

PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING

Appraisal Service, Litigation Support, Counseling
Voice & Fax (520) 325-6512
Email pdhend@cox.net

COVER PAGE

APPRAISAL REPORT

**An Opinion of Site Value, Located at the
northwest corner of Alvernon Way and Farr Place
Pima County, Arizona, 85716**

As Of September 25, 2017

**Owner: Pima County
Tax Parcel: 111-04-097D
Sec. 28, T13S, R14E**

Prepared For Use By
**Pima County
201 N. Stone Avenue, Floor 6,
Tucson, Arizona 85701-1215
Attention: Mr. Jeffrey Teplitsky
Real Property Appraisal Supervisor**

Appraisal Prepared By

**PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING
Paul D. Hendricks, MAI
Arizona Certified General Real Estate Appraiser 30197**

Assignment Reference 20171052
Appraisal Report Completed November 16, 2017

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Letter of Transmittal

November 16, 2017

Mr. Jeffrey Teplitsky
Real Property Appraisal Supervisor
Pima County
201 N. Stone Avenue, 6th Floor
Tucson, AZ 85701-1215

Re: Estimate of market value of the site on the northwest corner of Alvernon and Farr Pl.,
Pima County, Arizona.

In response to your request I have completed an analysis of the above referenced property; this letter of transmittal is part of that appraisal report. This is an appraisal report conforming to Uniform Standards of Professional Appraisal Practice (USPAP) and Pima County appraisal guidelines.

Problem Identification: The purpose of the appraisal is to opine value of the site, the intended use is for potential disposition. Effective date of the appraisal is September 25, 2017, the date of site visit.

Relevant subject characteristics: Subject site size is indicated to total 13,343sf (.306 acres), zoned MU, rectangular in shape, formerly improved and thus leveled; it is located on the northwest corner of Alvernon Way and Farr Place; Alvernon is considered to be a major arterial.

Assignment Conditions: This is a revised-new appraisal of my former appraisal of the site on the northwest corner of Alvernon and Farr Pl. to Hardy Dr (SWC) totaling 18,957sf, effective date September 25, 2017 (my reference #20171047). Portions of that report that have not changed significantly (scope including purpose, intended use, interest appraised, market value definition, exposure period, property ownership and sales history neighborhood (market area) analysis, portions of site description, valuation methodology, site exhibits, limiting conditions and assumptions etc.) are incorporated by reference. The subject site reportedly has been previously developed; no environmental assessment was available for analysis; it is an extraordinary assumption that there are no detrimental environmental conditions related to the site. The extraordinary assumption may affect assignment results. Additionally, please see standard limiting conditions in the appendix.

My opinion of subject market value, subject to all conditions and assumptions, as of September 25, 2017, is \$77,400.

Please call if you have any questions regarding the following appraisal report. Thank you for the opportunity to be of service.

Sincerely,



Paul D. Hendricks, MAI
Arizona Certified General Real Estate Appraiser 30197

TABLE OF CONTENTS

COVER PAGE 1
Letter of Transmittal 2
TABLE OF CONTENTS..... 3
PREFACE & SUMMARY 3
PROPERTY IDENTIFICATION 4
EFFECTIVE DATE OF APPRAISAL, REPORT DATE 4
SITE DESCRIPTION 4
HIGHEST AND BEST USE 4
Site Value Analysis..... 5
STATEMENT AND CERTIFICATION OF APPRAISER 9

PREFACE & SUMMARY

APPRAISAL REFERENCE: 20171052 Alvernon-Farr 2

PROBLEM IDENTIFICATION: The following 7 parameters are considered, client, intended users, intended use, type of opinion, effective date, relevant subject characteristics and assignment conditions:

CLIENT: Pima County, Real Estate Division
Attn: Mr. Jeffrey Teplitsky, Real Property Appraisal Supervisor.

APPRAISER: Paul D. Hendricks, MAI
Arizona Certified General Real Estate Appraiser 30197

PURPOSE, INTENDED USE: The purpose of the appraisal is to opine market value; the intended use is for potential disposition.

INTENDED USERS: Our client, Pima County is the only intended user; however, it is understood that following review and acceptance of this report by client, this report will become public information

SUBJECT CHARACTERISTICS: The site is located on the northwest corner of Alvernon Way and Farr Place; Alvernon is considered to be a major arterial. It is irregular in shape due a remnant northern portion of the site left after Alvernon Way expansion.

SITE SIZE: 13,343sf (.306 acres) per assessor’s record.

ZONING: MU, Pima County Multiple Use Zone

TAX CODE: 111-04-097D

INTEREST CONSIDERED: Fee simple

EFFECTIVE DATE OF VALUATION: September 25, 2017; Date of Site Visit.

DATE OF APPRAISAL REPORT: November 16, 2017

TYPE OF APPRAISAL REPORT: Appraisal Report

OPINION OF VALUE: \$77,400

ASSIGNMENT CONDITIONS: Please note the extraordinary assumption noted in letter of transmittal; additionally note limiting conditions and assumptions contained in the appendix.

PROPERTY IDENTIFICATION

The site is known as 3305 N Alvernon Way, parcel 111-04-097D, the northwest corner of Alvernon Way and Farr Place; the legal description is summarized as Ptn of W70' Lot 4 block 8, Lohrum, Pima County, Arizona

EFFECTIVE DATE OF APPRAISAL, REPORT DATE

The effective date of the appraisal is September 25, 2017, the date of site visit. The transmittal date of the report is November 16, 2017.

SITE DESCRIPTION

Location: The northwest corner of Alvenon Way and Farr Place.

Site Size: 13,343sf per assessor's record.

Access: While there is frontage on Alvernon Way (17,022vpd), access is not permitted on Alvernon Way; while the site fronts on Hardy Drive, frontage is relatively narrow and there is a fire hydrant roughly mid-point in the frontage.

Visibility: Good; visibility due to frontage on Alvernon.

Shape: Rectangular; 69.32' frontage on Farr Place by 188.33' depth.

Site Analysis Conclusion: The subject site is a relatively small, rectangular parcel. It fronts on two streets but access is only permissible-reasonable on Farr Place; Alvernon is a traffic arterial that links the central city to lower foothills to the north. Utilities necessary for development are available in the area.

HIGHEST AND BEST USE

Highest and best use "as if vacant" is considered to be speculative or holding the site for future development when market conditions improve. In consideration of current zoning and surrounding property use a commercial/industrial use would be anticipated, likely development by an owner user. (Supportive highest and best use analysis is incorporated by reference).

Site Value Analysis

Comparable Site Sale Four

LOCATION: SWC Kleindale (3832 E) & Alvernon, Tucson, Arizona
LEGAL DESCRIPTION: W82.61' Lot 1 Lohrum, Pima County, Arizona
TAX CODE NUMBER: 111-04-002C
RECORDS: 7/26/2013 document 20131960639
SELLER: Hermitage Cat
BUYER: Cotlow Development III
SALE PRICE: \$96,000
TERMS: Cash
SITE SIZE: 15,269 square feet
PRICE PER SF: \$6.29
ZONING: MU, City of Tucson Multiple Use
COMMENTS: The site is at the corner of Alvernon (18,000vpd), however access is only available from Kleindale Road. The purchaser is now developing with a personal office-shop. Per FEMA 04019C1639L, the site is flood zone X.
CONFIRMED WITH: Costar 2799121, purchaser Dean Cotlow, 881-8180, 2015958, pdh



SITE SALES COMPOSITE MAP



Comparable Sales Analysis

Property Rights: each of the sales is similar to the subject being fee simple, no adjustment is necessary.

Conditions of Sale: each of the sales was considered to have average motivations or conditions of sale, no adjustment is necessary.

Market Conditions: The sales range from having occurred from July 2013 to August 2017; values were significantly eroded during the recent recession and while retail market conditions have been the first to show improvement, there is generally insufficient evidence of measurable price increase for most uses, an adjustment for market condition is not considered to be appropriate.

Location: the subject is in an area of transition from north-central mixed use district to a significant office-retail district in the lower foothills. Sales 1 and 3 are considered to be similar or offsetting, sale 2 is considered to be moderately inferior in location due to surrounding median home values and per-capita household incomes, it is adjusted upward; sale 4 is similar to the subject in location, not requiring adjustment.

Size; while smaller parcels typically sell for more on a per square foot basis all else being equal, the subject and comparable sales are all of below optimal size potentially reducing utility of the site for a number of uses, no adjustment purely for site size is considered to be necessary.

Zoning: the subject is of MU zoning offering more limited commercial use than sales 1-3, they are therefore adjusted downward; sale 4 is similar in zoning, not requiring adjustment.

Improvements: Sales 1, and 3 are adjusted downward for site improvements; sales 2 and 4 were not improved and therefore not adjusted.

Site Utility/Utilities: the subject has utilities necessary for development and average site utility; the comparables are all similar, not requiring adjustment.

Access/Visibility: the subject is located at a minor corner with an arterial (Alvernon Way); visibility and access is considered to be average to good; the sales are generally considered to be similar, not requiring adjustment, sale 1 is adjusted upward for being on a collector street with lower traffic visibility.

Conclusion: Sales 1 and 3 receive minor net downward physical adjustment, sale 2 receives net upward adjustment due to location; sale 4 is very similar to the subject, requiring no adjustment. Sale 4 is given emphasis for significant similarity, requiring no adjustment. With emphasis as indicated, a subject value at \$5.80/sf, approximately \$77,400 is considered reasonable.

Greater detail concerning the comparable sales and their adjustment when compared to the subject site is available on the following grid:

SITE SALES COMPARISON SUMMARY					
Comparable	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Location	NWC Alvernon & Farr	3100 E Columbia	1406 S 6th Ave	3555 S Palo Verde	SWC Alvernon & Kleindale
Tax ID Number	111-04-097D	132-23-190	118-12-251	132-04-1530	111-04-002c
Sales Data					
Date of Sale	N/A	Aug-17	Mar-17	Jun-16	Jul-13
Sales Price	N/A	\$156,600	\$46,500	\$145,000	\$96,000
Site Size (sf)	13,343	21,402	16,520	26,250	15,269
Price per SF	N/A	\$7.32	\$2.81	\$5.52	\$6.29
Property Rights (Interest)	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Interest adjustment	0%	0%	0%	0%	0%
Financing	Cash	Cash	Cash	Cash	Cash
Cash Equivalent Price	N/A	\$156,600	\$46,500	\$145,000	\$96,000
Conditions of Sale	Average	Average	Average	Average	Average
Condition Adjustment	0%	0%	0%	0%	0%
Market Condition (Time)	N/A	Aug-17	Mar-17	Jun-16	Jul-13
Market Conditions Adj.	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted price per SF	N/A	\$7.32	\$2.81	\$5.52	\$6.29
Physical Characteristics					
Location	Average	Offsetting	Inferior	Offsetting	Similar
Size	13,343	21,402	16,520	26,250	15,269
Zoning	MU	CI-2	C-3	CI-2	MU
Improvements	Nil	Fence	None	Sign, Fence	None
Site Utility/Utilities	Average	Similar	Similar	Similar	Similar
Access/Visibility	Avg/Good	Inferior	Similar	Similar	Similar
Adjustments					
Location	0.0%	0.0%	15.0%	0.0%	0.0%
Size	0.0%	0.0%	0.0%	0.0%	0.0%
Zoning	0.0%	-5.0%	-5.0%	-5.0%	0.0%
Improvements	0.0%	-2.5%	0.0%	-2.5%	0.0%
Site Utility/Utilities	0.0%	0.0%	0.0%	0.0%	0.0%
Access/Visibility	0.0%	5.0%	0.0%	0.0%	0.0%
Net Physical Adjustments	Same	Downward	Upward	Downward	Similar
Net Adjustment (Overall)	0.0%	-2.5%	10.0%	-7.5%	0.0%
Adjusted Comp Price/sf		\$7.13	\$3.10	\$5.11	\$6.29
Subject Value (\$/SF)	\$5.80				
Subject Value Opinion	\$77,400				

STATEMENT AND CERTIFICATION OF APPRAISER

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

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

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

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

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

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

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.

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. (C.S.R.1-1)

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

No one provided significant professional appraisal assistance to the person signing this report.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.(C.S.R.1-2).

As of the date of this report, I have completed the continuing education program of the Appraisal Institute (C.S.R.1-3).

I appraised the site as part of a larger parcel with an additional strip of land to the north within the prior 3 years.

I am competent to complete the appraisal.

If this report is in any way disassembled, reproduced, altered, or used in any other capacity than that made known to the appraiser at the time of the request and stated herein, the appraiser is not responsible for this report and it is invalid.

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Paul D. Hendricks, MAI
Arizona Certified General Real Estate Appraiser 30197

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PLAT MAP
ASSESSOR'S RECORD MAP
BLOCK 8, LOHRUM ADDITION

III - 04
9 / 16

