

# McGrath & Company, Inc.

Real Estate Appraisers & Counselors

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## **REAL PROPERTY APPRAISAL**

### **MARTHA LAWRENCE SCHOOL**

23 Spackenkill Road  
Town of Poughkeepsie  
Dutchess County, New York

School Building

McGrath File # 1710741

### **SUBMITTED**

Spackenkill Union Free School District  
c/o Mark Villanti, Superintendent  
15 Croft Road  
Poughkeepsie, New York 12603

### **VALUATION DATE**

October 17, 2017

# McGrath & Company, Inc.

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October 31, 2017

Mark Villanti, Superintendent  
Spackenkill Union Free School District  
15 Croft Road  
Poughkeepsie, New York 12603

Re: Martha Lawrence School  
23 Spackenkill Road  
Town of Poughkeepsie  
Dutchess County, New York

Dear Sirs:

As requested, we have completed an inspection and analysis of the captioned property for the purpose of developing an opinion of its "as is" market value of the fee interest as of October 17, 2017.

This letter does not in itself constitute an appraisal. Rather, it serves to transmit the following appraisal report. This report describes the scope of the appraisal, the techniques of valuation and summarizes the reasoning leading to the opinion of value. Our analysis, opinions and conclusions were developed, and this self-contained report was prepared in conformity with the Uniform Standards of Professional Practice (USPAP) as adopted by the Appraisal Foundation and the Appraisal Institute.

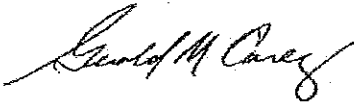
The subject property consists of a 4.5 acre parcel of land with frontage on the north side of Spackenkill Road in the Town of Poughkeepsie, Dutchess County, New York. The site is improved with a 28,024 square foot school building.

Based upon our familiarity with the subject property, our knowledge of property values in the Poughkeepsie area, as well as our knowledge of the Dutchess County real estate market in general over the past several years, it is our opinion that the market value of the fee simple interest in the subject property, as of October 17, 2017, was as follows:

**TWO MILLION DOLLARS**  
**(\$2,000,000)**

Thank you for the opportunity to provide our professional services. If we can be of further assistance in this matter, please call.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Gerald M. Carey".

Gerald M. Carey, MAI

State Certified General Real Estate Appraiser No. 46-26238

## TABLE OF CONTENTS

Title Page	I
Letter of Transmittal	II
Table of Contents	IV
SUMMARY OF FACTS AND CONCLUSIONS .....	1
OBJECTIVE OF THE ASSIGNMENT .....	2
PROPERTY IDENTIFICATION/OWNERSHIP HISTORY .....	2
PROPERTY RIGHTS APPRAISED .....	2
SUBMITTED .....	3
INTENDED USE & USER OF REPORT .....	3
PURPOSE OF THE APPRAISAL .....	3
SCOPE OF THE APPRAISAL .....	4
EXTRAORDINARY ASSUMPTION .....	5
HYPOTHETICAL CONDITION .....	5
DATE OF INSPECTION .....	5
EXPOSURE TIME .....	6
COUNTY DATA .....	8
TOWN DATA .....	16
NEIGHBORHOOD DESCRIPTION .....	19
SITE DESCRIPTION .....	21
IMPROVEMENT DESCRIPTION .....	23
ZONING .....	28
ASSESSMENT AND TAX DATA .....	29
HIGHEST & BEST USE .....	30
APPRAISAL METHODOLOGY .....	31
SALES COMPARISON APPROACH .....	32
CONCLUSION OF VALUE – Sales Comparison Approach .....	41
INCOME APPROACH .....	43
CONCLUSION OF VALUE – Income Approach .....	47
SUMMARY OF VALUES .....	49
RECONCILIATION AND VALUE CONCLUSION .....	49
UNDERLYING ASSUMPTIONS AND CONTINGENT CONDITIONS .....	51
CERTIFICATION .....	54

Professional Qualifications  
Representative Lists of Clients  
Addenda

### **SUMMARY OF FACTS AND CONCLUSIONS**

The following summary of important facts and conclusions is provided at the introduction of this report for purposes of clarity and understanding. The conclusions set forth in this report are based upon the facts, discussion and other pertinent data presented herein, in addition to the appraiser's knowledge, experience and training. All conclusions have been attained utilizing recognized and accepted appraisal theory, methods and techniques. The opinion of market value "as is" provided herein is based upon the valuation date of October 17, 2017 (the date of inspection).

Type of Property	: School Building
Land Size	: 4.5 Acres
Improvement Size	: 28,024 sq. ft.
Zoning	: In; Institutional
Property Rights Appraised	: Fee Simple Interest
Highest Best Use	: Continued use as an educational building (private or public) or other non-profit institutional type use.

### **SUMMARY & CONCLUSION OF VALUES**

Sales Comparison Approach	\$2,020,000
Income Approach	\$1,950,000
<b>Conclusion of Market Value</b>	<b>\$2,000,000</b>

### **OBJECTIVE OF THE ASSIGNMENT**

McGrath and Company, Inc. has been retained to provide an opinion of the market value of the real property "as is" situated at 23 Spackenkill Road in the Town of Poughkeepsie. The site consists of a 4.5 acre parcel of land improved with a 28,024 square foot school building.

The appraisal will address the physical, economic, governmental and marketing considerations affecting the value of the subject real property.

### **PROPERTY IDENTIFICATION/OWNERSHIP HISTORY**

The subject property, currently owned by the Spackenkill Union Free School District, consists of a single tax lot designated as Grid # 6160-03-130475 on the official tax rolls of the Town of Poughkeepsie. The parcel was an assemblage of two parcels.

The larger 3.0± acre parcel was acquired in a specific deed dated March 3, 1925 as recorded in Liber 450 at Page 496 in the Dutchess County Clerk's Office, Division of Land Records. The smaller 1.5± acre parcel was acquired in a specific deed dated September 20, 1946 as recorded in Liber 649 at Page 556 in the Dutchess County Clerk's Office, Division of Land Records.

Currently, the subject site is leased to the Westchester County Health Care Corporation under a lease extension to expire on June 30, 2018.

### **PROPERTY RIGHTS APPRAISED**

Real Estate is the physical land and appurtenances affixed to the land, e.g., structures. Real Property consists of all interests, benefits, and rights inherent in the ownership of physical real estate. Currently, the subject property is vacant. Therefore, within this appraisal, we will primarily be concerned with the value of the fee simple interest.

"Fee Simple Estate" is defined in The Dictionary of Real Estate Appraisal, 2015 Sixth Edition, as:

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.

### **SUBMITTED**

Mark Villanti, Superintendent, Spackenkill Union Free School District, 15 Croft Road, Poughkeepsie, New York 12603

### **INTENDED USE & USER OF REPORT**

The intended use of this report is to provide the client and the intended user (Spackenkill Union Free School District) an opinion of the market value of the fee simple interest in the subject property for potential negotiation and planning purposes.

### **PURPOSE OF THE APPRAISAL**

The purpose of the appraisal is to develop an opinion of the market value of the subject property. Market value is defined as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC).

## **SCOPE OF THE APPRAISAL**

McGrath and Company has retained by the Spackenkill Union Free School District to prepare an appraisal of the market value of the fee simple interest in the subject property, as of the date of inspection.

This report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation as adopted by the Appraisal Institute and Code of Professional Ethics of the Appraisal Institute. To accomplish this assignment, the following scope of services was undertaken:

- Inspected the property and its environs.
- Analyzed demographic trends in the vicinity of the subject property: Regional, area and neighborhood data are based on published sources, the files and libraries of McGrath and Company and our discussions with knowledgeable sources. Set forth the effective date of the appraisal and the date of this report.
- Analyzed zoning regulations applicable to the subject property. Zoning information is based upon the Town of Poughkeepsie zoning regulations.
- Analyzed the Highest and Best Use of the subject property based upon physically possible, legally permissible, financially feasible and maximally productive uses.
- Conducted a study of market conditions and a survey of commercial and industrial land currently available in the subject market area.
- Researched and analyzed comparable commercial land sales. Information gathered within this report was researched by the appraiser through leads from area real estate brokers and past records of McGrath and Company, Inc. All information contained herein has been verified through municipal records and through the Dutchess County Clerk's Office, Division of Land Records located in the City of Poughkeepsie.
- Relied on the Sales Comparison and Income Approaches in the valuation of the subject property. Due to the overall age of the improvements, the Cost Approach was not utilized.
- Provided a final value conclusion based upon all data and methodology set forth within the appraisal report.



### **EXTRAORDINARY ASSUMPTION**

An extraordinary assumption is defined in The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute 2015 as:

“An assumption, directly related to a specific assignment, as of the effective date of assignment results, which, if found to be false, could alter the appraiser’s an opinions or conclusions. Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

**For the purpose of this appraisal, we assumed that the subject site is “clean” and does not require environmental remediation.**

### **HYPOTHETICAL CONDITION**

A hypothetical condition is defined in The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute 2015 as:

1. A condition that is presumed to be true when it is known to be false. (SVP)
2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of the analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.)

**There are no hypothetical conditions within this appraisal.**

### **DATE OF INSPECTION**

The subject property was physically inspected on October 17, 2017 for the purpose of reviewing general property characteristics, neighborhood influence conditions and other factors, requisite to the formulation of a considered and reasonable opinion of value.

### **EXPOSURE TIME**

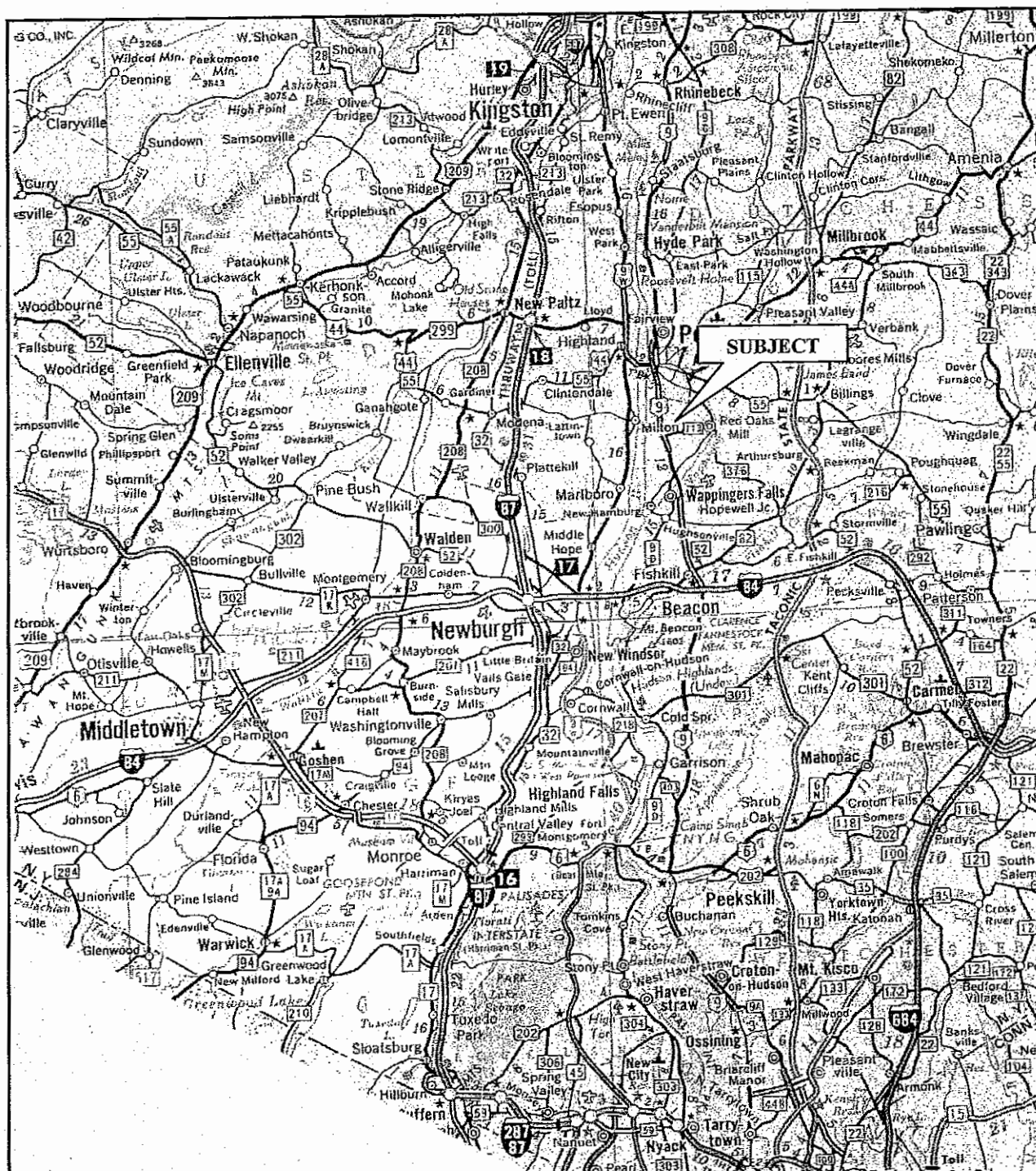
Reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to precede the effective date of the appraisal.

Exposure time may be defined as follows: The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

Exposure time is different for various types of real estate and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. This statement focuses on the time component.

The fact that exposure time is always presumed to occur prior to the effective date of the appraisal is substantiated by related facts in the appraisal process; supply/demand conditions as of the effective date of the appraisal; the use of current cost information; the analysis of historical sales information; the analysis of historical sales information (sold after exposure and after completion of negotiations between the seller and buyer); and the analysis of future income expectancy estimated from the effective date of the appraisal.

Following a review of comparable sales and comparable properties currently on the market, and from conversations with brokers, developers and operators in the subject market area, it is our opinion that the approximate exposure time required for the subject property would have been one to two years.



REGIONAL LOCATION MAP

## **COUNTY DATA**

Dutchess County is situated in the southeast section of New York State, and is bounded by the Hudson River on the west, Putnam County on the south, Connecticut on the east, and Columbia County to the north. The county is generally rectangular in shape, extending approximately 34 miles in a north-south direction and 22 miles east and west, comprising 804± square miles. The topography consists of gently rolling hills and valleys, lakes, woodlands, and fields, which present a natural scenic beauty.

Dutchess County is conveniently located and easily accessible by local and interstate roadways. Interstate 84 is the main east/west route in the southern portion of the county providing access to the surrounding area including Orange, Putnam and Westchester Counties and the States of Connecticut and Pennsylvania. Routes 9, 9D, 22 and the Taconic State Parkway are the main north/south roadways while Routes 52, 82, 44, and 55 provide additional east/west travel. Two rail lines and a few private bus lines provide mass transportation. The County has an airport and potential port facilities on the Hudson River.

For this reason, Dutchess County has become a "bedroom" community for approximately 30,000 out-of-county employees. Many of those commuting out of the county are employed in New York City and the surrounding metro area.

As per the 2010 U.S. Census, the population is 297,488, an increase of 6.2% versus the 2000 census of 280,150.

New York State population increased 2.2% during the same period. The percentage growth in Dutchess County was the fifth largest percentage increase.

The majority of the residential growth has taken place in the southwest portion of the county in the communities near Interstate 84 and the Taconic State Parkway. Most of the commercial development was also in this southwestern region, primarily along Route 9 from Fishkill to Hyde Park. This development includes two regional shopping malls, numerous shopping centers, and miscellaneous strip commercial uses including banks, fast food restaurants, automobile dealerships, furniture outlets, etc. Major retailers in the area include Sears, Kohl's, Best Buy, Target, J.C. Penney, Macy's, Home Depot and Lowe's.

# DEMOGRAPHIC PROFILE - MID-HUDSON REGION

## POPULATION CHANGE - 1940 TO 2010

YEAR	DUTCHESS	ORANGE	PUTNAM	SULLIVAN	ULSTER	COMBINED	NEW YORK STATE
1940	120,512	140,100	16,599	37,900	87,017	402,128	13,479,000
1950	136,781	152,300	20,300	40,700	92,621	442,702	14,830,192
1960	176,008	183,700	31,700	45,300	118,804	555,512	16,728,304
1970	222,295	221,700	56,700	52,600	141,241	694,536	18,241,391
1980	245,055	259,603	77,183	65,200	158,158	805,199	17,558,165
1990	259,462	307,647	83,941	69,300	165,304	885,654	17,990,455
2000	280,150	341,367	97,745	73,966	177,749	970,977	18,976,457
2010	297,488	372,813	99,710	77,547	182,493	1,030,051	19,421,055
2020*	320,154	433,496	110,354	79,322	189,107	1,132,433	20,112,402

# DEMOGRAPHIC COMPARISONS - MID-HUDSON REGION

## PERCENT CHANGE IN POPULATION

YEAR	DUTCHESS	ORANGE	PUTNAM	SULLIVAN	ULSTER	COMBINED	NEW YORK STATE
1950	13.5%	8.7%	22.3%	7.4%	6.4%	10.1%	10.0%
1960	28.7%	20.6%	56.2%	11.3%	28.3%	25.5%	12.8%
1970	26.3%	20.7%	78.9%	16.1%	18.9%	25.0%	9.0%
1980	10.2%	17.1%	36.1%	24.0%	12.0%	15.9%	-3.7%
1990	5.9%	18.5%	8.8%	6.3%	4.5%	10.0%	2.5%
2000	8.0%	11.0%	16.4%	6.7%	7.5%	9.6%	5.5%
2010	6.2%	9.2%	2.0%	4.8%	2.7%	6.1%	2.3%
2020*	7.6%	16.3%	10.7%	2.3%	3.6%	9.9%	3.6%

SOURCES: US CENSUS BUREAU & Cornell Program on Applied Demographics

IBM was the major employer in the area and had been the dominating influence in the area from 1960 to 2000. The company experienced continuous expansion of its facilities and workforce and has made a major impact on the housing market and commercial development in Dutchess County. In the late 1980's, the company employed over 23,000 at their main plants in Poughkeepsie and East Fishkill, as well as numerous other facilities in the Towns of Fishkill, Poughkeepsie, LaGrange and Wappinger. Their growths lead to the prosperity and the stable economic environment enjoyed throughout the Hudson Valley.

During the IBM expansion, Dutchess County became one of the most stable industrial areas of New York State, despite several downturns in the national and regional economy. Unemployment rates in Dutchess were consistently lower than New York State as a whole. During the 1980's, the unemployment rate averaged between 2.6 percent and 6.2 percent, while statewide the rate averaged between 4.2 percent and 8.6 percent.

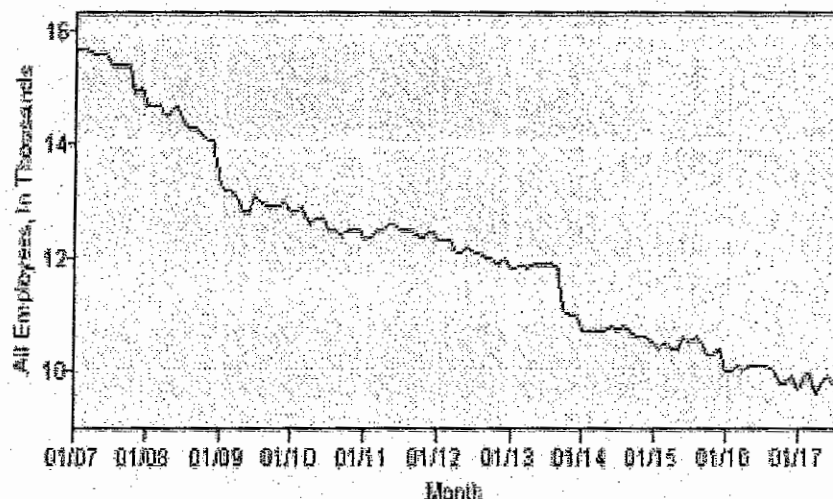
Since the early 1990's, the economic environment changed. Due to foreign and domestic competition, IBM went through a period of downsizing not only locally but nationally. In 2014, IBM sold their semi-conductor manufacturing operations in East Fishkill to Global Foundries. As of 2016, Global Foundries employs 1,800 people at the plant. At the Poughkeepsie main frame manufacturing facility, IBM employs 3,200 workers. As per the US Bureau of Labor Statistics, manufacturing accounts for 9,800 jobs in the county as compared to 27,600 jobs in 1992 and 15,700 in 2007 (see following page). Offsetting the losses in manufacturing jobs, there has been employment growth in several other sections including construction, business services, education, health care and government.

Following the manufacturing statistics, we have presented the average unemployment rates for New York State, and Dutchess County for the period 2007-2016. The rates in Dutchess County have been consistently 0.3% to 1.0% below New York State.

Our analysis of the current unemployment levels (August 2017) for Dutchess County is 4.2% as compared to 4.9% for New York State. The 2016 average rate was 4.1% for Dutchess County.

# State and Area Employment, Hours, and Earnings

Series Id: SMJ16285243999999991  
 Not Seasonally Adjusted  
 State: New York  
 Area: Dutchess County-Putnam County, NY Metropolitan Division  
 Supersector: Manufacturing  
 Industry: Manufacturing  
 Data Type: All Employees, In Thousands



Download: [Excel](#)

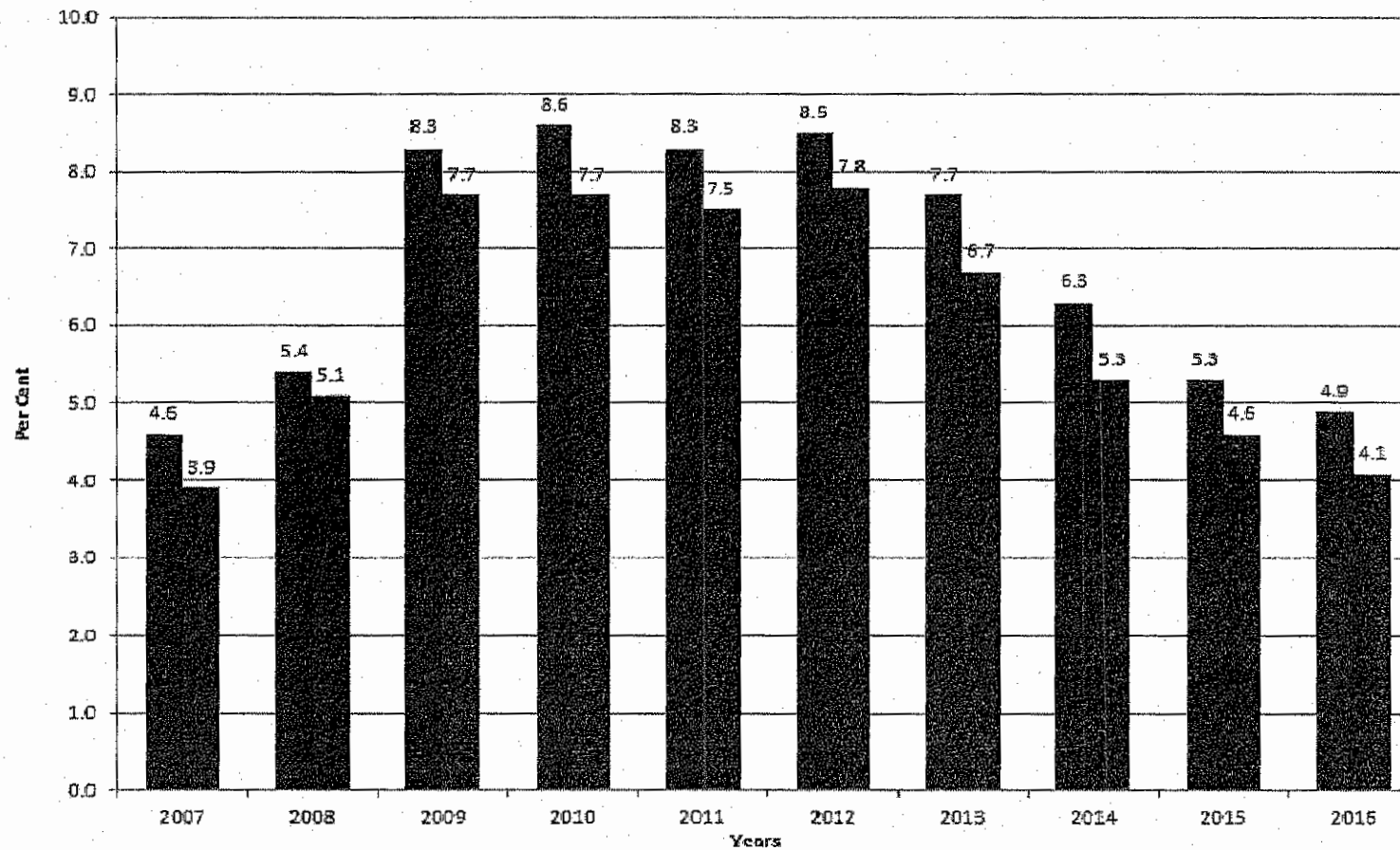
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2007	15.7	15.7	15.7	15.6	15.6	15.6	15.4	15.4	15.4	15.4	14.9	15.0
2008	14.7	14.7	14.7	14.5	14.6	14.7	14.4	14.3	14.3	14.2	14.1	14.1
2009	13.3	13.2	13.2	13.1	12.8	12.8	13.1	13.0	12.9	12.9	12.9	13.0
2010	12.8	12.8	12.9	12.6	12.7	12.7	12.5	12.5	12.4	12.5	12.5	12.5
2011	12.3	12.4	12.5	12.5	12.6	12.6	12.5	12.5	12.5	12.4	12.4	12.5
2012	12.3	12.3	12.3	12.1	12.1	12.2	12.1	12.1	12.0	12.0	11.9	12.0
2013	11.8	11.8	11.9	11.8	11.9	11.9	11.9	11.9	11.8	11.1	11.0	11.0
2014	10.7	10.7	10.7	10.7	10.7	10.8	10.7	10.8	10.7	10.6	10.6	10.6
2015	10.5	10.4	10.5	10.4	10.4	10.6	10.5	10.6	10.5	10.3	10.3	10.4
2016	10.0	10.0	10.1	10.0	10.1	10.1	10.1	10.1	10.0	9.8	9.8	9.9
2017	9.7	9.9	10.0	9.6	9.8	9.9	9.8	9.8(P)				

P: Preliminary

Source: Bureau of Labor Statistics



### AVERAGE UNEMPLOYMENT RATES (New York vs. Dutchess County)





Until the 2007-2008 recession, residential development in Dutchess County was the primary focus. New construction of single-family residences, townhouse/ condominium units, and rental apartments numbered over 6,000 dwelling units from 1998-2007. Single-family home construction has accounted for 55% of the new residential construction with average prices more than doubling during that period. Playing a lesser role is the commercial development. It is varied, comprised of a mix of retail, office and hospitality uses. Some has even been a mix. Large retail development consisted of Chestnut Corners and Spackenkill Plaza in Poughkeepsie and Summerlin and Unity Plaza in East Fishkill. Office construction consists of several buildings in Fishkill, namely 200, 400 and 600 Westage and 1399/1401 Route 52 and Poughkeepsie (Oakwood Commons).

Mixed development consists of retail and office complexes such as Heritage Square (East Fishkill) and Oakwood Commons (T/Poughkeepsie). Also added to the mix are some large-scale redevelopment projects such as the redevelopment of the 400 block in the City of Poughkeepsie, Target at the Galleria Mall in the Town of Poughkeepsie, and Home Depot at the Dutchess Mall in Fishkill.

At the present time, there are numerous development projects proposed that will add significant residential, commercial, educational, governmental, or health related space. Most of the proposals are still before the respective municipal planning boards awaiting final approvals. As per the Dutchess County Planning department, it includes 11,000+ residential dwellings and 7,200,000± square feet of non-residential space. Although some of these projects may never come to fruition, the numbers are staggering and, in our opinion, the absorption of this proposed development would be lengthy.

New projects proposed in 2016 include seven developments with a mix of 840 single family homes, affordable units, and apartments, 115,000 square feet of industrial space, 96,000+ square feet of retail, and 22,000± square feet of recreational space.

Over the last two decades, there has been growth and stability added to the economy by the expansion in other industries.

Tourism remains as an important stabilizing factor. Dutchess County and its immediate neighbors offer numerous historical sites and scenic beauty that attracts visitors throughout the years. This has led to expansion in the hospitality field. Several new motels have been constructed since 2000 that has added over 750 rooms to the available stock. Additional motel construction is proposed. In 2008-09, the hospitality market also suffered from the recession with regards to occupancy. Occupancy numbers have increased in recent years; however, not to the levels in the mid 2000's.

Growth has also taken place in the medical services field. Expansion at the three hospitals has created jobs both long and short term. Addition ambulatory service facilities and offices for medical practitioners near the hospitals have been continuous. Currently under construction is a 300 bed expansion at Vassar Brothers Hospital in Poughkeepsie.

Finally, there has been continuous expansion at the higher learning institutions within the Dutchess County borders. New libraries, classrooms and dormitories have been added at Vassar and Marist Colleges and the Culinary Institute of America. And, at present, there are new dormitories under construction at Marist College and a new science building at Vassar College is nearing completion.

Overall, Dutchess County continues to exhibit economic stability. Despite the decline in the manufacturing sector, there has been growth in other fields to offset the loss of jobs. Expansion in the residential market in the 2000's has resulted in the demand for more services in the financial and medical fields. Stability in tourism has added needed jobs in the hospitality industry; and, the continued expansion in the field of education has also added opportunities for employment.

Similar to all areas of the Hudson Valley, Dutchess County has been affected the recent downturn in the national and regional economies. Naturally, the residential housing market has suffered the greatest impact. There has been diminished volume and fluctuating prices in the resale and new construction market during the last six years. At the present time, there are a limited number of projects offering new detached and attached homes on the market.

The commercial real estate market in Dutchess County has also been affected, especially in the office market. Vacancy in several of the office complexes and buildings in the southwest portion of the County increased and rental rates have been decreased after the downturn. Many landlords offered rental concessions to retain tenants. At the present time, it appears that rents and vacancy levels have stabilized. There are very few large users coming into the market.

In the retail sector, the market is varied. Some retail centers have been able to maintain a high level of occupancy despite tenant turnover. Other centers have not fared as well. Similar to the office market, rental rates decreased as several national retailers vacated the area. Some of the space has been leased to "dollar stores" or small local retailers. There is still a fair amount of space available including 156,000 square feet at South Hills Mall, 5,100 square feet at Hudson Plaza, and 23,000 square feet at Poughkeepsie Plaza. It was recently announced that a former Staples store (24,000 square feet) at Mid-Hudson Plaza will be converted to medical office space.

In our opinion, Dutchess County will rebound due to its good location and highly skilled workforce. As in past downturns, the investment in municipal, educational and commercial properties will facilitate the turnaround.

Some of the recent projects in the western portion of the County include the new Vassar Brothers Hospital in Poughkeepsie, the current construction of new dormitories at Marist College, the proposed construction of a new hotel opposite the Culinary Institute of America on Route 9 in Poughkeepsie, the construction of an indoor sports complex on Route 52 in East Fishkill, and the construction of the a 136 unit luxury apartment complex just off Route 9 in the City of Poughkeepsie. Also, announced in September 2017, was the sale of a large portion (300 acres) of the Global Foundries complex in East Fishkill. It was sold to a Westchester developer for potential redevelopment as a mixed residential and commercial complex, pending a full scale market analysis.

## TOWN DATA

The Town of Poughkeepsie, situated in the southwesterly portion of the county, is bordered on the west by the Hudson River and the City of Poughkeepsie, on the north by the Town of Hyde Park, on the east by the Towns of Pleasant Valley and La-Grange, and on the south by the Town of Wappinger. Poughkeepsie comprises an area of 31.1 square miles with a 2010 US Census population of 43,341. This represents an increase of 1.3% over 2000 count of 42,777.

The City of Poughkeepsie, with an area of 4.78 square miles along the east shore of the Hudson River, is bordered on the north, west and south to the town. The 2010 Census indicates a population of 32,736, indicating an increase of 9.6% since 2000.

The principal vehicular arteries in the area include Routes #9 and #376 (north/south), Route #44 (northeast/southeast), and Route #55 (east/west). Major local arteries include Vassar and Spackenkill Roads. Major highways traversing the area include the Taconic State Parkway and Interstate #84 and are located east or south of the town.

Shopping facilities are numerous, including regional malls and strip commercial uses along Route 9, the major commercial district in the county, and the shopping centers and stores in the Arlington district at the intersection of Routes 44/55. Recent development includes a Walgreens at 827 Dutchess Turnpike (2011) and a Dunkin' Donuts at 2265 South Road (2013). Additional retail development is proposed along Route 9; however, in light of the recent recession and moderate vacancy, most of the proposed projects have been postponed.

In addition to the extensive commercial development along Route 9, there is the IBM Microelectronics Facility. This mainframe manufacturing facility, comprised of 3,000,000+ square feet on 380+ acres, currently employs approximately 3,000 workers, well below the 10,000+ workers in the early 1990's.

One factor that adds stability to the town is the three colleges located within the corporate limits. Vassar College, Marist College and Dutchess Community College provide numerous employment opportunities and an influx of financial resources from the student body. Another is the hospitals in the city and town that offer health related employment opportunities. The medical and mental institutions include Vassar Brothers Hospital, St. Francis Hospital, and the Hudson Valley Psychiatric Hospital.

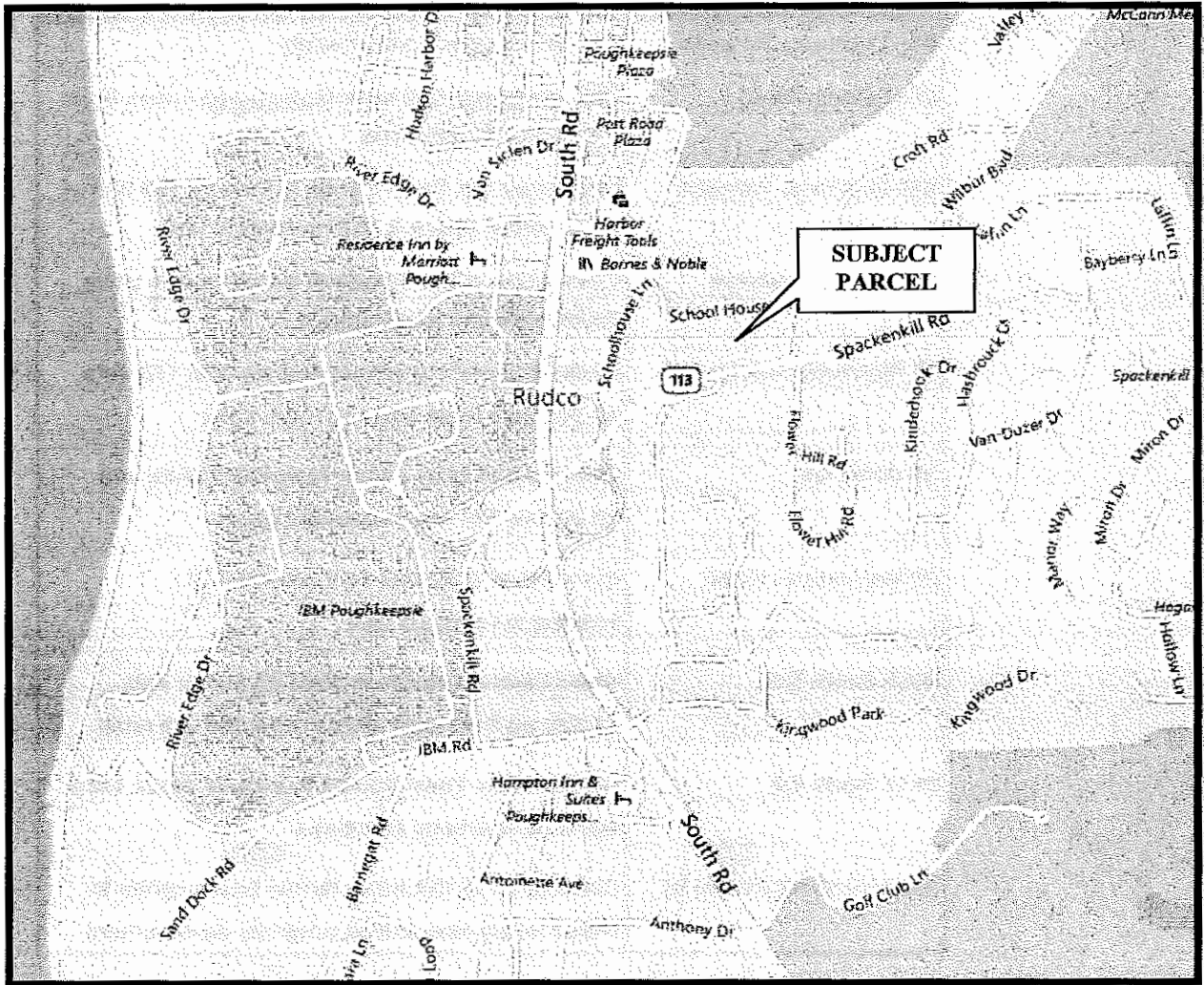
Recent development includes the construction of a 170 unit apartment complex on Fulton Avenue, the construction of a mixed retail/apartment complex on Springside Avenue, the completion of the new science building at Vassar College, and the construction of a retail/restaurant complex on Route 9. In progress is the redevelopment of a restaurant at 535 Haight Avenue, the construction of a minimart at 798 Dutchess Turnpike, the construction of a new branch bank at Route 9 and IBM Road, and the construction of a 90 room Hyatt Hotel at 2165 South Road.

Currently before the Planning Board in the Town are a number of proposed developments as listed below:

Location	Proposed Use
965 Dutchess Turnpike	69 Bed Assisted Living Facility
2517 South Road	Proposed new 113 room Homewood Suites hotel at Oakwood Commons
932 Dutchess Turnpike	McDonnell Hts Town Center to include 180,000 sf commercial space & 350 residential units
51-57 Fulton Avenue	Conversion of two industrial buildings into office, classroom and studio space
25 Raymond Avenue	Redevelopment of school property into 172 apts, 16,200 sq ft retail and 110 room hotel
35 Violet Ave	Construction of 84 senior residential units and 10,000 sq ft of non-residential space
20 Manchester Road	Conversion of 20,000 sq ft commercial building to religious use
2055 South Rd	Mixed development to include 85 senior apts., 31,500 sq ft medical offices & 14,000 sf ft retail
2611 South Rd	Ambassador Town Square to include retail, bank, fast food and hotel structures
3592 North Rd (Route 9)	Conversion of 159 acres former psych center to mixed residential and commercial development

The above list is a summary from the recent agenda of the Planning Board. There are additional projects that are dormant or being updated for resubmission.

In conclusion, the Poughkeepsie area consists of a mixed economic environment. The commercial estate market along Route 9 has been expanding and the academic and health related institutions add stability to Poughkeepsie's economy. The industrial sector has been undergoing an extended period of decline. Currently, the residential real estate market in the Town is considered weak when compared to the Towns to the south. Due to the decline in the new construction market, it is our opinion that the Poughkeepsie area will become a secondary market to potential homebuyers, offering more affordable residential housing as compared to the Towns along the southern tier or along the Taconic State Parkway.



## **APPRAISAL METHODOLOGY**

The purpose of this appraisal is to develop the market value of the subject property, "as is" as of October 17, 2017.

Generally, there are three accepted and commonly utilized approaches to developing an opinion of value: the Sales Comparison Approach, Income Approach and Replacement or Cost Approach.

The Sales Comparison Approach is a process of comparing market data, essentially prices paid for comparable or similar properties, which have sold recent to the date of appraisal. Comparable data are then compared to the subject property, with appropriate adjustments applied, to account for any differences between the comparable sales and the subject property.

The Cost Approach, premised upon the principle of substitution, presumes that a reasonable purchaser would not pay more than the cost to produce a substitute property offering the same utility as the subject property. Therefore, the Replacement or Cost Approach assumes that the cost to construct the improvements, less depreciation from all factors, when added to the land value, usually indicates maximum overall/total property value.

The Income Approach is based upon reasoning, which supposes that one measure of the value of a property is the present worth of the net income it will generate throughout the remainder of its productive life.

In arriving at the market value of the fee simple interest in the subject property, we have relied on the Sales Comparison and Income Approaches to value. Due to the age of the improvements and the difficulty in estimating the accrued depreciation, the Cost Approach was not utilized.



### **SALES COMPARISON APPROACH**

The Sales Comparison Approach is a process of comparing market data, essentially prices paid for comparable or similar properties, which have sold recent to the date of appraisal. The comparable data are then compared to the subject property, with appropriate adjustments applied, to account for any differences between the comparable sales and the subject property.

Such differences may involve time, location, zoning, physical characteristics, construction, land size, accessibility to utilities, etc. The Sales Comparison Approach is based on the principle of substitution, which implies that a prudent person will not pay more for a property than it would cost to purchase a comparable substitute property. It is a particularly persuasive and convincing method of valuation when there are recent sales of similar properties available for comparison.

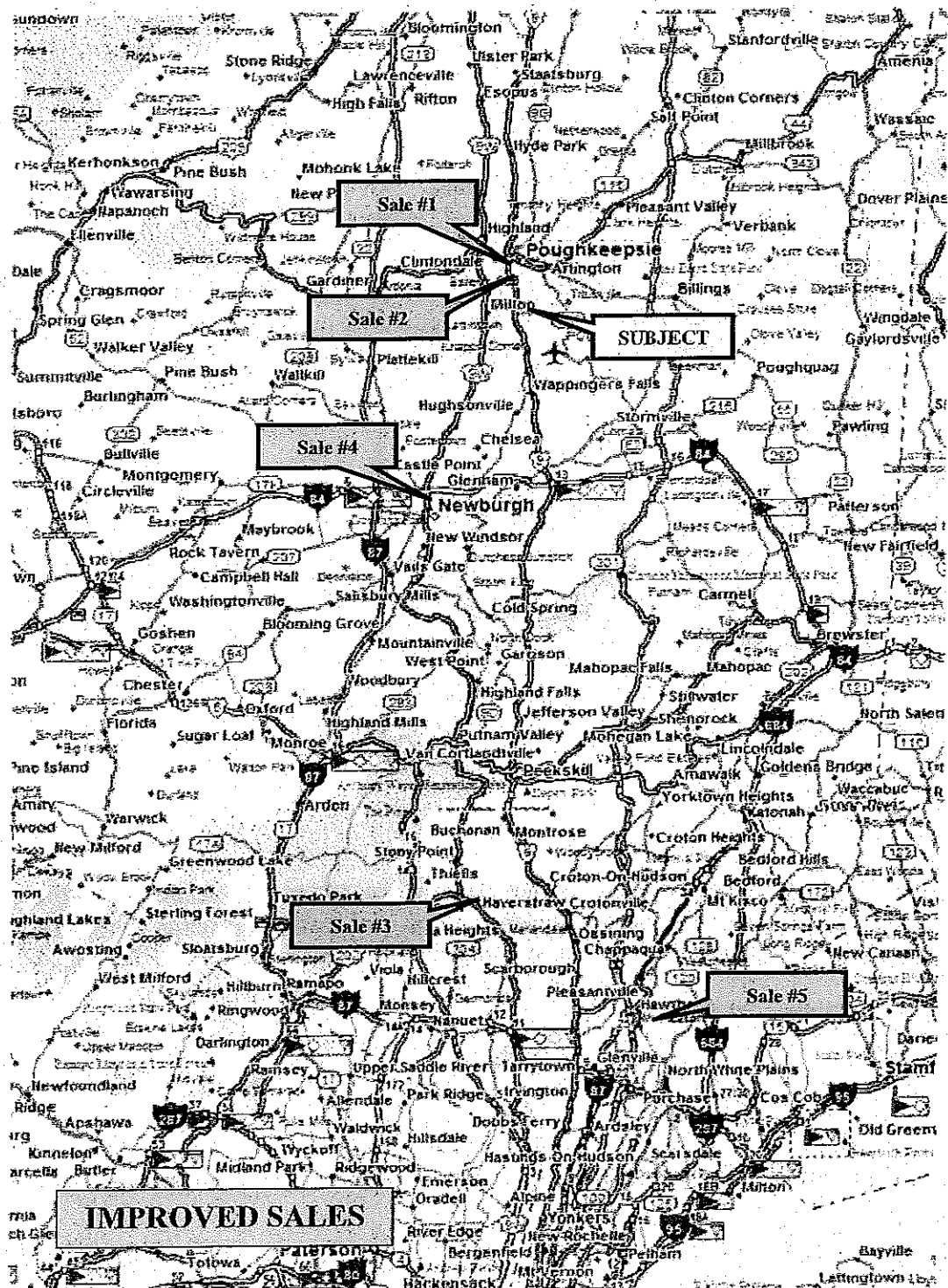
When comparing the sales to the subject, and adjusting these sales to meet the conditions of the subject, the principle of contribution is involved. Items of difference between the sales and the subject property are adjusted according to contributory value added or lack thereof, rather than on a cost basis.

In developing an opinion of the value of the subject property by the Sales Comparison Approach, we have researched and analyzed five sales of institutional or school properties in the Mid-Hudson Valley. The properties transferred were for continued use as an educational or other non-profit institutional type use.



## IMPROVED SALES

The following Improved Sales #1 through #5 have been utilized to develop an opinion of the value of the subject property.



COMPARABLE SALE # 1

ID: 67

Street: 70 S Hamilton Street  
Municipality: Poughkeepsie  
County: Dutchess

Town# 31      Section/Grid: 6161  
Block: 22      Lot: 139898

Grantor: Changepoint Church

Grantee: Centro Cristiano Recaner Inc.

Topography: At grade with street frontages that includes Hooker Avenue and consisting of level terrain with concrete sidewalks and mature landscaping. Includes lot 109885 & 119882 (0.60 acre parking lot on opposite side of Hamilton St.)

Zoning: R-4; Residential

Lot Size/Acres: 1.36

Lot Size/SF: 0

Frontage/Ft: 452

Deed Date: 2/27/2017

Rec'd Date: 5/2/2017

Liber: 22017

Page: 3117

Sale Price: \$1,100,000

Price/SF: \$45.51

Building Size/SF: 24,172

Date Constructed: 1960

Bldg Utility: Church/School

Improvements: Three attached masonry, steel and wood frame structures with offices, assembly area, conference rooms, and classrooms (circa 1965) with an attached single family residence and church (circa 1900). Average condition.

Utilities: All public

Verification: Agent (Zinn)

Comments: Some of the space is located below street level. Purchased by end user.

COMPARABLE SALE # 2

ID: 59

Street: 18 Bancroft Street  
Municipality: Poughkeepsie ©  
County: Dutchess

Town#: 31      Section/Grid: 6161  
Block: 62      Lot: 208345

Grantor: Bancroft LLC

Grantee: City Harvest Church  
44 Hudson Street  
Yonkers, NY 10701

Topography: At grade with street and consisting of level/slightly rolling terrain with paved driveways and parking lot, unused tennis courts, concrete and stone walkways, landscaping and stonewalls.

Zoning: R-10; Residential

Lot Size/Acres: 9.42

Lot Size/SF: 0

Frontage/Ft: 664

Deed Date: 9/16/2016

Rec'd Date: 10/17/2016

Liber: 22006

Page: 7099

Sale Price: \$1,100,000

Price/SF: \$53.92

Building Size/SF: 20,400

Date Constructed: 1928

Bldg. Utility: Former YWCA

Improvements: Main building is part one/part two-story masonry, steel & wood frame structure w/assembly areas, program space, offices, kitchen, and lavatories. Some finished area in basement included in size. Ave/fair condition. Also included Camp building with open space, lavatories, kitchen & office. Fair condition.

Utilities: All public.

Verification: Agent (Mossey)

Comments: Lower level of main bldg has boiler room, former indoor pool & mechanical area (not utilized for several years), storage space and electrical room. Main bldg. last used as a library during renovations of Adriance Library.

**COMPARABLE SALE # 3**

**ID: 74**

Street: 1 Cosgrove Avenue

Town# 2203

Section/Grid: 20.19

Municipality: West Haverstraw

Block: 7

Lot: 37

County: Rockland

Grantor: Board of Education of the Haverstraw  
Stony Point Central School District

Grantee: Iglesia Pentecostal 3RA Nueve Jerusalem, Inc.

Topography: At grade with fronting streets which includes Railroad Avenue and consisting of level terrain with paved parking (44 vehicles), concrete sidewalks, perimeter fencing, and mature lawns/landscaping.

Zoning:: R-3/C; Residential & Commercial

Lot Size/Acres: 1.70

Lot Size/SF: 0

Frontage/Ft: 635

Deed Date: 1/5/2017

Rec'd Date: 1/23/2017

Liber: 2017

Page: 2397

Sale Price: \$1,500,000

Price/SF: \$69.42

Building Size/SF: 21,608

Date Constructed: 1925

Bldg Utility: School

Improvements Primarily a one-story masonry, steel and wood frame school building with office, classrooms, gym & kitchen. Partial basement with mechanicals. Average/fair condition due to prolonged vacancy and only partial use.

Utilities: All public.

Verification: Agent (Horowitz)

Comments: Purchased for religious use. Sold for list price.

COMPARABLE SALE # 4

ID: 46

Street: 48 Grand Street  
Municipality: Newburgh ©  
County: Orange

Town#: 1100    Section/Grid: 31  
Block: 2                      Lot: 18

Grantor: Justin A Sterling

Grantee: County of Orange

Topography: At grade with street and consisting of a level lot with concrete sidewalks, stoop and minimal landscaping.

Zoning: RC; Civic Center Residential

Lot Size/Acres: 0.34

Lot Size/SF: 0

Frontage/Ft: 100

Deed Date: 2/26/2014

Rec'd Date: 2/26/2014

Liber: 13721

Page: 558

Sale Price: \$1,500,000

Price/SF:

\$61.78

Building Size/SF: 24,281

Date Constructed: 1914

Bldg. Utility: Masonic Temple

Improvements: Part three and four-story masonry, steel and wood frame structure with large open spaces including library, meeting room, theater, dining hall, temple, and kitchen with lavatories, storage areas and hallways. Unfinished basement. Average condition.

Utilities: All public.

Verification: Grantee

Comments: Basement area not included in square footage. Purchased by County for expansion of SUNY facilities.

COMPARABLE SALE # 5

ID: 52

Street: 70 Columbus Avenue  
Municipality: Mount Pleasant  
County: Westchester

Town#: 3489 Section: 117.15  
Block: 2 Lot: 57

Grantor: Board of Education of the Valhalla School District

Grantee: Easter Seals of New York, Inc.

Topography: Two non- contiguous lots with one improved with a two-story school building and the other providing parking. Level lots with macadam paved parking and playground areas.

Zoning: R-10; Residential

Lot Size/Acres: 1.89

Lot Size/SF: 0

Frontage/Ft: 999

Deed Date: 12/5/2014

Rec'd Date: 12/12/2014

Liber: 54338

Page: 3196

Sale Price: \$2,200,000

Price/SF: \$55.71

Building Size/SF: 39,492

Date Constructed: 1921

Bldg. Utility: School

Improvements: Two-story masonry and steel frame school building with 25,840 sf of above ground floor area and 13,652 sf of finished basement space (included in floor area). Building contains typical classrooms, gym, cafeteria offices, lavatories and storage space. Average/good condition.

Utilities: All public.

Verification: Appraiser source and Loop-Net

Comments: Constructed in 1921 with 1935 addition and upgraded in 1992. Purchased by end user (tenant).



Improved Sale #1  
70 South Hamilton St. Poughkeepsie



Improved Sale #2  
18 Bancroft Street, Poughkeepsie



Improved Sale #3  
1 Cosgrove Avenue, West Haverstraw



Improved Sale #4  
46 Grand Street, Newburgh



Improved Sale #5  
70 Columbus Avenue, Mt. Pleasant

#### COMPARABLE SALES

### **IMPROVED SALES ANALYSIS**

In developing an opinion of the value of the subject property by the Sales Comparison Approach, we have researched and analyzed five sales of institutional or school properties in the Mid-Hudson Valley. Due to the limited number of sales in Dutchess County, we utilized three sales in other counties in the Hudson Valley.

All of the sales were to end users for continued educational or institutional use.

Sales #4 and #5 require condition of sales adjustments. Sale #4 was purchased by an adjacent property owner for expansion of the SUNY campus. Sale #5 was purchased by the tenant.

The sales occurred between February 2014 and January 2017. All of the sales required positive market condition adjustments (based on 3% per annum) as they were acquired in inferior market conditions.

All of the sales are comparable in utilities with the municipal water and sewer connections.

Sale #1 is a 2017 transfer of a former church/school and residence on South Hamilton Street in the City of Poughkeepsie similar to the subject in size. It is considered similar in condition and inferior in utility with sizable amount of finished area on the upper floor and in the basement. The location is considered to be inferior in a less stable city neighborhood and less convenient to surrounding communities. Supported by 1.36 acres, it is considered inferior in land/parking.

Sale #2 is the transfer of a smaller former YWCA most recently utilized as a community library located in a residential neighborhood in the southern portion of the City of Poughkeepsie. It is considered inferior in condition due to a two plus years vacancy prior to the sale and in utility due to the building layout. It is considered inferior in location in a less convenient residential area of the City. The improvements are supported by nine plus acres and it is considered superior in this regard with ample parking and areas for potential expansion. However, this is partially offset by anticipated opposition from local residents of any expansion proposals as experienced by the previous owner.



Sale #3 is a recent transfer of a smaller former elementary school building in the Village of West Haverstraw in Rockland County. It is considered inferior in condition due to past vacancy and limited use during the past few years. Building utility is considered similar. The location is considered slightly inferior in location in a less stable neighborhood with declining property values. Supported by 1.7 acres, it is considered inferior in this regard with limited parking and areas for potential expansion.

Sale #4 is the transfer of a similar size former Masonic Hall in the City of Newburgh purchased by SUNY for expansion of the community college campus. Although considered similar in condition, it is considered slightly inferior to the subject in utility with a large portion of the floor area is on the second level. It is also considered inferior in location just north of Broadway in a less stable city neighborhood. The structure is supported by a smaller parcel and is considered inferior in this regard with less parking.

Sale #5 is a sale of a larger school building in the Valhalla school district in the Town of Mount Pleasant in Westchester County. It is considered similar in condition and inferior to the subject in utility with a large portion of the floor area is on the second level. It is considered superior in location in an area of higher property values and in a more active market for institutional type properties. The improvements are supported by a smaller amount of land and it is considered inferior in this regard.

The adjusted sales indicate a range of values from \$62.97 to \$81.43 per square foot. The low end sale is a property that was on the market for an extended period and included residence built in the early 1900's. The high end is the structure with the most design/appeal. We concluded at a value near the middle of the range due to convenient location and the available land for parking/potential expansion.

#### **CONCLUSION OF VALUE – Sales Comparison Approach**

Utilizing the following improved sales (#1 through #5), considering the foregoing discussion, and based upon our experience in the real estate market in Dutchess County and the Mid-Hudson area over the past several years, it is our opinion that the value of the subject property by the Sale Comparison Approach, as of October 17, 2017, was **\$2,020,000 (28,024 sq. ft. School Building on 4.5 acres @ \$72.00/Sq. Ft.).**

# **IMPROVED SALES SUMMARY**

SALE #	1	2	3	4	5	Subject
Location- Street	70 S Hamilton	18 Bancroft St	1 Coe Grove Ave	48 Grand St	70 Columbus Ave	23 Spackenkill Road
S/B/L or Grid#	6161-22-139898	6161-62-208345	20-19-7-37	31-2-18	117-15-2-57	6161-03-130475
Municipality	Poughkeepsie	Poughkeepsie	Haverstraw	Newburgh	Mt Pleasant	Poughkeepsie
Sale Price	\$1,100,000	\$1,100,000	\$1,500,000	\$1,500,000	\$2,200,000	N/A
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Condition Of Sale	None	None	None	Adj. Owner	Occupant	N/A
Condition of Sale Adjustment	\$0	\$0	\$0	(\$75,000)	(\$110,000)	—
Adjusted Sales Price	\$1,100,000	\$1,100,000	\$1,500,000	\$1,425,000	\$2,090,000	—
Sale Date	Feb-17	Sep-16	Jan-17	Feb-14	Dec-14	Oct-17
Market Condition Adj.	\$27,500	\$35,750	\$33,750	\$156,750	\$177,650	—
Adjusted Sales Price	\$1,127,500	\$1,135,750	\$1,533,750	\$1,581,750	\$2,267,650	—
Building Area	24,172	20,400	21,608	24,281	39,492	28,024
Price/Sq. Ft. of Bldg	\$46.64	\$55.67	\$70.98	\$65.14	\$57.42	N/A
Zoning	R-4	R-1	R3/C	RC	R-10	In
Land Area (Ac)	1.36	9.42	1.70	0.34	1.89	4.50
Land/Building Ratio	2.45	20.11	3.43	0.61	2.08	6.99
Building Age (Year Built)	1900-1960	1928	1925	1914	1921	1927
Bldg. Utility	Church/School/Res.	Former YWCA	School	Former Mason Hall	School	School
Condition	Average	Ave/Fair	Ave to Ave/Fair	Average	Average	Average
Parking Spaces	Adequate	Ample	Limited	Limited	Ample	Ample
Utilities - Water	Yes	Yes	Yes	Yes	Yes	Yes
Sewer	Yes	Yes	Yes	Yes	Yes	Yes

## **COMPARABLE ADJUSTMENT GRID**

COMPARABLE #	1	2	3	4	5
Price/SF	\$45.64	\$55.67	\$70.98	\$65.14	\$57.42
Zoning/Utility	0	0	0	0	0
Area/Unit (Size)	0	-5	-5	0	10
Building Condition	0	10	5	0	0
Building Utility	10	5	0	5	5
Location	15	10	5	10	-5
Land/Parking	10	-5	5	10	10
Utilities	0	0	0	0	0
NET ADJUSTMENT	35	15	10	25	20

ANALYSIS of Improved Sales #1-#5, herein, compared to the subject property on a per square foot basis, indicates the following:

COMPARABLE #	1	2	3	4	5
Price/SF	\$46.64	\$55.67	\$70.98	\$65.14	\$57.42
x Net Adjustment	1.36	1.16	1.10	1.25	1.20
Adjusted Value/SF	\$62.97	\$64.03	\$78.08	\$81.43	\$68.90

### **INCOME APPROACH**

The Income Approach to developing an opinion of market value is based on the premise that one measure of the value of a property is the present worth of the net income it will produce during the remainder of its productive life. This appraisal utilizes appropriate and accepted procedures for the processing and capitalization of the anticipated net income.

Data has been selected and processed as follows:

1. Estimated gross annual income, by comparing subject property to similar rental properties in the same manner as used for comparison of market sales data previously described, and using appropriate factors related to rentals in order to estimate, from the market, the annual gross income ("Economic Rent") which the subject can be expected to produce.
2. Determined a discount to the gross income estimate to allow for vacancy and collection loss, and thus arrive at an estimate of Effective Gross Income.
3. Estimated the probable annual expenses, which would be incurred in operating the property, as a deduction from effective gross income to realize net income, before making allowance for overall depreciation or recapture of the wasting asset. The condition of the building and its equipment were considered in order to estimate a reserve allowance for repairs and replacements.
4. Derived an interest rate and a capitalization rate from market information, and, after considering the quality and durability of the expected income selected an appropriate method and technique for capitalizing the net income to an opinion of value for the subject property.

### **CURRENT OCCUPANCY**

As of the date of appraisal, the building was leased to the Westchester County Health Care Corporation under a lease extension to expire on June 30, 2018. The original lease dates back to 1992 and was subject to several renewals.

### Lease Analysis

In developing an opinion of the market rental value of the subject property, we have researched and analyzed leases of college and school space in the Hudson Valley.

The comparable leases are summarized in a grid on the following page.

The leases are in commercial buildings and are on modified gross terms with the tenants paying rent and for their own utilities, interior maintenance and liability insurance. The landlord is responsible for all other operating expenses.

The amount paid by the landlord includes the real estate taxes, which is contrary to the subject property. And according to our highest and best use conclusion, the subject property would remain tax-exempt with the continued use of the subject property as a school (private or public) or other non-profit institutional type use. Therefore, we have deducted the real estate tax per square foot from the comparables for purposes of comparison.

Adjustments were made to the comparable leases for location, size, and condition based upon our familiarity with each of the respective properties in relation to the subject site.

The adjusted comparable rentals indicate a range from \$9.84 to \$12.00 per square foot. The indicated average is \$11.00 per square foot.

Based upon our familiarity with the subject property and its condition, our knowledge of the real estate market in Dutchess County, and our experience with institutional type properties, it is our opinion that the market rental value of the subject property, as of the date of appraisal is **\$11.00 per square foot on a modified gross basis**. In addition to the rent, the tenants will pay all utilities, liability insurance, and interior maintenance.

## SUMMARY OF COMPARABLE LEASES

LEASE #	1	2	3	Subject
Location- Street	29-31 Marshall	828 S Broadway	400 Executive Blvd	23 Spacekenkill
Town/Village	Wapp Falls	Tarrytown	Ossining	Poughkeepsie
County	Dutchess	Westchester	Westchester	Dutchess
S-B-L	6158-19-688002	1.260-135-1	80.20-1-19	6160-03-130475
Base Rent per SF	\$12.62	\$23.00	\$20.43	—
Conditions of Lease	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Condition of Lease Adj.	\$0.00	\$0.00	\$0.00	—
Adj. Base Rent per SF	\$12.82	\$23.00	\$20.43	—
Lease Date	Aug-17	Aug-16	Sep-14	Oct-17
Leased Area - SF	38,500	16,424	15,179	28,024
Lease Term - Years	1	10.75	10	n/a
Rent Increases	Flat	2% per annum	3%/annum	----
Condition	Ave/Good	Ave/Good	Ave/Good	Average
Type of Space	College	College	School	School
Parking	Ample	Ample	Ample	Ample
Expenses - Landlord				
Real Estate Taxes	\$2.98	\$5.86	\$4.50	N/A
Fire Insurance	Yes	Yes	Yes	Yes
Utilities	No	No	No	No
Repairs & Maint.	Ext	Ext	Ext	No
Structural Repairs	Yes	Yes	Yes	Yes
Adj. Base Rent per SF	\$9.84	\$17.14	\$15.93	—

## COMPARABLE ADJUSTMENT GRID

LEASE #	1	2	3
Adj. Base Rent per SF	\$9.84	\$17.14	\$15.93
Market Conditions	1.00	1.00	1.00
Time Adj. Rent/SF	\$9.84	\$17.14	\$15.93
Location	0	-10	-10
Size	10	-10	-10
Condition/Utility/Appeal	-10	-10	-10
Land/Parking	0	0	0
Expenses	0	0	0
NET ADJUSTMENT	0	-30	-30

Analysis of the comparable leases #1 through #3, herein, compared to the subject property on a per square foot basis, indicates the following :

COMPARABLE #	1	2	3
Rent/Sq.Ft.	\$9.84	\$17.14	\$15.93
x Net Adjustment	1.00	0.70	0.70
Adjusted Rent/Sq. Ft.	\$9.84	\$12.00	\$11.15

## VALUATION METHODOLOGY

### Single Year Capitalization

Method used to convert an estimate of a single year's income expectancy into an indication of value in one step by dividing the income estimate by an appropriate capitalization rate developed by the Band of Investment Method.

### Band of Investment Method

The Band of Investment method is based on the theory that an investor would finance a large portion of this investment. The overall rate (capitalization rate) that the investor would employ blends both the mortgage and equity requirements. The equity rate used in the Band of Investment method is the equity capitalization rate (Re). "For appraisal purposes, a property's equity capitalization rate is the anticipated return to the investor, usually for the first year of the holding period." This rate is also known as the Equity Return Rate or Equity Dividend Rate.

Equity dividend rates are ordinarily derived from improved sales. Information provided by the area market was limited. Overall capitalization rates from recent sales throughout the U.S. ranged from 7.0 to 13.0%. Rates in the eastern portion of the U.S. were comparable.

For mortgage rates, we researched the local commercial mortgage rates in several financial institutions. Realty Rates.com for the third quarter 2017 indicated financing for special purpose buildings ranged from 3.75% to 14.07% with an average of 6.95%. Based upon the location and use of the subject property and our familiarity with the Mid-Hudson Valley banking establishments and their rates at this time, we have utilized a 7.00% rate.

With regards to the equity yield rates, we considered the PwC National Secondary Office Market Survey for the third quarter 2017 which indicated IRRs ranging from 6.50% to 13.00% with an average of 8.99%. We considered the secondary office market survey assuming this would be the most logical alternative use of the educational structure if available on the open market. We concluded at a rate of 10.00%. The equity return rate is based upon our current analysis of alternative investment opportunities, our discussions with investors, and our opinion regarding the investment risk pertaining to the subject property.

By utilizing a 7.00% mortgage rate and an equity return rate of 10.00%, we developed a capitalization rate of 8.94%.

#### Income and Expense Analysis

In our income and expense analysis, we have utilized the previously estimated market rent for the subject building to arrive at the gross rent per annum.

Our 20% vacancy estimate is based upon our familiarity with the institutional real estate market and the problems leasing similar space. It takes into consideration the condition and utility of the subject property. The estimate vacancy was deducted from the gross rental income to arrive at the effective gross income (EGI).

Expenses to be paid by the landlord include fire insurance, building and grounds maintenance, management, professional fees and miscellaneous and/or reserves.

Our estimated cost for insurance (~~\$0.40~~/sq. ft.) is based upon our familiarity with one story masonry, steel and wood frame structures throughout the Mid-Hudson Valley. We have allocated a conservative estimate of 2.5% of effective gross income per annum for miscellaneous expenses arising from vacancy and a reserve to cover depreciable items and unallocated costs for the subject structure. Management is based upon 4.0% of the effective gross income. We have estimated professional fees of \$4,500 per annum.

By deducting the expenses from the effective gross income, we arrive at a net operating income of \$174,311. This was divided by our capitalization rate to arrive at the value of the subject property.

#### **CONCLUSION OF VALUE – Income Approach**

Based upon the following single year capitalization of the net income from the subject property, it is our opinion that the market value of the subject property, as of October 17, 2017, by the Income Approach, was as follows:

**ONE MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS**  
**(\$1,950,000)**

**SPACKENKILL UNION FREE SCHOOL DISTRICT**  
**23 Spackenkill Road**  
**Town of Poughkeepsie, NY**

<u>REVENUE</u>	<u>SF</u>	<u>Rent/Mo.</u>	<u>Ave Rent</u>	<u>AMOUNT</u>
GROSS INCOME	28,024	\$25,688.67	\$11.00	\$308,264
LESS VACANCY AND COLLECTION LOSS @		20.00%		\$61,653
EFFECTIVE GROSS INCOME				\$246,611
<u>EXPENSES</u>				
REAL ESTATE TAXES	(Tax Exempt)			n/a
SPECIAL DISTRICT CHARGES				\$4,500
INSURANCE				11,200
UTILITIES				Tenant
REPAIRS & MAINTENANCE	(Building & Grounds)			36,000
MANAGEMENT AT	4.00%			9,900
LEGAL AND PROFESSIONAL				4,500
MISCELLANEOUS/RESERVES	2.50%			6,200
TOTAL EXPENSES				\$72,300
NET OPERATING INCOME				\$174,311

BAND OF INVESTMENT

ASSUMPTIONS

Interest Rate	:	7.00%
Term (yrs)	:	25
No. of Payments	:	300
Mortgage Ratio	:	70.00%
Annual Constant	:	8.48%
Equity Yield	:	10.00%
Equity Ratio	:	30.00%
Projection Period (yrs)	:	5

COMPUTATION OF CAPITALIZATION RATE

Mortgage Position

Mortgage		Annual		
Ratio	X	Constant		
0.70		0.0848	=	0.0594

Equity Position

Equity Ratio	X	Equity Yield		
0.30		0.100	=	0.0300

CAPITALIZATION RATE 0.0894

<u>NET INCOME</u>	/	<u>CAPITALIZATION RATE</u>	=	<u>VALUE</u>
\$174,311	/	0.0894		\$1,950,456
TOTAL VALUE OF SUBJECT PROPERTY		{Rounded}		\$1,950,000



## **SUMMARY OF VALUES**

Sales Comparison Approach	\$2,020,000
Income Approach	\$1,950,000

## **RECONCILIATION AND VALUE CONCLUSION**

Two approaches have been used to estimate the market value of the subject real estate. Each approach has certain advantages and disadvantages, and reliance on any one approach depends, to a great degree, on the type of property being appraised, and the availability of relevant market data. Emphasis has been given to the approach or approaches, which generally best reflect the attitude and motives of buyers and sellers participating in the market. The purpose of this section is to weigh the advantages and disadvantages of each approach used, and to arrive at a valuation conclusion.

The Sales Comparison Approach involves the process of analyzing sales of similar, recently sold properties in order to derive an indication of the most probable sale price for the subject property. Comparable sales were related to the subject property and adjustments were considered to each of the comparable sales for any elements of dissimilarity. Each of the comparable sale properties was sufficiently similar to the subject property to warrant comparison.

The reliability of the Sales Comparison Approach is dependent upon the availability of comparable sales data, and the degree of similarity between the comparable sales and the subject property. The Sales Comparison Approach employed four sales of improved properties, each having some degree of similarity to each other, and to the subject property.

The adjusted values of the comparable sales indicated a range of values from \$62.97 to \$81.63 per square foot for the subject property. In our opinion, the value of the subject would be near the middle of the range due to convenient location and the available land for parking/potential expansion.

In the Income Approach, we have converted anticipated future net income to be derived from ownership of the property into a present value estimate. In this approach, we were able to research comparable rental properties and compare them to the subject property. Based upon our analysis, we estimated a market rent for the 28,000+ square foot educational building. The estimated rent was utilized to calculate the gross rental income. We relied on our comparable rentals to provide an indication of the expenses that would be the responsibility of the landlord and our past experience in appraising and our knowledge of similar institutional properties in the Mid-Hudson Valley in determining our expenses. Finally, we have relied on information provided by reliable sources to determine our capitalization rate.

In the conclusion of value, more weight was given to the Sales Comparison Approach as this institutional property is more of an owner user type property.

#### **CONCLUSION OF VALUE**

Based upon the foregoing data and analysis, it is this appraiser's opinion that the market value of the subject property, "as is", as of October 17, 2017, was as follows:

**TWO MILLION DOLLARS**  
**(\$2,000,000)**

### HIGHEST & BEST USE

The Highest and Best use of a property is that use which yields the maximum economic return over a given period of time. Generally, an analysis of the Highest and Best Use of a property includes four areas of consideration.

1. Physical Possible: Examination of which uses are possible, in light of site characteristics, topography, ingress/egress, availability of utilities, etc.
2. Legally Permissible: Analysis of uses legally permitted by applicable zoning regulations and not prohibited by special covenants, restrictions, moratoriums, etc.
3. Economically Feasible: Analysis of uses both physically feasible and legally permitted, which will produce the greatest economic return.
4. Maximally Productive: Analysis of physical uses having similar risk characteristics, which will produce the highest land value.

In developing an opinion of the Highest and Best Use of the subject property, we considered the following:

The subject site is a 4.5 acre site improved with a 28,024 square foot school building. It is a sound structure considered to be in average condition with some typical deferred maintenance for a building of this vintage. There is ample area for expansion of the parking and recreational facilities. The improvement is considered a legal use conforming to the area and bulk requirements. The site has easy access to Route 115 which provides connections to many of the surrounding communities. The property is just off US Route 9, the major north/south highway of western Dutchess County providing linkage to Interstate 84 (south) and the City of Poughkeepsie (north). During the last few years, there has been continued demand for institutional properties throughout the Hudson Valley by religious and educational user.

Based upon the above and a review and analysis of the neighborhood, site, zoning, and improvement data, it is our opinion that, as of the appraisal date, ~~the highest and best use for the subject property~~ is for continued use of the subject property as a school (private or public) or other non-profit institutional type use.

### ASSESSMENT AND TAX DATA

As of the date of appraisal, the subject property is assessed at \$2,899,500 (including \$256,000 for land). At the present time, the Town of Poughkeepsie is assessing property at 100%. It is our opinion that the overall assessment is high taking into consideration the age and condition of the structure. In the event of sale of the subject parcel, the assessed value would have to be revisited.

At the present time, the subject parcel is owned by the Spackenkill Union Free School District. Despite the fact that it is rented, it is wholly exempt from county, town, fire, light, fire, library and school taxes under Section 420 (b) of the NYS Real Property Tax Law since it is leased to another non-profit organization. Currently being paid are the special district charges for town wide water and drainage charges as well as South Road sewer charges amounting to \$4,346+ in the current year.

## ZONING

The subject property is district zoned "IN; Institutional" by the zoning ordinance of the Town of Poughkeepsie.

The following uses are permitted in the "IN" zone subject to site plan review.

1. Colleges and universities
2. Educational/vocational training centers
3. Hospital clinic
4. Laboratories, dental, medical and radiological, not involving hazardous biological material use, storage or disposal
5. Offices
6. Places of religious worship, subject to section 210-95
7. Schools

Special permit uses include day care center, indoor and outdoor recreation, radio and television station studios and/or antenna, and public utility structures.

Accessory uses includes any use incidental to the principal permitted uses, cafeteria/food service, dormitories, equipment storage buildings, library, parking garages, recreational facilities, theater and temporary construction buildings.

### "IN" area and bulk requirements:

Minimum Lot Area	: 3 acres
Minimum Lot Frontage	: 200 feet
Minimum Building Setbacks	
Front Yard	: 50 feet
Rear Yard	: 50 feet
Side Yard	: 50 feet
Maximum Building Coverage	: 25%
Maximum Building Height	: 6 stories of 60 feet
Off-Street Parking	: As prescribed for each use

The subject property is considered to be a legal conforming use of the subject site.



**23 Spackenkill Road**  
2nd Floor Lounge



**23 Spackenkill Road**  
2nd Floor Staff Lavatory



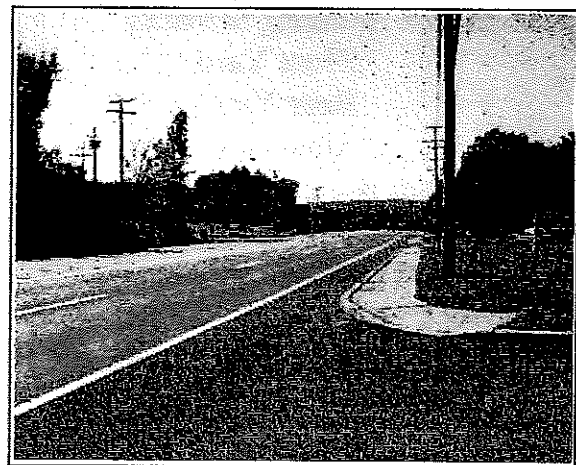
**23 Spackenkill Road**  
Playground



**23 Spackenkill Road**  
Playground



**23 Spackenkill Road**  
Ball Field



**23 Spackenkill Road**  
Spackenkill Road Frontage



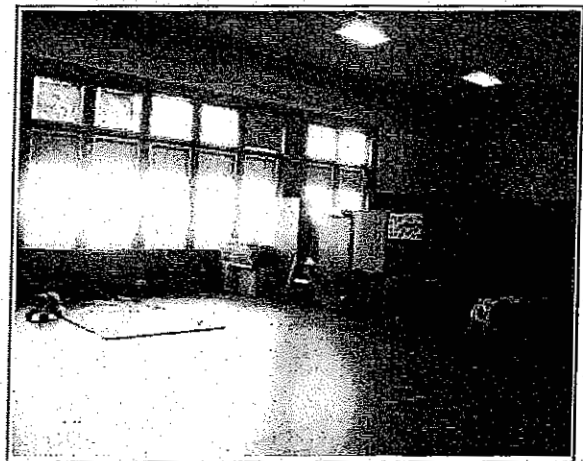
23 Spackenkill Road  
Typical Classroom



23 Spackenkill Road  
Kitchen



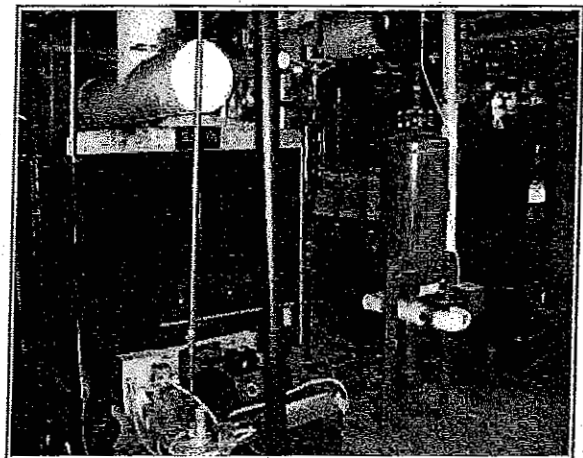
23 Spackenkill Road  
Stage



23 Spackenkill Road  
Gym



23 Spackenkill Road  
Typical Lavatory



23 Spackenkill Road  
Boilers



23 Spackenkill Road  
Front



23 Spackenkill Road  
Front



23 Spackenkill Road  
East Side



23 Spackenkill Road  
West Side



23 Spackenkill Road  
Rear



23 Spackenkill Road  
Parking



### Building Layout

Basement: Mechanical/electrical room, work shop, storage areas, and stairwell.

First Floor: Lobby, office, staff lounge, numerous classrooms, library, gym, lavatories, stairwells and hallways.

Second Floor: Office, break room, lavatory, and stairwell.

<u>Building Size</u>	<u>Sq. Ft.</u>
First Floor	26,008
Second Floor	<u>2,016</u>
Total Gross Area	<u>28,024</u>

### Age and Condition

The subject building was constructed in 1925 with an addition in 1976. It is structurally sound and is considered to be in average condition as of the date of appraisal.

In our opinion, the subject structure has some minor functional problems as a school facility. A minor problem is the lack of handicapped accessibility to the lavatories. In addition, there are some step-up areas to some of the classrooms which have been alleviated by the installation of wooded ramps. Another functional problem is the lack of central air.

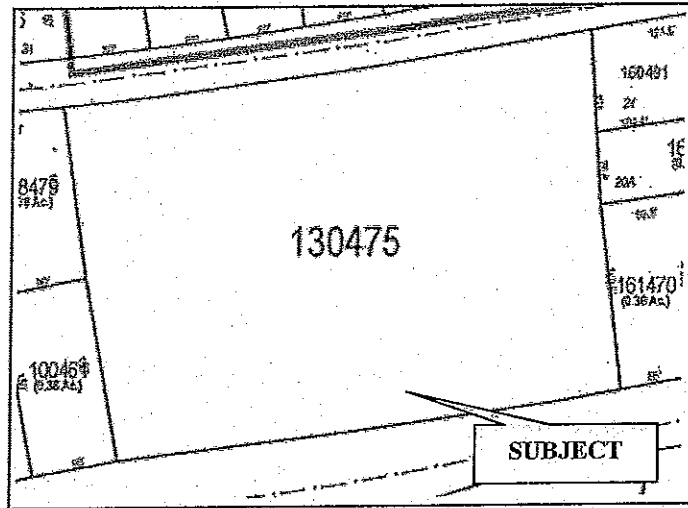
### AMERICANS WITH DISABILITIES ACT

The Americans with Disabilities Act (ADA) became effective January 26, 1992. We 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 fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of the ADA in estimating the value of the property.

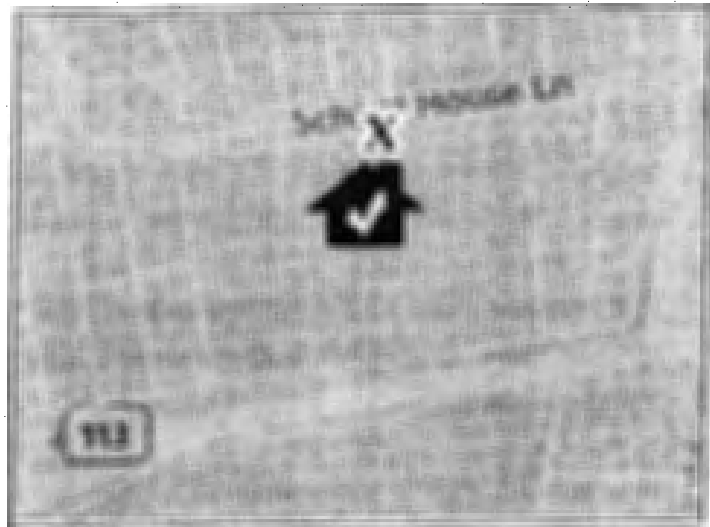
## **IMPROVEMENT DESCRIPTION**

As of the date of appraisal, structural improvements on the subject property consisted of a part one and part two-story school building. Construction details of the office building are as follows:

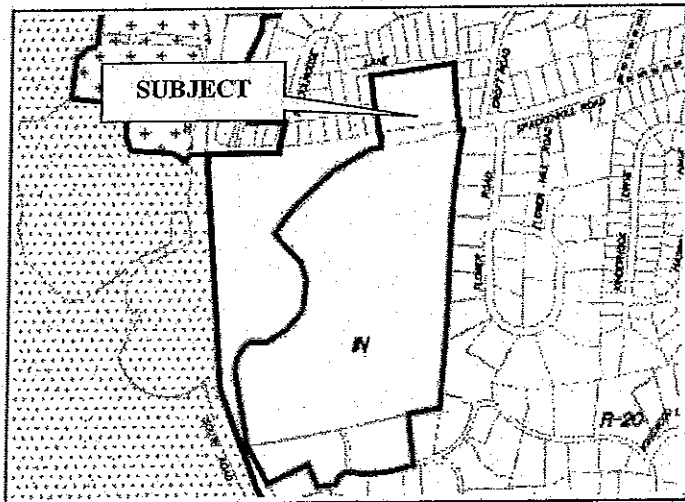
Foundation:	Poured concrete.
Basement:	Poured concrete floors and concrete and cement block walls with boiler/electrical room, workshop/custodial areas and storage.
Framing:	Steel and masonry.
Exterior Walls:	Brick and painted veneer.
Windows:	Primarily double hung in vinyl coated frame.
Roof/Roofing:	Front area has gabled roof with asphalt shingle cover and balance has slightly pitched roof with built-up composition cover.
Ceilings:	Acoustical; recessed lighting.
Floors:	Clay, ceramic or vinyl tile over concrete or wood.
Interior Walls:	Painted plaster or clay tile; some painted wallboard in office areas.
Bathrooms:	Boy's and girl's lavatories on each wing with adequate fixtures; ceramic tile floors and wainscot. Smaller single lavatories for staff on each floor.
Plumbing:	Copper, lead, and galvanized.
HVAC:	Two "HO Smith" furnaces providing hot water heat to radiators. Air conditioning provided by sleeve or window units.
Electrical:	400 amp (480 volt); rigid conduit and armored cable.
Lighting:	Recessed and suspended fluorescent fixtures.
Stairwells:	Small stairway to upper level staff lounge and break room.
Entrances:	Typical double doors with insulated glass to front foyer. There are additional double entry doors around the structure.



Subject Property  
Tax Map



Subject Property  
Flood Map



Subject Property  
Zoning Map

### **SITE DESCRIPTION**

The subject property consists of a 4.5 acre rectangular shaped tax lot with 541± feet of frontage on the north side of Spackenkill Road. As per the metes and bounds within the deeds, the east and west border runs a length of 361± feet, respectively. North border runs a length of 541± feet and is formed by Schoolhouse Lane.

The site is basically at grade with the fronting roadways and is level. Most of the site is open. There is a paved driveway loop at the front of the school structure for bus access and student drop-off. Additional improvements include paved parking area, playgrounds, concrete walkways and sidewalks, perimeter and dividing cyclone fencing, and manicured lawns.

The parking lot on the southwest portion is approximately one acre with ample capacity (135± vehicles).

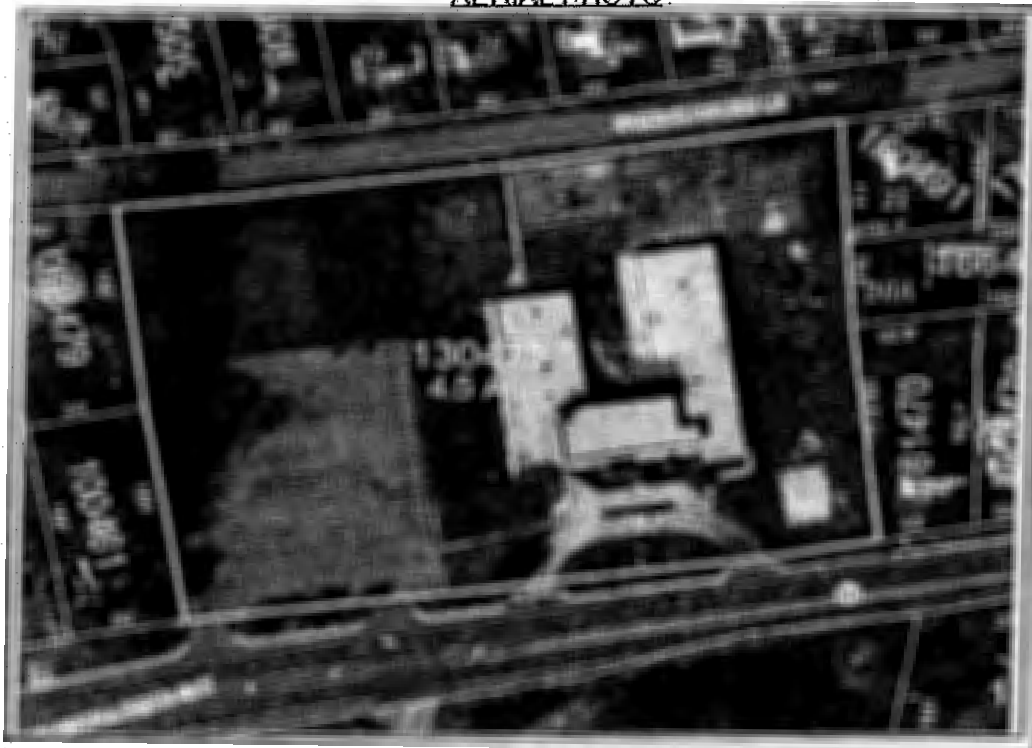
All public utilities service the area. According to Community Panel #36027 C0366E (dated May 2, 2012), the subject site is not located in a flood area.

The western third of the subject parcel, that supports the parking lot and a portion of the ball field, is subject to deed restrictions as outlined on page 2 of Liber 659 Page 556 (see addenda).

The subject site is improved with part one and part two-story school building with 28,024 square feet of gross floor area. Construction details follow. The building is utilized by Mid-Hudson Valley Early Education Center. Licensed by NYS, the building has a capacity of 262 children ranging from infants to pre-kindergarten.



AERIAL PHOTO.



Aerial Photograph

### **NEIGHBORHOOD DESCRIPTION**

The subject property is located on the north side of Spackenkill Road in the west central portion of the Town of Poughkeepsie just east of US Route 9 (aka South Road). It is a mixed use area bordered by the former Dutchess Country Club on the north, Wilbur Avenue on the east, the Casperkill Golf Course to the south, and Route 9 to the west.

The west portion of the described neighborhood is primarily retail comprised of two large shopping centers, small retail strips or free standing structures, office buildings, restaurants and auto sales and services facilities. To the north, east, and west, the area is primarily residential with numerous single family residences. Intermingled are public utility structures and schools. Opposite Route 9 is the IBM Poughkeepsie plant comprised of 380+ acre improved with 3,000,000± square feet of office/industrial space.

At the present time, the real estate market in the area is considered to be inconsistent. There has been recent expansion in the commercial area with the completion of retail and restaurants along Route 9. Currently under construction is a 4,300 square foot branch bank and there is a new 113 room motel proposed in the immediate area. Finally, the front 10+ acre portion of the former Dutchess Country Club, currently zoned for residential use, is before the Town for re-zoning to allow commercial development.

Residential development has been almost non-existent since the past recession. There was a proposal to develop the excess land at the Casperkill Country Club with 465 residential units; however, the project has been put on the back burner due to the decline in the new construction market since the late 2000's.

In our opinion, future development in the area will depend on the resurgence in the regional and local economies.

### **UNDERLYING ASSUMPTIONS AND CONTINGENT CONDITIONS**

In this appraisal, made as of October 17, 2017, no responsibility is assumed for matters of a legal nature, nor has an opinion been rendered on title, good and clear title being assumed, free of any encumbrances and/or defects or liens.

The distribution of values developed herein for land and/or improvements where separately scheduled are values applicable to each such respective element of the subject property under the program(s) of utilization defined herein by virtue of the definition and description of highest and best use. Such individual values may not be applicable under other alternative use programs, and are invalid in conjunction with any other appraisal.

If this appraisal report contains a valuation relating to an estate that is less than the whole fee simple estate, then (i) the value reported for such estate relates to a fractional interest only in the real estate involved, and (ii) the value of this fractional interest plus the value of all other fractional interests may or may not equal the value of the entire fee simple estate considered as a whole.

If this appraisal report contains a valuation relating to a geographical portion of a larger parcel or tract of real estate, then (i) the value reported for such geographical portion relates to such portion only and should not be construed as applying with equal validity to other portions of the larger parcel or tract, and (ii) the value reported for such geographical portion plus the value of all other geographical portions may or may not equal the value of the entire parcel or tract considered as an entity.

The subject property has been considered to have been held under responsible ownership and competent management, unless otherwise specifically stated. In the absence of a statement herein to the contrary, it is assumed that such quality ownership and management will continue for the remaining economic and useful life estimated thereof.

Any representation, indication, and/or description herein as to the physical condition and/or content of the unseen, underlying land or the indiscernible improvements included in this report is intended solely as an expression of the general visual impression gained by the appraiser upon inspection of the property. No representation is made as to any technical and/or engineering expertise of such observations, and no technical and/or engineering professional responsibility is assumed thereof, or for any conditions not observable or specifically mentioned herein.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

Any sketch(s), map(s), drawing(s), and/or diagram(s) prepared by the appraiser and included in this report have been offered only for the purpose of providing visual assistance. No engineering survey or analysis of the property has been made by the appraiser, and no responsibility is assumed in connection therewith.

To the extent, if any, that information, estimates, and/or opinions have been obtained from others, and to the extent, if any, that such information, estimates, and/or opinions have been utilized and/or included herein, the source(s) of such information, estimates, and/or opinions may be deemed to have been sound, responsible, and reliable. However, no responsibility or liability thereof is assumed by the appraiser.



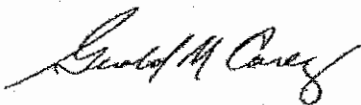
Possession of this report, or a copy thereof, by anyone other than the intended user(s), does not confer any right of disclosure as to the value conclusions, identity of the appraiser, or any part of the contents hereof, or of publication. It may not be used for any purpose by anyone other than the intended user(s) or an authorized committee of the Appraisal Institute without prior written consent of the appraiser or the committee, and then only subject to such qualification(s) as may be imposed in connection therewith. Exception to this condition is granted for appraisal reports submitted to any court of competent jurisdiction, or other duly constituted official body by, or on behalf of the committee, pursuant to duly instituted legal proceedings.

The appraiser by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

### **CERTIFICATION**

We certify that, to the best of our 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 our personal, impartial and unbiased professional analyses, opinions, and conclusions;
- we have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved;
- we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- we 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.
- our 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.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Gerald M Carey, MAI has made an inspection of the property that is the subject of this report.
- the appraiser(s) are competent and qualified to perform this appraisal assignment.
- as of the date of this report, Gerald M. Carey, MAI has completed the requirements of the continuing education program of the Appraisal Institute.
- no one provided significant professional assistance to the persons signing this report.



Gerald M. Carey, MAI  
State Certified General Real Estate Appraiser No. 46-26238

**GERALD M. CAREY, MAI**  
Senior Vice President

**Designation/Certification**

Appraisal Institute (MAI) #11827  
NY Dept. of State Certified General Appraiser #46-26238

**Education**

University of Connecticut, Stamford, Connecticut - M.B.A.  
Pace University, Pleasantville, New York - B.B.A., Accounting

**A.S.A. Courses**

BV I - Introduction to Business Valuation  
BV II - Business Valuation Methodology  
BV III - Case Study in Business Valuation

**Appraisal Institute Courses**

Course #1A1 - Real Estate Appraisal Principles  
Course #1A2 - Basic Valuation Procedures  
Course 1BA - Capitalization Theory & Techniques Part A  
Course 1BB - Capitalization Theory & Techniques Part B  
Course 410, 420 & 430 - Standards of Professional Practice, Part A, B & C  
Course 540 - Report Writing and Valuation Analysis  
Course 550 - Advanced Applications

2002-Present:	Staff appraiser with McGrath & Company, Inc., Fishkill, and Bedford, New York.
1986-2002:	Staff appraiser with McGrath, Basciani and Associates, Inc. Fishkill, and Briarcliff Manor, New York.
1985 - 1986:	Vice President Finance, Delta Education, Inc., Nashua, New Hampshire.
1983 - 1985:	Adjunct Lecturer, Dutchess Community College, Poughkeepsie, New York.
1978 - 1984:	Assistant Controller and Controller, American Felt and Filter, Inc., Newburgh, New York.
1973 - 1978:	Staff Accountant - R.T. Vanderbilt Co., Inc. Norwalk, CT. Inventory Control, Supervision of Accounting Services and Senior Cost Accountant.

Over 25± years experience in the appraisal field specializing in offices, retail, industrial and institutional properties in the Westchester, Putnam, Orange, Dutchess, Greene, Sullivan and Ulster Counties in New York. Other assignments in the area of tax certiorari, condemnation and project feasibility analysis.

Additional experience in the business environment, involved in all facets of the accounting and financial environment including acquisition and merger, employee stock options, taxation and insurance matters.

## CLIENT LISTS

### FINANCIAL INSTITUTIONS

Bank of America  
Barclays Bank of New York  
Bayview Financial  
Citibank, N.A.  
CIT Small Business Lending Corp.  
Community Mutual Savings Bank  
European American Bank  
FDIC  
Fleet Bank  
Fleet Boston Financial  
Flushing Savings Bank  
Hometown Bank of the Hudson Valley  
HSBC  
Hudson United Bank  
Hudson Valley Federal Credit Union  
Interwest National Bank  
JP Morgan Chase  
Key Bank of New York  
Legg Mason

Mahopac Bank  
M&T Bank  
Orange County Trust Company  
Peoples United Bank  
Provident Savings Bank  
Putnam County Savings Bank  
Rhinebeck Bank  
Riverside Bank  
Rondout Savings Bank  
Santander Bank  
Savoy Bank  
Sawyer Savings Bank  
Sovereign Bank  
Sterling Bank  
TD Bank  
TEG Federal Credit Union  
USA Bank  
Wells Fargo Bank

### LEGAL

Bleakley, Platt and Schmidt, P.C.  
Catenacci Markowitz, Delandti, Rosner & Co.  
Corbally, Gartland & Rappleyea  
Cuddy, Feder & Worby  
Daniels & Porco, LLP  
Dickover, Donnelly, Donovan & Biagi  
Paul B. Bergins, Esq.  
Drake, Sommers, Loeb, Heller, Kennedy,  
Goherty, Geba & Rodd, PLLC  
Epstein, Epstein & Epstein  
Finger & Finger, P.C.  
Gellert, Klein & MacLeod, LLP  
Gellert & Rodner, PC  
Goodhue Banks & Arons  
Griffin, Coogan, Sulzer & Horgan, P.C.  
Hogan & Rossi  
Huff & Wilkes  
Herman, Katz, Cangemi & Clyne, LLP  
Jacobowitz & Gubits LLP  
Keane & Beane, PC  
Edward Lackeye, Esq.

Levine & Levine  
Marvin & Marvin, PLLC  
McCabe & Mack  
Millbank, Tweed, Hadley & McCloy  
Miller Zeidermann Wiederkehr & Swarz LLP  
Alan Moeller, Esq.  
Robert Morgenthau  
Paul S. Richmond, Esq.  
Rothschild & Pearl, LLP  
Sagal & Winters, PC  
Joseph St. Onge, Esq.  
Richard Scheiderman, Esq.  
Stanley A. Schutzman, PC  
Simon & Sneider  
Stenger, Roberts, Davis & Diamond  
Edward I. Sumber, PC  
Teahan & Constantino  
Van DeWater & Van DeWater  
Wallace & Wallace, LLP  
Warburg, Dillon & Read  
John E. Watkins, Esq.  
Robert Wolper, Esq.

## COMMERCIAL & INDUSTRIAL CLIENTS

APB Management	Herb Redl Properties
Adams Fair Acre Farms	Herbert Albert LLC
Allegro Realty Advisors	HO Penn
Appraisers & Planners, Inc.	Hoe Ventures
The Azarian Group	Hopewell Associates (M&D Furtch, LLC)
Baright Enterprises	Hudson Heritage, LLC
Bell Atlantic	Hudson Valley Lighting
Big V Corp. (Shoprite)	Jaron Associates
Bronxville Realty Associates	Jomale Corp.
Buckingham Properties	Kearney Realty Company
Castagna Group	Lumelite Corp.
Castle on the Hudson	Metropolitan Transportation Authority
Ray Catena	Mid Hudson Medical Group
Cetek Inc.	Mount Kisco Medical Group
CH Energy Group	NY Dealer Stations
Chevron Land & Development	NYNEX Properties
Collins Brothers Moving & Storage	Orange & Rockland Utilities
Consolidated Edison Co. of NY Inc.	Henry Page Development, Ltd.
Contrail, Inc.	Patrick Properties
Curco Operating Company	Prestige Toyota
CSX Real Property	R.L. Baxter Building Corp.
Davis Advisors	Re-Community Recycling, Inc.
Durst Organization	Rex Realty
Dyson Foundation	Sono Tek Corporation
ECCO III Development	Suburban Propane
East Fishkill Corporate Park, LLC	Suburban Energy Services
Enap, Inc.	T Rex Capital Group
GDC	Ukrainian National Association
Garrison Tree Company	Urstadt Biddle
Gasho of Japan	Verizon
General Electric Company	WSH Realty Group
Glero Realty	Westage Companies
Goldfarb Properties	Zappico
Greystone Holding Corp.	
Guardian Self Storage	

## DEVELOPERS

Alfred Weissman Real Estate Inc.  
Baker Properties  
Banta Management  
Cappelli Enterprises  
Chazen Companies  
Ginsburg Development Corp.  
Kirchoff-Consigli Construction, Mgt., Inc.  
Lennar Home Builders  
Loewen Development Corp.  
Mid-Hudson Development  
NYNEX Properties  
Henry Page Development Corp.  
John Page Development  
Pawling Properties  
Peckham Industries  
Pizzagalli Development Corp.  
Richman Group  
Sharbell Building Company  
Simone Development Company  
Sparrow Construction  
Thylan Associates  
Toll Brothers  
Unicorn Developers  
Vermillion Building Corp.  
Westchester Modular Homes  
Wilder-Balter Partners  
Yonkers Contracting Corp.

## INSTITUTIONAL

Archdiocese of New York  
Bard College  
Beacon City School District  
Benedictine Hospital  
Brudershof Communities in NY, Inc.  
Cardinal Hayes Home for Children  
Catholic Charities of NY  
Four Winds Hospital  
Haldane School District  
Jewish Community Center of Poughkeepsie  
Kingston Hospital  
Knights of Columbus  
Leakes & Watts  
Marist College  
Missionary Oblates of Mary Immaculate  
Missionary Sisters of the Sacred Heart  
Mount St. Mary College  
New York Military Academy  
Northern Dutchess Hospital  
Pace University  
Putnam County Hospital  
Saint Josephs Hospital  
Saint Josephs Seminary  
Saint Lukes Cornwall Hospital  
Salvation Army  
Vassar Brothers Hospital  
Vassar College  
Wappingers Central School District

## MUNICIPALITIES

City of Beacon  
City of Newburgh  
City of New York  
~~City of Poughkeepsie~~  
County of Dutchess  
Dutchess County Dept. of Public Works  
County of Rockland  
County of Westchester  
Westchester County IDA  
Town of Cortlandt  
Town of East Fishkill  
East Fishkill Fire Department  
Town of Carmel  
~~Town of Fishkill~~  
Town of Goshen  
Town of Hyde Park  
Town of LaGrange  
Town of Malta  
Town of Mamakating  
~~Town of Poughkeepsie~~  
Town of Rhinebeck  
Town of Rosendale  
Town of Southeast  
Town of Ulster  
~~Town of Wappinger~~  
Village of Ardsley  
Village of Red Hook  
Village of Wappingers Falls  
NYS Small Business Administration

## LAND TRUSTS

Agricultural Stewardship Association  
American Farmland Trust  
Beaverkill Conservancy  
Black Rock Forest Consortium  
Castanea Foundation, Inc.  
Columbia Land Conservancy  
Delaware Co. Watershed Agricultural Council  
Dutchess Land Conservancy  
Friends of the Great Swamp  
Historic Hudson Valley  
Hudson Highlands Land Trust  
Mohonk Preserve  
The Nature Conservancy  
NYS Dept. of Environmental Conservation  
NYC Dept. of Environmental Protection -  
    Region 3  
    Region 4  
    Region 5  
    Region 6  
NYS Office of Parks Recreation & Historic Preservation  
Office of Parks, Recreation & Historic Preservation  
Open Space Institute  
Trust for Public Land  
Saratoga Plan  
Scenic Hudson Land Trust  
Wallkill Valley Land Trust  
Westchester Land Trust

## ADDENDA

FILE NUMBER  
46000002236

State of New York  
Department of State

### DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY  
Control  
No. 102251

APPROPRIATE TO THE PROVISIONS OF ARTICLE 46 OF THE  
EXECUTIVE LAW AS IT RELATES TO R.E. APPRAISERS

APPROVED BY  
01-04-87

CAREY, GERALD W.  
C/O MCGRATH & COMPANY, INC.  
20 CORPORATE PARK DRIVE  
SUITE 22  
ROSELAND, NEW YORK 11593

APPROVED BY  
07-05-87

HAS BEEN ONLY CERTIFIED TO TRANSACT BUSINESS AS A  
R.E. GENERAL APPRAISER

ROSSANA ROSADO  
SECRETARY OF STATE



496

Recorded March 6, 1925; 2:26 P.M.

# **LIBER 450 CP 496**

Copyright M. E. M.

THIS INSTRUMENT was the third day of March nineteen hundred and twenty five  
between ROBERT DARR & FARRIS INC a corporation organized under the laws of the State  
of New York, party of the first part

-and-

THE UNION FREE SCHOOL DISTRICT NO. 1 of the Town of Poughkeepsie, party of the  
second part

WITNESSETH that the party of the first part in consideration of FIFTEEN  
HUNDRED DOLLARS lawful money of the United States paid by the party of the second part  
does hereby grant and release with the cession of the second part, its successors and  
assigns forever

ALL that certain parcel of land situate, lying and being in the Town of Poughkeepsie,  
County of Dutchess and State of New York bounded and described as follows:

BEGINNING at a point in the northerly line of the Spackenkill Road, said point  
being in range with the wall which is the easterly boundary of the Oakwood School  
property, and thence thence along the northerly line of said road North 87 degrees  
15 minutes east 301.35 feet to a point, thence North 8 degrees 45 minutes east 301.35  
feet to a point, thence South 87 degrees 15 minutes east 301.35 feet to a point, and  
thence South 8 degrees 45 minutes west 301.35 feet to the point of beginning,  
together with the appurtenances and all the estate and rights of the party of the first  
part in and to said premises.

TO HAVE AND TO ENJOY the premises herein granted unto the party of the second  
part, its successors and assigns forever

AND the party of the first part covenants as follows:

FIRST: That the party of the first part is seised of said premises in fee  
simple and has good right to convey the same

SECOND: That the parties of the second part shall quietly enjoy the said  
premises;

THIRD: That the said premises are free from incumbrances.

FOURTH: That the party of the first part will execute or procure any further  
necessary assurance of the title to said premises;

FIFTH: That the party of the first part will forever warrant the title to  
said premises.

IN WITNESS WHEREOF the party of the first part has caused its corporate  
seal to be hereunto affixed and these presents to be signed by its duly authorized  
officers this day and year first above written.

(Corporate Seal)

ROBERT DARR & FARRIS INC

By D. E. Wilbur

President

All 50 stamp attached

STATE OF NEW YORK

COUNTY OF DUTCHESS

On the 3rd day of March nineteen hundred and twenty five before  
me D. E. WILBUR to be known who being by me duly sworn did depose and say that he  
reside in Poughkeepsie, Dutchess County, New York; that he is the President of Robert  
Darr & Farris Inc the corporation described in and which executed the foregoing instrument;

that he knows the seal of said corporation; that the seal affixed to said instrument  
is such corporate seal; that it was so affixed by order of the board of directors of  
said corporation; and that he signed his name thereto by like order.

Witness my hand

Notary Public

Notary Public

NOTARIAL SEAL A - CHARTER OF LAWS 1911-1912, 1913  
Seal with Not. Commission No. 1004

THE CHESAPEAKE TRADING COMPANY, 401 PEARL ST., N. Y. 1922

# This Indenture,

Made the 20th day of September, 1922,  
hundred and forty-six

Between WILLIAM N. BOWELL, residing at Red Oak Mills, Poughkeepsie, N. Y., and JAMES L. LOMB, residing at New Hackensack Road, Poughkeepsie, N. Y.,

parties of the first part, and

UNION FREE SCHOOL DISTRICT #2, of the Town of Poughkeepsie, Dutchess County, New York,

party of the second part:

Witnesseth, that the parties of the first part, in consideration of  
TEN Dollars,

lawful money of the United States, and other good and valuable consideration paid by the party of the second part, do hereby grant and release unto the party of the second part, its successors and assigns forever,

All that piece or parcel of land situate in the Town of Poughkeepsie, Dutchess County, New York, more particularly bounded and described as follows:

BEGINNING at a point on the northerly side of the Spackenkill Road, said point being the southeasterly corner of the herein described parcel and the southeasterly corner of the parcel conveyed to the Union Free School District No. 2, by deed dated March 5, 1922 and recorded in the office of the Dutchess County Clerk in Liber 490 of Deeds at Page 496; thence westerly, along the northerly side of said Spackenkill Road, N 86° 18' W 180.00 feet to a point, being the southwesterly corner of the herein described parcel and the southeasterly corner of the parcel conveyed to Frederick C. Thomann, by deed dated October 2, 1927 and recorded in the office of the Dutchess County Clerk in Liber 563 of Deeds at Page 210; thence northerly, along the easterly line of said Thomann, S 3° 42' E 361.35 feet to a point, being the northwesterly corner of the herein described parcel; thence easterly,

Legal Description - Liber 649 Pg. 556 (continued)

parallel to said Spackenkill Road, S 26° 18' E 180.00 feet to a point, being the northeasterly corner of the herein described parcel and the northwesterly corner of the aforementioned parcel conveyed to the Union Free School District No. 2; thence southerly, along the westerly line of said School parcel, S 3° 42' W 561.35 feet to the point or place of beginning.

Being the same premises conveyed, by deed dated April 24th, 1944, by Ruppert Park & Farms, Inc. to James L. Lumb and William H. Howell, and recorded in the Dutchess County Clerk's Office April 24th, 1944 in Liber 613 of Deeds, at Page 433.

This conveyance is made subject to and upon the following covenants, conditions and restrictions, which shall run with the land and be binding upon the grantees herein, its successors and assigns and all persons claiming under it:

1. No building shall be erected upon any lot except one detached single family dwelling and a garage for not more than two cars.
2. No building shall be erected on said premises until the design and location thereof have been approved in writing by a committee of three (3) persons appointed by James L. Lumb and William H. Howell which committee shall be self perpetuating and shall have the power to name a new member thereof upon the occurrence of any vacancy among its membership. However, in the event that such committee fails to approve or disapprove such design and location within thirty (30) days after the submission of the plans to it, then such approval will not be required provided the cost of said building is not less than \$12,000 and/or it occupies an area of not less than 964 square feet.
3. No building shall be erected upon said premises nearer than fifteen feet to any side lot line or nearer than sixty feet to a front line or nearer than ten feet to a rear lot line.
4. Said premises shall not be divided or subdivided into lots having an area of less than 13500 square feet or a width of less than 125 feet each.
5. No retail or wholesale shop or store shall be erected and no business or industry or any noxious or offensive trade shall be carried on upon said premises, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.
6. No tents, shacks, trailers or garage shall be occupied as living quarters on said premises.
7. No signboards or advertising structures of any kind shall be erected or placed upon said premises.
8. No birds, livestock or animals of any kind whatsoever, except household pets, shall be kept, housed or permitted to remain upon said premises.

The grantors herein expressly covenant and agree that restriction No. 1 hereinabove set forth shall not be construed so as to prevent the grantees herein, during its ownership of the herein described premises, from maintaining and conducting a school upon said premises and using the same for general school purposes and any uses incident thereto.

None of the restrictions contained herein shall apply to the premises during the time the premises are owned by Union Free School District #2 or any successor school district or educational municipal corporation, existing under the Education Law of the State of New York, and while the said premises are used exclusively by such school district or educational municipal corporation for general school purposes.

Together with the appurtenances and all the estate and rights of the parties of the first part, to and to the said premises.

To have and to hold the premises herein granted unto the part 1 of the second part, its successors and assigns forever

And said parties of the first part

covenant as follows:

First. That said parties of the first part

are seized of the said premises in fee simple, and have good right to convey the same;

Second. That the party of the second part shall quietly enjoy the said premises;

Third. That the said premises are free from incumbrances; free from encumbrances except as aforesaid;

Fourth. That the parties of the first part will execute or procure any further necessary assurance of the title to said premises;

Fifth. That said parties of the first part will forever warrant the title to said premises.

Sixth. The grantor is, in compliance with Section 13 of the Ejectment Law, covenant as follows: That they will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement, and that they will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

In Witness Whereof, the part 1st of the first part have hereunto set their hands and seals the day and year first above written.

In the Presence of  
William J. ...



\_\_\_\_\_  
James H. ... (S.S.)  
James H. ... (S.S.)

Legal Description – Liber 649 Pg. 556 (continued)

State of New York } ss:  
County of DUTCHESS  
On the 20th day of September, nineteen hundred and  
forty-six before me personally comes WILLIAM H. HOWELL and JAMES L.  
LUMB, to me known  
to be the individuals described in, and who executed, the foregoing instrument,  
and acknowledged that they executed the same.

*William Howell*  
Notary Public, Dutchess County, N.Y.  
Residing in Dutchess County, N.Y. 12520  
My commission expires March 10, 1947

*1-2 of already on*

**Deed.**

WILLIAM H. HOWELL and JAMES L.  
LUMB, et al.

TO

UNION FREE SCHOOL DISTRICT #2.

Dated, September 20th, 1946.

*Wm. J. Walsh*  
WILLIAM J. WALSH  
COUNTY CLERK AT LAW  
NEW YORK STATE  
1939-1946

RECORD THIS SPACE FOR THE RECORDING OFFICE

DEED	LIBER NO.	PAGE NO.
1946	649	556
NAME INDEX	INDEX	INDEX
1946	649	556
CONFIRMED PAGE INDEX	CONFIRMED PAGE INDEX	CONFIRMED PAGE INDEX
1946	649	556

Publics Credit Office  
10115  
at 10115  
each the 10115  
in 1946 556  
FREDERIC A. SMITH, Clerk  
10115

1946 649 556

