

RESTRICTED USE APPRAISAL OF REAL PROPERTY

Vacant Land

38-70 Onderdonk Avenue,
229-259 South Allen Street, and Portion of Dale Place
City of Albany
Albany County, New York

OWNER OF RECORD

City of Albany

PREPARED FOR

Mr. Keith McDonald
City of Albany Assessor
City Hall, 24 Eagle Street
Albany, New York 12207

PREPARED BY

Alvey & DiMura, Inc.
125 Wolf Road, Suite 305
Albany, New York 12205

FILE #

5691

EFFECTIVE DATE OF APPRAISAL

January 3, 2013

Alvey & DiMura, Inc.

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Albany, New York 12205
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W. Douglas Alvey, MAI, SRA
Michael R. DiMura, MAI

New York State Certified Real Estate Appraisers

January 4, 2013

Mr. Keith McDonald
City of Albany Assessor
City Hall, 24 Eagle Street
Albany, New York 12207

RE: Vacant Land

38-70 Onderdonk Avenue (even only), 229-259 South Allen Street (odd only), and a P/O Dale Place, City of Albany, Albany County, New York

Dear Mr. McDonald,

At your request, Alvey & DiMura, Inc. has prepared a restricted use report of the fee simple market value in the referenced real property. The intended use of the report is to render an opinion of market value for sale negotiations. The intended user of this report is the City of Albany.

The subject property consists of 18 vacant contiguous lots and a portion of a paper street known as Dale Place. Two of the sites (229 and 231 South Allen Street) are improved as a children's playground, known as South Allen Street Playground and include only swings. The sites are improved with chain link fencing on three sides. However, according to the city of Albany zoning ordinance subsection Public Grounds Designated as Parks, South Allen Street Playground is not a designated city park. The remainder of the subject property is vacant. The subject property is comprised of the following parcels:

	Address	Tax Parcel #	Area (SF)	Site Area (Ac)
1	229 S Allen Street	64.74-4-19	3,000	0.07
2	231 S Allen Street	64.74-4-20	3,000	0.07
3	241 S Allen Street	64.74-4-21	41,580	0.95
4	251 S Allen Street	64.74-4-22	3,000	0.07
5	253 S Allen Street	64.74-4-23	3,000	0.07
6	257 S Allen Street	64.74-4-24	3,000	0.07
7	259 S Allen Street	64.74-4-25	3,000	0.07
8	70 Onderdonk Avenue	64.74-4-28	2,940	0.07
9	68 Onderdonk Avenue	64.74-4-29	2,940	0.07
10	66 Onderdonk Avenue	64.74-4-30	2,940	0.07
11	64 Onderdonk Avenue	64.74-4-31	2,940	0.07
12	62 Onderdonk Avenue	64.74-4-32	2,940	0.07
13	60 Onderdonk Avenue	64.74-4-33	2,940	0.07
14	44 Onderdonk Avenue	64.74-4-34	2,940	0.07
15	42 Onderdonk Avenue	64.74-4-35	2,940	0.07
16	40 Onderdonk Avenue	64.74-4-36	2,940	0.07
17	38 Onderdonk Avenue	64.74-4-37	2,940	0.07
18	P/O Dale Place	Paper Street	3,000	0.07
Total			91,980	2.11

The physical characteristics are more fully described within the enclosed report.

EXTRAORDINARY ASSUMPTION

The subject is appraised under an extraordinary assumption that no environmental problems, to include hazardous materials or contaminants, exist on or in the property. As appraisers, we are not trained or qualified to identify potential environmental problems, and cannot be held liable for the lack of detection or identification of possible environmental problems, which may affect the value of the property. If this assumption proves not to be the case, we reserve the right to amend this report and modify our opinion of value.

EXTRAORDINARY ASSUMPTION DEFINED

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.

USPAP 2012 - 2013 Edition, Page U-3, F-90, U-18

The report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics as promulgated by the Appraisal Standards Board of The Appraisal Foundation. The data and calculations leading to the market value conclusion are incorporated in the accompanying report following this letter. The report, including all assumptions and limiting conditions, is an integral part of and is inseparable from this letter.

Based upon the analysis contained within the following report, our opinion of market value of the subject property as-is is as follows:

VALUE CONCLUSION			
APPRAISAL PREMISE	INTEREST APPRAISED	DATE OF VALUE	VALUE CONCLUSION
As Is	Fee Simple	January 3, 2013	\$25,000

Respectfully submitted,

W. Douglas Alvey

W. Douglas Alvey, MAI
General Certified Appraiser
NYS License # 46-031

Adora L. Libertucci

Adora L. Libertucci
NYS Licensed R.E. Appraiser Assistant
NYS License # 48-48319

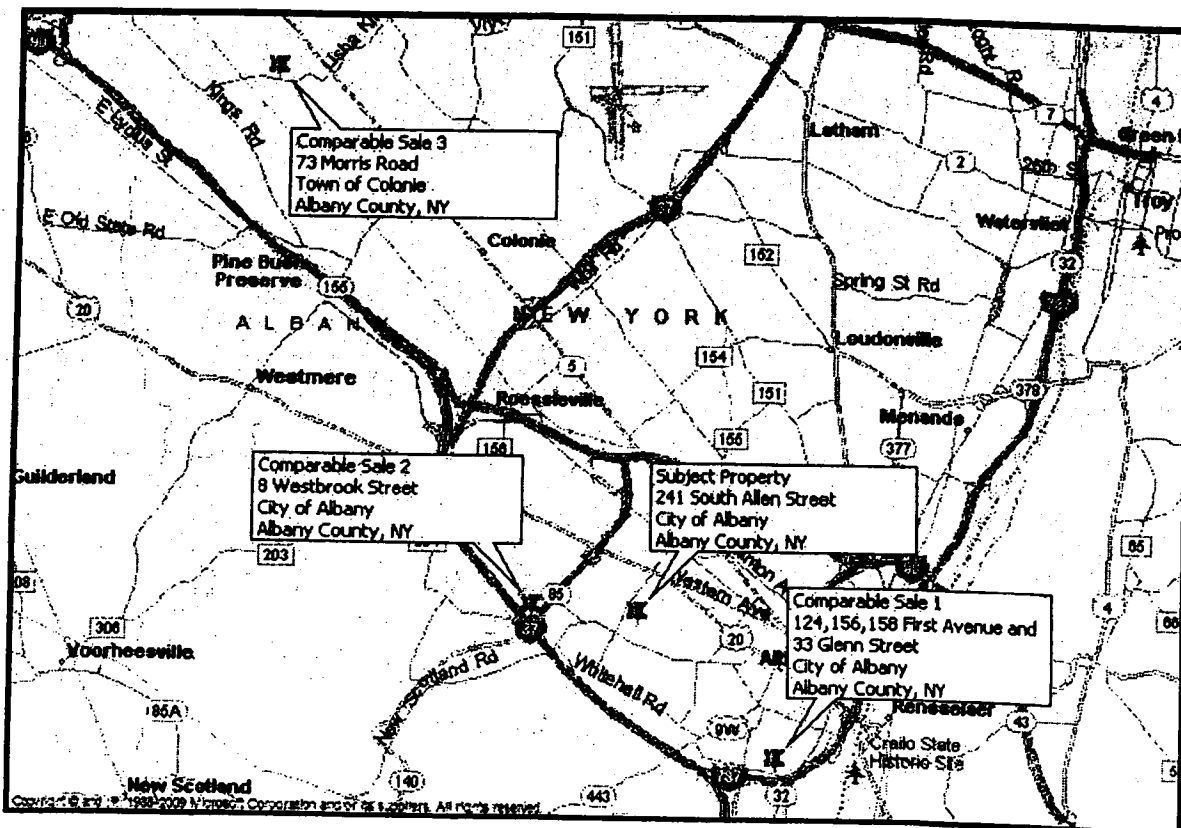
SALES COMPARISON APPROACH

COMPARABLE LAND SALES

The subject consists of a total of 2.11 acres of land suitable for residential development as its highest and best use. Sales of vacant land were researched that are located within residential zoning districts and are impacted by topographic concerns. Our research revealed a scarcity of similar sales within the city of Albany; therefore, our research was expanded to adjacent town of Colonie. In the submarket and surrounding area, a price per acre is the standard unit of comparison. The land sales selected for this valuation are considered the most recent sales that are considered most comparable to the subject property for valuation purposes. These sales are outlined in the following table, identified on the sales data map, and are detailed on the proceeding pages.

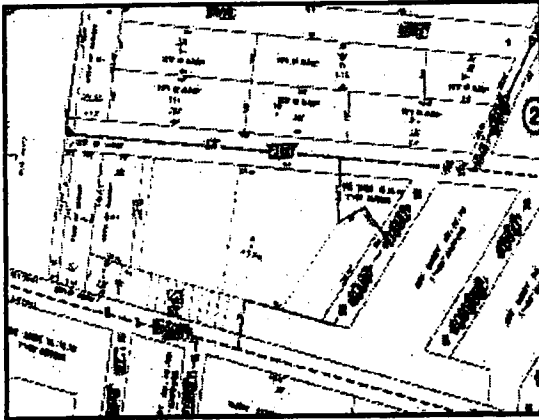
LAND SALES					
No.	LOCATION	SALE DATE	SIZE	SALE PRICE	\$/ACRE
Subject	South Allen and Onderdonk, Albany	—	2.11	—	—
1	124,156,158 1 st & 33 Glenn St, Albany	8/11/2010	4.51	\$25,000	\$5,543
2	4 Westbrook Street, Albany	9/21/2004	1.20	\$10,000	\$8,333
3	73 Morris Road, Colonie	4/4/2006	2.00	\$27,000	\$13,500
Average					\$9,125

COMPARABLE SALES MAP



SALES COMPARISON APPROACH

Land Sale No.: 1
 Tax Map Parcel No.: 76.18-3-6
 File No.: 5691



Address: 124, 156, & 158 First Avenue, 33 Glenn Street, Albany, NY

Transaction Data

Date:	<u>8/11/2010</u>	Deed Book/Page:	<u>2985/962</u>
Sale Price:	<u>\$25,000</u>	Unit Price (Ac):	<u>\$5,543</u>
Financing:	<u>Cash</u>		
Grantor:	<u>City of Albany</u>		
Grantee:	<u>Addictions Care</u>		

Physical Data

Property Type:	<u>Vacant Land</u>	Land Size (Acres):	<u>4.51</u>
Topography:	<u>Level to Steeply Sloping</u>	Shape:	<u>Irregular</u>
Utilities:	<u>All Municipal</u>	Frontage:	<u>1,172.78' on three sides</u>
Wetlands:	<u>Minimal</u>	Zoning:	<u>Residential</u>

Verification:

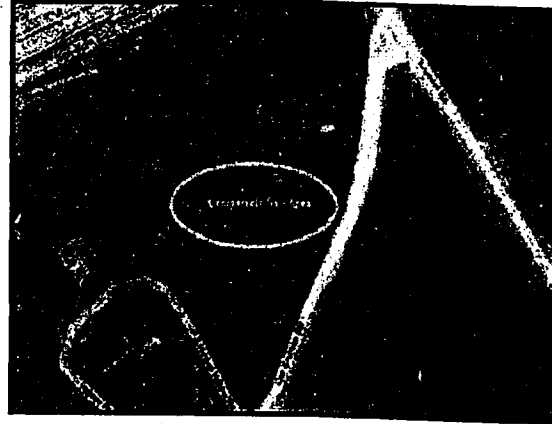
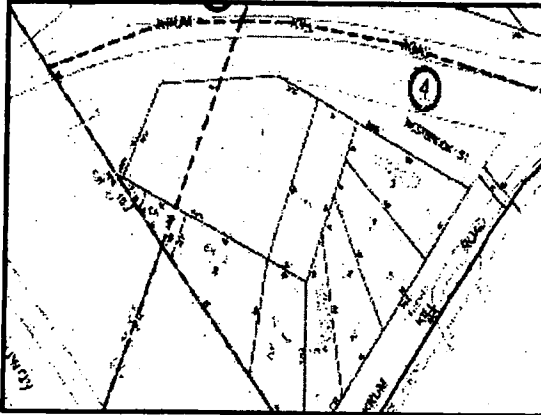
Assessor, Public Records by A&D, Deed

Comments:

This comparable represents the assemblage of three parcels with a level to steeply sloping topography located in the city of Albany, New York. The site contains 4.51 acres with 577.29 feet of frontage along the south side of First Avenue, 252.19 feet of frontage along the west side of Glenn Street, and 343 feet of frontage along the north side of McCarty Avenue. The site is located across from a facility the grantee owns and the site was purchased for additional parking area. The site has minimal wetlands and is located within a residential zoning district adjacent to two recreational parks. The former tax parcel numbers are no longer available. The assembled site has been assigned a single tax map number.

SALES COMPARISON APPROACH

Land Sale No.: 2
 Tax Map Parcel No.: 64.69-4-1
 File No.: 5691



Address: 8 Westbrook Street, Albany, NY

Transaction Data

Date:	<u>9/20/2004</u>	Deed Book/Page:	<u>2780/204</u>
Sale Price:	<u>\$10,000</u>	Unit Price (Ac):	<u>\$8,333</u>
Financing:	<u>Cash</u>		
Grantor:	<u>Frank Below</u>		
Grantee:	<u>Michael De Santis</u>		

Physical Data

Property Type:	<u>Vacant Land</u>	Land Size (Acres):	<u>1.20</u>
Topography:	<u>Level to Sloping</u>	Shape:	<u>Irregular</u>
Utilities:	<u>All Municipal</u>	Frontage:	<u>50'</u>
Wetlands:	<u>Minimal</u>	Zoning:	<u>Residential</u>

Verification:

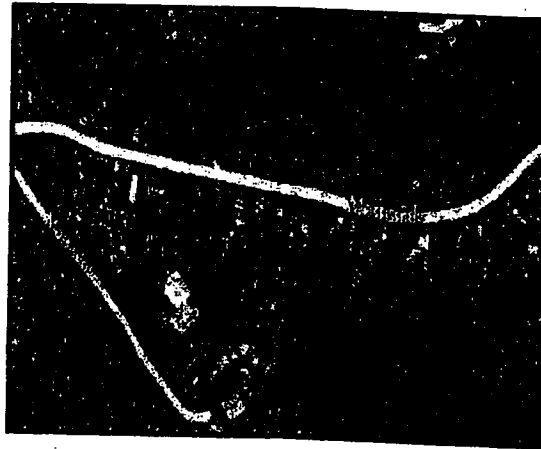
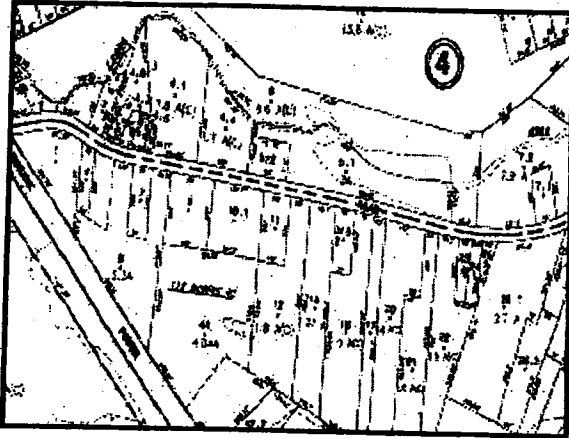
Assessor, Public Records by A&D, Deed

Comments:

This comparable represents the sale of an irregularly shaped site with a level to sloping topography located in the city of Albany, New York. The site contains 1.20 acres with 50 feet of frontage along the south side of Westbrook Road. The sale closed on September 20, 2004 for \$10,000 or \$8,333 per acre. The site has minimal wetlands. This parcel is located along a secondary road within the market area adjacent to a single family residence and in proximity to a power substation. Additionally, it is located in close proximity to the New York State Thruway. No development has occurred on the site and no building permits have been applied for as of January 2013.

SALES COMPARISON APPROACH

Land Sale No.: 3
 Tax Map Parcel No.: 16.4-4-5.1
 File No.: 5691



Address: 73 Morris Road, Town of Colonie, Albany County, NY

Transaction Data

Date:	<u>4/4/2006</u>	Deed Book/Page:	<u>2840/858</u>
Sale Price:	<u>\$27,000</u>	Unit Price (Ac):	<u>\$13,500</u>
Financing:	<u>Cash</u>		
Grantor:	<u>Allen Landon</u>		
Grantee:	<u>Sa Zhisam</u>		

Physical Data

Property Type:	<u>Vacant Land</u>	Land Size (Acres):	<u>2.00</u>
Topography:	<u>Level to Rolling</u>	Shape:	<u>Very Irregular</u>
Utilities:	<u>All Municipal</u>	Frontage:	<u>654.85'</u>
Wetlands:	<u>50%</u>	Zoning:	<u>Residential</u>

Verification:

Assessor, Deed, Public Records by A&D

Comments:

This comparable represents the sale of an irregularly shaped site with a level to rolling topography located in the town of Colonie, Albany County, New York. The site contains 2.00 acres with 654.85 feet of frontage along the north side of Morris Road. The sale closed on April 4, 2006 for \$27,000 or \$13,500 per acre. The Lisha Kill Creek bifurcates the site and the site is mostly below grade. This parcel is located along a secondary roadway within the market area, in an area of single family and multifamily residential dwellings. No development has occurred on the site and no building permits have been applied for as of January 2013.

SALES COMPARISON APPROACH

COMPARABLE LAND SALES ADJUSTMENT GRID				
TRANSACTION DATA	SUBJECT	SALE #1	SALE #2	SALE #3
	S. Allen & Onderdonk Ave, Albany	124,156,158 1 st , 33 Glenn, Albany	8 Westbrook Street, Albany	73 Morris Rd, T/O Colonie
Sale Price	--	\$25,000	\$10,000	\$27,000
Date of Sale	--	8/11/2010	9/21/2004	4/4/2006
Site Size (Ac)	2.11	4.51	1.20	2.00
Price per Acre	--	\$5,543	\$8,333	\$13,500
ADJUSTMENTS				
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple
	--	--	--	--
Adjusted Price	--	\$5,543	\$8,333	\$13,500
Financing	Market	Market	Market	Market
	--	--	--	--
Adjusted Price	N/A	\$5,543	\$8,333	\$13,500
Conditions of Sale	Typical	Typical	Typical	Typical
	--	--	--	--
Adjusted Price	N/A	\$5,543	\$8,333	\$13,500
Market Conditions	Stable	Stable	Increasing	Increasing
	--	--	+10%	+5%
Adjusted Price	--	\$5,543	\$9,166	\$14,175
LOCATION & PHYSICAL ADJUSTMENTS				
Location	Average	Inferior	Inferior	Inferior
	--	+25%	+20%	+15%
Size - Acres	2.11	4.51	1.44	2.00
	--	+20%	--	--
Topography	Level, Steep Slopes	Similar	Superior	Superior
	--	--	-5%	-20%
Shape	Irregular	Irregular	Irregular	Irregular
	--	--	--	--
Frontage	960'	1,173'	50'	655'
	--	--	+20%	--
Utilities	All Municipal	All Municipal	All Municipal	All Municipal
	--	--	--	--
Functional Utility	Poor	Similar	Superior	Superior
	--	--	-10%	-10%
Wetlands	Minimal	Minimal	Minimal	Inferior
	--	--	--	+5%
Zoning	R-3A, LC	Similar	Similar	Similar
	--	--	--	--
Net Adjustments		+45%	+25%	-10%
ADJUSTED PRICE PER ACRE		\$8,037	\$11,458	\$12,758

SALES COMPARISON APPROACH

Both quantitative and qualitative techniques are employed in the comparative analysis. Competitive sale data are analyzed, compared, and adjusted for their dissimilarities to the subject site to derive a fee simple opinion of market value.

MARKET CONDITIONS

Interviews with developers and brokers in the area, lending institutions and the Assessors' Office have indicated increasing property values over the past several years with a leveling off by January 1, 2008. Analysis of sales from various sources to include the multiple listing service, land-data, and the NYS sales web support increasing prices in the submarket. Research of land sales recorded in the NYS Department of Real Property Services and the Capital Region Multiple Listing Service as well as discussions with real estate brokers and developers have indicated increasing prices or improving market conditions until 1/1/2008 and stable prices for land from 1/1/2008 through 1/1/2013. This is clearly a reflection of the state of the national and local economy. Sales 2 and 3 occurred between 9/04 and 4/06 during a period of improving market conditions and are adjusted upward to reflect a rate of 3% per year until 1/1/2008. Sale 1 occurred after 1/1/2008 and no improving market condition adjustment is warranted.

LOCATION

The subject property is located along South Allen Street in the city of Albany. South Allen Street connects with New Scotland Avenue across from St. Peter's Hospital, within 0.25 miles of the subject property. Additionally, the subject is located one block east of Manning Boulevard, primarily developed with stately single family residences on large city lots with a tree lined median. The homes were originally constructed to attract the physicians at St. Peter's Hospital. The subject's immediate submarket exhibits well maintained single and multifamily residences, as well as medical service providers. The subject's immediate submarket is a desirable residential area in the city due to its proximity to the hospital and the above average upkeep of the surrounding properties. All three sales are inferior in location as compared to the subject as described in the following description of the comparative analysis.

ANALYSIS OF THE COMPARABLE SALES

Sale 1 is located in the city of Albany within an area of lower rents and land prices as compared to the subject and is adjusted upward to reflect its inferior location. The sale is also adjusted upward to reflect its larger size as compared to the subject based upon economies of scale.

Sale 2 is located along Westbrook Road in the city of Albany within an area of lower rents and land prices as compared to the subject and is adjusted upward to reflect its inferior location. The sale is also adjusted upward to reflect its inferior frontage as compared to the subject. The sale is adjusted downward to reflect its superior topography and functional utility as compared to the subject.

Sale 3 is located along Morris Road in the town of Colonie, an area of lower rents and land prices as compared to the subject and is adjusted upward to reflect its inferior location. The sale is also adjusted upward to reflect the presence of wetlands as compared to the subject. The sale is adjusted downward to reflect its superior topography and functional utility as compared to the subject.

SALES COMPARISON APPROACH

CONCLUSION

The sales adjust to a range from \$8,037 to \$12,758 per acre with an adjusted mean and median of \$9,748 and \$11,458, respectively. Equal weight is given to all three sales in selecting a value of \$12,000 per acre for the subject site. Based upon location, as well as the significant cost to cure the below grade topography, it is our opinion that the unit price selected is reasonable. The current offer for the site, as annotated under Property History, is from an adjacent property owner who has submitted a previous offer. The offer is considered not reflective of market value due to the atypical motivation of the (potential) buyer.

Our opinion of the site's value is calculated as follows:

$$\$12,000 \times 2.11 \text{ acres} = \$25,320$$

\$25,000 (R)

R E C O N C I L I A T I O N

Reconciliation is the last phase in the valuation process that evaluates the quantity and quality of the available market data to derive a conclusion based upon the most applicable indicators. The market value of the fee simple interest in the subject property, as indicated by the approaches to value, is summarized as follows:

MARKET VALUE CONCLUSIONS	
COST APPROACH	N/A
SALES COMPARISON APPROACH	\$25,000
INCOME CAPITALIZATION APPROACH	N/A

In valuation of the subject the sales comparison approach is developed. This is appropriate due to availability of market data. The income approach is not developed since vacant land is typically not leased. The cost approach is not applicable to vacant land.

MARKET VALUE CONCLUSIONS

As a result of our investigations and analyses, our opinion of the subject property's market value in the fee simple interest is as follows:

MARKET VALUE CONCLUSIONS			
APPRAISAL PREMISE	INTEREST APPRAISED	DATE OF VALUE	VALUE CONCLUSION
As Is	Fee Simple	January 3, 2013	\$25,000