



MEMORANDUM

Date: November 18, 2016

To: The Honorable Ally Miller, Member
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator 

Re: **Your November 18, 2016 Email Regarding Monsanto**

This memorandum is in response to the questions posed in your November 18, 2016 email correspondence regarding Monsanto (Attachment 1). Your questions (Q), along with the responses (R), are provided below.

Q1: ***"In your analysis for year 5, did you assume current tax rates?"***

A1: Fiscal Year 2015/16 tax rates were used for the Year 5 analysis.

Q2: ***"What did you assume for the years 6 through 10? Was it simply escalated for purposes of analysis?"***

A2: Please see the attached Estimated Assessor Assessment Values and Property Taxes for Years 1 through 10 (Attachment 2).

Q3: ***"You stated in your previous memo that the valuation assumed was \$79 mil. Is that still the case?"***

A3: My October 21, 2016 memorandum to you discussed an estimated \$100 million capital investment, but it did not discuss valuation assumptions. The valuation assumptions are as shown at the top of each sheet included in Attachment 2.

Q4: ***"Are you assuming the valuation remains flat through the term of lease?"***

A4: The analysis is based on the valuation of the real property land and improvements remaining constant during Years 1 through 10 of the FTZ agreement and after expiration of the agreement. The analysis does not include inflation adjustments, nor does it include real estate appreciation or depreciation.

Q5: ***"What assumptions did you make for years 1 through 4? ie. Tax rates and valuation?"***

A5: Please see Attachment 2.

Please contact me if you would like additional information regarding this subject.

CHH/mjk
Attachments

c: The Honorable Chair and Members, Pima County Board of Supervisors

ATTACHMENT 1

From: [Ally Miller](#)
To: [Chuck Huckelberry](#)
Cc: [Shirley Lamonna](#); [Monique Harley](#); [Sherry Potter](#)
Subject: Questions Re: Monsanto
Date: Friday, November 18, 2016 8:34:06 AM

Mr. Huckelberry,

In your analysis for year 5 , did you assume current tax rates? What did you assume for the years 6 through 10? Was it simply escalated for purposes of analysis? You stated in your previous memo that the valuation assumed was \$79 mil. Is that still the case? Are you assuming the valuation remains flat through the term of lease? What assumptions did you make for years 1through 4? ie. Tax rates and valuation? In the discussion with Monsanto, they stated they wanted the facility fully operational by year 2. They did state that was a very optimistic schedule.

I assume someone has put together an analysis of this deal in excel. That would be very helpful if I could have that analysis in excel format.

Thanks for your assistance.

Regards,

Ally

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ATTACHMENT 2

ESTIMATED ASSESSOR ASSESSMENT VALUE AND PROPERTY TAXES - YEAR 1

	Legislative Class 1 Commercial Property	Legislative Class 2 Agricultural Property (Qualified Ag Property)	Legislative Class 6.2 Foreign Trade Zone Property
Capital Expenditures			
Land Acquisition (155 acres @ \$22,580 per acre)	\$94,600,000	\$94,600,000	\$94,600,000
Site Preparation & Utilities	\$3,500,000	\$3,500,000	\$3,500,000
Architectural & Design Costs (7% of Capex)	\$15,100,000	\$15,100,000	\$15,100,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$0	\$0	\$0
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$0	\$0	\$0
Total Land, Design, Preparation & Improvements	\$48,500,000	\$48,500,000	\$48,500,000
Estimated Business Personal Property	\$85,300,000	\$85,300,000	\$85,300,000
	\$9,300,000	\$9,300,000	\$9,300,000

Assessor Assessment Value

Real Property			
Land (8 acres)	\$3,500,000	\$155,000	\$3,500,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$0
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,000
Total Real Property Land & Improvements	\$70,200,000	\$66,855,000	\$70,200,000
Assessor Rule B For Taxable Limited Value Versus Full Cash Value (2016 Ratio)	0.937	0.958	0.941
Equals: Real Property Tax Assessment Limited Value	\$65,777,400	\$64,047,090	\$66,058,200
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Real Property Assessed Value	\$11,839,932	\$9,607,064	\$3,302,910
Less: Real Property Exemptions	\$0	\$0	\$0
Equals: Real Property Net Assessed Value	\$11,839,932	\$9,607,064	\$3,302,910

Business Personal Property

Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000
Company Business Property Exemption (2016 exemption amount)	\$152,926	\$152,926	\$152,926
Estimated Business Personal Property, net of company exemption	\$9,147,074	\$9,147,074	\$9,147,074
Estimated Business Personal Property Useful Life	10 Years	10 Years	10 Years
10-Year Useful Life Personal Property Valuation Factor for Year 1			
Property Qualifies for Additional Depreciation	22.50%	22.50%	
Property Does Not Qualify for Additional Depreciation			90.00%
Assessor Full Cash Value For Business Personal Property	\$2,058,091.65	\$2,058,091.65	\$8,232,366.60
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Business Personal Property Assessed Value	\$370,456	\$308,714	\$411,618
Less: Business Personal Property Property Exemptions	\$0	\$0	\$0
Equals: Business Personal Property Net Assessed Value	\$370,456	\$308,714	\$411,618

Total Taxable Value Of Real Property & Business Personal Property	\$12,210,388	\$9,915,778	\$3,714,528
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Assessor Tax Area Code For Subject Property Site	0603	0603	0603
Total State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	\$14.3645	\$14.3645	\$14.3645

TAX YEAR 2015 PROPERTY TAX BY JURISDICTION

PIMA COUNTY PRIMARY & DEBT SERVICE (\$5.0877)	\$621,227.91	\$504,485.04	\$188,984.04
STATE SCHOOL EQUALIZATION PRIMARY (\$0.5054)	61,711.30	50,114.34	18,773.23
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY (\$6.3370)	773,772.29	628,362.86	235,389.64
PIMA COMMUNITY COLLEGE PRIMARY (\$1.3689)	167,148.00	135,737.09	50,848.17
JOINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500)	6,105.20	4,957.89	1,857.27
CENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400)	17,094.54	13,882.09	5,200.34
PIMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135)	37,118.19	30,118.15	10,354.62
PIMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)	62,920.13	51,096.00	19,140.97
FIRE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	5,702.25	4,630.67	1,734.69
TOTAL PROPERTY TAXES	\$1,752,799.81	\$1,423,384.13	\$532,282.97

PAYMENT IN LIEU OF TAXES FOR SCHOOL DISTRICTS - FTZ DESIGNATION VERSUS

	CLASS 1	CLASS 2
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY	\$538,382.65	\$392,973.22
PIMA COMMUNITY COLLEGE PRIMARY	\$116,299.83	\$84,888.92

Assumptions:

- Actual allocation of \$100 million capital expenditure budget is unknown. Amounts presented are illustrative of how local assessor may determine assessment value for project property based on Arizona statutes. Land that qualifies as Agricultural Property will be valued by the Income approach pursuant to A.R.S. Title 42, Chapter 13, Article 3, which would have a lower value than land used for Legislative Class 1 or 6.2 purposes.
- Legislative Class 1 Commercial and Legislative Class 2 Agricultural Business Personal Property qualify for additional depreciation reduction under current statutes. Legislative Class 6.2 Foreign Trade Zone Business Personal Property does not qualify for additional depreciation under current statutes.
- Assessor will likely apply Rule B in determining Year 1 Taxable Limited Value of property when significant change in use occurs. In future years, Taxable Limited Value cannot increase by more than 5% above prior year Limited Value and cannot exceed property's Full Cash Value.

ESTIMATED ASSESSOR ASSESSMENT VALUE AND PROPERTY TAXES - YEAR 2

	Legislative Class 1 Commercial Property	Legislative Class 2 Agricultural Property (Qualified Ag Property)	Legislative Class 6.2 Foreign Trade Zone Property
Capital Expenditures	\$94,600,000	\$94,600,000	\$94,600,000
Land Acquisition (8 acres @ \$30,000 per acre)	\$3,500,000	\$3,500,000	\$3,500,000
Site Preparation & Utilities	\$15,100,000	\$15,100,000	\$15,100,000
Architectural & Design Costs (7% of Capex)	\$0	\$0	\$0
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$0
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,000
Total Land, Design, Preparation & Improvements	\$85,300,000	\$85,300,000	\$85,300,000
Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000

Assessor Assessment Value

Real Property			
Land (8 acres)	\$3,500,000	\$155,000	\$3,500,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$0
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,000
Total Real Property Land & Improvements	\$70,200,000	\$66,855,000	\$70,200,000
Taxable Limited Value Relative To Full Cash Value (Max 5% Increase from prior year)	0.984	1.000	0.988
Equals: Real Property Tax Assessment Limited Value	\$69,066,270	\$66,855,000	\$69,361,110
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Real Property Assessed Value	\$12,431,929	\$10,028,250	\$3,468,056
Less: Real Property Exemptions	\$0	\$0	\$0
Equals: Real Property Net Assessed Value	\$12,431,929	\$10,028,250	\$3,468,056

Business Personal Property

Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000
Company Business Property Exemption (2016 exemption amount)	\$152,926	\$152,926	\$152,926
Estimated Business Personal Property, net of company exemption	\$9,147,074	\$9,147,074	\$9,147,074
Estimated Business Personal Property Useful Life	10 Years	10 Years	10 Years
10-Year Useful Life Personal Property Valuation Factor for Year 2			
Property Qualifies for Additional Depreciation	33.20%	33.20%	
Property Does Not Qualify for Additional Depreciation			81.00%
Assessor Full Cash Value For Business Personal Property	\$3,036,828.57	\$3,036,828.57	\$7,409,129.94
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Business Personal Property Assessed Value	\$546,629	\$455,524	\$370,456
Less: Business Personal Property Property Exemptions	\$0	\$0	\$0
Equals: Business Personal Property Net Assessed Value	\$546,629	\$455,524	\$370,456

Total Taxable Value Of Real Property & Business Personal Property	\$12,978,558	\$10,483,774	\$3,838,512
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Assessor Tax Area Code For Subject Property Site	0603	0603	0603
Total State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	\$14.3645	\$14.3645	\$14.3645

TAX YEAR 2015 PROPERTY TAX BY JURISDICTION

PIMA COUNTY PRIMARY & DEBT SERVICE (\$5.0877)	\$660,310.07	\$533,382.97	\$195,291.95
STATE SCHOOL EQUALIZATION PRIMARY (\$0.5054)	65,593.63	52,985.00	19,399.83
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY (\$6.3370)	822,451.20	664,356.76	243,246.48
PIMA COMMUNITY COLLEGE PRIMARY (\$1.3689)	177,663.47	143,512.38	52,545.38
JOINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500)	6,489.27	5,241.89	1,919.26
CENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400)	18,169.98	14,677.28	5,373.92
PIMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135)	38,974.10	31,438.56	10,872.35
PIMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)	66,878.51	54,022.89	19,779.85
FIRE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	6,060.99	4,895.92	1,792.58
TOTAL PROPERTY TAXES	\$1,862,591.22	\$1,504,513.65	\$550,221.60

PAYMENT IN LIEU OF TAXES FOR SCHOOL DISTRICTS - FTZ DESIGNATION VERSUS

	CLASS 1	CLASS 2
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY	\$579,204.72	\$421,110.28
PIMA COMMUNITY COLLEGE PRIMARY	\$125,118.09	\$90,967.00

Assumptions:

- Actual allocation of \$100 million capital expenditure budget is unknown. Amounts presented are illustrative of how local assessor may determine assessment value for project property based on Arizona statutes. Land that qualifies as Agricultural Property will be valued by the income approach pursuant to A.R.S. Title 42, Chapter 13, Article 3, which would have a lower value than land used for Legislative Class 1 or 6.2 purposes.
- Legislative Class 1 Commercial and Legislative Class 2 Agricultural Business Personal Property qualify for additional depreciation reduction under current statutes. Legislative Class 6.2 Foreign Trade Zone Business Personal Property does not qualify for additional depreciation under current statutes.
- Assessor will likely apply Rule B in determining Year 1 Taxable Limited Value of property when significant change in use occurs. In future years, Taxable Limited Value cannot increase by more than 5% above prior year Limited Value and cannot exceed property's Full Cash Value.

ESTIMATED ASSESSOR ASSESSMENT VALUE AND PROPERTY TAXES - YEAR 3

	Legislative Class 1 Commercial Property	Legislative Class 2 Agricultural Property (Qualified Ag Property)	Legislative Class 6.2 Foreign Trade Zone Property
Capital Expenditures			
Land Acquisition (8 acres @ \$30,000 per acre)	\$94,600,000	\$94,600,000	\$94,600,000
Site Preparation & Utilities	\$3,500,000	\$3,500,000	\$3,500,000
Architectural & Design Costs (7% of Capex)	\$15,100,000	\$15,100,000	\$15,100,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$0	\$0	\$0
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$0	\$0	\$0
Total Land, Design, Preparation & Improvements	\$48,500,000	\$48,500,000	\$48,500,000
Estimated Business Personal Property	\$85,300,000	\$85,300,000	\$85,300,000
	\$9,300,000	\$9,300,000	\$9,300,000

Assessor Assessment Value			
Real Property			
Land (8 acres)	\$3,500,000	\$155,000	\$3,500,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$0
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,000
Total Real Property Land & Improvements	\$70,200,000	\$66,855,000	\$70,200,000
Taxable Limited Value Relative To Full Cash Value (Max 5% Increase from prior year)	1.000	1.000	1.000
Equals: Real Property Tax Assessment Limited Value	\$70,200,000	\$66,855,000	\$70,200,000
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Real Property Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000
Less: Real Property Exemptions	\$0	\$0	\$0
Equals: Real Property Net Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000

Business Personal Property			
Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000
Company Business Property Exemption (2016 exemption amount)	\$152,926	\$152,926	\$152,926
Estimated Business Personal Property, net of company exemption	\$9,147,074	\$9,147,074	\$9,147,074
Estimated Business Personal Property Useful Life	10 Years	10 Years	10 Years
10-Year Useful Life Personal Property Valuation Factor for Year 3			
Property Qualifies for Additional Depreciation	41.00%	41.00%	
Property Does Not Qualify for Additional Depreciation			72.00%
Assessor Full Cash Value For Business Personal Property	\$3,750,300.34	\$3,750,300.34	\$6,585,893.28
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Business Personal Property Assessed Value	\$675,054	\$562,545	\$329,295
Less: Business Personal Property Property Exemptions	\$0	\$0	\$0
Equals: Business Personal Property Net Assessed Value	\$675,054	\$562,545	\$329,295

Total Taxable Value Of Real Property & Business Personal Property	\$13,311,054	\$10,590,795	\$3,839,295
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Assessor Tax Area Code For Subject Property Site	0603	0603	0603
Total State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	\$14.3645	\$14.3645	\$14.3645

TAX YEAR 2015 PROPERTY TAX BY JURISDICTION			
PIMA COUNTY PRIMARY & DEBT SERVICE (\$5.0877)	\$677,226.49	\$538,827.88	\$195,331.81
STATE SCHOOL EQUALIZATION PRIMARY (\$0.5054)	67,274.06	53,525.88	19,403.80
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY (\$6.3370)	843,521.49	671,138.68	243,296.12
PIMA COMMUNITY COLLEGE PRIMARY (\$1.3689)	182,215.01	144,977.39	52,556.11
JOINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500)	6,655.53	5,295.50	1,919.65
CENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400)	18,635.48	14,827.11	5,375.01
PIMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135)	39,613.86	31,438.56	11,003.85
PIMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)	68,591.86	54,574.36	19,783.89
FIRE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	6,216.26	4,945.90	1,792.95
TOTAL PROPERTY TAXES	\$1,909,950.04	\$1,519,551.16	\$550,463.19

PAYMENT IN LIEU OF TAXES FOR SCHOOL DISTRICTS - FTZ DESIGNATION VERSUS	CLASS 1	CLASS 2
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY	\$600,225.37	\$427,842.56
PIMA COMMUNITY COLLEGE PRIMARY	\$129,658.90	\$92,421.28

Assumptions:

- Actual allocation of \$100 million capital expenditure budget is unknown. Amounts presented are illustrative of how local assessor may determine assessment value for project property based on Arizona statutes. Land that qualifies as Agricultural Property will be valued by the Income approach pursuant to A.R.S. Title 42, Chapter 13, Article 3, which would have a lower value than land used for Legislative Class 1 or 6.2 purposes.
- Legislative Class 1 Commercial and Legislative Class 2 Agricultural Business Personal Property qualify for additional depreciation reduction under current statutes. Legislative Class 6.2 Foreign Trade Zone Business Personal Property does not qualify for additional depreciation under current statutes.
- Assessor will likely apply Rule B in determining Year 1 Taxable Limited Value of property when significant change in use occurs. In future years, Taxable Limited Value cannot increase by more than 5% above prior year Limited Value and cannot exceed property's Full Cash Value.

ESTIMATED ASSESSOR ASSESSMENT VALUE AND PROPERTY TAXES - YEAR 4

	Legislative Class 1 Commercial Property	Legislative Class 2 Agricultural Property (Qualified Ag Property)	Legislative Class 6.2 Foreign Trade Zone Property
Capital Expenditures			
Land Acquisition (8 acres @ \$30,000 per acre)	\$94,600,000	\$94,600,000	\$94,600,000
Site Preparation & Utilities	\$3,500,000	\$3,500,000	\$3,500,000
Architectural & Design Costs (7% of Capex)	\$15,100,000	\$15,100,000	\$15,100,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$0	\$0	\$0
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$0	\$0	\$0
Total Land, Design, Preparation & Improvements	\$48,500,000	\$48,500,000	\$48,500,000
Estimated Business Personal Property	\$85,300,000	\$85,300,000	\$85,300,000
	\$9,300,000	\$9,300,000	\$9,300,000

Assessor Assessment Value

Real Property			
Land (8 acres)	\$3,500,000	\$155,000	\$3,500,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$0
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,000
Total Real Property Land & Improvements	\$70,200,000	\$66,855,000	\$70,200,000
Taxable Limited Value Relative To Full Cash Value (Max 5% Increase from prior year)	1.000	1.000	1.000
Equals: Real Property Tax Assessment Limited Value	\$70,200,000	\$66,855,000	\$70,200,000
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Real Property Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000
Less: Real Property Exemptions	\$0	\$0	\$0
Equals: Real Property Net Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000

Business Personal Property

Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000
Company Business Property Exemption (2016 exemption amount)	\$152,926	\$152,926	\$152,926
Estimated Business Personal Property, net of company exemption	\$9,147,074	\$9,147,074	\$9,147,074
Estimated Business Personal Property Useful Life	10 Years	10 Years	10 Years
10-Year Useful Life Personal Property Valuation Factor for Year 4			
Property Qualifies for Additional Depreciation	45.30%	45.30%	
Property Does Not Qualify for Additional Depreciation			62.00%
Assessor Full Cash Value For Business Personal Property	\$4,143,624.52	\$4,143,624.52	\$5,671,185.88
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Business Personal Property Assessed Value	\$745,852	\$621,544	\$283,559
Less: Business Personal Property Property Exemptions	\$0	\$0	\$0
Equals: Business Personal Property Net Assessed Value	\$745,852	\$621,544	\$283,559

Total Taxable Value Of Real Property & Business Personal Property	\$13,381,852	\$10,649,794	\$3,793,559
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Assessor Tax Area Code For Subject Property Site	0603	0603	0603
Total State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	\$14.3645	\$14.3645	\$14.3645

TAX YEAR 2015 PROPERTY TAX BY JURISDICTION

PIMA COUNTY PRIMARY & DEBT SERVICE (\$5.0877)	\$680,828.48	\$541,829.57	\$193,004.90
STATE SCHOOL EQUALIZATION PRIMARY (\$0.5054)	67,631.88	53,824.06	19,172.65
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY (\$6.3370)	848,007.96	674,877.44	240,397.83
PIMA COMMUNITY COLLEGE PRIMARY (\$1.3689)	183,184.17	145,785.03	51,930.03
JOINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500)	6,690.93	5,324.90	1,896.78
CENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400)	18,734.59	14,909.71	5,310.98
PIMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135)	39,613.86	31,438.56	11,003.85
PIMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)	68,956.69	54,878.39	19,548.21
FIRE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	6,249.32	4,973.45	1,771.59
TOTAL PROPERTY TAXES	\$1,919,897.88	\$1,527,841.11	\$544,036.82

PAYMENT IN LIEU OF TAXES FOR SCHOOL DISTRICTS - FTZ DESIGNATION VERSUS

	CLASS 1	CLASS 2
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY	\$607,610.13	\$434,479.61
PIMA COMMUNITY COLLEGE PRIMARY	\$131,254.14	\$93,855.00

Assumptions:

- Actual allocation of \$100 million capital expenditure budget is unknown. Amounts presented are illustrative of how local assessor may determine assessment value for project property based on Arizona statutes. Land that qualifies as Agricultural Property will be valued by the income approach pursuant to A.R.S. Title 42, Chapter 13, Article 3, which would have a lower value than land used for Legislative Class 1 or 6.2 purposes.
- Legislative Class 1 Commercial and Legislative Class 2 Agricultural Business Personal Property qualify for additional depreciation reduction under current statutes. Legislative Class 6.2 Foreign Trade Zone Business Personal Property does not qualify for additional depreciation under current statutes.
- Assessor will likely apply Rule B in determining Year 1 Taxable Limited Value of property when significant change in use occurs. In future years, Taxable Limited Value cannot increase by more than 5% above prior year Limited Value and cannot exceed property's Full Cash Value.

ESTIMATED ASSESSOR ASSESSMENT VALUE AND PROPERTY TAXES - YEAR 5

	Legislative Class 1 Commercial Property	Legislative Class 2 Agricultural Property (Qualified Ag Property)	Legislative Class 6.2 Foreign Trade Zone Property
Capital Expenditures			
Land Acquisition (8 acres @ \$30,000 per acre)	\$94,600,000	\$94,600,000	\$94,600,000
Site Preparation & Utilities	\$3,500,000	\$3,500,000	\$3,500,000
Architectural & Design Costs (7% of Capex)	\$15,100,000	\$15,100,000	\$15,100,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$0	\$0	\$0
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$0	\$0	\$0
Total Land, Design, Preparation & Improvements	\$48,500,000	\$48,500,000	\$48,500,000
Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000

Assessor Assessment Value

Real Property			
Land (8 acres)	\$3,500,000	\$155,000	\$3,500,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$0
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,000
Total Real Property Land & Improvements	\$70,200,000	\$66,855,000	\$70,200,000
Taxable Limited Value Relative To Full Cash Value (Max 5% Increase from prior year)	1.000	1.000	1.000
Equals: Real Property Tax Assessment Limited Value	\$70,200,000	\$66,855,000	\$70,200,000
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Real Property Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000
Less: Real Property Exemptions	\$0	\$0	\$0
Equals: Real Property Net Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000

Business Personal Property

Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000
Company Business Property Exemption (2016 exemption amount)	\$152,926	\$152,926	\$152,926
Estimated Business Personal Property, net of company exemption	\$9,147,074	\$9,147,074	\$9,147,074
Estimated Business Personal Property Useful Life	10 Years	10 Years	10 Years
10-Year Useful Life Personal Property Valuation Factor for Year 5			
Property Qualifies for Additional Depreciation	47.20%	47.20%	
Property Does Not Qualify for Additional Depreciation			53.00%
Assessor Full Cash Value For Business Personal Property	\$4,317,418.93	\$4,317,418.93	\$4,847,949.22
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Business Personal Property Assessed Value	\$777,135	\$647,613	\$242,397
Less: Business Personal Property Property Exemptions	\$0	\$0	\$0
Equals: Business Personal Property Net Assessed Value	\$777,135	\$647,613	\$242,397

Total Taxable Value Of Real Property & Business Personal Property	\$13,413,135	\$10,675,863	\$3,752,397
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Assessor Tax Area Code For Subject Property Site	0603	0603	0603
Total State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	\$14.3645	\$14.3645	\$14.3645

TAX YEAR 2015 PROPERTY TAX BY JURISDICTION

PIMA COUNTY PRIMARY & DEBT SERVICE (\$5.0877)	\$682,420.07	\$543,155.89	\$190,910.70
STATE SCHOOL EQUALIZATION PRIMARY (\$0.5054)	67,789.98	53,955.82	18,964.61
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY (\$6.3370)	849,990.36	676,529.44	237,789.40
PIMA COMMUNITY COLLEGE PRIMARY (\$1.3689)	183,612.40	146,141.88	51,366.56
JOINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500)	6,706.57	5,337.94	1,876.20
CENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400)	18,778.39	14,946.21	5,253.36
PIMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135)	39,613.86	31,438.56	11,003.85
PIMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)	69,117.89	55,012.72	19,336.10
FIRE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	6,263.93	4,985.63	1,752.37
TOTAL PROPERTY TAXES	\$1,924,293.45	\$1,531,504.09	\$538,253.15

PAYMENT IN LIEU OF TAXES FOR SCHOOL DISTRICTS - FTZ DESIGNATION VERSUS

	CLASS 1	CLASS 2
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY	\$612,200.96	\$438,740.04
PIMA COMMUNITY COLLEGE PRIMARY	\$132,245.84	\$94,775.32

Assumptions:

- Actual allocation of \$100 million capital expenditure budget is unknown. Amounts presented are illustrative of how local assessor may determine assessment value for project property based on Arizona statutes. Land that qualifies as Agricultural Property will be valued by the income approach pursuant to A.R.S. Title 42, Chapter 13, Article 3, which would have a lower value than land used for Legislative Class 1 or 6.2 purposes.
- Legislative Class 1 Commercial and Legislative Class 2 Agricultural Business Personal Property qualify for additional depreciation reduction under current statutes. Legislative Class 6.2 Foreign Trade Zone Business Personal Property does not qualify for additional depreciation under current statutes.
- Assessor will likely apply Rule B in determining Year 1 Taxable Limited Value of property when significant change in use occurs. In future years, Taxable Limited Value cannot increase by more than 5% above prior year Limited Value and cannot exceed property's Full Cash Value.

ESTIMATED ASSESSOR ASSESSMENT VALUE AND PROPERTY TAXES - YEAR 6

	Legislative Class 1 Commercial Property	Legislative Class 2 Agricultural Property (Qualified Ag Property)	Legislative Class 6.2 Foreign Trade Zone Property
Capital Expenditures			
Land Acquisition (8 acres @ \$30,000 per acre)	\$94,600,000	\$94,600,000	\$94,600,000
Site Preparation & Utilities	\$3,500,000	\$3,500,000	\$3,500,000
Architectural & Design Costs (7% of Capex)	\$15,100,000	\$15,100,000	\$15,100,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$0	\$0	\$0
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$0	\$0	\$0
Total Land, Design, Preparation & Improvements	\$48,500,000	\$48,500,000	\$48,500,000
Estimated Business Personal Property	\$85,300,000	\$85,300,000	\$85,300,000
	\$9,300,000	\$9,300,000	\$9,300,000

Assessor Assessment Value

Real Property			
Land (8 acres)	\$3,500,000	\$155,000	\$3,500,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$0
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,000
Total Real Property Land & Improvements	\$70,200,000	\$66,855,000	\$70,200,000
Taxable Limited Value Relative To Full Cash Value (Max 5% Increase from prior year)	1.000	1.000	1.000
Equals: Real Property Tax Assessment Limited Value	\$70,200,000	\$66,855,000	\$70,200,000
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Real Property Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000
Less: Real Property Exemptions	\$0	\$0	\$0
Equals: Real Property Net Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000

Business Personal Property

Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000
Company Business Property Exemption (2016 exemption amount)	\$152,926	\$152,926	\$152,926
Estimated Business Personal Property, net of company exemption	\$9,147,074	\$9,147,074	\$9,147,074
Estimated Business Personal Property Useful Life	10 Years	10 Years	10 Years
10-Year Useful Life Personal Property Valuation Factor for Year 5			
Property Qualifies for Additional Depreciation	44.00%	44.00%	
Property Does Not Qualify for Additional Depreciation			44.00%
Assessor Full Cash Value For Business Personal Property	\$4,024,712.56	\$4,024,712.56	\$4,024,712.56
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Business Personal Property Assessed Value	\$724,448	\$603,707	\$201,236
Less: Business Personal Property Property Exemptions	\$0	\$0	\$0
Equals: Business Personal Property Net Assessed Value	\$724,448	\$603,707	\$201,236

Total Taxable Value Of Real Property & Business Personal Property	\$13,360,448	\$10,631,957	\$3,711,236
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Assessor Tax Area Code For Subject Property Site	0603	0603	0603
Total State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	\$14.3645	\$14.3645	\$14.3645

TAX YEAR 2015 PROPERTY TAX BY JURISDICTION

PIMA COUNTY PRIMARY & DEBT SERVICE (\$5.0877)	\$679,739.51	\$540,922.08	\$188,816.55
STATE SCHOOL EQUALIZATION PRIMARY (\$0.5054)	67,523.70	53,733.92	18,756.59
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY (\$6.3370)	846,651.59	673,747.11	235,181.03
PIMA COMMUNITY COLLEGE PRIMARY (\$1.3689)	182,891.17	145,540.86	50,803.11
JOINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500)	6,680.22	5,315.98	1,855.62
CENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400)	18,704.63	14,884.74	5,195.73
PIMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135)	39,613.86	31,438.56	11,003.85
PIMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)	68,846.39	54,786.47	19,124.00
FIRE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	6,239.33	4,965.12	1,733.15
TOTAL PROPERTY TAXES	\$1,916,890.40	\$1,525,334.84	\$532,469.63

PAYMENT IN LIEU OF TAXES FOR SCHOOL DISTRICTS - FTZ DESIGNATION VERSUS

	CLASS 1	CLASS 2
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY	\$611,470.56	\$438,566.08
PIMA COMMUNITY COLLEGE PRIMARY	\$132,088.06	\$94,737.75

Assumptions:

- Actual allocation of \$100 million capital expenditure budget is unknown. Amounts presented are illustrative of how local assessor may determine assessment value for project property based on Arizona statutes. Land that qualifies as Agricultural Property will be valued by the income approach pursuant to A.R.S. Title 42, Chapter 13, Article 3, which would have a lower value than land used for Legislative Class 1 or 6.2 purposes.
- Legislative Class 1 Commercial and Legislative Class 2 Agricultural Business Personal Property qualify for additional depreciation reduction under current statutes. Legislative Class 6.2 Foreign Trade Zone Business Personal Property does not qualify for additional depreciation under current statutes.
- Assessor will likely apply Rule B in determining Year 1 Taxable Limited Value of property when significant change in use occurs. In future years, Taxable Limited Value cannot increase by more than 5% above prior year Limited Value and cannot exceed property's Full Cash Value.

ESTIMATED ASSESSOR ASSESSMENT VALUE AND PROPERTY TAXES - YEAR 7

	Legislative Class 1 Commercial Property	Legislative Class 2 Agricultural Property (Qualified Ag Property)	Legislative Class 6.2 Foreign Trade Zone Property
Capital Expenditures			
Land Acquisition (8 acres @ \$30,000 per acre)	\$94,600,000	\$94,600,000	\$94,600,000
Site Preparation & Utilities	\$3,500,000	\$3,500,000	\$3,500,000
Architectural & Design Costs (7% of Capex)	\$15,100,000	\$15,100,000	\$15,100,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$0	\$0	\$0
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$0	\$0	\$0
Total Land, Design, Preparation & Improvements	\$48,500,000	\$48,500,000	\$48,500,000
Estimated Business Personal Property	\$85,300,000	\$85,300,000	\$85,300,000
	\$9,300,000	\$9,300,000	\$9,300,000

Assessor Assessment Value

Real Property			
Land (8 acres)	\$3,500,000	\$155,000	\$3,500,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$0
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,000
Total Real Property Land & Improvements	\$70,200,000	\$66,855,000	\$70,200,000
Taxable Limited Value Relative To Full Cash Value (Max 5% Increase from prior year)	1.000	1.000	1.000
Equals: Real Property Tax Assessment Limited Value	\$70,200,000	\$66,855,000	\$70,200,000
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Real Property Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000
Less: Real Property Exemptions	\$0	\$0	\$0
Equals: Real Property Net Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000

Business Personal Property

Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000
Company Business Property Exemption (2016 exemption amount)	\$152,926	\$152,926	\$152,926
Estimated Business Personal Property, net of company exemption	\$9,147,074	\$9,147,074	\$9,147,074
Estimated Business Personal Property Useful Life	10 Years	10 Years	10 Years
10-Year Useful Life Personal Property Valuation Factor for Year 5			
Property Qualifies for Additional Depreciation	33.00%	33.00%	
Property Does Not Qualify for Additional Depreciation			33.00%
Assessor Full Cash Value For Business Personal Property	\$3,018,534.42	\$3,018,534.42	\$3,018,534.42
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Business Personal Property Assessed Value	\$543,336	\$452,780	\$150,927
Less: Business Personal Property Property Exemptions	\$0	\$0	\$0
Equals: Business Personal Property Net Assessed Value	\$543,336	\$452,780	\$150,927

Total Taxable Value Of Real Property & Business Personal Property	\$13,179,336	\$10,481,030	\$3,660,927
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Assessor Tax Area Code For Subject Property Site	0603	0603	0603
Total State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	\$14.3645	\$14.3645	\$14.3645

TAX YEAR 2015 PROPERTY TAX BY JURISDICTION

PIMA COUNTY PRIMARY & DEBT SERVICE (\$5.0877)	\$670,525.08	\$533,243.37	\$186,256.98
STATE SCHOOL EQUALIZATION PRIMARY (\$0.5054)	66,608.36	52,971.13	18,502.33
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY (\$6.3370)	835,174.52	664,182.87	231,992.94
PIMA COMMUNITY COLLEGE PRIMARY (\$1.3689)	180,411.93	143,474.82	50,114.43
JOINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500)	6,589.67	5,240.52	1,830.46
CENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400)	18,451.07	14,673.44	5,125.30
PIMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135)	39,613.86	31,438.56	11,003.85
PIMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)	67,913.12	54,008.75	18,864.76
FIRE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	6,154.75	4,894.64	1,709.65
TOTAL PROPERTY TAXES	\$1,891,442.36	\$1,504,128.10	\$525,400.70

PAYMENT IN LIEU OF TAXES FOR SCHOOL DISTRICTS - FTZ DESIGNATION VERSUS

	CLASS 1	CLASS 2
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY	\$603,181.58	\$432,189.93
PIMA COMMUNITY COLLEGE PRIMARY	\$130,297.50	\$93,360.39

Assumptions:

- Actual allocation of \$100 million capital expenditure budget is unknown. Amounts presented are illustrative of how local assessor may determine assessment value for project property based on Arizona statutes. Land that qualifies as Agricultural Property will be valued by the income approach pursuant to A.R.S. Title 42, Chapter 13, Article 3, which would have a lower value than land used for Legislative Class 1 or 6.2 purposes.
- Legislative Class 1 Commercial and Legislative Class 2 Agricultural Business Personal Property qualify for additional depreciation reduction under current statutes. Legislative Class 6.2 Foreign Trade Zone Business Personal Property does not qualify for additional depreciation under current statutes.
- Assessor will likely apply Rule B in determining Year 1 Taxable Limited Value of property when significant change in use occurs. In future years, Taxable Limited Value cannot increase by more than 5% above prior year Limited Value and cannot exceed property's Full Cash Value.

ESTIMATED ASSESSOR ASSESSMENT VALUE AND PROPERTY TAXES - YEAR 8

	Legislative Class 1 Commercial Property	Legislative Class 2 Agricultural Property (Qualified Ag Property)	Legislative Class 6.2 Foreign Trade Zone Property
Capital Expenditures			
Land Acquisition (8 acres @ \$30,000 per acre)	\$94,600,000	\$94,600,000	\$94,600,000
Site Preparation & Utilities	\$3,500,000	\$3,500,000	\$3,500,000
Architectural & Design Costs (7% of Capex)	\$15,100,000	\$15,100,000	\$15,100,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$0	\$0	\$0
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$0	\$0	\$0
Total Land, Design, Preparation & Improvements	\$48,500,000	\$48,500,000	\$48,500,000
Estimated Business Personal Property	\$85,300,000	\$85,300,000	\$85,300,000
	\$9,300,000	\$9,300,000	\$9,300,000

Assessor Assessment Value

Real Property			
Land (8 acres)	\$3,500,000	\$155,000	\$3,500,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$0
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,000
Total Real Property Land & Improvements	\$70,200,000	\$66,855,000	\$70,200,000
Taxable Limited Value Relative To Full Cash Value (Max 5% Increase from prior year)	1.000	1.000	1.000
Equals: Real Property Tax Assessment Limited Value	\$70,200,000	\$66,855,000	\$70,200,000
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Real Property Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000
Less: Real Property Exemptions	\$0	\$0	\$0
Equals: Real Property Net Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000

Business Personal Property

Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000
Company Business Property Exemption (2016 exemption amount)	\$152,926	\$152,926	\$152,926
Estimated Business Personal Property, net of company exemption	\$9,147,074	\$9,147,074	\$9,147,074
Estimated Business Personal Property Useful Life	10 Years	10 Years	10 Years
10-Year Useful Life Personal Property Valuation Factor for Year 5			
Property Qualifies for Additional Depreciation	22.00%	22.00%	
Property Does Not Qualify for Additional Depreciation			22.00%
Assessor Full Cash Value For Business Personal Property	\$2,012,356.28	\$2,012,356.28	\$2,012,356.28
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Business Personal Property Assessed Value	\$362,224	\$301,853	\$100,618
Less: Business Personal Property Property Exemptions	\$0	\$0	\$0
Equals: Business Personal Property Net Assessed Value	\$362,224	\$301,853	\$100,618

Total Taxable Value Of Real Property & Business Personal Property	\$12,998,224	\$10,330,103	\$3,610,618
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Assessor Tax Area Code For Subject Property Site	0603	0603	0603
Total State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	\$14.3645	\$14.3645	\$14.3645

TAX YEAR 2015 PROPERTY TAX BY JURISDICTION

PIMA COUNTY PRIMARY & DEBT SERVICE (\$5.0877)	\$661,310.64	\$525,564.66	\$183,697.41
STATE SCHOOL EQUALIZATION PRIMARY (\$0.5054)	65,693.02	52,208.35	18,248.06
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY (\$6.3370)	823,697.45	654,618.62	228,804.86
PIMA COMMUNITY COLLEGE PRIMARY (\$1.3689)	177,932.68	141,408.78	49,425.75
JOINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500)	6,499.11	5,165.06	1,805.31
CENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400)	18,197.51	14,462.14	5,054.87
PIMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135)	39,613.86	31,438.56	11,003.85
PIMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)	66,979.85	53,231.02	18,605.51
FIRE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	6,070.17	4,824.16	1,686.16
TOTAL PROPERTY TAXES	\$1,865,994.29	\$1,482,921.35	\$518,331.78

PAYMENT IN LIEU OF TAXES FOR SCHOOL DISTRICTS - FTZ DESIGNATION VERSUS

	CLASS 1	CLASS 2
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY	\$594,892.59	\$425,813.76
PIMA COMMUNITY COLLEGE PRIMARY	\$128,506.93	\$91,983.03

Assumptions:

- Actual allocation of \$100 million capital expenditure budget is unknown. Amounts presented are illustrative of how local assessor may determine assessment value for project property based on Arizona statutes. Land that qualifies as Agricultural Property will be valued by the Income approach pursuant to A.R.S. Title 42, Chapter 13, Article 3, which would have a lower value than land used for Legislative Class 1 or 6.2 purposes.
- Legislative Class 1 Commercial and Legislative Class 2 Agricultural Business Personal Property qualify for additional depreciation reduction under current statutes. Legislative Class 6.2 Foreign Trade Zone Business Personal Property does not qualify for additional depreciation under current statutes.
- Assessor will likely apply Rule B in determining Year 1 Taxable Limited Value of property when significant change in use occurs. In future years, Taxable Limited Value cannot increase by more than 5% above prior year Limited Value and cannot exceed property's Full Cash Value.

ESTIMATED ASSESSOR ASSESSMENT VALUE AND PROPERTY TAXES - YEAR 9

	Legislative Class 1 Commercial Property	Legislative Class 2 Agricultural Property (Qualified Ag Property)	Legislative Class 6.2 Foreign Trade Zone Property
Capital Expenditures			
Land Acquisition (8 acres @ \$30,000 per acre)	\$94,600,000	\$94,600,000	\$94,600,000
Site Preparation & Utilities	\$3,500,000	\$3,500,000	\$3,500,000
Architectural & Design Costs (7% of Capex)	\$15,100,000	\$15,100,000	\$15,100,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$0	\$0	\$0
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$0	\$0	\$0
Total Land, Design, Preparation & Improvements	\$48,500,000	\$48,500,000	\$48,500,000
Estimated Business Personal Property	\$85,300,000	\$85,300,000	\$85,300,000
	\$9,300,000	\$9,300,000	\$9,300,000

Assessor Assessment Value

Real Property			
Land (8 acres)	\$3,500,000	\$155,000	\$3,500,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$0
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,000
Total Real Property Land & Improvements	\$70,200,000	\$66,855,000	\$70,200,000
Taxable Limited Value Relative To Full Cash Value (Max 5% Increase from prior year)	1.000	1.000	1.000
Equals: Real Property Tax Assessment Limited Value	\$70,200,000	\$66,855,000	\$70,200,000
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Real Property Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000
Less: Real Property Exemptions	\$0	\$0	\$0
Equals: Real Property Net Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000

Business Personal Property

Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000
Company Business Property Exemption (2016 exemption amount)	\$152,926	\$152,926	\$152,926
Estimated Business Personal Property, net of company exemption	\$9,147,074	\$9,147,074	\$9,147,074
Estimated Business Personal Property Useful Life	10 Years	10 Years	10 Years
10-Year Useful Life Personal Property Valuation Factor for Year 5			
Property Qualifies for Additional Depreciation	12.00%	12.00%	
Property Does Not Qualify for Additional Depreciation			20.00%
Assessor Full Cash Value For Business Personal Property	\$1,097,648.88	\$1,097,648.88	\$1,829,414.80
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Business Personal Property Assessed Value	\$197,577	\$164,647	\$91,471
Less: Business Personal Property Exemptions	\$0	\$0	\$0
Equals: Business Personal Property Net Assessed Value	\$197,577	\$164,647	\$91,471

Total Taxable Value Of Real Property & Business Personal Property	\$12,833,577	\$10,192,897	\$3,601,471
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Assessor Tax Area Code For Subject Property Site	0603	0603	0603
Total State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	\$14.3645	\$14.3645	\$14.3645

TAX YEAR 2015 PROPERTY TAX BY JURISDICTION

PIMA COUNTY PRIMARY & DEBT SERVICE (\$5.0877)	\$652,933.90	\$518,584.03	\$183,232.04
STATE SCHOOL EQUALIZATION PRIMARY (\$0.5054)	64,860.89	51,514.91	18,201.83
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY (\$6.3370)	813,263.77	645,923.88	228,225.22
PIMA COMMUNITY COLLEGE PRIMARY (\$1.3689)	175,678.83	139,530.56	49,300.54
JOINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500)	6,416.79	5,096.45	1,800.74
CENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400)	17,967.01	14,270.06	5,042.06
PIMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135)	39,613.86	31,438.56	11,003.85
PIMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)	66,131.42	52,524.00	18,558.38
FIRE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	5,993.28	4,760.08	1,681.89
TOTAL PROPERTY TAXES	\$1,842,859.75	\$1,463,642.53	\$517,046.55

PAYMENT IN LIEU OF TAXES FOR SCHOOL DISTRICTS - FTZ DESIGNATION VERSUS

	CLASS 1	CLASS 2
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY	\$585,038.55	\$417,698.66
PIMA COMMUNITY COLLEGE PRIMARY	\$126,378.29	\$90,230.02

Assumptions:

- Actual allocation of \$100 million capital expenditure budget is unknown. Amounts presented are illustrative of how local assessor may determine assessment value for project property based on Arizona statutes. Land that qualifies as Agricultural Property will be valued by the income approach pursuant to A.R.S. Title 42, Chapter 13, Article 3, which would have a lower value than land used for Legislative Class 1 or 6.2 purposes.
- Legislative Class 1 Commercial and Legislative Class 2 Agricultural Business Personal Property qualify for additional depreciation reduction under current statutes. Legislative Class 6.2 Foreign Trade Zone Business Personal Property does not qualify for additional depreciation under current statutes.
- Assessor will likely apply Rule B in determining Year 1 Taxable Limited Value of property when significant change in use occurs. In future years, Taxable Limited Value cannot increase by more than 5% above prior year Limited Value and cannot exceed property's Full Cash Value.

ESTIMATED ASSESSOR ASSESSMENT VALUE AND PROPERTY TAXES - YEAR 10

	Legislative Class 1 Commercial Property	Legislative Class 2 Agricultural Property (Qualified Ag Property)	Legislative Class 6.2 Foreign Trade Zone Property
Capital Expenditures			
Land Acquisition (8 acres @ \$30,000 per acre)	\$94,600,000	\$94,600,000	\$94,600,000
Site Preparation & Utilities	\$3,500,000	\$3,500,000	\$3,500,000
Architectural & Design Costs (7% of Capex)	\$15,100,000	\$15,100,000	\$15,100,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$0	\$0	\$0
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$0	\$0	\$0
Total Land, Design, Preparation & Improvements	\$48,500,000	\$48,500,000	\$48,500,000
Estimated Business Personal Property	\$85,300,000	\$85,300,000	\$85,300,000
	\$9,300,000	\$9,300,000	\$9,300,000

Assessor Assessment Value

Real Property			
Land (8 acres)	\$3,500,000	\$155,000	\$3,500,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$0
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,000
Total Real Property Land & Improvements	\$70,200,000	\$66,855,000	\$70,200,000
Taxable Limited Value Relative To Full Cash Value (Max 5% Increase from prior year)	1.000	1.000	1.000
Equals: Real Property Tax Assessment Limited Value	\$70,200,000	\$66,855,000	\$70,200,000
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Real Property Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000
Less: Real Property Exemptions	\$0	\$0	\$0
Equals: Real Property Net Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000

Business Personal Property

Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000
Company Business Property Exemption (2016 exemption amount)	\$152,926	\$152,926	\$152,926
Estimated Business Personal Property, net of company exemption	\$9,147,074	\$9,147,074	\$9,147,074
Estimated Business Personal Property Useful Life	10 Years	10 Years	10 Years
10-Year Useful Life Personal Property Valuation Factor for Year 5			
Property Qualifies for Additional Depreciation	2.50%	2.50%	
Property Does Not Qualify for Additional Depreciation			0.00%
Assessor Full Cash Value For Business Personal Property	\$228,676.85	\$228,676.85	\$0.00
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Business Personal Property Assessed Value	\$41,162	\$34,302	\$0
Less: Business Personal Property Exemptions	\$0	\$0	\$0
Equals: Business Personal Property Net Assessed Value	\$41,162	\$34,302	\$0

Total Taxable Value Of Real Property & Business Personal Property	\$12,677,162	\$10,062,552	\$3,510,000
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Assessor Tax Area Code For Subject Property Site	0603	0603	0603
Total State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	\$14.3645	\$14.3645	\$14.3645

TAX YEAR 2015 PROPERTY TAX BY JURISDICTION

PIMA COUNTY PRIMARY & DEBT SERVICE (\$5.0877)	\$644,975.97	\$511,952.46	\$178,578.27
STATE SCHOOL EQUALIZATION PRIMARY (\$0.5054)	64,070.37	50,856.14	17,739.54
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY (\$6.3370)	803,351.76	637,663.92	222,428.70
PIMA COMMUNITY COLLEGE PRIMARY (\$1.3689)	173,537.67	137,746.27	48,048.39
JOINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500)	6,338.58	5,031.28	1,755.00
CENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400)	17,748.03	14,087.57	4,914.00
PIMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135)	39,613.86	31,438.56	11,003.85
PIMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)	65,325.42	51,852.33	18,087.03
FIRE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	5,920.23	4,699.21	1,639.17
TOTAL PROPERTY TAXES	\$1,820,881.89	\$1,445,327.74	\$504,193.95

PAYMENT IN LIEU OF TAXES FOR SCHOOL DISTRICTS - FTZ DESIGNATION VERSUS

	CLASS 1	CLASS 2
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY	\$580,923.06	\$415,235.22
PIMA COMMUNITY COLLEGE PRIMARY	\$125,489.28	\$89,697.88

Assumptions:

- Actual allocation of \$100 million capital expenditure budget is unknown. Amounts presented are illustrative of how local assessor may determine assessment value for project property based on Arizona statutes. Land that qualifies as Agricultural Property will be valued by the income approach pursuant to A.R.S. Title 42, Chapter 13, Article 3, which would have a lower value than land used for Legislative Class 1 or 6.2 purposes.
- Legislative Class 1 Commercial and Legislative Class 2 Agricultural Business Personal Property qualify for additional depreciation reduction under current statutes. Legislative Class 6.2 Foreign Trade Zone Business Personal Property does not qualify for additional depreciation under current statutes.
- Assessor will likely apply Rule B in determining Year 1 Taxable Limited Value of property when significant change in use occurs. In future years, Taxable Limited Value cannot increase by more than 5% above prior year Limited Value and cannot exceed property's Full Cash Value.