




MEMORANDUM

Date: May 14, 2018

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: Jan Leshar 
Chief Deputy
County Administrator

Re: **Board of Supervisors May 15, 2018 Consent Agenda Item 15 – Real Property**

Pima County Real Property Services received the attached letter from Valbridge Property Advisors in response to Supervisor Ally Miller's questions regarding the appraisal of the Golden Pin Lanes property.

The letter explains that there were not two appraisals of the property but notes that a typographical error in the letter of transmittal was inconsistent with the value conclusion indicated by the sales comparison, which was also restated in the reconciliation section of the report.

The letter further notes that there was not an "asbestos study" done on the property in April 2017 but the attachment to which she refers is an Asbestos NESHAP Activity Permit Application and Notification of Demolition & Renovation. It is not an asbestos study or similar environmental report. The permit notes that asbestos was present and serves as a request to remove such between May 2, 2017 and May 5, 2017.

In addition, the letter addresses Supervisor Miller's questions about concerns related to the sewer connection for appraisal purposes, stating that there were no apparent detrimental issues related to the sewer connection of the property at the time of inspection.

For purposes of comparison, in June 2003, the City of Tucson paid \$6,450,000 for the property slightly west of the Golden Pin property. The building at the time totaled 116,815 square feet and was bought in the "as is" condition. Subsequently, the City used the location to build a new Tucson Police Department substation.

CHH/mp

Attachments

c: Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Neil Konigsberg, Manager, Real Property Services



6061 E. Grant Road
Suite 121
Tucson, AZ 85712
520-321-0000 phone
520-290-5293 fax
valbridge.com

Date: May 14, 2018

Mr. Jeff Teplitsky
Appraisal Supervisor
Pima County Real Property Services
201 N Stone Avenue, Floor 6
Tucson, AZ 85701

Sent by e-mail: Jeffrey.Teplitsky@pima.gov

RE: Appraisal Report – December 29, 2017 effective date of value
Golden Pin Lanes Property
1010 W Miracle Mile
Tucson, Pima County, Arizona 85705
Valbridge | MJN Job # AZ01-17-C-204

Dear Mr. Teplitsky:

Last week I received a letter via certified mail from Pima County Supervisor Ally Miller that is related to the appraisal report referenced above. Because Pima County Real Property Services was our client for this assignment and Supervisor Miller was not, I am sending my response to the letter directly to you with the hope that you can relate the facts of the matter to her, the other supervisors and all others with an interest in this appraisal. I have attached a copy of Supervisor Miller's letter and its attachment to this letter.

First and foremost, I want to refute Supervisor Miller's mistaken assertion that Valbridge Property Advisors completed two appraisals of the property. One appraisal was completed and it reflected an "as is" market value of the real estate only of \$2,200,000 as of December 29, 2017. The final report was issued on January 17, 2018. The confusion appears to have resulted from the first draft appraisal report issued on January 11, 2018 that indicated in the letter of transmittal a "total property as is" market value of \$2,000,000 as of December 29, 2017. This reported conclusion was in fact a typographical error that was questioned by you via an email sent later that same day. You pointed out that the property value stated on the letter of transmittal (\$2,000,000) was inconsistent with the value conclusion indicated by the

Mr. Jeffrey Teplitsky
May 14, 2018

sales comparison approach (\$2,200,000) which was also restated in the reconciliation section of the report. I emailed a corrected draft report to you later that same day. On January 17, 2018, I issued the final report, which should be considered the single appraisal report that I prepared for the property. The two draft reports do not constitute separate appraisal reports of the subject property. My hope is that you can inform Supervisor Miller and others that this is standard practice regarding the delivery and review of appraisal reports and does not constitute multiple appraisals.

Supervisor Miller also requested my response to the "asbestos study that was done on this property in April 18, 2017." The attached exhibit sent by Supervisor Miller is an Asbestos NESHAP Activity Permit Application and Notification of Demolition & Renovation and not an asbestos study or similar environmental report. It notes that asbestos is present and is a request for a permit to remove 554 square feet of regulated asbestos containing materials (RACMs) between May 2, 2017 and May 5, 2017. I was not provided with an environmental report addressing asbestos or other potentially hazardous materials that may or may not be present in the building or on the site and assumed that there were no significant issues in this regard. This issue was addressed by the General Assumptions and Limiting Conditions, item 29, stated on page 64 of the appraisal and copied below.

Unless otherwise stated in this report, the existence of hazardous material was not observed by the appraiser and the appraiser has no 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 asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value conclusion 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 for discovery. The client is urged to retain an expert in this field, if desired.

Finally, Supervisor Miller has noted that "there was some activity related to the sewer connection on this property" and questions whether there were any "notations of concern related to the sewer connection for appraisal purposes?" Researching sewer connection activity is not customarily part of the scope of work considered for an improved property such as the subject that was clearly open for business and operating as of the effective date of value. I had no knowledge of any detrimental issues related to the sewer connection of the property and none were apparent at the time I inspected the property.

Mr. Jeffrey Teplitsky
May 14, 2018

My hope is that this letter will assist Pima County Real Property Services in informing the Pima County Board of Supervisors and all others of the facts surrounding our recent appraisal of the Golden Pin Lanes property.

Respectfully submitted,

VALBRIDGE PROPERTY ADVISORS | TUCSON



By _____

Craig W. Johnson, MAI
Managing Director
Certified General Real Estate Appraiser
State of Arizona, Certificate #30236



PIMA COUNTY BOARD OF SUPERVISORS
130 WEST CONGRESS STREET, 11TH FLOOR
TUCSON, AZ 85701-1317
(520)724-2738

ALLY MILLER
SUPERVISOR, DISTRICT 1

VIA CERTIFIED / RETURN RECEIPT

May 9, 2018

Mr. Craig Johnson
Valbridge Property Appraisers
6061 E. Grant Road
Suite 121
Tucson, AZ 85712

Re: Golden Pin Lanes Property Appraisals

Dear Mr. Johnson:

I am writing to request a response from you related to the asbestos study that was done on this property in April 18, 2017. I am attaching the analysis that was conducted by Desert Analytical on March 30, 2017. I did not find any mention of the presence of asbestos when I reviewed the appraisal and wanted to ensure that you were aware of this report. Did you consider the positive testing for asbestos when you prepared your appraisals for Pima County dated December 29, 2017?

In addition, I had a question regarding why there were two different appraised values transmitted to Pima County. One appraisal was transmitted on January 11, 2018 for \$2,000,000; the second appraisal was transmitted on January 17, 2018 for \$2,200,000. Please explain the differences in the two appraisals.

Finally, we note there was some activity related to the sewer connection on this property. Were there any notations of concern related to the sewer connection for appraisal purposes? As you know, the Board of Supervisors will be considering this item on a May 15, 2018 agenda, so it is critical that we get this information prior to that date.

Do not hesitate to call me if you require further information. Thank you for your assistance with this matter.

Sincerely,

A handwritten signature in black ink that reads "Ally Miller".

Ally Miller
Supervisor – District 1

Attachment (1) – Asbestos Activity Report

R-7-ANCO 8



PIMA COUNTY

ENVIRONMENTAL QUALITY

33 N. STONE AVENUE, SUITE 700, TUCSON, AZ 85701
 Phone: (520) 724-7400 Fax: (520) 838-7432
 Email: Air.Notices@pima.gov
www.pima.gov/deq

ASBESTOS NESHAP ACTIVITY PERMIT APPLICATION AND NOTIFICATION OF DEMOLITION & RENOVATION

THIS LINE FOR REGULATORY AGENCY USE ONLY:	POSTMARK () HAND-DELIVERY ()	SUBMITTAL DATE: 4/18/17	PERMIT #
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1. TYPE OF NOTIFICATION ORIGINAL; REVISION # _____; CANCELLATION; COURTESY

2. TYPE OF OPERATION: Renovation; Emergency Renovation; Demolition; Ordered Demolition; Annual Non-Scheduled OPS

3. FACILITY OWNER INFORMATION

Name of Company Or Individual: Golden Pins LLC

Address: 1010 W. Miracle Mile

City: Tucson State: AZ Zip: 85705

Contact Person: Caryn Bustos Telephone: 520-888-4272 Email:

4. FACILITY DESCRIPTION (Attach site location map for multiple structures at one street address or installation)

Building or Facility Name: Golden Pins LLC Visible Signage:

Street Address: 1010 W. Miracle Mile Identifying Features:

City: Tucson County: PIMA State: AZ Zip: 85705

Building Size in Floor Area (Sq. Ft.): Number Of Floors Affected: 01 Age Of Facility in Years:

If Residential, Number Of Dwelling Units: Present Use: Commercial Prior Use: Commercial

5a. ASBESTOS REMOVAL CONTRACTOR / OPERATOR: SOUTHWEST HAZARD CONTROL INC

Address: 1953 W GRANT RD

City: TUCSON State: ARIZONA Zip: 85746

Contact Person: Stan Maxam Telephone: 520-822-3607 Email: SMaxam@swhaz.com

5b. DEMOLITION CONTRACTOR / OPERATOR:

Address: N/A

City: State: Zip:

Contact Person: Telephone: Email:

5c. OTHER CONTRACTOR / OPERATOR:

Address: N/A

City: State: Zip:

Contact Person: Telephone: Email:

6. IS ASBESTOS PRESENT? YES NO

DATE OF THOROUGH INSPECTION OF FACILITY, OR AFFECTED PART, BY AN ASBESTOS HAZARD EMERGENCY RESPONSE ACT (AHERA) CERTIFIED BUILDING INSPECTOR: 3/30/17

7. PROCEDURE, INCLUDING ANALYTICAL METHOD, TO DETECT THE PRESENCE OF RACM AND CATEGORY I AND CATEGORY II NONFRIABLE ACM: Polarized Light Microscopy [PLM]; Point Counting; Assumed; Other

NVLAP Laboratory Name: Desert Analytical Number Of Samples: 20 Date Analyzed: 3/31/17

8. APPROXIMATE AMOUNT OF ASBESTOS, INCLUDING: (RACM= Regulated Asbestos-Containing Material as defined in 40 CFR 61, Subpart M, Asbestos NESHAP §61.141)	AMOUNT OF RACM TO BE REMOVED OR GENERATED NOTE: Revise notice when amount of RACM changes more than 20%.	Amount of Nonfriable ACM To Be Removed		Amount of Nonfriable ACM Not To Be Removed Before Demo	
		CAT I	CAT II	CAT I	CAT II
On Facility Components; PIPES (LINEAR FEET)					
On Facility Components; SURFACE AREA (SQUARE FEET)	<u>554</u>	<u>280</u>			
Off Facility Components; VOLUME (CUBIC FEET)					

9. DATES FOR ASBESTOS REMOVAL:		START DATE: <u>5/2/17</u>	COMPLETION DATE: <u>5/5/17</u>
10. DATES FOR DEMOLITION/RENOVATION:		START DATE: <u> </u>	COMPLETION DATE: <u> </u>
11. DESCRIPTION OF PLANNED DEMOLITION / RENOVATION WORK: <input type="checkbox"/> Complete Demolition; <input type="checkbox"/> Partial Demolition; <input type="checkbox"/> Thermal System Insulation; <input checked="" type="checkbox"/> Ceiling Texture / Tiles; <input type="checkbox"/> Duct / Seam Tape; <input checked="" type="checkbox"/> Regulated Drywall System; <input type="checkbox"/> Asbestos-Containing Roof Removal <input type="checkbox"/> Asbestos Cement Pipe; <input type="checkbox"/> Asbestos Cement Shingles / Siding; <input checked="" type="checkbox"/> VAT / Mastic; <input type="checkbox"/> Asbestos Cement Siding; <input type="checkbox"/> ≥5580 sq ft w/rotating blade cut Other, please specify: _____			
REMOVAL METHODS: <input checked="" type="checkbox"/> Hand/Non-Mechanical Tools; <input checked="" type="checkbox"/> Mechanical/Power Tools; <input checked="" type="checkbox"/> Mastic Solvents; <input type="checkbox"/> Blast Trac™ Machine Other, please specify: _____			
12. DESCRIPTION OF WORK PRACTICES AND ENGINEERING CONTROLS TO BE USED TO PREVENT ASBESTOS EMISSIONS: <input checked="" type="checkbox"/> Adequately Wet; <input checked="" type="checkbox"/> Full Containment; <input checked="" type="checkbox"/> Critical Barriers; <input checked="" type="checkbox"/> Negative Air Machines, No. <u>2</u> of units to be used; <input type="checkbox"/> Glove-Bag; <input type="checkbox"/> Leak-Tight Wrap; <input checked="" type="checkbox"/> 6-mil Bags; <input type="checkbox"/> Mini-containment; <input checked="" type="checkbox"/> Decontamination Unit with Hot/Cold Water and Soap for OSHA Class I work; Other, Describe: _____			
13. DESCRIPTION OF PROCEDURES TO BE FOLLOWED IN THE EVENT THAT UNEXPECTED RACM IS FOUND OR CATEGORY II NONFRIABLE ACM BECOMES CRUMBLLED, PULVERIZED, OR REDUCED TO POWDER: <input checked="" type="checkbox"/> Stop Work; <input checked="" type="checkbox"/> Notify Owner; <input checked="" type="checkbox"/> Revise Notification; <input checked="" type="checkbox"/> Follow 40 CFR 61, §61.145(c) Procedures; <input checked="" type="checkbox"/> AHERA Certified Contractor/Supervisor On-site			
14. ASBESTOS WASTE TRANSPORTER:			
Company Name: <u>SOUTHWEST HAZARD CONTROL INC</u>			
Address: <u>1953 W GRANT RD</u>			
City: <u>TUCSON</u>	State: <u>ARIZONA</u>	Zip: <u>85745</u>	
Contact Person:	Telephone:	Email:	
15. ASBESTOS WASTE DISPOSAL SITE: <u>WASTE MGMT</u>			
Company Name: <u>MARANA REGIONAL LANDFILL</u>			
Address: <u>14608 W AVRA VALLEY ROAD</u>			
City: <u>MARANA</u>	State: <u>ARIZONA</u>	Zip: <u>85653</u>	
Contact Person: <u>TRACY DUNCAN</u>	Telephone: <u>520-329-8538</u>	Email:	
16. IF DEMOLITION IS ORDERED BY GOVERNMENT AGENCY (40 CFR 61, §61.145(A)(3)), ATTACH A COPY OF THE ORDER LETTER			
Name: <u>N/A</u>	Title:		
State or Local Government Agency:	Authority:		
Date of Order:	Date Demolition Ordered to Begin:		
17. FOR EMERGENCY RENOVATIONS (40 CFR 61, §61.145(a)(4)(v)) <u>N/A</u>			
Date and Hour of Emergency (MM/DD/YY-HH:MM): <u> </u>			
Description of the Sudden, Unexpected Event:			
Explanation of how the event caused unsafe conditions or would cause equipment damage or an unreasonable damage or an unreasonable financial burden:			
18. I CERTIFY THAT AT LEAST ONE AHERA CERTIFIED CONTRACTOR/SUPERVISOR WILL SUPERVISE THE STRIPPING AND REMOVAL OF RACM DESCRIBED IN THIS NOTIFICATION AND THAT THE TRAINING CERTIFICATE WILL BE POSTED OR READILY AVAILABLE ON-SITE			
<u>Milda Scott</u> (Print Name: Owner/Operator)	<u>Adm Mgr</u> (Title)	<u>[Signature]</u> (Signature of Owner/Operator)	<u>4/18/17</u> (Date)
19. CERTIFICATION OF INSPECTION BY AN AHERA CERTIFIED ASBESTOS BUILDING INSPECTOR:			
<u>Stan Maxam</u> (Print Name of Inspector)	<u>ETC</u> (Training Provider)	<u>08184342</u> (AHERA Certificate Number)	<u>12/13/17</u> (Expiration Date)
20. I CERTIFY THAT THE ABOVE INFORMATION IS CORRECT: Company Name: _____ Revision Date: _____			
<u>Milda Scott</u> (Print Name: Owner/Operator)	<u>Adm Mgr</u> (Title)	<u>[Signature]</u> (Signature of Owner/Operator)	<u>4/18/17</u> (Date)

Craig W. Johnson

From: Craig W. Johnson
Sent: Thursday, January 11, 2018 1:15 PM
To: Jeffrey Teplitsky
Subject: Golden Pin Lanes Appraisal
Attachments: AZ01-17-C-204 v1 Golden Pin Lanes Appraisal.pdf; VPA Invoice.pdf

Jeff,

Please find the appraisal and invoice attached.

Thank you!

Craig

CRAIG W. JOHNSON, MAI
Valbridge Property Advisors | MJN Enterprises, Inc.
6061 E. Grant Road
Tucson, AZ 85712
office: 520-321-0000, ext. 6
cell: 520-909-4794
fax: 520-290-5293



Craig W. Johnson

From: Craig W. Johnson
Sent: Thursday, January 11, 2018 4:21 PM
To: 'Jeffrey Teplitsky'
Subject: RE: Golden Pin Draft
Attachments: AZ01-17-C-204 v1 Golden Pin Lanes Appraisal.pdf

Hope it is okay to send you a revised one with no other changes. Sorry about that.

From: Jeffrey Teplitsky [mailto:Jeffrey.Teplitsky@pima.gov]
Sent: Thursday, January 11, 2018 3:46 PM
To: Craig W. Johnson <cjohnson@valbridge.com>
Subject: Golden Pin Draft

Craig:

A cursory glance at the draft indicates that the value is stated at \$40 per sf in letter of transmittal and \$44 per sf at the end of the sales comparison approach. It reads as if you meant the \$44 not \$40. Please clarify. Thanks

*Jeffrey Teplitsky - Appraisal Supervisor
Pima County Real Property Services
Arizona Certified General Real Estate Appraiser #30151*

*201 North Stone Avenue, Sixth Floor
Tucson, Arizona 85701
520-724-6306
Jeffrey.Teplitsky@pima.gov*

Craig W. Johnson

From: Craig W. Johnson
Sent: Wednesday, January 17, 2018 11:55 AM
To: Jeffrey Teplitsky
Subject: Golden Pin Lanes Appraisal
Attachments: AZ01-17-C-204 v2 Golden Pin Lanes Appraisal.pdf

Jeff,

The amended appraisal is attached. In addition to adding the reference to a governmental user in the summary of salient facts, I added new language to the remarks section of Sale 2 (Prince/Oracle) and also to the physical characteristics adjustment. Based on the lack of HVAC, I decided to apply a 10% upward adjustment to Sale. This did not change my conclusion of as is market value for the subject property.

Please contact me with any questions or issues. Thank you!

Craig

CRAIG W. JOHNSON, MAI
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