



Victoria F. Sheehan  
Commissioner

THE STATE OF NEW HAMPSHIRE  
DEPARTMENT OF TRANSPORTATION



William Cass, P.E.  
Assistant Commissioner

23 L.A.M

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, NH 03301

Bureau of Rail & Transit  
December 1, 2017

**REQUESTED ACTION**

Pursuant to RSA 4:40 and 228:67 AUTHORIZE the Department of Transportation to sell a 43,650 square foot (1 acre +/-) parcel of State-owned land located on the Northern Railroad Corridor in the Town of Andover to John and Linda Perry for eight thousand dollars (\$8,000) and the one-time administrative fee of \$1,100, effective upon Governor and Executive Council approval.

When the Department originally acquired the parcel from the railroad, it was purchased with 80% Federal Funds and 20% General Funds. However, when the Department disposes of railroad property RSA 228:67 allows the proceeds from the sale to be deposited into the Special Railroad Fund, which is established in RSA 228:68. As such, administrative fees and sale proceeds will be applied as follows:

04-096-096-964010-2991-403532	<u>FY 18</u>
Administrative Fee	\$1,100
04-096-096-964010-2991-403532	<u>FY 18</u>
Railroad Property Sale	\$1,600
(20% of \$8,000)	
04-096-096-963515-3054-401771	<u>FY 18</u>
Consolidated Federal Aid	\$6,400
(80% of \$8,000)	

**EXPLANATION**

The Department of Transportation received an inquiry from John and Linda Perry whose property abuts the State-owned Northern Railroad Corridor in the Town of Andover. The Perry family requested to acquire a portion of the railroad corridor, approximately one acre to manage issues with existing trees on the subject parcel that impact, or may potentially impact, their improvements on their abutting private property. The Department reviewed the request and determined that the subject parcel is ancillary to the State's needs and would not impact current trail use or future rail use on this abandoned railroad corridor and was thus amenable to the disposition.

RSA 228:67 allows the Department to sell portions of a railroad corridor no longer needed by the State to political subdivisions of the State for public uses and if none want such properties, the Commissioner may sell them in accordance with RSA 4:40. The Town of Andover expressed no interest in the subject parcel therefore the Department proposes to sell the parcel to John and Linda Perry.

The Long Range Capital Planning and Utilization Committee approved the sale on November 14, 2017.

Authorization is requested to sell the parcel of land as described to an abutter as outlined above.

Sincerely,

 for  
Victoria F. Sheehan  
Commissioner

Attachments



LRCP 17-025

MICHAEL W. KANE, MPA  
Legislative Budget Assistant  
(603) 271-3161

*State of New Hampshire*

OFFICE OF LEGISLATIVE BUDGET ASSISTANT  
State House, Room 102  
Concord, New Hampshire 03301

STEPHEN C. SMITH, CPA  
Director, Audit Division  
(603) 271-2785

CHRISTOPHER M. SHEA, MPA  
Deputy Legislative Budget Assistant  
(603) 271-3161

November 14, 2017

Shelley Winters, Administrator  
Department of Transportation  
Bureau of Rail and Transit  
John O. Morton Building  
Concord, New Hampshire 03301

Dear Ms. Winters,

The Long Range Capital Planning and Utilization Committee, pursuant to the provisions of RSA 4:40, on November 14, 2017, approved the request of the Department of Transportation, Bureau of Rail and Transit, to sell approximately 43,650 square feet (1 acre +/-) of the State-owned Northern Railroad corridor in the Town of Andover to John and Linda Perry for \$8,000, and a one-time Administrative Fee of \$1,100, subject to the conditions as specified in the request dated July 17, 2017.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael W. Kane".

Michael W. Kane  
Legislative Budget Assistant

MWK/pe  
Attachment

Cc: Louis Barker, Rail and Transit, Dept. of Transportation

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

**From:** Shelley Winters *SW*  
Administrator

**Date:** July 17, 2017

**AT:** Dept. of Transportation  
Bureau of Rail and Transit

**Thru:** Charles Schmidt, PE *CS*  
Administrator, Bureau of Right-of-Way

**Subject:** State-owned Northern Railroad Corridor  
Proposed Sale – John Perry (RSA 4:40, 228:67)

**To:** Rep. Gene Chandler, Chairman  
Long Range Capital Planning and Utilization Committee

**REQUESTED ACTION**

The Department of Transportation, pursuant to the provisions of RSA 4:40 and RSA 228:67, requests authorization to sell approximately 43,650 square feet (1 acre+/-) of the State-owned Northern Railroad Corridor in the Town of Andover to John and Linda Perry. The recommended price for the parcel is \$8,000 and a one-time administrative fee of \$1,100 shall be assessed.

The Northern Railroad Corridor was purchased with Federal Highway funds therefore a Council on Resources and Development recommendation is not required.

**EXPLANATION**

RSA 228:67 allows the Department to sell portions of railroad properties that are no longer needed. As such, the Department has reviewed the request and determined that the sale will not interfere with the use of the railroad corridor. The purpose of the sale of this parcel is allow the purchaser to manage issues with existing trees on the parcel that impact, or potentially impact, their improvements on the abutting property. In addition, this may relieve the State of potential exposure to liability for existing large trees on the subject parcel.

The disposal of this ancillary parcel will not impact the railroad corridor or interfere with current recreational use on this inactive railroad corridor. The railroad originally acquired additional land in this area, including the subject parcel, for ice harvesting and storage for the transportation of perishable commodities. The actual alignment of the corridor has been retained by the State to allow for future railroad operation on this corridor. The dimensions of the parcel are 337.2 feet by 129.45 feet and it is located to the side of the corridor.

A staff appraiser from the Department completed an opinion of value (attached) to determine the contributory value of the 1.01 acre of the railroad corridor to the market value of the adjoining property. The appraiser prepared Land Sale Analysis in the Andover, NH area and determined the Sale value of the subject parcel as of November 7, 2016 to be \$8,000.

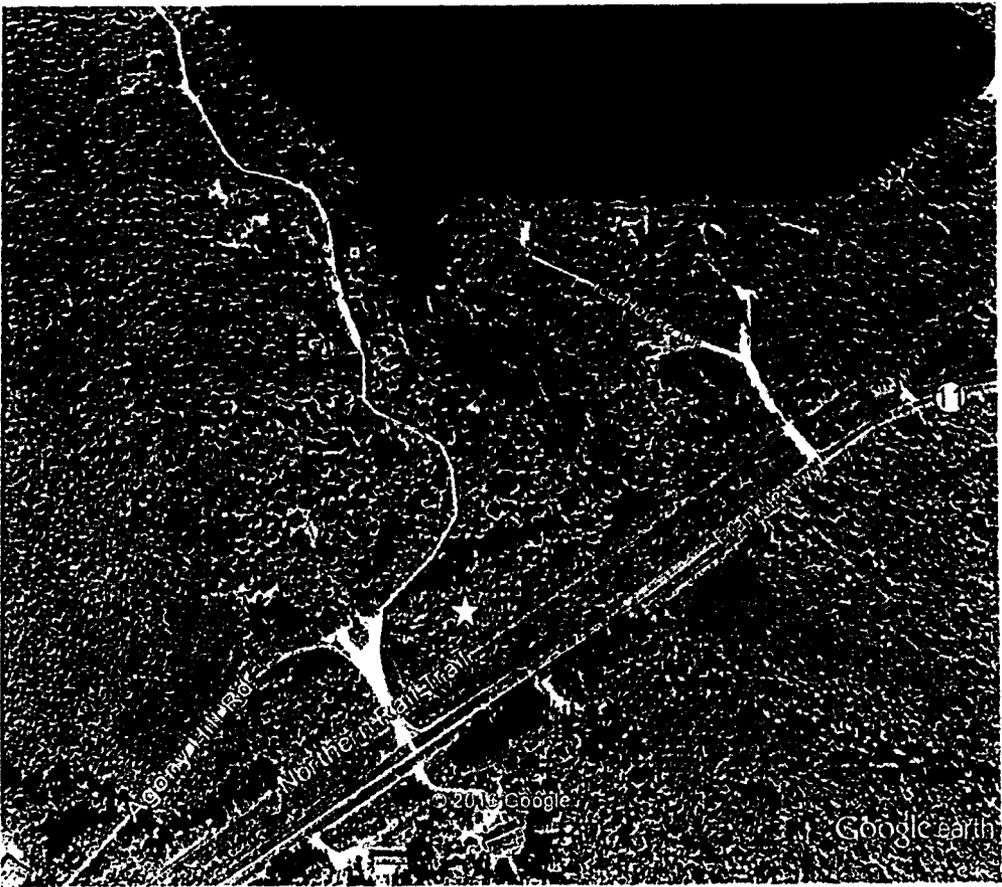
The proposed sale price is \$8,000. In addition, the Department will assess a \$1,100 administrative fee.

Authorization is requested to sell the subject parcel of property on the State-owned Northern Railroad corridor in Andover, NH to John & Linda Perry, as outlined above.

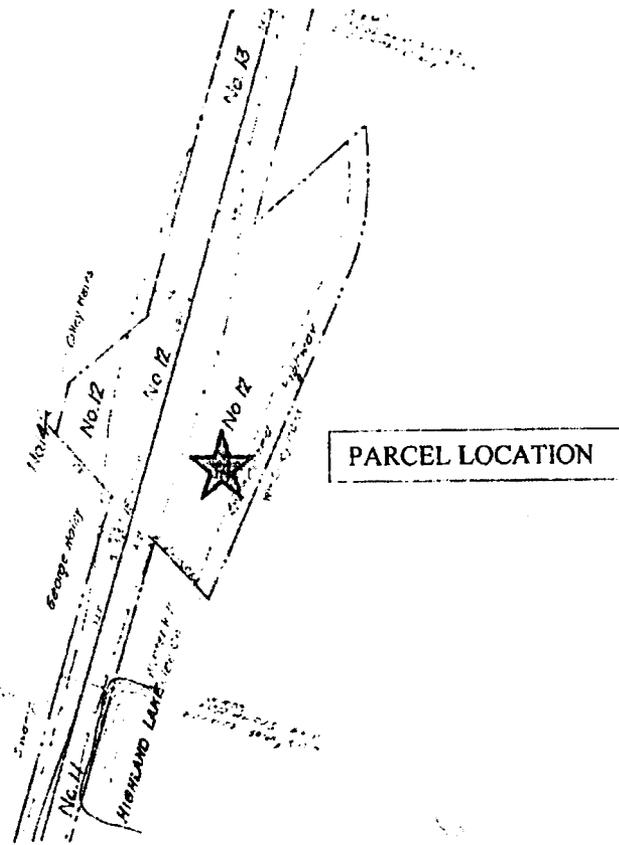
Attachments



Figure 1. Parcel location.



Val Section 32.1 / Map 26  
1356+81.5+/-  
Proposed Sale Andover  
John & Linda Perry





**Appraisal Report**

of

**A 1.01± Acre Area of the existing rail corridor located on the  
Northeast side of West Shore Drive and the Northwest side of the  
Northern Rail Trail, Andover, NH**

**Property Owner:  
State of New Hampshire**

**Effective Date of Value:  
November 7, 2016**

**Prepared For:  
Mr. Louis Barker  
Railroad Planner  
Bureau of Rail & Transit  
NH Department of Transportation  
7 Hazen Drive  
P.O. Box 483  
Concord, NH 03302-0483**

**Prepared By:  
Laura J. Davies, NHCG - 529  
Appraiser Supervisor  
NH Department of Transportation  
7 Hazen Drive  
PO Box 483  
Concord, NH 03302-0483**

**FROM:** Laura J. Davies, NHCG #: 529      **DATE:** January 18, 2017  
Staff Appraiser  
**TO:** Mr. Louis Barker      **AT:** NHDOT - Bureau of Right-of-Way  
Railroad Planner      Concord Office  
**THROUGH:** Stephen Bernard  
Chief Appraiser  
**SUBJECT:** Surplus Property Value Estimate of a 1.01± Acre Area  
of the existing rail corridor located on the  
Northeast side of West Shore Drive and the Northwest side of the  
Northern Rail Trail, Andover, NH

Property Owner: State of New Hampshire

**APPRAISAL PROBLEM:** This memo constitutes an appraisal report for the above referenced subject property. Per the New Hampshire Department of Transportation, Right of Way Manual, "remnant parcels that, because of size, shape or access, do not have an independent value will be appraised as to their contributory value to abutting parcels." The intended recipients and those requesting this report are officials, employees and agents of the Department of Transportation, Bureau of Right of Way.

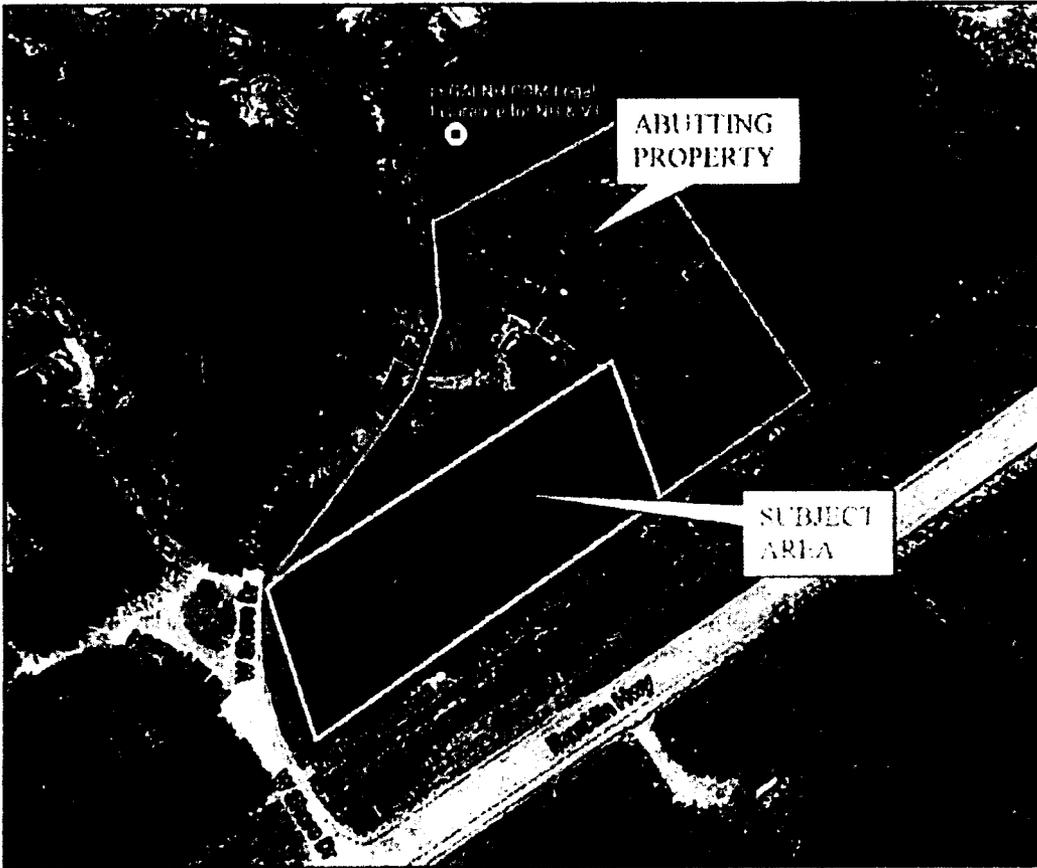
The purpose of this appraisal is to develop an opinion of the contribution that the fee simple interest in the subject 1.01± acre area would make to the market value of the abutting parcel to the north, a 2.4 acre waterfront parcel known as 18 West Shore Drive, Andover, NH, Tax Map 10 Lot 284-473, should the parcels be assembled. The subject area is located within the existing Northern Rail Corridor, currently being used as the Northern Rail Trail. Since the property is still identified as part of the original 10 acre parcel that forms a part of the rail corridor, it is not a discrete lot of record. The effective date of value is the date of inspection, November 7, 2016.

The appraised property consists of a parallelogram shaped 1.01± acre area with 130± feet on its eastern and western boundaries and 337.2± feet on its southern and northern boundaries. The eastern boundary fronts on West Shore Drive near its intersection with Route 11. The southern boundary fronts on the Northern Rail Trail. The area could gain access from West Shore Drive. The area is unimproved, wooded and has a rolling terrain. The area is being valued for a potential sale to the abutting property owner to the north. Electricity, telephone and cable TV are available at the street. On-site well and septic would be required.

The attached report summarizes the basis of the value conclusions and provides definitions to specific terms. It also defines the Limiting Conditions, Hypothetical Conditions or Extraordinary Assumptions on which this valuation is based. Based on the data collected and analyzed, in my opinion the contributory value of the fee simple interest of the subject property as of November 7, 2016 is:

**\$8,000**

PHOTOGRAPHS OF THE SUBJECT PROPERTY



Aerial View of Subject Area and Abutting Property

### GENERAL ASSUMPTIONS

For this report I have assumed:

- All maps, plans, and photographs I used are reliable and correct.
- The legal interpretations and decisions of others are correct and valid.
- The parcel areas given to me have been properly calculated.
- Broker and assessor information are reliable and correct.
- Information from all sources is reliable and correct unless otherwise stated.
- There are no hidden or unapparent conditions on the property or in the subsoil, including hazardous waste or ground water contamination, which would render the property more or less valuable.
- This appraisal report values only the real estate.

### EXTRAORDINARY ASSUMPTIONS

This analysis is based on the assumption that the following restriction will apply to the subject area: The parcel will be offered solely to the only abutter for purchase, as it has insufficient area to constitute a stand-alone lot. In addition, **this value opinion is based on the extraordinary assumption that the State of New Hampshire can sell the fee simple interest in the subject area, free from significant encumbrances.** Based on a review of NH Rev Stat § 228:67 the commissioner has the authority to sell rail properties that are no longer needed, subject to several conditions, and with the approval of the long range capital planning and utilization committee and the governor and council. To the appraiser's knowledge, title work has not been completed on the subject area.

### HYPOTHETICAL CONDITION

This analysis includes an "As If Assembled" valuation based on a hypothetical scenario where the abutting property is assembled with the subject property in order to arrive at the contributory value for the subject.

### GENERAL LIMITING CONDITIONS

This report is bound by the following limiting conditions:

- Sketches and photographs in this report are included to assist the reader in visualizing the property. I have not performed a survey of the subject property or any of the comparable sales, and do not assume responsibility in these matters. To my knowledge, no survey of the subject area currently exists.
- I assume no responsibility for any hidden or unapparent conditions on the property, in the subsoil (including hazardous waste or ground water contamination), or within any of the structures, or the engineering that may be required to discover or correct them.

- Possession of this report (or a copy) does not carry with it the right of publication. Furthermore, it may not be used for any purpose other than by the party to whom it is addressed without the written consent of the State of New Hampshire, and in any event only with the proper written qualification and only in its entirety. Neither all nor any part of the contents (or copy) shall be conveyed to the public through advertising, public relations, news, sales, or any other media without written consent and approval of the State of New Hampshire.
- Acceptance and / or use of this report constitutes acceptance of the foregoing underlying limiting conditions and underlying assumptions.

**PURPOSE OF APPRAISAL**

The purpose of the appraisal is to estimate the contributory value of the fee simple interest in the subject property, as of the effective date of the appraisal, by employing an "Appraisal Report" where the value sought is the contributory value, in conformity with the New Hampshire Department of Transportation Right-of-Way Manual, and Uniform Standards of Professional Appraisal Practice (USPAP).

**CONTRIBUTORY VALUE**

As referred to herein, the term Contributory Value is defined by *The Dictionary of Real Estate Appraisal, fifth edition*, (The Appraisal Institute, 2010) as follows:

The change in value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component.

**PROPERTY RIGHTS APPRAISED**

The unencumbered fee simple interest in the subject property has been appraised. Fee Simple interest is defined in the *Dictionary of Real Estate Appraisal, 5th edition*, (The Appraisal Institute, 2010), as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by governmental powers of taxation, eminent domain, police power, and escheat.

**DATE OF INSPECTION**

November 7, 2016.

**EFFECTIVE DATE OF VALUE**

November 7, 2016.

**DATE OF REPORT**

January 18, 2017.

### INTENDED USE

The intended use of this report is to assist the client—the New Hampshire Department of Transportation, Bureau of Right of Way, and its officials, employees and agents in providing a reasonable and supportable contributory value estimate of the real estate for possible disposition.

### INTENDED USER

The reader should clearly understand that the use of this report is intended to be for the exclusive use of the New Hampshire Department of Transportation.

### SCOPE OF WORK

The scope of work identifies the type and extent of research and analyses in an assignment. My investigations and research included an on-site inspection and photographing of the subject property and the abutting site on November 7, 2016. I examined NHDOT railroad valuation map excerpt records, Town and County property records including assessment data and taxes, zoning regulations, recorded subdivision plans, the availability of public utilities, access, approvals, and traffic counts. I researched the type and intensity of neighboring uses and reviewed information from the files of the New Hampshire Department of Transportation.

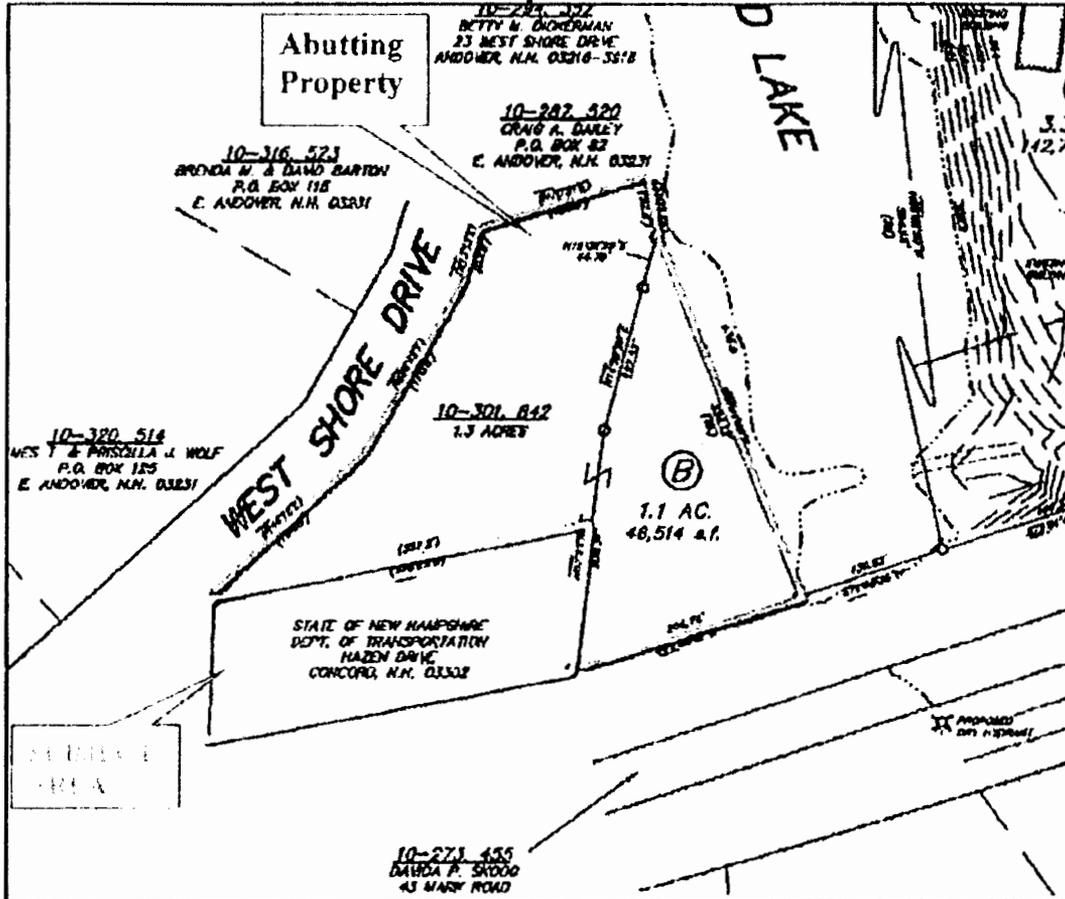
I formed an opinion of the highest and best use of the subject area and then of the abutting parcel based on legal, physical, and neighborhood land use characteristics as well as the existing access, location of the abutting property's building and site improvements. I compiled comparable land sales data for the abutting property in both the "as is" and the "as if assembled" scenarios, verified and analyzed the data, estimated the as is and as assembled values of the abutting property, and prepared this before and after appraisal report in compliance with USPAP 2-2(a) to convey my findings, the market data, and the analyses.

Property data was collected and compiled from several sources, including the Towns of Andover, Salisbury and Warner, Merrimack County Registry of Deeds, Northern New England Real Estate Network (MLS), the Warren Group, the internal NIIDOT comparable sales database and local real estate professionals.

### PROPERTY IDENTIFICATION

The surplus area is identified as a 1.01± acre area located within the existing Northern Railroad Corridor, owned by the State of New Hampshire. The area has 130± feet on its eastern and western boundaries and 337.2± feet on its southern and northern boundaries. The eastern boundary fronts on West Shore Drive near its intersection with Route 11, in Andover, NH. It is not a separate parcel of record as it is currently included in the 10 acre parcel identified on Map 10 as Lot 001, a section of rail corridor that stretches from the Plains Road intersection with Route 11 to the west and Maple Street intersection with Route 11 to the east. It is further identified on the sketch that follows.

**SUBJECT AREA SKETCH – EXCERPT FROM PLAN 14578 MCRD**



**LISTING, TRANSFER, AND OWNERSHIP HISTORY**

The State of New Hampshire currently owns the subject property. The State acquired the property by Release Deeds for \$2,950,000 from the affiliated companies, Boston and Maine Corporation and Northern Railroad, recorded on July 13, 1995 at the Merrimack County Registry of Deeds in Book 1992 Pages 1379 and 1386.

The subject property is not currently offered for sale, has not been listed for sale in the past 12 months and to my knowledge the property is not under contract or option. The abutting property owner is reportedly interested in purchasing the subject property to assemble it with their existing 2.4± acre site.

The abutting property's most recent transfer occurred on August 18, 2015 from Donal C. Emerson to John D. and Linda K. Perry. The transaction was recorded in the Merrimack

County Registry of Deeds in Book 3488 Page 1874. The subject would be offered solely to the abutter for purchase.

**PRESENT USE**

The subject area remains undeveloped but is included in the rail corridor right-of-way, the majority of which is being used as a recreational trail. The subject area was not in use by the railroad at the time the State acquired the corridor, has not been used since then and is not needed for the current trail use or for restoration of rail service to the corridor in the future.

**REAL ESTATE TAX DATA**

The subject area is owned by the State of New Hampshire and is not currently a discrete lot of record. For this reason, there is no assessment information regarding the subject property. The abutting property that is proposed to be assembled with the subject area is identified on Andover Tax Map 10 as Lot 284-473. The subject area and the abutting property are located in the East Andover Tax District. The abutting property's assessment is summarized below.

**Abutting Property Assessment**

Town Property ID	Land	Building	Total
Map 10, Lot 284-473	\$98,300	\$171,700	\$270,000

**Abutting Property Real Estate Tax**

Assessed Value	Tax rate/\$1,000	Real Estate Taxes
\$270,000	\$21.63	\$5,849.01

**Comments**

The State of New Hampshire, Department of Revenue currently estimates that assessed values in Andover reflect approximately 104.8% of true market value resulting in an effective tax rate of 2.27% of market value and an equalized assessed value of \$257,634. Assessment for *ad valorem taxation* is based on broad base techniques heavily weighted to residential properties and is not considered an accurate reflection of market value as defined in this report.

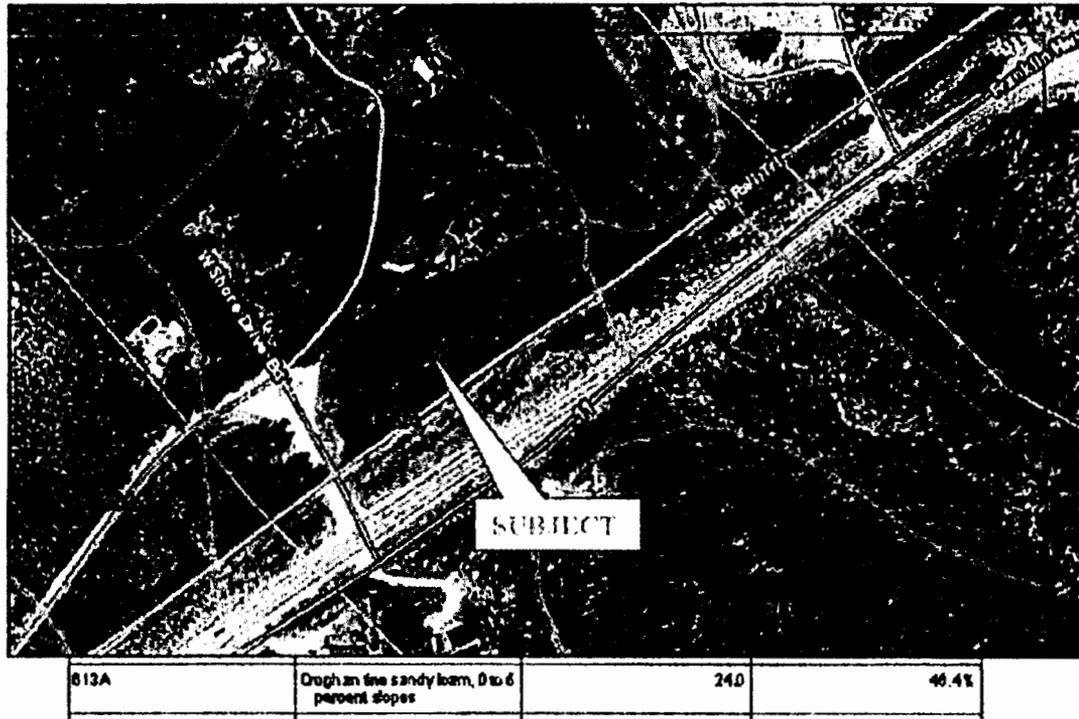
**PROPERTY DESCRIPTION - SUBJECT AREA**

The appraised property consists of a parallelogram shaped 1.01± acre area with 130± feet on its eastern and western boundaries and 337.2± feet on its southern and northern boundaries. The western boundary fronts on West Shore Drive near its intersection with Route 11. The southern boundary fronts on the Northern Rail Trail. The area could gain access from West Shore Drive. The area is unimproved, wooded and has a rolling terrain. The area is being valued for a potential sale to the abutting property owner to the north. Electricity, telephone and cable TV are available at the street. On-site well and septic would be required.

The area is currently part of the rail corridor associated with the Northern Rail Trail and is also part of the parcel identified on the Andover Tax Maps as Map 10 Lot 1, a 10 acre segment of the corridor that stretches from the Plains Road intersection with Route 11 to the west to the Maple Street intersection with Route 11 to the east. Proposed access would be through the abutting parcel, although there is frontage on West Shore Drive and no obvious reason that access could not be gained to the subject area directly.

There are no wetlands onsite, per the appraiser's inspection and the National Wetlands Inventory website. (See Pg. 20) Soils on the site are 613A - Croghan fine sandy loam, 0 to 5% slopes, although per the appraiser's on-site observations, the western end of the site has slopes that well exceed that description. The area is not located within a floodplain per Map Number 33013C0135E, effective April 19, 2010, of the National Flood Insurance Program.





**PROPERTY DESCRIPTION - ABUTTING PROPERTY**

The abutting property consists of a total of 2.4± acres improved with a 2,500± square foot, four bedroom Cape style home with attached two car garage built in 2001. This property is the only abutter to the subject area, other than the rail corridor, of which the subject area is currently a part. The abutting property, known as 18 West Shore Drive, is located on the east side of West Shore Drive and on the west side of the inlet that feeds into Highland Lake. The inlet is shallow and relatively narrow but does provide a view amenity and access by shallow watercraft to Highland Lake, about 1,000 feet to the north. There is a dock along the shoreline.

The abutting site is relatively level and at grade. It is mostly wooded with some lawn and landscaped areas. It includes virtually no wetlands and offers good utility for single family use. Although no survey pins identifying the exact location of the property line between the abutting property and the subject area could be found, it is apparent that the abutting property's improvements are located very close to the property line and there may be some encroachment of site improvements, such as the septic tank, onto the subject area. The abutting property's new owners recognize this existing situation and are interested in buying the subject area to rectify any potential encroachment, as well as to enhance the utility and privacy of their property.

This site is serviced by electricity, telephone, and on-site well and septic. Soils on the site are 613A - Croghan fine sandy loam, 0 to 5% slopes.

### HIGHEST AND BEST USE

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

#### *Subject Area- As Is*

Characteristics of the subject area that would pertain to physically possible uses are size, access, configuration, soils and the absence of wetlands. The area is a parallelogram shaped 1.01± acre area with 130± feet on its eastern and western boundaries and 337.2± feet on its southern and northern boundaries. The western boundary fronts on West Shore Drive and access could be gained from that road. The topography, soils and uplands would lend themselves to use as a residential lot.

The subject area does not comply with the minimum lot size or road frontage required in the AR Zone. Since it is not currently a discrete lot of record, it is not vested with grandfathered rights and could not be considered a legal lot of record without receiving a variance from the Andover Zoning Board of Adjustment. There is no certainty that a variance would be granted. Legally permissible uses are restricted to either the subject's present use as a non-essential part of the existing rail corridor or for a lot line adjustment to allow for sale to its only abutter. This property is the only abutter to the subject area, other than the rail corridor, of which the subject area is currently a part. Since the subject area is not essential to its existing use and it would provide utility and add value to the abutting property, merging with the abutting lot identified as 18 West Shore Drive is concluded to be the subject area's highest and best use.

#### *Abutting Parcel- As Is*

The abutting property consists of a total of 2.4± acres improved with a 2,500± square foot, four bedroom Cape style home with attached two car garage built in 2001. The abutting property, known as 18 West Shore Drive, is located on the east side of West Shore Drive and on the west side of the inlet that feeds into Highland Lake. The inlet is shallow and relatively narrow but does provide a view amenity and access by shallow watercraft to Highland Lake, about 1,000 feet to the north. There is a dock along the shoreline. It is also located in the AR Zone.

Based on surrounding properties and land uses in the neighborhood, the Highest and Best Use of the abutting site "As Vacant" is concluded to be for residential use. It's market appeal for this use is enhanced by the water view and access provided by the property's frontage on an inlet to nearby Highland Lake.

#### *Abutting Parcel and Subject Site- As Assembled*

Although no survey pins identifying the exact location of the property line between the abutting property and the subject area could be found, it is apparent that the abutting property's improvements are located very close to the property line and there may be some

encroachment of site improvements, such as the septic tank, onto the subject area. The abutting property's new owners recognize this existing situation and are interested in buying the subject area to rectify any potential encroachment, as well as to enhance the utility and privacy of their property. The proposed access to the assembled property is via the existing access point for the abutting lot, although access could likely also be gained from the portion of the assembled property that was the subject area if desired. The assembled parcel will have the advantage of increased lot area and additional space for the existing, essential site improvements. The Highest and Best Use of the abutting site "As Assembled" is concluded to be for continued residential use. It's market appeal for this use is enhanced by the water view and access provided by the property's frontage on an inlet to nearby Highland Lake as well as the increased utility and privacy provided by the additional subject area. The resolution of any potential encroachment issues will improve the assembled property's marketability.

### VALUATION

The three traditional approaches to value are the Income Approach, Sales Comparison Approach, and Cost Approach. Since this assignment considers the contributory value of the subject's unimproved 2.4± acre area, the Sales Comparison Approach is the only applicable method of valuation. The Cost Approach and Income Approach are not developed in this appraisal.

### SALES COMPARISON APPROACH

In the sales comparison approach, recent sales of similar properties are used in a comparative analysis to establish the most probable value of the property being appraised. In this case, the abutting lot is valued "as is" and then "as if assembled" with the subject area. The difference represents the contributory value of the subject area to the abutting parcel.

Sales and listings of comparable waterfront sites were researched for use in this analysis. The abutting property has water frontage that offers limited appeal and utility compared to having frontage on a desirable lake, for instance. There is some limited water view, no ability to swim but some limited boating is possible. Land sales with a similar level of water amenity were selected for analysis. A sufficient number of closed similar waterfront land transactions were found to develop this approach. Of that data the three most similar sales were used in the analysis. Each sale is detailed on the subsequent pages.

## LAND SALES ANALYSIS – AS IS

Single-family residential lots are typically marketed and sold on a price per lot basis. As a result, the abutting property site and the comparable sales are analyzed on a price per whole lot basis. The comparable sales were selected based on their location, water frontage on a lower appeal type water body and suitability for single-family development, similar to the abutting site's highest and best use. Each of the sales are compared to the abutting site and adjusted for the following factors: property rights, financing terms, buyer/seller motivation, expenditures immediately after sale, date of sale, location/waterbody, available utilities, physical characteristics and site size.

The analysis includes percent adjustments for all items except expenditures immediately after sale, reflecting the market reaction to those items of significant variation between the abutting lot and comparable properties. If a significant item at the comparable property is superior to, or more favorable than, the abutting site, a negative (-) adjustment is made thus, reducing the indicated value for the abutting lot; if a significant item in the comparable property is inferior to, or less favorable than the abutting site, a positive (+) adjustment is made therefore, increasing the indicated value for the abutting lot.

### TRANSACTIONAL ADJUSTMENTS

#### *Property Rights Conveyed*

Since the fee simple interest of the abutting lot is being valued and all of the comparable transactions involved fee simple interest, no adjustments were made to any of the sales.

#### *Financing*

This factor takes into consideration unusual financing terms of a sale that would influence the transaction price, such as the interest rate, down payment, or the term of the note and/or amortization period. All of the comparable sales had terms of cash to the seller or conventional financing. Therefore, adjustments for financing were not necessary.

#### *Motivation*

Each of the comparable transactions was reported to be arms-length in nature, with no unusual buyer or seller motivation. Sale 2 was purchased by the listing broker but the seller would not negotiate on the price and would only deduct the contracted commission amount from the asking price. No adjustments for this factor were warranted.

#### *Expenditures Immediately After Sale*

The seller in the Sale 2 transaction required the buyers to pay for the current use penalty associated with the sale of their lot resulting from the three lot subdivision. This requirement was revealed late in process so the buyers were already invested in the transaction and agreed to this additional cost of \$3,500. Sale 2 is adjusted up by the cost of the current use penalty.

#### *Date of Sale*

The sales presented occurred between October 2010 and January 2015. There has been limited land sales activity in the subject market from which to establish a broad trend. The

residential lot sales (15 acres or less) in Andover and Salisbury from 2010 to present have been analyzed for any trends in prices reflecting appreciation or depreciation. No clear trends could be discerned from the available data, so no adjustments for changes in market conditions have been applied. All further adjustments to the sales will be based on the adjusted price.

#### PROPERTY ADJUSTMENTS

##### *Location/Waterbody*

Location is a very important factor affecting property values. The abutting property has a location influenced by its accessibility, neighboring property uses and its frontage on an inlet to Highland Lake. The frontage on the inlet affords the property some limited water views, wildlife views and limited accessibility to Highland Lake by boats suitable for very shallow water, such as canoes, kayaks and pontoon boats. Swimming from the water frontage is not possible.

Sales 1 and 3, to varying degrees, are located in more remote locations, requiring travel for a significant distance before reaching connecting roads. In this market this is considered a disadvantage and would require upward adjustments. Both these sales have direct frontage on a pond. Although these ponds are less desirable water bodies than Highland Lake, the frontages are directly on the ponds, which offer superior utility to the abutting lot's water amenity. The remote locations and superior water frontages are considered to be roughly offsetting factors so no adjustment has been applied to Sales 1 and 3.

Sale 2 is located just off of a State Route, similar to the abutting property, and has frontage on a very small pond that offers similar utility to the abutting lot's water frontage, requiring no adjustment.

##### *Utilities*

The abutting site and each of the comparable sales would require on-site well and septic in order to be developed with a home. No adjustments for utilities are required.

##### *Physical Characteristics*

The abutting site consists of a relatively private site with no known wetlands. The improvements on the abutting property are located in unusually close proximity to its common boundary with the subject site. There is some question of the septic tank encroaching onto the subject site, which could represent a cloud on the abutting property's title. This situation could impact the abutting property's marketability or require some expenditure to correct. None of the comparable sales involve a similar situation, to the appraiser's knowledge, requiring a negative adjustment of 10% to each of the sales.

Sale 1 has had no engineering done to permit a septic system on the site. The size of the parcel is large enough that it is extremely likely that the site could support a septic system but the testing, design and approval would be an added cost to the buyer. Sales 2 and 3 included expired septic designs. An upward 10% based on the anticipated costs is applied to Sale 1. Sale 1 is accessed via a long private right-of-way, making the lot unbuildable without a

Comparable Waterfront Land Sale Grid- "As Is"									
Item	Abutting Property	Waterfront Land Sale 1	Waterfront Land Sale 2	Waterfront Land Sale 3					
Location	18 West Shore Drive Andover	Off Monticello Drive Andover	West Salisbury Road Salisbury	893 Warner Road Salisbury					
Effective Sales Price	Estimate	\$80,000	\$82,708	\$89,900					
Price Per Acre		\$11,428	\$10,099	\$39,956					
Data Source		Public Records/Broker	Public Records/Buyer/Broker	Public Records/Broker					
Motivation		Arm's-length	Arm's-length	Arm's-length					
Expenditures Immediately After Sale			Current Use Penalty \$3,500						
Date of Sale		Description	Description	Description					
Adjusted Price		10/18/2010	1/14/2015	11/5/2014					
Location/Water/Body	Average/ inlet to lake	Remote/Elbow Pond	Average/ small pond	S. Remote/Tucker Pond					
UTILITIES	Well & Septic required	Well & Septic required	Well & Septic required	Well & Septic required					
Physical Characteristics	Private Possible encroachment Dry	Very private No engineering Access via long ROW	Private Expired septic design Substantial wet	Private Expired septic design Dry					
Site Size (acres)	2.40	7	8.19	2.25					
Net Adjustments		-10%	-10%	-10%					
Indicated Price		\$80,000	\$77,587	\$89,910					
		Low	Mean	High					
		\$77,587	\$79,499	\$80,910					

File #16-74, Surplus Property Valuation  
 1.01± Acre Area located within the existing Northern Railroad Corridor at West Shore Drive, Andover, NH  
 Owned by State of New Hampshire

### RECONCILIATION – “AS IS”

In this analysis, the indicated values range from \$77,587 to \$80,910 with a mean of \$79,499. This is a tight range of value indicators. Sale 1 is located in Andover but otherwise is the least similar to the abutting lot. Sales 2 and 3 are located in Salisbury, a similar community in terms of demand, appeal and property values. Sale 3 represents the best indicator of value as it is most similar in size and physical characteristics and it has been given the most weight. The abutting lot warrants a value estimate between Sale 3 and the mean of the three indicators. Based on the preceding research and analysis, it is concluded that the abutting site warrants a value opinion via the sales comparison approach of \$80,000.

### “AS IF ASSEMBLED” VALUATION

In the hypothetical “As If Assembled” scenario, the abutting site consists of 3.41± acres after assemblage with the subject 1.01 acre area. The site’s Highest and Best Use in the “As If Assembled” scenario is the same as the “As Is” Highest and Best Use but the possible encroachment is eliminated, the lot is larger and has additional buffer from the public rail trail. All of the comparable sales from the “As Is” analysis were also used for the “As If Assembled” analysis.

The following analysis is quite similar to the “As Is” analysis presented previously. The physical characteristics and site size adjustments are the only adjustments that are different in the “As Assembled” analysis. Only the areas where the analyses differ will be discussed below.

#### PROPERTY ADJUSTMENTS

##### *Physical Characteristics*

The assemblage of the subject area with the abutting property would cure any concerns regarding encroachment of the abutting property’s building or site improvements, eliminating the need for negative 10% adjustments to each of the Sales. Sale 1 still requires upward adjustments for the inferior characteristics of the lack of engineering for a septic system and the lack of frontage on a town maintained road, totaling 20%. Sale 2 still requires an upward 10% adjustment for its substantial wet area. Sale 3 requires no adjustment for physical characteristics.

##### *Site Size*

The assembled lot has 3.41 acres and virtually all of it appears to be usable. This makes it slightly larger than Sale 3, but the difference is not sufficient to warrant a size adjustment to that Sale. Sales 1 and 2 are still larger than the assembled abutting lot but the differences are slightly less significant, still warranting size adjustments of -10%.

The sales comparison grid on the next page illustrates the comparable sales and outlines the application of the adjustments.

Comparable Waterfront Land Sale Grid- "As Assembled"					
Item	Abutting Property	Waterfront Land Sale 1	Waterfront Land Sale 2	Waterfront Land Sale 3	
Location	18 West Shore Drive Andover	Off Monticello Drive Andover	West Salisbury Road Salisbury	893 Warner Road Salisbury	
Effective Sales Price	Estimate	\$80,000	\$82,719	\$39,922	
Price Per Acre		\$11,429	\$10,099	\$39,955	
Data Source		Public Records/Broker	Public Records/Buyer/Broker	Public Records/Broker	
Motivation		Arm's length	Arm's length	Arm's length	
Expenditures Immediately After Sale			Current Use Penalty \$3,503		
Date of Sale		Description	Description	Description	Adjustment
Adjusted Price		10/18/2010	1/14/2015	11.5/2014	
Location/Waterbody	Average/inlet to lake	Remote/Elbow Pond	Average/ small pond	S. Remotes/Tucker Pond	\$89,900
Utilities	Well & Septic required	Well & Septic required	Well & Septic required	Well & Septic required	
Physical Characteristics	Private	Very private	Private	Private	
Site Size (acres)	Dry	No engineering Access via long ROW	Expired septic design Substantial wet	Expired septic design Dry	
Net Adjustments	3.41	+20%	+10%	-10%	+0%
Indicated Price		-10%	+0%	+0%	
		\$88,000	\$85,200	\$89,900	
	Low	Mean	High		
	\$96,206	\$88,035	\$89,900		

**RECONCILIATION – “AS ASSEMBLED”**

In this analysis, the indicated values range from \$86,208 to \$89,900 with a mean of \$88,036. Again, this is a very tight range of value indicators. Sale 3 again represents the best indicator of value for the abutting lot, as assembled, but Sales 1 and 2 are closer in size and are given slightly more weight than in the “as is” reconciliation. The abutting lot warrants a value estimate closer to the mean of the three indicators. Based on the preceding research and analysis, it is concluded that the abutting site, as assembled, warrants a value opinion via the sales comparison approach near the mean of the indicated values, or **\$88,000**.

**CONCLUSION AND FINAL VALUE ESTIMATES**

Based on an analysis of the best available comparable sales, the estimated contributory value of the fee simple interest of the subject 1.01 acre area, as of November 7, 2016, is:

<b>“As If Assembled” Valuation</b>	<b>\$88,000</b>
<b>“As Is” Valuation</b>	<b><u>-80,000</u></b>
<b>Contributory Value of the State Owned Parcel</b>	<b>\$8,000</b>