

STATEMENT OF WORK

River Valley State Park Conversion – Replacement Property

Subject Property Identification

Identification	<i>Case Name</i>	River Valley State Park replacement property
	<i>Location</i>	1234-1239 Shoehorn Drive, Hudson, NY.
	<i>Common Name</i>	Parcels A, B, and C
	<i>Property Type</i>	Residential and agriculture
	<i>Case Type</i>	Replacement property

Property Description

Property I.D.	Land Area	Access	Primary Characteristics
Parcel A	30 acres	County road (Shoehorn Drive)	Residential/Agriculture
Parcel B	15 acres	None, landlocked	Wetland
Parcel C	20 acres	County road (Shoehorn Drive)	Agriculture

Legal Description See surveys attached as Exhibit 4.

Property Interest to be Appraised Fee simple estate subject to the exceptions indicated in the Outstanding Rights section below.

The appraiser must immediately notify the client of any indications of rights contrary to these described. This may result in amended instructions.

Outstanding Rights Parcel A:

1. Avigation easement in favor of the Hudson County Airport limiting buildings and towers to 100' above grade

Parcel B:

1. None

Parcel C:

1. Conservation Easement held by Hudson Land Trust preventing any land division

Reservations Parcel A:
1. Timber rights to all trees in excess of 20" DBH through 2013

Parcel B:
1. None

Parcel C:
1. Corn harvest for 2013
2. Hunting rights through 2013

Tenancies Parcel C is subject to a sharecrop agreement through 2013.

**Fixtures and
Personal Property** None.

Property Access *Physical:* All parcels are accessed from Shoehorn Drive (county road), with Parcel B accessed by permission through farm trail on Parcel A.
Legal: Parcel A and C front Shoehorn Drive on the north. Parcel B has no legal access, but may be accessed by permission over Parcel A.

Owner/Occupant The State of New York has options to purchase all three parcels (documents are Exhibit 3) Current owners are

Parcel A: Treadway Group, LLC
Parcel B: County of Filmore Revenue Department
Parcel C: Jacob and Lillian Jackson

Owner/Occupant Jack Beanstalk, NY Parks and Recreation
Contact Phone: (718) 724-6437
jbeanstalk@nypr.gov

Attached Exhibits

1. Location Map
2. Assessor's Plat Map
3. Option Agreements
4. Legal Descriptions
5. Survey
6. Guidance for Larger Parcel Determinations Memo

Appraisal Instructions

Pre-Work Meeting The appraiser may be required to attend a pre-work meeting with the assigned review appraiser, the client, and other interested parties. The client will coordinate the date, time, and place of the meeting.

- Property Inspection** The appraiser must inspect the subject property, unless the review appraiser has approved other conditions in writing.
- The appraiser must certify that he/she extended an offer to the property owner (or the owner's representative) to accompany him/her during the property inspection. [Uniform Relocation Assistance & Real Property Acquisition Policies Act of 1970 (PL 91-646) as amended and the Uniform Appraisal Standards for Federal Land Acquisitions, Section D-14]
- Assignment Communications**
1. The appraiser must address any questions regarding appraisal instructions and/or technical requirements for the appraisal to the client.
 2. Refer all requests for information concerning the appraisal to the client.
- Reporting Confidential Information** The appraisal report must exclude confidential information.
- Public Dissemination** While the public is not an intended user of the appraisal report, the Term Sheet, Freedom of Information Act (FOIA) and agency policy will likely result in the release of all or part of the appraisal report to others.
- Appraisal License** The appraiser must hold a valid license as a Certified General appraiser for the jurisdiction in which the subject property is located. (Valid credentials include those obtained directly from the jurisdiction, those issued under a reciprocity agreement, and/or those characterized as "temporary" under the jurisdiction's licensing and certification statutes.)

Appraisal Development and Reporting

- Appraisal Review** The appraisal development and report must comply with this statement of work, including all requirements in the cited regulations, standards, and policy. The appraiser must modify any compliance deficiencies identified by review appraiser. UASFLA and USPAP also require the appraiser to practice current body of knowledge, so methodology must comport with the *The Appraisal of Real Estate*, 13th Edition, 2008, Appraisal Institute, or other authoritative texts.
- Appraisal Regulations and Standards**
- Uniform Standards of Professional Appraisal Practice (USPAP)
 - Uniform Appraisal Standards for Federal Land Acquisitions

(UASFLA)

- 49 CFR 24.103 Criteria for Appraisals under the Uniform Relocation Assistance & Real Property Acquisition Policies Act (URA)
- 36 CFR 59.3(b)(2)
- Land and Water Conservation Fund (LWCF) State Assistance Program Manual

Legal Instructions None.

Comprehensive Content All UASFLA-compliant appraisals must conform to the content outlined in UASFLA, Appendix A and B.

Certification (UASFLA A-4) Include all certification statements required by both USPAP and UASFLA.

Only certified general appraisers may sign a certification. Each certification signatory is responsible for the entire report. Professional contributors must not sign an appraisal certification but the certification must acknowledge their specific contribution.

Client New York State Office of Parks and Recreation

Intended Users

1. New York State Office of Parks, Recreation, and Historic Preservation
2. National Park Service of the United States Department of the Interior

Intended Use The opinion of market value will be used to determine if this replacement property equals or exceeds in value another property proposed for conversion to a non-recreational use. The appraisal is not intended for any other use.

Date of Value The date of value is the date of the last property inspection. The date must match the date of value of the related conversion property appraisals.

Limiting Conditions (UASFLA A-7) Do not use superfluous or boilerplate type limiting conditions, nor statements such as, “except as stated in the body of the report.” Check the report for these exceptions.

The appraiser may not make assumptions for conditions that are his/her opinion, for example, the likelihood of a zoning change. He/she must analyze this condition and account for the risk in highest and best use and the value conclusion.

Extraordinary Assumptions (UASFLA A-7 and D-3) The appraisal must comply with USPAP extraordinary assumptions disclosure requirements. Only use an assumption if it results in credible analysis. Statements of fact, such as site size, should be excluded from assumptions.

Environmental Conditions. The appraisal must reflect any known adverse environmental conditions that will not be cured at the current owner's expense but inherited by a purchaser. Conversely, the appraisal must be subject to the extraordinary assumption that unknown conditions would be fully remediated by the owner.

Other. If the appraiser determines that other extraordinary assumptions are necessary for the completion of the assignment, he/she must contact the client for prior written approval.

Hypothetical Conditions (UASFLA A-7 and D-3) The appraisal must comply with USPAP disclosure requirements. He/she may only use a hypothetical condition if it results in credible analysis and must clearly explain its implications to the valuation because of its adoption.

Parcel A Timber Harvest. Hypothetically value the property as if the reserved timber harvest is complete.

Parcel C. Hypothetical value the property without any contribution from standing crops.

Other. If the appraiser determines that hypothetical conditions are necessary, he/she must contact the review appraiser for prior written approval.

Jurisdictional Exceptions *Exposure Time.* (UASFLA A-9, D-1b, B-2) Contrary to USPAP, which requires the appraiser to analyze and state the exposure time for any definition of value that includes exposure, UASFLA A-9 mandates that the appraiser not link the value to a specific exposure time. To comply with USPAP the appraiser must invoke a Jurisdictional exception. The legal basis for delinking is found in UASFLA B-2.

Parcel A Residence. NPS has determined that the residence will not contribute to the replacement property's recreational utility so this improvement must be excluded from valuation.

If the appraiser decides to invoke USPAP's Jurisdictional Exception Rule for other reasons necessary to comply with law, regulation, or UASFLA, he/she must contact the review appraiser to obtain prior written approval.

Identification of Assumptions, Conditions, and Exceptions in Report	(UASFLA A-2, A-5, A-7) The appraiser must identify (summarize) all extraordinary assumptions, hypothetical conditions, and jurisdictional exceptions wherever he/she states the final value conclusion, including the Letter of Transmittal and the Summary of Salient Facts. Write all of these in full in the Assumptions and Limiting Conditions section.
Scope of the Appraisal (Work)	<p>(UASFLA A-8) The appraiser must outline and defend his/her selection of the scope of work necessary to achieve credible results given the intended use and users of the appraisal. He/she must be defined the geographic area and time span for appropriate market data (more than comparable selection) and the extent to which the data was confirmed must be stated.</p> <p>The appraiser must discuss the applicability of all standard valuation approaches, including a defense of the exclusion of any of these approaches.</p>
Market Value Definition and Source	(UASFLA A-9) The amount in cash or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Interagency Land Acquisition Conference, <i>Uniform Appraisal Standards for Federal Land Acquisitions</i> , fifth edition, page 13, Appraisal Institute, 2000.)
Legal Description Verification	(UASFLA A-11, D-5) The appraiser must verify the legal description on the ground during the property inspection. Notify the client of any apparent deviations.
Property Description	<p>(UASFLA A-12, A-13) The area description should only include information that directly supports highest and best use analysis, larger parcel determination, and the valuation approaches. Analysis must adequately support all feasible uses identified in highest and best use.</p> <p>Support the influence on value of positive and negative attributes of adjacent or nearby public facilities such as parks or commuter services.</p> <p>Fully describe and document with maps and photographs the physical attributes of the site that influence value.</p>
Property History	<i>Use.</i> (UASFLA A-13d, B-5) Describe the use and occupancy for the last ten years, or if indeterminable, discuss the attempts obtain it. Identify the date and use of the original construction and those of any major

renovations.

Sales. Provide a ten-year history of sales, including offers to buy or sell the property. If there is none, report the last sale, regardless of date.

Provide the buyer, seller, sale date, price, terms, and conditions of sale. Support a conclusion of whether the sale represents market value at the time of the sale. The appraiser must analyze any recent arm's length sale of the subject property as evidence of the subject's market value.

Rent. Provide a three-year history of rents. Any current leases must include all pertinent information and be analyzed for market rent or grounds given for not doing so.

Assessment and Tax Load (UASFLA A-13g) Estimate the assessment and tax burden where the property in private ownership on Parcel B.

Zoning (UASFLA A13h, D-6) Identify and describe current zoning and master plans. Analyze the potential for rezoning or variances to regulations of current zoning in support of highest and best use analysis in compliance with UASFLA Section D-6. Do not appraise the property assuming it can be rezoned, but include the effect on value of risk, time, and expense.

Identify and analyze any current non-conformance.

Since the market value definition requires an open market, analyze zoning and other land use regulations in the context of the property in private ownership.

Other Land Use Regulations (UASFLA A13h, D-6) Identify and analyze other land use regulations, such as historic districts, flood control boundaries, construction permits, and any economic restrictions or incentives (e.g. rent control, tax abatements).

Larger Parcel (UASFLA, Sections A-14, B-11 & B-13) The appraiser must conduct all research necessary for a well-supported larger parcel(s) conclusion. Since this appraisal is in support of a Federal land exchange, it must also comply with UASFLA D-7. Further explanation of the basis of larger parcel determination in appraisals for conversions is attached to this Statement of Work as Exhibit 7.

The property to be appraised is the entire lands described in this statement of work. Using contiguity, ownership, and unity of highest and best use analysis, the appraiser should determine the larger parcel(s) only within the lands identified in this appraisal assignment. As

described in D-7, the appraiser must exclude common adjacent ownership from the determination.

Highest and Best Use (UASFLA A14, B-3) Analyze the highest and best use of the property as if vacant using the four tests in elimination methodology, including the perfect improvement. Then, analyze the property as it is improved using the same methodology, including building differences from the perfect improvement and the consequences of those differences. The approaches to value must reflect these consequences.

The appraisal must conclude an economic highest and best use, not that of public interest (park, preservation, etc.). The highest and best use conclusion must be a specific use adequately supported by market evidence and analysis. Supply and demand analysis of all financially feasible uses is a critical element; mere assertion is unacceptable.

Comparable Sales and Rentals (UASFLA A-17) All sales and rents used in direct comparison to the subject property must conform to UASFLA, A-17 in development and reporting. Sales and rental data used in support of adjustments, depreciation, and/or capitalization rate development must include all relevant information, including sufficiency for independent reviewer verification.

Sales Comparison Approach (UASFLA A-17, B-4, D-9) UASFLA considers the sales comparison approach the best evidence of market value. Excluding this approach, or giving other approaches more weight, needs comprehensive rationale.

In this approach, provide a narrative comparison of the comparable sale to the subject property. A comparison grid summarizing the narrative is desirable.

UASFLA prefers quantitative adjusting, but requires the appraiser to support them with market evidence. It permits adjustment by percentage factors, or whole dollars, as appropriate. Any client rules to the contrary should be discussed thoroughly. The intended user of the NPS requires UASFLA compliance that the appraiser selects and defends the appropriate methodology, not the client.

Alternatively, the appraiser can use qualitative adjusting, whether exclusive or in conjunction with quantitative adjusting. It requires more comparables and extensive reasoning than quantitative adjusting.

Reconcile the divergent value indications with an analysis of the reliability of adjustments and weighting the comparables for influence in the conclusion.

Include comparable data sheets on all direct sales used in this approach in this section or in the Addendum. Any sale to or by a government entity, or those requiring rezoning or extensive permitting must have extraordinary verification outlined in UASFLA section D-9.

Cost Approach (UASFLA A-16) State the source of reproduction or replacement cost. Include entrepreneurial incentive as extracted from the market. Estimate depreciation using the breakdown or market extraction methods, not published tables, or age-life computations.

UASLA anticipates that the appraiser will not use the Cost Approach when the market would not reproduce the buildings.

Income Approach (UASFLA A-18) The preferred method of supporting a capitalization rate is from rates reflected by comparable sales.

Reconciliation of the Approaches to a Final Value Estimate (UASFLA A-19) Review the applicability of each approach and the quality of the data used. Explain the weighting of each approach in the final value estimate. Use analysis and logic to reconcile a conclusion of a single-point value.

Exhibits *Subject Maps.* Include a north arrow and subject identification.

Comparable Maps. Include a map showing the relative location of the sale or rental and the subject property. Include a north arrow. If necessary, show the sale or rental property on a more detailed map for field verification.

Photos. Identify the subject of the photo, direction of the picture and location of the photographer. Include the date of the photo and the name of the photographer.

Plot Plan. Include a plot plan of the entire property, identifying streets and frontage, building locations and setbacks, significant site improvements, and easements. The plan should also show photo locations and direction.

Assignment Instructions. Include this statement of work, other assignment instructions, and the engagement letter in the appraisal report addendum.