

**APPRAISAL REPORT
OF THE
CITY OF MONTPELIER PROPERTY
55 BARRE STREET
MONTPELIER, VERMONT
Effective Date: January 15, 2016**

**By: John B. Minor
Certified General Appraiser
O'GRADY & MINOR
APPRAISAL SERVICES, INC.
1 Kennedy Drive, Suite U8
South Burlington, Vermont**

**For: Jessie C. Baker
Assistant City Manager
CITY OF MONTPELIER
39 Main Street
Montpelier, Vermont**

O'GRADY & MINOR APPRAISAL SERVICES, INC.

1 Kennedy Drive, Suite U8
South Burlington, VT 05403
Phone: 802-864-4580
Fax: 802-862-1183
brad@ogradymminor.com

February 3, 2016

Jessie C. Baker
Assistant City Manager
City of Montpelier
39 Main Street
Montpelier, VT 05602

RE: Appraisal of City of Montpelier Property
55 Barre Street, Montpelier, Vermont

Dear Ms. Baker:

At your request, I hereby submit an appraisal report on the above referenced property. The attached appraisal report provides the data and reasoning used in arriving at my opinions and conclusions.

The purpose of the appraisal is to develop an opinion of the current market value of the fee simple estate of the property according to the definitions thereof stated in the report, subject to the assumptions, limitations, and certification therein. The intended use of the report is for internal use regarding a possible sale of the subject property. The client, the City of Montpelier, is the sole intended user of this report. No other use or users are intended.

The subject property consists of a 0.30 acre parcel improved with a one to two story armory building that was built in 1932 and approximates 8,422 square feet. The site is improved with two driveways and a gravel parking area with capacity for 6 to 7 vehicles. An inspection of the property for the appraisal was conducted on the current effective date, January 15, 2016. The property inspection, and all necessary investigation and analyses were made by the appraiser identified herein, as signed below and within the certification of the accompanying appraisal report. The following paragraphs present a hypothetical condition and extraordinary assumptions employed within this appraisal report.

Hypothetical Condition:

The subject property is within the Central Business II zoning district under the current zoning regulations. The city is in the process of a zoning rewrite, with changes to the regulations anticipated as of April, 2016. At the client's direction, the appraisal is made based on the hypothetical condition that proposed changes to the zoning regulations are in place as of the current effective date. As a result, analyses of zoning within the appraisal pertain to proposed regulations rather than the current ordinance. The use of this hypothetical condition is reasonable based on the expectation that the proposed regulations will be accepted imminently. The client is aware that the use of this hypothetical condition may affect the value conclusions of this appraisal.

Extraordinary Assumption:

The subject exhibits numerous areas of water damage in the form of stained ceiling tiles and deteriorating plaster. The appraiser is of the understanding that new roofing was installed in 2008 and 2011 over the front and rear sections of the building, respectively. For the purpose of the appraisal, any apparent water damage is assumed to be cosmetic only.

Extraordinary Assumption:

Sections of the building exhibit apparent settlement to varying extent. The most significant observation is a large step crack along the northwest side of the building, which was recently repointed and is monitored by the owner for further movement. The appraiser is not qualified to comment on the structural integrity of the building, and collection of further information is beyond the scope of this appraisal assignment. For the purpose of the appraisal, it is assumed that the building is structurally sound. This assumption is not intended to reflect an opinion of the subject's structural integrity, and the client is urged to consult an expert in the field for further information on the matter.

By definition, any extraordinary assumption, if found to be false, could affect the value conclusion presented herein.

After analyzing all available information, it is the appraiser's opinion that the current market value of the property herein described, as of January 15, 2016, is \$375,000.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "John B. Minor".

John B. Minor
VT Certified General Real Estate Appraiser
License # 080.0046257

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CERTIFICATION OF VALUE

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 I have no personal interest or bias with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this report.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The appraiser has experience in the appraisal of the subject's property type and considers himself qualified to complete the appraisal assignment, or has taken the appropriate steps required to meet the competency provision of USPAP.
- As of the date of this report, I John B. Minor have completed the Standards and Ethics Education Requirement for Candidates of the Appraisal Institute.
- I have complied with the City of Montpelier's instructions, standards and specifications in conducting the research, analysis and formulation of the value conclusion.



John B. Minor
VT Certified General Real Estate Appraiser
License # 080.0046257

SUBJECT PROPERTY PHOTOGRAPH



City of Montpelier Property
55 Barre Street
Montpelier, Vermont

January 15, 2016

EXECUTIVE SUMMARY

PROPERTY IDENTIFICATION AND KEY CHARACTERISTICS

PROPERTY TYPE: Armory
PROPERTY OWNER: City of Montpelier
LOCATION: 55 Barre Street, Montpelier, Vermont
PARCEL ID: 004-055000
SITE: 0.30 acre
BUILDING SIZE: 8,422 square feet
BUILDING AGE: 84 years
UNITS: 1
QUALITY: Good to average
CONDITION: Average with instances of deferred maintenance
OCCUPANCY: Owner
ZONING: Central Business II (CB-II)
FLOOD PLAIN: Yes, see map panel 50023C0264E
OTHER RESTRICTIONS: None noted
ASSESSMENT: \$588,600
TAXES: Tax exempt

CONCLUSIONS

PROPERTY RIGHTS APPRAISED: Fee simple
HIGHEST & BEST USE: Land: Mixed use
As Improved: Adaptive redevelopment (by retaining the structure)
ESTIMATES OF VALUE: Cost Approach: Not utilized
Income Capitalization Approach: Not utilized
Sales Comparison Approach: \$375,000
RECONCILED VALUE: \$375,000
EXPOSURE TIME: One year to two years
MARKETING TIME: One year to two years
DATE OF VALUE ESTIMATE: January 15, 2016
PURPOSE OF APPRAISAL: Estimation of market value
USE OF THE APPRAISAL: Internal use regarding a possible sale of the subject
CLIENT: The City of Montpelier

IDENTIFICATION OF THE APPRAISAL PROBLEM AND SCOPE OF WORK

IDENTIFICATION OF THE CLIENT

The "client" is defined in the Uniform Standards of Professional Appraisal Practice (USPAP) as "the party or parties who engage, by employment or contract, an appraiser in a specific assignment." The client of this appraisal assignment is the City of Montpelier.

INTENDED USE AND INTENDED USERS

The "intended use" is defined in USPAP as "the use or uses of an appraiser's reported appraisal,..., as identified by the appraiser based on communication with the client at the time of the assignment." The "intended user" is defined in USPAP as "the client and any other party as identified, by name or type, as users of the appraisal,...by the appraiser on the basis of communication with the client at the time of the assignment." The appraiser is of the understanding that the intended use is for internal use regarding the possible sale of the subject. The intended user is the City of Montpelier and its representatives. This appraisal may not be appropriate for other uses or users.

IDENTIFICATION OF SUBJECT

The subject of this appraisal is the real property located at 55 Barre Street, Montpelier, Vermont. The property is owned by the City of Montpelier, and further identified as city parcel number 004-055000. The subject property consists of a 0.30 acre parcel improved with a one to two story armory building that was built in 1932 and approximates 8,422 square feet. The site is improved with two driveways and a gravel parking area with capacity for 6 to 7 vehicles.

PROPERTY RIGHTS APPRAISED

The property rights appraised herein relate to the fee simple interest or estate. The fee simple 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."

TYPE AND DEFINITION OF VALUE

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

1. Buyer and seller are typically motivated;
 2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
 3. A reasonable time is allowed for exposure in the open market;
 4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
 5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."
- This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) of 1989 between July 5, 1990 and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), and the Office of Comptroller of the Currency (OCC). This definition is also

referenced in regulations jointly published by the OCC, FRS and FDIC on June 7, 1994, and in the *Interagency Appraisal and Evaluation Guidelines*, as revised and updated December 2010.

EFFECTIVE DATE OF THE APPRAISAL AND DATE OF REPORT

The effective date of the appraisal is January 15, 2016. The report was completed on the date shown on the letter of transmittal. The last date of inspection was January 15, 2016.

SCOPE OF WORK

The scope of work relates to the degree to which the appraiser collected, confirmed, and reported data for the analysis.

The scope of work involved an on-site inspection of the interior and exterior of the subject property. The reader is advised that the appraisal inspection is not intended to serve as a building (engineering) inspection, environmental screening or survey. The purpose of the inspection is to understand the characteristics of the subject property that may affect value. The scope of work also includes research of public records to understand the subject's ownership, property rights, zoning status and other factors relevant to the real property being appraised.

The appraisal problem was addressed by way of a thorough investigation and analysis of the subject's market area. The area was searched for data applicable for the valuation of the subject. All information was confirmed when possible. Reliance has been placed on information provided by a number of sources, possibly including the property owner, buyers, sellers, lessees, etc. and is assumed to be accurate. The information reported herein is a portion of the data considered and is believed to be representative of market conditions.

The estimation of a real property's market value involves a systematic analysis of the factors that bear upon the value of real estate. One must define the problem, research and acquire data necessary to solve the problem, classify, analyze and interpret said data into an estimate of value. The process involves an analysis of the subject's competitive market, highest and best use, and the three recognized approaches to value: the sales comparison approach, the income capitalization approach, and the cost approach.

The subject is improved with an older armory building that exhibits significant physical deterioration and functional obsolescence. Given the extent of depreciation, the cost approach would be of limited reliability. As a result, this method is considered, but not developed in the valuation.

The subject is an owner occupied armory. Properties similar to the subject are rarely leased and it would be highly speculative to project income and expenses for a property for which there is a limited lease market. For this reason, the income capitalization approach was not utilized to value the subject.

A thorough search of Vermont sale data led to the discovery and analysis of many sales that share characteristics with the subject. Fourteen sales are described within this report, and many others were considered, rejected and retained within the appraiser's work file. In addition to sales of improved properties, land sale data was analyzed to assist in forming an opinion of the subject's highest and best use. The most relevant sales were selected for directly analysis, and are compared to the subject in a grid analysis.

The final step in the scope of work is the development of an appraisal report. This appraisal report is presented in narrative form with sufficient information, detail and description to allow the intended users to understand the appraisal problem, data considered and analyses performed to arrive at a value conclusion.

HYPOTHETICAL CONDITIONS

Hypothetical condition is defined in the Uniform Standards of Professional Appraisal Practice (USPAP) as "that which is contrary to what exists but is supposed for the purpose of analysis." The appraisal is based on the hypothetical condition that the City's proposed changes to the zoning regulations are in place as of the effective date. The reader is referred to the letter of transmittal for further discussion.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined in the Uniform Standards of Professional Appraisal Practice (USPAP) as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions." The appraisal includes two extraordinary assumptions related to the condition of the subject's building. The reader is referred to the letter of transmittal for further discussion.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal has been made with the following general assumptions:

- No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
- It is assumed that lease encumbrances on the subject property, if present, are legally binding contracts between the lessee and the lessor. It is further assumed that all information transmitted to the appraiser regarding the lease documents is accurate and complete.
- Responsible ownership and competent property management are assumed.
- Information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced and included in this report are intended only for the purpose of showing spatial relationships and to help the reader visualize the property. The reliability of the information contained on any such map or drawing is assumed by the appraiser and cannot be guaranteed to be correct.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them. Sub-surface rights (mineral and oil) were not considered in making this appraisal.
- It is assumed that the property is in full compliance with all applicable federal, state and local environmental regulations and laws unless the lack of compliance is stated in the appraisal report.
- It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been described in the appraisal report.
- It is assumed that the subject property conforms to all building codes, minimum housing standards and fire safety regulations, unless otherwise stated in the appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents and other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.
- It is assumed that the use of the land and improvements is confined within the boundaries of property lines of the property described and that there is no encroachment or trespass unless otherwise noted in the report.
- Unless otherwise stated in this report, the existence of hazardous materials, 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, and 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 such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS (CONTINUED)

- The forecasts, projections or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors and a continued stable economy. These forecasts are, therefore, subject to change with future conditions.
- This appraisal should not be considered a report on the physical items that are a part of this property. Although the appraisal may contain information about the physical items being appraised (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed physical report. The appraiser is not a construction, engineering, or legal expert, and any opinion given on these matters in this report should be considered preliminary in nature.
- Because no detailed inspection was made, and because such knowledge goes beyond the scope of this appraisal, any observed condition comments given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is made as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating system, air conditioning system, plumbing, electrical service, insulation or all mechanicals and construction. For instance, we are not experts on heating systems and no attempt was made to inspect the interior of the furnace. The structures were not checked for building code violations and it is assumed that all buildings meet the building codes unless so stated in the report. If any interested party is concerned about the existence, condition, or adequacy of any particular item, we would strongly suggest that a construction expert be hired for a detailed investigation.
- Some items such as conditions behind walls, above ceilings, behind locked doors, or under the ground are not exposed to casual view and, therefore, were not inspected. The existence of insulation (if any is mentioned) was found by conversation with others and/or circumstantial evidence. Since it is not exposed to view, the accuracy of any statements about insulation cannot be guaranteed.
- 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, mold, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
- The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. The lack of compliance may or may not require modification to the property and may impact the property's value and marketability. Unless otherwise indicated in the report, value reductions resulting from the ADA have not been considered in this appraisal because of the uncertainties regarding the property's compliance with the Act, the administration of enforcement and waivers, and the resulting value impacts.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS (CONTINUED)

- Information (including projections of income and expenses) provided by informed local sources, such as government agencies, financial institutions, realtors, buyers, sellers, property owners, bookkeepers, accountants, attorneys, and others is assumed to be true, correct, and reliable. No responsibility for the accuracy of such information is assumed by the appraiser.
- The comparable sales data relied upon in the appraisal is believed to be from reliable sources. Though all the comparables were examined, it was not possible to inspect them all in detail. The value conclusions are subject to the accuracy of said data.
- Engineering analyses of the subject property were neither provided for use nor made as a part of this appraisal contract. Any representation as to the suitability of the property for uses suggested in this analysis is therefore based only on a rudimentary investigation by the appraiser and the value conclusions are subject to said limitations.
- All values shown in the appraisal report are projections based on my analysis as of the date of the appraisal. These values may not be valid in other time periods or as conditions change. Since the projected mathematical models are based on estimates and assumptions which are inherently subject to uncertainty and variation depending upon evolving events, I do not represent them as results that will actually be achieved.
- This appraisal is an estimate of value based on an analysis of information known to us at the time the appraisal was made. I do not assume any responsibility for incorrect analysis because of incorrect or incomplete information. If new information of significance comes to light, the value given in this report is subject to change without notice.
- The appraisal report, or any parts thereof, may not be reproduced in any form without permission of the appraiser. The appraisal report, and any parts thereof, is intended for the sole use of the client and the appraiser. Information relating to the analysis or value conclusions contained herein will not be released by this office except under the following conditions:
 - 1) Permission of the client to release a copy of this report to any authorized individual or individuals.
 - 2) Use by the appraiser or member of his/her immediate office in a professional capacity; however, never revealing the analysis of data or value conclusions contained herein,
 - 3) Use by approved representatives of Appraisal Institute as required and in observance of the code of ethics and standards of professional practice of said organization.
- Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal unless such arrangements are made in a reasonable time in advance. In addition, the appraiser reserves the right to consider and evaluate additional data that becomes available between the date of evaluation and the date of any trial and to make any adjustments to the value opinions that may be required.
- Unless otherwise indicated, the appraisal has not given consideration to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered in the analysis.

AREA DATA

COUNTY: Washington

GREATER MARKET AREA: Central Vermont

IMMEDIATE MARKET AREA: Montpelier

PRIMARY ACCESS ROUTES: Interstate 89, U.S. Route 2, U.S. Route 302, Vermont Route 12

POPULATION:

Year	Vermont	%Δ	Washington County	%Δ	Montpelier	%Δ
1980	511,456	15.0%	52,393	9.9%	8,241	-4.3%
1990	562,758	10.0%	54,928	4.8%	8,247	-0.1%
2000	608,827	8.2%	58,039	5.7%	8,035	-2.6%
2010	625,741	2.8%	59,534	2.6%	7,855	-2.2%

HOUSING UNITS:

Year	Vermont	%Δ	Washington County	%Δ	Montpelier	%Δ
1980	223,199	35.1%	22,113	36.0%	3,437	15.6%
1990	271,214	21.5%	25,328	14.5%	3,769	9.7%
2000	294,382	8.5%	27,644	9.1%	3,899	3.4%
2010	322,539	9.6%	29,941	8.3%	4,034	3.5%

**AVERAGE ANNUAL
WAGE (2013):**

State of Vermont	\$42,042
Washington County	\$43,595
Montpelier	\$51,103

ECONOMIC BASE: State government, education, health care, manufacturing, retail, service and tourism

UNEMPLOYMENT FIGURES:

	12-15	2014	2013	2012	2011	2010	2009	2008	2007	2006
Vermont	3.1%	4.1%	4.4%	5.0%	5.6%	6.2%	6.9%	4.5%	3.9%	3.7%
Washington County	3.1%	4.0%	4.3%	4.8%	5.4%	6.0%	6.6%	4.6%	4.0%	3.9%
Barre-Montpelier Labor Market Area	3.3%	4.1%	4.4%	4.9%	5.6%	6.1%	6.7%	5.2%	4.5%	4.3%
Montpelier (City)	2.8%	3.4%	3.7%	4.5%	5.0%	5.5%	6.1%	3.2%	2.7%	2.4%

COMMENTS

The subject property is located within the City of Montpelier, which is situated in the central part of Washington County. Washington County is located in north-central Vermont and is comprised of 20 municipalities spanning 714 square miles. Primary access to Washington County is provided by Interstate 89, U.S. Routes 2 and 302 and Vermont Route 12, 14 and 100. The area is also accessible via rail (Amtrak) and a small general aviation airport in Berlin. Public bus transportation is available for sections of Washington County, and operated by Green Mountain Transit Agency.

Washington County is predominately rural in character with the exception of the subject's market area and the communities of Waterbury and Northfield in the northern part of the county. Otherwise, the County is sparsely developed with a mix of tourism-oriented and bedroom communities.

The subject's market area is comprised of the municipalities of Montpelier, Barre City, Barre Town and Berlin. These communities collectively serve as the primary employment and retail trade center for Washington County and central Vermont. The municipalities that comprise the greater market are discussed individually within the paragraphs that follow.

Montpelier

Montpelier is the state capital and contains a rather large proportion of the state offices. It is reported that over one third of the County's jobs are located in the city of Montpelier and the presence of large private and public entities is a source of stability for this segment of the greater market. Major employers in Montpelier include state and federal government, National Life Insurance Company, New England Culinary Institute, and Vermont Mutual Insurance Group.

The city of Montpelier is a mature, densely developed market. The urban compact is centered on the north branch of the Winooski River with access from U.S. Route 2 over three bridges. A series of bridges connects the east and west sections of the city as well. Downtown Montpelier has a rather high concentration of office space, which is occupied with a mix of government, agency and private enterprises. The concentration of office workers in the downtown area has created demand for retail, service and restaurant businesses and healthy occupancy has been the norm in recent history. As a commuter destination, there is also substantial demand for daily parking.

Given the scarcity of undeveloped land and challenging land features, the city has experienced limited development and slightly declining population. The population decline observed over the past few decades likely reflects changing household structure, as housing units continued to grow moderately over the same timeframe.

Related to county and state average, Montpelier has a relatively high average wage, which is likely attributable to the composition of the labor force. Montpelier also enjoys a comparatively lower unemployment rate than most of the other communities that comprise the greater market area.

Berlin

Berlin is influenced by Interstate 89, which bisects the town from north to south with two exits within the town limits. Berlin is home to a small industrial base, a regional hospital, various professional services, a local airport and a number of retailers, auto dealerships, etc. Much of the town's recent development has been within a commercial park situated near the Interstate exit and hospital. The largest employers in Berlin are Blue Cross and Blue Shield of Vermont and Central Vermont Medical Center. Berlin's gradual commercial growth has been the product of accessibility and availability of land. The town also serves as a bedroom community with a relatively small population.

Barre City & Barre Town

Historically, the primary economic force for Barre City and Town has been the granite industry. Granite extraction was a major industrial component for Barre Town and a number of related businesses were concentrated in Barre City. Over time, the economic base has diversified; however, granite extraction and production remains an integral part of the local economy for both Barre City and Barre Town.

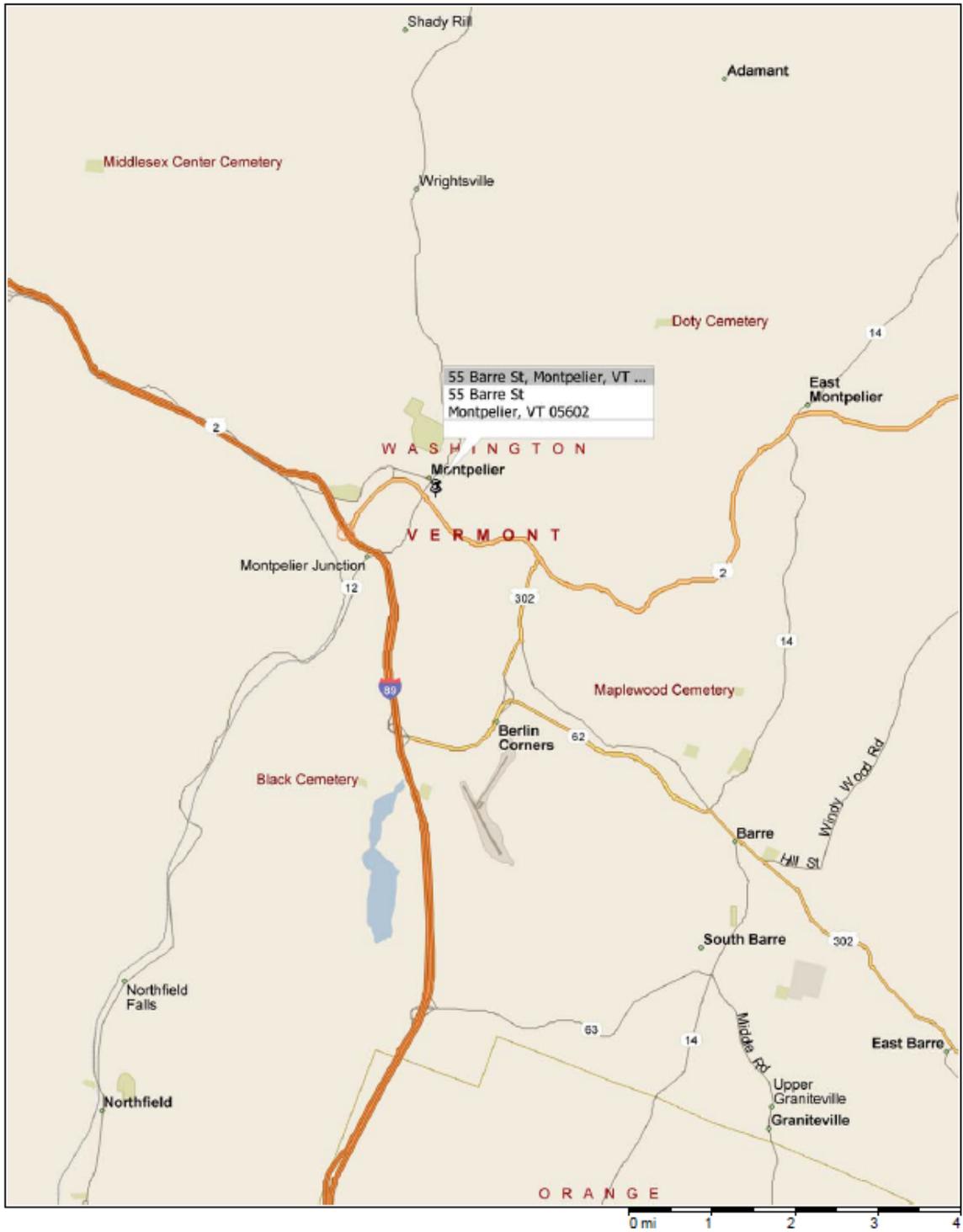
Barre Town has a slowly growing industrial base, which includes manufacturing, technology, distribution, etc. Much of commercial growth in Barre Town is in the vicinity of Wilson Industrial Park for industrial properties and along primary commuting routes for retail, professional and service properties. Barre Town also serves as a bedroom community for the greater market area and has experienced gradual residential development. Over the past few decades, population in Barre City has gradually declined, while population in Barre Town has expanded. This is likely due to the availability and affordability of land in Barre Town.

A substantial downtown improvement project that spanned over three years was recently completed in Barre City. The federally-funded project included comprehensive infrastructure replacement and new streetscape improvements. Concurrently, three noteworthy commercial projects were completed, including a newly built 85,000± square foot mixed use property known as City Place, a 24,000± square foot redevelopment at Granite Street and complete renovation of the Blanchard Block.

Summary

In summary, the greater market area is heterogeneous, with each municipality experiencing varying trends over the past decade. While each community is distinct from one another, the towns and cities that comprise the market area are related due to proximity, traffic linkages and complementary land uses. Suburban and rural parts of the market area have experienced the greatest residential and industrial growth. While population has declined in urban centers, employment and commercial services are integral to the local economy. Barre City suffered elevated commercial vacancy during the recession, but has shown signs of economic recovery following its downtown improvement project. Montpelier's commercial market appears healthy and stable with a positive trend anticipated for the foreseeable future.

AREA MAP



NEIGHBORHOOD DATA

ACCESS:	Adequate via Main Street and Granite Street
BUILT-UP:	Near 100%
USES:	Mix of single family, multifamily, special purpose and low intensity commercial
OCCUPANCY:	Owners and tenants with limited apparent vacancy
BUILDING CHARACTERISTICS:	Vary in accordance with age and use
UTILITIES:	Electricity, telecommunications, municipal water and municipal sewer
ADVERSE INFLUENCES:	None noted
TREND:	Relatively stable sub-market

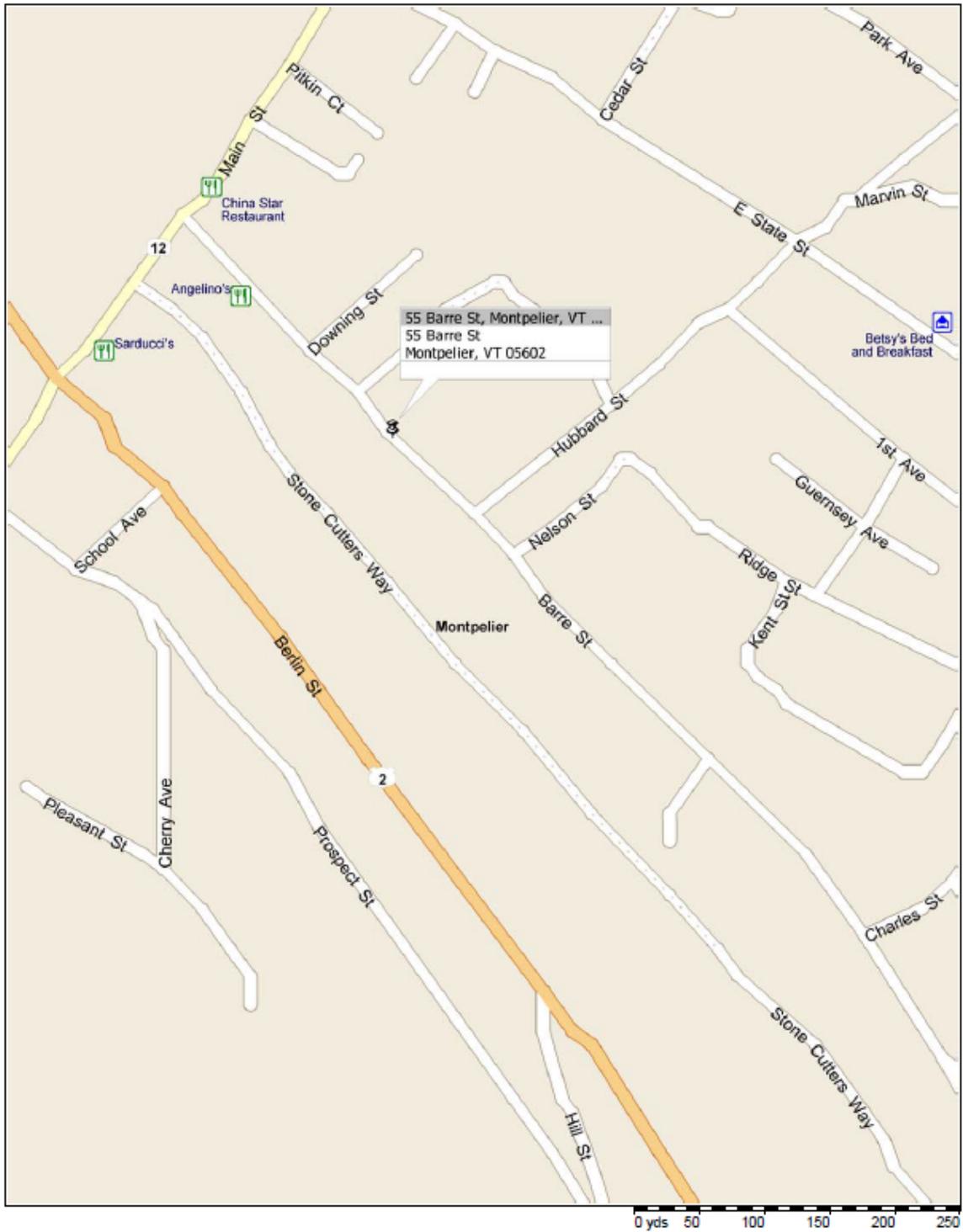
COMMENTS

The subject's neighborhood is situated within the central part of the City of Montpelier. More specifically, the neighborhood is centered on Barre Street and bounded by Main Street to the north and Granite Street to the south. Barre Street is a secondary city street that runs parallel to the Stone Cutter's Way and the Winooski River. Traffic is moderate within the neighborhood, with an average flow (AADT) of 4,000 vehicles per day in immediate proximity to the subject.

Barre Street is mixed for use, with a range of land uses present. Multifamily and single family are prevailing uses, with most of these properties older and varying for size, quality and condition. A number of special use properties are present within the neighborhood, including a church, two schools and the subject's armory. Retail and mixed use properties are interspersed throughout the neighborhood, with a higher concentration of commercial uses near the intersection with Main Street.

In summary, the neighborhood is a fully developed, stable mixed use sub-market. The neighborhood affords convenient access and is within close proximity to Montpelier's downtown core. Barre Street is a secondary street, and suitable for uses that do not rely on heavy vehicular or pedestrian traffic. Significant changes are not expected for the neighborhood for the foreseeable future.

NEIGHBORHOOD MAP



PROPERTY DESCRIPTION

HISTORY OF CONVEYANCE AND USE

The current owner of the subject property acquired title through a warranty deed that has been photocopied for inclusion within the addenda of this report. This transfer is summarized as follows:

Grantor:	State of Vermont
Grantee:	City of Montpelier
Date of Deed:	March 24, 1970
Municipality Recorded:	Montpelier
Deed Reference:	Volume 426, Page 330

The subject was originally built in 1932 as an armory and was used for military purposes until the above sale to the City of Montpelier. Since acquiring the subject, the City has used the subject for recreation purposes.

The appraiser is of the understanding that the City of Montpelier is considering offering the subject for sale, and this appraisal will be used to assist in the decision of what to do with the asset. The appraiser is not aware of any current or recent public efforts to sell or otherwise market the subject, nor any formal offers to purchase the property.

SITE ANALYSIS

LOCATION:	55 Barre Street, Montpelier, Vermont
SIZE:	0.30 acre
FRONTAGE:	82.5 feet along Barre Street
ACCESS:	Adequate with two curb cuts (see comments)
STREET:	Public with appropriate infrastructure
EXPOSURE:	Good
TOPOGRAPHY:	Level
GRADE:	At grade
COVER:	Predominately consumed with improvements
SOILS:	Adequate for development
SHAPE:	Rectangular
ELECTRICITY:	Green Mountain Power Corporation
GAS:	N/A
WATER:	Municipal
SEWER:	Municipal
DRIVEWAYS:	Concrete and paved (see comments)
PARKING:	Gravel lot with capacity for 6-7± vehicles
LANDSCAPING:	Limited features
EXTERIOR LIGHTING:	Provided by fixtures on building improvement and one pole fixture, adequate for security
RESTRICTIONS:	None noted

COMMENTS

A survey of the subject was not found within the Montpelier land records. In the absence of a survey, the metes and bounds description and municipal tax map are relied upon for the appraiser's understanding of the boundaries and land area of the parcel. The pages following this narrative provide an excerpt of the tax map and an aerial image of the subject and its surroundings procured from a GIS program made available by the Vermont Agency of Natural Resources. The reader is advised that the boundary lines in the GIS image are approximate and precision is not implied. The tax map dimensions match the metes and bounds description, except the frontage is not stated within the deed.

The subject's site is almost entirely consumed with the building and site improvements, with the building envelope consuming over half the land area. The balance of the site is consumed with driveways, a small parking lot at the rear of the lot and a concrete walkway and stairway at the front of the building. Two small green spaces are present at the front of the building with limited landscaping features.

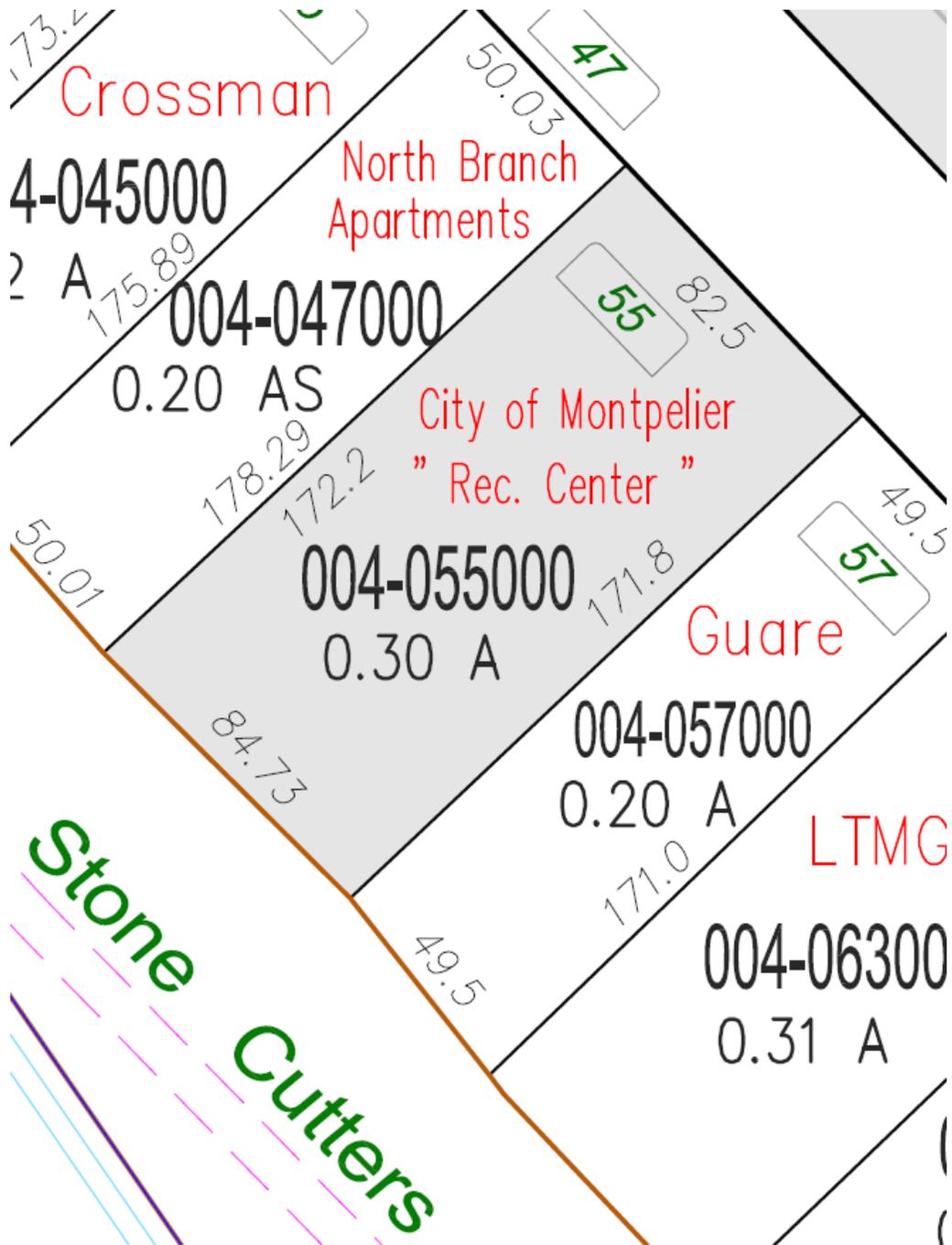
Two driveways run along both sides of the subject's building. The driveway on the northwest side of the building is paved and the driveway on the southeast side of the building is concrete. In the absence of a survey, it is difficult to ascertain whether both driveways are within the subject property. In reviewing the aerial image, it appears that the northwesterly driveway may be within the abutting property, and shared use of this driveway is apparent. Research of the land

records did not uncover documentations of easements or rights-of-way for this driveway, but shared use is assumed based upon observations at inspection.

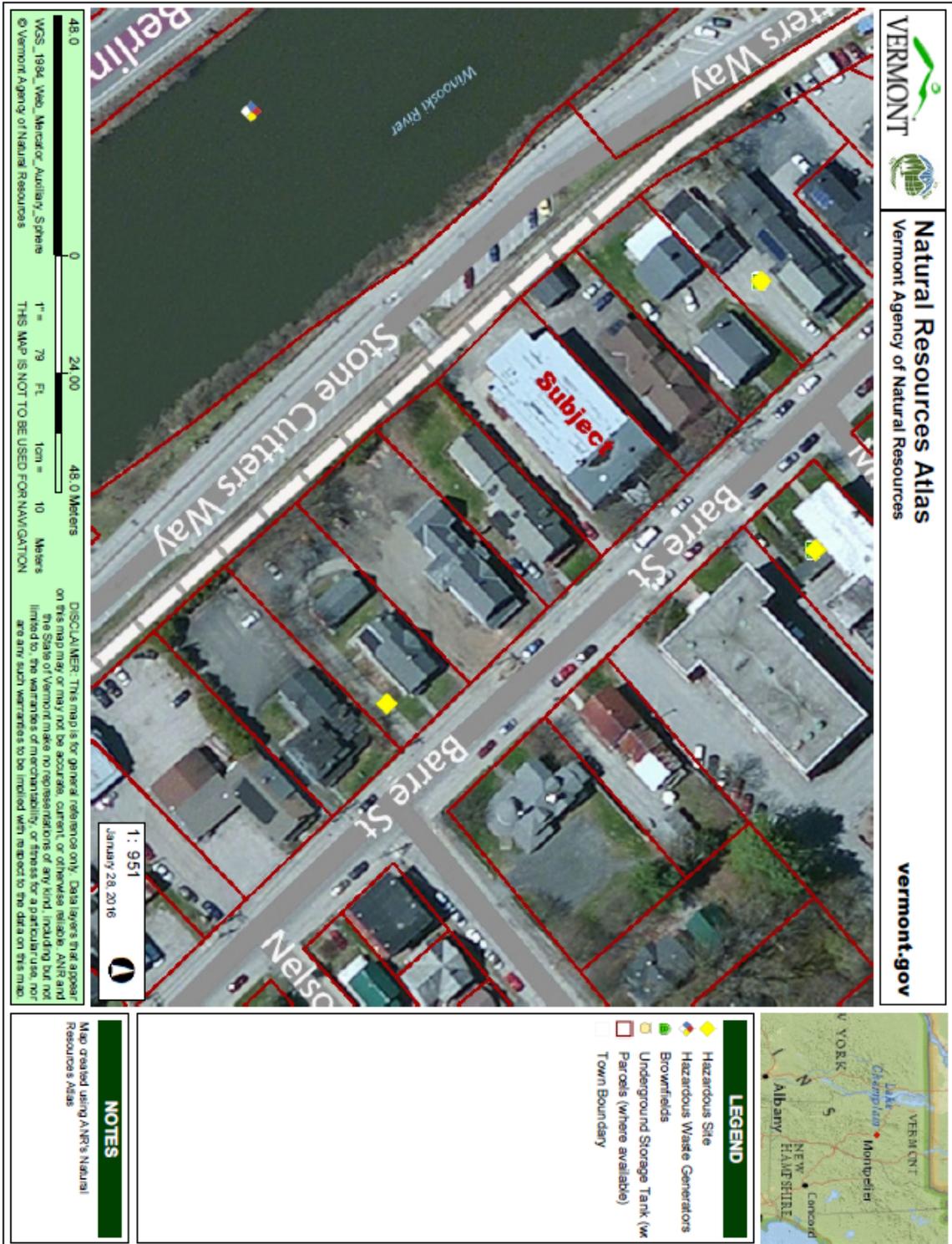
The parking area at the rear of the building provides capacity for six to seven vehicles. A small at-grade overhead door at the rear of the building would be accessible via car or small truck, but not to large commercial trucks due to limited room for circulation and maneuverability.

In summary, the subject's site is relatively small and intensely developed. The site has limited parking and circulation given the scale of the building. Some public parking is available along Stone Cutter's Way and street parking is available on Barre Street. While it is not uncommon for urban properties to have little or no on-site parking, the subject's scarcity of parking and difficult interior circulation may be limiting factors for certain uses of the property. Site improvements appear to be in average or better condition.

SITE SKETCH (TAX MAP)



AERIAL IMAGE – SUBJECT AND SURROUNDINGS – BOUNDARIES APPROXIMATE



BUILDING ANALYSIS

USE:	Special purpose (former armory used as recreation center)
NO. OF STORIES:	1 to 2 above grade (excludes basement)
BASE AREA:	6,692 square feet
GROSS FLOOR AREA:	8,422 square feet (excludes basement)
FINISHED AREA:	8,422 square feet above grade plus 1,844 square feet in basement
YEAR BUILT:	1932
UNIT DESCRIPTION:	See comments
OCCUPANCY:	Owner
FOUNDATION:	Poured concrete
FRAME:	Brick masonry with steel trusses
INTERIOR CLEARANCE:	Varies by section, 17.5' to trusses in gym, 9' for two-story section
EXTERIOR WALLS:	Brick masonry with granite details
WINDOWS:	Single pane double-hung with interior storm windows
EXTERIOR DOORWAYS:	Solid core wood man doors, insulated metal man doors, insulated overhead door
INTERIOR DOORWAYS:	Solid core wood man doors
ROOF COVER:	Rubber membrane (installed 2008 and 2011)
INSULATION:	Insulated, ratings not specified
HEAT:	Oil-fired hot water heat (boiler installed 2003)
ELECTRICAL:	200 Amp service
WATER LINES:	Copper
SPRINKLER:	Absent
FINISHED FLOORS:	Vinyl tile, hardwood, rubber and carpet
FINISHED WALLS:	Plaster, interior brick and drywall
FINISHED CEILINGS:	Block tile
LIGHTING:	Exposed fluorescent, covered fluorescent and pendant fixtures
RESTROOMS:	Semi-modern to older for style

COMMENTS

The building was built as an armory in 1932 and is fairly specific in design and materials. The building was built for military training and recreation use. Aside from general maintenance and cosmetic improvements, there have been few significant modifications to the original structure.

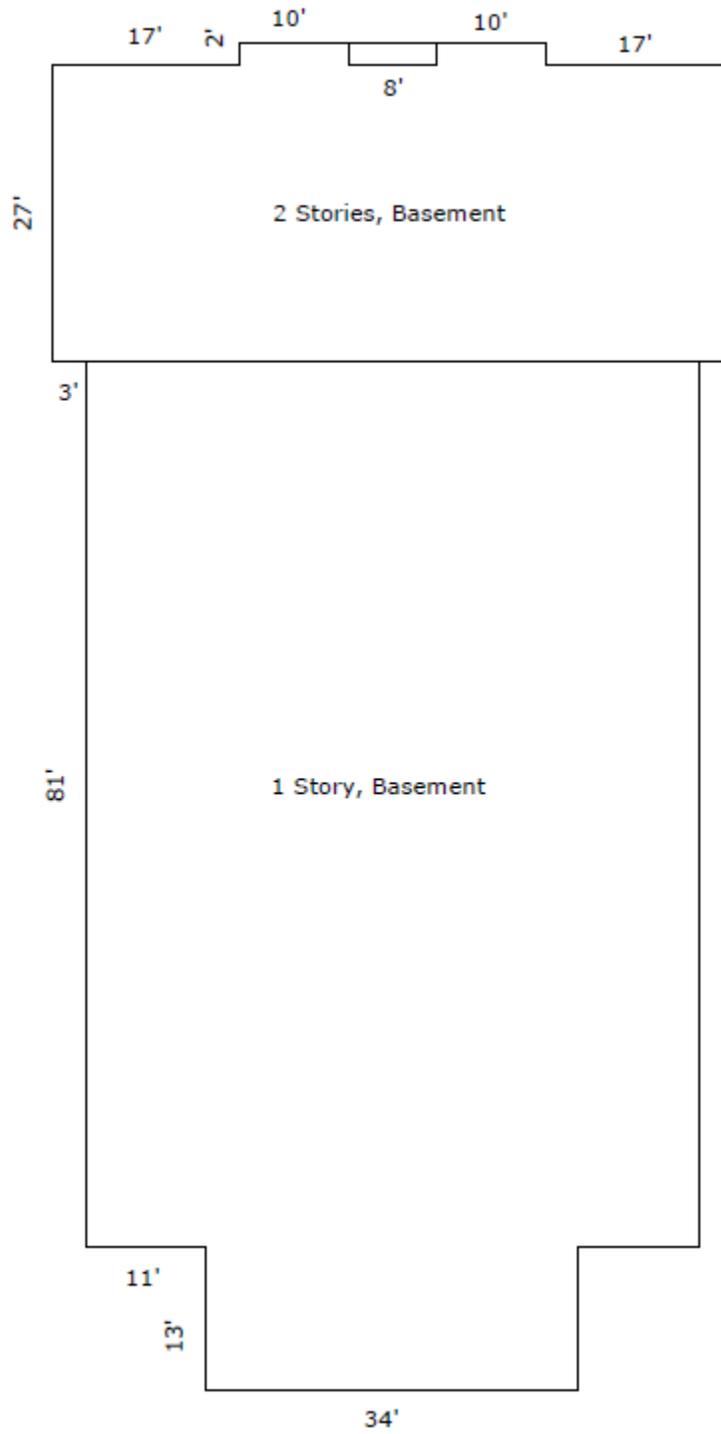
The first floor is partitioned into an oversized entry hallway, three offices, a restroom and a large gymnasium with an elevated stage. The offices range in size and have typical partitioning and fenestration. The gym approximates 4,536 square feet with high interior clearance. The gym previously had large windows on either side, which are now boarded up. The stage measures 442 square feet and is elevated three feet above the gymnasium floor level.

Interior stairs provide vertical access to a second floor, which approximates 1,730 square feet and is partitioned into four offices and two restrooms. A former overlook window to the gymnasium has been boarded up.

The basement spans the entire base area and is accessed via interior stairs at the front and rear of the building. The basement is partitioned into a locker room, a mechanical room, a former coal storage room, a shooting range and four storage rooms of varying scale. The storage rooms vary for extent of finish, lighting and presence of windows. Most of the basement is semi-finished with interior brick walls, compressed board ceilings and concrete floors. Finished area within the basement includes the locker room and shooting range. The locker room is equipped with two toilets, two urinals, two showers and a sink. The shooting range has block tile ceilings, vinyl flooring and painted interior brick walls. Finishes within the shooting range are not likely to contribute value.

The building is suitable for recreational, public or semi-public use, and may also be adapted for alternative uses as well. As is the case for many older special purpose properties, the building suffers from obsolescence in materials and design. The building is not accessible to residents and visitors with disabilities, and does not meet accessibility standards of FHA, UFAS and ADA. Physical depreciation is also evident in worn finishes, apparent settlement and areas of water damage. Specific items include stained ceiling tiles in the gymnasium, plaster deterioration in the northeast corner second floor office and a large step-crack along the northwest side of the building. It is assumed that water damage is cosmetic only, preceding recent roof replacement. Substantial re-pointing was performed along the northeast wall, as shown in the enclosed building photographs. For the purpose of the valuation, it is assumed that the subject is structurally sound. The appraiser is not qualified to comment on the structural integrity of the building and if further information is desired, the client is urged to consult an expert in the field.

BUILDING SKETCH



ZONING

ZONE: Central Business II (CB-II)
CONFORMANCE: No (legally non-conforming)
COMMENTS:

Indoor recreation is not a permitted or conditional use within the CB-II zoning district. The current building exceeds the 50% maximum building coverage requirement within the CB-II zoning district. The subject's improvement and use pre-date the current ordinance and the property is owned by the City of Montpelier. The current use and site plan are legally non-conforming.

As outlined in the letter of transmittal, this appraisal is made under the hypothetical condition that proposed zoning regulations are in effect as of the current effective date. This is a reasonable condition of the analysis, as the changes to zoning are imminent. When implemented, the subject will be within the Urban Center (UC) zoning district. Segments of the proposed zoning ordinance pertinent to the subject have been copied for inclusion within the addenda of this report.

ASSESSMENT AND TAXES

ASSESSMENT: \$588,600
**MUNICIPALITY'S REPORTED
EQUALIZATION RATE:** 100.23%
DATE OF ASSESSMENT: 2010
TAXES: Tax exempt

COMMENTS:

The property appears to be substantially over-assessed based on the value opinion presented herein.

SUBJECT PROPERTY PHOTOGRAPHS



Exterior photographs – front and side of building

SUBJECT PROPERTY PHOTOGRAPHS



Exterior photographs – side and rear of building

SUBJECT PROPERTY PHOTOGRAPHS



Exterior photographs

SUBJECT PROPERTY PHOTOGRAPHS



Exterior photographs

SUBJECT PROPERTY PHOTOGRAPHS



Site photographs

SUBJECT PROPERTY PHOTOGRAPHS



Site photographs

SUBJECT PROPERTY PHOTOGRAPHS



Interior photographs – basement finish (locker room)

SUBJECT PROPERTY PHOTOGRAPHS



Interior photographs – basement storage and shooting range

SUBJECT PROPERTY PHOTOGRAPHS



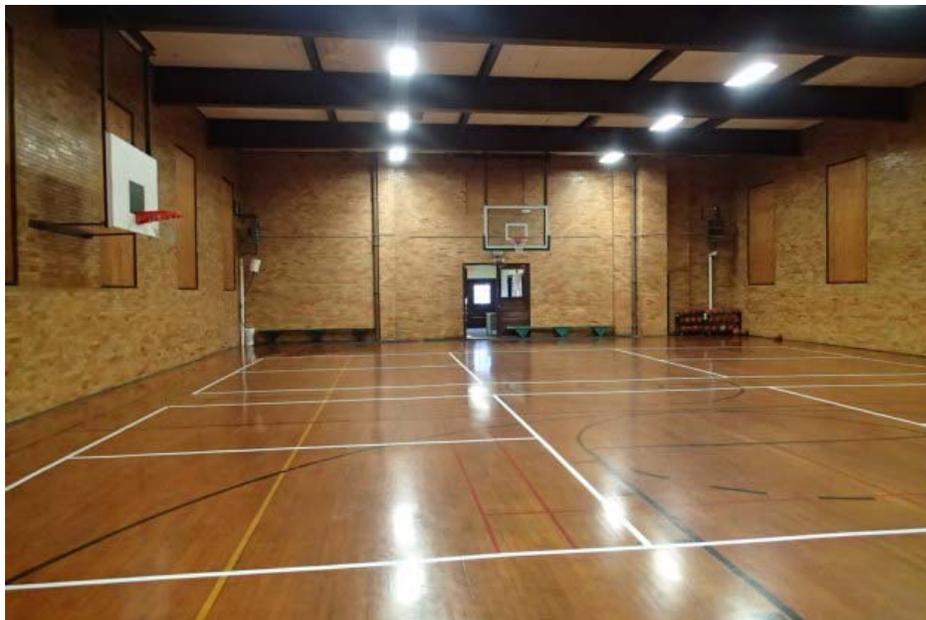
Interior photographs – basement storage and loading dock

SUBJECT PROPERTY PHOTOGRAPHS



Interior photographs – first floor

SUBJECT PROPERTY PHOTOGRAPHS



Interior photographs – first floor

SUBJECT PROPERTY PHOTOGRAPHS



Interior photographs – second floor

SUBJECT PROPERTY PHOTOGRAPHS



Rail frontage

SUBJECT PROPERTY PHOTOGRAPHS



Street scene – Barre Street

MARKET ANALYSIS

PROPERTY TYPE:	Special purpose property
MARKETING TIME:	One to two years based the subject's value estimate rendered herein
MARKET AREA:	Central Vermont
TYPICAL OCCUPANT:	Primarily owners
SUPPLY:	Relatively fixed for properties that share similar characteristics with the subject
DEMAND:	At or near equilibrium with supply
TREND:	Relatively stable niche market with infrequent sales activity

COMMENTS

The subject can be broadly classified as an older special purpose property. The property is a former armory that was built for military training and recreation purposes. The 0.30 acre site is improved with a one to two story building that approximates 8,422 square feet and consumes just over half the lot. The building is historically significant and the property is within the design control district. On-site parking is limited; however, public parking is available along Stone Cutter's Way and street parking is present along Barre Street.

Properties that share similar physical traits with the subject can be found in urban and village centers throughout Vermont. In many cases, these properties are owned by public or non-profit entities and used either for public or semi-public purposes. In some cases, older specialty use properties are acquired for redevelopment by speculative investors and owner occupants whose business needs can be adequately served by the existing improvements. The extent of renovations can vary broadly based upon the new use of the property, the size of the property and preservation criteria. At times, the redevelopment of historic properties is aided through historic tax credits or other governmental subsidies. Sales are highly infrequent, as these properties tend to be held under the same ownership for extended timeframes.

When properties similar to the subject do transact, they are acquired for a broad range of uses. In some instances, the properties are acquired for non-profit, public or semi-public use. In other cases, older special purpose properties are adapted to low intensity commercial uses that can accommodate the level of functionality within the building. At times, properties similar to the subject are acquired for redevelopment, with complete renovation except for the structural shell. The breadth of eventual uses among this property class reflects the limited depth and heterogeneity of the market for older special purpose properties.

If the subject were offered to the market, it is likely that the property would appeal to a fairly diverse mix of potential purchasers based on the property's unique attributes. Potential buyers would need to be willing to accept varying forms of curable and incurable obsolescence, as well as physical wear that has occurred over the life of the improvement. While these are limiting factors, the sales identified within this appraisal are evidence of the marketability of similar properties.

HIGHEST AND BEST USE

The highest and best use of the subject property has been carefully considered. Highest and best use has been defined as “The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.” Within the highest and best use analysis, consideration is given to the physical adaptability of the property to alternative uses, legal influences such as zoning, as well as market demand for competitive properties.

The highest and best use of the subject’s land is considered first in the analysis. The subject’s site approximates 0.30 acre with 82.5 feet of frontage along Barre Street. The site is primarily level, open and would be physically suitable for development if unimproved. Utility infrastructure is available with capacity for a broad range of uses. There are a wide range of uses that would be physically possible for the site if vacant and available for development. The primary limiting factors would be the small lot size and narrow width.

When the proposed zoning ordinance takes effect, the subject will be within the Urban Center (UC) zoning district. As outlined in the letter of transmittal, the analysis is based on the hypothetical condition that the proposed ordinance is presently in effect. There is a broad range of permitted and conditional uses within the UC district, which are summarized in the following table.

Permitted Uses		Conditional Uses
Single family	Performance theater	Malls, shopping centers
Accessory dwelling	Movie theater	Bank (with drive-through)
Duplex	Amphitheater	Rental and leasing
Triplex	Indoor games facility	Construction related (<10,000 SF)
Multifamily	Exhibition/conference	Light industrial (<10,000 SF)
Other residential structure	Religious facility	Warehouse/storage (<10,000 SF)
Retirement housing	Government facility	Wholesale trade establishment
Congregate living	Other community structure	Sports arena
Assisted living facility	Fitness/gym/athletic club	Hospital
Skilled nursing facility	Nature/recreational park	Cemetery
Bed and breakfast/Inn	Medical clinic	Water supply facility
Rooming/boarding house	Grade school	Sewer facility
Hotel or motel	College or university	Communication towers
Shop or store	Trade or specialty school	
Bank (no drive-through)	Library	
Professional services	Museum, exhibition hall	
Veterinary services	Art gallery	
Administrative/business	Public safety facility	
Services to buildings	Funeral home/cremation	
Food services	Social services	
Bar or drinking places	Child daycare	
Food services contractor	Services for elderly/disabled	
Personal services	Surface parking	
Pet/animal services/sales	Bus stop shelter	
Laboratory	Rail transportation facility	
Media broadcast studio	Road passenger services	
Computer data center	Utility structures	
Manufacturing (<10,000 SF)	Communications antenna	
Publishing	Greenhouse or nursery	
Information/data processing	Agriculture and forestry	

To summarize the preceding table, there is a very wide variety of permitted and conditional uses within the UC district, spanning a range of residential, commercial, light industrial and special purpose uses. Dimensional criteria include a minimum lot size of 3,000 square feet, minimum frontage of 30 feet and a maximum floor area ratio (FAR) of 4.0. The maximum front setback is 20 feet and buildings must be at least two stories with 60 feet maximum height. There is no parking requirement in the UC zoning district. In brief, the UC district allows fairly intense land development.

To summarize narrative thus far, there are numerous land uses that would be both physically possible and legally permissible. Some potentially legal uses are not well suited for a small lot; however, dimensional criteria allow for dense development. Examples of uses that meet the first two tests of highest and best use include single family, multifamily, retail, office, restaurant, bar, small scale light industrial, mixed use and various special uses.

Neighborhood characteristics and market demand are considered next. The subject is located in a mature and stable neighborhood that is best characterized as a secondary city street near the urban core. Current land uses in the neighborhood include a mix of single family, multifamily, office, retail, special purpose and mixed use. Most buildings are at least 50 years old and no recent development pattern is apparent. The location is most suitable for low intensity commercial uses, multifamily and mixed use. High exposure commercial uses are less likely, given limited pedestrian and vehicular traffic flow.

If the subject's site were undeveloped, the property would represent a rare development opportunity for a site near downtown Montpelier. While the location is not ideal for retail or high exposure uses, demand is strong for office and apartment uses, and mixed use is a frequently chosen format for new development in urban settings. Analysis of available data has led to the conclusion that the highest and best use of the subject's site is mixed use development with a combination of low-intensity commercial use and apartments. The ideal improvement would maximize potential density while meeting design criteria of the Historic Design Review Overlay District.

The highest and best use of the improved subject is considered next. The subject is improved with a one to two story building that approximates 8,422 square feet. The site is developed with driveways and a small parking lot at the rear of the building with capacity for six to seven vehicles. The building was built in 1932 as an armory and has been used for training and recreational purposes over the life of the improvements. The subject's building is fairly unique in design and materials, and reflects the age and original purpose of the property. The front section has partitioning that is representative of office, classroom or administrative use. The rear section is a gymnasium with high clearance and an elevated stage. The building is above average for quality, but suffers from obsolescence and physical wear. Potential uses for the improved subject are listed below:

- 1) Continuation of the current public recreational use
- 2) Uses that the current building can accommodate without adaptation
- 3) Uses that are achievable through redevelopment within the existing structure
- 4) Demolition for complete redevelopment

Each of the above scenarios is explored in arriving at a highest and best use conclusion, with brief narrative presented in the following paragraphs.

- 1) The subject is currently owned by the municipality and used for public recreational purposes. The City has expressed interest in selling the asset with the possibility of offering recreation in a facility that meets current standards for accessibility. This use is not likely to be maximally productive given the limited depth of demand to acquire a property with the subject's characteristics for the current use.

- 2) The current improvement could accommodate a number of permitted and conditional uses within the UC zoning district. The uses most fitting for the building include office, manufacturing, publishing, theater and light industrial. In each case, the subject would present obsolescence in floor plan, parking, truck access, and various other factors. To test this possible scenario, sale data for general industrial properties with small sites was collected, and is presented as Sales 8, 10, 11, 12. These sales do not suggest greater value for industrial use versus the other data collected.
- 3) There is a myriad of uses that could be achieved through redevelopment within the current structure. This is evident in redevelopment that has occurred among several of the sales identified in this report. Sale 4 was redeveloped for retail use, which is a function of parking and street visibility. Sale 6 was redeveloped for mixed use with general commercial space in the first floor and residential units within the second floor. Sale 7, a former armory, was acquired for a low-intense industrial application, screen printing. Sale 13 is now a performing arts theater. Sale 14 is mixed for use, with a restaurant in the first floor and four guest rooms in the second floor. These properties provide evidence as to the range of redevelopment possibilities for a property similar to the subject. In addition, these examples suggest a specific highest and best use conclusion would be speculative.
- 4) Based on a cursory review of local land sale data, demolition for redevelopment would destroy value. In order to conclude demolition as the highest and best use, the value of the subject's underlying land less demolition costs would need to exceed the value of the property as improved. To test this scenario, four land sales are studied and compared to the value conclusion of the improved subject. The land sale data is summarized below.

SALE ID	Location	Date	Price	Lot Size	\$/SF
Sale VL-1	16 Main St., Montpelier	28-Oct-12	\$ 167,600	0.144 acre	\$ 26.65
Sale VL-2	575 Stone Cutters Way, Montpelier	24-Aug-10	\$ 220,000	1.09 acres	\$ 4.63
Sale VL-3	338-350 N. Main St., Barre	29-Oct-14	\$ 690,000	0.96 acres	\$ 15.84
Sale VL-4	328-332 N. Main St., Barre	12-Sep-07	\$ 500,000	0.59 acres	\$ 19.45

The land sales are adjusted to account for demolition, remediation and other transactional factors, as shown below.

Sale ID	Sale VL-1	Sale VL-2	Sale VL-3	Sale VL-4
Unadj. Price	\$ 167,600	\$ 220,000	\$ 690,000	\$ 500,000
Demolition	\$ -	\$ 97,000	\$ 60,000	\$ 46,000
Remediation	\$ -	\$ 163,000	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -
Adj. Price	\$ 167,600	\$ 480,000	\$ 750,000	\$ 546,000
Lot Size	0.144 A	1.09 A	0.96 A	0.59 A
Adj. Price/SF	\$ 26.65	\$ 10.11	\$ 17.94	\$ 21.24

Sales VL-1, VL-3 and VL-4 are all located adjacent to primary arteries and are generally superior to the subject for visibility and commercial appeal. Sale VL-1 sets an upper bound on land value for the subject in per square foot terms. Sale VL-2 is located in a secondary setting that is more similar to the subject's. This site is larger than the subject's, but is otherwise comparable. This sale sets a lower bound on land value for the subject, in per square foot terms. The sale data supports a value estimate of \$200,000 (or \$15.30 per square foot) for the subject's land. The land value estimate is far less than the value estimate of the improved property, suggesting that demolition would destroy value.

In conclusion, the highest and best use of the improved subject is adaptive redevelopment by retaining the subject's structure. This is a fairly broad conclusion, with a range of possibilities comparable to the uses cited in the narrative of scenario #3 above. A broad conclusion is deemed appropriate due to the variety of outcomes observed in the greater market.

VALUATION

COST APPROACH

The cost approach to value is defined as "A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of, or replacement for, the existing structure; deducting accrued depreciation from the reproduction or replacement cost; and adding the estimated land value plus an entrepreneurial profit. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised."

The cost approach was not used to estimate the subject's value because of the age of the subject's improvements. The estimation of accrued depreciation is a judgment factor and the possibility of error is imminent. Since little credence can be placed in this approach to value, given the age and condition of the subject improvement, it has been omitted from this report.

INCOME CAPITALIZATION APPROACH

The Appraisal Institute defines the income capitalization approach as “A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways: One year’s income expectancy can be capitalized at a market derived capitalization rate or a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.”

Income capitalization was not used to estimate the subject's value because properties similar to the subject are generally owner occupied and not acquired as cash flow investments based on lease contracts.

SALES COMPARISON APPROACH

The Appraisal Institute defines the Sales Comparison Approach as "A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale prices of the comparables based on the elements of comparison."

The sales comparison approach is used to estimate the subject's market value. This method involves the research for and collection of comparable sale data, an analysis of the data, and the application of adjustments to the comparables to arrive at value indicators. Due to the subject's unique characteristics, the sale search involves broadened parameters, in terms of property type, building characteristics, geography and date of sale. The sale data considered for the valuation included older special purpose properties (schools, churches, municipal, etc.), general industrial and older industrial properties.

Of many sales identified, fourteen sales are presented within this report. Other sale data not considered (directly or indirectly) is retained within the appraiser's work file. Fourteen sales of varying relevance are summarized briefly within the following table and described in greater detail within the pages that follow the valuation analysis.

Sale ID	Location	Type	Date	Size (SF)	Lot	L:B	Price	\$/SF
Sale 1	10 Brook St., Barre City	Church	Dec-14	5,426	0.16	1.28	\$ 207,000	\$38.15
Sale 2	46 Barre St., Montpelier	School/Monastery	Nov-14	20,784	0.46	0.96	\$ 540,000	\$25.98
Sale 3	132 Birge St., Brattleboro	Older Industrial	Jan-14	5,947	1.10	8.06	\$ 225,000	\$37.83
Sale 4	540 N. Main St., Barre City	Older Industrial	Aug-13	21,687	1.16	2.33	\$ 575,000	\$26.51
Sale 5	147 Main St., Windsor	Fire Station	Feb-13	14,400	0.39	1.18	\$ 288,300	\$20.02
Sale 6	129 S. Main St., Hartford	Fraternal/Lodge	Dec-12	22,400	0.45	0.88	\$ 600,000	\$26.79
Sale 7	13 West St., Rutland City	Armory	Jul-12	18,356	1.20	2.85	\$ 205,250	\$11.18
Sale 8	157 Pioneer Ctr., Montpelier	Industrial	Jan-12	17,409	1.29	3.23	\$ 315,000	\$18.09
Sale 9	46 S. Main St., Hartford	Post Office	Dec-11	7,820	0.16	0.86	\$ 500,000	\$63.94
Sale 10	230 S. Main St., Hartford	Industrial	Feb-11	11,070	0.39	1.53	\$ 340,000	\$30.71
Sale 11	1 Graves St., Montpelier	Industrial Condo	Feb-11	15,708	N/A	N/A	\$ 525,000	\$33.42
Sale 12	59 Poineer Ctr., Montpelier	Industrial	Jan-11	9,952	1.10	4.81	\$ 300,000	\$30.14
Sale 13	331 Main St., Bennington	Fraternal	Apr-08	6,640	0.14	0.91	\$ 360,000	\$54.22
Sale 14	8 S. Main St., Barre City	Fire Station	Mar-07	7,188	0.53	3.21	\$ 150,000	\$20.87
Subject	55 Barre St., Montpelier	Armory	Current	8,422	0.30	1.55		

In selecting sales, a number of factors are considered. The subject is an older, historic building with a relatively small land to building ratio. The building is architecturally unique and situated adjacent to a secondary street in a downtown setting. The structure is comprised of a mix of partitioned space and open space. While of above average quality, the building suffers from obsolescence and physical wear. Brief explanations related to the selection of sales among the data set is presented within the following paragraphs.

Sale 1 is a recent transaction involving a church that had ceased operations. Like the subject, the building is older with a large proportion of open space. The property is located in an urban setting and has a similar land to building ratio to the subject. While acquired by an abutter, this sale is reported to be at arm's length and is directly considered for the valuation.

Sale 2 is situated across the street from the subject. While the building has multiple stories, the building is of similar age as the subject's building and exhibits similar levels of obsolescence. Given that the sale is recent, local and reasonably similar for physical attributes, Sale 2 is selected for direct comparison to the subject.

Sale 3 is an older industrial building with a rather well sized lot. The building is inferior to the subject's and the site affords ample parking capacity, with parking being a primary motive for

the purchase. This sale is not considered directly due to differences in building characteristics and land to building ratio.

Sale 4 is an older industrial property that was redeveloped for mixed commercial use, with the primary motive being a Dollar General store. The site affords good parking, and the property is located along a primary artery. This sale is indirectly considered, but not included within the grid due to differences in setting and parking.

Sale 5 is an older fire station that was redeveloped for commercial use. While the property shares similarities with the subject for age, functionality and lot utility, this sale transacted with unique conditions (foreclosure) and the property is substantially inferior to the subject for location. This sale was not directly considered, but serves as a lower bound for value due to conditions of sale and location.

Sale 6 is a former fraternal lodge that was acquired for redevelopment by a speculative investor. The building has a different physical makeup than the subject, but had a fairly large proportion of open space. The small site and secondary urban setting also are similar to the subject. While differences are noted, this sale is selected for direct comparison to the subject.

Sale 7 is the only recent sale of an armory in Vermont. While physically similar to the subject, this sale is not directly considered because of unique conditions of sale. The property was marketed through an abbreviated bidding process. Rather than accepting the highest bid, the city selected the offer with the proposal that would result in new jobs for the local market. The grantee reported an offer from an unrelated party to purchase the property for \$350,000 shortly following his acquisition. This sale is rejected due to unique conditions of sale.

Sales 8, 10, 11 and 12 are general industrial properties with small lots in urban environments. These sales are not directly considered, but the data was collected to assist in the development of an opinion of highest and best use. The properties exhibit significant physical differences from the subject and are less comparable to the subject than sales selected for the valuation.

Sale 9 is an older post office building that was acquired for special purpose use. Like the subject, the building is historically significant with functional obsolescence. The sale was not directly considered as the building is substantially superior for quality and condition, which would necessitate significant adjustments. The sale is indirectly considered, with per square foot pricing setting an upper bound.

Sale 13 is an older sale of a fraternal lodge in an urban environment. While a dated transaction, the building has a similar floor plan as the subject. This sale is selected for direct comparison.

Sale 14 is a sale of a former fire station that was acquired for commercial use. The sale occurred under similar circumstances as Sale 7, with the price not indicative of typical seller motivation. This sale is included for reference, but serves as a lower bound due to unique conditions of sale.

In summary, Sales 1, 2, 6 and 13 are selected for direct comparison to the subject. These sales are presented within the grid analysis on the following page. Adjustments are made in gross dollar amounts for transactional elements of comparison, which include property rights, financing, conditions of sale, post-sale improvements and market conditions. An adjusted price per square foot is rendered for each sale, and adjustments are made in dollars per square foot for property differences, including location, lot size and desirability, size of improvement, quality of structure, age and condition, mechanical equipment, miscellaneous features and utilities. Explanations for adjustments are provided in the pages following the grid.

VALUE FACTORS	SUBJECT	SALE 1	SALE 2	SALE 6	SALE 13
Sale Price		\$207,000	\$540,000	\$600,000	\$350,000
Sale Date		18-Dec-14	11-Nov-14	13-Dec-12	15-Apr-08
Size (SF)	8,422	5,426	20,784	22,400	6,640
Sale Price/SF		\$38.15	\$25.98	\$26.79	\$52.71
Property Rights	Fee simple	Fee simple	Fee simple	Fee simple	Fee simple
		\$0	\$0	\$0	\$0
Financing	Assume cash	Cash to seller	Cash to seller	Cash to seller	Cash to seller
		\$0	\$0	\$0	\$0
Conditions of Sale	Assume typical	See comments	Typical	Typical	See comments
		\$0	\$0	\$0	\$0
Post Sale Improvements	None assumed for valuation	None reported	Partial roof replacement	See comments	None reported
		\$0	\$38,000	\$0	\$0
Market Conditions	15-Jan-16	13 months before	14 months before	37 months before	93 months before
		\$0	\$0	\$0	\$0
Adj. Sale Price		\$207,000	\$578,000	\$600,000	\$350,000
Adj. Price/SF		\$38.15	\$27.81	\$26.79	\$52.71
Location	55 Barre St., Montpelier, VT	10 Brook St., Barre City, VT	46 Barre St., Montpelier, VT	129 S. Main St., Hartford, VT	331 Main St., Bennington, VT
		\$3.75	\$0.00	\$0.00	(\$2.50)
Lot Size & Desirability	0.30 acre (1.55 L:B), limited parking (6-7± spaces), limited landscaping	0.16 acre (1.28 L:B), no parking, no landscaping	0.46 acre (0.96 L:B), limited parking (8-9± spaces), limited landscaping	0.45 acre (0.88 L:B), no parking, average landscaping	0.138 acre (0.91 L:B), no parking, no landscaping
		\$4.00	\$2.00	\$4.00	\$4.00
Size of Improvement	1 to 2 story, 6,692 SF base area 8,422 SF gross floor area, full basement with partial finish	1 to 2 story, 4,626 SF base area, 5,426 SF gross floor area, partial unfinished basement	2 to 3 stories, 9,018 SF base area, 20,784 SF gross floor area, partial basement with partial finish	2 stories, 11,200 SF base area, 22,400 SF gross floor area, slab	1 to 2 stories, 5,240 SF base area, 6,640 SF gross floor area, full basement with partial finish
		(\$4.50)	\$18.00	\$21.00	(\$2.75)
Quality of Structure, Age & Condition	Structurally good to average, 84 years, average condition	Structurally average, 94 years, average condition	Structurally good to average, 56 to 91 years, good to average condition	Structurally average, 48 years, average condition	Structurally good to average, 64 years, average condition
		\$2.50	(\$3.50)	(\$5.00)	(\$5.00)
Mechanical Equipment	Oil-fired hot water heat	Oil-fired hot water heat	Oil-fired steam heat & oil- fired hot water heat	Oil-fired hot water heat, sprinklered	Oil-fired hot water heat, partial air conditioning
		\$0.00	\$0.00	(\$1.50)	(\$0.50)
Miscellaneous Features	None	None	Enclosed porch (150 SF)	None	None
		\$0.00	\$0.00	\$0.00	\$0.00
Utilities	Ele., tele., munic. water & munic. sewer	Ele., tele., munic. water & munic. sewer	Ele., tele., munic. water & munic. sewer	Ele., tele., munic. water & munic. sewer	Ele., tele., munic. water & munic. sewer
		\$0.00	\$0.00	\$0.00	\$0.00
Net Adjustments		\$5.75	\$16.50	\$18.50	(\$6.75)
Indicated Value/SF		\$43.90	\$44.31	\$45.29	\$45.96
Indicated Value		\$369,723	\$373,178	\$381,396	\$387,082
Rounded To		\$370,000	\$375,000	\$380,000	\$385,000

PROPERTY RIGHTS

The valuation pertains to the subject's fee simple estate and all four sales involved fee transfers. No adjustments are necessary for property rights.

FINANCING

The subject is valued on a cash equivalent basis and all four sales were conveyed with cash to seller. Adjustments are not warranted for this element of comparison.

CONDITIONS OF SALE

The premise of market value is based upon the consummation of a sale with typical conditions of sale. Sales 1 and 13 each sold to the owner of an adjoining property; however, in each instance, the grantee did not indicate a premium or discount due to the unique condition of sale. These sales are not adjusted within the grid, but conditions of sale will be reconsidered once more in weighting the sales for a final value conclusion. Sales 2 and 6 sold under normal conditions and are not adjusted.

POST SALE IMPROVEMENTS

This element of comparison pertains to necessary improvements made following a transaction that were anticipated at the time of sale and influenced the price paid. Examples include immediate roof replacement or improvements necessary to comply with building codes. The subject, and all four sales require various capital improvements in order to meet modern market standards. The timing and actual necessity for various improvements varies among the properties, and differences are reflected in pricing. In the grid, this element of comparison addresses only major components at the very end of their useful lives. No post sale improvements were reported for Sale 1 or Sale 13. The grantee of Sale 2 reported partial roof replacement at a cost of \$38,000, and this sale is adjusted upward based on the reported cost. Sale 6 was purchased for redevelopment, and a number of replacements were made to facilitate transition in uses. These improvements were a function of the buyer's plan for the property, and do not necessitate adjustment as post sale improvements. Therefore, no adjustment is made to Sale 6.

MARKET CONDITIONS

The sales selected for the valuation closed between 13 and 94 months prior to the effective date. Two of the four sales are somewhat recent, while Sales 6 and 13 are older. While current data is preferred, scarcity of sales activity necessitates the use of two older sales. Sufficient data does not exist to provide evidence of a measurable change in values for properties similar to the subject over this timeframe. For this reason, no adjustments are made for market conditions. Rather, the timing of each sale will be revisited in weighting each sale for a final value conclusion.

LOCATION

The subject is located adjacent to a secondary street in close proximity to Montpelier's urban core. Sale 1 is located in a market with generally lower real estate values, and an upward adjustment approximating 10% is applied to this sale. Sale 2 is located across the street from the subject, and requires no adjustment for location. Sale 6 is located in a secondary urban setting in a market that is comparable to the subject's. This sale is not adjusted for location. Sale 13 is located in a primary commercial setting in a slightly less desirable market. The net difference results in a small negative adjustment for location.

LOT SIZE & DESIRABILITY

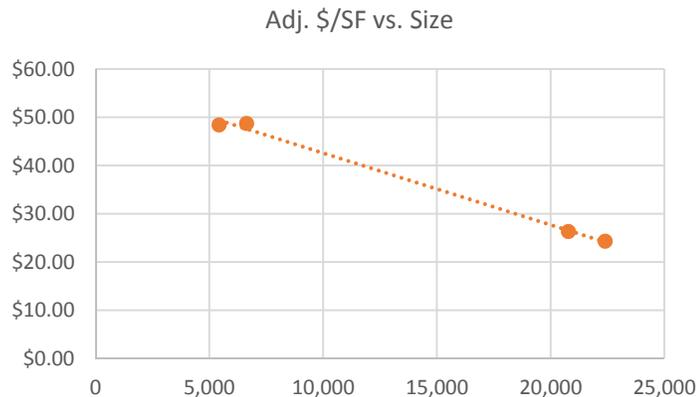
This element of comparison addresses differences in the overall utility each site provides the improved property, which includes land area, circulation, parking and open space. Since the sales are analyzed on a price per square foot basis, a meaningful metric to study is the relationship between land area and building size. The following table summarizes the land to building ratios for the subject and sales, as well as parking spaces per 1,000 square feet of gross building area.

	Subject	Sale 1	Sale 2	Sale 6	Sale 13
Lot Size	0.30 A	0.16 A	0.46 A	0.45 A	0.14 A
Building Size	8,422 SF	5,426 SF	20,784 SF	22,400 SF	6,640 SF
L/B Ratio	1.55	1.28	0.96	0.88	0.91
Parking Spaces/1,000 SF	0.77	0.00	0.41	0.00	0.00
Comparison to Subject		Inferior	Inferior	Inferior	Inferior

All four sales are adjusted upward due to inferiority to the subject. The magnitude of the adjustment is less for Sale 2 due to the presence of parking.

SIZE OF IMPROVEMENT

Differences in size are somewhat inherent in the unit of comparison, price per square foot; however, per square foot pricing can vary based on scale of improvement. To test a correlation to size, adjustments are applied for all elements of comparison except for size, and a regression is made based on the relationship between adjusted price per square foot for each sale and its building size. The regression is shown below.



The above regression suggests sensitivity to size in per square foot pricing among the four sales, and each sale is adjusted loosely based on the regression. Sales 1 and 13 are smaller than the subject, and are adjusted downward. Sales 2 and 6 are much larger, and are given rather large upward adjustments.

QUALITY OF STRUCTURE, AGE & CONDITION

This element of comparison addresses differences in physical characteristics of each primary building, with consideration to functionality, age, quality and condition. Like the subject, Sale 1 is an older building with obsolescence. The building is of lesser quality and the sale is given a small upward adjustment. Sale 2 varies for age and is superior to the subject for physical condition, resulting in a negative adjustment. While of lesser quality, Sale 6 is superior to the subject for functionality, as both levels have at-grade accessibility. This sale is given a negative adjustment to recognize the difference. Sale 13 is similar to the subject for structural characteristics, but superior for functionality, given accessibility. This sale is adjusted downward.

MECHANICAL EQUIPMENT

The subject has an adequate heat plant with varying condition for distribution elements. Sales 1 and 2 are reasonably similar for mechanical equipment, and are not adjusted. Sale 6 is adjusted downward to recognize the presence of a sprinkler system. Sale 13 has partial air conditioning, and is given a small negative adjustment.

MISCELLANEOUS FEATURES

Miscellaneous features do not provide a meaningful basis for adjustment between the subject and sales.

UTILITIES

The subject and sales have similar utility services developed and adjustments are not necessary.

CONCLUSION

The grid analysis produced initial indicated values that range from \$370,000 to \$385,000. Each comparable studied within the grid analysis presents strengths and weaknesses. Sale 1 is most recent and required a smaller gross adjustment than Sales 2 and 6 and the same gross adjustment as Sale 13. This sale was acquired by an abutter for protection. Sale 2 is recent and located across the street from the subject. The property shares physical similarities with the subject, but the sale required a fairly large gross adjustment. Sale 6 required adjustment to a similar extent as Sale 2, but is less recent and in a different market. Sale 13 is least recent, and was acquired by an abutter for protection. This property is physically similar to the subject, but the sale is dated with unique conditions of sale. All four sales are weighted to arrive at a final value opinion, with emphasis placed on Sales 1 and 2. The final value conclusion per the sales comparison approach, as of January 15, 2016, is \$375,000.

SALE NO. 1

TYPE OF PROPERTY: Church
HIGHEST & BEST USE: Redevelopment
LOCATION: 10 Brook Street, Barre City, Vermont
GRANTOR: Jeffrey Kelly, Rodney Fowler and Wayne C. Holt, Successor Trustees of the Church of God of Prophecy
GRANTEE: Baron Properties, LLC
DATE OF DEED: December 18, 2014
MUNICIPALITY RECORDED: Barre City **Book:** 284 **Page:** 338
SALES PRICE: \$207,000
ZONING: Commercial
FINANCING: Cash to seller
PRICE CONFIRMED WITH: Bob Harrington, grantee

REMARKS:

This property was purchased by the owner of an abutting property. Mr. Harrington indicated that he acquired the property for protection and does not have a specific use determined for the building. Mr. Harrington did not indicate unique conditions of sale to result in a price premium. He does not anticipate demolition due to historic significance of the building.

SITE DESCRIPTION

NEIGHBORHOOD: Urban immediately proximate to primary artery
SHAPE: Irregular
SIZE: 0.16 acre
TOPOGRAPHY: Level
COVER: Consumed with improvements
PARKING: Absent
LANDSCAPING: Absent
UTILITIES: Electricity, telephone, municipal water and municipal sewer

Code: 366
File:

SALE NO. 1

DESCRIPTION OF THE IMPROVEMENTS

NO. OF STORIES:	1 to 2
CONSTRUCTION:	Wood frame and brick masonry
BASE AREA:	4,626 square feet
GROSS FLOOR AREA:	5,426 square feet
FINISHED AREA:	5,426 square feet
FOUNDATION:	Partial unfinished basement
UNITS:	1
CONSTRUCTION QUALITY:	Average
AGE:	94 years
CONDITION:	Average
MECHANICAL EQUIPMENT:	Oil-fired hot water heat
MISCELLANEOUS:	Recessed entry, columns



10 Brook Street
Barre City, Vermont

SALE NO. 2

TYPE OF PROPERTY: Special purpose (religious and school)
HIGHEST & BEST USE: Special purpose or redevelopment
LOCATION: 46 Barre Street, Montpelier, Vermont
GRANTOR: Saint Augustine Parish Charitable Trust
GRANTEE: The Center for the Arts and Learning, Inc.
DATE OF DEED: November 11, 2014
MUNICIPALITY RECORDED: Montpelier **Book:** 663 **Page:** 667
SALES PRICE: \$540,000
ZONING: Central Business 2
FINANCING: Cash to seller
PRICE CONFIRMED WITH: Irene Facciolo, grantee

REMARKS:

This sale was reported to have been an arms-length transaction. The property sold to an entity that was formed by three tenants in the building at the time of sale. The grantee stated that the price was negotiated based on appraisals and that the leased fee position in the property was neutral. The rear section of the roof required immediate replacement at a reported cost of \$38,000.

SITE DESCRIPTION

NEIGHBORHOOD: Urban, mixed use secondary street
SHAPE: Rectangular
SIZE: 0.46 acre
TOPOGRAPHY: Level to slightly sloping
COVER: Consumed with improvements
PARKING: Limited to 8-9± spaces
LANDSCAPING: Limited features
UTILITIES: Electricity, telephone, municipal water and municipal sewer

Code: 366
File:

SALE NO. 2

DESCRIPTION OF THE IMPROVEMENTS

NO. OF STORIES:	2 to 3
CONSTRUCTION:	Brick masonry
BASE AREA:	9,018 square feet
GROSS FLOOR AREA:	20,784 square feet
FINISHED AREA:	20,784 square feet plus partial finish in basement
FOUNDATION:	Partial basement (6,270 square feet) with partial finish
UNITS:	Multiple
CONSTRUCTION QUALITY:	Good to average
AGE:	56 to 91 years
CONDITION:	Good to average
MECHANICAL EQUIPMENT:	Oil-fired steam and hot water heat
MISCELLANEOUS:	Enclosed porch (150 square feet)



46 Barre Street
Montpelier, Vermont

SALE NO. 3

TYPE OF PROPERTY: Industrial
HIGHEST & BEST USE: Low intense industrial or redevelopment
LOCATION: 132 Birge Street, Brattleboro, Vermont
GRANTOR: Peter Root and Martha Root, Co-Executors of the Estate of Alfred L. Root
GRANTEE: Barbara George
DATE OF DEED: January 28, 2014
MUNICIPALITY RECORDED: Brattleboro **Book:** 418 **Page:** 557
SALES PRICE: \$225,000
ZONING: Industrial/commercial
FINANCING: Seller financing (\$200,000)
PRICE CONFIRMED WITH: Barbara Root

REMARKS:

This sale was reported to have been an arms-length transaction. The grantee owns multiple properties in the same neighborhood and acquired this property for assembly, historic rehabilitation and to secure parking to support neighboring properties under her ownership. Seller financing was not reported to influence the price paid.

SITE DESCRIPTION

NEIGHBORHOOD: Older industrial setting
SHAPE: Irregular
SIZE: 1.1 acre with approximately 0.8± acre level and suitable for development; otherwise restrictive topography
TOPOGRAPHY: Level to steeply sloping
COVER: Part wooded, otherwise consumed with paving and parking
PARKING: Gravel surfaced with good capacity
LANDSCAPING: Absent
UTILITIES: Electricity, telephone, municipal water and municipal sewer

Code: 347
File:

SALE NO. 3

DESCRIPTION OF THE IMPROVEMENTS

NO. OF STORIES:	1
CONSTRUCTION:	Wood frame and brick
GROSS FLOOR AREA:	5,947 square feet
FINISHED AREA:	None
FOUNDATION:	Slab
UNITS:	1
CONSTRUCTION QUALITY:	Average
AGE:	108 years
CONDITION:	Fair
MECHANICAL EQUIPMENT:	Not functional
MISCELLANEOUS:	N/A



132 Birge Street
Brattleboro, Vermont

SALE NO. 4

TYPE OF PROPERTY: Commercial/light industrial (printing and offices)
HIGHEST & BEST USE: Commercial redevelopment
LOCATION: 540 North Main Street, Barre City, Vermont
GRANTOR: Times Argus Association, LLC
GRANTEE: Metro Development, LLC
DATE OF DEED: August 20, 2013
MUNICIPALITY RECORDED: Barre City **Book:** 277 **Page:** 312
SALES PRICE: \$575,000
ZONING: Industrial/Commercial
FINANCING: Cash to seller
PRICE CONFIRMED WITH: Thom Lauzon, grantee

REMARKS:

The grantee purchased the property for commercial redevelopment. This sale was reported to have been an arms-length transaction. The property is within a floodplain and experienced significant flood damage in 2011.

SITE DESCRIPTION

NEIGHBORHOOD: Mixed commercial, arterial
SHAPE: Irregular
SIZE: 1.16 acres
TOPOGRAPHY: Level
COVER: Consumed with building and parking
PARKING: Paved with adequate capacity
LANDSCAPING: Limited
UTILITIES: Electricity, telephone, municipal water and municipal sewer

Code: 419
File:

SALE NO. 4

DESCRIPTION OF THE IMPROVEMENTS

NO. OF STORIES: 1 to 2
CONSTRUCTION: Wood and metal frame
BASE AREA: 19,846 square feet
GROSS FLOOR AREA: 21,687 square feet
FINISHED AREA: 6,196 square feet finished plus 3,750 square feet partially restored following flood
FOUNDATION: Slab
UNITS: 1 at time of sale
CONSTRUCTION QUALITY: Average
AGE: 100+ years with subsequent additions at unknown dates
CONDITION: Average
MECHANICAL EQUIPMENT: Oil-fired hot water heat, suspended oil-fired space heat, supplemental electric baseboard heat, part AC
MISCELLANEOUS: Covered entry



540 North Main Street
Barre City, Vermont

SALE NO. 5

TYPE OF PROPERTY: Special purpose (former fire station)
HIGHEST & BEST USE: Redevelopment, mixed use
LOCATION: 147 Main Street, Windsor, Vermont
GRANTOR: Mascoma Savings Bank, FSB
GRANTEE: Windsor Fire House, LLC
DATE OF DEED: February 21, 2013
MUNICIPALITY RECORDED: Windsor **Book:** 180 **Page:** 94
SALES PRICE: \$288,300
ZONING: Central Business
FINANCING: Cash to seller
PRICE CONFIRMED WITH: Tom Haviland (grantee), Terry Martin (grantor), Cheryl Brush (seller's broker) and Duncan Harris (buyer's broker)

REMARKS:

The property was foreclosed by the bank and offered to the market through a local broker. The sale was negotiated in good faith, but the buyer and seller opined that the price may reflect a discount due to unusual motivation on the seller's part. One of the two brokers also suggested seller motivation may have resulted in a lower price. The property was purchased for owner occupancy for specialized school use with ancillary commercial space to be rented to unrelated tenants. The property was approximately 10% occupied at the time of sale, but the leased fee position was reported to be neutral. The grantee reported approximately \$35,000 in post-sale improvements to achieve compliance with fire and occupational codes. The building had a relatively new roof and heating system at the time of sale. The building has two floors fully above grade and two levels exposed at the rear. Three of the four stories are fully finished and are included in the estimated gross floor area (14,400 SF) on the following page.

SITE DESCRIPTION

NEIGHBORHOOD: Village setting in rural market
SHAPE: Rectangular
SIZE: 0.39 acre
TOPOGRAPHY: Level to banked
COVER: Consumed with improvements
PARKING: Limited to 10± spaces
LANDSCAPING: Absent
UTILITIES: Electricity, telephone, municipal water and municipal sewer

Code:
File:

SALE NO. 5

DESCRIPTION OF THE IMPROVEMENTS

NO. OF STORIES:	4 levels with 3 fully finished
CONSTRUCTION:	Brick masonry
BASE AREA:	4,800 square feet
GROSS FLOOR AREA:	14,400 square feet (excludes lowest level)
FINISHED AREA:	14,400 square feet
FOUNDATION:	Exposed unfinished basement (4,800 square feet)
UNITS:	Multiple
CONSTRUCTION QUALITY:	Good to average
AGE:	84 years
CONDITION:	Good to average
MECHANICAL EQUIPMENT:	Oil-fired steam heat, partial A/C, sprinklered, four-stop elevator
MISCELLANEOUS:	None



147 Main Street
Windsor, Vermont

SALE NO. 6

TYPE OF PROPERTY: Former fraternal organization
HIGHEST & BEST USE: Commercial redevelopment
LOCATION: 129 South Main Street, Hartford, Vermont
GRANTOR: Hartford Post #26, American Legion, Inc.
GRANTEE: Number Four, LLC
DATE OF DEED: December 13, 2012
MUNICIPALITY RECORDED: Hartford **Book:** 483 **Page:** 320
SALES PRICE: \$600,000
ZONING: Central Business
FINANCING: Cash to seller
PRICE CONFIRMED WITH: Cheryl Brush, broker

REMARKS:

This sale was reported to have been an arms-length transaction. The property was purchased by speculative investors for redevelopment. The buyers did not have a specific plan for the property at the time of sale, and it is believed that the current plan is to develop a mix of office and residential units. The building had a relatively new roof and functional sprinkler system; however, other mechanical and electrical systems were original and would require replacement for redevelopment. The interior was dated and all windows required replacement.

SITE DESCRIPTION

NEIGHBORHOOD: Commercial
SHAPE: Rectangular
SIZE: 0.45 acre
TOPOGRAPHY: Slightly sloping to steeply sloping
COVER: Open
PARKING: Absent, but municipal parking lot adjacent to property
LANDSCAPING: Average
UTILITIES: Electricity, telephone, municipal water and municipal sewer

Code: 419
File: 1068

SALE NO. 6

DESCRIPTION OF THE IMPROVEMENTS

NO. OF STORIES:	2
CONSTRUCTION:	Concrete block
BASE AREA:	11,200 square feet
GROSS FLOOR AREA:	22,400 square feet
FINISHED AREA:	Minimal finish with contributory value
FOUNDATION:	Slab
UNITS:	1 at time of sale
CONSTRUCTION QUALITY:	Average
AGE:	48 years
CONDITION:	Average
MECHANICAL EQUIPMENT:	Wet sprinkler system, oil-fired hot water heat
MISCELLANEOUS:	N/A



129 South Main Street
Hartford, Vermont

SALE NO. 7

TYPE OF PROPERTY: Special purpose
HIGHEST & BEST USE: Commercial
LOCATION: 13 West Street, Rutland City, Vermont
GRANTOR: State of Vermont (Board of Armory Commissioners)
GRANTEE: Daniel J. Keith and Judith O. Keith
DATE OF DEED: July 31, 2012
MUNICIPALITY RECORDED: Rutland City **Book:** 614 **Page:** 034
SALES PRICE: \$205,250
ZONING: Courthouse
FINANCING: Cash to seller
PRICE CONFIRMED WITH: Daniel Keith, grantee and Tony Blake, broker

REMARKS:

As described previously, the subject sold through unique circumstances. The property was marketed for six weeks and a buyer was selected through a bidding process. The eventual sale considered both the price offered and the buyer's plan for the property. The subject's owner was selected in part because the sale would result in new jobs for the local market. The broker reported four to five bids. The sale represents a uniquely motivated seller with atypical conditions of sale.

SITE DESCRIPTION

NEIGHBORHOOD: Mixed use commercial
SHAPE: Irregular
SIZE: 1.2± acres
TOPOGRAPHY: Level
COVER: Open
PARKING: Paved with limited capacity
LANDSCAPING: Average
UTILITIES: Electricity, telephone, municipal water and municipal sewer

Code: 366/700
File: 979

SALE NO. 7

DESCRIPTION OF THE IMPROVEMENT A

NO. OF STORIES: 1 to 2
CONSTRUCTION: Wood frame with brick masonry for two story section; clay tile with metal roof structure for one story section
BASE AREA: 14,036 square feet
GROSS FLOOR AREA: 18,356 square feet
BASEMENT: Full basement (14,036 square feet) with partial finish
FINISHED AREA: Fully finished for above grade space
FOUNDATION: Poured concrete
UNITS: 1 unit with potential to subdivide
CONSTRUCTION QUALITY: Good to average
AGE: 90 years
CONDITION: Fair
MECHANICAL EQUIPMENT: Oil-fired hot water heat, partial A/C
MISCELLANEOUS: Attached porch and shed

DESCRIPTION OF THE IMPROVEMENT B

NO. OF STORIES: 1
CONSTRUCTION: Concrete block
GROSS FLOOR AREA: 6,760 square feet
FINISHED AREA: 0 square feet
FOUNDATION: Slab
UNITS: 1
CONSTRUCTION QUALITY: Fair
AGE: 64 years
CONDITION: Fair
MECHANICAL EQUIPMENT: Suspended oil-fired space heat for 1,040 square feet

SALE NO. 7



13 West Street
Rutland, Vermont

SALE NO. 8

TYPE OF PROPERTY: Industrial
HIGHEST & BEST USE: Industrial
LOCATION: 157 Pioneer Center, Montpelier, Vermont
GRANTOR: Garand S. L. and Co. Inc.
GRANTEE: Ship Seven, LLC
DATE OF DEED: January 17, 2012
MUNICIPALITY RECORDED: Montpelier **Book:** 623 **Page:** 155
SALES PRICE: \$315,000
ZONING: General Business (GB)
FINANCING: Cash to seller
PRICE CONFIRMED WITH: Land records

REMARKS:

This sale is assumed to have been an arms-length transaction.

SITE DESCRIPTION

NEIGHBORHOOD: Small older industrial subdivision
SHAPE: Slightly irregular
SIZE: 1.29 acres
TOPOGRAPHY: Level to gently sloping
COVER: Predominately open
PARKING: Gravel surfaced with adequate capacity
LANDSCAPING: Absent
UTILITIES: Electricity, telephone, municipal water and municipal sewer

Code: 347
File:

SALE NO. 8

DESCRIPTION OF THE IMPROVEMENT A

NO. OF STORIES: 1
CONSTRUCTION: Metal frame
GROSS FLOOR AREA: 16,449 square feet
FINISHED AREA: Minimal
FOUNDATION: Slab
UNITS: 1 to 2
CONSTRUCTION QUALITY: Average
AGE: Ranges from 12 to 64 years
CONDITION: Average
MECHANICAL EQUIPMENT: Oil-fired space heat
MISCELLANEOUS: N/A

DESCRIPTION OF THE IMPROVEMENT B

NO. OF STORIES: 1
CONSTRUCTION: Wood frame
GROSS FLOOR AREA: 960 square feet above grade
FINISHED AREA: 960 square feet above grade plus 208 square feet in basement)
FOUNDATION: Poured concrete, full basement with partial finish
UNITS: 1
CONSTRUCTION QUALITY: Average
AGE: 57 years
CONDITION: Average
MECHANICAL EQUIPMENT: Oil-fired warm air heat
MISCELLANEOUS: N/A

SALE NO. 8



157 Pioneer Drive
Montpelier, Vermont

SALE NO. 9

TYPE OF PROPERTY: Post office (older, historic)
HIGHEST & BEST USE: Office
LOCATION: 46 South Main Street, Hartford, Vermont
GRANTOR: 46 South Main Street, LLC
GRANTEE: National Association of Comic Arts Educators, Inc.
DATE OF DEED: December 19, 2011
MUNICIPALITY RECORDED: Hartford **Book:** 469 **Page:** 660
SALES PRICE: \$500,000
ZONING: Central Business District (CB)
FINANCING: Cash to seller
PRICE CONFIRMED WITH: Land records

REMARKS:

Attempts to reach the parties involved in the transaction were unsuccessful. The sale is assumed to have been an arm's length transaction and the public record is assumed accurate.

SITE DESCRIPTION

NEIGHBORHOOD: Downtown
SHAPE: Irregular
SIZE: 0.16 acre
TOPOGRAPHY: Level
COVER: Consumed with improvements
PARKING: None on site, public parking nearby
LANDSCAPING: Absent
UTILITIES: Electricity, telephone, municipal water and municipal sewer

Code: 332
File:

SALE NO. 9

DESCRIPTION OF THE IMPROVEMENTS

NO. OF STORIES:	1 to 2
CONSTRUCTION:	Brick masonry
BASE AREA:	4,820 square feet
GROSS FLOOR AREA:	7,820 square feet
FINISHED AREA:	7,820 square feet
FOUNDATION:	Full unfinished basement
UNITS:	1
CONSTRUCTION QUALITY:	Very good
AGE:	77 years
CONDITION:	Average
MECHANICAL EQUIPMENT:	Oil-fired hot water heat, sprinklered
MISCELLANEOUS:	N/A



46 South Main Street
Hartford, Vermont

SALE NO. 10

TYPE OF PROPERTY: Industrial
HIGHEST & BEST USE: Redevelopment
LOCATION: 230 South Main Street, Hartford, Vermont
GRANTOR: R & K Snaith, LLC
GRANTEE: Execusuite, LLC
DATE OF DEED: February 2, 2011
MUNICIPALITY RECORDED: Hartford **Book:** 460 **Page:** 671
SALES PRICE: \$340,000
ZONING: Light Industrial
FINANCING: Cash to seller
PRICE CONFIRMED WITH: Mike Davidson, grantee

REMARKS:

This sale was reported to have been an arms-length transaction. The property was a single-unit industrial structure when acquired. Since purchasing, the grantee has partitioned the first floor into two commercial units and developed apartments within the second floor. The description on the following page reflects the building at the time of sale, but the photo is taken after redevelopment.

SITE DESCRIPTION

NEIGHBORHOOD: Mixed use with trend of redevelopment
SHAPE: Slightly irregular
SIZE: 0.36 acre
TOPOGRAPHY: Level
COVER: Consumed with improvements
PARKING: Limited to 10± spaces
LANDSCAPING: Absent
UTILITIES: Electricity, telephone, municipal water and municipal sewer

Code: 347
File:

SALE NO. 10

DESCRIPTION OF THE IMPROVEMENTS

NO. OF STORIES: 1 to 2
CONSTRUCTION: Metal frame
BASE AREA: 7,380 square feet
GROSS FLOOR AREA: 11,070 square feet
FINISHED AREA: None at time of sale
FOUNDATION: Slab
UNITS: 1 at time of sale
CONSTRUCTION QUALITY: Average
AGE: 41 years
CONDITION: Average
MECHANICAL EQUIPMENT: None at time of sale
MISCELLANEOUS: N/A



230 South Main Street
Hartford, Vermont

SALE NO. 11

TYPE OF PROPERTY: Commercial/light industrial (condominium)
HIGHEST & BEST USE: Commercial/light industrial
LOCATION: Units C and D, 1 Graves Street, Montpelier, Vermont
GRANTORS: Sun Trust Bank, Patricia S. Curtis, George E. Curtis and Carolyn A. Curtis
GRANTEE: Associated General Contractors of Vermont, Inc.
DATE OF DEED: February 17, 2011
MUNICIPALITY RECORDED: Montpelier **Book:** 605 **Page:** 28 & 35
SALES PRICE: \$525,000
ZONING: General Business
FINANCING: Cash to seller
PRICE CONFIRMED WITH: Cathleen M. Voyer, grantee

REMARKS:

This sale was reported to have been an arms-length transaction. The property transacted in two transfers, with Sun Trust Bank acting as trustee of Richard W. Curtis. The transfer from Sun Trust Bank represented a 25% interest in the property and the deed of Patricia, George and Carolyn Curtis conveyed a 75% interest. The property involved a commercial condominium with a 15,708 square foot building unit (Unit C) and exclusive ownership of a 0.38 acre parcel (Unit D). The property was acquired for partial owner occupancy with a small amount of the space rented to a third party.

SITE DESCRIPTION

NEIGHBORHOOD: Commercial
SHAPE: Irregular with two separate parcels
SIZE: Shared interest in 9.04± acres; 6± acres of which are non-contiguous with the developed parcel and situated within the floodplain
TOPOGRAPHY: Level for developed portion
COVER: Open
PARKING: Gravel surfaced with adequate capacity
LANDSCAPING: Limited
UTILITIES: Electricity, telephone, municipal water and municipal sewer

Code: 347, 397 & 399
File: 867

SALE NO. 11

DESCRIPTION OF THE IMPROVEMENTS

NO. OF STORIES:	1
CONSTRUCTION:	Concrete block and metal frame
GROSS FLOOR AREA:	15,708 square feet
FINISHED AREA:	3,572 square feet (22.7%)
FOUNDATION:	Slab
UNITS:	3 commercial units
CONSTRUCTION QUALITY:	Average
AGE:	30+ years
CONDITION:	Average
MECHANICAL EQUIPMENT:	Gas-fired hot water heat, suspended space heaters, sprinklered
MISCELLANEOUS:	N/A



1 Graves Street, Units C & D
Montpelier, Vermont

SALE NO. 12

TYPE OF PROPERTY: Industrial
HIGHEST & BEST USE: Industrial
LOCATION: 59 Pioneer Center, Montpelier, Vermont
GRANTOR: Edward Walbridge
GRANTEE: Robert Rochefort
DATE OF DEED: January 7, 2011
MUNICIPALITY RECORDED: Montpelier **Book:** 602 **Page:** 253
SALES PRICE: \$300,000
ZONING: General Business (GB)
FINANCING: Cash to seller
PRICE CONFIRMED WITH: Land records

REMARKS:

This sale is assumed to have been an arms-length transaction.

SITE DESCRIPTION

NEIGHBORHOOD: Small older industrial subdivision
SHAPE: Irregular
SIZE: 1.10 acres
TOPOGRAPHY: Level
COVER: Predominately open
PARKING: Gravel with adequate capacity
LANDSCAPING: Absent
UTILITIES: Electricity, telephone, municipal water and municipal sewer

Code: 347
File:

SALE NO. 12

DESCRIPTION OF THE IMPROVEMENTS

NO. OF STORIES:	1
CONSTRUCTION:	Metal frame
GROSS FLOOR AREA:	9,952 square feet
FINISHED AREA:	Minimal
FOUNDATION:	Slab
UNITS:	4
CONSTRUCTION QUALITY:	Average
AGE:	63 years
CONDITION:	Average
MECHANICAL EQUIPMENT:	Gas-fired warm air heat
MISCELLANEOUS:	N/A



59 Pioneer Center
Montpelier, Vermont

SALE NO. 13

TYPE OF PROPERTY: Fraternal/lodge
HIGHEST & BEST USE: Commercial (redevelopment likely)
LOCATION: 331 Main Street, Bennington, Vermont
GRANTOR: Bennington K of C Home Association, Inc.
GRANTEE: Norman H. Greenberg and Selma B. Greenberg
DATE OF DEED: April 15, 2008
MUNICIPALITY RECORDED: Bennington **Book:** 453 **Page:** 138
SALES PRICE: \$350,000
ZONING: Central Business
FINANCING: Cash to seller
PRICE CONFIRMED WITH: Grantee's representative

REMARKS:

This sale was reported to have been an arms-length transaction. The property was purchased by the owner of adjoining properties on the east and west. In years shortly following the sale, the property had been used marginally for seasonal retail sales and storage purposes. Currently, the building is occupied for use as a performing arts theater.

SITE DESCRIPTION

NEIGHBORHOOD: Downtown district
SHAPE: Irregular
SIZE: 0.138 acre
TOPOGRAPHY: Level
COVER: Predominately consumed by the building improvement
PARKING: Absent, street parking proximate
LANDSCAPING: Absent
UTILITIES: Electricity, telephone, municipal water and municipal sewer

Code: 932,
File:

SALE NO. 13

DESCRIPTION OF THE IMPROVEMENTS

NO. OF STORIES:	1 to 2
CONSTRUCTION:	Concrete block and brick
BASE AREA:	5,240 square feet
GROSS FLOOR AREA:	6,640 square feet
FINISHED AREA:	6,640 square feet above grade plus
FOUNDATION:	Full basement with partial finish
UNITS:	1
CONSTRUCTION QUALITY:	Good to average
AGE:	64 years
CONDITION:	Average
MECHANICAL EQUIPMENT:	Oil-fired hot water heat, partial air conditioning
MISCELLANEOUS:	N/A



331 Main Street
Bennington, Vermont

SALE NO. 14

TYPE OF PROPERTY: Special purpose property (former firehouse)
HIGHEST & BEST USE: Redevelopment
LOCATION: 8 South Main Street, Barre City, Vermont
GRANTOR: City of Barre
GRANTEE: Firehouse at Barre, LLC
DATE OF DEED: March 14, 2007
MUNICIPALITY RECORDED: Barre City **Book:** 237 **Page:** 969
SALES PRICE: \$150,000
ZONING: Central Business District
FINANCING: Cash to seller
PRICE CONFIRMED WITH: Valerie Beudet

REMARKS:

This sale occurred under unique circumstances. The city offered the property to the market through an open request for proposals to redevelop the property for commercial use. The city then reviewed all bids and made a selection based upon pricing and the redevelopment plan of the buyer. The building was in need of a number of upgrades to function for an alternative use. The grantee reported approximately \$240,000 (\$33.39/SF) in capital improvements immediately following the sale, including electrical upgrades, plumbing and heating work, roof replacement, brick repointing, paint and renovation of interior finishes and fixtures.

SITE DESCRIPTION

NEIGHBORHOOD: Downtown core, primary artery
SHAPE: 0.53 acre
SIZE: Irregular
TOPOGRAPHY: Level to slightly sloping
COVER: Predominately consumed with parking and building
PARKING: Paved with good capacity
LANDSCAPING: Minimal
UTILITIES: Electricity, telephone, municipal water and municipal sewer

Code: 419
File:

SALE NO. 14

DESCRIPTION OF THE IMPROVEMENTS

NO. OF STORIES:	2
CONSTRUCTION:	Brick masonry
BASE AREA:	3,889 square feet
GROSS FLOOR AREA:	7,188 square feet
FINISHED AREA:	7,188 square feet
FOUNDATION:	Full unfinished basement
UNITS:	1
CONSTRUCTION QUALITY:	Good to average
AGE:	103 years
CONDITION:	Average, but in need of renovation
MECHANICAL EQUIPMENT:	Heating system in need of replacement
MISCELLANEOUS:	N/A



8 South Main Street
Barre City, Vermont

RECONCILIATION

The cost approach and the income capitalization approach were not used in this report for reasons previously stated. The sales comparison approach is the most applicable approach to value and was relied upon for the valuation analysis.

After considering all of the available data and indications of value contained within this report, the appraiser is of the opinion that the current market value for the subject property, as of January 15, 2016, is:

THREE HUNDRED SEVENTY FIVE THOUSAND DOLLARS

(\$375,000)

MARKETING TIME AND EXPOSURE TIME

Exposure time is defined in the Uniform Standards of Professional Appraisal Practice (USPAP) as the “estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.” USPAP further describes exposure time as “a retrospective opinion based on an analysis of past events assuming a competitive and open market.” USPAP requires that the appraiser develop an opinion of exposure time when it is a component of the value opinion being developed, and that the concluded opinion of exposure time be stated in the report.

The appraiser’s estimate of exposure time is based on an understanding of the supply and demand dynamics within the subject’s market, and the marketability of the property type being appraised. Further, analysis of market exposure for like and similar properties provides a basis for estimating exposure time. The exposure time estimate is based on current market conditions and the assumption that adequate, sufficient and reasonable effort has been made to market the property.

In the case of the subject, the property is rather unique in its market. The subject is located within close proximity to Montpelier’s urban core, along a secondary city street. The physical improvements are unique given the scale and layout of the building, access and parking. Properties similar to the subject are rarely offered to the market and sale data is scarce. The subject’s unique characteristics likely narrow the pool of potential buyers and eventual uses of the property. Healthy demand for real estate and economic conditions in the subject’s market benefit the marketability of the subject. After considering all relevant sources of information, the appraiser’s opinion of a reasonable exposure time based on the value opinion presented herein is one to two years.

While not required for USPAP compliance, some appraisal assignment conditions require the appraiser to report an opinion of marketing time when developing and reporting an opinion of market value and an estimate of marketing time is presented within this report. Marketing time is described in Advisory Opinion 7 (AO-7) as “an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal.”

Estimates of marketing time and exposure time are often based on similar data and analysis; however, the two concepts differ in that marketing time is always presumed to follow the effective date of the appraisal. Various factors can impact marketing time, including pricing, marketing effort, market conditions and the cost and availability of funds. The marketing time estimate is not intended to be a prediction of a date of sale, but rather a reasonable expectation based on available information. Depending on the variables that influence marketing time, the length of time can be less than, greater than, or the same as an opinion of exposure time.

For the purpose of this analysis, marketing time is estimated based on the market value opinion presented herein and with the assumption of reasonable marketing effort. No major changes in market conditions are anticipated based on available information as of the writing of this report. A reasonable estimate of marketing time is one to two years based on the same reasoning for exposure time.

ADDENDA

QUALIFICATIONS OF THE APPRAISER

John B. Minor

I.	Education:	<u>Year</u>
	Bachelor of Arts, Human & Organizational Development, Business Administration Minor, Vanderbilt University	2000
	Master of Business Administration, University of Vermont	2009
II.	License:	
	Licensed as Certified General Real Estate Appraiser, #080.0046257, State of Vermont, 6/1/14 – 5/31/16	
III.	Technical Training:	
	<u>Courses</u>	<u>Sponsoring Institution</u>
	Basic Appraisal Principles	Appraisal Institute 2006
	Basic Appraisal Procedures	Appraisal Institute 2006
	Course 410 - 15 Hour National USPAP Equivalent Course	Appraisal Institute 2006
	Real Estate Statistics & Finance	Appraisal Institute 2007
	General Appraiser Sales Comparison Approach	Appraisal Institute 2007
	General Appraiser Income Capitalization Approach 1	Appraisal Institute 2008
	General Appraiser Income Capitalization Approach 2	Appraisal Institute 2008
	General Appraiser Market Analysis & Highest & Best Use	Appraisal Institute 2008
	General Appraiser Report Writing & Case Studies	Appraisal Institute 2008
	General Appraiser Site Valuation & Cost Approach	Appraisal Institute 2008
	Advanced Income Capitalization	Appraisal Institute 2009
	Course 420 - Business Practices & Ethics	Appraisal Institute 2009

Advanced Sales Comparison & Cost Approaches	Appraisal Institute	2011
Fundamentals of Separating Real Property, Personal Property And Intangible Business Assets	Appraisal Institute	2013
Advanced Concepts and Case Studies	Appraisal Institute	2014

IV. Experience and Current Status:

Oct. 2013 – Present	Independent Fee Appraiser O'Grady & Minor Appraisal Services, Inc.
Mar. 2009 – Oct. 2013	Independent Fee Appraiser Keller & Associates, Inc.
Dec. 2006 – Mar. 2009	Real Estate Appraiser Trainee Keller & Associates, Inc.
Mar. 2006 – Dec. 2006	Real Estate Appraiser Apprentice & Trainee Keller O'Brien & Kaffenberger, Inc. Real Estate Analysts & Appraisers

END NOTES

The Appraisal Foundation, *Uniform Standards of Professional Appraisal Practice (USPAP)*, 2010 Edition

<u>Definition</u>	<u>Page</u>
Exposure Time	Page U-89
Extraordinary Assumptions	Page U-3
Hypothetical Condition	Page U-3
Market Value	Page U-3
Marketing Time	Page A-13

Appraisal Institute, *The Appraisal of Real Estate*, 13th Edition

<u>Definition</u>	<u>Page</u>
Use Value	Page 27

Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th Edition, Chicago, Illinois, 2010

<u>Definition</u>	<u>Page</u>
Condominium	Page 41
Cost Approach	Page 47
Depreciation	Page 56
Entrepreneurial Profit	Page 67
External Obsolescence	Page 73
Fee Simple Estate	Page 78
Functional Obsolescence	Page 85
Highest and Best Use	Page 93
Income Approach	Page 99
Intended Use	Page 102
Intended User	Page 102
Leased Fee Estate	Page 111
Leasehold Interest	Page 111
Replacement Cost	Page 168
Reproduction Cost New	Page 169
Retrospective Value Opinion	Page 171
Sales Comparison Approach	Page 175
Use of Appraisal	Page 204
Use Value	Page 204

Know all Men by these Presents

That the State of Vermont, a sovereign state acting by and through its Board of Army Commissioners, duly authorized by Act No. 236 of Acts and Resolves of the General Assembly of the State of Vermont, 1957, as amended by Act No. 104 of the Acts and Resolves of the General Assembly of the State of Vermont, 1959,

of Montpelier in the County of Washington
and State of Vermont Grantor, in the consideration of
Twenty-five Thousand (\$25,000.00) Dollars

paid to its full satisfaction by the City of Montpelier, a municipal corporation duly organized and existing under the laws of the State of Vermont,

of the City of Montpelier in the County of Washington
and State of Vermont, Grantee, by these presents, do
freely Give, Grant, Sell, Convey and Confirm unto the said Grantee
City of Montpelier,

and its heirs and assigns forever, a
certain piece of land in the City of Montpelier in the
County of Washington and State of Vermont, described as
follows, viz:

Beginning at the easterly corner of the land now or formerly of Ellen A. Gale situated on the southwesterly side of Barre Street; thence running south-easterly along the southwesterly side of Barre Street a distance of five rods to an iron pin set in the ground at the northerly corner of the land now or formerly of Thomas J. Guare and the Estate of John M. Guare; thence turning westerly, making an interior angle of $87^{\circ}25'$, and running in a straight line a distance of 171.8 feet along the northwesterly line of said Guare land to the railroad land; thence turning northerly, making an interior angle of $92^{\circ}45'$, and running in a straight line to a distance of 84.73 feet along the northeasterly line of said railroad land to the southerly corner of the land now or formerly of said Ellen A. Gale; thence turning easterly, making an interior angle of $86^{\circ}34'$, and running in a straight line a distance of 172.2 feet along the southeasterly line of the land now or formerly of said Ellen A. Gale to the point of beginning, making an interior angle there with the first above described bound of $93^{\circ}16'$.

Being all and the same premises conveyed to Grantor by deed of the Grantee, dated June 8, 1932, as recorded in Book 47, Pages 460-461 of the City of Montpelier Land Records.

To have and to hold *said granted premises, with all the privileges and appurtenances thereof, to the said Grantee* City of Montpelier, and its

heirs and assigns, to their own use and behoof forever;

And it, the said Grantor, State of Vermont

for *and* *heirs,*
~~*executors and administrators,*~~ *do* *covenant with the said Grantee,* City of
Montpelier and its

~~*heirs and assigns,*~~ *that until the ensealing of these presents it is*
the sole owner of the premises, and ^{has} *have good right and title to convey the*
same in manner aforesaid, that they are **Free from every encumbrance;**
and it

hereby engage to **Warrant and Defend** the same against all lawful claims whatever,

In Witness Whereof, it hereunto set its hand and seal this twenty-fourth day of March A. D. 19 70

In Presence of
Fredrick H. Reed
William T. Train
Thomas R. Cove

STATE OF VERMONT
By Board of Armory Commissioners

Deane C. Davis
Governor
Reginald M. Cram
Adjutant General
Leonard K. Kelley
Brigadier General, VLARNO






State of Vermont, } ss. At Montpelier this
Washington County } twenty-fourth day of March A. D. 19 70.
Deane C. Davis, Governor of the State of Vermont.

personally appeared, and he acknowledged this instrument, by
him sealed and subscribed, to be his free act and deed, and
the free act and deed of the State of Vermont.
Before me *Fredrick H. Reed*
Notary Public

STATE OF VERMONT) At Colchester this
) SS)
Chittenden COUNTY) twenty-sixth Day of March A.D. 1970
Reginald M. Cram, The Adjutant General
personally appeared, and he acknowledged this instrument, by
him sealed and subscribed, to be his free act and deed, and
the free act and deed of the State of Vermont.
Before me *William T. Train*
Notary Public

Continued.

STATE OF VERMONT) At Rutland this
) SS. Rutland COUNTY) 25th Day of March A. D. 1970,

Leonard F. Wing, Jr., Brigadier General, VTARNG,
personally appeared, and he acknowledged this instrument, by
him sealed and subscribed to be his free act and deed, and
the free act and deed of the State of Vermont.

Before me Charles M. Anderson
Notary Public

Approved as to form:

James P. Beck
Assistant Attorney General



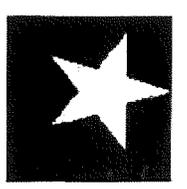
Montpelier, Vermont City Clerk's Office
Received for record March 26, A. D. 1970 at 1 o'clock 34 minutes P. M.

Attest: Robert L. Jeffrey
City Clerk

004 055000
PARCEL ID

1 of 1 GOVERNMENT
CARD

TOTAL ASSESSED: 588,600
130271



PROPERTY LOCATION

No	Alt No	Direction/Street/City
55		BARRE ST. MONTPELIER

OWNERSHIP

Owner 1:	MONTPELIER CITY OF
Owner 2:	
Owner 3:	
Street 1:	39 MAIN ST
Street 2:	
Twn/City:	MONTPELIER
S/Prov:	VT
Postal:	05602

PREVIOUS OWNER

Owner 1:	
Owner 2:	
Street 1:	
Twn/City:	
S/Prov:	
Postal:	

NARRATIVE DESCRIPTION

This Parcel contains 3 ACRES of land mainly classified as EXMPT-CITY with a(n) SCHOOL Building Built about 1932, Having Primarily BRICK Exterior and MEMBRANE Roof Cover with 1 Units, 0 Baths, 0 HalfBaths, 0 3/4 Baths, 0 Rooms, and 0 Bdrms.

OTHER ASSESSMENTS

Code	Description	Amount	Com. Int

IN PROCESS APPRAISAL SUMMARY

Use Code	Building Value	Yard Items	Land Size	Land Value	Total Value	Legal Description
91	554,600		0.300	34,000	588,600	RECREATIONAL CENTER
Total Card	554,600		0.300	34,000	588,600	
Total Parcel	554,600		0.300	34,000	588,600	
Source: Market Adj Cost				Total Value per SQ unit: 68.47	/Parcel: 68.47	

PREVIOUS ASSESSMENT

Tax Yr	Use	Cat	Bldg Value	Yrd Items	Land Size	Land Value	Total Value	Assesd Value	Notes
2015	91	1GL	554,600	0	.3	34,000	588,600	588,600	7/21/2015
2015	91	ZAB	554,600	0	.3	34,000	588,600	588,600	6/5/2015
2014	91	1GL	552,600	0	.3	34,000	586,600	586,600	7/16/2014
2013	91	1GL	552,600	0	.3	34,000	586,600	586,600	7/22/2013
2012	91	1GL	552,600	0	.3	34,000	586,600	586,600	7/26/2012
2011	91	1GL	552,600	0	.3	34,000	586,600	586,600	7/27/2011
2010	91	1GL	552,600	0	.3	34,000	586,600	586,600	8/10/2010
2010	91	3PL		0	.3	59,200	59,200	59,200	5/26/2010

SALES INFORMATION

Grantor	Legal Ref	Type	Date	Sale Code	Sale Price	V	Tst	Verif	Assoc PCL Value	PAT ACCT.	Notes

BUILDING PERMITS

Date	Number	Descrp	Amount	C/O	Last Visit	Fed Code	F. Descrp	Comment
4/18/2011	11-942	RE-ROOF	31,726					RE-ROOF

ACTIVITY INFORMATION

Date	Result	By	Name
4/20/2012	INSPECT	A	ASSR
5/17/2010	WEAS/LEFT CD	3	R FAVOR

PROPERTY FACTORS

Item Code	Descrp	%	Item	Code	Descrp
Z			U		
0			1		
n			1		
Census:			Exmpt		
Flood Haz			Topo		
D			Street		
s			Traffic		
1					

LAND SECTION (First 7 lines only)

Use Code	LUIC	No of Units	Depth / PricedUnits	Unit Type	Land Type	LT	Base Factor	Unit Price	Adj Neigh	Neigh Infil	Neigh Mod	Infl 1	%	Infl 2	%	Infl 3	%	Appraised Value	Alt Class	%	Spec Land	Code	Fact Use Value	Notes
91	EXMPT-CITY	0.3			SITE ACRE SITE	1.0	0	45,000	2,517	XF								33,975					34,000	

Sign: _____

Total AC/H/A: 0.30000 Total S/F/S/M: 13068.00 Parcel LUC: 91 EXMPT-CITY Prime NB Desc: TRAF FAIR Total: 33,975 Spl Credit: Total: 34,000

Disclaimer: This Information is believed to be correct but is subject to change and is not warranted Database: AssessPro

2010

EXTERIOR INFORMATION

Type: 58 - SCHOOL	Full Bath	Rating:
Sty Ht: 2 - TWO STORY	A Bath:	Rating:
(Liv) Units: 1 Total: 1	3/4 Bath:	Rating:
Foundation: 1 - CONCRETE	A 3/4Bth:	Rating:
Frame: 1 - WOOD	1/2 Bath:	Rating:
Prime Wall: 7 - BRICK	A HBth:	Rating:
Sec Wall:	Otherfx:	Rating:
Roof Struct: 4 - FLAT	OTHER FEATURES	
Roof Cover: 11 - MEMBRANE	Kits:	Rating:
Color: NATURAL	A Kits:	Rating:
View / Desir:	Fpl:	Rating:
GENERAL INFORMATION		
Grade: B - GOOD	WSFlue:	Rating:
Year Bilt: 1932	Eff Yr Bilt:	
Air LUC:	Alt %:	
Jurisdct:	Fact:	
Const Mod:	% Owr:	
Lump Sum Adj:	Name:	

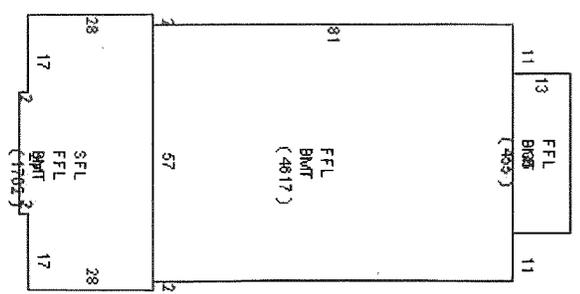
BATH FEATURES

Phys Cond: AV - Average	54.6%
Functional:	
Economic:	
Special:	
Overnde:	
Total:	54.6%

COMMENTS

CITY RECREATIONAL CENTER, ORIGINALLY A NATIONAL GUARD ARMORY, BLT 1932 BY STATE. CITY ACQUIRED IN 1970.

SKETCH



RESIDENTIAL GRID		# Units	
1st Res Grid	Desc:		
Level	FY LR DR D K FR RR BR FB HB L O		
Other			
Upper			
Lvl 2			
Lvl 1			
Lower			
Totals	RMS:	BRS:	Baths:
			HB

REMODELING		RES BREAKDOWN	
Exterior:		No Unit	RMS BRS FL
Interior:			
Additions:			
Kitchen:			
Baths:			
Plumbing			
Electric:			
Heating:			
General:			

DEPRECIATION

Basic \$ / SQ:	110.90
Size Adj:	0.78724992
Const Adj:	1.01969993
Adj \$ / SQ:	89.026
Other Features:	0
Grade Factor:	1.35
Neighborhood Inf:	1.00000000
LUC Factor:	1.00
Adj Total:	1221505
Depreciation:	668942
Depreciated Total:	554563

CALC SUMMARY

Rate	Parcel ID	Typ	Date	Sale Price

COMPARABLE SALES

WVA\$/SQ:	AvRate	Ind Val
Juris. Factor:		Va/Su Fin: 64.52
Special Features: 0		Va/Su Net: 35.94
Final Total: 554600		Va/Su SZ: 64.52

PARCEL ID

Code	Description	A V/S Qty	Size/Dim	Qual	Con Year	Unit Price	D/S Dep	LUC	Fact	NB Fa	Appr Value	JCod/JFac	Juris. Value
004-055000													

SUB AREA

Code	Description	Area - SQ	Rate - AV	Undep't Value
BMT	BASEMENT	6,834	22,260	152,101
FFL	1ST FLOOR	6,834	89,030	608,403
SFL	2ND FLOOR	1,762	81,900	144,315

SUB AREA DETAIL

Sub Area	% Usbl	Descrip	% Type	Qu Ten

IMAGE

Net Sketched Area:	15,430	Total:	904,819
Size Adj	8596	Gross Arel	15430
		FinArel	8596

AssessPro Patriot Properties, Inc



More: N

Total Yard Items:

Total Special Features:

Total:

Section 2103. Urban Center (UC) District & Neighborhoods

2103.A **Purpose.** The Urban Center District encompasses the city's historic downtown, the Capitol Complex and adjacent mixed-use neighborhoods and corridors. The land in this district is served by city water and sewer, a gridded street network and public transit. The purpose of this district is to maintain a compact and walkable urban center by preserving historic character and encouraging compatible infill development.

2103.B **Neighborhood Character.** The Urban Center District includes the following neighborhoods:

- (1) **Barre Street.** This neighborhood encompasses the blocks along Barre Street immediately adjacent to the downtown business district. Once largely residential, many of the historic homes in this neighborhood have been converted into mixed-use or multi-unit buildings. The development pattern is primarily characterized by large, multi-story residential-style buildings on small lots with narrow front and side setbacks. These regulations should facilitate mixed-use development either within historic buildings or new construction that is compatible in scale and character to neighboring historic buildings. This neighborhood is well-suited for infill with higher-density, multi-family housing, particularly on sites that are currently developed at a lower density than allowed in this zoning district and/or with buildings that are not contributing historic structures.
- (2) **Capitol Complex.** This neighborhood encompasses the Statehouse and surrounding state-owned properties, as well as adjacent private properties. These regulations should implement the *Capital District Master Plan*, protect historic character and facilitate the continued use and operation of state facilities and supporting private development in this neighborhood.
- (3) **Downtown Business.** This neighborhood encompasses most of the city's historic downtown business district characterized primarily by multi-story, block commercial buildings directly fronting on the sidewalk. These regulations should promote a pedestrian-oriented and mixed-use downtown that preserves and is compatible with historic character by using traditional building forms and street-level storefront designs.
- (4) **Elm Street.** This neighborhood of historic row houses sits along the North Branch of the Winooski River. Across Elm Street, the terrain rises sharply forming a rocky cliff and steep wooded hillside. These regulations should promote the preservation and continued residential occupancy of these historic buildings in order to maintain the neighborhood's distinctive character.
- (5) **Main Street.** This linear neighborhood extends out from the business district and historically developed with churches, civic buildings and grand houses. These buildings are located on small lots with shallow front and side yards. While there has been some infill development and conversion of the large homes to office and multi-family residential uses, the historic character of the neighborhood remains distinctive and well-preserved. That character should be enhanced by preserving historic buildings, retaining landscaped front yards and green strips with trees between the sidewalk and street, and ensuring that new construction is compatible in scale, form and placement with the historic pattern.

- 2103.C **Use Standards.** Figure 2-01 lists the uses that are permitted or conditional in the Urban Center district and:
- (1) Each use is defined in Chapter 520.
 - (2) Drive-through facilities are prohibited except as specifically authorized in Figure 2-01.
- 2103.D **Dimensional Standards.** Figure 2-02 establishes the dimensional standards for development in the Urban Center district.
- 2103.E **Streetscape Standards.** To promote a walkable urban center in this district, land development requiring major site plan approval must accommodate pedestrians and bicyclists as follows:
- (1) Sidewalks must be provided in accordance with Section 3007 or Subsection 3505.A as applicable.
 - (2) Street trees must be provided in accordance with Subsection 3202.F.
- 2103.F **Architectural Standards.** The following standards apply to all land development requiring major site plan approval, except that within the Historic Design Review Overlay District the Development Review Board may waive or modify these standards as recommended by the Design Review Committee:
- (1) Buildings with 3 or more stories must incorporate a base, middle and cap as described below:
 - (a) The base must include an entryway with transparent windows and a molding or reveal placed between the first and second story or over the second story, which must be at least 2 inches deep and 4 inches high.
 - (b) The middle may include windows and/or balconies.
 - (c) The cap must include the area from the top floor to the roof of the building, and must include a cornice or roof overhang.
 - (2) Floor levels, windowsills, moldings and cornices must align with those of adjacent buildings to the maximum extent feasible.
 - (3) Building facades must be composed of modules or bays that:
 - (a) Incorporate visible changes in the facade elevation through the use of wall plane projections or recesses, piers, columns, colonnades, arcades or similar architectural features that create a distinct facade elevation.
 - (b) Feature a regular pattern of windows and entryways so that the length of solid or blank walls will not exceed 20 feet.
 - (c) Will not exceed 48 feet in width and an average of 32 feet in width for a single, continuous facade.
 - (4) Building facades must incorporate at least one principal entrance as follows:
 - (a) Building facades exceeding 60 feet in width must provide multiple ground-level entrances.
 - (b) The distance between ground-level entrances along a single, continuous facade must not exceed 80 feet.

- (5) Pedestrian access must be provided from the public sidewalk or street to the street-facing principal entrance(s) as follows:
 - (a) The street-facing principal entrance(s) and ground floor level must align with the sidewalk elevation to the maximum extent feasible.
 - (b) Within the Downtown Business Neighborhood, doors opening to the sidewalk must be recessed into the face of the building creating an entryway with not less than 15 square feet of floor space or must be covered by an awning, gallery or arcade.
 - (c) Within the Downtown Business Neighborhood, entry doors must not open out into the sidewalk in a manner that would restrict the sidewalk width to less than 4 feet.
 - (d) Within the Downtown Business Neighborhood, any new building designed to house street-level retail uses must have an individual entrance and direct access to the sidewalk for each street-level retail space with sidewalk frontage.
- (6) The ground floor of building facades must be designed to encourage and complement pedestrian-oriented activity as follows:
 - (a) Building facades must feature ground-level windows or doors arranged so that interior spaces are visible from and/or accessible to the street on at least 40% of the facade length.
 - (b) Within the Downtown Business Neighborhood, at least 60% of the total surface area of the front ground floor elevation up to a height of 10 feet must be public entrances and transparent windows (including retail display windows).
 - (c) Within the Downtown Business Neighborhood, ground floor residential units are prohibited along the street frontage.
- (7) Mechanical equipment, electrical meter and service components, and similar utility devices whether at ground level or mounted on the building must be screened from view at the street with materials that are compatible with the building's predominant exterior materials.

2103.G **Parking Standards.** As specified in Section 3007, there are no minimum parking requirements within the Urban Center district, but the following standards apply to off-street parking within this district:

- (1) No additional off-street surface parking may be constructed between the street and the frontline of the principal building on the lot (this does not apply to lots where parking is the principal use).
- (2) Land development requiring major site plan approval must remove any pre-existing off-street surface parking located between the street and the frontline of the principal building on the lot to the maximum extent feasible given site-specific conditions.
- (3) Off-street parking located within the footprint of a principal building will not be included in the calculation of floor area ratio.
- (4) Below-grade parking levels will not count as a story for the purpose of measuring building height.

PART 2. ZONING DISTRICTS & STANDARDS
Chapter 210. Base Zoning Districts & Neighborhoods

Figure 2-01. Urban Center Allowed Uses

RESIDENTIAL & LODGING	COMMERCIAL & INDUSTRIAL	PUBLIC ASSEMBLY, CIVIC & INSTITUTIONAL	MINING, AGRICULTURE & FORESTRY
Permitted Single-family dwelling, attached or detached Accessory dwelling Duplex Triplex Quadraplex Multi-family dwelling Other residential structure Retirement housing Congregate living Assisted living facility Skilled-nursing facility Bed and breakfast or inn Rooming and boarding house Hotel or motel	Permitted Shop or store Bank, no drive-through Professional services Veterinary services Administrative and business services Services to buildings Food services Bar or drinking place Food services contractor Personal services Pet and animal sales or services Laboratory Media broadcast facility or studio Computer data center Miscellaneous manufacturing, fully enclosed 10,000 sf max Publishing Information services and data processing industries Conditional Malls, shopping centers or collection of shops Bank, with drive-through Rental and leasing Construction-related business, fully enclosed 10,000 sf max Light industrial, fully enclosed 10,000 sf max Warehouse or storage, fully enclosed 10,000 sf max Wholesale trade establishment	Permitted Performance theater Movie theater Amphitheater Indoor games facility Exhibition, convention or conference structure Religious facility Government facility, office or courthouse Other community structure Fitness, recreational sports, gym or athletic club Nature or recreational park Medical clinic Grade school College or university Trade or specialty school Library Museum, exhibition hall or pavilion Art gallery Public safety facility Funeral home or cremation facility Social assistance, welfare and charitable services Child daycare Services for the elderly & disabled Surface parking Parking structure Bus stop shelter Rail transportation facility Road passenger and transit services Utility structures Communications antenna Conditional Sports arena Hospital Cemetery Water supply related facility Sewer related facility Communication towers	Permitted Greenhouse or nursery Agriculture and forestry

Figure 2-02. Urban Center Dimensional Standards

LOTS	SETBACKS & YARDS	DENSITY	BUILDINGS
Lot size: 3,000 sf min Frontage: 30 ft min	Front: 20 ft max Water: 10 ft min	Floor Area Ratio: 4.0 max	Frontage build-out: 70% min Height: 2 stories min, 60 ft max 5 th & 6 th Story Setback: 16 ft min

Chapter 220. Overlay Zoning Districts

① *The purpose of this chapter is to establish overlay zoning districts that supplement or supersede the standards of the underlying zoning district in order to address special conditions or resources that require additional or modified regulations.*

Section 2201. Historic Design Review Overlay District

2201.A **Boundary.** The Historic Design Review Overlay District includes all properties within the historic district(s) in Montpelier as listed in the National Register of Historic Places, but not including any properties within the Capitol Complex.

2201.B **Purpose.** The purpose of the Historic Design Review Overlay District is to protect the city's historic character by regulating exterior modifications to contributing historic structures and by requiring new structures within listed historic districts to be compatible with and respond to their setting and context in accordance with the principles summarized below:

- (1) Buildings should function to meet today's needs just as they met certain needs at the time they were built. The changes required to meet new demands should be a compromise between the existing integrity of the structure and new functions. Good preservation seeks both of these goals.
- (2) Every attempt should be made to preserve as much of a historic building's original design, architectural details and building materials as is reasonably possible. When it is necessary to introduce modern elements to a historic building exterior, every feasible effort should be made to maintain the building's overall architectural character.
- (3) New construction should be a product of its own time and not be a copy of an older architectural style with associated details no longer practical. The unity of an existing street or block should be a major consideration in the design of any new construction. Rather than copying a particular style, the new building should relate in materials, colors, form, massing, proportion and rhythm of common elements to those present on the street or block.

2201.C **Applicability.** All land development within the Historic Design Review Overlay District will require review by the Design Review Committee in accordance with Section 4301, except for the following:

- (1) Subdivision of land.
- (2) Interior alteration or a change in use that will not result in any exterior modifications.
- (3) Normal repair and maintenance with materials of identical composition, type and appearance (includes any repainting of previously painted surfaces, irrespective of color, but does not include painting of existing, unpainted surfaces).
- (4) Exterior modifications to a noncontributing structure.
- (5) Demolition of a noncontributing structure.
- (6) Construction or placement of an accessory structure ancillary to a residential use that:
 - (a) Is less than 100 square feet in floor area;
 - (b) Is less than 10 feet in height if it has no roof or a flat roof, or less than 12 feet in height if it has a pitched roof (height will be measured from the ground to the top

- of the structure); and
- (c) Is located to the side or rear of the associated principal building.
- (7) The removal of a sign provided that no evidence of the sign's installation remains.
 - (8) The replacement of a sign provided that the proposed sign:
 - (a) Meets the requirements of Section 3009;
 - (b) Is no larger than the previously approved sign or is located entirely within the building's sign band; and
 - (c) Does not require any new hardware to be installed into brick or masonry building elements.
 - (9) Non-substantial alterations as determined in writing by the Administrative Officer.
- 2201.D **Consultation During Project Planning.** Owners of historic buildings are strongly encouraged to meet informally with the Design Review Committee when planning significant building repair, maintenance, renovation or expansions for assistance with implementing appropriate preservation, rehabilitation, restoration or reconstruction practices.
- 2201.E **Use Standards.** The use standards within the Historic Design Review Overlay District will be as specified in the base zoning district.
- 2201.F **Dimensional Standards.** The dimensional standards within the Historic Design Review Overlay District will be as specified in the base zoning district.
- 2201.G **General Standards.** Applicants must demonstrate that proposed development within the Historic Design Review Overlay District conforms to the following Secretary of the Interior's *Standards for Rehabilitation* as interpreted by the Design Review Committee in accordance with the specific standards of this section.
- (1) A property must be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces and spatial relationships.
 - (2) The historic character of a property must be retained and preserved. The removal of distinctive materials or alteration of features, spaces and spatial relationships that characterize a property must be avoided.
 - (3) Each property will be recognized as a physical record of its time, place and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, must not be undertaken.
 - (4) Changes to a property that have acquired historic significance in their own right will be retained and preserved.
 - (5) Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property must be preserved.
 - (6) Deteriorated historic features must be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature must match the old in design, color, texture and, where possible, materials. Replacement of missing features must be substantiated by documentary and physical evidence.

- (7) Chemical or physical treatments, if appropriate, must be undertaken using the gentlest means possible. Treatments that cause damage to historic materials must not be used.
- (8) Archeological resources must be protected and preserved in place. If such resources must be disturbed, mitigation measures must be undertaken.
- (9) New additions, exterior alterations or related new construction must not destroy historic materials, features, and spatial relationships that characterize the property. The new work must be differentiated from the old and must be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.
- (10) New additions and adjacent or related new construction must be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

2201.H **Specific Standards for Contributing Historic Structures.** When reviewing applications for certain exterior modifications to contributing historic structures, the Design Review Committee must interpret and apply the Secretary of the Interior's *Standards for Rehabilitation* in accordance with the specific standards below.

- (1) **Replacing Historic Windows or Doors.** Applicants may replace historic windows or doors (original to the building or dating to the building's period of significance, typically not including 20th century replacements of older windows or doors) with an in-kind replacement that must:
 - (a) Have the same dimensions as the historic window or door;
 - (b) Have essentially the same sash and pane configuration as the historic window or door, where applicable;
 - (c) Have essentially the same design details as the historic window or door;
 - (d) Be constructed of the same or a comparable (in terms of durability and appearance) material as the historic window or door (for example, this may allow vinyl clad windows if they can meet other applicable criteria);
 - (e) Have essentially the same or similar glass-to-frame ratio as the historic window or door, where applicable;
 - (f) Have essentially the same or similar reveal as the historic window or door; and
 - (g) Incorporate either an integral muntin or exterior muntin grids that replicates the historic window or door as closely as possible, where applicable.
- (2) **Replacing Non-Historic Windows or Doors.** If applicants are proposing to replace windows or doors that are not original to the building or dating to the building's period of significance, reasonable efforts must be made to repair any loss of historic character resulting from an earlier inappropriate modification of the building such as:
 - (a) If size of historic window or door openings was changed, selecting a replacement that matches the historic dimensions rather than the more recent dimensions.
 - (b) If the structure retains some of its historic windows and doors, selecting a replacement that matching the sash and pane configuration and design details of the remaining historic windows or doors rather than the more recent windows or

doors.

- (3) **Installing Storm Windows or Doors.** Applicants may install interior or exterior storm windows or doors over historic windows or doors in accordance with the following:
 - (a) Interior storms must be designed, installed and maintained to prevent the build-up of condensation that can damage historic windows or doors.
 - (b) Exterior storms must be designed and installed to obscure the historic window or door to the least degree possible by using clear glass, replicating the frame width, matching the sash location, where applicable, and matching or coordinating the color of the historic window or door (for example, this would not allow storm windows with a milled aluminum finish).
- (4) **Replacing Historic Roofing Materials.** Applicants may replace historic roofing materials (original to the building or dating to the building's period of significance, typically not including 20th century replacements of older materials) with an in-kind replacement that must:
 - (a) Be constructed of the same material, a comparable material (in terms of durability and appearance), or a material that traditionally has been used on buildings of the same type in Montpelier (for example, this would allow standing seam metal roofing); and
 - (b) Replicate the color and patterning of the historic materials if they contribute significantly to the historic character of the building.
- (5) **Replacing Non-Historic Roofing Materials.** If applicants are proposing to replace roofing materials that are not original to the building or dating to the building's period of significance, they may choose:
 - (a) The same material as exists on the roof at the time of the application or a comparable material (in terms of durability and appearance).
 - (b) A roofing material that traditionally would have been used on buildings of the same type in Montpelier.
- (6) **Replacing Historic Siding.** Applicants may replace historic siding materials (original to the building or dating to the district's period of significance, typically not including 20th century re-siding) with an in-kind replacement that must:
 - (a) Be constructed of the same material or a material that closely replicates the appearance of the historic siding and is of comparable durability (for example, this would not allow metal or vinyl siding, but may allow contemporary materials like fiber cement clapboards that can meet the criteria below);
 - (b) Have the essentially the same design details as the historic siding material;
 - (c) Have the essentially the same dimensions and reveal as the historic siding material, where applicable;
 - (d) If masonry, have essentially the same texture, color and pattern as the historic siding material;
 - (e) Not eliminate or cover historic trim or architectural elements such as cornices, moldings, door or window surrounds, columns, pilasters, brackets, bargeboards (if these elements are deteriorated, they must be replaced in-kind).

- (7) **Replacing Non-Historic Siding.** If applicants are proposing to replace siding materials that are not original to the building or dating to the building's period of significance reasonable efforts must be made to repair any loss of historic character resulting from an earlier inappropriate modification of the building such as:
- (a) Uncovering and rehabilitating historic trim or architectural elements.
 - (b) Selecting a replacement material that matches the historic siding rather than the more recent replacement material.
- (8) **Removing, Replacing or Modifying Historic Porches.** Applicants:
- (a) May replace a historic porch in-kind so that the re-built porch has essentially the same design details as the historic porch (this may include using contemporary materials such as composite decking or fiberglass columns provided they closely replicate the appearance of and have comparable durability to the historic materials).
 - (b) May modify a historic porch as necessary to meet current building code and accessibility standards. The applicant must make reasonable efforts to minimize loss of historic character and retain historic architectural elements and design details.
 - (c) May make minor alterations to the roof form or pitch to improve how the porch sheds water and snow in order to prevent future deterioration or damage.
 - (d) May expand a historic porch if the Design Review Board finds that the proposed design is compatible with the building's historic character and is comparable to porch designs that traditionally would have been found on buildings of the same type in Montpelier.
 - (e) May enclose a historic porch with glass in a manner that will not damage or obscure its architectural details.
 - (f) May otherwise enclose or remove a historic porch only if the Design Review Board finds that the proposed design is compatible with the building's historic character (for example, enclosure or removal of a side or rear porch may be allowed, but it is unlikely that a front porch could be enclosed or removed without diminishing the building's historic character).
- (9) **Removing, Replacing or Modifying Non-Historic Porches or Adding a Porch.** Applicants:
- (a) That are proposing to remove, replace or modify a porch that is not original to the building or dating to the building's period of significance must make reasonable efforts to repair any loss of historic character resulting from an earlier modification of the building. This may include opening up a porch that had been enclosed or restoring lost architectural details like railings or columns, for example.
 - (b) That are proposing to add a porch to a historic building must demonstrate that the proposed design is compatible with the building's historic character and is comparable to porch designs that traditionally would have been found on buildings of the same type in Montpelier.

- (10) Exterior Painting. Applicants:
- (a) May repaint any exterior surfaces that are already painted with no restriction on color. As specified in Subsection 2201.C(3), repainting previously painted surfaces will be considered normal repair and maintenance and will not require design review under this section.
 - (b) Must not paint unpainted masonry materials unless specifically recommended by the Design Review Board.
 - (c) Are encouraged to remove paint from materials that historically were not painted.
 - (d) Are discouraged from painting exterior surfaces that are not already painted.

2201.I Specific Standards for New Structures and Noncontributing Structures. When reviewing applications for new structures or modifications to noncontributing structures, the Design Review Committee must interpret and apply the Secretary of the Interior's *Standards for Rehabilitation* in accordance with the specific standards below.

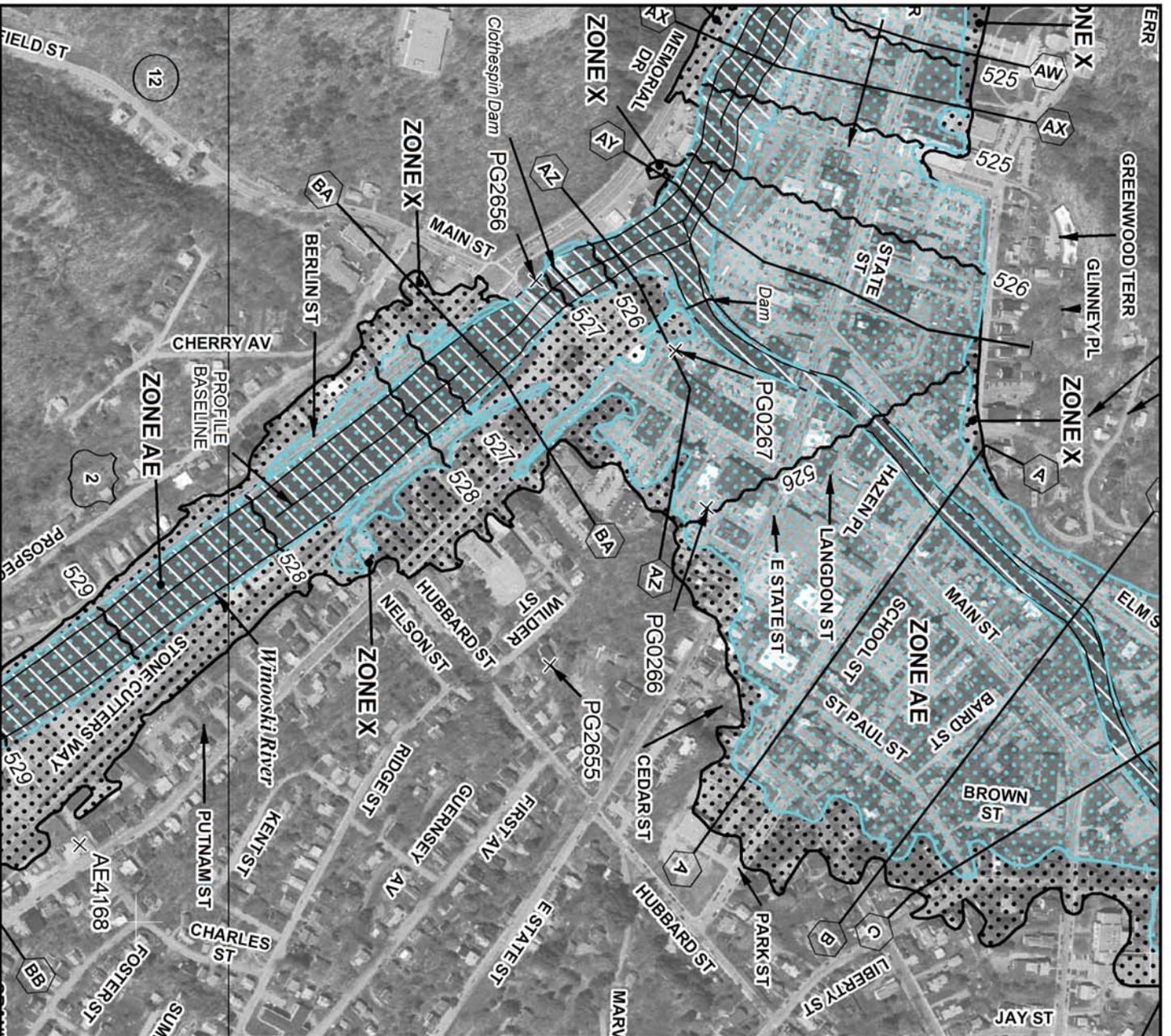
- (1) New or modified structures must meet the architectural and streetscape standards of the base zoning district.
- (2) New or modified structures must be compatible in form, scale, massing, proportion and rhythm with their historic context and must contribute to a pedestrian-oriented streetscape. Applicants are strongly encouraged to design compatible contemporary structures rather than duplicate or mimic the design of historic buildings in the district in accordance with the following principles:
 - (a) Design new buildings to be similar in massing, form, height and width to other buildings on the block.
 - (b) If new buildings will be wider than adjacent buildings, break up the building mass with changes in wall plane and roof form so that its appearance conforms to building widths on neighboring properties.
 - (c) If new buildings will be taller than adjacent buildings, place the taller portions of the building away from the street and adjacent buildings to either side and step the height down at the street facade and at the sides so that the height will be similar to the height of surrounding buildings.
 - (d) Design floor levels and story heights so that are similar to those of surrounding buildings. Where floor levels and story heights on adjacent properties are responding to changes in the terrain, the new building should fit into that pattern.
 - (e) Maintain a front setback and overall lot coverage that is similar to other properties on the block.
 - (f) Orient the primary facade of new buildings to the street and provide primary entrances on the street facade.
 - (g) Design new buildings to convey a human scale through use of massing, incorporating a variety of surface materials and textures, and a regular pattern of window and door openings.
 - (h) Enhance the primary facade and property frontage in a manner similar to other buildings on the block, which may include elements such as landscaping, fencing,

porches, display windows, outdoor seating, awnings, etc.

- (i) Subordinate any accessory buildings on the site by placing them to the side or rear of the lot.
- (j) These principles may not apply to corner buildings if it is typical elsewhere in the neighborhood for buildings on corner lots to be larger than adjacent buildings or to landmark buildings that are intended to be a focal point within the neighborhood.

2201.J **Specific Standards for Demolition of Contributing Structures.** The Development Review Board must approve the demolition of a contributing historic structure before the Administrative Officer may issue a zoning permit unless the Administrative Officer finds that the structure poses an imminent danger to public health, safety or welfare as follows:

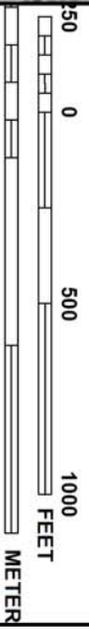
- (1) The applicant must demonstrate that:
 - (a) It is not feasible to rehabilitate and/or re-use the structure in order to earn a reasonable economic return from the property.
 - (b) It is not feasible to move the structure to a new location on or off the property.
 - (c) The non-feasibility of rehabilitation, re-use or relocation is not due to his/her failure to perform normal maintenance and repairs as necessary to prevent structural damage and deterioration.
 - (d) The non-feasibility of rehabilitation, re-use or relocation is not due to his/her failure to set reasonable rents or sales price, and/or diligently solicit and retain tenants, as applicable.
 - (e) The demolition is not primarily intended to allow development of additional surface parking.
 - (f) The demolition is necessary to allow him/her reasonable use of the property or demolition is part of a redevelopment plan that will provide a clear and substantial benefit to the community.
- (2) As a condition of approval for demolition, the Development Review Board:
 - (a) Will require the applicant to offer the structure for relocation for a period of at least 6 weeks before the Administrative Officer may issue a zoning permit for demolition unless it determines that it would not be feasible to relocate the structure.
 - (b) Will require the applicant to photographically document the structure and provide the photographs to the city before the Administrative Officer may issue a zoning permit for demolition.



NATIONAL FLOOD INSURANCE PROGRAM at 1-800-638-0620.



MAP SCALE 1" = 500'



NFIP
NATIONAL FLOOD INSURANCE PROGRAM

PANEL 0264E

FIRM
FLOOD INSURANCE RATE MAP
WASHINGTON COUNTY,
VERMONT
 (ALL JURISDICTIONS)

PANEL 264 OF 580
 (SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:
 COMMUNITY NUMBER PANEL SUFFIX
 EAST MONTPELIER TOWN OF 500111 0264 E
 MONTPELIER CITY OF 505918 0264 E

Notice to User: The Map Number shown below should be used when placing map orders; the Community Number shown above should be used on insurance applications for the subject community.

MAP NUMBER
50023C0264E
EFFECTIVE DATE
MARCH 19, 2013



Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov

O'GRADY & MINOR APPRAISAL SERVICES, INC.

- 1 Kennedy Drive, Suite U8
- South Burlington, VT 05403
- Phone: 802-864-4580
- Fax: 802-862-1183

DATE OF AGREEMENT: December 30, 2015

PARTIES TO AGREEMENT:

Client: City of Montpelier

Jessie C. Baker, Assistant City Manager
City Hall
39 Main Street
Montpelier, VT 05602

Appraiser: John B. Minor

Firm: O'Grady & Minor Appraisal Services, Inc.

Client hereby engages Appraiser to complete an appraisal assignment as follows:

PROPERTY IDENTIFICATION

Appraisal of the fee simple interest of the property identified below:

City of Montpelier Property
55 Barre Street, Montpelier, Vermont
Parcel 004-055000

PROPERTY TYPE

Commercial (former Armory, presently used as public recreation center and to be appraised at its highest and best use)

INTEREST VALUED

Fee simple

INTENDED USERS

City of Montpelier

Note: No other users are intended by Appraiser. Appraiser shall consider the intended users when determining the level of detail to be provided in the Appraisal Report.

INTENDED USE

To assist Client and intended users to develop an opinion of market value for the property identified above. The purpose of the market value opinion is for the possible sale of the property.

TYPE OF VALUE

Market value as defined by the appraisal requirements pursuant to FIRREA

DATE OF VALUE

Current

HYPOTHETICAL CONDITIONS, EXTRAORDINARY ASSUMPTIONS

The appraisal may require a hypothetical condition and/or extraordinary assumption related to forthcoming zoning changes anticipated for the City of Montpelier. This will be made at the Client's direction.

APPLICABLE REQUIREMENTS OTHER THAN THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP)

The Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute

ANTICIPATED SCOPE OF WORK

The scope of work is to include an inspection of the subject property, market research to identify comparable sale data and development of an appraisal report. Upon submission, the appraiser will be available to respond to questions raised by the Client.

Site visit

Interior and exterior, on-site

Valuation approaches

Appraiser shall use all approaches necessary to develop a credible opinion. Given the age of the building and the limited lease market for similar properties, it is highly likely that the valuation will include the sales comparison approach only.

APPRAISAL REPORT**Report option**

Narrative

PROJECT COMMENCEMENT

To be determined by the Appraiser and Client

DELIVERY DATE

Anticipated between January 29, 2016 and February 5, 2016

REPORT DELIVERY

Appraiser will provide client an electronic copy in PDF form and up to two hard copies at the client's request. Additional hard copies may be requested at an additional fee.

PAYMENT TO APPRAISER

Fee to range between \$3,000 and \$5,000 depending on the extent of field work necessary to deliver a credible valuation.

PROPOSED IMPROVEMENTS

Not applicable, property appraised "as is"

PROPERTIES UNDER CONTRACT FOR SALE

Not applicable

CONFIDENTIALITY

Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement with, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP).

CHANGES TO AGREEMENT

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new Agreement.

CANCELLATION

Client may cancel this Agreement at any time prior to the Appraiser's delivery of the Appraisal Report upon written notification to the Appraiser. Client shall pay Appraiser for work completed on assignment prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client in writing.

NO THIRD PARTY BENEFICIARIES

Nothing in this Agreement shall create a contractual relationship between the Appraiser or the Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS

Appraiser may use employees or independent contractors at Appraiser's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Appraiser shall sign the written Appraisal Report and take full responsibility for the services provided as a result of this Agreement.

TESTIMONY AT COURT OR OTHER PROCEEDINGS

Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include the Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery, sworn testimony in a judicial, arbitration or administrative proceeding, or attendance at any judicial, arbitration, or administrative proceeding relating to this assignment.

APPRAISER INDEPENDENCE

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot insure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective by Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

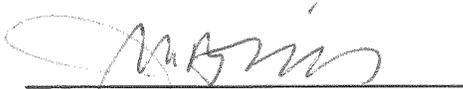
EXPIRATION OF AGREEMENT

This Agreement is valid only if signed by both Appraiser and Client within seven days of the Date of Agreement specified.

GOVERNING LAW & JURISDICTION

The interpretation and enforcement of this Agreement shall be governed by the laws of the state in which the Appraiser's principal place of business is located, exclusive of any choice of law rules.

By Appraiser:



(Signature)
John B. Minor

(Printed name)
12-31-15

(date)

By Client:



(Signature)
Jessie C Baker

(Printed name)
12/30/15

(date)