



everett, benfield LLC

Real Estate Appraisers/Consultants

August 5, 2013

Mr. David Nantz
Senior Review Appraiser
Baltimore County Government
111 Chesapeake Avenue
Towson, MD 21204

Re: 800 York Road
Towson, MD 21204

Dear Mr. Nantz:

At your request we have appraised the above referenced property. We are providing a written appraisal of the referenced property in a Summary Appraisal Report format. It is our understanding that the intended use of this appraisal is for real property collateral valuation. This appraisal is not intended for any other use or any other users. The fee simple estate has been estimated. At the request of our client the "market value of the **land only** has been provided.

The intended users of the original report, and those who may rely upon its conclusions, are Baltimore County Government.

The report to follow is subject to the attached certifications and limiting conditions and has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice, as set forth under Standards Rule 2-2(b). It has also been prepared according to the Code of Ethics of the Appraisal Institute. After considering that the subject is being valued as land only, the sales comparison approach to value was the only approach developed.

The subject of this appraisal is a 4.644 +/- acre parcel of business zoned land. The property is currently improved with a fire station, maintenance garages, and a communications tower. It is located at the intersection of York Road and Bosley Avenue in the Towson area of Baltimore County. According to the FEMA Flood Map, the site is not located in a flood zone.

The subject property is being valued under the following extraordinary assumptions:

- **That the subject property land size indicated in this report is correct. Final determination of the property size has not yet been determined and is subject to a field survey. Any difference in property size could impact the value of the property.**



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- That the communications tower setbacks are not applied to the property is estimating the potential floor area ratio (FAR) of the property.
- That the building size estimated in this report is correct with regards to the existing improvements.
- That the estimated cost of razing the existing improvements is correct. Your appraiser has utilized the best available information from conversations with developers and our files. It is highly recommended that cost estimates for demolition of the existing structures be obtained from a qualified demolition contractor.

The report to follow has been prepared utilizing the best available information as of the effective date of this report which is July 31, 2013. Users of this report should be aware that the volatility in the market place may result in value being impacted. It is difficult to predict at this time what may happen in the capital markets which could have an impact on real estate values.

After application of the sales comparison approach to value, our opinion of the market value of the fee simple ownership interest in the subject property land only as of July 31, 2013, was:

**EIGHT MILLION SIX HUNDRED THOUSAND DOLLARS
(\$8,600,000) FEE SIMPLE ESTATE**

The report to follow constitutes a *Summary Appraisal Report*. The appraisal and report has been prepared in conformance with the appraisal standards promulgated by the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), and the Uniform Standards of Professional Appraisal Practices (USPAP).

The preceding value estimates are based on the analysis and supporting data for the conclusions, opinions and are subject to the limiting conditions and appropriate certifications contained in the forthcoming report. Please contact us if you have any questions about this report. Thank you for using our services.

Respectfully submitted,
EVERETT, BENFIELD LLC

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MCC/RWB:de
13-141BAsp_REV1

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VIEW OF PROPERTY FROM YORK ROAD



VIEW OF REAR OF PROPERTY FROM BOSLEY AVENUE



ALTERNATE VIEW FROM BOSLEY AVENUE



VIEW EAST ON BOSLEY AVENUE

BALTIMORE COUNTY - REGIONAL ANALYSIS - Continued

Economic - Continued

Long recognized as a bedroom suburb of Baltimore City, Baltimore County actually enjoys an extremely diverse economic base. The County is home to several Fortune 500 companies and is the headquarters for some of the largest businesses in the world. In 2009, the County's 20,040 businesses employed approximately 322,180 workers. Based on 2012 figures, the Total Civilian Labor Force is 440,939 with an unemployment rate of roughly 7.4%. As of the year 2010, 18.0% of the employed were in the Trade, Transportation & Utilities and 18% in the Education & Health Services categories, approximately 16% were in the Government category, while 14% were in the Professional & Business Services category and 9% were in the Leisure & Hospitality category. In 2012, approximately 50% of County residents commuted to work outside the County.

According to the Baltimore County Department of Economic Development, some of the largest private employers in the County include:

Company Name	Employees	Business
Social Security Admin/Ctrs. For Medicare	16,000	Federal Government
Franklin Square Hospital Center	3,500	Hospital
Towson University	3,344	University
Greater Baltimore Medical Center	3,331	Hospital
St. Joseph Medical Center	3,300	Hospital
University of MD Baltimore County	3,258	University
Erickson Retirement Communities	3,070	HQ/retirement communities
RG Steel	2,227	Steel Mill
Sheppard Pratt Health System	2,380	Hospital
T. Rowe Price Associates, Inc.	2,220	Financial Services/Investments
McCormick & Company, Inc.	2,014	Food Products
Lockheed Martin	1,800	Aerospace/Information Technology
AAI	1,650	Electronic components
BD Diagnostic Systems	1,600	Microbiology/Medical & Diagnostic Equipment
Northwest Health System, Inc.	1,450	Hospital
Stanley/Black & Decker Corporation	1,336	Power tools
Quest Diagnostics	1,200	Medical Laboratories
CareFirst BlueCross & BlueShield	1,176	Healthcare Services
United Parcel Service	1,140	Parcel Distribution
Bank of America	1,100	Credit Card Services
Comcast	1,100	Cable television
Verizon-MD	1,076	Telecommunication(Finance/Billing)
TESSCO Technologies	918	Communications equipment
PHH	900	Corporate vehicle/fleet management
Procter & Gamble	900	Cosmetic products
Travelers Cos.	853	Insurance
Middle River Aircraft Systems	830	Aerospace contractors
VIPS	595	Software
U.S. Filter — Pall Corporation	474	Filtration devices

SITE DESCRIPTION - Continued

Utilities

All major metropolitan utilities are available to the subject site and these include electricity, gas, telephone, and public water and sewer. The utilities are provided by the Baltimore County Government, as well as the standard suppliers for the area.

Easements and Encroachments

There do not appear to be any easements or encroachments that adversely affect the parcel. It is reasonable to assume that various standard utility and roadway easements may exist.

Topography and Drainage

The subject site is moderately sloping in topography. According to the topographical map located in the Addendum of this report, the elevation change on the subject property is approximately 35 feet from the westernmost end of the site to York Road. It sits above road grade from both York Road and Bosley Avenue. There was no evidence of ponding, erosion or other drainage problems on the date of inspection.

Soil and Subsoil

No adverse soil or subsoil conditions were made known to us. We assume no adverse soil conditions exist. As appraisers, we are not qualified to detect such conditions and we assume no responsibility on such matters.

Hazardous Materials

Based on our visual inspection of the subject property, we saw no evidence of any hazardous materials on site. It is important for the reader to understand that as real estate appraisers, we are not qualified to detect the presence of such materials or conditions beyond those readily observable. If at any time there is determined to exist upon the subject site hazardous materials or any environmentally toxic materials, the value as stated in this report is rendered null and void.

Demolition Estimates

According to Google Maps and our field measurements, the subject property buildings contain approximately 35,000 square feet of space. Based on conversations with developers and information contained in our files, we have estimated the demolition costs of the subject property at \$15.00 per square foot of building area, subject to the previously stated extraordinary assumptions. This would equate to about \$525,000 in demolition costs.

TAXES AND ASSESSMENT ANALYSIS

The assessment of real property in Baltimore County is under the jurisdiction of the State of Maryland. Market value is estimated by the local assessor's office in Baltimore County. This review of property is performed under the "triennial" system; once every three years.

The market value developed is called "full-cash value" with the assessment being a ratio of this full-cash value. The current total tax rate applicable to the subject property is \$1.212 per \$100 of assessed value. The tax rate is broken down as follows.

Baltimore County	\$1.100
State of Maryland	<u>\$0.112</u>
Total Tax Rate	\$1.212

2013 Real Estate Taxes & Assessment	
Land Assessment	\$16,891,200
Improvements Assessment	\$1,497,800
Full Value Assessment	\$18,389,000
Real Estate Taxes \$1.212/\$100	\$222,874.68

The subject of this appraisal is 4.644 +/- acres that is part of a larger parcel of land containing a total of 9.53 +/- acres. The above assessment is based on the total land area of 9.53 +/- acres and all of the improvements thereon.

Additionally, the subject is currently owned by Baltimore County and is exempt from Local and State Taxes. The property appears to be assessed for Sewer Service and Water Distribution Charges according to the Baltimore County Real Property Tax information. These charges are \$5,520.03 for 2013.

SALES COMPARISON APPROACH

The Sales Comparison approach is a method of estimating the market value whereby the subject property is compared with similar properties that have recently been sold in the market place. This approach to value is based on the premise that an informed buyer will pay no more for a property than the cost of acquiring a similar property with equal utility. The Sales Comparison approach is considered to be essential to most appraisals of real property because this approach most closely reflects and measures the reactions of informed buyers and sellers in the market place.

For marketing purposes, the subject is commercial land for redevelopment. We have reviewed four recent sales of similar properties in the area. The similarities and dissimilarities will be discussed.

LAND SALES SUMMARY TABLE

No.	Location	Sale Date	Price	Size in SF	Price/SF
1.	1801 York Road	06/30/2008	\$9,000,000	118,353	\$76.04
2.	221-225 Joppa Road	08/28/2008	\$900,000	7,786	\$115.59
3.	937-939 York Road	12/13/2010	\$3,150,000	27,051	\$116.45
4.	York Road	12/21/2012	\$15,375,000	153,593	\$100.10

Shown on the following page is a map that shows the approximate location of the subject in relation to the comparable sales. Profiles of the sales are included in the Addendum. A summary adjustment chart of the sales is following the comparable sales map. The sales indicated a unit price range from \$76.04 to \$131.21 per square foot prior to consideration of any adjustments. The price per unit is based upon the land area in square feet of the comparables.

Additionally, in order to value the land of the subject property less its demolition costs we have applied the average demolition cost of \$15.00 per square foot to the building improvements of each of the subject properties at the time of sale. The adjusted price per square foot is used in the analysis.

Adjustment Overview

Factors of comparability taken into consideration in this analysis include condition of sale, property rights, financing terms and market conditions (time) to the effective date of value. Physical factors of comparability considered include neighborhood location, zoning, access to public utilities, physical characteristics of the property, and other factors affecting value.

SALES COMPARISON APPROACH - Continued

ELEMENT	ADJUSTMENT GRID				
	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4
Property Name	800 York Rd	1801 York Rd	221 Joppa Rd	937 York Rd	York Rd
Address	Towson	Lutherville	Towson	Towson	Towson
City	MD, 21204	MD, 21093	MD, 21204	MD, 21204	MD, 21204
County, State, Zip		Jun-08	Aug-08	Dec-10	Dec-12
Sale Date	BM-CT	BR	BM-CT	BR	BM-CT
Zoning	All Public	All public	All public	All public	All public
Utilities	35,000	14,550	3,432	9,707	67,903
Previous Building Size - SF		0.12	0.96	0.36	4.59
Proposed FAR		\$9,000,000	\$900,000	\$3,150,000	\$15,375,000
Sale Price		\$218,250	\$51,480	\$145,605	\$1,018,545
Cost of Demolition	\$484,200	\$8,781,750	\$848,520	\$3,004,395	\$14,356,455
Adjusted Price		118,353	7,786	27,051	153,593
Size - SF	202,293				
Unit Price	\$74.20	\$108.98	\$111.06	\$93.47	
Property Rights	0%	0%	0%	0%	
Financing	0%	0%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	-20%
Market Conditions	0%	0%	0%	0%	0%
Adjusted Price	\$74.20	\$108.98	\$111.06	\$74.78	
Location	0%	0%	0%	0%	
Size	-30%	-50%	-45%	-10%	
Utilities	0%	0%	0%	0%	
Zoning	0%	0%	0%	0%	
Physical Characteristics	-15%	-15%	-15%	-15%	
Other	0%	0%	0%	0%	
Final Adjusted Price	\$40.81	\$38.14	\$44.43	\$56.08	

Real Property Rights

When real property rights are sold, they may be the sole subject of the contract or the contract may include other rights, less than all of the real property rights, or even another property. Before the price of a comparable sale can be used, the properties rights being conveyed in the comparable sale must be analyzed to determine if they are similar to the subject property. If property rights are different an adjustment may be required.

All of the comparables were fee simple interest at the time of sale, therefore no adjustment was necessary.

Financing

The transaction price of one property may differ from that of an identical property due to different financing arrangements. For example, below market rates might be extended to individuals who have substantial bank accounts and are therefore especially credit worthy. Conversely, below market interest rates often result in higher sale prices. Financing adjustments are commonly used on sales in which the seller pays points or finances the loan at a rate that differs from the market rate.

No adjustments for financing were required.

SALES COMPARISON APPROACH - Continued

Estimate of Value

Presented in the preceding paragraphs was information on five sales that were considered the best available from the market place. Prior to making any adjustments, the comparable sales reflected a unit price range of between \$76.04 and \$131.21 per square foot of land. After considering various factors of comparability as discussed, the sales indicated an adjusted unit price range from \$38.14 to \$56.08 per square foot of land.

Sales 1 and 3 have a potential FAR of 2.0 based on the BR, Business Roadside, zoning regulations; the subject and Sales 2, 4, and 5 have a potential floor area ratio of 4.0 based on the BM, Business Major, zoning regulations. Three of the comparable properties have proposed building sizes with floor area ratios (FAR) between 0.12 and 0.96. Sales 4 and 5 do not have a calculated FAR since they were purchased for assemblage into larger projects; however based on the estimated land area of the project which is 5 acres, and the proposed size of the project which is 1,000,000 square feet, the weighted FAR is estimated at 4.59. While the subject has the potential for about 800,000 square feet based on the zoning regulations FAR, the property's highest and best use is for retail space given the high traffic volume, access, size, visibility, and road frontage of the subject.

After considering the factors of comparability and taking into consideration that no one sale is considered a better indicator of value than another, it is our opinion that the market value of the subject is \$45.00 per square foot. This results in a market value of \$9,103,185 (\$45.00/SF x 202,293 SF). From this must be deducted the costs for demolition of the subject's existing improvements. As previously mentioned we have estimated demolition costs at \$15.00 per square foot of building area. The subject has an estimated total building area of 35,000 square feet which indicates an estimated demolition cost of \$525,000. Deducting the cost for demolition from the estimated market value of the subject of \$9,103,185 indicates an overall estimated value of \$8,578,185 (\$9,103,185 - \$525,000). This is rounded to **\$8,600,000**.