

PIMA COUNTY TECHNICAL APPRAISAL REVIEW SUMMARY

T / R / Sec	T13S/R11E/ Sec 18
Owner:	Pima County
Effective Date of Review and Date of Review Report	February 7, 2017

IDENTIFICATION OF THE REVIEW APPRAISER'S CLIENT/ INTENDED USE/INTENDED USERS/PURPOSE

Reviewer's Client	Pima County Real Property Services.
Intended Use	To assist Pima County in internal real property decisions related to the potential disposition of real property.
Other Intended Users	All assigns and designees of Pima County and Pima County Real Property Services.
Purpose of Review	The purpose of the review is to assist Pima County, Pima County Public Services, and it's designees in the decision process related to the potential disposition of real property.
Work Under Review	An appraisal report of the property described below, to determine the fee simple value of the subject property thereof.
Effective Date of Reviewer's Opinions and Conclusions	For the purposes of this review, the date of review report and the effective date of the reviewer's opinion and conclusions are the same.

ASSIGNMENT CONDITIONS

Assignment Conditions Connected to the Review or Found in Original Report (see also Limiting Conditions):

Extraordinary Assumptions:

1. The reviewer's conclusion is based on the extraordinary assumption that the property characteristics exist as described in the appraisal report. It is also assumed that the data in the report is factual and accurate.
2. The reviewer reserves the right to consider any new or additional information or data that may subsequently become available.
3. Unless otherwise stated all assumptions and limiting conditions contained in the report that is the subject of this review are also applicable to this review.

Assignment Conditions: It is an extraordinary assumption that site size is as indicated by assessor's record, 4.44 acres, rather than 5.0 acres as indicated by legal description in title commitment. It is assumed that the garage structure ("576" current use) has been or could be permitted for a garage. There is presumed to be good probability of receiving an MSR so that greater than code permitted accessory structures will be permitted to remain. The use of these extraordinary assumptions may affect assignment results; please also see standard limiting conditions and assumptions contained in the appendix.

REVIEWER APPRAISER'S SCOPE OF WORK

Extent/Scope of Review Process:

Scope of work is identified by USPAP as the "amount and type of information researched and the analysis applied in an assignment." According to the scope of work rule as defined by USPAP, "For each appraisal, appraisal review and appraisal consulting assignment, an appraiser must:

1. identify the problem to be solved;
2. determine and perform the scope of work necessary to develop credible assignment results; and
3. disclose the scope of work in the report

In completing this review above the appraiser has performed the following:

- Reviewed the mathematical calculations of the data presented within the body of the report.
- Reviewed entire report as presented but not the work-file.
- Analyzed the reasoning utilized in arriving at the value conclusion.
- Inspection of interior and exterior of subject property with appraiser.
- The reviewer is not providing their own opinion of value but merely concurring or disagreeing.
- Review is based on a combination of the reviewer's own research in addition to data contained in the report.
- Read report for credibility and conformance to USPAP.
- Checked all exhibits for uniformity and accuracy.

In completing this review the appraiser asserts competency in one or more of the following areas based on the Scope of Work provided:

- Specific type of property or asset
- Market
- Geographic Area
- Intended use
- Specific laws and regulations when applicable
- Analytic method

**IDENTIFICATION OF THE APPRAISER'S CLIENT/INTENDED
USE/INTENDED USERS/PURPOSE**

Appraiser's Client	Pima County Real Property Services.
Intended Use	To assist Pima County in internal real property decisions related to acquisition of real property or real property interests.
Intended Users	All assigns and designees of Pima County and Pima County Real Property Services.
Purpose of Appraisal	The purpose of the appraisal is to assist Pima County, Pima County Public Services, and it's designees in the decision process related to the potential disposition of real property.
Type of Value	Fee Simple.
Effective Date of Value	January 30, 2017
Date of Report	February 6, 2017
Assignment Conditions of Original Report.	Assignment Conditions: It is an extraordinary assumption that site size is as indicated by assessor's record, 4.44 acres, rather than 5.0 acres as indicated by legal description in title commitment. It is assumed that the garage structure ("576" current use) has been or could be permitted for a garage. There is presumed to be good probability of receiving an MSR so that greater than code permitted accessory structures will be permitted to remain. The use of these extraordinary assumptions may affect assignment results; please also see standard limiting conditions and assumptions contained in the appendix.

PROPERTY CHARACTERISTICS

Pima County Project: Sale of Property	Pima County Project # (if known): Sale-0043	Pima County Agent: Rita Leon
Property Owner: Pima County	Current Occupant: Vacant	Appraiser: Paul Hendricks, MAI
Location of Property Appraised: 5101 North Avra Road, Pima County, Arizona	Site Improvements: Fencing, shed, septic, waterlines, other	
Tax Code #: 213-27-0040	Municipal Zoning/Comprehensive Plan: RH/LIR	
Current Use of Property: Subject property is currently improved with a garage/utility building. The improvements were permitted for an enclosed car-port and an open carport. Previous owner attempted to convert to SFR and was discovered as illegal use	Highest and Best Use Concluded by Appraiser: As Vacant: Residential development As Improved: Vacant land with garage/utility building and addition of a residence; current improvements concluded to add value to the site above the value of the site as vacant.	
Larger Parcel Size: 4.44 acre	Area(s) to be Sold: 1,730 sf improvement on 4.44 acres of land	
Access/Paving: Avra Road/paved	Sewer: Septic	Water: Well share
		Gas: Bottle gas
		Electric: TRICO Co-op

**Appraisal Methodology:
Cost Approach**

Appraisal employs the Cost Approach to value the subject property. The Cost Approach includes a direct sales comparison approach to estimate the land value, as if vacant. The 4.44-acre site is valued at \$22,500 using five comparable sales. The improvements totaling 1,730 square feet add value to the land, as if vacant, based on the cost approach. The cost approach estimates a replacement cost new amount of \$41,570, or \$24.02 per square foot. The subject improvement is concluded to add value to the site even though certain steps are required to perfect the legal use of the improvements. The appraisal concludes that the steps to legalization are not onerous and achievable with a limited expenditure of capital. The Cost Approach recognizes the current illegal use and deducts 25 percent from the estimated value for functional obsolescence. The Cost Approach is a reasonable method for estimating the market value even though the depreciation is subjective. Given the current status of the property as an illegal use it is the only method that demonstrates that the existing improvements add value to the land as if vacant. Cost Approach below:

Cost Approach	SF Size	Eff Age.	Use. Life		
Number of Units	1				
Equipment Building	1,142	10	30		
Site Size (Ac)	4.46				
Garage	588	10	30		
Porch	585				
Patio	252				
Equipment Building					
Good Cls-D, Sec 17 p 13					
Base Cost	\$32.93				
Refinements					
HVAC	\$0.10				
Perimeter Multiplier	1.08				
Story Height Multiplier	1				
Current Cost Multiplier	1.03				
Local Cost Multiplier	0.92				
Adjusted Base	\$33.80	x	1,142	=	\$38,592.40
Equipment Building Replacement Cost					\$38,592
Garage	\$38.83	x	588	=	\$22,834
Porch	\$16.93	x	585	=	\$9,907
Patio	\$5.79	x	252	=	\$1,459
Sub Total					<u>\$72,792</u>
Additional Site Improvements					
Septic	\$5,000	x	1	=	\$5,000
Fencing	\$3.82	x	1,720	=	\$6,578
Site Improvements Sub Total					<u>\$11,578</u>
Sub Total					<u>\$84,370</u>
Soft Costs	7.50%				\$6,328
Entrepreneurial Profit	10.00%				\$9,070
Total Improvements					<u>\$99,767</u>
Less Physical Depreciation	33.33%	x	\$99,767	=	-\$33,256
Less Functional Obsolescence	25.00%	x	\$99,767	=	-\$24,942
Depreciated Improvements					<u>\$41,570</u>
Plus Site Value					<u>\$22,500</u>
total Value indicated by Cost Approach					<u>\$64,070</u>
	Rounded				\$64,000
	Per Acre				\$14,350
	Per sf Bldg				\$37.00

Comparable Land Sales Price Range, Unadjusted and Adjusted:

Unadjusted Price Range: \$3,288 to \$9,677 per acre

Adjusted Price Range: \$2,295 to \$8,710 per acre

Concluded Price Per Acre: \$5,068, or \$22,500 total

APPRAISER'S ANALYSIS, AND OPINIONS

Work Element	Adequate/Present	Inadequate	N/A	Comment
Client	X			Meets minimum requirements
Intended Use	X			Meets minimum requirements
Intended Users	X			Meets minimum requirements
Type of Value	X			Meets minimum requirements
Effective Date of Value	X			Meets minimum requirements
Physical Characteristics	X			Meets minimum requirements
Assignment Conditions	X			Meets minimum requirements

Work Element	Adequate/Present	Inadequate	N/A	Comment
Scope of Work	X			Meets minimum requirements

Work Element	Adequate/Present	Inadequate	N/A	Comment
Market Area Data	X			Meets minimum requirements
Subject Property Data	X			Meets minimum requirements
Comparable Property Data	X			Meets minimum requirements

Work Element	Adequate/Present	Inadequate	N/A	Comment
Market Analysis	X			Meets minimum requirements
Highest and Best Use Analysis	X			Meets minimum requirements

Work Element	Adequate/Present	Inadequate	N/A	Comment
Land Valuation	X			Meets minimum requirements

Work Element	Adequate/Present	Inadequate	N/A	Comment
Sales Comparison Approach	X			Meets minimum requirements
Cost Approach				Meets minimum requirements
Income Approach			X	

Work Element	Adequate/Present	Inadequate	N/A	Comment
Reconciliation of Value Indications and Value Opinion			X	Appraisal uses the Cost Approach to conclude an estimated market value; the appraisal includes market data to demonstrate other sales in the market of property with auxiliary improvements as market based evidence of demand

REVIEW APPRAISER'S RESEARCH AND ANALYSIS

Work Element	Comprehensive		Thorough		Comments	Page Reference
	Yes	No	Yes	No		
Completeness	X		X		Report appears to be complete and thorough.	

Work Element	Conformity		Correctness		Provable		Comments	Page Reference
	Yes	No	Yes	No	Yes	No		
Accuracy	X		X		X		Elements regarding accuracy are satisfied.	

Work Element	Minimum		Acceptable		Comments	Page Reference
	Yes	No	Yes	No		
Adequacy	X		X		Report meets minimum requirements and is acceptable	

Work Element	Connected		Applicable		Useful		Significant		Comments	Page Reference
	Yes	No	Yes	No	Yes	No	Yes	No		
Relevant	X		X		X		X		Report categories are relevant	

Work Element	Common Sense		Rational		Fair		Acceptable		Comments	Page Reference
	Yes	No	Yes	No	Yes	No	Yes	No		
Reasonableness	X		X		X		X		Report appears reasonable	

REVIEW APPRAISER'S RESEARCH AND ANALYSES COMMENTS

Appraisal report demonstrates that the existing improvements continue to add value over and above the value of the land as vacant. While the improvements are not legal and have been improved to accommodate a residential use the potential legal use of the improvements as an enclosed garage and a utility/auxiliary building are concluded to be marketable and will attract a market price when offered for sale. The appraisal researched the history of the subject property, the permit history, and the current status to conclude that the highest and best use is for the continued use of the improvements for other than a residential use and the development of a residential use on the property. The report is concluded to be complete, accurate, adequate, relevant, and reasonable and the conclusion of value is market derived and supportable.

APPRAISER'S CONCLUSIONS

Larger Parcel Value Conclusion	\$64,000
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<p>Are the opinions and analyses appropriate within the context of the requirements applicable to that work:</p> <p>The work under review is appropriate under the applicable requirements.</p>	<p>Are the opinions and conclusions are credible within the context of the requirements applicable to that work:</p> <p>The work under review is credible within the context of the original requirements applicable to that work.</p>	<p>Reasons for disagreement: N/A</p>
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REVIEW OF APPRAISER'S REPORT

The report is appropriate and not misleading within the context of the requirements applicable to that work.	Reasons for disagreement: None
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DEVELOPMENT OF REVIEWER'S OWN OPINION OF VALUE IF NECESSARY AND WITHIN REVIEWER'S SCOPE OF WORK

Reviewer's Own Opinion Necessary? Not applicable for this assignment.

SUMMARY OF REVIEW APPRAISER'S REPORT

<p>Concurrence: <input checked="" type="checkbox"/> I agree with the value conclusion in the appraisal report under review.</p> <p>Concurrence with reservation: <input type="checkbox"/> I agree with the value conclusion in the appraisal report under review, based on the extraordinary assumption that, for example, the property description in the report under review is accurate.</p> <p>Disagreement: <input type="checkbox"/> I disagree with the value conclusion in the appraisal report under review.</p> <p>Disagreement and provision of an alternative: <input type="checkbox"/> Reviewer may disagree with value conclusion of the appraisal report under review and provide an alternative value opinion presented as either a single number, a range of numbers, or a relationship to a benchmark amount.</p>	
Appraised value by review: \$64,000	Effective Date of Review: February 7, 2017



Reviewed by: _____
Jeffrey Teplitsky
 AZ Certified General Real Estate Appraiser: 30151
 Pima County Real Property Services
 Appraisal Supervisor

Date of Review Report: February 7, 2017

CERTIFICATION

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

- ✓ The statements of facts contained in this report are true and correct.
- ✓ The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- ✓ I have no present or prospective interest in the property that is the subject of the work under review and no personal interest with respect to the parties involved.
- ✓ I have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.
- ✓ I have no bias with respect to the property that is the subject of the work under review or to the parties involved with this assignment.
- ✓ My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ✓ My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
- ✓ My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
- ✓ My analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- ✓ I have **(X)** have not () made a personal inspection of the subject property of the work under review.
- ✓ No one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person signing this certification.
- ✓ The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
- ✓ The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- ✓ As of the date of this report, I, Jeffrey Teplitsky, have completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.



Signed: _____

Date of Review Report: February 7, 2017

Jeffrey Teplitsky
Arizona Certified General Real Estate Appraiser: No. 30151
Pima County Real Property Services
Appraisal Supervisor

LIMITING CONDITIONS

- ✓ Possession of this review does not carry with it the right of publication.
- ✓ This review is intended for the internal use of Pima County. This review shall not be disseminated through advertising, public relations, news, sales, or other media. However, the contents of the review can be acquired by a member of the public upon request if the purpose is not –for- profit.
- ✓ This review constitutes a limited assignment and should not be construed as an appraisal of the subject property.
- ✓ The analyses, opinions, and conclusions in this review report are based solely on the data, analyses, and conclusions contained in the appraisal report under review. It is assumed that the data is representative of existing market data. No attempt, unless otherwise stated, has been made to obtain additional market data for this review.
- ✓ Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the reviewer become aware of such during the review. The reviewer, however, is not qualified to test such substances or conditions.

If the presence of such substances, such as asbestos, Urea-Formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it 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.

- ✓ *Americans with Disabilities Act of 1990.* The ADA became effective on January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA.

It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA.

- ✓ All analyses and conclusions expressed by the reviewer are limited by the scope of the review process as defined herein.