

EXHIBIT A

January 7, 2019

Hon. John Dunne
And Members of the Zoning Board of Appeals
City of Beacon
1 Municipal Plaza
Beacon, New York 12508

Project:
53 Eliza Street
Beacon, NY 12508

Dear Sir:

Enclosed are two appraisals for the above referenced project. These appraisals refer to information provided by Valuation Consultants, the company responsible for the original restricted appraisal of the property dated July 5, 2018. Both CR Properties Group LLC and McGrath Realty Inc. are commercial real estate brokers who are familiar with the Beacon real estate market.

The appraisal by Valuation Consultants was done using a sales comparison approach. It took into account sales dated as far back as February 25, 2016, April 10, 2016, August 16, 2017, and November 29, 2017. These sales are of commercial properties on main roads and not in residential areas. These were the best comps available, but are not necessarily indicative of the value of 53 Eliza Street. The appraisals currently being submitted look at the value of the subject property, taking into consideration the fact that this property is located on a residential street and not on a main road or in a more traditional commercial setting.

It is the opinion of both CR Properties Group LLC and McGrath Realty Inc. that because of site location and use constraints, this property is not commercially viable. In my professional opinion, I would agree that fair market value is between \$400,000 and \$450,000.

As it relates to financial hardship for the owner, in the twenty years that he has owned the property, in addition to the \$700,000 which is the total of the property purchase price and improvements made to the property, he has spent \$1.2 million in interest payments for mortgages, as well as \$280,000 City of Beacon taxes and \$284,000 in property and general liability insurance.

I also refer back to McAlpine Construction's letter to Cuddy & Feder LLP dated December 7, 2018, which is in response to Drew Victoria Gamils' letter of November 30, 2018, specifically Item #4 and Item #5. Item #4 is documentation for site work numbers dated

August 28, 2018. The documentation provided totals \$563,810. Item #5 is documentation of soft costs also dated August 28, 2018. The documentation provided totals \$974,000. Enclosed you will find the document titled **9 Condominium Units** updated to reflect these more accurate costs. As you can see, the profit using the updated costs is reduced significantly.

It is obvious that building either three single homes or 6 condominiums becomes even less economically viable. Sale of the property at \$450,000 (if possible) would allow the owner to merely pay off his first mortgage, but does not allow him to fulfill his obligation on the second mortgage or recoup any of the nearly \$1,760,000 he has spent on carrying charges over the last twenty years.

Ed Pietrowski has been a Beacon resident for forty years, twenty-five of them as a local electrical contractor, twenty-one at the Eliza Street property. Four of his children live here in Beacon and eight grandchildren attend Beacon schools. This project is right for the community and deserves every consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert A. McAlpine", followed by a long horizontal flourish.

Robert A. McAlpine

McAlpine Construction Co., Inc.
217 Main Street
Beacon, NY 12508

cc: Cuddy & Feder LLP
445 Hamilton Avenue, 14th Floor
White Plains, NY 10601

53 Eliza Street, Beacon NY
9 Condominium Units

January 7, 2019

<u>Unit</u>	<u>Sq. Ft.</u>	<u>Bldg. Cost @ \$125 sq. ft.</u>	<u>Land Cost @ \$77,777</u>	<u>Sale Price @ \$270 sq. ft.</u>
1	1650	\$206,250	\$77,777	\$440,500
2	1600	\$200,000	\$77,777	\$432,000
3	1872	\$234,000	\$77,777	\$505,440
4	1872	\$234,000	\$77,777	\$505,440
5	1872	\$234,000	\$77,777	\$505,440
6	1872	\$234,000	\$77,777	\$505,440
7	1800	\$225,000	\$77,777	\$486,000
8	2300	\$287,500	\$77,777	\$621,000
9	1800	\$225,000	\$77,777	\$486,000
Total Sq. Ft. 16,638 sq. ft.		Bldg. Cost (\$125/sq. ft) \$2,079,750	Land Cost \$700,000	Total Bldg. & Land Cost \$2,779,750 (\$125/sq. ft.)
Site Cost				\$563,810
Soft Cost				\$974,000
Financing @ 5% of Cost				
A/E Fees @ 3% of cost				
CM Fee @ 6% of cost				
Broker Commission @ 6% of sale price				
Total Cost				\$4,317,560
Sale Price				\$4,492,260
Profit				\$174,700

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CR Properties Group, LLC

Licensed in NY & CT

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Poughkeepsie, NY 12601
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Web: www.crproperties.com

Notable Clients

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January 3, 2019

Mr. Robert McAlpine
McAlpine Construction Company, Inc.
179 Main Street
Beacon, NY 12508

Re: 53 Eliza St. – Beacon, NY

Mr. McAlpine,

Pursuant to your request, let this letter serve as a Broker Opinion of Value and Use for the property located at 53 Eliza St. in Beacon, New York 12508.

I, Thomas M. Cervone, member of CR Properties Group, LLC a CT & NYS licensed real estate brokerage firm, with offices located at 295 Main Street, City of Poughkeepsie, County of Dutchess, State of New York, report that I am familiar with the real estate values in the County of Dutchess, and that I know the parcel located at 53 Eliza St. in the City of Beacon, New York also known as tax grid number 6054-29-031870.

The land parcel is a +/- .69-acre lot with two commercial buildings totaling approximately 6,920± square feet located in a residential area. The site is located immediately north of a one-way residential street, there is limited access to main roads and highways for tractor trailers and commercial transportation, and the existing buildings are positioned in such a way as to inhibit commercial ingress and egress. Therefore, it would be challenging to find a commercial buyer.

In my opinion, the highest and best use of the parcel is residential development versus the existing commercial usage. Additionally, residential would be more compatible with the general neighborhood.

In summary, our opinion of value of the 53 Eliza St. property in its existing condition would be \$427,000. Based on its limited nonconforming commercial usage it is unlikely to attract a commercial application. An approved site with a conforming residential project would be valued closer to \$100,000 per dwelling unit.

Kindly call my office (845)485-3100 to discuss the matter in further detail. Alternatively, my email address is tom@crproperties.com.

Feel free to visit our website www.crproperties.com for additional resources.

Thank you.

Sincerely,

Thomas M. Cervone, Member
CR Properties Group, LLC

Enclosure
TMC/mmg

McGrath Realty Inc.
20 Corporate Park Drive Suite C
Hopewell Jct. New York 12533
845-896-5444
kmcgrath@mcgrathrealtyinc.com

January 7, 2019
Mr. Ed Pietrowski
P&D Electric of Hudson Valley Inc.
53 Eliza Street
Beacon NY 12508

RE: 53 Eliza Street Beacon NY
Tax ID No.: 132800-6054-29-031870 .69 Acres
County of Dutchess State of New York USA

Dear Mr. Pietrowski

In accordance with your request, I have reviewed the subject property for developing an opinion as to its market value. I have reviewed pertinent data gathered by Valuation Consultants in the investigation of the subject property. The subject property is located at **53 Eliza Street Beacon NY** land consisting of +/- .69 acres; County of Dutchess, State of New York. The subject property includes two commercial buildings totaling approximately 6,920 +/- total Sq. Ft. along with all easements.

Zoning: The property is zoned in the "R1-5" single family residential district, permitting single family homes on 5,000 Sq. Ft. lots. The existing use is a non-conforming commercial use in the current residential zoning. Therefore, the commercial use substantially reduces the market rate value of the property.

Utilities: City water & Sewer, electric & gas.

Environmental Report: On file, deemed clean, verify with owner

Property Assessment:	Land	\$ 25,000
	Building	<u>\$508,500</u>
	Total	\$533,500

Property Taxes:	School	\$11,377.73
	Town/County	<u>\$ 8,764.20</u>
	Total Taxes	\$20,141.93

Location: The property is located at **53 Eliza Street Beacon NY**; County of Dutchess, State of New York.” It is approximately 50 miles north of New York City. The subject property is located within a residential neighborhood district, positioned approximately one and a half blocks from Main Street, a major retail shopping district, consisting of commercial, retail, hotel, hospitality, restaurants, apartment housing and office. The subject use is a non-conforming commercial use, located in a residential neighborhood.

Its location in a residential area makes it a difficult property to market commercially. The sales comparison analysis previously done by Valuation Consultants compares this parcel to properties on main roads and not in the middle of a residential area. It also assumes that properties sold would continue in their previous use (office building etc.). The current use of this property as a contractors yard is probably its best use commercially but most contractors rent yards. Consequently, this parcel is not viable as a commercial property and its best use would be residential.

Improvements: The site improvements are considered structurally sound but are in need of some renovations. The property is currently being utilized by the owner for an electrical company operation. The property is improved with two buildings: a warehouse structure, consisting of 3,420 Sq. Ft., and a main commercial office structure consisting of approximately 3,500 Sq. Ft. Total 6,920 +/- Sq. Ft.

Site/Acreage: The total parcel consists of approximately .69 +/- acres of commercial property, located in a residential neighborhood.

Based upon my familiarity with the subject property, our knowledge of property values in the City of Beacon, as well as our knowledge of the Dutchess County real estate market in general, it is our opinion, that the market value of the subject property, as of January 3, 2019, was:

6,920 Square Feet of existing buildings @ \$65.00 per Square Feet

FOUR HUNDRED FIFTY THOUSAND DOLLARS

(\$450,000.00)

This is an opinion of value. If you have any questions regarding our analysis, please do not hesitate to contact our office. We appreciate the opportunity of consulting with you on this matter.

Very truly yours,

Kevin McGrath
President

