

**STATE OF NEW HAMPSHIRE**  
**INTER-DEPARTMENT COMMUNICATION**

LRCP 18-044  
*Late Item*

**FROM:** Charles R. Schmidt, PE  
Administrator

**DATE:** November 26, 2018

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

**SUBJECT:** Request to Extend a Listing Agreement, Amend the Listing Price and Adjust the Real Estate Commission of State Owned Parcel Currently Being Marketed to Sell with Real Estate Professionals in Windham  
RSA 4:39-c

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

**REQUESTED ACTION**

The Department of Transportation, pursuant to RSA 4:39-c, requests authorization to extend the listing agreement with Berkshire Hathaway Verani Realty for a term of six months, amend the listing price from \$450,000.00 to \$150,000.00, allow negotiations within the Committee's current policy guidelines, adjust the real estate commission from having the real estate commission calculated on a descending rate to a straight rate of 6% and assess an Administrative Fee of \$1,100.00, for the sale of a 2 +/- acre parcel of State owned land located at the Northeasterly corner of NH Route 111 and NH Route 28 in the Town of Windham subject to the conditions as specified in this request.

The Item (LRCP # 17-019) was originally approved by the Long Range Capital Planning and Utilization Committee on September 19, 2017.

**EXPLANATION**

The Department of Transportation requests authorization to extend the listing agreement, amend the listing price and adjust the real estate commission for the sale of a 2 +/- acre parcel of State owned land located at the Northeasterly corner of NH Route 111 and NH Route 28 in the Town of Windham.

This Committee at their September 19, 2017 meeting (LRCP # 017-019) approved the sale of this property. This approval allowed the listing of the sale of this property for the Department by Berkshire Hathaway Verani Realty for the term of one (1) year at the listing price of \$450,000.00 at a descending commission (6% of the first \$500,000.00 of the sales price plus 5% of the \$500,000.01 or greater). This approval also granted the Department authorization to negotiate with prospective buyers for this parcel within the Committees current guidelines. In addition, the Department would assess an additional Administrative Fee of \$1,100.00 to the purchase price.

During this period, the realtor received interest in this parcel but has received no written offers to date. The question has been asked concerning the amount of wetlands on this parcel. The parcel appears to be wet in some places but no testing has been done to determine the limits of the wetlands. The Department arraigned to have personnel from their Bureau of Environment determine the type and limits of the wetlands on the subject parcel. While these personnel are not wetland scientists, and their finding cannot be used for development purposes, it appears that there are wetlands across the majority of the subject parcel which will affect the development and value of the parcel.

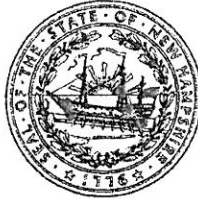
The listing agreement with Berkshire Hathaway Verani Realty expired on November 24, 2018.



A staff appraisal has developed an appraisal with the assumption of the wetland area over a majority of this parcel and has determined a fair market value of this parcel as of November 5, 2018 to be \$130,000.00. The realtor marketing the property for the Department also prepared a summary regarding a revised value for this parcel with the assumption of the wetland area over a majority of this parcel and felt an appropriate range a value for this property would be in the \$150,000.00 to \$175,000.00 range. After discussions with the realtor and review of the provided information, it was decided that a proposed listing price of \$150,000.00 would be appropriate.

The Department requests the Committee to revise the listing value of this 2 +/- acre parcel located in the Town of Windham at \$150,000.00 allow negotiating with prospective buyers within the Committee's current policy guidelines, and allow the Department to extend the listing agreement with Berkshire Hathaway Verani Realty for a term of six (6) months at the straight commission rate of 6%. In addition, the Department will assess an additional Administrative Fee of \$1,100.00 to the purchase price.

CRS/PJM/jl  
Attachments



LRCP 17-019

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*State of New Hampshire*  
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STEPHEN C. SMITH, CPA  
Director, Audit Division  
(603) 271-2785

September 20, 2017

Charles R. Schmidt, P.E., Administrator  
Department of Transportation  
Bureau of Right-of-Way  
John O. Morton Building  
Concord, New Hampshire 03301

Dear Mr. Schmidt,

The Long Range Capital Planning and Utilization Committee, pursuant to the provisions of RSA 4:39-c, on September 19, 2017, approved the request of the Department of Transportation, Bureau of Right-of-Way, to enter into a listing agreement for a term of one (1) year with Berkshire Hathaway Verani Realty for the sale of a 2+/- acre portion of State owned land located at the northeasterly corner of N.H. Route 111 and N.H. Route 28 in the Town of Windham for \$450,000, assess an Administrative Fee of \$1,100, and allow negotiations within the Committee's current policy guidelines, subject to the conditions as specified in the request dated August 3, 2017.

Sincerely,

Michael W. Kane  
Legislative Budget Assistant

MWK/pe  
Attachment

**STATE OF NEW HAMPSHIRE**  
**INTER-DEPARTMENT COMMUNICATION**

LRCP 17-019

**FROM:** Charles R. Schmidt, PE  
Administrator



**DATE:** August 3, 2017

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

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

**TO:** Representative Gene Chandler, Chairman  
Long Range Capital Planning and Utilization Committee

**REQUESTED ACTION**

The Department of Transportation, pursuant to RSA 4:39-c, requests authorization to enter into a listing agreement for a term of one (1) year with Berkshire Hathaway Verani Realty with the real estate commission on a descending rate for the sale of a 2 +/- acre portion of State owned land located at the Northeasterly corner of NH Route 111 and NH Route 28 in the Town of Windham for \$450,000.00, assess an Administrative Fee of \$1,100.00, and allow negotiations within the Committee's current policy guidelines, subject to the conditions as specified in this request.

**EXPLANATION**

The Department of Transportation wishes to dispose of a 2 +/- acre parcel of State owned located at the northeasterly corner of NH Route 111 and NH Route 28 in the Town of Windham.

This parcel is the remnant of a larger parcel acquired by the State in 2003 in connection with the construction of the Windham-Salem Bypass.

Conditions of the sale will include:

- o The State will reserve on the parcel a drainage easement containing 5,124 +/- SF and a slope easement containing 10,500 +/- SF.
- o One (1) access point will be granted to the parcel from NH Route 28. This parcel will also have access from Harris Road. NH Route 111 and NH Route 28 have dividing concrete islands down the center of their roadway. No breaks in these concrete islands will be allowed to access this parcel.

The need for the 2 +/- acre parcel has been reviewed by the Department, which has determined that the subject parcel is surplus to our operational needs and interest for the purpose of disposal.

In accordance with Tra 1000, "Process for Marketing and Sale of State Owned Property Utilizing Real Estate Professionals," and Tra 1003.03 (Selection Process), all pre-qualified Realtors in Region 4 (Rockingham and Strafford Counties) were sent a request to submit a market analysis for the subject property at a real estate commission of 6% of the first \$500,000.00 of the sales price plus 5% of \$500,000.01 or greater. Based on this request, the Department received responses from seven (7) firms. Data from each market analysis is listed below as follows:

Berkshire Hathaway Verani Realty	\$400,000.00 -
One Verani Way	\$500,000.00
Londonderry NH 03053	
 KW Commercial	 \$495,000.00
168 South River Road	
Bedford NH 03110	



Shea Commercial Properties, Inc. 88 Stiles Road, Suite 204 Salem NH 03079	\$788,747.00
NAI Norwood 116 South River Road Bedford NH 03110	\$225,000.00- \$250,000.00
Coldwell Banker Commercial 4 Nashua Road Londonderry NH 03038	\$162,500.00
Locke Associates Inc. PO Box 55 Gilmanton Iron Works , NH 03837	\$300,000.00
CB Richard Ellis New England 2 Wall Street, 2 <sup>nd</sup> Floor Manchester NH 03101	\$1,050,000.00
State Appraisal	\$375,000.00

In accordance with Tra 1003.03, the Pre-qualification Committee reviewed the above information and felt that a value of four hundred fifty thousand dollars (\$450,000.00) was an appropriate value for this property and selected Berkshire Hathaway Verani Realty to market the property for the Department.

As part of the listing agreement with the selected realtor, it will be specified that the Department will be required to offer the property to the following entities as part of the real estate sale process:

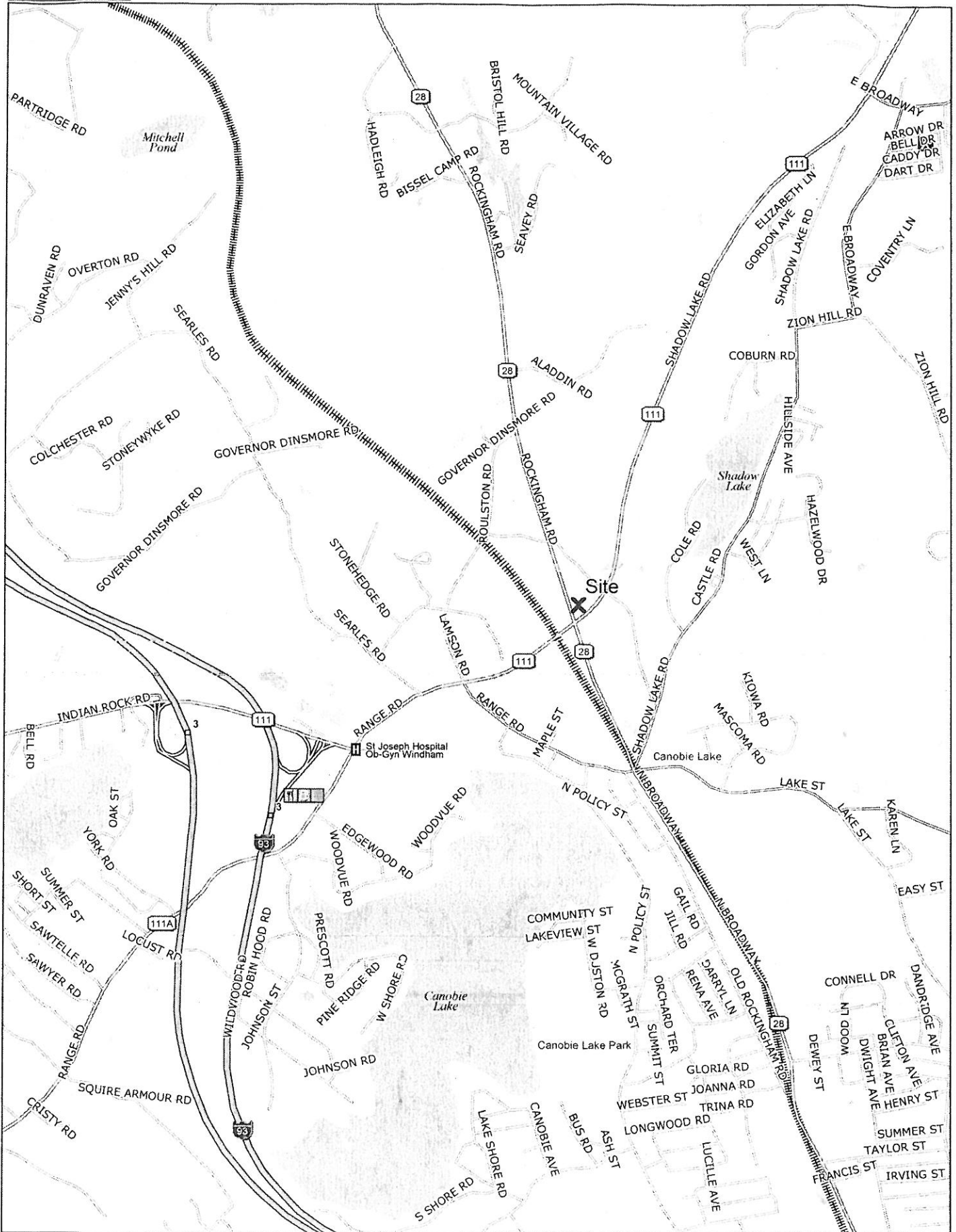
1. NH Housing Finance Authority
2. Town of Windham

It will also be specified in the listing agreement that the selected real estate firm will not collect a commission for sales to any of the above-listed entities, or any State agency that may express interest in the property.

In addition, the Department will assess an additional Administrative Fee of \$1,100.00 to the purchase price.

Authorization is requested from the Committee to enter into a listing agreement with Berkshire Hathaway Verani Realty for the sale of a 2 +/- acre parcel in Windham at a value of four hundred thousand dollars (\$450,000.00) for a term of one (1) year, with a real estate commission of 6% of the first \$500,000.00 of the sales price plus 5% of \$500,000.01 or greater as described above, allowing negotiating within the Committee's current policy guidelines, and assess an Administrative Fee of one thousand one hundred dollars (\$1,100.00) and if a willing buyer is found to sell this parcel to as stated above, it will be sold subject to Governor and Executive Council approval.

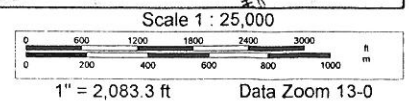
CRS/PJM/jl  
Attachments



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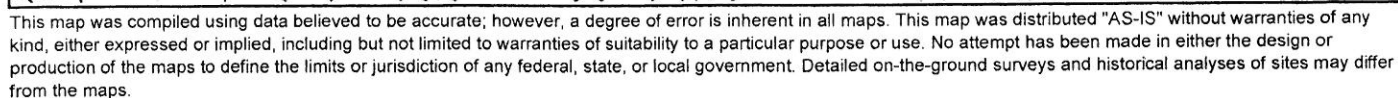
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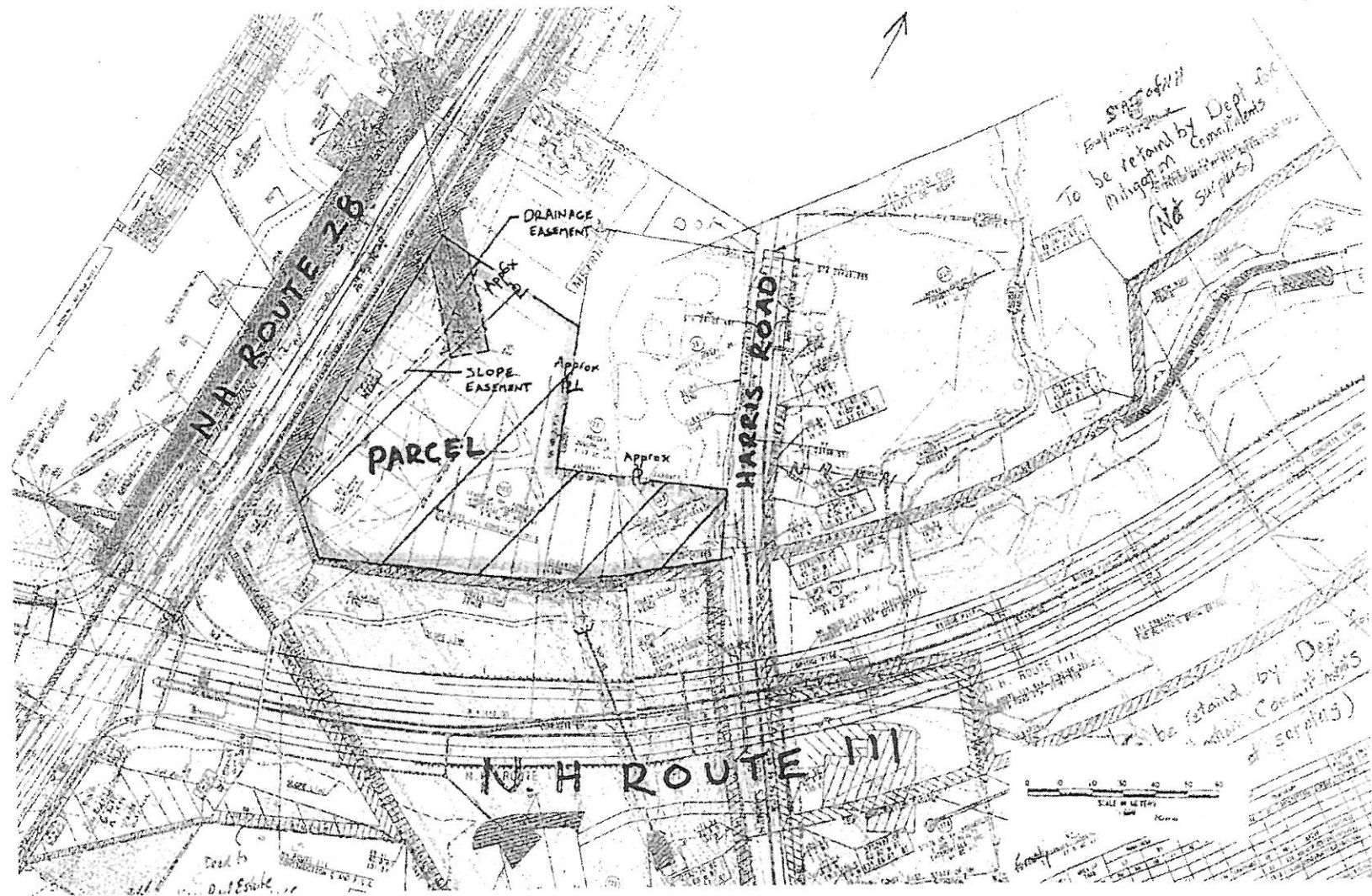
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## Surplus Property Appraisal Report

Location / Address: Land at corner of State Routes 28, 111 and Harris Road, Windham, NH

Effective Date: November 5, 2018

Date of Report: November 21, 2018

Appraiser: Keith Madden

Estimate of Value: \$130,000

### *About This Appraisal*

The Client for this appraisal is the New Hampshire Department of Transportation (NHDOT). Intended users of this appraisal report include the client's agents and officials, and members of the Long Range Capital and Utilization Committee. I have not prepared this appraisal report for any other use, nor do I intend any other users to be able to rely on it. The intended use of this appraisal is to estimate the market value<sup>1</sup> of the fee simple interest in the subject property as of the effective date, which is November 5, 2018.

This appraisal has been based on a number of assumptions and conditions outlined at the end of this report. It has also been based on the hypothetical condition that the site contains 2± gross acres of land. Furthermore, wetlands on the property reduce the developable area of the site to an estimated 20,000± square feet.

### *About the Subject*

The appraised property consists of 2.00± acres of high visibility commercial land located at the traffic signal controlled intersection of State Route 28 and 111. The irregular shaped parcel is bound on the east by Harris Road and has 75± feet of road frontage; the south by State Route 111, locally referred to as Salem Road with approximately 550 feet of road frontage, and the west by State Route 28, locally referred to as Rockingham Road with 316 feet of road frontage. Harris Road is a narrow, two-lane, paved town maintained road. Route 111 is a four-lane divided highway that is classified as a Limited Access Right-of-Way (LAROW), and therefore, cannot be used to access the subject property. State Route 28 is also a state maintained highway and is classified as Controlled Access Right-of-Way (CAROW) with four lanes that taper down to two-lanes. The two north and two south bound lanes of Route 28 in the area of the subject property are separated by a raised concrete median strip which restricts access to the subject site to a right turn in and right turn out, only, from the north bound side of the highway.

As previously mentioned, the subject property contains 2.00± gross acres of land. However, wetlands reduce the developable area of the site to an estimated 20,000 square feet of land which is located on the easterly side of the site near Harris Road. The land slopes gradually down from the road grade of Route 28 to wetlands. The change in elevation from the grade of Route 28 to the wetlands varies from 5 to 10 feet. Using Route 28 to access the developable portion of the property would require the driveway to cross over wetlands. The road frontage along Route 28 is encumbered by a slope easement and the northwest corner of the site is encumbered by a drainage easement. Both easements are to the benefit of the State of NH. The site is 20 to 25 feet below the grade of State Route 111. The most feasible access point to the developable area of the site is from Harris Road. The land slopes gradually upwards from the grade of Harris Road to the west for a depth of some 150 feet and a change in elevation varying from 2 to 4 feet, and then the land slopes gradually downward towards the west reaching the lowest elevation near the middle of the parcel which coincides with an unnamed intermittent brook.

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<sup>1</sup> The Uniform Appraisal Standards for Federal Land Acquisitions in paragraph 1.2.4, defines Market Value as: "Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of value, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property."

According to the United States Department of Agriculture Natural Resources Conservation Service soils on the parcel consists mostly of Hinckley loamy sand with 3 to 8 percent slopes and Chatfield-Hollis-Canton complex with 8 to 15 percent slopes. These soils have good drainage characteristics, but stones and a depth to bedrock 8 to 40 inches below the surface can be impediments to development. Vegetation on the land is comprised of scattered hard and soft wood trees, and a mix of grass, blueberry shrubs, and a variety of scrub brush typically found on soil that is frequently inundated by water.

Due to the lack of municipal water and sewer, development of the site will require an on-site well and on-site septic system.

The subject property is the remainder of the property the State of New Hampshire acquired from Joseph Jarosky, Jr. on August 12, 2003 (with a recording date of August 20, 2003) for \$348,000 for the realignment and reconstruction of State Route 111. This transaction is recorded as a Warranty Deed in Book 4125 Page 2742 in the Rockingham County Registry of Deeds. A subsequent Corrective Warranty Deed followed. It is recorded as Book 4183 Page 2963 and contains a recording date of October 31, 2003. Then, on October 16, 2009, another Corrective Warranty Deed was recorded in Book 5058 Page 1986. A metes and bounds legal description for the property that is the subject of this appraisal was not available for the appraiser to review.

The subject property has been listed for sale since January 31, 2018, with BHHS Verani Realty, Scott Reif, Broker (Telephone: 603-434-2377) at an asking price of \$450,000. According to the broker he has shown the property numerous times, but to date there have been no offers. Per State Statue NH RSA 4:39-c the Town of Windham, Rockingham County and New Hampshire Housing Finance Authority have the right of first refusal to purchase the property before submission to the Governor and Council.

#### Property Assessment

Town Property ID	Land	Buildings	Total
Map 13, Lot B-71	\$440.00	\$0.00	\$440.00

#### Real Estate Tax

Assessed Value	Tax rate/\$1,000	Real Estate Taxes
\$440.00	\$23.29	\$10.25

#### Comments

The land at the subject property is in Current Use. Current Use taxation means the land is assessed based on its current use as open space and therefore, at a much lower tax rate than its highest and best use market value. When a change in land use occurs that does not qualify for current use assessment, the landowner must pay a land use change tax, which is based on 10 percent of the Market Value Assessment.

The subject property is owned by the State of New Hampshire which is exempt from paying real estate taxes on vacant property.

The State of New Hampshire, Department of Revenue currently estimates that assessed values in the town reflect approximately 88.1 percent of true market value resulting in an effective tax rate of 2.05 percent ( $(\$23.96 \times 0.881)/\$1,000$ ).

Assessments for *ad valorem taxation* are based on broad base techniques heavily weighted to residential properties. They are not considered an accurate reflection of market value as defined in this report.

Windham Surplus Property Appraisal  
Remainder Land on Corner of Routes 28, 111 and Harris Road  
Tax Map 13, Lot B-70



## Zoning

The subject property is located in Windham's Business Commercial District A, Route 28 Access Management Overlay District, and the Wetlands and Watershed Protection District. Permitted uses are subject to site plan approval and include retail sales, hotels, motels, inns, restaurants, gas stations, garages and repair shops, salesrooms, funeral homes, mortuaries, crematories, passenger depots, terminals, utility structures, membership clubs, theaters, assembly halls, bowling alleys, skating rinks, clubs, other places of amusement or assembly, museums, telephone exchange buildings, radio and television stations, adult-oriented entertainment businesses, retail and wholesale motor vehicle, trailer, boat, RV, and manufactured housing sales, call centers, tattoo shops, offices, personal service establishments, commercial service establishments, and banks and ATMs. Drive thru window service is also allowed in this district.

All uses allowed in the Commercial District A are permitted in the Route 28 Access Management Overlay District. Wetland and Watershed Protection District encompasses land area located within 100 feet of any wetland that is one acre in size or larger, as well as brooks, streams and ponds.

The minimum lot size is 50,000 square feet, but might have to be larger depending on the results of a high intensity soil report. Additionally, the applicant must demonstrate, to the satisfaction of the Planning Board, that there are adequate utilities, parking, water supply, and sewage disposal capacity – either on-site or available to the site – to safely support the use(s) proposed for the subject site. The minimum lot frontage required is 175 feet. The front setback requirement is 75 feet, side setbacks 20 feet, and rear setback is 30 feet. Because the subject site is a corner lot, all front lot lines shall be subject to the minimum front yard requirements, and the remaining lot lines shall be considered side lot lines subject to the minimum side yard requirements. The maximum building height is 35 feet and the maximum building coverage is 30 percent. A minimum of 30 percent of the lot shall be maintained as open space.

The subject lot appears to conform to the dimensional regulations for the Commercial A Zoning District and Route 28 Access Management Overlay District. Given the amount of wetland on the site, development will likely require waivers and perhaps a variance from the zoning and land use regulations, which is not unusual in the community.

The immediate area along Route 28 has been in a gradual transition from single-family residences and vacant land to commercial uses. Most of the change has occurred within the last 30 years. Adjacent to the north of the subject property is an automotive repair shop that specializes in drive shafts, and a vacant parcel of commercially zoned land. Across Harris Road to the east is a single-family residence that has frontage along Flat Rock Brook—a tributary to Shadow Lake. Across Route 111 to the south is a vacant parcel of commercial land. On the southwest corner of the State Route 28 and State Route 111 is also vacant commercial land. Further to the south along Route 28 is a former car dealership that is in the process of being redeveloped into a mixed-use facility with retail, office and light-industrial space. Across Route 28 to the west is 6.6 acres of vacant commercial land. Further to the north along Route 28 are a used car dealer and then the Cyr Lumber, Hardware and Home Improvement complex of buildings. The NHDOT 2015 traffic report for this section of Route 28 indicates an average of 16,000 cars per day, and Route 111 has an average volume of 15,000 vehicles per day, and Harris Road only 290 vehicles per day. The subject is located in a mixed-use commercial neighborhood that is conducive to commercial uses. The neighborhood has seen a moderate amount of commercial growth especially in recent years and is still in the growth stage of its life cycle with developable land available. Given the history of the subject neighborhood, highway accessibility, availability of land, and its growth during the past decade, this location overall would be viewed by most informed developers as highly-desirable.

The mix of commercial and residential uses is not unusual in the area. No adverse or unusual conditions were noted or considered with respect to location, values or marketability.

## ***About the Valuation***

### **Scope of Work**

The scope of work is the type and extent of research and analysis in an assignment. My investigations and research included a site walk inspection of the subject property on November 5, 2018, and photographing the property. I examined Town and County property records including assessment data and taxes, zoning and site plan regulations; and reviewed available ROW plans, and USDA Soil report. I formed an opinion of the site's highest and best use based on legal, physical, and neighborhood land use characteristics.

I compiled<sup>1</sup> comparable land sales data, verified and analyzed the data, estimated the value of the subject site, and prepared this appraisal report in compliance with USPAP Standard Rule 2-2(a) to summarize and convey my findings, the market data, and the analyses.

### **Highest and Best Use**

Highest and best use is that physically possible, legally permissible, financially feasible, and maximally productive use that would result in the greatest net return. It must not be highly speculative nor predicated upon conditions anticipated in the too distant future.

### **As Vacant**

The subject property is an irregular shaped lot located between the west side of State Route 28, north side of State Route 111 and westerly side of Harris Road in Windham with 2±-gross acres of vacant land. Wetlands on the site reduce the developable/usable area of site to an estimated 20,000 square feet.

The lot is located in Windham's Commercial A Zoning District, the Route 28 Overlay District and portions are within the Wetlands and Watershed Protection District. Zoning regulations permit numerous commercial uses on the site. The subject has excellent exposure to highway traffic with frontage on Route 28 and Route 111; however, this exposure comes without direct access. Access from Route 28 to the upland area of the subject would require construction of a long driveway through wetlands which would require costly engineering and permitting process. The frontage along Route 111 is defined as being Controlled Access Right-of-way (CAROW) from which access is not permitted. Therefore, the most viable access point is from Harris Road – a local side road.

The lot conforms to the dimensional regulations of the Commercial A Zoning District. Significant portions of the lot are located in the Wetlands and Watershed Protection Overlay District which reduces the usable/developable area of the site. Nevertheless, as evidenced by other properties in the neighborhood, the size, soils and physical characteristics of the uplands appear suitable for some of the commercial uses permitted by the Zoning Ordinance. Site development requires an on-site well and septic system.

Properties along Route 28 from the Salem-Windham to the Derry-Windham town lines have been in a gradual transition from residential to commercial over the past 30± years and are in a growth phase of the life cycle.

Use of the subject site for commercial purposes is in conformance with zoning and the neighborhood. Therefore, the Highest and Best Use of the subject site "As Vacant" is concluded to be as a commercial lot.

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<sup>1</sup> Property data was collected and compiled from several sources, including the towns of Derry, Salem, and Windham, Rockingham County Registry of Deeds, Northern New England Real Estate Network site (MLS), New Hampshire Commercial Property Exchange, and local real estate professionals.



## Data and Analysis

I have relied on the sales comparison approach exclusively. The other methods of valuation would not produce as reliable results given the nature of the subject, the nature of this assignment, or the market data available.

An extensive search for sales of commercial land was completed. A sufficient number of transactions were found to develop a reasonable estimate of market value for the subject property.

The five comparables shown in the following grid were the land sale transactions that were considered pertinent for use in this appraisal. The description includes a percentage adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject site, a negative (-) adjustment is made, thus reducing the indicated value for the subject; if a significant item in the comparable property is inferior to, or less favorable than, the subject site, a positive (+) adjustment is made, thus increasing the indicated value for the subject.

The sales comparison grid shown on the following page illustrates the comparable land sales and outlines the application of the adjustments. For ease of comparison they are listed chronologically.

Land Value Analysis Sales Data and Comparison Grid											
Item	Subject Property	Comparable Sale 1		Comparable Sale 2		Comparable Sale 3		Comparable Sale 4		Comparable Sale 5	
Address	Corner of State Routes 28 & 111, and Harris Road Windham	Corner of State Routes 28 and Harris Road Windham		82 Rockingham Road Derry		26 Trolley Lane Salem		21 Roulston Road Windham		47 Roulston Road Windham	
Grantor		State of New Hampshire		Joseph Yavanian		Salvatore & Carmela Santorelli		Roulwin, LLC		N. A. C. Realty Trust Andrew & Nancy Costa, Trustees	
Grantee		Fusion Properties, LLC		LG Auto Racing Exhaust, LLC		Daly 26 Trolley Lane Trust, David T. Daly, Trustee		Wee Care Windham, LLC		Paul R. Taylor	
Recorded Book & Page		RCRD 5637/781		RCRD 5572/119		RCRD 5682/464		RCRD 5721/979		RCRD 5900/143	
Data Source	Inspection	Assessor, Broker & Registry of Deeds		Assessor, Broker & Registry of Deeds		Assessor, Broker & Registry of Deeds		Assessor, Broker & Registry of Deeds		Assessor, Broker & Registry of Deeds	
Sale Price	Estimate		\$156,100		\$199,000		\$145,000		\$310,000		\$175,000
Expenditures after Purchase Adjustment			+ \$0						+ \$10,000		
Adjusted Sale Price			\$156,100		\$199,000		\$145,000		\$320,000		\$175,000
Adj. Sale Price Per SF			\$6.07		\$5.02		\$7.58		\$5.30		\$3.22
Date of Sale & Market Conditions Adj.	11/5/2018	Description	Adjustment	Description	Adjustment	Description	Adjustment	Description	Adjustment	Description	Adjustment
		7/17/2015	+6.67%	11/20/2015	+6.00%	12/31/2015	+5.83%	6/7/2016	+4.83%	4/6/2018	+1.50%
Adjusted Sale Price			\$6.47		\$5.32		\$8.02		\$5.56		\$3.27
Location & Access	Good/Average	Similar/Similar		Inferior/Superior		Similar/Similar		Inferior/Similar		Inferior/Similar	
Zoning	Commercial A, WWPDP & Rte. 28 Overlay	Commercial A, WWPDP & Rte. 28 Overlay		GC4		CIB		Limited Industrial & WWPDP		Commercial A & WWPDP	
Site Area (Usable SF)	20,000±	25,700		39,640		19,138		60,365		54,375	
Road Frontage	391'±	611.12'±		150.9'		139.75'±		432.66'±		395'±	
Frontage to Acreage Ratio	850:1	1036:1		166:1		283:1		311:1		316:1	
Characteristics	Irregular Rolling	Irregular Rolling		Rectangle Slopes Down		Rectangle Mostly Level		Level & Sloping Down		Irregular Rolling	
Utilities	Well & Septic Required	Well & Septic Required		Public Water & Sewer		Public Water & Sewer		Well & Septic Required		Well & Septic Required	
Net Adj. (Total)		+0%		+0%		-10%		+30%		+30%	
Indicated Value of Subject		\$6.47		\$5.32		\$7.22		\$7.23		\$4.25	

Low  
\$4.25

High  
\$7.23

Mean  
\$6.10

Windham Surplus Property Appraisal  
Remainder Land on Corner of Routes 28, 111 and Harris Road  
Tax Map 13, Lot B-70

## Reconciliation and Conclusion of Value

All five sales were adjusted upward for market appreciation at 2 percent per year or 0.17 percent per month based on MLS statistics.

Sale 1 is located 900 feet north of the subject property on the corner of Route 28 and Harris Road. This irregular shaped parcel has 26,685 gross square feet of land area. Wetlands on the site reduce the developable land area to 25,700 square feet. The parcel features 293.64 feet of frontage on Route 28 and 293.64 feet of frontage on Harris Road. The buyer obtained approvals to construct a 4,500 square foot commercial office/service building with access into the site from Harris Road. Development will require an on-site well and septic disposal system. After a market appreciation adjustment of 2 percent per year or 6.67 percent, the sale indicated a value for the subject of \$6.47 per square foot or \$129,400.

Sale 2 is located at 82 Rockingham Road in Derry. This 39,640 square foot rectangular site has 150.9 feet of frontage. The topography of the lot slopes down from the front and steeply at the rear of the property. The buyer obtained approvals to construct a 3,200 square foot commercial building for car repair and custom exhaust. The lot has municipal water and sewer service stubbed to the front of the parcel. Public utilities are considered more desirable than private systems especially for small sites. The availability of public water or sewer connection is judged to increase value by 5 percent, per utility or a total of 10 percent. After applying a 6 percent upward adjustment for market conditions, as well as adjustments for the differences in location (+10), size (+5), topography (-5) and utilities (-10), a value of \$5.32 per square foot or \$106,400 is indicated for the subject property.

Sale 3 is located on Trolley Lane in Salem. Trolley Lane is a side street on the south side of the town off Route 38 and near the Mall of New Hampshire. The buyer obtained approvals to construct a 4,980 square foot, pre-engineered steel frame building on the lot that for use by an ambulance service. The rectangular shaped parcel is very similar in usable land area and utility as the subject property. The lot has municipal water and sewer service available at the street. Therefore, this sale was adjusted downward 10 percent for superior utilities. A value of \$7.22 per square foot or \$144,400 is indicated for the subject property.

Sales 4 and 5 are both located on Roulston Road in Windham. Roulston Road is a two-lane, town road that locals use to connect from Route 28 and Route 111 to Interstate-93.

Sale 4 was acquired for \$310,000 and included a ranch style single-family residence. The buyer spent \$10,000 to raze the building improvements that were on the site for development of a 9,200 square foot nursery school and day care facility. Adding the demolition costs to the purchase price, results in an adjusted purchase price of \$320,000 for the 92,870 square foot (2.13-acre) lot. Wetlands on approximately 35 percent of the lot reduced the developable area of the site to 60,365 square feet. The lot will also be developed with an on-site well and septic system. The parcel is at grade with Roulston Road and level in the front and then slopes down in the rear. An adjustment of 20 percent was determined to be a reasonable and appropriate adjustment to apply for inferior location. As with any commodity there is an economy of scale. Buyers typically expect to pay more per square foot for smaller parcels than for larger parcels with otherwise equal utility. After analyzing the comparable sales and considering the economy of scale, a 10 percent upward adjustment was made to Sale 4 inferior size. After these adjustments a value of \$7.23 per square foot or \$144,600 is indicated for the subject property.

Sale 5 is an irregular shaped 2.14-acre parcel of wooded land that has a pond in the middle of site. A development plan indicates there to be 1.25 acres or 54,375 square feet of land area that is usable for development. The buyer acquired approvals to construct a 4,812-square foot, pre-engineered Morton building on the property that will feature 1,512 square feet of office space and 3,300 square feet of warehouse space with 7 overhead doors. The parcel has a rolling topography that is at grade with Roulston Road and slopes from the northeast down to the pond then back up to the southwest with a total change in elevation of about 15 feet. Development of the site will require an on-site well and septic disposal system. A 20 percent upward adjustment was applied to this sale for inferior location and a 10 percent upward adjustment was made for inferior lot size. A value of \$4.25 per square foot or \$85,000 is indicated for the subject property.

Windham Surplus Property Appraisal  
Remainder Land on Corner of Routes 28, 111 and Harris Road  
Tax Map 13, Lot B-70



All of the sales utilized in the analysis were acquired for uses that are reasonable substitutes for the subject site. After adjustments, the sales shown within the adjustment grid have an indicated value ranging from \$4.25 to \$7.23 per square foot and a mean of \$6.10 per square foot of developable area. As noted earlier in the report the subject property is enrolled in Current Use. The adjusted values in the grid analysis do not take into consideration that any development of the site will incur a land use change tax based on 10 percent of the market value of the parcel. Sales 1, 4 and 5 are located in Windham and within the subject's neighborhood. Sales 4 and 5 are the most recent sales, but they required the most adjustment. Sale 1 and Sale 3 are the most similar in terms of size, but they are older transactions. Sale 5 is the most recent sale, but has considerably more land area available for development and indicates a value at the low end of the range. In this instance, Sale 1 is considered to be the best indicator of value and is supported by the other transactions.

It is my opinion that the fee simple interest of the subject parcel comprised of 2-gross acres or 20,000-square feet of developable land area and taking into consideration that it is encumbered by Current Use Taxation, has an estimated market value as though vacant, and as of the effective date of this report as follows:

$$20,000 \text{ SF Developable Land Area} \times \$6.50 \text{ Per SF} = \$130,000$$

### **Exposure Time**

Most of the sale data I found in my research required anywhere from 2 months to 6 years of marketing time to sell. In light of the market activity for this property type and the specific data I used to arrive at my value estimate, it is my opinion that the subject site, would have an exposure time of 2 years.

## Appraisal Certification

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have not appraised nor performed any valuation service for the subject property in the past three years.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the *Uniform Appraisal Standards for Federal Land Acquisitions*, the *Uniform Standards of Professional Appraisal Practice*, *New Hampshire Department of Transportation Right-of-way Manual*, *Code of Professional Ethics* and the *Standards of Professional Practice of the Appraisal Institute* and *American Society of Appraisers*.
- I have made a personal inspection of the property that is the subject of this report.



Keith Madden  
NH Certified General Appraiser, NHCG #370

November 21, 2018  
Date

Windham Surplus Property Appraisal  
Remainder Land on Corner of Routes 28, 111 and Harris Road  
Tax Map 13, Lot B-70

## **Addenda**

### **General Assumptions**

For this report I have also assumed:

1. All maps, plans, and photographs I used are reliable and correct.
2. The legal interpretations and decisions of others are correct and valid.
3. The parcel area given to me has been properly calculated.
4. Broker and assessor information is reliable and correct.
5. The abstracts of title and other legal information available are accurate.
6. There are no encumbrances or mortgages other than those reported in the abstracts.
7. Information from all sources is reliable and correct unless otherwise stated.
8. There are no hidden or unapparent conditions on the property, in the subsoil (including hazardous waste or ground water contamination), or within any of the structures which would render the property more or less valuable.
9. All personal property is excluded.

### **Limiting Conditions:**

This report is bound by the following limiting conditions:

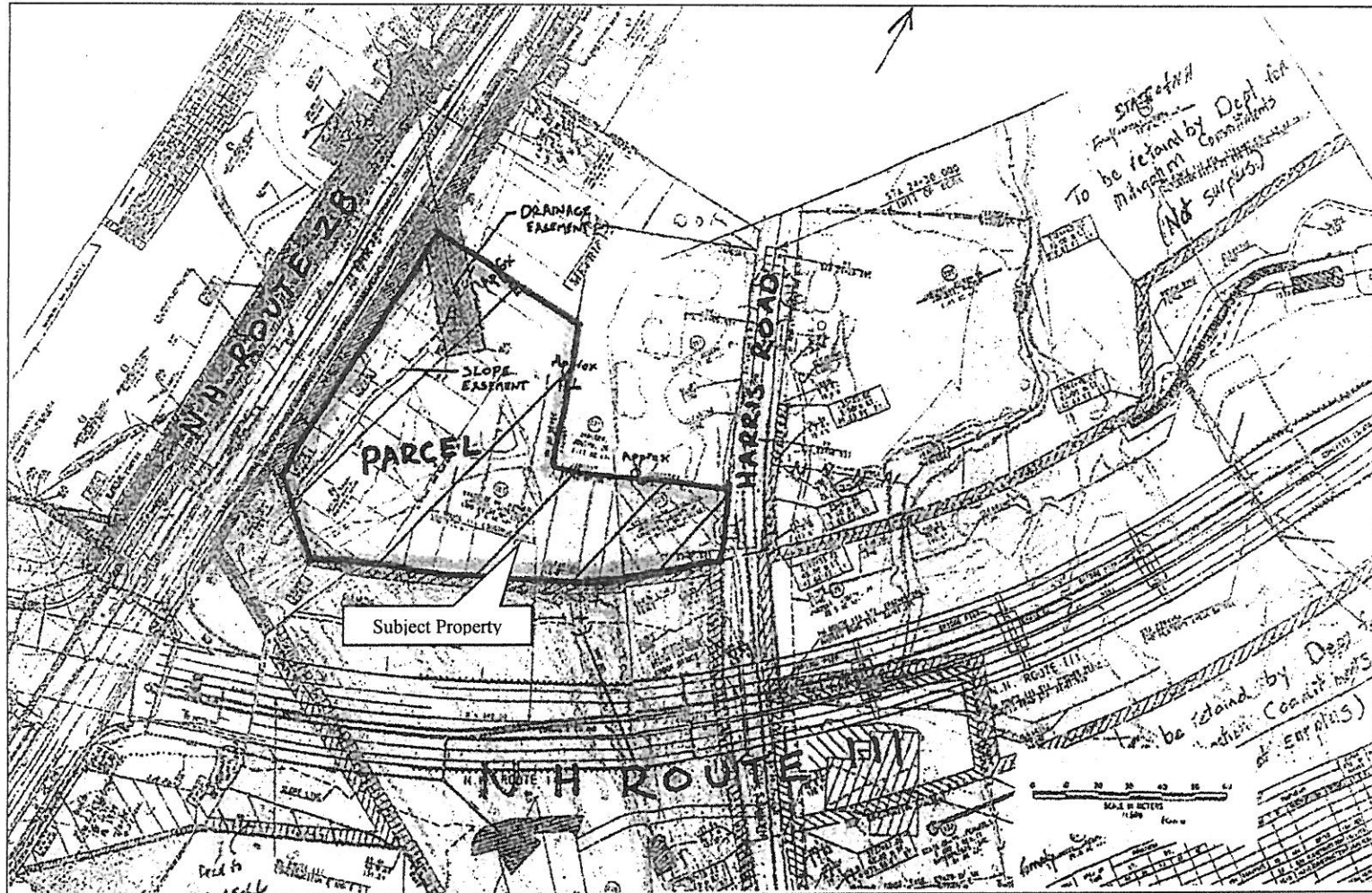
1. Sketches and photographs in this report are included to assist the reader in visualizing the property. I have not performed a survey of the property or any of the sales, and do not assume responsibility in these matters.
2. I assume no responsibility for any hidden or unapparent conditions on the property, in the subsoil (including hazardous waste or ground water contamination), or within any of the structures, or the engineering that may be required to discover or correct them.
3. Possession of this report (or a copy) does not carry with it the right of publication. It may not be used for any purpose other than by the party to whom it is addressed without the written consent of the State of New Hampshire and in any event only with the proper written qualification and only in its entirety. Neither all nor any part of the contents (or copy) shall be conveyed to the public through advertising, public relations, news, sales, or any other media without written consent and approval of the State of New Hampshire.
4. Acceptance and / or use of this report constitutes acceptance of the foregoing underlying limiting conditions and underlying assumptions.

Windham Surplus Property Appraisal  
Remainder Land on Corner of Routes 28, 111 and Harris Road  
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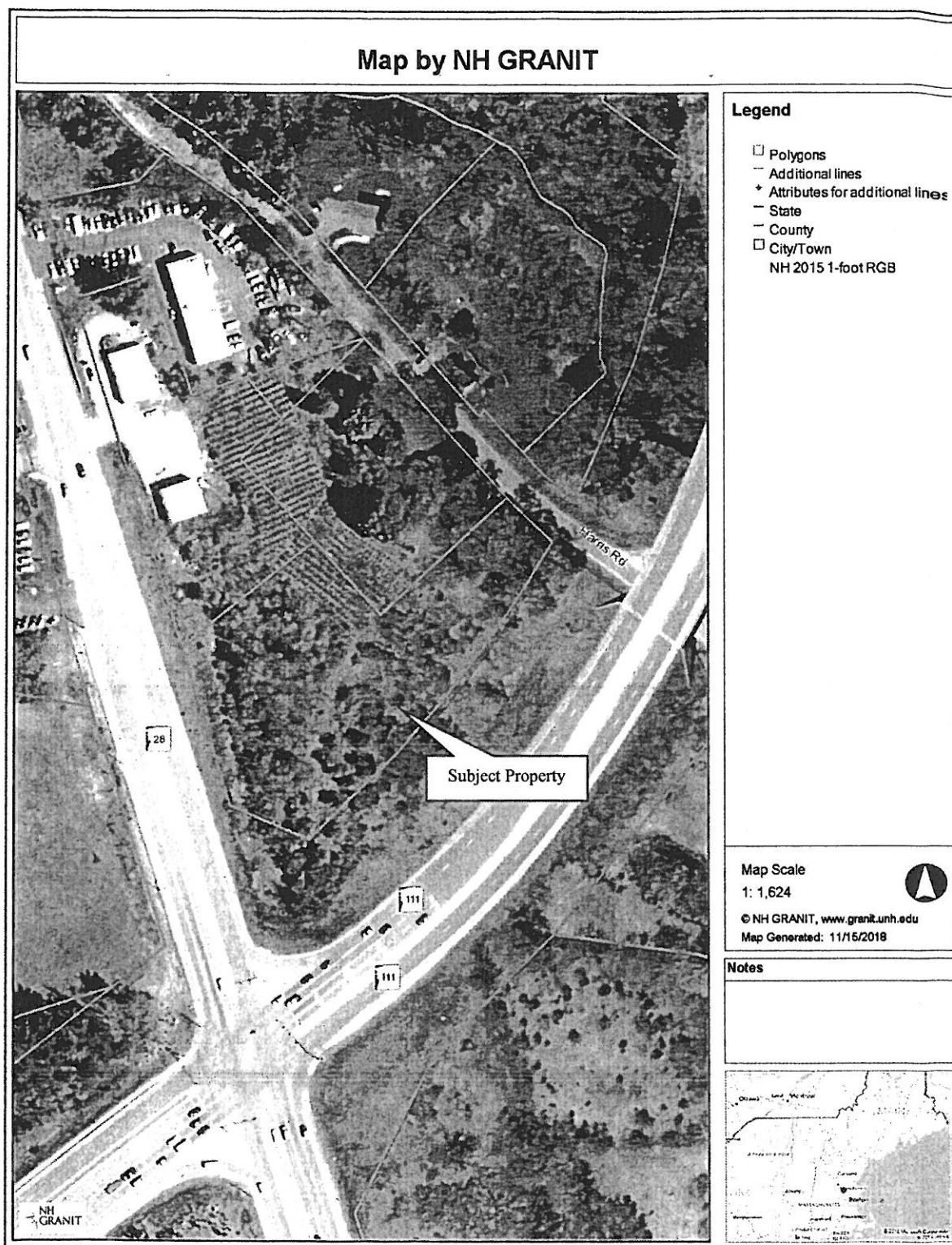


Right-of-way Plan



Windham Surplus Property Appraisal  
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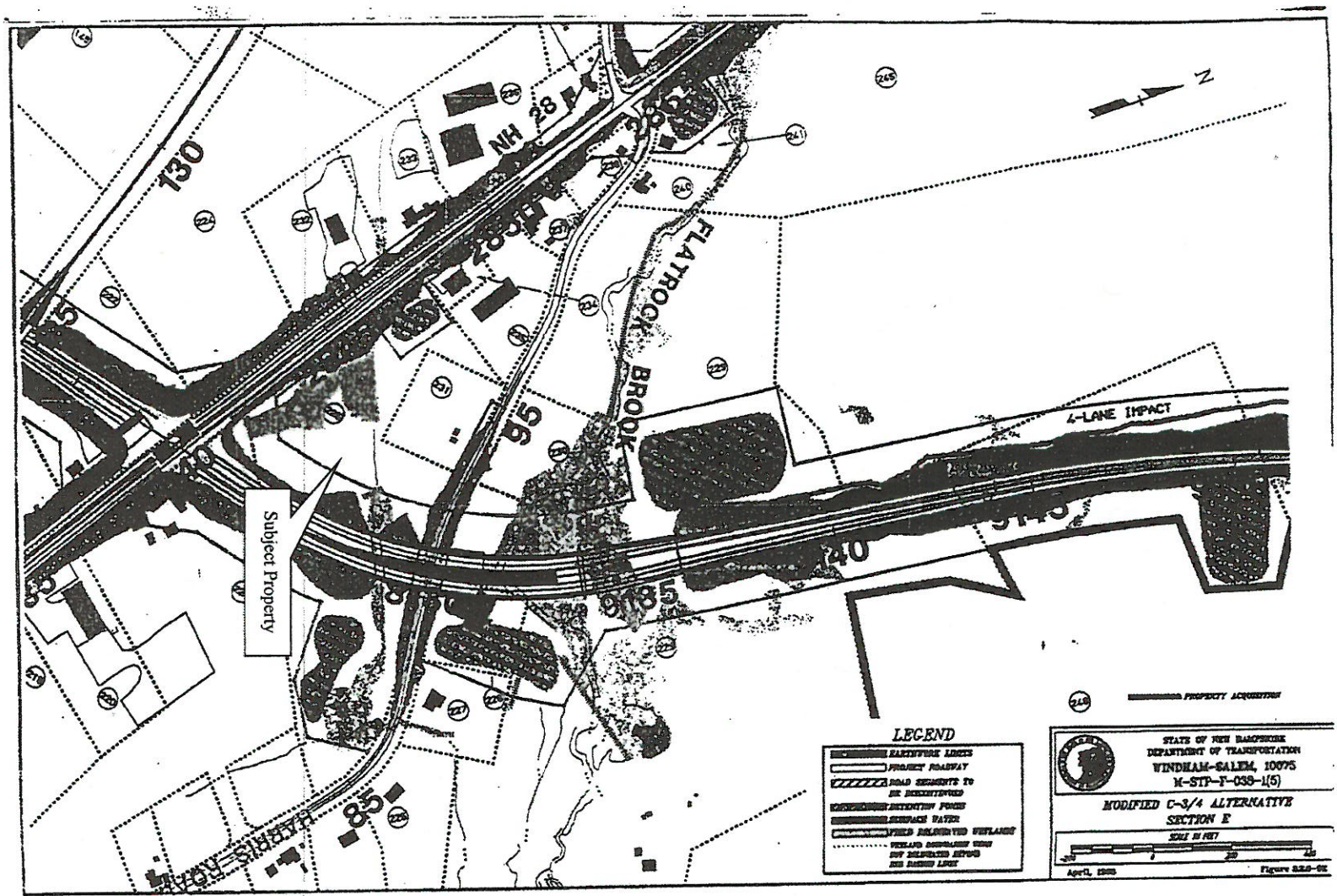
# Aerial View of Subject Property



Windham Surplus Property Appraisal  
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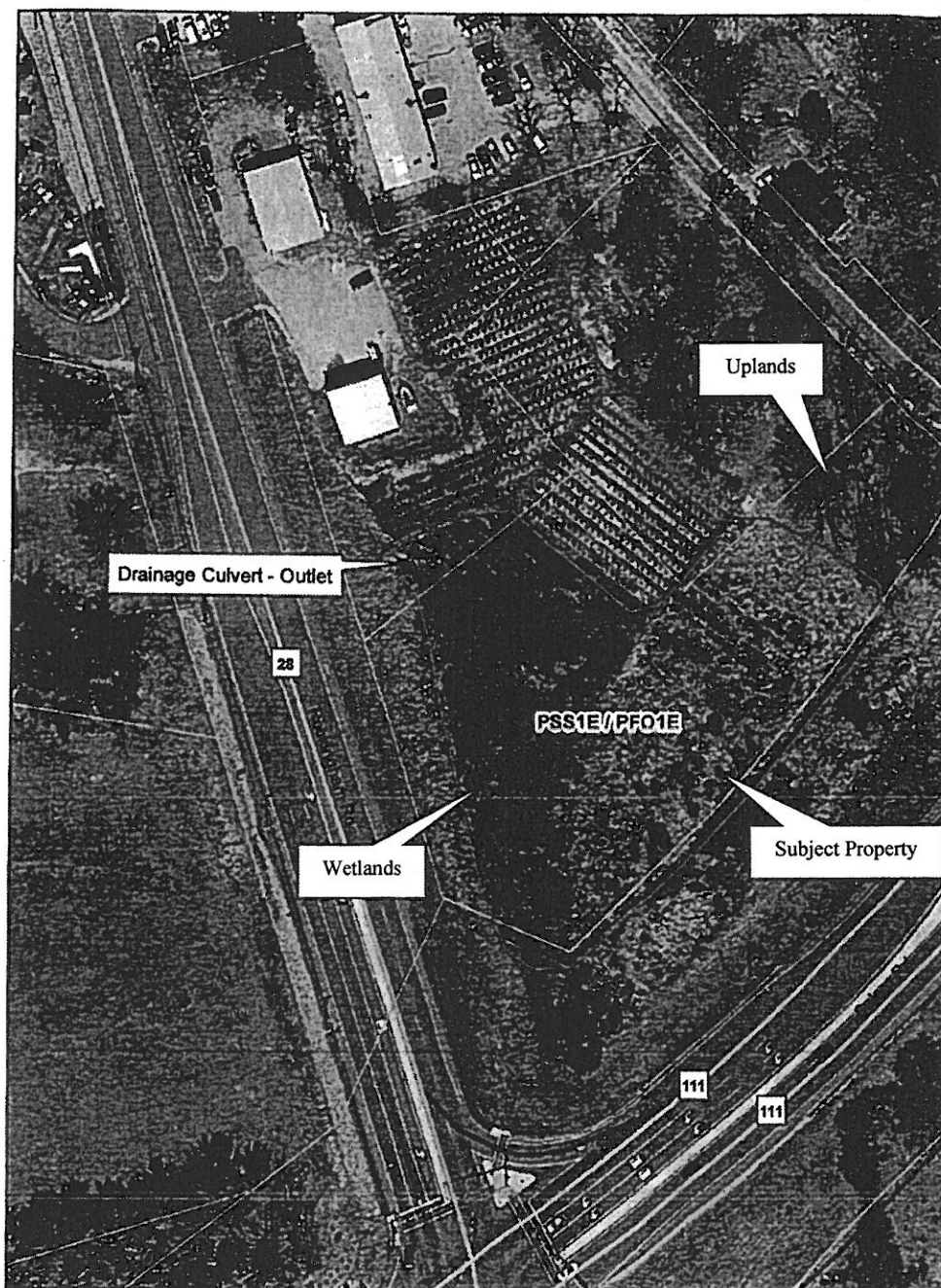
# Delineated Wetlands Plan prior to Route 111 being constructed



Windham Surplus Property Appraisal  
 Remainder Land on Corner of Routes 28, 111 and Harris Road  
 Tax Map 13, Lot B-70

# Wetlands Sketch

Windham



This is a preliminary wetland assessment and shall not be used as a formal delineation.  
10/17/2018

0 70 140 280 Feet

1 inch = 100 feet

Windham Surplus Property Appraisal  
Remainder Land on Corner of Routes 28, 111 and Harris Road  
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*Photographs of the Subject Property*  
Taken November 5, 2018 by Keith Madden



View facing northwest along Harris Road. Subject property is on the left.



View facing southeast along Harris Road looking towards Route 111 underpass. Subject property is on the right.

Windham Surplus Property Appraisal  
Remainder Land on Corner of Routes 28, 111 and Harris Road  
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*Photographs of the Subject Property*  
Taken November 5, 2018 by Keith Madden



View facing northwest along Route 28 from the intersection with Route 111. Subject property is on the right.

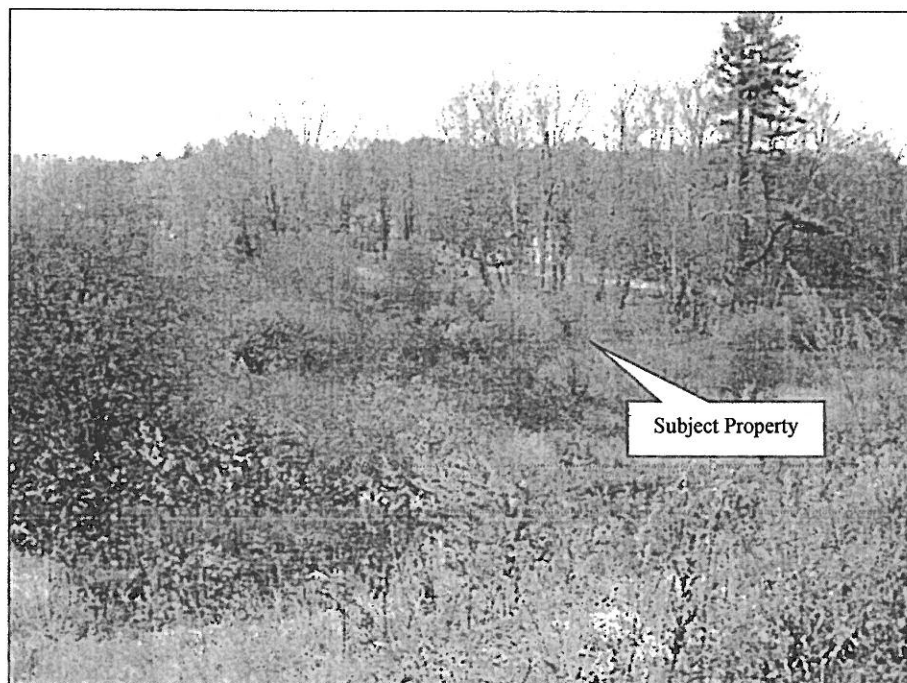


View facing southeast along Route 28. Subject property is on the left.

*Photographs of the Subject Property*  
Taken November 5, 2018 by Keith Madden



View facing east from the intersection of Route 28 & Route 111. Subject property is on the left.



View of the subject property facing easterly towards Harris Road from Route 111.

*Photographs of the Subject Property*  
Taken November 5, 2018 by Keith Madden



View of the drainage culvert located adjacent to Route 28 that outflows to the northwest corner of property.



View of the southwesterly corner of the subject property.



*Photographs of the Subject Property*  
Taken November 5, 2018 by Keith Madden



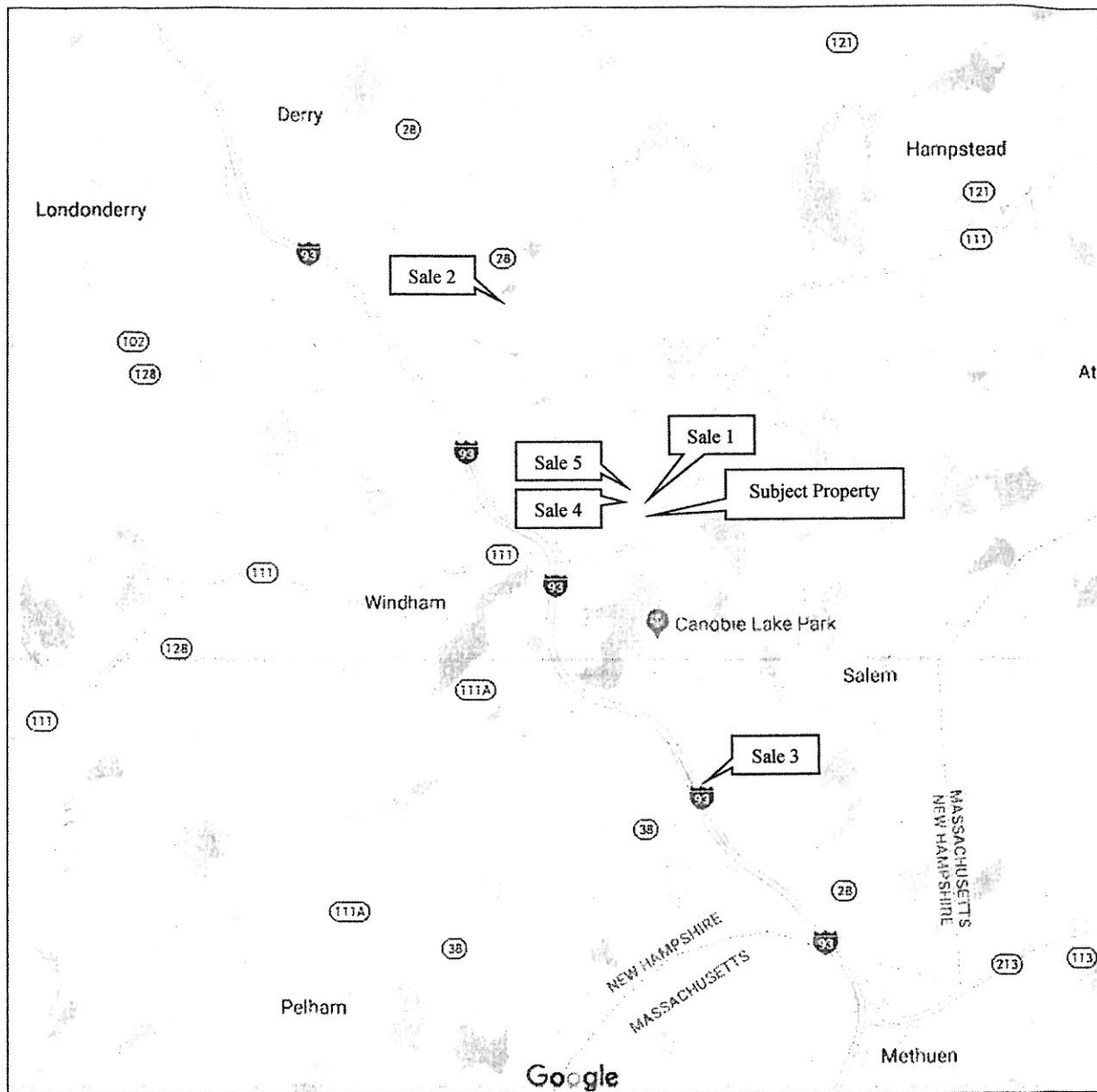
View of the drainage culvert and brook that is located near the center of the subject property.



View from the northerly corner of the property facing south of the blueberry bushes.  
Route 111 is in the background.

## Location Map of Subject Property and Comparable Sales

This map is provided to assist the reader in locating the subject property and comparable sale properties in the field, and clarify their relationships to each other.



## Miles, Phillip

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**From:** Scott Reiff <scott.reiff@verani.com>  
**Sent:** Thursday, November 15, 2018 12:09 PM  
**To:** Miles, Phillip  
**Subject:** Wetlands at 30 Rockingham Road

Philip,

Please let me know if you need something more formal, but in interest of time below is summary of the status of 30 Rockingham Road and valuation review.

Thank you again for setting up the review of the wetlands on site. While informal and unofficial, the wetland mapping that you had completed did match the verbal comments by two recent potential buyers on the amount of wetland on site. Not only are the wetlands more than I had hoped for, but they are also focused in the most valuable portion of the lot.

Wetlands can be mitigated somewhat, but large scale moving/removing of wetlands is a very lengthy, expensive and often fruitless process. It is possible that some of the more prime land can be utilized, I think that the configuration and location of the wetlands would make this difficult. The more likely possibility is for some litigation to occur to allow the driveway from Route 28 to cross over wetlands to get to the small usable land on the Harris Road side of the property. If this is attempted and accomplished, it would allow much better access to the portion that can be developed. However, the cost of this driveway is likely to be extensive and may not be a economical option considering the structure(s) that can be constructed would be small and quite far from the road. This brings me to that point, which is that the usable portion is likely only .5 acres +/- . This would be most reasonably access directly from Harris and would be a relatively low intensity commercial business. The location and size would be in-line with a contractor's garage or a small office user with need for stand-alone facility. Additionally, the amount of land usable would only provide minor space for parking, building, drainage, etc. and wouldn't likely be a good candidate for someone needing outside storage of company vehicles, materials or larger equipment.

From a price per usable Acre perspective, the land would be in the \$150,000 per acre range. However, as it is very small, the value is best estimated on a "per lot" consideration with the value being more based on what can be put on the land and what comparable existing buildings would be. Assuming a 1000-3000 SF building with minor parking and outside storage, I would think that the land value would be in the \$150,000 to \$175,000 range for a parcel such as this. This is a large difference from the value we originally estimated, but that was prior to the understanding that the land had as much wetland as it apparently does.

Let me know if additional information or background is needed. While I am trying to get the most \$ for the state, it is very possible that when we do get someone to move forward on a P & S, that they may quickly find this out during their due diligence, which leaves us where we are now, but with lost marketing time that we could have been at a more appropriate price point.

Sincerely,  
Scott Reiff  
Berkshire Hathaway Verani Commercial Real Estate  
Licensed in NH & MA  
One Verani Way, Londonderry, NH 03053  
Direct: 603-845-9972, F: 206-600-6908, C: 978-381-3933  
[www.veranicommercial.com/agent/scott-reiff](http://www.veranicommercial.com/agent/scott-reiff)



**EXCLUSIVE LISTING AGREEMENT**  
**FOR SALE OF PROPERTY**

**AGREEMENT** made this 25 day of November, 2017 by and between BHHS Verani Realty, One Verani Way, Londonderry, New Hampshire (the Broker), The State of New Hampshire, Department of Transportation, 7 Hazen Drive, P.O. Box 483, Concord, NH 03302-0483, (the Seller).

1. **Exclusive Agency.** The Seller grants to the Broker the exclusive right to sell the real property described below for a period of 12 (twelve) months from the above date. This agreement will automatically extend on a month-to-month basis after initial term, with either party providing 30 day notice to the other of termination of agreement.

2. **Description of Property.** The property covered by this agreement is the parcel of land ☒ with ☐ without the building(s) and ☐ with ☒ without improvements thereon located in the City/Town of Windham, State of New Hampshire. The property is further described as a parcel of land of approximately 2 acres and having an approximate physical location of 30 Rockingham Road, Windham, NH 03087. The property is also known as Map 13-B-71 in the Windham, NH tax assessing office.

3. **Terms of Sale.** The sale of the property shall be on the following terms:

\$450,000 or any other terms acceptable to the Seller. Addition terms:

- 1) First right of refusal to purchase the property by the Town(s) where the property is located and the New Hampshire Housing Finance Authority. If one of these entities or any State of NH agencies were to purchase this parcel, the transaction will be handled by the Department of Transportation and no commission will be paid to the realtor
- 2) Sale subject to approval by the Governor and Executive Council
- 3) In addition to the purchase price, the buyer will be subject to an additional Administrative Fee of \$1,100.00 at closing

4. **Commission.** The Broker shall be entitled to a commission at 6% for the first \$500,000.00 and 5% for anything between \$500,000.01 and \$1,000,000.00 of the sale price. The commission is due if during the term of this agreement the Broker finds a purchaser or lessee who is ready, willing, and able to purchase the property on the agreed terms. The Broker shall also be entitled to a commission if the Seller or any other person sells the property during the term of this agreement. In addition, the Broker shall be entitled to a commission if the Seller or any other person sells the property within twelve (12) months after the expiration of this agreement to any potential purchaser or potential lessee with whom the Broker communicated either directly or through another broker concerning the sale or lease of the property during the term of the agreement. The Broker shall submit a list of potential purchasers or lessees with whom the Broker communicated not later than thirty (30) days following the expiration of the term. The Commission shall be payable on or before the closing date in the event of a sale of the property.

5. **Authority of the Broker.** During the term of the agreement, the Seller grants solely to the Broker the authority to advertise the property for sale, to place a sign or signs on the property and to take all steps necessary to bring about a sale. Broker is authorized to accept a deposit from any prospective purchaser or lessee.

6. **Obligations of the Seller.** The Seller agrees to refer to the Broker all inquiries or offers that the Seller receives concerning the property. In addition, the Seller agrees to disclose to the Broker all information concerning income and expenses associated with the property. The Seller further agrees to disclose to the Broker all information concerning the condition of the property including, but not limited to, the presence of asbestos, radon, PCB transformers, any other hazardous substance, underground storage tanks, septic systems, and water problems.

7. **Duty to Disclose.** The Seller acknowledges the duty to disclose to the Broker all pertinent information about the property, adverse or otherwise, and understands that all such information will be disclosed by the agency to potential purchasers. The duty to disclose is an ongoing duty and if the

Owner's Initial's

*CVS*

Broker's Initial's

*[Signature]*

Seller discovers information concerning the condition of the property following disclosure, the Seller shall promptly disclose the additional information.

8. **Disclosures.** The Seller makes the following disclosures concerning the condition of the property:

9. **Obligations of the Broker.** The Broker shall make diligent efforts to locate a person who is ready, willing, and able to purchase the property. In addition, the Broker agrees to negotiate the sale of the property on terms and conditions that are acceptable to the Seller.

10. **Authorizations.** The Seller authorizes the Broker to perform the following activities under the terms of this agreement:

Yes ☒ No ☐ List the property in the Multiple Listing Service.

Yes ☐ No ☒ Cooperate with licensees from other firms who accept Broker's offer of subagency.

Yes ☒ No ☐ Cooperate with licensees from other firms who will represent the interests of the buyer.

Yes ☒ No ☐ Act as an agent for both the Seller and the Buyer only upon the express written consent of Seller.

Yes ☒ No ☐ Place a ☐ "for sale" sign on the property.

Yes ☐ No ☒ Place a lock box on the property if appropriate.

Yes ☒ No ☐ Take photographs of the interior of the property.

Yes ☒ No ☐ Take photographs of the exterior of the property.

Yes ☒ No ☐ Submit property listing data to GSIN MLS and use the data as comparables.

Yes ☒ No ☐ List the property globally on the internet and the world wide web.

Yes ☒ No ☐ Hold a key to the property at the Broker's office for use by the Broker to access the property.

Yes ☒ No ☐ Advertise the property with qualified commercial agents at the discretion of the Broker.

Yes ☒ No ☐ Show the property without the assistance of the Seller.

Yes ☐ No ☒ Authorize inclusion of automated estimate of market value (AVM) on the property shown on virtual office websites.

Yes ☒ No ☐ Property address may be displayed on public websites.

Yes ☒ No ☐ To authorize inclusion of allowing comments or reviews about the listing on virtual office websites.

\*\*\* By initialing here, the Seller acknowledges that the Broker has explained and the Seller understands each of the services to be provided according to this section.

11. **Representations.** The Broker makes no representations or guarantees of a sale of the property.

12. **Intentionally omitted.**

Owner's Initial's

*CSA*

Broker's Initial's

*[Signature]*

13. **Entire Contract.** This Agreement constitutes the entire understanding and agreement between the Broker and the Seller with regard to all matters herein. There are no other agreements, conditions or representations, oral or written, express or implied. This Agreement may be modified only in writing, signed by both parties.

14. **Governing Law.** This Agreement shall be interpreted in accordance with and governed by the laws of the State of New Hampshire. In the event of a dispute, the parties consent to the jurisdictions of the Courts of the State of New Hampshire.

15. **Deposits.** The Owner/Lessor authorizes the Broker to collect deposit/rent funds required by Owner and remitted to BHHS Verani Realty from Tenant/Buyer. Fees due under this agreement will be retained from collected funds with any excess being remitted to Lessor/Owner. Any forfeited deposits shall be divided between the Broker and the Seller at a 50%/50% split, but amount to Broker will never exceed the compensation agreed upon herein.

16. **Disclosed Dual Agency** LESSOR acknowledges that real estate agents may represent either both the lessee/buyer and lessor/seller in a transaction but only with the knowledge and written consent of both the lessee/buyer and the lessor/seller. If the agent obtains written consent to represent both lessor/seller and the lessee/buyer, there is a limitation on agent's ability to represent either party fully and exclusively. Information obtained within the confidentiality and trust of the fiduciary relationship with one party must NOT be disclosed to the other party without prior written consent of the party to whom the information pertains. If LESSOR/SELLER would like the property shown to buyers/lessees who are also represented by the Broker, the potential for dual agency exists.

☒ Seller hereby consents to dual agency showings. Seller will be asked to sign a separate Dual Agency Informed Consent Agreement prior to considering an offer to purchase the property.

SELLER

DATE

☐ At this time, Lessor/Seller does not consent to dual agency showings.

17. **Methamphetamine Production.** Do you have knowledge of methamphetamine production ever occurring on the property? (Per RSA 477:4-g) ☐ Yes ☒ No If Yes, Please explain: \_\_\_\_\_

18. **Designated agency.** This firm practices designated agency. This means that Lessor will be appointed a specific agent(s) who will represent the Lessor in this transaction and who will owe Lessor the fiduciary duties of loyalty, obedience, disclosure, confidentiality, reasonable care, diligence and accounting. Only the Lessor's designated agent(s) will represent Lessor. All other agents in firm will not represent Lessor and may represent a potential buyer. By signing the agreement, Lessor consents to designated agency and the appointment of Scott Reiff as Lessor's designated agent.

In witness whereof the parties have executed this agreement on the date indicated above. The Seller acknowledges receipt of a copy of this agreement.

Seller:

Signature of authorized representative

Broker: BHHS Verani Realty

Signature of authorized representative

Owner's Initial's

Broker's Initial's