



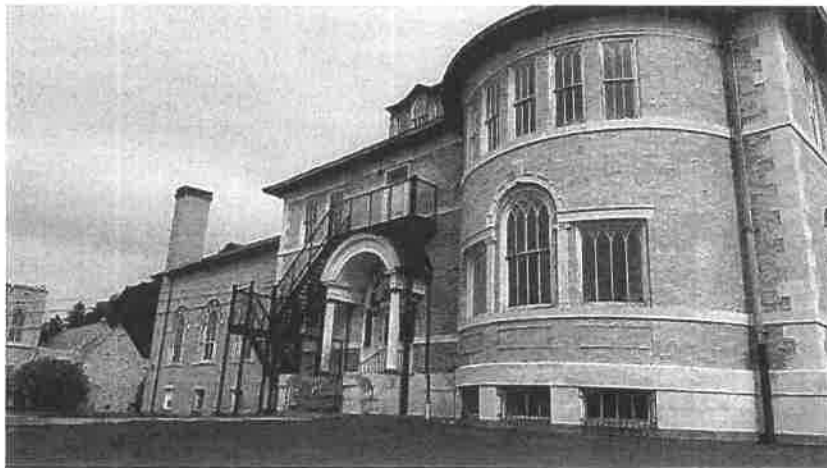
**R.P. HUBBELL AND COMPANY, INC.**

*Real Estate Appraisers and Market Analysts*

**CONSULTING REPORT**

**SUBJECT PROPERTY**

Municipal Building  
3323 Franklin Avenue  
Village of Millbrook, NY 12545



**DATE OF REPORT**

*November 16, 2017*

**SUBMITTED TO**

Mayor Rod Brown  
Village of Millbrook  
35 Merrit Avenue  
P.O. Box 349  
Millbrook, NY 12545

**PREPARED BY**

R.P. Hubbell and Company, Inc.  
3 Neptune Road, S-400  
Poughkeepsie, NY 12601





## **R.P. HUBBELL AND COMPANY, INC.**

*Real Estate Appraisers and Market Analysts*

November 16, 2017

Mayor Rod Brown  
Village of Millbrook  
35 Merrit Avenue  
P.O. Box 349  
Millbrook, NY 12545

Re: Thorne Building, Millbrook NY 12545

Dear Mr. Brown;

In accordance with your request, I have completed a consulting report of the above-referenced property. The purpose of the consulting assignment is to render conclusions regarding possible alternative uses of the property, current market conditions and the economic viability of rehabilitation. This is not a formal appraisal. As part of the process, the local real estate market was researched along with the larger Hudson Valley region, current economic conditions and the subject characteristics. The date of inspection was October 11, 2017

The subject is located just at the outskirts of the village commercial district and the site is 3.5 acres. The subject is improved with a two-story former school building built in 1894. It has served as an educational and cultural center for years but was last occupied approximately 10 years ago. There are two other structures on the property, a pavilion and small lodge. These are not included in our study. According to an architectural study, the building requires significant repairs and upgrading in order to be restored to a functional building today. Among current issues, the building's utility systems need to be upgraded and the roof needs to be repaired. There is reported water damage and other remediation such as asbestos is likely within the piping. The total hard and soft costs of renovation are approximately \$9.5 million or \$386 per square foot. This is according to the architect's study provided.

Although rehabilitating the building may be a major community benefit, there is no evidence based on market data that the property's potential market value renders a complete renovation economically feasible.

The report to follow sets forth the most pertinent data gathered including subject data, sales data and a highest and best use discussion. This does not constitute a formal appraisal but rather a consulting assignment intended to aid the client in understanding the potential uses of the subject and historical sale prices of similar properties and sale prices of potential alternative uses in similar markets within the Hudson Valley region.

Respectfully submitted,

R.P HUBBELL and COMPANY, INC.

A handwritten signature in dark ink, appearing to read 'Grant Ackerly', followed by a long horizontal flourish.

*Grant Ackerly, MAI, AI-GRS, CCIM*

*State Certified General Real Estate Appraiser No. 46...46551*

*This is a consulting assignment and the depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below.*

**CLIENT / INTENDED USERS:** Mayor Rod Brown  
Village of Millbrook  
35 Merrit Avenue  
P.O. Box 349  
Millbrook, NY 12545

**APPRAISERS:** Grant Ackerly, MAI, AI-GRS, CCIM  
R.P. Hubbell & Co., Inc.  
3 Neptune Drive, S-400  
Poughkeepsie, New York 12601

**INTENDED USE:** To aid the client in possible alternative uses

**PURPOSE OF THE  
ASSIGNMENT:** To aid the client in rendering development decisions  
with regard to the subject property.

**INSPECTION DATE:** October 11, 2017  
**DATE OF REPORT:** November 16, 2017

**SCOPE OF WORK:**

- Area and Neighborhood Analysis - examined various county and state generated documents for demographic data, land use policy trends and growth forecasts.
- Site and Improvement Description and Analysis - examined tax maps prepared by the Real Property Tax Office of Orange County, flood maps from the Federal Emergency Management Agency, and zoning maps prepared by the Village of Warwick; inspected the subject on October 11, 2017. Reviewed the "Existing Conditions Report and Feasibility Study" done by John G. Waite Associates, Architects, PLLC.
- Market Data Program – Obtained data on property sales by researching sales in the local market area as well as greater Hudson Valley Region that could be alternative uses for the subject.

- Highest and best use: discussed the four tests for the highest and best use conclusion of the subject

**IDENTIFICATION OF REAL ESTATE:**

**Owner:** Village of Millbrook

**Address:** 3323 Franklin Avenue, Village of Millbrook, NY

**Tax ID #:** 6765-19-548131

**Acreage:** 3.23 acres; source – public records

**Property Description:** The subject is improved with a two-story masonry building reportedly built in 1894 and was used as both an elementary school house and high school. The most recent uses included classrooms for local programs sponsored by BOCES, Dutchess Community College and the local Boy Scouts. It is made up of large rooms, an open hallway area and stairwells to the upper and lower levels. The total square footage according to public records is 14,991 square feet above grade with a basement that is 9,596 square feet. The total usable area is 24,578 square feet.

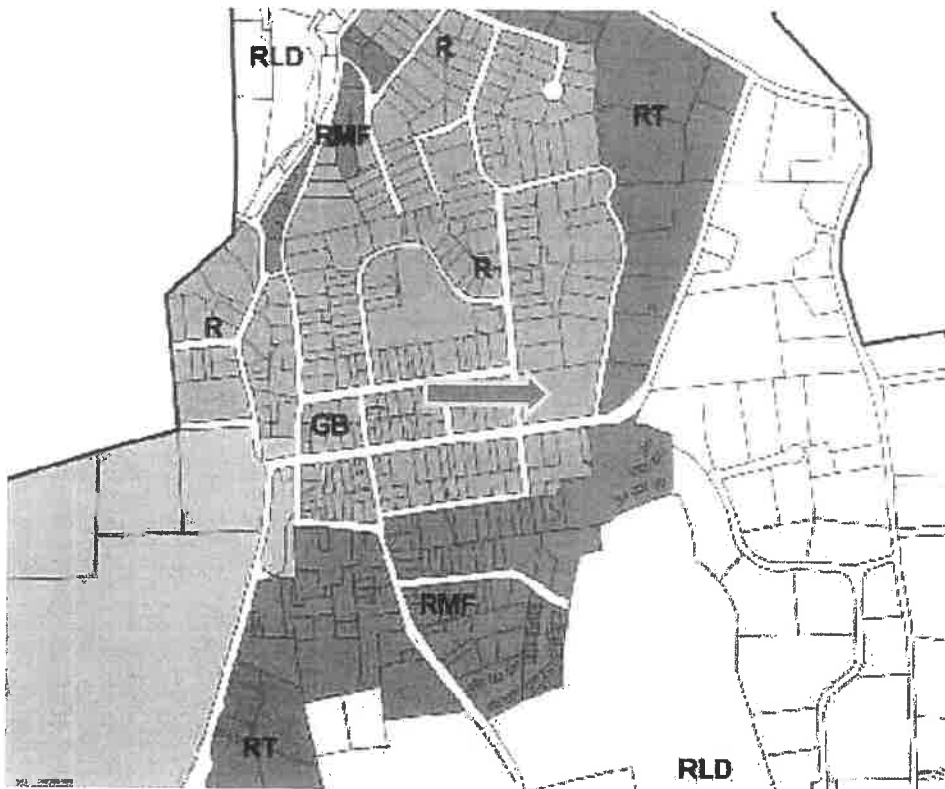
**Aerial Map:**



**Zoning:** R, Residential District

R, Residential District Village of Millbrook Dutchess County, New York	
Minimum Lot Area	1/3 acre
Minimum Lot Width	100 FT
Minimum Lot Depth	150 FT
Minimum Yard (Front / Side / Rear)	25 FT / 10 FT / 30 FT
Maximum Building Height	35 FT / 2.5 Stories
Maximum Lot Coverage	30%
<b>Permitted Uses</b>	
Single-family dwelling, home occupations, accessory structure and essential services	
<b>Special Permitted Uses</b>	
Accessory apartment, detached accessory apartment, bed-and-breakfast and outdoor recreation areas.	

**Map:**





**Flood Zone:**

**Zone X, not a flood zone per community panel  
#36071C0463E, dated August 3, 2009**



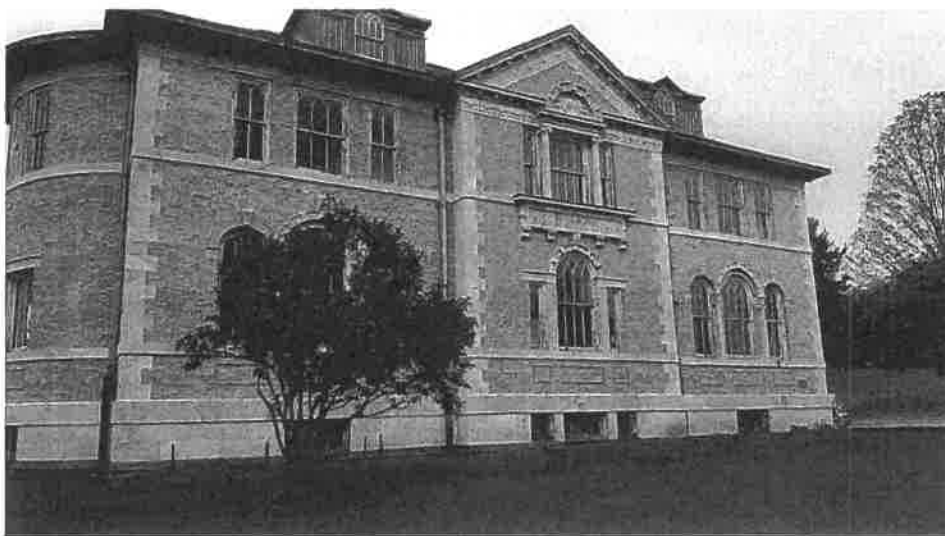
**DEED RESTRICTIONS  
AND/OR EASEMENTS:**

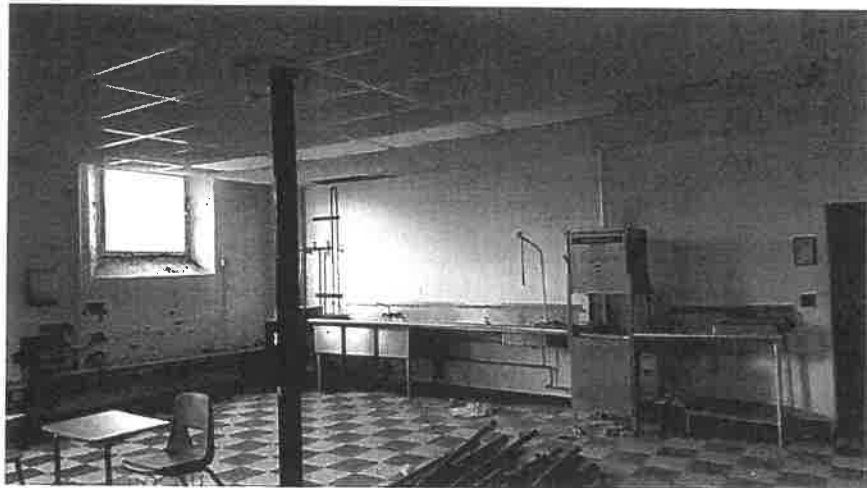
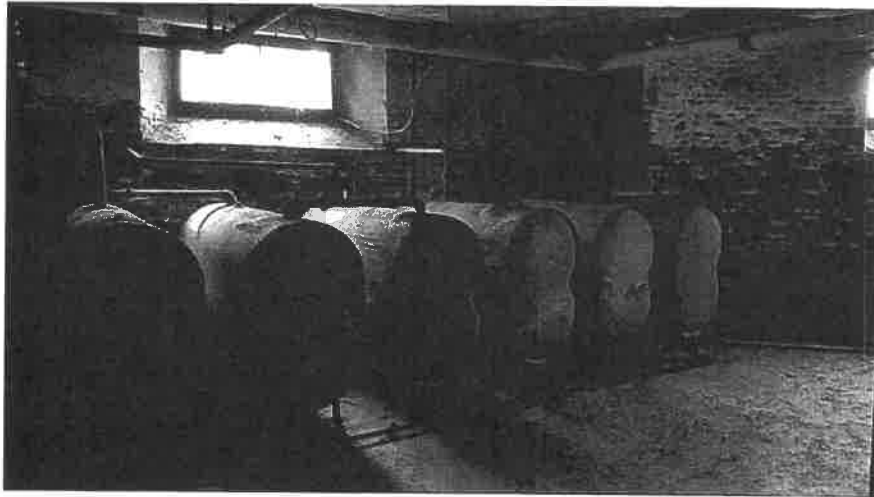
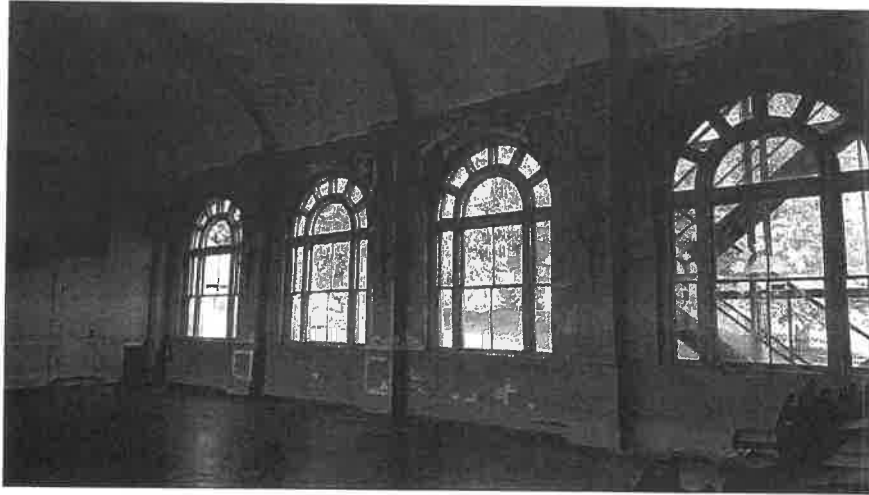
None noted

**TAXES:**

The current assessment is \$2,811,000. The subject is currently tax exempt.

**PHOTOS OF THE SUBJECT**







## MARKET DATA PRESENTATION

The following data includes local sales data within the subject's immediate neighborhood and a broad regional overview of sales. They include vacant residential lots similar in potential use to the subject and institutional-type properties that are primarily located in village settings.

**Land sales** – The subject is zoned residential which would allow for single-family development with a minimum lot size of 1/3 acre. A potential subdivision of smaller lots is very possible given the surrounding neighborhood and current zoning regulations. The following table of building lots in smaller village settings is presented below. No sales in the Village of Millbrook of residential lots less than one-acre were found.

SBL	ADDRESS	CITY	ACRES	SALE DATE	SALE PRICE	NOTES
6070-18-468109-0000	410 RHINECLIFF RD	RHINEBECK NY	0.65	6/19/2017	\$79,900	
5954-50-623570-0000	DENNINGS AVE	BEACON NY	0.41	4/28/2017	\$180,000	River view lot
6054-32-390842-0000	79 OVERLOOK AVE	BEACON NY	0.25	4/18/2017	\$95,000	
6356-01-093526-0000	MCGRATH TER	FISHKILL NY	0.59	1/27/2017	\$70,000	
6258-04-842137-0000	SHERWOOD HTS	WAPPINGER NY	0.84	11/15/2016	\$78,000	
6764-00-614700-0000	393 ALTAMONT RD	WASHINGTON NY	0.82	11/14/2016	\$75,000	
6272-10-445543-0000	FIREHOUSE LN	RED HOOK NY	0.62	11/1/2016	\$55,000	
6055-69-017194-0000	N ELM ST	BEACON NY	0.31	8/26/2016	\$120,000	
6273-00-417581-0000	LINDEN AVE	RED HOOK NY	0.67	8/19/2016	\$60,000	
6170-15-602316-0000	48 CHESTNUT ST	RHINEBECK NY	0.24	5/19/2016	\$205,000	
6158-13-201438-0000	35 DOWNEY AVE	WAPPINGERS FALLS NY	0.34	3/28/2016	\$57,000	
6158-18-306143-0000	26 W ACADEMY ST	WAPPINGERS FALLS NY	0.38	2/26/2016	\$63,500	
6169-07-582961-0000	32 MILL ST	RHINEBECK NY	0.34	1/27/2016	\$146,000	
6172-00-506889-0000	ROUTE 9G	RED HOOK NY	0.61	1/12/2016	\$60,000	
6175-04-622029-0000	BROADWAY	TIVOLI NY	0.66	9/10/2015	\$69,000	
6175-04-622029-0000	BROADWAY	TIVOLI NY	0.66	9/10/2015	\$69,000	
6272-10-335505-0000	23 FIREHOUSE LN	RED HOOK NY	0.64	8/3/2015	\$95,000	
6169-08-792982-0000	36 KNOLLWOOD RD	RHINEBECK NY	0.51	6/5/2015	\$69,500	
6054-32-416755-0000	117 DEPUYSTER AVE	BEACON NY	0.68	11/3/2014	\$110,000	
6169-00-538937-0000	ROUTE 9	RHINEBECK NY	0.62	8/13/2014	\$125,000	
6272-16-793465-0000	MCMANUS TERR	RED HOOK NY	0.57	5/2/2014	\$186,170	
6170-20-800102-0000	13 SOMERS DR	RHINEBECK NY	0.68	1/9/2014	\$122,500	
6158-14-344374-0000	45 MILL ST	WAPPINGERS FALLS NY	0.23	8/28/2013	\$65,000	
6371-14-388359-0000	SEPASCO BEACH DR	RHINEBECK NY	0.47	8/12/2013	\$70,000	
6069-06-326785-0000	72 GRINNELL ST	RHINEBECK NY	0.65	1/9/2013	\$200,000	Waterfront lot
Average lot price					\$101,023	

The average lot price is \$99,253 with prices ranging from \$63,500 for a small lot in the Village of Wappinger to \$200,000 for a waterfront lot in The Town of Rhinebeck.

### Schools and community Service buildings

The following are the latest sales within the Hudson Valley of Community service and school buildings.




Address	Sale price	Sale date	Building size	Price per sq ft
44 SPRINGWOOD DR, RHINEBECK NY	\$3,500,000	February 2014	46,927	\$75 / sq ft
333 FISHKILL AVE, BEACON NY	\$432,000	February 2016	7,712	\$56 / sq ft
70 S HAMILTON ST, POUGHKEEPSIE NY	\$1,100,000	February 2017	16,572	\$66 / sq ft
48 GRAND STREET, NEWBURGH	\$1,500,000	February 2014	25,252	\$59 / sq ft

These sales range in sale price from \$432,000 for a much smaller property to \$3,500,000 for the former Daytop Rehabilitation Clinic . The clinic was on a large property of 136 acres which comprised the majority of the value. The sale at Grand Street in Newburgh was of a former community hall that was being converted to the city's courthouse. This sold for \$1,500,000 per square foot and some modifications and renovations but not near the extent of the subject.

The sales range in price per square foot from \$56 to \$75.

There were three listings found of municipal-type buildings. These are shown below and range in asking price from \$2 million to \$2.25 million.

## Current listings of institutional buildings

<b>1</b>	<b>61 Crown St</b>				
Kingston, NY 12401	Sale Price: \$2,250,000 Price/SF: \$99.21 Cap Rate: -	GBA: 22,680 SF RBA: 22,680 SF Land Area: 0.94 AC			
	Building Type: Schools Sale Status: Active Days on Market: 154 Sale Conditions: - Sale Type: Investment	Year Built: 1950 Typ Floor Size: 7,227 SF			
<b>2</b>	<b>25 Raymond Ave</b>				
Poughkeepsie, NY 12603	Sale Price: \$2,000,000 Price/SF: \$42.55 Cap Rate: -	GBA: 47,000 SF RBA: 47,000 SF Land Area: 6.90 AC			
	Building Type: Schools Sale Status: Under Contract Days on Market: 962 Sale Conditions: - Sale Type: Investment	Year Built: - Typ Floor Size: -			
<b>3</b>	<b>160 Union St</b>				
Poughkeepsie, NY 12601	Sale Price: \$2,225,000 Price/SF: \$74.17 Cap Rate: -	GBA: 30,000 SF RBA: 30,000 SF Land Area: 0.92 AC			
	Building Type: Schools Sale Status: Active Days on Market: 1,479 Sale Conditions: - Sale Type: Investment OR Owner/User	Year Built: 1969 Typ Floor Size: 7,500 SF			

## HIGHEST & BEST USE

This principle of real estate valuation is 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."

Certain criteria must be met in the economic analysis to distinguish highest and best use. These are:

1. Legally Permissible: Is it permissible, therefore possible?
2. Physically Possible: Is the site, or can it be, physically adapted?
3. Financially Feasible: Does it appear to make economic or financial sense for the proposed use to be undertaken on the site at this time?
4. Maximally Productive: Of the financially feasible uses, what use produces the highest economic return to be undertaken on this site at this time?

The highest and best use of the land or a site, vacant and available for use, may be different from the highest and best use of the improved property. This is true when the improvement is not an appropriate use, but it makes a contribution to the total property value in excess of the site. The following tests are applied to the property, both as vacant and as improved, and must be met in estimating the highest and best use: the use must be legal and probable, not speculative or conjectural and demand for the use must exist and must yield the highest net return in terms of dollars to the land among the competing alternatives. The highest and best use is the best estimate of the appraiser, based on his opinion, as to the most profitable use among those competing alternatives, after analyzing the competitive forces within the market where the property is located, at the date of valuation.

## Highest & Best Use as Vacant

### Legal

This test analyzes the allowable uses under the current municipal code as well as other legal restrictions such as deed restrictions and easements. This test analyzes the allowable uses under the current municipal code as well as other legal restrictions such as deed restrictions and easements. All uses by right require a minimum lot size of 1/3 acre, to which the subject conforms. The uses by right



include single family homes and by special permit bed-and-breakfast establishments are allowed.

### **Physical**

This test examines the physical characteristics of the site. The subject site is level and slightly sloping above road grade on the west side. There is access to municipal services and the site is not located in a flood zone. Based on the surrounding development, the subject lot meets the physical requirements for development.

### **Financially Feasible & Maximally Productive**

This test analyzes the uses that are both physically possible and legally permissible uses, eliminating those uses that do not meet the criteria to produce an income or return equal to or greater than the amount needed to satisfy operating expenses, financial obligations and capital amortization. Uses that are expected to produce a positive return are now regarded as being financially feasible within some price limits. The subject is located just outside the commercial district of the village. The majority of properties around the subject are single family homes on small lots. The subject's location, current market conditions and legally permitted uses make single-family development the most likely highest and best use.

### **CONCLUSIONS**

The subject is currently improved with a former school building that is in need of renovations. The current improvements do not add value to the site. Further support of a continued positive return are not viable as the property currently is. This is based on the market data researched and consideration of the costs of renovations provided to us.

In order to rehabilitate the current structure for alternative uses, funding must come from private and public means.

Respectfully Submitted,  
R.P. HUBBELL and COMPANY, INC.

Signature:



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Grant Ackerly, MAI, AI-GRS, CCIM



## **ADDENDA**

- **Appraisers Qualifications**





## **R.P. HUBBELL AND COMPANY, INC.**

*Real Estate Appraisers and Market Analysts*

### **QUALIFICATIONS OF GRANT P. ACKERLY**

#### **PROFESSIONAL EXPERIENCE**

##### **President, R.P. Hubbell and Company, Inc.**

Engaged exclusively in real estate appraisal and valuation since 2003. Responsible for driving revenue, company growth and managing the commercial appraisal operation including mentoring and guidance of appraisal staff and report preparation and review.

**Founder, Campground Valuation:** Specializing in the appraisal of RV Parks and Campgrounds throughout the Northeast.

#### **PROFESSIONAL DESIGNATIONS**

MAI - Appraisal Institute

AI-GRS – Appraisal Institute

CCIM - Certified Commercial Investment Member; CCIM Institute

#### **CERTIFICATION and LICENSES**

New York State Certified General Real Estate Appraiser No. 46000046551

Connecticut Certified General Real Estate Appraiser No. RCG.0001232

Pennsylvania Certified General Real Estate Appraiser No. GA004106

Florida Certified General Real Estate Appraiser No. RZ3772

Maine Certified General Real Estate Appraiser No. CG3518

Qualified General Real Estate Appraiser for NYS Department of Transportation

Qualified New York State Real Estate Appraisal Instructor

Approved Affordable Housing Market Analyst: New York State

#### **MEMBERSHIPS**

Appraisal Institute, member #445564

Mid-Hudson Chapter of the Appraisal Institute: Current President; Vice President 2013-2014; Treasurer 2011- 2012, Board of Directors 2008-2010

CCIM, member #19121

Campground Owners of New York

National Association of RV Parks and Campgrounds

New Jersey Campground Owners Association

Northeast Campground Association

Pennsylvania Campground Owners Association

Florida Association of RV Parks and Campgrounds

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#### **R.P. HUBBELL AND COMPANY, INC.**

3 Neptune Road · S-400 · Poughkeepsie · NY · 12601 · Phone: 845-454-6525 · Email: [info@rphubb.com](mailto:info@rphubb.com)

New York State Association of Affordable Housing  
New York State Association of Realtors  
National Association of Realtors

## **GENERAL EDUCATION**

State University of New York at New Paltz, B.A. Economics

## **PROFESSIONAL EDUCATION**

### **Appraisal Institute:**

Module Level One: *Appraisal Principles, Course 110, 2003; Appraisal Procedures, Course 120, 2003; Uniform Standards of Professional Appraisal Practice, Course 410, 2003; Basic Income Capitalization, Course 310; 2003; AQ-1, Fair Housing, Fair Lending and Environmental Issues, 2003*

Module Level Two: *Business Practices and Ethics, Course 420, 2003; Advanced Income Capitalization, Course 510; 2004; Highest and Best Use and Market Analysis, Course 520, 2005; Advanced Cost and Sales, Course 530, 2005; Report Writing and Valuation Analysis, Course 540, 2005; Advanced Applications, Course 550, 2006*

### Seminars attended:

*Appraisal Institute: "Evaluating Commercial Construction", 2004*  
*Appraisal Institute: "Marina Valuation Overview", 2013*

### Continuing Education:

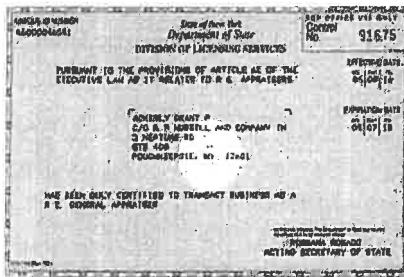
*Appraisal Institute: "Introduction to GIS Applications, 2008; Small Hotel/Motel Valuation, 2008, GIS Applications, 2008; "The Discounted Cash Flow Model, 2009; "Site use and Valuation Analysis", 2010; "The Lending World in Crisis-What Clients Need Their Appraisers to Know Today", 2010; "Commercial Appraisal Engagement and Review", 2012; "Fundamentals of separating Real Property, Personal Property and Intangible Value", 2012, "Condemnation Appraising: Principles & Applications", 2012; "Commercial Bankruptcy, workouts and the Valuation Process", 2013; "Carving Out Your Legal Niche: Do's and Don'ts of Litigation Support", 2013; "Fundamentals of Going Concerns", 2014, "Business Practices and Ethics", 2014; "Improving Appraisal Reports used for Financing Institutions – Strategies from Reviewers", 2015; "Raising the Bar: Complex Properties a Risk-Based Approach to Allocations and Investment", 2015; "Review Theory – General", 2016*

### **CCIM Institute:**

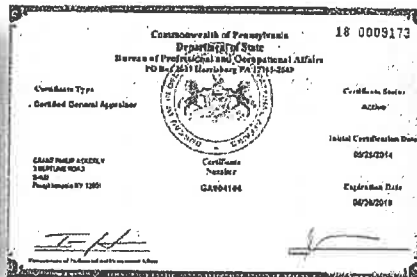
*C101: Financial Analysis for Commercial Investment Real Estate Analysis: 2009*  
*C102: Market Analysis for Commercial Investment Real Estate: 2010*  
*C103: User Decision Analysis for Commercial Investment Real Estate: 2010*  
*C104: Investment Analysis for Commercial Real Estate: 2011*

### **Speaking engagements:**

2016 CONY Annual Exposition for the Outdoor Hospitality Industry  
2016 Northeast Conference on Camping



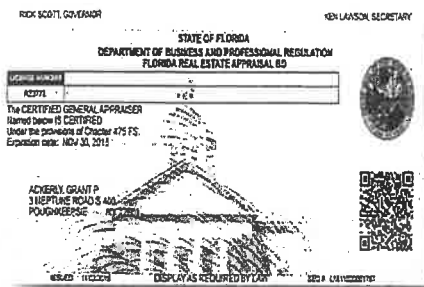
New York Appraiser License



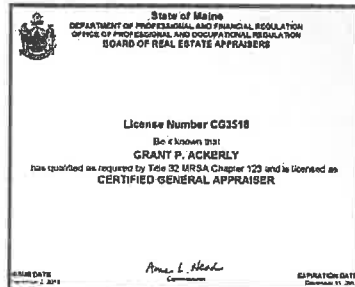
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Connecticut Appraiser License



Florida Appraiser License



Maine Appraiser License

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