



**PIMA COUNTY BOARD OF SUPERVISORS  
DISTRICT 1**

130 WEST CONGRESS STREET, 11<sup>TH</sup> FLOOR  
TUCSON, AZ 85701-1317  
(520)724-2738  
district1@pima.gov  
www.district1.pima.gov

**ALLY MILLER**  
SUPERVISOR

**MEMORANDUM**

Date: **June 11, 2018**

To: Julie Castaneda, Clerk of the Board

From: Ally Miller, District 1 Supervisor  
Pima County Board of Supervisors

Re: **Agenda Item Submission**

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Please place the following item on the **June 19, 2018** Board of Supervisors **Agenda**:

**Updated Status and Discussion** of all items discovered, recommended actions/responses conducted during any portion of the 45-day inspection period (a/k/a due diligence period) in connection with the purchase of the Golden Pins bowling alley, and as outlined in the Acquisition Agreement, sec. 3. Inspection and Access, and sec. 5.4 Objection Notice, and with said Acquisition Agreement approved by the Board of Supervisors on May 15, 2018, including, but not limited to:

- Full property inspection
- Updated property appraisal including results of asbestos testing and other conditions which can impact the appraised value of the property
- Preliminary title report
- Insurance claim report
- Physical information including: structural/physical; electrical; plumbing; mechanical; environmental; parking/landscaping; renovation and capital repair reports; and
- Other inspection reports, as deemed necessary

Attachments:

- (1) May 15, 2018 Agenda Item Report and Acquisition Agreement (available at: <https://pima.legistar.com/View.ashx?M=A&ID=571075&GUID=1F3B77EC-2CCC-47CE-8040-C6ED2182C5CF>);
- (2) Supervisor Miller letter dated May 9, 2018 to Craig Johnson, Valbridge Property Appraisers – including attachments; and
- (3) Craig Johnson letter dated May 14, 2018 addressed to Jeff Teplitzky, Pima County Real Property Services, Appraisal Supervisor.

JUN 14 10 11 AM '18  
KCF:PD  
-AMW



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](mailto: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



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**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". The signature is written in a cursive style.

Ally Miller  
Supervisor – District 1

Attachment (1) – Asbestos Activity Report

P-71AN0073



**PIMA COUNTY**

**ENVIRONMENTAL QUALITY**

33 N. STONE AVENUE, SUITE 700, TUCSON, AZ 85701  
 Phone: (520) 724-7400 Fax: (520) 838-7432  
 Email: [Air.Nutcs@pima.gov](mailto:Air.Nutcs@pima.gov)  
[www.pima.gov/deq](http://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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<b>1. TYPE OF NOTIFICATION</b> <input checked="" type="checkbox"/> ORIGINAL; REVISION # _____; CANCELLATION; COURTESY					
<b>2. TYPE OF OPERATION:</b> <input checked="" type="checkbox"/> Renovation; <input type="checkbox"/> Emergency Renovation; <input type="checkbox"/> Demolition; <input type="checkbox"/> Ordered Demolition; <input type="checkbox"/> Annual Non-Scheduled OPS					
<b>3. FACILITY OWNER INFORMATION</b>					
Name of Company Or Individuals: <u>Golden Pins LLC</u>					
Address: <u>1010 W. Miracle Mile</u>					
City: <u>Tucson</u>	State: <u>AZ</u>	Zip: <u>85705</u>			
Contact Person: <u>Caryn Bustos</u>	Telephone: <u>520-883-4272</u>	Email:			
<b>4. FACILITY DESCRIPTION</b> (Attach site location map for multiple structures at one street address or installation)					
Building or Facility Name: <u>Golden Pins LLC</u>		Visible Signage:			
Street Address: <u>1010 W. Miracle Mile</u>		Identifying Features:			
City: <u>Tucson</u>	County: <u>PIMA</u>	State: <u>AZ</u>	Zip: <u>85705</u>		
Building Size in Floor Area (Sq. Ft.):	Number Of Floors Affected: <u>01</u>	Age Of Facility in Years:			
If Residential, Number Of Dwelling Units:	Present Use: <u>Commercial</u>	Prior Use: <u>Pharmaceutical</u>			
<b>5a. ASBESTOS REMOVAL CONTRACTOR / OPERATOR:</b> <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: <u>Stan Maxam</u>	Telephone: <u>520-822-3807</u>	Email: <u>SMAXAM@SWHAC.COM</u>			
<b>5b. DEMOLITION CONTRACTOR / OPERATOR:</b>					
Address: <u>N/A</u>					
City:	State:	Zip:			
Contact Person:	Telephone:	Email:			
<b>5c. OTHER CONTRACTOR / OPERATOR:</b>					
Address: <u>N/A</u>					
City:	State:	Zip:			
Contact Person:	Telephone:	Email:			
<b>6. IS ASBESTOS PRESENT?</b>	DATE OF THOROUGH INSPECTION OF FACILITY, OR AFFECTED PART, BY AN ASBESTOS HAZARD EMERGENCY RESPONSE ACT (AHERA) CERTIFIED BUILDING INSPECTOR: <u>3/30/17</u>				
<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO					
<b>7. PROCEDURE, INCLUDING ANALYTICAL METHOD, TO DETECT THE PRESENCE OF RACM AND CATEGORY I AND CATEGORY II NONFRIABLE ACM:</b> <input checked="" type="checkbox"/> Polarized Light Microscopy (PLM); <input checked="" type="checkbox"/> Point Counting; <input type="checkbox"/> Assumed; <input type="checkbox"/> Other _____					
NVLAP Laboratory Name: <u>Desert Analytical</u>	Number Of Samples: <u>20</u>	Date Analyzed: <u>3/31/17</u>			
<b>8. APPROXIMATE AMOUNT OF ASBESTOS, INCLUDING:</b> <small>(RACM= Regulated Asbestos-Containing Material as defined in 40 CFR 61, Subpart M, Addenda NESHAP §61.141)</small>	AMOUNT OF RACM TO BE REMOVED OR GENERATED <small>NOTE: Revise notice when amount of RACM changes more than 20%.</small>	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>200</u>			
Off Facility Components; VOLUME (CUBIC FEET)					

9. DATES FOR ASBESTOS REMOVAL: START DATE: <u>5.2.17</u> COMPLETION DATE: <u>5.15.17</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 Tapes; <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 Trap™ 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 checked="" type="checkbox"/> Leak-Tight Ways; <input checked="" type="checkbox"/> 6-mil Bags; <input type="checkbox"/> Mini-containment; <input checked="" type="checkbox"/> Decontamination Unit with Hot/Cold Water and Sump 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 CRUMBLING, 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>1853 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>14508 W AVRA VALLEY ROAD</u>			
City: <u>MARANA</u>	State: <u>ARIZONA</u> Zip: <u>86653</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, §61.146(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>Hilda 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>Hilda Scott</u> (Print Name: Owner/Operator)	<u>Adm Mgr</u> (Title)	<u>[Signature]</u> (Signature of Owner/Operator)	<u>4/18/17</u> (Date)