



Board of Tax Appeals Hearing - Tuesday, November 7, 2023, 1:00 PM, Bushor Conference Room 1st Floor, City Hall, In-Person Only

1:00 pm, Bushor Conference Room, 1st Floor City Hall, In-Person Only

1. Agenda

Subject	1.1. Motion to adopt agenda
Meeting	November 7, 2023 - Board of Tax Appeals Hearing - Tuesday, November 7, 2023, 1:00 PM, Bushor Conference Room 1st Floor, City Hall, In-Person Only
Category	1. Agenda
Department	Clerk/Treasurer's Office
Type	Action Procedural
Recommended Action	Motion to adopt agenda
Subject	1.2. September 21, 2023 Draft Minutes
Meeting	November 7, 2023 - Board of Tax Appeals Hearing - Tuesday, November 7, 2023, 1:00 PM, Bushor Conference Room 1st Floor, City Hall, In-Person Only
Category	1. Agenda
Department	Clerk/Treasurer's Office
Type	Action Minutes
Recommended Action	approve the draft minutes

2. Hearing

Subject	2.1. North Hill Capitol Partners, LLC, 61 Elmwood Avenue
Meeting	November 7, 2023 - Board of Tax Appeals Hearing - Tuesday, November 7, 2023, 1:00 PM, Bushor Conference Room 1st Floor, City Hall, In-Person Only
Category	2. Hearing
Department	Clerk/Treasurer's Office

Type	Action Procedural
Recommended Action	open the hearing close the hearing

3. Adjournment

Subject	3.1. Motion to adjourn
Meeting	November 7, 2023 - Board of Tax Appeals Hearing - Tuesday, November 7, 2023, 1:00 PM, Bushor Conference Room 1st Floor, City Hall, In-Person Only
Category	3. Adjournment
Department	Clerk/Treasurer's Office
Type	Action Procedural
Recommended Action	Motion to adjourn

**BURLINGTON BOARD OF TAX APPEALS
CITY HALL – CONTOIS AUDITORIUM,
149 CURCH STREET, 2ND FLOOR
IN-PERSON ONLY
ORGANIZATIONAL MEETING
BURLINGTON, VERMONT
MINUTES OF MEETING
September 21, 2023
DRAFT**

MEMBERS PRESENT: Meg McGovern
Nathan Virag
Andrew Champagne
Alan Bjerke

OTHERS PRESENT: Jacob Dorman
Jared Pellerin
Lori Olberg

1.0 AGENDA

Alan Bjerke called the meeting to order at 1:00 PM.

MOTION by Andrew Champagne, SECOND by Meg McGovern to adopt the agenda.

VOTING: unanimous; motion carries.

2.0 ELECTIONS

2.1 Chair, Vice Chair, and Clerk

MOTION by Meg McGovern, SECOND by Andrew Champagne, to nominate Alan Bjerke as Chair of the Board of Tax Appeals.

VOTING: unanimous; motion carries.

MOTION by Alan Bjerke, SECOND by Andrew Champagne, to nominate David Maher as the Vice Chair of the Board of Tax Appeals.

VOTING: unanimous; motion carries.

MOTION by Andrew Champagne, SECOND by Meg McGovern, to nominate Lori Olberg as the Clerk of the Board of Tax Appeals.

VOTING: unanimous; motion carries.

3.0 RULES

3.1 Hearing Procedures

Chair Bjerke proposed following State statute and City charter to establish hearing procedures. He also noted that it was suggested at the ad hoc committee on reappraisal that when site visits are conducted, the Assessor can be asked by the property-owner not to attend. Ms. McGovern also noted that it was suggested having a taping of a mock appeal session to show property-owners how the process of tax appeals works, to familiarize them more with the process. Acting City Assessor Dorman also noted that his office prepared a set of informational slides for property-owners to use as a resource to prepare for the tax appeals process and site visits.

MOTION by Alan Bjerke, SECOND by Meg McGovern, to adopt the rules and procedures as historically conducted and implemented.

VOTING: unanimous; motion carries.

4.0 APPROVAL OF FORMS

4.1 Educational Brochure, Notice of Hearing, Authority of Representation, Waiver of Site Visit and Official Notice of Decision

MOTION by Alan Bjerke, SECOND by Meg McGovern, to approve forms.

VOTING: unanimous; motion carries.

5.0 APPROVAL OF SUBPOENA

5.1 Approval of Subpoena

Deputy City Attorney Pellerin reviewed the subpoena, noting that the property is on 61 Elmwood Avenue. He said that in the subpoena, the City requested the current rent role and the IRS schedule E form 8825 for the years 2021-2022 along with any professionally conducted property appraisals in the last three years, as well as filling out an income and expense form (attached within the subpoena). He noted that they are appealing due to the neighboring pod encampment, which has caused some tenants to vacate. He said that some tenants have a decreased sense of security and that it is a less desirable location to live, given the proximity to the pod encampment. He said that the appellant has contracted with a licensed appraiser to assess the value of the property, but that the appraisal has not to date been submitted. He said that their appeal was denied by the Board of Assessors, and it has now escalated to this level. He said that the Board of Assessors is waiting for an independent appraisal to quantify any decrease in property value.

MOTION by Andrew Champagne, SECOND by Meg McGovern, to approve subpoena.

VOTING: unanimous; motion carries.

6.0 ESTABLISHMENT OF PANEL AND SCHEDULE

6.1 Establish Panel and Schedule

Chair Bjerke said that they have established a panel and discussed scheduling a hearing on Wednesday, October 25, 2023, at 1:00 PM and a backup date of Tuesday, November 7, at 1:00 PM.

MOTION by Andrew Champagne, SECOND by Meg McGovern, to approve the panel and schedule of hearings.

VOTING: unanimous; motion carries.

7.0 CONFLICTS

7.1 North Hill Capitol Partners, LLC, 61 Elmwood Avenue
None.

8.0 OTHER BUSINESS

8.1 Verbal Comments
None.

9.0 ADJOURNMENT

9.1 Motion to adjourn

MOTION by Meg McGovern, SECOND by Andrew Champagne, to adjourn the meeting.

VOTING: unanimous; motion carries.

The meeting adjourned without objection at 1:17 PM.

61 Elmwood Avenue Property Tax Grievance

DECLARATION OF JOHN BORCH IN PLACE OF NOTARIZED STATEMENT

1. I am more than 18 years-old and state the following on my personal knowledge.
2. I am the property manager for North Hill Capital Partners (“NHCP”), owner of the 61 Elmwood Avenue property.
3. 61 Elmwood Avenue’s value has been negatively impacted by the neighboring pod encampment.
4. Since the pods opened, tenants have experienced increased noise and a decrease in their sense of security.
5. Flower beds that have been maintained for years can no longer be worked because they are littered with hypodermic needles.
6. There have been apparent overdose victims in the property’s parking lot.
7. Tenants have experienced increased theft, especially from parked cars.
8. The problem is exacerbated by the pod residents’ associates who congregate in the area to party.
9. NHCP owns several rental properties in Burlington.
10. Over the last year, due to multiple inflationary pressures, including higher property taxes, utility costs, management expenses, repair expenses and other increased expenses, NHCP has raised its rents at its other Burlington properties by approximately 20%.
11. Even with those higher rents, NHCP has experienced virtually no vacancies at any property other than its 61 Elmwood property.
12. Over the past year, for the first time in years, the 61 Elmwood property has experienced vacancies, some as long as three months.

13. This has caused my client to leave its 61 Elmwood rents flat, unlike the rents at their other properties.
14. NHCP has actually reduced rents on some of its 61 Elmwood units by 15% to 20%.
15. The market rent for a single bedroom unit, like the 61 Elmwood units, has risen to \$1,450.
16. The 61 Elmwood units are rented at an average rent of \$1,200, \$250 to \$300 below market.
17. Historically, the 61 Elmwood units have been rented for market rates.
18. Based on the forgoing facts, NHCP believes the value of its property has been reduced by 35%.

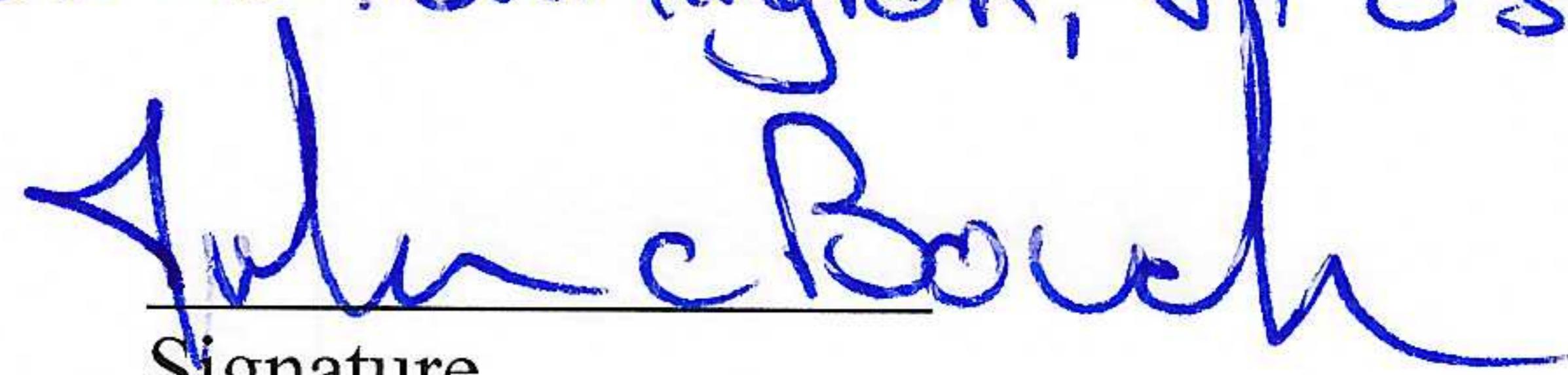
I declare that the above statement is true and accurate to the best of my knowledge and belief. I understand that if the above statement is false, I will be subject to the penalty of perjury or other sanctions of the court.

Printed Name: John Borch

Mailing Address: 45 Kilburn St, Ste 238 Burlington, VT 05401

Email Address: johnborch@rpmsterling.com

Date: May 23, 2023


Signature

Via Hand Delivery and Email

June 27, 2023

City of Burlington
Lori Olberg, Administrative Assistant
City Hall, Clerk's Office
149 Church Street
Burlington, VT 05401
lolberg@burlingtonvt.gov

**Re: Grievance Notice – North Hill Capital Partners, LLC, 61 Elmwood Ave,
Parcel ID 044-4-049-001**

Dear Lori:

I represent North Hill Capital Partners, owner of the 61 Elmwood Avenue property. My client believes its property's value has been negatively impacted by the neighboring pod encampment. Since the pods opened, my client's tenants have experienced increased noise and a decrease in their sense of security. Flower beds that have been maintained for years can no longer be worked because they are littered with hypodermic needles. There have been apparent overdose victims in the property's parking lot. Tenants have experienced increased theft, especially from parked cars. The problem is exacerbated by the pod residents' associates who congregate in the area to party. This deterioration in my client's tenants' quality of life has made 61 Elmwood a significantly less desirable place to live. Evidence of this change has manifested itself in the form of tenant complaints, lowered rents, and increased vacancies.

My client owns several rental properties in Burlington. Over the last year, due to multiple inflationary pressures, including higher property taxes, utility costs, management expenses, repair expenses and other increased expenses, my client has raised its rents at its other Burlington properties by approximately 20%. The market rent for a single bedroom unit, like the 61 Elmwood units, has risen to \$1,450. Even with those higher rents, my client has experienced virtually no vacancies at any property other than its 61 Elmwood property. For the first time in years, the 61 Elmwood property has experienced vacancies, some as long as three months. This has caused my client to leave its 61 Elmwood rents flat, unlike the rents at their other properties. My client has actually reduced rents on some of its 61 Elmwood units by 15-20%. The 61 Elmwood units are rented at an average rent of \$1,200, \$250-300 below market. Historically, these units have always rented for market rates. While rents elsewhere are going up 25% to 30%, rents at 61 Elmwood have remained stagnant or, as noted above, are being reduced in order to retain and attract tenants. Clearly, the creation of the pod encampment has had a negative and measurable impact on my client's property. My client did not oppose the encampment and understands the need for such a facility. On the other hand, it must be recognized that by placing the encampment so close to my client's property, there has been a negative impact on its value. My client believes the value of its property has been reduced by 35%. My client believes the City's financial form (enclosed) will underestimate the pod encampment's impact, as those impacts have only made themselves known relatively recently. All of the facts recited in this letter are supported by the attached Declaration. I appreciate your attention to this matter.

Sincerely,

/s/Hans G. Huessy

Hans G. Huessy, Esq.
hhuessy@mskvt.com





Via Hand Delivery and Email

October 9, 2023

Alan Bjerke, Chair
Burlington Board of Tax Appeals
City of Burlington, Clerk's Office
149 Church Street, Room 20
Burlington, VT 05401
abjerke@burlingtonvt.gov
lolberg@burlingtonvt.gov

Re: City of Burlington Notice of Board of Tax Appeals Hearing

Dear Members:

I represent North Hill Capital Partners, LLC, owner of Parcel ID: 044-4-049-001, located at 61 Elmwood Avenue.

We hereby file this Motion to Continue the Hearing scheduled for October 25, 2023 at 1:00 pm.

Counsel will be in trial for the entire day of October 25th.

Thank you for your attention to this matter and please be in touch with any questions.

Sincerely,

/s/Hans G. Huessy

Hans G. Huessy, Esq.
huessy@mskvt.com

Via Email

October 19, 2023

Alan Bjerke, Chair
Burlington Board of Tax Appeals
City of Burlington, Clerk's Office
149 Church Street, Room 20
Burlington, VT 05401
abjerke@burlingtonvt.gov
lolberg@burlingtonvt.gov

Re: City of Burlington Notice of Board of Tax Appeals Hearing

Dear Members:

I represent North Hill Capital Partners, LLC, owner of Parcel ID: 044-4-049-001, located at 61 Elmwood Avenue.

We hereby file this Motion to Further Continue the Hearing scheduled for November 7, 2023 at 1:00 pm.

Counsel will be out of the country from November 3, 2023 till November 14, 2023. Counsel apologizes, but this was not known at the time the initial request to continue was filed. Counsel also advises the Board that the trial previously set for October 25th has been continued, so holding the hearing on the 25th as originally planned would now be possible.

Thank you for your attention to this matter and please be in touch with any questions.

Sincerely,

/s/Hans G. Huessy

Hans G. Huessy, Esq.
hhuessy@mskvt.com



OFFICE OF THE CLERK/TREASURER
City of Burlington

City Hall, Room 20, 149 Church Street, Burlington, VT 05401

Voice (802) 865-7000
Fax (802) 865-7014

October 27, 2023

Hans Hussey, Esq.
MSK Attorneys
275 College Street
Burlington, VT 05401

Re: Appeal of North Hill Capital Partners, LLC
Parcel ID 044-4-049-001 / 61 Elmwood Avenue

Dear Hans,

I am in receipt of your request for a second continuance of the scheduled hearing date for the above referenced matter dated October 19, 2023. I am also in receipt of the Assessor Joseph Turner's opposition to the second continuance request dated October 27, 2023.

As described in the brochure "Burlington Board of Tax Appeals 2023 Guidelines for Appealing Your Property Tax Assessment" which was sent to the Appellant with their original Notice of Hearing, the Board will reschedule a noticed hearing one time only. The Appellant was noticed for the original hearing to be held on October 25, 2023. The Appellant requested that that hearing be continued and the hearing was rescheduled to November 7, 2023. The Appellant has already sought and obtained one continuance.

The Attorney representing the Appellant is a member of a law firm with several members who are highly skilled and have presented before the Board previously. The firm has also had one attorney stand in for another in their firm to present to the Board previously. (Katz, 2021) Weighing the burden on the Appellant and their attorneys against that imposed on rescheduling a citizen board made up of seven volunteers, the Chair sees no reason to grant another postponement of the hearing in this case.

The Appellant's request to continue the hearing scheduled for November 7, 2023 in this matter is denied. The Appellant is reminded that any materials sought to be introduced at the hearing must be submitted in advance of the hearing, as described in the Notice of Hearing.

Sincerely,

Alan Bjerke, Chair
Burlington Board of Tax Appeals

The City of Burlington will not tolerate unlawful harassment or discrimination on the basis of political or religious affiliation, race, color, national origin, place of birth, ancestry, age, sex, sexual orientation, gender identity, marital status, veteran status, disability, HIV positive status, crime victim status or genetic information. The City is also committed to providing proper access to services, facilities, and employment opportunities. For accessibility information or alternative formats, please contact Human Resources Department at (802) 540-2505.

VERMONT SUPERIOR COURT

Environmental Division
32 Cherry St, 2nd Floor, Suite 303,
Burlington, VT 05401
802-951-1740
www.vermontjudiciary.org



ENVIRONMENTAL DIVISION

Case No. 22-ENV-00026

October 19, 2023

NOTICE OF HEARING CANCELLATION

Daylight Lot Major Subdivision Amendment Appeal

The Merits Hearing scheduled for October 25-27, 2023, has been cancelled.

If another hearing in this case needs to be scheduled, you will receive a Notice of Hearing.

Environmental Division Clerk

Any individual with a disability requiring assistance accessing the services, programs, and/or activities at the Courthouse should contact the Clerk's office at the above address for further assistance.



CITY OF BURLINGTON, VERMONT
NOTICE OF BOARD OF TAX APPEALS HEARING

Notice is hereby given that the Board of Tax Appeals of the City of Burlington will meet on **Wednesday, October 25, 2023, at 1:00 PM at Burlington City Hall, 149 Church St, Burlington Vermont**, to hear the grievance of:

North Hill Capital Partners, LLC

for the property located at:

61 Elmwood Avenue, Parcel ID: 044-4-049-001

who is aggrieved by the action of the Board of Assessors and filed a written grievance with the City Clerk/Treasurer.

* A brief statement of the grounds for appeal is required by law and is essential to efficiently deal with appeals received each year. **You must submit 5 copies of the statement and any documents or written evidence to be submitted to the Board at least fourteen (14) days before the hearing, or such documents may not be considered at the hearing.** If you submitted documents online with your appeal request, you do not need to resubmit them, but you will need to submit a statement of the grounds for your appeal. The Board may subpoena documents it deems material to the appeal; the failure to provide requested records in response to a subpoena shall result in the dismissal or deemed withdrawal of this appeal and no further appeal shall be available.

* A Hearing Panel of at least three board members will hear the appeal. Property owners will have up to 10 minutes to address the panel, explaining the reasons for the appeal and an opinion of the fair market value of the property. The City Assessor will also have up to 10 minutes. Please refer to the enclosed brochure for more details on the hearing.

* At the close of the hearing, the parties will decide whether or not a site visit will be held. A site visit is mandatory unless waived by the property owner(s), the Assessor, and the Panel. If the property owner(s) refuses to allow an inspection of the property, the appeal shall be dismissed and no further appeal shall be available. **The Site Visit for your appeal will be scheduled at the close of the hearing and may occur immediately after the close of the hearing.**

* The Board of Tax Appeals will issue a written decision no later than December 31, 2023. You will receive a corrected tax bill once the Board makes a decision if there is any change. You should continue to make payments as billed until then.

* Please arrive early. Your hearing will be held in Burlington City Hall. If you are unable to locate the hearing room, please consult the City Clerk's office.

Burlington Board of Tax Appeals

By:



Alan Bjerke, Chair

Burlington Board of Tax Appeals

802 865-7136

Date of mailing: 9/26/2023

Via Hand Delivery and Email

October 13, 2023

City of Burlington
Alan Bjerke, Chair
Lori Olberg, Administrative Assistant
City Hall, Clerk's Office
149 Church Street
Burlington, VT 05401
lolberg@burlingtonvt.gov

**Re: Grievance Notice – North Hill Capital Partners, LLC, 61 Elmwood Ave,
Parcel ID 044-4-049-001**

Dear Members:

I represent North Hill Capital Partners, owner of the 61 Elmwood Avenue property. My client believes its property's value has been negatively impacted by the neighboring pod encampment. Since the pods opened, my client's tenants have experienced increased noise and a decrease in their sense of security. Flower beds that have been maintained for years can no longer be worked because they are littered with hypodermic needles. There have been apparent overdose victims in the property's parking lot. Tenants have experienced increased theft, especially from parked cars. The problem is exacerbated by the pod residents' associates who congregate in the area to party. This deterioration in my client's tenants' quality of life has made 61 Elmwood a significantly less desirable place to live. Evidence of this change has manifested itself in the form of tenant complaints, lowered rents, and increased vacancies.

My client owns several rental properties in Burlington. Over the last year, due to multiple inflationary pressures, including higher property taxes, utility costs, management expenses, repair expenses and other increased expenses, my client has raised its rents at its other Burlington properties by approximately 20%. The market rent for a single bedroom unit, like the 61 Elmwood units, has risen to \$1,450. Even with those higher rents, my client has experienced virtually no vacancies at any property other than its 61 Elmwood property. For the first time in years, the 61 Elmwood property has experienced vacancies, some as long as three months. This has caused my client to leave its 61 Elmwood rents flat, unlike the rents at their other properties. My client has actually reduced rents on some of its 61 Elmwood units by 15-20%. The 61 Elmwood units are rented at an average rent of \$1,200, \$250-300 below market. Historically, these units have always rented for market rates. While rents elsewhere are going up 25% to 30%, rents at 61 Elmwood have remained stagnant or, as noted above, are being reduced in order to retain and attract tenants. Clearly, the creation of the pod encampment has had a negative and measurable impact on my client's property. My client did not oppose the encampment and understands the need for such a facility. On the other hand, it must be recognized that by placing the encampment so close to my client's property, there has been a negative impact on its value. My client believes the value of its property has been reduced by 35%. My client believes the City's financial form (enclosed) will underestimate the pod encampment's impact, as those impacts have only made themselves known relatively recently. All of the facts recited in this letter are supported by the attached Declaration. I appreciate your attention to this matter.

You will note that the appraisal my client produced concludes that the property has a higher value. However, please note that the appraiser expressly excludes all impacts from the pod encampment in determining the property's value. Please also note that the appraisal identifies an annual loss associated with the current vacancies in excess of \$94,000 on page 29 of the appraisal. This loss, as it is tied to the pod encampment, is also not factored into the appraiser's valuation.

Sincerely,

/s/Hans G. Huessy

Hans G. Huessy, Esq.
huessy@mskvt.com



CITY OF BURLINGTON
OFFICE OF THE ASSESSOR
Joe Turner, City Assessor

Fiscal Year 2024

Assessor Report to the Board of Tax Appeals

RE: Property valuation appeal

Owner:	North Hill Capital Partners LLC
Representative:	Hans G. Huessy, Esq.
Location:	61 Elmwood Avenue
Property Type:	RA - Residential Apartment
Parcel ID:	044-4-049-001

Dear Members of the Board;

Vermont property tax appeal law has developed clear standards and procedural steps for appeal hearings before local Board of Civil Authorities and Board of Tax Appeals. The first step is the determination of a property's current fair market value. Secondly, the market value is equalized to the level of appraisal of the same type of properties within the municipality. The Assessor's Office conducted a sales analysis of residential apartments. Currently the residential apartment property class has a common level of appraisal of 93%.

Subject Property Description, History, and Determination of Market Value

The subject is a residential apartment property that was built around 1920 and has 9312 square feet of finished area consisting of 1 building divided into two sections. The adjoining buildings contains 16 units that are broken out into 4 larger units in the front section and 12 smaller units in the rear section. The lot is 13,068 square feet. The lot is level with adequate off street parking and is located in a high density area in the Old North End neighborhood. It was purchased as 16 individual condominium units on 09/13/2021 for \$2,187,500. Post sale for taxation purposes all condo units were combined under one property record card so only one tax bill would be distributed. The value of \$1,926,300 was reached by combining the market adjusted cost approach value of each condominium unit prior to the transfer, however, typically residential apartments are valued using the Income Capitalization Approach.

Selected Approach to Value:

There are three standard approaches to determining the fair market value of a property, The Cost Approach, the Sales Comparison Approach, and the Income Approach. For residential apartments the Income Capitalization Approach is typically utilized.

The Income Capitalization Approach to value reflects the market's perception that value is directly related to a property's income potential. Capitalization is the technique of converting current income to the market value of the asset generating that income stream. The income Capitalization Approach is the preferred method to value commercial and multi-family properties because these properties are generally purchased by absentee investor as investment properties, with most consideration given to annual cash flow and return on investment.

**CITY OF BURLINGTON
OFFICE OF THE ASSESSOR
Joe Turner, City Assessor**

The direct capitalization technique involves the application of an overall capitalization rate to the projected net operating income for the subject property. This technique is general applicable when properties are unencumbered or encumbered by short-term leases or contract rents that are reflective of the market conditions.

The steps to develop a value estimate using direct capitalization are as follows.

1. Estimate current market rent and potential gross income for the property
2. Estimate vacancy/credit loss for the subject and subtract from the potential gross income to determine the effective gross income
3. Estimate operating expenses for the property and subtract these estimated expenses from the effective gross income to estimate the net operating income for the property.
4. Select and apply an appropriate capitalization rate to the net operating income estimate to develop a market value estimate.

Summary of the Income Capitalization Approach

Unit	Actual Rents (5/17/23)	Potential Income	Capitalization Rate
A	\$1,025	Rents \$19,250x12	6.50%
G	\$1,200	Other Income	
I	\$950		
H	\$1,200	Vacancy & Collection Loss (2%)	Level of Appraisal
P	\$1,100	Effective Income	0.93
N	\$1,200		
B	\$1,300	Operating Expense	
K	\$1,200	Replacement Reserves	
O	\$1,200	Net Operating Income	
J	\$1,250		
E	\$1,325		
M	\$1,325		
C	\$1,325		
D	\$1,200		
F	\$1,250		
L	\$1,200		
Total	\$19,250		
		\$231,000	
		\$2,912	
		-\$4,678	
		\$229,234	
		-\$98,633	
		-\$5,233	
		\$125,368	
		\$125,368/6.5%	Equalized Fair Market Value (rounded)
		\$1,928,738	\$1,793,500

For this income approach to value, actual rents were used instead of market rents to develop the potential income of the property. Typical market rents for the subject property would fall between \$900 per month to \$1,600 per month. The appraisal provided by the owner used \$1,350 for the 12 smaller units and \$1,450 for the 4 larger units. The reasoning behind using the actual rents instead of market rents is due to the external obsolescence associated with the Elmwood Community Shelter (ECS). Units D, F, and L all entered into a year lease agreement post creation of the Elmwood Community Shelter and reflect slightly lower than market rents. The owner of the subject has also expressed intent to leave the rents flat instead of the typical increase the market is currently seeing.

CITY OF BURLINGTON
OFFICE OF THE ASSESSOR
Joe Turner, City Assessor

The vacancy and collection loss as well as operating expenses and replacement reserves were taken from the provided appraisal which showed numerous supportive comparables for these elements. (Appendix A)

The level of appraisal used to equalize the subject property back to the date of the last city wide revaluation was derived from arms-length sales of similar properties within the last three years. (Appendix B)

Assessor's review of Owner's submitted documents:

North Hill Capital Partners believes 61 Elmwood's property value has been negatively impacted by the neighboring ECS. Negative impacts include noise and a decrease in security, drug paraphernalia and overdoses, as well as theft. Overall tenants have experienced a decrease in their quality of life. Rent rolls have been submitted as evidence. Along with the rent rolls, an appraisal with an effective date of 6/13/2023, IRS form Schedule E, and income and expense forms were submitted and reviewed. North Hill Capital Partners believes the value of their property has been reduced by 35% due to the installation of the ECS at 51 Elmwood or an appraised value of \$1,252,095.

The Assessor's Office does believe there is a negative impact due to external obsolescence associated with ECS, although a 35% reduction is excessive. The value presented in the income approach noted above shows a more accurate and realistic effect of the ECS.

Property Valuation Recommended by the City Assessor:

The Market Adjusted Cost Approach = \$ 1,926,300

The Income Approach to Value = \$1,928,738 Equalized to 93% = \$1,793,500

Do to the subject being utilized as apartments, the income approach to value is the recommended method of valuation.

Final Recommendation of Value= \$1,793,500

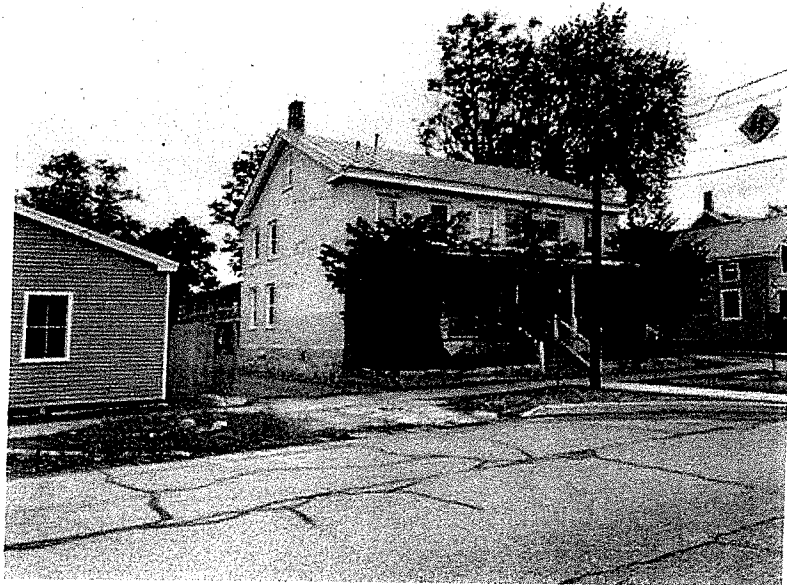
CITY OF BURLINGTON
OFFICE OF THE ASSESSOR
Joe Turner, City Assessor

Appendix A:

Appraisal Report

61 Elmwood Ave

61 Elmwood Ave
Burlington, VT 05401



PREPARED BY:



Effective Date of Valuation

June 13, 2023

Prepared For

Mr. Nicolas Pena
Owner

Client File Number

N/A

Date of the Report

June 15, 2023

Internal File Number

RRCO-2305021

Report Type

Restricted Appraisal Report

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Transmittal Letter



275 Memorial Drive, Apartment 6101
Williston, VT 05495

www.rrcovt.com
P: 802-433-7726

June 15, 2023

Mr. Nicolas Pena
Owner
285 Goddard Ave
Brookline, MA 02445

RE: Restricted Appraisal Report for the property located at 61 Elmwood Ave, Burlington, VT 05401

Dear Mr. Pena:

In accordance with your authorization, I have conducted the investigation necessary to form an opinion of value in the above captioned subject property. The restricted appraisal report that follows sets forth the identification of the property, assumptions, limiting conditions, pertinent facts about the area and the subject property, comparable market data, the results of the investigation, and the reasoning leading to the conclusions set forth. The report that follows is considered to be a summary of my analysis and conclusions. Supporting documentation concerning the data, reasoning, and analyses are retained in my file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in the report. I am not responsible for the unauthorized use of this report.

As context to my opinion of value for the subject property, in December 2021, Mayor Miro Weinberger announced a ten-point plan to "double the rate of housing production and end chronic homelessness. As part of this initiative, a low-barrier-to-entry emergency shelter named Elmwood Community Shelter (ECS) was constructed on a surface parking lot owned by the city at 51 Elmwood Ave (adjacent to the subject property) to serve people experiencing homelessness. People can stay in the shelter for up to 180 days, which can be extended by up to 60 days if there is no alternative housing option available.

The shelter consists of 30 pod-style units plus a community resource center and a bathhouse. The pods have a warrantied life of 10+ years according to the manufacturer's website (Pallet). After being granted a temporary zoning certificate of occupancy (TZCO) on February 6, 2023, the shelter opened to guests on February 7, 2023. The permit is due to expire on August 5, 2023, unless it is renewed prior to its expiration date. The mayor stated in an interview that the city plans to operate the shelter for three years and is actively working to create more permanent affordable housing alternatives. A proposed amendment to the zoning regulations (ref. ZA-22-06) states that "No interim facility permit shall remain in effect for more than three (3) years total. A site containing an interim facility shall be restored to its prior use and/or condition upon expiration of the permit. An interim facility may continue beyond three years only upon application for and approval as a permanent facility." As of the effective date of this appraisal, another meeting regarding this proposed amendment has yet to be scheduled.

Since the shelter was constructed, the subject's property manager has noted increased issues with "security, violence, stolen items, and just an overall feeling of safety due to the new Pod community." Additionally, the subject has

Per conversations with the client and the intended use of the report, the scope of work in this report is intended to be consistent with industry standards and has been performed so as to develop a credible report. This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Value Conclusions

Description	Perspective	Type of Value	Premise	Property Interest	Effective Date	Indicated Value
N/A	Current	Market Value	As Is	Fee Simple	06/13/2023	\$2,330,000

Sincerely,
Randall Real Estate Company



Hugh Randall, MAI
Certified General Real Estate Appraiser, VT No. 080.0134167
hrandall@rrcovt.com

Certification - Hugh Randall, MAI

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is 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 in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

In regards to the inspection of the property:

- Hugh Randall, MAI performed the following type of inspection of the subject property: Exterior Inspection
- No one provided significant real property appraisal assistance to Hugh Randall, MAI.
- Hugh Randall, MAI has not provided prior services, as an appraiser or in any other capacity, within the three-year period immediately preceding acceptance of this agreement.

In addition, as a member of the Appraisal Institute:

- I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice 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, Hugh Randall has completed the continuing education program for Designated Members of the Appraisal Institute.



Hugh Randall, MAI
Certified General Real Estate Appraiser, VT No. 080.0134167
Effective Date of Appraisal: June 13, 2023
Date of Report: June 15, 2023

Executive Summary

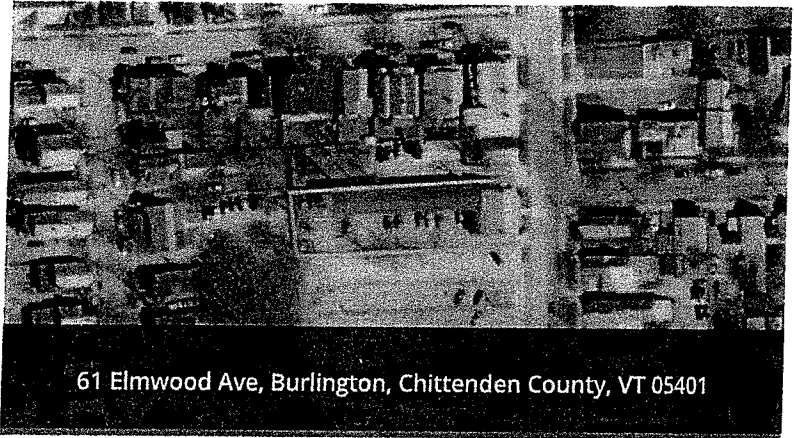
Prepared for North Hill Capital Partners LLC

61 Elmwood Ave

Property Overview

Property Class/Type
Housing, Multiple Units

Property Owner
North Hill Capital Partners LLC



Valuations

Value Conclusions

Description	Perspective	Type of Value	Premise	Property Interest	Effective Date	Indicated Value
N/A	Current	Market Value	As Is	Fee Simple	06/13/2023	\$2,330,000

Site Characteristics

Site Characteristics

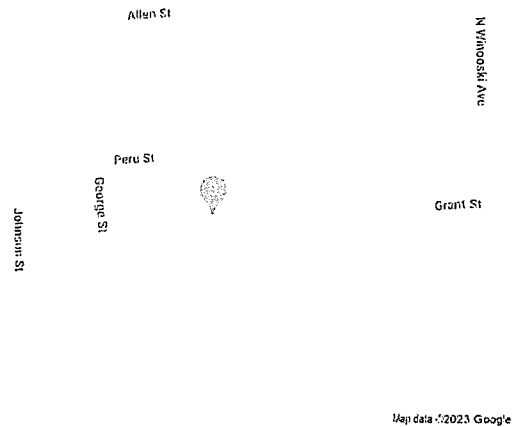
Parcel Identifier	044-4-049-001	SF / Acres	13,068 / 0.30
Flood Zone	X	Available Utilities	Electricity, Gas, Sewer, and Water

Zoning Characteristics

Zoning Characteristics

Zoning Jurisdiction	City of Burlington	Zoning Codes	RHD (Residential High Density)
Conformity Conclusion	Legally Non-Conforming	Conformity Comments	The subject's current use as a multi-family property is allowable per the zoning regulations. The subject does not comply with the dimensional standards of the underlying zoning district as it does not meet the maximum residential density and lot coverage. However, as the subject's improvements were constructed prior to the current zoning regulations, the subject is considered legally non-conforming.

Improvement Characteristics



Improvement Characteristics

Gross Building Area (SF)	7,296	Rentable Area (SF)	7,296
Efficiency Ratio	100.00	# of Bldgs	1
# of Stories	2	# of Units	16
# of Tenants	16	# of Beds	16
Year Built (Weighted Average)	1948	Construction Quality	Average
Building Condition	Average	Type of Parking	Surface
# of Parking Spaces	16	Land to Bldg Ratio (x:1)	1.79

Real Estate Taxes

2022

Assessed Value

\$1,926,300

Current Taxes

\$40,695

Sales History

Price	Date	Seller
\$2,187,500	9/16/2021	Burlington Realty Associates LTD Partnership

The property was marketed for sale through a local broker on MLS. The original asking price in February 2020 was \$2,400,000. The price was subsequently lowered in April 2020 to \$2,225,000. The property was pending as of February 2021. The transaction included \$437,500 in seller financing amortized over 30 years at 5% interest with a balloon payment in Year 5. The buyer indicates that the seller's financing did not affect the sale price. No concessions were noted. The property has condominium documents in place but was purchased to continue its operation as a long-term apartment rental property.

Scope of Work Information

Client Name	North Hill Capital Partners LLC
Report Type	Restricted Appraisal Report
Intended Use	To develop an opinion of the market value for the subject property for tax appeal purposes.
Intended User	North Hill Capital Partners LLC and Hans Huessy

Highest and Best Use as Vacant

Multi-family, developed to the highest allowable density. The timing is current. The most likely buyer is an absentee investor.

Highest and Best Use as Improved

Continued multi-family use, as improved. The most likely buyer is an absentee investor.

Assumptions and Conditions

This appraisal is subject to the following general assumptions and limiting conditions.

1. The title to the property is assumed to be good and marketable and the legal description is correct.
2. No responsibility for legal matters is assumed. All outstanding taxes, liens, mortgages, or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. All sketches in this report are intended to be visual aids and should not be construed as surveys or engineering reports.
4. All information in this report has been obtained from reliable sources. I cannot, however, guarantee or be responsible for the accuracy of information furnished by others.
5. Unless otherwise stated, this opinion of value applies to land and improvements only; the value of trade fixtures, furnishings, and other equipment has not been included.
6. Subsurface rights (minerals, water, and oil) were not separately evaluated in making this appraisal.
7. The comparable sales data relied upon in this appraisal are believed to be from reliable sources; however, it was not possible to inspect the comparables completely, and it was necessary to rely upon information furnished by others as to said data. Therefore, the value conclusions are subject to the correctness and verification of said data.
8. I inspected the subject property, as far as possible, by observing the land and the improvements thereon; however, it was not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Unless otherwise stated, no representations are made as to the geotechnical conditions of the land or the quality and condition of the roof, heating, cooling, ventilating, electrical, and plumbing equipment.
9. Unless otherwise stated in this report, the existence of hazardous substances was not called to my attention nor did I become aware of such during my inspection. I have no knowledge of the existence of such materials on or in the property unless otherwise stated. However, I am not qualified to test such substances or conditions. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field or environmental impacts upon real estate if so desired.
10. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the author, particularly as to the valuation conclusions, the identity of the appraiser or firm with which he is connected, or any reference to the Appraisal Institute.
11. The subject property is currently taxed as 16 separate residential condominium units but is operated as a multi-family rental property. The subject's market value is based on its current operation as a 16-unit multi-family property. The appraiser has not allocated values to each individual unit.

Extraordinary Assumptions and Hypothetical Conditions

This appraisal is subject to the following assumptions and limiting conditions that are specific to the subject property or to this report.

Extraordinary Assumptions

The appraiser was instructed by the client to perform a limited inspection of the subject property including the site and building exterior. No interior inspection was made. As such, this appraisal assumes that the interior of the building improvements is in a condition commensurate with that observed on the exterior and is similar to photographs from a prior appraisal report of the subject property (dated effective July 28, 2021). The use of this extraordinary assumption may have impacted assignment results.

The City of Burlington coordinated the construction of 30 pod shelters for people experiencing homelessness in a municipal-owned surface parking lot adjacent to the subject property. The subject property has experienced a higher rate of turnover, longer vacancies, a reduction in asking rents, and reportedly higher expenses since the completion of this housing project which is believed to be a direct result of the emergency shelter being adjacent to the subject property. According to a news report published by ABC22 & Fox44, the mayor of Burlington indicated that "the city plans to operate it for three years [and] hopes the city won't be needing the shelter once the three years are up." Additionally, a proposed amendment to the zoning regulations dated June 2022 (ref. ZA-22-06) states that "No interim facility permit shall remain in effect for more than three (3) years total. A site containing an interim facility shall be restored to its prior use and/or condition upon expiration of the permit. An interim facility may continue beyond three years only upon application for and approval as a permanent facility." Given the uncertainty of the actual date that the pods will be decommissioned, this appraisal is based on the extraordinary condition that the pods will be removed on the three-year anniversary of opening the pods to guests (February 7, 2026). The use of this extraordinary assumption may have affected assignment results.

Hypothetical Conditions

This appraisal does not employ any hypothetical conditions.

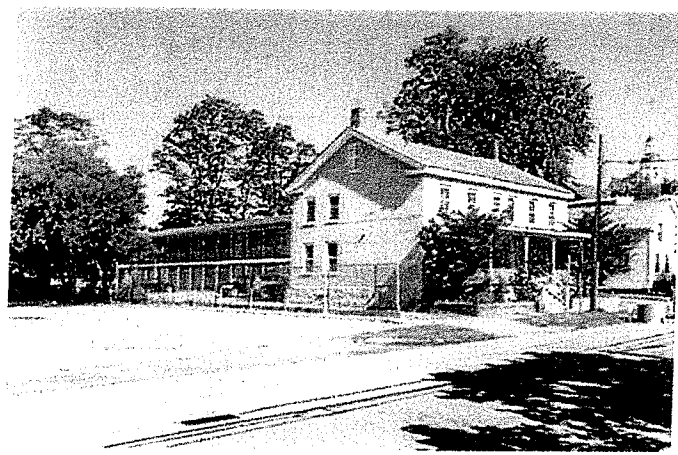
Subject Photos



Exterior - NE Corner



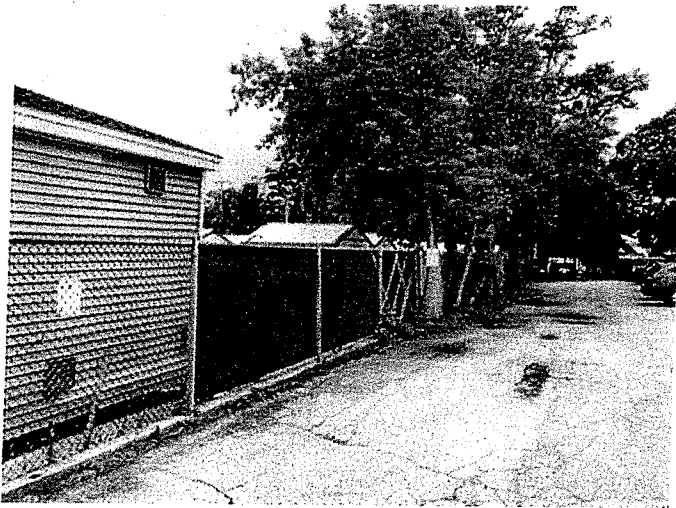
Exterior - SE Corner



Exterior - SE Corner (per 2020 MLS listing prior to ECS)



Exterior - S Face



Chain-Link Fence between subject and pods



Elmwood Community Shelter (ECS), looking W



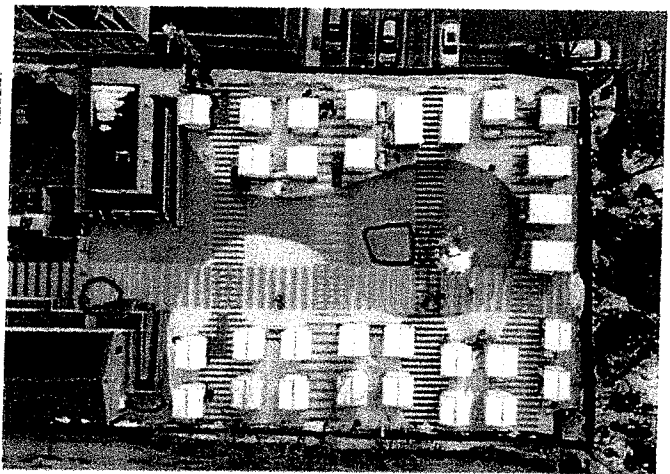
Elmwood Community Shelter (ECS), looking NW



Elmwood Community Shelter (ECS), looking NE



View of Subject from S side of Elmwood Community Shelter (ECS)



Aerial Image of Elmwood Community Shelter (dated April 2023)

Income Approach

In the Income Capitalization Approach, the appraiser analyzes a property's income-generating potential, particularly the amounts and timing of income, and capitalizes that income into value. In the direct capitalization method, the appraiser analyzes one year of expected income and then applies an overall capitalization rate or multiplier to the income to determine value, whereas, in the yield capitalization (or discounted cash flow analysis) method, net operating income projected over a specified holding period is analyzed and discounted back to present value. Direct capitalization is used when the future income is expected to remain relatively stable. Conversely, yield capitalization is most appropriate when the future income (amounts and timing) is expected to be unstable. Definitions for the technical terms used in this section are defined in the Glossary section in the addenda of this report.

The first step of the process in the Income Capitalization approach is to determine the subject's potential gross income (PGI). This is determined through research of similar properties in the local market to determine the market rent for the subject property. If the property is subject to lease contracts (the leased fee estate), the leases are analyzed to determine if they are at, above, or below market. If a lease contract is determined to be at or below market, an adjustment to the final value conclusion is required by discounting the lost or above-market income over the remaining term of the lease to present-day value. In assignments where the fee simple interest is valued, market rents are analyzed and utilized for the income projection.

The next step of the process is to estimate and deduct vacancy and collection losses from potential gross income to arrive at the property's effective gross income (EGI). Vacancy and collection losses account for unoccupied space, tenant turnovers, and non-payment of rent by tenants. Vacancy rates are also derived from similar properties in the subject's market area, as they are sensitive to different types of occupancy (e.g. lodging properties typically have higher vacancy rates due to higher turnover compared to apartments that have 12-month leases) as well as location (e.g. resort towns will have higher vacancies due to fluctuations in seasonal occupancy). Vacancy rates are typically higher when a lease is above market as tenants will be more likely to seek more affordable space, and lower when a property is leased below market.

After vacancy and collection losses are accounted for, operating expenses are deducted from effective gross income to arrive at net operating income (NOI). Operating expenses are categorized as either fixed, variable, or part of the replacement allowance. Fixed expenses do not typically vary with occupancy (i.e. real estate taxes), as opposed to variable expenses (i.e. utilities). Replacement allowances account for the need for capital expenditures for short-lived items that need replacement throughout the building's useful life, and are either accounted for explicitly as an expense or implicitly (i.e. in the capitalization or discount rate) based on how it is typically accounted for in the market.

Lastly, the net operating income is capitalized into value. Capitalization can be performed through the use of a capitalization rate or multiplier using income from any stage of the analysis (e.g. gross income, effective income after vacancy and collection loss, net income before or after reserves, etc.). Overall capitalization rates and discount rates are best derived from the market by analyzing income and expenses from sales of similar properties. A proper application of a cap rate or multiplier is to apply it in the same way that it was derived to protect against over or undervaluing the real property value. Alternative methods of cap rate derivation include the band-of-investment technique and the debt coverage ratio method. The value indicated by dividing the income by the rate (or multiplying the income by the appropriate factor) is then adjusted for any costs that are considered explicitly from the income analysis such as lease-up costs or capital expenditures.

Income Analysis Technique Utilized

Based on the current and anticipated market conditions and existing lease terms, the subject property is valued through direct capitalization. An adjustment to this analysis is warranted to account for the anticipated rent loss between contract rents and market rents due to recent trends in leasing activity since the opening of the Elmwood Community Shelter adjacent to the subject property. The subject property is also valued through yield capitalization using a discounted cash flow (DCF) model as a test of reasonableness to the direct capitalization approach.

Projected Gross Income (PGI)

The subject's potential gross income is comprised of rental payments under the terms of current and anticipated lease agreements. Rental payments can include base rent, expense reimbursements, and escalations. Additional sources of income can include costs of certain amenities (e.g. coin-op laundry, parking, on-site storage, pets, etc.), late / termination fees, or percentage rent to name a few.

Existing Contract Leases

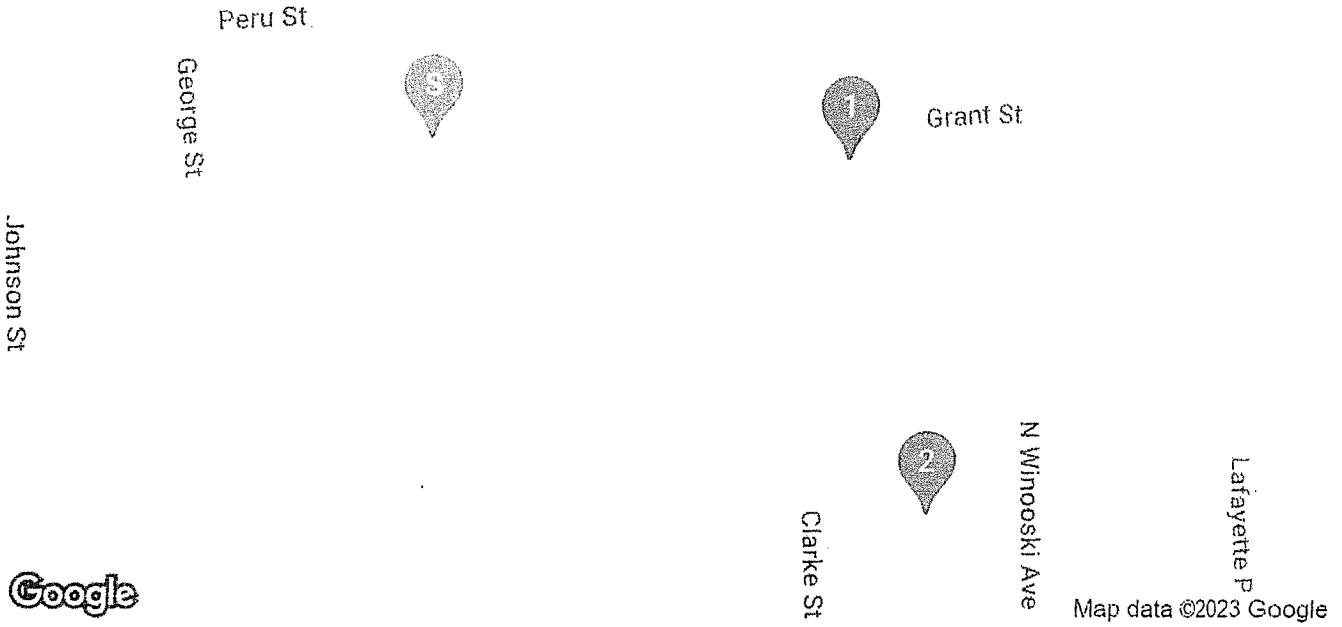
The subject's rent roll as provided by the owner is summarized in the table below.

Unit	Unit Size	# Beds	# Baths	Avg SF / Bed	Style / Floor	Rent (07/28/21)	Rent (05/11/23)	% ▲	% ▲ /yr	Asking Rent	Lease Start Date	Lease End Date	Tenants pay
A	576	1	1.00	576	Flat / 1st	\$ 910	\$ 1,025	12.6%	7.1%	\$ 1,200	06/01/16	07/31/23	All util
G	384	1	1.00	384	Flat / 1st	\$ 950	\$ 1,200	26.3%	14.7%	\$ 1,200	09/01/20	05/28/24	All util
I	384	1	1.00	384	Flat / 1st	\$ 950	\$ 950	0.0%	0.0%	\$ 1,200	09/01/20	08/31/21	All util
H	384	1	1.00	384	Flat / 1st	\$ 950	\$ 1,200	26.3%	14.7%	\$ 1,200	03/01/21	02/26/24	All util
P	384	1	1.00	384	Flat / 2nd	\$ 900	\$ 1,100	22.2%	12.4%	\$ 1,200	04/01/21	03/31/24	All util
N	384	1	1.00	384	Flat / 2nd	\$ 950	\$ 1,200	26.3%	14.7%	\$ 1,200	01/01/22	12/29/23	All util
B	576	1	1.00	576	Flat / 1st	\$ 950	\$ 1,300	36.8%	20.6%	\$ 1,200	04/01/22	03/29/24	All util
K	384	1	1.00	384	Flat / 2nd	\$ 950	\$ 1,200	26.3%	14.7%	\$ 1,200	06/01/22	05/28/23	All util
O	384	1	1.00	384	Flat / 2nd	\$ 950	\$ 1,200	26.3%	14.7%	\$ 1,200	07/15/22	07/29/23	All util
J	384	1	1.00	384	Flat / 1st	\$ 850	\$ 1,250	47.1%	26.3%	\$ 1,200	08/27/22	08/27/23	All util
E	384	1	1.00	384	Flat / 1st	\$ 850	\$ 1,325	55.9%	31.2%	\$ 1,200	09/15/22	08/28/23	All util
M	384	1	1.00	384	Flat / 2nd	\$ 950	\$ 1,325	39.5%	22.0%	\$ 1,200	10/01/22	09/27/23	All util
C	672	1	1.00	672	Flat / 2nd	\$ 1,025	\$ 1,325	29.3%	16.3%	\$ 1,200	11/01/22	10/29/23	All util
D	672	1	1.00	672	Flat / 2nd	\$ 980	\$ 1,200	22.4%	12.5%	\$ 1,200	05/01/23	04/28/24	All util
F	384	1	1.00	384	Flat / 1st	\$ 930	\$ 1,250	34.4%	19.2%	\$ 1,200	05/01/23	04/28/24	All util
L	384	1	1.00	384	Flat / 2nd	\$ 850	\$ 1,200	41.2%	23.0%	\$ 1,200	05/01/23	04/28/24	All util
Sum:	7,104	16			Sum:	\$ 14,895	\$ 19,250	29.2%	16.3%	\$ 19,200			

*Tenant being evicted, hearing on 06/01/2023.

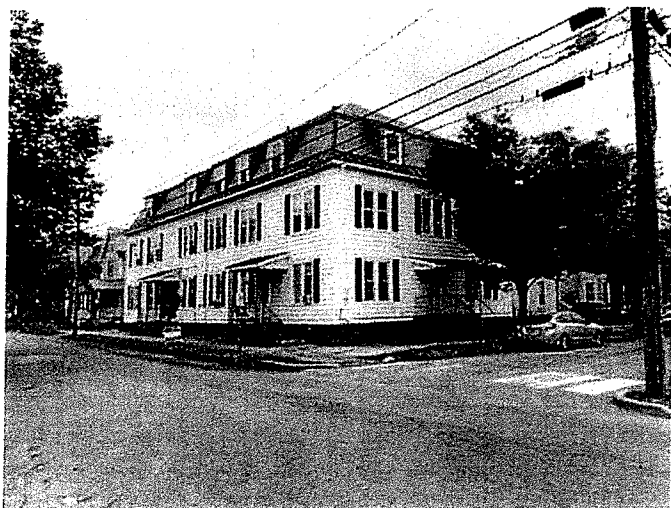
All tenants pay for their own heat, electricity, and cable/internet. The landlord pays for all other expenses including house heat, electricity, and water/sewer. Since the current owner acquired the property in the fall of 2021, the rents have increased by a total of 29.2% (average of 16.3% per year) as they were significantly below market at the time of sale. Recent rent trends are analyzed by sorting the rent roll by the "Lease Start Date". Since the Elmwood Community Shelter came online on February 7, 2023, the subject's property manager indicated that there is "an increase in the turnover and vacancy rate as well as a decrease in the market rent... Prior to the Shelter Community we were pushing the market rents to \$1,325 [per month]. Since then, we have been receiving less activity at that rent and have had to decrease the advertised rent to \$1,200 [per month]." This is evident in the rent roll for the leases renewed since the late summer and fall of 2022.

Each of the above leases is tested against the market to determine whether the lease rates are at, below, or above market. Rental comparables are included to compare the subject leases to the market, with a discussion provided to support our opinion of market rent for each unit.



#	Property Name	Year Built	Occupancy %	Total # of Units	Avg Unit Size SF	Survey Date	Total Unit Size SF
1	33-39 Grant St and 60 Clark St	1899	100.00%	10	0	06/13/2023	0
2	6-16 Clarke St	1935	100.00%	14	622	04/28/2022	8,710

Rent #1 - 33-39 Grant St and 60 Clark St



61 ELMWOOD AVE

Property Information

Property Name	33-39 Grant St and 60 Clark St
Property Class	Housing
Address	33-39 Grant St and 60 Clark St, Burlington, VT 05401
County	Chittenden
Property Type & Sub-Type	Multiple Units / ---

Site Information - Main Site

SF / Acres	4,235 / 0.10
Zoning Code	Residential High Density (RH)
Shape	Rectangular
Flood Zone	X
Topography	Basically Level
Available Utilities	Electricity, Sewer, and Water

Improvement Information - Main Building

Gross Building Area	9,280
Rentable Area	8,538
Year Built	1899
Construction Quality	Average/Good
Building Condition	Good
# of Stories	3
# of Units	10
Project Amenities	On-Site Laundry

Transaction Information

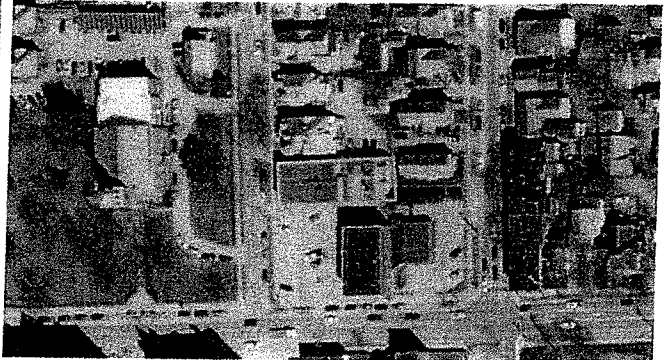
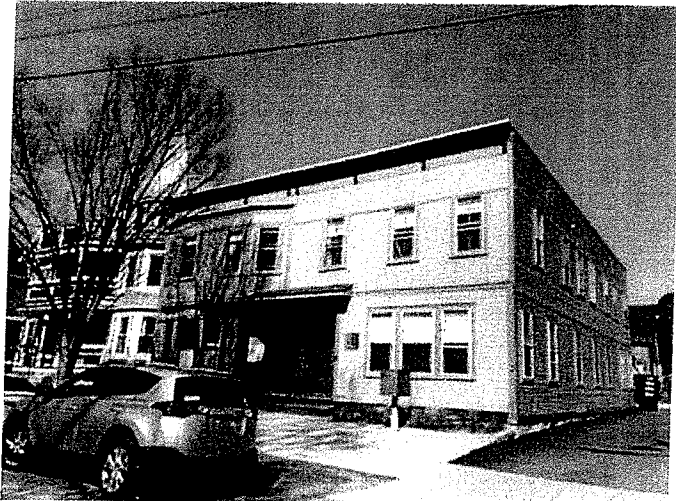
Survey Date	06/13/2023
Obtained from Appraisal	No
Survey Comment	---

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Rent Roll										
Floor Plan Desc	# of BR	# of BA	# of Units	Avg Unit Size SF	Asking Rent Range	Avg Asking Rent	Avg Asking Per SF	Actual Rent Range	Avg Actual Rent	Avg Actual Per SF
1-bed	1	1.00	4	0	\$0 - \$0	\$0	\$---	\$1,375 - \$1,600	\$1,480	\$---
2-bed	2	1.00	3	0	\$0 - \$0	\$0	\$---	\$1,775 - \$1,590	\$1,705	\$---
3-bed	3	1.00	2	0	\$0 - \$0	\$0	\$---	\$2,265 - \$2,700	\$4,965	\$---
Studio	0	1.00	1	0	\$0 - \$0	\$0	\$---	\$0 - \$0	\$865	\$---
Totals			10	0.00	\$0 - \$0	\$0	\$---	\$0 - \$2,700	\$2,183	\$---

Rent #2 - 6-16 Clarke St

61 ELMWOOD AVE



8-16 Clarke St only

Property Information

Property Name	6-16 Clarke St
Property Class	Housing
Address	6-16 Clarke St, Burlington, VT 05401
County	Chittenden
Property Type & Sub-Type	Multiple Units / ---

Site Information - Main Site

SF / Acres	6,534 / 0.15
Zoning Code	Residential High Density (RH)
Shape	Rectangular
Flood Zone	X
Topography	Basically Level
Available Utilities	Electricity, Sewer, and Water

Improvement Information - 6 Clarke St

Gross Building Area	1,800
Rentable Area	1,800
Year Built	1935
Construction Quality	Good
Building Condition	Good
# of Stories	2
# of Units	6

Improvement Information - 8-16 Clarke St

Gross Building Area	6,010
Rentable Area	6,010
Year Built	1935
Construction Quality	Good
Building Condition	Good
# of Stories	2
# of Units	8

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Transaction Information

Survey Date 04/28/2022
 Obtained from Appraisal No
 Survey Comment ---

Rent Roll

Floor Plan Desc	# of BR	# of BA	# of Units	Avg Unit Size SF	Asking Rent Range	Avg Asking Rent	Avg Asking Per SF	Actual Rent Range	Avg Actual Rent	Avg Actual Per SF
1-bed	1	1.00	7	751	\$0 - \$0	\$0	\$0.00	\$1,280 - \$1,600	\$1,399	\$1.86
2-bed	2	1.00	3	751	\$0 - \$0	\$0	\$0.00	\$1,625 - \$1,650	\$1,642	\$2.19
Studio	0	1.00	4	300	\$0 - \$0	\$0	\$0.00	\$935 - \$1,000	\$968	\$3.23
Totals			14	622.00	\$0 - \$0	\$0	\$0.00	\$935 - \$1,650	\$1,328	\$2.13

Market Rent Projection - One-Bedroom Apartments

Rents for similar one-bedroom apartments in the subject's competing market area predominantly range from \$820/month to \$1,600/month with an average of \$1,180/month. A majority of surveyed rents do not include heat, electricity, or cable/internet. Surveyed rents for one-bedroom apartments in the two direct comparables range from \$1,280/month to \$1,600/month with an average of \$1,464/month plus utilities.

The subject units (A-D) are somewhat large compared to market standards and Units E-P are somewhat small. The subject units have average quality and condition. Based on the lease comparables, market rents for Units A-D are projected at \$1,450/month and Units E-P are projected at \$1,350/month plus utilities.

The total market rent for all of the subject units is calculated at \$22,000/month, which equates to \$264,000 in annual rental income.

Subject History						
	I&E #1		I&E #2		I&E #3	
Scenario	Actual		Actual		Actual	
12-Month Period Ending	12/31/2018		12/31/2019		12/31/2020	
	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Income						
Rental Income	\$15.17	\$6,915.63	\$19.71	\$8,989.88	\$21.88	\$9,978.81
Total Rental Income	\$15.17	\$6,915.63	\$19.71	\$8,989.88	\$21.88	\$9,978.81
Total Adjusted Rental Income	\$15.17	\$6,915.63	\$19.71	\$8,989.88	\$21.88	\$9,978.81
Laundry/Vending Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Potential Gross Income (PGI)	\$15.17	\$6,915.63	\$19.71	\$8,989.88	\$21.88	\$9,978.81
Effective Gross Income (EGI)	\$15.17	\$6,915.63	\$19.71	\$8,989.88	\$21.88	\$9,978.81
Fixed Expenses						
Real Estate Taxes	\$4.53	\$2,064.63	\$4.71	\$2,149.81	\$4.96	\$2,260.38
Insurance	\$0.41	\$187.50	\$0.58	\$264.88	\$0.49	\$225.50
Variable Expenses						
Management Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Administrative	\$0.83	\$380.00	\$0.81	\$368.19	\$0.52	\$236.25
Utilities	\$2.00	\$911.06	\$1.62	\$738.63	\$1.27	\$577.00
Heating & Fuel	\$0.00	\$0.00	\$0.48	\$219.44	\$0.00	\$0.00
Electricity	\$0.00	\$0.00	\$0.21	\$94.38	\$0.00	\$0.00
Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Water & Sewer	\$0.00	\$0.00	\$0.93	\$424.81	\$0.00	\$0.00
Other Utilities	\$2.00	\$911.06	\$0.00	\$0.00	\$1.27	\$577.00
Repairs & Maintenance	\$1.58	\$722.63	\$1.19	\$541.75	\$4.28	\$1,950.44
Pest Control	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Trash Removal	\$0.00	\$0.00	\$0.32	\$144.00	\$0.00	\$0.00
Other Repairs & Maintenance	\$1.58	\$722.63	\$0.87	\$397.75	\$4.28	\$1,950.44
Leasing Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Roads & Grounds	\$0.00	\$0.00	\$0.36	\$165.63	\$0.00	\$0.00
Other Operating Expenses	\$1.43	\$650.00	\$1.72	\$783.56	\$2.79	\$1,272.06
Total Operating Expenses	\$10.78	\$4,915.81	\$10.99	\$5,012.44	\$14.30	\$6,521.63
Net Operating Income	\$4.39	\$1,999.81	\$8.72	\$3,977.44	\$7.58	\$3,457.19

Subject History						
	I&E #4		I&E #5		I&E #6	
Scenario	Broker's Pro Forma		Actual		Annualized	
12-Month Period Ending	12/31/2020		12/31/2022		12/31/2023	
	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Income						
Rental Income	\$24.08	\$10,980.00	\$27.85	\$12,698.28	\$30.15	\$13,748.63
Total Rental Income	\$24.08	\$10,980.00	\$27.85	\$12,698.28	\$30.15	\$13,748.63
Total Adjusted Rental Income	\$24.08	\$10,980.00	\$27.85	\$12,698.28	\$30.15	\$13,748.63
Laundry/Vending Income	\$0.27	\$125.00	\$0.10	\$45.33	\$0.06	\$25.13
Potential Gross Income (PGI)	\$24.35	\$11,105.00	\$27.95	\$12,743.61	\$30.21	\$13,773.75
Effective Gross Income (EGI)	\$24.35	\$11,105.00	\$27.95	\$12,743.61	\$30.21	\$13,773.75
Fixed Expenses						
Real Estate Taxes	\$4.71	\$2,149.81	\$5.69	\$2,596.63	\$5.58	\$2,543.42
Insurance	\$0.58	\$264.88	\$0.00	\$0.00	\$0.00	\$0.00
Variable Expenses						
Management Fees	\$0.00	\$0.00	\$2.10	\$956.79	\$2.48	\$1,131.72
Administrative	\$0.00	\$0.00	\$0.24	\$110.00	\$0.24	\$110.00
Utilities	\$1.62	\$738.65	\$1.40	\$639.00	\$3.24	\$1,478.12
Heating & Fuel	\$0.48	\$219.42	\$0.34	\$155.62	\$0.61	\$277.84
Electricity	\$0.21	\$94.41	\$0.16	\$74.41	\$0.00	\$0.00
Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.15	\$68.09
Water & Sewer	\$0.93	\$424.82	\$0.90	\$408.96	\$2.48	\$1,132.19
Other Utilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Repairs & Maintenance	\$1.19	\$541.75	\$3.40	\$1,549.46	\$2.04	\$930.18
Pest Control	\$0.00	\$0.00	\$0.05	\$23.44	\$0.00	\$0.00
Trash Removal	\$0.32	\$144.00	\$0.54	\$245.57	\$0.66	\$299.89
Other Repairs & Maintenance	\$0.87	\$397.75	\$2.81	\$1,280.45	\$1.38	\$630.29
Leasing Expenses	\$0.00	\$0.00	\$0.67	\$306.25	\$0.00	\$0.00
Roads & Grounds	\$0.36	\$165.63	\$0.00	\$0.00	\$0.00	\$0.00
Other Operating Expenses	\$0.24	\$110.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Operating Expenses						
	\$8.71	\$3,970.71	\$13.50	\$6,158.13	\$13.58	\$6,193.44
Net Operating Income						
	\$15.65	\$7,134.29	\$14.44	\$6,585.48	\$16.62	\$7,580.31

Expense Reimbursements

Expense reimbursements are based on the structure of the leases currently in place. None of the leases include any expense reimbursements, as the tenants are responsible for paying their own utilities.

Other Income

The subject has income from several coin-operated washer and dryer units in the partial basement beneath Units A-D. Expense Comparable 1 also has coin-operated laundry and reports an average income of \$3.41/week/unit for 10 units. Therefore, the subject's coin-operated laundry income is projected at \$3.50/week/unit, which equates to an annual income of \$2,912.

Estimated Vacancy and Collection Loss (V&CL)

As of the effective date of the appraisal, the subject is 100% occupied with one tenant having been served an eviction notice with a scheduled hearing on June 1, 2023. However, according to the property manager, a higher-than-average vacancy rate is expected at the subject property in 2023 as the current tenants have expressed concerns about "security, violence, stolen items, and just an overall feeling of safety due to the new Pod community" which opened in February 2023 adjacent to the subject property. Apartment vacancy in the subject's competing market area is estimated at approximately 1%. As the subject has a good location, average quality and condition, and slightly below-average unit sizes, a stabilized vacancy rate slightly higher than the market is reasonable. Therefore, a 2% vacancy rate is applied to the subject's PGI to arrive at effective gross income (EGI).

Operating Expenses (OE)

The subject's projected operating expenses are based on our analysis of the subject's historic expenses and expenses for similar properties in the area. The owner's representative provided operating expenses for the subject property from 2018 to 2020 as well as for 2022 and 2023 (year-to-date), which are tested against several expense comparables for reasonableness.

It is noted that since the Elmwood Community Shelter (ECS) came online in February 2023, the subject's management has indicated that there has been an increase in "leasing and maintenance expenses as we are doing more general repairs and painting, for example, more often...Other maintenance costs will increase due to the shelter community. Trash pickup, daily inspections, wear and tear on the property (fence)." My analysis of the subject's expenses from January 2022 to April 2023 does not indicate that there have been significant increases in expenses since the ECS came online (see the addenda for the monthly breakdown of expenses). As this appraisal assumes that the ECS will be decommissioned at its three-year anniversary (February 6, 2026), all expenses in the direct capitalization scenario are projected as stabilized.

The subject's fixed and variable operating expenses are analyzed and compared on a \$/SF of NRA basis. Each of the subject's expense projections is detailed separately below.

Real Estate Taxes

The subject's real estate taxes are based on actuals for the 2022/2023 tax year at \$40,695. The subject's current assessment and taxes are considered reasonable on a \$/unit basis as supported by the expense comparables summarized in the following table.

No.	Property Name	Unit Count	Assessed Value	Assess (\$/Unit)	Taxes	Taxes (\$/Unit)
1	33-37 Grant St	10	\$1,604,600	\$160,460	\$33,899	\$3,390
2	6-16 Clarke St	14	\$1,607,600	\$114,829	\$33,962	\$2,426
3	71-73 Elmwood Ave	18	\$1,753,700	\$97,428	\$37,049	\$2,058
4	21-25 Elmwood Ave	19	\$2,779,800	\$146,305	\$58,726	\$3,091
5	61 Elmwood Ave	16	\$1,926,300	\$120,394	\$40,695	\$2,543

Insurance

The subject's insurance expense is projected at \$0.65/SF, which is consistent with historic trends and reasonably within the range indicated by the expense comparables for similarly-sized properties.

Management

The subject is currently managed by a third party that charges 7.65% of collected rents (or EGI). This fee is slightly discounted as the management company also manages several other properties for the same owner. The subject's manager (John Borch) indicated that the market-rate fee for the subject property as a standalone property would be 8.5% of EGI. This is consistent with management fees cited by several other local management companies who indicate a range of 8% to 10% for similarly-sized properties. Therefore, the subject's management fee is projected at 8.5% of EGI.

Utilities

Utilities for the subject are mostly paid by the tenants with the exception of water/sewer and house heat and electricity. The subject's water/sewer expense is projected at \$35/unit/month, the house heating expense is projected at \$0.35/SF, and the house electricity expense is projected at \$0.15/SF, which is consistent with historic trends and within the range of the expense comparables.

Repairs & Maintenance (R&M)

Included in the repairs & maintenance expense projections is trash removal. Based on the subject's trend in these expenses, the subject's repairs & maintenance expense is projected at \$800/unit and the trash expense is projected at \$20/unit/month. These expenses are reasonably bracketed by the expense comparables.

Roads & Grounds

The subject's most significant grounds maintenance needs are the driveway and parking area as there is minimal landscaping. The subject's roads and grounds expense is projected at \$0.30/SF (or approximately \$180/month), which is supported by the subject's historic expenses and is bracketed by the expense comparables.

City Inspection Fees

The city of Burlington charges an annual inspection fee of \$110/unit.

Capital Reserves

The inclusion of capital reserves in expense comparables is atypical for the subject's market. However, as competent management is presumed in this appraisal, an allowance for capital reserves is included in the analysis to account for replacing short-lived items. Market participants who account for reserves typically use 2% to 4% of EGI as a baseline expense. As many of the subject's major components appeared or were otherwise reported to be in good condition, a 2% of EGI capital reserves expense is utilized in this analysis.

Expense Comparables						
	Comparable #1		Comparable #2		Comparable #3	
City	Burlington		Burlington		Burlington	
Year Built	1899		1935		1910	
Size (SF)	8,538		7,810		9,223	
12-Month Period Ending	12/31/2023		12/31/2022		12/31/2022	
	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Income						
Rental Income	\$23.70	\$20,238.00	\$28.56	\$15,930.00	\$31.34	\$16,060.61
Total Rental Income	\$23.70	\$20,238.00	\$28.56	\$15,930.00	\$31.34	\$16,060.61
Total Adjusted Rental Income	\$23.70	\$20,238.00	\$28.56	\$15,930.00	\$31.34	\$16,060.61
Laundry/Vending Income	\$0.21	\$177.60	\$0.00	\$0.00	\$0.34	\$174.23
Potential Gross Income (PGI)	\$23.91	\$20,415.60	\$28.56	\$15,930.00	\$31.68	\$16,234.84
Effective Gross Income (EGI)	\$23.91	\$20,415.60	\$28.56	\$15,930.00	\$31.68	\$16,234.84
Fixed Expenses	\$4.62	\$3,941.80	\$5.54	\$3,092.64	\$4.82	\$2,470.41
Real Estate Taxes	\$4.14	\$3,531.70	\$4.59	\$2,560.57	\$4.10	\$2,101.32
Insurance	\$0.48	\$410.10	\$0.95	\$532.07	\$0.72	\$369.09
Variable Expenses	\$1.78	\$1,522.90	\$6.66	\$3,713.26	\$8.27	\$4,237.97
Management Fees	\$0.00	\$0.00	\$2.28	\$1,274.40	\$0.00	\$0.00
Utilities	\$0.65	\$552.60	\$1.79	\$999.71	\$2.12	\$1,086.68
Heating & Fuel	\$0.05	\$46.50	\$0.84	\$469.00	\$0.79	\$402.29
Electricity	\$0.04	\$34.00	\$0.39	\$215.36	\$0.54	\$276.63
Water & Sewer	\$0.55	\$472.10	\$0.57	\$315.36	\$0.66	\$336.19
Other Utilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.14	\$71.57
Repairs & Maintenance	\$0.98	\$837.30	\$2.25	\$1,257.71	\$4.48	\$2,297.62
Trash Removal	\$0.19	\$158.90	\$0.97	\$543.43	\$0.33	\$167.09
Other Repairs & Maintenance	\$0.79	\$678.40	\$1.28	\$714.29	\$4.16	\$2,130.53
Leasing Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.03	\$17.26
Advertising & Promotion	\$0.00	\$0.00	\$0.00	\$0.00	\$0.03	\$17.26
Payroll	\$0.00	\$0.00	\$0.00	\$0.00	\$1.30	\$666.72
Cleaning Payroll	\$0.00	\$0.00	\$0.00	\$0.00	\$1.30	\$666.72
Roads & Grounds	\$0.03	\$23.00	\$0.13	\$71.43	\$0.33	\$169.69
Other Operating Expenses	\$0.13	\$110.00	\$0.20	\$110.00	\$0.00	\$0.00
Total Operating Expenses	\$6.40	\$5,464.70	\$12.20	\$6,805.90	\$13.09	\$6,708.37
Net Operating Income	\$17.51	\$14,950.90	\$16.36	\$9,124.10	\$18.59	\$9,526.47

Expense Comparables

Comparable #4

City Burlington
 Year Built 1900
 Size (SF) 8,873
 12-Month Period Ending 12/31/2021

Per SF Per Unit

Income

Rental Income \$25.62 \$11,965.26
 Total Rental Income \$25.62 \$11,965.26
 Total Adjusted Rental Income \$25.62 \$11,965.26
 Laundry/Vending income \$0.11 \$50.00
 Potential Gross Income (PGI) \$25.73 \$12,015.26
 Effective Gross Income (EGI) \$25.73 \$12,015.26

Fixed Expenses

\$7.29 \$3,402.41

Real Estate Taxes \$6.82 \$3,184.57
 Insurance \$0.47 \$217.84

Variable Expenses

\$3.30 \$1,542.39

Management Fees \$0.00 \$0.00
 Utilities \$2.68 \$1,253.50
 Heating & Fuel \$1.55 \$724.87
 Electricity \$0.12 \$54.05
 Water & Sewer \$1.02 \$474.57
 Other Utilities \$0.00 \$0.00
 Repairs & Maintenance \$0.27 \$127.58
 Trash Removal \$0.27 \$127.58
 Other Repairs & Maintenance \$0.00 \$0.00
 Leasing Expenses \$0.00 \$0.00
 Advertising & Promotion \$0.00 \$0.00
 Payroll \$0.00 \$0.00
 Cleaning Payroll \$0.00 \$0.00
 Roads & Grounds \$0.11 \$51.32
 Other Operating Expenses \$0.24 \$110.00

Total Operating Expenses

\$10.59 \$4,944.80

Net Operating Income

\$15.14 \$7,070.46

Pro Forma				
	Total	Per SF	Per Unit	% of EGI
Income				
Rental Income	\$264,000	\$36.18	\$16,500	100.91%
Total Rental Income	\$264,000	\$36.18	\$16,500	100.91%
Total Adjusted Rental Income	\$264,000	\$36.18	\$16,500	100.91%
Laundry/Vending Income	\$2,912	\$0.40	\$182	1.11%
Potential Gross Income (PGI)	\$266,912	\$36.58	\$16,682	102.02%
Less Vacancy & Credit Loss	\$5,280	\$0.72	\$330	2.02%
Effective Gross Income (EGI)	\$261,632	\$35.86	\$16,352	100.00%
Fixed Expenses	\$45,437	\$6.23	\$2,840	17.37%
Real Estate Taxes	\$40,695	\$5.58	\$2,543	15.55%
Insurance	\$4,742	\$0.65	\$296	1.81%
Variable Expenses	\$53,196	\$7.29	\$3,325	20.33%
Management Fees	\$22,239	\$3.05	\$1,390	8.50%
Utilities	\$10,368	\$1.42	\$648	3.96%
Heating & Fuel	\$2,554	\$0.35	\$160	0.98%
Electricity	\$1,094	\$0.15	\$68	0.42%
Water & Sewer	\$6,720	\$0.92	\$420	2.57%
Repairs & Maintenance	\$16,640	\$2.28	\$1,040	6.36%
Trash Removal	\$3,840	\$0.53	\$240	1.47%
Other Repairs & Maintenance	\$12,800	\$1.75	\$800	4.89%
Roads & Grounds	\$2,189	\$0.30	\$137	0.84%
Other Operating Expenses	\$1,760	\$0.24	\$110	0.67%
Total Operating Expenses	\$98,633	\$13.52	\$6,165	37.70%
Net Operating Income	\$162,999	\$22.34	\$10,187	62.30%
Replacement Reserves	\$5,233	\$0.72	\$327	2.00%
Net Operating Income After Reserves	\$157,766	\$21.62	\$9,860	60.30%

Direct Capitalization

In order to capitalize the estimated net operating income into a value estimate for the subject property, we used direct capitalization. Direct capitalization involves the capitalization of anticipated net operating income for the next year at an overall rate of return. This rate is also commonly referred to as the 'going-in' capitalization rate. When adequate data is available, the overall rate is best derived from comparable sales.

Several elements are considered in selecting a cap rate for the subject property. Future value prospects in the subject's market area are expected to continue to improve. Demand for apartments in Burlington is high based on low vacancy rates and increasing rents and sale prices. The subject's location is considered good just outside the CBD of Burlington. The improvements have average quality and condition. A majority of the unit sizes are slightly below market standards. The subject is adjacent to a temporary shelter for people experiencing homelessness that the property manager indicates has resulted in "an increase in turnover and vacancy rate as well as a decrease in the market rent." While these factors have been explicitly accounted for in this analysis, an investor is likely to associate a premium with the perceived risk to their property. As a result, the subject's cap rate is expected to be mid-range based on the cap rate comparables.

Cap Comp 1 is active under contract and the calculated cap rate based on the asking price is 6.10%. This cap rate does not include a management fee or capital reserves, which would further decrease the cap rate. As the sale price was not able to be confirmed, less weight is placed on this cap rate indication.

Cap Comp 2 has a slightly superior location to the subject being within the downtown area and having been recently renovated with good quality and condition. For these reasons, this property is considered a superior investment compared to the subject. As such, the subject's cap rate is expected to be higher than this indication.

Cap Comp 3 is located in the Old North End of Burlington, which is considered slightly inferior to the subject's location and is further from downtown amenities. The subject's cap rate is expected to be lower than this indication.

Cap Comp 4 is a student rental property that has slightly superior quality and condition than the subject property. This sale is also somewhat older. Therefore, moderate weight is placed on this cap rate indication.

In consideration of the above factors, the market cap rate reconciled for the subject property is 6.5%.

Comparable Capitalization Rates

Name	Year Built	Occupancy	Rentable Area (SF)	Sale Date	Analysis		OAR Before Reserves	OAR After Reserves
					Sale Price / SF	Scenario		
33-39 Grant St and 60 Clark St	1899	100.00%	8,538	In-Contract	\$286.95	Broker's Pro Forma	6.10%	6.10%
6-16 Clarke St	1935	100.00%	7,810	4/28/2022	\$262.48	Actual	6.23%	6.01%
72-78 Lafountain St	1899	100.00%	3,974	3/25/2022	\$229.84	Actual	7.52%	7.52%
147-151 Loomis St	1899	100.00%	6,742	8/12/2021	\$242.21	Broker's Pro Forma	6.64%	6.64%

Adjustment - Below Market Rents

The subject's value indication by direct capitalization requires adjustment for the subject's below-market rent based on the recent downward trend in asking rents since the Elmwood Community Shelter (ECS) opened. The subject is expected to not be able to achieve market rent while the ECS operates adjacent to the subject property, which is assumed to be three years. The calculation of the rent loss for Year 1 is based on current contract rents compared to market rents for the remainder of the current lease terms. The subject's projected rents in Year 2 are conservatively estimated at \$1,300/month for Units A-D as they are not directly facing the ECS and have a slightly superior appeal to Units E-P given their larger unit sizes. Lease rates for Units E-P in Year 2 are projected at \$1,200/month. The subject's lease rates in Year 3 and the market rates for Years 2 and 3 are increased by 4% per year (approximately \$50/month). A summary of the rent loss calculations is included in the table below.

Unit	Current Contract Rent (\$/mo)	Current Market Rent (\$/mo)	▲	Appraisal Eff Date	Lease Expiration	Mos. Rent Loss	Rent Loss (\$/yr)	Subject Proj Rent (Year 2)	Market Rent (Year 2)	Rent Loss (\$/mo)	Subject Proj Rent (Year 3)	Market Rent (Year 3)	Rent Loss (\$/mo)
A	\$ 1,025	\$ 1,450	\$425	06/13/23	07/31/23	1	\$ 425	\$ 1,300	\$ 1,508	\$ 208	\$ 1,352	\$ 1,568	\$ 216
B	\$ 1,300	\$ 1,450	\$150	06/13/23	03/29/24	9	\$ 1,350	\$ 1,300	\$ 1,508	\$ 208	\$ 1,352	\$ 1,568	\$ 216
C	\$ 1,325	\$ 1,450	\$125	06/13/23	10/29/23	4	\$ 500	\$ 1,300	\$ 1,508	\$ 208	\$ 1,352	\$ 1,568	\$ 216
D	\$ 1,200	\$ 1,450	\$250	06/13/23	04/28/24	10	\$ 2,500	\$ 1,300	\$ 1,508	\$ 208	\$ 1,352	\$ 1,568	\$ 216
E	\$ 1,325	\$ 1,350	\$ 25	06/13/23	08/28/23	2	\$ 50	\$ 1,200	\$ 1,404	\$ 204	\$ 1,248	\$ 1,460	\$ 212
F	\$ 1,250	\$ 1,350	\$100	06/13/23	04/28/24	10	\$ 1,000	\$ 1,200	\$ 1,404	\$ 204	\$ 1,248	\$ 1,460	\$ 212
G	\$ 1,200	\$ 1,350	\$150	06/13/23	05/28/24	11	\$ 1,650	\$ 1,200	\$ 1,404	\$ 204	\$ 1,248	\$ 1,460	\$ 212
H	\$ 1,200	\$ 1,350	\$150	06/13/23	03/26/24	8	\$ 1,200	\$ 1,200	\$ 1,404	\$ 204	\$ 1,248	\$ 1,460	\$ 212
I	\$ 950	\$ 1,350	\$400	06/13/23	M2M	--	--	\$ 1,200	\$ 1,404	\$ 204	\$ 1,248	\$ 1,460	\$ 212
J	\$ 1,250	\$ 1,350	\$100	06/13/23	08/27/23	2	\$ 200	\$ 1,200	\$ 1,404	\$ 204	\$ 1,248	\$ 1,460	\$ 212
K	\$ 1,200	\$ 1,350	\$150	06/13/23	05/28/23	--	--	\$ 1,200	\$ 1,404	\$ 204	\$ 1,248	\$ 1,460	\$ 212
L	\$ 1,200	\$ 1,350	\$150	06/13/23	04/28/24	10	\$ 1,500	\$ 1,200	\$ 1,404	\$ 204	\$ 1,248	\$ 1,460	\$ 212
M	\$ 1,325	\$ 1,350	\$ 25	06/13/23	09/27/23	3	\$ 75	\$ 1,200	\$ 1,404	\$ 204	\$ 1,248	\$ 1,460	\$ 212
N	\$ 1,200	\$ 1,350	\$150	06/13/23	12/29/23	6	\$ 900	\$ 1,200	\$ 1,404	\$ 204	\$ 1,248	\$ 1,460	\$ 212
O	\$ 1,200	\$ 1,350	\$150	06/13/23	07/29/23	1	\$ 150	\$ 1,200	\$ 1,404	\$ 204	\$ 1,248	\$ 1,460	\$ 212
P	\$ 1,100	\$ 1,350	\$250	06/13/23	03/31/24	9	\$ 2,250	\$ 1,200	\$ 1,404	\$ 204	\$ 1,248	\$ 1,460	\$ 212
Sum of Monthly Income Loss:							--			\$ 3,280			\$ 3,411
Sum of Annual Income Loss:							\$13,750			\$39,360			\$40,934
Income Growth Fact		4%									Total Annual Rental Loss: \$94,044		

Based on this analysis, the total rent loss is calculated at \$94,044, which is deducted from the value indicated by direct comparison.

Direct Capitalization	OAR	Amount	Per Unit
Net Operating Income After Reserves		\$157,766	\$9,860
Capitalized Value	6.50%	\$2,427,176	\$151,699
Adjustments to Capitalized Value			
Description		Amount	Per Unit
Adjustment for rent loss		-\$94,044	-\$5,878
Total Adjustments		-\$94,044	-\$5,878
Indicated Value from Direct Capitalization		\$2,333,132	\$145,821
Rounded		\$2,330,000	

Yield Capitalization

The subject is also valued by yield capitalization using a discounted cash flow (DCF) model. Below are descriptions of the assumptions and inputs used in this analysis.

Holding Period

The subject was valued using a five-year holding period which covers the initial three-year period when the Elmwood Community Shelter (ECS) is expected to be operational.

Rental Income

The subject's rental income in Year 1 is projected at current contract rents. Year 2 projected rental income is projected at \$1,300/month plus utilities for Units A-D and \$1,200/month for Units E-P, which is below the projected market rates. Year 4 is when the property is expected to achieve market lease rates. Rental income in all other years is increased by 4% per year.

Vacancy and Collection Losses (V&CL)

The subject's V&CL is expected to remain level throughout the five-year holding period as the rents are projected at rates that are expected to achieve this rate consistently given the high demand for apartment rentals in the subject's competing market area.

Operating Expenses

The subject's operating expenses mostly reflect what was projected in the direct capitalization method with the exception of repairs and maintenance (R&M), which is projected at an additional \$100/unit for Years 1-3 to account for increased turnover expenses while the ECS is operational. The R&M expense is decreased to \$800/unit in Year 4 when the property is expected to attain market rent.

Present Value (PV) Factor

A present value factor is necessary to discount the cash flows based on investor expectations. The present value of the income from Years 1-5 and the reversion (based on NOI in Year 6 divided by the terminal cap rate) are discounted at 8.5%, which is based on a 2% premium over the current cost of funds (6.5%) given the relatively short projection period.

Terminal Cap Rate

The terminal cap rate of 7% is based on a slight increase over the going-in cap rate of 6.5% to account for wear and tear over the holding period.

The assumptions, inputs, and calculations of the DCF are summarized in the following table.

Year	1	2	3	4	5	6	Notes (Year 1)
Projected Gross Income (PGI):							
Rental Income (1)	\$ 231,000	\$ 235,200	\$ 241,608	\$ 285,540	\$ 296,962	\$ 308,840	
Laundry Income	\$ 2,912	\$ 2,912	\$ 2,912	\$ 2,912	\$ 2,912	\$ 2,912	\$3.50/wk/unit
Total PGI	\$ 233,912	\$ 238,112	\$ 247,520	\$ 288,452	\$ 299,874	\$ 311,752	
Vacancy & Collection Loss (V&CL)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Effective Gross Income (EGI)	\$ 229,234	\$ 233,350	\$ 242,570	\$ 282,683	\$ 293,876	\$ 305,517	
Operating Expenses (OE):							
Property Taxes	\$ 40,695	\$ 41,916	\$ 43,173	\$ 44,468	\$ 45,802	\$ 47,176	Actual tax bill
Insurance	\$ 4,742	\$ 4,884	\$ 5,031	\$ 5,182	\$ 5,337	\$ 5,497	\$0.65/SF
Management	\$ 19,485	\$ 19,835	\$ 20,618	\$ 21,028	\$ 21,979	\$ 22,969	8.5% EGI
Utilities - Heat	\$ 2,554	\$ 2,631	\$ 2,710	\$ 2,791	\$ 2,875	\$ 2,961	\$0.25/SF
Utilities - Electricity	\$ 1,094	\$ 1,127	\$ 1,161	\$ 1,195	\$ 1,231	\$ 1,268	\$0.15/SF
Utilities - Water & Sewer	\$ 6,720	\$ 6,922	\$ 7,129	\$ 7,343	\$ 7,563	\$ 7,790	\$35/unit/mo
Repairs and Maintenance	\$ 14,400	\$ 14,832	\$ 15,277	\$ 12,800	\$ 13,184	\$ 13,580	\$800-\$500/unit
Rubbish Removal	\$ 3,840	\$ 3,955	\$ 4,074	\$ 4,196	\$ 4,322	\$ 4,452	\$20/unit/mo
Roads & Grounds	\$ 2,189	\$ 2,255	\$ 2,322	\$ 2,392	\$ 2,464	\$ 2,538	\$0.30/SF
City Inspection Fees	\$ 1,760	\$ 1,813	\$ 1,867	\$ 1,923	\$ 1,981	\$ 2,040	\$110/unit
Capital Reserves	\$ 4,585	\$ 4,722	\$ 4,864	\$ 5,010	\$ 5,160	\$ 5,315	2% EGI
Total OE	\$ 102,063	\$ 104,890	\$ 108,226	\$ 111,328	\$ 114,899	\$ 118,586	
Operating Expense Ratio (OER)	45%	45%	45%	39%	39%	39%	
Net Operating Income (NOI)	\$ 127,171	\$ 128,459	\$ 134,344	\$ 171,355	\$ 178,977	\$ 186,931	
Present Value (PV) Factor	0.9217	0.8495	0.7829	0.7216	0.6650		
PV of Income	\$ 117,208	\$ 109,120	\$ 105,179	\$ 123,645	\$ 119,028		
PV of Income Subtotal						\$ 574,180	
PV of Reversion (2)						\$ 1,775,967	
Total PV Indication						\$ 2,350,148	
Total PV Indication (Rounded to nearest \$10,000)						\$ 2,350,000	
Total PV Indication (\$/Unit)						\$ 146,875	

Notes:

- (1) PGI for Year 1 based on current contract rents according to rent roll dated 05/11/23.
- (1) PGI for Year 2 based on \$2,300/mo for Units A-D and \$1,200/mo for Units E-P.
- (1) PGI for Year 4 based on market rent projections of \$1,568/mo for Units A-D and \$1,460/mo for Units E-P.
- (2) Reversion Year NOI (/) Terminal Cap Rate (*) PV Factor at Year N.

Assumptions	Inputs
Income Growth	4.00%
Expense Growth	3.00%
Going In Cap Rate	6.50%
Terminal Cap Rate	7.00%
Reversion Year	6
SF (NRA)	7,296
# of Units	16
Discount Rate	8.50%

Rollover Assumptions

No rollover assumption data to display.

Pricing Matrix

No pricing matrix data to display.

Discounted Cash Flow Value

\$2,350,000

Reconciliation

The subject's value indications by direct capitalization and yield capitalization (DCF) are somewhat similar. Full reliance is placed on the direct capitalization method as it has fewer overall assumptions. The DCF model generally supports the subject's final value conclusion.

Recent sales of the subject property are analyzed in light of the subject's value conclusion. The property was marketed for sale through a local broker on MLS. The original asking price in February 2020 was \$2,400,000. The price was subsequently lowered in April 2020 to \$2,225,000. The property was pending as of February 2021. The transaction included \$437,500 in seller financing amortized over 30 years at 5% interest with a balloon payment in Year 5. The buyer indicates that the seller's financing did not affect the sale price. No concessions were noted.

The following table highlights the change in market value since the most recent acquisition in September 2021.

Acquisition Price	\$2,187,500
Current Market Value	\$2,330,000
Acquisition Date	09/16/21
Effective Date of Value	06/13/23
Months Between	21
▲ Value (\$)	\$ 142,500
▲ Value (%)	6.51%
▲ Value (%/yr)	3.72%

Since the most recent acquisition, the owner has not done any significant remodeling or capital improvements that would force appreciation. The annual price appreciation indicated in the table is considered lower than what might otherwise be expected in the subject's competitive market area given the strong investor interest in multi-family investments. This lower appreciation is attributed to the subject's estimated rent loss from not being able to achieve market rents while the Elmwood Community Shelter is operational, which is expected to be decommissioned in February 2026. Therefore, the subject's current market value is considered reasonable in light of the most recent sale.

Exposure Time and Marketing Period

Based on statistical information about days on the market and interviews of market participants, marketing and exposure time estimates of 0-6 months, respectively, are considered reasonable and appropriate for the subject property assuming aggressive professional marketing.

Direct Capitalization

\$2,330,000

Discounted Cash Flow

\$2,350,000

Income Approach

\$2,330,000

Addenda

Glossary

Appraiser Qualifications

Zoning Regulations and TZCO for Elmwood Community Shelter

Elmwood Community Shelter (ECS) Site Plan

Income & Expenses

Rent Roll

Engagement Letter

The following terms are cited from *The Dictionary of Real Estate Appraisal, 6th Edition*:

Days On Market

The length of time between the date a property is listed and advertised for sale and the date it sold or removed from the market; commonly used as a measure of the marketability of a property and as an indication of the general health of the market.

Depreciation

In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

Discount Rate

A rate of return on capital used to convert future payments or receipts into present value; usually considered to be a synonym for yield rate.

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a revision. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

Exposure Time

The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.

Externalities

In appraisal, off-site conditions that affect a property's value. Exposure to street noise or proximity to a blighted property may exemplify negative externalities, whereas proximity to attractive and well-maintained properties or easy access to mass transit may exemplify positive externalities.

External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent.

Fee Simple Estate

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.

Going-In Capitalization Rate

The overall capitalization rate obtained by dividing a property's net operating income for the first year after purchase by the present value of the property.

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Market Conditions

An element of comparison in the sales comparison approach; comparable properties can be adjusted for differences in the points in the real estate cycle at which the transactions occur. Sometimes called a time adjustment because of the differences in dates of sale are often compared, although the usage can be misleading because property values do not change merely as the result of the passage of time.

Market Participants

Individuals actively engaged in transactions. In real property markets, primary market participants are those who invest equity in real property or real estate, e.g., buyers, sellers, owners, lenders. Secondary market participants include those who advise primary market participants, e.g. advisors, counselors, underwriters, appraisers.

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal.

Market Value

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under duress.

Present Value

The value of a future payment or series of future payments discounted to the current date or to time period zero.

Overall Capitalization Rate

The relationship between a single year's net operating income expectancy and the total property price or value.

Physical Deterioration

The wear and tear that begins when a building is completed and placed into service.

Stabilized Occupancy

The occupancy of a property that would be expected at a particular point in time, considering its relative competitive strength and supply and demand conditions at the time, and presuming it is priced at market rent and has had a reasonable market exposure. A property is at stabilized occupancy when it is capturing its appropriate share of market demand.

Terminal Capitalization Rate

The capitalization rate applied to the expected net income for the year immediately following the end of the projection period to derive a resale price or value of a property. Also called a going-out, exit, residual, or reversionary capitalization rate.

Hugh Randall, MAI

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SUMMARY

Hugh Randall, MAI began his work as a real estate appraiser in 2015. He is a native Vermonter and is licensed to appraise real estate in Vermont and certified to appraise all property types. He has demonstrated his proficiency as a real estate appraiser by achieving the MAI designation through the Appraisal Institute, which is an internationally recognized and distinguished mark of excellence within the appraisal field.

SKILLS / CHARACTER

- | | |
|--|--------------------------------------|
| ➤ Communicates clearly and effectively | ➤ Impartial, objective, and unbiased |
| ➤ Analytical | ➤ Conscientious |
| ➤ Detail-oriented | ➤ Customer-service oriented |
| ➤ Creative problem-solver | ➤ Dedicated to excellence |

ACCOMPLISHMENTS

- Earned the MAI designation of the Appraisal Institute.
- Licensed as a Certified General Real Estate Appraiser in Vermont (License #080.0134167).
- Completed over 450 hours of education through the Appraisal Institute, including advanced courses.

EXPERIENCE

Randall Real Estate Company | Owner | Williston, VT

December 2021 – present

- Commercial real estate appraisal company based in Williston, Vermont primarily serving the Northwestern and Central regions of the state.

Gammal Real Estate Services | Commercial Real Estate Appraiser | Essex Junction, VT

November 2015 – November 2021

- Gained experience in appraising a wide variety of property types, including but not limited to multi-family, office, industrial, retail, mixed-use, lodging, land, and special-use properties.
- Reinforced a high level of quality on appraisal assignments.
- Communicated professionally with clients, property contacts, and other industry professionals.
- Maintained a high level of diplomacy and discretion during property inspections.
- Provided valuable insights to our clients through extensive market research.

Cellular Sales (Verizon Authorized Retailer) | Sales Consultant | multiple locations in VT

October 2014 – December 2015




- Created value for customers by educating them on the best products and services for their needs.
- Contributed to a positive and professional team environment of helping to solve customer's problems.
- Demonstrated technical expertise with a wide array of products.

EDUCATION

University of Vermont | Burlington, Vermont

August 2010 – May 2014

- Bachelor of Arts in Psychology
- Dean's list (Spring 2013, Fall 2013)

 <p>State of Vermont Real Estate Appraisers Certified General Real Estate Appraiser</p> 	
<p>Hugh Garrett Randall 275 Memorial Drive Williston, Vermont 05495</p>	<p><u>Notable Persons</u></p>
<p>Credential #: 080.0134167 Status: Active Effective: Jan 01, 2022 Expires: May 31, 2024</p>	<p><u>Specialties</u></p>
 Secretary of State	
<small>For the full license and application information, please visit www.vermont.gov.</small>	

License - Hugh Randall, MAI

Article 4: Zoning Maps and Districts

Article Last Updated: January 25, 2023

(b) Dimensional Standards and Density:

The density and intensity of development, dimensions of building lots, the heights of buildings and their setbacks from property boundary lines, and the limits on lot coverage shall be governed by the following standards:

Table 4.4.4 -1 Dimensional Standards and Density

Districts	Max. Intensity	Max. Lot Coverage ¹	Building Setbacks ¹ (feet)			Max. Height ¹ (feet)
			Front ²	Side ³	Rear ³	
Institutional	20 du/ac (24 du/acre with inclusionary req.)	40% (48% with inclusionary req.)	Minimum: 15-feet	10% of lot width Min: 5-ft Max required: 20-feet	25% of lot depth Min: 20-feet Max required: 75-feet	35'

- 1 - Measurement of and exceptions to coverage, setback and height standards are found in Art 5.
- 2 - The calculation of the front yard setback shall be a percentage of lot width and depth or as defined and described in Art 5.
- 3 - Maximum allowable lot coverage, setbacks and building height in portions of this district may be modified by the provisions of the Institutional Core Campus Overlays in Sec. 4.5.2, where applicable.

(c) Permitted and Conditional Uses:

The principal land uses that may be permitted, or conditionally permitted pursuant to the requirements of Article 3, within the Institutional district shall be as defined in Appendix A – Use Table and as modified by provisions of the Institutional Core Campus Overlays in Sec. 4.5.2 where applicable.

Sec. 4.4.5 Residential Districts

(a) Purpose:

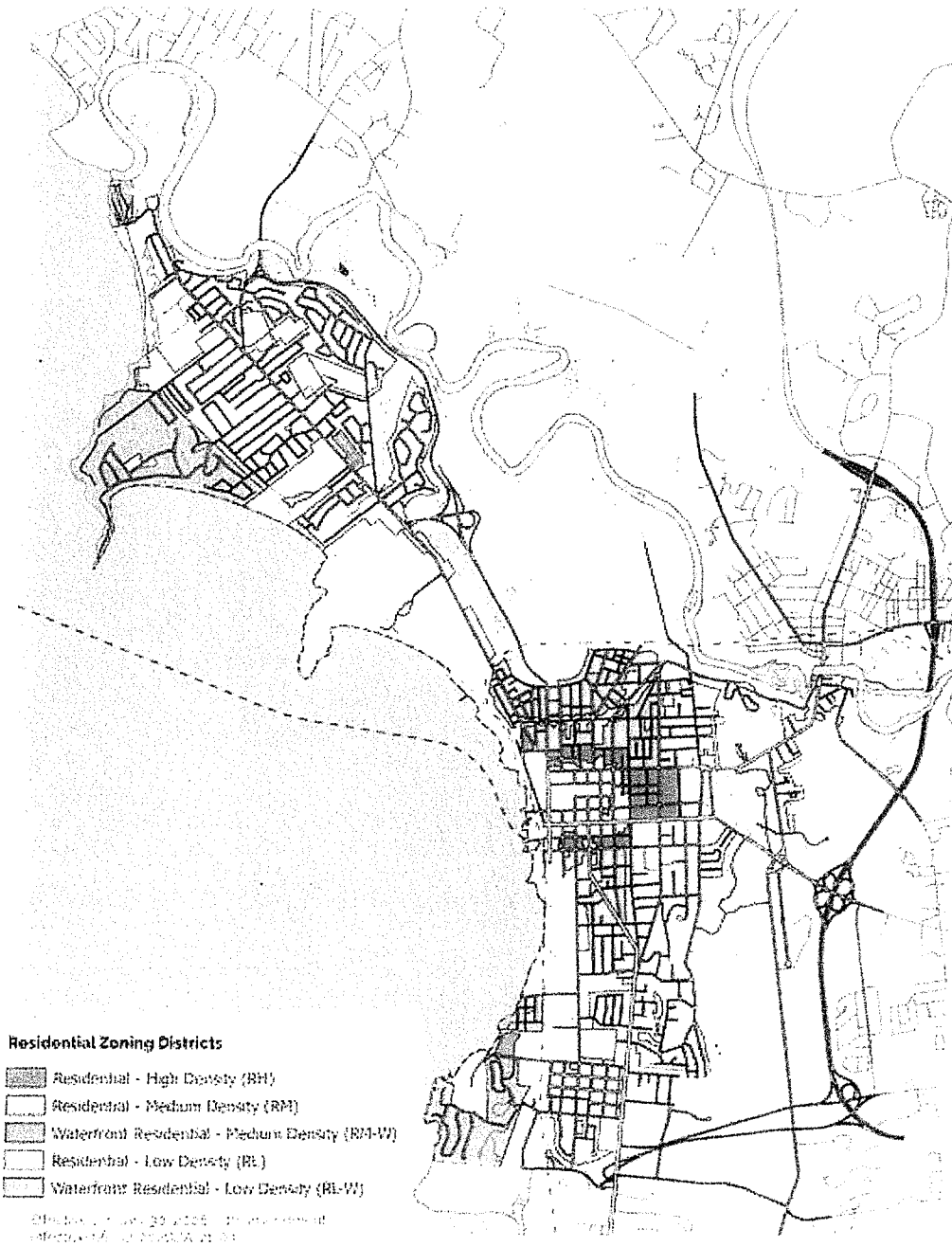
The Residential Districts are intended to control development in residential districts in order to create a safe, livable, and pedestrian friendly environment. They are also intended to create an inviting streetscape for residents and visitors. Development that places emphasis on architectural details and form is encouraged, where primary buildings and entrances are oriented to the sidewalk, and historic development patterns are reinforced. Parking shall be placed either behind, within, or to the side of structures, as is consistent with the district and/or the neighborhood. Building facades designed for parking shall be secondary to the residential aspect of a structure.

Article 4: Zoning Maps and Districts

Article Last Updated: January 25, 2023

The 5 Residential districts as illustrated in Map 4.4.5-1 are further described as follows:

1. The **Residential Low Density (RL)** district is intended primarily for low-density residential development in the form of single detached dwellings and duplexes. This district is typically characterized by a compact and cohesive residential development pattern reflective of the respective neighborhoods' development history.
2. The **Waterfront Residential Low Density (RL-W)** district is intended primarily for low-density residential development in the form of single detached dwellings and duplexes. This district is typically characterized by a compact and cohesive residential development pattern reflective of the respective neighborhoods' development history. This district is distinguished from the Residential Low Density district by its proximity to Lake Champlain, and a greater consideration needed for views from the lake and stormwater runoff.
3. The **Residential Medium Density (RM)** district is intended primarily for medium density residential development in the form of single-family detached dwellings and attached multi-family apartments.
4. The **Waterfront Residential Medium Density (RM-W)** district is intended primarily for medium density residential development in the form of single-family detached dwellings and attached multi-family apartments. This district is distinguished from the Residential Medium Density district by its proximity to Lake Champlain, and a greater consideration needed for views from the lake and stormwater runoff.
5. The **Residential High Density (RH)** district is intended primarily for high density attached multi-family residential development. Development is intended to be intense with high lot coverage, large buildings, and buildings placed close together. Parking is intended to be hidden either behind or underneath structures.



Map 4.4.5-1 Residential Zoning Districts

Article 4: Zoning Maps and Districts

Article Last Updated: January 25, 2023

(b) Dimensional Standards and Density

The density and intensity of development, dimensions of building lots, the heights of buildings and their setbacks from property boundary lines, and the limits on lot coverage shall be governed by the following standards:

Table 4.4.5-1: Minimum Lot Size and Frontage: RL, RL-W, RM and RM-W²

Use	Lot Frontage ¹ <i>(linear feet)</i>		Lot Size <i>(square feet)</i>	
	RL, WRL	RM, WRM	RL, WRL ³	RM, WRM
Single detached dwelling	Min: 60'	Min: 30'	Min: 6,000	NA
Duplex and above			Min: 10,000	
1. The DRB may adjust the frontage requirements for lots fronting on cul-de-sacs, multiple streets, or corner lots reflecting the existing neighborhood pattern on each respective street. 2. There are no minimum lot size or frontage requirements in the RH District. 3. Exception: Larger minimum lot size in RL and WRL larger lot overlay district; refer to Section 4.5.5 & Table 5.5-1.				

Table 4.4.5-2: Base Residential Density

District	Maximum dwelling units per acre ¹
Low Density: RL, RL-W	7 units/acre
Medium Density: RM, RM-W	20 units/acre
High Density: RH	40 units/acre
Inclusive of new streets but exclusive of existing streets, and without bonuses or any Inclusionary Zoning allowances.	

Table 4.4.5-3: Residential District Dimensional Standards

Zoning District	Max. Lot Coverage ¹	Setbacks ^{1, 3, 4, 5, 6}				Max. Height ¹
		Front ²	Side ³	Rear	Waterfront	
RL; WRL	35%	Min/Max: Ave. of 2 adjacent lots on both sides +/- 5-feet	Min: 10% of lot width Or ave. of side yard setback of 2 adjacent lots on both sides Max required: 20-feet	Min: 25% of lot depth but in no event less than 20' Max required: 75-feet	Min: 75' feet from the ordinary high water mark of Lake Champlain and the Winooski River	35-feet

Article 4: Zoning Maps and Districts

Article Last Updated: January 25, 2023

51 ELMWOOD AVE

Table 4.4.5-3: Residential District Dimensional Standards

Zoning District	Max. Lot Coverage ¹	Setbacks ^{1, 3, 4, 5, 6}				Max. Height ¹
		Front ²	Side ³	Rear	Waterfront	
RM	40%	Min/Max: Ave of 2 adjacent lots on both sides +/- 5-feet	Min: 10% of lot width Or ave. of side yard setback of 2 adjacent lots on both sides Max required: 20-feet	Min: 25% of lot depth but in no event less than 20' Max required: 75-feet	NA	35-feet
WRM	60%	Min/Max: Ave of 2 adjacent lots on both sides +/- 5-feet	Min: 10% of lot width Or ave. of side yard setback of 2 adjacent lots on both sides Max required: 20-feet	Min: 25% of lot depth but in no event less than 20' Max required: 75-feet	Min: 75' feet from the ordinary high water mark of Lake Champlain and the Winooski River	35-feet
RH	80%	Min/Max: Ave of 2 adjacent lots on both sides +/- 5-feet	Min: 10% of lot width Or ave. of side yard setback of 2 adjacent lots on both sides Max required: 20-feet	Min: 25% of lot depth but in no event less than 20' Max required: 75-feet	NA	35-feet

1. An additional ten per cent (10%) lot coverage may be permitted for accessory residential features per (d)3A below. Measurement of and exceptions to coverage, setback, and height standards are found in Art 5.
2. Average front yard setback of the principal structures on the 2 adjacent lots on both sides within the same block having the same street frontage. See Sec. 5.2.4.
3. In no event shall the side yard setback be required to exceed 20-feet, or the rear-yard setback be required to exceed 75-feet.

Article 4: Zoning Maps and Districts

Article Last Updated: January 25, 2023

Table 4.4.5-3: Residential District Dimensional Standards

Zoning District	Max. Lot Coverage ¹	Setbacks ^{1, 3, 4, 5, 6}				Max. Height ¹
		Front ²	Side ³	Rear	Waterfront	
<p>4. Additional setbacks from the lakeshore and other water features may be applicable per the requirements of the Sec 4.5.4 Riparian and Littoral Conservation Overlay Zone.</p> <p>5. The side yard setback shall be calculated based on the 4 adjacent properties (2 on each side of the subject property). The right side yard setback is the average of the right side yard setback of the principal structures on these 4 properties. The left yard setback is the average of the left side yard setback of the principal structures on these 4 properties. The adjacent properties shall be within the same block having the same street frontage as the subject property. See Sec. 5.2.5.</p> <p>6. Where there are fewer than 2 adjacent lots on both sides within the same block having the same street frontage, the average side yard setback shall be calculated from the fewer number of lots. Where there are no adjacent lots, the setback shall be 10% of the lot width.</p> <p>7. For properties in the WRL and WRM zones with frontage along Lake Champlain or the Winooski River, the front yard setback shall not be required to exceed 50 feet in any event.</p>						

(c) Permitted and Conditional Uses:

The principal land uses that may be permitted, or conditionally permitted pursuant to the requirements of Article 3, within the Residential districts shall be as defined in Appendix A - Use Table.

(d) District Specific Regulations:

The following regulations are district-specific exceptions, bonuses, and standards unique to the residential districts. They are in addition to, or may modify, city-wide standards as provided in Article 5 of this ordinance and district standards as provided above.

1. Setbacks

A. Encroachment for Residential Driveways

For purposes of allowing existing, developed, nonconforming lots containing single family homes to create a driveway and provide a maximum of two tandem parking spaces, driveways may encroach into a required sideyard setback up to the property line with DRB approval.

Such approval shall be based on demonstrated necessity on the part of the property owner as well as unique physical circumstances of the lot, conditional use criteria and findings that there shall be no undue adverse impact on all of the following items of concern: drainage, safety, protection of neighboring side yard, light and air. In addition, the lot shall be found to have dimensions that are smaller than the existing standards for lot size or frontage. The maximum relief from the 5' minimum setback shall be the minimum necessary for the purposes of creating such a driveway and parking spaces and shall be allowed only after a finding that driveway and parking configuration cannot be otherwise located on the lot. With such approval by the DRB, the lot shall not be considered nonconforming due to the decreased setback for the creation of the driveway and parking spaces.

Article 4: Zoning Maps and Districts

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B. Encroachment into the Waterfront Setback.

The following exceptions to the required waterfront setback for Lake Champlain and the Winooski River established under Sec. 4.5.4:

(i) Replacement of Existing Structure.

Replacement of a conforming principle structure existing as of the effective date hereof, may encroach into the required setback provided the replacement does not increase the area or extent of the encroachment more than the existing structure.

(ii) Averaging of Setbacks of Existing Structures.

If the waterfront setback of existing principal structures within a distance of one hundred fifty (150) feet on either or both sides of a lot is less than the required setback, the setback may be reduced to the average alignment of such structures.

2. Lot Coverage**A. Exceptions for Accessory Residential Features.**

In the RL, RL-W, RM and RM-W districts, an additional ten (10) per cent of lot coverage above the otherwise applicable limit may be permitted for the following amenity features accessory to residential uses provided that such features shall at no time be enclosed or be used for parking:

- (i) Decks;
- (ii) Patios;
- (iii) Porches;
- (iv) Terraces;
- (v) Tennis or other outdoor game courts;
- (vi) Swimming pools and swimming pool aprons;
- (vii) Walkways;
- (viii) Window Wells; and/or
- (ix) Pervious pavement designed and maintained to infiltrate the 1-year/24-hour storm event onsite, subject to review and approval by the Stormwater Administrator.

With the exception of the additional lot coverage allowances provided for under Inclusionary Zoning, requirements such additional lot coverage shall not be permitted for any development where bonus provisions of this ordinance are applicable.

3. Accessory Residential Structures, Buildings, and Uses

An accessory structure, building, and/or use as defined in Article 13 and provided under Sec. 5.1.1 and 5.1.2 customarily incidental and subordinate to a principal residential structure, building and/or use, including but not limited to private garages, carriage houses, barns, storage sheds, tennis courts, swimming pools, cabanas for swimming

Article 4: Zoning Maps and Districts

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pools and detached fireplaces may be permitted as follows:

- A. Accessory structures or buildings shall meet the dimensional requirement set forth in the district in which they are located pursuant to Sec. 4.4.5(b) of this Article and related requirements in Art 5, Part 2;
- B. Any accessory structure or building that is seventy-five percent (75%) or greater of the ground floor area of the principal structure or building shall be subject to the site plan and design review provisions of Art. 3, Part 4 and the applicable standards of Art 6;
- C. Private garages shall be limited to as many stalls as there are bedrooms in the dwelling to which it is accessory, provided that the ground floor area is less than seventy-five percent (75%) of the ground floor area of the principal structure or building; and
- D. The outdoor overnight storage of commercial vehicles not otherwise associated with an approved home occupation or made available for the exclusive use of the residential occupants, or the outdoor storage of more than one unregistered vehicle, shall be prohibited. Any and all vehicles shall be stored in an approved parking space.

4. Residential Density

A. Additional Unit to Multi-Family.

One additional unit may be added to structures located in the RL district which legally contained two or more units as of January 1, 2007, if approved in advance as a conditional use, by the DRB.

B. Additions to Existing Residential Structures.

No request for an addition to an existing structure shall be considered or imply approval of an additional unit, unless requested specifically on the zoning permit application form.

C. Residential Occupancy Limits.

In all residential districts, the occupancy of any dwelling unit is limited to members of a family as defined in Article 13. Notwithstanding the following, the minimum square footage requirements shall be reduced by ten (10%) percent in situations where the residential premises are owner occupied.

Subject to Conditional Use approval by the DRB, a dwelling unit may be occupied by more than four (4) unrelated adults if it contains at least twenty-five hundred (2,500) square feet excluding its attic and basement pursuant to the following:

- (i) If in a RL district, the dwelling unit also contains at least an additional two hundred fifty (250) square feet and two (2) onsite parking spaces, plus one (1) additional parking space per adult occupant in excess of four (4); or,
- (ii) If in a RM district, the dwelling unit also contains at least an additional two hundred (200) square feet and two (2) onsite parking spaces, plus one (1) additional parking space per adult occupant in excess of four (4).

Article 4: Zoning Maps and Districts

Article Last Updated: January 25, 2023

(ii) If in a RH district, the dwelling unit also contains at least an additional 150 square feet and two (2) onsite parking spaces, plus 1 additional parking space per adult occupant in excess of four (4).

In considering a request relating to permitting a greater number of unrelated individuals residing in a dwelling unit within a residential zoning district, no conditional use permit may be granted unless all facilities within the dwelling unit, including bathroom and kitchen facilities are accessible to the occupants without passing through any bedroom. Each room proposed to be occupied as a bedroom must contain at least one hundred twenty (120) square feet.

5. Uses

A. Exception for Neighborhood Commercial Uses.

Neighborhood commercial uses as defined in Article 13 and intended to primarily serve the nearby residential area shall be considered permitted uses in all Residential and Institutional districts subject to the following:

- (i) This exemption shall only apply to:
 - 1) Historic buildings that are listed or eligible for listing on the state or national register; or,
 - 2) A street level neighborhood commercial use as defined in Article 13 in lawful existence as of January 1, 2007.
- (ii) Neighborhood commercial uses shall be limited to a single story on the street level of any structure.
- (iii) Neighborhood commercial uses less than 2,000 sqft shall be treated as a permitted use. Neighborhood commercial uses greater than or equal to 2,000 sqft but less than 4,000 sqft shall be treated as a conditional use. Neighborhood commercial uses occupying 4,000 sqft or more shall not be permitted.
- (iv) The neighborhood commercial use shall not be counted against the property's allowable residential density.
- (v) The sale of fuel for motor vehicles, or new or expanded gas station canopies, shall be prohibited.
- (vi) Hours of operation shall be limited to 6:00am to 11:00pm seven days per week. Any expansion in the hours of operation of an existing neighborhood commercial use shall require conditional use review by the DRB.
- (vii) All building height and setback requirements for the underlying residential district shall apply, and the lot coverage shall not exceed 60%.
- (viii) Any exterior changes to the building(s) or changes to the site plan shall be subject to the design review requirements of Article 6.
- (ix) To the extent that additional parking is necessary, the parking standards for Shared-Use Districts shall apply pursuant to Article 8.

Article 4: Zoning Maps and Districts

Article Last Updated: January 25, 2023

- (x) The conversion of a residential use to a neighborhood commercial use within a historic neighborhood commercial building more than 50 years old and originally designed and constructed for such purpose shall be exempt from the housing replacement requirements of Article 9, Part 2.
- (xi) Home occupations as defined and regulated under this article are not restricted by the provisions of this section.
- (xii) Any aspect of a neighborhood commercial use in lawful existence as of January 1, 2007 not in strict conformance with any of the above standards shall be considered non-conforming and be subject to the provisions of Article 5, Part 3.

6. Residential Development Bonuses.

The following exceptions to maximum allowable residential density and dimensional standards in Tables 4.4.5-2 and 4.4.5-3 may be approved in any combination subject to the maximum limits set forth in Table 4.4.5-8 at the discretion of the DRB. Any bonuses that are given pursuant to this ordinance now or in the future shall be regarded as an exception to the limits otherwise applicable.

A. Senior Housing Bonus.

Residential development in excess of the density, lot coverage and building height limits specified in Tables 4.4.5-2 and 4.4.5-3 may be permitted by the DRB for senior housing provided the following conditions are met:

- (i) No less than twenty-five (25) per cent of the total number of units shall be reserved for low-moderate income households as defined by state or federal guidelines, including no less than ten (10) per cent reserved for low-income households. (Projects taking advantage of this bonus are exempt from the Inclusionary Zoning requirements of Article 9, Part 1.);
- (ii) The proposal shall be subject to the design review provisions of Art. 6;
- (iii) A maximum of an additional 10-feet of building height may be permitted in the RH District; and,
- (iv) Lot coverage and residential densities shall not exceed the following:

Table 4.4.5-5: Senior Housing Bonus

District	Maximum Coverage	Maximum Density
RL/RL-W	44%	20 du/ac
RM	48%	40 du/ac
RM-W	72%	40 du/ac
RH	92%	80 du/ac

B. Residential Conversion Bonus.

Development in excess of the limits set forth in Tables 4.4.5-2 and 4.4.5-3 may be permitted by the DRB subject to conditional use review for the conversion of an existing non-conforming nonresidential principal use to a conforming residential

use subject to all of the following conditions:

- (i) Lot coverage and residential density shall not exceed:

Table 4.4.5-7: Residential Conversion Bonus

District	Maximum Lot Coverage	Maximum Density (dwelling unit/acre)
RL, RL-W	50% (62% with inclusionary allowance)	8 du/ac (8.75 with inclusionary allowance)
RM, RM-W	60% (72% with inclusionary allowance)	30 du/ac (37.5 with inclusionary allowance)
RH	80% (92% with inclusionary allowance)	60 du/ac (69 with inclusionary allowance)

C. Limitations on Residential Development Bonuses:

For projects where the conditions of more than one applicable bonus listed above and under Sec.5.4.8 (e) are met, the applicant may use the most permissive exemption to the underlying lot coverage or residential densities applicable.

In no case shall any development bonuses and allowances granted, either individually or in combination, enable a building to exceed the maximum density, lot coverage and building height permitted in any district as defined below:

Table 4.4.5-8: Maximum Density, Lot Coverage and Building Heights with Bonuses

District	Maximum Density*	Maximum Height	Maximum Lot Coverage*
RH	80 du/ac	45-feet <i>(68-ft in RH Overlay)</i>	92%
RM-W	40 du/ac	60-feet	72%
RM	40 du/ac	35-feet	72%
RL, RL-W	20 du/ac	35-feet	62%

*- or 125% of the pre-application gross floor area or coverage of the qualifying principal building as may be applicable per Table 5.4.8-1 Historic Building Rehabilitation Bonus

Article 5: Citywide General Regulations

Article Last Updated: January 26, 2023

- c. in approving any waiver, the DRB may impose conditions requiring design features, screening, or other remedy as may be necessary to mitigate anticipated impacts of granting any such waiver.

Sec. 5.4.13 Emergency Shelters

Emergency shelters shall be subject to the site and design review standards in Art 6. In addition to conditional use standards where applicable, proposals for all new emergency shelters shall comply with the following requirements:

- (a) All dimensional standards for the underlying zoning per the requirements of Art. 4 shall be applicable;
- (b) Density within the residential zones shall be per the residential density standards of Article 4. For the purposes of density calculation for emergency shelters, every four (4) beds shall count as one (1) dwelling unit;
- (c) Density within the neighborhood mixed use zones shall be limited to fifty (50) beds, and there is no density limit in the downtown or downtown transition zones;
- (d) Overnight stays by any individual are limited to 180 consecutive days. An extension of up to 60 days may be provided if no alternative housing is available;
- (e) There shall be onsite management by qualified adults during all hours of operation with at least 1 management person for every 25 beds; and,
- (f) An emergency shelter may be the primary use of a property, or it may be accessory to another primary use on a property.

PART 5: PERFORMANCE STANDARDS

Sec. 5.5.1 Nuisance Regulations

All applications for a zoning permit shall be required to demonstrate compliance with the applicable nuisance regulations and performance standards pursuant to the requirements of the Burlington Code of Ordinances. All such standards shall be met and maintained for all uses, except for agriculture and forestry, in all districts, as determined or measured at the property line. In determining ongoing compliance, the burden of proof shall fall on the applicant, property owner, and/or all successors and assigns.



PERMITTING & INSPECTIONS

645 Pine Street, Ste. A | PO Box 849
Burlington, VT 05402-0849

Housing: (802) 863-0442
Trades: (802) 863-9094
Zoning: (802) 865-7188

TEMPORARY ZONING CERTIFICATE OF OCCUPANCY
ZP #ZCO-23-48 -51 Elmwood Avenue

Issue Date: February 6, 2023

Expiration Date: August 5, 2023

Owner/Applicant Name: CITY DPW

Owner/Applicant Address:
BURLINGTON VT 05401

Project Description: Establish temporary emergency shelter including 30 shelter pods, community resource center, and bathhouse.

Approval for Temporary Zoning Certificate of Occupancy for Zoning Permit #ZCO-23-48 located at 51 Elmwood Avenue (Tax ID 044-4-048-000) is predicated on the following conditions and notices:

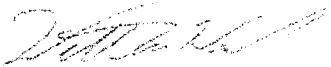
1. This is a Temporary Zoning Certificate of Occupancy (TZCO) only. It will expire on its own terms on the expiration date stated hereon unless renewed in advance of the expiration date, by a new TZCO issued by this office.
2. Occupation of the structure(s) covered by this temporary certificate will be at the sole and exclusive risk of the recipient. No vested right to continue occupancy beyond the temporary period is being granted, and any temporary occupancy, which does occur, will be with full knowledge that such right of occupancy will be automatically voided and of no effect if the required conditions referenced herein are not completed by the date specified. By accepting this TZCO, the recipient agrees to vacate the structure(s) covered by this temporary certificate without the necessity of further legal process upon notice from this office that the required conditions have not been met by the expiration date of this temporary certificate.
3. The conditions of this temporary certificate will be forwarded by the recipient to all banks, mortgage companies, or other entities holding a security interest in the structure(s) and the development upon request. Such bank, mortgage company, or other entity shall also gain no legal right to assert that its mortgagee, etc. has a right to continue occupancy after the date of this temporary certificate expires. Nor shall such bank, mortgage company, etc. be authorized to assert in any legal proceeding or other legal context that it did not fully understand the significance of the Temporary Zoning Certificate of Occupancy and the limits and restrictions affecting such certificate.
4. The conditions of this temporary certificate shall be fully applicable to any successor or assignee of the recipient or of any bank, mortgage company, or other entity holding a security interest in either the structure(s) or the entire development.

- 5. Acceptance of this Temporary Zoning Certificate of Occupancy of any improvement pursuant hereto shall constitute an acknowledgment that the recipient has received this temporary certificate, has fully read it and fully understands and accepts the conditions thereof.
- 6. This is an important legal document having significant legal consequences. The recipient is urged to discuss any questions concerning the certificate with legal counsel.
- 7. It is recognized, acknowledged and agreed that a failure by the City to immediately enforce the requirement that the recipient vacate the structure(s) if the conditions are not met shall not constitute a waiver or a relinquishment of such right regardless of the time which has passed between the expiration of the temporary certificate and action by the City to require that any occupation cease and desist.
- 8. **This Temporary Zoning Certificate of Occupancy will expire on August 5, 2023.** The following conditions shall be met prior to issuance of a Unified Certificate of Occupancy:

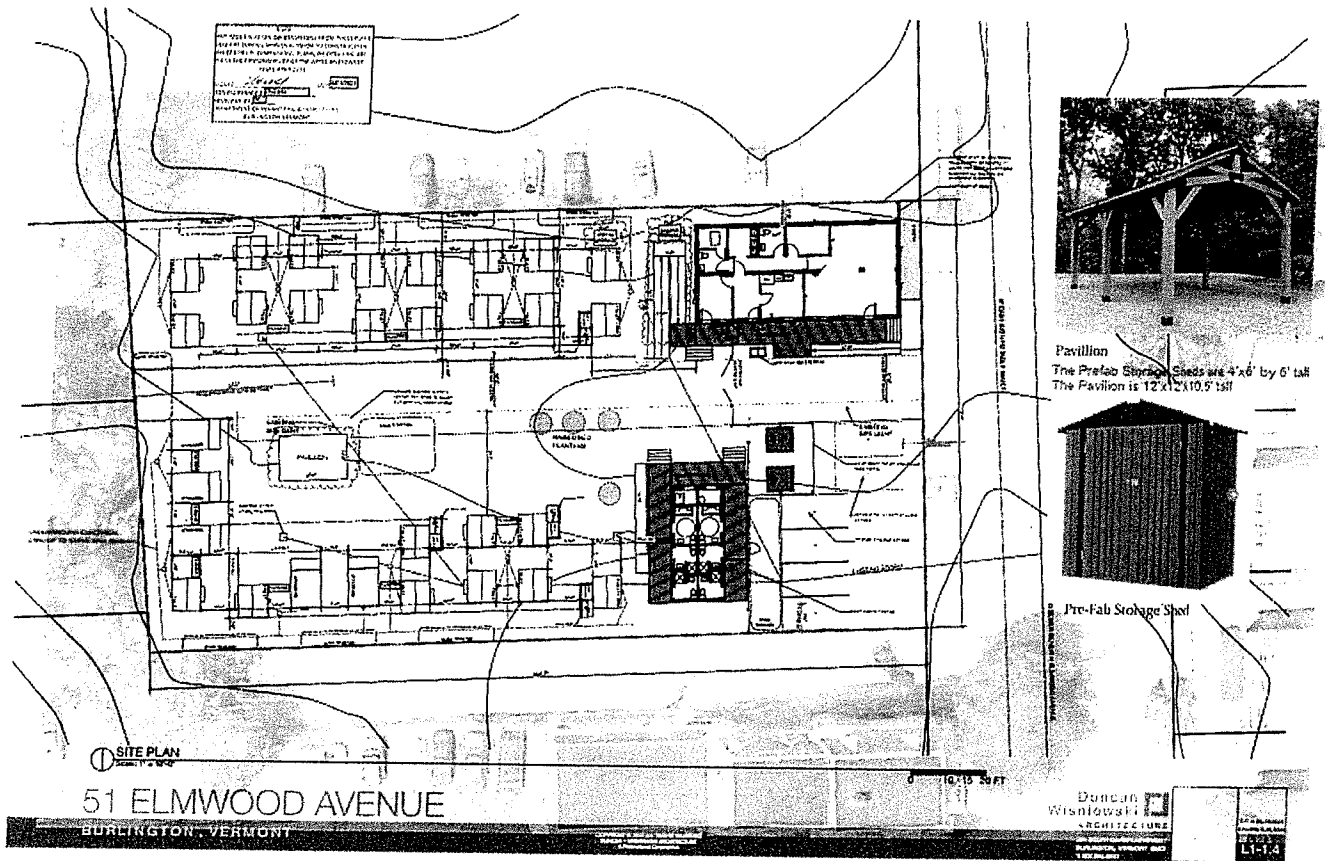
Project Permit Conditions:

- 9. All Trades permits shall be closed before the final UCO shall be issued.
- 10. Permittee is solely responsible for completing all improvements shown on all approved plans for this project. By acceptance of the permit, Permittee agreed to maintain all improvements in a satisfactory condition. Any landscaping installed according to the approved plan which becomes diseased or dies shall be replaced by similar species and size no later than the first available planting season; and
- 11. A \$150.0 Temporary Zoning Certificate of Occupancy (TCO) administrative fee has been paid. For each site visit that staff conducts to insure all the above conditions have been met and/or to renew the TCO, requires an additional \$150.0 fee. It is the owner's responsibility to obtain the Final Certificate of Occupancy prior to expiration of this TCO or to request renewal of this TCO.
- 12. A violation of any of the conditions of any Certificate of Occupancy or any provision of the Burlington Comprehensive Development Ordinance may result in a penalty of up to \$200 per day.
- 13. The City expressly reserves the right to require additional measures necessary to comply with permit conditions before a Final Certificate of Occupancy is granted.

This Temporary Zoning Certificate of Occupancy issued for 51 Elmwood Avenue on February 6, 2023 by:



William Ward
Asst. Zoning Administrative Officer



Site Plan - Elmwood Community Shelter (subject to the north)

Income Statement - 12 Month

Report Date: 01/01/2023 09:00 AM

Real Property Management, Sterling
 Property: 61 Flinwood Avenue, 61131 Wood Avenue, Woodbury, NJ 07095
 Fund Type: 61
 Period Range: Jul 2022 to Dec 2022
 Level of Detail: Detail View
 Include Zero Balance GL Accounts: No

Account Name	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Total
Operating Income & Expense						
Income						
Rent	12,431.41	12,131.67	12,177.47	12,749.61	12,749.61	62,339.87
Real Estate Commission	159.00	159.00	159.00	159.00	159.00	784.50
Escrow & Fees	0.00	0.00	0.00	0.00	0.00	0.00
Property Tax	45.00	45.00	45.00	45.00	45.00	225.00
Utilities	4.25	4.32	4.64	4.64	4.64	22.49
Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Advertising	0.00	0.00	0.00	0.00	0.00	0.00
Travel	100.00	0.00	0.00	0.00	0.00	100.00
Telephone	0.00	0.00	0.00	0.00	0.00	0.00
Insurance	0.00	0.00	0.00	0.00	0.00	0.00
Repairs & Maintenance	102.00	0.00	0.00	0.00	0.00	102.00
Supplies	175.00	0.00	0.00	0.00	0.00	175.00
Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00
Total Operating Income	13,015.66	12,475.67	12,486.47	13,058.61	13,058.61	64,595.02
Expense						
INITIAL FEES						
Leasing Fee	1,000.00	500.00	500.00	500.00	0.00	2,500.00
Total INITIAL FEES	1,000.00	500.00	500.00	500.00	0.00	2,500.00
MANAGEMENT FEES						
Management Fee	1,381.94	1,411.52	1,463.57	1,463.57	1,463.57	7,184.17
Total MANAGEMENT FEES	1,381.94	1,411.52	1,463.57	1,463.57	1,463.57	7,184.17
MAINTENANCE EXP						
MAINTENANCE - ROUTINE						
Cleaning	0.00	0.00	0.00	0.00	0.00	0.00
Repairs & Maintenance	0.00	0.00	0.00	0.00	0.00	0.00
Security	0.00	0.00	0.00	0.00	0.00	0.00
Insurance	0.00	0.00	0.00	0.00	0.00	0.00
Utilities	0.00	0.00	0.00	0.00	0.00	0.00
Telephone	0.00	0.00	0.00	0.00	0.00	0.00
Travel	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00
Supplies	0.00	0.00	0.00	0.00	0.00	0.00
Repairs & Maintenance	0.00	0.00	0.00	0.00	0.00	0.00
Advertising	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00
MAINTENANCE - REPLACEMENTS						
Repairs & Maintenance	0.00	0.00	0.00	0.00	0.00	0.00
Total MAINTENANCE EXP	0.00	0.00	0.00	0.00	0.00	0.00
ADMINISTRATIVE EXPENSES						
Office Supplies	0.00	1,100.00	1,100.00	1,100.00	1,100.00	5,400.00
Printing	100.00	100.00	100.00	100.00	100.00	500.00
Travel	100.00	0.00	0.00	0.00	0.00	100.00
Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00
Supplies	0.00	0.00	0.00	0.00	0.00	0.00
Repairs & Maintenance	0.00	0.00	0.00	0.00	0.00	0.00
Advertising	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Total	100.00	1,100.00	1,100.00	1,100.00	1,100.00	5,600.00
Total ADMINISTRATIVE EXPENSES	100.00	1,100.00	1,100.00	1,100.00	1,100.00	5,600.00
TAXES						
Property Tax	45.00	45.00	45.00	45.00	45.00	225.00
Total TAXES	45.00	45.00	45.00	45.00	45.00	225.00
COST OF GOODS SOLD						
Cost of Services Rendered	0.00	0.00	0.00	0.00	0.00	0.00
Total COST OF GOODS SOLD	0.00	0.00	0.00	0.00	0.00	0.00
Total Operating Expense	13,381.94	12,916.52	13,526.57	13,526.57	13,526.57	67,318.17
Net Operating Income	154.54	1,559.15	1,959.90	1,532.04	1,532.04	6,476.85
Other Income & Expense						
Other Expenses						
OTHER EXPENSES						
Total OTHER EXPENSES	7,455.75	1,300.00	1,700.00	1,700.00	1,700.00	13,855.75
Total Other Expense	7,455.75	1,300.00	1,700.00	1,700.00	1,700.00	13,855.75
Net Other Income	1,992.73	2,859.15	2,259.90	2,792.04	2,792.04	12,625.81
Total Income	1,838.19	4,418.30	4,219.80	4,324.08	4,324.08	19,102.66
Total Expense	11,543.75	11,400.22	11,306.77	11,306.77	11,306.77	56,843.30
Net Income	784.44	3,018.08	2,913.03	3,017.31	3,017.31	12,259.36

Income Statement - 12 Month

Reported On: 2/27/23 10:58 AM EST

Real Property Management Starting
 Properties: 61 Elmwood Avenue - 61 Elmwood Avenue Burlington VT 05401
 Fund Type: AI
 Period Range: Jan 2023 to Apr 2023
 Level of Detail: Detail View
 Include Zero Balance GL Accounts: No

Account Name	Jan 2023	Feb 2023	Mar 2023	Apr 2023	Total
Operating Income & Expense					
Income					
Rent Income	19,920.00	19,000.00	19,725.00	14,875.00	73,520.00
Rent Fee	75.00	75.00	75.00	0.00	225.00
Late Fee	25.00	20.00	10.00	0.00	60.00
Interest Earned (Storage)	65.00	95.00	73.00	0.00	233.00
Working & Laundry Revenue	0.00	0.00	134.50	0.00	134.50
Total Operating Income	20,085.00	19,190.00	19,997.50	14,875.00	74,147.50
Expense					
MANAGEMENT FEES					
Management Fees	1,457.25	1,523.25	1,453.96	1,400.76	6,035.22
Finder Costs	0.00	0.00	0.00	1,050.84	1,050.84
Total MANAGEMENT FEES	1,457.25	1,523.25	1,453.96	2,451.60	7,126.06
MAINTENANCE EXP					
MAINTENANCE - ROUTINE					
Rekey & Code Work	0.00	0.00	0.00	0.00	0.00
Water Heater Maintenance	0.00	0.00	275.25	0.00	275.25
Snow Removal	85.00	0.00	0.00	0.00	85.00
Misc - Other	827.89	1,177.42	521.37	0.00	3,526.68
Total MAINTENANCE - ROUTINE	827.89	1,177.42	521.37	0.00	3,526.68
MAINTENANCE - REPLACEMENTS					
Replacements - Water Heater	0.00	5,300.00	0.00	0.00	5,300.00
Replacements - Pipes & Windows	0.00	330.15	0.00	0.00	330.15
Total MAINTENANCE - REPLACEMENTS	0.00	5,630.15	0.00	0.00	5,630.15
Total MAINTENANCE EXP	827.89	6,807.57	521.37	0.00	8,156.83
ADMINISTRATIVE EXPENSES					
Utilities - Water	1,758.25	1,200.00	0.00	0.00	3,158.25
Utilities - Gas	488.57	1,475.34	0.00	0.00	2,443.91
Utilities - Electric	179.17	100.00	0.00	0.00	279.17
Utilities - Trash	631.00	393.34	0.00	0.00	1,024.34
Mortgage Expense	6,721.01	0.00	6,721.01	0.00	13,442.02
Legal & Professional	0.00	0.00	1,784.61	0.00	1,784.61
Total ADMINISTRATIVE EXPENSES	7,667.99	2,768.34	6,485.61	0.00	16,921.94
TAXES					
Tax - Property	0.00	0.00	10,173.67	0.00	10,173.67
Total TAXES	0.00	0.00	10,173.67	0.00	10,173.67
COST OF GOODS SOLD					
COST OF SERVICES RENDERED					
COST OF SVS - OWNER					
COST OF SVS - OTHER FEES - OWNER					
Interest Exp - Property Acquisition	750.00	0.00	0.00	0.00	750.00
Total COST OF SVS - OTHER FEES - OWNER	750.00	0.00	0.00	0.00	750.00
Total COST OF SVS - OWNER	750.00	0.00	0.00	0.00	750.00
Total COST OF SERVICES RENDERED	750.00	0.00	0.00	0.00	750.00
Total COST OF GOODS SOLD	750.00	0.00	0.00	0.00	750.00
Total Operating Expense	10,977.83	14,641.21	19,210.45	6,499.56	41,328.05
NOI - Net Operating Income	9,107.17	4,548.79	733.05	8,012.76	26,000.00
Other Income & Expense					
Other Expense					
OTHER EXPENSES					
Interest Exp	1,791.40	1,789.68	1,786.75	1,784.61	7,152.44
Total OTHER EXPENSES	1,791.40	1,789.68	1,786.75	1,784.61	7,152.44
Net Other Income	-1,791.40	-1,789.68	-1,786.75	-1,784.61	-7,152.44
Total Income	20,124.07	19,012.34	19,044.10	14,000.00	72,180.51
Total Expense	12,707.31	17,970.34	17,692.21	6,284.17	54,654.03
Net Income	7,416.76	1,041.99	1,351.89	7,715.83	17,526.48

Month	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	TOTAL 22
RENTAL REVENUE	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
EXPENSES													
Property Taxes													
Utilities													
Maintenance													
Insurance													
Depreciation													
Net Income													

Month	Jan 2023	Feb 23 (2)	Mar 2023	Apr 2023	TOTAL 23
RENTAL REVENUE	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 4,000
EXPENSES					
Property Taxes					
Utilities					
Maintenance					
Insurance					
Depreciation					
Net Income					

NOTE: This is a reconstructed operating statement for the property located at 61 Elwood Ave, based on the information provided by the owner on 11/15/2022.

Reconstructed Operating Statement (Jan 2022-Apr 2023, per appraiser)

Rent Roll

Exported On: 2023-05-11 10:48:59 (407)

Properties: 61 Elmwood Avenue - 61 Elmwood Avenue Burlington, VT 05401

Units: Active

As of: 05/11/2023

Include Non-Revenue Units: No

Unit	Tenant	Status	Rent	Deposit	Lease From	Lease To	Move-out	Utilities
61 Elmwood Avenue - 61 Elmwood Avenue Burlington, VT 05401								
Unit A		Current	1,025.00	900.00	06/01/2016	07/31/2023		Electric, telephone, and television cable charges
Unit B		Current	1,300.00	1,200.00	04/01/2022	03/29/2024		Electric, telephone, and television cable charges
Unit C		Current	1,325.00	1,200.00	11/01/2022	10/29/2023		Electric, telephone, and television cable charges
Unit D		Current	1,200.00	1,200.00	05/01/2023	04/28/2024		Electric, telephone, and television cable charges
Unit E		Current	1,325.00	1,325.00	09/15/2022	08/28/2023		Electric, telephone, and television cable charges
Unit F		Current	1,250.00	1,250.00	05/01/2023	04/28/2024		Electric, telephone, and television cable charges
Unit G		Current	1,200.00	950.00	09/01/2020	05/28/2024		Electric, telephone, and television cable charges
Unit H		Current	1,200.00	850.00	03/01/2021	02/26/2024		Electric, telephone, and television cable charges
Unit I		Evacuation Hearing 6/1	950.00	950.00	09/01/2020	08/31/2021		Electric, telephone, and television cable charges
Unit J		Current	1,250.00	1,250.00	03/27/2022	03/27/2023		Electric, telephone, and television cable charges
Unit K		Notice Rent 1	1,200.00	1,200.00	09/01/2022	05/28/2023	05/30/2023	Electric, telephone, and television cable charges
Unit L		Current	1,200.00	1,250.00	05/01/2023	04/28/2024		Electric, telephone, and television cable charges
Unit M		Current	1,325.00	1,325.00	10/01/2022	09/27/2023		Electric, telephone, and television cable charges
Unit N		Current	1,200.00	850.00	01/01/2022	12/29/2023		Electric, telephone, and television cable charges
Unit O		Current	1,200.00	1,200.00	07/15/2023	07/29/2023		Electric, telephone, and television cable charges
Unit P		Current	1,100.00	900.00	04/01/2021	03/31/2024		Electric, telephone, and television cable charges
16 Units		100.0% Occupied	19,250.00	13,250.00				

Rent Roll (per owner as of May 11, 2023)

Intended Use: *To develop an opinion of the market value for the subject property for tax appeal purposes.*

Intended User(s): *North Hill Capital Partners LLC and Hans Huesy only. Appraiser's identification of the intended user(s) of the appraisal is to determine the type and extent of research, analysis and reporting appropriate for the assignment. It is specifically not an acknowledgement or granting of permission by the Appraiser that such parties will or may rely on the appraisal.*

Type of Value: *Market value, as-is. The definition of the type of value will be stated in the report.*

Date of Value: *Current as of the appraiser's date of inspection. Appraiser is not responsible for determining whether the date of value requested by Client is appropriate for Client's intended use.*

Hypothetical conditions, Special/Extraordinary assumptions: *Extraordinary Assumption 1: The appraiser only performed a limited inspection of the subject property including the site and building exterior. No interior inspection was made. As such, this appraisal assumes that the interior of the building improvements is in a condition commensurate with that observed on the exterior and is similar to photographs from a prior appraisal report of the subject property (dated effective July 28, 2021). The use of this extraordinary assumption may have impacted assignment results.*

Extraordinary Assumption 2: The City of Burlington coordinated construction of 30 pod shelters for people experiencing homelessness in a municipal-owned surface parking lot adjacent to the subject property. The subject property has experienced a higher rate of turnover, longer vacancies, a reduction in asking rents, and higher expenses since the completion of this housing project that are believed to be a direct result of the subject being adjacent to this housing project. According to a news report published by ABC 22 & Fox 44, the mayor of Burlington indicated that "the city plans to operate it for three years [and] hopes the city won't be needing the shelter once the three years are up." Given the uncertainty of the actual date that the

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pods will be decommissioned, this appraisal is based on the extraordinary condition that the pods will be removed on the three-year anniversary of opening the pods to guests (February 7, 2026). The use of this extraordinary assumption may have affected assignment results.

Assumption 1: The subject property is currently taxed as 16 separate residential condominium units but is operated as a multi-family rental property. The subject's market value is based on its current operation as a 16-unit multi-family property. The appraiser has not allocated values to each individual unit

Anticipated Scope of Work:

Appraiser's anticipated scope of work for developing the appraisal will include:

1. Limited inspection of the subject site and exterior.
2. The subject's property description will be based on a prior appraisal of the subject property (prepared by Thomas P. O'Brien and dated effective July 28, 2021).
3. This appraisal will be limited in scope to an Income Capitalization Approach only.

Report Option and Format:

Appraisal Report

Delivery Date:

Estimated date of delivery by June 16, 2023.
Appraiser will use Appraiser's best efforts to deliver the appraisal report no later than such date. Appraiser's delivery of the report is contingent on Appraiser's timely receipt of information and documentation from Client and other parties. In the event of a delay beyond that date, Appraiser will inform Client promptly as soon as reasonably practicable.

Appraiser's Interest in Subject Property or in Client or Other Involved Parties:

Appraiser has no knowledge of any current or prospective interest of the Appraiser in the subject property or in Client or other parties involved in the transaction to which this appraisal relates

Prior Services Regarding Subject Property (USPAP Disclosure):

Appraiser has not performed any prior services regarding the subject property within the three-year period immediately preceding the date of

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Email: hrandall@rrcovt.com

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this Agreement, as an appraiser or in any other capacity.

Special Conditions: *None.*

Appraisal Fee: *\$100/hour up to a maximum of \$1,200*

Payment Terms: *Full payment of the appraisal fee is due immediately upon receipt of invoice at the completion of the assignment*

2. Property Documentation.

Client has already provided Appraiser with documentation required and requested by the Appraiser to complete the appraisal. Client agrees to provide any further information within 24 hours of a verbal or written request. Delays in Appraiser's receipt of requested documentation may result in Appraiser being unable to deliver the appraisal report on the delivery date stated above.

Client: North Hill Capital Partners LLC

Dated: 05/17/2023

Signature: Nicolas Pena
Signer ID: 0V4E21W10

Printed Name: Nick Pena

Position: Owner

Billing Address (email or person/address to whom invoices should be sent):

285 Goddard Ave

Brookline, MA 02445

Appraiser: Randall Real Estate Company, PLLC

Signature: Hugh Randall
Signer ID: AFJASP0JKS

05/18/2023

Printed Name: Hugh Randall

Position: Owner/Principal

Phone: 802-433-RRCO (7726)

Fax: 802-213-2388

Email: hrandall@recovt.com



Terms and Conditions

Acceptance and Applicability. These Terms and Conditions for Appraisal Services and Reports ("Terms and Conditions") shall apply to any appraisal reports, contracts or orders into which they are incorporated. In addition, with respect to any appraisal report, any use of or reliance on the appraisal by any party, regardless of whether the use or reliance is authorized or known by Appraiser, constitutes acceptance of these Terms and Conditions as well as acceptance of all other appraisal statements, limiting conditions and assumptions stated in the appraisal report. An Appraisal Services Agreement may contain different provisions than stated in this document but such different provisions shall only apply between Client and Appraiser/Firm, unless the Appraisal Services Agreement expressly states otherwise.

Definitions. In these Terms and Conditions:

"Appraisal Services Agreement" means any written agreement with Client for performance of the appraisal services by Appraiser, including any agreement entered into electronically or through a web portal;

"Client" means a party identified expressly as a client in an Appraisal Services Agreement and also any party identified expressly as a client by the Appraiser in an appraisal report;

"Appraiser" means the appraiser(s) performing part or all of the appraisal services and/or signing an appraisal report, and

"Firm" means any business entity employing the Appraiser or of which the Appraiser is a partner, owner, shareholder, member, officer, director or independent contractor, and includes the other employees, partners, owners, shareholders, members, officers, directors or independent contractors of any such entity.

Intended Users. Appraiser will identify one or more "intended users" of the appraisal in the report, either by name or type of user. The purpose of this identification is for Appraiser to determine the appropriate reporting of the appraisal in a manner that is clear and understandable to the identified intended user(s). It is not an acknowledgement by Appraiser that Appraiser knows or expects a party to use or rely on the appraisal. Neither Appraiser nor Firm is responsible to parties who are not identified as intended users or for uses not identified as intended uses.

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Appraiser Independence. As required by law and professional standards, Appraiser's performance of the appraisal is independent, impartial and objective. Accordingly, Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount and cannot ensure that the opinion of value will serve to facilitate any specific objective of Client or others or advance any particular cause.

Unauthorized Use or Publication. No part of the appraisal report or the Appraiser's opinions or conclusions may be published or used in any advertising materials, property listings, investment offerings or prospectuses, or securities filings or statements without Appraiser's prior written authorization. Any party who publishes or uses the report or Appraiser's work product without such authorization or who provides the report or Appraiser's work product for such unauthorized use or publication agrees to indemnify and hold Appraiser and Firm harmless from and against all damages, liabilities, losses, causes of actions, expenses, claims and costs, including attorneys' fees, incurred in the investigation and/or defense of any claim arising from or in any way connected to the unauthorized use or publication.

No Third-Party Beneficiaries of the Appraisal Services Agreement. Unless identified expressly in the agreement, there are no third-party beneficiaries of any Appraisal Services Agreement pertaining to the appraisal, and no other person or entity shall have any right, benefit or interest under such agreement. The identification of a party as an intended user of the appraisal does not mean that the party is a third-party beneficiary of the Appraisal Services Agreement.

Appraiser Not Responsible for Certain Conditions. Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, Appraiser shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations and other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise.

Maximum Time Period for Legal Actions. Unless the time period is shorter under applicable law, any legal action or claim relating to the appraisal or Appraisal Services Agreement shall be filed in court (or in the applicable arbitration tribunal, if the parties to the dispute have executed an arbitration agreement) within two (2) years from the date of delivery to Client of the appraisal report to which the claims or causes of action relate or, in the case of acts or conduct after delivery of the report, two (2) years from the date of the alleged acts or conduct. The time period stated in this section shall not be extended by any delay in the discovery or accrual of the underlying claims, causes of action or damages. The time period stated in this section shall apply to all non-criminal claims or causes of action of any type.

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Limitations of Liability and Assignment of Claims. Professional standards for the performance of real estate appraisals require that appraisers perform their services independently, impartially and objectively. Clients and other users of appraisals often have separate legal or regulatory obligations imposed on them in relation to the appraisal process. The provisions of this section are designed to assure that an appraiser can render appraisal services in compliance with professional standards for reasonable compensation and to assure that clients and users can comply freely with their own professional and legal obligations. If any conditions are not appropriate for a particular assignment, they may be negotiated, but the modification must be in writing and signed by the parties subject to the modification.

a) **Limitations of Liability.** To the fullest extent permitted by applicable law, the maximum monetary liability of Appraiser, Firm or Client to one another or to any third party (regardless of whether such party's claimed use or reliance on the appraisal was authorized by Appraiser) for any and all claims or causes of action relating to the appraisal or Appraisal Services Agreement shall be limited to two times (2X) the total compensation actually received by Appraiser for the appraisal or other services that are the subject of the claim(s) or cause(s) of action.

This limitation of liability extends to all types of claims and causes of action, whether in contract or tort, but excludes: (i) claims/causes of action for intentionally fraudulent or criminal conduct, intentionally caused injury, or unauthorized use or publication of the appraisal or Appraiser's work product or (ii) claims/causes of action by Appraiser or Firm for the collection of unpaid compensation for the appraisal or other services (for which the maximum recovery shall be the total amount unpaid and owing to Appraiser, plus applicable interest and late charges).

b) **No Special or Consequential Damages.** No Appraiser, Firm nor Client shall be liable to one another or to any third party for special or consequential damages, including, without limitation, loss of profits or damages proximately caused by loss of use of any property, regardless of whether arising from negligence or breach of the Appraisal Services Agreement or otherwise, and regardless of whether a party was advised or knew of the possibility of such damages.

No Assignment of Claims. Legal claims or causes of action relating to the appraisal or Appraisal Services Agreement are not assignable, except: (a) as the result of a merger, consolidation, sale or purchase of a legal entity; (b) with regard to the collection of a bona fide existing debt for services but then only to the extent of the total compensation for the appraisal plus reasonable interest; or (c) in the case of an appraisal performed in connection with the origination of a mortgage loan, as part of the transfer or sale of the mortgage before an event of default on the mortgage or note or its legal equivalent.

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Subpoenas and Testimony. In the event that Appraiser or Firm is compelled by subpoena or other legal or administrative process to provide testimony or produce documents relating to the appraisal or Appraiser's services, whether in court, deposition, arbitration or any other proceeding, the party seeking such testimony or documents agrees to compensate Appraiser or Firm, as applicable, for the reasonable time incurred in connection with preparation for and provision of such testimony and/or documents at Appraiser's rates in effect at that time and reimburse reasonable actual expenses.

Severability. If any provision of these Terms and Conditions is held, in whole or part, to be unenforceable or invalid for any reason, the remainder of that provision and the remainder of the entire Terms and Conditions will be severable and remain in effect.

Conflict with Appraisal Services Agreement. If any of these Terms and Conditions conflict with an Appraisal Services Agreement, the terms and conditions of the Appraisal Services Agreement shall control but only as between Client and Appraiser/Firm, unless the Appraisal Services Agreement expressly states otherwise.

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CITY OF BURLINGTON
OFFICE OF THE ASSESSOR
Joe Turner, City Assessor

Appendix B:

Calculation of the Level of Appraisal

Parcel ID	SaleDate	Location	Sale Price	Curr. Val	Sale Ratio
044-1-220-000	3/25/2022	72-78 LAFOUNTAIN ST	918,400	715,700	0.78
045-2-113-000	1/8/2020	6-10 GREENE ST	1,430,000	1,364,900	0.95
045-4-050-000	1/17/2020	42-46 NORTH PROSPECT ST	1,850,000	1,794,400	0.97
039-4-055-000	2/11/2020	237 ELMWOOD AVE	735,000	746,300	1.02
049-4-040-000	2/26/2020	279-281 ST PAUL ST	2,390,000	2,238,700	0.94
044-3-204-000	8/10/2020	97 NORTH UNION ST	670,000	667,400	1.00
044-3-258-000	9/14/2020	94 NORTH WINOOSKI AVE	972,000	1,050,600	1.08
049-4-202-000	10/14/2020	250 SOUTH UNION ST	1,660,000	1,574,200	0.95
049-3-198-000	1/29/2021	207 SOUTH UNION ST	3,150,000	3,081,100	0.98
049-4-189-000	2/5/2021	311-317 SOUTH UNION ST	1,651,250	1,658,200	1.00
044-4-211-000	4/26/2021	57-59 BUELL ST	1,165,000	1,165,700	1.00
038-4-026-000	7/15/2021	125 CAMBRIAN WAY	3,500,000	4,691,800	1.34
044-4-049-001	9/13/2021	61 ELMWOOD AVE	2,187,500	1,926,300	0.88
044-2-041-000	9/17/2021	65-69 NORTH CHAMPLAIN S	830,000	877,900	1.06
044-4-051-000	10/18/2021	71-73 ELMWOOD AVE	1,949,000	1,753,700	0.90
045-2-247-000	11/15/2021	71 SOUTH WILLARD ST	990,000	720,700	0.73
044-3-085-000	12/14/2021	42 INTERVALE AVE	1,400,000	1,154,500	0.82
044-1-189-000	12/21/2021	32-34 ROSE ST	850,000	743,600	0.87
039-4-116-000	12/22/2021	68-70 WALNUT ST	1,055,000	1,165,700	1.10
058-1-025-000	12/30/2021	234-236 SHELBURNE ST	710,000	610,400	0.86
038-4-003-000	2/18/2022	120 LAKEVIEW TER	1,160,000	1,127,100	0.97
050-1-091-000	3/4/2022	91-93 SOUTH WILLARD ST	1,850,000	1,712,900	0.93
044-4-139-000	4/28/2022	8-16 CLARKE ST	2,050,000	1,607,600	0.78
044-4-044-000	5/25/2022	21-25 ELMWOOD AVE	2,682,500	2,779,800	1.04
046-3-015-000	6/6/2022	49-55 CHASE ST	1,515,000	1,172,600	0.77
050-1-020-000	12/21/2022	371 MAIN ST	1,600,000	1,369,400	0.86
049-3-056-000	2/7/2023	199 KING ST	300,000	275,500	0.92
049-4-190-000	5/31/2023	305 SOUTH UNION ST	1,402,000	1,178,400	0.84
050-3-008-000	8/31/2023	205 SOUTH PROSPECT ST	1,550,000	1,218,200	0.79
039-4-265-000	3/6/2020	680-698 RIVERSIDE AVE	1,250,000	1,314,500	1.05
050-1-033-000	10/6/2020	55-63 HARRINGTON TER	1,650,000	1,560,600	0.95
043-3-003-000	4/21/2021	9 LAKEVIEW TER	785,000	700,400	0.89
049-4-122-000	4/29/2021	35 ADAMS ST	887,500	889,700	1.00
044-3-302-000	5/25/2021	71 NORTH WINOOSKI AVE	815,000	772,300	0.95
045-1-260-000	6/30/2021	154-156 LOOMIS ST	800,000	820,100	1.03
045-2-145-000	7/26/2021	91-93 BUELL ST	1,230,000	1,194,800	0.97
045-1-270-000	8/11/2021	147-151 LOOMIS ST	1,648,000	1,259,700	0.76
050-4-024-000	8/26/2021	188 CLIFF ST	1,200,000	923,900	0.77
049-4-141-000	12/15/2021	360-364 SOUTH WINOOSKI A	1,450,000	1,313,000	0.91
045-4-005-000	12/30/2021	416 PEARL ST	3,025,000	2,966,300	0.98
049-1-105-000	3/3/2022	115 PINE ST	800,000	570,000	0.71
044-1-343-000	3/15/2022	101 PARK ST	825,000	719,000	0.87
045-1-302-000	3/15/2022	69-71 GREENE ST	620,000	616,500	0.99
049-4-120-000	5/23/2023	47 ADAMS ST	1,775,000	1,346,800	0.76
044-4-124-000	7/21/2023	33-37 GRANT ST	2,200,000	1,604,600	0.73
044-4-002-000	7/31/2023	61-69 CHURCH ST	2,150,000	2,102,100	0.98
049-3-052-000	8/31/2023	212-214 KING ST	800,000	699,500	0.87
044-4-104-000	9/27/2023	234 PEARL ST	1,697,475	1,084,500	0.64

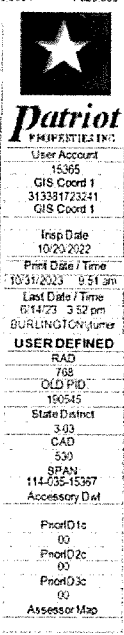
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CITY OF BURLINGTON OFFICE OF THE ASSESSOR Joe Turner, City Assessor

Appendix C:

Assessor's Office Property Record Card

044 Sheet	4 Lot	049 Unit#	001 Bldg#	044-4-049-001 Parcel ID	Building Location: 1 ELMWOOD AVE	BURLINGTON, VT	Card: 1 of 1	Total Card	Total Parcel																																																																																																																																																								
PROPERTY LOCATION				IN PROCESS APPRAISAL SUMMARY			LEGAL DESCRIPTION																																																																																																																																																										
61 ELMWOOD AVE BURLINGTON, VT 05401				<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Use Code</th> <th>Building Val</th> <th>Yard Items</th> <th>Land Size</th> <th>Land Val</th> <th>Total Val</th> </tr> </thead> <tbody> <tr> <td>RA</td> <td>1,530,300</td> <td>0</td> <td>13,068.00</td> <td>396,000</td> <td>1,926,300</td> </tr> <tr> <td>Building Total</td> <td>1,530,300</td> <td>0</td> <td>13,068.00</td> <td>396,000</td> <td>1,926,300</td> </tr> <tr> <td>Parcel Total</td> <td>1,530,300</td> <td>0</td> <td>13,068.00</td> <td>396,000</td> <td>1,926,300</td> </tr> </tbody> </table>			Use Code	Building Val	Yard Items	Land Size	Land Val	Total Val	RA	1,530,300	0	13,068.00	396,000	1,926,300	Building Total	1,530,300	0	13,068.00	396,000	1,926,300	Parcel Total	1,530,300	0	13,068.00	396,000	1,926,300	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>APPR</th> <th>USE+IMP</th> <th>USE LAND ASSESSED</th> </tr> </thead> <tbody> <tr> <td>1,926,300 /</td> <td>1,926,300 /</td> <td>1,926,300 /</td> </tr> <tr> <td>1,926,300 /</td> <td>1,926,300 /</td> <td>1,926,300 /</td> </tr> </tbody> </table>			APPR	USE+IMP	USE LAND ASSESSED	1,926,300 /	1,926,300 /	1,926,300 /	1,926,300 /	1,926,300 /	1,926,300 /																																																																																																																							
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CITY OF BURLINGTON
OFFICE OF THE ASSESSOR
Joe Turner, City Assessor

Appendix D:

Appeal to the Board of Tax Appeal

MSK
ATTORNEYS

Via Hand Delivery and Email

June 26, 2023

City of Burlington
Jacob Dorman, Deputy Assessor
City Hall, Ground Floor
149 Church Street
Burlington, VT 05401
jdonnan@burlingtonvt.gov
ivickery@burlingtonvt.gov
mail@assessor@burlingtonvt.gov

**Re: Grievance Notice – North Hill Capital Partners, LLC, 61 Elmwood Ave,
Parcel ID 044-4-049-001**

Dear Jacob:

I represent North Hill Capital Partners, owner of the 61 Elmwood Avenue property. My client believes its property's value has been negatively impacted by the neighboring pod encampment. Since the pods opened, my client's tenants have experienced increased noise and a decrease in their sense of security. Flower beds that have been maintained for years can no longer be worked because they are littered with hypodermic needles. There have been apparent overdose victims in the property's parking lot. Tenants have experienced increased theft, especially from parked cars. The problem is exacerbated by the pod residents' associates who congregate in the area to party. This deterioration in my client's tenants' quality of life has made 61 Elmwood a significantly less desirable place to live. Evidence of this change has manifested itself in the form of tenant complaints, lowered rents, and increased vacancies.

My client owns several rental properties in Burlington. Over the last year, due to multiple inflationary pressures, including higher property taxes, utility costs, management expenses, repair expenses and other increased expenses, my client has raised its rents at its other Burlington properties by approximately 20%. The market rent for a single bedroom unit, like the 61 Elmwood units, has risen to \$1,450. Even with those higher rents, my client has experienced virtually no vacancies at any property other than its 61 Elmwood property. For the first time in years, the 61 Elmwood property has experienced vacancies, some as long as three months. This has caused my client to leave its 61 Elmwood rents flat, unlike the rents at their other properties. My client has actually reduced rents on some of its 61 Elmwood units by 15-20%. The 61 Elmwood units are rented at an average rent of \$1,200, \$250-300 below market. Historically, these units have always rented for market rates. While rents elsewhere are going up 25% to 30%, rents at 61 Elmwood have remained stagnant or, as noted above, are being reduced in order to retain and attract tenants. Clearly, the creation of the pod encampment has had a negative and measurable impact on my client's property. My client did not oppose the encampment and understands the need for such a facility. On the other hand, it must be recognized that by placing the encampment so close to my client's property, there has been a negative impact on its value. My client believes the value of its property has been reduced by 35%. My client believes the City's financial form (enclosed) will underestimate the pod encampment's impact, as those impacts have only made themselves known relatively recently. All of the facts recited in this letter are supported by the attached Declaration. I appreciate your attention to this matter.