

# Hudson Logistics Center

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## Hudson, New Hampshire Fiscal Impact Analysis

June 2020

Prepared for:

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Hillwood  
66 E. Main Street, Unit 300I  
Westminster, MD 21157

Prepared by:



Barrett Planning Group LLC  
Plymouth, Massachusetts

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## Key Findings and Conclusions

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

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

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

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



## Introduction

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

### What is Fiscal Impact?

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

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



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

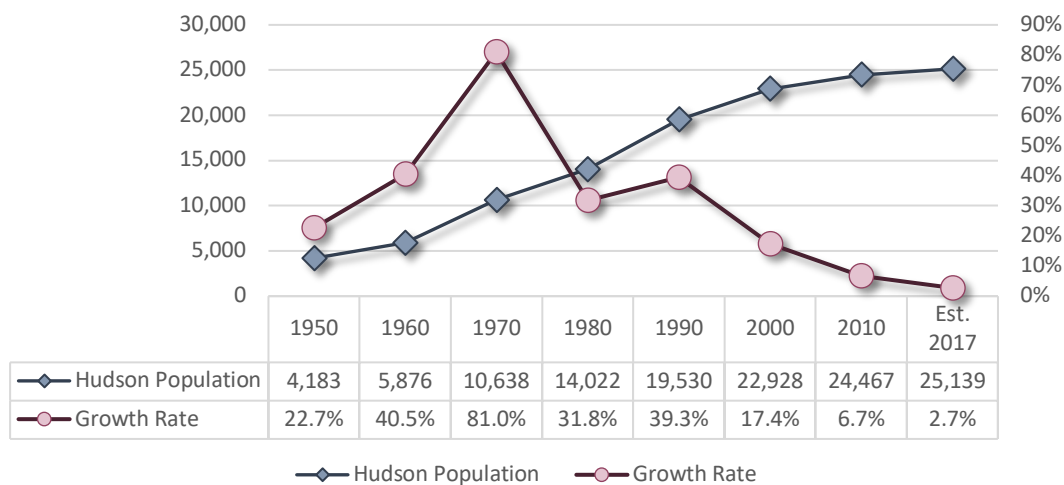
## Hudson Demographic Snapshot

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

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

**Fig. 1. Hudson Population Growth: 1990 to Present**

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



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





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

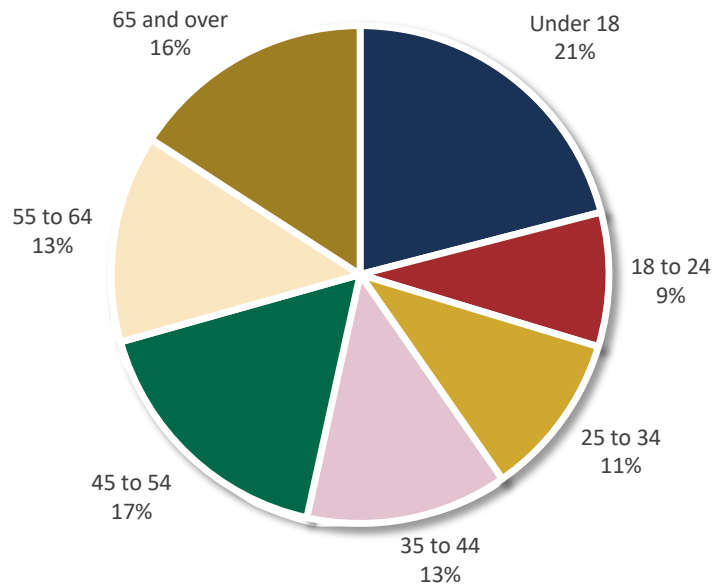
Hudson's current population is fairly well distributed across age cohorts (Fig. 2.). Overall, its population is slightly older than that of Hillsborough County and its average household is slightly larger, but the differences are small. More than half the town consists of working-age people, and 74 percent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

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

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

**Fig. 2. Hudson Population by Age Cohort**

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



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



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## Methodology and Analysis

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### Overview

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

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

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

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



## Comparison Developments

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

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

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

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

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

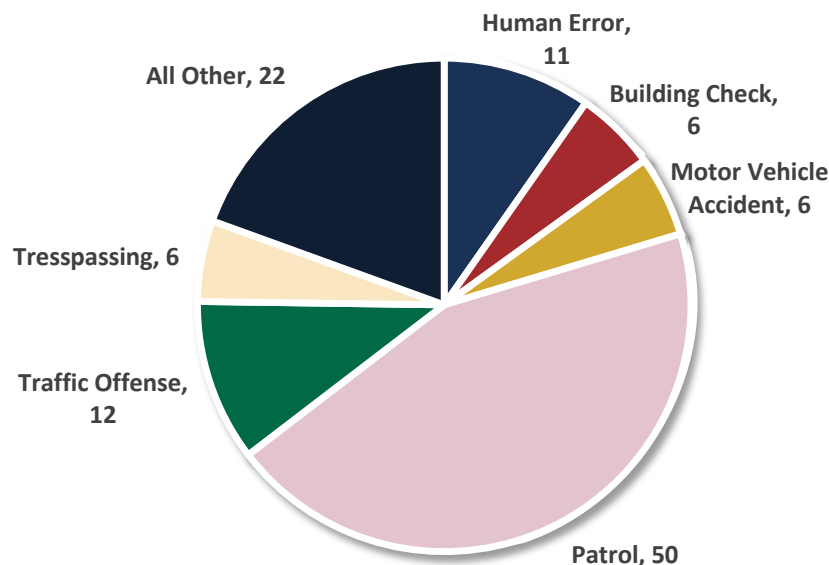


Manchester had in mind. In 2013, Londonderry created an Airport Area Tax Increment Financing (TIF) District to finance the infrastructure that would be needed to lure companies like UPS, FedEx, and F.W. Webb. We requested public safety data from the Londonderry Police and Fire Departments, using the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

According to the information we received, between 2017 and mid-June 2020 (39 months), the Londonderry Police responded to 113 calls generated at 52 Pettengill Road. Including all types of reported calls, the average incident rate per month is 2.9.<sup>5</sup> Fig. 3 categorizes the calls by type. As shown, 44 percent involved traffic stops by officers on patrol.

**Fig. 3. Number of Police Calls by Type, 2017-2020**  
**52 Pettengill Road, Londonderry**

(Source: Londonderry Police Department)



The Londonderry Fire Department reported 13 calls over the 12-month period from July 2019 and June 2020.<sup>6</sup> Almost all stemmed from fire alarm malfunction. Two involved emergency medical response to motor vehicle accidents. The average duration of each incident, meaning the average amount of time requiring Fire Department personnel, was 6.1 hours (about 80 hours total).

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

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



### Consultation with Hudson Town Departments

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

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

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

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

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



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

### **Proportional Valuation and Annual Cost of Municipal Services**

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

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

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



**Table 1. Proportional Valuation Analysis (FY 20 Dollars)<sup>7</sup>**

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

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

Numbers may not total due to rounding.

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





**Annual Revenue Estimate**

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

**Table 2. Basis for Estimate of Facility's Assessed Value**

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

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





Hudson Logistics Center  
Fiscal Impact Analysis

Building Valuation:	\$20,068,000
Land Valuation:	\$7,694,700
Total Valuation:	\$27,762,700
Prior Year:	\$25,791,100
Prior Year:	\$25,791,100
Replacement Cost (Built 2015)	\$12,226,903
<b>FEDEX SHIPPING FACILITY (Industrial Condo)</b>	
10 Industrial Drive	
	TOTAL CALC
Building Sq. Ft.	75,264 \$62.43
Land Area:	0 N/A
Building Valuation:	\$4,699,100
Land Valuation:	\$0
Total Valuation:	\$4,699,100
Prior Year:	\$4,315,100
Prior Year:	\$4,315,100
Replacement Cost (Built 2015)	\$4,214,784

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

**Table 3. Hudson Logistics Center Estimated Annual Tax Revenue**

						Tax Rate:	\$19.13
New Construction:	Building Area	Assessment*		Lot Area	Assessment	Total	Taxes
Building 1	1,079,700	\$67,875,200	Lot A	161.8	\$25,641,800	\$93,517,000	\$1,789,000
Building 2	1,000,700	\$62,908,900	Lot B	97.0	\$15,372,400	\$78,281,300	\$1,497,500
Building 3	<u>522,000</u>	<u>\$32,815,500</u>	Lot C	<u>108.6</u>	<u>\$17,210,700</u>	<u>\$50,026,200</u>	<u>\$957,000</u>
<b>Total</b>	<b>2,602,400</b>	<b>\$163,599,600</b>		<b>367.4</b>	<b>\$58,224,900</b>	<b>\$221,824,500</b>	<b>\$4,243,500</b>
*Building assessment is building area * \$62.86/sq. ft.							
**Land assessment is lot area (in sq. ft.) * \$3.64/sq. ft.							
***Tax rate is Hudson's FY20 rate of \$20.28 minus the county portion.							

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





## REPRESENTATIVE LIST OF PAST AND CURRENT ENGAGEMENTS

### Comprehensive Planning

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

### Fiscal & Economic Impact Analysis

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

### Zoning

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

### Judi Barrett

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## CONSULTANT & PUBLIC-SECTOR EXPERIENCE

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

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

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

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

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

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

### **Affordable Housing**

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

### **Technical Assistance & Strategic Planning**

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

### **EDUCATION**

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

### **PROFESSIONAL AFFILIATIONS & SERVICE**

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

### **RECENT CONFERENCE PRESENTATIONS**

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



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10 July 2020

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

Re: Hudson Logistics Center

Dear Mr. Alderman,

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

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

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



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

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

Sincerely,

Terri Magnani  
John Grosso, CFA

**TRIMONT.**

July 2020

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

**SUMMARY**

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

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

**CONCLUSION**

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

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

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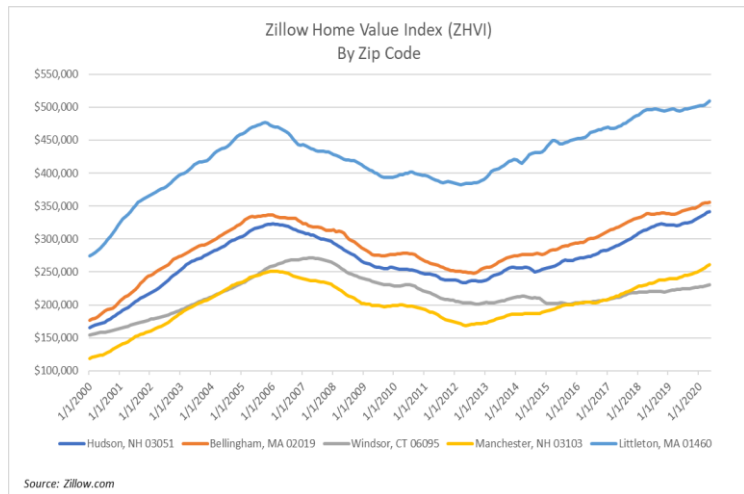
<sup>1</sup> MLS Property Information Network is a database of approximately 23,165 properties for sale and more than 3 million off-market listings as well as full public records for all of Massachusetts and Rhode Island and much of New Hampshire. MLS data was not available at the time of publication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

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

**THE ANALYSIS**

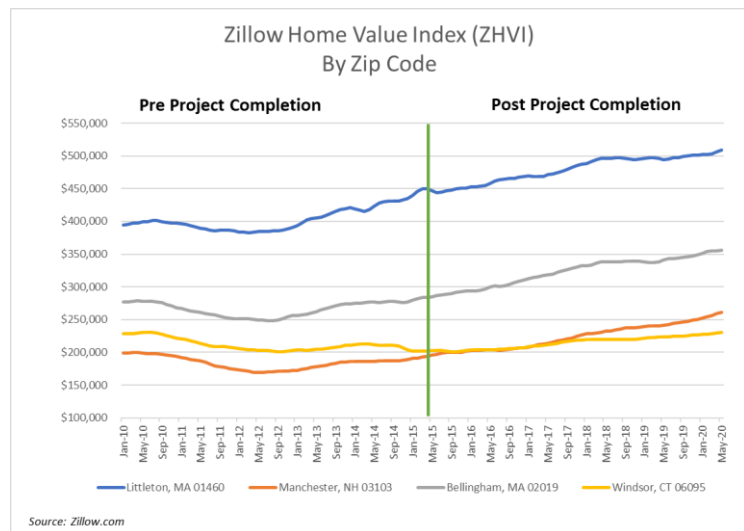
Trimont examined the change in home values for single family residential homes (“homes”) from 2011 through June 2020 for the Property as well as comparable sales to determine if there was an impact in home values following the construction of each commercial project. The developments examined included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

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



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

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



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



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

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

Source: MLS Property Information Network, Inc.

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

### 355 Maple St Bellingham, MA 02019

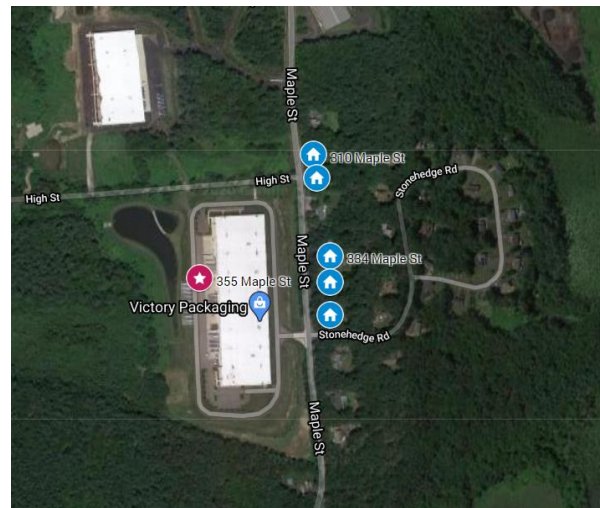
355 Maple Street is a 249,972 square foot warehouse located along Maple Street in Bellingham, Massachusetts. The property was originally constructed in 2015 and features 22 exterior dock doors, 34' clear heights, and is located less than a mile from I-495. The property is currently 100% occupied by Victory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

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

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

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

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

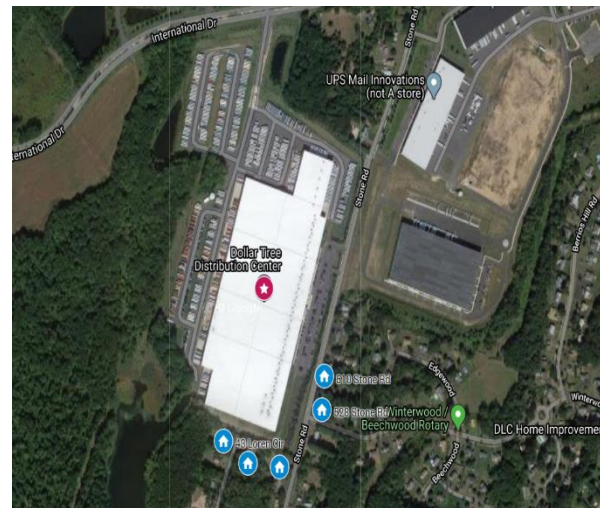




99 International Dr Windsor, CT 06095

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

Industrial Development: 99 International Dr Windsor, CT 06095			
Year Built: 2013			
Zillow Data <sup>1</sup>	After Completion		
	2014 - 2020 Average Annual Growth Rate		# of Observations
<b>SF Homes Neighboring Property<sup>2</sup></b>	<b>CAGR</b>		
43 Loren Cir	0.10%	1.21%	
44 Loren Cir	0.33%	1.84%	
559 Stone Rd	1.02%	2.31%	
528 Stone Rd	-0.52%	1.47%	
510 Stone Rd	0.03%	1.92%	
	<b>Min:</b>	<b>-0.52%</b>	<b>1.21%</b>
	<b>Max:</b>	<b>1.02%</b>	<b>2.31%</b>
	<b>Average:</b>	<b>0.19%</b>	<b>1.75%</b>
<b>Control Scenario:</b>			
Zip Code: 06095	1.16%	1.60%	
County: Hartford County	0.83%	1.22%	
<b>MLS Data<sup>3</sup></b>			
Avg. Sale Price - 1 Mile Radius (\$/SF):			
# of Observations			
Avg. Sale Price - 2 Mile Radius (\$/SF):			
# of Observations			
Avg. Sale Price - County (\$/SF):			
# of Observations			



<sup>1</sup>MLS Property Information Network is a database of approximately 23,165 properties for sale and more than 3 million off-market listings as well as full public records for all of Massachusetts and Rhode Island and much of New Hampshire. MLS data was not available at the time of publication for 99 International Drive in Walton, CT.  
<sup>2</sup>Properties that abutt, across from, or within close proximity of the Industrial Development.  
<sup>3</sup>MLS information was not available.

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

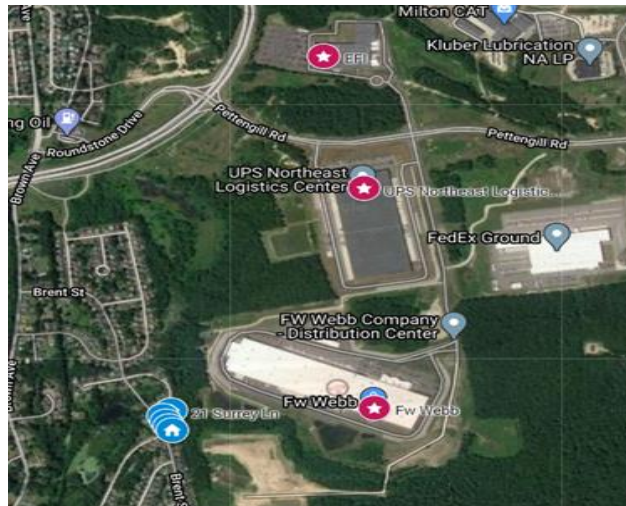
The Airport Portfolio consists of 1,639,240 square feet of warehouse, manufacturing, and distribution space across three buildings in Londonderry, New Hampshire. The properties include 68 Harvey Road, 12 Webb Drive, 12 Innovation Way, and 52 Pettengill Road which are all located within 1.5 miles of each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

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

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

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

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



### 3 Distribution Center Circle Littleton, MA 01460

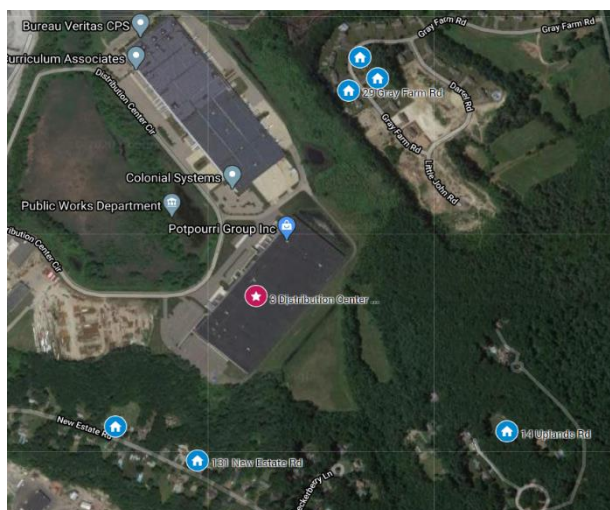
3 Distribution Center Circle is a 450,000 square foot distribution center located along Distribution Center Circle in Littleton, Massachusetts. The property was originally constructed in 2015 and features 23 exterior dock doors, 32' clear heights, and a full loading dock package including seals, lights,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

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

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

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

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







Industrial Development: 99 International Dr Windsor, CT 06095																			
Year Built: 2013 Sq. Ft.: 1,015,183																			
Zillow Data <sup>1</sup> Year Built											Before Completion			After Completion			Total		
SF Homes Neighboring Property <sup>2</sup>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	CAGR	2011 - 2013 Average Annual Growth Rate	# of Observations	CAGR	2014 - 2020 Average Annual Growth Rate	# of Observations	CAGR	2011 - 2020 Average Annual Growth Rate	# of Observations
43 Loren Cir		-6.66%	-8.18%	7.53%	2.75%	-3.93%	2.42%	4.08%	-4.25%	-0.13%	-7.13%	-7.42%		0.10%	1.21%		-0.83%	-0.71%	
44 Loren Cir		-13.43%	-0.32%	9.18%	-14.88%	-0.68%	5.66%	5.79%	1.07%	6.78%	-6.82%	-6.87%		0.33%	1.84%		-0.44%	-0.09%	
559 Stone Rd		-4.27%	-6.26%	8.97%	-11.04%	4.35%	-0.18%	6.97%	2.90%	4.22%	-5.06%	-5.26%		1.02%	2.31%		0.43%	0.63%	
528 Stone Rd		-6.30%	-13.96%	12.77%	-1.42%	7.88%	-0.29%	-5.03%	2.07%	-5.70%	-9.82%	-10.13%		-0.52%	1.47%		-1.38%	-1.11%	
510 Stone Rd		-11.79%	-0.11%	12.12%	-11.30%	2.58%	5.41%	6.81%	-2.81%	0.64%	-5.89%	-5.95%		0.03%	1.92%		-0.11%	0.17%	
											Min: -9.82%	-10.13%		-0.52%	1.21%		-1.38%	-1.11%	
											Max: -5.06%	-5.26%		1.02%	2.31%		0.43%	0.63%	
											Average: -6.94%	-7.13%		0.19%	1.75%		-0.47%	-0.22%	
<b>Control Scenario:</b>																			
Zip Code: 06095		-6.89%	-0.72%	3.98%	-4.74%	0.72%	2.49%	5.21%	0.90%	2.65%	-3.70%	-3.81%		1.16%	1.60%		0.32%	0.40%	
County: Hartford County		-6.83%	-0.38%	3.43%	-3.53%	1.32%	2.62%	2.94%	0.59%	1.17%	-3.51%	-3.60%		0.83%	1.22%		0.10%	0.15%	
<b>MLS Data<sup>3</sup> *** MLS Data not available</b>																			
Avg. Sale Price - 1 Mile Radius (\$/SF):																			
# of Observations																			
Avg. Sale Price - 2 Mile Radius (\$/SF):																			
# of Observations																			
Avg. Sale Price - County (\$/SF):																			
# of Observations																			

Industrial Development: 68 Harvey Road / 10 Webb Drive / 12 Innovation Way / 52 Pettengill Rd Manchester, NH 03103 (Manchester - Boston Regional Airport)																			
Year Built: 2015 - 2018 Sq. Ft.: 1,639,240																			
Zillow Data <sup>1</sup> Year Built											Before Completion			After Completion			Total		
SF Homes Neighboring Property <sup>2</sup>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	CAGR	2011 - 2015 Average Annual Growth Rate	# of Observations	CAGR	2016 - 2020 Average Annual Growth Rate	# of Observations	CAGR	2011 - 2020 Average Annual Growth Rate	# of Observations
21 Surrey Ln		7.53%	0.78%	4.71%	-1.75%	6.71%	2.67%	19.39%	1.80%	0.43%	2.70%	2.82%		5.80%	6.20%		4.49%	4.70%	
328 Brent St		-2.37%	-7.02%	12.61%	-1.81%	7.67%	12.98%	4.45%	3.39%	9.80%	0.09%	0.35%		7.58%	7.66%		4.16%	4.41%	
336 Brent St		-12.26%	5.46%	7.91%	5.57%	4.64%	10.56%	4.94%	2.90%	8.53%	1.30%	1.67%		6.68%	6.31%		4.01%	4.25%	
350 Brent St		-5.10%	-3.10%	11.38%	0.21%	3.13%	15.46%	6.24%	2.51%	7.83%	0.64%	0.85%		7.90%	7.03%		4.05%	4.28%	
358 Brent St		-7.78%	-8.68%	17.23%	2.27%	4.26%	3.74%	7.59%	3.90%	4.87%	0.23%	0.76%		5.01%	4.87%		2.75%	3.04%	
											Min: 0.09%	0.35%		5.01%	4.87%		2.75%	3.04%	
											Max: 2.70%	2.82%		7.90%	7.66%		4.49%	4.70%	
											Average: 0.99%	1.29%		6.60%	6.42%		3.89%	4.14%	
<b>Control Scenario:</b>																			
Zip Code: 03103		-9.76%	-0.50%	7.51%	2.66%	6.20%	2.79%	9.65%	4.84%	5.32%	-0.22%	-0.02%		5.62%	5.76%		3.01%	3.19%	
County: Rockingham County		-5.20%	2.12%	8.67%	2.23%	5.66%	4.88%	8.40%	4.53%	1.80%	1.80%	1.95%		4.87%	5.05%		3.56%	3.68%	
<b>MLS Data<sup>3</sup></b>																			
Avg. Sale Price - 1 Mile Radius (\$/SF):																			
# of Observations																			
Avg. Sale Price - 2 Mile Radius (\$/SF):																			
# of Observations																			
Avg. Sale Price - County (\$/SF):																			
# of Observations																			

Industrial Development: 3 Distribution Center Circle Littleton, MA 01460																		
Year Built: 2015 Sq. Ft.: 450,000																		
Zillow Data <sup>1</sup> Year Built											Before Completion			After Completion			Total	
SF Homes Neighboring Property <sup>2</sup>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011 - 2015			2016 - 2020			2011 - 2020	
											CAGR	Average Annual Growth Rate	# of Observations	CAGR	Average Annual Growth Rate	# of Observations	CAGR	Average Annual Growth Rate
14 Uplands Road*		-3.06%	3.73%	3.78%	10.60%	0.53%	2.26%	2.58%	15.61%	3.56%	3.57%	3.76%	5.86%	4.91%	4.23%	4.40%		
26 Gray Farm Rd		-4.97%	6.09%	0.39%	8.60%	2.97%	1.34%	0.61%	1.41%	6.82%	2.34%	2.53%	2.51%	2.63%	2.49%	2.58%		
30 Gray Farm Rd		-4.89%	6.04%	-1.78%	1.42%	5.81%	1.89%	2.27%	3.82%	5.19%	0.11%	0.20%	3.28%	3.80%	2.12%	2.20%		
161 New Estate Rd		-3.90%	0.20%	0.82%	14.37%	2.09%	5.13%	9.32%	4.84%	3.49%	2.59%	2.87%	5.67%	4.97%	3.88%	4.04%		
131 New Estate Rd*		-2.81%	5.13%	3.25%	9.90%	4.13%	-2.20%	8.23%	-2.63%	5.13%	3.69%	3.87%	2.03%	2.53%	3.00%	3.13%		
* First data point is July 2011											Min:	0.11%	0.20%	2.03%	2.53%	2.12%	2.20%	
											Max:	3.69%	3.87%	5.86%	4.97%	4.23%	4.40%	
											Average:	2.46%	2.65%	3.87%	3.77%	3.14%	3.27%	
<b>Control Scenario:</b>																		
Zip Code: 01460		-3.18%	2.45%	6.72%	4.79%	2.86%	3.79%	3.92%	1.68%	1.26%	2.57%	2.70%	2.65%	2.70%	2.64%	2.70%		
County: Middlesex County		-3.78%	4.08%	8.13%	5.47%	3.96%	5.44%	6.59%	3.15%	1.12%	3.31%	3.48%	4.05%	4.05%	3.71%	3.80%		
<b>MLS Data<sup>3</sup></b>																		
Avg. Sale Price - 1 Mile Radius (\$/SF):		24.02%	2.53%	0.08%	24.79%	-11.29%	12.14%	4.18%	-12.60%	33.01%	11.99%	12.86%	7.95%	5.09%	7.40%	8.54%		
# of Observations	30	38	37	35	57	61	38	46	37	17		197		199		396		
Avg. Sale Price - 2 Mile Radius (\$/SF):		4.71%	4.08%	9.10%	5.98%	9.82%	-5.12%	4.57%	-3.94%	13.22%	5.82%	5.97%	1.92%	3.71%	4.51%	4.71%		
# of Observations	47	53	59	56	75	96	70	79	69	31		290		345		635		
Avg. Sale Price - County (\$/SF):		2.93%	6.75%	6.71%	5.06%	2.10%	6.13%	6.53%	1.53%	4.69%	5.24%	5.36%	4.70%	4.20%	4.65%	4.71%		
# of Observations	2,548	3,084	3,478	3,500	3,934	4,030	3,934	3,756	3,802	1,030		16,544		16,552		33,096		

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

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

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



JULY 2020

**SUMMARY MEMO***THE IMPACT OF COMMERCIAL DEVELOPMENT ON SURROUNDING RESIDENTIAL PROPERTY VALUES*

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

**SUMMARY**

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

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

**WILEY STUDY CONCLUSION**

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

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

**SELECTED EXCERPTS**

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

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

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

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

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

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

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

#### **ADDITIONAL COMMENTARY**

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

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

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

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

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



**WESLEY G. REEKS, MAI**  
Real Estate Appraisers · Consultants

Wesley G. Reeks, MAI  
Jeffrey S. Bradley  
Teofelia M. Tyler

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28 July 2020

Gary Frederick  
Senior Vice President/Market Leader-Northeast  
Hillwood Enterprises, LP  
Northeast Regional Office  
5050 West Tilgham Street, Suite 435  
Allentown, Pennsylvania 18104

RE: Market data research and analysis associated with the proposed Hudson Logistics Center in Hudson, New Hampshire

Dear Mr. Frederick:

In accordance with your request, I have collected and analyzed market data in order to determine potential impacts on nearby residential dwelling values of the proposed Hudson Logistics Center. As per your instructions, this study and its conclusions are disseminated in the attached report.

This is an *Appraisal Services Report* that complies with requirements set forth in Standards Rule 1 and the reporting requirements set forth in Standards Rule 2 of the Uniform Standards of Professional Appraisal Practice (USPAP). As such, it presents required statements and definitions as required therein. The attached report includes the sufficient data and analysis to develop and convey the ultimate conclusions. Additional data are included in the appraiser's work file. The intended use of this appraisal service is to assist in determining if the proposed Hudson Logistics Center will impact market values of nearby residential dwellings. The client is Hillwood Enterprises, LP. The intended user(s) is(are) Hillwood Enterprises, LP and the Town of Hudson, New Hampshire Planning Board. The depth of discussion contained in this report is specific to the needs of the client and the intended use stated herein.

This investigation and analysis concludes there will be no discernable impacts to the market value of residential family dwellings in the vicinity of the proposed Hudson Logistics Center.

If you have questions or comments concerning this appraisal, please feel free to contact me. Thank you for allowing me to be of service to you.

Sincerely yours,

Wesley G. Reeks  
Certified General Appraiser CG411  
State of New Hampshire



**MARKET DATA RESEARCH AND ANALYSIS**

## Introduction

The scope of this appraisal service consisted of:

- Site visit and inspection of Green Meadow Golf Course and the surrounding neighborhood areas;
- Collection of market data related to market conditions and activity;
- Review of site plans of the proposed logistics facility;
- Research and inspection of the comparable data utilized herein;
- Analysis of the comparable data as it relates to the proposed facility; and
- Providing our analysis and findings in this report

The purpose of this appraisal service is to provide market data research and analysis relating to properties located within the vicinity of the Green Meadow Golf Course in Hudson, New Hampshire. The effective date of this appraisal service is 24 July 2020. The function or intended use of this appraisal service is to assist in determining if the proposed Hudson Logistics Center will impact market values of nearby residential dwellings. The client is Hillwood Enterprises, LP. The intended user(s) is(are) Hillwood Enterprises, LP and the Town of Hudson, New Hampshire Planning Board. Property rights considered in this appraisal service are those of the fee simple estate which is defined as the absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

To the extent that sales prices and market values are analyzed in this appraisal service, market value is defined as: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

## Area Description

The Town of Hudson is located in the south-central portion of New Hampshire and is bordered by the Massachusetts state line to the south. This general area is known as the Gateway Region of the state. It is immediately across the Merrimack River from Nashua, the county seat for Hillsborough County and the second largest city in the state. Hudson is 18 miles southerly of Manchester, the state's largest city, and 45 miles northwesterly of Boston, Massachusetts, the center of commerce in the New England region. As of the 2010 Census, population of the town proper is 24,467 which is 6.1% of the total population of Hillsborough County. The Nashua metro area of which Hudson is a part has a population is 273,879.

Highway access to Hudson is very good via the Everett Turnpike (US Route 3), a major north/south, controlled-access artery bisecting Nashua. There is a major interchange from the Turnpike serving a short spur expressway (one mile) over the Merrimack River into the southern portion of Hudson known as Circumferential Highway or Sagamore Bridge Road. It ends at Route 3A (Lowell Road),

the primary north/south commercial artery in the town. The proposed Hudson Logistics Center is in the southwest quadrant of this intersection. The Everett Turnpike extends north from this spur interchange 18 miles to Manchester where it interchanges with Interstate 93 which serves the northern portion of the state including Concord, the State Capital. The Turnpike (US Route 3) extends south into Massachusetts where it interchanges with Interstate Loops 495 and 95, the outer and inner loop systems around Boston. Both loops serve the Massachusetts Turnpike (Interstate 90) which extends west through Massachusetts to the New York State border.

Growth in all real estate sectors is projected in the next several years, notwithstanding COVID-19, and the long-term outlook for Hudson is very good due to its proximity to major highway links in New England, its proximity to the Boston metropolitan area, and the good overall quality of life offered in New Hampshire.

### **Neighborhood Description**

The neighborhood includes the southern portion of Hudson. This is a mixed-use area with commercial and light industrial uses along Route 3A (Lowell Road) and Route 111 intermingled with residential properties. There is industrial development along and off Route 111 in the central portion, commercial along Route 111 near the Hudson town center, dense commercial along Lowell Road, a large industrial park in the northwest quadrant of Lowell Road and Sagamore Bridge Road known as Sagamore Industrial Park, and mostly residential uses along secondary streets and side streets.

### **Green Meadow Golf Club**

Originally developed around 1960 as a 9-hole public golf course, Green Meadow Golf Club has grown to include two 18-hole courses. The golf courses consist of two, contiguous assessment parcels designated as Map 239, Lot 1 containing 346.047 acres and Map 234, Lot 5 containing 46.020 acres for a total land area of 392.067 acres. It is irregularly-shaped and is situated in the southwest quadrant of Lowell Road and Sagamore Bridge Road. Topography is gently rolling hills with a general downward slope to the west toward the Merrimack River. The sites are zoned “G-1”, General One District which permits uses including single family, commercial, industrial, and institutional. The existing golf course is a conforming use.

At the time Green Meadows was developed, the F. E. Everett Turnpike was in its infancy having been constructed in the late 1950's. It did not provide direct service to the then two-lane bridge over the Merrimack River to Lowell Road. Around 2000, this was replaced with a modern, 4- to 6-lane expressway bridge with a large interchange at the Turnpike, connecting the Turnpike to Lowell Road. Although still popular with golfers in south-central New Hampshire and northeastern Massachusetts, additions of this modern infrastructure has increased demand for commercial and industrial development in the neighborhood, and increased land values to the point whereby large recreational uses are no longer the highest and best use of this site.

Proposed for the golf club site is three-lot, three-building, distribution center totaling approximately 2,600,000 square feet to be known as the Hudson Logistics Center. Preliminary plans indicate Lot A will be at the northerly end of the development adjacent to Sagamore Bridge Road. Lots B and C will be side-by-side at the southerly end of the development adjacent to a proposed roadway known as Green Meadow Drive. Primary access will be from a dedicated roadway off Lowell Road to be known as Green Meadow Drive, and secondarily from the end of Walmart Boulevard to Lot A. Roughly 230 acres, or 59% of the site's 392.067 acres will reportedly be preserved as green space.

**Green Meadows Subdivision**

Green Meadows Subdivision is a single family subdivision developed in the late 1970's and early 1980's on a 122-acre site adjacent to the south of Green Meadow Golf Club. The subdivision includes 78 lots on five streets and is accessed from Route 3A (River Road) via Chalifoux Road. Of the 78 lots, a total of 18 along Fairway Drive and Eagle Drive abut to the back of the golf course property. Typical dwellings in the subdivision range from one-story ranch-style to two-story colonials with approximately 1,800 to 2,700 square feet. Assessed values fall in a range of roughly \$330,000 to \$435,000.

The table below lists sales of residential properties in Green Meadows that have sold since 2010. Sales since 2016 are within this range from \$330,000 to \$400,000, and about \$146 to \$198 per square foot. There is a prominent increasing trend in sales prices, particularly in the past three to four years. Those sales marked with a single asterisk (\*) are sites which back to the golf course. Of significance is the dwellings that do not front the golf course sell for similar amounts per square foot as those 18 sites along Fairway and Eagle abutting the golf course. These data indicate the market does not perceive a benefit in the form of increased market value from living on a lot which directly abuts the golf course. Furthermore, the site marketed with a double asterisk (\*\*) currently is under agreement. The listing (asking) price is \$424,900, but the contract price was not disclosed. However, based on a 5-day marketing time, it is likely the contract price is at or near the listing price. Incidentally, this property previously sold in August 2015 indicating an average annual increase in value of 4.6%. The "Conclusion" on page 14 provides more information on this property sale.

Year	Property	Sales Price	SF	Price/SF
2010	7 Fairway *	\$279,000	2,472	\$112.86
	11 Par	\$322,500	2,504	\$128.79
2011	12 Eagle *	\$313,500	2,672	\$117.33
	16 Par	\$292,500	1,978	\$147.88
2012	6 Eagle *	\$295,000	2,058	\$143.34
	14 Muldoon	\$272,500	2,100	\$129.76
	3 Birdie	\$278,000	1,862	\$149.30
2013	13 Fairway *	\$315,000	2,652	\$118.78
	22 Par	\$313,700	2,058	\$152.43
2014	8 Eagle *	\$310,000	2,150	\$144.19
	5 Muldoon	\$315,000	2,086	\$151.01
	6 Birdie	\$335,000	2,100	\$159.52
2015	20 Fairway	\$345,000	2,156	\$160.02
2016	21 Fairway *	\$350,000	2,012	\$173.96
	9 Muldoon	\$330,000	2,254	\$146.41
2017	7 Eagle	\$385,000	2,200	\$175.00
	11 Muldoon	\$375,000	1,896	\$197.78
	9 Muldoon	\$385,000	2,254	\$170.81
2019	8 Muldoon	\$400,000	2,086	\$191.75
2020	20 Fairway **	\$424,900	2,156	\$197.08





**Green Meadow Photographs**

Taken on 25 and 28 July 2020



Hole 3 along the southerly end of the golf course



Fairway of Hole 3



Fairway and green of Hole 3



View from fairway toward dwelling on Fairway



View from fairway to dwelling on Eagle Drive



Typical dwelling on Fairway Drive



Typical dwelling on Eagle Drive



Eagle Drive

**Ridgecrest Subdivision**

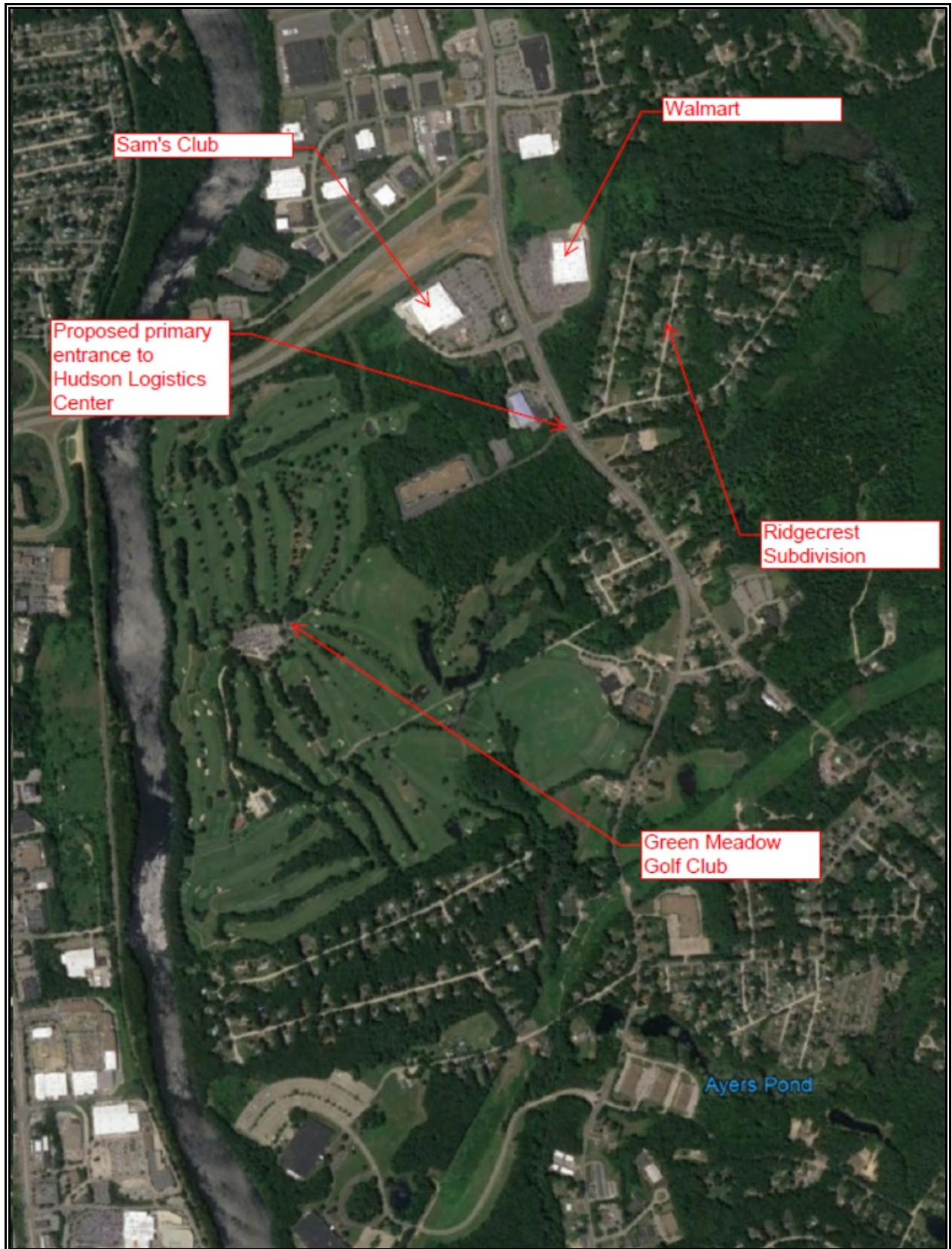
Ridgecrest Subdivision is a single family subdivision developed in the mid-1960's on a 75-acre site on the easterly side of Lowell Road near Green Meadow Golf Club. The subdivision includes 78 lots on five streets and is accessed from Route 3A (Lowell Road) at a signaled intersection at Rena Lane. The primary entrance to the proposed Hudson Logistics Center will be at this intersection directly opposite Rena Lane. Typical dwellings in the subdivision range from one-story, ranch-style to split-level colonials with approximately 1,000 to 2,500 square feet. Assessed values fall in a range of roughly \$330,000 to \$350,000.

Below are the market sales transactions in Ridgecrest since 2010. Sales from 2010 to 2014 were two to four houses per year; however, since 2014, only two have sold. This is an indication of the stability of residential living in this subdivision and the general area. Further evidence is that currently, no houses are listed for sale in Ridgecrest. Prices per square foot increased steadily from 2011 to 2014 and are within a range from \$110 to \$176 per square foot. Then, after a 5-year period of no sales, the price jumped to an average of just over \$250 per square foot for the sales in 2019 and 2020. For comparison, the average sales price per square foot for 2013-14 is \$156.50 and the average for 2019-20 is \$251.26, an increase of 60%.

Of particular consequence in this analysis is the most recent sale at 18 Ridgecrest. This property was listed for sale on 1 May 2020 for \$354,900, *after* the proposed Hudson Logistics Center became public knowledge. The property sold in three (3) days for \$355,000.

Year	Property	Sales Price	SF	Price/SF
2011	8 Ridgecrest	\$275,000	2,496	\$110.18
	11 Rita	\$205,000	1,632	\$125.61
2012	2 Ridgecrest	\$159,900	1,248	\$128.13
	13 Rita	\$201,000	1,380	\$145.65
2013	4 Rose	\$225,000	1,428	\$157.56
	9 Ridgecrest	\$197,000	1,240	\$158.87
	16 Ridgecrest	\$272,500	1,544	\$176.49
	1 Rose	\$240,000	1,803	\$133.11
2014	10 Rega	\$153,000	960	\$159.38
	17 Ridgecrest	\$177,000	1,016	\$174.21
	4 Ridgecrest	\$171,000	1,056	\$161.93
	8 Rega	\$239,165	1,834	\$130.41
2019	2 Ridgecrest	\$297,500	1,248	\$238.38
2020	18 Ridgecrest	\$355,000	1,344	\$264.14







**Ridgecrest Photographs**

Taken on 2 August 2020



View looking from proposed entrance to Rena Avenue



View looking from Rena Avenue to proposed entrance



Lowell Road looking northerly, Rena Avenue at right



View along Rena Avenue



Typical dwelling in Ridgecrest Subdivision



Typical dwelling in Ridgecrest Subdivision

## Methodology

In order to determine if redevelopment of Green Meadow Golf Club with the proposed Hudson Logistics Center will impact the market value of nearby residential family housing, research was conducted on similar development scenarios in New Hampshire. Due to its somewhat secluded nature in northern New England, large distribution facilities are limited. However, there are two which have similar characteristics – Pettengill Commerce Park in Londonderry and the Walmart regional distribution facility in Raymond. The former, like the subject, is a multi-building warehouse distribution development, while the latter is a single large distribution warehouse.

## Pettengill Commerce Park

Pettengill Commerce Park is a 10-lot, 375± acre industrial park on the south side of the Manchester-Boston Regional Airport in Londonderry, New Hampshire. Initial development was in 2013 following completion of a new expressway bridge over the Merrimack River linking the Everett Turnpike to the airport and the industrial area to the south of the airport. Much like the proposed development, this short, controlled-access artery and bridge opened the area to major development. The three largest properties in Pettengill are a FedEx Ground facility with 304,000 square feet completed in 2014, a UPS Northeast Logistics Center with 603,000 square feet completed in 2015, and an F. W. Webb distribution facility with 768,000 square feet completed in 2016. Now underway on an adjacent site is a 142,000 distribution facility for Belevance Beverage Company. There is a 57-acre vacant parcel in the southwesterly portion of the development. Other sites are smaller and to the north.

Of interest in this case is the Webb facility as well as the 57-acre vacant parcel. Both are located along westerly edge of this development formed by the Londonderry/Manchester line. Contiguous with these two lots to the west is a single family subdivision in Manchester known as Trolley Crossing which was developed between 1985 and 1990. Typical dwellings within Trolley Crossing are 1,500 to 2,100 square feet with assessments ranging from \$200,000 to \$235,000. Recent sales are \$135 to \$200 per square foot. Within this development are three streets – Brent Street, Charlotte Street and Surrey Lane – which front the Pettengill land. Based on aerial imagery and the Londonderry GIS system, the building is within 600 to 800 feet from the dwellings and driveways and truck aprons within about 400 feet. Practically the entire 400 feet is buffered by rolling hills and dense, mature trees. Depending on building placement, development of the 57-acre parcel will be somewhat closer to houses along Brent Street.

To the extent that the dwellings are impacted by the Webb facility, focus is on the end of northerly end of Brent Street, the southerly end of Charlotte Street, and several lots along Surrey Lane which are between the two. Those dwellings along the easterly side back to Pettengill and with a similar forested buffer.

## Pettengill Commerce Park Analysis

To ascertain potential impacts of Pettengill (particularly the F. W. Webb facility) on residences in Trolley Crossing, comparative analysis of sales and re-sales is used. In this instance, the starting point of the research is 2009 which coincides with the start of the economic recovery after the 2007 mortgage crisis. Research of lots from 317 Charlotte south to 197 Charlotte, to lots on Surrey Lane, and 328 Brent south to 546 Brent indicated that there are seven (7) sales and re-sales of dwellings between 2009 and 2020. Stretches of these streets between those address are directly adjacent to the Webb facility. Several show sales prior to any knowledge of the Pettengill project, while others are

later and closer together whereby both sales closed after the completion of construction. The data are presented in the following table.

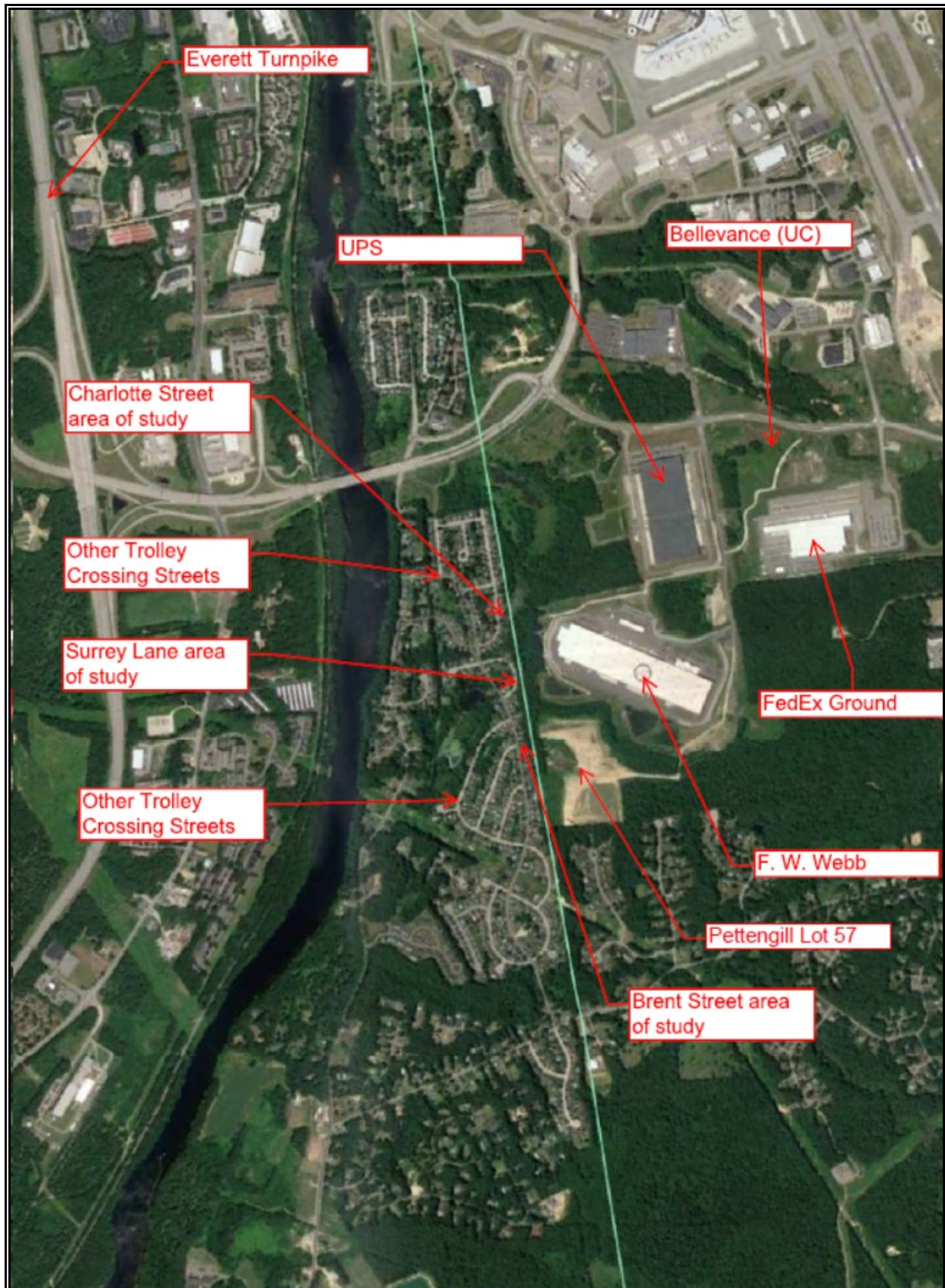
<b>Trolley Crossing Properties Along Pettengill Boundary</b>									
Address	SF	Sale Date	Sale Price	SP/sf	Re-Sale Date	Re-Sale Price	SP/sf	Val Chg	Ann VC
281 Charlotte	1,652	5/4/2009	\$180,000	\$108.96	2/28/2017	\$220,000	\$133.17	22.2%	2.8%
293 Charlotte	1,867	6/1/2015	\$233,500	\$125.07	2/11/2019	\$265,000	\$141.94	13.5%	3.6%
472 Brent	1,530	11/16/2010	\$235,000	\$153.59	4/17/2020	\$304,000	\$198.69	29.4%	3.1%
524 Brent	1,666	6/20/2012	\$203,000	\$121.85	7/17/2014	\$231,900	\$139.20	14.2%	6.9%
536 Brent	1,632	6/27/2014	\$239,500	\$146.75	6/8/2020	\$325,000	\$199.14	35.7%	6.0%
566 Brent	1,428	10/29/2009	\$193,000	\$135.15	6/15/2018	\$268,000	\$187.68	38.9%	4.5%
34 Surrey	1,536	12/15/2016	\$251,400	\$163.67	9/27/2018	\$281,000	\$182.94	11.8%	6.6%
Averages								23.7%	4.8%

A second table includes sales and re-sales of similar properties in Trolley Crossing in the same time frame; however, these sales are two to three blocks westerly and not adjacent to Webb. These data are included to isolate the impact of the Pettengill development. As can be seen, the total value change average is essentially identical and the average annual value change is a nominal difference of 0.7% (See Aerial Photograph on the following page).

<b>Trolley Crossing Properties 2 to 3 Blocks Westerly of Pettengill Boundary</b>									
Address	SF	Sale Date	Sale Price	SP/sf	Re-Sale Date	Re-Sale Price	SP/sf	Val Chg	Ann VC
130 Trolley	2,400	7/20/2015	\$250,000	\$104.17	3/31/2017	\$278,500	\$116.04	11.4%	6.7%
150 Trolley	1,700	2/27/2012	\$165,000	\$97.06	7/29/2016	\$235,000	\$138.24	42.4%	9.6%
139 Brent	1,600	7/21/2016	\$237,500	\$148.44	3/31/2020	\$285,000	\$178.13	20.0%	5.4%
205 Brent	1,632	12/28/2012	\$202,000	\$123.77	4/6/2016	\$230,000	\$140.93	13.9%	4.2%
15 Gantry	1,428	7/15/2011	\$219,000	\$153.36	7/12/2019	\$272,500	\$190.83	24.4%	3.1%
74 Gantry	1,779	8/5/2009	\$175,000	\$98.37	7/2/2014	\$224,900	\$126.42	28.5%	5.8%
106 Gantry	1,774	5/27/2011	\$189,900	\$107.05	4/4/2018	\$237,000	\$133.60	24.8%	3.6%
Averages								23.6%	5.5%

Further analysis through New England Real Estate Network, the statewide multiple listing service, indicates that price increases city-wide in Manchester from 2009 to 2020 for houses in the \$150,000 to \$350,000 price range was a total increase of 23.8%, similar to the value changes above.







**Area Photographs**  
Taken on 25 and 26 July 2020



Entrance to Pettengill Commerce Park



F. W. Webb distribution center



UPS facility



FedEx Ground facility



Bellevance



Lot 57



Typical dwelling backing to Pettengill



Typical dwelling backing to Pettengill

**Area Photographs**  
Taken on 25 and 26 July 2020



Typical dwelling backing to Pettengill



Typical dwelling backing to Pettengill



Typical dwelling several blocks away from Pettengill



Typical dwelling several blocks away from Pettengill



Typical dwelling several blocks away from Pettengill



Typical dwelling several blocks away from Pettengill

### Walmart Regional Distribution Facility

Walmart constructed this 1,138,588 square foot New England regional facility on a 220-acre site in 1996. The site is in the southeasterly quadrant of Route 101 and Route 102, the former (Route 101) being the primary east/west expressway artery serving southern New Hampshire. Like the area of the proposed Hudson Logistics Center, this site is strategically located adjacent to this highway roughly midway between its interchange with Interstate 95 in the Seacoast area and Interstate 93 in Manchester. Unlike the proposed Hudson facility and Pettengill Commerce Park, this site is more secluded and also is naturally buffered to the north by Route 101; to the south by the Lamprey River, Dead Pond, and a large RV Park; and to the west by Route 102. To the east is a rural road and sparse residential uses along Prescott Road.

Due to the limited number of dwellings along Prescott Road and the time of development almost 25 years ago, a reasonable sampling of sale and re-sale data are not available like in the preceding Londonderry/Manchester analysis. In place of this however, is the development of a small, 7-lot, cul-de-sac subdivision off the westerly side of Prescott Road and directly adjacent to the rear loading dock area of the Walmart facility. Known as Jady's Way, Diamond Edge Realty and Development purchased four of the seven lots on which it completed and sold houses in 2018 and 2019. Information on these is included below. The last two at 8 and 10 Jady's Way and are within 300 feet of the rear loading docks of Walmart with only a 30-foot-wide buffer of trees.

<b>Diamond Edge Jady's Way Sales</b>				
<b>Address</b>	<b>SF</b>	<b>Sale Date</b>	<b>Sale Price</b>	<b>SP/sf</b>
4 Jady's Way, Raymond, NH	1,685	11/8/2018	\$315,900	\$187.48
6 Jady's Way, Raymond, NH *	1,685	10/12/2018	\$269,900	\$160.18
8 Jady's Way, Raymond, NH	1,685	9/13/2018	\$337,800	\$200.47
10 Jady's Way, Raymond, NH	1,768	1/25/2019	\$320,000	\$181.00
Average				\$182.28
Average excl. 6 Jady's Way				\$189.65

\* Sales price was lower due to semi-finished second floor

During the same time period, Diamond Edge purchased three other lots in Raymond, but not near the Walmart facility, i.e., without potential impacts of this distribution facility (See following page). On these lots, houses were constructed similar to those other dwellings. The average sales price for Jady's Way is \$189.65 (excluding the semi-finished property), and the average sales price for those sales of the other three lots in Raymond similar. Therefore, it is concluded that there was no diminution of value arising from the location of the Jady's Way properties abutting the Walmart facility.

<b>Other Diamond Edge Sales</b>				
<b>Address</b>	<b>SF</b>	<b>Sale Date</b>	<b>Sale Price</b>	<b>SP/sf</b>
19 Essex Drive, Raymond, NH	1,685	5/3/2019	\$324,900	\$192.82
48 Mildred Ave, Raymond, NH	1,685	11/27/2019	\$325,000	\$192.88
14 Bertha Way, Raymond, NH	1,685	11/11/2019	\$319,900	\$189.85
Average				\$191.85







**Area Photographs**  
Taken on 25 July 2020



Route 102 entrance to Walmart



Walmart docks adjacent to 8 and 10 Jady's Way



10 Jady's Way



8 Jady's Way



4 Jady's Way



19 Essex



48 Mildred



14 Bertha

### Conclusion

The preceding study was undertaken in order to determine if the proposed Hudson Logistics Center will impact market values of nearby residential dwellings. The analysis includes detailed examinations of two logistics/distribution facilities in southern New Hampshire with similar site and neighborhood characteristics as the proposed Hudson property. In both data sets, sales data were compared to determine any impact on market value of a property contiguous with the respective facilities as opposed to similar properties in somewhat further proximity, that is to say, not directly impacted. Furthermore, it is shown that properties in the larger market have similar average annual increases in value as those adjacent to and contiguous with the respective facilities. As such, the data provide substantial evidence that development of the two comparable logistics centers did not diminish the market value of the neighboring residential properties. Accordingly by extension, it is concluded that the proposed Hudson Logistics Center will have no impact on the market values in Green Meadow Subdivision or other nearby residential properties.

As further proof the proposed development will not have an impact on value in Green Meadow Subdivision is a current pending sale at 20 Fairway Drive. While it is on the southerly side of Fairway and does not back to the golf course, it is within several hundred feet of the houses on the northerly side which do. This is the only property listed for sale or under contract of sale of the 78 lots in the subdivision, which in and of itself, shows current stability for the immediate area. In a telephone interview, the listing Realtor for 20 Fairway reported the property was listed on 15 May 2020 (after public knowledge of the proposed Hudson Logistics Center) for \$424,900 and went under agreement on 20 May 2020 (5-day exposure). The closing is set for 31 August 2020. Though she could not disclose the final sales price, she did report that there were three interested parties all of who put in bids, and that the final contract price is *higher* than the list price. With the listing price at \$197.08 per square foot, the final sales price likely is near or over \$200 per square foot. This will be the highest price per square foot ever paid in the subdivision.



20 Fairway Drive



In addition, the previously noted recent sale at 18 Ridgecrest which listed and sold since announcement of the proposed logistics center provides evidence that it will not have a significant impact on value in Ridgecrest Subdivision. This property which was listed on 1 May 2020, went under agreement on 4 May 2020, and closed on 15 July 2020. The final sales price of \$255,000 is slightly higher than the listing price of \$254,900. Moreover, at \$264.14 per square foot, this is the highest-ever price per square foot achieved in this development.



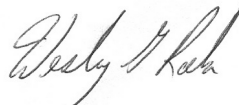
18 Ridgecrest Drive

### Appraiser/Consultant's Certification

I do hereby 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, they are my personal, impartial, unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in Green Meadow Golf Club or the proposed Hudson Logistics Center and I have no personal interest or bias with respect to the parties involved;
- I have performed no other services, as an appraiser or in any other capacity, regarding Green Meadow Golf Club or the proposed Hudson Logistics Center within the three-year period immediately preceding acceptance of this assignment;
- I have no bias with respect to the properties that are the subject of this report or to the parties involved with 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 of 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 service;
- my analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice, Title XI of FIRREA, 12 CFR part 323 of the Federal Deposit Insurance Corporation (FDIC), and any implementing regulations in effect as of the date of this report;
- I, Wesley G. Reeks, have made a personal inspection of all properties included in this analysis;
- no one provided significant professional appraisal assistance to the person signing this report;
- this appraisal service sets forth all limiting conditions (imposed by the terms of my agreement or by the undersigned) affecting the analysis, opinions, and conclusions;
- as of the date of this report, I, Wesley G. Reeks has completed the continuing education program for Designated Members of the Appraisal Institute.
- I certify that 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, I am a State Certified General Real Estate Appraiser in the States of New Hampshire, Massachusetts, and Maine;

- the conclusions expressed in this report are not based in whole or part upon race, color, or national origin of the current/prospective owners, prospective owners, or occupants;
- I have adequate education, and have previously performed similar studies, and I am familiar with the area. Please see the qualifications in this report for additional information;
- my analyses, opinions and conclusions were developed and this report has been prepared in conformance with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, and the use of this report is subject to the requirements of the Institute relating to review by its duly authorized representatives;



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Wesley G. Reeks, MAI  
New Hampshire Certified General  
Real Estate Appraiser/Consultant  
Certificate Number 411

### Assumptions and Limiting Conditions

This appraisal is made under the following assumptions and contingent conditions:

- (1) This appraisal services report sets forth all of the limited conditions (imposed by the terms of my assignment or by the undersigned) affecting the analyses, opinions and conclusions contained in the report;
- (2) Title to the property is assumed to be free, clear, and unencumbered, and there are no leases, easements, liens, or other encumbrances on the property other than those listed in this report;
- (3) To the best of my knowledge and belief the statements of fact contained in this appraisal services report, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct, but I assume no responsibility for the accuracy of such information as title information, measurements, survey, and other information furnished by you as likewise comparable sales data furnished by the court records and the principals involved in the various transactions;
- (4) It is assumed that the improvements are located on the land described herein and do not overlap this land unless otherwise stated in the report;
- (5) No responsibility is here assumed for any matters which are legal or political, social, or economic changed conditions which could have an effect on real estate values which changes take place after the date of this valuation;
- (6) Disclosure of the contents of this report is governed by the by-laws and regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions, the identity of the appraiser, or of said firm with which he is connected or any reference to the Appraisal Institute or the MAI, SREA, SRPA, RM, or SRA designations) shall be disseminated to the public through advertising, media, public relations media, news media, sales media, or any other public means of communication without the previous written consent and approval of the undersigned;
- (7) Future income and expense projections are estimated to be typical projections by typical purchasers in the market place, rather than the appraiser/consultant's personal projections. None of these projections should be interpreted as the appraiser/consultant's personal projections;
- (8) Any survey contained in this report is assumed to be true and correct, and it is also assumed that there are no encroachments upon the property appraised except as noted herein. Any sketch prepared by the appraiser/consultant and included in the report may show approximate dimensions and is included to assist the reader in visualizing the property; however, the appraiser/consultant has not made a survey of the property;
- (9) A current "as built" survey may affect the value estimate, and should be provided if not included in this report, to verify data provided to the appraiser/consultant;
- (10) The appraiser/consultant assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser/consultant assumes no responsibility for such conditions or for engineering which might be required to discover such factors;
- (11) The appraiser/consultant is not required to give testimony or appear in court unless arrangements have previously been made therefor;



- (12) No one may use this report for any other use than that stated in the "Function or Intended Use" section of this report;
- (13) Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, or in the vicinity, was not observed by the appraiser/consultant. The appraiser/consultant has no knowledge of the existence of such materials on or in the property except as stated in this report. The appraiser/consultant, however, is not qualified to detect such substances. The appraiser/consultant has made no study to determine such conditions. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client agrees to hold harmless the appraiser/consultant and fully defend the appraiser/consultant in any future lawsuit resulting from such hazardous materials. Client will fully indemnify appraiser/consultant from all losses in any such lawsuit.
- (14) Furnishings and equipment or business operations, except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered.
- (15) This appraisal service has been prepared for the exclusive benefit of the Addressee and intended users. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his own risk.
- (16) This is a *Appraisal Services Report* that complies with requirements set forth in Standards Rule 1 and the reporting requirements set forth in Standards Rule 2 of the Uniform Standards of Professional Appraisal Practice. It presents required statements and definitions as required by USPAP as well as abbreviated descriptions of the physical and functional characteristics of the property under study. The attached report includes the necessary data, reasoning, and analysis used in the process to develop my opinions. The depth of discussion contained in this report is specific to the needs of the client and the intended use stated herein. I am not responsible for the unauthorized use of this report.
- (17) This appraisal service was prepared by Wesley G. Reeks, MAI for the exclusive use of the Addressee. The information and opinions contained herein forth the appraiser/consultant's best judgement in light of the information available at the time of the preparation of this report. Any use of this study by any other person or entity, or any reliance or decisions based on this appraisal are the sole responsibility and at the sole risk of the third party. Wesley G. Reeks, MAI accepts no responsibility for damages suffered by any third party as a result of reliance on or decisions made or actions taken based on this appraisal.
- (18) **General Conditions** - The Appraisal Institute conducts a mandatory program of continuing education for its designated members. Members meeting the minimum standards of this program are awarded periodic educational certification. As of the date of this report, Wesley G. Reeks has completed the requirements under the continuing education program of the Appraisal Institute.

The fee for this appraisal or study is for the service rendered and based on an hourly rate for time in research, analysis, and report preparation.

Acceptance of, and/or use of this appraisal report constitutes acceptance of the preceding Assumptions and Limiting Conditions.

**Qualifications of the Appraisers  
for  
Wesley G. Reeks, MAI**

**Professional Memberships**

Member of the Appraisal Institute (MAI #10863), Residential Member of the Appraisal Institute (RM #2721), Certified General Real Estate Appraiser in New Hampshire, Massachusetts, and Maine.

Year 2000 President of the New Hampshire Chapter of the Appraisal Institute

The Appraisal Institute conducts a mandatory program of continuing education for its designated members. As of the date of this report, I have completed the requirements under the continuing education program and I am currently certified under this program.

**Appraisal Experience**

Appraised a wide variety of properties including free-standing retail, shopping centers, small office, multi-tenant high-rise office, restaurants, hotels, gasoline/convenience stores, industrial, R&D, warehouse, truck terminals, multifamily, single family, marinas, amusement parks, health clubs, tennis clubs, farm land, and vacant commercial and residential land in 19 states including New Hampshire, Vermont, Maine, Massachusetts, Rhode Island, Connecticut, New Jersey, Pennsylvania, Maryland, South Carolina, Ohio, Minnesota, South Dakota, Louisiana, Texas, Oklahoma, New Mexico, and California.

**Appraisal Employment**

Principal, Wesley G. Reeks, MAI, a commercial real estate appraisal company formed in December 1992 with offices in Bedford, New Hampshire.

Affiliated with Hunsicker Appraisal Company in Nashua, New Hampshire, performing commercial appraisals as an independent contractor, December 1992 to April 1995.

Marshall F. Graham and Associates, Shreveport, Louisiana, December 1989 to November 1992.

John F. Luck and Associates, Shreveport, Louisiana, June 1985 to November 1989.

**Education**

Louisiana State University, Baton Rouge, Louisiana  
Bachelor of Science Degree - December 1980

**Civic**

Immediate Past District Chairman, Massabesic District, Daniel Webster Council, Boy Scouts of America

**Court Experience**

Relied on as an expert witness in court testimony on improved and unimproved properties in New Hampshire and Texas