

Mainland

C O N S U L T A N T S

September 10, 2020

Pat Clancy
Board Member
Kennebunkport Heritage Housing Trust
PO Box 333
Kennebunkport, Maine 04046

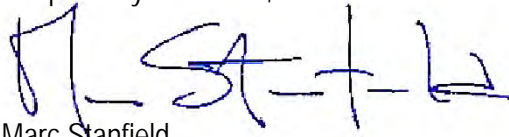
**Re: Heritage Woods Subdivision
Main Street
Kennebunkport, Maine 04046**

Dear Mr. Clancy:

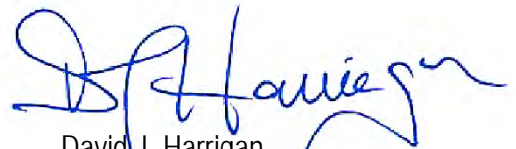
In accordance with your request, I, Marc Stanfield, personally inspected the above captioned property for the purpose of forming an opinion as to what, if any, effect the Heritage Woods Subdivision will have on the marketability of other neighborhood properties. Further, we opined as to the impact of having six "affordable" housing units within the immediate area as it relates to comparability and property rights.

Enclosed is my report containing information regarding the proposed subdivision, "the project," and the neighborhood. This information and analysis were reviewed and confirmed by the principal of Mainland Appraisal Consultants, David Harrigan. If we can be of any further assistance to you, or if there are any questions concerning this report, please do not hesitate to contact us.

Respectfully submitted,



Marc Stanfield
Real Estate Appraiser
Maine Certified General
Appraiser Certification #CG320



David J. Harrigan
Supervisory Appraiser
Maine Certified General
Appraiser Certification #CG124

PROJECT DESCRIPTION

The Heritage Woods Subdivision is being created on a 4.6-acre parcel located on Main Street in Kennebunkport, Maine. This lot is currently identified in the town assessment records as Map 22 Lot 9-21. Current plans call for the property to be subdivided into 4 buildable lots and an unbuildable open space lot. These lots will be accessed by two private roads, each curb cut being off Main Street. Two of the 4 lots are accessed from each road with the open space lot centrally located towards the rear. The buildable lot sizes range from 0.50 acres to 1.15 acres with the open size lot being 0.93 acres.



Heritage Woods Site Plan

The property is being developed by Kennebunkport Heritage Housing Trust (KHHT). Three residences will be accessed off each of the private ways or 6 in total. Each road will include a single family residence and a semi-attached duplex. Three buildings or five residences will be located near the project's 437' of frontage along Main Street. The three lots associated with the buildings having between 100' and 212' of frontage along the arterial.

Two floor plans are being utilized for the six homes (whether attached or detached). A single story residence, including 1,166 sf of living area, and a two-story residence that will have a total of 1,688 sf. Each will include three bedrooms and two baths. These wood frame, modular homes, with wood or vinyl siding, double hung windows and typically pitched roofs, have exterior appearances that are thus in conformance to neighborhood norms.



Architectural rendering of a Heritage Woods single story home

Though a formal landscape plan has yet to be developed, the current concept is to provide a design that is in keeping with neighborhood norms while also attempting to exert cost controls and keep the homes affordable.

These homes will be offered by KHHT at affordable pricing levels, now estimated to be \$210,000 and \$290,000 plus the cost of leasing the land. This additional annual cost is currently estimated at \$315 and \$443 respectively. KHHT will maintain the underlying ownership of the land. The future prices of the homes will be kept at affordable levels through covenants associated with their ownership rights and land leases.

NEIGHBORHOOD AREA ANALYSIS AND SUBJECT PROJECT EFFECT

The subject property is located in the Town of Kennebunkport, at the westerly periphery of Cape Porpoise, a loosely defined village within the legal municipality of Kennebunkport. The project's immediate neighborhood is considered to be those properties located within 400 feet. If the Heritage Woods project were to effect marketability, it would be felt most readily by these properties.



The village of Cape Porpoise is centered at the intersection of Main Street, Mills Road and Pier Road. The neighborhood extending outward to the ocean and along the side streets associated with these arterials towards Marshall Point and past the intersection Old Cape Road. Main Street is a two-lane roadway state designated Route 9. This road transitions to Mills Road as it exists in

Cape Porpoise in a northerly direction and, as it travels westerly, the road's name changes again. As the road approaches Dock Square or the village center of Kennebunkport, its name changes to School Street. As its name indicates, Main Street aka Route 9, acts as an arterial for residents and individuals travelling along the coast from Kennebunkport to Biddeford.

From the State Dept. of Transportation statistics Main Street/ Route 9 has an Average Annual Daily Traffic (AADT) count of 3,340 vehicles. Like much of the area, this traffic is cyclical, with greater traffic occurring during the summer tourist season. The speed limit for this two-lane arterial is 25 to 35 mph. Above ground utility poles and associated lines are located along the ROW. There are no sidewalks or paved road shoulder along Main Street near Heritage Woods. Pedestrian foot traffic would thus appear to be limited.



Main Street at Heritage Woods

The Cape Porpoise area consists primarily of single family residences with a limited number of commercial uses centered at the intersection of Main Street, Mills Road and Pier Road, the village center. However, along with the predominate residential properties, there are other non-residential uses interspersed among Cape Porpoise's single family homes.

To provide for harmonious property use, to promote the health, safety and welfare of its residents, Kennebunkport, and thus the subject neighborhood, is regulated at the municipal level by the Town of Kennebunkport through its zoning/ land use ordinances. The Heritage Woods property and surrounding area fall within Kennebunkport's Cape Porpoise West district. Uses permitted in this zoning district are Accessory Apartment, Agriculture, Essential services, Farm stand, Single family dwelling, Storage & repair of fishing equipment, timber harvesting and management and two family dwellings. A limited number of additional uses are allowed with "Site Plan Review" or subject to "Zoning Board of Appeals Review."

In the immediate area, along Main Street, near Heritage Woods Subdivision, uses also consists primarily of residential properties. This area, which is in close proximity to the west of the subdivision from 104 Main Street (located on the westerly side of Reynolds Lane) to 136 Main Street (to lots east of Westvale Road) is noted, along with property at the project's rear, includes lots within 400' feet. This stretch of Main Street from said street numbers 104 to 136 covers approximately 1,450 feet of road.



Properties within 400 feet

The area within 400 feet of the project also includes several lots along the two roads mentioned plus a third private way located across the street from Heritage Woods, Harmony Lane. To the project's rear are several large lots, including several that are vacant. Considering their size and somewhat distant means of access, with additional residences found on their own roadways, plus the wooded area to the project's rear and their own substantial lot sizes, there would appear to be minimal impact from the planned construction in Heritage Woods.

To the east of Heritage Woods along the northerly side of Main Street, within 400 feet, are 7 residences, including 2 off Main Street on Reynolds Lane. The 5 homes along Main Street are indicated to be single family residences with 4 of the 5 constructed from 1950 to 1978 and the 5th built in 2010. The homes range in size from a modest 420 sf. to 1,319 sf., the median size being 1,170 sf. All are single story wood

frame structures. Adjacent to these homes, at the corner of Old Cape Road, is a non-residential property, the American Legion Post. This 4,000 sf. single story building is an example of a historical, non-conforming use.

The two homes located just off Main Street on Reynolds Lane, include a remodeled 1950 cottage noted as 2,056 sf. in the town's assessment records and a newly constructed 1,562 sf. contemporary (built in 2019/20). Both homes have sold recently; 5 Reynolds Lane for \$385,000 in September 2019 and 6 Reynolds Lane for \$660,000 in June of 2020. Both were sold through professional real estate agents in a timely manner.

To the west, on the southerly side of Main Street, are three residences, 101, 105 and 109 Main Street, including one whose driveway exits from Harmony Lane, with the last property on this side of the road and within 400', being the town's Police Station. Of the three homes, two were built in the 1970's and the third in 1992. These homes range in size from 1,528 sf. to 1,941 sf. Two homes are on lots slightly less than an acre (0.73 and 0.88 acres) while the third lot is 2.8 acres. Though four lots are noted to be located further down Harmony Lane, none are indicated to be improved. Though on average this group of homes are somewhat larger than the even numbered homes on the opposite side of Main Street, they do appear to be typical of other dwellings found away from the ocean and located on the town's primary and secondary roads outside of the villages.

Directly across Main Street from Heritage Woods is a 7.7-acre water district lot and in part, the previously noted property at 109 Main Street whose driveway is off Harmony Lane. Other than the water tower and associated improvements, there are no substantial buildings on this relatively large lot.

On the same southerly side of Main Street, are two residences and additional water district land. Two older cape style homes, one an antique, at #131 and #133, are again typically sized at 1,346 sf. and 1,785 sf. Their lot sizes are also common to this stretch of Main Street at 0.55 and 0.35 acres. The Water District has its system level, elevated distribution tank located near the 170 feet of frontage between 133 Main Street and 137 Main Street.



East of Heritage Woods, on the northerly side of Main Street, and adjacent to the project at 130 Main Street, is a mixed-use property. This lot is improved with a 952 sf. ranch built in 1958. This residence is located along the roadside, while a 600 sf. store/shop is located to the rear and accessed off Westvale Lane. The lot size for this property is 0.51 acres. The shop is clearly visible from the road, and varied signage, both temporary and fixed, are located along Main Street.

On the opposite side of Westvale Lane is 132 Main Street, a 0.46-acre lot improved with a 1,912 sf. home that was constructed in 1970. At 134 Main Street is a split-level home built in 1966 on a 0.48-acre lot. This single-family house was built in 1966. Adjacent to this property, the last lot along Main Street and within 400' of the project is 136 Main Street, a 1950 ranch on a 1.08-acre lot. This home is 1,752 sf.

The commercial use at 132 Main Street appears to be a pre-existing, legal non-conforming use. The four residential buildings have an average size of 1,449 sf. and are between 50 and 70 years old.

On Westvale Road, adjacent to the project, is a rambling ranch style home with a 2-story addition constructed in 1996. The assessor notes the living area at 2,953 sf. and original construction in 1972. Across from #4 is 5 Westvale Road, a 2-unit condominium that was originally constructed in 1975. This building was renovated in 2009 and subsequently converted to condominium ownership. Though no lot size is indicated in the assessment records, it appears to be 0.5 to 1 acre. The third lot, at the end of Westvale Road, is vacant land.

Overall, the Heritage Woods immediate and general neighborhoods are typical for the community, areas found along the town's arterials and not directly influenced by an oceanside location. The immediate neighborhood is just west of the Cape Porpoise village center where commercial uses are more frequently observed, and density is generally greater. The subject neighborhood is transitional, from the village center to lower density areas where single family use is more predominant.

Uses surrounding Heritage Woods are generally single family residential or vacant land, but do include a commercial or mixed-use property, a fraternal organization, governmental use in the form of the police station and the water district's storage tower. Added to this array is the Heritage Woods projects with 6 residential units on 4.6 acres, both in detached and semi-attached configuration. This use or uses, single family and two family, are distinctly allowable by the town's land use ordinance.

Residences surrounding Heritage Woods have relatively modest size lots and distinctly modest size homes. The neighborhood's improved lots range from 0.36 acres to 2.8 acres with all but the one being smaller than an acre. The subject lots at 0.5 to 0.93 acres are typical. Area home sizes were noted to be smaller than 2,000 sf. in all but a single instance. The generally older homes from 104 Main Street to 112 Main Street are single story ranches typically built in 1960, which provide gross living areas similar to the 1,166 sf. Heritage Woods homes. It was also noted that two of these properties include smaller than typical home residences of 744 sf. and 420 sf. This area to the east is also bracketed by two uses not typically associated with neighborhoods, the police station and American Legion facility.

To the east and on the opposite side of Main Street are moderate size homes that are again generally more than 30 years old. The easterly properties do include a commercial use. This legal-nonconforming use appears to have operated at this location for an extended period of time. Vacant land directly across from the planned Heritage Woods site currently lends itself to the area's feel of moderate density though there always is the potential for this lot to also be improved.

Along with the potential for marketability issues associated with various surrounding properties, there are the dynamics of properties being on an arterial. Main Street's connectivity to other area uses and destinations, schools, shopping, employers, families and acquaintances provides both a benefit and, due to its widespread use, in many instances, a perceived detriment. Residences located on arterials particularly raise safety issues with families having young children and, to a lesser degree, ease of access (backing onto the road from a residence) and traffic noise. These issues can diminish demand for residences located on arterials, particularly if they have modest size lots.

From a physical perspective, with all of the variables noted above considered, it is my position that within the context of the immediate neighborhood as defined here-in, Heritage Woods would have little to no impact on the marketability of other area housing.

From an economic perspective, the question has been posed, how will the "affordable" pricing conveyances impact other area residential dwellings? The means of ownership of a home within Heritage Woods will be the Leasehold interest versus the more typical Fee Simple property rights associated with traditional single-family properties. The differential being the homes in Heritage Woods will be on leased land. This form of ownership enhances the owner/developer, Kennebunkport Heritage Housing Trust, future control of the property and their desire to create and preserve the affordability levels within the complex. The project's differing ownership rights and thus dual costs associated with acquiring these properties, purchasing of the improvements and leasing of the land separately, will differentiate it from other area single family housing. This alternative form of ownership will also confound the public's direct comparison of these affordable housing units to the more widespread community's home pricing. Because of the differential in property rights between dwellings from Heritage Woods and other neighborhood properties, there is no direct comparison. A sale of a property from within Heritage Woods would not be suitable for valuing a nearby property from outside the complex. Furthermore, the initial direct marketing of the project through area business, services and local media, while focusing for those most likely to purchase these homes, will also restrict its dissemination to the wider public. The project's atypical ownership rights don't appear to fit well with digital media's current practices further confounding direct comparison through these mechanisms.

In conclusion, it is my professional opinion, based upon the uses and the specific improvements associated with properties surrounding Heritage Woods and the general makeup of the immediate neighborhood, that area properties will be affected insignificantly by any physical attributes of the proposed project or direct comparison on a monetary basis. With the ample demand and limited supply of housing in Kennebunkport, the Heritage Woods project will have a negligible impact on the marketability of properties in the immediate area.

APPRAISER QUALIFICATIONS

(7 pages to follow)



State of Maine
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
OFFICE OF PROFESSIONAL AND OCCUPATIONAL REGULATION
BOARD OF REAL ESTATE APPRAISERS

License Number CG320

Be it known that

MARC A. STANFIELD

has qualified as required by Title 32 MRS Chapter 123 and is licensed as:

CERTIFIED GENERAL APPRAISER

ISSUE DATE
December 11, 2019

Anne L. Head
Commissioner

EXPIRATION DATE
December 31, 2020

**MARC STANFIELD
STATE OF MAINE
CERTIFIED GENERAL REAL ESTATE APPRAISER #CG320
LICENSE EXPIRATION DATE: 12/31/2020**

EDUCATION

Bi-Annual	Uniform Standards of Professional Appraisal Practice – Appraisal Institute
2011	GIS – Executive Overview – Appraisal Institute
2010	The Discounted Cash Flow Model – Appraisal Institute
2008	Office Building Valuation: A Contemporary Perspective
2007	Land Valuation Adjustment Procedures
2006	Appraisal Consulting – Appraisal Institute Self Storage Economics and Appraisal
2005	Analyzing Distressed Real Estate – Appraisal Institute
2004	Center for Real Estate Education – University of Southern Maine Supporting Capitalization Rates – Appraisal Institute
2003	Subdivision Analysis – Appraisal Institute
2002	Appraisal of Nonconforming Uses – Appraisal Institute Tax Free Exchanges Non-conformance Issues for Shoreland Properties – University of Southern Maine
1999	The FHA and the Appraisal Process – Appraisal Institute
1979-1981	University of Maine at Orono Bachelor of Science Degree in Natural Resource Management/ Land Use Planning
1977-1979	University of Maine at Presque Isle Environment Studies major

EXPERIENCE

1989 to Present	Maineland Consultants 30 Exchange Street Portland, ME 04101 Real Estate Appraiser
1989	Property Financial Appraisal Services 449 Forest Avenue Portland, ME 04101 Real Estate Appraiser

1987-1988 First Atlantic Land Company
 Portsmouth, NH 03801
 Project Management and Land Acquisition
 Senior Specialist

PROFESSIONAL AFFILIATIONS

General Certified Appraiser; State of Maine #CG320 (7/19/91)

Environmental Assessment Consultant, (EAC) a professional designation of the National Society of Environmental Consultants, Member 1995 (former)

PARTIAL LIST OF CLIENTS SERVED

TD Bank, Portland, ME
Camden National Bank, Rockport, ME
Bangor Savings Bank, Portland and Bangor, ME
Bank of America, Portland, ME
Gorham Savings Bank, Gorham, ME
KeyBank of Maine, Portland, ME
Maine Bank and Trust, Portland, ME
Norway Savings Bank, Portland, ME
Maine Medical Center, Portland, ME
City of Portland, ME

The following is a brief summary of appraisal assignments completed.

RESIDENTIAL

Over the years I have completed hundreds of residential properties ranging in size, location, and value. During the past several years, I have specialized in ocean front or estate type properties, properties with large tracts of land and valuation of partial interests.

MULTIFAMILY

The assignments vary from 2-unit income properties to 40-unit multi-families. Appraisals for two to four units are completed with a form type structure, while five units or more are completed in a narrative format with values ranging up to \$2,000,000.

OFFICE BUILDINGS

Assignments completed range from modest sized 1,000 sf. owner-user properties to 30,000 sf. or larger multi-tenanted buildings.

RETAIL, WAREHOUSE & MIXED USE BUILDINGS

Assignments have typically included mixed use office/retail/residential properties or complexes plus single user retail, light industrial, flex and warehouse type properties.

RAW LAND

Assignments have included a wide variety of residential and commercial land appraisals. I have completed appraisals on numerous subdivisions and condominium complexes ranging from 3 to 90 units, bulk land parcels up to 200 acres, multi-family sites suitable for 30 units and vacant land appraisals for varied retail, industrial and mixed use properties, and valuation of easements including conservation easements for donation purposes.



State of Maine
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
OFFICE OF PROFESSIONAL AND OCCUPATIONAL REGULATION
BOARD OF REAL ESTATE APPRAISERS

License Number CG124

Be it known that

DAVID J. HARRIGAN

has qualified as required by Title 32 MRS Chapter 123 and is licensed as:

CERTIFIED GENERAL APPRAISER

ISSUE DATE
November 30, 2019

Anne L. Head
Commissioner

EXPIRATION DATE
December 31, 2020

**DAVID J. HARRIGAN – PRESIDENT
STATE CERTIFIED GENERAL APPRAISER #CG124
LICENSE EXPIRATION DATE: 12/31/2020**

David J. Harrigan has been appraising real estate since 1984. Over the past 20 years he has established himself as a true professional in the appraisal industry. During this time Mr. Harrigan has performed countless appraisals and appraisal reviews for Mainland Appraisal Consultants. Mr. Harrigan also provides strict state regulated training to staff appraisers entering the industry. As the President of Mainland Appraisal Consultants, he also provides direct supervision and guidance to all of the company appraisers.

A Practicing Affiliate of the Appraisal Institute since 1985, former Board of Director for Avesta Housing and the Mortgage Bankers Association, Approved FHA (#2066) Appraiser since 1985, and Realtor Member since 2005. Mr. Harrigan holds an Associate's Degree from the University of Maine.

EDUCATION

February 2012: Appraisal Institute - Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets

March 2003: IPED (101) - Low Income Housing Tax Credits (LIHTC)

February 2002: Appraisal Institute (620) - Sale Comparison, Small Mixed-Use

October 1998: Appraisal Institute (430) - Professional Practices

May 1995: National Society of Environmental Consultants - Residential & Commercial Screening/Phase I Assessments

November 1990: Society of Real Estate Appraisers - Applied Income Report, Valuation (202)

February 1988: Society of Real Estate Appraisers (201) - Principles of Income Property Appraising

March 1985: Society of Real Estate Appraisers (102) - Applied Residential Property Valuation

March 1984: University of Southern Maine (101) - An Introduction to Appraising Real Property

Degree and Graduate

University Of Maine at Orono, Associate's Degree Criminal Law - June 1977

Graduate: Chelmsford High School, Chelmsford, MA - 1975

APPRAISAL SEMINARS

Bi-annual 1988 to 2018 USPAP Professional Practice – A.I. & S.R.E.A.

2019 Appraising Small Apartment Properties – McKissock

2016 Business Practices and Ethics – A.I.

2011 Income Valuation of Small Mixed-Use Properties

2010	Appraisal Curriculum Overview
2007/09	Evaluating Commercial Construction Quality Assurance/Residential Appraisal
2005/06	Subdivision Valuation - A.I. Prof. Guide to URAR 2005 - A.I.
2003/04	Supporting Capitalization Rates - A.I. Partial Interest Valuation - A.I. Avoiding Liability as an Appraiser - A.I.
2001/02	Review Appraising - A.I. Market Analysis, Trends & Techniques - A.I.
1985 thru 2000	Detrimental Conditions - A.I. Automated Valuation Models - A.I. Hotel/Motel Valuation - A.I. Appraising Conservation Easements - A.I. 2-4 Family/Condo Report Changes - A.I. Development & Reporting of Limited Appraisal (General & Residential) - A.I. The New URAR Seminar - A.I. Appraising Troubled Properties - A.I. Appraisal Review - A.I. Government Regulations - A.I. Rates, Ratios & Reasonableness - A.I. Financial Calculator Seminar - S.R.E.A. Residential Cost Handbook Seminar - M&S Commercial Square Foot Method Seminar - M&S Uniform Residential Appraisal Report Seminar - S.R.E.A. Pre Purchase Home Inspection Seminar - S.R.E.A.

A.I.	Appraisal Institute
S.R.E.A.	Society of Real Estate Appraisers
M&S	Marshall & Swift Publications

EXPERIENCE

1986 – Present	Maineland Appraisal Consultants Senior Staff Appraiser/Principal 30 Exchange Street Portland, ME
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May 1984 - Sept. 1986	Property Financial Services Portland, ME Fee Appraiser
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PROFESSIONAL AFFILIATIONS

F.H.A., Norris Cotton Federal Building
275 Chestnut Street
Manchester, NH
F.H.A./HUD Appraiser #2066

State of Maine Certified General Appraiser #CG124

Environmental Assessment Consultant (EAC)
National Society of Environmental Consultants, 1995 – Inactive

ASSOCIATION MEMBERSHIP

Practicing Affiliate, Appraisal Institute
State of Maine, Chapter #202

Board of Directors:
York Cumberland Housing – Avesta (Former)
Mortgage Banker Association – ME (Former)

PARTIAL LIST OF CLIENTS SERVED

Bank of America, ME & MA
Bath Savings Bank, ME
Bangor Savings Bank, ME
Camden National Bank, ME
Norway Savings Bank, Portland, ME
Gorham Savings Bank, Gorham, ME
Key Bank, Portland, ME & Canton, OH
Maine State Housing Authority
Paul Thelin, Attorney at Law, South Portland, ME
Peoples United, Portland, ME & Bridgeport, CT
TD Bank, N.A., Portland, ME
Saco Biddeford Savings Bank, Saco, ME

For the past 30+ years, Mr. Harrigan has completed appraisals and acted as Mainland Appraisal Consultants Internal "Supervisory" Review Appraiser. Assignments include complex Going Concern Analysis, Leased Fee Estates, Small multi-family and single-family properties, Low Income Housing Tax Credit projects, Luxury Homes, Subdivisions, and Master Condominium Projects.