REAL ESTATE APPRAISAL
SUMMARY REPORT

LAND APPRAISAL

6 SMITH STREET
NORWALK, CT 06851

PROPERTY OF:

OAK STREET REALTY, LLC

AS OF:

JULY 2, 2012

FOR:

THE NORWALK REDEVELOPMENT AGENCY

O'NEILL, DUFFY & CO., LLC
259 FRANKLIN STREET EXT.
DANBURY, CONNECTICUT 06811
(203) 744-3338
July 26, 2012

Mr. Timothy Sheehan, Executive Director
Norwalk Redevelopment Agency
Norwalk City Hall
125 East Avenue, Room 202
Norwalk, CT 06856

Re: Assemblage Value
   6 Smith Street
   Norwalk, CT 06851

Dear Mr. Sheehan,

In accordance with your request for an appraisal, I have conducted the required investigation, gathered the necessary data, and made certain analyses that have enabled me to form an opinion of the just compensation of the contributory value of assembling 2 separate parcels with 6 Smith Street, Norwalk, CT.

This appraisal will be performed under the assumptions that the property, upon assemblage, will be able to support, and has been approved, to allow 17 additional housing units as a result of this assemblage and that Smith Street is reopened to allow access to the parcel. If the property were appraised "as is, unapproved" the resulting value would be less.

This is a long standing industrial property. The appraiser has no knowledge of any environmental contamination. Thus, the appraisal is performed based upon the extraordinary assumption that the subject property is unaffected by any environmental contamination issues. If new or better information becomes available, the appraiser reserves the right to reconsider the appraisal.

The appraisal report that follows sets forth the identification of the property, the assumptions and limiting conditions, pertinent facts about the area and the subject property, comparable data, the results of investigations and analyses, and the reasoning leading to the conclusions. This letter must remain attached to the report in order for the value opinion set forth here to be considered valid.
Based on the inspection of the property and the investigation and analyses undertaken, I have formed the opinion that as of July 2, 2012, and subject to the assumptions and limiting conditions set forth in the accompanying report, my opinion of the just compensation of the property, as if approved for residential housing units is;

SIX HUNDRED SIXTY THOUSAND DOLLARS
$660,000

Respectfully submitted,

Terrence P. Duffy, SRA
**SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS**

<table>
<thead>
<tr>
<th>PROPERTY OWNER</th>
<th>Oak Street Realty, LLC</th>
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<tr>
<td>PROPERTY ADDRESS</td>
<td>6 Smith Street, Norwalk, CT 06851</td>
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<tr>
<td>TYPE OF PROPERTY</td>
<td>Vacant Land</td>
</tr>
<tr>
<td>DATE OF INSPECTION</td>
<td>July 2, 2012</td>
</tr>
<tr>
<td>DATE OF VALUE ESTIMATE</td>
<td>July 2, 2012</td>
</tr>
<tr>
<td>DATE OF REPORT</td>
<td>July 26, 2012</td>
</tr>
<tr>
<td>SITE</td>
<td>1.2973 Acres 6 Smith St. (As Is)</td>
</tr>
<tr>
<td></td>
<td>0.3340 Acres Smith St. Roadway</td>
</tr>
<tr>
<td></td>
<td>0.1990 Acres Part of 2 E. Wall St.</td>
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<tr>
<td></td>
<td>1.8303 Acres Total if Assembled</td>
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<td>ZONING</td>
<td>DBDC &amp; EVD (Mixed Use Zones)</td>
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<tr>
<td>IMPROVEMENTS</td>
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<td></td>
<td>(No Contributory Value)</td>
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<td>HIGHEST AND BEST USE</td>
<td>Multiple Family Residential Dev.</td>
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<td>VALUE CONCLUSIONS:</td>
<td></td>
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<tr>
<td>COST APPROACH</td>
<td>N/A</td>
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<tr>
<td>SALES COMPARISON APPROACH</td>
<td>$660,000</td>
</tr>
<tr>
<td>INCOME APPROACH</td>
<td>N/A</td>
</tr>
<tr>
<td>FINAL CONCLUSION</td>
<td>$660,000</td>
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<tr>
<td>NOTES</td>
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</table>

*This appraisal is performed under the assumptions that the property, upon assemblage, will be able to support, and has been approved, to allow 17 additional housing units as a result of this assemblage and that Smith Street is reopened to allow access to the parcel. If the property were appraised “as is, unapproved” the resulting value would be less.*

*This is a long standing industrial property. The appraiser has no knowledge of any environmental contamination. Thus, the appraisal is performed based upon the extraordinary assumption that the subject property is unaffected by any environmental contamination issues. If new or better information becomes available, the appraiser reserves the right to reconsider the appraisal.*
TYPE AND DEFINITION OF VALUE

This appraisal report is being performed to determine the Market Value of the subject property in fee simple, in "As Is" condition, "As If Approved for 60 residential housing units", as of July 2, 2012.

Market Value is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;

2. both parties are well informed or well advised, and each acting in what they consider their own best interests;

3. a reasonable time is allowed for exposure in the open market;

4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

INTENDED USE AND INTENDED USERS OF THE APPRAISAL

This appraisal is intended to form an opinion of the just compensation of the contributory market value of assembling 2 separate parcels (portions of Smith St. and 2 East Wall St.) with 6 Smith Street, Norwalk, CT for the exclusive use of the client, The Norwalk Redevelopment Commission, in its decision making process in connection with a possible sale of the parcels to be assembled. The use of this appraisal by anyone other than the stated client and intended users, or for any other use other than the stated intended use, is prohibited.

APPRaisal DEVELOPMENT AND REPORTING PROCESS

The scope of the appraisal involves valuation of the subject based upon an inspection of the subject property, information obtained from the Norwalk, CT City Hall, data from the Consolidated Multiple Listing Service, the Conn-Comp database, the appraiser's files and information from individuals contacted regarding various information utilized in this report. Where possible, data developed from a database or from individuals is confirmed from a second source. Pertinent information and data developed is presented in this report as descriptive information or as market data in the different approaches to value.

To develop the opinion of value, the appraiser performed an appraisal, as defined by the Uniform Standards of Professional Appraisal Practice (USPAP). All three approaches to value (the Cost Approach, the Sales Comparison Approach and the Income Approach) are considered in this analysis. The highest and best use of the property is the redevelopment of the site for residential uses. Therefore, both the cost approach and the income approach are not applicable and were not developed. The final conclusion of value is made after completion of all information gathering and data analysis. The appraisal is reported in this summary narrative appraisal report.
PROPERTY RIGHTS APPRAISED

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.


UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following Underlying Assumptions:

1. The legal description used in this report is assumed to be correct. No opinion as to title is rendered. Data on ownership and the legal description were obtained from sources generally considered reliable. Title is assumed to be marketable and free and clear of all liens and encumbrances, mortgages, easements, and restrictions except those specifically discussed in the report.

2. No opinion is intended to be expressed for legal matters or matters that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.

3. No engineering survey of the property has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no responsibility is assumed in connection with such matters.

4. Sketches, maps, plats, and exhibits included in this report are for illustration only, as an aid to the reader in visualizing matters discussed in the report.

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They should not be relied upon for any other purpose.

5. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover such factors.

6. It is assumed that the utilization of the land and improvements is within the boundaries of property lines of the property described and that there is no encroachment or trespass unless noted within the report.

7. Information furnished by others is assumed to be true, correct and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser.

8. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.

9. Full compliance with all applicable federal, state, and local environmental regulations and laws is assumed unless noncompliance is stated, defined, and considered in the appraisal report.

10. Full compliance with all applicable zoning and use regulations and restrictions is assumed unless nonconformity has been stated, defined and considered in the appraisal report.

11. It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
12. In this appraisal assignment, the existence of potentially hazardous material, which may or may not be present on the property, was not observed by the appraiser; nor do I have any knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as (but not limited to) asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

13. The appraiser has personally inspected the subject property and finds no obvious evidence of structural deficiencies except as stated in this report; however no responsibility for hidden defects or conformity to specific government requirements, such as fire, building and safety, health, or occupancy codes is assumed by the appraiser. This appraisal is predicated on the assumption that there is no such problem on the subject property. The client is advised to request specific professional, expert, or governmental inspections for any such condition or possible condition of concern, if so desired.

14. The appraiser did not identify any apparent elements in non-compliance with the provisions of the Americans with Disabilities Act (ADA), except as stated in this report. This appraisal assumes that the subject property is in compliance with the provisions of the ADA. The appraiser, however, is not qualified to determine whether such compliance exists, and recommends the client employ a qualified professional to make this determination, if so desired.

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This appraisal is also subject to the following Limiting Conditions:

1. The date of the value to which the opinions expressed in this report apply is set forth in the letter of transmittal. Any projections included in this report are utilized to assist in the valuation process as of that date of value and are based on current market conditions and expectations, anticipated supply and demand factors, and a continued stable economy. The projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect future income or value projections. The appraiser assumes no responsibility for economic or physical factors occurring at some later date which may affect the opinions herein stated.

2. The appraiser will not be required to give further consultation, testimony, or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been made a reasonable time in advance.

3. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.

4. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

5. Neither all nor any part of the contents of this report, or a copy thereof, (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be conveyed to the public.
through advertising, public relations, news, sales or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

**IDENTIFICATION OF THE PROPERTY**

**PROPERTY TYPE:** Vacant Land  
(Formerly Industrial Site)

**ADDRESS:**  
STREET: 6 Smith Street  
CITY, STATE, ZIP: Norwalk, CT 06851  
ASSESSOR’S MAP #: District 1, Block 59, Lot 8  
CENSUS TRACT #: 442.00

**OWNER:** Oak Street Realty, LLC

**PARCELS TO BE ASSEMBLED:**

The parcels to be assembled are a portion of Smith Street (now closed) and a portion of 2 East Wall Street both owned by the City of Norwalk, CT.

**LOCATION:** This property is on the east bank of the Norwalk River south of East Wall Street and west of East Avenue. It is a mixed use area that has been experiencing redevelopment from industrial uses to residential and office uses with condominium and office building development prevalent.
LEGAL DESCRIPTION

The legal description of 6 Smith Street is as recorded in the Norwalk, CT Land Records in Volume 5477 at Page 40. A copy of the legal description for the subject is included in the Addenda section of this report.

No legal description was found for those portions of Smith Street or 2 E Wall Street as they are not yet formed as separate sites.

There are no easements, restrictions, encumbrances, special assessments, encroachments, reservations, covenants, declarations, or other such conditions known to the appraiser that would materially affect the subject's marketability or value.

The property is not subject to a lease agreement. There is no pending contract or agreement to purchase the property known to the appraiser.

TITLE HISTORY

6 Smith Street was purchased from the estate of Louis Gardella on June 30, 2004 for $1,100,000. There have been no other transfers in the past three years. There is no known listing for sale or lease.

The two parcel owned by the City of Norwalk have been owned by the City for many years. There have been no other transfers in the past three years. There is no known listing for sale or lease.
MARKET CONDITIONS

The Norwalk area commercial real estate market can be broadly segmented into office, retail and light industrial properties. The overall market is stabilizing after experiencing some retrenchment as a result of declining economic activity arising from the Wall Street financial crisis that began in mid-2007. Evidence of the trend comes from the US Bureau of Labor. Unemployment statistics for the Greater Bridgeport-Stamford labor market show unemployment increased from 4.0 percent in October 2007 to 7.5 percent in May 2012, the most recent month for which statistics are available. This however, is an improvement from the 2011 unemployment rate of 8.6%.

The stabilizing of the market is also reported by commercial real estate firms. For example, Cushman & Wakefield reports class A office vacancy in Fairfield County has decreased from to 20.8% in the third quarter 2011 from to 21.1% in the third quarter 2010.

This vacancy rate is confirmed by anecdotal evidence from our observations in the area, where there are numerous signs offering office space along Norwalk’s commercial corridors.

We have uncovered no data indicating similar weakness in the retail market, and our inspection of the area indicates no unusual vacancy.

Trulia Real Estate Research reports that year over year the average sales price in Norwalk, CT has decreased 5.8% and the average list price is down 7.2%. This suggests continuing soft single family market conditions.

Multiple family developments have continued over the past several years and have included significant apartment building developments by Avalon Properties as well as local developers. Examples include the recent redevelopment of the Norwalk
Mall into a mixed commercial and apartment development as well as new apartment construction on both Stuart Avenue and Summer Street (Summerview Square) and on Glenwood Avenue (16 units).

CONCLUSIONS:

Values of residential and commercial properties have softened over the past few years but appear to stabilize in recent months as economic conditions have stabilized. New development is taking place in the multiple family market segments.
CITY OF NORWALK

The city of Norwalk is along Long Island Sound in the Interstate 95 corridor of southern Fairfield County, CT, about 45 miles northeast of the New York City metro area. According to the Connecticut Economic Resource Center (CERC) profile of Norwalk included in the addenda of this report, Norwalk’s 2011 population was estimated 87,014. This represents an increase of about 4.9 percent of the 2000 census figure of 82,951. The projected figure for 2016 is 92,181. The top five employers include Norwalk Health Services (Norwalk Hospital), Stew Leonard’s, MBI, Diageo, and the Hewitt Corporation.

Norwalk has a strong labor pool with 40.1% of the workforce employed in services, 19.7% in construction, 19.7 percent in trade and 7.3% in finance, insurance and real estate.
NEIGHBORHOOD DESCRIPTION AND ANALYSIS

The neighborhood can be generally described as the area bordered by the Norwalk River to the west, US Route 1 to the north, I-95 to the south, and Georges Avenue or Strawberry Hill Avenue to the east. The area is mixed residential and commercial in nature. Commercial activity, which consists primarily of small retail establishments, and small office buildings, is generally concentrated along East Ave, which is the main north-south arterial through the neighborhood, and along Route 1, the main east-west arterial at the northern end. Residential development, which consists primarily of older one and two story single and multi-family dwellings and some newer apartment and condo complexes, is mostly concentrated along feeder streets off East Avenue. Ramps for Interstate 95 at exit 16 are at the southern end of the neighborhood. The East Norwalk Metro North train station is about 1/10 mile south of I-95. The neighborhoods proximity to these two transportation connections gives it significant competitive advantage in the market.

PRESENT USES

Commercial activity on East Avenue in the immediate vicinity includes the Norwalk Inn and professional offices that include several real estate firms, medical offices and law firms, etc. The area along the Smith Street and the Norwalk River has a few commercial and industrial uses include a tree service and an earth products supply company. The Norwalk City Hall, the Norwalk Health Department and the Norwalk Historical Society are all located along East Avenue or in the immediate area.
PROXIMITY TO CONVENIENCES AND SERVICES

The location provides easy access to most conveniences and services, most of which can be found along US Route 1, at the northern end of the neighborhood. In addition the Norwalk municipal offices are located on East Avenue in the immediate area.

NEIGHBORHOOD TRENDS

Development trends in the immediate area are toward higher density residential development and to a lesser extent, continued office development. The best examples of the trends are the construction of residential condominiums and mixed commercial/residential complex. One example is the 17 unit condominium known as “The Landings” at 136 East Avenue. Another is the recent completion (2009) of 36 apartment and office units completion at 142-144 East Avenue. Lastly, a 29,080 square foot office building was constructed at 124 East Avenue in 2010.

CONCLUSION

In conclusion, property uses in the neighborhood are consistent with and supports the variety of uses permitted by zoning, Smith Street has limited visibility and would be more suitable for residential development as it lacks the access and visibility sought by office space users.
SITE DESCRIPTION

This appraisal includes three separate and distinct parcels. The first is 6 Smith Street. This is a riverfront site on the west side of Smith Street, last improved with a brick industrial building. This building was razed but the foundations remain. This is a long, narrow shape with 380 feet of river frontage and 451.55 feet of road frontage. It is about 70 feet wide on the northern end and about 197 feet wide on the southern end. According to the assessor’s office it has 1.36 acres but according to a map entitled “Head of the Harbor, Public Land Area Analysis, it has 56,511 square feet or 1.2973. This appears to be a more accurate measurement and it will be used in this analysis.

The property is accessed by Smith Street which is currently closed. Smith Street intersects with East Wall Street at its northern end but it is too narrow to allow traffic in both directions. If developed, traffic is expected to be one-way, south. Currently, primary access to Smith Street and the site is from the southern intersection with Hubbles Lane. The site is believed to be serviced with city water and sewer services as well as natural gas. It is zoned CBDC, a central business design district which allows a wide variety of commercial and residential uses.

It should be noted that the properties across the river are more industrial in nature and include Devine Bros. earth and masonry products that utilize barges in the river to deliver bulk earth materials. This view may inhibit potential residents for the area. This view is somewhat mitigated by the boat slips of the Norwalk Boat Club at the northern end of the property.

The second parcel is a portion of Smith Street itself. This is a city owned, asphalt roadway. It is 33 feet wide and about 451.55 feet long on its western side. The site is essentially level and consists of 14,535 square feet or 0.334 acres. It is also zoned CBDC, a central business design district which allows a wide variety of commercial and residential uses.

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The third parcel is a western portion of the site at 2 East Wall Street. This is a city owned parcel and is part of the Norwalk Historical Society property. This elliptical shaped piece is about 354 feet long and about 30 wide in the middle. It consists of 8,673 square feet or 0.199 acres. This site slopes upward from the road toward the east. It is a wooded parcel. The current zoning is EVD, or the East Avenue Village District. This zone allows single family, two family and office uses in addition to many other uses permitted by special permit.

Federal Emergency Management Agency Flood Map #09001C0531F, dated June 18, 2010, indicates that the property is not located in a federally designated flood hazard region.

OFF SITE IMPROVEMENTS:

Offsite improvements include municipal water and sewer, as well as electric, gas, telephone and cable television services which are available through state regulated utilities.

CONCLUSION

The subject site is physically suited to support a variety of uses including the planned multiple family residential use.

PROPOSED DEVELOPMENT

A multiple family development has been proposed for 6 Smith Street. The developer expects a yield of 43 units from this 1.2973 acre site alone, “as is”. It has been proposed that the site be assembled with a portion of Smith Street (now closed) and a portion of 2 East Wall Street. This assemblage would add 0.334 and 0.199 acres respectively to 6 Smith Street and would result in a yield of 60 housing units. This appraisal is being performed to form an opinion of the just
compensation of the contributory value of assembling these 2 separate parcels with 6 Smith Street.

This appraisal will be performed under the assumptions that the property, upon assemblage, will be able to support, and has been approved, to allow 17 additional housing units as a result of this assemblage and that Smith Street is reopened to allow access to the parcel. If the property were appraised "as is, unapproved" the resulting value would be less.
DESCRIPTION OF THE IMPROVEMENTS

The property is currently improved with the foundations of older buildings that have been razed. The scope of this appraisal includes a valuation of the underlying land only. No contributory value has been assigned to the existing foundations.

PERSONAL PROPERTY EXCLUSIONS

Personal property, fixtures, or intangible items that are not real property are not included in this appraised value unless specifically indicated in the addenda or otherwise indicated in the appraisal report.

ENVIRONMENTAL CONSIDERATIONS

The appraiser has no knowledge of, and found no reason to suspect any environmental contamination of the subject property.

This is a long standing industrial property. The appraiser has no knowledge of any environmental contamination. Thus, the appraisal is performed based upon the extraordinary assumption that the subject property is unaffected by any environmental contamination issues. If new or better information becomes available, the appraiser reserves the right to reconsider the appraisal.
### ZONING REGULATIONS

<table>
<thead>
<tr>
<th>Category:</th>
<th>CBDC, Central Business Design District</th>
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<tbody>
<tr>
<td></td>
<td>Subarea C</td>
</tr>
<tr>
<td>Minimum lot area:</td>
<td>None</td>
</tr>
<tr>
<td>Minimum lot width:</td>
<td>None</td>
</tr>
<tr>
<td>Minimum front yard:</td>
<td>20’ for structures with offices on 1st floor.</td>
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<tr>
<td>Minimum side yard:</td>
<td>20% not to exceed 20’</td>
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<tr>
<td>Minimum rear yard:</td>
<td>Average of 25’ (not less than 15’).</td>
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<tr>
<td>Maximum building height:</td>
<td>4 Stories and 48’</td>
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<tr>
<td>Maximum building coverage:</td>
<td>40% Buildings, 80% Buildings and Parking</td>
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<tr>
<td>Residential Density:</td>
<td>1,300 Square Feet Lot Area Per Unit</td>
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PERMITTED USES: “Purpose and intent”, “It is the purpose of this zone to encourage rehabilitation and compatible new development within Norwalk’s central business district. The provisions of this zone are intended to promote moderate scale (or in a Design District Development Park, large scale), mixed use developments within the downtown area which will provide new retail, residential, hotels restaurants, and office opportunities; protect existing historic structures, water-dependent uses and coastal amenities; preserve adjacent residential neighborhoods and wherever possible, improved the pedestrian environment through public plazas, walkways and shared off-street parking facilities”.

Subarea: This property is within the subarea C. This area is intended to protect the public access to the waterfront and encourage uses to attract people to the waterfront.

The zoning requirements specifically allow a wide range of uses that include retail establishments, restaurants, marinas, boat building facilities, recreational and commercial fishing, multiple family dwellings, and parks.

Public utilities, clubs, offices, congregate housing and business service
establishments are permitted by special permit. Multiple family developments require a minimum of 1,350 square feet of land area per unit. With 56,511 square feet, 6 Smith Street can possibly support 42 units. It has been reported that the planning and zoning officials believe 43 units are possible.

The portion of Smith Street to be assembled has 0.334 acres or 14,549 square feet and the same CBDC zone. It is believed to be able to support 10.7 units.

Please see a copy of the applicable zoning regulations included in the addenda of this report for other uses that are permitted in this zone.

Category: EVD, East Avenue Village District
Minimum lot area: 10,000
Minimum lot width: 60’
Minimum front yard: 40’.
Minimum side yard: 10’
Minimum rear yard: 20%, 15’ Minimum, not to exceed 20’
Maximum building height: 2.5 Stories or 35’
Maximum building coverage: 20% Buildings
Residential Density: n/a

PERMITTED USES: “Purpose and intent”, “It is the purpose of this zone to ensure that the unique character of this district is maintained for future generations in accordance with Connecticut General Statutes Section 8-2j Village Districts and to provide areas primarily for offices and other compatible uses which will meet existing future needs within the city and which will constitute a harmonious and appropriate part of the physical development of the City. The provisions of this zone are intended to preserve and enhance the character of the East Avenue Village district by encouraging the preservation of sites and buildings of unique historical and architectural value and assuring that new structures and uses will be in keeping with the established character of the area, thereby strengthening the economy of

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the city and promoting the education, pleasure and welfare of its people”.

This zone allows single family dwellings, two family dwellings and office buildings of 6,000 square feet or less. Multiple family residential units are allowed with a minimum of 1,650 square feet of land area per unit. With 0.366 acres in this zone this portion of the site can support 8.87 units.

Larger office buildings, hotels, colleges, schools and other uses are permitted by special permit.

ADDITIONAL REQUIREMENTS

In addition, the property is subject to the “Workforce Housing Regulation”. This regulation will require that 10% of the units in the development be priced at affordable housing levels based on 80% of the state median income. With 17 units Please see a copy of the applicable zoning regulations included in the addenda of this report for other uses that are permitted in this zone.

PRESENT USE

These properties are currently vacant.

CONCLUSION:

This zone allows for a wide range of possible uses that include both commercial and residential uses.
HIGHEST AND BEST USE

DEFINITION

Highest and best use
The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value.


With the definition thus established, the highest and best use of the subject property can now be considered.

SITE AS IF VACANT

There are several factors to be considered in judging the highest and best use of any vacant site.

LEGAL PERMISSIBLE

These properties lay within two separate zones. These zones allow a wide range of potential units both as a right and by special permit. These uses include both commercial and residential uses.

PHYSICALLY POSSIBLE

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Public water and sewer are available at the location. The primary site is a waterfront parcel that has extensive road frontage. It does not appear to present physical obstacles to any of the uses permitted by zoning. The portion of Smith Street is a closed road that has limited access to East Wall Street to the north. There are no properties to the north that need Smith Street for access and the sites to the south can be accessed via other roadways. It appears that alternative uses for the road are possible including assemblage with 6 Smith Street where it shares an extensive boundary.

The portion of 2 Wall Street being considered for assemblage is at the bottom of a hill of that parcels site and does not appear needed for the current use as a historical society. It also appears to be available for assemblage with 6 Smith Street.

FINANCIALLY FEASIBLE

All of the permitted uses in the area are believed to be feasible as the area and Norwalk as a whole has a diverse real estate market. The site’s limited access and visibility, along with soft market conditions for office space suggest a residential use would be more profitable. The theory of conformity suggests a multiple family residential use would result in the greatest economic return to the owner and would likely result in the highest value.

MAXIMALLY PRODUCTIVE

As is, the site can support 43 units of multiple family housing. Assemblage of the sites would potentially allow for the development of 17 addition units for a maximum of 60 units. Therefore, assemblage is considered the maximally productive use of these sites.

CONCLUSION
Therefore, the highest and best use of the site is considered to be the assemblage of all three properties for the development of 60 units of residential housing.

**ANALYSIS OF THE APPRAISAL PROBLEM/ METHODS OF VALUATION**

This appraisal involves the valuation of 6 Smith Street, both "as if approved for the development of 43 housing units" (a before assembled analysis) and, "as if assembled and approved for development of 60 residential housing units" (an after assemblage analysis), at 6 Smith Street, Norwalk, CT.

There are traditionally three approaches used in estimating the Market Value of real estate: the Cost Approach, the Sales Comparison Approach, and the Income Approach. All three approaches must be considered, analyzed and reconciled in order to arrive at a supportable estimate of value for the subject property.

1. **The Cost Approach** - The indication of value derived through the Cost Approach is determined by estimating the reproduction cost new of the existing improvements, subtracting accrued depreciation, and then adding the estimated value of the site and site improvements.

2. **The Sales Comparison Approach** - Involves a process of analyzing sales of similar properties that have been sold in order to arrive at an indication of the most probable sales price of the subject property. Comparisons are made to the subject with respect to time of sale, location, size, quality, condition or any other factors that are considered appropriate for the market in which the property exists.

3. **The Income Approach** - The Income Approach considers the dollar income or amenities to be derived from ownership of a property and converts this into an estimate of value. The income is discounted
through a Capitalization Rate which results in an estimate of value. This approach is widely used in the appraisal of income producing properties.

**COST APPROACH**

As stated earlier, the Cost Approach arrives at an estimate of value by estimating the cost new of the existing improvements, subtracting any accrued depreciation, and then adding the estimated value of the site and site improvements.

The scope of this appraisal involves estimating the value of the underlying site only and does not include the value of the improvements. Therefore, the cost approach is not applicable and was not developed.
SALES COMPARISON APPROACH

The Sales Comparison Approach involves a study of recent transfers of similar properties. These properties are compared directly to the subject property and adjustments are made to reflect differences in comparability such as time of sale, location, financing and condition of sale, etc. The typical analysis of unimproved properties is on a per acre basis.

An investigation of the land records in Norwalk, CT and the surrounding communities was made in order to obtain information on sales of properties comparable to the subject. These sales are listed and analyzed for the purpose of estimating the value of the subject property.
<table>
<thead>
<tr>
<th>PROPERTY DESCRIPTION</th>
<th>VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Size:</td>
<td>0.46 Acre</td>
</tr>
<tr>
<td>Zoning:</td>
<td>NB, Commercial</td>
</tr>
<tr>
<td>Assessor Parcel #</td>
<td>Map 5, Block 65, Lots, 76 &amp; 77A</td>
</tr>
<tr>
<td>Neighborhood:</td>
<td>D-Res, Multiple Family Residential</td>
</tr>
<tr>
<td>Topography:</td>
<td>Level</td>
</tr>
<tr>
<td>Utilities:</td>
<td>Sewer, Water, Gas, Elect., Tel.</td>
</tr>
<tr>
<td>Highest &amp; Best Use:</td>
<td>Residential Development</td>
</tr>
<tr>
<td>Existing Use at Date of Sale:</td>
<td>Multiple Family</td>
</tr>
<tr>
<td>UNIT PRICE:</td>
<td>$1,358,696/ Acre</td>
</tr>
<tr>
<td></td>
<td>$69,444/ Potential Unit</td>
</tr>
</tbody>
</table>

COMMENTS: This sale consists of 2 adjacent parcels on Glenwood Avenue that included a single family house (subsequently razed) and a vacant lot. They were purchased with the intent of redevelopment with (9) two bedroom condominium units that were built in 2011. According to the buyer, was not approved at the time of sale. This area has a superior, 100% residential view and is near the Norwalk Hospital.
## COMPARABLE LAND SALE #2

**LOCATION:**
40, 44 & 46 Stuart Avenue
Norwalk, CT

**SALE PRICE:**
$1,250,000

**DATE OF SALE:**
9/06/2011

**GRANTOR:**
Stuart Avenue Townhouses, LLC -
Augustus Papajohn & Michael

**GRANTEE:**
44-46 Stuart Ave. Assoc., LLC -
Camelo & Teresa Thomas

**VOLUME/PAGE:**
7445/ 256

**TYPE OF DEED:**
Warranty

**SALES OR FINANCING CONCESSIONS:**
None known to the appraiser

**OTHER TRANSFERS IN LAST 3 YEARS:**
None known to the appraiser

**DATA SOURCE:**
Conn-Comp & City records

### PROPERTY DESCRIPTION

- **Land Size:** 0.61 acres
- **Zoning:** D- Res, Multiple Family Residential
- **Assessor Parcel #**
- **Neighborhood:** Map 1, Block 2, Lot 10
- **Topography:** Multiple Family Residential
- **Utilities:** Mostly level
- **Highest & Best Use:** Sewer, Water, Gas, Elect, Tel.
- **Existing Use at Date of Sale:** Multiple Family Residential
- **Vacant Land**

### UNIT PRICE:

- **$2,049,180/ Acre**
- **$78,125/ Potential Unit**

**COMMENTS:** This sale consists of a smaller parcel of residentially zoned land on Stuart Avenue. According to the buyer it was purchased with approvals in place for a 16 unit, multiple family complex of one and two bedroom apartments that he intends to maintain as rental housing. This area has a superior, 100% residential view and is near the Norwalk Hospital.
COMPARABLE LAND SALE #3

LOCATION: 8 Norden Place, Norwalk, CT
SALE PRICE: $9,910,000
DATE OF SALE: 7/25/2011
GRANTOR: Norden Place, LLC – Barry P. Marcus, Sup.
GRANTEE: Avalon Norden Place, LLC
VOLUME/PAGE: 7426/ 62
TYPE OF DEED: Warranty
SALES OR FINANCING CONCESSIONS: None known to the appraiser
OTHER TRANSFERS IN LAST 3 YEARS: None known to the appraiser
DATA SOURCE: Conn-Comp & City records
PROPERTY DESCRIPTION

Land Size: 38.37 acres
Zoning: RD-RI
Assessor Parcel #: Map 3, Block 17, Lot 144
Neighborhood: Mixed Use
Topography: Mostly level & Wetlands
Utilities: Sewer, Water, Gas, Elec., Tel.
Highest & Best Use: Residential Development
Existing Use at Date of Sale: Vacant land
UNIT PRICE: $258,275/ acre
$40,615/ Potential Unit

COMMENTS: This is a larger, former industrial site that was sold for redevelopment. The sellers obtained approval for 244 housing units that include 4 single family houses and 240 condominium units. The site has significant wetlands, is adjacent to railroad tracks and in close proximity to a railroad station. Overall, residential properties in this area are more expensive but the site suffers from traffic noise of I-95.
### Land Sales Summary of Adjustments

<table>
<thead>
<tr>
<th>Item</th>
<th>Subject Property 6 Smith Street Norwalk, CT</th>
<th>Comparable #1 9 &amp; 11 Glenwood Ave. Norwalk, CT</th>
<th>Comparable #2 40-46 Stuart Ave. Norwalk, CT</th>
<th>Comparable #3 8 Norden Place Norwalk, CT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unadjusted Sales Price:</td>
<td>N/A</td>
<td>$625,000</td>
<td>$1,250,000</td>
<td>$9,910,000</td>
</tr>
<tr>
<td>Adjustments:</td>
<td>Description</td>
<td>+/- Adj</td>
<td>Description</td>
<td>+/- Adj</td>
</tr>
<tr>
<td>Property Rights Conveyed</td>
<td>Fee Simple</td>
<td>Fee Simple</td>
<td>Fee Simple</td>
<td></td>
</tr>
<tr>
<td>Financing</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Conditions of Sale</td>
<td>Unapproved</td>
<td>15.0%</td>
<td>Approved</td>
<td>Approved</td>
</tr>
<tr>
<td>Expenditures Immediately</td>
<td>Demolition</td>
<td>2.0%</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>After Purchase</td>
<td></td>
<td></td>
<td>Market Conditions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>11/16/2010</td>
<td>9/6/2011</td>
</tr>
<tr>
<td>Adjusted Sale Price / Unit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>Good</td>
<td>Good/ Sup.</td>
<td>Good Sup.</td>
<td>Good</td>
</tr>
<tr>
<td>Zone</td>
<td>Commercial</td>
<td>Residential</td>
<td>Commercial</td>
<td></td>
</tr>
<tr>
<td>Acreage (Acres)</td>
<td>1.2973</td>
<td>0.49</td>
<td>0.61</td>
<td>38.37</td>
</tr>
<tr>
<td>Frontage / Shape / Access</td>
<td>Good</td>
<td>Good</td>
<td>Good</td>
<td>Good</td>
</tr>
<tr>
<td>Topography</td>
<td>Level</td>
<td>Level</td>
<td>Level</td>
<td>Level/ Wtd</td>
</tr>
<tr>
<td>Encum / Appurtanances</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
</tr>
<tr>
<td>Use at Time of Sale</td>
<td>Vacant</td>
<td>Residential</td>
<td>Vacant</td>
<td>Industrial</td>
</tr>
<tr>
<td># of Pot. Units</td>
<td>43 / 60</td>
<td>9</td>
<td>16</td>
<td>244</td>
</tr>
<tr>
<td>Total Adjustment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted Sale Price / Pot. Unit</td>
<td>$48,750</td>
<td>$50,781</td>
<td>$50,781</td>
<td>$50,781</td>
</tr>
</tbody>
</table>

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LAND VALUE SUMMARY

In the Land Valuation portion of the appraisal the real estate market was investigated for sales of vacant parcels of land comparable to the subject property. The sales used were then analyzed and adjusted for factors such as location, size of building and lot, condition, time of sale, and any other factors influencing the selling price. This analysis yielded indicated values of:

<table>
<thead>
<tr>
<th>ADJUSTED LAND SALES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparable 1</td>
</tr>
<tr>
<td>Comparable 2</td>
</tr>
<tr>
<td>Comparable 3</td>
</tr>
<tr>
<td>MEAN</td>
</tr>
</tbody>
</table>

ADJUSTMENTS

CONDITIONS OF SALE - Sale 1 is adjusted for conditions of sale because approvals for development were not in place at the time of sale.

EXPENDITURES AFTER SALE - Sale 1 is adjusted for demolition of an existing single family home at the time of sale.

TIME - All of the sales took place in the last 24 months during a period of stabilizing values. No negative time adjustment is considered warranted.

LOCATION - Sales 1 & 2 are in superior residential neighborhoods with 100 residential views and a close proximity to Norwalk Hospital. They are believed to be superior overall locations requiring and adjustment. Sale 3 is adversely impacted by the proximity to I-95 and is considered and equal location overall.

NUMBER OF POTENTIAL UNITS - Sales 1 & 2 are smaller complexes with fewer units. Smaller complex represent smaller investments and less risks associated
with market change, construction delays, cost overruns, etc. Sale 3 is a much larger site with a larger number of potential units. Larger complexes require larger investments and have considerably more risks. In addition, the law of diminishing returns suggests that larger complexes would have smaller unit values. Therefore, an adjustment was made to reflect this inverse relationship.

ADJUSTMENT FOR IMPROVEMENTS - This figure does not take into account the costs associated with demolition of the existing improvements and returning the site to a vacant state. This is not part of the scope of this appraisal.

RECONCILIATION - No recent sales were found in the subject’s neighborhood. All of the sales used are from reasonably similar locations. Sale 3 is a larger parcel with a larger number of approved units. It is given less weight overall.

After adjustment, these sales have a narrow range of indicated values. Due to the size of the subject property and the number of potential units, the most emphasis was initially placed on sale 1 & 2, yet the value conclusion is supported by sale #3 so consideration was given to all three sales.

Based on this conclusion, the value of the site can be calculated as, $50,000 per potential unit.

SUBSEQUENT TO PROPOSED ASSEMBLAGE “as if, as if approved”
Subsequent to the proposed assemblage the site will reportedly support 60 housing units. With a value of $50,000 per unit the value of the property can be calculated as: $50,000/ unit x 60 units = $3,000,000.

PRIOR TO PROPOSED ASSEMBLAGE “as is, as if approved”
Prior to the proposed assemblage the site can reportedly support 43 housing units. With a value of $50,000 per unit the value of the property can be calculated as: $50,000/ unit x 43 units = $2,150,000.

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CONTRIBUTORY VALUE OF PARCELS OWNED BY THE CITY OF NORWALK TO BE ASSEMBLED

The contributory value of the parcels owned by the city can now be calculated as the difference between these two values or;

SUBSEQUENT TO PROPOSED ASSEMBLAGE “as if, as if approved” $3,000,000
PRIOR TO PROPOSED ASSEMBLAGE “as is, as if approved” $2,150,000
CONTRIBUTORY VALUE OF PARCELS OWNED BY THE CITY $ 850,000

IMPACT OF AFFORDABLE HOUSING UNITS

This figure must be adjusted to reflect the zoning regulations that will require two of the 17 additional units be designated as affordable housing. This is accomplished by capitalizing the expected reduced net income resulting from this requirement.

The following table estimates the maximum rental rate of a unit based on the affordable housing requirements. This calculation is based on the state median income of $65,521 and occupancy of 1.5 people per bedroom.
AFFORDABLE RENT CALCULATION

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>The lessor of State Median or Area Median Income</td>
<td>$65,521</td>
</tr>
<tr>
<td>Identify the Number of Bedrooms in the Unit</td>
<td>2</td>
</tr>
<tr>
<td>Adjustment for Family Size based on 1.5 Persons per Bedroom</td>
<td>3</td>
</tr>
<tr>
<td>Adjusted Income for Family Size</td>
<td>$72,073</td>
</tr>
</tbody>
</table>

| Multiply Step 2 by Applicable Percentage                                    | $57,658 |
| Housing Allowance (Multiply by 30%)                                        | $17,297 |
| Maximum Monthly Payment (Divide by 12 months)                              | Calculation 1 $1,441 |
| HUD 2012 Fair Market Rent Norwalk-Stamford                                 | $1,769  |
| Multiply By 120%                                                           | Calculation 2 $2,123 |
| Maximum Housing Allowance (Lessor of Two Calculations)                     | $1,441  |

80% Units

AFFORDABLE RENT CONCLUSION

Based on this calculation a hypothetical two bedroom condominium unit would have to be rented at $1,441. A review of recent leases of 2 bedroom units in the nearby “Riverway” complex on Smith Street suggest that market rent for the subject units would be about $2,200 per month. Therefore, these two units would be rented about $759 per month below current market rents or $9,108 each per year. This is equivalent to $18,216 per year in gross market rents.

After allowances for vacancy (5%) and operating expenses, including taxes (15%), reserves for replacement (5%), and management (4%), this results in $12,287 in reduced net operating income for the project.

CAPITALIZATION OF REDUCED INCOME

This lost income can be capitalized using a capitalization rate.

The 1st, Quarter 2012 issue of Valuation Magazine, published by the Appraisal Institute, reports that the Korpacz National Market Survey of institutional investors
reveals an average expected capitalization rate for apartment buildings properties of 5.8% in the 4th Quarter 2011. These properties are larger, investor grade properties from across the country and would command a lower capitalization rate.

Alternatively, Marcus & Millichap, a national research services and brokerage company, reports in their most recent newsletter (May 2012), that apartment building cap rates in primary markets fell 70 basis points to 6.5%. In light of these national surveys a capitalization rate of 6.5% is considered reasonable.

Therefore, with a reduced net income of $12,287 and a capitalization rate of 6.5% the impact on the affordable housing units can be estimated as: $12,287 / 0.65 = $189,030 or $190,000. This loss can be attributed to the underlying land value.

FINAL VALUE CONCLUSION

The $850,000 estimated value of the site, prior to consideration of the affordable housing requirement, must be adjusted lower by $190,000 to reflect the affordable housing requirement. Therefore, my opinion of the value of the site can be calculated as $850,000 – $190,000 = $660,000.
SALES COMPARISON APPROACH CONCLUSION

The contributory value of the two parcels owned by the City of Norwalk, referred to as a portion of Smith Street and a portion of 2 E. Wall Street, which will allow 17 additional housing units to the proposed development at 6 Smith Street, is:

SIX HUNDRED SIXTY THOUSAND DOLLARS
$660,000

This appraisal is performed under the assumptions that the property, upon assemblage, will be able to support, and has been approved, to allow 17 additional housing units as a result of this assemblage and that Smith Street is reopened to allow access to the parcel.

This is a long standing industrial property. No knowledge of any environmental contamination is known. However, this appraisal is performed as if the subject property is unaffected by any environmental contamination issues.
INCOME APPROACH

The Income Approach, or Income Capitalization Approach, estimates the amount a purchaser would pay for a property based on the income stream it produces. This approach is typically developed as a "land development method" which forecast the income and expenses associated with a planned development and discounts the cash flow to current value estimated.

As per prior agreement with the client, it was recognized that this approach was not applicable given the assignment and current market conditions, and therefore, this approach was not developed.
ANALYSIS, RECONCILIATION AND CONCLUSIONS

The following appraisal techniques were applied in this analysis and yielded the values indicated below:

COST APPROACH: N/A
SALES COMPARISON APPROACH: $660,000
INCOME APPROACH: N/A

The Cost Approach estimates the cost to reconstruct the subject building and deducts from this any accrued depreciation. The value of the land and site improvements is then added to the result to arrive at a total value for the property. This approach was not developed because the current use is not the highest and best use. Therefore this approach is not considered a good indicator of value for the subject property.

The Sales Comparison Approach analyzes sales of comparable properties as a means of establishing the value of the subject property. Through proper adjustments, market behavior is analyzed with respect to the subject property. Adjustments are made for factors such as location, condition, time of sale, etc. When valid comparable sales can be analyzed this method is considered a good indicator of value because it reflects the current activity of buyers and sellers in the marketplace. The sales used in this analysis are considered reasonable comparison for the subject property. For this reason the Sales Comparison Approach is considered a reliable method of valuation to establish the value of the subject property.

The Income Approach considers the income stream derived from ownership of a property and converts this into an estimate of value. This approach was not developed because the scope of this appraisal included only the sales comparison approach.

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Therefore, based on my analysis and experience and on the information contained herein, it is my opinion that the market value of the subject property in "as is" condition as of July 2, 2012 is:

**SIX HUNDRED SIXTY THOUSAND DOLLARS**

$660,000

*This appraisal is performed under the assumptions that the property, upon assemblage, will be able to support, and has been approved, to allow 17 additional housing units as a result of this assemblage and that Smith Street is reopened to allow access to the parcel. If the property were appraised “as is, unapproved” the resulting value would be less.*

*This is a long standing industrial property. The appraiser has no knowledge of any environmental contamination. Thus, the appraisal is performed based upon the extraordinary assumption that the subject property is unaffected by any environmental contamination issues. If new or better information becomes available, the appraiser reserves the right to reconsider the appraisal.*
CERTIFICATION OF APPRAISER

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

1. The statements of fact contained in this report are true and correct.

2. 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.

3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. 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.

7. 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 & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP).

8. As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

9. The use of this report is subject to the requirements of the Appraisal Institute

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relating to review by its duly authorized representatives.

10. I have made a personal inspection of the property that is the subject of this report.

11. No one provided significant real property professional assistance to the persons signing this report.

12. In compliance with the Ethics Rule of USPAP, I certify that I have not performed any services regarding the subject property within the 3 years preceding acceptance of the assignment, as an appraiser or in any other capacity.

It is my unbiased opinion that the estimated Market Value of the just compensation of the subject property, as if approved, as of July 2, 2012, is:

SIX HUNDRED SIXTY THOUSAND DOLLARS
$660,000

This appraisal is performed under the assumptions that the property, upon assemblage, will be able to support, and has been approved, to allow 17 additional housing units as a result of this assemblage and that Smith Street is reopened to allow access to the parcel. If the property were appraised "as is, unapproved” the resulting value would be less.

This is a long standing industrial property. The appraiser has no knowledge of any environmental contamination. Thus, the appraisal is performed based upon the extraordinary assumption that the subject property is unaffected by any environmental contamination issues. If new or better information becomes available, the appraiser reserves the right to reconsider the appraisal.

Report Dated: July 26, 2012

Terrence P. Duffy, SRA
Certified General Real Estate Appraiser
Connecticut #RCG.178, Expires 4/30/2012

O'NEILL, DUFFY & CO., LLC
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TERRENCE P. DUFFY, SRA
O'NEILL, DUFFY & CO., LLC
118 COALPIT HILL ROAD
DANBURY, CT. 06810

POSITION: Member, O'Neill, Duffy & Co., LLC, Danbury CT,
Mr. Duffy has provided services as an independent appraiser and
consultant for a variety of clients since 1985.

DESIGNATION: SRA Appraisal Institute

CAREER EXPERIENCE:
• Experienced with retail commercial, office, and industrial income
  properties, as well as single family and multifamily residential
  properties.

• Qualified as an expert witness in Connecticut and New York Superior
  Courts. Full time appraiser since 1985.

• Instructor of Appraisal I Course at Northeast Career Institute 1994.

• Previously, Sales Associate, H. Pearce Company, Realtors, North
  Haven, CT., responsible for marketing of investment, industrial, and
  commercial properties in the New Haven County area.

POSITIONS HELD:
President, CT Chapter Appraisal Institute 2006, Board of Directors
1999 - 2007

LICENSES:
Certified General Appraiser, Connecticut #RCG 178
Real Estate Broker, State of Connecticut

AFFILIATIONS:
Appraisal Institute, General Candidate;
Member, Northern Fairfield and Connecticut Associations of Realtors
EDUCATION: Central Connecticut State University, New Britain, CT
*BS Degree in Finance, specializing in Administrative Science.

Appraisal Institute, Chicago, IL
*Advanced Sales Comparison & Cost Approaches
*Highest & Best Use and Market Analysis
*Fair Market Value and Just Compensation
*Evaluation Commercial Construction
*Advanced Applications, Course 550
*Capitalization Theory and Techniques, Course 1BA
*Advanced Income Capitalization, Course 510
*Report Writing and Valuation Analysis, Course 540
*Standards of Professional Appraisal Practice, Part A, Course #410
*Standards of Professional Appraisal Practice, Part B, Course #420
*Appraising Troubled Properties
*Rates, Ratios and Reasonableness

Society of Real Estate Appraisers, Chicago, IL
*Appraising Real Property, Course 101
*Applied Residential Property Valuation, Course 102
*Uniform Commercial/Industrial Appraisal Report

Real Estate Principles and Practices

National Association of Realtors
*CCIM 101 Course
<table>
<thead>
<tr>
<th>BANKS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston Safe Deposit &amp; Trust</td>
<td>Morgan Guaranty Trust Company</td>
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</tr>
<tr>
<td>Chase Bank of CT</td>
<td>New Milford Bank &amp; Trust</td>
<td></td>
</tr>
<tr>
<td>Citibank</td>
<td>New Milford Savings Bank</td>
<td></td>
</tr>
<tr>
<td>Connecticut Bank of Commerce</td>
<td>Newtown Savings Bank</td>
<td></td>
</tr>
<tr>
<td>First Federal, Waterbury</td>
<td>Norwalk Savings Society</td>
<td></td>
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<tr>
<td>First Fed, Fall River MA</td>
<td>People's Bank</td>
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<tr>
<td>Fleet Bank</td>
<td>Ridgefield Bank</td>
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<tr>
<td>Gateway Bank</td>
<td>Shawmut Bank of CT</td>
<td></td>
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<tr>
<td>ITT Federal Bank, FSB</td>
<td>Union Savings Bank</td>
<td></td>
</tr>
<tr>
<td>Liberty National Bank</td>
<td>The Wilton Bank</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>MORTGAGE COMPANIES &amp; CREDIT UNIONS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AAL Member Credit Union</td>
<td>GMAC Mortgage</td>
<td></td>
</tr>
<tr>
<td>Affordable Mortgagee Corp.</td>
<td>Home Funding, Inc.</td>
<td></td>
</tr>
<tr>
<td>Buckingham Financial Services</td>
<td>Huntington Mortgage</td>
<td></td>
</tr>
<tr>
<td>Duracell Ind. Fed. Credit Union</td>
<td>Mercantile Mortgage Bankers</td>
<td></td>
</tr>
<tr>
<td>Empire of America Realty</td>
<td>Pinnacle Mortgage Investment</td>
<td></td>
</tr>
<tr>
<td>General Foods Fed. Credit Union</td>
<td>US Mortgage Corporation</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ATTORNEYS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Andersen &amp; Ferlazzo, P.C.</td>
<td>Driscoll, Mannion, Lane, &amp; Driscoll</td>
<td></td>
</tr>
<tr>
<td>Baker, Moots &amp; Pellegrini, P.C.</td>
<td>Goldstein and Peck, P.C.</td>
<td></td>
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<tr>
<td>Bielizna, Frizzell, Papazoglou, Ball &amp; Olivo</td>
<td>Jones, Damia, Kaufman, Wellman, Borofsky</td>
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<tr>
<td>Chipman, Mazzucco, Land &amp; Pennarola</td>
<td>&amp; Stelljes</td>
<td></td>
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<tr>
<td>Cohen &amp; Wolfe, P.C.</td>
<td>Jowdy &amp; Jowdy</td>
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<tr>
<td>Cutsumpas, Collins, Hannafin, Garamella, Jaber &amp; Tuozzolo</td>
<td>Payne, Morehouse, Shafer &amp; Harlow</td>
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<td>DeLuca &amp; Buzaid</td>
<td>Pinney, Payne, Van Lentin, Burrall, Wolfe, &amp; Dillman</td>
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<tr>
<td>DePafili &amp; Vallerie</td>
<td>Rieberg, Smart, Donahue &amp; NeJame.</td>
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<tr>
<td>Diserio, Martin, O'Connor &amp; Castiglioni</td>
<td>Secor, Cassidy &amp; McPartland</td>
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<tr>
<td>Denlinger, Smith &amp; Previdi</td>
<td>Wanderer, Hanna, &amp; Talarico</td>
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<td>CLIENTS SERVED (Cont’d)</td>
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</tr>
<tr>
<td><strong>CORPORATIONS</strong></td>
<td></td>
<td></td>
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<tr>
<td>Aluminum Company of America</td>
<td>Kraft General Foods</td>
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</tr>
<tr>
<td>Cigna Corporation</td>
<td>Miles Laboratory</td>
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<tr>
<td>E.I. DuPont DeNemours &amp; Co.</td>
<td>Nestle Foods Company</td>
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<tr>
<td>Energy Research Corporation</td>
<td>Owens Corning Fiberglass</td>
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<tr>
<td>Georgia Pacific</td>
<td>Perdue, Inc.</td>
<td></td>
</tr>
<tr>
<td>Hawley Construction Corp.</td>
<td>Procter &amp; Gamble</td>
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<tr>
<td><strong>RELOCATION FIRMS</strong></td>
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<td></td>
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<tr>
<td>Americorp Relocation</td>
<td>Genrel Relocation</td>
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<tr>
<td>Argonaut Realty (GM)</td>
<td>Maenner Relocation</td>
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<tr>
<td>Associates Relocation Management</td>
<td>Pacific Relocation</td>
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<tr>
<td>Boatmen's Relocation Management</td>
<td>PHH Homeequity, Inc.</td>
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<tr>
<td>Coldwell Banker Relocation</td>
<td>Prudential Relocation Management</td>
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<tr>
<td>Commonwealth Relocation</td>
<td>Relocation Funding Corporation</td>
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<tr>
<td>Chrysler First</td>
<td>Relocation Group, Inc.</td>
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<tr>
<td>De Wolfe Relocation</td>
<td>Relocation Resources, Inc.</td>
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</tr>
<tr>
<td>Empire of America Relocation</td>
<td>U.S. West Relocation</td>
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<tr>
<td>Employee Relocation Services</td>
<td>Weichert Relocation</td>
<td></td>
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<tr>
<td>Executive Relocation</td>
<td>Western Relocation Management</td>
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<tr>
<td><strong>OTHER CLIENTS</strong></td>
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<td></td>
</tr>
<tr>
<td>Bethel Economic Development Commission</td>
<td>FDIC</td>
<td></td>
</tr>
<tr>
<td>City of Danbury</td>
<td>Norwalk Redevelopment Agency</td>
<td></td>
</tr>
<tr>
<td>Connecticut Dept of Transportation (DOT)</td>
<td>PMI Mortgage Insurance Co.</td>
<td></td>
</tr>
<tr>
<td>Connecticut Dept of Public Works (DPW)</td>
<td>Redding Land Trust</td>
<td></td>
</tr>
<tr>
<td>Danbury Housing Authority</td>
<td>U.S. Small Business Administration</td>
<td></td>
</tr>
</tbody>
</table>
ADDENDA
LEGAL DESCRIPTION

EXECUTOR'S DEED - STATUTORY DEED

WILLIAM GARDELLA, JAMES GARDELLA and JOHN GARDELLA of Norwalk, CT, duly qualified and authorized Executors of the Last Will and Testament of LOUIS J. GARDELLA, late of Norwalk, Connecticut, for consideration paid of ONE MILLION ONE HUNDRED THOUSAND AND 00/100 ($1,100,000.00) Dollars, grant to OAK STREET REALTY, LLC, a Connecticut Limited Liability Company with EXECUTOR'S COVENANTS

See Schedule A attached hereto and made a part hereof.

Signed this 29th day of June, 2004.

Witnessed by:

[Signatures]

Estate of Louis J. Gardella
By: William Gardella, Executor
By: James Gardella, Executor
By: John Gardella, Executor

[Signatures]

O'NEILL DUFFY & CO., LLC
A-1
STATE OF CONNECTICUT  
COUNTY OF FAIRFIELD  

The foregoing instrument was acknowledged before me this 24th day of 
June, 2004, by William Gardella, James Gardella and John Gardella, Executors of 
the Estate of Louis J. Gardella, deceased.

[Signature]
Commissioner of the Superior Court
SCHEDULE A
(Legal Description)

ALL THAT CERTAIN tract or parcel of land, with the buildings thereon, situated in the City of Norwalk, county of Fairfield and state of Connecticut, said premises are shown and designated as "Parcel A" on that certain map entitled "Map of Property Prepared for Norwalk Realities, Inc. at Norwalk, Conn. Scale 1" = 20 ft; 1937 Samuel W. Heyt, Jr., Co., Engineers and Surveyors So. Norwalk, Conn." which map is on file in the office of the Town Clerk of the said Town of Norwalk as Map No. 1445, and reference thereto hereto made and had for more particular location and description of said premises.

Said Premises are conveyed subject to:

1. Limitations of use imposed by governmental authority.
2. Taxes of the Town of Norwalk hereafter becoming due and payable.
Norwalk, Connecticut
CERC Town Profile 2012

Demographics

<table>
<thead>
<tr>
<th>Population (2011)</th>
<th>Town</th>
<th>County</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>78,331</td>
<td>827,645</td>
<td>3,287,116</td>
</tr>
<tr>
<td>2000</td>
<td>82,951</td>
<td>882,567</td>
<td>3,405,655</td>
</tr>
<tr>
<td>2011</td>
<td>87,014</td>
<td>927,503</td>
<td>3,610,073</td>
</tr>
<tr>
<td>2016</td>
<td>92,181</td>
<td>971,083</td>
<td>3,754,486</td>
</tr>
</tbody>
</table>

'11-'16 Growth / Yr: 2.2% 0.9% 0.8%

Land Area (sq. miles): 23 626 5,009

Pop. / Sq. MILE (2011): 3,816 1,482 721

Median Age (2011): 42 39 40

Households (2011): 33,826 339,969 1,391,975

Med HH Inc. (2011): $77,327 $82,711 $70,705

Age Distribution (2011):

<table>
<thead>
<tr>
<th></th>
<th>0-14</th>
<th>15-24</th>
<th>25-49</th>
<th>50-64</th>
<th>65+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>3,189</td>
<td>4%</td>
<td>7,626</td>
<td>9%</td>
<td>3,794</td>
<td>4%</td>
</tr>
<tr>
<td>Female</td>
<td>2,860</td>
<td>4%</td>
<td>7,470</td>
<td>9%</td>
<td>3,625</td>
<td>4%</td>
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<tr>
<td>County Total</td>
<td>60,500</td>
<td>7%</td>
<td>167,644</td>
<td>18%</td>
<td>83,264</td>
<td>9%</td>
</tr>
<tr>
<td>State Total</td>
<td>217,641</td>
<td>6%</td>
<td>611,932</td>
<td>17%</td>
<td>345,939</td>
<td>10%</td>
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</tbody>
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Economics

Business Profile (2005):

<table>
<thead>
<tr>
<th>Sector</th>
<th>Establishments</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>2.9%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Const. and Mfg</td>
<td>12.1%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>5.2%</td>
<td>19.7%</td>
</tr>
<tr>
<td>Trans. and Utilities</td>
<td>3.4%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Trade</td>
<td>20.7%</td>
<td>19.7%</td>
</tr>
<tr>
<td>Finance, Inc.</td>
<td>8.2%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>14.9%</td>
<td>40.5%</td>
</tr>
<tr>
<td>Services</td>
<td>3.7%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

Economy (2011):

<table>
<thead>
<tr>
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</tbody>
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Economical Key Indicators (2011):

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<thead>
<tr>
<th>Sector</th>
<th>% of Total</th>
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<tr>
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<tr>
<td>Services</td>
<td>3.7%</td>
</tr>
<tr>
<td>Government</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

Education

2000-2010 School Year

Total Town School Enrollments: 10,806

Most public school students in Norwalk attend Norwalk School District, which has 10,974 students.

For more education data, please see: [http://www.state.ct.us/ed](http://www.state.ct.us/ed)

Connection Mastery Test Percent Above Goal

<table>
<thead>
<tr>
<th>Grade 4</th>
<th>Grade 5</th>
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</thead>
<tbody>
<tr>
<td>Town</td>
<td>State</td>
</tr>
<tr>
<td>Reading</td>
<td>51</td>
</tr>
<tr>
<td>Math</td>
<td>61</td>
</tr>
<tr>
<td>Writing</td>
<td>57</td>
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</tbody>
</table>

Average SAT Score

<table>
<thead>
<tr>
<th>Town</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town</td>
<td>State</td>
</tr>
<tr>
<td>Reading</td>
<td>475</td>
</tr>
<tr>
<td>Math</td>
<td>471</td>
</tr>
</tbody>
</table>

O'NEILL DUFFY & CO., LLC

A-4
Norwalk
Connecticut

Government

Government Form: Mayor-Council
Annual Debt Service (2009) $25,985,019
As % of Expenditures 9.1%

Total Revenue (2009) $278,839,115
Education $126,727,133
As % of Total Expenditures 44.0%

Tax Revenue $236,316,660
Other $100,658,550

Non-tax Revenue $42,522,435
As % of State Average 154%

Intergovernmental $30,386,367

Per Capita Tax (2009) $2,894
As % of State Average 118.8%

Housing/Real Estate

Housing Stock (2009)

Town Country State Owner Occupied Dwellings (2009) 19,723 204,640 $12,964

Total Units: (total) 35,582 352,621 1,452,007

% Single Unit 53.2% 65.1% 64.8%

New Permits Auth. (2009) 448 1,199 3,786

As % of Existing Units: 1.26% 0.34% 0.26%

Demolition: (2009) 9 384 1,219

House Sales: (2008) 415 3,983 16,606

Median Price $520,000 560,000 290,000

Built Per 1950 thru (2000) 31.4% 31.5% 31.5%

Labor Force

Place of Residence (2009)

Town Country State

Labor Force 48,931 471,964 1,889,947

Employed 45,304 435,361 1,734,291

Unemployed 3,627 36,603 155,656

Unemployment Rate 7.4% 7.8% 8.2%

Place of Work (2009)

# of Units: 3,200 32,886 104,314

Total Employment 43,160 399,983 1,615,335

2006-07 Growth AAGR -0.8% -0.7% -0.4%

Mfg Employment n.a.

Other Information

Banks (2007)

Town State

33 1.029

Crime Rate (2009)

Per 100,000 Residents: 497 298 Hartford 60

Library (2010)

Town

Total Volumes: 288,977 New York City 41

Circulation Per Capita 5.9 Providence 115

Residential Utilities

Electric Provider: Connecticut Light & Power & SNEW

Gas Provider: Yankee Gas Company

Water Providers: Municipal Providers

Cable Provider: CABLEVISION OF CONNECTICUT, LP

O’NEILL DUFFY & CO., LLC
A-5

A. Purpose and intent.

(1) It is the purpose of this zone to encourage rehabilitation and compatible new development within Norwalk’s central business district. The provisions of this zone are intended to promote moderate scale (or in a Design District Development Park, large scale), mixed-use developments within the downtown area which will provide new retail, residential, hotels, restaurants and office opportunities; protect existing historic structures, water-dependent uses and coastal amenities; preserve adjacent residential neighborhoods and wherever possible, improve the pedestrian environment through public plazas, walkways and shared off-street parking facilities.

(2) Subareas.

(a) For the purpose of further defining allowable development options, this district has been divided into three (3) subareas:

[1] Subarea A -- Wall/Main Core Area: As the core of the central business district, the Wall/Main Subarea requires ground-floor retail uses with a mix of office or residential above, encourages maximum lot coverage and provides incentives for public amenities to improve the downtown streetscape and pedestrian circulation patterns.

[2] Subarea B -- West/Belden Corridor: As the gateway to the business district core, the corridor area regulations require a minimum lot size to encourage comprehensive development proposals, permit uses other than retail on fifty percent (50%) of the ground floor and encourage dense mixed-use developments along this important commercial corridor.

[3] Subarea C -- Downtown Waterfront: With the Norwalk River and upper harbor as a focal point, the waterfront area regulations require public access to and along the waterfront and encourage the consolidation of industrial promote and encourage other uses which attract the public to the waterfront, such as restaurants, transient slip space and residential development. Priority and preference is to be given to siting water-dependent uses which are
compatible with the revitalization of the downtown area, such as recreational and commercial boating and fishing facilities and transient slip space.

(b) Each subarea is delineated on a map entitled "Norwalk Central Business Design District," scale one (1) inch equals one hundred (100) feet, dated July 17, 1987, as revised to September 16, 1987, and is subject to the general regulations set forth for this district as well as any specific subarea regulations which apply. In addition, those parcels located within the coastal zone boundary shall be subject to coastal site plan review and all other requirements of § 118-1110 herein.

B. General regulations.

(1) Premises shall be used and buildings shall be erected which are used, designed or intended to be used for one (1) or more of the uses permitted within each particular subarea. Uses which are not permitted in a given subarea shall not be permitted by variance in this district.

(2) All development within this zone shall be referred to the Redevelopment Agency for comment and shall conform to the streetscape standards defined in the Norwalk Business District Design Guidelines (September 1987). Where streetscape improvements have already been made, the Commission may waive this requirement. [Amended effective 3-30-2012]

(3) Public amenities are encouraged and shall include providing one or more of the following on-site uses: landscaped pedestrian plazas, gardens, courtyards, through-block concourses/arcades, fountains, public seating areas, atriums, day-care centers, sidewalk cafes, public parking garages or improvements to off-site public spaces as defined in the Norwalk Business District Design Guidelines. And further, certain amenities will be subject to bonus floor area and height provisions as described in Subsection E of this section.

(4) Accessory uses and structures which are incident to and customarily associated with the principal use of the premises shall be permitted, subject to subarea use regulations, including the following restrictions: [Amended effective 4-25-1997]

(a) Commercial communication antennas are permitted as an accessory use when located on an existing building or structure, subject to the height limitation of that subarea, except that antennas mounted on existing buildings which meet or exceed the height limitation of that subarea may extend above the existing building height by no more than fifteen (15) feet. In addition, the color of the building shall be incorporated into the design of antenna.

(b) Ingress or egress awning or canopy for hospitals, nursing homes, congregate housing, medical offices and similar facilities, subject to Section 118-810(I). [Added effective 9-24-2010]

(c) Outdoor refuse collection and recycling receptacles shall be located behind the front setback and shall be screened from public view and from adjacent properties with a six (6) foot high fenced enclosure or year-round landscaped screening, subject to zoning inspector approval.
Article 50: Business Zones

[Added effective 7-29-2011]

(d) Where permitted by the Commission, entertainment in the form of live music shall be permitted as accessory to a restaurant use provided that all windows and doors shall remain closed while the entertainment is underway, except for the normal passage of people into and out of the premises [Added eff 9-30-2011]

(5) Outdoor dining, street vendors and kiosks shall be permitted and shall be exempt from parking requirements from April 1st to November 1st when located within a design district development park in the same zoning district as a parking facility, subject to the annual renewal of required zoning approval and to permission by required city agencies. [Amended effective 10-26-2007; 9-30-2011]

C. Use regulations.

(1) Subareas A and B.

(a) Principal uses and structures. Any structure or use within these subareas having a gross floor area of eight thousand (8,000) square feet or more or requiring twenty-five (25) parking spaces or more shall be permitted subject to site plan review in accordance with § 118-1451 of these regulations.

[1] Premises in Subareas A and B shall be used, and buildings shall be erected which are used, designed or intended to be used, for one (1) or more of the following uses and no other subject to the conditions noted in Subsection C(1)(a)(2):

[a] Retail establishments.
[b] Restaurants and taverns (excluding drive-in facilities).
[c] Banks and financial institutions, with drive-in facilities for existing banks of 5,000 sq. ft. or more or for up to two (2) banks located in a design district development park. [Amended effective 4-28-2006; 10-26-2007]
[d] Theaters and auditoriums, including cultural arts and entertainment facilities. [Amended effective 10-26-2007].
[e] Personal and business service establishments.
[g] Museums, libraries and meeting halls.
[h] Churches, church buildings and places of worship.
[i] Parks, open space and public recreational facilities.
[k] Design District Development Park, including two (2) or more of the following uses: retail stores, offices, restaurants, hotels and multifamily residences, subject to
Article 50: Business Zones

118-504(D)(1)(g). [Amended effective 10-26-2007].

[2] The following uses shall be permitted only above the first floor in Subarea A and permitted on any floor in Subarea B but, when any portion of the lot abuts West or Belden Avenues, shall be restricted to fifty percent (50%) or less of the gross square footage of the first floor of any building within three hundred (300) feet of those streets; except in design district development parks where such restriction shall be reduced to two hundred and fifty (250) feet. [Amended effective 10-26-2007].

[a] Multifamily dwellings, including elderly housing.
[b] Offices, including medical offices. [Amended effective 9-25-2009]
[c] Schools, including business and trade schools, and studios.
[d] Healthcare facilities. [Added effective 10-26-2007].

(b) Special Permit uses and structures. The following uses and structures shall be permitted by Special Permit in Subareas A and B in accordance with the provisions of § 118-1450:

[6] Halfway houses, with no less than two hundred (200) square feet of living area per person. [Amended effective 6-29-1990]
[7] Sale and service of motor vehicles, provided that:
   [a] Such use shall be designed as an integral part of a structure containing one (1) or more other permitted uses.
   [b] All vehicles shall be serviced within the structure and displayed, stored and parked within or behind the structure.
[8] Commercial recreation establishment. [Added eff 12-7-1990]
[9] Boutique manufacturing shall be allowed as an accessory use to a permitted retail use, subject to compliance with the following requirements. [Added effective 10-28-2005]
   (a) Such boutique manufacturing shall not exceed three thousand (3,000) square feet in area and shall
area, and including medical offices. [Amended effective 5-28-1993; 9-25-2009]


[5] Halfway houses, with no less than two hundred (200) square feet of living area per person. [Amended effective 6-29-1990]


[7] Business service establishments, as defined in Article 10, § 118-100. [Added effective 4-29-1994]

D. Lot and building requirements.

(1) Subareas A, B and C. See the Schedule Limiting Height and Bulk of Buildings, Commercial and Industrial Uses, and all other applicable sections of these regulations and in addition:

(a) Buildings listed on the Norwalk Historical Resources Inventory are hereby declared to be in compliance with the height and bulk requirements of this section. External building modifications to such structures shall conform to the guidelines set forth in the Norwalk Business District Design Guidelines.

(b) All setbacks required by these regulations shall be a minimum of ten (10) feet per story, thirty foot maximum, where development abuts or is directly across the street from a residence zone, except that no setbacks shall be required where the abutting property is within a limited access highway or railroad right-of-way and in a Design District Development Park, a setback of five (5) feet shall be required for multi-family structures that do not exceed four (4) stories and 45 feet. [Added effective 8-30-2002; Amended effective 10-26-2007]

(c) Municipal off-street parking structures are exempt from all lot and building requirements.

(d) New developments and additions to structures located in Subarea C shall provide public access adjacent to water which is a minimum of fifteen (15) feet wide. Such public accessways shall be in the form of landscaped walks, esplanades, boardwalks or piers of suitable design to encourage active use by the public and shall be dedicated as such in the deed to the property. Access from the street to the water shall be provided subject to Commission approval. Where access along the waterfront would, in the determination of the Commission, expose the public to hazardous conditions, the Commission may consider alternative forms of access to be provided.

(e) The Commission may exempt retail and restaurant uses in Subarea C from the average rear setback of twenty-five (25) feet as long as a fifteen-foot minimum public accessway is maintained and the facilities are available for public use.

(f) Properties developed for residential use may be exempt from the
recreation area requirement, in whole or in part, subject to an in-lieu fee to be paid to the downtown public spaces fund of the city. Such fees shall be utilized solely for the acquisition, design and improvement of public parks and open spaces within the Central Business Design District, in an amount determined by the following formula:

The amount of area in square feet required for recreational space [one hundred fifty (150) square feet times number of dwelling units] times twenty dollars ($20.) times the Engineering News Record (ENR) Cost Index on the effective date of Commission or Zoning Board of Appeals approval divided by the ENR Cost Index of October 1, 1987.

(g) A design district development park shall be permitted in Subarea B, subject to the following criteria:

(1) Such design development park shall be a mixed use project consisting of two (2) or more parcels in accordance with a design district development park master plan; and

(2) A maximum floor area ratio of 2.0 as may be increased by bonus based upon the total acreage within the design district development park. Bonus height or bonus floor area from one parcel or parcels may be transferred to another parcel or parcels within the design district development park, subject to approval by the Commission; and

(3) Multifamily dwellings shall require 800 square feet of lot area per dwelling unit based upon the total acreage within the design district development park. A defined recreation area of one hundred fifty (150) square feet per dwelling unit shall be provided within the design district development park. [Added effective 10-26-2007].

(2) Schedule Limiting Height and Bulk of Buildings (Subareas A, B and C). See schedule at end of chapter.

E. Amenity incentive provisions.

(1) Eligibility criteria. A project shall be eligible to receive a bonus of additional floor area and/or building height if space is provided within the project for the public amenities, improvements or facilities set forth herein subject to approval by the Commission and to the project’s compliance with the provisions of this section, including the following criteria:

(a) The overall design of the project and the specific amenities proposed are appropriate to the site, consistent with the Norwalk Business District Design Guidelines and contribute to the improvement of the downtown pedestrian environment.

(b) The applicant records a covenant on the land records which ensures the continuous operation and maintenance of the amenity and that such covenant shall run with the land. The applicant, or the City of Norwalk, or other entity will be responsible for the continuous operation and maintenance of the amenity. The amenity, once designated, may only be changed with the approval of the Commission. [Amended effective 10-26
(c) The project conforms to all other provisions of these regulations.

(d) The amenity must be clearly identified as a facility available for public use.

(2) Amenity specifications. The following site amenities are hereby deemed to be mutually exclusive and cumulative:

(a) Pedestrian plaza: a continuous open space no more than three (3) feet above or below the center-line elevation of the street and abutting a designated pedestrian right-of-way, which is open to the public at all times, provides a minimum of one (1) linear foot of seating space per thirty (30) square feet of plaza and has a minimum street frontage and horizontal width of twenty-five (25) feet and a maximum area of three thousand (3,000) square feet. At least twenty percent (20%) of the plaza area shall be landscaped with shrubbery and trees, and the remaining area shall be hard-surfaced pavements which conform to the streetscape standard. The applicant shall demonstrate that the plaza has adequate sun exposure and that it will be available for use by properly licensed street vendors. The Commission may exempt waterfront esplanades from street frontage requirements if adequate access from the street to the esplanade is provided.

(b) Sidewalk arcade: a continuous space covered by a permanent overhead roof which extends along the facade of a building twelve (12) feet above the average grade of an adjacent public right-of-way or plaza and, if enclosed, has a minimum of eight-foot wide entrances located no more than twenty-five (25) feet apart along the length of the arcade. The arcade must be contiguous with retail store frontages along at least seventy-five percent (75%) of its length.

(c) Fountain/water feature: a fountain, cascade, stream or other water display which is located in an unenclosed, publicly accessible space and is maintained in operating condition throughout the year, except when weather conditions prohibit such operation.

(d) Atrium: a continuous, open space enclosed within a structure which extends a minimum of two (2) stories in height without obstruction and admits substantial amounts of natural daylight from transparent overhead skylights and windows which comprise at least fifty percent (50%) of the enclosing ceiling and walls. The atrium must be within thirty (30) feet of a public right-of-way or plaza, be clearly designated as open to the public during business hours common to the area, provide a minimum of one (1) linear foot of seating space per thirty (30) square feet of atrium floor area and have minimum horizontal dimensions of twenty-five (25) feet. In addition, the atrium must be contiguous with retail store frontages along at least fifty percent (50%) of its perimeter.

(e) Through-block arcade: a continuous enclosed space which runs through a structure connecting a public street to another public street, parking garage or open space at the rear of the structure. The arcade
F. Off-street parking and loading requirements. See §§ 118-1200 through 118-1260 of the regulations, except that:

(1) For all properties with street frontage on West Avenue, Bolden Avenue, Wall Street and Main Street, the principal use and structure shall be located between the street line of the above-mentioned streets and all parking facilities. Underground parking facilities, the roofs of which are less than three (3) feet above the center-line elevation of the street, shall be exempt from this requirement. Properties with street frontage other than those noted shall provide a ten-foot buffer between all parking facilities and the street line.

(2) Parking areas and structures located in Subarea C shall be set back twenty-five (25) feet from the mean high-water mark and shall be suitably landscaped to provide an appropriate transition between the public accessway and parking facilities.

(3) The required amount of loading may be met on the same lot where the use occurs or on an adjacent lot, subject to approval by the Commission.

(4) Wherever possible, vehicle access to parking and loading facilities shall be confined to less active, secondary streets and shall utilize a minimum of curb cuts. [Amended effective 10-26-2007]

(5) A minimum ten-foot buffer is required for at-grade parking areas which abut a residence zone. Parking structures shall be subject to Subsection D(2) herein.

(6) For mixed-use projects, twenty percent (20%) of the parking required for the residential use may be met by the parking provided for the nonresidential use. However, where it can be sufficiently demonstrated to the satisfaction of the Commission that a nonresidential use occurs predominately during the weekday and daytime hours, for example, offices, then up to fifty percent (50%) of the parking required for the residential use may be met by the parking provided for such nonresidential uses. A use which occurs predominantly during the weekday and daytime hours shall not be changed to a use which does not occur predominantly during the weekday and daytime hours.

(7) In a Design District Development Park, the Commission may reduce up to thirty percent (30%) of the parking required under these regulations where it can be sufficiently demonstrated to the satisfaction of the Commission that the nature of the Park or its use and the factors which determine parking demand result in fewer parking spaces to meet actual parking needs than required by these regulations. The Commission, in making this determination, shall take into account the number of on-street parking spaces existing or being provided on public streets within or immediately adjoining the development park. [Added effective 10-26-2007]

(8) Automated parking shall be permitted for developments requiring two hundred

118-1050. Workforce Housing Regulation.

A. Purpose and intent. It is recognized that a shortage of affordable workforce housing exists in Norwalk for persons of moderate income, that such shortage is detrimental to the public health, safety and general welfare and to economic development, and that existing housing programs, by themselves, are insufficient to meet the needs of the workforce and moderate-income households. The purpose of this regulation is to provide for a full range of workforce housing options, with a priority given to ownership housing, and to increase the supply of workforce housing units affordable to persons of moderate incomes by encouraging the construction of such housing units within specified multifamily and mixed use developments. It is intended that private developers who construct developments with moderately priced workforce housing units pursuant to these regulations will realize a reasonable profit therefrom.

B. Definitions. As used in this section, the following terms shall have the meanings indicated.

WORKFORCE HOUSEHOLD -- A household with an annual income which does not exceed eighty percent (80%) or, where required, sixty percent (60%) or one hundred percent (100%), of the State of Connecticut Median income, as adjusted for family size, as published by the United States Census Bureau and periodically updated by the U.S. Department of Housing and Urban Development (HUD). Household eligibility determinations shall be made in accordance with the income criteria in Section 8-30g-8 of the regulations of Connecticut State Agencies.

WORKFORCE HOUSING UNIT -- A dwelling unit occupied by a workforce household where the maximum sales price or rent shall be restricted in perpetuity for the life of the unit in accordance with the maximum housing payment calculations as described in Section 8-30g-8 of the regulations of Connecticut State Agencies.

RESALE -- Any transfer of original ownership interest in a workforce housing unit to a new owner other than an original owner's spouse or co-owner.

C. Regulations for Workforce Housing.

(1) Applicability: The workforce housing regulation shall apply to all multifamily and mixed-use developments of twenty (20) or more units in the following zones, in accordance with these workforce housing regulations [Amended effective 11-27-2009, 1-29-2010]:

D Residence Zones
Hospital Zone
Executive Office Zone
Business No. 1 Zone
Business No. 2 Zone
Golden Hill Village District
Rowayton Avenue Village District
SoNo Station Design District
Neighborhood Business
South Norwalk Business District
Central Business Design District
Marine Commercial Zone
Washington Street Design District
Reed-Putnam Design District
Commercial Planned Residential Development
Light Industrial Zone No. 2
Restricted Industrial

(2) Where required by these regulations, applicable developments shall provide a minimum of ten percent (10%) of the total number of dwelling units as workforce housing units, affordable to workforce households, in accordance with Section 8-30g-8 of the regulations of Connecticut State Agencies, as delineated below:

(a) A minimum of ten percent (10%) of the total number of units, rounded up to the nearest whole number, shall be affordable to workforce households earning no more than eighty percent (80%) of the applicable median income.

(3) The workforce housing units shall be offered for sale or rent to workforce households, or to a municipal agency or a nonprofit housing agency, who shall offer the workforce housing units to workforce households, in accordance with the following priority designations:

(a) Employees of the City of Norwalk and the Norwalk Board of Education; Residents of the City of Norwalk who have resided in the City of Norwalk a minimum of one (1) year prior to the issuance of a certificate of occupancy; and Persons employed in the City of Norwalk.

(b) All others.

(4) The annual income of workforce households shall be reviewed and certified by the Commission, or its designee, in accordance with a procedure established in advance and approved by the Commission.

(5) The Commission, or its designee, shall maintain a list of eligible workforce households in each category. Applicants shall be selected by lottery, conducted in accordance with a procedure established in advance of said lottery and approved by the Commission.

(6) The Commission, or its designee, shall exhaust all qualified applicants in a given category of priority before proceeding to a lower category of priority.

(7) The selected workforce household shall reside in the designated workforce housing unit.

(8) Workforce housing units for sale shall not exceed the maximum purchase price as calculated in accordance with the maximum housing payment calculations in set-aside developments as per Section 8-30g-8 of the regulations of Connecticut State Agencies, as adjusted for family size.
(9) Workforce housing units for rent shall not exceed the maximum monthly rent as calculated in accordance with the maximum housing payment calculations in set-aside developments as per Section 8-30g-8 of the regulations of Connecticut State Agencies, as adjusted for family size.

D. Bonus Provisions.

(1) Where the workforce housing units are located in one of the zones listed below and constructed on the same site and as an integral part of a new market rate development, the Commission shall allow an increase in the permitted number of dwellings (density) by not more than twenty percent (20%), provided that such bonus units shall comply with the bonus unit criteria shown below:

- Central Business Design District
- SoNo Station Design District
- South Norwalk Business District
- Washington Street Design District
- Reed-Putnam Design District

<table>
<thead>
<tr>
<th>Density Bonus Provisions</th>
<th>Maximum Household Income Criteria</th>
<th>Ratio of Bonus market rate units to Bonus workforce units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to Additional 20% bonus density</td>
<td>60% of State Median Income</td>
<td>2 market rate: 1 workforce unit</td>
</tr>
<tr>
<td></td>
<td>80% of State Median income</td>
<td>1.5 market rate: 1 workforce unit</td>
</tr>
</tbody>
</table>

(2) Once the above criteria is met, the Commission shall allow an increase in the permitted number of dwellings (density) by an additional ten percent (10%), up to thirty percent (30%) maximum, provided that the bonus units may comply with the bonus unit criteria shown below:

<table>
<thead>
<tr>
<th>Density Bonus Provisions</th>
<th>Maximum Household Income Criteria</th>
<th>Ratio of Bonus market rate units to Bonus workforce units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional 10%</td>
<td>100% of State Median income</td>
<td>1 market rate: 1 workforce unit</td>
</tr>
</tbody>
</table>

(3) In developments where such bonus units are proposed, the Commission shall modify the yard, building area and floor area ratio requirements of the zone in which the property is located, up to a maximum of ten percent (10%) and permit one (1) additional story, solely where the applicant has demonstrated and the Commission determines that such modifications will not adversely affect adjacent properties or the public health, safety and welfare.

E. Additional standards

(1) Workforce Housing Affordability Plan: Workforce housing units shall be reasonably dispersed throughout the development and shall contain, on average, the same number of bedrooms and the same quality of construction as the other units in the development, as detailed in an Affordability Plan submitted by the applicant. Such plan may allow for equity sharing.
(2) Workforce housing units shall be developed simultaneously with or prior to the development of the other units.

(3) Workforce Housing Deed Restrictions: In order to maintain workforce housing units as affordable in perpetuity for workforce households, the following restrictions shall apply:

(a) Workforce housing units for sale shall be restricted by title to require that, in the event of any resale by the owner or any successor, the resale price shall not exceed the then maximum sales price for said workforce housing unit, as determined in accordance with Subsection C(8) above or the sum of the original purchase price and the cost of any documented fixed improvements made by the owner, whichever is greater.

(b) Workforce housing units for rent shall be restricted by title to require that the rents for said units shall not exceed the maximum rent as determined in accordance with Subsection C(9) above.

(4) Where these regulations result in a fraction, the result shall be rounded up to the nearest whole number.

F. Alternative Sites

(1) To the maximum extent practicable, workforce housing units shall be built on the same site as the proposed development, as provided herein, as an alternative, the Commission shall approve the construction or rehabilitation of the required workforce housing units on another site, provided that such off-site workforce housing units shall be maintained as affordable in perpetuity in the same manner as on-site workforce housing units and that the originating development site shall not be entitled to any additional on-site units or bonus units due to the relocation of the workforce housing units to an off-site location. Such off-site workforce units shall be completed and possess a final certificate of occupancy prior to the request for a certificate of occupancy for the original on-site units.

G. Fee-In-Lieu Payment

(1) Alternative method of Compliance: Pursuant to an application for a Special Exception, the Commission shall allow an alternative method of satisfying the workforce housing requirement, including the payment of an appropriate in-lieu housing fee.

(2) The workforce housing unit requirement may be satisfied, in whole or in part, through the payment of a "Fee-in-lieu" cash contribution to a City of Norwalk fund, or other Commission approved non-profit or for-profit organization dedicated to affordable housing initiatives. Off-site workforce housing units created with such funds shall be maintained as affordable in perpetuity and in the same manner as on-site workforce housing units. The cash contribution to be provided shall be calculated based on the applicable State of Connecticut median income, as periodically revised, and on the unit (bedroom) size as described in the Affordability Plan, and on the following criteria:

(a) Units affordable to households earning sixty percent (60%) of the applicable median income shall require a cash contribution not less than three hundred and seventy percent (370%) of the State Median Income

(b) Units affordable to households earning eighty percent (80%) of the
applicable median income shall require a cash contribution not less than two-hundred and seventy percent (270%) of the State Median Income.

(c) Units affordable to households earning one hundred percent (100%) of the applicable median income shall require a cash contribution not less than two-hundred and twenty percent (220%) of the State Median Income.

Sample 2006 cash contribution for a workforce housing unit:

Units for households @ 60% of state median income: $81,000 X 370% = $299,700

Units for households @ 80% of state median income: $81,000 X 270% = $218,700

Units for households @ 100% of state median income: $81,000 X 220% = $178,200

(3) Where the contribution is targeted to assist an identified off-site project providing affordable workforce housing, the Commission shall condition the issuance of certificates of occupancy for the development project with the completion of the off-site workforce housing units and/or establish other reasonable performance conditions necessary to ensure that the off-site workforce housing units will be built in a timely manner.

(4) The in-lieu fee shall be paid according to the following schedule:

(a) Twenty-five percent (25%) prior to the issuance of a building permit.

(b) Twenty-five percent (25%) prior to the renting or sale of twenty-five percent (25%) of the dwellings.

(c) Fifty percent (50%) prior to the renting or sale of fifty percent (50%) of the dwellings.

Bonus Density for Multifamily Development by Zoning District

<table>
<thead>
<tr>
<th>Zone</th>
<th>Existing Density for Multifamily Development</th>
<th>Density with bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>SoNo Station Design District</td>
<td>43 units/acre 1.000 sf of lot area per dwelling unit</td>
<td>10% 48 units/acre 20% 52 units/acre 30% 56 units/acre</td>
</tr>
<tr>
<td>South Norwalk Business District</td>
<td>26 units/acre 1.650 sf of lot area per dwelling unit</td>
<td>10% 29 units/acre 20% 32 units/acre 30% 34 units/acre</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>---------------</td>
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</tr>
<tr>
<td>Central Business Design District</td>
<td>54 units/acre</td>
<td>800 sq ft of lot area</td>
</tr>
<tr>
<td>Washington Street Design District</td>
<td>No density limit</td>
<td>600 sq ft of building area</td>
</tr>
<tr>
<td>Reed-Putnam Design District</td>
<td>62 units/acre</td>
<td>700 sq ft of lot area</td>
</tr>
<tr>
<td></td>
<td>29 units/acre</td>
<td>1,500 sq ft of lot area</td>
</tr>
</tbody>
</table>

Link to DECD Affordable Housing Appeals Act Regulations:
FY2012 Fair Market Rent Documentation System

The $fmrtype$ FY2012 Stamford-Norwalk, CT HUD Metro FMR Area FMRs for All Bedroom Sizes

The following table shows the $fmrtype$ FY2012 FMRs by unit bedrooms for Stamford-Norwalk, CT HUD Metro FMR Area.

<table>
<thead>
<tr>
<th>$fmrtype$ FY2012 FMRs By Unit Bedrooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
</tr>
<tr>
<td>$fmrtype$ FY2012 FMR</td>
</tr>
</tbody>
</table>

FY2012 FMR areas continue to use the revised Office of Management and Budget (OMB) area definitions that were first issued in 2003 along with HUD defined Metropolitan areas (HMFA) as described in the FY2011 FMR documentation which can be found at (Stamford-Norwalk, CT HUD Metro FMR Area FY2011 FMR Documentation system). No changes have been made to these OMB-defined areas since the publication of Final FY2011 FMRs.

The Stamford-Norwalk, CT HUD Metro FMR Area is comprised of the following towns: Darien town (Fairfield County), Connecticut; Greenwich town (Fairfield County), Connecticut; New Canaan town (Fairfield County), Connecticut; Norwalk town (Fairfield County), Connecticut; Stamford town (Fairfield County), Connecticut; Weston town (Fairfield County), Connecticut; Westport town (Fairfield County), Connecticut; and Wilton town (Fairfield County), Connecticut.

All information here applies to the entirety of the Stamford-Norwalk, CT HUD Metro FMR Area.

Fair Market Rent Calculation Methodology - New for FY2012

Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

1. 2005-2009 5-year ACS estimates of 2-bedroom adjusted standard quality rents