

REAL ESTATE APPRAISAL REPORT

of property owned by

DNJ PROPERTIES LLC

situated at

**STATE ROUTE 66
TOWNS OF GHENT AND CLAVERACK
COLUMBIA COUNTY
NEW YORK**

as of

JULY 16, 2018

requested by

**F. MICHAEL TUCKER
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION**

prepared by

EMPIRE STATE APPRAISAL CONSULTANTS, INC.



EMPIRE STATE APPRAISAL CONSULTANTS, INC.

SIXTEEN HUDSON STREET KINDERHOOK, NEW YORK 12106
518/758-7594 FAX/758-1993 esac@berk.com

July 16, 2018

F. Michael Tucker
President & CEO
Columbia Economic Development Corporation
4303 Route 9
Hudson, NY 12534

RE: DNJ PROPERTIES LLC

Dear Mr. Tucker;

In accordance with your request, we have prepared a Restricted Appraisal Report of the above referenced property, for purposes of making an estimate of market value.

CLIENT AND INTENDED USE OF REPORT

This Restricted Appraisal Report is prepared for our client, Columbia Economic Development Corporation, for its use in evaluating the property for economic development purposes. The appraiser has established that the client understands the utility of this Restricted Report and has established that such report is suitable for its intended use.

LOCATION / IDENTIFICATION

The appraised property is located on State Route 66, in the Towns of Ghent and Claverack, Columbia County, New York. Tax map identification is as follows:

Ghent	101.-1-4 (26.1 acres)
Claverack	101.-2-3.2 (6.9 acres)

REAL PROPERTY INTEREST APPRAISED

The property interest appraised is the fee simple estate.



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PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to estimate the market value of the fee simple, as of July 3, 2018, for internal decision making. Market value is defined according to *The Dictionary of Real Estate Appraisal*, Fifth Edition, published by the American Institute of Real Estate Appraisers.

DATE OF INSPECTION

July 3, 2018

OWNERSHIP, SALES HISTORY AND OCCUPANCY

The subject property is owned by DNJ Properties, LLC, per deed recorded in the Columbia County Courthouse in Liber 810 at page 1382. The property was conveyed to DNJ for the purpose of constructing a warehouse/distribution center for Ginsberg's Institutional Foods. The purchase price was \$1.00, subject to a penalty note and mortgage in the amount of \$280,000 plus accrued interest at 7%, for the borrower's failure to construct a 60,000 minimum square foot warehouse within three years, and an additional \$140,000 penalty if the borrower fails to construct an additional 140,000 square feet of building, or sells any portion of the property within 10 years. The county reserved a 1.88 acre easement to locate a water tower on the site.

PROPERTY DESCRIPTION

Land

33 acres, being generally rectangular in shape, consisting of former farmland with 572 feet of frontage on Route 66. The parcel sits on a rise, with a gradual upward slope from Route 66 to the rear. Presently vacant land, the soils are SICO silt loam. There are gradual downward slopes to each sideline.

Improvements/Utilities

There are no improvements nor on-site utilities. In December 2017, the town of Greenport town board approved Columbia County's \$8.5 million plan to connect the Gerald R. Simons Commerce Park, which is located across Route 66, to Greenport's sewage plant. The proposed sewer line, as well as existing public water and electric in the area, have the possibility to service the subject site upon any specific municipal and/or utility requirements.



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SUMMARY

The site has a gently sloping topography and offers a large useable land area. A plan to use the site for the distribution warehouse of Ginsberg's Food Distributors was shelved after a prolonged planning board process.

ZONING

Ghent

C-3 Commercial. Permitted uses include agriculture, automobile sales, delivery services, multi-use commercial structure, offices, research, retail, warehouse and wholesale businesses or distribution. A wide variety of other uses are allowed with a special permit. The minimum lot area is 40,000 square feet with a minimum lot width of 100 feet.

Claverack

Commercial Industrial Park. Permitted and special uses include offices, delivery services, multi-use commercial, non-nuisance industry, assembly, research, warehouse and multi-use industrial. The minimum lot area is one acre with a minimum lot width of 100 feet.

SCOPE OF WORK AND REPORTING PROCESS

In preparing this appraisal, the appraiser made an inspection of the subject property and researched sales of similar properties in order to process the sales comparison approach to value. The cost and income approaches were not utilized.

ENVIRONMENTAL OBSERVATIONS

The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions; however, the appraiser is not an expert in the identification of detrimental environmental conditions. It is possible that tests and inspections made by a qualified expert would reveal the existence of additional hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.



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HIGHEST AND BEST USE

After considering the necessary criteria of physically possible, legally permissible, financially feasible and maximally productive, it is our conclusion the highest and best use of the subject property is for a permitted commercial and/or residential use.

VALUE CONCLUSION

Based upon the sales comparison approach, it is our opinion the market value of the fee simple estate, as of July 3, 2018, was,

THREE HUNDRED THIRTY THOUSAND DOLLARS

***** (\$330,000) *****

INDICATED EXPOSURE TIME

Approximately 24 months.

ADDENDA

Attached to this report is our certificate of value, sales comparison summary and a list of special assumptions and limiting conditions.

If you have any questions concerning the enclosed, please do not hesitate to contact us. We appreciate being asked to serve in this matter.

Very Truly Yours,

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A handwritten signature in black ink that reads "Stephen R. Clark".

STEPHEN R. CLARK

NYS Certified-General
Real Estate Appraiser
Certificate #46-46087

SRC/jlc

USE RESTRICTION

This appraisal report is limited to the use of the client. The opinions and conclusions in this report may not be understood properly without additional information contained in the appraiser's work file.

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ADDENDA

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CERTIFICATE OF APPRAISER

The Appraiser certifies and agrees that:

1. This report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation.
2. This report conforms with the rules and regulations of the NYS Board of Real Estate Appraisal of the Department of State.
3. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the appraisal organizations with which the Appraiser is affiliated.
4. The Appraiser has no present or contemplated future interest in the property appraised, and the compensation for preparing this appraisal is not contingent upon the reporting of a pre-determined value, minimum value, or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, the occurrence of a subsequent event, or the approval of a loan.
5. The Appraiser is entirely impartial and has no personal interest in or bias with respect to the subject matter of the appraisal report, the intended users of the report or the participants to a pending sale of the property. The "Opinion of Market Value" in the appraisal report is not based in whole or in part upon the race, color, creed, or national origin of the prospective owners or present occupants of the property appraised or properties in the vicinity of the property appraised.

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6. The Appraiser has personally inspected the property listed in the report. To the best of the Appraiser's knowledge and belief, all statements and information in this report are true and correct, and the Appraisers have not knowingly withheld any significant information.
7. All contingent and limiting conditions imposed by the terms of the assignment, or by the undersigned, affecting the Appraiser's analyses, opinions, and conclusions are fully set forth in this report.
8. All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraisers, and no one provided significant professional assistance to the Appraisers signing this report, unless otherwise noted. No change of any item in the appraisal report shall be made by anyone other than the Appraisers, and the Appraisers shall have no responsibility for any such unauthorized change.
9. 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.

July 16, 2018



STEPHEN R. CLARK
NYS Certified-General
Real Estate Appraiser
Certificate #46-46087

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MARKET DATA SYNOPSIS

<u>SALE NO.</u>	<u>1</u>	<u>2</u>	<u>3</u>
LOCATION	Falls Road Industrial Park Ghent, NY	1735 Richwood Drive Schodack, NY	1902 Route 9 Clifton Park, NY
DATE	2/16	9/17	6/18
SALE PRICE	\$190,000	\$600,000	\$750,000
ACRES	28.34	49.8	58
PRICE PER ACRE	\$6,704	\$12,084	\$12,931

COMPARABLE SALE ANALYSIS

- Sale 1 28.4 acres of land located in the Falls Road Industrial Park. This irregular shaped parcel lacks access to municipal sewer and water. The purchaser was NYSEG, which plans to construct an electrical substation on the site. A small portion of the property is zoned residential.
- Sale 2 49.8 acres of vacant land in a moderately developed area on Route 9, just south of Route 20. The elongated irregular shaped property has 585 feet of frontage on Route 9 and is zoned PD-3, which allows a variety of commercial uses. The property adjoins an established residential subdivision as well as commercial uses, and is in the area of the proposed one million square foot Amazon distribution center.
- Sale 3 58 acres of land located in Clifton Park and Halfmoon, near exit 10 of I-87. Zoned light industry, the land is impacted by a low wetlands area along Route 9. Municipal water and sewer is available nearby. The parcel was purchased for a planned light industrial park, in conjunction with land parcels on either side. This

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area has seen significant interest in its location in the vicinity of the Global Foundry Chip Fabrication facility.

The comparable sales have an unadjusted unit value range of \$6,700 to \$12,900 per acre. After adjustment for differences such as municipal utilities, location, size/shape, and utility, an adjusted value range of \$8,400 to \$12,300 per acre is obtained. Based upon these data, it is our conclusion that the fee simple market value of the subject property is \$10,000 per acre.

33 acres @ \$10,000 = \$333,000

**INDICATED VALUE VIA
SALES COMPARISON APPROACH**

SAY, \$330,000

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SUBJECT PHOTOGRAPHS



INTERIOR PROPERTY VIEW TO NORTH



INTERIOR PROPERTY 1 VIEW TO SOUTH

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CONTINGENT CONDITIONS, SPECIAL ASSUMPTIONS AND LIMITATIONS OF APPRAISAL

The certification of the appraiser appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraiser in this report.

This appraisal is for no purpose other than property valuation, and the appraisers are neither qualified nor attempting to go beyond that narrow scope. The reader should be aware that there are also inherent limitations to the accuracy of the information and analysis contained in this appraisal. Before making any decision based on the information and analysis contained in this report, it is critically important to read this entire section to understand these limitations.

LAND SURVEY

It is assumed that the utilization of the land and improvements is within the boundaries of the property lines of the property described and that there is no encroachment or trespass unless noted with the report.

No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced and included in this report are intended only for showing spatial relationships. The reliability of the information contained on any such map or drawing is assumed by the appraiser and cannot be guaranteed to be correct. A surveyor should be consulted if there is any concern as to boundaries, setbacks, encroachments, or other survey matters.

LEGAL OPINIONS

No responsibility is assumed for matters of a legal nature that affect title to the property nor is an opinion of title rendered. The title is assumed to be good and marketable. The value estimate is given without regard to any questions of title, boundaries, encumbrances, or encroachments. We are not usually provided an abstract of the property being appraised and, in any event, we neither made a detailed examination of the title nor do we give any legal opinion concerning same.

It is assumed there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report. Information and analysis shown in this report concerning these items is based only on a rudimentary investigation. Any significant question should be addressed to local zoning or land use officials and/or an attorney.

It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based. Appropriate government officials and/or an attorney should be consulted if an interested party has any questions or concerns as to these items since we have not made a comprehensive examination of laws and regulations affecting the subject property.

ENGINEERING AND INSPECTION

This appraisal should not be considered a report on the physical items that are a part of this property. Although the appraisal may contain information about the physical items being appraised, including their adequacy and/or condition, it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed engineering report. The appraisers are not construction, engineering, environmental, or legal experts, and any statement given on these matters in this report should be considered preliminary in nature.

The observed condition of the foundation, roof, exterior walls, interior walls, floors, heating system, plumbing, insulation, electrical service, and all mechanicals and construction is based on a casual inspection only and no detailed inspection was made. For example, we are not experts on heating systems and no attempt was made to inspect the interior of the furnace. The structures were not checked for building code violations, and it is assumed that all buildings meet applicable building codes unless otherwise stated in the report.

The Americans with Disabilities Act (ADA) became effective in January 1992. No survey or inspection of the subject property has been conducted by us to determine whether the improvements comply with ADA accessibility guidelines, because ADA weighs the financial ability of the property owner against the cost to cure potential physical barriers. We are therefore unable to make any determination as to ADA compliance and our value estimate does not consider the financial impact of possible non-compliance.

Some items such as conditions behind walls, above ceilings, behind locked doors, or under the ground are not exposed to casual view and therefore were not inspected. The existence of insulation, if mentioned, was found by conversation with others and/or circumstantial evidence. Since it is not exposed to view, the accuracy of any statements about insulation cannot be guaranteed.

It is assumed there are not hidden or unapparent conditions of the property, sub-soil, or structures that would render it more or less valuable. No responsibility is assumed for such conditions, or for the engineering that may be required to discover such factors. Since no engineering or percolation tests were made, no liability is assumed for soil conditions.

Wells and septic systems, if any, are assumed to be in good working condition and of sufficient size and capacity for the stated highest and best use.

We are not environmental experts, and we do not have the expertise necessary to determine the existence of environmental hazards such as the presence of urea-formaldehyde foam insulation, toxic waste, asbestos or hazardous building materials, or any other environmental hazards on the subject or surrounding properties. If we know of any problems of this nature which we believe would create a significant problem, they are disclosed in this report. However, nondisclosure should not be taken as an indication that such

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a problem does not exist. An expert in the field should be consulted if any interested party has questions pertaining to environmental factors.

No chemical or scientific tests were performed by the appraiser on the subject property, and it is assumed that the air, water, ground, and general environment associated with the property present no physical or health hazard of any kind unless otherwise noted in the report. It is further assumed that the lot does not contain any type of dump site and that there are no underground tanks (or underground source) leaking toxic or hazardous chemicals into the ground water or the environment unless otherwise noted in the report.

The age of any improvements to the subject property mentioned in this report should be considered an approximate estimate. We are not sufficiently skilled in the construction trades to be able to reliably estimate the exact age of the improvements by observation. We therefore rely on circumstantial evidence which may come into our possession, such as dates on architectural plans, or conversations with those who might be familiar with the history of the property, such as property owners, onsite personnel, or others. Parties interested in knowing the exact age of any improvements on the land should contact us to ascertain the source of our data and then make a decision as to whether they wish to pursue additional investigation.

Because no detailed inspection was made, and because such knowledge goes beyond the scope of this appraisal, any observed condition or other comments given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is made as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating system, air conditioning system, plumbing, electrical service, insulation, or any other construction component. If any interested party is concerned about the existence, condition, or adequacy of any particular item, we would strongly suggest that a construction expert be hired for a detailed investigation.

DATA LIMITATIONS

As can be seen from the preceding limitations, this appraisal has been performed with a limited amount of data. Data limitations result from a lack of certain areas of expertise by the appraiser which go beyond the scope of the ordinary knowledge of an appraiser, the inability of the appraiser to view certain portions of the property, the inherent limitations of relying upon information provided by others, etc.

There is also an economic constraint, as the appraisal budget and the fee for this appraisal did not contain unlimited funds for investigation. We have spent our time and effort in the investigative stage of this appraisal in those areas where we think it will be most productive, but inevitably there is a significant possibility that we do not possess all information relevant to the subject property.

Before relying on any statement made in this appraisal report, interested parties should contact us for the exact extent of our data collection on any point which they believe to be important to their decision making. This will enable such interested parties to determine whether they believe the extent of our data gathering process was adequate for their needs or whether they would like to pursue additional data gathering for a higher level of certainty.

Information, including projections of income and expenses provided by local sources, such as government agencies, financial institutions, accountants, attorneys, and others is assumed to be true, correct, and reliable. No responsibility for the accuracy of such information is assumed by the appraiser.

The comparable sales data relied upon in the appraisal are believed to be from reliable sources. Though all the comparables were examined, it was not possible to inspect them all in detail. The value conclusions are subject to the accuracy of said data.

Engineering analyses of the subject property were neither provided for use nor made as a part of this appraisal contract unless otherwise noted. Any representation as to the suitability of the property for uses suggested in this analysis is therefore based on a rudimentary investigation by the appraiser and the value conclusions are subject to said limitations.

All values shown in the appraisal report are projections based on our analysis as of the date of the appraisal. These values may not be valid in other time periods or as conditions change. We take no responsibility for events, conditions, or circumstances affecting the property's market value that take place subsequent to either the date of value contained in this report or the date of our field inspection, whichever occurs first.

Since projected mathematical models and other projections are based on estimates and assumptions which are inherently subject to uncertainty and variation depending upon evolving events, we do not represent them as results that will actually be achieved.

This appraisal is an estimate of value based on an analysis of information known to us at the time the appraisal was made. We do not assume any responsibility for incorrect analysis because of incorrect or incomplete information. If new information of significance comes to light, the value given in this report is subject to change without notice.

Opinions and estimates expressed herein represent our best judgment but should not be construed as advice or recommendation to act. Any actions taken by the client commissioning this report or any third party should be based on their own judgment, and the decision process should consider many factors other than the value estimates and information given in this report

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USE OF REPORT & RESTRICTIONS

Appraisal reports are technical documents addressed to the specific technical needs of clients. This report does not contain all of the information we have concerning the subject property or the real estate market. While no factors we believe to be significant but unknown to the client have been knowingly withheld, it is possible that we have information of significance which may be important to others but which, with our limited acquaintance of the property and our limited expertise, does not appear to be important to us.

This is a Restricted Appraisal prepared at the request of and for the exclusive use of the client to whom the appraisal is addressed. Use by unintended users (anyone other than the client named herein) is prohibited.

There are not requirements, by reason of this appraisal, to give testimony or appear in court or at any pretrial conference or appearance required by subpoena with reference to the property in question, unless sufficient notice is given to allow adequate preparation and additional fees are paid by the client at our regular rates for such appearances and the preparation necessitated thereby.

This report is made for the information and/or guidance of the client and possession of this report, or a copy thereof, does not carry with it a right of publication. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, nor shall the appraiser, firm, or professional organization of which the appraiser is a member be identified without the written consent of the appraiser.

It is suggested that those who possess this appraisal report should not give copies to others and that legal advice should be obtained on potential liability issues before this is done. Anyone who transmits an incomplete or altered copy of the appraisal report, including all attachments, does so at their own risk and assumes complete liability for any harm caused by transmitting an incomplete or altered copy. Neither the appraiser nor this company assumes any liability for harm caused by reliance upon an incomplete or altered copy of the appraisal report transmitted by others. Anyone with a question as to whether their copy of an appraisal report is incomplete or altered should contact our office.

Values and conclusions for various components of the subject property contained within this report are valid only when making a summation; they are not to be used independently for any purpose and shall be considered invalid if so used. The allocation of the total value in this report between land and improvements applies only under the reported highest and best use of the property. The separate valuations for land and buildings shall not be used in conjunction with any other appraisal and are invalid if so used.

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QUALIFICATIONS OF APPRAISER

Stephen R. Clark

PROFESSIONAL LICENSES

NYS Certified-General Real Estate Appraiser

Certificate #46-46087

NYS Licensed Real Estate Broker

Certificate #35CL0809296

PROFESSIONAL EXPERIENCE

Vice President - Empire State Appraisal Consultants, Inc.

2001

Qualified as expert appraisal witness - New York State Supreme Court

Real Estate Appraisal, Brokerage, Management, Development

1973-2017

For over forty years, Mr. Clark has been directly involved in the business of real property as an appraiser, broker, manager and owner. Direct property experience includes shopping center, office building, land and investment property, appraisal, leasing and brokerage.

EDUCATION

College of St. Rose, B.S. Finance and Business Administration

Completed numerous courses in real estate valuation, financing and fair housing

TYPES OF ASSIGNMENTS

Tax Certiorari

Estate Tax

Leased Fee

Leasehold

Revaluation

Value-in-use

Development Rights

Appraisal Review

Depreciation Analysis

Investment Financing

Feasibility Studies

Life Estates

Easements

Conservation Easements

Takings

Letters Patent

TYPES OF PROPERTY APPRAISED

Banks

Apartments

Warehouses

Offices

Subdivisions

Schools

Restaurants

Condominiums

Banquet Houses

Churches

Oil Terminals

Supermarkets

Mobile Homes

Shopping Centers

Service Stations

Manufacturing Facilities

Industrial

Trucking Terminals

Mobile Home Parks

Hotels

Nursing Homes

Drug Stores

Self-Storage Facilities

Timeshare Developments

Retail Stores

Medical Offices

Municipal Buildings

Power Centers

Big Box Retail

Vacant Land

Landfills

Distribution Warehouses

Regional Malls

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