

**McGrath & Company, Inc.**  
Real Estate Appraisers & Counselors

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**APPRAISAL REPORT**

2360-2366 ROUTE 6  
SECTION 56; BLOCK 1; LOT 14  
TOWN OF SOUTHEAST  
PUTNAM COUNTY, NEW YORK

**MCGRATH FILE #**

C1603344

**SUBMITTED**

Mr. Tony Hay  
Supervisor, Town of Southeast  
1360 Route 22  
Brewster, NY 10509

**EFFECTIVE DATE**

MARCH 30<sup>TH</sup>, 2016

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April 7<sup>th</sup>, 2016

Mr. Tony Hay  
Supervisor, Town of Southeast  
1360 Route 22  
Brewster, NY 10509

**Re: 2360-2366 Route 6  
Section 56; Block 1; Lot 14  
Town of Southeast  
Putnam County, NY**

Dear Mr. Hay:

In accordance with your request, we have prepared an appraisal report for the captioned property, consisting of 5.80± acres of "GC; Gateway Commercial" zoned land, situated along the easterly side of Route 6 in the Town of Southeast, and a non-contiguous landlocked parcel comprising 2.4± acres of "R20; Residential" zoned land, situated within the Brewster Heights Water & Sewer District. In our opinion, the vacant landlocked parcel has a nominal value as a stand-alone lot, but significantly enhances the value of the primary parcel, providing the availability to connect to the Brewster Heights Water & Sewer District. While we have not considered the land area of the smaller landlocked parcel herein, we have taken into consideration the enhancement to the primary parcel within our valuation.

The underlying 5.80± acre site is improved with a three-story (over-basement), 4,875± square foot, mansard-style structure, erected circa 1918 and a two-story, 1,535± square foot, single-family residence, erected circa 1935, having three-bedrooms and one-bathroom. As of the date of inspection, the three-story mansard-style building was in disrepair, requiring total demolition and, as such, has not been considered herein. The 1,535± square foot, single-family residence was in fair/average physical condition and in our opinion represents an interim use. In our opinion, the enhancement to value created by the existing improvements is offset by their cost to demolish and, therefore, the subject property has been valued as though vacant land.

The purpose of this appraisal report is to develop an opinion of the market value of the fee simple interest in the subject property, as of March 30<sup>th</sup> 2016, for sale negotiation purposes. The report describes the scope of the appraisal, the techniques of valuation and the reasoning leading to the opinion of value. This letter does not in itself constitute an appraisal. Rather, it serves to transmit the following appraisal report. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.

We have conducted an analysis of the physical aspects of the property and have reviewed relevant market and economic considerations. Within this report, is a detailed description of the approaches relied upon in arriving at our opinion of market value for the subject property. The opinions and conclusions set forth within this report may not be properly understood without additional information contained within the work-file of this property, retained within our office. This appraisal report is subject to the enclosed limiting conditions.

McGrath & Company, Inc.

**FINAL OPINION OF VALUE – FEE SIMPLE INTEREST**

As a result of this analysis, it is our opinion that the market value of the fee simple interest in the subject property, as of March 30<sup>th</sup>, 2016 was as follows:

**SEVEN HUNDRED THOUSAND DOLLARS**

**(\$700,000)**

**or**

**\$120,000 Per Acre (5.80± Acres), Rd.**

This appraisal has been prepared to conform to the requirements of Section 323.4 (a) and (b) of the Rules and Regulations of the Federal Deposit Insurance Corporation, federal appraisal regulations set forth in title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA), and the Uniform Standards of Professional Appraisal Practice (USPAP), adopted by the Appraisal Standard Board of the Appraisal Foundation. We believe the content of this report covers the scope of our assignment. If there are any questions, or if you should require clarification, do not hesitate to call.

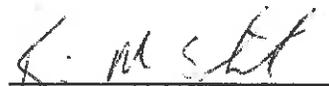
Thank you for providing us with the opportunity to assist you with this matter.

Very truly yours,



Gerald M. Carey, MAI

State Certified General Real Estate Appraiser No. 46-26238



Kevin M. Schick

State Certified General Real Estate Appraiser No. 46-49034



Salvatore DeSiena

State Certified Real Estate Appraiser Assistant No. 48-49858

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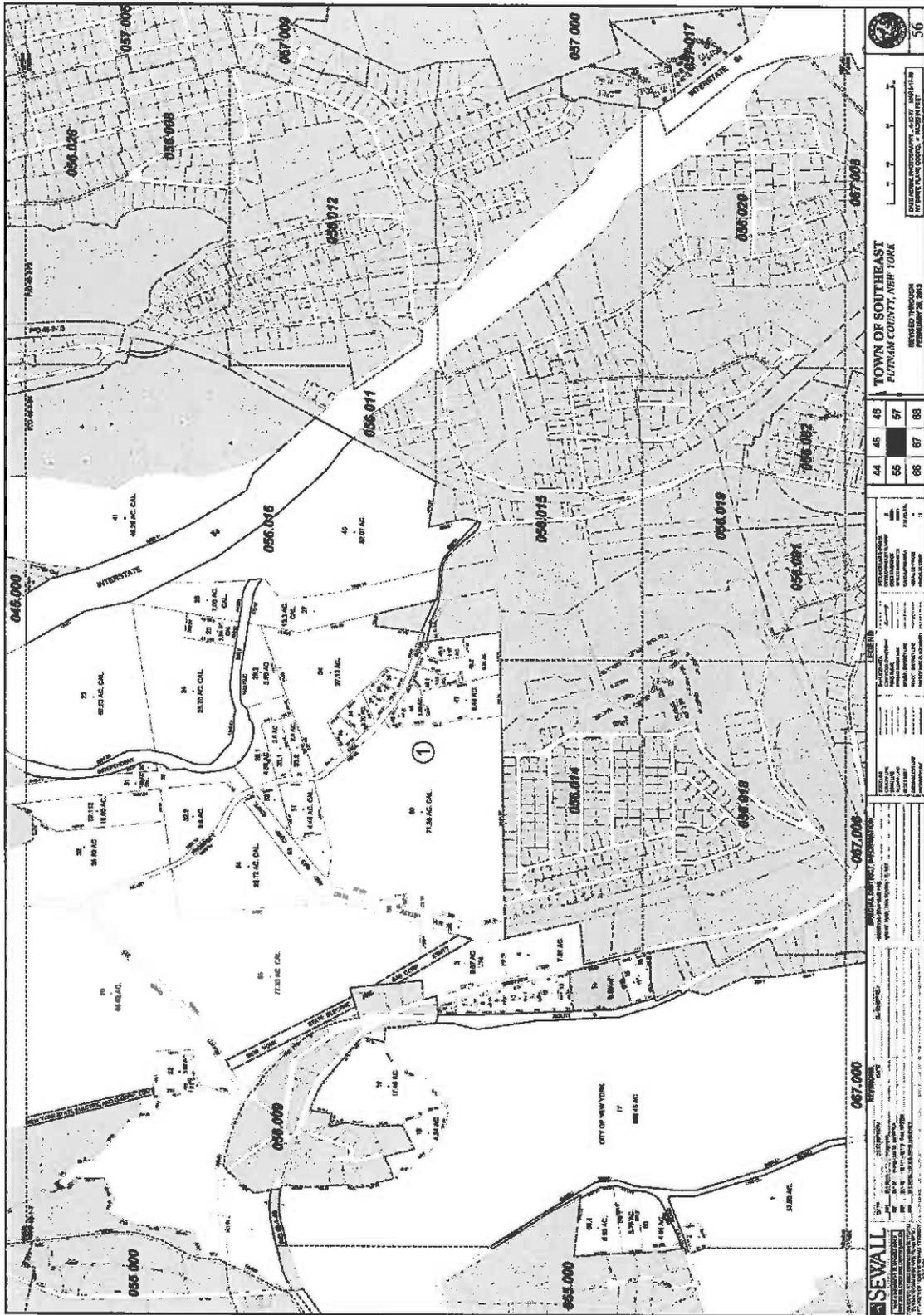
**SUBJECT PHOTOGRAPHS**



**SOUTHEAST (BREWSTER P.O.) – 2360-2366 ROUTE 6**



**SUBJECT PROPERTY TAX MAP**



**EXECUTIVE SUMMARY**

Following is a summary of salient factual data and of valuation conclusions. Value estimates presented herein are based upon the material in the report and the appraisers' background, knowledge, training, and experience. They have been developed and reached through the use of recognized appraisal theory, method, technique, and practice, and represent the appraisers' judgment and opinion with respect to the subject property as of the date of valuation.

**Property Summary**

- Address : 2360-2366 Route 6, Brewster, New York 10509.
- Tax Lot I.D. : Section 56; Block 1; Lot 14.
- Type of Property : Vacant land with minor interim improvement.
- Land Area : 5.80± acres.
- Gross Building Area : 1,535± square foot interim residence.
- Occupancy : As of the date of valuation, the subject property was owned by the Town of Southeast. The single-family residence was leased on a month-to-month basis.
- Building Age/Condition : The interim residence was erected circa 1935 and, considered to be in fair/average condition.
- Property Rights Appraised : Fee Simple Interest.
- Assessed Value : \$641,000
- Equalization Rate : 100%
- Equalized Full Value : \$641,000
- Per Acre : \$110,517
- Real Estate Taxes : Currently Exempt
- Zoning District : "GC; Gateway Commercial"
- Highest and Best Use : Retail/Office development.
- Exposure Time : 12 months.
- Flood Zone : According to FEMA Map# (36079C0142E), dated March 4<sup>th</sup>, 2013, the property **is not** located within a designated flood hazard area.

**VALUATION SUMMARY**

Sales Comparison Approach	\$700,000
<b>Final Opinion of Value</b>	<b>\$700,000</b>

### **NATURE OF THE ASSIGNMENT**

McGrath & Company, Inc. has been retained to develop an opinion of the market value of the fee simple interest in the subject real property known as 2360-2366 Route 6, Southeast (Brewster P.O.), Putnam County, New York. The appraisal will address the physical, economic, governmental and marketing considerations affecting the value of the subject real property.

### **APPRAISAL FOUNDATION STANDARDS**

This appraisal has been prepared to conform to the Uniform Standards of Professional Appraisal Practice (USPAP), adopted by the Appraisal Foundation.

### **EFFECTIVE DATE**

The effective date of value is March 30<sup>th</sup>, 2016, the date of our physical inspection of the subject property.

### **INTENDED USER(S)**

The intended user of this report is Mr. Tony Hay, Supervisor, and the Town of Southeast, identified herein, as the client who engaged us in the assignment.

### **INTENDED USE**

The intended use of this report is to develop an opinion of the market value of the fee simple interest in the subject property, as of March 30<sup>th</sup>, 2016, for sale negotiation purposes.

### **COMPETENCY**

The appraisers' performing this assignment are competent to complete this report, in accordance with the competency provision in USPAP.

### **CURRENT OWNERSHIP & SALES HISTORY**

As of the date of valuation, title to the property was vested with *The Town of Southeast.*, who acquired the property by virtue of a certain deed recorded on February 11<sup>th</sup>, 2014 in the Putnam County Clerk's Office, Division of Land Records at Liber 1944 Page 1.

The subject property is not actively listed on the open market nor in contract of sale as of the date of this appraisal.

### **PROPERTY IDENTIFICATION (LEGAL DESCRIPTION)**

The subject property is situated along the easterly side of Route 6, directly across from the Middle Branch Reservoir in the Town of Southeast. It is municipally identified on the official tax maps and assessment rolls of the Town of Southeast as follows:

2360-2366 Route 6 – Section 56; Block 1; Lot 14

### **DEFINITION OF MARKET VALUE**

The value estimate rendered herein is based upon the following definition of Market Value set forth in Title XI of FIRREA, 12CFR34.41 through 34.47:

“The most probable price in terms of money which a property should bring in a competitive and open market under all conditions requisite to fair sale, the buyer and seller, each acting prudently, 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:

- A. Buyer and Seller are typically motivated.
- B. Both parties are well informed or well advised, and each acting in what they consider their own best interest.
- C. A reasonable time is allowed for exposure in the open market.
- D. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- E. The price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

In rendering our estimate of the market value, the appraisers’ have considered various marketplace factors affecting the value of real property. Among several criteria, we have considered typical financing patterns, the subject property’s size, zoning, neighborhood characteristics and influences, and availability and sufficiency of municipal utilities and services. We have also considered functional utility of the site and improvements as well as, their overall marketability. Each of these criteria has been carefully considered and, when viewed as a whole, provide for the formulation of intelligent, considered, and informed value conclusions, within the context of the definition of market value presented above.

### **HYPOTHETICAL CONDITIONS**

According to the 2016-17 Uniform Standards of Professional Appraisal Practice (USPAP), a hypothetical condition is 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 this analysis. *Hypothetical conditions assume conditions 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 the data used in the analysis.* The difference between whether a particular condition is an extraordinary assumption or a hypothetical condition depends upon what the appraiser knows about the particular condition in question.

If an appraiser cannot verify a certain condition that is critical to the valuation but which he believes is true and has no reason to doubt is true, then the condition is an extraordinary assumption. If, on the other hand, an appraiser is asked to use a condition which he knows to be false but which is necessary for the analysis, then two things are required; the appraiser can use the condition as long as it meets the criteria in USPAP and the appraiser must not confuse the information with the known facts. The appraiser must clearly distinguish "false conditions" from those other assumptions or conditions which are believe to be true.

- As a condition of this assignment, the appraisers' have valued the subject property under the hypothetical condition that the subject would be equitably assessed upon transfer to a taxable ownership entity.

### **EXTRAORDINARY ASSUMPTIONS**

According to the 2016-17 Uniform Standards of Professional Appraisal Practice (USPAP), an extraordinary assumption is "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 opinions or conclusions. *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 the integrity of the data used in the analysis.*

- 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.
- As a condition of this assignment, we have made the extraordinary assumption that easement agreements will remain for public water and sewer connection, originally outlined in an agreement with Putnam County, granting the right to cross under a portion of the Putnam County Trail-Way to connect to the Brewster Heights Water & Sewer District, provided by the 2.4± acres of landlocked "R20; Residential" zoned land. Our opinion of value contained herein would be negatively impacted if connection with the Brewster Heights Water & Sewer District is disallowed.

## SCOPE OF WORK

The scope of work for the appraisal encompasses the research and the extent of the analyses required to prepare an appraisal in accordance with the intended use of the report and in compliance with the Code of Ethics and the Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.

To accomplish this assignment, the following scope of work was undertaken:

- Inspected the subject property and surrounding area: Kevin M. Schick and Salvatore DeSiena made a thorough inspection of the subject property and surrounding area on March 30<sup>th</sup>, 2016. Gerald M. Carey made a subsequent drive-by inspection.
- Compiled property specific data from municipal and public property records e.g. assessment cards, property taxes, deed, etc.
- Analyzed any available surveys, maps, sketches/plans and other pertinent data relative to the subject property.
- Analyzed demographic data specific to the subject's market area: State, County, Town and Neighborhood data are based on published sources (US Census, NYS Department of Labor, US Bureau of Labor Statistics, etc.) the files of McGrath and Company, Inc., an inspection and analysis of the subject's market area and discussions with knowledgeable parties.
- Analyzed zoning regulations applicable to the subject property: Zoning information is based upon the Town of Southeast Zoning Code.
- Analyzed the Highest and Best Use of the subject property based upon the four criteria that the highest and best use must meet e.g. legal permissibility, physical possibility, financial feasibility, and maximum productivity.
- Considered all approaches to value and developed the Sales Comparison Approach in the valuation of the subject property. Since the subject property primarily represents vacant land, and its interim use only generates a nominal amount of income, the Income Approach was deemed applicable and has been excluded. Furthermore, since the existing improvements do not represent new construction, it is our opinion that the Cost Approach is not especially relevant and, therefore, has been omitted.
- Reviewed and analyzed any lease(s) that encumber the subject property and their impact on value.
- Researched and analyzed comparable sales within the subject's market area.
- Developed an opinion of market value, based upon all data and methodology set forth within this appraisal report.

### **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.

A rental property is not always a complete parcel of real estate, which includes a complete bundle of rights, i.e., "fee simple" rights. When a property is leased, different interests are created, such as the "leased fee" interest and "leasehold" interest. Since the property is unencumbered by any long-term lease agreement, we will be concerned with the fee simple interest.

The various "fee simple" and lease interests, as shown in The Dictionary of Real Estate Appraisal, Sixth Edition (©2015), are defined as follows:

"Fee Simple Interest/(Estate)" is defined 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.

"Leased Fee Interest/(Estate)" is defined as:

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

"Leasehold Interest" is defined as:

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

### **PERSONAL PROPERTY, FIXTURES AND INTANGIBLE ITEMS**

This appraisal is of the real estate only, and excludes the value of any personal property, fixtures and intangible items.

### **EXPOSURE TIME**

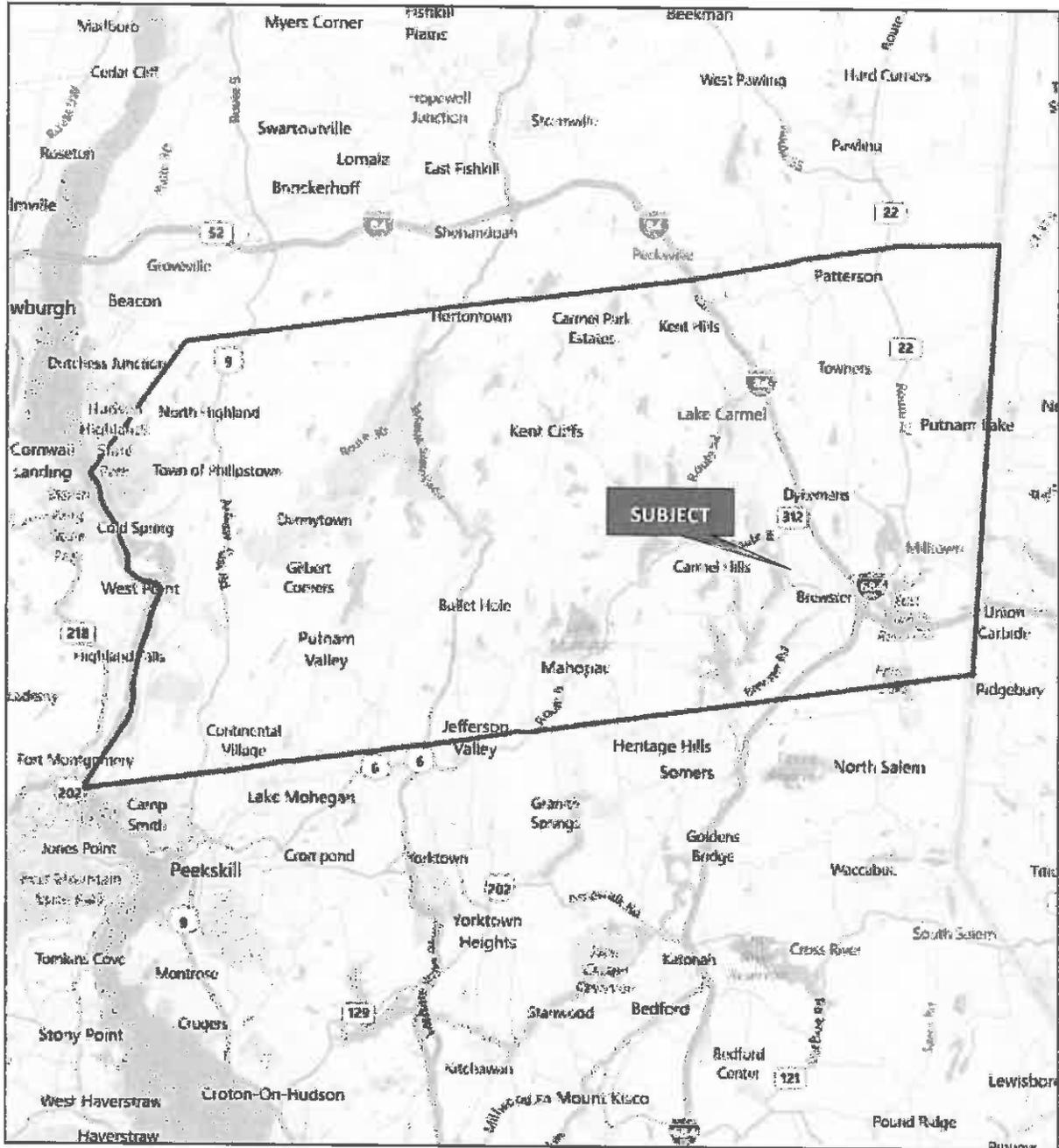
Exposure time *precedes* the effective date of appraisal, and is defined in The Dictionary of Real Estate Appraisal, Sixth Edition (©2015), as follows:

“The estimated length of time that the property interest being appraised would have been offered on the open market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.”

In arriving at an estimate of reasonable exposure time, the appraiser assumes an adequate, sufficient and reasonable effort to sell the real property.

Owing to market conditions, preceding the effective dates of this valuation, that were similar to present market conditions, i.e., similar supply and demand factors, stable local and regional economic conditions, similar availability and cost of financing, etc., and based upon information gathered through sales verification, our daily activity in the real estate market and interviews with market participants, **it is our opinion that a reasonable exposure time for the subject property, would have been 12 months.**

**PUTNAM COUNTY MAP**



### **PUTNAM COUNTY DATA**

Putnam County, situated approximately 50 miles north of New York City, encompasses an area of 246± square miles, in the Mid-Hudson Valley region of New York State. The county is bounded by the Hudson River on the west, Westchester County to the south, Dutchess County on the north and the State of Connecticut to the east. The topography consists of gently rolling hills and valley, lakes, woodlands and fields, typical of the distinguishing features that exemplify the Hudson Valley. Comprised of six towns and three villages, Putnam County is characterized by mostly suburban and rural living environs.

Most parts of the County are served by a network of easily accessible local and interstate roadways. Interstate-84, a primarily east/west route, traverses the eastern part of the county in a north/south direction, connecting with Interstate-684 in the Town of Southeast. Interstate-84 provides access to the greater Hudson Valley and States of Connecticut and Pennsylvania. Routes 9, 9D, 22, I-684 and the Taconic State parkway are the predominant north/south thoroughfares and link to other major transportation corridors in neighboring counties. Routes 52, 6, 202 and 301 provide additional localized travel throughout the county.

The Metro-North Commuter Railroad, through two of its rail divisions; the Hudson and Harlem line, provides Putnam commuters daily service into Manhattan (the financial, cultural, and business center of the nation), Westchester and Dutchess Counties as well as parts of Connecticut. The map on the following page, provided by the MTA, depicts all of the stations along the aforementioned lines.

The nearest air transportation is available via the Westchester County Airport, approximately 30 minutes in travel time from the center of Putnam County. Connecting flights provide access to virtually all major cities throughout the country. The chart on the following page identifies the major airlines and destinations.

Putnam County has long been established as a prototypical bedroom community. As such, it offers a lower cost (affordable) housing alternative to Westchester County, while still being conveniently located to New York City and in close proximity to commercial centers and office corridors in Westchester and Fairfield County, Connecticut.

### **DEMOGRAPHIC, HOUSING AND ECONOMIC DATA**

On the following pages pertinent demographic, housing and economic data pertaining to the Town of Southeast, Putnam County and New York State has been provided for reference purposes. This data has been sourced from the *U.S Census Bureau, 2010-2014 American Community Survey*, released on December 3<sup>rd</sup>, 2015.

2014 DEMOGRAPHIC DATA	Town of Southeast		Putnam County		New York State	
	#	%	#	%	#	%
<b>Total Population</b>	<b>18,335</b>	<b>18,335</b>	<b>99,697</b>	<b>99,697</b>	<b>19,594,330</b>	<b>19,594,330</b>
Male	9,150	49.9%	49,685	49.8%	9,495,978	48.5%
Female	9,185	50.1%	50,012	50.2%	10,098,352	51.5%
<b>Median Age (years)</b>	<b>40.8</b>	<b>(X)</b>	<b>42.6</b>	<b>(X)</b>	<b>38.1</b>	<b>(X)</b>
18 years and over	14,093	76.9%	77,274	77.5%	15,322,098	78.2%
21 years and over	13,404	73.1%	73,580	73.8%	14,459,105	73.8%
62 years and over	2,908	15.9%	16,956	17.0%	3,405,922	17.4%
65 years and over	2,206	12.0%	13,574	13.6%	2,755,172	14.1%
<b>18 years and Over</b>	<b>14,093</b>	<b>14,093</b>	<b>77,274</b>	<b>77,274</b>	<b>15,322,098</b>	<b>15,322,098</b>
Male	7,121	50.5%	38,230	49.5%	7,312,073	47.7%
Female	6,972	49.5%	39,044	50.5%	8,010,025	52.3%
<b>65 years and Over</b>	<b>2,206</b>	<b>2,206</b>	<b>13,574</b>	<b>13,574</b>	<b>2,755,172</b>	<b>2,755,172</b>
Male	954	43.2%	6,121	45.1%	1,155,176	41.9%
Female	1,252	56.8%	7,453	54.9%	1,599,996	58.1%
<b>Total Housing Units</b>	<b>7,011</b>	<b>(X)</b>	<b>38,313</b>	<b>(X)</b>	<b>8,153,309</b>	<b>(X)</b>

Based on the current census figures, the Town of Southeast had an estimated population of 18,335, indicating a 5.88% increase from the 2000 estimate of 17,316. This in-flux of residents is greater than that of the county which had a population increase of 4.12% and New York State (3.25% increase) during the same time period. The Town of Southeast encompasses a total land area of 35± square miles with a population density of 525± people per square mile, while Putnam County has a population density of about 405± persons per square mile.

As can be seen in the chart on the following page, close to 75% of the housing stock in Southeast consists of conventional single-family (1-unit) housing, which is more than that of New York State. By comparison, Southeast can be described as rural in character, with a significant amount of open space. The majority of the housing stock within the town consists of residential subdivisions and condominium developments, constructed between 1950 and 1990.

Putnam County had 38,313 housing units as of the current Census estimate. This represents an 9.4% increase over the 2000 estimate of 35,030. Residential growth throughout the county has been generally static during the last decade with the exception of *Baldwin Meadows* and *The Retreat at Carmel*, a 55 and over community, comprised of 314± residential units, situated on 94± acres of land off of Route 6 in the Town of Carmel. Additionally, *Wilder Balter Partners, Inc.*, constructed a 75± unit, age-restricted, rental development along Route 52 in the Town of Carmel, known as *Hillcrest Commons*. A majority of the housing increase during the last decade is a result of the construction of single-family homes and subdivisions, dispersed throughout the county, many of which were built between 2000 and 2004.

2014 HOUSING DATA	Town of Southeast		Putnam County		New York State	
	#	%	#	%	#	%
<b>Total Housing Units</b>	<b>7,011</b>	<b>7,011</b>	<b>38,313</b>	<b>38,313</b>	<b>8,153,309</b>	<b>8,153,309</b>
Occupied housing units	6,550	93.4%	34,164	89.2%	7,255,528	18937.5%
Vacant housing units	461	6.6%	4,149	10.8%	897,781	2343.3%
Homeowner vacancy rate	0.9%	(X)	1.0%	(X)	1.8%	(X)
Rental vacancy rate	6.0%	(X)	4.4%	(X)	4.4%	(X)
<b>Units in Structure</b>						
<b>Total Housing Units</b>	<b>7,011</b>	<b>7,011</b>	<b>38,313</b>	<b>38,313</b>	<b>8,153,309</b>	<b>8,153,309</b>
1-unit, detached	4,136	59.0%	29,900	78.0%	3,418,601	41.9%
1-unit, attached	937	13.4%	2,273	5.9%	403,779	5.0%
2 units	552	7.9%	1,694	4.4%	865,383	10.6%
3 or 4 units	462	6.6%	1,266	3.3%	602,592	7.4%
5 to 9 units	509	7.3%	1,522	4.0%	429,361	5.3%
10 to 19 units	114	1.6%	511	1.3%	336,711	4.1%
20 or more units	229	3.3%	861	2.2%	1,896,897	23.3%
Mobile home	52	0.7%	266	0.7%	196,156	2.4%
Boat, RV, van, etc.	20	0.3%	20	0.1%	3,829	0.05%
<b>Year Structure Built</b>						
<b>Total Housing Units</b>	<b>7,011</b>	<b>7,011</b>	<b>38,313</b>	<b>38,313</b>	<b>8,153,309</b>	<b>8,153,309</b>
Built 2010 or later	27	0.4%	210	0.5%	45,686	0.6%
Built 2000 to 2009	609	8.7%	3,048	8.0%	543,583	6.7%
Built 1990 to 1999	1,052	15.0%	3,764	9.8%	499,451	6.1%
Built 1980 to 1989	1,674	23.9%	5,252	13.7%	611,653	7.5%
Built 1970 to 1979	843	12.0%	5,731	15.0%	820,546	10.1%
Built 1960 to 1969	587	8.4%	5,823	15.2%	1,025,453	12.6%
Built 1950 to 1959	871	12.4%	5,027	13.1%	1,228,477	15.1%
Built 1940 to 1949	267	3.8%	3,022	7.9%	702,846	8.6%
Built 1939 or earlier	1,081	15.4%	6,436	16.8%	2,675,614	32.8%
<b>Occupied Housing Units</b>	<b>6,550</b>	<b>6,550</b>	<b>34,164</b>	<b>34,164</b>	<b>7,255,528</b>	<b>7,255,528</b>
Owner-occupied	4,896	74.7%	28,245	82.7%	3,906,991	53.8%
Renter-occupied	1,654	25.3%	5,919	17.3%	3,348,537	46.2%
Average household size of owner-occupied	2.80	(X)	2.96	(X)	2.76	(X)
Average household size of renter-occupied	2.64	(X)	2.31	(X)	2.45	(X)
<b>Mortgage Status</b>						
<b>Owner-Occupied Units</b>	<b>4,896</b>	<b>4,896</b>	<b>28,245</b>	<b>28,245</b>	<b>3,906,991</b>	<b>3,906,991</b>
Housing units with a mortgage	3,562	72.8%	20,462	72.4%	2,490,817	63.8%
Housing units without a mortgage	1,334	27.2%	7,783	27.6%	1,416,174	36.2%
<b>Gross Rent</b>						
<b>Occupied Units Paying Rent</b>	<b>1,555</b>	<b>1,555</b>	<b>5,506</b>	<b>5,506</b>	<b>3,233,100</b>	<b>3,233,100</b>
Less than \$200	18	1.2%	47	0.9%	36,916	1.1%
\$200 to \$299	43	2.8%	76	1.4%	136,544	4.2%
\$300 to \$499	18	1.2%	283	5.1%	208,197	6.4%
\$500 to \$749	57	3.7%	341	6.2%	432,502	13.4%
\$750 to \$999	263	16.9%	655	11.9%	541,177	16.7%
\$1,000 to \$1,499	575	37.0%	2,280	41.4%	985,095	30.5%
\$1,500 or more	581	37.4%	1,824	33.1%	892,669	27.6%
Median (dollars)	\$1,292	(X)	\$1,234	(X)	\$1,117	(X)

Major additions to the commercial real estate market in Putnam County during the past decade include a 40,000± square foot office/warehouse facility at the junction of Sutton Place and Fields Lane in the Town of Southeast and a 42,000± square foot expansion of the *Brewster Plastics* facility situated at 60 Jon Barrett Road in the Town of Patterson. In 2006, *Westchester Tractor*, a sales/service center for heavy equipment vehicles, built a 29,000± square foot facility within the *Terravest Corporate Park* in Southeast. The *Highlands Center*, a regional “big box” retail center was constructed at the intersection of Route 312 and Independence Way, near the Exit 19 interchange of I-84. The center comprises 377,000± square feet of space in several structures, anchored by *Home Depot*, *Kohl’s* and *Marshall’s*. In 2010, *DeCicco’s Food and Specialty Market*, opened a 37,000± square foot retail store in the *Highlands Center*.

Much like the residential market in Putnam County, the commercial and manufacturing sectors have also been affected by the onset of the economic downturn beginning in 2008. Vacancies have increased and as a result, rental rates have decreased. In 2010, *Watson Pharmaceuticals* vacated a 110,000± square foot, manufacturing facility located along Stoneleigh Avenue in the Town of Carmel. This facility, located on approximately 27 acres of land, was one of the county’s largest employers, accounting for more than 500 workers. Other significant vacancies consist of 40,000 square feet of Office/Warehouse space along Hughson Road in the Town of Carmel and several vacancies throughout many of the strip plazas located throughout the county.

More recently, there have been several indicators that point to a rebound within the County’s commercial sector. Some of these include the construction of several smaller retail sites, including a new Branch bank along Stoneleigh Avenue within the Town of Carmel and various free standing structures along Route 6. Additionally several restaurants and local retailers have set up shop along various commercial corridors within the County and *CVS Pharmacy* has leased 14,800± square feet within the defunct A&P Plaza across from *Putnam Plaza* along Route 6 in the Town of Carmel. CVS now serves as the anchor to the plaza.

In addition there are numerous mixed-use development projects proposed and underway that will add significant residential and commercial space to Putnam County. Several projects are summarized below:

Stateline Retail Center – is a mixed-use development situated on 45± acres of land located along Route 6 in the Town of Southeast between the Exit 20 interchange of I-84 and the Connecticut State line. Proposed development includes 195,800± square feet of retail space and 14,800± square feet of office space, with a supermarket to anchor the plaza. The Final Environmental Impact Statement was submitted in August of 2009 however, the developer is currently in the process of obtaining re-approvals for the site.

Crossroads 312 - consists of a mixed-use project on a 52± acre site adjacent to the I-84 interchange and Route 312. Plans for the project include a four-story hotel with 100 guest rooms and 143,000± square feet of retail space. As of September 2013, a Draft Environmental Impact Statement has been submitted to the Town of Southeast. The project has been met with much opposition from area residents and development plans have been revised and scaled down several times since the project’s initial conception.

Gateway Summit and Fairways - The owner proposes to develop 185± acres of land as a mixed-use development, comprising 300± units of senior (age restricted) housing within an active adult community that includes a retail component and a hotel with conference center and banquet hall. The proposed development is situated along Route 6 in the Town of Carmel and backs up to the *Centennial Golf Club*. The residential and hotel component currently has full approvals.

Patterson Crossing – The developer intends on adding 410,000± square feet of retail space and 8,220± square feet of office space on 90 acres of land, situated at the intersection of Route 311 and Interstate 84. The retail center is to include a Costco Wholesale Warehouse as its anchor. This project has been fully approved by municipal authorities.

In our opinion, Putnam County, although static, will rebound due to its good location and highly skilled workforce. As in past downturns, the investment in municipal, educational and commercial properties will help facilitate the turnaround. Already, there are several projects previously discussed that suggest a bright future for Putnam County.

The following pages provide a statistical inference to the Town, County and State's economic and employment base.

2014 ECONOMIC DATA	Town of Southeast		Putnam County		New York State	
	#	%	#	%	#	%
<b>Population 16 Years and Over</b>	<b>14,632</b>	<b>14,632</b>	<b>80,244</b>	<b>80,244</b>	<b>15,832,743</b>	<b>15,832,743</b>
In labor force	10,670	72.9%	54,714	68.2%	10,054,448	63.5%
Civilian labor force	10,649	72.8%	54,681	68.1%	10,030,632	63.4%
Employed	9,737	66.5%	50,404	62.8%	9,137,540	57.7%
Unemployed	912	6.2%	4,277	5.3%	893,092	5.6%
Armed Forces	21	0.1%	33	0.0%	23,816	0.2%
Not in labor force	3,962	27.1%	25,530	31.8%	5,778,295	36.5%
<b>Commuting To Work</b>						
<b>Workers 16 Years and Over</b>	<b>9,526</b>	<b>9,526</b>	<b>49,160</b>	<b>49,160</b>	<b>8,950,165</b>	<b>8,950,165</b>
Car, truck, or van -- drove alone	7,009	73.6%	37,348	76.0%	4,796,959	53.6%
Car, truck, or van -- carpooled	1,011	10.6%	4,335	8.8%	609,864	6.8%
Public transportation (excluding taxicab)	841	8.8%	4,228	8.6%	2,452,313	27.4%
Walked	55	0.6%	564	1.1%	569,569	6.4%
Other means	149	1.6%	413	0.8%	169,339	1.9%
Worked at home	461	4.8%	2,272	4.6%	352,121	3.9%
Mean travel time to work (minutes)	36.0	(X)	39.1	(X)	31.9	(X)
<b>Occupation</b>						
<b>Civilian Employed Population 16 Years and Over</b>	<b>9,737</b>	<b>9,737</b>	<b>50,404</b>	<b>50,404</b>	<b>9,137,540</b>	<b>9,137,540</b>
Management, business, science, and arts occupations	4,020	41.3%	21,816	43.3%	3,553,854	38.9%
Service occupations	1,671	17.2%	8,262	16.4%	1,850,031	20.2%
Sales and office occupations	2,571	26.4%	12,128	24.1%	2,194,062	24.0%
Natural resources, construction, and maintenance	1,046	10.7%	5,144	10.2%	669,274	7.3%
Production, transportation, and material moving occupations	429	4.4%	3,054	6.1%	870,319	9.5%
<b>Income And Benefits (in 2013 Inflation-Adjusted Dollars)</b>						
<b>Total Households</b>	<b>6,550</b>	<b>6,550</b>	<b>34,164</b>	<b>34,164</b>	<b>7,255,528</b>	<b>7,255,528</b>
Less than \$10,000	255	3.9%	952	2.8%	559,519	7.7%
\$10,000 to \$14,999	111	11.9%	721	2.1%	384,024	5.3%
\$15,000 to \$24,999	324	4.9%	1,912	5.6%	718,436	9.9%
\$25,000 to \$34,999	503	7.7%	2,431	7.1%	649,804	9.0%
\$35,000 to \$49,999	418	6.4%	2,540	7.4%	856,304	11.8%
\$50,000 to \$74,999	1,195	18.2%	4,654	13.6%	1,191,846	16.4%
\$75,000 to \$99,999	779	11.9%	4,466	13.1%	870,092	12.0%
\$100,000 to \$149,999	1,476	22.5%	7,819	22.9%	1,036,707	14.3%
\$150,000 to \$199,999	664	10.1%	4,005	11.7%	460,201	6.3%
\$200,000 or more	825	12.6%	4,664	13.7%	528,595	7.3%
Median household income (dollars)	88,062	(X)	96,262	(X)	58,687	(X)
Mean household income (dollars)	113,164	(X)	116,931	(X)	85,736	(X)
<b>Income And Benefits (in 2013 Inflation-Adjusted Dollars)</b>						
<b>Families</b>	<b>4,761</b>	<b>4,761</b>	<b>26,280</b>	<b>26,280</b>	<b>4,636,017</b>	<b>4,636,017</b>
Less than \$10,000	56	1.2%	338	1.3%	231,129	5.0%
\$10,000 to \$14,999	41	0.9%	163	0.6%	157,304	3.4%
\$15,000 to \$24,999	156	3.3%	876	3.3%	355,268	7.7%
\$25,000 to \$34,999	238	5.0%	1,286	4.9%	368,671	8.0%
\$35,000 to \$49,999	282	5.9%	1,651	6.3%	524,827	11.3%
\$50,000 to \$74,999	791	16.6%	3,533	13.4%	782,010	16.9%
\$75,000 to \$99,999	611	12.8%	3,686	14.0%	616,572	13.3%
\$100,000 to \$149,999	1,208	25.4%	6,867	26.1%	800,050	17.3%
\$150,000 to \$199,999	624	13.1%	3,693	14.1%	371,966	8.0%
\$200,000 or more	754	15.8%	4,187	15.9%	428,220	9.2%
Median family income (dollars)	108,504	(X)	110,108	(X)	71,419	(X)
Mean family income (dollars)	129,833	(X)	131,231	(X)	99,640	(X)
Per capita income (dollars)	40,982	(X)	40,967	(X)	32,829	(X)

The median household income for town residents is significantly higher than New York State, with close to 45% of households earning in excess of \$100,000 per year.

<b>Private Corporations:</b>	<b># of Employees</b>	<b>Public Service:</b>	<b># of Employees</b>
Putnam Hospital Center	1,041	Mahopac Central Schools	773
Green Chimneys Children's Services	502	Carmel Central Schools	712
Putnam Assoc. Resource Center(PARC)	375	County of Putnam	700
Cerebral Palsy Assoc. Putnam/Dutchess	264	Brewster Central Schools	520
Big V ShopRite	250	Putnam Valley Central Schools	290
Arms Acres	230	Haldane Central School Dist.	155
Ace Endico	202	Town of Carmel	131
Mt. Kisco Medical Group	200	Town of Putnam Valley	110
Putnam Precision Products Inc.	200	Town of Kent	101
Hipotronics, Inc.	96	Town of Philipstown	65
Hannaford Supermarket	175	Garrison Union Free Dist.	50
A&P Tea Company	175	NYS Dept. of Transportation	50
NYSEG	119	<b>Total:</b>	<b>3,657</b>
Kmart	150		
Home Depot	150		
DeCicco Family Markets	150		
Friars of Atonement (Graymoor)	200		
Williams Advanced Materials	120		
Powers Fasteners Inc.	107		
Dairy Conveyor Corp.	100		
Kohl's Department Store	100		
Akzo Nobel	70		
Clancy Moving & Storage	97		
Putnam County Savings Bank	95		
Lamothermic Corp.	75		
Mahopac National Bank	74		
Unilock	70		
Putnam Home Care Services	65		
Brewster Plastics	64		
Back O'Beyond Inc.	55		
Affiliated Home Care of Putnam	25		
Dunmore Corp.	50		
Dynacept	46		
Fryer Machine Systems	55		
The Plaza @ Clover Lake	37		
Comcast	35		
<b>Total:</b>	<b>5,819</b>		

<b>Total Jobs:</b>	<b>9,476 - 100%</b>
<b>Private:</b>	<b>5,819 - 61.4%</b>
<b>Public:</b>	<b>3,657 - 38.6%</b>

The attached chart lists Putnam County's largest employers, sourced from the Putnam County Economic Development Corporation website.

Currently, *Putnam Hospital Center* remains the largest employer in Putnam County. During the last decade, the Hospital has grown two-fold with multiple additions, totaling over 150,000 square feet. Approximately 34 million dollars was spent to construct a state of the art cancer treatment facility, totaling 113,000± square feet. Putnam Hospital contains 164± beds and currently employs over 1,000 people.

## **INFLUENCE OF WATERSHED ON REAL ESTATE DEVELOPMENT**

***Since the subject is within the New York City Watershed, the following is considered germane in the valuation of the property.***

The watershed of the City of New York comprises 1,900 square miles and encompasses the counties of Delaware, Dutchess, Greene, Putnam, Schoharie, Sullivan, Ulster and Westchester in the Mid-Hudson Valley and the Catskill Mountains. The watershed is the largest unfiltered drinking water supply in the nation and provides for the potable water needs of 9 million residents of New York State. Three reservoir systems, the Catskill, Croton and Delaware, contain 19 reservoirs, 3 aqueducts and numerous smaller holding facilities and conduits that supply 1.4 billion gallons of water per day to New York City, and Putnam and Westchester Counties.

During the past decade the surge in development throughout the watershed has resulted in an increase in runoff pollution that has threatening to lower the quality of the NYC water supply, particularly in the Croton system. In response, the U.S. Environmental Protection Agency mandated the City to prepare and implement a plan to protect, maintain and ensure the quality of the water supply. The City has two options in fulfilling the EPA mandate: (1) it can implement a comprehensive program for protecting the water supply; or (2) it can construct filtration plants for each reservoir system.

The City has agreed to construct a filtration plant for the Croton system but is opposed to building filtration plants for the Catskill/Delaware system. Construction costs are estimated at \$6-\$8 billion and annual operating costs are estimated at \$500 million. The City holds that water quality in the Catskill/Delaware system is high but can be further protected by less expensive means; instead, the City has embarked on a comprehensive protection program, including land acquisition which is aimed at protecting the Catskill/Delaware water supply at its source.

Additionally, as part of a comprehensive agreement with the upstate watershed communities, NYC has been granted the authority to monitor and regulate development throughout the watershed. These measures will have a particular impact on development within Putnam County because portions of the county are located within each reservoir system.

In late 1996, Governor George Pataki announced the terms of a comprehensive agreement between New York City, the upstate watershed communities and the other interest groups. The terms of the agreement as well as its effects are described on the following page.

### **NYC Water Quality Protection Programs**

- New York City will spend \$250 million for land acquisition in the Catskill and Delaware watershed, and \$11.5 million for land acquisition in the Croton watershed. New York State will provide \$7.5 million for land acquisition in the Croton watershed. The City will pay market value for all properties it acquires, and it will continue to pay real estate taxes on those properties.
- The City will only purchase environmentally-sensitive land from willing sellers and will not condemn any properties. Prior to purchase, the City will consult with local governments and allow for an independent review to determine if the proposed acquisition meets established criteria for purchase.

### **NYC Water Quality Protection Programs - Continued**

- Watershed communities on the west side of the Hudson River can exclude from the land acquisition program property within hamlets and villages; areas directly outside of villages; and by creating special districts no larger than 50 acres per town for future commercial and industrial development. Commercial and industrial land acquisition for watershed communities on the east side of the Hudson River will be limited to five percent.
- New York State will provide \$17 million in subsidized financing for the construction of facilities to divert wastewater from being discharged into the Croton watershed. Existing wastewater treatment plants that discharge to surface water must install sophisticated sewage treatment technology within five years. New wastewater treatment plants must install this technology prior to commencing operation. New wastewater treatment plants will be prohibited in sensitive areas.
- Development projects that impact less than five acres will be subject to review and approval by local planning boards and health departments. Larger projects will be subject to review and approval by New York City.
- Ban or restrict a number of environmentally-sensitive activities within specific distances of streams and reservoirs. For example, no new hazardous storage tanks within 250 feet of a watercourse or 500 feet of a reservoir; no new gas stations within 100 feet of a watercourse or 500 feet of a reservoir; and no new conventional septic systems within 100 feet of a watercourse or 300 feet of a reservoir.
- New septic systems will require prior approval of the City, and be required to meet stricter standards than existing regulations of the New York State Department of Health. A permit program to control stormwater runoff generated by new development, and regulating new construction of certain structures within 100 feet of certain watercourses in communities west of the Hudson River.
- The establishment of technical groups to provide watershed property owners with guidance and support services for understanding the new regulations, as well as provide administrative assistance to property owners requesting variances from the regulations. Technical groups will review and make recommendations regarding the commercial application of pesticides within certain distances of watercourses and reservoirs.
- New York City will provide funding for projects in watershed communities west of the Hudson River; these will include upgrading existing wastewater treatment plants, construction of up to 22 new wastewater treatment plants, and economic development loans and grants. A Watershed Partnership Council will be created to provide a forum to review and assess the ongoing watershed protection initiatives and make recommendations relating to watershed protection and potential economic development projects. The council will issue periodic reports to the Governor, Mayor of New York City and the public. Incentives will be offered to watershed communities west of the Hudson River that conduct planning activities, and encourage development of master plans for communities without them.
- New York State will establish a team of field inspectors and compliance specialists to monitor watershed activities. A watershed inspector general will prosecute significant or sensitive criminal and civil environmental cases.
- The watershed communities have agreed to drop their pending lawsuits against the City of New York.

Initially, NYC will target the land acquisition program to reservoirs deemed most threatened by pollution, i.e., Kensico in Westchester County; Boyds Corner and West Branch in Putnam County; Ashokan in Ulster County; Rondout and Neversink in Sullivan and Ulster Counties; and part of C & P Reservoirs.

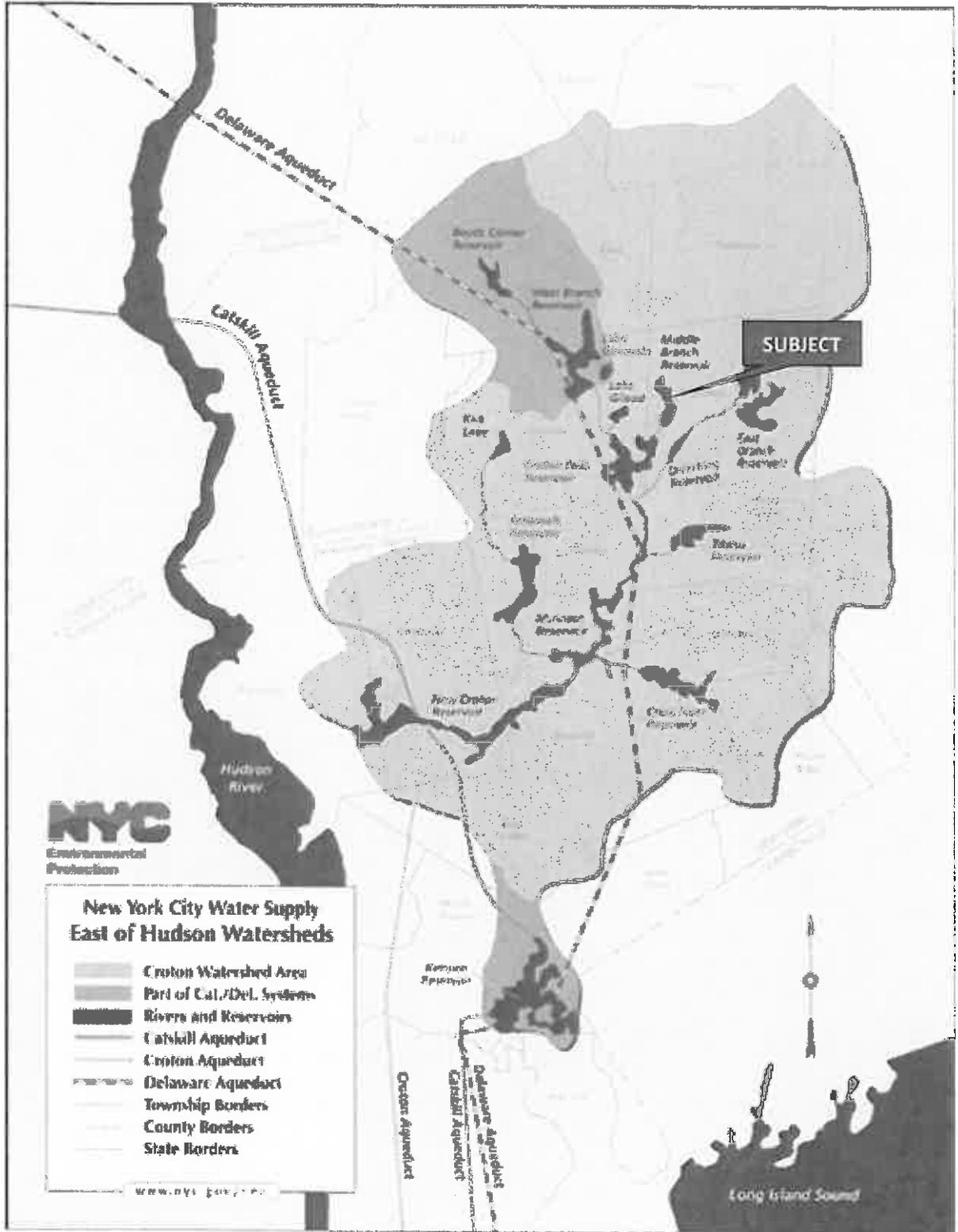
### **Impact of the Agreement**

The new agreement affects the City and the watershed communities in different ways. The most immediate effect of the new regulations will be to spare the City the cost of building a filtration plant for the Catskill and Delaware watersheds. The EPA has agreed to delay a decision on whether to order construction of a filtration plant. Additionally, the agreement requires the City to solicit owners of 350,000 acres, with the ultimate intention of acquiring perhaps 100,000 new acres.

The agreement reduces investment uncertainty that significantly curtailed development activity in many watershed communities, particularly in Putnam and Westchester Counties. Additionally, the agreement limits the amount of commercial and industrial property that can be purchased by the City, and allows watershed communities to review proposed purchases of property. Most importantly, property purchased by the City will remain on the tax rolls. Consequently, two of the biggest fears of watershed communities are resolved by the agreement, namely, the threat to home rule and a diminishing tax base. The watershed communities will retain authority for many decisions affecting development within their communities. The agreement restricts development potential of large parcels of vacant land in the watershed by limiting the discharge of water from a proposed development and by restricting the development of new sewage treatment facilities.

Given the broad spectrum of attitudes among watershed communities with regard to development, the agreement is a landmark document. It successfully resolves numerous differences in municipal attitudes and provides a consistent policy for treatment of watershed areas. The City will spend an estimated \$1 billion over 10 to 15 years to protect water at its source. It is an expensive process, but not nearly as costly as the construction of filtration plants, whose maintenance and operating expenses will increase on a yearly basis. The City has been granted limited authority to influence development within the watershed. The degree of regulation is substantially less than it originally sought; however, it is enough to ensure that development will proceed in an orderly fashion and that the building boom of the 1980's will most likely not occur again.

**CROTON WATERSHED MAP**



## TOWN OF SOUTHEAST DATA

The Town of Southeast is a bedroom community located on the northern perimeter of New York's metropolitan region. Southeast encompasses an area of 35 square miles and is located in the southeast corner of Putnam County, bordered by Fairfield County, Connecticut on the east, the Town of Patterson on the north, the Town of Carmel on the west, and Westchester County to the south.

The most recent census figures estimate the population at 18,335. The population increased by 1,019 or 5.88% from 2000. This increase is significantly less than the previous decade, which showed an increase of 2,389 residents or 16.0%.

During the past two decades, Southeast has benefited from substantial growth in all types of development. The growth is attributable to its proximity to commutation routes with access to employment centers in White Plains and Stamford Connecticut and the abundance of suitably zoned vacant land.

Up until 2008, residential housing has been the major source of development activity. Condominium projects and single-family subdivisions have generally been successful because prices are lower compared to other parts of the metropolitan region. Condominium units sell in the range of \$100,000 to \$350,000 depending on their specific location, age, size/utility and project amenities. Single-family residences have typically sold within the range of \$200,000 to \$600,000 during the past two (2) years. The Town of Southeast also has a considerable amount of residential sales in excess of \$600,000 however, these transactions generally represent newer "McMansion" style homes having 4-bedrooms or more on oversized lots and estate-style tracts of land.

Southeast has also benefited from substantial commercial and industrial growth. The industrial growth has been concentrated near interchanges of Interstates 84 and 684. The most significant office/light industrial development includes *Mount Ebo Corporate Center* on Route 22, *Terravest Office Park* at I-84 and Route 312, and the *Fields Lane/Hardscrabble Road* area. The new construction consists of modern warehouse and office facilities in campus like settings.

Retail development is primarily located on the Route 22 corridor. A variety of shopping centers (Town Centre, Clock Tower Commons and Lakeview Shopping Center) have been constructed or expanded along this corridor. Retail uses are narrowly focused with the majority of businesses being supermarkets or offering personal services. More recently, completed in 2004 is the Highlands Center, a regional "big box" retail center situated at the intersection of Route 312 and Independence Way, near the Exit 19 interchange of I-84. The center comprises 377,000± square feet of space in multiple buildings, anchored by *Home Depot*, *Kohl's* and *Marshall's*.

Open space is also a dominate land use within the town due to its location within the New York City watershed. A number of reservoirs are located within Southeast, and NYC also owns large amounts of upland surrounding the reservoirs. Additionally, NYC closely monitors development within the town for the purpose of controlling development in the vicinity of sensitive watershed areas. Consequently, further growth could be curtailed if NYC aggressively seeks to control development.

The town is well served by a network of transportation routes and facilities. North/south thoroughfares include Interstate 684 and Routes 22 and 121. Route 22 also connects to Interstate 684 in Brewster. Interstate 84 and Routes 6 and 312 traverse the town in an east/west direction. Southeast has two station stops (Brewster and Southeast) on the Harlem Line of the Metro-North Commuter Rail. Travel time to New York City is approximately 75 minutes.

Travel time to major employment centers is adequate, and is a primary reason for the residential growth of the last decade. For example, White Plains is 30 miles or 40 minutes by car; New York City is 55 miles or 70 minutes by car; Danbury is 5 miles or 15 minutes by car; and IBM/Dutchess County is 15 miles or 20 minutes by car.

Municipal services include fire protection, and recreation and senior citizen programs. Police protection is provided by the State Police and Putnam County Sheriff's Department. The town is situated in three school districts - Brewster, Carmel and North Salem.

The Village of Brewster is officially designated as a separate municipality within the Town of Southeast. The village has its own government that includes a mayor, village clerk, assessor, tax receiver, police and highway departments, recreation facilities and library. Only the school, sewer and fire districts extend beyond the village borders. The function of the town government is to provide all essential services for the areas outside of the village.

Brewster contains a mixture of residential and commercial development. The business district is centered near the Brewster station of Metro-North, and many of the structures date back to the 19th century. The buildings primarily consist of one and two-story walk-up structures with retail uses on the first floor and offices or apartments above.

Significant proposed projects within the town currently include the *Stateline Retail Center* and *Crossroads 312* development.

Stateline Retail Center – is a mixed-use development situated on 45± acres of land located along Route 6 between the Exit 20 interchange of I-84 and the Connecticut State line. Proposed development includes 195,800± square feet of retail space and 14,800± square feet of office space, with a supermarket to anchor the plaza. The Final Environmental Impact Statement was submitted in August of 2009 however, the developer is currently in the process of obtaining re-approvals for the site.

Crossroads 312 - consists of a mixed-use project on a 52± acre site adjacent to the I-84 interchange and Route 312. Plans for the project include a four-story hotel with 100 guest rooms and 143,000± square feet of retail space. As of September 2013, a Draft Environmental Impact Statement has been submitted to the Town of Southeast. The project has been met with much opposition from area residents and development plans have been revised and scaled down several times since the project's initial conception.

In conclusion, the Town of Southeast is an attractive suburban community with a balanced mixture of residential, commercial and passive land uses. It is within reasonable commuting distance of employment centers and provides affordable housing for residents of the metropolitan region.

## **NEIGHBORHOOD DATA**

The subject property is situated on the easterly side of Route 6, directly across from the Middle Branch Reservoir, and bounded on its east by a segment of the Putnam County Trail-Way (a paved, 12-mile bicycle and pedestrian path), in the Town of Southeast. Route 6 in the immediate vicinity of the subject, is improved with a mix of single-family residences, a restaurant, office space for financial institutions, doctors, lawyers and other business professionals, as well as vacant parcels of land varying in size from .5± to 75± acres. The *Brewster Heights* subdivision, comprised of mostly single-family homes constructed in the 1950's, along with *Eagle's Ridge Condominium*, erected circa 2005, are located just east of the subject. Additionally, as previously mentioned, the Middle Branch Reservoir is directly across from the subject affording the property exceptional views.

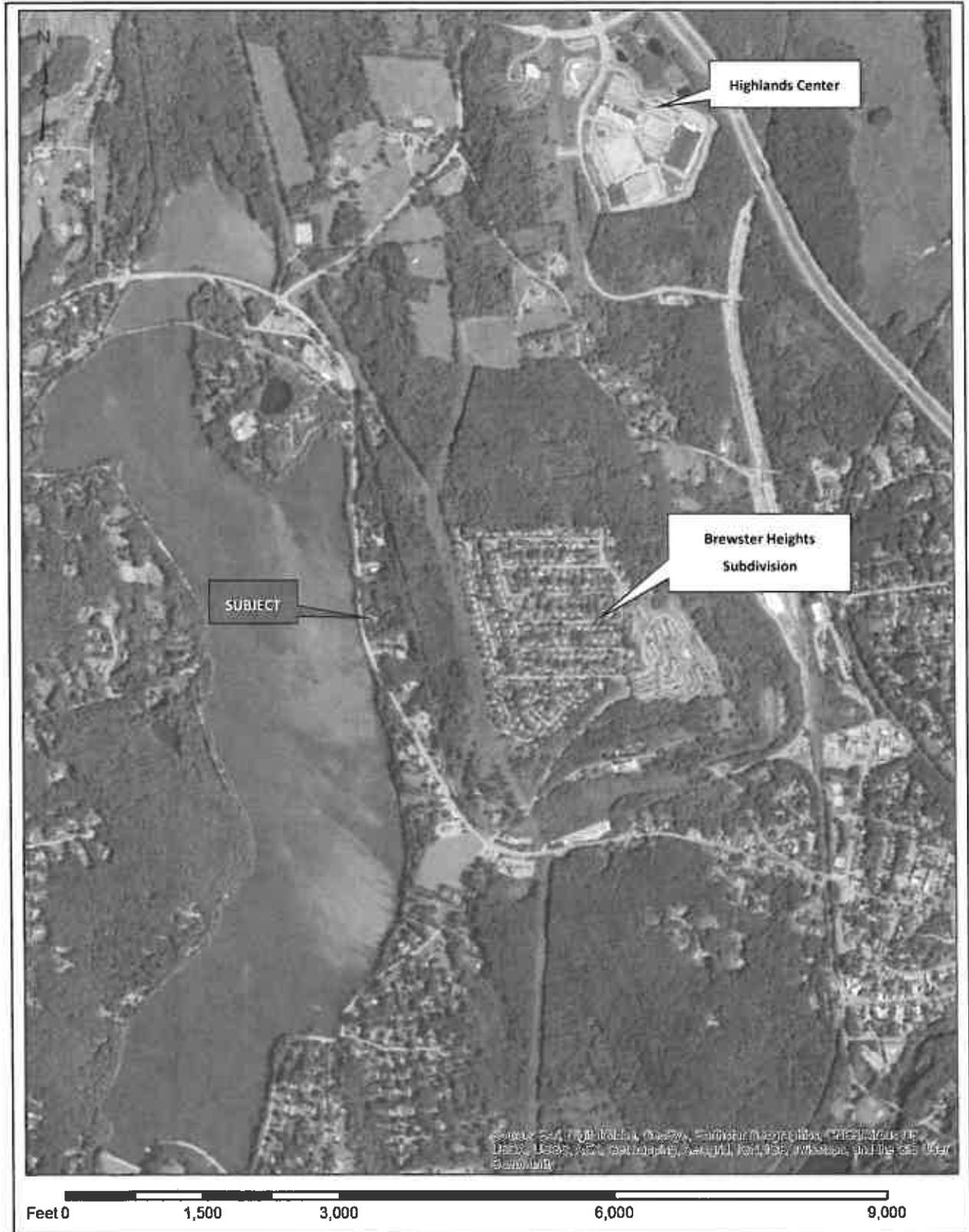
The nearest retail/shopping center is the Brewster Highlands Retail Center, a 377,000± square foot, regional shopping plaza situated along Independent Way, 1.75± miles north of the subject. Tenants include *Home Depot*, *Marshalls*, *Kohl's*, *Deccico's Family Food Market* and various other retailers. Additional retail and personal service establishments are concentrated in the Village of Brewster's downtown business district and along Route 6 in the adjacent Town of Carmel, specifically *Putnam Plaza Shopping Center*.

Recreational facilities in close proximity to the subject include; the Centennial Golf Club, a 27-hole championship course, situated off of John Simpson Road and the Putnam County Trailway, a 12-mile bicycle and pedestrian path, a portion of which dissects the subject property.

Vehicular access is good, as a full service interchange of Interstate 84 is approximately 1.75± miles north of the subject, providing access to the greater Hudson Valley and States of Connecticut and Pennsylvania. Additionally, Routes 6, 52 and 312 are in close proximity, providing localized travel. The Southeast Train Station of the Harlem Line of the Metro North Commuter Rail is located 2.5± miles from the subject, while the Brewster Station is approximately 1.5± miles.

In conclusion, the subject's neighborhood is an easily accessible community with a balanced mixture of residential, commercial and recreational development.

**NEIGHBORHOOD MAP**



**STREET SCENES**



**LOOKING NORTH ALONG ROUTE 6**



**LOOKING SOUTH ALONG ROUTE 6**

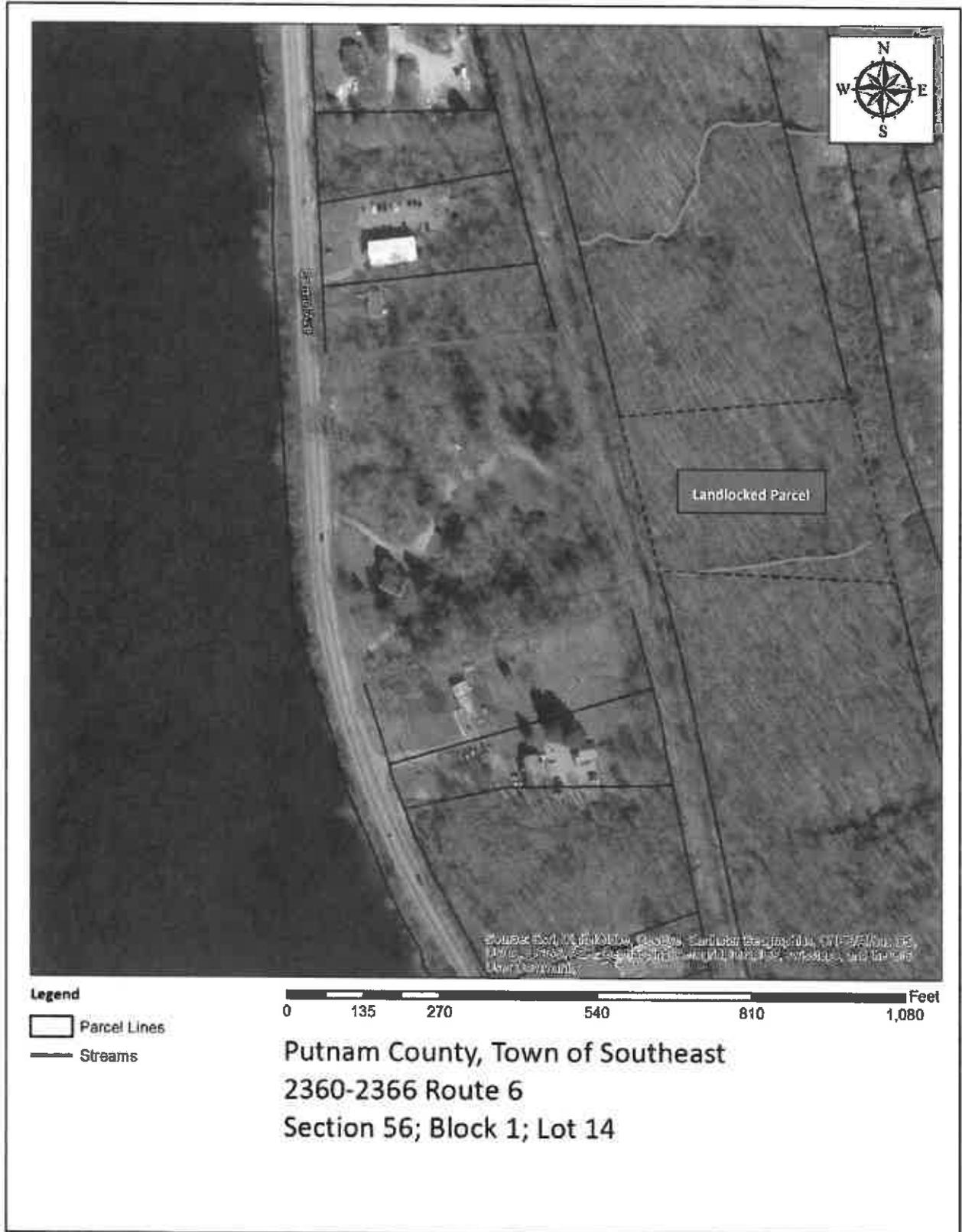
**SITE DATA**

- STREET ADDRESS** : 2360-2366 Route 6, Brewster, New York 10509.
- SIZE/SHAPE** : The subject property consists of a mostly rectangular shaped, mid-block parcel, comprising 5.80± acres of land.
- FRONTAGE** : The property has 507± feet of frontage along the easterly side of Route 6, based upon the legal deed plot.
- FRONTING ROADS** : Route 6 is a paved, two-way (north/south) thoroughfare in the immediate vicinity.
- TOPOGRAPHY** : The topography of the underlying site gradually slopes upward in an easterly direction from street grade. As such, a considerable portion of the site has exceptional views of the Middle Branch Reservoir.
- UTILITIES** : Public utilities connected to the site include electric and telephone. As of the date of inspection, the property was served by a drilled well and subsurface septic system. Public water and sewer is assumed available, via connection to the Brewster Heights Water & Sewer District, situated directly east of the subject property.
- LANDSCAPING** : The site contains a mix of cleared and wooded areas, with some stonewall foundations, remaining from former structures.
- EASEMENTS** : The appraisers are aware that public sewer/water connection is available, outlined in an agreement with Putnam County, granting the right to cross under a portion of the Putnam County Trail-Way to connect to the Brewster Heights Water & Sewer District, provided by the 2.4± acres of landlocked "R20; Residential" zoned land.
- FLOOD ZONE** : According to FEMA Map# (36079C0142E), dated March 4<sup>th</sup>, 2013, the property **is not** located within a designated flood hazard area.
- WETLANDS** : Based upon a review of federal and state (NYS DEC) wetlands maps, it appears that there are no regulated wetlands on the subject property.

**ENVIRONMENTAL HAZARDS**

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.

**SITE FEATURES MAP**



**IMPROVEMENT DESCRIPTION**

The underlying site is improved with a three-story (over-basement), 4,875± square foot, mansard –style structure of wood-frame construction, erected circa 1918 and a two-story, 1,535± square foot, single-family residence, erected circa 1935, having three-bedrooms and one-bathroom. As of the date of inspection, the three-story mansard-style building was in disrepair, requiring total demolition and, as such, has not been considered herein. The 1,535± square foot, single-family residence was in fair/average physical condition and in our opinion represents an interim use.



**MANSARD STRUCTURE**



**MANSARD STRUCTURE**



**SINGLE-FAMILY RESIDENCE**



**SINGLE-FAMILY RESIDENCE**

**ASSESSMENT DATA**

**Assessment**

As of the date of appraisal, the subject property was assessed on the rolls of the Town of Southeast as follows:

<b>Assesment</b>	<b>Sec. 56; Blk. 1; Lot 14</b>
Land	\$166,815
Improvements	\$474,185
<b>Total</b>	<b>\$641,000</b>
Equalization Rate (2015)	100.00%
<b>Equalized Full Value:</b>	<b>\$641,000</b>

***Based upon our opinion of value contained herein, the indicated assessment is considered to be within an acceptable range of market.***

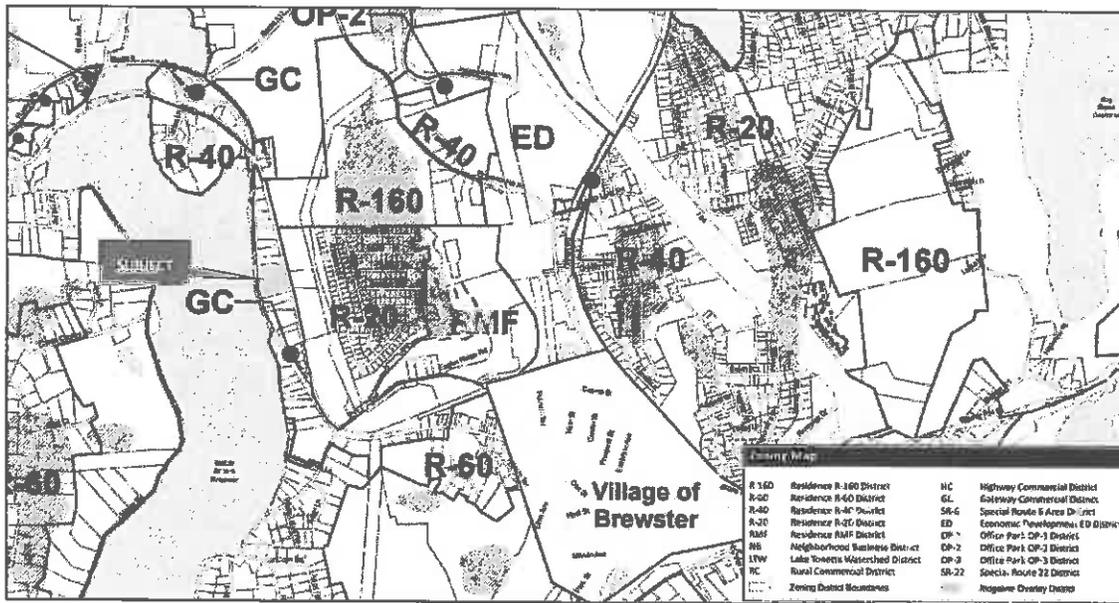
**Tax Information**

As of the effective date of this appraisal the subject property was exempt from real estate taxes. For the purpose of this analysis, we have made the extraordinary assumption that the subject property's real estate taxes will be based upon an equitable assessment, upon transfer to a taxable ownership entity.

**ZONING DATA**

The subject property is situated within a zoning district designated "GC; Gateway Commercial" by the zoning ordinance of the Town of Southeast as amended to the date of appraisal. The subject site appears to be legal and conforming. The subject's existing improvements and use appear to be legal and pre-existing, but non-conforming, as residential uses are not a permitted use.

District	Permitted Principal Uses (see Notes G, N and W)	Permitted Accessory Uses (see Notes F, H and M)	Special Permit Uses	Conditional Uses (See Notes Q, R)	Minimum Lot Size				Minimum Yards			Maximum Coverage				Maximum Height		Parking Setback		
					Square Feet (thousands)	Frontage (feet)	Width (feet)	Depth (feet)	Front (feet)	Side (feet)	Rear (feet)	Building Coverage	Floor Area Ratio	Lot Coverage	Open Space Requirements (percentage of lot)	Stories	Feet	Front (feet)	Side (feet)	Rear (feet)
GC	Bed-and-breakfast/country inn Office Personal services Professional services Restaurant Theatre/performing arts	Outside storage Private utilities	Public utilities Senior housing	General business Recreation Retail Telecommunications towers and facilities	10	50	50	50	35	35	35	15%	0.40	45%	55%	2	30	15	10	10



## HIGHEST AND BEST USE

Appraisal Institute publications indicate that the highest and best use should address the property that is being valued.

The following definition of Highest and Best Use is found in the publication, The Dictionary of Real Estate Appraisal, Sixth Edition (©2015), published by the Appraisal Institute.

“The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”

In estimating highest and best use, either as vacant land or as improved, the appraiser considers the following:

1. Legal Permissible Use – A property use that is either currently allowed or most probably allowed under zoning codes, building codes, environmental regulations, and other applicable laws and regulations that govern land use. Under zoning regulations, development of the site would be limited to any one of the foregoing permitted uses in the “GC” zone.
2. Physically Possible Use – For a land use to be considered physically possible, the parcel of land must be able to accommodate the construction of any building that would be candidate for the ideal improvement. Factors that influence the physical possibility include, among others, the site's size, configuration, topography, availability of utilities, etc. The area of the subject site is sufficiently large enough with adequate topography, shape and frontage to accommodate improvements.
3. Financially Feasible Use – The capability of a physically possible and legal use of a property to produce a positive return to the land after considering risk and all costs to create and maintain the use.
4. Maximum Productivity – The specific land use that yields the highest value, being legally permissible, physically possible and financially feasible.

### Highest and Best Use – As Though Vacant Land

Highest and best use of a property as though vacant assumes that a parcel of land is vacant or can be made vacant by demolishing the improvements. Land as though vacant is a fundamental concept for application in the Cost Approach. The possibility of removing existing improvements is the premise for the concept of highest and best use of land as though vacant. Land values are not penalized so long as the existing buildings have economic value.

The site has a gently rising terrain with a mix of open and wooded areas with no detrimental development features. The property is benefitted by its exposure along a heavily traveled highway that is improved with a variety of commercial and residential uses, between the Town of Carmel and Village of Brewster. Access to public water and sewer is assumed and, as such, restrictions from the NYC DEP would be limited. Based upon a review of existing inventory of retail/office and personal/professional service space, it is our opinion that the area would be benefitted by more modern and functional commercial space and, therefore, highest and best use of the site would be for retail/office development.

## **APPRAISAL OBJECTIVE AND METHODOLOGY**

McGrath & Company, Inc. has been retained to provide an opinion of the market value of the fee simple interest in the subject property, as of March 30<sup>th</sup>, 2016, for sale negotiation purposes. There are three accepted and commonly utilized approaches to estimating value: the Sales Comparison Approach, Income Approach and Replacement or Cost Approach.

**The Cost Approach** is an estimation of market value developed by computing the current cost of replacing a property and deducting any accrued depreciation resulting from one or more of the following factors: physical deterioration, functional obsolescence and external obsolescence. The resultant figure, combined with an adequate return for the entrepreneurial effort, is added to the land value to produce a value estimate for the whole property. Generally, the land value is obtained through the Sales Comparison Approach. The Cost Approach is often best suited to new or recently constructed properties with a minimum amount of accrued depreciation.

**The Sales Comparison Approach** is used to estimate the value as improved. The appraiser gathers data on sales of comparable properties and analyzes the nature and condition of each sale, making logical adjustments for dissimilar characteristics. Typically, a unit of comparison is found. For land value, this is usually either a price per square foot or price per acre; for improved properties, the unit of comparison may be price per square foot, price per unit, or a gross rent multiplier. The principle of substitution is particularly applicable to this approach since a prudent purchaser would pay no more for a particular property than the price necessary for the acquisition of a substitute property, which offers equal utility. The Sales Comparison Approach provides a good indication of value when sales of similar properties are available.

**The Income Capitalization Approach** is predicated on the assumption that there is a relationship between the amount of cash flow a property generates and its value. The anticipated annual cash flow of the subject property is processed to produce an indication of value. This approach is based on the principle that value is created by the expectation of benefits derived in the future. The Income Capitalization Approach encompasses two different techniques: ***discounted cash flow analysis*** and ***direct capitalization***. In the discounted cash flow technique, the benefits to equity of annual cash flow and sale proceeds over a reasonable holding period are converted into a value estimate using current costs of equity capital. Rates of return are derived from yields anticipated by recent buyers of similar real estate. Factors such as risk, time, interest on the capital investment, and recapture of the depreciating asset are considered in the selection of rates. In the direct capitalization technique, the cash flow for the first stabilized year is converted into an estimate of value by using an overall capitalization rate.

Within this report, our opinion of market value has been based upon application of the Sales Comparison Approach. Since the subject property primarily represents vacant land, and its interim use only generates a nominal amount of income, the Income Approach was deemed applicable and has been excluded. Furthermore, since the existing improvements do not represent new construction, it is our opinion that the Cost Approach is not especially relevant and, therefore, has also been omitted.

## **SALES COMPARISON APPROACH**

The Sales Comparison Approach, also known as the Market Data Approach, provides a market value estimate of a particular property through comparison of recent sales and offerings of similar properties. This approach is built upon the premise that value is directly related to prices of comparable and competitive properties. Implied within this premise is the principle of substitution, wherein a prudent investor would pay no more for a particular property than the cost to acquire a similar substitute, equal in desirability and utility. This principle also implies that the reliability of the Sales Comparison Approach is directly related to the comparability of sales available. When recent similar sales have occurred, this approach provides a reliable indication of value. When sufficient income and expense data is available for sales of income-producing properties, the Sales Comparison Approach can also provide overall rates, income and expense ratios and gross income multipliers.

The systematic procedure for the development of the Sales Comparison Approach is outlined as follows:

1. Research the market for information on sales transactions, listings, and offers to purchase or sell involving properties that are similar to the subject property in terms of characteristics such as property type, date of sale, size, physical condition, location and zoning.
2. Verify the information by confirming that the data obtained is factually accurate and that the transactions reflect arm's length, market considerations. Verification may elicit additional information about the market.
3. Select relevant units of comparison (e.g., price per dwelling unit, price per acre, price per square foot, price per front foot, etc...) and develop a comparative analysis for each unit.
4. Compare comparable sale properties with the subject property using the elements of comparison and adjust the price of each comparable to the subject property or eliminate the sale property as a comparable.
5. Reconcile the various value indications produced from the analysis of comparable sales into a single value indication or a range of values. In an imprecise market subject to varying occupancies and economies, a range of values may be a better conclusion than a single value estimate. Since there are a sufficient number of comparable sales within the subject's market area, we will derive a single opinion of value within this approach.

The Sales Comparison Approach is most applicable when recent sales of similar properties exist. This approach may not provide a reliable value estimate when too few sales exist or when sales reflect strong differences in market conditions due to dated transactions. Omission of this approach altogether may sometimes be necessary when sufficient data does not exist.

In determining comparability of the sales, they should be recent bona-fide, arms-length transactions which reflect similarity to the subject property. Dissimilarities to the subject are usually adjusted based upon, but not limited to, the following elements of comparison:

1. Real property rights conveyed
2. Financing terms
3. Conditions of sale
4. Expenditures made immediately after purchase
5. Market Conditions
6. Location
7. Physical characteristics (size, construction, quality, condition)
8. Economic characteristics (operating expenses, lease provisions, management, tenant mix)
9. Use (zoning)
10. Non-Realty components of value

Various analytical techniques may be used to identify and measure adjustments. Comparative analysis includes the consideration of both quantitative and qualitative factors. Quantitative adjustments are developed as either dollar or percentage amounts. Factors that cannot be quantified are dealt with qualitative analysis. Quantitative analysis includes the application of paired data analysis, grouped data analysis, statistical analysis, graphic analysis, sensitivity analysis and trend analysis. Qualitative analysis includes the application of relative comparison analysis, ranking analysis and personal interviews.

#### **Selection of Comparable Sales**

Information gathered within this report was researched by McGrath & Company, Inc., through leads from 1) Various sales reporting services 2) area real estate brokers, 3) and past records of McGrath & Company, Inc. All information contained herein has been verified through municipal records and/or discussions with knowledgeable parties.

We have considered sales and active listings of comparable land in the subject's market area that have taken place within the 3± years preceding the effective date of the appraisal.

Details regarding the sales utilized herein are included on the subsequent pages, followed by a summary and analysis grid to establish the market value of the fee simple interest in the subject property via the Sales Comparison Approach.

**COMPARABLE SALE #1**

190 Fields Lane, Brewster, NY 10509  
Town of Southeast, Putnam County

**Sale Price:** \$480,000  
**Price/Acre:** \$89,552  
**Sale Date:** 12/27/2012 (Deed: 12/28/2012)  
**Grantor:** Palumbo Sand & Gravel Co. Inc.  
**Grantee:** Birch Grove Holdings NY, LLC  
**Liber/Page:** 1912/115  
**Financing:** Cash or cash equivalent



*Situated northerly side of Fields Lane, a primarily office/industrial corridor.*

**SITE DESCRIPTION**

**Tax ID:** 78.-2-3  
**School:** Brewster CSD  
**Lot Size:** 5.36± Acres  
**Shape:** Rectangular, narrow  
**Zoning:** OP-1; Office Park  
**Frontage:** 250± feet along Fields Lane.  
**Topography:** Slopes upward in a northerly direction from Fields Lane, then plateaus, and then descends in a northerly direction. Site is mostly wooded.  
**Wetlands:** None apparent.  
**Flood Plain:** None apparent.  
**Water:** Drilled well.  
**Sewer:** Private septic.  
**Easements:** No adverse easements noted.  
**Approvals:** Sale was contingent upon the grantor obtaining approvals for a 5,000± square foot warehouse/showroom structure.

**COMMENTS**

The property borders the right-of-way for Interstate 684 and a sand and gravel mine operated by the grantee, Palumbo Sand & Gravel.

**COMPARABLE SALE #2**

25 Independent Way, Brewster, NY 10509  
Town of Southeast, Putnam County

**Sale Price:** \$325,000  
**Price/Acre:** \$70,806  
**Sale Date:** 03/01/2013 (Deed: 03/12/2013)  
**Grantor:** Quest Properties, LLC  
**Grantee:** Lawrence-Grace Realty, LLC  
**Liber/Page:** 1916/452  
**Financing:** Cash or cash equivalent



*Situated between Independent Way and Prospect Hill Road,  
near the Southeast Train Station and Exit 19 of I-84.*

**SITE DESCRIPTION**

**Tax ID:** 56.-1-28.1  
**School:** Brewster CSD  
**Lot Size:** 4.59± Acres  
**Shape:** Irregular, narrow  
**Zoning:** OP-2; Office Park  
**Frontage:** 690± feet of frontage along Independent Way, with additional 240± feet along Prospect Hill Road.  
**Topography:** The underlying land consists of sloping and rolling topography and is densely wooded.  
**Wetlands:** Estimated 0.60± acres of NYS DEC Wetlands.  
**Flood Plain:** None apparent.  
**Water:** Drilled well.  
**Sewer:** Private septic.  
**Easements:** No adverse easements noted.  
**Approvals:** Site was purchased with approvals for a 15,000± square foot light industrial building.

**COMMENTS**

The property has recently been re-listed on the open market as of July, 2015, with an asking price of \$499,000 (\$108,715 per acre) inclusive of approvals. As of April 1<sup>st</sup>, 2016, the property has yet to be improved.

### COMPARABLE SALE #3

3433 Danbury Road, Brewster, NY 10509  
Town of Southeast, Putnam County

**Sale Price:** \$975,000  
**Price/Acre:** \$89,286  
**Sale Date:** 01/08/2016 (Deed: 01/21/2016)  
**Grantor:** St. Lawrence O'Toole Church  
**Grantee:** Rraci Properties, LLC  
**Liber/Page:** 2001/225  
**Financing:** Cash or cash equivalent



*Situated between Danbury Road and Starr Ridge Road, overlooking the East Branch Reservoir.*

### SITE DESCRIPTION

**Tax ID:** 68.-2-70  
**School:** Brewster CSD  
**Lot Size:** 10.92± Acres  
**Shape:** Irregular  
**Zoning:** SR-6; Special Route 6  
**Frontage:** 557± feet of frontage along Danbury Road, with additional 997± feet along Starr Ridge Road.  
**Topography:** The underlying land slopes upward in a southerly direction, away from Danbury Road. Property was mostly overgrown scrub brush as of the date of sale.  
**Wetlands:** None apparent.  
**Flood Plain:** None apparent.  
**Water:** Drilled well.  
**Sewer:** Private septic.  
**Easements:** No adverse easements noted.  
**Approvals:** Site was purchased with development approvals for a 30,000± square foot commercial building. Approvals were initially granted for a religious uses (church) but can be adapted to either retail or office uses.

### COMMENTS

The property overlooks the East Branch Reservoir, which is located on the opposite side of Danbury Road, affording the property with seasonal views. Primary access to the site will be via a new curb cut along Danbury Road, with secondary access via a private drive from Starr Ridge Road. Property was purchased by a local restaurateur.

**COMPARABLE SALE #4 (CONTRACT)**

1 Starr Ridge Road, Brewster, NY 10509  
Town of Southeast, Putnam County

**Sale Price:** \$225,000  
**Price/Acre:** \$72,115  
**Sale Date:** 03/18/2016 (Deed: Not Available)  
**Grantor:** Putnam County Land Trust  
**Grantee:** Lyons Development, Inc.  
**Liber/Page:** N/A  
**Financing:** N/A

**SITE DESCRIPTION**

**Tax ID:** 68.-2-2  
**School:** Brewster CSD  
**Lot Size:** 3.12± Acres  
**Shape:** Irregular  
**Zoning:** SR-6; Special Route 6  
**Frontage:** 1,150± feet of frontage along Willow Road.  
**Topography:** The underlying land slopes upward in southwesterly direction from its road frontage.  
**Wetlands:** None apparent.  
**Flood Plain:** None apparent.  
**Water:** Drilled Well.  
**Sewer:** Private Septic.  
**Easements:** No adverse easements noted.  
**Approvals:** Approvals obtained by grantee for a 16,000± square foot, two-story, mixed-use (retail/office) structure.



*Situated along Willow Road and bounded on its west by Route 6 and the Putnam County Rail Trail.*

**COMMENTS**

The property is contract of sale for \$225,000. The sale was contingent upon the grantee obtaining approvals.

## **EXPLANATION OF ADJUSTMENTS**

Within the Sales Comparison Approach, comparable sales are analyzed and compared to the subject property, and adjustments are applied to reflect the differences between each sale property and the subject. Various factors considered in making such adjustments are as follows:

### **Market Conditions (Time)**

A slight time adjustment was deemed necessary, to reflect gradually improving market conditions during the last 12 to 36 months.

### **Conditions of Sale**

The definition of market value assumes that both the buyer and seller are typically motivated and not under duress. For this reason, any excess motivation on the part of the buyer (typically resulting in a premium price) or on the part of the seller (typically resulting in a discounted price) is addressed within this category.

### **Location / Access**

An analysis of various location factors (transportation facilities, highway accessibility, population density, patterns of existing improvements and uses, labor supply, availability, convenience, and adequacy of shopping and municipal services, vehicular traffic patterns and volume, etc.). We have also considered the enhancement to value created by the degree of convenient ingress and egress to and from existing traffic patterns.

### **Land Size**

Land size is an analysis of the relationship that exists between overall area, or size, and unit value. The appraisers have analyzed the usable site area herein, with additional consideration of the overall size of the subject site area and comparable site areas.

### **Zoning**

An analysis of uses permitted in differing zoning district classifications, yield potentials, building regulations and/or applicable restrictions and limitations.

### **Site Features**

Considered here is the utility of the underlying site, taking into consideration the topography, frontage, presence of wetlands and/or floodplains, etc. In this particular instance, we have also considered that the view amenities, given the subject property's location across from the Middle Branch Reservoir.

### **Utilities (Water/Sewer)**

An analysis of the availability of municipal water and sewer connection versus private septic and well water, and its impact on development and development density.

### **Approvals**

Considered herein is the analysis of who bore the cost to secure development approvals (if any) and its effect on sale price. If the sale was sold contingent, the prospective buyer bore the cost of responsibility and that fact would be evident in the property's sale price.

## SUMMARY AND ADJUSTMENT GRID

IMPROVED SALE #	1	2	3	4	SUBJECT
SBL:	78.-2-3	78.-2-3	68.-2-70	68.-2-2	56.-1-14
Location	190	25	3433	1	2360-2366
	Fields Lane	Independent Way	Danbury Road	Starr Ridge Road	Route 6
	Town of Southeast	Town of Southeast	Town of Southeast	Town of Southeast	Town of Southeast
Sale Price	\$480,000	\$325,000	\$975,000	\$225,000	N/A
Sale Date	Dec-12	Mar-13	Jan-16	Mar-16	N/A
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Property Rights Adjustment	\$0	\$0	\$0	\$0	N/A
Adjusted Sale Price	\$480,000	\$325,000	\$975,000	\$225,000	N/A
Financing	Typical	Typical	Typical	Typical	N/A
Financing Adjustment	\$0	\$0	\$0	\$0	N/A
Adjusted Sale Price	\$480,000	\$325,000	\$975,000	\$225,000	N/A
Conditions of Sale	Arm's Length	Arm's Length	Arm's Length	Contract	N/A
Cond. of Sale Adjustment	\$0	\$0	\$0	\$0	N/A
Adjusted Sale Price	\$480,000	\$325,000	\$975,000	\$225,000	N/A
Annual Time Adjustment (3% p.a. pro rated)	\$46,900	\$30,100	\$6,600	\$0	N/A
<b>ADJUSTED SALE PRICE 03/30/2016</b>	<b>\$526,900</b>	<b>\$355,100</b>	<b>\$981,600</b>	<b>\$225,000</b>	<b>N/A</b>
Land Area (Acres)	5.36	4.59	10.92	3.12	5.80
Price/Acre	\$98,302	\$77,364	\$89,890	\$72,115	N/A
Zoning	"OP-1"	"OP-2"	"SR-6"	"SR-6"	"GC"
	Office Park	Office Park	Special Route 6	Special Route 6	Gateway Commercial
<b>Site Features</b>					
Topography	Underlying land contains a mix of sloping and level terrain. The site is mostly wooded.	The underlying land consists of sloping and rolling topography. The site is densely wooded.	Underlying land slopes upward in a southerly direction, away from Danbury Road. The property was overgrown scrub and brush at the time of sale.	Underlying land slopes upward in a southwesterly direction from its road frontage. The property is partially wooded.	Topography of the underlying site gradually slopes upward in an easterly direction from Route 6. majority of the site is cleared, with some wooded areas.
Wetlands/Flood Plain	No apparent wetlands or flood plains.	The underlying land is encumbered by 0.6± acres of regulated NYS DEC Wetlands.	No apparent wetlands or flood plains.	No apparent wetlands or flood plains.	No apparent wetlands or flood plains.
Frontage	250± feet of frontage along the northerly side of Fields Lane.	262± feet of frontage on Prospect Hill Road with 670± feet along southerly side of Independent Way.	557± feet along Danbury Road, with additional frontage on Starr Ridge Road.	357± feet along the westerly side of Starr Ridge Road.	507± feet along the easterly side of Route 6.
Site Features Comments	Property has narrow rectangular configuration.	Property has irregular configuration.	The property is <u>afforded seasonal views of the East Branch Reservoir</u> , located on the opposite side of Danbury Road.	Property has irregular configuration.	Property has <u>exceptional views of the Middle Branch Reservoir</u> and is well suited for development.
Water	Drilled Well (Required)	Drilled Well (Required)	Drilled Well (Required)	Drilled Well (Required)	Public Water (Available)
Sewer	Septic (Required)	Septic (Required)	Septic (Required)	Septic (Required)	Public Sewer (Available)
Approvals (at time of sale)	Purchased contingent upon the grantee obtaining approvals for a 5,000± square foot warehouse/showroom structure.	Purchased with approvals for 15,000± square foot building.	Purchased with approvals for 30,000± square foot commercial building.	Purchased contingent upon the grantee obtaining approvals for a 16,000± square foot retail/office building.	None.
<b>BASE VALUE PER USABLE ACRE</b>	<b>\$98,302</b>	<b>\$77,364</b>	<b>\$89,890</b>	<b>\$72,115</b>	<b>N/A</b>
<b>ADJUSTMENTS</b>					
Location/Access	10%	15%	0%	0%	
Size	0%	0%	10%	-5%	
Configuration	5%	10%	0%	10%	
Zoning	0%	0%	10%	10%	
Site Features	10%	15%	5%	5%	
Water/Sewer	15%	15%	15%	15%	
Approvals	0%	-5%	-5%	0%	
<b>NET ADJUSTMENT</b>	<b>40%</b>	<b>50%</b>	<b>35%</b>	<b>35%</b>	
<b>ADJUSTED PRICE PER ACRE (Rd.)</b>	<b>\$138,000</b>	<b>\$117,000</b>	<b>\$122,000</b>	<b>\$98,000</b>	
<b>CONCLUSION OF VALUE - \$120,000 PER ACRE (OR) \$700,000 RD.</b>					

### **COMPARABLE SALES ANALYSIS**

In developing an opinion of the market value of the fee simple interest in the subject property by the Sales Comparison Approach, we have researched and analyzed four (4) recent sales of comparable properties within the subject's market area and compared them to the subject on a price per square foot basis.

**Comparable Sale #1** was adjusted upward to the subject for its inferior location along an office/industrial corridor. Additional upward adjustments were applied for the sales slightly inferior configuration, site features and lack of municipal/public water and sewer.

**Comparable Sale #2** was adjusted upward to the subject for its inferior location along an access road to the Southeast Train Station of the Metro-North Commuter Rail. Additional upward adjustments were made for the sale's inferior configuration, site features and lack of municipal/public water and sewer. The sale was adjusted downward to the subject for its development approvals.

**Comparable Sale #3** was adjusted upward to the subject for its larger site area, inferior zoning and site features, and lack of municipal/public water and sewer connection. The sale was adjusted downward to the subject for its development approvals.

**Comparable Sale #4 (contract)** was adjusted upward to the subject for its inferior configuration, more restrictive zoning, inferior site features and lack of municipal/public water and sewer connection. A downward adjustment was applied for its slightly smaller site area.

The adjusted comparable sales range from \$98,000 to \$138,000 per acre. Comparable sale 3 was, in our opinion, most similar to the subject property and, as such, additional reliance was given to this sale in our reconciliation of value.

### **CONCLUSION OF MARKET VALUE - SALES COMPARISON APPROACH**

Considering the foregoing analysis and based upon the appraisers' experience in the real estate market, it is our opinion, based upon the Sales Comparison Approach that the market value of the fee simple interest in the subject property, as of March 30<sup>th</sup>, 2016, was as follows:

**SEVEN HUNDRED THOUSAND DOLLARS**

**(\$700,000)**

**or**

**\$120,000 Per Acre (5.80± Acres), Rd.**

## **ASSUMPTIONS AND CONTINGENT CONDITIONS**

In this appraisal, made as of March 30<sup>th</sup>, 2016, 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 estimated 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.

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 appraisers.

Possession of this report, or a copy thereof, does not confer any right of disclosure as to the value conclusions, identity of the appraisers, or any part of the contents hereof, or of publication, nor may it be used for any purpose by anyone other than the submittee without the prior written consent of the appraiser or the submittee, 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 submittee, pursuant to duly instituted legal proceedings.

The appraisers by reason of this appraisal are 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

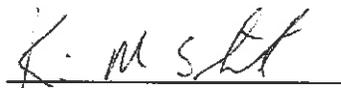
We certify that, to the best of our knowledge and belief:

- 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 no personal interest with respect to the parties involved.
- 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.
- 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.
- 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.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- Kevin M. Schick and Salvatore DeSiena have made a thorough inspection of the property that is the subject of this report. Gerald M. Carey has made a subsequent exterior inspection.
- No one provided significant professional assistance to the person(s) signing this certification.



Gerald M. Carey, MAI

State Certified General Real Estate Appraiser No. 46-26238



Kevin M. Schick

State Certified General Real Estate Appraiser No. 46-49034



Salvatore DeSiena

State Certified Real Estate Appraiser Assistant No. 48-49858

**GERALD M. CAREY, MAI**  
**Senior Appraiser**

**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

**Experience**

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 of 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.

UNIQUE ID NUMBER  
4600002623B

State of New York  
Department of State

FOR OFFICE USE ONLY  
Control  
No. 87139

DIVISION OF LICENSING SERVICES

PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE  
EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.

EFFECTIVE DATE  
MO | DAY | YR  
09 | 06 | 15

CAREY GERALD M  
C/O MCGRATH & COMPANY, INC.  
1059 MAIN ST  
FISHKILL, NY 12524

EXPIRATION DATE  
MO | DAY | YR  
09 | 05 | 17

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

In Witness Whereof, The Department of State has caused  
its official seal to be hereunto affixed.

CESAR A. PERALES  
SECRETARY OF STATE

**KEVIN M. SCHICK**  
**Certification: NYS General Appraiser #46-49034**  
**Tax Certiorari Department Chief Appraiser & Manager**

**Education**

Marist College, Poughkeepsie, New York, Bachelor's Degree in Business Administration

Major Area of Emphasis: International Business

Minor Area of Emphasis: Economics & German

Graduated in 2004

New York University Real Estate Institute, New York, New York, Certificate in Appraisal of Investment Properties - Completed in Spring 2007

**Successful completion of the following courses:**

- Introduction to Real Estate Appraisal (R1)
- Valuation Principles & Procedures (R2)
- 15-Hour Nation USPAP
- Fair Housing, Fair Lending, & Environmental Issues (AQ-1)
- Income Property Valuation (G1)
- Intermediate Income Property Valuation (G2)
- Advanced Applied Income Valuation (G3)
- FHA and VA Appraisal Basics
- Mortgage Fraud: A Dangerous Business
- 2010, 2012 & 2014 National USPAP Update
- Appraisal of 2-4 Family & Multi-Family Properties
- Challenging Assignments for Residential Appraisers
- Covering All the Bases in Residential Reporting
- Appraisal Review of Residential Properties
- New York State Supervisory Appraiser Certification Course

**Experience**

- 2013-Present: Director - Tax Certiorari Department – McGrath & Company Inc., Real Estate Appraisers & Counselors, Fishkill and Bedford, New York.
- 2004-2013: Staff Appraiser – McGrath & Company Inc., Real Estate Appraisers & Counselors, Fishkill and Bedford, New York.
- 2004: Apprentice - Mergers & Acquisitions Department – DaimlerChrysler AG, Stuttgart, Germany.
- 2002-2004: Property Research Analyst – McGrath & Company Inc., Real Estate Appraisers & Counselors, Fishkill and Bedford, New York.
- 2000-2002: Property Research Analyst – McGrath, Basciani & Associates, Inc., Real Estate Appraisers & Counselors, Fishkill and Briarcliff Manor, New York.

NUMBER  
34

State of New York  
Department of State

DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY  
Control  
No. 77276

PURSUANT TO THE PROVISIONS OF ARTICLE 23 OF THE  
EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.

EFFECTIVE DATE

MO	DAY	YR
05	05	14

SCHICK KEVIN M  
C/O MCGRATH & COMPANY INC  
1069 MAIN ST  
FISHKILL, NY 12524

EXPIRATION DATE

MO	DAY	YR
05	04	16

BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A  
GENERAL APPRAISER

In Witness Whereof, The Department of State has caused  
its official seal to be hereunto affixed

CESAR A. PERALES  
SECRETARY OF STATE

**Salvatore DeSiena**  
**Staff Appraiser**  
**Certification**  
**NYS ID #48-49858**

**Education**

University at Albany, Albany, New York

Bachelor's Degree in Urban Studies & Planning

Major Area of Emphasis: Urban Studies & Planning

Minor Area of Emphasis: Geography

Graduated in 2009

**Successful completion of the following courses:**

New York University Real Estate Institute, New York, New York

- Basic Appraisal Principles (R5)
- Basic Appraisal Procedures (R6)
- 15-Hour Nation USPAP
- Residential Market Analysis and Highest and Best Use (R7)
- Residential Appraiser Site Valuation and Cost Approach (R8)
- Residential Sales Comparison and Income Approach (R9)
- Residential Report Writing and Case Studies (R10)

Appraisal Institute: Metro New York Chapter, New York, New York

- General Appraiser Market Analysis and Highest and Best Use (G4)
- Real Estate Finance, Statistics and Valuation Modeling (SMF)
- General Appraiser Sales Comparison Approach (G5)
- General Appraiser Site Valuation and Cost Approach (G6)
- General Appraiser Income Approach Part I & II (G7)
- General Appraiser Report Writing and Case Studies (G8)
- Fair Housing, Fair Lending and Environmental Issues (GE1)
- HP-12C Financial Calculator (GE3)

**Experience**

2009-Present: Full Time Staff Appraiser – McGrath & Company Inc., Real Estate Appraisers & Counselors, Fishkill and Bedford, New York.

2007-2009: Part Time Trainee, Experience Involving Data Collection, Property Research and Geographic Information Systems – McGrath & Company Inc., Real Estate Appraisers & Counselors, Fishkill and Bedford, New York.

UNIQUE ID NUMBER

48000049858

*State of New York*  
*Department of State*  
**DIVISION OF LICENSING SERVICES**

FOR OFFICE USE ONLY

Control  
No.

77649

KNOW ALL MEN BY THESE PRESENTS THAT PURSUANT TO  
THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE  
LAW AS IT RELATES TO REAL ESTATE APPRAISERS.

EFFECTIVE DATE

MO. | DAY | YR.  
07 | 19 | 14

DESIENA SALVATORE  
C/O MCGRATH & COMPANY  
1069 MAIN ST  
FISHKILL, NY 12524-3502

EXPIRATION DATE

MO. | DAY | YR.  
07 | 18 | 16

HAS BEEN DULY LICENSED AS A  
REAL ESTATE APPRAISER ASSISTANT

In Witness Whereof, The Department of State has caused  
its official seal to be hereunto affixed.

**CESAR A. PERALES**  
**SECRETARY OF STATE**

## **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

## **COMMERCIAL & INDUSTRIAL CLIENTS**

APB Management  
Adams Fair Acre Farms  
Allegro Realty Advisors  
Appraisers & Planners, Inc .  
The Azarian Group  
Baright Enterprises  
Bell Atlantic  
Big V Corp. (Shoprite)  
Bronxville Realty Associates  
Buckingham Properties  
Castagna Group  
Castle on the Hudson  
Ray Catena  
Cetek Inc.  
CH Energy Group  
Chevron Land & Development  
Consolidated Edison Co. of NY Inc.  
Conrail, Inc.  
Curco Operating Company  
CSX Real Property  
Davis Advisors  
Durst Organization  
ECCO III Development  
East Fishkill Corporate Park, LLC  
Enap, Inc.  
GDC  
Garrison Tree Company  
Gasho of Japan  
General Electric Company  
Glero Realty  
Goldfarb Properties  
Greystone Holding Corp.  
Guardian Self Storage

Herb Redl Properties  
Herbert Albert LLC  
HO Penn  
Hoe Ventures  
Hopewell Associates (M&D Furtch, LLC)  
Hudson Heritage, LLC  
Hudson Valley Lighting  
Jaron Associates  
Jomale Corp.  
Kearney Realty Company  
Lumelite Corp.  
Metropolitan Transportation Authority  
Mid Hudson Medical Group  
Mount Kisco Medical Group  
NYNEX Properties  
Orange & Rockland Utilities  
Henry Page Development, Ltd.  
Patrick Properties  
Prestige Toyota  
R.L. Baxter Building Corp.  
Re-Community Recycling, Inc.  
Rex Realty  
Sono Tek Corporation  
Suburban Propane  
Suburban Energy Services  
T Rex Capital Group  
Ukranian National Association  
Urstadt Biddle  
Verizon  
WSH Realty Group  
Westage Companies  
Zappico

## **LEGAL**

Bleakley, Platt and Schmidt, P.C

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

Edward Lackeye, Esq.

Levine & Levine

McCabe & Mack

Millbank, Tweed, Hadley & McCloy

Miller Zeidermann Wiederkehr & Swarz LLP

Alan Moeller, Esq.

Robert Morgenthau

Paul S. Richmaon, Esq.

Rothschild & Pearl, LLP

Joseph St. Onge, Esq.

Richard Scheiderman, Esq.

Simon & Sneider

Stenger, Roberts, Davis & Diamond

Teahan & Constantino

Van DeWater & Van DeWater

Wallace & Wallace, LLP

Warburg, Dillon & Read

John E. Watkins, Esq.

Robert Wolper, Esq.

## **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  
Bruderhof 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

## **GOVERNMENT AGENCIES & 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 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 Ulster  
Town of Wappinger  
Village of Ardsley  
Village of Wappingers Falls  
NYS Small Business Administration

## **ENVIRONMENTAL AGENCIES & 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  
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

**McGrath & Company, Inc.**  
Real Estate Appraisers & Counselors

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*Dutchess:* 1069 Main Street, Fishkill, NY 12524  
Phone: (845) 896-5333 | Fax: (845) 896-5340  
Email: 1069main@optonline.net

*Westchester:* 444-D Old Post Road, Bedford, NY 10506  
Phone: (914) 234-6300 | Fax: (914) 234-9332

February 29, 2016

Mr. Tony Hay, Supervisor  
c/o Town of Southeast  
1360 Route 22  
Brewster, NY 10509

Re: Property of Town of Southeast  
2360-2366 Route 6  
Town of Southeast  
Putnam County, New York

Dear Sirs:

In accordance with your request, we have reviewed the description and pertinent data of the captioned property to determine our fee for appraisal services.

The appraisal report will be prepared in an accepted format, signed by a Certified General Real Estate Appraiser and will conform to current Uniform Standards of Professional Appraisal Practice (USPAP). The report will be prepared for use by the client for purchase negotiations with the property owner.

The subject property consists of a 6± acre site improved with a 1,535± square foot single family residence and a 4,875 square foot former nursing home structure located on the northerly side of Route 6 in the Town of Southeast. Our valuation will be based upon the highest and best use of the site taking into consideration the location of the property within the NYC watershed, the present zoning, and the condition of the existing improvements.

Our fee for the assignment will be \$3,000 and will be completed within four weeks of receipt of your authorization to proceed. We will provide two (2) hard copies and a PDF of the appraisal report emailed upon completion.

Thank you for the opportunity to present this proposal. We look forward to working with you on this assignment. If you would like us to proceed, please acknowledge.

Very truly yours,



Gerald M. Carey, MAI



Printed Name & Signature

3/21/16



Dennis J Sant, County Clerk  
Putnam County Office Building  
40 Gleneta Avenue, Room 100  
Carmel, New York 10512



ACS-00000000329686-00000000686795-084

Endorsement Page

Document # 1500288      Drawer # 02      Recorded Date: 02/11/2014  
Document Type: DEED COM OR VACANT      Book 1944      Page 1      Recorded Time: 11:26:56 AM  
Document Page Count: 4      Receipt # 2105

PRESENTER:  
NEW YORK TITLE  
550 MAMARONECK AVENUE  
SUITE 401  
HARRISON, NY 10528

RETURN TO:  
NEW YORK TITLE  
550 MAMARONECK AVENUE  
SUITE 401  
HARRISON, NY 10528

PARTIES

GRANTOR  
STEVEN J. KIRSON

GRANTEE  
TOWN OF SOUTHEAST

FEE DETAILS

1500288  
DEED COM OR VACANT      4      40.00  
TP-584      1      5.00  
CULTURAL EDUCATION      15.00  
RP-5217 COMMERCIAL      250.00  
RECORD MANAGEMENT      5.00  
AMOUNT FOR THIS DOCUMENT:      315.00  
RETT #      000001141

RESERVED FOR CERTIFICATION

THIS DOCUMENT WAS EXAMINED PURSUANT TO S315  
REAL PROPERTY LAW

EXEMPTIONS

RESERVED FOR CLERKS NOTES

①

DENNIS J. SANT  
PUTNAM COUNTY CLERK

NYT 16845

CONSULT YOUR LAWYER BEFORE SIGNING THIS INSTRUMENT-THIS INSTRUMENT SHOULD BE USED BY LAWYERS ONLY

THIS INDENTURE, made the <sup>As of</sup> 30<sup>th</sup> day of December, 2013

BETWEEN Steven J. Krasn  
8 Longview Lane  
Bluffton, SC 29910

party of the first part, and Town of Southeast  
1380 Route 22,  
Brewster, NY 10509

party of the second part,  
WITNESSETH, that the party of the first part, in consideration of  
Ten and 00/100 (\$10.00) dollars  
paid by the party of the second part, does hereby grant and release unto the party of the second part, the heirs  
or successors and assigns of the party of the second part forever.

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate,  
lying and being in the Town of Southeast, County of Putnam, and State of New York, more fully described on the  
annexed Schedule "A".

BEING and intended to be the same premises conveyed to the party of the first part herein by deed from  
Emma W. Williams, dated 9/7/1979 and recorded 9/21/1979 in Liber 764 page 303 in the Putnam County  
Clerk's Office.

Section:  
56 456.14

Block:  
1

LOT  
14+1

TOGETHER with all right, title and interest, if any, of the party of the first part in and to any streets and roads  
abutting the above described premises to the center lines thereof, 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 HOLD the  
premises herein granted unto the party of the second part, the heirs or successors and assigns of the party of  
the second part forever.

AND the party of the first part covenants that the party of the first part has not done or suffered anything  
whereby the said premises have been encumbered in any way whatever, except as aforesaid.

AND the party of the first part, in compliance with Section 13 of the Lien Law, covenants that the party of the  
first part 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 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. The word "party" shall be construed as if it read "parties" when ever the sense of this indenture so  
requires.

IN WITNESS WHEREOF, the party of the first part has duly executed this deed the day and year first above  
written

IN PRESENCE OF:

Tom Burr  
Notary for SC

Steven J. Krasn  
Steven J. Krasn

**PARCEL I**

ALL that tract, piece or parcel of land, situate, lying and being in the Town of Southeast, County of Putnam and State of New York, being more particularly bounded and described as follows:

BEGINNING at a point on the easterly side of the Public Highway leading from Carmel to Brewster, where the center line of a stone wall dividing the premises herein described from land heretofore conveyed by the Title Guaranty & Trust Company and another, as Executors of the Last Will and Testament of Dolly Smith, deceased, to William T. Whaley, by deed recorded on December 3, 1934 in Liber 201 page 172 intersects said highway;

RUNNING THENCE along the easterly side of said Highway, the following five (5) courses and distances:

1. North 04 degrees 14 minutes 00 seconds East, 13.04 feet;
2. North 65 degrees 15 minutes 40 seconds West, 50.05 feet;
3. North 51 degrees 19 minutes 20 seconds West, 37.02 feet;
4. North 30 degrees 49 minutes 30 seconds West, 37.02 feet; and
5. North 12 degrees 00 minutes 50 seconds East, 506.92 feet to the center line of a stone wall dividing the premises herein described from other lands of the heirs of Dolly Smith;

RUNNING THENCE along the land of the heirs of Dolly Smith and through the center of a stone wall, South 82 degrees 05 minutes 45 seconds East, 416.58 feet to the westerly side of the Right-of-Way of the New York Central Railroad – Putnam Division;

RUNNING THENCE along the Right-of-Way of said railroad and through the center of a stone wall, South 01 degree 08 minutes 00 seconds West, 493.67 feet to the center of the stone wall dividing the land herein described from the land of William Whaley above referred to;

RUNNING THENCE along the land of said William Whaley and through the center of the stone wall, South 85 degrees 59 minutes 00 seconds West, 423 feet to the easterly side of the Public Highway leading from Carmel to Brewster to the point and place of BEGINNING.

EXCEPTING LESS therefrom a portion taken back by Notice of Appropriation filed in Liber 510 page 314.

**PARCEL II**

ALL that interior tract or parcel of land, situate, lying and being in the Town of Southeast, County of Putnam and State of New York and lying east of Parcel I and also east of the right-of-way of the New York Central Railroad – Putnam Division, being more particularly bounded and described as follows:

BEGINNING at a point distant 742.68 feet, North 04 degrees 59 minutes 40 seconds West from the southeast corner of the premises heretofore conveyed by Ida M. Smith, et al. to Simeon Brady, Jr. and Nathan Wittenberg by deed dated 3/25/1936 and recorded 3/31/1936 in Liber 215 page 392;

RUNNING THENCE North 71 degrees 18 minutes 10 seconds West along the land of said Brady and Wittenberg 487.24 feet more or less to the right-of-way line of the New York Central Railroad – Putnam Division;

RUNNING THENCE along said right-of-way, North 01 degree 08 minutes 00 seconds East, 264.08 feet to other land of said Brady and Wittenberg;

RUNNING THENCE South 79 degrees 25 minutes 50 seconds East along the land of said Brady and Wittenberg, 444.38 feet to other land of said Brady and Wittenberg;

RUNNING THENCE South 03 degrees 17 minutes 20 seconds East along the land of said Brady and Wittenberg, 339.27 feet to the point and place of BEGINNING.

TOGETHER WITH access and right-of-way over said railroad as now being used between Parcels I & II above described.

**TO BE USED ONLY WHEN THE ACKNOWLEDGMENT IS MADE IN NEW YORK STATE**

State of New York, County of \_\_\_\_\_ ss: State of New York, County of \_\_\_\_\_ ss:

On the \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_ before me, the undersigned, personally appeared \_\_\_\_\_ On the \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_ before me, the undersigned, personally appeared \_\_\_\_\_

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

\_\_\_\_\_  
(signature and office of individual taking acknowledgment)

\_\_\_\_\_  
(signature and office of individual taking acknowledgment)

**TO BE USED ONLY WHEN THE ACKNOWLEDGMENT IS MADE OUTSIDE NEW YORK STATE**

State (or District of Columbia, Territory, or Foreign Country) of South Carolina ss:

On the 30 day of December in the year 2013 before me, the undersigned, personally appeared \_\_\_\_\_

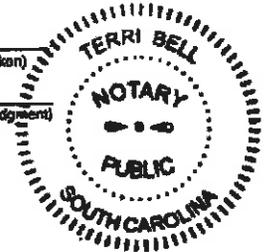
Steven J. Kirson personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument, and that such individual made such appearance before the undersigned in the \_\_\_\_\_

Bluffton in South Carolina

(insert the City or other political subdivision)

(and insert the State or Country or other place the acknowledgment was taken)

Terr Bell  
(signature and office of individual taking acknowledgment)



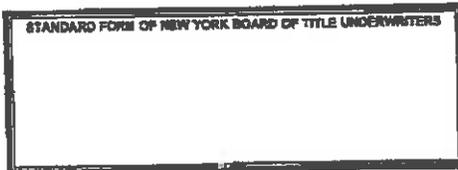
DISTRICT \_\_\_\_\_  
SECTION 56 and 56.14  
BLOCK 1  
LOT 14 and 1  
COUNTY OR TOWN Town of Southeast  
STREET ADDRESS 2360-2366 Route 6

**BARGAIN AND SALE DEED  
WITH COVENANT AGAINST GRANTOR'S ACTS**

Title No. NYT16845  
Steven J. Kirson

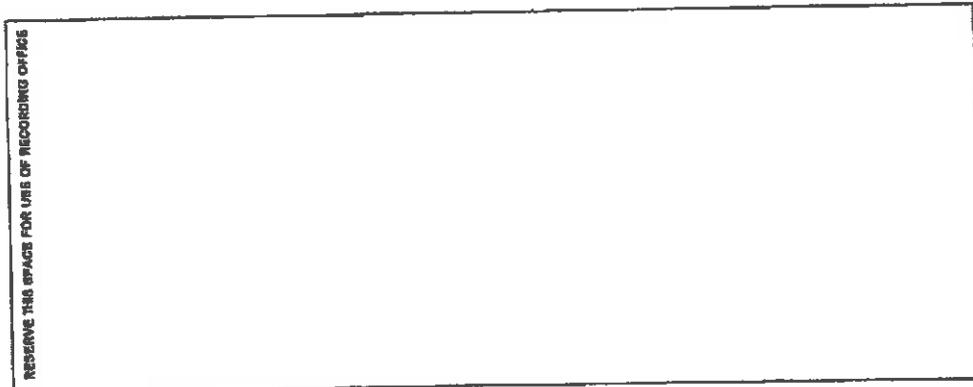
**TO**  
**Town of Southeast**

RETURN BY MAIL TO:



**THE STEPHENS LAW FIRM**  
P.O. Box 408  
Brewster, NY 10509

My Commission Expires  
September 24, 2020



INSTRUCTIONS (RP-5217-PDF-INS) www.opes.state.ny.us

FOR COUNTY USE ONLY

C1. SWIS Code 37,3089
C2. Date Deed Recorded 2/11/14
C3. Book 1944 C4. Page 1



New York State Department of Taxation and Finance
Office of Real Property Tax Services
RP-5217-PDF
Real Property Transfer Report (2/13)

PROPERTY INFORMATION

1. Property Location: 2360-2366 Route 6, Southeast Brewster 10509
2. Buyer Name: Town of Southeast
3. Tax Billing Address:
4. Indicate the number of Assessment Roll parcels transferred on the deed 3 of Parcels OR Part of a Parcel
5. Deed Property Size: X LOT 1 - 2.40 AC, LOT 14 - 6.00 AC
6. Seller Name: KLYSON Steven J.

7. Select the description which most accurately describes the use of the property at the time of sale:
F. Commercial
Check the boxes below as they apply:
8. Ownership Type is Condominium
9. New Construction on a Vacant Land
10A. Property Located within an Agricultural District
10B. Buyer received a disclosure notice indicating that the property is in an Agricultural District

SALE INFORMATION

11. Sale Contract Date 12/31/2013
12. Date of Sale/Transfer 12/31/2013
13. Full Sale Price 0 00
14. Indicate the value of personal property included in the sale 0 00
15. Check one or more of these conditions as applicable to transfer:
A. Sale between Relatives or Further Relatives
B. Sale between Related Corporates or Partners in Business
C. One of the Buyers is also a Seller
D. Buyer or Seller is Governmental Agency or Lending Institution
E. Deed Type not Warranty or Bargain and Sale (Specify Below)
F. Sale of Fractional or Less than Fee Interest (Specify Below)
G. Significant Change in Property Between Transferable Status and Sale Date
H. Sale of Business is Included in Sale Price
I. Other Unusual Factors Affecting Sale Price (Specify Below)
J. None

ASSESSMENT INFORMATION - Date should reflect the latest Final Assessment Roll and Tax Bill

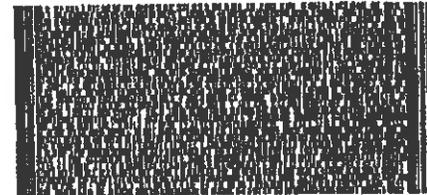
16. Year of Assessment Roll from which information taken (YY)
17. Total Assessed Value Lot 1 \$50,000 Lot 14 \$641,000
18. Property Class Lot 1 (311) Lot 14 (642)
19. School District Name Brewster
20. Tax Map Identifier(s) (Roll Identifier(s)) If more than four, attach sheet with additional identifier(s)
56-1-14 56-14-1-1

CERTIFICATION

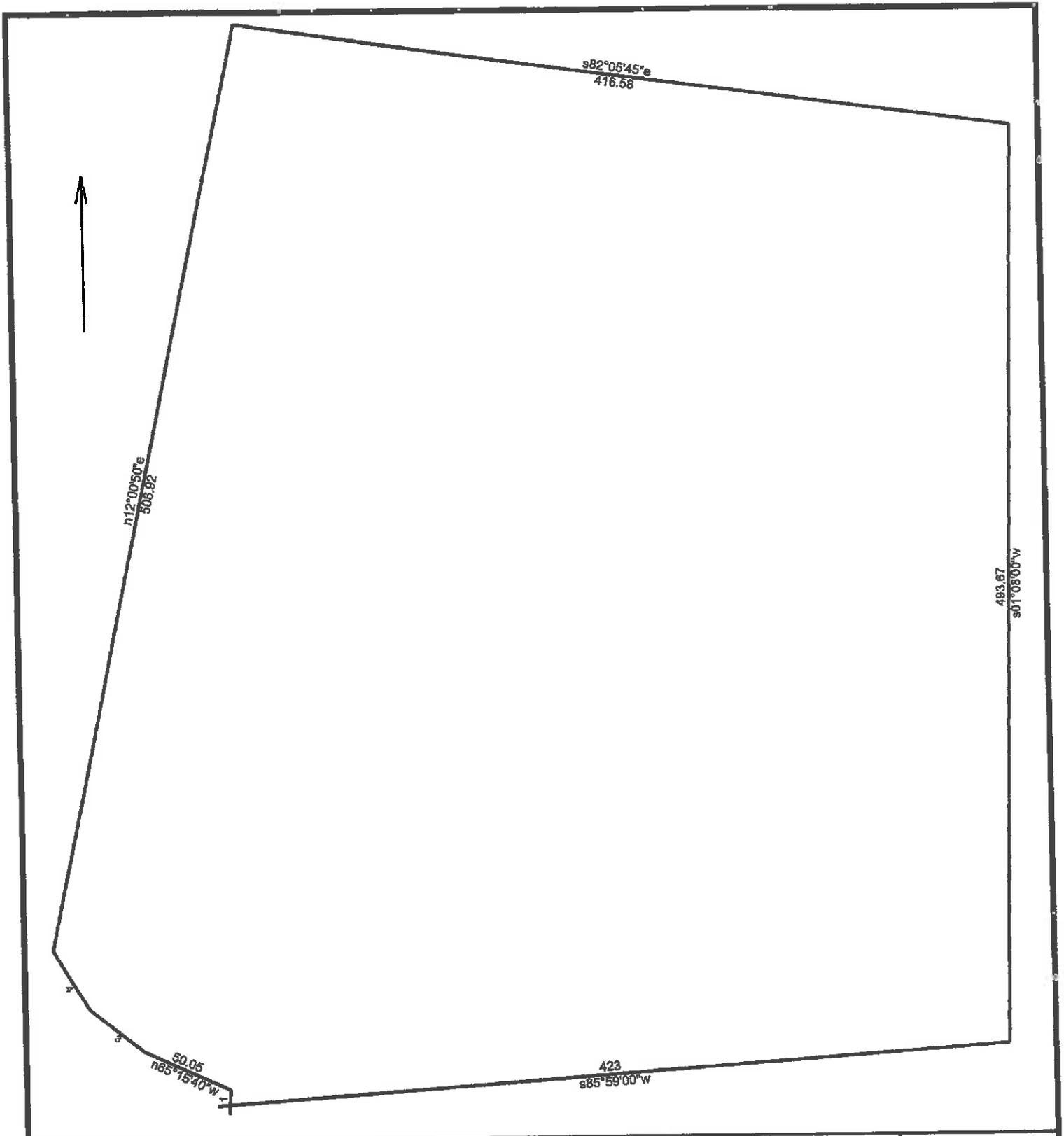
I Certify that all of the (date of submission entered on this form are true and correct (to the best of my knowledge and belief) and I understand that the making of any willful false statement of material fact herein subject me to the provisions of the penal law relative to the making and filing of false instruments.

SELLER SIGNATURE: Steven Klyson 12/30/13

BUYER SIGNATURE: [Signature] 12/31/13



BUYER CONTACT INFORMATION
Town of Southeast
(845) 279-4313
1960 Route 23
Brewster NY 10509
Stephens, Jr. Wallis
(845) 279-422



Southeast - 2360-2366 Route 6

4/2/2016

Scale: 1 inch= 69 feet

File:

Tract 1: 5.8057 Acres (252895 Sq. Feet), Closure: s54.4642e 7.29 ft. (1/271), Perimeter=1977 ft.

- 01 n04.1400e 13.04
- 02 n65.1540w 50.05
- 03 n51.1920w 37.02
- 04 n30.4930w 37.02
- 05 n12.0050e 506.92
- 06 s82.0545e 416.58
- 07 s01.0800w 493.67

08 s85.5900w 423