

Hudson Logistics Center

Hudson, New Hampshire Fiscal Impact Analysis

June 2020

Prepared for:

Justin Dunn, LEED AP
Vice President, Development
Hillwood
66 E. Main Street, Unit 300I
Westminster, MD 21157

Prepared by:



Barrett Planning Group LLC
Plymouth, Massachusetts

Key Findings and Conclusions

At the request of Hillwood, Barrett Planning Group LLC has prepared a fiscal impact analysis of the proposed Hudson Logistics Center. We find that when the proposed facility is completed and occupied, it will have the following impact on the Town:

- Facility Size: \$2.6 million square feet (sq. ft.)
- Total Estimated Assessed Value: \$221,824,400
- Total Estimated Annual Tax Revenue: \$4,243,500
- Total Estimated Cost of Community Services: \$240,800
 - Public Safety (Police, Fire, Inspectional Services): \$168,600
 - Public Works (Roads, Drainage, Plowing, Maintenance): \$24,100
 - All Other (Administration, Assessing, Other): \$48,100
- **Net Revenue: \$4,002,700**
- Cost of Services per Sq. Ft. Floor Area: 9 cents
- Cost-Revenue Ratio: 0.056

For every \$1.00 in new tax revenue, the Town will spend approximately 6 cents on municipal services for the Hudson Logistics Center.

- In addition, the Applicant estimates that the Hudson Logistics Center will provide a total of 1,400 direct jobs, as follows:
 - Lot A: 750
 - Lot B: 350
 - Lot C: 300
- These jobs will generate approximately \$81,536,000 in direct wages
- The Applicant also estimates, based on experience with similar projects elsewhere, that the Hudson Logistics Center will support approximately 833 construction jobs.



Introduction

Barrett Planning Group has prepared this fiscal impact analysis at the request of the Applicant, Hillwood Enterprises, L.P. The proposed development consists of approximately 2.6 million square feet (sq. ft.) of distribution facilities on 372 acres off Hudson Road and Steele Road in Hudson, New Hampshire. Hillwood plans to divide the site into three lots, each to be used for one warehouse/ distribution building. Two of the buildings will be approximately 1 million sq. ft. and the third, approximately 600,000 sq. ft. Nearly all of the site is located in the G-1 district, which is zoned for uses like that proposed by the Applicant. The present land use consists of two golf courses known as Green Meadows. Surrounding land uses include residential, commercial, and industrial development, a regional highway, and the Merrimack River.

What is Fiscal Impact?

Fiscal impact is the relationship between municipal revenues and municipal and school service costs associated with a given land use. We express that relationship as a ratio of service costs to revenue, or a "cost-revenue ratio." A land use that generates more revenue than service costs is "revenue positive," i.e., a ratio <1.00 , or a low cost-revenue ratio. A "revenue neutral" land use represents the break-even point (1.00), and a "revenue negative" land use costs more in community services than the amount of revenue it produces (>1.00), or a high cost-revenue ratio. The ultimate questions for any fiscal impact analysis are these: can the proposed development generate enough revenue to pay for itself? Is it likely to have a positive or negative impact on the tax rate?

A fiscal impact analyst typically begins by studying demographic trends in order to understand how growth and change might be affecting a community's fiscal condition. The age of a community's population, the size and make-up of its households, the types of housing that exist, where people work, and the economic position of the community's households all have an indelible impact on municipal finances. Determining the amount of general fund revenue that various land uses already generate and the community's general fund expenditures to serve those land uses is also important. This type of existing conditions assessment matters because fiscal impact studies have to rely on known demographic, land use, and municipal finance conditions in order to predict the unknown – that is, the impact of a project that has not yet been constructed. The emphasis is placed on general fund activity because the general fund supports traditional municipal and school services. In addition, the operating and capital costs of services such as water and sewer are often covered by user fees. While those costs obviously matter, they are not necessarily dependent on general fund resources.



Future community service costs projected in a fiscal impact analysis may not materialize as actual changes in spending. Our job is to estimate the impact of the Hudson Logistics Center on municipal operations, but we do not control budget decisions the community will make later. Sometimes communities allocate revenue growth to other municipal operations or the public schools instead of the departments most directly affected by a new project. Cities and towns make appropriation decisions based on local policies and priorities, not on estimates and projections reported by fiscal impact analysts.

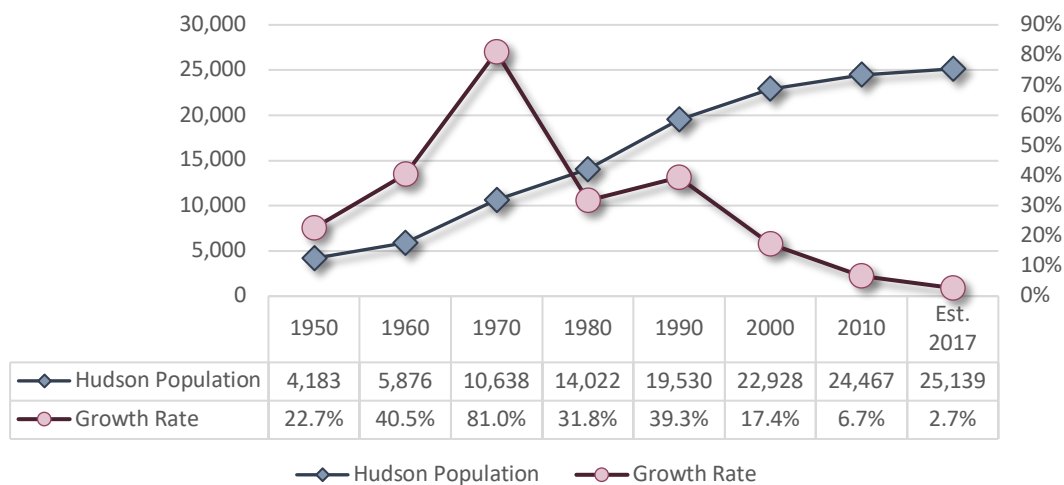
Hudson Demographic Snapshot

Located along the eastern side of Hillsborough County in southern New Hampshire, Hudson falls well within the orbit of Boston, Nashua, and Manchester employment centers. Its access to the region’s jobs and services is due to Hudson’s direct connection to U.S. Route 3 by the circumferential highway link to Route 3A (Lowell Road) and a second connection to the north via Route 111, which in turn brings Hudson within easy reach of Interstate Route 93. Due to its location and highway access, Hudson has a large suburban employment base with 656 employers and about 12,000 jobs.¹

Hudson’s location helps to explain its growth history. Since 1990, population growth has slowed considerably in Hudson, but this was not the case during the 1950s and 1960s when the combined effects of the “Baby Boom” and improvements to U.S. Route 3 between Boston and southern New Hampshire caused Hudson’s population to more than double in just 20

Fig. 1. Hudson Population Growth: 1990 to Present

(Source: U.S. Census via Social Explorer)



¹ New Hampshire Economic and Labor Market Information Bureau, Covered Employment and Wages, Fourth Quarter 2019.



years. Today, the town's population density is 890 people per square mile (sq. mi.), almost double the population density of Hillsborough County.²

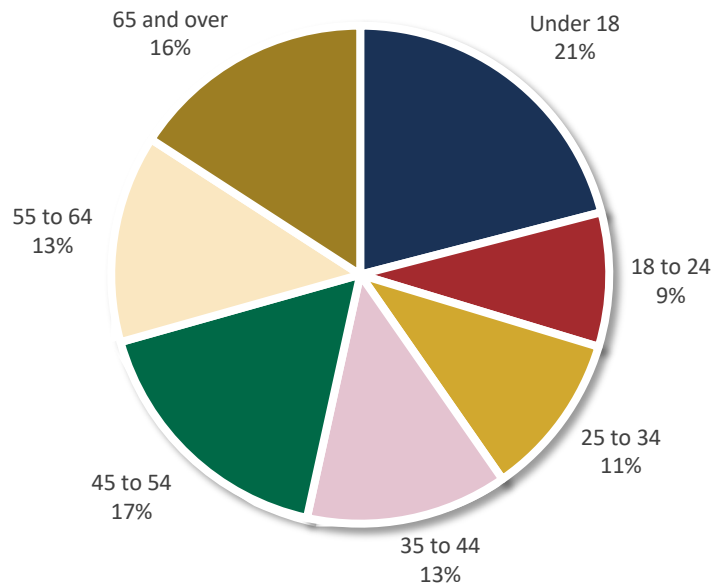
Hudson's current population is fairly well distributed across age cohorts (Fig. 2.). Overall, its population is slightly older than that of Hillsborough County and its average household is slightly larger, but the differences are small. More than half the town consists of working-age people, and 74 percent are in family households.

Hudson's housing stock is mainly comprised of single-family dwellings, so it makes sense that the vast majority of its households are families – that is, people related by blood, marriage, or other bond – and that most of its families are homeowners. Approximately 33 percent of Hudson families have dependent children under 18. The combined factors of a large base of single-family homes and high homeownership rate help to explain the somewhat older age of its population. Hudson has a relatively small inventory of rental housing for a suburb so close to two cities (Nashua and Manchester). Its housing is fairly new, with a large percentage of the current housing stock built since 1970.

Compared with Hillsborough County, Hudson has a large percentage of its population in the labor force: 73 percent of all residents 16 and over. Differences in education levels contribute to the somewhat greater presence of Hudson's labor force in management, professional, and education jobs than their counterparts in other towns nearby. However, the tradeoff for having better jobs and earning higher wages is that more Hudson residents work outside their own town than most residents of Hillsborough County. It is little wonder that Hudson residents are so keenly aware of traffic congestion because many of them experience it every day while commuting to and from a non-local place of employment.

Fig. 2. Hudson Population by Age Cohort

(Source: 2018 American Community Survey 5-Year Estimates)



² U.S. Census Bureau, Decennial Census 1950 to 2010, and 2018 American Community Survey (ACS) Five-Year Estimates, retrieved from Social Explorer. Unless otherwise noted, demographic data in this section are derived from the ACS.



Methodology and Analysis

Overview

When we prepare a fiscal impact analysis of a new nonresidential project, we often work with a model that assumes, directly or inferentially, the existence of a proportional relationship between the assessed value of a land use and its associated community service costs, i.e., the proportional valuation method.³ This approach adopts the premise that the reasonably predictable “known” of assessed valuation can be used as a platform for estimating the less “known” of land use-generated costs. Like many other fiscal impact methods, proportional valuation accepts the idea that current municipal and school service costs are a valid basis for estimating future spending – that is, a community’s experience today is a reasonable predictor of its average experience tomorrow. The model involves a two-step process: first, estimating what the community spends to serve its commercial and industrial taxpayers today, and second, what the community will likely spend to serve the new development, using the existing condition as a guide.

The assumptions embedded in a proportional valuation study have to be checked in cases where there is no local precedent for a proposed development – especially a large one. Applying current cost-revenue relationships to a new commercial or industrial facility can severely exaggerate the associated future costs because the assessed value of new nonresidential development is often much higher per sq. ft. than that of established nonresidential land uses. Accordingly, the proper way to apply proportional valuation involves applying refinement coefficients to adjust for the size and value of new nonresidential development. In our experience, the coefficients provide a reasonably accurate estimate of commercial development service costs and we have used them for analysis of the Hudson Logistics Center. We also checked the results against our own database of past projects to determine if the costs are in range for actual existing nonresidential uses we have studied in the past. In addition, we conducted a literature search to locate some independent reports.

Before digging too deeply into local finance data, we always look first at the community’s existing development pattern and land use mix for a comparable project. However, Hudson does not have a large warehouse/distribution facility like the Hudson Logistics Center. In situations like this, we have to research projects elsewhere that have enough similarity to serve as useful examples or case studies. That is the approach we followed for this fiscal impact analysis. Below we cover the case study examples first, followed by an analysis and projections rooted in Hudson’s municipal operations and finance.

³ Burchell & Listokin, *The Fiscal Impact Handbook* (Routledge, 1978, 2012).



Comparison Developments

We communicated with public safety officials in two towns: Londonderry, to learn about their experiences with the UPS and F.W. Webb facilities on Pettengill Road, and Raymond, which has a large Walmart distribution facility. These are the closest reasonably comparable facilities to the proposed Hudson Logistics Center that we could find in southern New Hampshire. There are obviously differences in the locations of these projects, but our purpose was to learn about the demands of this particular land use. We appreciate the information we received from our contacts in Londonderry and Raymond because they have had more important matters to contend with during the pandemic than requests from out-of-town consultants. The information they shared has played a key role in our analysis.

Walmart Distribution Center. Walmart's regional distribution center in Raymond is a 1.1 million sq. ft. warehouse and associated structures built ca. 1996 on 220 acres a half-mile south of Route 101. It is the only general merchandise facility serving Walmart's New England retail stores. According to local officials, the Raymond Police and Fire Departments combined respond to approximately 82 calls per year at the Walmart facility.⁴ Fire alarm tests account for 41 percent of those calls, and about one call per month (on average) is for a business check. Requests for emergency medical assistance are much less frequent, roughly four out of every 100 calls. Other events such as vehicle lockouts, parking complaints, theft, or auto accidents make up the rest (the number of accidents reported to us translates into about one every four months).

We specifically asked the staff in both departments to explain the kinds of problems they have experienced, if any, responding to a large facility like the Walmart center. Police Chief Michael Labell told us the call volume is comparatively small (by our analysis of his data, less than 1 percent per year) and often, the calls involve the police providing support to emergency medical staff for ambulance calls. He also said there had been problems with large 18-wheel trucks trying to turn around on rural roads because directional signage to and from the facility was poor, but these problems no longer occur because the signage had been improved. Both the Police Chief and Fire Chief said that on balance, the service demands from the Walmart distribution center have been limited. In their experience, establishing a working relationship between Town staff and facility management makes a significant difference in the ability of town government to manage the impact and maximize the benefits to the community.

Pettengill Road Facilities. Pettengill Road is a recently developed public road that runs south of the Manchester Regional Airport between roadways connecting to the Everett Turnpike and Route 3 to the west and Route 28 to the east. It provides a strategic location for major shipping and distribution facilities, and that is what authorities in Londonderry and

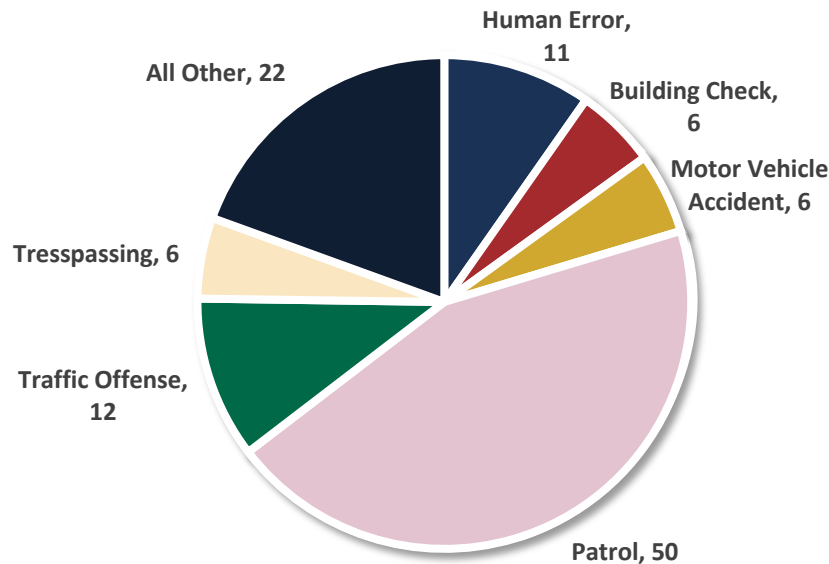
⁴ Michael Labell, Chief of Police, and Jason Grant, Deputy Fire Chief, Town of Raymond, to Fiona Coughlan, Barrett Planning Group, June 8, 2020.



Manchester had in mind. In 2013, Londonderry created an Airport Area Tax Increment Financing (TIF) District to finance the infrastructure that would be needed to lure companies like UPS, FedEx, and F.W. Webb. We requested public safety data from the Londonderry Police and Fire Departments, using the UPS facility at 52 Pettengill, F.W. Webb at 50 Pettengill, and FedEx Ground Facility at 44A Industrial Drive as address points. The departments responded with multiple years of call data for the UPS address.

According to the information we received, between 2017 and mid-June 2020 (39 months), the Londonderry Police responded to 113 calls generated at 52 Pettengill Road. Including all types of reported calls, the average incident rate per month is 2.9.⁵ Fig. 3 categorizes the calls by type. As shown, 44 percent involved traffic stops by officers on patrol.

Fig. 3. Number of Police Calls by Type, 2017-2020
52 Pettengill Road, Londonderry
(Source: Londonderry Police Department)



The Londonderry Fire Department reported 13 calls over the 12-month period from July 2019 and June 2020.⁶ Almost all stemmed from fire alarm malfunction. Two involved emergency medical response to motor vehicle accidents. The average duration of each incident, meaning the average amount of time requiring Fire Department personnel, was 6.1 hours (about 80 hours total).

⁵ William R. Hart, Police Chief, Town of Londonderry, to Fiona Coughlan, June 15, 2020.

⁶ Darren O'Brien, Fire Chief, Town of Londonderry, to Fiona Coughlan, June 8, 2020.



Consultation with Hudson Town Departments

Our review of this project included consultation with the Town Administrator, Finance Director, Town Planner, Police Chief, Fire Chief, Assessor, and Public Works Director. Below is a summary of concerns they identified that have a bearing on this fiscal impact analysis.

Traffic. The most oft-cited concerns we heard involve the traffic that will be generated by the Hudson Logistics Center. Data published in the Applicant's traffic study and additional data we received from the Town Engineer indicate that over roughly four years (2014-2018), there have been a combined total of 164 accidents at the ten intersections most directly affected by the proposed development. There have been several accidents since 2018 at the Walmart/Sam's Club access drive and Lowell Road, Lowell Road/Dracut Road, and Lowell Road and Rena Ave. The Police Department reports that traffic congestion in the vicinity of Lowell Road and the proposed site is intense during morning and evening commuting hours and after-school hours as well. They have concerns about the additional demands that will likely be placed on their department due to traffic growth on Lowell Road between the proposed subdivision road (opposite Rena Ave.) and Sagamore Bridge Road.

Inspectional Services. When we spoke with the Fire Department, the primary concern we heard is the increased demand that a 2.6 million sq. ft. project will place on inspectional services staff. The issue is not only the time required for plan review and inspections during construction. Rather, as Chief Buxton points out, commercial and industrial projects involve frequent interior changes that trigger building, electrical, and other permit and code inspection requirements. Considering the sheer size of the proposed development, he anticipates a "near constant" demand on staff time. Although we were not able to get comparison data for inspectional services demands from Londonderry and Raymond, we concur with Chief Buxton's assessment because we have observed it so many times in other work we have done. Tenant fit-ups, adjustments, interior space alterations, installation of new technology, and a variety of related activities do occur with nonresidential development, and the capacity the Town needs to respond to these additional demands should be accounted for in the fiscal impact analysis.

Public Works. The main concern of the Public Works Department is the time and expense of maintaining the proposed subdivision road and associated drainage, extending 2,670 feet from Lowell Road into the site.

Administration & Finance. The Assessing Department will most likely need to purchase outside services to assist with determining the market value of the property once the Hudson Logistics Center is completed. The information required to set the value is not the sort of data that city and town assessors have ready access to, so the need for (and expense of) outside professional services needs to be recognized. That need may not be limited to a single year of



occupancy at the new facility. The Town Assessor and other administration and finance functions tend to be overlooked in fiscal impact studies because much of their work is invisible to the general public, but these offices and departments function as a scaffold for the community's direct service operations.

Proportional Valuation and Annual Cost of Municipal Services

Fiscal impact studies would be simple if they required nothing more than entering numbers in spreadsheet formulas, but they are not so simple at all. Two analysts reviewing the same project will probably reach similar conclusions about the amount of revenue a development will generate, but the process of estimating new service costs is a challenge and people do not always agree about the best way to proceed. In addition, studies of a proposed development that has established precedents in the community have the benefit of readily available comparison data.

Proportional valuation is one approach to estimating the net increase in the cost of services associated with new development. It is not the only approach, but it is efficient, and it makes plausible use of local government finance data. Its main problem, as alluded to earlier, is its propensity to distort (inflate) the new cost of services. Much like per capita cost and revenue studies of new housing developments, proportional valuation is an "average cost" approach that assumes what the community spends today on services is a good indicator of what it will spend in the future.

Table 1 on the next page applies the proportional valuation method to the data we have from the Town of Hudson. It illustrates, step-by-step, how we arrived at the estimated new cost of services per year, \$240,800. It is important to note that \$240,800 is an estimate of *total* service costs derived from proportional valuation. The allocation of those dollars to various municipal service categories is a judgment call, and it is far less formulaic than the process used to arrive at the total. We assigned the vast majority of the cost estimate to public safety because the consultation process with Town staff reinforced for us that the project's impact on public safety is the greatest of all concerns.



Table 1. Proportional Valuation Analysis (FY 20 Dollars)⁷

	Input	Result
A	Municipal Operating Budget	\$33,131,300
B	Non-Residential Real Property Value	\$384,101,400
C	Total Real Property Assessed Value	\$3,128,960,800
D	Ratio (C / D)	0.123
E	Non-Residential Parcels	714
F	Total Parcels	9,662
G	Average Value: Non-Residential Parcel (B / E)	\$538,000
H	Average Value: All Parcels (C / F)	\$323,800
I	Ratio (G / H)	1.66
J	Refinement Coefficient	0.740
K	Non-Residential Expenditures (A * D * J)	\$3,009,600
L	Residential Expenditures (A – K)	\$30,121,600
	<i>Estimated Expenditure by Function for Nonresidential Development</i>	
M	Public Safety (Police, Fire, EMS, Inspections) 45%	\$1,354,300
N	Public Works (Roads, Drainage, Equipment Maintenance) 30%	\$902,900
O	Other (Admin & Finance, Other Services) 25%	<u>\$752,400</u>
P	Total (K)	\$3,009,600
	Impact of Proposed Facility	
Q	Estimated Assessed Value	\$221,824,400
R	Ratio, New Value to Total Existing Nonresidential Value (Q / B)	0.58
S	Ratio, New Value to Existing Average Nonresidential Value (Q / G)	412.35
T	Refinement Coefficient	0.1386
U	Increased Cost of Services (P * R* T)	\$240,800
	<i>Estimated Expenditure by Function for Proposed Facility*</i>	
W	Public Safety (Police, Fire, EMS, Inspections) 70%	\$168,600
X	Public Works (Roads, Drainage, Equipment Maintenance) 10%	\$24,100
Y	Other (Admin & Finance, Other Services) 20%	\$48,200

*Assigned costs reflect relative impact on each category of service, based on our analysis of input from Town staff.

Numbers may not total due to rounding.

⁷ Source of refinement coefficients: Burchell & Listokin, *The Fiscal Impact Handbook* (Routledge, 1978, 2012).



Annual Revenue Estimate

We base our estimate of the Hudson Logistics Center’s property tax revenue on the assessments of similar space in Londonderry, where all of the distribution facilities on Pettengill Road are fairly new (built since 2015). The following table reports the assessments from Londonderry. The average values shown in blue provided the multipliers we used to estimate what the assessment will be in Hudson.⁸

Table 2. Basis for Estimate of Facility’s Assessed Value

FW WEBB 10 Webb Drive		Average Assessment/Sq.Ft. (All Projects):	\$62.86
		Average Land/Sq.Ft.	\$3.64
	Total	CALC	
<i>Building Sq. Ft.</i>	768,020	\$60.08	
<i>Land Area:</i>	3,244,087	\$3.38	
<i>Building Valuation:</i>	\$46,138,900		
<i>Land Valuation:</i>	<u>\$10,950,500</u>		
<i>Total Valuation:</i>	\$57,089,400		
<i>Prior Year:</i>	\$52,154,600		
<i>Prior Year:</i>	\$15,717,200		
<i>Replacement Cost</i>	\$30,742,841		
<hr/>			
UPS LOGISTICS CENTER 52 Pettengill Road		TOTAL	CALC
<i>Building Sq. Ft.</i>	603,357	\$62.92	
<i>Land Area:</i>	1,965,427	\$4.04	
<i>Building Valuation:</i>	\$37,963,200		
<i>Land Valuation:</i>	<u>\$7,938,500</u>		
<i>Total Valuation:</i>	\$45,901,700		
<i>Prior Year:</i>	\$41,908,200		
<i>Prior Year:</i>	\$41,908,200		
<i>Replacement Cost (Built 2015)</i>	\$24,176,515		
<hr/>			
FEDEX GROUND FACILITY 44A Industrial Drive		TOTAL	CALC
<i>Building Sq. Ft.</i>	303,925	\$66.03	
<i>Land Area:</i>	2,198,560	\$3.50	

⁸ The town’s current assessment ratio is 83.5 percent, so even if the Hudson Logistics Center may have a higher market value, the actual experience of a nearby town with new distribution facilities is a better (albeit conservative) basis for estimating Hudson’s revenue.



Hudson Logistics Center
Fiscal Impact Analysis

Building Valuation:	\$20,068,000
Land Valuation:	\$7,694,700
Total Valuation:	\$27,762,700
Prior Year:	\$25,791,100
Prior Year:	\$25,791,100
Replacement Cost (Built 2015)	\$12,226,903

FEDEX SHIPPING FACILITY (Industrial Condo)	
10 Industrial Drive	
	TOTAL CALC
Building Sq. Ft.	75,264 \$62.43
Land Area:	0 N/A
Building Valuation:	\$4,699,100
Land Valuation:	\$0
Total Valuation:	\$4,699,100
Prior Year:	\$4,315,100
Prior Year:	\$4,315,100
Replacement Cost (Built 2015)	\$4,214,784

Using Londonderry's average assessed value per sq. ft. of facility space and average assessment for land, we estimated Hudson's estimated new revenue as follows:

Table 3. Hudson Logistics Center Estimated Annual Tax Revenue

						Tax Rate:	\$19.13
New Construction:	Building Area	Assessment*		Lot Area	Assessment	Total	Taxes
Building 1	1,079,700	\$67,875,200	Lot A	161.8	\$25,641,800	\$93,517,000	\$1,789,000
Building 2	1,000,700	\$62,908,900	Lot B	97.0	\$15,372,400	\$78,281,300	\$1,497,500
Building 3	<u>522,000</u>	<u>\$32,815,500</u>	Lot C	<u>108.6</u>	<u>\$17,210,700</u>	<u>\$50,026,200</u>	<u>\$957,000</u>
Total	2,602,400	\$163,599,600		367.4	\$58,224,900	\$221,824,500	\$4,243,500

*Building assessment is building area * \$62.86/sq. ft.
 **Land assessment is lot area (in sq. ft.) * \$3.64/sq. ft.
 ***Tax rate is Hudson's FY20 rate of \$20.28 minus the county portion.

The proposed development also will generate one-time, non-recurring revenue from various permit fees and the Town's impact fee assessment. Our report does not include non-recurring revenues because we were asked to focus our analysis on annual expenditures and annual revenue.





REPRESENTATIVE LIST OF PAST AND CURRENT ENGAGEMENTS

Comprehensive Planning

Hingham Master Plan
Littleton Master Plan
Tewksbury Master Plan
Westford Comprehensive Plan
Dedham Master Plan
Lincoln Comprehensive Plan
Arlington Master Plan
Medfield Master Plan

Fiscal & Economic Impact Analysis

National Development,
Waterstone & Bridges at
Lexington
Westwood Planning Board,
University Station
Westford Multifamily Impact
Analysis
Dedham Planning Board, Legacy
Place
Jeffrey Donohoe Associates,
Impact of Relocating Military
Personnel from Island of Guam
North Andover Community
Development Department,
Osgood Landing Chapter 40R
District

Zoning

Southbridge Comprehensive
Zoning Revision
Bedford Great Road Zoning
Revision
Tewksbury Comprehensive
Zoning Revision
Beverly Inclusionary Zoning
Bylaw

Judi Barrett

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CONSULTANT & PUBLIC-SECTOR EXPERIENCE

Principal, Barrett Planning Group LLC, April 2017-Present. Small private consulting firm with 32 years of community development and planning experience. Judi Barrett provides training, technical assistance, and strategic planning services to municipalities from Maine to Florida. She has led numerous comprehensive plans, neighborhood revitalization and commercial center vision plans, zoning ordinances and bylaws, and housing plans, and she is highly respected for her work in socioeconomic and fiscal impact analysis.

Director of Municipal Services, RKG Associates, Inc., May 2013 – April 2017. Played an instrumental role in expanding RKG's practice in Massachusetts as part of a longer-term company plan to consolidate and reorganize its New England economic development operation. Responsible for marketing, business development, project management, client relations, and supervising teams of RKG staff and subcontractors. Significantly expanded the firm's housing planning and public policy work. Projects ranged from comprehensive plans to major zoning revisions, housing market studies, economic development plans and policy studies, conflict resolution, and training and technical assistance contracts.

Director of Planning, Community Opportunities Group, Inc., March 1996 – April 2013. Established and built a well-respected municipal planning practice for a small Boston-based firm that specializes in community development and housing. Planning group offered services in city and town planning, open space and recreation plans, housing and economic development plans, zoning, fiscal impact analysis, technical assistance, and capacity building. Also provided expert witness services for Chapter 40B comprehensive permit appeals. Won three planning awards from the Mass. Chapter of the American Planning Association.

Director, Community Development Fund, Executive Office of Community Development, June 1993 – March 1996. Managed the Community Development Fund (CDF), the Commonwealth's largest set-aside of Community Development Block Grant (CDBG) funds for non-entitlement cities and towns. Directed annual application round, prepared application package and technical assistance materials, oversaw the review and awards process, and supervised grant compliance and grantee monitoring. Reported to Deputy Secretary of Community Development.

Community Development Administrator, Town of Plymouth. September 1988 – June 1993. Responsible for developing a comprehensive community development department offering housing, economic development, park and open space, and other programs and services with CDBG and other funds. Oversaw the formation of Plymouth's "Main Street" program (Downtown/Waterfront), wrote the special legislation that created the Tourism Fund and Visitor Services Board, and provided staff support and technical assistance to numerous boards and commissions. Assisted with preparing master plans for the Downtown/Waterfront Area, North Plymouth, and Manomet

Salisbury Inclusionary Zoning Bylaw
Lenox Comprehensive Zoning Revision
Comprehensive Zoning Update for Downtown Needham

Affordable Housing

Chapter 40B Technical Assistance Consultant for Zoning Boards of Appeals
Brookline Housing Production Plan
Wellesley Housing Production Plan
Brewster Housing Production Plan
Nantucket Affordable Housing Trust Strategic Plan
Falmouth Housing Demand Study and Needs Analysis
Amherst Tax Incentive Legislation for Affordable Housing Development

Technical Assistance & Strategic Planning

Citizen Planner Training Collaborative (CPTC)
Comprehensive Curriculum Revision & Update
Plymouth Regional Economic Development Foundation
Technical Assistance & Board Training
GrowSmart RI/Land Use Training Collaborative Strategic Plan
Nantucket Affordable Housing Trust Five-Year Strategic Plan
City of Chelsea Strategic Plan for Affordable Housing

EDUCATION

- Harvard University, Bachelor of Liberal Arts (cum laude). Concentrations: American Civilization and Government.
- Graduate coursework in American Studies, University of Massachusetts Boston; and Economics and Community Development at Harvard University and Tufts University.

PROFESSIONAL AFFILIATIONS & SERVICE

- American Planning Association (APA)
- APA-Massachusetts Chapter, Chair, Housing and Community Development Committee
- Urban Land Institute, Boston/New England Chapter, Member, Housing and Economic Development Product Council
- Trainer, APA-MA AICP Exam Preparation Course: Economic Development, Public Participation Modules
- Trainer, Citizen Planner Training Collaborative (CPTC)
- Trainer, Neighborhood Revitalization Strategy Areas (NRSA) and Neighborhood Planning Strategies for HUD CDBG Grantees
- Guest Lecturer, Graduate Planning Courses, University of Massachusetts, Massachusetts Institute of Technology, Harvard Graduate School of Design.

RECENT CONFERENCE PRESENTATIONS

- APA National Planning Conference, 2015, 2016, 2017, 2018.
- Central Florida Regional Affordable Housing Coalition, 2018 Housing Summit, "Regulatory Strategies to Create Affordable Housing"
- ULI Housing Conference: Housing Opportunity, 2016, Boston, Massachusetts. "Affordability in the Suburbs: From Fair Housing to Community Opposition."
- APA Northeast Region Conference, 2015, Saratoga Springs, NY. "Getting Ahead of Demographic Trends."
- Southern New England APA Conference, 2011-2017
- Massachusetts Housing Institute, 2014, 2015, 2018
- Cape Cod Housing Institute, 2017, 2018, 2019, 2020



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10 July 2020

Mr. Michael Alderman
Senior Vice President
Hillwood Investment Properties, L.P.
4707 N Front St
STE 302
Harrisburg, PA 17110

Re: Hudson Logistics Center

Dear Mr. Alderman,

We understand Hillwood Enterprises L.P. has entered into a contract to purchase the Green Meadow Golf Club located off Lowell Road and Steele Road, Hudson, Hillsborough County, New Hampshire for the purpose of redeveloping the real property into the Hudson Logistics Center (the "Property"), which consists of the construction of three buildings collectively comprising approximately 2.6 MM square feet.

In accordance with your request, Trimont Real Estate Advisors ("Trimont") has been engaged to examine the neighborhood surrounding the Property for the purpose of determining if the development of the proposed Hudson Logistics Center project would have an impact, on neighboring residential home values as of July 12, 2020. Enclosed is our narrative report summarizing our observations and conclusions.

Trimont studied the change in residential home prices surrounding the Property as well as four comparable logistics sites located across Connecticut, Massachusetts, and New Hampshire. The study utilized Zillow® and Multiple Listing Service ("MLS") databases for prices and home sales within a 1-mile and 2-mile radii, as well as neighboring, zip code and across the county of the comparable sites. Based upon a review of the data, it is our opinion that the development of the logistics centers in all four municipalities did not cause a diminishment in the market value of the neighboring residential homes. Accordingly, by concluding that the development of these projects noted above did not cause a diminishment of value on residential homes located within the vicinity (1-mile, 2-mile, county, et al.) of each of the four logistics center projects above, we can assimilate the potential impacts to the values of the residential homes within the vicinity (1-mile, 2-mile, county, et al.) of the proposed Hudson Logistic Center to conclude that, in our opinion, there will be no diminishment of value to such residential properties surrounding the proposed Hudson Logistics Center. It was concluded there is no empirical evidence the construction of the logistics / distribution facilities noted above precipitated the decline in average residential sales price.



TRIMONT.

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Furthermore, Trimont reviewed the study by Jonathan A. Wiley, Ph.D., *The Impact of Commercial Development on Surrounding Residential Property Values*, April 2015. The results of the Wiley study clearly state the research performed did not find any substantial evidence of a negative effect on residential property values due to commercial development. Trimont completed a parallel, independent study utilizing data noted above, and arrived at the same conclusion.

Trimont's independent analysis of home price change for a logistical development and the review of Jonathan A. Wiley study are attached herein.

Sincerely,

Terri Magnani
John Grosso, CFA



TRIMONT.

July 2020

HUDSON LOGISTICS CENTER, 59 STEELE ROAD, HUDSON, NH 03051

SUMMARY

Hillwood is under contract to purchase the Green Meadow Golf Cub in Hudson, NH and is intending to redevelop the site into the Hudson Logistics Center (the "Property"). The Property will consist of three buildings totaling approximately 2.6 MM square feet. We have been informed that homeowners within the vicinity of the Property are concerned the redevelopment will adversely impact home prices. Hillwood engaged Trimont Real Estate Advisors ("Trimont") to complete an independent study to examine the impact of home values upon the completion of the logistical center. Specifically, Trimont was asked to identify any potential diminution in value to surrounding residential homes, resulting from the proposed logistics center redevelopment.

Trimont studied the change in residential home prices surrounding the subject property as well as four comparable logistics sites ("comparable") located across Connecticut, Massachusetts, and New Hampshire. The study utilized Zillow® and Multiple Listing Service¹ ("MLS") databases for prices and home sales from 2011 through June 2020 within a 1-mile and 2-mile radii as well as neighboring, zip code and across the county of the comparable sites.

CONCLUSION

It was determined in each instance, the compound average growth rate ("CAGR"), the average annual growth rate, and repeat sales comparison all showed after completion of these comparable commercial logistics center properties were flat to positive for each data set (1-mile, 2-mile, county, et al.), meaning that the development of these comparable logistics centers did not cause a diminishment in the market value of the neighboring residential properties. Based upon MLS home price sales, there is no empirical evidence the construction of the logistic / distribution facilities precipitated the decline in average sales price. Separately, property values we examined fluctuated over the time period analyzed, both upward and downward. Downward shifts in property values were observed across multiple data sets, and values declined in tandem, which signifies a broader market shift, not isolated to any specific new commercial development.

Accordingly, by concluding that the development of these four logistic center projects noted above did not cause a diminishment of value on residential dwellings located within the vicinity (1-mile, 2-mile, county, et al.) of each of the four logistic center projects above, we can assimilate the potential impacts to the values of the residential homes within the vicinity (1-mile, 2-mile, county, et al.) of the proposed Hudson

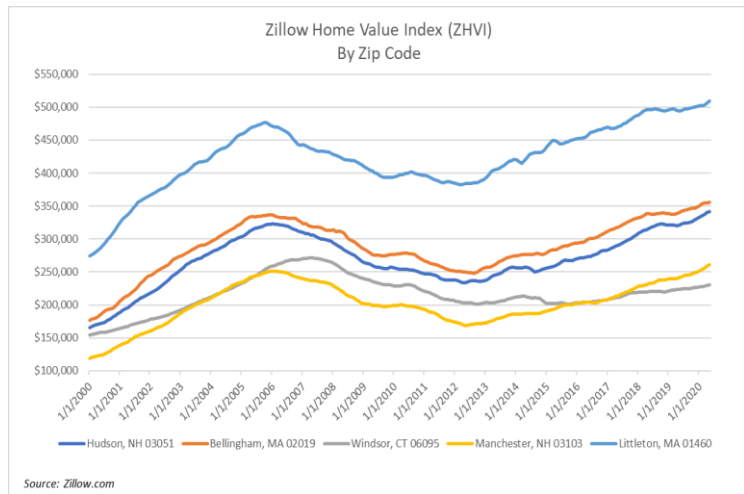
¹ MLS Property Information Network is a database of approximately 23,165 properties for sale and more than 3 million off-market listings as well as full public records for all of Massachusetts and Rhode Island and much of New Hampshire. MLS data was not available at the time of publication for 99 International Drive in Walton, CT.

Logistics Center Property to conclude that there will be no diminishment of value to the residential properties surrounding the Hudson Logistics Center Property.

THE ANALYSIS

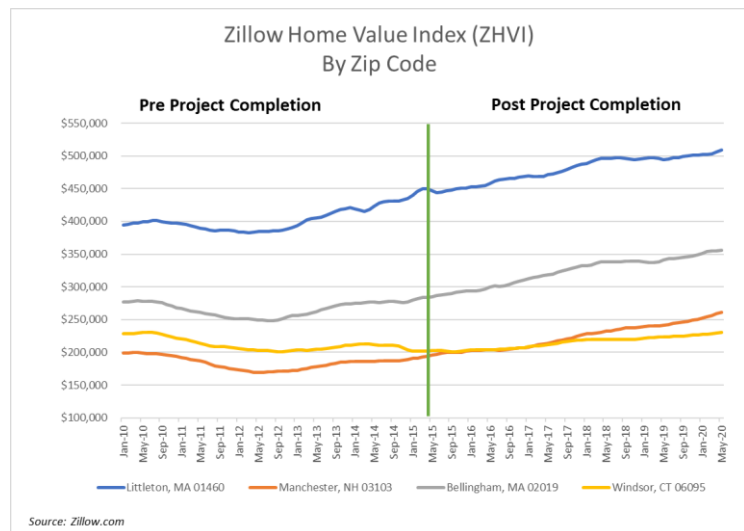
Trimont examined the change in home values for single family residential homes (“homes”) from 2011 through June 2020 for the Property as well as comparable sales to determine if there was an impact in home values following the construction of each commercial project. The developments examined included distribution / logistic facilities for Victory Packing, Dollar Tree, F.W. Webb Company, Electronics for Imaging Inc., UPS Freight Service Center, and Potpourri Group.

MLS data and Zillow Zestimate^{®2} for homes neighboring and abutting the properties were obtained. The number of observations for any period ranged from 4 to over 6,400 for homes that were built from pre-1900 to 2020. The average age of the homes which sold are more than 50 years old. Given the adjacent homes to the Property are at least 40 years old, the data sets exhibit similar characteristics as the homes surrounding the Property and are a good comparison for the analysis.



As a foundation for the analysis, we reviewed Zillow Home Value Index (ZHVI) (by zip code) for the Property and comparables over the last 20 years. As presented in the chart below, each of the zip codes has a similar price trajectory. All markets, except Windsor, CT are at or have exceeded the last peak in home prices (2007). In isolating ZHVI by pre and post completion of the comparables, each market’s home prices have trended upward.

Subsequently, we analyzed the Zillow Zestimate[®] for five properties adjacent to each of the comparables (see maps contained herein), ZHVI for each zip code and county, and MLS home sales within a 1-mile and 2-mile radii as well as within the county. It was determined, in the years following completion of the comparables, the CAGR and average annual growth rate were 3.60% and 4.00% for Zestimate data, and 4.46% and 4.20% for MLS data, respectively. See Exhibit 1.



² The Zestimate[®] home valuation model is Zillow’s estimate of a home’s market value. The Zestimate incorporates public and user-submitted data, taking into account home facts, location and market conditions.

In conjunction with CAGR and average annual growth rates, Trimont examined the repeat sales within a one-mile radius of the Property and the comparable properties from 2011 to June 2020. The average increase in home price was 28.0% with a hold period of 3.6 years. Repeat homes sales were then isolated for the comparables and the average home price increase was 25.9% with a hold of 4.0 years.

MLS Repeat Sales / One-Mile Radius Property	2011 - 2020				Post Construction 2016 - 2020			
	# of Observations	Average Change In Price (%)	Average Change In PSF (%)	Average Hold Period (Years)	# of Observations	Average Change In Price (%)	Average Change In PSF (%)	Average Hold Period (Years)
59 Steele Rd Hudson, NH 03051	17	32.9%	29.8%	2.9				
355 Maple St Bellingham, MA 02019	14	23.5%	19.5%	3.5	14	23.5%	19.5%	3.5
68 Harvey Rd / 12 Innovation Way / 52 Pettengill Rd Manchester, NH 03103	15	26.6%	35.5%	4.4	14	24.9%	30.1%	4.0
3 Distribution Center Circle Littleton, MA 01460	13	29.3%	27.4%	3.7	10	29.3%	26.9%	4.4
Average:	15	28.0%	28.0%	3.6	13	25.9%	25.5%	4.0

Source: MLS Property Information Network, Inc.

Lastly, we provided a summary of each of the comparables with an MLS snapshot along with a map showing neighboring properties. Additional details are available on each comparable property in Exhibit 1.

355 Maple St Bellingham, MA 02019

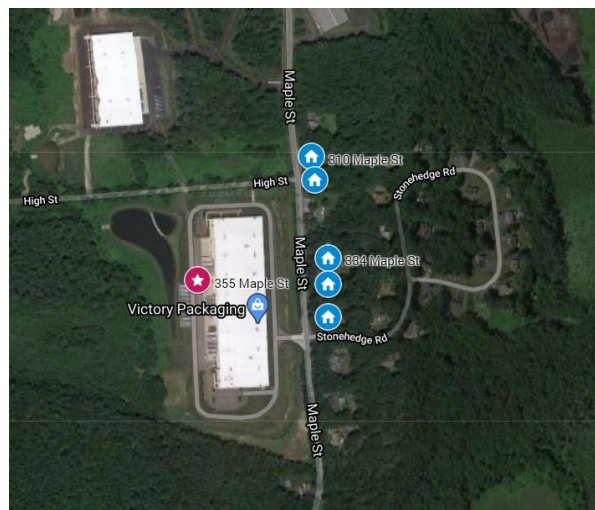
355 Maple Street is a 249,972 square foot warehouse located along Maple Street in Bellingham, Massachusetts. The property was originally constructed in 2015 and features 22 exterior dock doors, 34' clear heights, and is located less than a mile from I-495. The property is currently 100% occupied by Victory Packaging. 355 Maple is located 61 miles from the subject property. The average age of the five neighboring properties is 48 years.

Industrial Development: 355 Maple St Bellingham, MA 02019			
Year Built: 2015			
Zillow Data ¹	After Completion		
SF Homes Neighboring Property ²	CAGR	2016 - 2020 Average Annual Growth Rate	# of Observations
310 Maple St	3.74%	3.92%	
314 Maple St	3.81%	3.63%	
334 Maple St	3.92%	6.39%	
338 Maple St	5.85%	4.13%	
342 Maple St	2.45%	5.11%	
	Min:	2.45%	3.63%
	Max:	5.85%	6.39%
	Average:	3.95%	4.64%
Control Scenario:			
Zip Code: 02019	4.52%	4.67%	
County: Norfolk County	3.94%	4.20%	
MLS Data ³			
Avg. Sale Price - 1 Mile Radius (\$/SF):	0.21%	-0.04%	
# of Observations			42
Avg. Sale Price - 2 Mile Radius (\$/SF):	6.18%	4.25%	
# of Observations			519
Avg. Sale Price - County (\$/SF):	4.62%	4.35%	
# of Observations			27,248

¹MLS Property Information Network is a database of approximately 23,165 properties for sale and more than 3 million off-market listings as well as full public records for all of Massachusetts and Rhode Island and much of New Hampshire. MLS data was not available at the time of publication for 99 International Drive in Walton, CT.

²Properties that abutt, across from, or within close proximity of the Industrial Development.

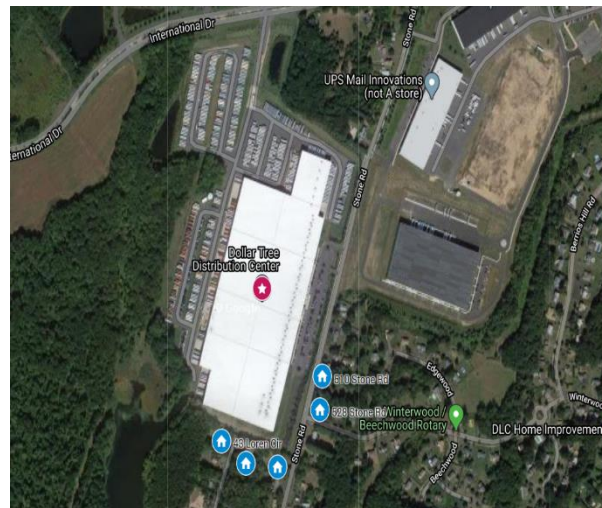
³The Zestimate® home valuation model is Zillow's estimate of a home's market value. The Zestimate incorporates public and user-submitted data, taking into account home facts, location and market conditions.



99 International Dr Windsor, CT 06095

99 International Drive is a 1,015,183 square foot distribution center located at the intersection of International Drive and Rainbow Road in Windsor, Connecticut. The property was originally constructed in 2013 and features 100 exterior dock doors, 40' clear heights, 500 free surface parking spaces, and is less than a mile from Bradley International Airport. The property is currently 100% occupied by Dollar Tree Logistics. 99 International Dr is located 125 miles from the subject property. The average age of the five neighboring properties is 68 years. It should be noted one property was built in early 1900s. The average age of the other four properties is 55 years.

Industrial Development: 99 International Dr Windsor, CT 06095			
Year Built: 2013			
Zillow Data ¹	After Completion		
	2014 - 2020 Average Annual Growth Rate		# of Observations
SF Homes Neighboring Property²	CAGR		
43 Loren Cir	0.10%	1.21%	
44 Loren Cir	0.33%	1.84%	
559 Stone Rd	1.02%	2.31%	
528 Stone Rd	-0.52%	1.47%	
510 Stone Rd	0.03%	1.92%	
	Min:	-0.52%	1.21%
	Max:	1.02%	2.31%
	Average:	0.19%	1.75%
Control Scenario:			
Zip Code: 06095	1.16%	1.60%	
County: Hartford County	0.83%	1.22%	
MLS Data³			
Avg. Sale Price - 1 Mile Radius (\$/SF):			
# of Observations			
Avg. Sale Price - 2 Mile Radius (\$/SF):			
# of Observations			
Avg. Sale Price - County (\$/SF):			
# of Observations			



¹MLS Property Information Network is a database of approximately 23,165 properties for sale and more than 3 million off-market listings as well as full public records for all of Massachusetts and Rhode Island and much of New Hampshire. MLS data was not available at the time of publication for 99 International Drive in Walton, CT.

²Properties that abutt, across from, or within close proximity of the Industrial Development.

³MLS information was not available.

The Airport Portfolio (Manchester, NH – Boston, MA Regional Airport)

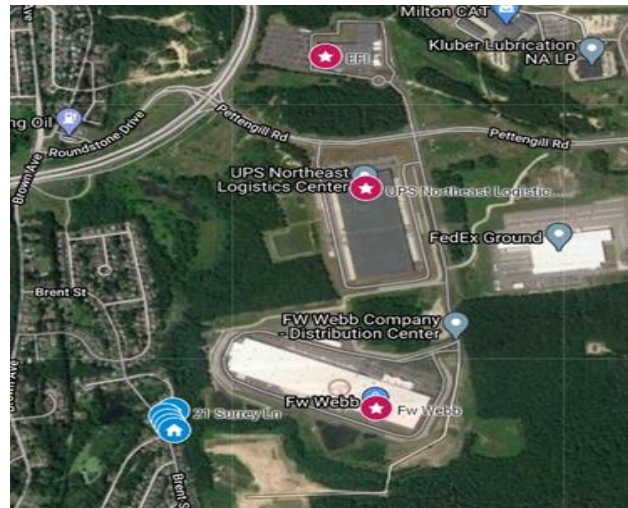
The Airport Portfolio consists of 1,639,240 square feet of warehouse, manufacturing, and distribution space across three buildings in Londonderry, New Hampshire. The properties include 68 Harvey Road, 12 Webb Drive, 12 Innovation Way, and 52 Pettengill Road which are all located within 1.5 miles of each other. The properties were constructed between 2015 and 2018 and are 100% occupied by F.W. Webb Company, Electronics for Imaging Inc., and UPS Freight Service Center. The Airport Portfolio is located 17 miles from the subject property. The average age of the five neighboring properties is 30 years.

Industrial Development: 68 Harvey Road / 10 Webb Drive / 12 Innovation Way / 52 Pattengill Rd Manchester, NH 03103 (Manchester - Boston Regional Airport)			
Year Built: 2015 - 2018			
Zillow Data ¹	After Completion		
SF Homes Neighboring Property ²	CAGR	2016 - 2020 Average Annual Growth Rate	
		# of Observations	
21 Surrey Ln	5.80%	6.20%	
328 Brent St	7.58%	7.66%	
336 Brent St	6.68%	6.31%	
350 Brent St	7.90%	7.03%	
358 Brent St	5.01%	4.87%	
	Min:	5.01%	4.87%
	Max:	7.90%	7.66%
	Average:	6.60%	6.42%
Control Scenario:			
Zip Code: 03103	5.62%	5.76%	
County: Rockingham County	4.87%	5.05%	
MLS Data ³			
Avg. Sale Price - 1 Mile Radius (\$/SF):	3.45%	4.84%	
# of Observations			199
Avg. Sale Price - 2 Mile Radius (\$/SF):	5.38%	5.95%	
# of Observations			345
Avg. Sale Price - County (\$/SF):	5.76%	5.48%	
# of Observations			16,552

¹MLS Property Information Network is a database of approximately 23,165 properties for sale and more than 3 million off-market listings as well as full public records for all of Massachusetts and Rhode Island and much of New Hampshire. MLS data was not available at the time of publication for 99 International Drive in Walton, CT.

²Properties that abut, across from, or within close proximity of the Industrial Development.

³The Zestimate® home valuation model is Zillow's estimate of a home's market value. The Zestimate incorporates public and user-submitted data, taking into account home facts, location and market conditions.



3 Distribution Center Circle Littleton, MA 01460

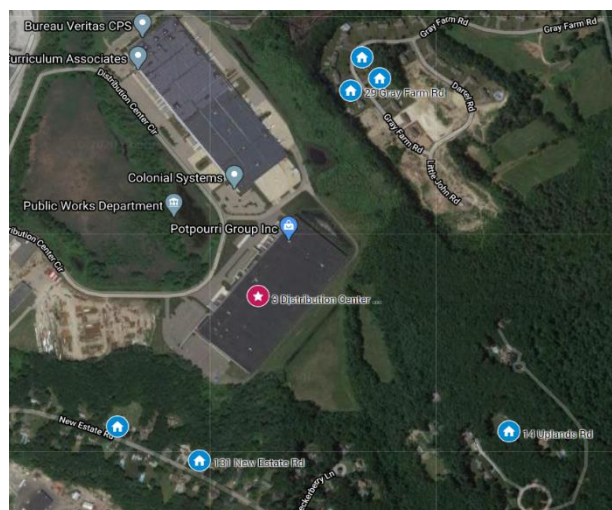
3 Distribution Center Circle is a 450,000 square foot distribution center located along Distribution Center Circle in Littleton, Massachusetts. The property was originally constructed in 2015 and features 23 exterior dock doors, 32' clear heights, and a full loading dock package including seals, lights, levelers, and a concrete loading pad. The property is currently 100% occupied by Potpourri Group. 3 Distribution Center Circle is located 18 miles from the subject property. The average age of the five neighboring properties is 35 years.

Industrial Development: 3 Distribution Center Circle Littleton, MA 01460			
Year Built: 2015			
Zillow Data ¹	After Completion		
SF Homes Neighboring Property ²	CAGR	2016 - 2020 Average Annual Growth Rate	
		# of Observations	
14 Uplands Road*	2.65%	2.77%	
26 Gray Farm Rd	2.51%	2.63%	
30 Gray Farm Rd	3.28%	3.80%	
161 New Estate Rd	4.82%	4.72%	
131 New Estate Rd*	5.27%	4.70%	
	Min:	2.51%	2.63%
	Max:	5.27%	4.72%
	Average:	3.71%	3.72%
Control Scenario:			
Zip Code: 01460	2.65%	2.70%	
County: Middlesex County	4.05%	4.05%	
MLS Data ³			
Avg. Sale Price - 1 Mile Radius (\$/SF):	7.95%	5.09%	
# of Observations			199
Avg. Sale Price - 2 Mile Radius (\$/SF):	1.92%	3.71%	
# of Observations			345
Avg. Sale Price - County (\$/SF):	4.70%	4.20%	
# of Observations			16,552

¹MLS Property Information Network is a database of approximately 23,165 properties for sale and more than 3 million off-market listings as well as full public records for all of Massachusetts and Rhode Island and much of New Hampshire. MLS data was not available at the time of publication for 99 International Drive in Walton, CT.

²Properties that abut, across from, or within close proximity of the Industrial Development.

³The Zestimate® home valuation model is Zillow's estimate of a home's market value. The Zestimate incorporates public and user-submitted data, taking into account home facts, location and market conditions.



Industrial Development: 59 Steele Rd Hudson, NH 03051 (SUBJECT)																			
Year Built: Proposed Sq. Ft.: 2,592,000																			
Zillow Data ¹																			
											Before Completion			After Completion			Total		
SF Homes Neighboring Property ²											CAGR	Average Annual Growth Rate	# of Observations	CAGR	Average Annual Growth Rate	# of Observations	CAGR	2011 - 2020 Average Annual Growth Rate	# of Observations
21 Fairway Dr																	3.97%	4.56%	
15 Fairway Dr																	3.71%	3.95%	
9 Fairway Dr																	2.54%	2.73%	
1 Fairway Dr																	4.03%	4.36%	
6 Eagle Dr																	3.98%	4.20%	
											Min:						2.54%	2.73%	
											Max:						4.03%	4.56%	
											Average:						3.65%	3.96%	
Control Scenario:																			
Zip Code: 03051																	3.31%	3.42%	
County: Hillsborough County																	3.24%	3.35%	
MLS Data ³																			
Avg. Sale Price - 1 Mile Radius (\$/SF):																	3.58%	4.46%	
# of Observations	6	15	20	11	10	16	18	14	18	4								132	
Avg. Sale Price - 2 Mile Radius (\$/SF):																	3.59%	3.74%	
# of Observations	58	71	83	76	70	92	94	128	110	37								819	
Avg. Sale Price - County (\$/SF):																	4.68%	4.77%	
# of Observations	2,720	3,347	3,617	3,682	4,177	4,663	4,524	4,570	4,546	1,834								37,680	

Industrial Development: 355 Maple St Bellingham, MA 02019																			
Year Built: 2015 Sq. Ft.: 249,972																			
Zillow Data ¹																			
Year Built											Before Completion			After Completion			Total		
SF Homes Neighboring Property ²											CAGR	Average Annual Growth Rate	# of Observations	CAGR	Average Annual Growth Rate	# of Observations	CAGR	2011 - 2020 Average Annual Growth Rate	# of Observations
310 Maple St																	3.30%	3.44%	
314 Maple St																	3.86%	3.96%	
334 Maple St																	3.83%	4.11%	
338 Maple St																	2.82%	2.95%	
342 Maple St																	3.36%	3.58%	
											Min:	1.03%	1.25%	2.45%	3.63%	2.82%	2.95%		
											Max:	4.21%	4.37%	5.85%	6.39%	3.86%	4.11%		
											Average:	2.12%	2.32%	3.95%	4.64%	3.43%	3.61%		
Control Scenario:																			
Zip Code: 02019																	3.07%	3.17%	
County: Norfolk County																	3.48%	3.58%	
MLS Data ³																			
Avg. Sale Price - 1 Mile Radius (\$/SF):																	0.07%	0.08%	
# of Observations	5	5	4	8	12	9	12	8	8	5								76	
Avg. Sale Price - 2 Mile Radius (\$/SF):																	3.52%	3.90%	
# of Observations	52	93	97	94	115	119	117	121	123	39								970	
Avg. Sale Price - County (\$/SF):																	4.34%	4.41%	
# of Observations	3,191	5,453	5,889	5,524	6,046	6,265	6,439	6,224	6,047	2,273								53,351	

Industrial Development: 99 International Dr Windsor, CT 06095																			
Year Built: 2013 Sq. Ft.: 1,015,183																			
Zillow Data ¹ Year Built											Before Completion			After Completion			Total		
SF Homes Neighboring Property ²	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	CAGR	2011 - 2013		CAGR	2014 - 2020		CAGR	2011 - 2020	
												Average Annual Growth Rate	# of Observations		Average Annual Growth Rate	# of Observations		Average Annual Growth Rate	# of Observations
43 Loren Cir		-6.66%	-8.18%	7.53%	2.75%	-3.93%	2.42%	4.08%	-4.25%	-0.13%	-7.13%	-7.42%	0.10%	1.21%	-0.83%	-0.71%			
44 Loren Cir		-13.43%	-0.32%	9.18%	-14.88%	-0.68%	5.66%	5.79%	1.07%	6.78%	-6.82%	-6.87%	0.33%	1.84%	-0.44%	-0.09%			
559 Stone Rd		-4.27%	-6.26%	8.97%	-11.04%	4.35%	-0.18%	6.97%	2.90%	4.22%	-5.06%	-5.26%	1.02%	2.31%	0.43%	0.63%			
528 Stone Rd		-6.30%	-13.96%	12.77%	-1.42%	7.88%	-0.29%	-5.03%	2.07%	-5.70%	-9.82%	-10.13%	-0.52%	1.47%	-1.38%	-1.11%			
510 Stone Rd		-11.79%	-0.11%	12.12%	-11.30%	2.58%	5.41%	6.81%	-2.81%	0.64%	-5.89%	-5.95%	0.03%	1.92%	-0.11%	0.17%			
											Min: -9.82%	-10.13%	-0.52%	1.21%	-1.38%	-1.11%			
											Max: -5.06%	-5.26%	1.02%	2.31%	0.43%	0.63%			
											Average: -6.94%	-7.13%	0.19%	1.75%	-0.47%	-0.22%			
Control Scenario:																			
Zip Code: 06095		-6.89%	-0.72%	3.98%	-4.74%	0.72%	2.49%	5.21%	0.90%	2.65%	-3.70%	-3.81%	1.16%	1.60%	0.32%	0.40%			
County: Hartford County		-6.83%	-0.38%	3.43%	-3.53%	1.32%	2.62%	2.94%	0.59%	1.17%	-3.51%	-3.60%	0.83%	1.22%	0.10%	0.15%			
MLS Data³ *** MLS Data not available																			
Avg. Sale Price - 1 Mile Radius (\$/SF):																			
# of Observations																			
Avg. Sale Price - 2 Mile Radius (\$/SF):																			
# of Observations																			
Avg. Sale Price - County (\$/SF):																			
# of Observations																			

Industrial Development: 68 Harvey Road / 10 Webb Drive / 12 Innovation Way / 52 Pettengill Rd Manchester, NH 03103 (Manchester - Boston Regional Airport)																			
Year Built: 2015 - 2018 Sq. Ft.: 1,639,240																			
Zillow Data ¹ Year Built											Before Completion			After Completion			Total		
SF Homes Neighboring Property ²	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	CAGR	2011 - 2015		CAGR	2016 - 2020		CAGR	2011 - 2020	
												Average Annual Growth Rate	# of Observations		Average Annual Growth Rate	# of Observations		Average Annual Growth Rate	# of Observations
21 Surrey Ln		7.53%	0.78%	4.71%	-1.75%	6.71%	2.67%	19.39%	1.80%	0.43%	2.70%	2.82%	5.80%	6.20%	4.49%	4.70%			
328 Brent St		-2.37%	-7.02%	12.61%	-1.81%	7.67%	12.98%	4.45%	3.39%	9.80%	0.09%	0.35%	7.58%	7.66%	4.16%	4.41%			
336 Brent St		-12.26%	5.46%	7.91%	5.57%	4.64%	10.56%	4.94%	2.90%	8.53%	1.30%	1.67%	6.68%	6.31%	4.01%	4.25%			
350 Brent St		-5.10%	-3.10%	11.38%	0.21%	3.13%	15.46%	6.24%	2.51%	7.83%	0.64%	0.85%	7.90%	7.03%	4.05%	4.28%			
358 Brent St		-7.78%	-8.68%	17.23%	2.27%	4.26%	3.74%	7.59%	3.90%	4.87%	0.23%	0.76%	5.01%	4.87%	2.75%	3.04%			
											Min: 0.09%	0.35%	5.01%	4.87%	2.75%	3.04%			
											Max: 2.70%	2.82%	7.90%	7.66%	4.49%	4.70%			
											Average: 0.99%	1.29%	6.60%	6.42%	3.89%	4.14%			
Control Scenario:																			
Zip Code: 03103		-9.76%	-0.50%	7.51%	2.66%	6.20%	2.79%	9.65%	4.84%	5.32%	-0.22%	-0.02%	5.62%	5.76%	3.01%	3.19%			
County: Rockingham County		-5.20%	2.12%	8.67%	2.23%	5.66%	4.88%	8.40%	4.53%	1.80%	1.80%	1.95%	4.87%	5.05%	3.56%	3.68%			
MLS Data³																			
Avg. Sale Price - 1 Mile Radius (\$/SF):																			
# of Observations																			
Avg. Sale Price - 2 Mile Radius (\$/SF):																			
# of Observations																			
Avg. Sale Price - County (\$/SF):																			
# of Observations																			

Industrial Development: 3 Distribution Center Circle Littleton, MA 01460
Year Built: 2015 **Sq. Ft.: 450,000**

Zillow Data ¹											Before Completion			After Completion			Total			
Year Built											2011 - 2015			2016 - 2020			2011 - 2020			
SF Homes Neighboring Property ²	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	CAGR	Average Annual Growth Rate	# of Observations	CAGR	Average Annual Growth Rate	# of Observations	CAGR	Average Annual Growth Rate	# of Observations	
14 Uplands Road*		-3.06%	3.73%	3.78%	10.60%	0.53%	2.26%	2.58%	15.61%	3.56%	3.57%	3.76%		5.86%	4.91%		4.23%	4.40%		
26 Gray Farm Rd		-4.97%	6.09%	0.39%	8.60%	2.97%	1.34%	0.61%	1.41%	6.82%	2.34%	2.53%		2.51%	2.63%		2.49%	2.58%		
30 Gray Farm Rd		-4.89%	6.04%	-1.78%	1.42%	5.81%	1.89%	2.27%	3.82%	5.19%	0.11%	0.20%		3.28%	3.80%		2.12%	2.20%		
161 New Estate Rd		-3.90%	0.20%	0.82%	14.37%	2.09%	5.13%	9.32%	4.84%	3.49%	2.59%	2.87%		5.67%	4.97%		3.88%	4.04%		
131 New Estate Rd*		-2.81%	5.13%	3.25%	9.90%	4.13%	-2.20%	8.23%	-2.63%	5.13%	3.69%	3.87%		2.03%	2.53%		3.00%	3.13%		
* First data point is July 2011											Min:	0.11%	0.20%		2.03%	2.53%		2.12%	2.20%	
											Max:	3.69%	3.87%		5.86%	4.97%		4.23%	4.40%	
											Average:	2.46%	2.65%		3.87%	3.77%		3.14%	3.27%	
Control Scenario:																				
Zip Code: 01460		-3.18%	2.45%	6.72%	4.79%	2.86%	3.79%	3.92%	1.68%	1.26%	2.57%	2.70%		2.65%	2.70%		2.64%	2.70%		
County: Middlesex County		-3.78%	4.08%	8.13%	5.47%	3.96%	5.44%	6.59%	3.15%	1.12%	3.31%	3.48%		4.05%	4.05%		3.71%	3.80%		
MLS Data³																				
Avg. Sale Price - 1 Mile Radius (\$/SF):		24.02%	2.53%	0.08%	24.79%	-11.29%	12.14%	4.18%	-12.60%	33.01%	11.99%	12.86%		7.95%	5.09%		7.40%	8.54%		
# of Observations	30	38	37	35	57	61	38	46	37	17			197			199			396	
Avg. Sale Price - 2 Mile Radius (\$/SF):		4.71%	4.08%	9.10%	5.98%	9.82%	-5.12%	4.57%	-3.94%	13.22%	5.82%	5.97%		1.92%	3.71%		4.51%	4.71%		
# of Observations	47	53	59	56	75	96	70	79	69	31			290			345			635	
Avg. Sale Price - County (\$/SF):		2.93%	6.75%	6.71%	5.06%	2.10%	6.13%	6.53%	1.53%	4.69%	5.24%	5.36%		4.70%	4.20%		4.65%	4.71%		
# of Observations	2,548	3,084	3,478	3,500	3,934	4,030	3,934	3,756	3,802	1,030			16,544			16,552			33,096	

¹MLS Property Information Network is a database of approximately 23,165 properties for sale and more than 3 million off-market listings as well as full public records for all of Massachusetts and Rhode Island and much of New Hampshire. MLS data was not available at the time of publication for 99 International Drive in Walton, CT.

²Properties that abut, across from, or within close proximity of the Industrial Development.

³The Zestimate® home valuation model is Zillow's estimate of a home's market value. The Zestimate incorporates public and user-submitted data, taking into account home facts, location and market conditions.



TRIMONT.

JULY 2020

SUMMARY MEMO

THE IMPACT OF COMMERCIAL DEVELOPMENT ON SURROUNDING RESIDENTIAL PROPERTY VALUES

Jonathan A. Wiley, Ph.D.
Associate Professor
Department of Real Estate
J. Mack Robinson College of Business
Georgia State University

SUMMARY

The above study explores the effects of commercial development on proximate residential property values. The study utilizes a comparison of similar homes within 0.5, .075, and 1 mile radii surrounding said commercial development sites to homes just outside the same radii, but within the same zip code.

Trimont completed an independent study utilizing MLS property data for developments in the area proximate to the Hudson Logistics Center (the “Project”) proposed distribution facility project, in Hudson, NH. This memo provides direct comparisons of the Wiley study conclusions to results found during our study.

WILEY STUDY CONCLUSION

The results of the Wiley study clearly state the research performed did not find any substantial evidence of a negative effect on residential property values due to commercial development in the following statement at the end of the Executive Summary on p. 4:

“Perhaps most surprising is the lack of evidence for negative and significant impacts of commercial developments on housing values. Scores of political arguments to the contrary are voiced at local debates across the nation, yet this research does not find substantive evidence of a negative interaction.”

SELECTED EXCERPTS

“Sites targeted for new industrial development exist in neighborhoods where values are relatively lower and already experiencing a downward trend in advance of the project completion.”

This is a generalization made based on data in the larger Atlanta area, and directly contradicts the fact pattern of housing price trends for the sites examined during our study of the Project. Housing prices have in fact increased based on case study results (Exhibit 1).

“While price compression continues in the post-completion period, the trajectory is not significantly different than the counterfactual projection (supposing no industrial development had occurred).”

As noted above, the price decline exhibited is not a direct result of an industrial completion, but rather a continuation of a preceding property decline trajectory. Again, this is not the case for the Project noted in Exhibit 1.

“The sample of industrial developments includes a disproportionate count of large-scale projects (e.g., those delivering more than 150,000 square feet of gross leasable area), yet the existing trend is largely unaffected in the period that follows an industrial development completion.”

The Project is planned as a development of greater than 150,000 SF and thus qualifies as a “large-scale project” as noted above. The Wiley study states the “existing trend” is unaffected by a completion.

The Wiley study ultimately concludes there is no negative interaction or impact on housing values due to commercial developments.

ADDITIONAL COMMENTARY

Of importance with new development is also the effect on traffic, density, and employee base. Noted in the Wiley study were the following:

- Industrial uses “number of employees per square foot of building area is the lowest of the three commercial property”
- Regarding office use: “disadvantage is that office buildings are highly-densified vertical land uses, increasing traffic flow and parking demand”
- Regarding retail use: “new retail development often increases traffic volume, adds stress to public transportation systems, and attracts retail employees to the community who may seek low-income housing”

An additional flaw noted by Wiley in the study is the basis for valuation does not change over time (due to changes in neighborhood characteristics), which he found to be inappropriate:

“This interpretation relies on the assumption that the basis difference in valuation for property values within the radius is constant and does not change over time – an assumption that is found to be inappropriate.”

Another item as it relates to the Project, is its classification as “industrial.” The proposed use is as a distribution facility, rather than a traditional industrial manufacturing facility. A distribution facility is less utility intensive, typically employs less (which limits traffic and congestion), and generally has less of an environmental impact.

Laudone & Associates, Inc.

2904 Old Nazareth Road Easton, PA 18045-2653 610-258-3200 Fax 610-258-8704
e-mail: appraisals@laudone.com

May 1, 2020

Mr. Michael Alderman
Hillwood
A Perot Company
5050 Tilghman St.
Allentown, PA 18104

Per your request I have completed the following marketing study for 6 industrial properties in Pennsylvania.

Purpose:

To determine if large format distribution and logistics facilities cause an impact to residential properties values.

Criteria:

- 1 mile and 2 mile radius of the properties.
- Study years 2014, 2015, 2016, 2017, 2018 and 2019

Base Line:

- County data collected from same source criteria over same study period.

Data Source:

- MLS for property being studied. Data collected was limited to only residential sales and excluded rentals and multi-family properties..
 - Allegheny County - West Penn MLS
 - Northampton County - Greater Lehigh Valley Board of Realtors
 - York County – Bright MLS
 - Lebanon County – Bright MLS
 - Cumberland County – Bright MLS

Respectively submitted,



Laudone Laura Weiss
PA General Certified Appraiser
GA-000372-L

Address	Year	# of Sales 1 mile radius	Average Sale Price 1 mile Radius	Change in Value 1 mile Radius	# of Sales 2 mile radius	Average Sale Price 2 mile Radius	Change in Value 2 mile Radius	# of Sales County	Average Sale Price County	Change in Value County
2350 Greensburg Pike Pittsburgh, PA 15221 Allegheny County	2014	130	\$118,696		482	\$116,928		12,917	\$185,823	
	2015	133	\$110,308	-7.1%	572	\$110,078	-5.9%	14,014	\$160,333	-13.7%
	2016	165	\$130,011	17.9%	641	\$120,263	9.3%	14,563	\$194,479	21.3%
	2017	169	\$138,884	6.8%	646	\$124,186	3.3%	14,886	\$201,668	3.7%
	2018	151	\$142,628	2.7%	599	\$129,615	4.4%	14,982	\$215,043	6.6%
	2019	157	\$152,149	6.7%	623	\$145,888	12.6%	14,760	\$224,245	4.3%
Overall Average			\$132,113	5.4%		\$124,493	4.7%		\$196,932	4.4%
1620 VanBuren Road Easton, PA 18045 Northampton County	2014	14	\$191,879		185	\$232,417		3,139	\$204,750	
	2015	10	\$209,800	9.3%	181	\$235,660	1.4%	3,520	\$207,717	1.4%
	2016	12	\$186,692	-11.0%	206	\$236,072	0.2%	3,793	\$206,478	-0.6%
	2017	10	\$215,890	15.6%	212	\$245,657	4.1%	4,012	\$217,482	5.3%
	2018	11	\$207,036	-4.1%	195	\$242,271	-1.4%	4,088	\$233,104	7.2%
	2019	18	\$340,120	64.3%	216	\$269,644	11.3%	4,196	\$237,286	1.8%
Overall Average			\$225,236	14.8%		\$243,620	3.1%		\$217,803	3.0%
3000 Espresso Way York, PA 17406 York County	2014	25	\$121,366		112	\$148,611		5,063	\$164,669	
	2015	33	\$140,497	15.8%	118	\$156,670	5.4%	5,587	\$167,294	1.6%
	2016	23	\$143,646	2.2%	122	\$163,046	4.1%	6,138	\$173,756	3.9%
	2017	28	\$160,631	11.8%	130	\$172,551	5.8%	6,347	\$184,272	6.1%
	2018	28	\$161,693	0.7%	119	\$171,247	-0.8%	6,177	\$191,829	4.1%
	2019	24	\$166,179	2.8%	124	\$182,086	6.3%	6,522	\$200,850	4.7%
Overall Average			\$149,002	6.7%		\$165,702	4.2%		\$180,445	4.1%
350 N. Lingle Ave Palmyra, PA 17078 Lebanon County	2014	94	\$149,713		218	\$181,534		1,511	\$168,153	
	2015	107	\$144,607	-3.4%	222	\$174,178	-4.1%	1,744	\$167,935	-0.1%
	2016	106	\$155,397	7.5%	255	\$192,202	10.3%	1,765	\$179,624	7.0%
	2017	104	\$152,993	-1.5%	234	\$191,220	-0.5%	1,830	\$181,666	1.1%
	2018	103	\$170,350	11.3%	244	\$206,407	7.9%	1,713	\$192,524	6.0%
	2019	114	\$187,290	9.9%	236	\$210,212	1.8%	1,721	\$201,619	4.7%
Overall Average			\$160,058	4.8%		\$192,625	3.1%		\$181,920	3.7%
675 Allen Road Carlisle, PA 17015 Cumberland County	2014	12	\$201,658		76	\$217,678		3,168	\$213,295	
	2015	6	\$147,633	-26.8%	83	\$222,036	2.0%	3,395	\$210,226	-1.4%
	2016	20	\$183,959	24.6%	91	\$216,627	-2.4%	3,689	\$214,710	2.1%
	2017	11	\$211,100	14.8%	86	\$231,652	6.9%	3,695	\$226,220	5.4%
	2018	9	\$151,396	-28.3%	81	\$222,001	-4.2%	3,556	\$228,030	0.8%
	2019	8	\$191,800	26.7%	83	\$254,552	14.7%	3,574	\$236,556	3.7%
Overall Average			\$181,258	2.2%		\$227,424	3.4%		\$221,507	2.1%
2785 Commerce Center Blvd. Bethlehem, PA 18015 Northampton County	2014	7	\$107,557		166	\$139,783		3,139	\$204,750	
	2015	8	\$99,357	-7.6%	189	\$143,588	2.7%	3,520	\$207,717	1.4%
	2016	13	\$93,746	-5.6%	190	\$141,466	-1.5%	3,793	\$206,478	-0.6%
	2017	17	\$126,082	34.5%	224	\$142,482	0.7%	4,012	\$217,482	5.3%
	2018	15	\$119,883	-4.9%	226	\$146,846	3.1%	4,088	\$233,104	7.2%
	2019	12	\$147,093	22.7%	242	\$159,777	8.8%	4,196	\$237,286	1.8%
Overall Average			\$115,620	7.8%		\$145,657	2.8%		\$217,803	3.0%

QUALIFICATIONS
LAURA LAUDONE WEISS

PROFESSIONAL AFFILIATIONS:

- * Commonwealth of Pennsylvania
 General Appraisal Certification License #GA-000372-L
 Real Estate Broker License #RM-049939-B
- * State of New Jersey - General Appraisal Certification License #42RG00260200

EXPERIENCE:

1985 to Present

Laudone & Associates, Inc. formerly Real Estate Appraisers and Consultants, Ltd.
2904 Old Nazareth Road, Easton, Pennsylvania 18045 Phone: (610) 258-3200
Title: Senior Staff and Review Appraiser

Expertise is the appraisal of Fee Simple, Leased Fee and Leasehold property rights for: industrial, land, subdivision, commercial, medical office, office, condemnation, residential, easements, multi-family, elderly care facilities, retail, partial taking, easements, airport related appraisals, et al.

Services are supplied for mortgage lending, litigation, financing, insurance, estates, eminent domain, conservation easements, insurance federal, state and municipal government purposes appraisals, et al.

Primary areas of service: Northeast Pennsylvania and Western New Jersey.

2014 to Present

PF Weiss Realty, LLC
2904 Old Nazareth Road, Easton, Pennsylvania 18045 Phone: (610) 349-6257
Title: Broker of Record / Manager

Full service real estate brokerage office specializing in the sale and lease of industrial, commercial, land, investment, and retail properties in Northeast Pennsylvania

1991 to 2016

Laudone Realty, LLC
2904 Old Nazareth Road, Easton, Pennsylvania 18045 Phone: (610) 258-3200
Title: Broker / Manager

COURT TESTIMONY:

Northampton, Lehigh, Montgomery, Monroe, Carbon, Bucks and Berks County Court of Common Pleas; Lehigh, Northampton, and Schuylkill County Assessment Boards; U.S. District Bankruptcy Court, Reading, PA, US Federal Court.

QUALIFICATIONS
LAURA LAUDONE WEISS

EDUCATION:

Kutztown University

Bachelor of Science, Major Art Education, Graduated May 1985

Appraisal Institute

Residential Valuation, Capitalization Theory Techniques, Part A, Principles of Real Estate Appraising, Capitalization Theory Techniques, Part B, Case Studies, Standards of Professional Practice, Part A, B & C, Basic Valuation Procedures, Report Writing, Attacking & Defending an Appraisal in Litigation – Part II, Appraisal of Local Retail Properties, Appraising for the AVSO and Other Federal Agencies, Appraisal Standards for Federal Land Acquisitions: Practical Applications

Additional Real Estate Appraisal Education

2016-17 National USPAP 7 hours and all prior updates, Fundamentals in Real Estate, Real Estate Appraising, New Construction, Real Estate Law, Real Estate Sales and Listing, Brokerage and Management, Title Insurance, Appraising Troubled Properties; Appraisal of Income Producing Properties; Real Estate Sales, Appraisal Regulations of the Federal Banking Agencies; Practical Overview of Evaluations - Other Limited Scope Assignments; Uniform Residential Appraisal Report; Equal Housing; FHA Appraising; Partial Interest Valuation – Divided, Environmental Issues in Real Estate, ADA / Litigation Valuation / Environmental Hazards, Total Approach to PCB Transformer Cleanup, Understanding Assessment Appeals, Appraisal of Mineral Rights, Real Estate Today (1996, 1998, 1999, 2000, 2001, 2002, 2003, 2007, 2008, 2011, 2012, 2013, 2014, 2016), Complex Residential Appraisal Assignments, Part I, Regression Analysis, Courthouse Data Statistical Analysis, Environmental Issues and Concerns in the Real Estate Profession, FHA Appraisals: What the Real Estate Professional Really Needs to Know, Real Estate Finance, Environmental Hazards, How to Build a Successful Business, UAD Appraisal Reform (2011), Mineral Rights Issues for Appraisers, Using Statistics in Real Estate Appraisal Profession: A New Look, Mortgage Fraud & Predatory Lending and its Impact on Real Estate, Appraising Trouble Properties, Inspecting a Home, Can You Defend Your Appraisal, 2018 Commercial Real Estate Analysis, PA Mandatory Rules & Regulations & Appraiser Laws Update (2017 and all prior required updates), Required 3 hour PA REC Rules & Regulations & Licensing Law Update (2018 and all prior required updates)

VOLUNTEER COMMITTEE

- * Appraisal Institute
 - Northeast Chapter - Board of Directors 1996-1999
 - Board of Directors 2001-2003
 - Past member Education Committee
- * March of Dimes, Commercial Industrial Real Estate Award Committee
 - 2001 to Present
 - Secretary, 2017, 2018 and 2019
 - Communication Chair – 2019 to Present
- * Dream Kids, Fundraising Committee 2006 to 2015
 - Raised money for “Dream Come True”, Lehigh Valley