



Connecticut Department of
**ENERGY &
ENVIRONMENTAL
PROTECTION**

March 27, 2012

Attorney Elizabeth C. Barton
Day Pitney
242 Trumbull Street
Hartford, CT 06103-1212

Dear Ms. Barton:

As you know, Section 8 of Special Act No. 11-16 (Special Act) requires the Department of Energy and Environmental Protection (DEEP) to enter into an agreement with Riverhouse Properties, LLC (Riverhouse) to exchange the property owned by Eagle Landing, LLC located at High Street and Walkley Hill Road in Haddam for the property owned by DEEP located at Bridge Street (a/k/a Route 82) in Haddam, along with any other consideration necessary to ensure an exchange of approximately equal value. Pursuant to the Special Act, the valuation of any land to be exchanged shall be determined by the average of the appraisals of two independent appraisers selected by the Commissioner.

DEEP contracted with R.P. McDermott Associates, Inc. and Miner and Silverstein Appraisal Company to conduct appraisals of each of the subject parcels in conformance with the Uniform Standards for Federal Land Acquisitions (Yellow Book) and the Uniform Standards of Professional Appraisal Practices (USPAP). On December 19, 2011, DEEP received the last of the four appraisals. Following our review of the appraisals for consistency with Yellow Book and USPAP, DEEP contacted you and set up a meeting to discuss the appraisals and the valuation of the two properties in order to negotiate an agreement to transfer the properties and other consideration.

The meeting to discuss the appraisals was held on January 11, 2012. At that meeting, although you did not review the full appraisal reports, DEEP explained to you and your client some of the key considerations used by the appraisers in determining value, and the ultimate value assigned to each property by the two appraisers. DEEP revealed that the appraisers determined the market value of the DEEP property to be \$1,725,000 (Miner & Silverstein) and \$1,780,000 (McDermott), and the market value of the Riverhouse property to be \$410,000 (Miner & Silverstein) and \$490,000 (McDermott). At this meeting, you stated you believe your client has or is aware of information that may not have been considered during the appraisal process.

In response to our January 31, 2012 letter requesting any such information that Riverhouse may have, Riverhouse responded in writing on February 10, 2012. In this letter, Riverhouse raised concerns with the appraisals, and made reference to specific documents. These documents were not included with your letter. On February 17, 2012, DEEP requested this referenced documentation, and DEEP ultimately received this and other documentation from Riverhouse on March 2, 2012.

DEEP forwarded the information and documents Riverhouse shared with DEEP to the appraisers on March 5, 2012. DEEP asked the appraisers to review this information and pursue all inquiries that are necessary to determine whether the information has an impact on the appraised value of the properties. After a review of the information provided, each appraiser has informed DEEP that they conclude that the information provided does not warrant the modification of their appraisals (see enclosed letters).

Based on this determination by the appraisers, DEEP considers the appraisals to be complete, and that the fair market value difference in value between the properties is approximately \$1,300,000.

Within seven days of the date of this letter, please inform DEEP whether you intend to continue to pursue this exchange. If you do plan on proceeding, within thirty days of the date of this letter, provide DEEP with your plan for supplementing your half of the exchange with additional land or other consideration valued at approximately \$1,300,000. If you require any additional time to develop your plan, we would be happy to consider such a request. This land or other consideration would be needed to make the exchange between DEEP and Riverhouse approximately equal, as is required by the Special Act.

If you have any questions, please do not hesitate to contact me.

Best regards,



Graham J. Stevens
Office Director
Constituent Affairs & Land Management

Enclosures

Miner & Silverstein, LLP

March 12, 2012

Elizabeth Brothers
Connecticut Department of Energy and Environmental Protection
79 Elm Street
Hartford, CT 06106-5127

Re: **Bridge Road, Haddam, CT, DEEP File #: A-10-33 - DEEP Property**
High Street, Haddam, CT, DEEP File #: A-10-33 – Eagle Landing, LLC

Dear Ms. Brothers:

At your request, I have reviewed the package of materials provided by Atty. Barton in regards to the appraisals we prepared on the two above referenced properties.

I find that some of the provided information had been considered by us in our appraisal analyses. Other provided materials are not considered relevant to our assignments.

No changes to our reports are needed as a result of my review of these materials.

Very truly yours,



Robert H. Silverstein, MAI, SRA

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MAI, SRA

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March 19, 2012

Graham J. Stevens, Office Director
Constituent Affairs & Land Management
Land Acquisition & Management Division
State of Connecticut Department of Energy & Environmental Protection
79 Elm Street
Hartford, Connecticut 06106-5127

Subject: Appraisals of Bridge Road (a/k/a Route 82), and High Street and Walkley Hill
Road, Haddam, CT

Dear Mr. Stevens:

At your request, I have reviewed a letter from Attorney Elizabeth Barton dated March 2, 2012 that pertains to the two appraisals I completed for the properties noted above.

After reviewing the concerns of Attorney Barton contained in her letter and evaluating the additional information she provided, this new information does not warrant any changes to the appraisal reports. The information she provided has either been addressed in the appraisals or it is not considered relevant to the appraised properties.

The appraisal reports were prepared in accordance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation and the Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book Standards) required by the DEEP. The appraisals have been conducted in accordance with all of these standards and the judgments, analyses and conclusions in the reports are considered reasonable and reliable market value indications for the appraised properties.

If you have any further questions of concerns about the appraisals, please contact me at your convenience.

Respectfully submitted,



Richard P. McDermott, MAI, President