

Petersen LaChance Regan Pino, LLC
Real Estate Services

TECHNICAL APPRAISAL REVIEW REPORT

REAL ESTATE CONSISTING OF

The South Sudbury Industrial Track
A Former Rail Corridor
Located in
Sudbury, Massachusetts

OWNER OF RECORD

CSX

PROJECT

Sudbury Rail Trail

**APPRAISAL REVIEW REPORT
PREPARED BY**

William A. LaChance, MAI, SRA

Petersen LaChance Regan Pino, LLC

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John G. Petersen, MAI, SRA
William A. LaChance, MAI, SRA
John A. Regan, MAI
Richard K. Pino, MAI

June 4, 2020

Beth Suedmeyer
Environmental Planner
Town of Sudbury
CIVAS Building, Second Floor
211 Old Sudbury Road
Sudbury, Massachusetts 01176

Re: Review of completeness, quality, and acceptability of an Appraisal Report concerning the acquisition of real property identified as a larger parcel consisting of 9.97± acres, or 434,285 square feet (SF), comprised of assessed parcels (A) L07-5200 and (B) K08-5200, across 1.27 miles in Sudbury, Massachusetts.

Dear Ms. Suedmeyer:

I hereby submit my Technical Appraisal Review Report of the Appraisal Report prepared by Robert LaPorte, MAI, SRA, and Sandra Driscoll, MAI, of Colliers International Valuation & Advisory Services (CIVAS), which provided an opinion of market value for the above-referenced subject. Be advised that the subject has a washed-out area, and the presence of some oil was identified. These conditions were addressed within the hypothetical conditions of the CIVAS report.

My Review Report and the Appraisal Report by CIVAS are intended to comply with the 2020-2021 edition of Uniform Standards of Professional Appraisal Practice (USPAP), the MassDOT Local Public Agency (LPA) Valuation manual, and 49 CFR § 24.103.

This Technical Appraisal Review Report is presented in four sections: (1) Appraisal Report Summary, (2) Appraisal Review Process (3) Review Appraiser's Analysis, Comments, and Conclusions, and (4) Reviewer Appraiser's Certification.

As a result of my review, I recommended the appraisal report by CIVAS to be used as the basis for the establishment of the amount believed to be just compensation for the rights acquired.

Respectfully submitted,



William A. LaChance, MAI, SRA
Petersen LaChance Regan Pino, LLC
Massachusetts Certified General
Real Estate Appraiser, License No. 497

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Review Appraiser’s Qualifications

Section 1: Appraisal Report Summary

Owner of Record

The subject's assessed owner is CSX. A deed reference was not available for the subject, and the title report is preliminary.

Real Property Rights Appraised

The property rights appraised were reported as fee simple, plus the right by easement to cross Boston Road, less rights in several shared use/crossing easements. The subject may exclude fiber optic and certain other subsurface rights.

Market Value Definition

The market value definition presented was "The highest price which a hypothetical willing purchaser would pay to a hypothetical willing vendor in an assumed free and open market."¹ This definition is accepted in Massachusetts courts and is used by MassDOT.

Legal Description

The report presented a copy of the subject's metes and bounds, its plan of survey, and its assessing maps. The CIVAS report's descriptions and exhibits provided the subject's correct identification.

Larger Parcel Determination

The report presented a basis for the determination of the subject as the larger parcel.

Subject Property Characteristics

The subject's corridor characteristics, its location and neighborhood, and its available utilities, zoning, and other applicable public land use controls were adequately described in the appraisal report. Although the report does not make a statement in its *Property & Assignment Overview* section, the Highest and Best Use analysis presents the subject as vacant land, and the photographs appear to indicate that the ties and rails have been removed.

¹ Epstein v. Boston Housing Authority (1945) 317 Mass. 297.

Extraordinary Assumptions and Hypothetical Conditions

Several extraordinary assumptions were reported. The two hypothetical conditions were that a damaged culvert has been repaired, and there is no reportable environmental issue. The culvert has not been repaired, and an environmental conditions letter attached to the report appears to indicate that there is some reportable oil.

Highest and Best Use

The conclusions of highest and best use analysis were well supported.

Date of Appraisal Report

The date of the CIVAS report is May 6, 2020, and its effective valuation date is April 9, 2020.

Appraisers

Both appraisers LaPorte and Driscoll hold Massachusetts Certified General Appraiser licenses and the MAI designation, as well as other designations. The appraisers appear to be well-experienced and geographically competent.

Value

No mention is made of how long the values remain valid; this is typical of real estate appraisal reports, which commonly present an opinion of value as of single date.

Exposure Period

An exposure period is not cited within the definition of market value. Therefore, presentation of an exposure period is not necessary (Jurisdictional Exception) and the market value opinion should reflect the related reasonable period. The CIVAS report presents exposure and marketing period estimates.

Section 2: Appraisal Review Process

Client and Intended Users

I was engaged by Beth Suedmeyer on behalf of the Town of Sudbury, and she/the Town is my client. The additional intended user of my report is the MassDOT and their agency

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partners that utilize the same reporting specifications listed later herein. The CIVAS report lists its client as the Town of Sudbury, and its intended users as Town of Sudbury officials, legal counsel, and review appraiser.

Intended Use

The intended use of my report is in fulfillment of my client's appraisal review requirements as cited herein. The CIVAS report's intended use is to provide the client with a current market value estimate of the CSX corridor.

Purpose of the Review Assignment

The purpose of my technical review is to provide my opinion of the completeness, quality, and acceptability of the Appraisal Report by CIVAS in compliance with the current Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rule 2-2(a), the MassDOT Local Public Agency (LPA) Valuation manual, and 49 CFR § 24.103, and to provide my appraisal review report in compliance with USPAP (Standard 3).

Scope of the Review Process Conducted

The level of review analysis depends on the complexity of the appraisal problem, which can be summarized in this review as pertaining to the credibility of assignment results. My client requested that I perform a Technical Appraisal Review, which did not include an inspection of the subject or the comparable sales presented in the CIVAS report. I was not instructed to contact the subject property owner. I was not to independently verify any market data.

The scope of my review assignment included reading the CIVAS appraisal report and its Addenda, considering the report's completeness within its scope of work, the appropriateness of the appraisal methods and techniques used, the adequacy and relevance of the data and reasoning presented, the calculations and propriety of any adjustments to the data, and reaching a conclusion as to the completeness, quality, and acceptability of the report based upon the previously cited reporting requirements. Then, my scope included three options; *recommend* the report (as the basis for just compensation), *accept* the report (find that it fulfills reporting requirements while not selecting it as recommended or approved), or find the report *not acceptable*.

Section 3: Reviewer's Analysis, Comments, and Conclusions

Opinion of Completeness, Quality, and Acceptability of the Appraisal Report

The CIVAS report utilizes the Sales Comparison Approach in support its value opinion. The Sales Comparison Approach and Across the Fence (ATF) methodology were applied. The value ATF was then multiplied by a corridor factor (CF) to derive a market value opinion. While there has been some dissention with the appraisal profession, this combination of approach and methodology is generally used by real estate appraisers to solve the appraisal problem of value for a property concluded to exhibit a highest and best use for corridor purposes.

Adequacy and Relevance of the Data

The data are adequate in number and they are relevant. Typically, individual sale sheets are appended to real estate appraisal prepared to LPA specifications. Appraisal reports concerning corridor utilize an unusually large number of sales, and this report is no exception. As a consequence, it is common that sale sheets for none or possibly just several key sales are appended to such reports. The CIVAS report does not present sales sheets, and I have accepted this as adequate compliance. The relevance of the sale data is supported by their locations as shown on attached maps and their type and sizes. Some sales to municipalities were included; however, this is common for some low utility parcels such as abutted the subject.

Market Support for Adjustments

The CIVAS report provides an explanation of its conclusion s as to unit values without applying specific adjustments. The trend in the sale prices was evident, and when combined with the volume of data, supported the reasonableness of the concluded unit values. The market support was adequate for this assignment.

Opinion of Completeness of Appraisal Report

For reasons cited below, I conclude the report to be complete.

Review Appraiser's Conclusions

In accordance with the previously cited standards, specifications, and scope of work, this technical review report presents a written determination as to the completeness, quality, and acceptability of the appraisal report and of its opinion of value.

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The CIVAS report was intended to comply with the same sources for reporting requirements as this Review Appraisal. The CIVAS report does fulfill the USPAP, and MassDOT specifications and is consistent with the requirements of 49 CFR § 24.103. Minor technical nonconformance occurs in most appraisal reports and the report's lack of sales sheets was explained and accepted. Differences of opinion in regard to a hypothetical condition versus an extraordinary assumption were resolved. I also hold that plottage is a superior basis for the CF than cost avoidance; however, I recognize that buyers consider the latter.

I find adequacy in the description, analyses, and application of the valuation methodology, and the associated judgments appeared reasonable.

For the reasons presented herein, I recommend the CIVAS report as the basis for establishment of the amount believed to be just compensation for the rights taken.

Section 4: Reviewer's Certification

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have not performed services regarding this subject property in the three years preceding my acceptance of 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 specifications of the USPAP and MassDOT specifications for Review Appraisal Reports.
- Use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, I William A. LaChance, have completed the continuing education program of the Appraisal Institute.
- I did not make a personal inspection of the property that is the subject of this report or any of the selected sales.
- No one provided significant real property appraisal assistance to the person signing this certification.

Signature

Date 6/4/2020



William A. LaChance, MAI, SRA

Massachusetts Certified General Real Estate Appraiser License No. 497

Petersen LaChance Regan Pino, LLC

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Statement of the Review Appraiser

I, William A. LaChance, MAI, SRA, hereby certify:

- (1) The Review Appraiser has reviewed the Appraisal Report prepared by CIVAS in which it was opined that the market value is **\$710,400 for Parcel A** and **\$434,400 for Parcel B, including rights in Route 20**. The Review Appraiser finds that the report fulfills the requirements of USPAP and the Federal Highway Administration under the Uniform Act 49 CFR 24.103. The review appraiser recommends the Appraisal Report by Integra as the basis for the establishment of the amount believed to be just compensation. This determination is based upon all competent information submitted, consisting of the appraisal report by CIVAS. This determination is not a revision or an adjustment of a former determination of value based upon additional value information that has been made available.
- (2) The Review Appraiser understands that the above-stated determination of Market Value and/or damages may be used in connection with a Federal Aid Project.
- (3) The Review Appraiser acknowledges the following checked statement(s):
 - () A visual inspection of the parcel(s) to be acquired, and the comparable sales relating thereto, was made by the Review Appraiser
 - (X) A visual inspection of the parcel(s) to be acquired, and the comparable sales relating thereto, was not made by the Review Appraiser.
- (4) That I have no direct or indirect present, or contemplated future, personal interest in such property, or in any benefit from the acquisition of such property herein appraised; that I, my immediate family or partner, or any business organization in which I am serving as an officer, director, trustee, partner, or employee, or any person or organization with whom I am negotiating or have any arrangement concerning prospective employment, did not perform, in whole or in part, this review appraisal, and do not have a financial interest in the property which is herein appraised; that I have read the provisions of M.G.L. c. 268A, S. 23, a copy of which is attached to and made a part of this review appraisal report; and that, to the best of my knowledge, in carrying out this appraisal assignment, I have not violated the standards of conduct set forth in said section 23.
- (5) The Review Appraiser's determination has been reached independently, based on the appraisal or other factual data of record, without collaboration or direction.
- (6) The Review Appraiser has determined that the opinion of Market Value and/or damages included only items, which are compensable under State law, and are eligible for Federal reimbursement as herein noted.

Valuation Date: 4/9/2020

Review Appraiser:

 , MAI, SRA
MA Certified General Appraiser #497

Attached Review Appraisal by: William. A. LaChance

Assumptions and Limiting Conditions

1. This appraisal is based upon the condition of the National and Regional Economies, the purchasing power of the dollar and financing rates prevailing as of the effective date of appraisal.
2. This report expresses the opinion of the signer as of April 9, 2020, and has in no way been contingent upon the reporting of a specified value or finding.
3. No responsibility is assumed for matters legal in nature nor is this report to be construed as rendering an opinion of title which is assumed to be good.
4. The subject property has been appraised as though fully merchantable and under responsible ownership without regard to existing encumbrances, if any, such as tax liens, mechanic's liens, mortgages, etc., except as noted herein.
5. Areas and dimensions stated in this report are based upon the appraiser's measurements as well as upon survey plans, legal descriptions, and building plans provided by the Assessor's Office, client, property owner, and/or Registry of Deeds and are considered authoritative for the purpose of this report.
6. The exhibits included with this report are intended to provide visual assistance to the reader and were prepared by the appraiser for illustrative purposes only.
7. The appraiser made no survey of the property and assumes that there are no hidden or inapparent conditions of the property, sub-soil or structures which would make them more or less valuable. The appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such factors.
8. The execution of this appraisal does not obligate the appraiser to give court testimony. If this is necessary, a separate agreement covering additional time and material expense incurred by the appraiser in preparing for and delivery of that service will be required.
9. No environmental impact studies were either requested or made in conjunction with this appraisal, and the appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.
10. Only the client may reproduce this report, only with the previous written consent of the appraisers and only for use in its entirety. This statement is not intended to prevent compliance with the Freedom of Information Act.
11. All facts set forth in this report are true and accurate to the best of the appraiser's knowledge. Information furnished by others is believed to be reliable but is not guaranteed.

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12. In this appraisal assignment, the existence of potentially hazardous material, and/or the existence of toxic waste, which may or may not be present on the property, was not observed by the review appraiser. I relied upon the environmental letter attached to the appraisal report as the basis for the associated hypothetical condition. The appraiser urges the client to retain an expert in this field if desired.
15. This report incorporates the extraordinary assumption and hypothetical conditions presented in the reviewed report.

Addenda

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WILLIAM A. LACHANCE

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SUMMARY OF QUALIFICATIONS

William A. LaChance is a partner at Petersen LaChance Regan Pino, LLC, a real estate services firm established in 1994 with public, private, and institutional clients throughout New England. Mr. LaChance provides appraisal, consulting, and evaluation services involving rights in real estate for purchase or sale, financing, eminent domain, IRS reporting, and tax appeal. Land commonly analyzed includes tracts for residential subdivision and development, commercial or industrial development, or conservation restriction. Improved properties analyzed include retail, office, industrial, and residential. Mr. LaChance has extensive subdivision, easement, or other partial-interest appraisal experience, as well as special purpose property experience concerning automobile dealerships, marinas, self-storage facilities, corridors, farm land, and contaminated sites.

Since 1990 Mr. LaChance has provided municipalities, various agencies of the Commonwealth, and the federal government with appraisals of real estate proposed for partial acquisition by eminent domain. Mr. LaChance has been regularly retained as an appraiser and a review appraiser for the Commonwealth of Massachusetts since 1984. Among the many courses and exams successfully completed are the Uniform Appraisal Standards for Federal Land Acquisitions and ASFMRA Courses 380 & 390 concerning the review of appraisal reports.

PARTIAL LIST OF LARGE APPRAISAL ASSIGNMENTS

- Miles of natural gas pipeline easements through numerous properties in different ownerships
- A tax appeal concerning a 300,000 square foot office building
- A portfolio of 90+ parcels comprised of vacant land, strip retail, office, and industrial properties
- A large yacht club and function center of substantial operational complexity
- Market rent and market value of an oceanfront peninsula improved with 165 rental cottages
- A southeastern Massachusetts cranberry bog market study
- 1.1 million square feet of office and industrial space in 11 buildings on 265 acres

EMPLOYMENT HISTORY

Hunneman Appraisal & Consulting Company, Boston, MA – Vice-President 1986-1993
Performed diverse commercial, industrial, and residential property appraisal.

R.M. Bradley and Company, Inc. Boston, MA 1982-1986
Commercial Property Appraiser and Real Estate Assessment Specialist

Robert J. Finnegan and Associates, Acton, MA 1980-1982
Staff appraiser specializing in mass appraisal for Ad Valorem tax assessment.

EDUCATION

North Adams State College (now Massachusetts College of Liberal Arts), North Adams, MA 1976
B.S. in Business Administration

PROFESSIONAL DESIGNATIONS AND LICENSES

Member of Appraisal Institute since 1992 (MAI #9433), (2010 Chapter President)
Senior Residential Appraiser since 1988, (SRA #2266)
Certified General Appraiser since 1992, Massachusetts (License #497)
Real Estate Broker since 1979, Commonwealth of Massachusetts (License # 104087)

ADDITIONAL MEMBERSHIP

International Right of Way Association

COURT TESTIMONY, OTHER

Mr. LaChance has qualified as an expert witness before the Appellate Tax Board of the Commonwealth of Massachusetts, Suffolk County Superior Court, Essex County Superior Courts at Lawrence and Newburyport, Norfolk County Probate Court, Middlesex County Superior Court, and U.S. District Courts in Worcester and Boston, Massachusetts. In 2010 I authored monthly articles that appeared in the New England Real Estate Journal. In 2015 I gave court testimony regarding real estate of Charles F. Coles, Jr., located at 20 Main Street in Wenham, Massachusetts.