



# **SANSOUCY**

**ASSOCIATES**

*Complex Utility and Property Valuations, and Regulatory Consulting*

**APPRAISAL REPORT  
OF THE CELLULAR / WIRELESS COMMUNICATION PROPERTIES  
LOCATED AT THE FOLLOWING ADDRESSES:**

**15 WEST ROAD**

**4 GREELY STREET**

**10 PARK AVE**

**166 BUSH HILL ROAD**

**42 GRIFFIN ROAD**

**193 CENTRAL STREET**

**46 TRIGATE ROAD**

**22 WILLET DRIVE/143 DRACUT ROAD**

**19 CENTRAL STREET**

**19 SAGAMORE PARK ROAD**

**IN THE  
TOWN OF HUDSON, NEW HAMPSHIRE  
VALUATION AS OF  
APRIL 1, 2022**

**Prepared for:  
The Town of Hudson, New Hampshire**

**Prepared by:  
George E. Sansoucy, P.E., LLC d/b/a  
Sansoucy Associates  
148 Main Street  
Lancaster, NH 03584**

**December 2022**



# SANSOUCY ASSOCIATES

*Complex Utility and Property Valuations, and Regulatory Consulting*

December 29, 2022

Town Selectboard  
Town of Hudson  
12 School Street  
Hudson, NH 03051

Mr. Jim Michaud, CNHA  
Assessor  
12 School Street  
Hudson, NH 03051

**RE: Appraisal Report as of April 1, 2022, for the cellular/wireless communication properties in the Town of Hudson, New Hampshire located at:**

**15 West Road**

**4 Greely Street**

**10 Park Ave**

**166 Bush Hill Road**

**42 Griffin Road**

**193 Central Street**

**46 Trigate Road**

**22 Willet Drive/143 Dracut Road**

**19 Central Street**

**19 Sagamore Park Road**

Dear Selectboard:

Pursuant to your request, please find attached an appraisal report setting forth the “as is” retrospective market value of the cellular/wireless communication properties located at the above listed addresses in the Town. This report is intended to comply with the purpose and reporting requirements set forth by the *USPAP 2020-2021 (Extended to December 31, 2023)* Edition of the *Uniform Standards of Professional Appraisal Practice (USPAP)*. Therefore, this report presents only a summary discussion of data, reasoning, and analyses that were considered and utilized in the appraisal process to develop the conclusion of value. Additional documentation and

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information have been retained in our work files. This appraisal was prepared to express the “as is” retrospective opinion of market value for the subjects of this report.

Our concluded values, which are shown below, are based on our interpretation of the taxability of cellular property under RSA 72:8-a, Telecommunications Poles and Conduits. After discussions with numerous municipal attorneys, we have concluded that certain cell tower assets are taxable under 72:8-a and others are not. Subject to any changes by the legislature, the values in this report conform to this conclusion as we discuss below.

72:8-a provides for the ad valorem taxation of all structures, poles, towers, and conduits employed in the transmission of telecommunication, cable, or *commercial mobile radio services (italics added for emphasis)* shall be taxed as real estate in the town in which such property or any part of it is situated. The law is silent on land, but all underlying land and land rights are also taxable as real estate. 72:8-a goes on to state that “other devices and equipment, including wires, fiber optics and switching equipment employed in the transmission of telecommunication, cable, or *commercial mobile radio services (italics added for emphasis)* shall not be taxable as real estate”. It is important to note that the law includes the words “other devices and equipment” and the words “switching equipment” as exempt property. Switching equipment is largely related to land line telephone and is only partially related to radio frequency equipment used in cellular telephones. The words “devices and equipment” may or may not be interpreted to mean radio frequency equipment used in cellular telephones.

For purposes of this report, we interpret 72:8-a, as appraisers and engineers, to mean the following and utilize this interpretation in our report for taxable cellular property. The taxable cellular property in our opinion includes, but is not limited to, the following:

All land, structures, site work, site improvements, roadway systems, fencing, building and building systems, incoming utilities, underground conduits, stone grading, landscaping, security systems, underground grounding grid and lightening protection, structural ice bridges for protection of buildings and equipment, foundations, poles/towers, (defined as wood or steel, single monopoles or wood poles for cellular communications and lattice steel towers), above and below ground conduits of all sorts, antennas, and other incidental permanent affixations to the land.

The non-taxable property includes:

All switching and radio frequency control equipment inside and/or outside of the buildings, all wire including fiber optic wire from the radio frequency equipment up the tower or monopole to the antennas.

Like other switching equipment, new LTE (Long-Term Evolution) equipment, if it exists, is also considered to be non-taxable. However, the LTE frame, antenna mounting structural racks, and frames located on the pole, tower, or any other structure (such as a water tower) are considered to be real estate and therefore are considered to be taxable.

Mr. Jim Michaud  
Town of Hudson  
December 29, 2022  
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We may not have found existing individual property record cards for property owned by some of the cellular/wireless carriers that are operating in the municipality. For this reason, we may recommend that the Town adopt a Property Record Card (PRC) tax ID numbering system that individually identifies each carrier's taxable property as it relates to the physical address of the cell tower site. If so, we have provided suggested PRC tax ID numbers for your convenience in this report and in previous communications with your assessing office. We do recommend that the Town add appropriate notes to each PRC tax ID card to help in understanding exactly what is valued on each card and where to find other values associated with the site and/or address.

Appraisal reports often include a summary of the previous year's property tax assessments for the subject's properties. We do not provide previous property tax assessment information for this report because a summary of the previous assessments would likely not be representative of the properties being appraised in this report. We have copies of relevant, current property record cards in our files, which are maintained at our office in Lancaster, New Hampshire.

The enclosed report describes the properties that are the subject of this report, the data gathered, and the valuation approaches used in the preparation of this appraisal. As a result of our investigation and analysis of the information gathered, the estimated "as is" retrospective market value of the properties owned by the above listed owners in the Town as of April 1, 2022, is:

This transmittal letter is intended to be relied upon only if it is accompanied by the report. The reconciled values indicated above provide our opinion of fair market value by PRC tax ID, but to understand the process of developing and reconciling these value opinions, it is necessary to read and understand the report and its supporting documentation, if any is provided.

Pursuant to USPAP's record keeping requirement, we have retained all of our work papers, calculations, research, cost trends, costing work sheets, comparable sales data, income approach worksheets, etc. in our files at 148 Main Street Lancaster, New Hampshire.

Row	A Cell Site Location Address	B Taxpayer	C Property Record Card (PRC) ID	D Property Type	E Reconciled Improvement Value by PRC Tax ID	F Site/Land Value	G Total Market Value Including Site/Land by PRC Tax ID
1	15 West Rd	All New Development, LLC ATTN: Crown Castle	101-005-000	Tower Site / Land Owner	n/a	\$275,000	<b>\$664,400</b>
2		Crown Atlantic Company LLC/ Crown Castle	101-005-001	Tower Improvements	\$222,200	n/a	
3		Verizon	101-005-002	Carrier Improvements	\$109,700	n/a	
4		Sprint	TBD	Carrier Improvements	\$57,500	n/a	
5	4 Greely St	First Baptist Church of Hudson ATTN SBA Towers	176-034-000	Tower Site / Land Owner	n/a	\$313,200	<b>\$596,900</b>
6		SBA Towers	176-034-001	Tower Improvements	\$252,800	n/a	
7		AT&T	176-034-002	Carrier Improvements	\$12,500	n/a	
8		Omnipoint/T Mobile	176-034-003	Carrier Improvements	\$18,400	n/a	
9	10 Park Ave	Gringeri, Joseph J Sr Tr ATTN:SBA Towers	162-001-000	Tower Site / Land Owner	n/a	\$275,000	<b>\$1,490,500</b>
10		SBA Towers	162-001-001	Tower Improvements	\$935,000	n/a	
11		US Cellular	162-001-002	Carrier Improvements	\$147,500	n/a	
12		Verizon Wireless	162-001-004	Carrier Improvements	\$79,200	n/a	
13		Nextel	TBD	Carrier Improvements	\$13,900	n/a	
14		AT&T	162-001-006	Carrier Improvements	\$13,900	n/a	
15		Sprint	TBD	Carrier Improvements	\$26,000	n/a	
16	166 Bush Hill Rd	NH #1 Rural Cellular Inc.	208-008-000	Tower Site / Land Owner	n/a	\$225,000	<b>\$340,200</b>
17				Tower Improvements	\$58,000	n/a	
18				Carrier Improvements	\$57,200	n/a	
19	42 Griffin Rd	Eco Site/Verticle Bridge	126-032-001	Tower Site / Land Owner	n/a	\$275,000	<b>\$459,400</b>
20		Vertical Bridge	TBD	Tower Improvements	\$152,000	n/a	
21		T-Mobile	TBD	Carrier Improvements	\$32,400	n/a	
22	193 Central St	NSA Property Holdings LLC ATTN:Sprint	176-048-000	Tower Site / Land Owner	n/a	\$225,000	<b>\$336,000</b>
23		Sprint Spectrum	176-048-001	Tower Improvements	\$58,000	n/a	
24		Sprint Spectrum	176-048-001	Carrier Improvements	\$53,000	n/a	
25	46 Trigate Rd	Gerald Nash	219-001-001	Tower Site / Land Owner	n/a	\$225,000	<b>\$1,049,500</b>
26				Tower Improvements	\$316,000	n/a	
27				Small Tower Improvements	\$17,800	n/a	
28				Carrier Improvements	\$266,500	n/a	
29				Carrier Improvements	\$55,300	n/a	
30				Carrier Improvements	\$59,200	n/a	
31				Verizon	219-001-002	Carrier Improvements	
32	T-Mobile/Sprint	TBD	Carrier Improvements	\$62,000	n/a		
33	22 Willet Dr/143 Dracut Rd	American Tower	259-011-001	Tower Site / Land Owner	n/a	\$225,000	<b>\$499,000</b>
34				Tower Improvements	\$222,300	n/a	
35				Carrier Improvements	\$51,700	n/a	
36	19 Central St	Community Church of Hudson ATTN:Cingular Wireless	182-049-000	Tower Site / Land Owner	n/a	\$300,000	<b>\$351,500</b>
37		Cingular Wireless	182-049-001	Carrier Improvements	\$51,500	n/a	
38	19 Sagamore Park Rd	SBA Monarch Towers 1, LLC	221-008-001	Tower Site / Land Owner	n/a	\$275,000	<b>\$1,472,100</b>
39		SBA Monarch Towers 1, LLC	221-008-001	Tower Improvements	\$927,600	n/a	
40		New Cingular Wireless	221-008-002	Carrier Improvements	\$121,900	n/a	
41		Nextel	221-008-003	Carrier Improvements	\$18,500	n/a	
42		Verizon	TBD	Carrier Improvements	\$42,700	n/a	
43		AT&T	TBD	Carrier Improvements	\$86,400	n/a	

We hereby certify that we have taken into consideration all of the factors which are felt to be pertinent to the final value estimate, and that we have not knowingly or intentionally omitted any important data. Should you have any questions regarding these values, please do not hesitate to contact me.

Mr. Jim Michaud  
Town of Hudson  
December 29, 2022  
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Very truly yours,

SANSOUCY ASSOCIATES

A handwritten signature in cursive script that reads "George Sansoucy". The signature is written in black ink and is positioned below the typed name of the sender.

George E. Sansoucy, P.E. NHCG-774

Enclosures

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**APPRAISAL OVERVIEW**

**USPAP ASSIGNMENT ELEMENTS**

***Introduction:***

This appraisal report presents the opinion of value prepared by Sansoucy Associates of the taxable properties located at the following locations in the Town of Hudson, NH:

**15 West Road  
4 Greely Street  
10 Park Ave  
166 Bush Hill Road  
42 Griffin Road  
193 Central Street  
46 Trigate Road  
22 Willet Drive/143 Dracut Road  
19 Central Street  
19 Sagamore Park Road**

The properties that are the subject of this report include all the real taxable property as of April 1, 2022. A description of these properties is provided further in this report.

***Intended Use and Users of This Appraisal:***

The intended use of this report is to provide an estimate of market value for the subject properties, as defined below, for *ad valorem* tax purposes. Our client and intended user(s) is listed below:

CLIENT	INTENDED USER(S)
Town of Hudson, NH	Hudson Selectboard/Assessing Department

***Purpose of Assignment:***

The purpose of the assignment is to express an “as is” retrospective opinion of market value for the subject properties as of April 1, 2022.

***Property Right Appraised:***

The property right appraised is the fee simple estate which includes all of the certificates, privileges, permits, licenses, rights, consents, easements, and grants utilized in operating the subject properties. For the purpose of this report, if the subject property is leased, or can be leased, we interpret the definition of fee simple estate to mean the fee simple interest subject to leases at market rents.

**Definition of Market Value:**

The definition of market value used is derived from NH RSA 75:1, which defines market value as:

*“Market value means the property’s full and true value as the same would be appraised in payment of a just debt due from a solvent debtor.”*

Our conclusions of market value as provided herein conforms to NH DRA REV 601.32, which defines market value as follows:

- (a) Is the most probable price, not the highest, lowest or average price;
- (b) Is expressed in terms of money;
- (c) Implies a reasonable time for exposure to the market;
- (d) Implies that both buyer and seller are informed of the uses to which the property may be put;
- (e) Assumes an arm’s length transaction in the open market;
- (f) Assumes a willing buyer and a willing seller, with no advantage being taken by either buyer or seller; and
- (g) Recognizes both the present use and the potential use of the property. The term includes “full and true value.”

**Exposure/Marketing Time**

Current appraisal guidelines require an estimate of reasonable exposure time linked to the value opinion. The reasonable exposure time is presumed to precede the effective date of the appraisal.

Exposure time is typically defined as the length of time a property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

The exposure time in this assignment assumes one year and is based on our experience with similar types of properties.

**Scope of Appraisal and Work:**

The scope of our services in this assignment included the research and analyses necessary to identify the appraisal problem to be solved and undertake the research and analyses necessary to develop credible assignment results. The following provides a summary of our problem identification, research, and analyses of the physical and economic characteristics of the subject property, and the standard appraisal techniques employed to arrive at our opinion.

**APPRAISAL OVERVIEW**

***Problem Identification***

The problem to be solved is the estimation of an “as is” retrospective opinion of market value for the fee simple interest in the subject properties based on market conditions that existed on the valuation date of April 1, 2022, which can be used by the intended user(s) of this report for the previously stated purpose.

***Extent of Investigation***

In preparing this appraisal and providing our estimate of value, we employed commonly accepted appraisal techniques and procedures. A visual inspection was made in conjunction with this report on August 9, 2022, and September 6, 2022. The following factors were considered with respect to the subject properties:

- History and nature of the industry for the subject properties including potential expansions in the region.
- Physical characteristics, condition, and utility of the properties;
- Historic, existing, and future use of the properties;
- Analysis of the subject’s capacity and utilization;
- Replacement cost new less allowances for deterioration and obsolescence, including losses in value arising from condition, utility, and/or obsolescence;
- Economic demand for the subject or its utility including historic and future cash flow potential;
- General economic and market conditions for the properties;
- Identification and analysis of sales, if any, considered comparable to the subjects;
- Taxability and ownership; and
- Other factors.

The information gathered and analyzed in estimating the market value of the subject(s) included information collected by our office as well as information provided by the owners and in the public domain. This information is cited in this report where necessary to allow the intended user(s) to understand the source and relevance of this information.

We have retained any supporting documents and work papers that were developed and/or relied upon for this appraisal in our files at 148 Main Street, Lancaster, New Hampshire.

**APPRAISAL OVERVIEW**

<b><i>Appraisal Process:</i></b>
In developing this appraisal and estimate of value, all three traditional approaches to value were considered, which include the cost, sales comparison, and income capitalization approaches. The applicability and development of each approach is set forth in this report along with the reconciliation to a single value estimate for the subject properties. For some specific sites, we have not developed an independent market value estimate, and have instead relied upon the Town’s assessment information to determine the value of the land for these specific sites. For other sites, we have developed estimates of market value, and our decision to do so is based primarily on our conclusion of the highest and best use of the land at each site.
<b><i>Extraordinary Assumptions</i></b>
An extraordinary assumption implies that if the assumption was found to be false, the opinion of value could be altered. Extraordinary assumptions were not employed in the valuation of the subject properties.
<b><i>Hypothetical Conditions</i></b>
A hypothetical condition is that which is contrary to what exists but is supposed for the purpose of this analysis. Hypothetical conditions were not employed in the valuation of the subject properties.
<b><i>Jurisdictional Exception</i></b>
A jurisdictional exception is an assignment condition that voids the force of a part or parts of the <i>Uniform Standards of Professional Appraisal Practice</i> (USPAP) when compliance with a part or parts of USPAP is contrary to law or public policy applicable to the assignment. The jurisdictional exception rule was not employed in this assignment.
<b><i>Assumptions and Limiting Conditions</i></b>
The assumptions and limiting conditions for this appraisal are provided after the Reconciliation.
<b><i>Individual Contributions</i></b>
Austin Sansoucy provided assistance in the development of the cost and income approaches, market analysis, field inspections, final valuations and report preparation/writing to the person signing this report.

**APPRAISAL OVERVIEW**

<i>Competency Statement</i>
We have experience in valuing properties of similar size, type, complexity, and geographic location. Therefore, no professional assistance or steps were required to meet the competency rules of USPAP.

### Physical and Economic Property Characteristics

Cellular/wireless communication assets are generally located on leased land, but in some cases the company also owns the land under the tower in fee simple estate. The cellular/wireless communications equipment generally includes all structures, poles, towers, conduit, cables, cable trays, receiving arrays, modular structures, fencing, and site improvements including access roads, underground grounding cables and rods, and foundations for the tower and/or the building.

Individual cell towers and attendant equipment are parts of a regional or nation-wide cellular telecommunications system. These systems are comprised of towers spaced strategically throughout a region in “cells”. As a cell phone user reaches the outer boundaries of a particular cell, the system switches the user to the next cell with a stronger signal, thereby allowing the user to maintain relatively constant coverage.

In recent years, wireless investment has reached an all-time high with over 400 million wireless devices in use and \$35 billion of new investment in the United States. Much of the new investment is stemmed from the expansion of 5G networks and rural cellular expansion projects with more than 99% of Americans having access to high-speed networks. This can be seen in the installation of 69,543 new sites from 2019-2021.<sup>1</sup>

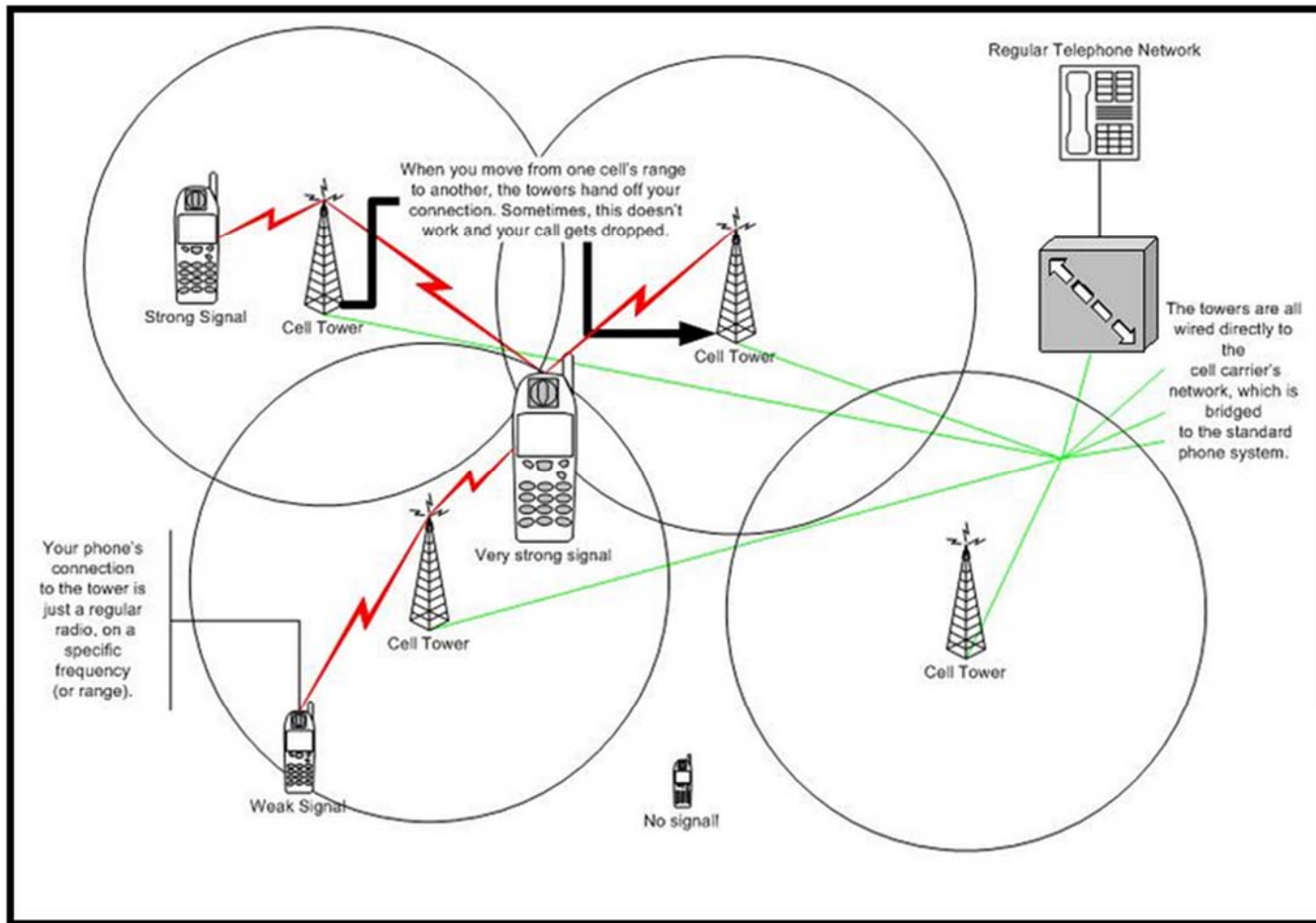
Figure 1 illustrates the basic function of a cellular network<sup>2</sup>.

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<sup>1</sup> <https://www.ctia.org/news/2022-annual-survey-highlights>

<sup>2</sup> <http://pursuitmag.com/locating-mobile-phones-through-pinging-and-triangulation/>

Figure 1  
Basic Function of a Cellular Network





## APPRAISAL OVERVIEW

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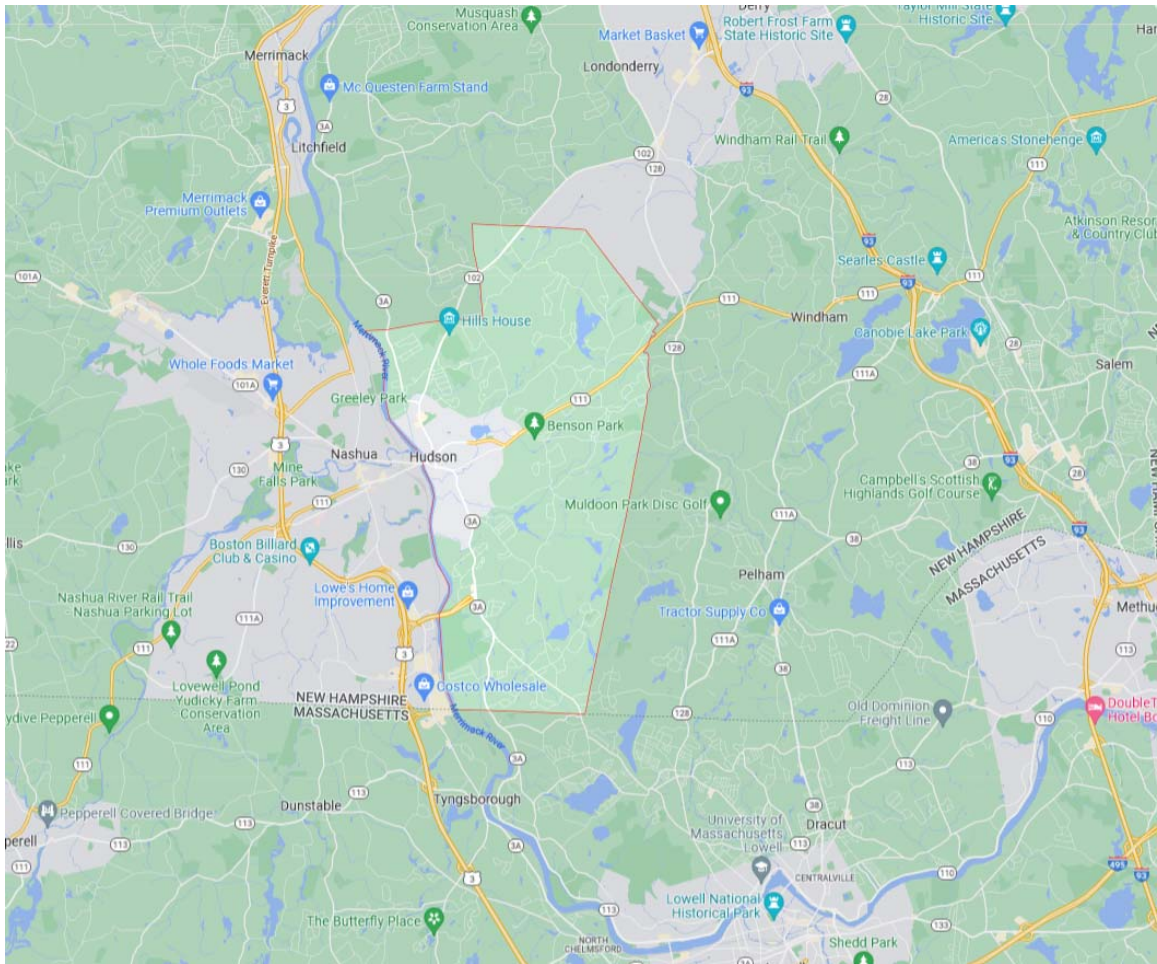
Cell towers may be owned by a variety of owners, including the cellular phone companies, such as Verizon or AT&T, or by cell tower companies that specialize in the construction and maintenance of towers, on which they lease space to various carriers. In many cases the land is leased to the cell tower owner by the owner of the lot, and, from this lease, it may be possible to estimate the value of the site based on the terms of the lease.

Many cell tower owners lease space on the tower to other carriers and these leases, if the lease documents or lease terms are made available, also provide data that is useful for the estimation of the value of parts of the tower. The value of the leased space and the equipment located on it may be a cumulative value, which is added to the value of the tower, the site, and the tower owner's equipment. In many cases, there may be several carriers located on a single tower and each carrier will own its own equipment, some of which may be taxable as real property.

## Area Description

Hudson is located in Hillsborough County, New Hampshire which has a current population of approximately 417,025 people<sup>3</sup>. Hillsborough County is located in the south area of the state. Generally, Hillsborough County is a residential county with most of its inhabitants working in larger towns and cities, such as Manchester and Nashua. Interstate 93 traverses the county north and south. The Merrimack River bisects the county providing fishing and other recreation to residents and visitors.

**Figure 2 Location Map**



## Municipality Description

Hudson is home to approximately 25,619 people, 47.1% of whom are employed in neighboring towns and cities. The Town is bordered to the south by Massachusetts, to the

<sup>3</sup> Economic & Labor Market Information Bureau, NH Employment Security, 2020.

## MARKET ANALYSIS

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east by Pelham, to the north by Londonderry, and to the west by Nashua. The largest employer in Hudson is the BAE Systems, employing approximately 678 people followed by Hudson School District with 571<sup>4</sup> employees. Hudson children attend kindergarten through grade twelve at SAU 81 district schools<sup>5</sup>. Hudson hosts both NEPC and NEHT electric transmission companies, Eversource an electric transmission and distribution company, TGP which is a natural gas transmission company, and ENERGYNORTH which is a natural gas distribution company.

Figure 3 provides the approximate location of each cellular/wireless communications site in the municipality.

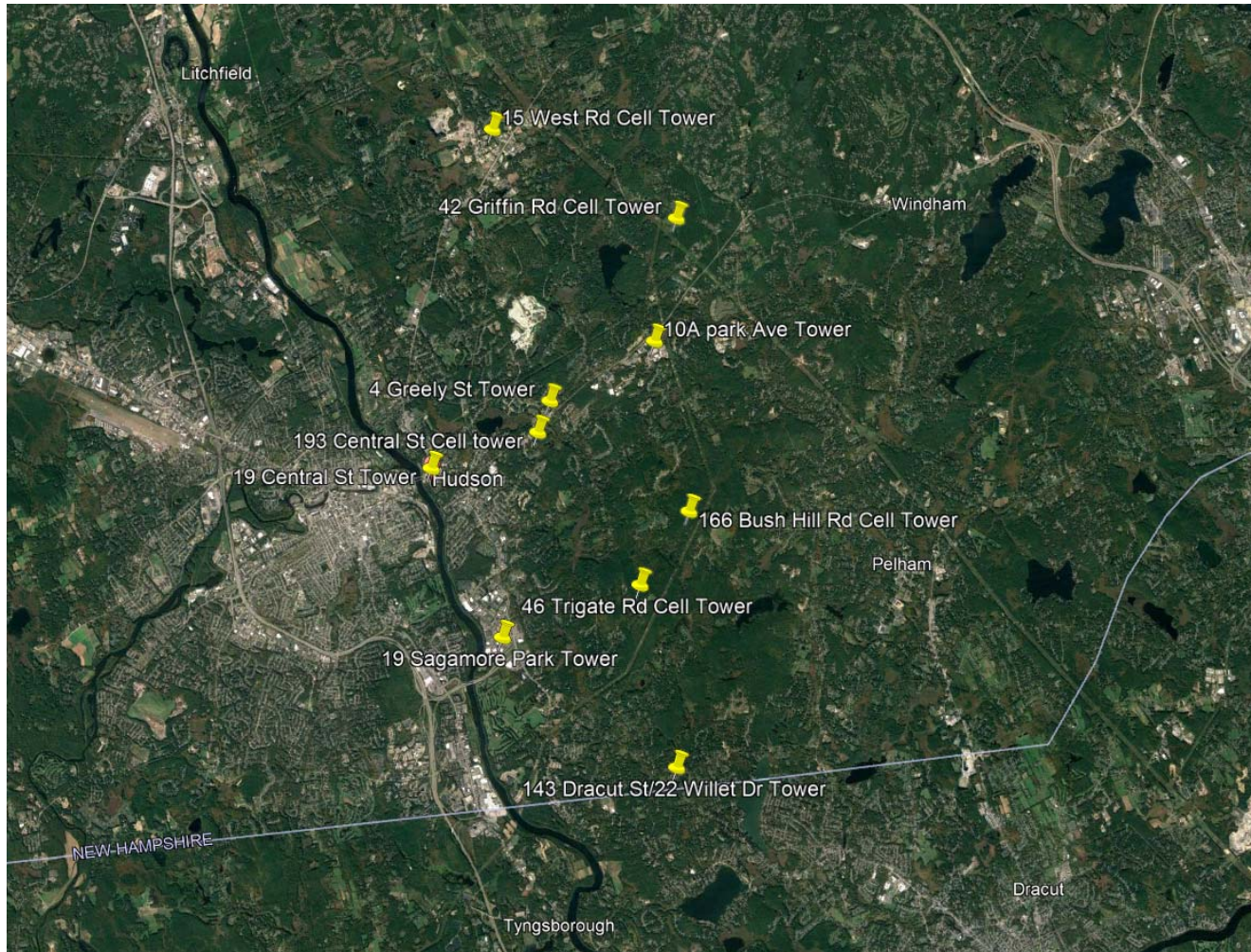
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<sup>4</sup> Economic & Labor Market Information Bureau, NH Employment Security, Community Response Received 8/10/2020.

<sup>5</sup> Economic & Labor Market Information Bureau, NH Employment Security, Community Response Received 8/10/2020.



Figure 3 Site Location Area Map



**Market Area Description**

Cell towers and cell tower sites are bought and sold in the region and around the country. In recent years, various companies have purchased properties around the U.S. and around the world. Companies that own large numbers of towers include American Tower, Crown Castle, SBA Communications, United States Cellular Co., Vertical Bridge, and Insite Towers. These companies represent the top six tower owners in the country<sup>6</sup>.

A list of the top 25 tower owners in the U.S. is provided in Figure 4 below.<sup>7</sup>

**Figure 4  
Top 25 Tower Owners in the U.S.**

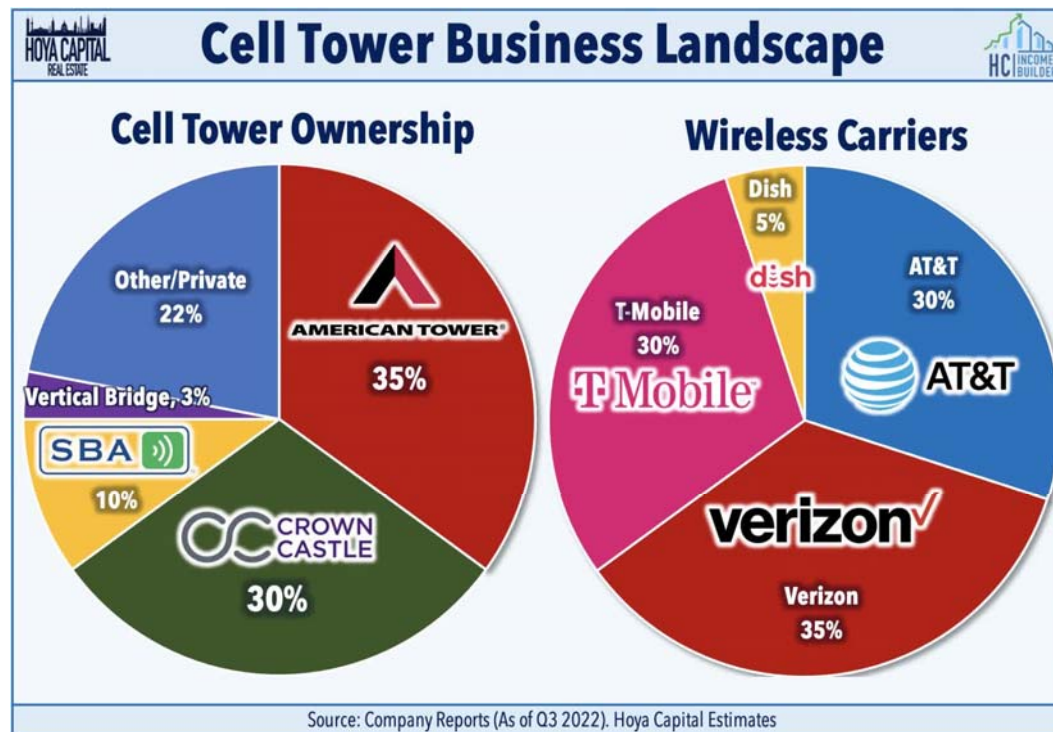
Rank ▲	Company †	Tower Count †
1	<a href="#">American Tower</a>	42,965
2	<a href="#">Crown Castle</a>	40,567
3	<a href="#">SBA Communications</a>	17,395
4	<a href="#">Vertical Bridge</a>	5,089
5	<a href="#">United States Cellular Co.</a>	4,367
6	<a href="#">Diamond Communications</a>	2,960
7	<a href="#">Harmoni Towers</a>	2,012
8	<a href="#">Peppertree Capital</a>	1,023
9	<a href="#">Tillman Infrastructure LLC</a>	995
10	<a href="#">BNSF Railroad</a>	941
11	<a href="#">Time Warner</a>	653
12	<a href="#">Phoenix Tower International</a>	620
13	<a href="#">TowerCo</a>	620
14	<a href="#">Tower Ventures</a>	561
15	<a href="#">Affiniti</a>	516
16	<a href="#">Union Pacific Railroad Company</a>	513
17	<a href="#">SkyWay Towers</a>	510
18	<a href="#">C.Spire Wireless</a>	507
19	<a href="#">Industrial Tower and Wireless</a>	495
20	<a href="#">Mediacom Communications</a>	424
21	<a href="#">T-Mobile Towers</a>	403
22	<a href="#">Norfolk Southern Railway Co.</a>	390
23	<a href="#">Tower Com</a>	385
24	<a href="#">Lightower</a>	368
25	<a href="#">Subcarrier Communications</a>	367
26	<a href="#">Horvath Communications</a>	348

<sup>6</sup> <https://wirelessestimator.com/top-100-us-tower-companies-list/>

<sup>7</sup> Ibid

Recent wireless market shares for the major wireless carriers and cell tower owners in the U.S. are shown in Figure 5 below. Note that Verizon, AT&T, and T-Mobile have approximately 95% of the American wireless market at this time.<sup>8</sup>

Figure 5  
Wireless Market Shares



<sup>8</sup> <https://seekingalpha.com/article/4546299-cell-tower-reits-5g-killer-app>

For primary tenants, we assume a 7% capitalization rate and for secondary tenants we assume a 9% capitalization rate. We consider these rates to be appropriate and they are supported by capitalization rates compiled and published by Tower Capital Advisors.<sup>9</sup> Property taxes are accounted for by “loading” the capitalization rate with the current tax rate.

**Figure 6**  
**Average Purchase Price Cap Rate by Carrier Tenant**



<sup>9</sup> Source: <http://www.towercapadvisors.com/cell-site-lease-market-data>



### Property Description

#### Cellular/Wireless Communication Property

Cellular/wireless communications sites are comprised of the tower, its foundation, a switching panel that may or may not be located in a building, grounding systems, cables, cable trays, antenna arrays, transceiver stations, site improvements (roads and pads for equipment), and fencing. The tower may be constructed as a lattice tower, which resembles an electric utility structure and may have three or four “legs” and may be supported with guy wires. Other common tower types include monopoles, which are usually tapered round structures that are self-supporting. Guyed towers are narrow lattice structures with a single attaching point at the ground, which is supported by a series of guy cables that provide support for the tower.

The sites are generally improved with gravel access roads, trenching for the grounding and electrical service, telephone service, concrete pads for tower and building foundations, and grading for proper drainage.

We describe the cellular/wireless communication properties in the municipality by location below:

- The cellular communication property located at 15 West Street is comprised of an approximately 150-foot-tall steel monopole tower that is owned by Crown Castle. To our knowledge there is a total of two carriers using space on the Crown Castle tower, which are Sprint, and Verizon. The land at this site is owned by All New Development, LLC and in our opinion, the land valued for the cell site should be carved out of the overall parcel due to its highest and best use as a cell site and it is assumed the tower owner is responsible for any value added by the properties use as a cell site.
- The cellular communication property located at 4 Greely Street is comprised of an approximately 100-foot-tall stealth monopole tower disguised as a flagpole that is owned by SBA Towers. To our knowledge, there are two carriers using space on the SBA tower, which are AT&T and T-Mobile/Omnipoint. The land at this site is owned by First Baptist Church of Hudson and in our opinion, the land valued for the cell site should be carved out of the overall parcel due to its highest and best use as a cell site and it is assumed the tower owner is responsible for any value added by the properties use as a cell site.
- The cellular communication property located at 10 Park Ave is comprised of an approximately 100-foot-tall steel monopole tower that is owned by SBA Towers. To our knowledge there is a total of five carriers using space on the SBA tower, which are US Cellular, Verizon, Nextel, AT&T, and Sprint. The land at this site is owned by Gringeri, Joseph J Sr Trust and in our opinion, the land valued for the



## PROPERTY DESCRIPTION

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cell site should be carved out of the overall parcel due to its highest and best use as a cell site and it is assumed the tower owner is responsible for any value added by the properties use as a cell site.

- The cellular communication property located at 166 Bush Hill Road is comprised of an approximately 60-foot-tall steel lattice tower that is owned by NH #1 Rural Cellular Inc. To our knowledge there is one carrier using space on the tower, which is US Cellular. The land at this site is owned by NH #1 Rural Cellular Inc. and it is assumed the tower owner is responsible for any value added by the properties use as a cell site.
- The cellular communication property located at 42 Griffin Road is comprised of an approximately 155-foot-tall steel monopole tower that is owned by Vertical Bridge. To our knowledge there is one carrier using space on the tower, which is T-Mobile. The land at this site is owned by Vertical Bridge and it is assumed the tower owner is responsible for any value added by the properties use as a cell site.
- The cellular communication property located at 193 Central Street is comprised of an approximately 120-foot-tall stealth monopole tower disguised as a flagpole that is owned by Sprint Spectrum. To our knowledge, the tower owner is the only carrier using the tower space. The land at this site is owned by NSA Property Holdings LLC and in our opinion, the land valued for the cell site should be carved out of the overall parcel due to its highest and best use as a cell site and it is assumed the tower owner is responsible for any value added by the properties use as a cell site.
- The cellular communication property located at 46 Trigate Road is comprised of an approximately 60-foot-tall, guyed steel lattice tower that is owned by Gerald Nash. To our knowledge there are two carriers using space on the tower, which is Verizon and T-Mobile the tower owner also has property located on and at the tower site. The land at this site is owned by Gerald Nash and it is assumed the tower owner is responsible for any value added by the properties use as a cell site.
- The cellular communication property located at 143 Dracut Road/22 Willet Drive is comprised of an approximately 120-foot-tall steel monopole tower that is owned by American Tower that was not fully constructed as of the valuation date of 4/1/2022. To our knowledge there is one carrier using space on the tower, which is T-Mobile. The land at this site is leased by American Tower and it is assumed the tower owner is responsible for any value added by the properties use as a cell site.
- The cellular communication property located at 19 Central Street is comprised of a standalone cellular array within the church steeple, that is owned by Cingular Wireless. To our knowledge there is one carrier using space on the tower, which is Cingular Wireless. The land and building at this site are owned by the Community

## PROPERTY DESCRIPTION

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Church of Hudson and it is assumed the cellular equipment owner is responsible for any value added by the properties use as a cell site.

- The cellular communication property located at 19 Sagamore Park Road is comprised of an approximately 120-foot-tall steel monopole tower that is owned by SBA Monarch Towers 1, LLC. To our knowledge there is a total of four carriers using space on the SBA Monarch Towers 1, LLC tower, which are New Cingular Wireless, Nextel, Verizon, and AT&T. The land at this site is owned by SBA Monarch Towers 1, LLC and it is assumed the tower owner is responsible for any value added because of the properties use as a cell site

The suggested PRC tax IDs and basic property descriptions are as follows:

## PROPERTY DESCRIPTION

Row	A Cell Site Location Address	B Taxpayer	C Property Record Card (PRC) ID	D Property Type
1	15 West Rd	All New Development, LLC ATTN: Crown Castle	101-005-000	Tower Site / Land Owner
2		Crown Atlantic Company LLC/ Crown Castle	101-005-001	Tower Improvements
3		Verizon	101-005-002	Carrier Improvements
4		Sprint	101-005-003	Carrier Improvements
5	4 Greely St	First Baptist Church of Hudson ATTN SBA Towers	176-034-000	Tower Site / Land Owner
6		SBA Towers	176-034-001	Tower Improvements
7		AT&T	176-034-002	Carrier Improvements
8		Omnipoint/T Mobile	176-034-003	Carrier Improvements
9	10 Park Ave	Gringeri, Joseph J Sr Tr ATTN:SBA Towers	162-001-000	Tower Site / Land Owner
10		SBA Towers	162-001-001	Tower Improvements
11		US Cellular	162-001-002	Carrier Improvements
12		Verizon Wireless	162-001-004	Carrier Improvements
13		Nextel	162-001-008	Carrier Improvements
14		AT&T	162-001-006	Carrier Improvements
15		Sprint	162-001-008	Carrier Improvements
16	166 Bush Hill Rd	NH #1 Rural Cellular Inc.	208-008-000	Tower Site / Land Owner
17				Tower Improvements
18		US Cellular		Carrier Improvements
19	42 Griffin Rd	Eco Site/Verticle Bridge	126-032-001	Tower Site / Land Owner
20		Vertical Bridge	126-032-002	Tower Improvements
21		T-Mobile	126-032-003	Carrier Improvements
22	193 Central St	NSA Property Holdings LLC ATTN:Sprint	176-048-000	Tower Site / Land Owner
23		Sprint Spectrum	176-048-001	Tower Improvements
24		Sprint Spectrum	176-048-001	Carrier Improvements
25	46 Trigate Rd	Gerald Nash	219-001-001	Tower Site / Land Owner
26				Tower Improvements
27				Small Tower Improvements
28				Carrier Improvements
29				Carrier Improvements
30				Carrier Improvements
31	Verizon	219-001-002	Carrier Improvements	
32	T-Mobile/Sprint	219-001-004	Carrier Improvements	
33	22 Willet Dr/143 Dracut Rd	American Tower	259-011-001	Tower Site / Land Owner
34			Tower Improvements	
35		T Mobile	259-011-002	Carrier Improvements
36	19 Central St	Community Church of Hudson ATTN:Cingular Wireless	182-049-000	Tower Site / Land Owner
37		Cingular Wireless	182-049-001	Carrier Improvements
38	19 Sagamore Park Rd	SBA Monarch Towers 1, LLC	221-008-001	Tower Site / Land Owner
39		SBA Monarch Towers 1, LLC	221-008-001	Tower Improvements
40		New Cingular Wireless	221-008-002	Carrier Improvements
41		Nextel	221-008-003	Carrier Improvements
42		Verizon	221-008-004	Carrier Improvements
43		AT&T	221-008-005	Carrier Improvements

### **Assessment Data**

The owners of the cellular properties may or may not own multiple taxable properties within the Town. Some of the owners of this report's subject properties have not previously been identified as separate taxpayers. Therefore, a summary of the previous assessments would likely not be representative of the properties being appraised in this report. We do not provide previous property tax assessment information for this report. We have copies of relevant, current property record cards in our files, which are maintained at our office in Lancaster, New Hampshire.

Any relevant property record cards that have previously existed are retained in our files. They are also available at the town/city's assessor's office.

### **Zoning Data**

The subject properties are generally located in all zones within the municipality.

## **Introduction**

Highest and best use may be defined as the reasonably probable and legal use of the vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and produce maximum profitability. These criteria are usually considered sequentially; a use may be physically possible, but this is irrelevant if it is not feasible or is legally prohibited.

The definition of highest and best use applies specifically to the highest and best use of the land and/or property. It is to be recognized that in cases where a site has existing improvements on it, it may be concluded that the highest and best use may very well be different from the existing use. The existing use will continue however, unless and until the value in its highest and best use exceeds the total value of the property in its existing use.

## **Highest and Best Use as Vacant**

The subject cellular/wireless communication properties are as described earlier. Cell towers and their attendant equipment are generally located in specific locations, which conform to siting requirements of the owner, and/or of potential carriers who will be tenants on the tower and at the site. Cell tower sites are generally smaller segments of much larger sites. While the underlying larger parcel may have a highest and best use that conforms to the use of that larger parcel, the cell site itself, because of its precise location, has a specific highest and best use that may be different from that of the larger parcel. For this reason, we have concluded that the highest and best use of the cell tower site as vacant, is as a cell tower site.

## **Highest and Best Use as Improved**

The highest and best use of many of the subject cellular/wireless communications properties is their current use as cell tower sites. These uses are considered to meet the four criteria as described above, including financial feasibility. In our opinion, there are no additional or alternative uses, modifications, or alternative operating methods that are considered possible, which would result in greater productivity of the existing site or sites, or improvements as of the valuation dates. Therefore, we conclude that the highest and best use of the cellular/wireless sites are their current uses.

In some cases, cellular/wireless communications properties are located at sites where an existing commercial/industrial use is still the highest and best of the land under the cellular equipment. An example of this situation can be seen at the Newington Station power plant in Newington, NH, where there are currently several cellular/wireless arrays located on the

## HIGHEST AND BEST USE

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roof of the power plant. We know that each owner of an array pays an annual lease payment to the owner of the power plant, and theoretically, the net income from those lease payments can be capitalized to estimate the contributory value of each carrier's lease to the overall value of the structure or to the land under it. Unlike a cellular tower site on the top of a mountain, or in a field, the highest and best use of the land under the power plant has not changed. For this reason, in these specific instances, we do not believe that a separate site value should be attributed to the land because a cellular carrier is located there. Instead, we may recommend that the local assessor consider the effect of any lease payments on the assessed value of the structure on which the cellular arrays are located. We identify these specific sites throughout the report when this situation is present.

### **Introduction**

The cost approach is one of the approaches used to develop an indication of the market value. The cost approach is based upon the assumption that a buyer would pay no more for the subject than the cost of producing an equally desirable substitute, assuming no undue delay in creating the substitute property. The cost approach is most relevant when the property is new and constructed with state-of-the-art design and materials, or when the property is a specialty or special purpose property. The relevance of the cost approach is also a function of market supply and demand as of the valuation date, which will determine whether the cost of new property can be supported by the market or whether excess supply has diminished the property's ability to earn a return on and of invested capital.

The cost approach starts with a market-based estimate of the cost to replace or reproduce the improvements associated with the property and deducts the appropriate deterioration and obsolescence to arrive at the market value of the improvements. The cost new and the estimates of depreciation are market-based and account for physical deterioration as well as functional and external obsolescence.

The cost approach is the most reliable method of valuing several portions of a taxable and nontaxable property on a combined basis. The taxable portion of the property has to be separated in its actual taxable units for valuation. The remainder, in this case, for wireless communication property in New Hampshire, is non-taxable and does not get valued as a whole, therefore the only portions valued as components can be measured, listed, and valued by the cost approach only and would not be subject to economic obsolescence or levels of functional obsolescence without the ability to value the whole. Therefore, the cost approach is utilized in this cellular report in the State of New Hampshire for the value of the component parts and pieces of the various carriers.

In the case of the tower itself, the cost approach is used to value the tower. The market sales and income approaches are also considered in the valuation of the tower as vertical real estate with rental income and the land with its rental income.

### **Cellular/Wireless Communication Property**

The cost approach is developed for the cellular/wireless communication property using either the quantity survey method, which requires an inventory of the various components of the property, or the unit-in-place method. Both methods require that the various components are "costed" using R.S. Means, Marshall and Swift, and other costing publications. In some cases, we employ market cost data from various other sources to estimate the cost new of some components of the property. We then apply physical depreciation (as described in the next section of this report) to determine the cost new less depreciation of each cellular/wireless communication tower and its attendant equipment.

### Table 1

Table 1 provides a summary of our cost approach development for each property owner by PRC tax ID number and location address. The following is a description of the contents and purpose of each column in Table 1.

- **Column A** – contains the physical address of the cell tower site.
- **Column B** – contains the names of the owners of the taxable property at the address shown in Column A. We refer to the owners of the cellular equipment who maintain arrays on the tower as carriers or carrier tenants. The owners listed in Column B may own the land only, the cell tower site only, the cell tower site and tower only, the taxable improvements installed for an individual carrier, or all of the above.
- **Column C** – contains the PRC tax ID number that is assigned to each owner of physical property improvements or land. In the case where no PRC tax ID number is assigned to this specific owner, we show ‘TBD’ (To Be Determined) in Column B. In the instance where there is an ‘n/a’ shown in this column, it is because we have not identified any taxable real property owned by this carrier at this site, or because any taxable property value is more properly attributed to another owner, and on another PRC tax ID number.
- **Column D** – contains property type designations, which are as follows:
  - **Tower Improvements** – These improvements include the tower itself, the foundation, tower grounding, the improvements at the site, including the access road if any exists, site grounding, fencing, electrical service to the site, etc. As part of the valuation process, we develop the cost approach for these improvements. In some cases, we also develop the income approach to estimate their value. In these cases, we reconcile the two approaches at the end of this report.
  - **Carrier Improvements** – These improvements are the assets owned by individual carriers and may include a building, ice bridges, mechanical systems, electrical services, structures, etc. We develop the cost approach for these improvements as part of the valuation process. The income approach typically does not lend itself to valuation of these specific items of property because discrete income and expenses that relate to these specific assets have not been provided.
  - **Tower Site/Land** – This category is the designation for the valuation of the land on which the cell tower site is located. Generally, this parcel of land does not conform to zoning and planning restrictions regarding lot size and frontage. For this reason, the land is usually leased from the owner of the



larger parcel. We discuss the valuation process for the cell tower site in the Land Value Estimate section of this report.

- **Column E** – contains our total reproduction/replacement cost new (RCN) for the property owned by the owner listed in Column B. The cost new estimate is generally developed using the quantity survey method, or the unit in place method, based on such variables as the site square footage, access road length, estimated concrete quantities, estimated linear feet of perimeter fence, estimated cost of equipment buildings and taxable equipment, etc. These costs are combined into a single cost new estimate that is shown in Column E.
- **Column F** – contains our total, combined estimate of physical depreciation in dollars. Depreciation is estimated based on an estimated economic life of 40-years for the site and on our estimate of the effective age of the actual property. In some cases, we utilize the actual age of the property in lieu of an effective age and, for this report, consider it to be the same as the effective age.
- **Column G** – contains our estimate of the cost new less depreciation (RCNLD) for the property owned by the owner shown in Column B. The value shown in this column equals the cost new from Column E, minus the depreciation shown in Column F. In some cases, where one owner owns more than one designated property type (i.e., carrier improvements and/or tower improvements), the total RCNLD is the combined RCNLD for the property owned by that owner at that site.

# COST APPROACH

**Table 1  
Summary of Cost Approach**

Row	A Cell Site Location Address	B Taxpayer	C Property Record Card (PRC) ID	D Property Type	E Improvement RCN	F De prec iation Amount	G Improvement RCNLD
1	15 West Rd	All New Development, LLC ATTN: Crown Castle	101-005-000	Tower Site / Land Owner	n/a	n/a	n/a
2		Crown Atlantic Company LLC/ Crown Castle	101-005-001	Tower Improvements	\$182,500	\$73,000	\$109,500
3		Verizon	101-005-002	Carrier Improvements	\$182,900	\$73,200	\$109,700
4		Sprint	101-005-003	Carrier Improvements	\$95,900	\$38,400	\$57,500
5	4 Greely St	First Baptist Church of Hudson ATTN SBA Towers	176-034-000	Tower Site / Land Owner	n/a	n/a	n/a
6		SBA Towers	176-034-001	Tower Improvements	\$66,100	\$33,100	\$33,000
7		AT&T	176-034-002	Carrier Improvements	\$17,200	\$4,700	\$12,500
8		Omnipoint/T Mobile	176-034-003	Carrier Improvements	\$25,400	\$7,000	\$18,400
9	10 Park Ave	Gringeri, Joseph J Sr Tr ATTN:SBA Towers	162-001-000	Tower Site / Land Owner	n/a	n/a	n/a
10		SBA Towers	162-001-001	Tower Improvements	\$115,900	\$63,700	\$52,200
11		US Cellular	162-001-002	Carrier Improvements	\$155,300	\$7,800	\$147,500
12		Verizon Wireless	162-001-004	Carrier Improvements	\$176,000	\$96,800	\$79,200
13		Nextel	162-001-008	Carrier Improvements	\$19,900	\$6,000	\$13,900
14		AT&T	162-001-006	Carrier Improvements	\$19,900	\$6,000	\$13,900
15	Sprint	162-001-008	Carrier Improvements	\$37,100	\$11,100	\$26,000	
16	166 Bush Hill Rd	NH #1 Rural Cellular Inc.	208-008-000	Tower Site / Land Owner	n/a	n/a	n/a
17				Tower Improvements	\$55,000	\$30,300	\$24,700
18				Carrier Improvements	\$127,200	\$70,000	\$57,200
19	42 Griffin Rd	Eco Site/Verticle Bridge	126-032-001	Tower Site / Land Owner	n/a	n/a	n/a
20		Vertical Bridge	126-032-002	Tower Improvements	\$168,900	\$16,900	\$152,000
21		T-Mobile	126-032-003	Carrier Improvements	\$36,000	\$3,600	\$32,400
22	193 Central St	NSA Property Holdings LLC ATTN:Sprint	176-048-000	Tower Site / Land Owner	n/a	n/a	n/a
23		Sprint Spectrum	176-048-001	Tower Improvements	\$78,300	\$39,200	\$39,100
24		Sprint Spectrum	176-048-001	Carrier Improvements	\$106,000	\$53,000	\$53,000
25	46 Trigate Rd	Gerald Nash	219-001-001	Tower Site / Land Owner	n/a	n/a	n/a
26				Tower Improvements	\$203,300	\$142,300	\$61,000
27				Small Tower Improvements	\$59,500	\$41,700	\$17,800
28				Carrier Improvements	\$888,300	\$621,800	\$266,500
29				Carrier Improvements	\$123,000	\$67,700	\$55,300
30				Carrier Improvements	\$197,500	\$138,300	\$59,200
31				Carrier Improvements	\$106,000	\$58,300	\$47,700
32	Verizon	219-001-002	Carrier Improvements	\$106,000	\$58,300	\$47,700	
33	22 Willet Dr/143 Dracut Rd	T-Mobile/Sprint	219-001-004	Carrier Improvements	\$80,000	\$18,000	\$62,000
34		American Tower	259-011-001	Tower Site / Land Owner	n/a	n/a	n/a
35		T Mobile	259-011-002	Tower Improvements	\$228,000	\$5,700	\$222,300
36	19 Central St	Community Church of Hudson ATTN:Cingular Wireless	182-049-000	Carrier Improvements	\$53,000	\$1,300	\$51,700
37		Cingular Wireless	182-049-001	Tower Site / Land Owner	n/a	n/a	n/a
38	19 Sagamore Park Rd	SBA Monarch Towers 1, LLC	221-008-001	Carrier Improvements	\$76,300	\$24,800	\$51,500
39		SBA Monarch Towers 1, LLC	221-008-001	Tower Site / Land Owner	n/a	n/a	n/a
40		New Cingular Wireless	221-008-002	Tower Improvements	\$131,100	\$49,200	\$81,900
41		Carrier Improvements	\$195,000	\$73,100	\$121,900		
42		Nextel	221-008-003	Carrier Improvements	\$26,500	\$8,000	\$18,500
43	Verizon	221-008-004	Carrier Improvements	\$61,000	\$18,300	\$42,700	
	AT&T	221-008-005	Carrier Improvements	\$123,500	\$37,100	\$86,400	

### **Cellular Tower Site/Land Value Estimate**

With the exception of cell sites where we have concluded that the highest and best use of the site is the current commercial/industrial use (see Highest and Best Use discussion), the cellular improvements identified in this report are generally located on leased land parcels that do not conform to local zoning and planning requirements. Because we assume that ground rent payments are made to the owner of the land under the cellular equipment, we can capitalize the (assumed or actual) revenue stream from the ground rent (ground lease) to estimate the value of the site/land. For this reason, we develop our opinion of value for the cellular tower site/land in the income capitalization approach section of this report.

### Sales Approach

In general, the properties that are the subjects of this report are considered to be special purpose properties that would be required to be replaced if damaged or destroyed. The New Hampshire Board of Tax and Land Appeals (BTLA) provided the following definition of a special purpose property: “...*a limited-market property is defined as ‘a property that has relatively few potential buyers at a particular time’ and a special-purpose property is defined as ‘a limited-market property with a unique physical design, special construction materials, or layout that restricts its utility to the use for which it was built.’*” Few other properties in the State of New Hampshire fit the BTLA’s definition of special purpose property better than the cellular/wireless communication properties that are the subjects of this report.

There are recent sales of cell towers, cell tower sites, and cell tower leases across the country, which are generally associated with consolidation of holdings by various buyers. These sales often include multiple sites, and many of the sites have multiple leases attached to them. Sales data concerning these transactions is generally not public information, and any information that is published is usually related to the overall sale of multiple sites. Extracting specific comparable sales information from these types of transactions is often not possible, thus developing reliable comparable sales metrics as they relate to these types of sales is also difficult.

Although we have considered the sales approach for this report, we have not developed it and we have not relied on it in our final reconciliation of values.

### Sale of Subject

To our knowledge, the wireless communication properties located at the locations listed below have not been listed for sale in the three years prior to this report.

15 West Road

4 Greely Street

10 Park Ave

166 Bush Hill Road

42 Griffin Road

193 Central Street

46 Trigate Road

22 Willet Drive/143 Dracut Road

19 Central Street

19 Sagamore Park Road

## Direct Capitalization

The income approach is derived by the direct capitalization approach.

*“Direct capitalization is a method used in the income capitalization approach to convert a single year’s income expectancy into a value indication. This conversion is accomplished in one step, either by dividing the income estimate by an appropriate income rate or by multiplying it by an appropriate income factor.”*<sup>10</sup> Impacting the direct capitalization approach is the assumption that the income stream to be capitalized has reached a level of stabilization. The direct income capitalization approach involves an analysis of the property in terms of its ability to provide a stable net annual income. This stabilized net annual income is then capitalized at a rate commensurate with the relative risk involved in ownership of the property.

Direct capitalization is market oriented. An appraiser analyzes market evidence of the value of the property by inferring the assumptions of typical investors. Direct capitalization does not explicitly differentiate between return on capital and return of capital as the investor assumptions are not specified. However, it is implied that the selected capitalization rate will satisfy a typical investor and that the prospects for future monetary benefit over and above the amount originally invested are sufficiently attractive.

## Capitalization of Ground Leases - Cellular Tower Site/Land Value Estimate

Cell tower sites and cell towers are unique among other special purpose properties in that they have relatively complex revenue streams that flow to the owners of the various interests in the site. For example, a typical cell site may have an accompanying ground/site/land lease, that gives the cell site developer the rights he/she needs to construct the tower and any facilities associated with the operation of the site.

Cell tower sites are often chosen for their specific attributes relative to their unobstructed proximity to other towers, population centers, transportation routes, or other industry requirements. Cell towers do not require large land parcels, primarily because their footprints are relatively small. Usually the required cell tower site/land size is smaller than local planning and zoning restrictions will allow for subdivision. Also, many rural cell tower land/sites are located a considerable distance from city or state roads, and this situation often does not allow a cell land/site to meet minimum road frontage requirements for land subdivision, because the site is otherwise landlocked. For these reasons, cell tower land/sites are often carved out of larger parcels, and the cell tower land/site is leased on a long-term basis from the owner of the larger parcel. Long-term site/land leases for cell tower sites usually have renewal provisions that allow for the extension of the site/land

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<sup>10</sup> Appraisal Institute (2008). *The Appraisal of Real Estate* (13<sup>th</sup> ed.). Chicago, IL: Appraisal Institute. Pg. 499.

## INCOME CAPITALIZATION APPROACH

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lease, at the option of the tower owner and the underlying landowner, for multiple years into the future. For this reason, sites on which cell towers are located can be appraised using a direct capitalization approach where a market-based capitalization rate can be applied to the net income derived from the ground/site/land lease payments from the cell tower developer/owner.

Although lease and other information has been requested from the multiple owners associated with this appraisal, the owners often do not provide much, if any, of the requested information. If an owner fails (or refuses) to provide their current lease information, we are required to estimate the lease payments, and the expenses which would be included in the lease. We maintain a file of confidential ground/site/land leases that have been provided to us in recent years, which when tabulated, indicates that, in general, cell tower leases are triple-net leases, where the cell tower owner pays the property taxes and other expenses. This same data provides the basis for our estimate of monthly lease payments to the owner of the underlying land.

We have estimated cell tower site/land leases in N.H. and regionally on sites where the cell tower developer/owner or landowner has not provided their current lease. We assume it to be approximately \$2,300/month or \$28,000/year rounded. We assume that although the lease is net of property taxes, the underlying landowner may be responsible for some expenses, including snow plowing, right-of-way maintenance, etc. For this reason, we assume that expenses to the landowner are approximately \$6,000/year. Therefore, for this report, the annual net income that flows to the landowner, which is the net income to the cell tower site/land, is assumed to be \$22,000/year. In the case of smaller towers such as monopole towers that can typically only support three tenants, we have reduced the market lease rate to \$18,000 for the net land lease payment.

To estimate the value of the site where the cell tower owner or landowner has not provided his current lease, we capitalize the \$22,000 net income utilizing a capitalization rate of 8%, which we believe represents a conservative estimate of the long-term siting of a cell tower on land. Therefore, to estimate the value of the cell tower site, we divide the net income or \$22,000 by the 8% capitalization rate, which results in an estimated cell tower site/land value of \$275,000 or \$225,000 for the smaller, three tenant towers capitalizing the \$18,000.

In the case where the cell tower site/land lease has been provided to us, we make a determination as to whether the lease is commensurate with other market-based leases. If we consider the actual lease to be commensurate with the market, we capitalize the net income as described in the lease to estimate the value of the cell tower site/land. If we determine that the lease is not commensurate with the market, we substitute the current lease terms with market-based lease terms as described above and utilize the market-based terms to estimate the value of the cell tower site/land.

## **INCOME CAPITALIZATION APPROACH**

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Each individual cellular communication tower site has unique circumstances that are considered in its valuation. We discuss those circumstances and our specific valuation methods for each cellular communication tower site below.

## INCOME CAPITALIZATION APPROACH

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### 15 West Street - Site/Land PRC Tax ID# 101-005-000

To our knowledge, this parcel is owned by All New Development LLC. The monopole cell tower, owned by Crown Castle is located approximately 750± feet east off West Road. The fenced in area surrounding the cell site is approximately 2,339± square feet. Although we have not been provided a site/land lease between the landowner and Crown Castle (the ground/site/land lessee), we assume for this report that one exists. Based on our assumption of \$28,000/year gross site/land lease payment for large towers able to support more than three tenants, and our assumption that net lease proceeds are \$22,000/year, we capitalize the net lease payments using an 8% capitalization rate, which results in an indicated value by the income approach for the cellular site/land of \$275,000.





## INCOME CAPITALIZATION APPROACH

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### 4 Greely Street - Site/Land PRC Tax ID# 176-034-000

To our knowledge, this parcel is owned by First Baptist Church of Hudson. The stealth/flagpole cell tower, owned by SBA Towers is located approximately 133± feet east off Greely Street. The fenced in area surrounding the cell site is approximately 632± square feet. We have been provided a site/land lease between the landowner and SBA Towers (the ground/site/land lessee). Based on our review of the lease provided we have concluded that the lease payment is similar other market lease rates. For this reason, we have chosen to capitalize the actual net lease payment of \$25,054 using an 8% capitalization rate, which results in an indicated value by the income approach for the cellular site/land of \$313,200.



## INCOME CAPITALIZATION APPROACH

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### 10 Park Ave - Site/Land PRC Tax ID# 162-001-000

To our knowledge, this parcel is owned by Gringeri, Joseph J Sr Tr. The monopole cell tower, owned by SBA Towers is located approximately 175± feet east off Park Ave. The fenced in area surrounding the cell site is approximately 3,618± square feet. Although we have not been provided a site/land lease between the landowner and SBA Towers (the ground/site/land lessee), we assume for this report that one exists. Based on our assumption of \$28,000/year gross site/land lease payment for large towers able to support more than three tenants, and our assumption that net lease proceeds are \$22,000/year, we capitalize the net lease payments using an 8% capitalization rate, which results in an indicated value by the income approach for the cellular site/land of \$275,000.



## INCOME CAPITALIZATION APPROACH

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### 166 Bush Hill Road - Site/Land PRC Tax ID# 208-008-000

To our knowledge, this parcel is owned by NH #1 Rural Cellular Inc. The steel lattice cell tower, owned by NH #1 Rural Cellular Inc is located approximately 921± feet east off Bush Hill Road. The fenced in area surrounding the cell site is approximately 2,780± square feet. Although we have not been provided a site/land lease (the ground/site/land lessee) and a lease may not exist because the tower and site share the same owner, we assume for this report that one exists. Based on our assumption of \$24,000/year gross site/land lease payment for smaller towers able to support generally three tenants or less, and our assumption that net lease proceeds are \$18,000/year, we capitalize the net lease payments using an 8% capitalization rate, which results in an indicated value by the income approach for the cellular site/land of \$225,000.



## INCOME CAPITALIZATION APPROACH

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### 42 Griffin Road- Site/Land PRC Tax ID# 126-032-001

To our knowledge, this parcel is owned by Eco Site/Vertical Bridge. The steel monopole cell tower, owned by Eco Site/Vertical Bridge is located approximately 295± feet west off Griffin Road. The fenced in area surrounding the cell site is approximately 3,000± square feet. Although we have not been provided a site/land lease (the ground/site/land lessee) and a lease may not exist because the tower and site share the same owner, we assume for this report that one exists. Based on our assumption of \$28,000/year gross site/land lease payment for larger towers able to support more than three tenants, and our assumption that net lease proceeds are \$22,000/year, we capitalize the net lease payments using an 8% capitalization rate, which results in an indicated value by the income approach for the cellular site/land of \$275,000.





## INCOME CAPITALIZATION APPROACH

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### 193 Central Street- Site/Land PRC Tax ID# 176-048-000

To our knowledge, this parcel is owned by NSA Property Holdings LLC. The stealth monopole/flagpole cell tower, owned by Sprint Spectrum is located approximately 676± feet south off Central Street. The fenced in area surrounding the cell site is approximately 632± square feet. Although we have not been provided a site/land lease between the landowner and Sprint Spectrum (the ground/site/land lessee), we assume for this report that one exists. Based on our assumption of \$24,000/year gross site/land lease payment for smaller towers generally not able to support more than three tenants, and our assumption that net lease proceeds are \$18,000/year, we capitalize the net lease payments using an 8% capitalization rate, which results in an indicated value by the income approach for the cellular site/land of \$225,000.



## INCOME CAPITALIZATION APPROACH

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### 46 Trigate Road- Site/Land PRC Tax ID# 219-001-001

To our knowledge, this parcel is owned by Gerald Nash. The guyed steel lattice cell tower, owned by Gerald Nash, is located approximately 671± feet north off Trigate Road. The fenced-in area surrounding the cell site is approximately 4,184± square feet. Although we have not been provided a site/land lease (the ground/site/land lessee) and a lease may not exist because the tower and site share the same owner, we assume for this report that one exists. Based on our assumption of \$24,000/year gross site/land lease payment for smaller towers able to support generally three tenants or less, and our assumption that net lease proceeds are \$18,000/year, we capitalize the net lease payments using an 8% capitalization rate, which results in an indicated value by the income approach for the cellular site/land of \$225,000.



## INCOME CAPITALIZATION APPROACH

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### 143 Dracut Road/22 Willet Drive - Site/Land PRC Tax ID# 259-011-001

To our knowledge, this parcel is owned by Rosa C Chan. The stealth monopole cell tower, owned by American Tower is located approximately 548± feet east off Dracut Road. The fenced in area surrounding the cell site is approximately 5,000± square feet. Although we have not been provided a site/land lease between the landowner and American Tower (the ground/site/land lessee), we assume for this report that one exists. Based on our assumption of \$24,000/year gross site/land lease payment for smaller towers able to support generally three tenants or less and our assumption that net lease proceeds are \$18,000/year, we capitalize the net lease payments using an 8% capitalization rate, which results in an indicated value by the income approach for the cellular site/land of \$225,000.



## INCOME CAPITALIZATION APPROACH

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### 19 Central Street - Site/Land PRC Tax ID# 182-049-000

To our knowledge, this parcel is owned by Community Church of Hudson. The cellular array located in the church steeple, owned by Cingular Wireless is located within the church on Central Street. We have been provided a site/land lease between the landowner and SBA Towers (the ground/site/land lessee). Based on our review of the lease provided we have concluded that the lease payment is similar to other market lease rates. For this reason, we have chosen to capitalize the actual net lease payments of \$24,000 using an 8% capitalization rate, which results in an indicated value by the income approach for the cellular site/land of \$300,000.





## INCOME CAPITALIZATION APPROACH

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### 19 Sagamore Park Road- Site/Land PRC Tax ID# 221-008-001

To our knowledge, this parcel is owned by SBA Monarch Towers 1, LLC. The steel monopole cell tower, owned by SBA Monarch Towers 1, LLC is located approximately 299± feet west off Sagamore Park Road. The fenced in area surrounding the cell site is approximately 3,335± square feet. Although we have not been provided a site/land lease (the ground/site/land lessee) and a lease may not exist because the tower and site share the same owner, we assume for this report that one exists. Based on our assumption of \$28,000/year gross site/land lease payment for larger towers able to support more three tenants, and our assumption that net lease proceeds are \$22,000/year, we capitalize the net lease payments using an 8% capitalization rate, which results in an indicated value by the income approach for the cellular site/land of \$275,000.



## INCOME CAPITALIZATION APPROACH

We summarize our estimate of the cell tower site/land value for each cell site in Table 2. The following is a description of the contents and purpose of each column in Table 2:

- **Column A** – Provides the physical address of the cellular/wireless site/land.
- **Column B** – Provides the name of the taxpayer. If the taxpayer is unknown, we designate a TBD in this column.
- **Column C** – Provides the PRC tax ID number that is either provided by the City’s assessor, or that we recommend for a particular site, or for a sub-location on an existing map and lot number.
- **Column D** – Provides the net income (either assumed or actual) from which we estimate the value of the site/land.
- **Column E** – Provides the indicated value of the cell site/land. In some instances, where we have determined that the highest and best use of the land is not altered by the existence of a cell tower or the siting of cellular property, we may not recommend changing the value of the underlying parcel. In these cases, we indicate an “n/a” in Columns D and E.

**Table 2**  
**Summary of Cellular Site/Land Values**

	A	B	C	D	E
Row	Cell Site Location	Tax Payer	Tax ID Number	Net Lease Income	Indicated Value of the Cellular Site/Land
1	15 West Road	All New Development, LLC ATTN: Crown Castle	101-005-000	\$22,000	\$275,000
2	4 Greely Street	First Baptist Church of Hudson ATTN SBA Towers	176-034-000	\$25,054	\$313,200
3	10 Park Ave	Gringeri, Joseph J Sr Tr ATTN: SBA Towers	162-007-000	\$22,000	\$275,000
4	166 Bush Hill Road	NH #1 Rural Cellular Inc.	208-008-000	\$18,000	\$225,000
5	42 Griffin Road	Eco Site/Verticle Bridge	126-032-001	\$22,000	\$275,000
6	193 Central Street	NSA Property Holdings LLC ATTN: Sprint	176-048-000	\$18,000	\$225,000
7	46 Trigate Road	Gerald Nash	219-001-001	\$18,000	\$225,000
8	22 Willet Drive/143 Dracut Road	American Tower	259-011-001	\$18,000	\$225,000
9	19 Central Street	Community Church of Hudson ATTN: Cingular Wireless	182-049-000	\$24,000	\$300,000
10	19 Sagamore Park Road	SBA Monarch Towers 1, LLC	221-008-001	\$22,000	\$275,000

Our concluded cellular tower site/land values are one component of the overall value of the cellular site. These values are additive to any improvement values (such as tower and tower site improvements) that are estimated using the cost approach and the income approach.

### Capitalization of Carrier Leases – Indicated Value of Cellular Tower Improvements

#### Owner's Expenses and Tenant Vacancies

Most towers are built with the intent that the available space will be leased to wireless carrier tenants (Some towers are built with the sole intent of owner's occupation see discussion below). Like any other leased property, owners of the tower experience a certain amount of expenses in the operation, ownership, and maintenance of the towers. Typical expenses to the tower owners include operation and maintenance (O&M), administrative and general (A&G), replacement and reserves (R&R), and property tax expenses. We have assigned a base percentage to these expenses that represent a typical amount that the owner would pay. The percentages are as follow:

- O&M 13.0%
- A&G 5.0%
- R&R 4.0%
- Property tax expenses are based on previous year tax rate and are included in the capitalization rate.

Our analysis indicates that the maximum occupancy of a tower is typically five tenants. We assume stabilized occupancy to 95% for a typical vacancy rate of 5%.

Figure 7 below illustrates the change in expenses and income as it relates to the number of carrier tenants using our assumed Potential Gross Income indicated in our review of market lease rates. Expenses are adjusted proportionately to reflect the actual number of tenants over and above a gate of two tenants.

## INCOME CAPITALIZATION APPROACH

**Figure 7**  
**Potential Income and Expenses by Number of Tenants**

	Subject Site	Subject Site	Subject Site	Subject Site
Number of Existing Carriers	2	3	4	5
Potential Gross Income:	\$150,000	\$150,000	\$150,000	\$150,000
Vacancy Percentage:	60%	40%	20%	5%
Less Vacancy:	-\$90,000	-\$60,000	-\$30,000	-\$7,500
Effective Gross Income:	\$60,000	\$90,000	\$120,000	\$142,500
Ground Lease Expense:	\$24,000	\$24,000	\$24,000	\$24,000
Fix and Variable Expenses-				
O&M:	\$7,800	\$8,190	\$8,580	\$8,970
A&G:	\$3,000	\$3,150	\$3,300	\$3,450
Property Tax Land:	<i>property taxes included in the cap rate</i>			
Property Tax Improvements:				
Reserves for Replace:	\$2,400	\$2,520	\$2,640	\$2,760
Misc:	n/a	n/a	n/a	n/a
Net Operating Income:	\$22,800	\$52,140	\$81,480	\$103,320
NOI Per Carrier:	\$11,400	\$17,380	\$20,370	\$20,664

	Subject Site	Subject Site	Subject Site
Number of Existing Carriers	1	2	3
Potential Gross Income:	\$90,000	\$90,000	\$90,000
Vacancy Percentage:	67%	33%	5%
Less Vacancy:	-\$60,000	-\$30,000	-\$4,500
Effective Gross Income:	\$30,000	\$60,000	\$85,500
Ground Lease Expense:	\$18,000	\$18,000	\$18,000
Fix and Variable Expenses-			
O&M:	\$3,978	\$3,978	\$4,177
A&G:	\$1,530	\$1,530	\$1,607
Property Tax Land:	<i>property taxes included in the cap rate</i>		
Property Tax Improvements:			
Reserves for Replace:	\$1,224	\$1,224	\$1,285
Misc:	n/a	n/a	n/a
Net Operating Income:	\$5,268	\$35,268	\$60,431
NOI Per Carrier:	\$5,268	\$17,634	\$20,144

### Tower and Tower Site Owner's Self-Occupation of Tower Space

One cellular tower ownership scenario is where the tower and tower site improvements are developed by a carrier, such as U.S. Cellular, who occupies at least one of the available spaces on the tower with its own array and cellular equipment. In this scenario, we assume that the cell tower owner is displacing an actual or hypothetical lease paying carrier tenant and therefore, a market rent can be assumed for the owner's use of that space. The owner occupation of the tower space in this scenario is much the same as a business owner's use

## INCOME CAPITALIZATION APPROACH

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of an office suite in his own office building. In this scenario, the tower owner will often lease other spaces on the tower to other carriers, and these leases provide direct cash flow to the owner of the site. The net income from the actual leases from the tenant carriers and an assumed market-based lease attributed to the owner's use of space can all be capitalized to estimate the value of the tower and the site improvements.

When an actual lease has not been made available, or it is determined not to be commensurate with the market, we assume a gross annual lease payment of \$30,000/year that will be paid by each carrier that is located at the site. This estimated amount may be adjusted by us for several locations or in city densities.

Because the owner in this scenario is their own tenant, we have concluded that the risk associated with their use of the tower is lower (relatively) than that of a carrier tenant. This is because the owner's interest in the tower and the site provides insurance that the one array will remain at the site, even if other carrier tenants break their leases or outright abandon the site. For this reason, we capitalize the net income for the owner's assumed market-based lease, by applying a capitalization rate of 7% to which the property taxes for the land and improvements is added to the capitalization rate. The 7% capitalization rate is considered to be commensurate with the cellular/wireless communications industry and is therefore appropriate for this report. The indicated contributory value of the owner's use of the tower is illustrated in Column D of Table 3 below.

Occasionally a tower will be constructed by a tower developer specifically for a carrier tenant who occupies a prime location on the tower. Generally, these types of tenants will enter into leases, which we consider to be primary leases because we assume the equipment owned by these carrier tenants are located on a prime location on the tower. For this reason, for some towers, we will capitalize this primary lease as we discuss above for the owner's self-occupation of their own tower. Generally, we consider a single tenant on a tower to be the primary tenant with a primary lease. The carrier tenants in this scenario will be identified in Column B in Table 3.

Table 3 provides details of our estimate of the contributory value of the tower owner's (primary carrier tenant) use of space on their own tower. The contents of the columns in Table 3 are defined as follows:

- **Column A – Cellular/Wireless Site Location.** Provides the physical address of the cellular/wireless site in the community.
- **Column B – Owner/Carrier.** This column provides the name of the owner/carrier if it is known. If the owner/carrier's name is unknown, we use the TBD designation.
- **Column C – Assumed Annual Net Lease Payment.** If the actual lease information is not provided, an assumed primary lease payment is shown in this column.

## INCOME CAPITALIZATION APPROACH

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- **Column D – Indicated Contributory of Value of Tower Owner's Use of Tower Space.** This column provides the indicated capitalized value of the tower owner's use of space on their own tower.

We summarize the indicated contributory value of the owner's use of their tower for any site in the Town where the owner occupies space on their own tower in Table 3. If other carrier tenants are also occupying space on any of the towers identified in Table 3, the value shown in Column D may be additive to values developed based on other carrier tenant leases, and/or from the cost approach. All the indicated values, including those shown in Table 3 are then considered in the final reconciliation for this report.

**Table 3**  
**Indicated Contributory Value of Tower Owner's Use of Tower Space**

	A	B	C	D
Row	Cell Site Location	Owner / Carrier	Assumed Annual Lease Payment	Indicated Contributory Value Tower Owner's Use of Tower Space
1	166 Bush Hill Road	US Cellular	\$5,268	\$58,000
2	193 Central Street	Sprint Spectrum	\$5,268	\$58,000

### **Carrier Tenant's Occupation of Tower Space**

Another form of cellular tower and tower site ownership is where a tower developer owns the site but does not own any arrays on the tower cellular carrier equipment at the site. Instead, the tower owner leases space on their tower to cellular carriers. In many cases, there are multiple carrier tenants located on these towers and without full disclosure by all the parties we are unable to distinguish between primary and secondary carrier tenants. When this is the case, we consider all the carrier tenants on the tower to be secondary carrier tenants and we capitalize their leases as described below. We refer to these carriers as secondary carrier tenants, and it is the net income from these carrier tenant lease payments to the tower owner that we capitalize to estimate the contributory value of each tenant's lease in relation to the value of the tower and the tower site improvements. In many cases, carrier tenants also co-exist with the tower owner's array on the tower.

To capitalize the net income for carrier tenants, where we have not been provided the actual lease that can be compared to other market-based leases, we assume the same net lease payment as discussed above. In this case, we assume that carrier tenants are somewhat

## **INCOME CAPITALIZATION APPROACH**

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more likely to not renew the lease, enter into a shorter-term lease, or could break the lease and simply abandon the site. Although we believe these risks are relatively low for the major carriers, we assume a capitalization rate of 9% for the net income derived from the carrier tenant's leases. The 9% capitalization rate for carrier tenants is believed to be commensurate with the cellular communication industry and is appropriate for this report. The indicated contributory value of the owner's use of the tower is illustrated in Column D of Table 4 below.

Table 4 tabulates data for the carrier tenants for whom we estimate the indicated contributory value of their leases to the cell tower and cell tower site improvements. The contents of the columns in Table 4 are defined as follows:

- **Column A – Cell Site Location.** Provides the physical address of the cell site in the community.
- **Column B – Tenant/Carrier.** This column provides the name of the owner/carrier if it is known. If the owner/carrier's name is unknown, we use the TBD designation.
- **Column C – Reported/Assumed Annual Net Lease Payment.** If the actual lease information is not provided, we assume a secondary lease payment, which is shown in this column.
- **Column D – Indicated Contributory Value of Carrier Tenant Use of Tower Space.** This column provides the indicated capitalized value of the tenant carrier lease.
- **Column E – Indicated Total Value of Carrier Tenant Use of Tower Space.** Column E provides the total indicated value of all tenant leases at each site. This indicated value applies to the tower and tower site improvements as described earlier. If only one tenant carrier exists (not counting the site owner's use of the tower, which is reflected in Table 3), the value in Column E will be equal to the value shown in Column D.

## INCOME CAPITALIZATION APPROACH

**Table 4**  
**Total Contributory Value of Carrier Tenant Use of Tower Space**

Row	A	B	C	D	E
	Cell Site Location	Tenant Carrier	Reported/Assumed Annual Net Lease Payment	Indicated Contributory Value of Carrier Tenant Use of Tower Space	Indicated Total Value of Carrier Tenant Use of Tower Space
1	15 West Street	Verizon	\$12,400	\$111,100	\$222,200
2		Sprint	\$12,400	\$111,100	
3	4 Greeley Street	AT&T	\$14,107	\$126,400	\$252,800
4		Omnipoint/T Mobile	\$14,107	\$126,400	
5	10 Park Ave	US Cellular	\$20,870	\$187,000	\$935,000
6		Verizon Wireless	\$20,870	\$187,000	
7		Nextel	\$20,870	\$187,000	
8		AT&T	\$20,870	\$187,000	
9		Sprint	\$20,870	\$187,000	
10	46 Trigate Road	Verizon	\$17,634	\$158,000	\$316,000
11		T-Mobile/Sprint	\$17,634	\$158,000	
12	22 Willet Drive/143 Dracut Road	T Mobile	\$5,268	\$58,000	\$58,000
13	19 Sagamore Park Road	New Cingular Wireless	\$20,870	\$231,900	\$927,600
14		Nextel	\$20,870	\$231,900	
15		Verizon	\$20,870	\$231,900	
16		AT&T	\$20,870	\$231,900	

We note here that for many cell sites, the various carrier tenants also own taxable property that includes buildings, electrical and mechanical services, concrete foundations, etc. that are not owned by the developer/owner, or by the owner of the underlying land. In these cases, we value these improvements by the cost approach, and in many cases, the carrier is sent a tax bill for its taxable improvements at the site. If the owners of these types of improvements cannot be determined, the owner of the site will likely receive the tax bill for these improvements. The cost approach indicated values for these specific improvements are reflected in the reconciliation section of this report.

The combined indicated income approach tower and tower site improvement values are summarized by location in Table 5 below.



## INCOME CAPITALIZATION APPROACH

**Table 5**  
**Summary of Indicated Contributory Value of All Leases**

Row	A	B	C	D
Row	Cell Site Location	Indicated Contributory Value Tower Owner's Use of Tower Space	Indicated Contributory Value of Carrier Tenant Use of Tower Space	Total Contributory Value of All Leases to Tower and Tower Site Improvements
1	15 West Road	\$0	\$222,200	\$222,200
2	4 Greely Street	\$0	\$252,800	\$252,800
3	10 Park Ave	\$0	\$935,000	\$935,000
4	166 Bush Hill Road	\$58,000	\$0	\$58,000
5	193 Central Street	\$58,000	\$0	\$58,000
6	46 Trigate Road	\$0	\$316,000	\$316,000
7	22 Willet Drive/143 Dracut Road	\$0	\$58,000	\$58,000
8	19 Sagamore Park Road	\$0	\$927,600	\$927,600

With the exception of any site/land values which are shown in Table 2, Table 5 concludes the income approach to value for the cellular/wireless communication properties for this report. We rely on the income approach to value when adequate income information is available, and when each specific cellular site is considered to be fully occupied. We discuss our process of reconciling the overall value of each site in the reconciliation section that follows.

### **Summary of Concluded Value Estimates and Reconciled Value**

Reconciliation is the process of coordinating and integrating the facts used to develop a unified conclusion of value for the subject properties. In estimating the subject's market value, this report considers all three approaches to value, namely the cost approach, the sales approach, and the income approach.

Cellular and wireless communications properties are unique for several reasons. First, they are situated in very specific locations based on specific siting requirements of the carriers that will occupy the tower. They are also unique because in many cases competing companies occupy the same tower. Cell towers may be owned and operated by developers who only own the site and tower, or by a carrier that rents additional space to its competitors. Revenue streams flow to the various carriers and owners through leases and through revenues generated by packaging cellular phone, data, and streaming options to retail customers.

For this report, we consider only the revenues earned at the cell tower site through the actual payment (or assumed payment) of rent by the carriers for space on the tower (tower rents), and by the developer for the use of the land on which the tower is constructed (ground rent). We have identified the types of leases and our assumption of the revenue earned through those leases in our Land Value Estimation and Income Approach sections of this report. When our highest and best use analysis conclusion requires independent cell site valuation, we apply and rely on an income approach - direct capitalization methodology to estimate the valuation of the site/land. Similarly, when adequate income and expense information is known, or can be assumed based on market data for tenant carriers, we rely on the income capitalization approach – direct capitalization for the valuation of the tower and tower site improvements.

### **Cell Site/Land Value Reconciliation – Ground Rent**

For cell sites where the site/land is leased from the owner of underlying land, we generally capitalize a known, or an assumed, lease's net income based on market-based rents. In these cases, we rely on the income approach to value as the primary method of value for these leased sites.

In some cases, a cellular array may be located on an existing structure such as a chimney or steeple. In these cases, where the highest and best use of the existing improvements is not altered by the installation of the cellular array/s, we assume that the land value for that parcel, as established by the City's CAMA system is not changed by the cellular installation. Therefore, in these cases, the overall land value for that parcel is not changed due to the cellular installation so we do not recommend any additional land value be added to the CAMA land value.

### **Tower and Tower Site Improvement Value Reconciliation**

Carrier's lease payments generally flow to the owner of the tower, and we assume net income from these carrier leases, and we capitalize this assumed net income to arrive at an indicated value of the tower and tower site improvements by the income approach. In the event that the income approach indicated value is greater than the cost approach RCNLD for the tower and tower site improvements, we have concluded, in most cases, that when there are multiple leases on a tower, the combined, capitalized income indicated value best represents the fair market value of the tower and tower site improvements.

When the tower and tower site is occupied by only one tenant, or only by the carrier-owner, or the tower site occupancy is not fully stabilized, we generally consider the cost approach to value to best represent the fair market value of these improvements. In this instance, we rely on the cost approach as our primary method of value for these assets.

### **Carrier Improvement Value Reconciliation**

Cellular carrier tenants that lease space at a particular site own taxable assets that are separable from the assets owned by the owner of the underlying land, the owner of the tower, and of the assets owned by the other tenants at the same site. There is usually no discrete reported, or publicly available, revenue stream associated with these specific assets, and because of this, we estimate their value using the cost approach as our primary method of valuation. These assets are identified as "carrier improvements" and they are described in our discussion of Table 1.

Table 6 is a summary of reconciled values for the cellular/wireless communications properties in the Town. The values shown in Column L are our recommended market value of all the improvements, land and land rights for each PRC tax ID listed in Column C. Columns E through J illustrate all estimates of value by approach for the individual classes of property, and the reconciled value of that class by the chosen approach.

**Table 6  
Summary of Reconciled Value as of April 1, 2022**

Row	A	B	C	D	E	F	G	H	I	J	K	L
	Cell Site Location Address	Taxpayer	Property Record Card (PRC) ID	Property Type	Improvement RCN	Depreciation Amount	Improvement RCNLD	Income Approach Value	Reconciled Improvement Value by Type	Reconciled Improvement Value by PRC Tax ID	Site/Land Value	Total Market Value Including Site/Land by PRC Tax ID
1	15 West Rd	All New Development, LLC ATTN: Crown Castle	101-005-000	Tower Site / Land Owner	n/a	n/a	n/a	n/a	n/a	n/a	\$275,000	\$664,400
2		Crown Atlantic Company LLC/ Crown Castle	101-005-001	Tower Improvements	\$182,500	\$73,000	\$109,500	\$222,200	\$222,200	\$222,200	n/a	
3		Verizon	101-005-002	Carrier Improvements	\$182,900	\$73,200	\$109,700	n/a	\$109,700	\$109,700	n/a	
4		Sprint	101-005-003	Carrier Improvements	\$95,900	\$38,400	\$57,500	n/a	\$57,500	\$57,500	n/a	
5	4 Greely St	First Baptist Church of Hudson ATTN SBA Towers	176-034-000	Tower Site / Land Owner	n/a	n/a	n/a	n/a	n/a	n/a	\$313,200	\$596,900
6		SBA Towers	176-034-001	Tower Improvements	\$66,100	\$33,100	\$33,000	\$252,800	\$252,800	\$252,800	n/a	
7		AT&T	176-034-002	Carrier Improvements	\$17,200	\$4,700	\$12,500	n/a	\$12,500	\$12,500	n/a	
8		Omnipoint/T Mobile	176-034-003	Carrier Improvements	\$25,400	\$7,000	\$18,400	n/a	\$18,400	\$18,400	n/a	
9	10 Park Ave	Gringeri, Joseph J Sr Tr ATTN:SBA Towers	162-001-000	Tower Site / Land Owner	n/a	n/a	n/a	n/a	n/a	n/a	\$275,000	\$1,490,500
10		SBA Towers	162-001-001	Tower Improvements	\$115,900	\$63,700	\$52,200	\$935,000	\$935,000	\$935,000	n/a	
11		US Cellular	162-001-002	Carrier Improvements	\$155,300	\$7,800	\$147,500	n/a	\$147,500	\$147,500	n/a	
12		Verizon Wireless	162-001-004	Carrier Improvements	\$176,000	\$96,800	\$79,200	n/a	\$79,200	\$79,200	n/a	
13		Nextel	162-001-006	Carrier Improvements	\$19,900	\$6,000	\$13,900	n/a	\$13,900	\$13,900	n/a	
14		AT&T	162-001-006	Carrier Improvements	\$19,900	\$6,000	\$13,900	n/a	\$13,900	\$13,900	n/a	
15		Sprint	162-001-008	Carrier Improvements	\$37,100	\$11,100	\$26,000	n/a	\$26,000	\$26,000	n/a	
16	166 Bush Hill Rd	NH #1 Rural Cellular Inc.	208-008-000	Tower Site / Land Owner	n/a	n/a	n/a	n/a	n/a	n/a	\$225,000	\$340,200
17				Tower Improvements	\$55,000	\$30,300	\$24,700	\$58,000	\$58,000	\$58,000	n/a	
18				Carrier Improvements	\$127,200	\$70,000	\$57,200	n/a	\$57,200	\$57,200	n/a	
19	42 Griffin Rd	Eco Site/Verticle Bridge	126-032-001	Tower Site / Land Owner	n/a	n/a	n/a	n/a	n/a	n/a	\$275,000	\$459,400
20		Vertical Bridge	126-032-001	Tower Improvements	\$168,900	\$16,900	\$152,000	(\$46,600)	\$152,000	\$152,000	n/a	
21		T-Mobile	126-032-003	Carrier Improvements	\$36,000	\$3,600	\$32,400	n/a	\$32,400	\$32,400	n/a	
22	193 Central St	NSA Property Holdings LLC ATTN:Sprint	176-048-000	Tower Site / Land Owner	n/a	n/a	n/a	n/a	n/a	n/a	\$225,000	\$336,000
23		Sprint Spectrum	176-048-001	Tower Improvements	\$78,300	\$39,200	\$39,100	\$58,000	\$58,000	\$58,000	n/a	
24		Sprint Spectrum	176-048-001	Carrier Improvements	\$106,000	\$53,000	\$53,000	n/a	\$53,000	\$53,000	n/a	
25	46 Trigate Rd	Gerald Nash	219-001-001	Tower Site / Land Owner	n/a	n/a	n/a	n/a	n/a	n/a	\$225,000	\$1,049,500
26				Tower Improvements	\$203,300	\$142,300	\$61,000	\$316,000	\$316,000	\$316,000	n/a	
27				Small Tower Improvements	\$59,500	\$41,700	\$17,800	n/a	\$17,800	\$17,800	n/a	
28				Carrier Improvements	\$888,300	\$621,800	\$266,500	n/a	\$266,500	\$266,500	n/a	
29				Carrier Improvements	\$123,000	\$67,700	\$55,300	n/a	\$55,300	\$55,300	n/a	
30				Carrier Improvements	\$197,500	\$138,300	\$59,200	n/a	\$59,200	\$59,200	n/a	
31				Verizon	219-001-002	Carrier Improvements	\$106,000	\$58,300	\$47,700	n/a	\$47,700	
32	T-Mobile/Sprint	219-001-004	Carrier Improvements	\$80,000	\$18,000	\$62,000	n/a	\$62,000	\$62,000	n/a		
33	22 Willet Dr/143 Dracut Rd	American Tower	259-011-001	Tower Site / Land Owner	n/a	n/a	n/a	n/a	n/a	n/a	\$225,000	\$499,000
34				Tower Improvements	\$228,000	\$5,700	\$222,300	\$58,000	\$222,300	\$222,300	n/a	
35		T Mobile	259-011-002	Carrier Improvements	\$53,000	\$1,300	\$51,700	n/a	\$51,700	\$51,700	n/a	
36	19 Central St	Community Church of Hudson ATTN:Cingular Wireless	182-049-000	Tower Site / Land Owner	n/a	n/a	n/a	n/a	n/a	n/a	\$300,000	\$351,500
37		Cingular Wireless	182-049-001	Carrier Improvements	\$76,300	\$24,800	\$51,500	n/a	\$51,500	\$51,500	n/a	
38	19 Sagamore Park Rd	SBA Monarch Towers 1, LLC	221-008-001	Tower Site / Land Owner	n/a	n/a	n/a	n/a	n/a	n/a	\$275,000	\$1,472,100
39		SBA Monarch Towers 1, LLC	221-008-001	Tower Improvements	\$131,100	\$49,200	\$81,900	\$927,600	\$927,600	\$927,600	n/a	
40		New Cingular Wireless	221-008-002	Carrier Improvements	\$195,000	\$73,100	\$121,900	n/a	\$121,900	\$121,900	n/a	
41		Nextel	221-008-003	Carrier Improvements	\$26,500	\$8,000	\$18,500	n/a	\$18,500	\$18,500	n/a	
42		Verizon	221-008-004	Carrier Improvements	\$61,000	\$18,300	\$42,700	n/a	\$42,700	\$42,700	n/a	
43		AT&T	221-008-005	Carrier Improvements	\$123,500	\$37,100	\$86,400	n/a	\$86,400	\$86,400	n/a	

## **Appraisers' Certificate**

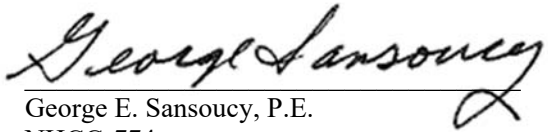
I certify that, to the best of my knowledge and belief;

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions that are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the properties that are the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the properties that are the subject of this report or to the parties involved with this assignment.
- I have not performed services, as an appraiser regarding the properties that are the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice (USPAP)*.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, George E. Sansoucy, P.E., has completed the Standards and Ethics Education requirement of the Appraisal Institute for Associate Members.
- A visual inspection was made of the properties that are the subject of this report on August 9, 2022 and September 6, 2022

## CERTIFICATION

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- Austin Sansoucy provided assistance in the development of the cost and income approaches, market analysis, field inspections, final valuations and report preparation/writing to the person signing this report.
- My opinion of the total fair market value, pursuant to RSA 75:1, and the NH Department of Revenue, Property Appraisal Division “600” Rules, Rev. 601.14, for the assessed properties identified in the report, as of April 1, 2022, is stated in the transmittal letter.



George E. Sansoucy, P.E.

NHCG-774

NH DRA Certified Property Assessor Supervisor

## ASSUMPTIONS AND LIMITING CONDITIONS

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### Assumptions and Limiting Conditions

1. Acceptance and/or use of this report constitutes full acceptance of the Assumptions and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the client or its designees to read in full, comprehend, and thus become aware of the Assumptions and Limiting Conditions. We assume no responsibility for any situation arising out of a failure to become familiar with and understand the report.
2. Unless otherwise specifically noted in the body of the report, it is assumed that title to the subject property or properties appraised is clear and marketable and that there are no matters or exceptions to title, either recorded or unrecorded, that would adversely affect marketability or market value of the subject property. We are not aware of, nor have we been advised of, any title defects other than those defects that are specifically described in the report. We have not examined title and makes no representations relative to the condition thereof. Additionally, other than those specifically noted in the report, we have not reviewed documents regarding liens, encumbrances, easements, deed restrictions, and other conditions that may affect the quality of title. Insurance against financial loss resulting in claims that may arise out of defects in the subject property's title should be sought from a qualified title company that issues or insures title to real property.
3. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the subject property or properties are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the structures/improvements have been engineered in such a manner that they, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. We have not been retained, in connection with this appraisal assignment, as an independent structural, mechanical, electrical, or civil engineer to perform engineering analyses on the condition of the subject property above and beyond our observations, data analysis, and experience regarding the relative condition of the improvements, which are necessary to develop an opinion of value for the appraisal. Unless otherwise specifically noted in the body of the report, no problems, either physical or functional, were brought to our attention by our client, the intended users of this report, the subject property's ownership or management, etc. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering reports exist, or are developed in the future, which indicate, negative factors relative to the condition of improvements/structures such

## ASSUMPTIONS AND LIMITING CONDITIONS

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information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported, we reserve the right to amend our appraisal conclusions.

4. Unless otherwise specifically stated in this report, we have not observed, and we have no knowledge of the existence of hazardous material, which may or may not be present on, or in, the property. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on, or in, the property that would cause a loss in value. If the client desires, or requires, an expert opinion as to the existence of hazardous materials on, or in, the subject property, the client is urged to retain an expert in this field. We are not hazardous materials experts, and we assume no responsibility for identifying, quantifying, or providing any advice to the client or any other party as to the existence of hazardous materials that may or may not be associated with the subject property.
5. Unless otherwise specifically stated in this report, no intangible property such as cash, receivables, working capital, prepaid expenses, royalties, patents, workforce valuation, trademarks or goodwill, which are not typically considered as real property, has been considered in the report. To the extent that personal property, as defined by individual states, and real property as defined by individual states, or any combination thereof, is specifically included in this report as tangible property for valuation based on the laws and regulations in effect as of the appraisal date.
6. Unless otherwise specifically stated in this report, it is assumed that all data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct. Any material error, which may be present in data or information provided to us could have a substantial impact on our assignment results and conclusions. Thus, if we are made aware of any such error, we reserve the right to amend our assignment results and conclusions reported in the report.
7. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
8. Unless otherwise specifically stated in this report, we are not aware of any contemplated public initiatives, governmental development controls, or additional regulatory controls that would significantly affect the value of the subject.
9. The estimate of market value, which may be stated within the body of this report,



## ASSUMPTIONS AND LIMITING CONDITIONS

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is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion, effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) considers the productivity and relative attractiveness of the property, both physically and economically, on the open market.

10. Projections of income, expenses, and economic conditions utilized in this report are not predictions of the future, but rather they are estimates of current market expectations for future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein.
11. Unless otherwise specifically stated in this report, it is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, national government, or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based.
12. We have identified our client and any intended users of this report in the body of the report. No other party, other than the client, is a party to the appraiser-client relationship for this assignment. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to our client, does not become an intended user of the report unless the client had specifically identified them at the time, we accepted the assignment.
13. We have identified the intended use of this appraisal in the body of the report. The scope of work for this assignment is based, in part, on the intended use of the appraisal, therefore any use of this report for any other purpose will invalidate its results.
14. This appraisal report, its attachments, and/or addenda may not be duplicated in whole or in part without the specific written consent of the appraiser nor may this report or copies hereof be transmitted to third parties without said consent, which consent the appraiser reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client and its designees. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of the appraiser, which consent the appraiser reserves the right to deny.

This report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a “sale” or “offer for sale” of any “security”, as such terms are defined and used in the Securities Act of 1933, as

## **ASSUMPTIONS AND LIMITING CONDITIONS**

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amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. The appraiser shall have no accountability or responsibility to any such third party.

15. Any value estimate provided in the report applies to the subject property as described, and any pro ration or division of the title of that property into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
16. Any allocation of the total valuation in this report between land and improvements applies only under the highest and best use as identified in the report. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable.
18. It is assumed that the subject property is, or will be, under prudent and competent management and ownership, and is neither inefficient nor super-efficient.
19. It is assumed that the subject property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
20. No survey of the boundaries of the subject property was undertaken. All acreage, areas measurements and dimensions furnished are presumed to be correct.
21. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, the appraiser has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since the appraiser has no specific information relating to this issue, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject property.