	299 Exeter Road (NH Route 27), Hampton, New Hampshire
GRANTOR:	Seacoast Crossroads Realty Co
GRANTEE:	AG Hampton Hospitality LLC
SALE PRICE:	\$1,000,000
FINANCING:	Conventional
DATE OF SALE:	October 7, 2017
BOOK/PAGE:	5661/504
MAP/LOT:	Map 52, Lot 1
LAND SIZE:	7.96 acres
FRONTAGE:	Along Exeter Road, NH Route 101 and I-95
SHAPE:	Irregular
TOPOGRAPHY:	Level
ZONING:	Industrial
UTILITIES:	All public utilities
UNIT PRICE:	\$125,628 per acre
COMMENTS:	Site fronts along I-95 near the Hampton Toll booth, but is accessed via NH Route 27, via Route 101. Purchased for the development of a 104 room Marriott Spring Hill hotel and 40,000 SF office.
CONFIRMATION:	Representative for grantor

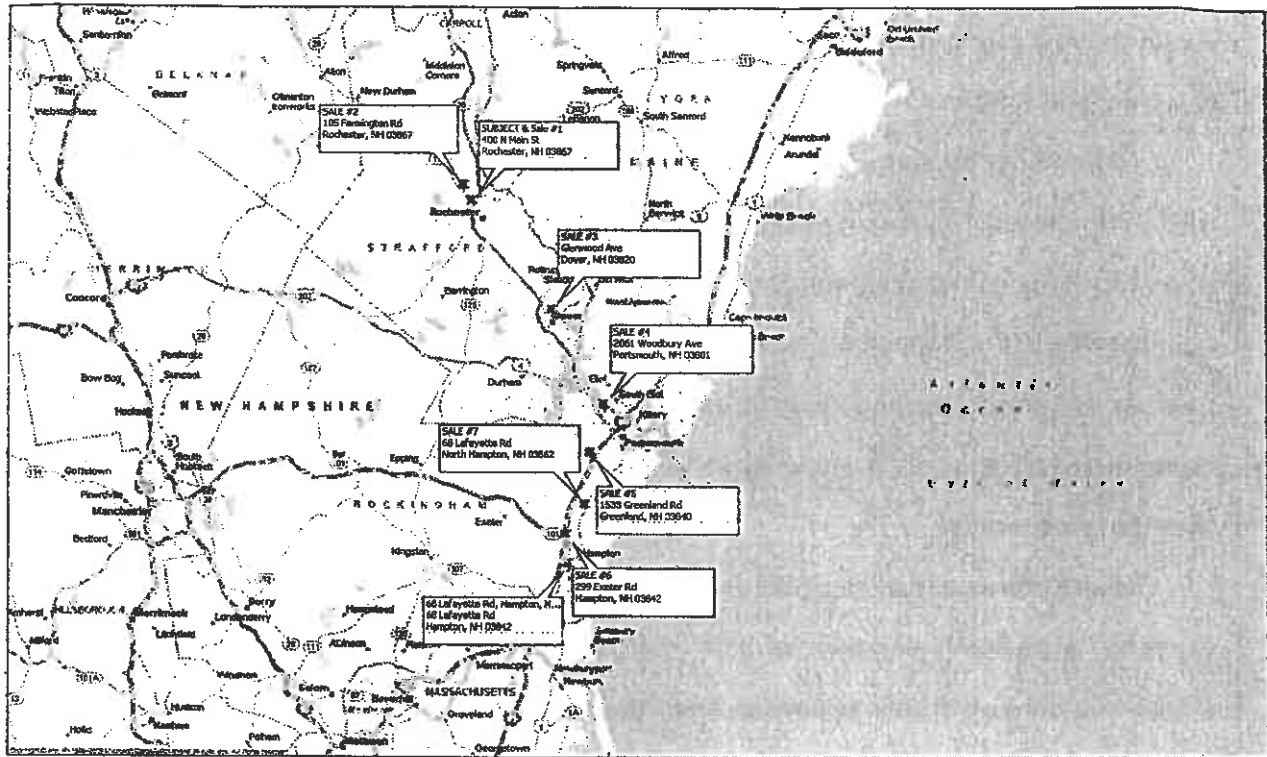


LAND SALE COMPARABLE NO. 7

LOCATION: 68, 70, 80 Lafayette Road (US Route 1) and 238 Atlantic Avenue (NH Route 111), North Hampton, New Hampshire
GRANTOR: Lillie –Putz Realty Trust and Simmons Trust
GRANTEE: ZJBV Properties LLC
SALE PRICE: \$3,100,000
FINANCING: Conventional
DATE OF SALE: December 7, 2015
BOOK/PAGE: 5675/2473
MAP/LOT: Map 8, Lots 93 and 94; Map 7, Lots 122, 122-2, and 123; Map 13, Lot 3
LAND SIZE: 15.98 acres (6 Lots)
FRONTAGE: 610 feet along US Route 1 and 305 feet along Atlantic Avenue
SHAPE: Irregular
TOPOGRAPHY: Rolling
ZONING: Industrial/Business – Residential
UTILITIES: Town water and on-site septic
UNIT PRICE: **\$193,992 per acre**
COMMENTS: Assemblage of six lots that were under common ownership and improved with a closed gas station, two older residences, and an auto body shop. Improvements were not contributory to value. Site was purchased for long-term redevelopment potential. Located at the lighted intersection of US Route 1 and NH Route 111, in a pocket of commercial development that includes a gas station, retail center, several retail buildings, and an office building.

CONFIRMATION: Broker – Chris McInnis, Nautilus Real Estate

EXHIBIT L - LAND SALES MAP



Analysis of Land Sale Comparables

Seven land sales from the subject market are presented as comparables. An analysis of the data indicates that price per usable (net) acre of land area is the most consistent and appropriate indicator. These sales indicate a range of prices from \$193,992 to \$582,902 per usable acre, before adjustment, for retail-oriented sites with good traffic exposure.

Discussion of the Elements of Comparison

Elements of comparison include factors such as conditions of sale, financing, market conditions, land size, location, and topography/improvements. These elements are discussed below.

Conditions of sale refers to atypical aspects of a sale which may have contributed to a higher or lower sale price than would have otherwise been the case in a normal market transaction (i.e. foreclosure sale or sale to an abutter). Most of the sales presented were sold as normal market transactions for commercial land.

Financing can affect the purchase price if extraordinary financing, in the way of a lower interest rate or high loan-to-value ratio, is obtained. No such factors were present with the comparable sales.

Market conditions for most types of commercial properties have demonstrated an upward price trend in recent years, due to the improving economy and diminishing available inventory. Six of the comparables occurred within 48 months of the date of value. Comparable No. 1, though older, is the 2012 sale of the subject. This sale is presented for the purpose of comparison and analysis of the most recent sale of the subject. The comparables are adjusted upward at 2% annually to within 12 months of the date of value to account for upward price trends.

Location is one of the most important adjustment factors for any type of commercial property, specifically commercial land. For this type of retail-oriented site, accessibility, population density, traffic exposure, and the character of the surrounding neighborhood are the most important considerations.

The subject site fronts along the Spaulding Turnpike and offers good highway traffic exposure. There is a moderate mix of development and lower traffic counts along North Main Street. Comparable Nos. 3 and 4, which are located in more dense retail locations, are adjusted downward for location when compared to the subject. Comparable Nos. 6 and 7 are located in inferior locations, with lower density neighboring commercial development.

Land size often impacts unit prices, with larger parcels typically selling at a lower price per acre than smaller parcels, due to lower demand, higher development costs, a smaller pool of buyers, longer absorption times, and quantity discounting. The comparables presented range in size from 1.70 to 15.98 acres. Although the subject is 2.1 acres with only 1.1 usable acres, it is most marketable by itself, as it does not offer legal access along North Main Street. A prospective buyer would need to own the lot directly to the south or negotiated an access easement over this frontage parcel which has legal access. Therefore, rather than adjusting the subject site for its lack of access, it is valued

as a component of a larger commercial assemblage with Map 114, Lot 2, directly to the south.

Topography / Improvements have been considered, since the existence of slope, wetland, ledge, or existing improvements can impact development costs. A site with sloped topography or wetlands is more costly to develop than a level piece of land, and a developer will pay less for such land to offset the higher cost of development. Similar to the subject, most of the comparables presented were previously developed, engineered, level and cleared at the time of purchase. Since the analysis is based on price per usable acre, most site constraining wetlands or unusable land area due to slope issues is already accounted for by using this unit of comparison.

Comparable No. 1 is the sale of the subject, which includes a lump sum adjustment for demolition and environmental clean-up costs. Comparable Nos. 2 through 7 contained existing improvements requiring demolition or were raw land requiring considerable sitework. Considering the value associated with a mostly cleared, graded, and engineered site, and the cost of demolition, adjustment is applied to these comparable sales when compared to the subject which is cleared and level.

The various adjustments discussed above are summarized in the adjustment grid presented below.

LAND SALES ADJUSTMENT SUMMARY GRID

	Subject	Comp #1	Comp #2	Comp #3	Comp #4	Comp #5	Comp #6	Comp #7
	400 N. Main Street Rochester, NH	400 N. Main St Rochester, NH	105 Farmington Rd Rochester, NH	Central & Glenwood Dover, NH	2061 Woodbury Ave Portsmouth, NH	1533 Greenland Rd Greenland, NH	299 Exeter Rd Hampton, NH	68-80 Lafayette Rd N. Hampton, NH
Sale Price		\$1,150,000	\$350,000	\$2,195,000	\$4,500,000	\$1,400,000	\$1,000,000	\$3,100,000
Effective Price		\$2,467,000	\$350,000	\$2,195,000	\$4,500,000	\$1,400,000	\$1,000,000	\$3,100,000
Size (Usable Acres)	2.1 Acres / 1.1+/- Usable	12.10	1.70	5.44	7.72	6.50	7.96	15.98
Sale Price/Acre =		\$203,884	\$205,882	\$403,493	\$582,902	\$215,385	\$125,628	\$193,992
Sale Conditions		Market	Market	Assemblage	Market	Market	Market	Market
Financing		Conventional	Conventional	Conventional	Conventional	Conventional	Conventional	Conventional
		0%	0%	0%	0%	0%	0%	0%
Adjusted Price/Acre =		\$203,884	\$205,882	\$403,493	\$582,902	\$215,385	\$125,628	\$193,992
Date of Sale	Jun-19	Dec-12	Jun-15	Sep-17	Dec-18	Sep-15	Oct-17	Dec-15
Date of Value		12.0%	8.0%	2.0%	0.0%	6.0%	2.0%	6.0%
Adjusted Price/Acre =		\$228,350	\$222,353	\$411,563	\$582,902	\$228,308	\$128,141	\$205,632
Location	N. Main St & Spaulding Turnpike	Similar	Similar	Superior	Superior	Similar	Inferior	Inferior
		0%	0%	-25%	-20%	0%	20%	20%
Land Size (acres)	2.1 Acres / 1.1+/- Usable	12.10	1.70	5.44	7.72	6.50	7.96	15.98
	Must be Assembled	0%	0%	0%	0%	0%	0%	0%
Topography/Improvements	Usable - Level	See Lump Sum	Level/Demo Necessary	Level/Demo Necessary	Level/Demo Necessary	Rolling Natural	Rolling Natural	Demo & Natural
	Cleared / Monitored	0%	2%	2%	2%	2%	2%	2%
Net Adjustment		0%	2%	-23%	-18%	2%	22%	22%
Adj. Price Per Acre =		\$228,350	\$226,800	\$316,903	\$477,979	\$232,874	\$156,332	\$250,871
Rounded to:		\$230,000	\$230,000	\$320,000	\$480,000	\$230,000	\$160,000	\$250,000
Median =	\$230,000							
Average =	\$271,429							

LAND SALES ANALYSIS AND VALUE CONCLUSIONS

Seven of the most similar land sales available from the subject market are presented as comparables. They indicate a fairly broad range of unit prices, from \$160,000 to \$480,000 per usable acre, after adjustment. Four of the comparables indicate a close prevailing range from \$230,000 to \$250,000 per acre. Considering the subject site's exposure to high traffic counts along the Spaulding Turnpike, as well as the stigma associated with the parcel's Brownfield designation, a unit value of \$230,000 per acre, at the low-end of the prevailing range, is concluded for the subject. As noted in the highest and best use discussion, the site's Brownfield designation limits the pool of buyers and negatively impacts value, but for commercial use the site would remain marketable for retail-oriented development. The subject's "as is" market value estimate, via sales comparison analysis, is calculated as follows:

1.1 Usable Acres @ \$230,000 Per Acre = \$253,000, Rounded to: \$250,000

As previously noted, the client also requested the market value of the subject site assuming the State of New Hampshire provides the abutter (400 North Main Street, LLC) with a credit for clean-up costs incurred for the property to be awarded its Brownfield designation. This cost totaled \$1,317,000, or \$100,534 per gross acre, based on all 13.1 acres that were included in the clean-up. The subject's pro-rata share of \$221,175, based on 2.2 acres, is deducted to derive at this estimate. This calculation is presented as follows:

1.1 Usable Acres @ \$230,000 Per Acre =	\$253,000
Less: Pro-Rata Clean-up @ \$100,534 per gross acre x 2.2 Acres =	<u>-\$221,175</u>
Total =	\$31,825
Rounded to:	\$32,000

The subject's value estimates are presented below.

**MARKET VALUE CONCLUSIONS:
2.1 ACRE PORTION OF MAP 114, LOT 2
NORTH MAIN STREET & SPAULDING TURNPIKE
ROCHESTER, NEW HAMPSHIRE**

"AS IS" MARKET VALUE ESTIMATE: \$250,000

**VALUE ESTIMATE ASSUMING THE STATE OF NH PROVIDES THE ABUTTER
CREDIT FOR CLEAN-UP COSTS INCURRED: \$32,000**

APPENDIX A: QUALIFICATIONS

QUALIFICATIONS OF STEPHEN J. BERGERON, MAI

PROFESSIONAL MEMBERSHIPS:

Appraisal Institute - MAI Designation

New Hampshire Chapter of the Appraisal Institute
NHCIBOR – Affiliate Member

STATE LICENSES:

New Hampshire State Certified General Appraiser - # 512

EMPLOYMENT:

2000 – Present	Bergeron Commercial Appraisal Principal
1992 – 2000	F & M Appraisal Group, Inc. Commercial Appraiser

EDUCATION:

Bentley College, Waltham, Massachusetts - BS degree in Business Management

APPRAISAL EDUCATION:

Successfully Completed:

Basic Income Capitalization - Exam 310
Standards of Professional Practice A & B - Exams 410 & 420
Advanced Income Capitalization - Exam 510
Report Writing and Valuation Analysis - Exam 540
Advanced Applications - Exam 550
Case Studies in Commercial Highest & Best Use
Attacking and Defending Appraisals in Litigation – Ted Whitmer
Valuing Partial Interests – Divided
Real Estate Fraud
Condemnation Appraisal – 710
Subdivision Analysis
Real Estate Finance, Statistics, and Valuation Modeling
Appraisal Review
Uniform Appraisal Standards of Federal Land Acquisitions
Office Building Valuation; A Contemporary Perspective
Appraisal Review
Uniform Standards of Federal Land Acquisitions

Challenged:

Appraisal Principles - Exam 110
Appraisal Procedures - Exam 120
General Applications - Exam 320
Highest and Best Use & Market Analysis - Exam 520
Advanced Sales & Cost Approach - Exam 530

SOFTWARE:

Argus Real Estate Investment Software

APPRAISAL ASSIGNMENTS:

Commercial real estate appraisal experience includes the following property types: office, industrial, retail shopping centers, apartment complexes, residential subdivisions, affordable housing, LIHTCs, restaurants, auto dealerships, health clubs, movie theaters, mill buildings, medical office, schools, bank branches, and land leases.

APPENDIX B: LEGAL DESCRIPTION

IDENTIFIED ACCESS

WARRANTY DEED

JAMES F. SIMPSON

to

STATE OF NEW HAMPSHIRE

SIGNATURES

Records

October 8

7

Received 195

6:00 AM 30 Minutes A.M.

680

452

Recorded 1/4 Fol.

Examined by,

James F. Simpson Register

100-100

6-2-00

James F. Simpson

DEED OF WARRANTY

TRAE, I, JAMES H. EDGERLY

of ROCHESTER, STRAFFORD County, State of New Hampshire, for consideration paid, grant to The State of New Hampshire, with WARRANTY covenants,

Two (2) parcels of land situated on the Westerly side of Route 11 in the City of Rochester, County of Strafford, State of New Hampshire, described as follows:-

#1 - Bounded on the East by said Route 11; bounded on the North and the West by Land of the Grantor, and bounded on the South by land of the Grantor and land now or formerly of Norman E. LaBelle.

#2 - All the Land belonging to the Grantor that comes within a distance of seventy-five feet (75') measured westerly from the center line as shown on a plan of ROCHESTER P 022-1(1) P-3346 Project on file in the records of the New Hampshire Department of Public Works and Highways and to be recorded in the Strafford County Registry of Deeds; between other land of the Grantor near Station 50 + 53P and land now or formerly of Clyde C. Dutton on the North near Station 37 + 60.

Containing three (3) acres more or less.

AND the Grantor does hereby convey to the State of New Hampshire all rights of access, air, view and light over, from, or to the Limited Access Highway to be constructed on land herein conveyed, pertaining to the remainder of abutting lands, belonging to the Grantor, his heirs, assigns, executors and administrators, as defined in Chapter 235 RS, 1955 entitled "Limited Access Highways", with the exception of one (1) fifty foot (50') point of access on the West.

AND the Grantor does hereby convey to The State of New Hampshire the right to extend and maintain such slopes and embankments beyond the limits of the land hereby conveyed as may be necessary to construct slopes and embankments at such an angle as will hold the material of said slope in repose against ordinary erosion; together with the right to construct and maintain on other land of the Grantor pipes or ditches incidental to the construction.

I, Olga E. Edgerly wife ~~(formerly)~~ release to the said Grantor all rights of dower ~~(dower)~~ and Homestead and other interests therein.

WITNESS our hand and seal this 5th day of October A. D., 1957.

WITNESS:

Edward S. King
to be at

J. Harvey Edgerly
1957 10 5

INDEXED
 CORPORATION
 FRANK PALAZZI & SON
 TO
 STATE OF NEW HAMPSHIRE
 Notar Public
 I, Edward J. [Signature]
 Reside
 at October 25, 1971
 at 10:30 o'clock AM of the year 1971
 before me, the undersigned Notary Public,
 appeared Frank Palazzi & Son
 known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

691-484

HERE ALL MEN BY THESE PRESENTS,

THAT, FRANK PALAZZI & SONS, a corporation duly established under the laws of the STATE OF RHODE ISLAND and having its principal place of business at JOHNSTON, County of Providence, for and in consideration of the sum of one dollar and other valuable consideration to it in hand before the delivery hereof well and truly paid by the State of New Hampshire, the receipt whereof it does hereby acknowledge, has remised, released and forever QUITSCLAIMED, and by these presents does remise, release and forever quitclaim unto the State of New Hampshire it and its successors and assigns forever:

A small triangular parcel of land situated on the Westerly side of Route 11 in the City of Rochester, County of Strafford, State of New Hampshire, described as follows:-

Bounded on the North by land now or formerly of James E. Egerly; bounded on the West by land of the State of New Hampshire; and bounded on the South by a line beginning at a point in the Westerly side line of Route 11 Westerly of and directly opposite Station 10400F as shown on a plan of ROCHESTER F 022-1(1) P-3346 Project on file in the records of the New Hampshire Department of Public Works and Highways and to be recorded in the Strafford County Registry of Deeds, and extending Westerly at right angles to said "F" line to land of the State of New Hampshire.

Containing one-quarter (1/4) acre more or less.

AND the Grantor does hereby convey to the State of New Hampshire all rights of access, air, view and light over, from or to the Limited Access Highway to be constructed on land herein conveyed, pertaining to the remainder of abutting lands belonging to the Grantor, its successors and assigns, as defined in Chapter 235 RSA 1955 entitled "Limited Access Highways".

Conveying hereby the right to construct and maintain slopes beyond the limits of the above described parcel, as indicated on said plan, and the right to construct and maintain drainage also as indicated on said plan.

TO HAVE AND TO HOLD the granted premises with all the privileges thereunto belonging to the State of New Hampshire it and its successors and assigns forever. And the Grantor does hereby covenant with the State of New Hampshire that it will warrant and defend the said premises to the State of New Hampshire it and its successors and assigns forever against the lawful claims and demands of any person or persons claiming by, from or under it.

IN WITNESS WHEREOF, FRANK PALAZZI & SONS has caused these presents to be executed in its behalf, and its corporate seal affixed thereto, by

John Palazzi its Vice-President, thereto duly

authorized, this 15th day of October in the year of our Lord one thousand nine hundred and fifty-seven.

Signed, sealed and delivered in the presence of:

FRANK PALAZZI & SONS,

By: *John Palazzi*

(Continued on reverse side)

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION
BUREAU OF RIGHT-OF-WAY**

**SURPLUS PROPERTY APPRAISAL APPROVAL
AND REVIEW SUMMARY**

Date: September 5, 2019

Town: Rochester

Description: 2.1± Acres; Exit 15, Rochester

Owner: State of New Hampshire

Approved Value: \$32,000 (\$250,000 minus remediation expenses)

Effective Date: June 12, 2019

Appraiser(s):..... Stephen J. Bergeron, MAI, NHCG #512

Type of Value: Market

Report Date: July 23, 2019

Review

Reviewer: Steve Bernard, NHCG#654

Client / Intended Users: ..officials, agents, and employees of the New Hampshire Department of Transportation

Intended use: Establish formal approval of value estimate.

Purpose: Evaluate the subject report for reliability of value estimate in light of prevailing requirements of NHDOT ROW, USPAP, and the Uniform Appraisal Standards for Federal Land Acquisitions.

Scope: Beyond the content of the original report, additional information is not necessary for the client and intended users to adequately understand my opinions and conclusions. My review included:

- ◆ Field inspection of the subject
- ◆ I did not complete a field inspection of comparables analyzed in report.
- ◆ Ensuring the report uses accepted appraisal principles and meets requirements of the USPAP, NHDOT, and UASFLA.
- ◆ Ensuring the report contains enough information to support its conclusions.
- ◆ Ensuring the report's calculations and facts are accurate and it is logically consistent.
- ◆ Requesting, obtaining, and reviewing additional information, corrections, and revisions to meet the above (when needed).

Review Summary: This was a narrative report.

The purpose of this appraisal was to appraise the market value of the fee simple estate of the State owned 2.1± acres of vacant land abutting the NH Route 16 northbound off-ramp at Exit 15 in Rochester. The parcel is vacant land that was originally thought to be a part of the abutting parcel to the west which was historically used as a manufacturing site. As the result of a recent transfer in ownership of the larger parcel, the survey results indicated that there was in fact a 2.1± acre parcel that the State of New Hampshire still owned in fee. Consequently, the appraisal of the State owned land was required in order

to property transfer ownership to the abutting parcel owners. The appraiser was requested to provide a market value of the subject 2.1± acres after applying a credit to the abutting property owner for the remediation expenses incurred on the parcel.

The appraisal of the 2.1± acre parcel was based on the fact that there would be no access to North Main Street (NH Rte.11) from the subject parcel and that as a separate commercially zoned parcel, would require a cross easement through the abutting property for access (similar to many pad sites). During his research, the appraiser concluded that there were approximately 1.1± usable acres on the subject parcel due to wetlands and unfavorable terrain.

The appraiser applied the sales comparison approach to value in order to arrive at a market value estimate for the subject parcel. He also concluded a highest and best use of retail oriented or travel service oriented development. In his sales comparison market analysis, the appraiser presented 7 comparable land sales. Two of the sales were located in the subject City of Rochester, one was located in the City of Dover, with the remainder of the sales located in similar markets in the seacoast region. Adjustments were applied to the comparables, as warranted, for market conditions (time), location, lot size, and topography/improvements. All adjustments were made in a reasonable and supportable quantity. The analysis resulted in 4 sales that indicated a price acre ranging from \$230,000 to \$250,000 for the subject property. The appraiser reconciled a final value of \$230,000 per acre for the subject or a market value of \$250,000, as of June 12, 2019(1.1 usable acres).

The remediation costs for the subject 2.1± acres was based on actual expenses provided to the appraiser by the abutting property owner. The appraiser determined the cost to remediate the subject parcel by applying a pro-rated value based on a cost per acre for the total remediation project. The pro-rated cost for remediating the subject parcel was reportedly \$221,175 leaving a reconciled market value of \$31,825 or \$32,000, rounded as of July 12, 2019.

The market value estimate of the subject 2.1± acres is reasonably supported and concluded to be \$32,000 as of July 12, 2019.

Conclusions:


In my opinion (within the scopes of the appraisal and review assignments):

1. The appraisal appears complete.
2. The data used appears adequate
3. The data used appears relevant.
4. The adjustments appear reasonable.
5. The analyses appear appropriate and reasonable.
6. The opinions appear appropriate and reasonable.
7. The conclusions appear appropriate and reasonable.

Certification:

I certify that, to the best of my knowledge and belief:

1. This review's facts and data are true and correct.
2. Any and all assumptions and limiting conditions for this review are stated in it.
3. My analyses, opinions, and conclusions are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
4. No one has provided significant professional assistance to me for this review.
5. I have no bias, present interest, or prospective interest in the appraisal's subject property, and no personal interest or bias with respect to the parties involved.
6. I have not provided any valuation services for the subject property within the past three years.
7. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
8. My compensation is not contingent on an action or event resulting from this review or anything in it.
9. My review was prepared in conformity with the USPAP.
10. I personally inspected the appraisal's subject property (prior to the effective date).



Review Appraiser, NHCG 654

09-05-19

Date