Components of narrative "before and after" conservation restriction appraisal reports should include, but not be limited to, the following. In addition, the reports should be to the standards of the Uniform Standards of the Professional Appraisal Process and of Section 1.170 A-13(c)(3) of the Internal Revenue Code.

1. Title Page
   a. land area of subject property and area to be restricted, identify any reserved building rights
   b. street and town location
   c. name of property owner(s)
   d. effective date of appraisal
   e. name and address of appraisers

2. Letter of Transmittal
   a. Standard transmittal letter with specification that landowner or designated representative has participated in the field inspection of the property.

3. Table of Contents

4. Summary of Important Facts and Conclusions

5. Purpose of Appraisal and Definition of Value

6. Area and Neighborhood Analysis

The appraiser should present all findings and conclusions about the external influences (social and economic) which could affect the value of the subject. The presentation should be analytical and related to the valuation problem at hand. Avoid itemization of facts and figures not pertinent to value.

Include:
   a. Description of community (rural, suburb, resort, etc.)
   b. Population trend
   c. Reasons for trend, i.e. new industries, outward migration, etc.
   d. Rate of construction activity in town
   e. Utilities available in the area
   f. Master Plan for town? LESA scoring system for agricultural land?
   g. Immediate neighborhood - dominating influence/detrimental factors?
7. Area Map
   a. Must indicate location of subject property as exactly as possible (a state highway map is suggested)

8. Location Map
   a. Must show roads leading to subject to facilitate inspection by VHCB Staff or review appraiser (a USGS topographic map is suggested)

9. Land Description
   a. Total land area and acreage being appraised
   b. Shape of parcel
   c. Total road frontage
   d. Land cover and topography ie. wooded, pasture, wetlands, croplands
   e. Brooks, rivers, etc.
   f. Soil description and analysis from USDA Soil Survey, include SCS Farm Plan if available
   g. Utilities available to site (how far from sewer/water lines)
   h. Is there a local septic ordinance?
   j. Easements
   k. Gravel, loam, sand, etc. - commercial value?
   l. Adjacent landowners
   m. Access
   n. Flood hazard
   o. View/visibility

10. Improvements - include agricultural and residential improvements - condition, present use and contribution to highest and best use

11. Other components being appraised - public access rights, hunting and fishing rights, etc.

12. Assessment
   a. Current assessed valuation (state if property is in Current Use Program) tax rate and annual tax bill

13. Zoning
   a. Zoning of subject property, including dimensional requirements
   b. Include pertinent section from by-laws, if possible (in Addenda)

14. Legal Description
   a. Include deed copy in Addenda
   b. Indicate registry and book and page
   c. Note any deed restrictions or easements which would affect value
   d. Note a five year history of conveyance of the property
15. Highest and Best Use
   a. The report shall state the highest and best use that can be legally made of the property for which there is a current market. In the appraisal of vacant land, the terms "highest and best use" and "feasible use" should be synonymous and foremost in the appraiser's thought process. Highest and Best Use should be applied to both the Before and After Analysis.

16. Certificate of Valuation of Before and After value and the resultant Value of the Conservation Restriction

17. Addenda
   a. Comparable sales maps
   b. Photographs of subject and Comparable sales
   c. Zoning By-Laws
   d. Wetlands or Flood Plain Map
   e. Site plan sketch if Development Approach is used
   f. Appraiser's qualifications
   g. Limiting conditions
   h. A copy of proposed conservation easement (note reserved building rights)

The Appraisal Process

Standard definitions should be used to explain the appraisal process. The methods that are utilized should be explained and a discussion of why they are being utilized should also be included.

I. Before Value Analysis

The Direct Sales Comparison Approach should be utilized as the primary method in valuing the unencumbered property. The Cost of Development Approach and Income Approach should only be used if the are applicable. A discussion of why they are being utilized should be included. If any secondary approach to value is used, the results should be compared against the Comparable Sales Approach. If values do not closely agree, the reason for the divergence should be explained fully.

Direct Sales Comparison Approach
   a. Comparable sales (lots and acreage) should be summarized including perimeter sketches (include an Addenda)
   b. A comparable sales map should be included
   c. Sales should be presented in table or grid form, showing adjustment for times, size, location, appeal, soils, improvements (farm and residential) and circumstance of the transaction that may affect value.
   d. Each sale must be discussed in detail in the narrative including such factors as: time, location (desirability, view, etc.), zoning, frontage, topography (including soil type), utilities, financing, etc.,
e. Sales from neighboring towns may be used if necessary, providing adjustments are made for market characteristics, etc.

II. After Value Analysis

The Highest and Best Use of the property subject to the proposed restrictions should be carefully considered. While agricultural use may often be the highest and best use of the encumbered land, the after value should not be assumed to be synonymous with "Farm Value". A careful discussion of the proposed restrictions should be included in the after value analysis. Make sure that the proposed restrictions including any reserved building rights or access easements are carefully considered as they may affect highest and best use. Again, the Direct Comparable Sales Approach is considered to be the best indicator of value. An Income Approach should be used only as a secondary approach.

a. Description of land to be subject to Grant of Development Rights and Conservation Restrictions.
   1. A map showing land to be encumbered and all lands to be excluded from the Grant of Development Rights and Conservation Restrictions must be included. Any reserved building rights allowed under the proposed Grant of Development Rights and Conservation Restrictions must also be indicated in the appraisal and shown on the map of the encumbered land.

b. Direct Sales Comparison
   1. Sales should be legally encumbered with similar easements or adjusted to best reflect the easement to be imposed on the subject property.
   2. Physically restricted properties such as floodplain land should be adjusted including adjustments for soil productivity and any factors associated with the proposed easement on the property which affect value. For example, consider the diminution in value to the property by the 90 Day Right of First Refusal, review and approval of grantee requirements, loss of timber, sand and gravel rights and other mineral rights, etc. should be addressed. Also note any specific conservation practices which may be included in the easement that may affect value.
   3. Enhancement value of abutting land under related ownership and estate value of land to be encumbered shall be considered. Due to limited market transactions involving restricted land, greater adjustments for time and location may have to be made.
   4. Include a discussion of the comparable sales and point out any circumstances that could have an affect on value. All comparable should be carefully confirmed with knowledgeable parties. This is especially true if the transaction included the sale of conservation restrictions to the Board or an applicant of the Board.
   5. Consideration of enhancement of reserved lots or adjacent lands under related ownership.
   6. Discussion of "estate" value of farm in the foreseeable future.