



APPRAISAL REPORT
OF REAL PROPERTY

FIVE NORTHWEST TRIANGLE PARCELS
GROUPED INTO FOUR SUBJECT PROPERTIES

LOCATED WITHIN THE
NORTHWEST TRIANGLE
CITY OF YORK
YORK COUNTY, PENNSYLVANIA

AS OF
JULY 10, 2019

PREPARED FOR
MR. BLANDA NACE
EXECUTIVE DIRECTOR
REDEVELOPMENT AUTHORITY OF THE CITY OF YORK
101 SOUTH GEORGE STREET, 2ND FLOOR
YORK, PENNSYLVANIA 17405

PREPARED BY

**MID-ATLANTIC
VALUATION GROUP, INC.**

www.mvginc.com

MVG File Number: 19087



MID-ATLANTIC

Valuation Group, Inc.

August 7, 2019

Mr. Blanda Nace
Executive Director
Redevelopment Authority of the City of York
101 South George Street, 2nd Floor
York, Pennsylvania 17405

Re: Appraisals of five parcels in
The Northwest Triangle area of the
City of York
York County, Pennsylvania

Dear Mr. Nace:

The attached report presents the results of the above referenced real property appraisal assignment. The real estate that is appraised in this assignment (herein referred to as the subject properties) are five vacant parcels that are located within the Northwest Triangle area of the City of York. The five parcels have been grouped into four subject properties. It is noted that two of the parcels are treated as one economic unit. The parcels are located in the City of York, York County, Pennsylvania. The four subject properties (here SP 1-4) are shown in the following table.

Subject Property	Address	Site Size	Parcel ID(s)
SP 1	North Beaver Street	0.86	03-047-01-0001.00-00000
SP 2 (Two parcels)	260 N. Beaver St. & 132-152 N. Pershing Ave.	1.73	03-046-01-0006.00-00000 & 03-046-01-0007.00-00000
SP 3	208-236 North Beaver Street	1.35	03-046-01-0005.00-00000
SP 4	146-150 North Beaver Street	0.47	03-045-01-0011.00-00000

As indicated in the table, subject property 2 includes two parcels. Parcel 03-04601-0007.00-00000 is 0.45 acres and is irregular in shape, bordered by railroad tracks along two boundary lines and has limited road frontage along West Gay Avenue. Given the lot's characteristics, the site would have limited marketability and development potential as a standalone parcel.

489 DEVON PARK DRIVE, SUITE 309
WAYNE, PENNSYLVANIA 19087
PH (610) 989-9007

30 SOUTH QUEEN STREET, PO Box 588
YORK, PENNSYLVANIA 17405
PH (717) 699-4434

*Providing Real Property Valuation and Consulting Services in
Pennsylvania, New Jersey, Maryland and Delaware*

WWW.MVGINC.COM

The objective of this appraisal assignment is to provide individual market value opinions of the fee simple estates in subject properties 1, 2 and 4, the leased fee interest in subject property 3 and the market value of all five parcels in bulk, as if sold to one buyer. In this assignment, the client is the Redevelopment Authority of the City of York. The intended use of this appraisal report is to assist the client in matters related to the potential sale of the properties. This appraisal report is not intended for any other use. The Redevelopment Authority of the City of York is the client and the only intended user of the report. Use of this report by others is not intended by Mid-Atlantic Valuation Group. The appraisal report is not to be relied upon by any third parties for any purpose, whatsoever. Any other party who uses or relies upon any information contained in this report does so at their own risk.

These are the appraisals of the fee simple estates and the leased fee interest in the subject properties. The effective date of value for this appraisal assignment is July 10, 2019, the date on which Mid-Atlantic Valuation Group personnel physically inspected the properties.

The reader is directed to the Executive Summary and Reconciliation and Final Value Opinion(s) sections of the accompanying report for the value conclusion(s). Also, a thorough understanding of any Extraordinary Assumptions or Hypothetical Conditions applicable to this appraisal assignment (see Appraisal Overview) is critical.

The appraisal assignment has been developed, and this report has been prepared, in conformity with the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation.

The attached report communicates the results of this appraisal assignment and has been prepared as an *Appraisal Report* as defined in Standards Rule 2-2(a) of USPAP. Please refer to the General Information section of the attached report for a detailed explanation of the scope of work undertaken for this appraisal assignment.

If there are any questions or comments regarding the attached appraisal report, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,
MID-ATLANTIC VALUATION GROUP, INC.



Gary E. Heiland II, MAI, AI-GRS
Principal

Pennsylvania Certified General
Real Estate Appraiser
Certification Number GA001676R



Patrick W. Cullen
Appraiser

Pennsylvania Certified General
Real Estate Appraiser
Certification Number GA004450

MID-ATLANTIC

Valuation Group, Inc.

TABLE OF CONTENTS

Appraisal Overview	i
Executive Summary	ii
Subject Photographs.....	vi
Extraordinary Assumptions	xxii
Hypothetical Conditions.....	xxiii
General Assumptions and Limiting Conditions.....	xxiii
General Information	1
Identification of Subject Property.....	2
Ownership, Occupancy and History	3
Identification of Client	5
Objective of the Appraisal Assignment	6
Intended Use and Users of the Appraisal Report	6
Definition of Value	6
Property Rights Appraised	7
Effective Date of Appraisal	7
Appraisal Scope of Work	7
Market Area Analysis	11
Regional Analysis	12
Property Description	26
Description of the Site (SP 1)	27
Description of the Site (SP 2)	35
Description of the Site (SP 3)	40
Description of the Site (SP 4)	45
Tax Assessment Analysis	50
Valuation	52
Highest and Best Use Analysis.....	53
Land Valuation.....	57
Final Value Opinions	83
Exposure Time	84
Certification	86
Addendum	
Professional Qualifications	

APPRAISAL OVERVIEW

Zoning Designation	CBD (each subject property) Historical Architectural Review Board Area (each subject property)
Property Zip Code	17401 (York, PA)
Property Description	The real estate that is appraised in this assignment are five vacant parcels that are located within the Northwest Triangle area of the City of York that are grouped into four subject properties. It is noted that two of the parcels are treated as one economic unit. The parcels are located in the City of York, York County, Pennsylvania. The four subject properties are shown in the following table.

Subject Property	Address	Site Size	Parcel ID(s)
SP 1	North Beaver Street	0.86	03-047-01-0001.00-00000
SP 2 (2 parcels)	260 N. Beaver St. & 132-152 N. Pershing Ave.	1.73	03-046-01-0006.00-00000 & 03-046-01-0007.00-00000
SP 3	208-236 North Beaver Street	1.35	03-046-01-0005.00-00000
SP 4	146-150 North Beaver Street	0.47	03-045-01-0011.00-00000

Highest and Best Use (each subject property)	
As Vacant	Mixed-use development

Valuation Summary

Market Value of Subject Property 1	Value Indication
Estimated Market Value by the Sales Comparison Approach	\$180,000
Final Opinion of Market Value (as of July 10, 2019)	\$180,000

Market Value of Subject Property 2	Value Indication
Estimated Market Value by the Sales Comparison Approach	\$280,000
Final Opinion of Market Value (as of July 10, 2019)	\$280,000

Market Value of Subject Property 3	Value Indication
Estimated Market Value by the Sales Comparison Approach	\$280,000
Final Opinion of Market Value (as of July 10, 2019)	\$280,000

Market Value of Subject Property 4	Value Indication
Estimated Market Value by the Sales Comparison Approach	\$150,000
Final Opinion of Market Value (as of July 10, 2019)	\$150,000

Market Value of Portfolio (all four subject properties in bulk)	Value Indication
Estimated Market Value by the Sales Comparison Approach	\$800,000
Final Opinion of Market Value (as of July 10, 2019)	\$800,000

Extraordinary Assumptions

It is noted that the appraisal analysis employs the following extraordinary assumption(s):

- According to the land development plan prepared by C.S. Davidson, Inc. and dated April 10, 2017, a 30-foot wide easement for the rail trail will be located along the northern boundary line of subject property 1. A recorded easement agreement was unable to be located. The appraisers have requested a copy of the easement agreement; however, no documents have been provided. Since no information has been provided on the easement, this assignment assumes that the 30-foot wide easement is in place and located along the northern boundary of subject property 1.
- A letter prepared by the Pennsylvania Department of Environmental Protection and dated May 29, 2014 states that the department approved a revised final report prepared by ARM Group, Inc. and dated March 7, 2014 for the substances identified and remediated to an Act 2 standard. The letter further states that the project attained a combination of the Residential Statewide Health and Site Specific Standards in Soils and Groundwater. The letter references a table that lists the areas of concern, constituents under attainment and Act 2 standard attained. It is noted that the table was not provided for review. Furthermore, the property contact provided an Act 2 Final Report prepared by ARM Group, Inc. and dated December 28, 2011; however, the revised 2014 report was not available for review. Since the 2014 revised final report was not able to be reviewed, these appraisals assume that the subject properties have received Act 2 clearance.
- It is important to note that the assignment results may have been affected by the use of the aforementioned extraordinary assumption(s); therefore, if any of the extraordinary assumption(s) employed in this assignment are found to be false, the valuation opinions and conclusions presented herein could be significantly affected and/or invalidated.

Please note that the *Executive Summary* is simply an introduction to, and a summary of, the appraisal report and is included for the reader's convenience. As such, it must be used in conjunction with the entire appraisal report and is subject to the General Assumptions and Limiting Conditions found herein.

SUBJECT PHOTOGRAPHS

Note: Except for the aerial photos, all subject photographs were taken on July 10, 2019 by Patrick W. Cullen



Undated aerial photo (York County GIS) showing four subject properties



Westerly view of SP 1



Westerly view of SP 1



Easterly view of SP 1



Westerly view of railroad line bordering SP 1 (SP 1 to the left)



Northerly view along N. Beaver Street (SP 1 to the left)



Southerly view along N. Beaver Street (SP 1 to the right)



Westerly view of SP 2



Southwesterly view of SP 2



Northerly view of SP 2



Northerly view of SP 2



Southerly view of SP 2



Westerly view along W. Gay Avenue (SP 2 to the right)



Easterly view along W. Gay Avenue (SP 2 to the left)



Northerly view of SP 3



Northeasterly view of SP 3



Pounding located on SP 3



Westerly view of railroad trails boarding SP 3 (SP 3 to the left)



Southerly view of SP 3



Westerly view along W. Gay Avenue (SP 3 to the right)



Easterly view along W. Gay Avenue (SP 3 to the left)



Northerly view along N. Beaver Street (SP 3 to the left)



Southerly view along N. Beaver Street (SP 3 to the right)



Westerly view of SP 4



Southeasterly view of SP 4



Southeasterly view of SP 4



Southerly view along N. Park Lane (SP 4 to the left)



Westerly view along W. Gay Avenue (SP 4 to the left)



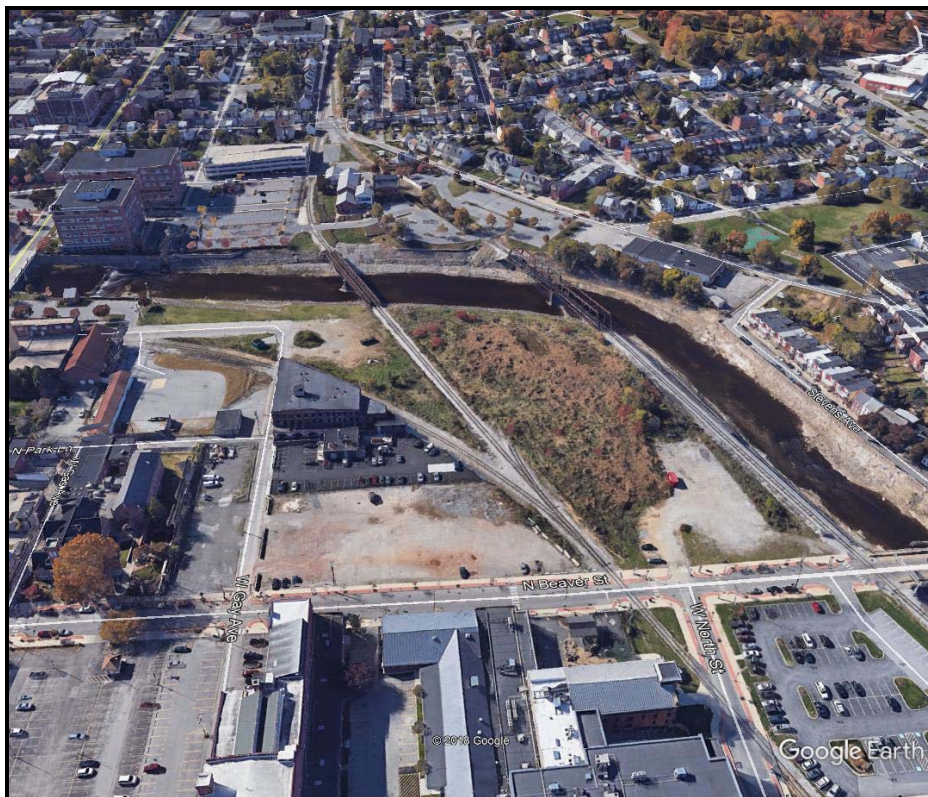
Easterly view along W. Gay Avenue (SP 4 to the right)



Southerly view along N. Beaver Street (SP 4 to the right)



Northerly view along N. Beaver Street (SP 4 to the left)



Undated aerial photo (Google Earth) facing west

EXTRAORDINARY ASSUMPTIONS

An *Extraordinary Assumption* is defined by the Uniform Standards of Professional Appraisal Practice as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinion or conclusions.”¹ USPAP goes on to comment that “uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.”²

The appraisal analysis employs the following extraordinary assumption(s):

- According to the land development plan prepared by C.S. Davidson, Inc. and dated April 10, 2017, a 30-foot wide easement for the rail trail will be located along the northern boundary line of subject property 1. A recorded easement agreement was unable to be located. The appraisers have requested a copy of the easement agreement; however, no documents have been provided. Since no information has been provided on the easement, this assignment assumes that the 30-foot wide easement is in place and located along the northern boundary of subject property 1.
- A letter prepared by the Pennsylvania Department of Environmental Protection and dated May 29, 2014 states that the department approved a revised final report prepared by ARM Group, Inc. and dated March 7, 2014 for the substances identified and remediated to an Act 2 standard. The letter further states that the project attained a combination of the Residential Statewide Health and Site Specific Standards in Soils and Groundwater. The letter references a table that lists the areas of concern, constituents under attainment and Act 2 standard attained. It is noted that the table was not provided for review. Furthermore, the property contact provided an Act 2 Final Report prepared by ARM Group, Inc. and dated December 28, 2011; however, the revised 2014 report was not available for review. Since the 2014 revised final report was not able to be reviewed, these appraisals assume that the subject properties have received Act 2 clearance.
- It is important to note that the assignment results may have been affected by the use of the aforementioned extraordinary assumption(s); therefore, if any of the extraordinary assumption(s) employed in this assignment are found to be false, the valuation opinions and conclusions presented herein could be significantly affected and/or invalidated.

¹ Appraisal Standards Board, *Uniform Standards of Professional Appraisal Practice (USPAP)*, 2018-2019 Edition (Washington, DC: The Appraisal Foundation), 4.

² USPAP, 2018-2019 Edition, 4.

HYPOTHETICAL CONDITIONS

A *Hypothetical Condition* is defined by the Uniform Standards of Professional Appraisal Practice as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.”³ USPAP adds the comment that “hypothetical conditions are contrary to known facts 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.”⁴

The appraisal analysis has been made without any hypothetical conditions.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

- No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the subject property is assumed to be good and marketable unless otherwise stated.
- The appraisers cannot guarantee that the property is free of encroachments or easements, and recommend further investigation and survey. The property is appraised free and clear of any or all liens, encumbrances, encroachments, easements and restrictions, unless otherwise stated.
- No responsibility beyond reason is assumed for matters of a legal nature, whether existing or pending. It is assumed that there are no existing judgments or pending or threatened litigation which could affect the value of the property.
- Responsible ownership and competent property management are assumed.
- Information and data contained in the appraisal report, although obtained from public record and other reliable sources and, to the extent possible, carefully checked by the appraiser(s), are accepted as satisfactory evidence upon which rest the opinions expressed herein. Any information furnished by others is believed to be reliable, but no responsibility for its accuracy is assumed. Unless otherwise noted, it is assumed that all information known to the client/landowner/tenant(s) etc. and relevant to the valuation has been accurately furnished and that there are no undisclosed leases, agreements, liens or other encumbrances affecting the use or value of the property. Any financial information provided to us with respect to the operation of the property, such as financial statements and reports, rent rolls and lease data, is assumed to be complete, true and correct. Any lease, mortgage, deed of trust or other agreement or instrument reviewed by

³ USPAP, 2018-2019 Edition, 4.

⁴ USPAP, 2018-2019 Edition, 4.

us relating to the property is assumed to be legal, valid, binding and enforceable in accordance with its express terms.

- All engineering studies are assumed to be correct. The appraisers have made no legal survey, nor have they commissioned one to be prepared; therefore, any plot plans or other such illustrative materials in this report are included only to help the reader visualize the property.
- No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in the appraisal report.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that would render it more or less valuable, would affect its highest and best use, or would have a material effect on its utility. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them. Unless otherwise noted, the property is not located in an area in which the purchase of flood insurance is required as a condition for federal or federally related financial assistance.
- If the appraisal assignment includes a land valuation, the appraisers' conclusion of value is based upon the assumption that there are no hidden or unapparent conditions of the property that might impact buildability. The appraisers recommend due diligence to be conducted through the local building department or appropriate municipal authority to investigate buildability and whether the property is suitable for its intended use or for any use. The appraisers make no representations, guarantees or warranties.
- It is assumed that there are no structural defects hidden by floor or wall coverings or any other hidden or unapparent conditions of the property, that all mechanical equipment and appliances are in good working condition, and that all electrical components and the roofing are in average condition unless otherwise noted in the report.
- It is assumed that the property is in full compliance with all federal, state and local laws and environmental regulations unless the lack of compliance is stated, described and considered in the attached report.
- It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the attached report.
- It is assumed that all required licenses, certificates of occupancy, consents and other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which any value opinions contained in this report are based.
- It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- If the appraisal assignment is for property to be built or under construction, it is assumed that construction will be completed as outlined in the report. The appraiser reserves the right to review finalized plans, require a current on-site inspection prior to the release of any funds and/or recertify any values reported.

- Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. However, the appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value opinions are predicated on the assumption that there is no such material on or in the property that would cause a loss in value; furthermore, no responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client and all intended users of the appraisal report are urged to retain an expert in this field, if desired. The valuation is subject to modification if a qualified expert in these areas detects any such potentially hazardous materials or conditions. The appraisers reserve the right to modify any qualitative or quantitative conclusions reported herein if so warranted.
- No environmental impact studies were conducted in conjunction with this appraisal assignment, and our value opinions are subject to revision based upon any such studies. If any environmental impact statement is required by law, the appraisal assignment assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
- The appraisers have not been made aware of, nor are they qualified to ascertain, the existence of radon, a radioactive gas which occurs naturally in the soil of certain identified areas. In concentrated form, this gas has been shown to have detrimental health effects, and its existence would potentially have a negative impact on the value(s) reported in the appraisal report. The value estimate(s) assume that the subject is free and clear of radon gas.

This appraisal report has been made with the following general limiting conditions:

- An appraisal is inherently subjective and represents only an opinion of a property's value.
- This appraisal report shall be considered only in its entirety and no part of this appraisal report shall be utilized separately or out of context. Any separation of the signature pages from the balance of the appraisal report invalidates the conclusions established herein.
- Any valuation opinions and/or any market or feasibility conclusions found herein apply only to the property or properties specifically identified and described in this report.
- The value reported herein is only applicable to the Property Rights Appraised in conjunction with the Objective of the Appraisal Assignment and the Intended Use of the Appraisal Report as herein set forth; the appraisal report is not to be used for any other objectives or uses.
- The conclusions stated in the appraisal report apply only as of the effective date(s) indicated and no representation is made as to the effect of any subsequent events.
- Any opinions of value provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the opinion of value, unless such proration or division of interests has been set forth in the report.
- Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. Any separate values

allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

- Unless otherwise noted herein, the value opinions presented in this report do not include any value attributable to machinery, equipment or other personal property items.
- The appraisers reserve the right to modify the opinions and conclusions found herein should future engineering studies or consultations determine that the site and/or building measurements reported herein are inaccurate.
- Appraisers provide opinions of value and are not building or environmental inspectors. This appraisal assignment does not guarantee that the property is free of defects or environmental problems. Appraisers perform inspections of visible and accessible areas only. Defects such as mold may be present in areas that an appraiser cannot see. A professional building inspection or environmental inspection is always recommended.
- The individual appraisers signing the report and Mid-Atlantic Valuation Group, Inc. are in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property - physically, financially and/or legally.
- We reserve the right to require, as a condition to our rendering an opinion as to value, the engagement of professional experts in certain disciplines. The engagement of any such expert and the compensation of such expert shall be solely the responsibility of the client.
- If a Cost Approach is presented herein, it has only been developed as an analysis to support the appraiser's opinion of market value. Use of this data, in whole or in part, for other purposes is not intended by the appraiser. Nothing set forth in the appraisal assignment or report should be relied upon for the purpose of determining the amount or type of insurance coverage appropriate for the subject property. The appraiser does not guarantee that any insurable value estimate inferred from this report will result in the subject property being fully insured for any loss that may be sustained, and the appraiser assumes no liability for any such inference. Further, the Cost Approach may not be a reliable indication of replacement or reproduction cost for any date other than the effective date of this appraisal assignment due to changing costs of labor and materials and due to changing building codes and governmental regulations and requirements.
- If an estimate of insurable value is provided herein, neither the intended user, the intended use, nor the objective of the appraisal assignment changes from that described herein. The appraiser assumes no liability for any Insurable Value estimate provided and does not guarantee that any estimate or opinion will result in the subject property being fully insured for any possible loss that may be sustained. The appraiser recommends that an insurance professional be consulted. An Insurable Value presented herein may not be a reliable indication of replacement or reproduction cost for any date other than the effective date of this appraisal assignment due to changing costs of labor and materials and due to changing building codes and governmental regulations and requirements.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. Unless otherwise noted herein, a specific compliance survey or analysis of this property has not been made to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since there is no direct evidence

relating to this issue, any possible noncompliance with the requirements of the ADA was not considered in estimating the value of the subject property.

- Any income and expense estimates contained in this appraisal report are used only for the purpose of estimating current value and do not constitute predictions of future operating results.
- The forecasts, projections and estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions. This appraisal assignment is based on the condition of local and national economies, purchasing power of money, and financing rates prevailing as of the effective date(s) of value.
- If a prospective value opinion is rendered herein, it is important to emphasize that prospective value opinions are intended to reflect the expectations and perceptions of market participants at the time the report was written; therefore, the appraisal assignment cannot account for - and the appraiser(s) cannot be held responsible for - unforeseen events that may occur and that may alter market conditions prior to the effective date of the appraisal assignment.
- Possession of this report, or a copy thereof, does not carry with it the right of publication.
- Neither all nor any part of the contents of this report (especially any conclusions as to value(s), the identity of the appraiser, or the firm with which the appraiser is affiliated) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraisers.
- The liability of the individual appraisers signing the appraisal report and Mid-Atlantic Valuation Group, Inc. is limited to the client only and to the fee actually received by the appraisers. Furthermore, there is no accountability, obligation or liability to any other party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment. Acceptance and use of this analysis by the client or any third party constitutes acceptance of the above conditions. The appraiser(s) have no liability to any parties other than the client.
- The appraiser(s), by reason of this appraisal assignment, are not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made for just and fair compensation for said services.
- The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from these General Assumptions and Limiting Conditions.

GENERAL INFORMATION

IDENTIFICATION OF SUBJECT PROPERTY

The real estate that is appraised in this appraisal assignment are five parcels that are located in the Northwest Triangle. These five parcels are grouped into four subject properties. It is noted that two of the parcels are treated as one economic unit. The parcels are located in the City of York, York County, Pennsylvania. The following exhibit summarizes the four subject properties.

Subject Property	Address	Site Size	Parcel ID(s)
SP 1	North Beaver Street	0.86	03-047-01-0001.00-00000
SP 2 (2 parcels)	260 N. Beaver St. & 132-152 N. Pershing Ave.	1.73	03-046-01-0006.00-00000 & 03-046-01-0007.00-00000
SP 3	208-236 North Beaver Street	1.35	
SP 4	146-150 North Beaver Street	0.47	03-045-01-0011.00-00000



OWNERSHIP, OCCUPANCY AND HISTORY

The following exhibit summarizes information regarding title to each property.

Subject Property	Grantor	Grantee	Sale Date	Deed Book/Page	Consideration
SP 1	York Railway Company	Redevelopment Authority of The City of York	5/19/2008	1966/6968	\$600,000
SP 2 (2 parcels)	Ohio Blenders, Inc.	Redevelopment Authority of The City of York	5/15/2006	1812/3431	-
SP 3	William E. Kraft	The Redevelopment Authority of The City of York	4/26/2007	1920/4659	\$735,050
SP 4	James M. Hoffer and Linda J. Hoffer	Redevelopment Authority of The City of York	10/30/2006	1854/7086	\$400,000

It is noted that subject property 2 was transferred via a declaration of taking and no consideration was indicated on the recorded declaration document. Furthermore, subject property 3 transferred via a deed resulting from condemnation.

No transfers of title have occurred within five years of the effective date of this appraisal assignment. The appraisers have been provided with a real estate option agreement between the Redevelopment Authority of the City of York (optionor) and GJDEVERS, LLC (optionee) dated August 15, 2018. The option period for the agreement ranges from August 15, 2018 to August 20, 2019. A payment of \$20,000 was made by the optionee for the right to receive the option period. The option agreement does not provide a purchase price for the real estate. However, the agreement states that the each lot will be sold separately.

Subject properties 1 and 2 are currently vacant and unimproved land. According to the property contact subject property 4 is currently vacant and improved with a gravel parking lot. In addition, a portion of the lot is fenced off. Several signs stating "employee parking only" for the Business Information Group were note during the inspection. The contact reported that are no records for a parking agreement with Business Information Group and a verbal agreement may have previously been in place. Subject property 3 is primarily improved with a gravel parking lot; however, a small portion of the site is improved with paved parking. A portion of subject property 3 is currently leased by a neighboring property owner as additional parking for the Color Works apartment complex. Furthermore, subject property 3 was previously utilized by York Academy, another neighboring property owner, as additional parking for the Lower School. According to the property contact, there was a license agreement with York Academy; however, the agreement expired in June of 2019. It is noted that a large number of cars were parked on subject property 3 during the inspection. It is unknown if York Academy is still utilizing the lot for parking. The following exhibit summarizes the lease agreement that provides additional parking for the Color Works apartment complex encumbering subject property 3.

Subject Lease Summary			
Landlord:	The Redevelopment Authority Of The City Of York		
Tenant:	Keystone Color Works Partnership, LP		
Leased Area:	16,942 square feet (55 parking spaces)		
Lease Type:	Not applicable		
Lease Dated:	August 4, 2015		
Rent Commencement:	August 10, 2015		
Original Term:	50 years		
Options to renew:	None		
Premises Expansion Right:	None		
<u>Base Rent</u>			<u>Annual Rent</u>
	8/10/2015	to 8/9/2065	\$1.00
Expense Structure:	Absolute net The lessee is responsible to maintain the premises, pay real estate taxes levied against the premises and insure items or contents stored on the premises.		
Purchase Option:	None		
Lease Assignment:	Requires prior written consent		

It is noted that the lessor may re-take the demised premises; however, the lessor must then provide a comparable, alternative parking facility at a distance no more than 500 feet from the property line that is satisfactory to the lessee. Under this circumstance, the lessee would lease the alternative parking spaces at a market rate.

As previously mentioned, the subject properties are under an option agreement. The Central Penn Business Journal recently reported that a project manager has been hired for the proposed development at the subject properties. In addition, York's chief opportunity development officer will oversee the administration of a \$6 million state grant that was approved in 2018 by Governor Tom Wolf. The article also stated that the goal of the developer is to start construction by the first quarter of 2020. The proposed project has been referred to as the Innovation District. The developer is proposing a five-phase development that will total 240,000 square feet of mixed-use buildings. Reportedly, the development will provide space for robotics research, laboratories and prototyping, as well as office space, temporary housing and underground parking. The first phase will reportedly include a 32,000 square foot building.

The subject properties have access to several tax abatement programs due to their location, including Federal Opportunity Zone, LERTA and ReTAP. The IRS defines an Opportunity Zone as an "economically-distressed community where new investments,

under certain conditions, may be eligible for preferential tax treatment. Localities qualify as Opportunity Zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury via his delegation of authority to the Internal Revenue Service.” The LERTA program phases in the real estate taxes that would be assessed for the development over a 10-year period. The phasing in of the real estate taxes exclude 100% of the taxes on the proposed improvement for year one; however, the exclusion of the taxes is decrease by 10% each year. Lastly, the ReTAP program in the city and county provide a 100% tax exemption for a 10-year program. The York School District phases in the real estate taxes and exclude 100% of the taxes on the proposed improvement for year one; however, the exclusion of the taxes is decrease by 10% each year.

The property contact provided a letter prepared by the Pennsylvania Department of Environmental Protection and dated May 29, 2014 states that the department approved a revised final report prepared by ARM Group, Inc. and dated March 7, 2014 for the substances identified and remediated to an Act 2 standard. The letter further states that the project attained a combination of the Residential Statewide Health and Site Specific Standards in Soils and Groundwater. The Act 2 site totals 14.5 acres. The letter references a table that lists the areas of concern, constituents under attainment and Act 2 standard attained. It is noted that the table was not provided for review. Furthermore, the property contact provided an Act 2 Final Report prepared by ARM Group, Inc. and dated December 28, 2011; however, the revised 2014 report was not available for review.

The 2011 report contains a summary of attainment demonstration that summarizes the information used to demonstrate attainment of the Act 2 Residential Statewide Health Standards (SHSs) for organic and inorganic constituents detected in soils and groundwater at the site. The report further states that attainment of the SHSs has been attained through excavation and off-site disposal of all soils with constituent concentrations detected at levels greater than the Residential SHSs. In addition, the appraisers reviewed the PA Activity and Use Limitations Registry for recorded environmental covenants. The registry did not list any activity or use limitations for the subject properties. Information specific to each subject property is further discussed in the Description of the Site sections of the report.

IDENTIFICATION OF CLIENT

The Uniform Standards of Professional Appraisal Practice (USPAP) defines client as “the party or parties who engage, by employment or contract, an appraiser in a specific assignment.”⁵ Furthermore, USPAP notes that “the client in an appraisal

⁵ USPAP, 2018-2019 Edition, 4.

assignment may be an individual, group or entity, and may engage and communicate with the appraiser directly or through an agent.”⁶

In this assignment, the client is the Redevelopment Authority of the City of York.

OBJECTIVE OF THE APPRAISAL ASSIGNMENT

The objective of this appraisal assignment is to provide individual market value opinions of the fee simple estates in subject properties 1, 2 and 4, the leased fee interest in subject property 3 and the market value of all five parcels in bulk, as if sold to one buyer.

INTENDED USE AND USERS OF THE APPRAISAL REPORT

The intended use of this appraisal report is to assist the previously identified client in matters related to the potential or sale of the properties. This appraisal report is not intended for any other use. The Redevelopment Authority of the City of York is identified in the report as the client and the only intended user of the report. Use of this report by others is not intended by Mid-Atlantic Valuation Group. The appraisal report is not to be relied upon by any third parties for any purpose, whatsoever. Any other party who uses or relies upon any information contained in this report does so at their own risk.

DEFINITION OF VALUE

Market Value - The definition of market value used herein is as follows:

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.⁷

In applying the definition cited above to this assignment, it is important to note that the “price” is considered in terms of cash in US dollars or in terms of financial arrangements comparable thereto.

⁶ USPAP, 2018-2019 Edition, 4.

⁷ Appraisal Institute, *The Appraisal of Real Estate*, 14th Edition (Chicago: Appraisal Institute, 2013), 58.

PROPERTY RIGHTS APPRAISED

These appraisals are of the fee simple estates in subject properties 1, 2 and 4 and the leased fee interest in subject property 3 and the portfolio. Fee simple estate is defined as absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.⁸

Leased fee interest is defined as the ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary rights when the lease expires.⁹

EFFECTIVE DATE OF APPRAISAL

The effective date of value for this appraisal assignment is July 10, 2019, the date that Mid-Atlantic Valuation Group personnel physically inspected the subject property.

APPRAISAL SCOPE OF WORK

The scope of work is defined by USPAP as “the type and extent of research and analyses in an appraisal or appraisal review assignment.”¹⁰ USPAP requires that appraisers be prepared to demonstrate that the scope of work performed in an appraisal is sufficient to produce credible assignment results. USPAP states that the scope of work should include, but is not limited to:

- the extent to which the property is identified;
- the extent to which tangible property is inspected;
- the type and extent of data researched; and
- the type and extent of analyses applied to arrive at opinions or conclusions.¹¹

⁸ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Edition (Chicago: Appraisal Institute, 2015), 90.

⁹ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Edition (Chicago: Appraisal Institute, 2015), 128.

¹⁰ USPAP, 2018-2019 Edition, 4.

¹¹ USPAP, 2018-2019 Edition, 14.

Appraisers have broad flexibility and significant responsibility in determining the appropriate scope of work for an appraisal. An appraisal scope of work must include the research and analyses that are necessary to develop credible assignment results.

USPAP determines that a scope of work is acceptable when it meets or exceeds:

- the expectations of parties who are regularly intended users for similar assignments; and
- what an appraiser's peers' actions would be in performing the same or a similar assignment.¹²

The scope of this appraisal assignment has been developed in accordance with the current edition of USPAP. The following is a list detailing the scope of work performed in the development of this appraisal assignment.

Subject Property Data - The subject property related data were assembled from available public records and a physical appraisal inspection of the property. Possible sources of this data include, but are not limited to:

- the last recorded deed involving the subject property;
- zoning ordinances and maps;
- Planning office data;
- tax assessment cards (property record cards) or printouts;
- tax assessment maps; and
- other GIS tools.

Additionally, the property contact or client has also provided the following for review in conjunction with this appraisal assignment:

- final subdivision plan prepared by C.S. Davidson, Inc, dated April 10, 2017;
- lease document dated August 4, 2015, between The Redevelopment Authority of The City of York and Color Works Partnership LP;
- option agreement dated August 15, 2018, between The Redevelopment Authority of the City of York and GJDEVERS, LLC;
- Act 2 Final report dated December 28, 2011 and prepared by ARM Group, Inc.; and
- PADEP letter dated May 29, 2014.

¹² USPAP, 2018-2019 Edition, 15.

Appraisal Inspection - An appraisal inspection is not the same as a professional property inspection. During an appraisal inspection, appraisers generally observe the interior of the improvements and tour portions of the subject site. While appraisers must be familiar with the professional property inspection process, the aim of an appraiser in the field is not to comprehensively research or inspect the subject property; rather, an appraiser observes the components and characteristics of the subject property that will influence value in the marketplace.

The subject properties were inspected by Patrick W. Cullen on July 10, 2019. Gary E. Heiland II, MAI, AI-GRS inspected the subject properties on July 23, 2019. Photographs taken during the initial inspection are presented in the Appraisal Overview section.

Prior Assignments Involving the Subject Properties - It is acknowledged that no one currently affiliated with Mid-Atlantic Valuation Group has performed previous appraisals involving the subject properties, appraisal reviews involving the subject properties, appraisal consulting assignments involving the subject properties, or any other real estate oriented service involving the subject properties, within the three years preceding the engagement for this assignment.

Data Collection - Demographic and other statistical information on areas deemed relevant to the assignment were researched. Mid-Atlantic Valuation Group relies upon multiple resources for such data.

Data on sales, leases and listings of comparable properties was researched via various means.

Comparable Data Verification - All comparable sales contained in this appraisal report have been, at a minimum, verified with public records. An employee or contractor of Mid-Atlantic Valuation Group has physically viewed the deed for each comparable sale used in this appraisal report. Additionally, attempts have been made to verify every comparable sale or lease with a party to the transaction. Often, multiple parties to a transaction are interviewed.

Unless otherwise noted in the report, employees and/or contractors of Mid-Atlantic Valuation Group externally viewed and photographed all of the comparable properties presented herein. Occasionally, a photograph of a comparable property is obtained from a third party source for presentation in the report because it provides a more relevant representation of the comparable property or because it better depicts the comparable property at the time it was sold or leased.

Valuation Approaches - In estimating the market value of a given property, it is normal appraisal practice to assemble as much relevant data from the marketplace as possible. For an improved property, this data is then applied in the three recognized approaches to value: Sales Comparison Approach, Cost Approach and Income Capitalization Approach. In this appraisal assignment, all three generally accepted

valuation approaches have been considered in determining a credible opinion of each property's value. However, only the Sales Comparison Approach was developed.

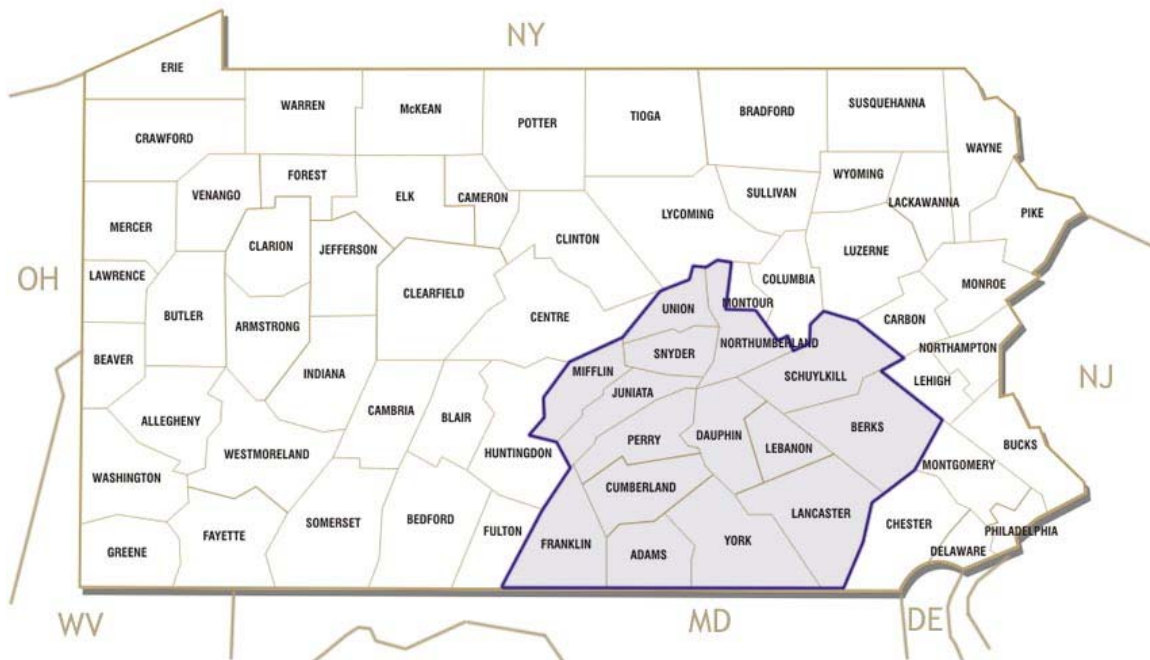
MARKET AREA ANALYSIS

SUSQUEHANNA VALLEY REGIONAL ANALYSIS

The ever changing nature of the basic forces that motivate buyers and sellers within a given market area can have a direct impact on the area's real estate values. This section of the appraisal report provides an analysis that outlines the general economic conditions, outlook and trends of the subject market area.

Introduction

The subject properties are located within the Susquehanna Valley Region as delineated by the Pennsylvania Department of Labor and Industry. The following map shows the subject county along with other counties in the region.



The Susquehanna Valley consists of 15 counties that comprise a total land area of 8,686 square miles, exclusive of water areas. It is conveniently located within a three-hour drive of New York, Philadelphia, Baltimore and Washington, DC. The proximity to these markets makes it an exceptional location for business. The City of Harrisburg is the state capital and is located in Dauphin County.

Character and Influences

The Susquehanna Valley can be divided into four smaller sub-regions. In the northern sub-region are Juniata, Mifflin, Northumberland, Snyder and Union Counties. These

counties are more rural in nature, have smaller populations and have high concentrations of farmland and wooded areas. Agriculture, manufacturing and mining are the primary industries.

The southern sub-region is made up of York, Adams and Franklin Counties. Although these counties have vast amounts of farmland, they are more developed than counties in the northern part of the region. Situated on the border of Maryland, this area is heavily influenced by the Baltimore-Washington metropolitan area. Population in these counties has dramatically increased as residents from Maryland and DC have moved here to take advantage of the lower cost of housing. Manufacturing, government, retail and tourism are the primary employment sectors for this sub-region.

Dauphin, Cumberland, Lebanon and Perry Counties comprise what is known as the Capital Region. Dauphin and Cumberland Counties are more developed; Lebanon and Perry Counties remain more rural in nature, with Perry County being the most rural. Harrisburg, the state capital, is the primary influence for the area. An efficient transportation and highway system provides excellent access to other major US markets including New York, Philadelphia, Baltimore and Washington, DC. Government, manufacturing, health care, professional services and retail are the primary employment sectors.

Finally, the eastern sub-region includes Berks, Lancaster and Schuylkill Counties. These counties are a mix of urban, suburban and rural settings. Schuylkill County is very rural, with no major urban center within the county. Agriculture and coal mining are the largest employment sectors in Schuylkill County. Lancaster and Berks Counties have rich agricultural histories. Today, these counties have diverse employment bases. Lancaster has a strong tourism base due to the Amish presence and concentration of outlet shopping venues along US Route 30. Manufacturing, government, business, health care and retail are the largest employment sectors for the area.

Regional Demographics

The following table displays basic information about counties in the Susquehanna Valley.

Susquehanna Valley Region					
County Quick Facts					
County	County Seat	Square Miles	2018 Population	Population Density (mi ²)	
Adams	Gettysburg	520	105,243	202	
Berks	Reading	859	420,834	490	
Cumberland	Carlisle	550	256,177	466	
Dauphin	Harrisburg (state capital)	525	277,575	529	
Franklin	Chambersburg	772	156,010	202	
Juniata	Mifflintown	392	25,156	64	
Lancaster	City of Lancaster	949	549,061	579	
Lebanon	City of Lebanon	362	141,970	392	
Mifflin	Lewistown	411	47,621	116	
Northumberland	Sunbury	460	93,128	202	
Perry	Bloomfield	554	46,979	85	
Schuylkill	Pottsville	779	146,085	188	
Snyder	Middleburg	331	41,335	125	
Union	Lewisburg	317	45,405	143	
York	City of York	905	453,095	501	

Source: US Census

Population

The following table shows a demographic analysis of the Susquehanna Valley as compared to the state of Pennsylvania. Cumberland, Lancaster and Lebanon Counties are expected to have the highest annual population growth rates through 2023. This growth pattern represents a shift in historical growth patterns, where growth in the region had been largely due to an influx of population from the Maryland and Washington, DC areas. New residents had been particularly attracted to the southern counties of the region because of their proximity to the Baltimore/Washington, DC markets and the comparatively lower cost of housing. While Lancaster County's location on the Maryland border still speaks to this influence, the more centralized areas of the region along the Pennsylvania Turnpike are now projected to grow faster. The region's total annual population growth has exceeded the state's population growth rate, and this trend is expected to continue over the next several years.

Susquehanna Valley Population by County							
Sources: US Census and Esri							
County	2000	2010	2018 Estimate	2023 Projection	Annual Growth / Decline		
					2000 to 2010	2010 to 2018	2018 to 2023
Adams	91,292	101,407	105,243	107,826	1.1%	0.5%	0.5%
Berks	373,638	411,442	420,834	426,990	1.0%	0.3%	0.3%
Cumberland	213,674	235,406	256,177	270,090	1.0%	1.3%	1.1%
Dauphin	251,798	268,100	277,575	283,488	0.6%	0.5%	0.4%
Franklin	129,313	149,618	156,010	160,163	1.6%	0.6%	0.5%
Juniata	22,821	24,636	25,156	25,547	0.8%	0.3%	0.3%
Lancaster	470,658	519,445	549,061	567,549	1.0%	0.8%	0.7%
Lebanon	120,327	133,568	141,970	147,648	1.1%	0.9%	0.8%
Mifflin	46,486	46,682	47,621	47,963	0.0%	0.3%	0.1%
Northumberland	94,556	94,528	93,128	91,055	0.0%	-0.2%	-0.4%
Perry	43,602	45,969	46,979	47,749	0.5%	0.3%	0.3%
Schuykill	150,336	148,289	146,085	143,587	-0.1%	-0.2%	-0.3%
Snyder	37,546	39,702	41,335	42,129	0.6%	0.6%	0.4%
Union	41,624	44,947	45,405	46,121	0.8%	0.1%	0.3%
York	381,751	434,972	453,095	465,831	1.4%	0.6%	0.6%
Total Region	2,469,422	2,698,711	2,805,674	2,873,736	0.9%	0.6%	0.5%
Pennsylvania	12,281,054	12,702,379	12,992,598	13,140,705	0.3%	0.3%	0.2%
Region as % of PA	20.1%	21.2%	21.6%	21.9%			

Households

The following table displays household statistics for the Susquehanna Valley. Cumberland, Lancaster and Lebanon Counties are expected to have the highest annual household growth rates through 2023, consistent with population statistics. Overall, household growth in the region is projected to be higher than for the state as a whole.

Susquehanna Valley Households by County							
Sources: US Census and Esri							
County	2000	2010	2018 Estimate	2023 Projection	Annual Growth / Decline		
					2000 to 2010	2010 to 2018	2018 to 2023
Adams	33,652	38,013	39,331	40,275	1.3%	0.5%	0.5%
Berks	141,570	154,356	156,474	158,202	0.9%	0.2%	0.2%
Cumberland	83,015	93,943	101,766	107,161	1.3%	1.2%	1.1%
Dauphin	102,670	110,435	114,506	117,033	0.8%	0.5%	0.4%
Franklin	50,633	58,389	60,728	62,268	1.5%	0.6%	0.5%
Juniata	8,584	9,476	9,676	9,827	1.0%	0.3%	0.3%
Lancaster	172,560	193,602	203,351	209,763	1.2%	0.7%	0.6%
Lebanon	46,551	52,258	55,043	57,065	1.2%	0.8%	0.7%
Mifflin	18,413	18,743	19,010	19,104	0.2%	0.2%	0.1%
Northumberland	38,835	39,242	38,800	38,001	0.1%	-0.2%	-0.4%
Perry	16,695	17,903	18,326	18,640	0.7%	0.3%	0.3%
Schuylkill	60,530	60,192	58,931	57,724	-0.1%	-0.3%	-0.4%
Snyder	13,654	14,750	15,216	15,500	0.8%	0.5%	0.4%
Union	13,178	14,765	15,046	15,313	1.2%	0.3%	0.4%
York	148,219	168,372	173,847	178,212	1.4%	0.5%	0.5%
Total Region	948,759	1,044,439	1,080,051	1,104,088	1.0%	0.5%	0.4%
Pennsylvania	4,777,003	5,018,904	5,117,327	5,168,154	0.5%	0.3%	0.2%
Region as % of PA	19.9%	20.8%	21.1%	21.4%			

Income Characteristics

The following table shows median household income statistics for the counties in the Susquehanna Valley. Median household income levels have shown steady increases through 2010. Mifflin County has the highest projected annual income growth rate through 2023, although its income level is the lowest among the region's counties. It is noted that the region closely mirrors Pennsylvania overall in terms of median household income levels: seven of the region's counties are below Pennsylvania's median, and eight are equal to or above it.

Susquehanna Valley Median Household Income							
Source: US Census and Esri							
County	2000	2010	2018 Estimate	2023 Projection	Annual Growth / Decline		
					2000 to 2010	2010 to 2018	2018 to 2023
Adams	\$42,865	\$61,706	\$62,283	\$71,526	4.4%	0.1%	3.0%
Berks	\$44,719	\$57,786	\$60,124	\$67,450	2.9%	0.6%	2.4%
Cumberland	\$46,766	\$64,737	\$66,820	\$75,428	3.8%	0.5%	2.6%
Dauphin	\$41,657	\$57,627	\$58,216	\$65,238	3.8%	0.1%	2.4%
Franklin	\$40,477	\$55,651	\$56,936	\$64,407	3.7%	0.3%	2.6%
Juniata	\$34,710	\$46,818	\$50,326	\$53,807	3.5%	1.1%	1.4%
Lancaster	\$45,488	\$59,360	\$61,215	\$69,174	3.0%	0.4%	2.6%
Lebanon	\$40,819	\$58,098	\$58,531	\$65,618	4.2%	0.1%	2.4%
Mifflin	\$32,386	\$41,431	\$43,353	\$50,356	2.8%	0.7%	3.2%
Northumberland	\$31,228	\$43,352	\$43,824	\$50,425	3.9%	0.2%	3.0%
Perry	\$41,967	\$59,504	\$59,077	\$67,616	4.2%	-0.1%	2.9%
Schuylkill	\$32,738	\$47,237	\$49,246	\$54,664	4.4%	0.6%	2.2%
Snyder	\$35,819	\$49,339	\$51,153	\$56,568	3.8%	0.5%	2.1%
Union	\$40,366	\$49,376	\$52,751	\$59,101	2.2%	1.0%	2.4%
York	\$45,261	\$62,198	\$63,102	\$71,504	3.7%	0.2%	2.7%
Pennsylvania	\$40,108	\$55,172	\$57,362	\$64,778	3.8%	0.6%	2.6%

Overall, median household income growth rates are expected to increase moderately throughout the counties in the region.

Unemployment

The following table compares unemployment rates for all counties in Pennsylvania. Most of the counties in the region have comparatively lower unemployment rates than the rest of the state. The highest unemployment in the region is held by Northumberland and Schuylkill Counties.

Pennsylvania County Unemployment Rates as of April 2019					
County	Unemployment Rate **	County	Unemployment Rate **	County	Unemployment Rate **
Chester County	2.6%	Beaver County	3.7%	Armstrong County	4.2%
Cumberland County	2.8%	Berks County	3.7%	Clearfield County	4.2%
Adams County	2.9%	Fulton County	3.7%	Lycoming County	4.2%
Centre County	2.9%	Susquehanna County	3.7%	Somerset County	4.2%
Montgomery County	2.9%	Washington County	3.7%	Greene County	4.3%
Lancaster County	3.0%	Indiana County	3.8%	Lawrence County	4.3%
Perry County	3.0%	Lehigh County	3.8%	Tioga County	4.3%
Montour County	3.1%	Mifflin County	3.8%	Clinton County	4.4%
Union County	3.1%	Northampton County	3.8%	Cambria County	4.5%
Bucks County	3.2%	Westmoreland County	3.8%	Carbon County	4.5%
Butler County	3.2%	Wyoming County	3.8%	Schuylkill County	4.5%
Franklin County	3.2%	Bedford County	3.9%	Philadelphia County	4.6%
Dauphin County	3.3%	Crawford County	3.9%	Pike County	4.6%
Lebanon County	3.3%	Jefferson County	3.9%	Cameron County	4.7%
Snyder County	3.3%	Wayne County	3.9%	Luzerne County	4.7%
Delaware County	3.4%	Clarion County	4.0%	Monroe County	4.7%
York County	3.4%	Columbia County	4.0%	Northumberland County	4.7%
Allegheny County	3.5%	Erie County	4.0%	Potter County	4.7%
Bradford County	3.5%	Mc Kean County	4.0%	Huntingdon County	4.8%
Elk County	3.5%	Mercer County	4.0%	Fayette County	4.9%
Juniata County	3.5%	Lackawanna County	4.1%	Forest County	5.5%
Blair County	3.6%	Sullivan County	4.1%		
Warren County	3.6%	Venango County	4.1%		

Source: PA Department of Labor & Industry
**Not Seasonally Adjusted

Education

The Susquehanna Valley offers many opportunities for quality education. Within the region, there are nationally recognized colleges and universities, technical institutions, and quality public and private schools. A highly educated work force helps keep the region competitive with other parts of the state and the nation.

History and Tourism

The Susquehanna Valley is steeped with rich history and tradition. Its natural beauty, historical attractions and entertainment hubs draw tourists from all around the world. Although opportunities for new business and development have recently been encouraged, the region prides itself for maintaining much of its natural and historical charm. Rural farming communities, small quaint towns, rolling hillsides and waterways are abundant.

There is a strong historical presence in the region. With Harrisburg being the state capital, it is the nucleus for much of the state's government operations. Historical

buildings, including the State Capitol and the Governor's Residence, various museums, art galleries and restaurants make Harrisburg a prominent urban center. Also located in Dauphin County is the Hershey Entertainment Complex. This complex features an amusement park, a zoo, a resort hotel, a sports stadium, theatres, museums and golf courses.

Not far from Harrisburg, in Adams County, is Gettysburg. Gettysburg played an integral part in early American history. The Battle of Gettysburg and President Lincoln's famous "Gettysburg Address" took place here during the Civil War era.

Also notable in the region is Lancaster County, often referred to as Pennsylvania Dutch Country. Lancaster is popular for being home to one of the largest and oldest Amish communities in the United States. Every year millions visit to get a glimpse into their unique way of life.

York County is home to Harley Davidson's largest motorcycle manufacturing plant. Thousands of enthusiasts travel to York each year to tour the facility.

Natural landmarks such as the Susquehanna and Juniata Rivers, the Blue and Appalachian Mountains and many covered bridges and green pastures are all popular for boating, fishing, cycling, hiking and scenic drive routes.

These attractions, along with a host of others, are all vital contributors to the region's economy and overall appeal.

Transportation

The Susquehanna Valley region has a good highway network that allows convenient access to other major Northeastern, Southeastern and Midwestern markets. Within the region, most major limited access arterials converge in Harrisburg. These highways create a vast network providing a link to the northeast corridor of the eastern seaboard. Because of this excellent road network and the proximity to major ports and employment centers, the Susquehanna Valley has become a major focus for warehouse development, with most of the development occurring along Interstate 81.

Highways

The region features several prominent interstate highways and multiple heavily traveled secondary arterials.

Interstate 76 (the Pennsylvania Turnpike), which passes just south of Harrisburg, is a toll road that gives access from Ohio at the west side of the state to New Jersey on the east. This primary automobile route features several tunnels as it traverses the state. Within the region, Interstate 76 passes through Franklin, Cumberland, York, Dauphin, Lebanon, Lancaster and Berks Counties.

Interstate 80 traverses the state well north of Harrisburg. This roadway provides for mixed truck/auto traffic and is the only east/west non-toll interstate in Pennsylvania. Of the counties comprising the Susquehanna Valley, Interstate 80 only traverses Northumberland and Union Counties.

Interstate 78 connects with Interstate 81 in Lebanon County and provides access east into Allentown and further on into New Jersey. Within the region, this interstate traverses Lebanon and Berks Counties. It is the only east/west interstate that has seen notable distribution demand. While there are large several distribution centers in the Fredericksburg area of Lebanon County, the main focus has been in the neighboring Lehigh Valley region.

Interstate 81 provides a transportation route from Maryland in the south through Pennsylvania into New York to the north. The roadway passes through Franklin, Cumberland, Dauphin, Lebanon and Schuylkill Counties. This roadway is a focus of distribution warehouse activity and has been a prime catalyst in a recent shift from a more manufacturing industrial base to one of storage and distribution.

Interstate 83 in York County crosses and interchanges with Interstate 76. Interstate 83 is also a north/south arterial coming north out of Maryland, through York County, Cumberland County and terminating in Dauphin County where it connects with Interstate 81. This highway has also recently been the target of several substantial warehouse projects along its path, between the cities of York and Harrisburg.

Interstates 176 and 180 are also located within the region. These are shorter limited access highways. Interstate 176 connects Interstate 76 in Morgantown, Berks County with the City of Reading via a short connection with Route 422. Interstate 180 traverses the northern portion of Northumberland County, connecting Interstate 80 in the Milton area with Williamsport to the northwest.

US Routes 11/15, 22, 30, 61, 283, 322 and 422 are some other heavily traveled regional arteries.

It is noted that Adams, Juniata, Mifflin, Perry and Snyder Counties are within the region, but lack direct access to limited access highways. These counties are generally more rural in nature.

Rail, Air and Water

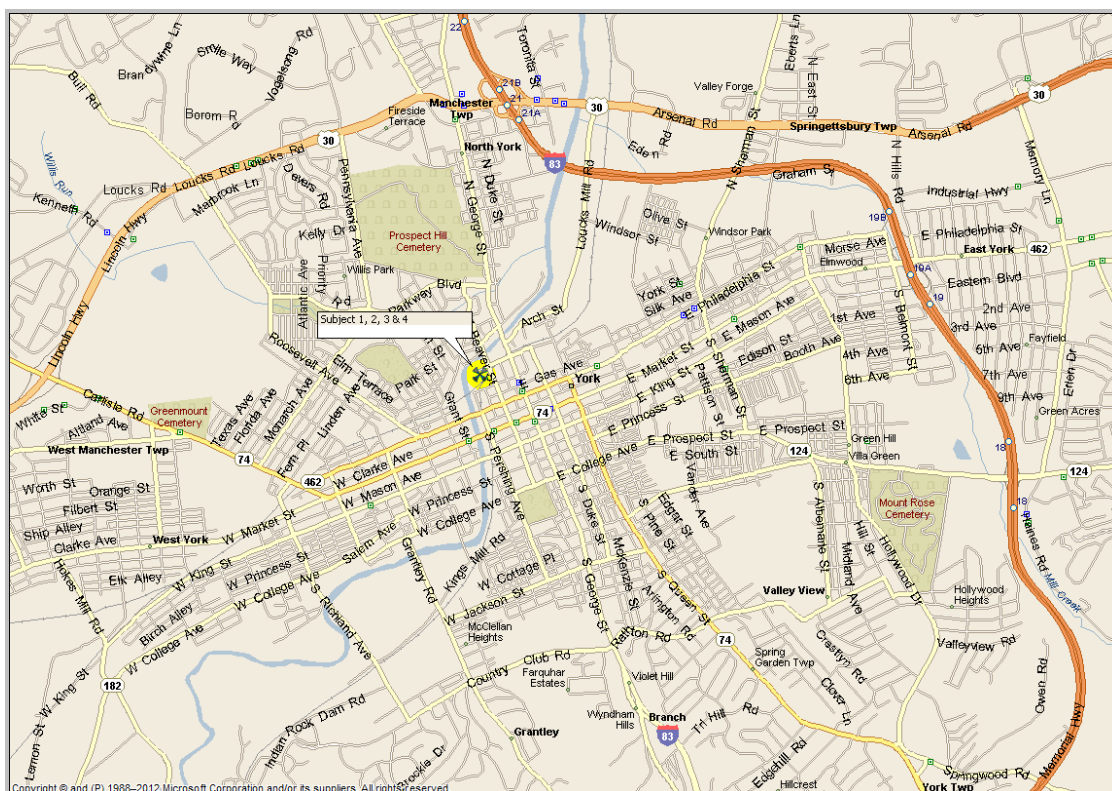
Freight rail service in the region is provided by Norfolk Southern and CSX as well as many regional and shortline freight railroads. Amtrak provides passenger connections in the City of Harrisburg and City of Lancaster. Major air access to the region is provided by the Harrisburg International Airport and Capital City Airport.

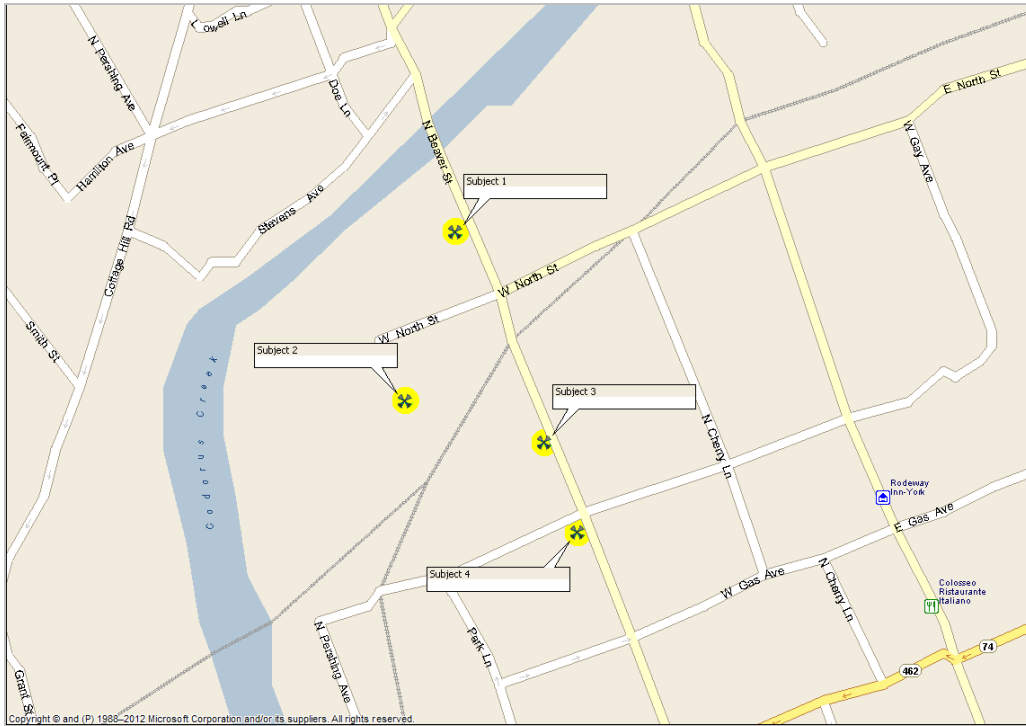
Conclusion

Overall, the Susquehanna Valley is a vibrant region benefiting from its proximity to other major US markets. Its strong transportation and highway systems provide excellent market access and help to keep the region's economy competitive with other areas of the state and nation. Population projections indicate that the area is growing, and this growth trend is expected to continue. The increases in new residents from other areas of the country will be accompanied by supporting increases in housing units. Income and employment levels are stronger than state and national levels. A well-established government employment base and a sizeable services sector have contributed to the area's lower unemployment rates. While the downturn in the global economy from 2008 to the early 2010s has had an effect on the region, the impact has been less than in other areas of the country and state. The overall economic picture of the region is positive

Immediate Neighborhood

The subject properties are located in the City of York, York County Pennsylvania. According to the US Census Bureau, the City of York encompasses approximately 5.29 square miles. The City of York is the county seat of York County and is the geographic center of the county. The city is bordered to the north by North York Borough, to the east and south by Spring Garden Township, to the northwest by West Manchester Township and to the west by West York Borough. The subject's location is identified on the following maps and aerial.





Undated aerial photo (Google Earth)

The subject properties are all located along the western side of North Beaver Street; however, a few of the properties have additional road frontage that is summarized below.

Subject Property	Road Frontage
SP 1	North Beaver Street
SP 2 (2 parcels)	North Beaver Street and West Gay Avenue
SP 3	North Beaver Street and West Gay Avenue
SP 4	North Beaver Street and West Gay Avenue and North Park Lane

PennDOT does not provide a traffic count for North Beaver Street, West Gay Avenue or North Park Lane. The properties are located in the central business district of the City of York. The immediate area is a mixture of commercial and residential uses. The subject properties are bordered by the Codorus Creek to the north and east. The Color Works is a multi-family redevelopment project that occurred in 2015/2016 and is centrally located between the subject properties. Immediately to the south of the subject properties is Saint John the Baptist Episcopal Church. North Beaver Street is located west of the subject properties. Businesses on the opposing side of North Beaver Street include Wilmac Corporation, York Academy and Warehaus York. Notable developments in the immediate area PeoplesBank Park, York Academy Upper School and the Susquehanna Commerce Center. The Susquehanna Commerce Center contains two multiple-story office buildings that were constructed in 2002 as the redevelopment of a Brownfield Site. This office complex is located on the opposing side of the Codorus Creek to the west. The former Pensupreme Dairy building was razed in 2017 and the property was redeveloped to a charter school, York Academy Upper School.

The City of York has experienced limited residential and commercial ground-up development. However, the city has experienced a number of multi-family and retail redevelopment projects. The Yorktowne Hotel that is currently under redevelopment and is planned to be rebranded as a Tapestry by Hilton. As previously mentioned, the subject is located next to Codorus Creek. The Codorus Creek project is currently in the early phase of development. According to a York Daily Record article from January of 2019, permitting and engineering work is expected to take one to two years. The projects goal is to create accessible outdoor area along the creek. The following tables summarize basic demographics for the city and county.

York City, York County, Pennsylvania Demographic Summary Source: Esri							
	2010	2018	2010-2018 Change		2023	2018-2023 Change	
	Census	Est.	Number	%Δ	Proj.	Number	%Δ
Population	43,718	45,225	1,507	3.4%	46,367	1,142	2.5%
Households	16,253	16,519	266	1.6%	16,855	336	2.0%
Per Capita Income	N/A	\$16,737	N/A	N/A	\$18,585	\$1,848	11.0%
Avg. Household Income	N/A	\$44,622	N/A	N/A	\$49,949	\$5,327	11.9%
Median Household Income	N/A	\$33,227	N/A	N/A	\$36,402	\$3,175	9.6%

York County, Pennsylvania Demographic Summary Source: Esri							
	2010	2018	2010-2018 Change		2023	2018-2023 Change	
	Census	Est.	Number	%Δ	Proj.	Number	%Δ
Population	434,972	453,095	18,123	4.2%	465,831	12,736	2.8%
Households	168,372	173,847	5,475	3.3%	178,212	4,365	2.5%
Per Capita Income	N/A	\$31,578	N/A	N/A	\$35,737	\$4,159	13.2%
Avg. Household Income	N/A	\$81,406	N/A	N/A	\$92,540	\$11,134	13.7%
Median Household Income	N/A	\$63,102	N/A	N/A	\$71,504	\$8,402	13.3%

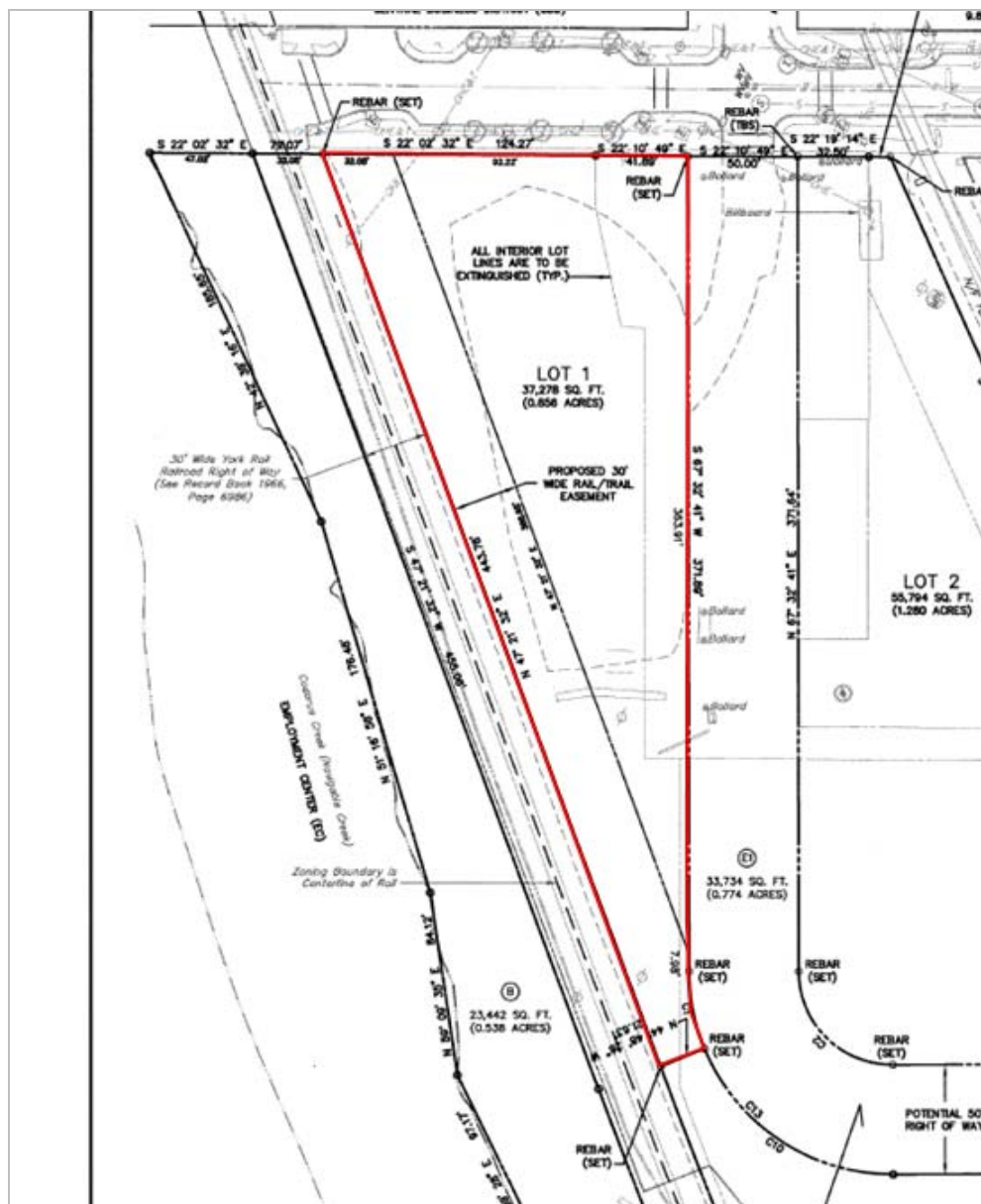
Comparisons between York City and York County Source: Esri		
Population and Households	2010-2018	2018-2023
Annual Population Growth		
York City	0.43%	0.51%
York County	0.52%	0.56%
Annual Household Growth		
York City	0.20%	0.41%
York County	0.41%	0.50%
Income Levels		
	2018	2023
Per Capita Income		
York City	\$16,737	\$18,585
York County	\$31,578	\$35,737
City as % of County	53.0%	52.0%
Avg. Household Income		
York City	\$44,622	\$49,949
York County	\$81,406	\$92,540
City as % of County	54.8%	54.0%
Median Household Income		
York City	\$33,227	\$36,402
York County	\$63,102	\$71,504
City as % of County	52.7%	50.9%

As shown, the City of York has experienced limited population growth between 2010 and 2018, growing by 3.4%; York County narrowly outpaced the City of York with a population increase of 4.2% during this time period. Furthermore, limited population growth is expected to continue through 2023 in both the city and county. Income levels in the City of York are well below those exhibited in York County as a whole. As of 2018, the city's median household income of \$33,227 is well below that of the county (\$63,102). Although moderate income growth is projected in both the city and the county, this income gap is expected to widen over the next several years. By 2023, the median household income projected for the City of York (\$36,402) is expected to still be well below that of York County (\$71,504).

PROPERTY DESCRIPTION

DESCRIPTION OF THE SITE (SP 1)

- Land Area:** The subject site totals 0.86 acres according to a final subdivision plans prepared by C.S. Davidson, Inc. and dated April 10, 2017.
- Tax Parcel ID:** 030470100010000000
- Shape:** The subject site is triangular in shape. The following site plan was prepared by C.S. Davidson, Inc.



Topography/Soils:	The topography of the site is generally level. No apparent drainage problems were observed but it should be noted that the scope of this appraisal assignment does not include specific tests for adequacy. Similarly, soils have not been tested but are believed to be adequate for this type of development.
Visibility and Access:	The subject has average visibility and is accessed via North Beaver Street.
Frontage:	The subject property has frontage along North Beaver Street. Furthermore, the final subdivision plans indicate a roadway will be constructed along the southern border of the property.
Paving/Parking:	None
Landscaping:	None
Utilities:	All public utilities are in the area of the subject property.
Flood Zone:	According to a review of Flood Insurance Rate Map Number 42133C0328F (effective date December 16, 2015) of the Federal Emergency Management Agency's National Flood Insurance Program, it appears as though subject property 1 is located in an area designated as "Area with Reduced Flood Risk due to Levee Zone X". The flowing is the FEMA flood insurance rate map.



Hazardous Materials:

According to an Act 2 Final Report prepared by ARM Group, Inc. and dated December 28, 2011, soil samples collected from stockpiles indicated concentrations of arsenic and benzo(a)pyrene at concentrations above the Residential Direct Contact MSCs. The concentration of the of dibenzo(a,h)anthracene at one location was also slightly above recently lowered MSC (but was below the MSC that existed at the time of work). The report further states that the stockpiles were removed. Post-excavation samples from removal of the stockpiles and a concrete pad did not reveal arsenic concentrations greater than the MSCs.

The scope of this appraisal assignment has not included any environmental audits or testing for hazardous materials. As in the case of all real estate, parties with interest in the subject property are advised to have a complete understanding of the environmental issues surrounding the subject site. The appraisers are not aware of additional negative environmental conditions at the subject property. This appraisal assignment assumes that the subject property has Act 2 liability protection.

- Underground Tanks:** Appraisers are not experts at detecting underground tanks. Parties with interest in the subject property are advised to have an environmental expert retained to confirm the presence or absence of such tanks.
- Wetlands:** A wetlands survey has not been reviewed as part of the scope of this assignment. In addition, no obvious wetlands areas were noted during the inspection or reported by the property contact or client. This appraisal assignment assumes that no wetlands exist on the subject property. If wetlands are found to be present, the valuation may require reconsideration.
- Easements/Encroachments:** The site plan prepared C.S. Davidson, Inc. indicates a proposed 30-foot wide easement for the rail trail that would be located along the northern border of the site. Since a survey of title is beyond the scope of this report, a precise rendering of recorded easements and encroachments was not available. From a review of the current deed and from the physical inspection of the subject site, no additional easements or encroachments, other than proposed 30-foot rail trail easement and typical utility easements, are apparent that would inhibit utilization of the site.
- Zoning:** The subject property is located in the CBD zoning district of City of York. The following are permitted uses within the district and dimensional requirements for development.
- Single-Family Attached Dwelling
 - Multi-family Dwellings - Conversion from a Different Use
 - Apartment Combined with Commercial Use
 - Live-Work Unit
 - Funeral Home
 - Library
 - Community Center
 - Art Gallery
 - Museum
 - Theater - Motion Picture
 - Educational Facility - Post Grade 12 or equivalent
 - Specialized Instruction - Dance, Music and Art

- House of Worship
- Child Care Center
- Group Child Care Home
- Hospital Medical Facility
- Medical Offices
- Veterinarian/Animal Hospital - Non-Household Animals
- Adult Care Facility
- Bank/Credit Union
- Business, Finance, Professional Office
- Business Service Establishment
- Pet Grooming - No Overnight Boarding
- Repair & Maintenance of Small Appliances, Clothing, Jewelry, Radio/TV, Tools, Bicycles, Guns, Locks, Shoes
- Recreation Facility, Commercial
- Eating Establishments
- *Sit-Down*
- *Quick Service*
- *Fast Food*
- *Nightclub*
- *Tavern*
- *Brew Pub*
- Bed and Breakfast
- Hotels, Motels, Convention Center
- Hair Care
- Laundromat, Dry Cleaning
- Tattoo/Body Art
- Day Spa
- Health/Fitness Facility
- Tailoring & Dressmaking Establishment
- Police & Fire Stations
- Office - Public Service
- Government Offices
- Parking - Garage
- Parking - Surface Lot
- Open Space and Parks

Table 1303.13 Dimensional Requirements (CBD) CENTRAL BUSINESS DISTRICT		
Dimensional Requirement	Use	Requirement
Minimum Lot Area	All	1,500 ft. ²
Minimum Lot Width	All	20 ft.
Minimum Building Setback - Front	All	None
Minimum Building Setback - Rear	All	None
Minimum Building Setback - Side	All	None
Minimum Building Height	All	None
Maximum Building Height	All	None
Maximum Total Impervious Surface	All	100% of gross lot area
Minimum Open Area	All	0% of gross lot area

Other Site Improvements: None

Approval Status: In an appraisal of vacant land, it is important to identify the status of development approvals for the subject property and for the comparable sales. Generally speaking, land transactions fall under one of three categories: unapproved, contingent on the buyer procuring approvals prior to settlement and approved (where the seller has secured the approvals).

Unapproved land is also commonly referred to as raw land. When unapproved land is purchased without an approval contingency, the buyer recognizes significant risk associated with the following:

- 1) If engineering has not been completed, the buyer does not know what density or development is ultimately achievable.
- 2) If engineering has not been completed, the buyer is unaware of what the site costs may be.
- 3) The buyer does not know exactly how long the approval process will take.
- 4) The buyer does not know what off-site costs may be required by the municipality.
- 5) Because the amount of time to take the property through the approval process is unknown, the buyer risks possible market changes that could affect the market value of the property.
- 6) The buyer may recognize a lost opportunity cost during the approval process as he must carry the property for an uncertain amount of time.

Of the three approval status categories noted previously, unapproved sites generally sell for the lowest prices per acre (all other things being equal).

Developers often purchase land contingent on their ability to get the site approved for development. In this scenario, all costs of the approval process are still borne by the developer. However, much of the uncertainty is removed and the ultimate purchase is of approved ground. The risks recognized by the developer-buyer are reduced because:

- 1) Upon settlement, the buyer knows exactly what can be developed.
- 2) Site development costs can be more accurately projected.
- 3) If the project is infeasible due to an insufficient site yield, site conditions, etc., the buyer can walk away from the deal.
- 4) If the market changes negatively during the approval process, the buyer can walk away from the deal.
- 5) The buyer does not have to carry the property during the approval process.

Prices paid for land that is purchased contingent on the buyer procuring the approvals are generally higher than land purchased unapproved (raw).

Some property owners take land through the approval process themselves, and then market approved/unimproved land to developers and/or builders who can then install site infrastructure immediately. Transactions involving land that is already approved represent the highest prices paid for land (all other things being equal), because all of the risk related to obtaining the approvals has already been borne by the seller, not the buyer. As with contingent sales where the buyer procures the approvals, the buyer knows exactly what can be built, but here, no additional time or money must be expended by the buyer to procure the approvals.

Typically, after site plan approval has been achieved and permitting has been obtained for a development, the value of the land increases substantially.¹³

The subject property is unapproved.

¹³ Appraisal Institute, *The Appraisal of Real Estate*, 14th Edition (Chicago: Appraisal Institute, 2013), 361.

DESCRIPTION OF THE SITE (SP 2)

Land Area:

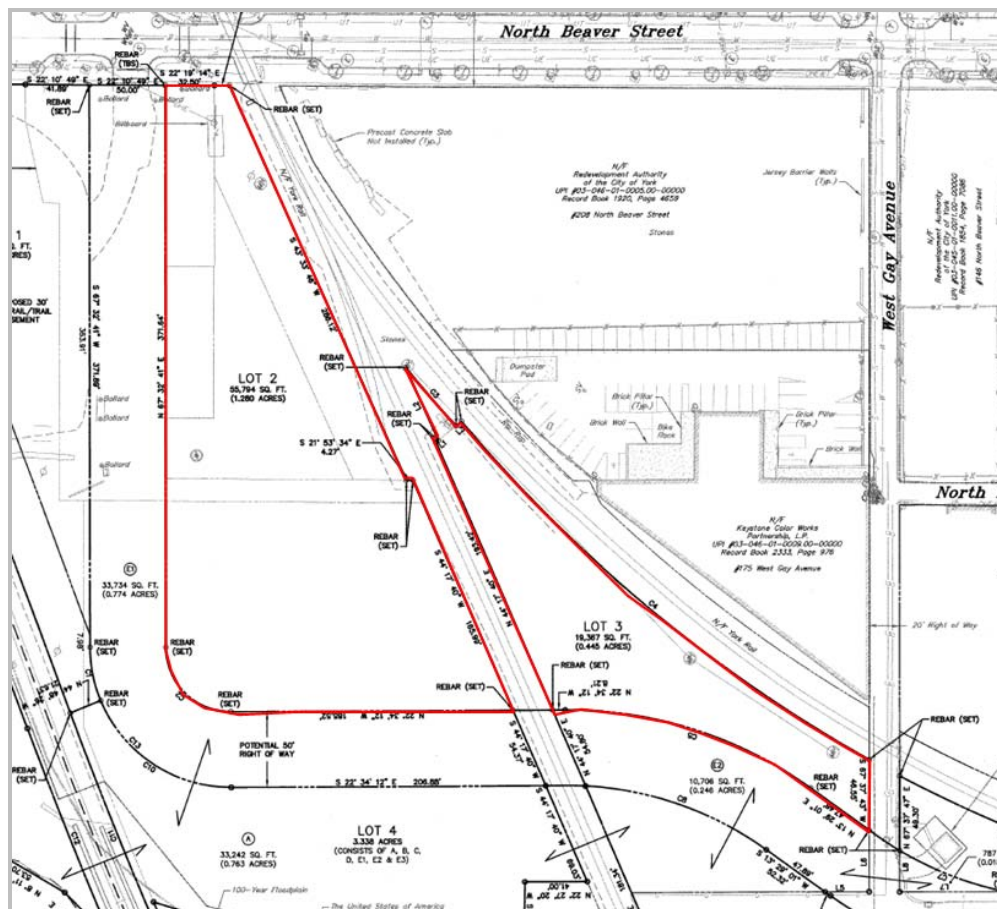
The subject site totals 1.73 acres according to a final subdivision plan prepared by C.S. Davidson, Inc. and dated April 10, 2017. As previously mentioned, subject property 2 includes two parcels that are treated as one economic unit. Parcel 03-04601-0007.00-00000 is 0.45 acres and is irregular in shape, bordered by railroad tracks along two boundary lines and has limited road frontage along West Gay Avenue. Given the lot's characteristics, the site would have limited marketability and development potential as a standalone parcel.

Tax Parcel ID:

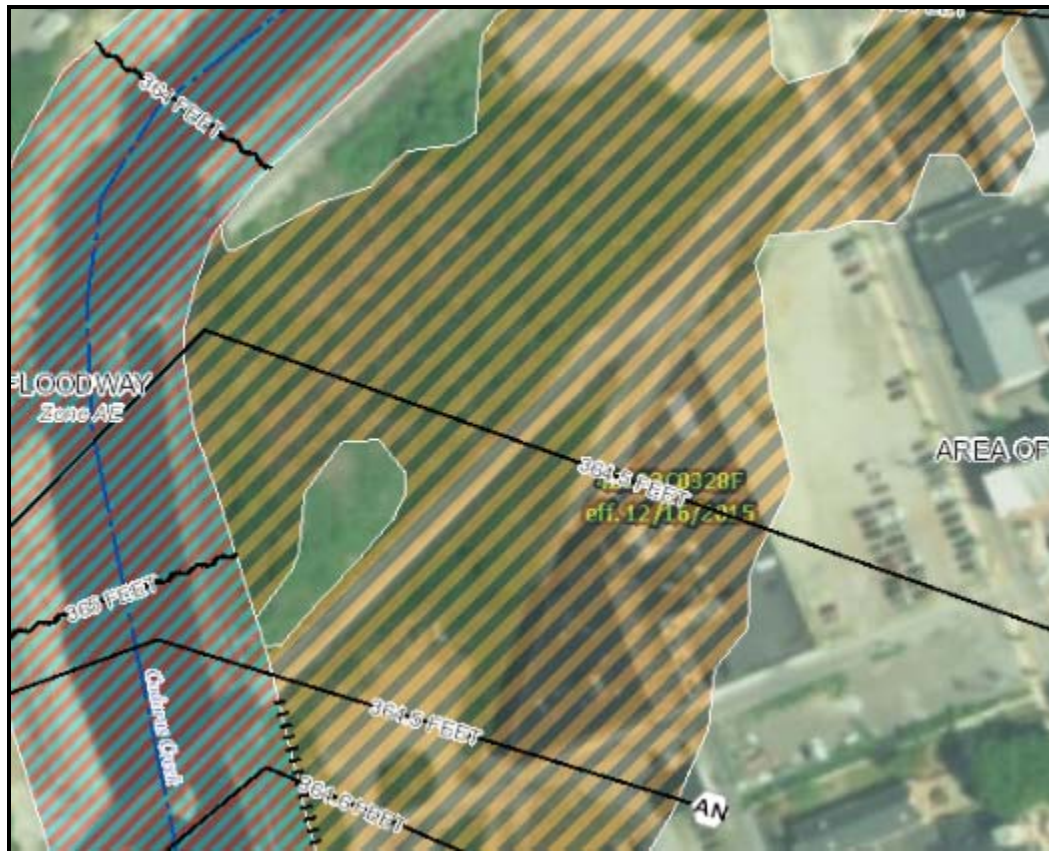
03046010006000000 and 03046010007000000

Shape:

The subject site is irregular in shape and is bisected by a rail line. The following site plan was prepared by C.S. Davidson, Inc.



Topography/Soils:	The topography of the site is generally level. No apparent drainage problems were observed but it should be noted that the scope of this appraisal assignment does not include specific tests for adequacy. Similarly, soils have not been tested but are believed to be adequate for this type of development.
Visibility and Access:	The subject has average visibility and is accessed via North Beaver Street and West Gay Avenue.
Frontage:	The subject property has frontage along North Beaver Street and West Gay Avenue. Furthermore, the final subdivision plans indicate a roadway will be constructed along the northern and eastern borders of the property.
Paving/Parking:	None
Landscaping:	None
Utilities:	All public utilities are in the area of the subject property.
Flood Zone:	According to a review of Flood Insurance Rate Map Number 42133C0328F (effective date December 16, 2015) of the Federal Emergency Management Agency's National Flood Insurance Program, it appears as though subject property 2 is located in an area designated as "Area with Reduced Flood Risk due to Levee Zone X". The flowing is the FEMA flood insurance rate map.



Hazardous Materials:

According to an Act 2 Final Report prepared by ARM Group, Inc. and dated December 28, 2011, Phase I and limited Phase II ESAs were completed by other firms prior to ARM's involvement with the site. ARM completed 165 shallow and deep soil samples through June to August 2009. A number of the samples contained arsenic at concentrations in excess of the PADEP Residential Statewide Health MSCs and a few samples exceeded the MSC for lead. Following receipt and evaluation of the samples, additional rounds of sampling and analysis were conducted prior to and during the completion of soil removal activities to ensure that all MSC exceedances were fully delineated laterally and vertically. In addition to the soil samples, a total of eight monitoring wells were installed in the northwest triangle site. The report states that other than a few isolated and questionable exceedances of the residential used aquifer MSCs for lead, trichloroethene and bis(2-ethylhexyl)phthalate, no constituents were detected at concentrations greater than the MSC's.

The scope of this appraisal assignment has not included any environmental audits or testing for hazardous materials. As in the case of all real estate, parties with interest in the subject property are advised to have a complete understanding of the environmental issues surrounding the subject site. The appraisers are not aware of additional negative environmental conditions at the subject property. This appraisal assignment assumes that the subject property has Act 2 liability protection.

Underground Tanks: Appraisers are not experts at detecting underground tanks. Parties with interest in the subject property are advised to have an environmental expert retained to confirm the presence or absence of such tanks.

Wetlands: A wetlands survey has not been reviewed as part of the scope of this assignment. In addition, no obvious wetlands areas were noted during the inspection or reported by the property contact or client. This appraisal assignment assumes that no wetlands exist on the subject property. If wetlands are found to be present, the valuation may require reconsideration.

Easements/Encroachments: Since a survey of title is beyond the scope of this report, a precise rendering of recorded easements and encroachments was not available. From a review of the current deed and from the physical inspection of the subject site, no additional easements or encroachments, other than typical utility easements, are apparent that would inhibit utilization of the site.

Zoning: The subject property is located in the CBD zoning district of City of York. The permitted uses within the district and dimensional requirements for development were previously discussed in the Description of the Site of subject property 1.

Other Site Improvements: None

Approval Status: In an appraisal of vacant land, it is important to identify the status of development approvals for the subject property and for the comparable sales. Generally speaking, land transactions fall under one of three categories: unapproved, contingent on the

buyer procuring approvals prior to settlement and approved (where the seller has secured the approvals). Additional information was previously provided in the Description of the Site of subject property 1.

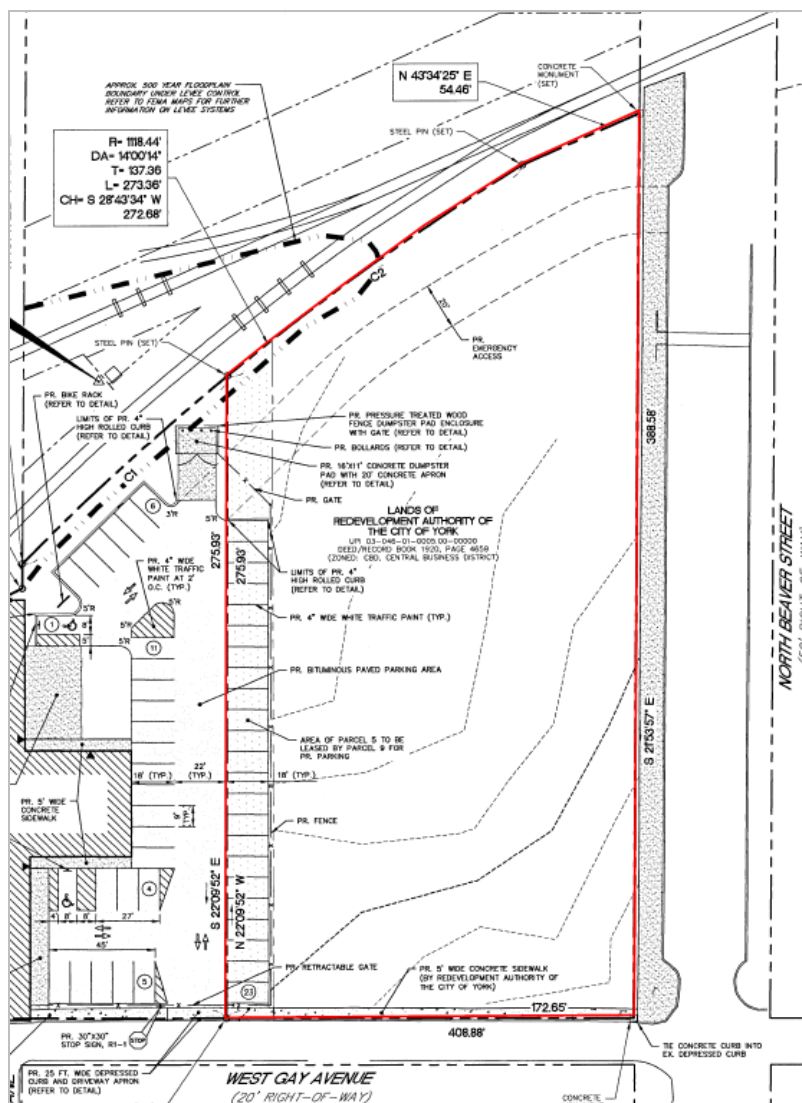
The subject property is unapproved.

DESCRIPTION OF THE SITE (SP 3)

Land Area: The subject site totals 1.35 acres according to a site plan was prepared by SDC Land Development Consultants and dated May 20, 2015. It is again noted that 55 parking spaces or 16,942 square feet (28.8% of site) along the eastern border of the subject site is leased by the neighboring property owner.

Tax Parcel ID: 030460100050000000

Shape: The subject site is irregular in shape. The following site plan was prepared by SDC Land Development Consultants.



Topography/Soils:	The topography of the site is generally level. No apparent drainage problems were observed but it should be noted that the scope of this appraisal assignment does not include specific tests for adequacy. Similarly, soils have not been tested but are believed to be adequate for this type of development.
Visibility and Access:	The subject has average visibility and is accessed via West Gay Avenue.
Frontage:	The subject property has frontage along North Beaver Street and West Gay Avenue.
Paving/Parking:	A portion of the subject is improved with paved parking spaces that are leased by the neighboring property owner. However, the majority of the site is improved with a gravel parking field.
Landscaping:	None
Utilities:	All public utilities are in the area of the subject property.
Flood Zone:	According to a review of Flood Insurance Rate Map Number 42133C0328F (effective date December 16, 2015) of the Federal Emergency Management Agency's National Flood Insurance Program, it appears as though a small portion of subject property 3 is located in an area designated as "Area with Reduced Flood Risk due to Levee Zone X". The flowing is the FEMA flood insurance rate map.



Hazardous Materials:

According to an Act 2 Final Report prepared by ARM Group, Inc. and dated December 28, 2011, 17 soil borings and 10 soil samples were collected. The only constituent that was detected above its respective PADEP MSC was benzene. Furthermore, the benzene was also above the soil screening value for protection of residential indoor air. The benzene contamination at the site was limited and fully delineated. A 15,000-gallon, unregulated heating oil UST was uncovered and removed. The UST was previously closed in-place and no evidence of a releases was noted in the UST excavation or the soils removed from the tank.

The scope of this appraisal assignment has not included any environmental audits or testing for hazardous materials. As in the case of all real estate, parties with interest in the subject property are advised to have a complete understanding of the environmental issues surrounding the subject site. The

appraisers are not aware of negative environmental conditions at the subject property. This appraisal assignment assumes that the subject property has Act 2 liability protection.

Underground Tanks:

A 15,000-gallon, unregulated heating oil UST was uncovered and removed. The UST was previously closed in-place and no evidence of a releases was noted in the UST excavation or the soils removed from the tank. Appraisers are not experts at detecting underground tanks. Parties with interest in the subject property are advised to have an environmental expert retained to confirm the presence or absence of such tanks.

Wetlands:

A wetlands survey has not been reviewed as part of the scope of this assignment. In addition, no obvious wetlands areas were noted during the inspection or reported by the property contact or client. This appraisal assignment assumes that no wetlands exist on the subject property. If wetlands are found to be present, the valuation may require reconsideration.

Easements/Encroachments:

According to the site plan prepared by SDC Land Development Consultants, a 20' emergency access area runs along the northern border of the site to the neighboring property. Since a survey of title is beyond the scope of this report, a precise rendering of recorded easements and encroachments was not available. From a review of the current deed and from the physical inspection of the subject site, no additional easements or encroachments, other than the emergency access area and typical utility easements, are apparent that would inhibit utilization of the site.

Zoning:

The subject property is located in the CBD zoning district of City of York. The permitted uses within the district and dimensional requirements for development were previously discussed in the Description of the Site of subject property 1.

Other Site Improvements:

Paved and gravel parking

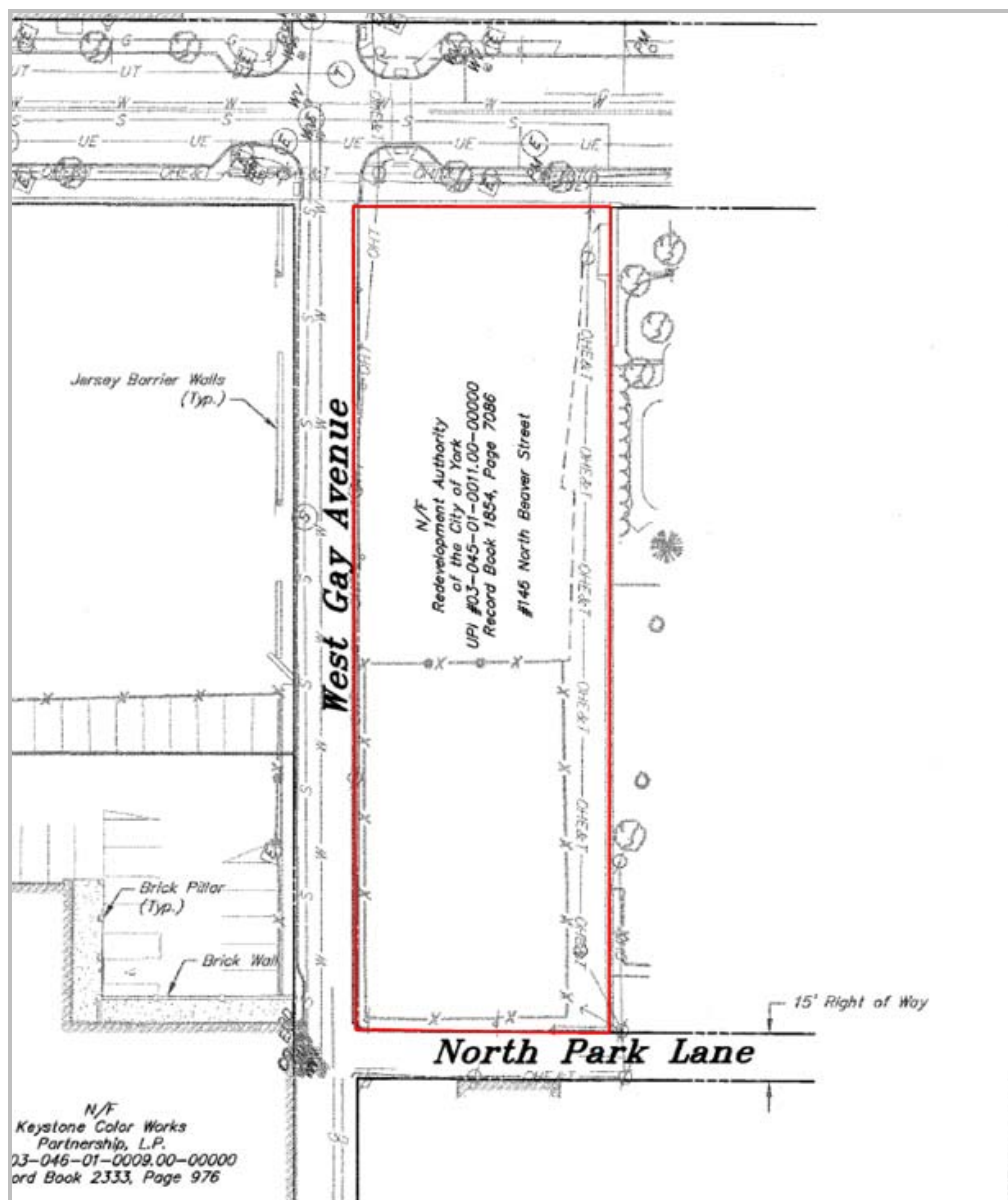
Approval Status:

In an appraisal of vacant land, it is important to identify the status of development approvals for the subject property and for the comparable sales. Generally speaking, land transactions fall under one of three categories: unapproved, contingent on the buyer procuring approvals prior to settlement and approved (where the seller has secured the approvals). Additional information was previously provided in the Description of the Site of subject property 1.

The subject property is unapproved.

DESCRIPTION OF THE SITE (SP 4)

- Land Area:** The subject site totals 0.47 acres according to tax assessment records.
- Tax Parcel ID:** 030450100110000000
- Shape:** The subject site is rectangular in shape. The following site plan was prepared by C.S. Davidson, Inc.



Topography/Soils:	The topography of the site is generally level. No apparent drainage problems were observed but it should be noted that the scope of this appraisal assignment does not include specific tests for adequacy. Similarly, soils have not been tested but are believed to be adequate for this type of development.
Visibility and Access:	The subject has average visibility and is accessed via West Gay Avenue.
Frontage:	The subject property has frontage along North Beaver Street, West Gay Avenue and North Park Lane.
Paving/Parking:	Gravel parking field
Landscaping:	None
Utilities:	All public utilities are in the area of the subject property.
Flood Zone:	According to a review of Flood Insurance Rate Map Number 42133C0328F (effective date December 16, 2015) of the Federal Emergency Management Agency's National Flood Insurance Program, it appears as though the subject property is located in an area designated as Zone X, which indicates areas of minimal flooding.



Hazardous Materials:

According to an Act 2 Final Report prepared by ARM Group, Inc. and dated December 28, 2011, 14 soil samples and 10 borings were initially completed. The samples detected arsenic concentrations that exceeded the Residential Direction Contact MSC at several locations. Furthermore, lead was detected at a concentration exceeding the PADEP Non-Residential and Soil-to-Groundwater MSCs at one sample location. The soil was excavated and post-excavation soil sampling indicated a few exceedances of the MSC for arsenic in the western and northern excavation areas. However, the report states that attainment of the residential MSC for lead and arsenic has been demonstrated in accordance with Sections 250.703 and 250.707. In addition to the soil samples, four heating oil USTs were removed and no heating oil constituents were detected in any of the soil samples.

The scope of this appraisal assignment has not included any environmental audits or testing for

hazardous materials. As in the case of all real estate, parties with interest in the subject property are advised to have a complete understanding of the environmental issues surrounding the subject site. The appraisers are not aware of additional negative environmental conditions at the subject property. This appraisal assignment assumes that the subject property has Act 2 liability protection.

Underground Tanks: Four heating oil USTs were removed and no heating oil constituents were detected in any of the soil samples. Appraisers are not experts at detecting underground tanks. Parties with interest in the subject property are advised to have an environmental expert retained to confirm the presence or absence of such tanks.

Wetlands: A wetlands survey has not been reviewed as part of the scope of this assignment. In addition, no obvious wetlands areas were noted during the inspection or reported by the property contact or client. This appraisal assignment assumes that no wetlands exist on the subject property. If wetlands are found to be present, the valuation may require reconsideration.

Easements/Encroachments: Since a survey of title is beyond the scope of this report, a precise rendering of recorded easements and encroachments was not available. From a review of the current deed and from the physical inspection of the subject site, no additional easements or encroachments, other than typical utility easements, are apparent that would inhibit utilization of the site.

Zoning: The subject property is located in the CBD zoning district of City of York. The permitted uses within the district and dimensional requirements for development were previously discussed in the Description of the Site of subject property 1.

Other Site Improvements: Gravel parking lot and fencing

Approval Status: In an appraisal of vacant land, it is important to identify the status of development approvals for the subject property and for the comparable sales. Generally speaking, land transactions fall under one of three categories: unapproved, contingent on the

buyer procuring approvals prior to settlement and approved (where the seller has secured the approvals). Additional information was previously provided in the Description of the Site of subject property 1.

The subject property is unapproved.

TAX ASSESSMENT ANALYSIS

The subject properties are identified by the York County Tax Assessment Office by the following parcels.

Subject Property	Parcel ID(s)
SP 1	03-047-01-0001.00-00000
SP 2 (2 parcels)	03-046-01-0006.00-00000 & 03-046-01-0007.00-00000
SP 3	03-046-01-0005.00-00000
SP 4	03-045-01-0011.00-00000

The location of the subject parcel(s) is shown on the following tax map.



Each county in Pennsylvania has a predetermined ratio that equates the assessed value to its corresponding initial "base year" market value (generally as of the date of the last re-assessment). In addition, the State Tax Equalization Board (STEB)/Tax Equalization Division (TED) assigns each county an annual common level ratio. This is the ratio between the assessment and the current implied market value (based on previous year sales activity).

The following is a summary of each subject property's tax assessment and liability. It is noted that the subject properties are exempt from real estate taxes. While it appears that no tax payments are paid, under a market value scenario, a potential purchaser may not enjoy an exemption.

Tax Assessment Summary Table			
Predetermined Ratio	100.0%	Municipal Millage Rate	0.018970
Common Level Ratio	81.9%	County Millage Rate	0.005800
		School District Millage Rate	0.033736
		Other Millage Rate	<u>0.000000</u>
		Total Millage Rate	0.058506
		Effective Tax Rate	0.047916
<u>SP 1: 030470100010000000</u>			
Land Assessment	\$76,960		
Building Assessment	<u>\$0</u>		
Total Assessment	\$76,960		
Implied Value	\$93,968	Tax Liability	\$4,503
<u>SP 2: 030460100060000000 & 030460100070000000</u>			
Land Assessment	\$113,240		
Building Assessment	<u>\$0</u>		
Total Assessment	\$113,240		
Implied Value	\$138,266	Tax Liability	\$6,625
<u>SP 3: 030460100050000000</u>			
Land Assessment	\$137,620		
Building Assessment	<u>\$0</u>		
Total Assessment	\$137,620		
Implied Value	\$168,034	Tax Liability	\$8,052
<u>SP 4: 030450100110000000</u>			
Land Assessment	\$49,810		
Building Assessment	<u>\$0</u>		
Total Assessment	\$49,810		
Implied Value	\$60,818	Tax Liability	\$2,914

The reader should note that if the implied market value of a given property is lower than the appraised market value, there is risk that the assessment could be challenged and the taxes increased. Conversely, if the implied market value is higher than the appraised market value, a tax assessment appeal should be investigated by the property owner.

VALUATION

HIGHEST AND BEST USE ANALYSIS

Introduction

Highest and best use reflects a basic assumption about real estate market behavior; that the price buyers will pay for a property is based on their conclusion about the most profitable use of the property. The determination of highest and best use is based on careful consideration of prevailing market conditions, trends affecting market participation and change, and the existing use of the subject property.

Highest and best use may be defined as the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible and that results in the highest value.

To conclude that a given use is the highest and best use, the use must meet four criteria. The highest and best use must be

- 1) legally permissible;
- 2) physically possible;
- 3) financially feasible; and
- 4) maximally productive.

Each factor is considered in sequential order, thereby eliminating, at each level, uses that do not qualify. Finally, the use that remains is the highest and best use.

Highest and Best Use as Vacant

First, the highest and best use of each subject site as though vacant is determined. Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination, is regarded as the highest and best use of the land. It is assumed that the parcel of land in question is vacant. Even an improved site can be made vacant by demolishing the improvements. The question to be answered is: If the subject site were vacant, what new improvement(s), if any, should be constructed?

Subject Property 1

The site has access to all public utilities and the topography is generally level. However, the site is triangular in shape and is impacted by a 30-foot wide easement along the northern border. The environmental history of the subject was discussed in the Description of the Site and the subject is assumed to have Act 2 clearance. The site is located in the CBD zoning district, which predominately permits commercial uses. However, the district does permit apartments combined with a commercial use. As discussed in the market area analysis of the report, the City of York has experienced limited ground-up residential and commercial development; however, a number of multi-family redevelopments have occurred. As previously mention, the

subject has access to several tax abatement programs due to its location. The programs include Federal Opportunity Zone, LERTA and ReTAP. It is again noted that the property is under an option agreement. The developer is proposing a five-phase development that will total 240,000 square feet of mixed-use buildings. Reportedly, the development will provide space for robotics research, laboratories and prototyping, as well as office space, temporary housing and underground parking.

Considering the four factors of Highest and Best Use, namely legally permissible, physically possible, financially feasible and maximally productive, the highest and best use of the subject site, as if vacant and available for development, as of the valuation date, is concluded to be for mixed-use development.

Subject Property 2

The site has access to all public utilities and the topography is generally level. However, the site contains two parcels that are irregular in shape. Furthermore, the site is bisected by a rail line. The environmental history of the subject was discussed in the Description of the Site and the subject is assumed to have Act 2 clearance. The site is located in the CBD zoning district, which predominately permits commercial uses. However, the district does permit apartments combined with a commercial use. As discussed in the market area analysis of the report, the City of York has experienced limited ground-up residential and commercial development; however, a number of multi-family redevelopments have occurred. As previously mention, the subject has access to several tax abatement programs due to its location. The programs include Federal Opportunity Zone, LERTA and ReTAP. It is again noted that the property is under an option agreement. The developer is proposing a five-phase development that will total 240,000 square feet of mixed-use buildings. Reportedly, the development will provide space for robotics research, laboratories and prototyping, as well as office space, temporary housing and underground parking.

Considering the four factors of Highest and Best Use, namely legally permissible, physically possible, financially feasible and maximally productive, the highest and best use of the subject site, as if vacant and available for development, as of the valuation date, is concluded to be for mixed-use development.

Subject Property 3

The site has access to all public utilities and the topography is generally level. The site is irregular in shape and is impacted by a lease agreement and an emergency access area for a neighboring property owner. The environmental history of the subject was discussed in the Description of the Site and the subject is assumed to have Act 2 clearance. The site is located in the CBD zoning district, which predominately permits commercial uses. However, the district does permit apartments combined with a commercial use. As discussed in the market area analysis of the report, the City of York has experienced limited ground-up residential and commercial development; however, a number of multi-family redevelopments have

occurred. As previously mention, the subject has access to several tax abatement programs due to its location. The programs include Federal Opportunity Zone, LERTA and ReTAP. It is again noted that the property is under an option agreement. The developer is proposing a five-phase development that will total 240,000 square feet of mixed-use buildings. Reportedly, the development will provide space for robotics research, laboratories and prototyping, as well as office space, temporary housing and underground parking.

Considering the four factors of Highest and Best Use, namely legally permissible, physically possible, financially feasible and maximally productive, the highest and best use of the subject site, as if vacant and available for development, as of the valuation date, is concluded to be for mixed-use development.

Subject Property 4

The site has access to all public utilities, the topography is generally level and the site is rectangular in shape. The environmental history of the subject was discussed in the Description of the Site and the subject is assumed to have Act 2 clearance. The site is located in the CBD zoning district, which predominately permits commercial uses. However, the district does permit apartments combined with a commercial use. As discussed in the market area analysis of the report, the City of York has experienced limited ground-up residential and commercial development; however, a number of multi-family redevelopments have occurred. As previously mention, the subject has access to several tax abatement programs due to its location. The programs include Federal Opportunity Zone, LERTA and ReTAP. It is again noted that the property is under an option agreement. The developer is proposing a five-phase development that will total 240,000 square feet of mixed-use buildings. Reportedly, the development will provide space for robotics research, laboratories and prototyping, as well as office space, temporary housing and underground parking.

Considering the four factors of Highest and Best Use, namely legally permissible, physically possible, financially feasible and maximally productive, the highest and best use of the subject site, as if vacant and available for development, as of the valuation date, is concluded to be for mixed-use development.

Portfolio

The portfolio contains four properties (five parcels). All of the properties have access to public utilities and the topography of the properties is generally level. It is noted that the four properties are bisected either by a roadway or railroad line. The environmental history of the properties was discussed in the Description of the Site sections of this report and the properties are assumed to have Act 2 clearance. All of the properties are located in the CBD zoning district, which predominately permits commercial uses. However, the district does permit apartments combined with a commercial use. As discussed in the market area analysis of the report, the City of York has experienced limited ground-up residential and commercial development;

however, a number of multi-family redevelopments have occurred. As previously mentioned, all of the properties has access to several tax abatement programs due to their location. The programs include Federal Opportunity Zone, LERTA and ReTAP. It is again noted that the properties are under an option agreement. The developer is proposing a five-phase development that will total 240,000 square feet of mixed-use buildings. Reportedly, the development will provide space for robotics research, laboratories and prototyping, as well as office space, temporary housing and underground parking.

Considering the four factors of Highest and Best Use, namely legally permissible, physically possible, financially feasible and maximally productive, the highest and best use of the subject sites, as if vacant and available for development, as of the valuation date, is concluded to be for mixed-use development.

LAND VALUATION

There are six generally accepted methods to value land. These methods include sales comparison, allocation, extraction, subdivision development, land residual and ground rent capitalization. In this analysis, only the Sales Comparison Approach is developed.

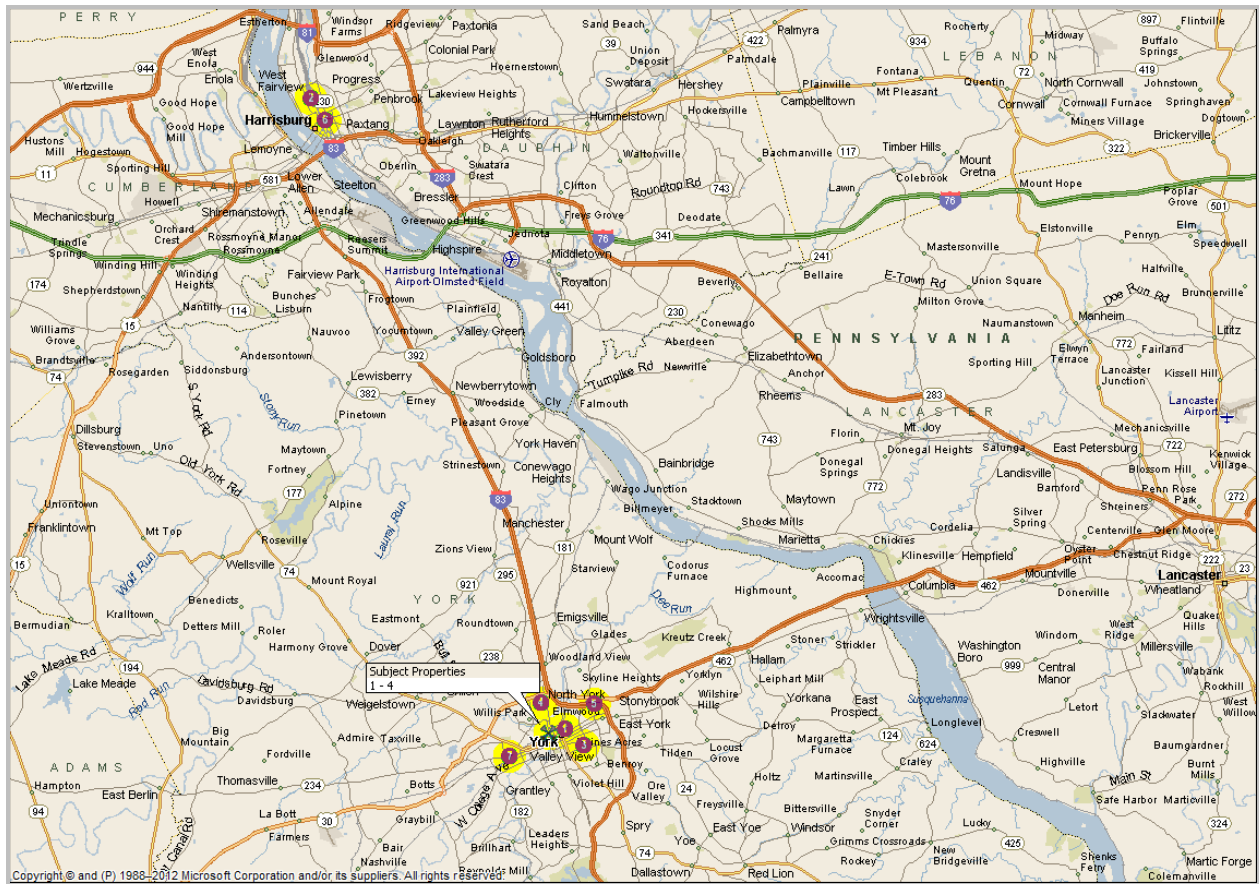
The Sales Comparison Approach is defined as “the process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.”¹⁴

The Sales Comparison Approach is dependent upon a number of factors, including the availability of comparable sales data, the verification of the sales data, the degree of comparability and the extent of adjustment necessary for differences and the absence of non-typical conditions affecting the sale price.

The Sales Comparison Approach is by far the most reliable approach to land value when a sufficient number of reliable, comparable sales are available. The other methods of estimating land value are either less reliable than the Sales Comparison Approach or not developable.

Several land sales have been analyzed and compared to the subject properties as if they were vacant and available for development to their highest and best use. It should be noted that the unit of comparison used in this analysis is the price paid per square foot for each property. The price per square foot gives a reasonable indication of the market's development expectations of the subject site. Several land sales have been selected as being most comparable to the subject and are indicated on the map on the following page. A summary of the sales and detailed descriptions of each are presented following the map.

¹⁴ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Edition (Chicago: Appraisal Institute, 2015), 207.



Comparable Land Sale 1

105 North George Street
PWC 00270

Location Data

Location: 105 North George Street
Municipality: City of York
County: York
State: PA
Tax Identification: 02026010001A000000

Physical Data

Property Type: Commercial Land
Land Area (acres): 0.13 acres
Land Area (sf): 5,663 square feet
Shape: Rectangular
Zoning: CBD
Topography: Generally level
Utilities: All public to site
Approvals: Unapproved
Site Improvements: See comments



Undated aerial photo (York County GIS)



Undated aerial photo (Google Earth)

Sale Data

Sale Status:	Sold	Property Rights Conveyed:	Fee simple estate
Sale Date:	12/2018	Sale Price:	\$260,000
Marketing/Exposure:	Approximately 12 months	Unit Rates:	\$2,000,000 per acre \$45.91 per sf
Deed Reference:	2501/2079	Prior Asking Price:	\$350,000
Grantor:	First National Bank of Pennsylvania	Financing:	Assumed cash to seller
Grantee:	105 North George, LLC		
Confirmation Source:	Tax assessment records and deed		

Comments

The real estate involved in this transaction is a 0.13 acre site that was purchased by a neighboring property owner. The neighboring property owner is also a partner in the Gift Horse Brewing Company that operates at the neighboring site. The real estate was purchased as an expansion area for the brewery and is currently utilized as beer garden.

Comparable Land Sale 2

1501 North 7th Street
JES 01753

Location Data

Location: 1501 N 7th St
Municipality: City of Harrisburg
County: Dauphin
State: PA
Tax Identification: 07-102-001

Physical Data

Property Type: Industrial Land
Land Area (acres): 1.64 acres
Land Area (sf): 71,438 square feet
Shape: Rectangular
Zoning: Industrial
Topography: Generally level
Utilities: All public to site
Approvals: Unapproved
Site Improvements: See comments



Tax map



Aerial photo dated 3/19/2018 (Pictometry)

Sale Data

Sale Status: Sold
Sale Date: 05/2018
Marketing/Exposure: Since at least 2/2018
Deed Reference: 20180012372
Grantor: AT&T Corp.
Grantee: 1501 Harrisburg Partners LLC

Property Rights Conveyed: Leased fee interest
Sale Price: \$425,000
Unit Rates: \$259,146 per acre
\$5.95 per sf
Prior Asking Price: \$450,000
Financing: Cash to seller

Confirmation Source: Jeremy Peachey of 1501 Harrisburg Partners LLC and deed

Comments

The real estate involved in this transaction is a fenced gravel storage lot located at a lighted intersection of North 7th Street and Reily Street. The property is located across North 7th Street from the site where the new Federal Courthouse will be constructed. The buyer purchased the property as an investment citing the pending construction of the federal courthouse as one of the factors in the purchase; however, he noted it was not the driving factor. At the time of sale, there was a month-to-month lease to a construction company for equipment staging; however, the buyer indicated that this lease had no effect on the price and they terminated the lease 30 days after settlement.

Comparable Land Sale 3

237-241 South Court Street
LFM 03123

Location Data

Location: 237-241 South Court Street
Municipality: City of York
County: York
State: PA
Tax Identification: 67-01-003-01-0059-00-0000-231 & 67-01-003-01-0058-A0-0000-229

Physical Data

Property Type: Commercial Land
Land Area (acres): 0.28 acres
Land Area (sf): 12,197 square feet
Shape: Square
Zoning: UN-1
Topography: Generally level
Utilities: All public to site
Approvals: Unapproved
Site Improvements: None



Undated aerial photo (York County GIS)



Undated aerial photo (Google Earth)

Sale Data

Sale Status:	Sold	Property Rights Conveyed:	Fee simple estate
Sale Date:	10/2017	Sale Price:	\$45,000
Marketing/Exposure:	At least since 5/2011	Unit Rates:	\$160,714 per acre \$3.69 per sf
Deed Reference:	2017049159	Prior Asking Price:	\$75,000
Grantor:	Darrah Realty, LP	Financing:	Assumed cash to seller
Grantee:	Soloman Investments		

Confirmation Source: Ted Turnbull of Rock Commercial Real Estate, deed and assessment records

Comments

The real estate involved in this transaction contains three vacant parcels of land that total 0.28 acres. It is noted that Ted Turnbull was not involved in the transaction; however, he previously had the property listed since 2011. The agent stated that the owner did not renew the listing agreement and shortly after the expiration of the agreement, the real estate sold. When the property was listed for sale, no approvals were in place. Furthermore,

the buyer applied for a variance to permit development of a self-storage facility one year after purchasing the real estate. The UN-1 zoning district permits limited commercial uses in the district.

Comparable Land Sale 4

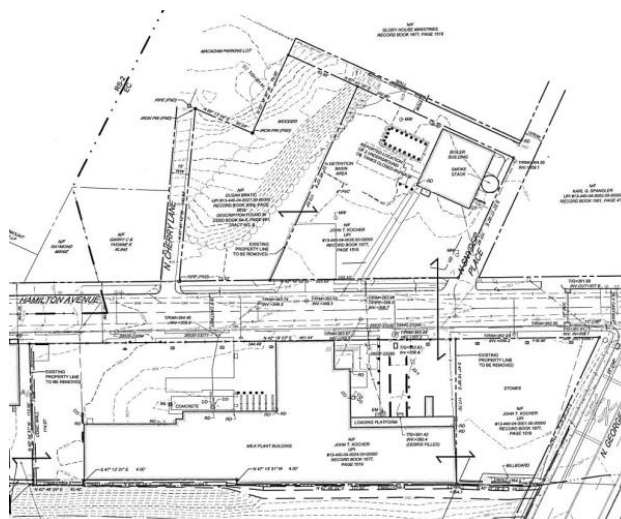
2 West Hamilton Avenue
PWC 00272

Location Data

Location: 2 West Hamilton Avenue
Municipality: City of York
County: York
State: PA
Tax Identification: 13-440-04-0001.00-00000, 13-440-04-0024.00-00000, 13-440-04-0026.00-00000, 13-440-04-0027.00-00000,

Physical Data

Property Type: Commercial Land
Land Area (acres): 1.94 acres
Land Area (sf): 84,506 square feet
Shape: Irregular
Zoning: EC
Topography: Generally level
Utilities: All public to site
Approvals: Unapproved
Site Improvements: See comments



Site Plan prepared by LSCdesign



Undated aerial photo (Google Earth)

Sale Data

Sale Status: Sold
Sale Date: 10/2016
Marketing/Exposure: Direct deal
Deed Reference: 2392/7103
Grantor: Dusan Bratic and Kathleen M. Bratic
Grantee: York Academy Foundation

Property Rights Conveyed: Fee simple estate
Sale Price: \$1,045,000
Unit Rates: \$538,660 per acre
\$12.37 per sf
Prior Asking Price: Direct deal
Financing: Cash to seller

Confirmation Source: Kevin Hodge of Rock Commercial Real Estate, Amy Young of Wagman Construction, deed and land development plan

Comments

The real estate involved in this transaction involved four parcels that were improved with two industrial buildings. In addition, the parcels are bisected by West Hamilton Avenue. The site is located in an area with reduced flood risk due to levees. The buyer purchased the real estate with the intent of razing the industrial buildings and developing a charter school. The real estate also contains two billboards on an easement that were not involved in the sale. The demolition costs to raze the two buildings was reportedly \$350,000. The purchase price for the real estate was \$695,000. The demolition cost was added to the purchase price of \$695,000 for an effective purchase price of \$1,045,000.

The agent stated that the bankruptcy did not impact the purchase price and that the buyer paid a premium due to the location of the site. The real estate is located in close proximity to the lower school which was important to the buyer.

Comparable Land Sale 5

Hay Street & North State Street
PWC 00113

Location Data

Location: Hay Street & North State Street
Municipality: City of York
County: York
State: PA
Tax Identification: 123530200150000000

Physical Data

Property Type: Other Land
Land Area (acres): 0.69 acres
Land Area (sf): 30,013 square feet
Shape: Rectangular
Zoning: EC, Employment Center District
Topography: Generally level
Utilities: All public to site
Approvals: Unapproved
Site Improvements: Parking lot



Photo taken 2/18/2016 by Patrick W. Cullen



Aerial photo dated 12/23/2008 (Pictometry)

Sale Data

Sale Status:	Sold	Property Rights Conveyed:	Fee simple estate
Sale Date:	10/2015	Sale Price:	\$30,000
Marketing/Exposure:	Direct Deal	Unit Rates:	\$43,541 per acre \$1.00 per sf
Deed Reference:	2015045981	Prior Asking Price:	Direct deal
Grantor:	300 North State Street, LP	Financing:	Cash to seller
Grantee:	Hay Street Properties, LP		

Confirmation Source: David Ruiz, Director of Finance & Accounting for Grantee, tax assessment and deed

Comments

The real estate involved in this transaction is a 0.69 acre parking lot. The property was purchased by a neighboring property owner for parking and driving lessons. Prior to purchasing the property, the Grantee had leased the parking lot for approximately \$500 to \$600 a month.

Comparable Land Sale 6

829 & 1001 Market Street
JES 01769

Location Data

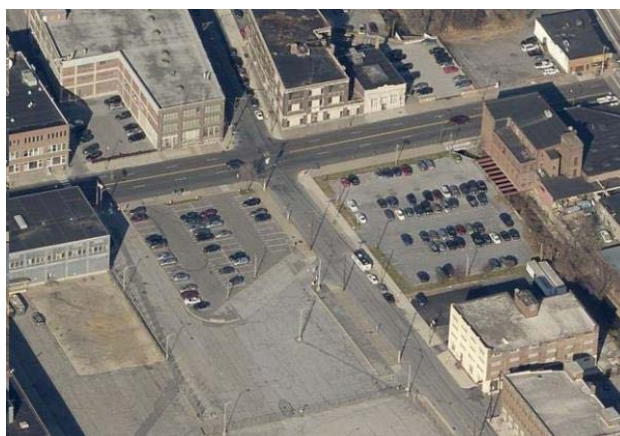
Location: 829 & 1001 Market St
Municipality: City of Harrisburg
County: Dauphin
State: PA
Tax Identification: 09-037-009 and 09-038-022

Physical Data

Property Type: Parking Lot Land
Land Area (acres): 1.11 acres
Land Area (sf): 48,352 square feet
Shape: Rectangular
Zoning: Downtown Center
Topography: Generally level
Utilities: All public to site
Approvals: Parking license
Site Improvements: See comments



Tax map



Aerial photo dated 11/26/2012 (Pictometry)

Sale Data

Sale Status: Sold
Sale Date: 09/2013
Marketing/Exposure: NA
Deed Reference: 20130030323
Grantor: The Patriot-News Co.
Grantee: Equity Trust Company,
Custodian, F/B/O Robert
Clay IRA Z037057

Property Rights Conveyed: Fee simple estate
Sale Price: \$500,000
Unit Rates: \$450,450 per acre
\$10.34 per sf
Prior Asking Price: Not available
Financing: Cash to seller

Confirmation Source: Robert Clay (grantee) and deed

Comments

The real estate involved in this transaction consists of two parking lots located with frontage along Market Street and divided by South 10th Street. They buyer estimated that there were 75 spaces on one parcel and 55 on the other. The buyer originally leased the lots from Patriot News to operate the property as a commercial parking lot and had a parking lot license in place when the property sold.

Comparable Land Sale 7 (Current listing)

1320 West Market Street
PWC 00271

Location Data

Location: 1320 West Market Street
Municipality: West York Borough
County: York
State: PA
Tax Identification: 88000090001B000000

Physical Data

Property Type: Commercial Land
Land Area (acres): 0.62 acres
Land Area (sf): 27,007 square feet
Shape: Rectangular
Zoning: C, Commercial
Topography: Gently sloping
Utilities: All public to site
Approvals: Unapproved
Site Improvements: None



Undated aerial photo (York County GIS)



Undated aerial photo (Google Earth)

Sale Data

Sale Status: For sale
Sale Date: Current listing
Marketing/Exposure: At least since June 2016
Deed Reference: Current listing
Grantor: Distinct Equities III LLC
Grantee: Current listing

Property Rights Conveyed: Fee simple estate
Sale Price: \$300,000
Unit Rates: \$483,871 per acre
\$11.11 per sf
Prior Asking Price: Not available
Financing: Assumed cash to seller

Confirmation Source: Marketing brochure and tax assessment records

Comments

The real estate list for sale is a 0.62 acre parcel. The topography of the site is gently sloping.

Analysis of the Comparable Land Sales

The following is a relative comparison analysis and a ranking analysis for the valuation of the subject site via the Sales Comparison Approach. Relative comparison analysis is defined by the Appraisal Institute as “a qualitative technique for analyzing comparable sales; used to determine whether the characteristics of a comparable property are inferior, superior, or similar to those of the subject property.”¹⁵ The comparable land sales have been analyzed based on several elements of comparison. These elements of comparison are described below.

Elements of Comparison

In the upcoming table, each comparable land sale is compared to the subject based on several elements of comparison. These are the characteristics or attributes of properties and transactions that cause the land prices to vary. They include items such as market conditions, location, land size, etc. The following paragraphs explain the rationale behind each element of comparison.

Property Rights Conveyed - In most land valuations, the fee simple estate is valued. This category accounts for different property rights between the subject site and the comparable land sales.

Terms of Sale/Financing - This category accounts for atypical financing arrangements for comparable sales. The subject site is appraised in terms of cash in US dollars or in terms of financial arrangements comparable thereto. Sales involving favorable financing or non-cash consideration may be inferior or superior to the subject.

Conditions of Sale - This element of comparison considers factors that may have impacted the sale price due to motivations by the buyer or seller, or other transactional conditions that influence sale prices. For example, it is common for buyers of neighboring properties to pay a premium to control adjacent properties. In these cases, the prices may be superior to the subject. Listings regularly exhibit higher asking prices than their ultimately achieved prices. Therefore, listings will often be analyzed as superior to a subject property.

Market Conditions (Time) - This element of comparison accounts for changing market conditions from the date of each comparable sale to the effective date of this appraisal. For example, sales that occurred during a weaker market may be shown as some level of inferior to the effective date of this appraisal.

Location - This element of comparison is based on the relative strength of the surrounding land uses, accessibility to major activity centers and access ways,

¹⁵ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Edition (Chicago: Appraisal Institute, 2015), 194.

strength of local economy and amount of competition. Stronger locations will be shown as superior and weaker locations as inferior.

Site Size - Size considerations are based on the concept of economies of scale, as larger sites often sell for lower unit prices with all other factors being equal. In addition, the buyer pool is somewhat reduced with larger sites and larger acquisition prices. Therefore, if the comparable sale is significantly larger than the subject site, it may be shown as inferior. Conversely, a significantly smaller comparable sale may be shown as superior to the subject.

Zoning - This element of comparison addresses differences in zoning districts. Note that while zoning districts may have similar names in different municipalities, the permitted uses and limitations in those zones may be very different.

Flood Zone - This element of comparison accounts for differences in flood zone status. A property predominantly in a flood zone will likely be inferior to a property that is not in a flood zone.

Topography/Physical Issues - This category is based on issues that may affect the site's utility, such as easements, topography, access, shape, etc.

Utilities - Occasionally, there are differences in the availability of public utilities between the subject and comparable sales. This category accounts for those differences. For example, if the subject is serviced by public water and sewer and the comparable sale has well water and septic, the comparable sale may be inferior to the subject.

Tax Abatement - A tax abatement such as a Federal Opportunity Zone, KOZ, KOEZ, KIZ, LERTA, TIF, etc. may be considered a superior attribute. As such, this element of comparison accounts for differences in tax benefits due to such abatements. For example, if the subject is enrolled in a KOZ and the comparable sale is not, the comparable sale may be mildly inferior or inferior to the subject.

Approvals - Land can sell raw, without any development approvals, contingent on the buyer procuring approvals, or approved by the seller. This category accounts for differences in value among these different stages of approval. It is noted that Sale 7 is adjusted to account for a parking lot license that transferred with the real estate.

The following table(s) summarizes the relative comparison analysis. A ranking analysis will then follow.

Analysis of the Comparable Improved Sales (SP 1)

Analysis of Comparable Land Sales 1 through 4					
	<u>Subject</u>	<u>Sale 1</u>	<u>Sale 2</u>	<u>Sale 3</u>	<u>Sale 4</u>
Address	North Beaver Street	105 N. George Street	1501 North 7th Street	237-241 S. Court St.	2 W. Hamilton Avenue
Municipality	City of York	City of York	City of Harrisburg	City of York	City of York
County	York	York	Dauphin	York	York
State	Pennsylvania	Pennsylvania	Pennsylvania	Pennsylvania	Pennsylvania
Property Rights Conveyed	Fee simple estate	Fee simple estate	Leased fee interest	Fee simple estate	Fee simple estate
Terms of Sale/Financing		Cash to seller	Cash to seller	Assumed cash to seller	Cash to seller
Conditions of Sale		Neighbor purchase	Arm's length	Arm's length	Highly motivated buyer
Sale Date		Dec-18	May-18	Oct-17	Oct-16
Sale Price		\$260,000	\$425,000	\$45,000	\$1,045,000
Land Area (acres)	0.86	0.13	1.64	0.28	1.94
Zoning	CBD	CBD	I	UN-1	EC
Topography	Generally level	Generally level	Generally level	Generally level	Generally level
Flood Zone	No	No	No	No	No
Utilities	All public	All public	All public	All public	All public
Approvals	None	None	None	None	None
Sale Price per Square Foot		\$45.91	\$5.95	\$3.69	\$12.37
Property Rights Conveyed		Similar	Similar	Similar	Similar
Terms of Sale/Financing		Similar	Similar	Similar	Similar
Conditions of Sale		Mildly superior	Similar	Similar	Superior
Market Conditions (time)		Similar	Similar	Similar	Similar
Location		Superior	Superior	Inferior	Mildly superior
Site Size		Highly superior	Similar	Superior	Similar
Zoning		Similar	Mildly inferior	Mildly inferior	Similar
Flood Zone		Similar	Similar	Similar	Similar
Tax Abatement		Mildly inferior	Mildly inferior	Mildly inferior	Mildly inferior
Topography/Physical Issues		Mildly superior	Mildly superior	Mildly superior	Mildly superior
Utilities		Similar	Similar	Similar	Similar
Approvals		Similar	Similar	Similar	Similar
Overall Rating		Highly superior	Mildly superior	Mildly inferior	Superior
Sale Price/SF (rounded)		\$45.90	\$5.90	\$3.70	\$12.40

Analysis of Comparable Land Sales 5 through 7				
	<u>Subject</u>	<u>Sale 5</u>	<u>Sale 6</u>	<u>Sale 7</u>
Address	North Beaver Street	Hay St. & N. State St.	829 & 1001 Market St.	1320 W. Market Street
Municipality	City of York	City of York	City of Harrisburg	W. York Borough
County	York	York	York	York
State	Pennsylvania	Pennsylvania	Pennsylvania	Pennsylvania
Property Rights Conveyed	Fee simple estate	Fee simple estate	Fee simple estate	Fee simple estate
Terms of Sale/Financing		Cash to seller	Assumed cash to seller	Assumed cash to seller
Conditions of Sale		Neighbor purchase	Arms length	Current listing
Sale Date		Oct-15	Sep-13	Current listing
Sale Price		\$30,000	\$500,000	\$300,000
Land Area (acres)	0.86	0.69	1.11	0.62
Zoning	CBD	EC	DC	C
Topography	Generally level	Generally level	Generally level	Gently sloping
Flood Zone	No	No	No	No
Utilities	All public	All public	All public	All public
Approvals	None	None	Parking license	None
Sale Price per Square Foot		\$1.00	\$10.34	\$11.11
Property Rights Conveyed		Similar	Similar	Similar
Terms of Sale/Financing		Similar	Similar	Similar
Conditions of Sale		Mildly superior	Similar	Superior
Market Conditions (time)		Mildly inferior	Inferior	Similar
Location		Inferior	Superior	Superior
Site Size		Similar	Similar	Similar
Zoning		Similar	Similar	Similar
Flood Zone		Similar	Similar	Similar
Tax Abatement		Mildly inferior	Mildly inferior	Mildly inferior
Topography/Physical Issues		Mildly superior	Superior	Similar
Utilities		Similar	Similar	Similar
Approvals		Similar	Superior	Similar
Overall Rating		Inferior	Superior	Superior
Sale Price/SF (rounded)		\$1.00	\$10.30	\$11.10

Ranking of the Comparable Land Sales (SP 1)

A ranking analysis is now performed. The Appraisal Institute defines ranking analysis as "a qualitative technique for analyzing comparable sales; a variant of relative comparison analysis in which comparable sales are ranked in descending or ascending order of desirability and each is analyzed to determine its position relative to the subject."¹⁶ As shown in the following table, the comparable sales have been ranked from highest to lowest in terms of price per square foot.

¹⁶ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Edition (Chicago: Appraisal Institute, 2015), 185.

Ranking of Comparable Land Sales		
Sale	Sale Price per SF	Overall Rating
1	\$45.90	Highly superior
4	\$12.40	Superior
7	\$11.10	Superior
6	\$10.30	Superior
2	\$5.90	Mildly superior
3	\$3.70	Mildly inferior
5	\$1.00	Inferior

The comparable land sales indicate unit rates ranging between \$1.00 per square foot and \$45.90 per square foot. From the ranking analysis and discussion above, it is apparent that the appropriate unit rate for the subject property is between \$3.70 per square foot and \$5.90 per square foot. A unit rate of \$4.80 per square foot is concluded. Therefore, applying this unit rate to the subject's site size of 37,461 square feet yields a market value of \$179,813, rounded to \$180,000

Conclusion to the Sales Comparison Approach (SP 1)

The Sales Comparison Approach indicates that the market value of the fee simple estate in the subject property, as of July 10, 2019, is \$180,000

Analysis of the Comparable Improved Sales (SP 2)

The following is a relative comparison analysis and a ranking analysis for the valuation of the subject property via the Sales Comparison Approach. The comparable sales have been analyzed based on several elements of comparison as previously described. The following table(s) summarizes the relative comparison analysis. A ranking analysis will then follow.

Analysis of Comparable Land Sales 1 through 4					
	<u>Subject</u>	<u>Sale 1</u>	<u>Sale 2</u>	<u>Sale 3</u>	<u>Sale 4</u>
Address	260 N. Beaver St. & 132-152 N. Pershing Ave.	105 N. George Street	1501 North 7th Street	237-241 S. Court St.	2 W. Hamilton Avenue
Municipality	City of York	City of York	City of Harrisburg	City of York	City of York
County	York	York	Dauphin	York	York
State	Pennsylvania	Pennsylvania	Pennsylvania	Pennsylvania	Pennsylvania
Property Rights Conveyed	Fee simple estate	Fee simple estate	Leased fee interest	Fee simple estate	Fee simple estate
Terms of Sale/Financing		Cash to seller	Cash to seller	Assumed cash to seller	Cash to seller
Conditions of Sale		Neighbor purchase	Arm's length	Arm's length	Highly motivated buyer
Sale Date		Dec-18	May-18	Oct-17	Oct-16
Sale Price		\$260,000	\$425,000	\$45,000	\$1,045,000
Land Area (acres)	1.73	0.13	1.64	0.28	1.94
Zoning	CBD	CBD	I	UN-1	EC
Topography	Generally level	Generally level	Generally level	Generally level	Generally level
Flood Zone	No	No	No	No	No
Utilities	All public	All public	All public	All public	All public
Approvals	None	None	None	None	None
Sale Price per Square Foot		\$45.91	\$5.95	\$3.69	\$12.37
Property Rights Conveyed		Similar	Similar	Similar	Similar
Terms of Sale/Financing		Similar	Similar	Similar	Similar
Conditions of Sale		Mildly superior	Similar	Similar	Superior
Market Conditions (time)		Similar	Similar	Similar	Similar
Location		Superior	Superior	Inferior	Mildly superior
Site Size		Highly superior	Similar	Superior	Similar
Zoning		Similar	Mildly inferior	Mildly inferior	Similar
Flood Zone		Similar	Similar	Similar	Similar
Tax Abatement		Mildly inferior	Mildly inferior	Mildly inferior	Mildly inferior
Topography/Physical Issues		Superior	Superior	Superior	Superior
Utilities		Similar	Similar	Similar	Similar
Approvals		Similar	Similar	Similar	Similar
Overall Rating		Highly superior	Superior	Roughly similar	Highly superior
Sale Price/SF (rounded)		\$45.90	\$5.90	\$3.70	\$12.40

Analysis of Comparable Land Sales 5 through 7				
	<u>Subject</u>	<u>Sale 5</u>	<u>Sale 6</u>	<u>Sale 7</u>
Address	260 N. Beaver St. & 132-152 N. Pershing Ave.	Hay St. & N. State St.	829 & 1001 Market St.	1320 W. Market Street
Municipality	City of York	City of York	City of Harrisburg	W. York Borough
County	York	York	York	York
State	Pennsylvania	Pennsylvania	Pennsylvania	Pennsylvania
Property Rights Conveyed	Fee simple estate	Fee simple estate	Fee simple estate	Fee simple estate
Terms of Sale/Financing		Cash to seller	Assumed cash to seller	Assumed cash to seller
Conditions of Sale		Neighbor purchase	Arms length	Current listing
Sale Date		Oct-15	Sep-13	Current listing
Sale Price		\$30,000	\$500,000	\$300,000
Land Area (acres)	1.73	0.69	1.11	0.62
Zoning	CBD	EC	DC	C
Topography	Generally level	Generally level	Generally level	Gently sloping
Flood Zone	No	No	No	No
Utilities	All public	All public	All public	All public
Approvals	None	None	Parking license	None
Sale Price per Square Foot		\$1.00	\$10.34	\$11.11
Property Rights Conveyed		Similar	Similar	Similar
Terms of Sale/Financing		Similar	Similar	Similar
Conditions of Sale		Mildly superior	Similar	Superior
Market Conditions (time)		Mildly inferior	Inferior	Similar
Location		Inferior	Superior	Superior
Site Size		Similar	Similar	Similar
Zoning		Similar	Similar	Similar
Flood Zone		Similar	Similar	Similar
Tax Abatement		Mildly inferior	Mildly inferior	Mildly inferior
Topography/Physical Issues		Superior	Superior	Similar
Utilities		Similar	Similar	Similar
Approvals		Similar	Superior	Similar
Overall Rating		Mildly inferior	Superior	Superior
Sale Price/SF (rounded)		\$1.00	\$10.30	\$11.10

Ranking of the Comparable Sales (SP 2)

A ranking analysis is now performed. As shown in the following table, the comparable sales have been ranked from highest to lowest in terms of price per square foot.

Ranking of Comparable Land Sales		
Sale	Sale Price per SF	Overall Rating
1	\$45.90	Highly superior
4	\$12.40	Highly superior
7	\$11.10	Superior
6	\$10.30	Superior
2	\$5.90	Superior
3	\$3.70	Roughly similar
5	\$1.00	Mildly inferior

The comparable land sales indicate unit rates ranging between \$1.00 per square foot and \$45.90 per square foot. From the ranking analysis and discussion above, it is apparent that the appropriate unit rate for the subject property is roughly \$3.70 per square foot. Therefore, applying this unit rate to the subject's site size of 75,359 square feet yields a market value of \$278,828, rounded to \$280,000

Conclusion to the Sales Comparison Approach (SP 2)

The Sales Comparison Approach indicates that the market value of the fee simple estate in the subject property, as of July 10, 2019, is \$280,000

Analysis of the Comparable Improved Sales (SP 3)

The following is a relative comparison analysis and a ranking analysis for the valuation of the subject property via the Sales Comparison Approach. The comparable sales have been analyzed based on several elements of comparison as previously described. The following table(s) summarizes the relative comparison analysis. A ranking analysis will then follow.

Analysis of Comparable Land Sales 1 through 4					
	<u>Subject</u>	<u>Sale 1</u>	<u>Sale 2</u>	<u>Sale 3</u>	<u>Sale 4</u>
Address	208-236 N. Beaver Street	105 N. George Street	1501 North 7th Street	237-241 S. Court St.	2 W. Hamilton Avenue
Municipality	City of York	City of York	City of Harrisburg	City of York	City of York
County	York	York	Dauphin	York	York
State	Pennsylvania	Pennsylvania	Pennsylvania	Pennsylvania	Pennsylvania
Property Rights Conveyed	Leased fee interest	Fee simple estate	Leased fee interest	Fee simple estate	Fee simple estate
Terms of Sale/Financing		Cash to seller	Cash to seller	Assumed cash to seller	Cash to seller
Conditions of Sale		Neighbor purchase	Arm's length	Arm's length	Highly motivated buyer
Sale Date		Dec-18	May-18	Oct-17	Oct-16
Sale Price		\$260,000	\$425,000	\$45,000	\$1,045,000
Land Area (acres)	1.35	0.13	1.64	0.28	1.94
Zoning	CBD	CBD	I	UN-1	EC
Topography	Generally level	Generally level	Generally level	Generally level	Generally level
Flood Zone	No	No	No	No	No
Utilities	All public	All public	All public	All public	All public
Approvals	None	None	None	None	None
Sale Price per Square Foot		\$45.91	\$5.95	\$3.69	\$12.37
Property Rights Conveyed		Similar	Similar	Similar	Similar
Terms of Sale/Financing		Similar	Similar	Similar	Similar
Conditions of Sale		Mildly superior	Similar	Similar	Superior
Market Conditions (time)		Similar	Similar	Similar	Similar
Location		Superior	Superior	Inferior	Mildly superior
Site Size		Highly superior	Similar	Superior	Similar
Zoning		Similar	Mildly inferior	Mildly inferior	Similar
Flood Zone		Similar	Similar	Similar	Similar
Tax Abatement		Mildly inferior	Mildly inferior	Mildly inferior	Mildly inferior
Topography/Physical Issues		Mildly superior	Mildly superior	Mildly superior	Similar
Utilities		Similar	Similar	Similar	Similar
Approvals		Similar	Similar	Similar	Similar
Overall Rating		Highly superior	Mildly superior	Mildly inferior	Superior
Sale Price/SF (rounded)		\$45.90	\$5.90	\$3.70	\$12.40

Analysis of Comparable Land Sales 5 through 7				
	<u>Subject</u>	<u>Sale 5</u>	<u>Sale 6</u>	<u>Sale 7</u>
Address	208-236 N. Beaver Street	Hay St. & N. State St.	829 & 1001 Market St.	1320 W. Market Street
Municipality	City of York	City of York	City of Harrisburg	W. York Borough
County	York	York	York	York
State	Pennsylvania	Pennsylvania	Pennsylvania	Pennsylvania
Property Rights Conveyed	Leased fee interest	Fee simple estate	Fee simple estate	Fee simple estate
Terms of Sale/Financing		Cash to seller	Assumed cash to seller	Assumed cash to seller
Conditions of Sale		Neighbor purchase	Arm's length	Current listing
Sale Date		Oct-15	Sep-13	Current listing
Sale Price		\$30,000	\$500,000	\$300,000
Land Area (acres)	1.35	0.69	1.11	0.62
Zoning	CBD	EC	DC	C
Topography	Generally level	Generally level	Generally level	Gently sloping
Flood Zone	No	No	No	No
Utilities	All public	All public	All public	All public
Approvals	None	None	Parking license	None
Sale Price per Square Foot		\$1.00	\$10.34	\$11.11
Property Rights Conveyed		Similar	Similar	Similar
Terms of Sale/Financing		Similar	Similar	Similar
Conditions of Sale		Mildly superior	Similar	Superior
Market Conditions (time)		Mildly inferior	Inferior	Similar
Location		Inferior	Superior	Superior
Site Size		Similar	Similar	Similar
Zoning		Similar	Similar	Similar
Flood Zone		Similar	Similar	Similar
Tax Abatement		Mildly inferior	Mildly inferior	Mildly inferior
Topography/Physical Issues		Mildly superior	Superior	Similar
Utilities		Similar	Similar	Similar
Approvals		Similar	Superior	Similar
Overall Rating		Inferior	Superior	Superior
Sale Price/SF (rounded)		\$1.00	\$10.30	\$11.10

Ranking of the Comparable Sales (Lot 3)

A ranking analysis is now performed. As shown in the following table, the comparable sales have been ranked from highest to lowest in terms of price per square foot.

Ranking of Comparable Land Sales		
Sale	Sale Price per SF	Overall Rating
1	\$45.90	Highly superior
4	\$12.40	Superior
7	\$11.10	Superior
6	\$10.30	Superior
2	\$5.90	Mildly superior
3	\$3.70	Mildly inferior
5	\$1.00	Inferior

The comparable land sales indicate unit rates ranging between \$1.00 per square foot and \$45.90 per square foot. From the ranking analysis and discussion above, it is apparent that the appropriate unit rate for the subject property is between \$3.70 per square foot and \$5.90 per square foot. A unit rate of \$4.80 per square foot is concluded. Therefore, applying this unit rate to the subject's site size of 58,806 square feet yields a market value of \$282,269, rounded to \$280,000.

Conclusion to the Sales Comparison Approach (SP 3)

The Sales Comparison Approach indicates that the market value of the fee simple estate in the subject property, as of July 10, 2019, is \$280,000

Analysis of the Comparable Improved Sales (SP 4)

The following is a relative comparison analysis and a ranking analysis for the valuation of the subject property via the Sales Comparison Approach. The comparable sales have been analyzed based on several elements of comparison as previously described. The following table(s) summarizes the relative comparison analysis. A ranking analysis will then follow.

Analysis of Comparable Land Sales 1 through 4					
	<u>Subject</u>	<u>Sale 1</u>	<u>Sale 2</u>	<u>Sale 3</u>	<u>Sale 4</u>
Address	146-150 N. Beaver Street	105 N. George Street	1501 North 7th Street	237-241 S. Court St.	2 W. Hamilton Avenue
Municipality	City of York	City of York	City of Harrisburg	City of York	City of York
County	York	York	Dauphin	York	York
State	Pennsylvania	Pennsylvania	Pennsylvania	Pennsylvania	Pennsylvania
Property Rights Conveyed	Fee simple estate	Fee simple estate	Leased fee interest	Fee simple estate	Fee simple estate
Terms of Sale/Financing		Cash to seller	Cash to seller	Assumed cash to seller	Cash to seller
Conditions of Sale		Neighbor purchase	Arm's length	Arm's length	Highly motivated buyer
Sale Date		Dec-18	May-18	Oct-17	Oct-16
Sale Price		\$260,000	\$425,000	\$45,000	\$1,045,000
Land Area (acres)	0.47	0.13	1.64	0.28	1.94
Zoning	CBD	CBD	I	UN-1	EC
Topography	Generally level	Generally level	Generally level	Generally level	Generally level
Flood Zone	No	No	No	No	No
Utilities	All public	All public	All public	All public	All public
Approvals	None	None	None	None	None
Sale Price per Square Foot		\$45.91	\$5.95	\$3.69	\$12.37
Property Rights Conveyed		Similar	Similar	Similar	Similar
Terms of Sale/Financing		Similar	Similar	Similar	Similar
Conditions of Sale		Mildly superior	Similar	Similar	Superior
Market Conditions (time)		Similar	Similar	Similar	Similar
Location		Superior	Superior	Inferior	Mildly superior
Site Size		Superior	Mildly inferior	Mildly superior	Mildly inferior
Zoning		Similar	Mildly inferior	Mildly inferior	Similar
Flood Zone		Similar	Similar	Similar	Similar
Tax Abatement		Mildly inferior	Mildly inferior	Mildly inferior	Mildly inferior
Topography/Physical Issues		Similar	Similar	Similar	Mildly superior
Utilities		Similar	Similar	Similar	Similar
Approvals		Similar	Similar	Similar	Similar
Overall Rating		Superior	Mildly inferior	Inferior	Superior
Sale Price/SF (rounded)		\$45.90	\$5.90	\$3.70	\$12.40

Analysis of Comparable Land Sales 5 through 7				
	<u>Subject</u>	<u>Sale 5</u>	<u>Sale 6</u>	<u>Sale 7</u>
Address	146-150 N. Beaver Street	Hay St. & N. State St.	829 & 1001 Market St.	1320 W. Market Street
Municipality	City of York	City of York	City of Harrisburg	W. York Borough
County	York	York	York	York
State	Pennsylvania	Pennsylvania	Pennsylvania	Pennsylvania
Property Rights Conveyed	Fee simple estate	Fee simple estate	Fee simple estate	Fee simple estate
Terms of Sale/Financing		Cash to seller	Assumed cash to seller	Assumed cash to seller
Conditions of Sale		Neighbor purchase	Arm's length	Current listing
Sale Date		Oct-15	Sep-13	Current listing
Sale Price		\$30,000	\$500,000	\$300,000
Land Area (acres)	0.47	0.69	1.11	0.62
Zoning	CBD	EC	DC	C
Topography	Generally level	Generally level	Generally level	Gently sloping
Flood Zone	No	No	No	No
Utilities	All public	All public	All public	All public
Approvals	None	None	Parking license	None
Sale Price per Square Foot		\$1.00	\$10.34	\$11.11
Property Rights Conveyed		Similar	Similar	Similar
Terms of Sale/Financing		Similar	Similar	Similar
Conditions of Sale		Mildly superior	Similar	Superior
Market Conditions (time)		Mildly inferior	Inferior	Similar
Location		Inferior	Superior	Superior
Site Size		Similar	Similar	Similar
Zoning		Similar	Similar	Similar
Flood Zone		Similar	Similar	Similar
Tax Abatement		Mildly inferior	Mildly inferior	Mildly inferior
Topography/Physical Issues		Similar	Superior	Mildly inferior
Utilities		Similar	Similar	Similar
Approvals		Similar	Superior	Similar
Overall Rating		Inferior	Superior	Superior
Sale Price/SF (rounded)		\$1.00	\$10.30	\$11.10

Ranking of the Comparable Sales (SP 4)

A ranking analysis is now performed. As shown in the following table, the comparable sales have been ranked from highest to lowest in terms of price per square foot.

Ranking of Comparable Land Sales		
Sale	Sale Price per SF	Overall Rating
1	\$45.90	Superior
4	\$12.40	Superior
7	\$11.10	Superior
6	\$10.30	Superior
2	\$5.90	Mildly inferior
3	\$3.70	Inferior
5	\$1.00	Inferior

The comparable land sales indicate unit rates ranging between \$1.00 per square foot and \$45.90 per square foot. From the ranking analysis and discussion above, it is apparent that the appropriate unit rate for the subject property is between \$5.90 per square foot and \$10.30 per square foot, but closer to the lower end of the range. A unit rate of \$7.10 per square foot is concluded. Therefore, applying this unit rate to the subject's site size of 20,473 square feet yields a market value of \$145,358, rounded to \$150,000.

Conclusion to the Sales Comparison Approach (SP 4)

The Sales Comparison Approach indicates that the market value of the fee simple estate in the subject property, as of June 10, 2019, is \$150,000

Portfolio Analysis

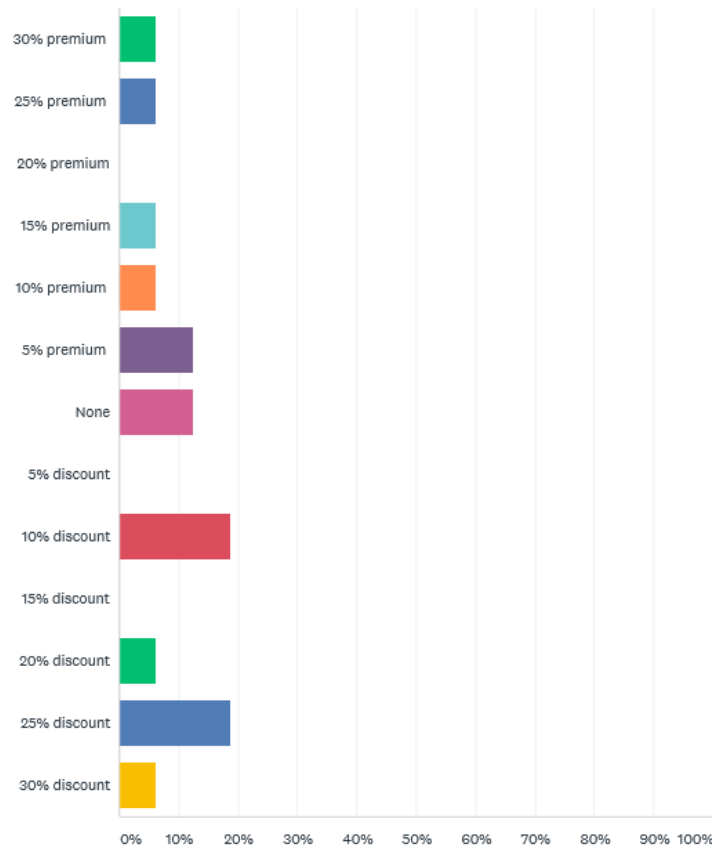
The client has specifically requested a portfolio value of the subject properties in bulk. The following is an exhibit that summarizes the concluded market values for subject properties 1, 2, 3 and 4. The market values for the four subject properties total \$890,000.

Value Indications	
Market Value SP 1	\$180,000
Market Value SP 2	\$280,000
Market Value SP 3	\$280,000
Market Value SP 4	\$150,000

In preparing this valuation analysis, brokers and market participants were surveyed to solicit opinions as to the discount, if any, that would be required from the aggregate market value to consummate a sale of a portfolio of neighboring properties to a single buyer; or if a premium would be appropriate to reflect the benefit of owning a portfolio of neighboring properties.

Brokers and agents who were surveyed indicated that portfolios such as this most often sell at a discount off of their aggregate market values. The responses showed a

broad range of responses from a premium of 30% to a discount of 30% with an average 4% discount and a median 5% discount. However, 50% of the responses indicated discounts of 10% to 30%. Furthermore, 37.5% of the responses indicated premiums of 5% to 30%. The additional 12.5% of responses indicated a discount/premium of 0%. The following table reflects the results of the survey.



As previously indicated, the sum of the indicated market values is \$890,000. A discount of 10% off the market values is deemed appropriate for the subject's portfolio value estimate.

Based on an inspection of the referenced property and the investigations and analyses undertaken, and subject to the assumptions and limiting conditions set forth herein, it is concluded that the market value of the leased fee interest portfolio of subject properties in bulk, as defined and described herein, as of July 10, 2019, is \$800,000.

FINAL VALUE OPINIONS

The reconciliation section ties together the information provided throughout this report to conclude to a final opinion of value for the subject property. Final reconciliation is defined as the “phase of a valuation assignment in which two or more value indications are processed into a value opinion, which may be a range of value, a single point estimate, or a reference to a benchmark value.”¹⁷ The Sales Comparison have been developed to appraise the fee simple estate in subject properties 1, 2 and 4 and the leased fee interest in subject property 3.

Market Value Conclusion (SP 1)

Based on an inspection of the referenced property and the investigations and analyses undertaken, and subject to the assumptions and limiting conditions set forth in the accompanying report, it is concluded that the market value of the fee simple estate in the subject property, as of July 10, 2019, is \$180,000 (One Hundred Eighty Thousand Dollars).

Market Value Conclusion (SP 2)

Based on an inspection of the referenced property and the investigations and analyses undertaken, and subject to the assumptions and limiting conditions set forth in the accompanying report, it is concluded that the market value of the fee simple estate in the subject property, as of July 10, 2019, is \$280,000 (Two Hundred Eighty Thousand Dollars).

Market Value Conclusion (SP 3)

Based on an inspection of the referenced property and the investigations and analyses undertaken, and subject to the assumptions and limiting conditions set forth in the accompanying report, it is concluded that the market value of the fee simple estate in the subject property, as of July 10, 2019, is \$280,000 (Two Hundred Eighty Thousand Dollars).

Market Value Conclusion (SP 4)

Based on an inspection of the referenced property and the investigations and analyses undertaken, and subject to the assumptions and limiting conditions set forth in the accompanying report, it is concluded that the market value of the fee simple estate in the subject property, as of July 10, 2019, is \$150,000 (One Hundred Fifty Thousand Dollars).

¹⁷ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Edition (Chicago: Appraisal Institute, 2015), 190.

Market Value Conclusion (Portfolio)

Based on an inspection of the referenced property and the investigations and analyses undertaken, and subject to the assumptions and limiting conditions set forth in the accompanying report, it is concluded that the market value of the leased fee interest in the subject property, as of July 10, 2019, is \$800,000 (Eight Hundred Thousand Dollars).

Extraordinary Assumptions

It is noted that the appraisal analysis employs the following extraordinary assumption(s):

- According to the land development plan prepared by C.S. Davidson, Inc. and dated April 10, 2017, a 30-foot wide easement for the rail trail will be located along the northern boundary line of subject property 1. A recorded easement agreement was unable to be located. The appraisers have requested a copy of the easement agreement; however, no documents have been provided. Since no information has been provided on the easement, this assignment assumes that the 30-foot wide easement is in place and located along the northern boundary of subject property 1.
- A letter prepared by the Pennsylvania Department of Environmental Protection and dated May 29, 2014 states that the department approved a revised final report prepared by ARM Group, Inc. and dated March 7, 2014 for the substances identified and remediated to an Act 2 standard. The letter further states that the project attained a combination of the Residential Statewide Health and Site Specific Standards in Soils and Groundwater. The letter references a table that lists the areas of concern, constituents under attainment and Act 2 standard attained. It is noted that the table was not provided for review. Furthermore, the property contact provided an Act 2 Final Report prepared by ARM Group, Inc. and dated December 28, 2011; however, the revised 2014 report was not available for review. Since the 2014 revised final report was not able to be reviewed, these appraisals assume that the subject properties have received Act 2 clearance.
- It is important to note that the assignment results may have been affected by the use of the aforementioned extraordinary assumption(s); therefore, if any of the extraordinary assumption(s) employed in this assignment are found to be false, the valuation opinions and conclusions presented herein could be significantly affected and/or invalidated.

EXPOSURE TIME

Reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to precede the effective date of the

appraisal. Exposure time is defined by USPAP as the “estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.”¹⁸ Exposure time is always presumed to occur prior to the effective date of the appraisal. It is a retrospective opinion based on an analysis of past events assuming a competitive and open market. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.

Based on the information presented in the body of the report, a reasonable exposure time for each subject property and the portfolio would have been 12 months.

¹⁸ USPAP, 2018-2019 Edition, 4.

CERTIFICATION

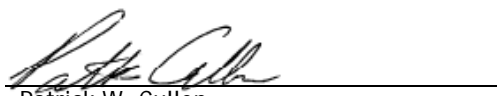
We, Gary E. Heiland II, MAI, AI-GRS and Patrick W. Cullen, to the best of our knowledge and belief, do hereby certify that:

- 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 our personal, impartial and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective interest in the properties that are the subjects of this report and no personal interest with respect to the parties involved.
- We have no bias with respect to the properties that are the subjects of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results; furthermore, this assignment was not based on requested minimum valuations, specific valuations, or the approval of a loan.
- Our compensation for completing this assignment is not contingent upon the development or reporting of predetermined values or directions in value that favors the cause of the client, the amount of the value opinions, the attainment of stipulated results or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
- Our reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice (USPAP)*.
- We have performed no services, as appraisers or in any other capacity, regarding the properties that are the subjects of this report within the three-year period immediately preceding acceptance of this assignment.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Gary E. Heiland II, MAI, AI-GRS and Patrick W. Cullen have made a personal inspections of the properties that are the subjects of this report.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- As of the date of this report, Gary E. Heiland II, MAI, AI-GRS has completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, Patrick W. Cullen has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.



Gary E. Heiland II, MAI, AI-GRS
Principal

Pennsylvania Certified General
Real Estate Appraiser
Certification Number GA001676R



Patrick W. Cullen
Appraiser

Pennsylvania Certified General
Real Estate Appraiser
Certification Number GA004450

ADDENDUM

GARY E. HEILAND II, MAI, AI-GRS

APPRAISER QUALIFICATIONS

Current Position

Principal and co-founder of Mid-Atlantic Valuation Group, Inc.; York and Wayne, Pennsylvania

Work Experience

July 2006 to Present - Principal

Mid-Atlantic Valuation Group, Inc.; York and Wayne, Pennsylvania

February 1999 to June 2006 - President

Mid-Atlantic Appraisals; York, Pennsylvania

May 1996 to February 1999 - Associate Appraiser

Weinstein Realty Advisors; York, Pennsylvania

January 1995 to May 1996 - Associate Appraiser

Ratcliffe, Cali, Duffy, Hughes (RCDH) & Company; Philadelphia, Pennsylvania

Appraisal Certificates and Licenses

Certified General Appraiser, Commonwealth of Pennsylvania #GA001676R

Certified General Real Estate Appraiser, State of Maryland #11203

Certified General Real Property Appraiser, State of Delaware #X1-0000334 (Inactive)

General Appraiser, District of Columbia #GA11461 (Inactive)

Certified General Real Estate Appraiser, State of Ohio #2008000464 (Inactive)

Certified General Real Estate Appraiser, State of New Jersey #42RG00147300 (Inactive)

Certified General Real Estate Appraiser, State of Virginia #4001 013793 (Inactive)

Education

Bachelor of Science in Business Administration - 1994

Shippensburg University, Shippensburg, Pennsylvania

Major: Real Estate

Appraisal Institute Courses and Exams Successfully Completed

Appraisal Principles - Course 110

Appraisal Procedures - Course 120

Basic Income Capitalization - Course 310

General Applications - Course 320

Standards of Professional Practice (USPAP), Part A - Course 410

Standards of Professional Practice, Part B - Course 420

Standards of Professional Practice, Part C - Course 430

Advanced Income Capitalization - Course 510

Highest & Best Use and Market Analysis - Course 520

Advanced Sales Comparison and Cost Approaches - Course 530

Report Writing and Valuation Analysis - Course 540

Advanced Applications - Course 550

General Comprehensive Exam

Standards of Professional Practice (USPAP) Update

The Appraiser as an Expert Witness: Preparation and Testimony

Other Courses and Seminars Completed

USPAP Update - McKissock Data Systems

Pennsylvania Law - McKissock Data Systems

USPAP and Pennsylvania Law Updates - Central Pennsylvania Chapter of the Appraisal Institute

GARY HEILAND II, MAI, AI-GRS
APPRAISER QUALIFICATIONS, CONTINUED

Pennsylvania Assessment Laws and Procedures - Philadelphia Metropolitan Chapter of the Appraisal Institute
Pennsylvania Assessment Laws and Procedures - Central Pennsylvania Chapter of the Appraisal Institute
General Demonstration Report Writing Seminar - Appraisal Institute
Comprehensive Appraisal Workshop - Ted Whitmer, MAI
Rates and Ratios: Making Sense of GIMs, OARs and DCF - Ken Lusht, MAI; Central Pennsylvania Chapter of the Appraisal Institute
Hotel Appraisal Issues on the East Coast - John W. O'Neill, MAI; Central Pennsylvania Chapter of the Appraisal Institute
Evaluating Commercial Construction - James C. Canestaro, AIA, AICP; Pittsburgh Metropolitan Chapter of the Appraisal Institute
Appraisal Independence, What Appraisers and Bankers Need to Know to Comply with New Regulatory Guidelines and Procedures - Telephone Briefing; American Bankers Association and Appraisal Institute
United States Real Estate Landscape - Peter Korpacz, MAI; Central Pennsylvania Chapter of the Appraisal Institute
New From Old: Common Architectural Styles in South Central Pennsylvania - Bob Heiserman; Central Pennsylvania Chapter of the Appraisal Institute
Evaluating Residential Construction - James C. Canestaro, AIA, AICP; Central Pennsylvania Chapter of the Appraisal Institute
Review of Pennsylvania Appraisers Certification Act - Appraisal Institute
Appraisal Institute Experience Training Seminar - Appraisal Institute, Baltimore, MD
What Clients Would Like Their Appraisers to Know - Central Pennsylvania Chapter of the Appraisal Institute
Introduction to Eminent Domain - Central Pennsylvania Chapter of the Appraisal Institute
Uniform Standards for Federal Land Acquisitions - Maryland Chapter of the Appraisal Institute
Fair Housing Training - The Virginia Fair Housing Office
Condemnation Appraising: Basic Principles and Applications - Central Pennsylvania Chapter of the Appraisal Institute
Appraisal Challenges: Declining Markets and Sales Concessions - Central Pennsylvania Chapter of the Appraisal Institute
Commercial Appraisal Engagement and Review - Central Pennsylvania Chapter of the Appraisal Institute
Hotel Appraising, New Techniques for Today's Uncertain Times - Steve Rushmore, MAI, FRICS, CHA; Central Pennsylvania Chapter of the Appraisal Institute

Testimony

Board of Assessment Appeals (Pennsylvania)
Counties of Adams, Allegheny, Beaver, Bedford, Berks, Bradford, Bucks, Butler, Cambria, Carbon, Centre, Chester, Clearfield, Clinton, Columbia, Cumberland, Dauphin, Delaware, Elk, Erie, Fayette, Franklin, Huntingdon, Lackawanna, Lancaster, Lawrence, Lebanon, Lehigh, Luzerne, Lycoming, McKean, Mercer, Monroe, Montgomery, Northampton, Northumberland, Schuylkill, Snyder, Tioga, Washington, Wayne, Westmoreland, Wyoming and York

Condemnation Boards of View (Pennsylvania)
Lancaster County and York County

GARY HEILAND II, MAI, AI-GRS
APPRAISER QUALIFICATIONS, CONTINUED

Pennsylvania Court of Common Pleas
Allegheny County, Berks County, Clearfield County, Dauphin County, Lancaster County,
Lebanon County, Schuylkill County, Snyder County and York County

United States Bankruptcy Court
Middle District of Pennsylvania

Seminars Presented

- “Real Estate Tax Assessment Seminar;” Gary E. Heiland II, MAI and Helen L. Gemmill, Esquire;
Harrisburg, Pennsylvania
- “Real Estate Tax Assessment Appeals - What You Need to Know;” Gary E. Heiland II, MAI and
Randy L. Varner, Esquire; For the Dauphin County Bar Association Lunch and Learn Series,
Harrisburg, Pennsylvania
- “Assessment Law and Procedure” - Appraisal segment, PBI, Pittsburgh and Mechanicsburg,
Pennsylvania

Published Articles

- “Big Box Retail Properties: Pitfalls of Valuation;” Martin A. Skolnik, MAI and Gary E. Heiland II;
International Association of Assessing Officers (IAAO) 1998 Conference Proceedings,
Pages 360-372
- “Transferable Development Rights in Lancaster County,” The Advisor, A Publication of
Weinstein Realty Advisors; Volume 2, Issue 1, Spring/Summer 1998
- “Annapolis, Maryland Retail Market Area,” The Advisor, A Publication of Weinstein Realty
Advisors; Volume 1, Issue 2, July 1997

Committees and Appointments

- President, Central Pennsylvania Chapter of the Appraisal Institute, 2009
- Second Vice President of the Central Pennsylvania Chapter of the Appraisal Institute, 2008
- Secretary, Board of Directors, Central Pennsylvania Chapter of the Appraisal Institute, 2004
- Associate Guidance Chair - General, Central Pennsylvania Chapter of the Appraisal Institute,
2004-2008
- Education Committee Member, Central Pennsylvania Chapter of the Appraisal Institute, 2004
- Candidate Advisory Committee Member, Central Pennsylvania Chapter of the Appraisal
Institute, 2013
- Director, Board of Directors, Central Pennsylvania Chapter of the Appraisal Institute,
2002, 2003, 2007, 2012, 2013
- National Screener and Experience Review Panel Member for the Appraisal Institute, 2006-2009
- Monarch Ridge Architectural Review Committee, 2009-2010

Professional Designations

- MAI Membership Designation of the Appraisal Institute (received 2004)
- AI-GRS Membership Designation of the Appraisal Institute (received 2015)

PATRICK W. CULLEN
APPRAISER QUALIFICATIONS

Current Position

Appraiser - Mid-Atlantic Valuation Group, Inc.; York and Wayne, Pennsylvania

Work Experience

September 2015 to July 2019 - Associate
Mid-Atlantic Valuation Group; York and Wayne, Pennsylvania

May 2011 to August 2015 - Leasing and Sales Consultant
LMS Commercial Real Estate; Lancaster, Pennsylvania

Appraisal Certificates and Licenses

Certified General Appraiser, Commonwealth of Pennsylvania #GA004450

Education

Bachelor of Business Administration - 2011
West Chester University of Pennsylvania, West Chester, Pennsylvania
Major: Finance

Appraisal Institute Courses and Exams Successfully Completed

Appraisal Institute - Basic Appraisal Principles, July 2015
Appraisal Institute - Basic Appraisal Procedures, July 2015
McKissock - USPAP, August 2015
Appraisal Institute - Supervisory Appraiser/Trainee Appraiser - August 2015
Appraisal Institute - Business Practices and Ethics - April 2016
Appraisal Institute - General Appraiser Income Approach Part I - June 2017
Appraisal Institute - General Appraiser Income Approach Part II - July 2017
Appraisal Institute - General Appraiser Sales Comparison Approach - October 2017
Appraisal Institute - Quantitative Analysis - December 2017
Appraisal Institute - General Appraiser Market Analysis / Highest & Best Use - January 2018
Appraisal Institute - General Appraiser Report Writing and Case Studies - April 2018
Appraisal Institute - General Appraiser Site Valuation and Cost Approach - October 2018
Appraisal Institute - Real Estate Finance Statistics and Valuation Modeling - January 2019

Other Courses and Seminars

CCIM- Financial Analysis for Commercial Investment Real Estate, January 2014
ICSC: Shopping Center Management I, April 2013
ICSC- Shopping Center Management II, March 2014

Memberships

Candidate for Designation, Appraisal Institute