

**APPRAISAL REPORT ESTIMATING THE  
POTENTIAL MARKET LEASE RATE FOR  
AN EXISTING CELL TOWER SITE LOCATED AT**

**8850 SOUTH CAMINO LOMA ALTA,  
PIMA COUNTY, ARIZONA**

**FOR  
PIMA COUNTY PUBLIC WORKS - REAL PROPERTY SERVICES/  
PIMA COUNTY WIRELESS INTEGRATED NETWORK (PCWIN)**



**OWNERSHIP: RINCON VALLEY FIRE DISTRICT  
TAX PARCEL NUMBER: 205-64-655B  
SECTION 27, TOWNSHIP 15 SOUTH, RANGE 16 EAST  
G&SRB&M**

**ATTENTION: NICOLE BURDETTE  
SPECIAL STAFF ASSISTANT, SENIOR (PCWIN)**

**JEFFREY TEPLITSKY  
APPRAISAL SUPERVISOR – PIMA COUNTY RPS**

**EFFECTIVE DATE OF APPRAISAL**

**JUNE 14, 2019**



REAL PROPERTY SERVICES  
201 N. Stone Avenue, Sixth Floor, Tucson, Arizona 85701-1215  
OFFICE (520) 724-6313  
[jeffrey.teplitsky@pima.gov](mailto:jeffrey.teplitsky@pima.gov)

June 17, 2019

Nicole Burdette  
Special Staff Assistant, Senior  
Pima County Wireless Integrated Network  
3434 East 22<sup>nd</sup> Street  
Tucson, Arizona 85713

RE: An appraisal report estimating the potential market lease rate for the modification of the lease rate for an existing cell tower site totaling 336 square feet (cell tower) plus the airspace above the radio cabinets, and the space for any structural steel or other improvements to support C-Locator's equipment, located at 8850 North Camino Loma Alta, Pima County, Arizona

- Ownership: Rincon Valley Fire District
- Tax Parcel No.: 205-64-655B (portion of)
- Effective Date of Appraisal: June 14, 2019
- Date of Report: June 17, 2019

Dear Ms. Burdette:

I have provided an opinion of the potential market lease rate for approximately 336 square feet of land for an existing cell tower site currently being leased by New Cingular Wireless PCS, LLC at 8850 North Camino Loma Alta. The current landlord (Pima County) and the current tenant (New Cingular Wireless PCS, LLC) have agreed to modify an existing lease to reflect the current market lease rate for cell tower sites in the Pima County market. The date of the estimated potential market lease rate for the existing cell tower site is June 14, 2019.

The report is intended for use only by the intended users being Pima County Real Property Services, PCWIN and its designees. Use of this report by others is strictly not intended by the appraiser. The report is to be used only for assisting the departments in determination of the estimated potential market lease rate for the existing cell tower site. The underlying land area has not been appraised as part of the appraisal. The exclusion of the land value analysis does not impact on the final opinion of lease rate conclusion.

This is an appraisal report which is intended to comply with the reporting requirements under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (2018-2019 Edition) – as set forth by the Appraisal Standards Board of the Appraisal Foundation. It is also intended to comply with the various

appraisal reporting requirements as determined by Pima County. When applicable certain hypothetical conditions or extraordinary assumptions may be utilized within the report and have an impact on the value conclusions. The following definitions of each follow:

**Extraordinary Assumption:**

1. Lease term is based on a five year, renewable term
2. A 3.0 percent (3%) annual increase after year one of the lease and all years thereafter

**Hypothetical Condition:**

None

This report is being prepared for the client (intended users). The report or any portion thereof is strictly for the use of the client and is not intended to be sold, transferred, given or relied upon by any other person other than the client without the express written permission of the author, as set forth by the Limiting Conditions contained herein.

Based upon my judgement, the data, and discussions contained in this report, the estimated potential market lease rate opinion for the existing cell tower site, as of June 14, 2019, is as follows:

**TWO THOUSAND FOUR HUNDRED DOLLARS PER MONTH**

**\$2,400 PER MONTH**

**\$28,800 ANNUAL RENT**

Respectfully submitted,

Signed: \_\_\_\_\_

  
Jeffrey Teplitsky  
Appraisal Supervisor, Real Property Services  
Certified General Real Estate Appraiser – Certificate No. 30151

Date: June 14, 2019

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## PART I - PREFACE & APPRAISAL SUMMARY

<b>Appraisal Definition:</b>	The act or process of developing an opinion of value; an opinion of value. Of or pertaining to appraising and related functions such as appraisal practice or appraisal services. (USPAP, 2018-2019 ed.) See also complete appraisal; limited appraisal. An appraisal is strictly an opinion of value based upon research and analysis of various factors influencing real estate value. The factors consider the four primary forces affecting the economy and include physical, legal/political, social and economic. The first half of the report typically focuses on the scope of the appraisal, characteristics of the market area, property identification, site analysis, and a highest and best use analysis. The highest and best use of the subject parcel is the basis upon which market value is determined. The second portion of the appraisal normally contains the approaches utilized in determining an estimate of market value.
<b>Appraisal Approach:</b>	A systematic way of developing a value indication using methods and techniques; examples are cost approach, income capitalization approach, and sales comparison approach. (USPAP, 2018-2019 ed.) All three approaches to value are not always necessary in determining a value opinion. In this case the only applicable approach is the Comparison Approach. In addition, it is typically the best gauge of the activities and thinking of market participants, buyers and sellers.
<b>Client:</b>	Ms. Nicole Burdette – Special Staff Assistant, Senior PCWIN
<b>Intended User(s):</b>	Pima County RPS and Pima County IT
<b>Appraiser:</b>	Jeffrey Teplitsky Certified General Real Estate Appraiser Certificate No. 30151
<b>Land Ownership:</b>	Rincon Valley Fire District
<b>Limiting Conditions:</b>	Subject to those assumptions and limiting conditions contained in the "Assumptions and Limiting Conditions" section of this appraisal report.
<b>Purpose of the Appraisal:</b>	The purpose of the appraisal is to estimate the lease rate for the existing cell tower site as part of a modification of an existing lease.
<b>Existing Lease:</b>	The existing lease commenced on December 7, 2010 and continues for a period of 25 years. The original lease indicates a lease rate of \$2,000 per month. The rent increased every five years at a rate of 5%.
<b>Market Value Definition:</b>	Market Rent is "the most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the

lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (if applicable).

**Intended Use/User of Report:** The appraisal report is intended for use only by the intended user, Pima County Real Property Services and PCWIN. Use of this report by others is not intended by the appraiser. This report is intended solely to provide an opinion of the potential lease rate for the modification of an existing lease for a cell tower site. It is not intended for any other use.

**Type of Opinion:** Estimate of the potential market lease rate

**Interest Appraised:** Fee simple interest in the property, subject to the stipulated lease terms

**Effective Date of Appraisal:** June 14, 2019

## SCOPE

The Scope of Work for an appraisal assignment is defined by the Uniform Standards of Professional Appraisal Practice (USPAP) as "the research and analyses that are necessary to develop credible assignment result". "For each appraisal and appraisal review assignment, an appraiser must:

- properly identify the problem to be solved;
- determine and perform the scope of work necessary to develop credible assignment results; and
- disclose the scope of work in the report."

The appraisal is intended to comply with the 2018-2019 USPAP. The findings are conveyed in an Appraisal Report as defined by USPAP. The appraisal assignment and report have been completed in response to a request for an appraisal of the subject property by Ms. Nicole Burdette, Special Staff Assistant, Senior, PCWIN. The appraisal assignment includes the appraisal of the property described and referred to as "the subject", "subject property", "subject parcel" or in other various ways meant to describe the subject property, and the preparation of an appraisal report. The appraisal report describes the subject property being appraised, analyze data selected and compared to the subject property, and renders an opinion of the market value of the subject property as of the effective date of the report.

The appraisal report is prepared and reported following the Uniform Standards of Professional Appraisal Practice published by the Appraisal Foundation, the Code of Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, the standards of Title XI of the Federal Financial Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and to those standards and specifications dictated by Pima County.

This appraisal report is only intended for use by Pima County Real Property Services, PCWIN, and the designees' assigns thereof. Use of this appraisal report by others not named is not intended by the appraiser. This report is intended to be used to assist the intended user in the determination of the market lease rate for an existing cell tower site. It is not intended for any other use. The purpose of the appraisal report is to provide the appraisers opinion of the market lease rate of a specific property which has been previously identified.

The appraisal process did not include the physical inspection of the subject property (completed by aerial view and Google Streetscape), the research of all pertinent information related to the subject property (zoning, flood, size, topography, etc.), and the selection, review, analysis, and confirmation of recent market leases for cell towers deemed comparable to the subject property.

The development of the final opinion of the market lease rate includes performing the appraisal process in conformance and compliance with the Uniform Standards of Professional Appraisal Practice as defined by the Appraisal Board and the Appraisal Institute. This appraisal report is only a summary of the appraisal data, analyses, and conclusions that the appraiser performed for this assignment.

The file retained by the appraiser includes all supporting documents for the concluded opinion of value. The work file and the appraisal report are what constitute the "appraisal" and both parts are considered to be integral to the final opinion of value.

## PART II – GENERAL LOCATION MAP



## NEIGHBORHOOD DESCRIPTION

The general neighborhood boundaries include Interstate 10 to the south, Old Spanish Trail to the east, the Rincon Mountains to the north, and the Pantano Wash to the west.

The area is more commonly known as the southeast quadrant of Tucson, Arizona and jurisdictions including the City of Tucson, Pima County, and the towns of Vail and Sahuarita.

**SITE DESCRIPTION**

**Land Area (Larger Parcel)** 4.13 acres

**Cell Tower Site:** 336 square feet

**Address/Legal Description:** 8850 South Camino Loma Alta  
SPANISH HILLS ABANDONMENT PLAT E300.01'  
N600.02' S680.02' LOT 1

**APN:** 205-64-655B (portion of)

**Zoning:** CR-1

**Comprehensive Plan:** MLIU

**Utilities:** All to site

**Topography:** Level

**Shape:** Rectangular

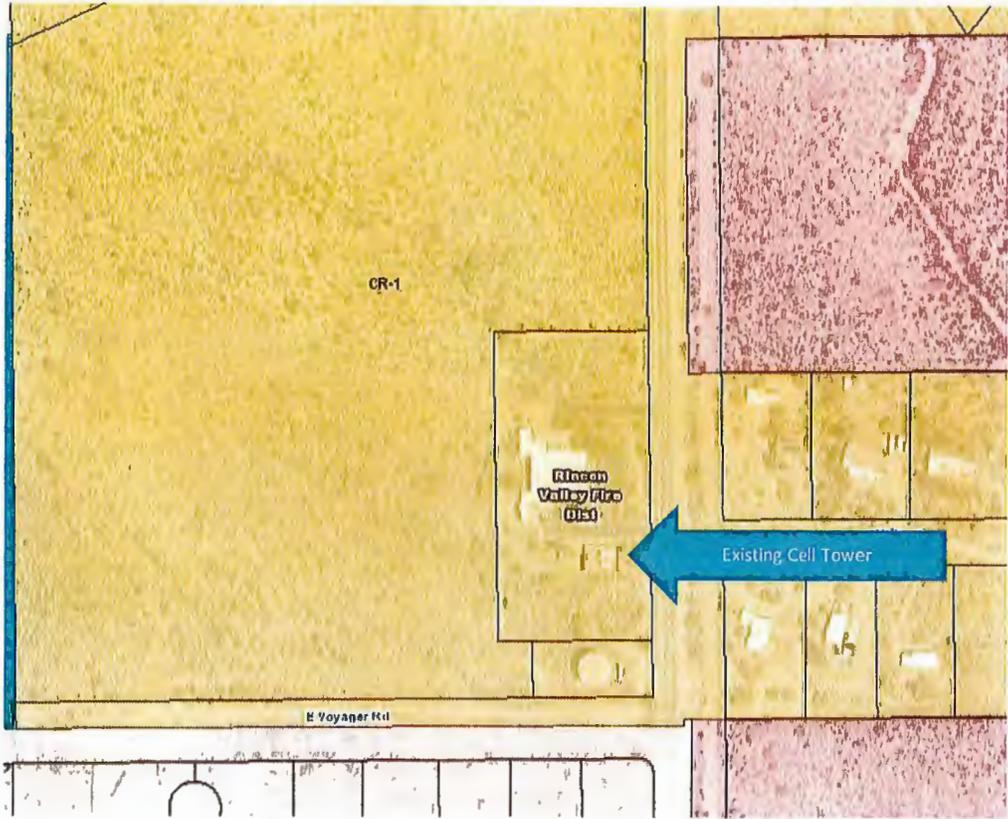
**Flood Zone:** Zone X

**Pima County Flood Requirement:** Sheet flooding area

**Sales History:** No sales within the past three years.

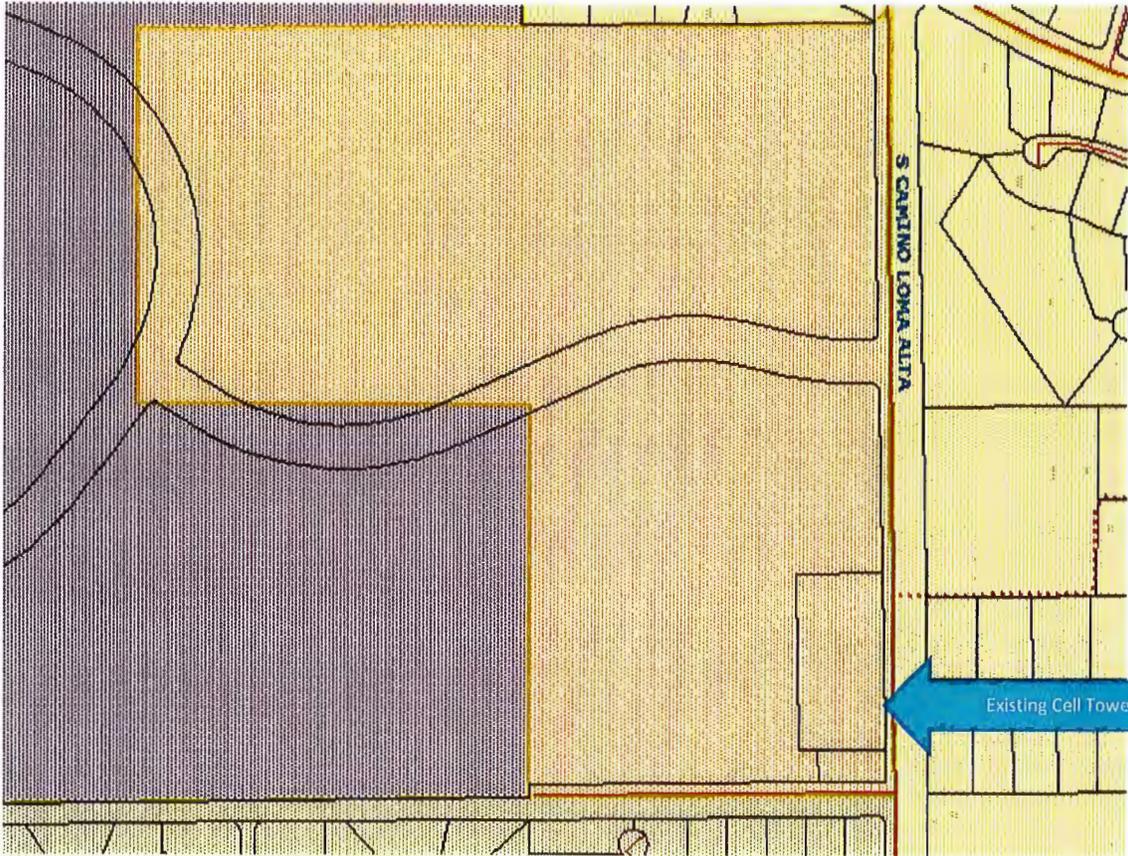


# ZONING MAP



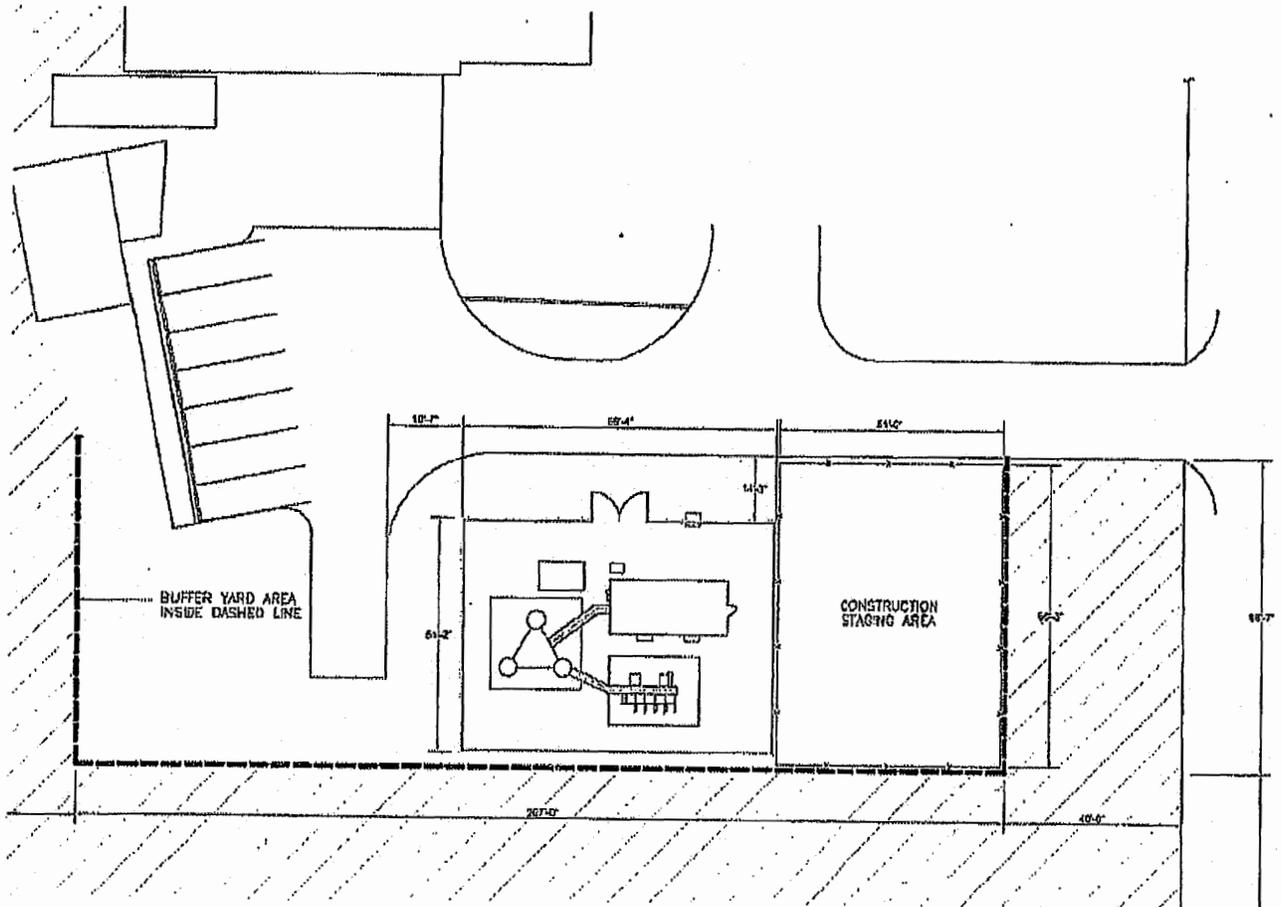
### COMPREHENSIVE PLAN (PIMA PROSPERS)

MLIU - Medium Low Intensity Urban



# SITE PLAN FOR EXISTING CELL TOWER

## Rincon Valley Fire District – Fire Station #1 Communications Site



## PART III – ANALYSES & CONCLUSIONS

### HIGHEST AND BEST USE

Highest and best use is defined in the 14<sup>th</sup> Edition of The Appraisal of Real Estate, published by the Appraisal Institute, as:

*"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of use – that is adequately supported and results in the highest present value"<sup>1</sup>*

The highest and best use of the land as vacant must meet four criteria. The highest and best use must be:

1. **Legally Permissible:** What uses are permitted by zoning, private restrictions, historic districts, and environmental regulations on the site?
2. **Physically Possible:** Based on the physical characteristics of the site, what uses are physically possible?
3. **Financially Feasible:** Which uses meeting the first two criteria will produce a positive return to the owner of the site?
4. **Maximally Productive:** Among the feasible uses, which use will produce the highest price, or value, consistent with the rate of return warranted by the market?  
This use is the highest and best.

**Highest and Best Use Analysis & Conclusion:** The subject of this appraisal is an existing cell tower site located on a parcel of land owned by Rincon Valley Fire District and known as 205-64-655B. The use of a portion of the site for a cell tower is legally permissible. The placement of a cell tower on the site is physically possible. The area encumbered with the cell tower site totals approximately 336 square feet. This use is a financially feasible and maximally productive use of the site that would otherwise remain as vacant land.

<sup>1</sup> The Appraisal of Real Estate, 14<sup>th</sup> Edition (Chicago, IL: The Appraisal Institute Press, 2013) p.333

## DETERMINATION OF MARKET RENT

### Comparable Lease

No.	Lessor/Lessee/Location	Lease Date	Lease Term	Monthly Rent	Comments
1	PC/Verizon/Fairgrounds	2016	5 years	\$2,000	5% annual increases
2	PC/Verizon/Denny Dunn	2016	5 years	\$2,000	3% annual increases
3	PC/Alltel/Nanini Center	2018	5 years	\$2,400	3% annual increases
4	Naifeh/Ukn./Harrison and Broadway	2015	5 years	\$2,600	25% every five years
5	Sun State Towers/ New Cingular Wireless/ Old Tucson	2019	5 years	\$2,381	3% annual increases
	Rincon Valley Fire/PCWIN	N/A	5 years	\$2,400	3% annual increases

### CELL TOWER LEASE RATE ANALYSIS & CONCLUSION

The existing cell tower lease is located in a developing suburban area. The immediate area surrounding the cell tower site is a mix of developed and undeveloped land. The cell tower is located adjacent to the Rincon Valley Fire District station on the west side of Camino Loma Alta.

Six recent leases for cell tower sites have been included in this appraisal. The leases range in dates from 2009 to 2018 and range in lease rates per month from \$2,000 to \$2,600. The leases have various lessors including Pima County and private property owners. The sites are leased to various tenants. The market data indicates that there is a broad range of lease rates and that the location, size of the larger parcel, size of the leased area, and other variables have limited impact on the overall lease rates. The lease rates are predicated on the general condition of the market and the need that the lessee has for a particular location. Anecdotal information confirmed that the lease rates are based on the theory of "what the market will bear" and not the underlying land value.

Based on the previous analysis and subject to the limiting conditions, extraordinary and hypothetical assumptions and conditions, the concluded potential market rent for the existing cell tower site, as of June 14, 2019, is:

**TWO THOUSAND FOUR HUNDRED DOLLARS PER MONTH**

**\$2,400 PER MONTH**

**TWENTY EIGHT THOUSAND EIGHT HUNDRED DOLLARS ANNUALLY**

**\$28,800**

## CERTIFICATION

**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 analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analysis, 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 performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report, within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of 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.
- My analysis, 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.
- ✓ *The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.*
- ✓ *The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.*
- ✓ *As of the date of this report, I **Jeffrey Teplitsky** have completed the continuing education program of the Appraisal Institute including the Standards and Ethics Requirements of the Appraisal Institute for Candidates for Designation and the education requirements for the State of Arizona for Appraisers.*

Signed: \_\_\_\_\_

Jeffrey Teplitsky  
 Az. Certified General Real Estate Appraiser: 30151  
 Appraisal Supervisor  
 Real Property Services

Date: June 14, 2019



## ASSUMPTIONS & LIMITING CONDITIONS

### ***This appraisal has been made with the following general assumptions:***

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a non-conformity has been identified, described and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.
10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. 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, and other potentially hazardous materials may affect the value of the property. The value estimated 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 such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.
12. Any opinions of value provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the opinion of value, unless such proration or division of interests has been set forth in the report.

### ***The appraisal report has been made with the following general limiting conditions:***

1. Possession of this report, or a copy thereof, does not carry with it the right of publication.

The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

## QUALIFICATIONS OF APPRAISER

### EDUCATION:

Bachelor of Arts in Political Science  
University of Arizona, 1979

### EXPERIENCE:

Certified General Real Estate Appraiser – 29 years  
Licensed Real Estate Broker, State of Arizona – 30 years;  
Expert Witness, Qualified in Superior Court, Pima, Santa Cruz, Yuma, Mohave Counties;  
Experience in appraisal of all types of real estate since 1987, including right-of-way  
condemnation, residential, residential income, commercial, industrial, acreage, subdivision,  
planned communities, litigation support, and special-purpose properties in Pima, Yuma, Pinal,  
Santa Cruz, Graham, and Cochise Counties.

### LICENSE:

Certified General Real Estate Appraiser,  
State of Arizona  
Certificate #30151

Licensed Real Estate Broker,  
State of Arizona  
No. BR019639000

### PROFESSIONAL ASSOCIATIONS:

Candidate for Designation AI-GRS, Appraisal Institute  
Member- International Right of Way Association, Tucson, Chapter  
Tucson Chapter – Appraisal Institute

### COURSES AND SEMINARS ATTENDED:

#### *Appraisal Institute - Courses and/or Examinations*

- Real Estate Appraisal Principles (1A1) - Tucson, 1983
- Basic Valuation Procedures (1A2) - Tucson, 1989
- Capitalization Theory and Techniques (1BA, 1BB) - Tucson, 1989
- Standards of Professional Practice (SPP) - Phoenix, 1990
- Case Studies in Real Estate Valuation (2-1) - Austin, TX, 1991
- Report Writing and Valuation Analysis (2-2) - Denver, CO, 1992
- Demonstration Report - Tucson, 1994
- Standards of Professional Practice - Parts A & B (SPP) - Phoenix, 1995
- Uniform Appraisal Standards for Federal Land Acquisitions - Tucson, 2009
- Standards of Professional Practice - Part C (SPP) - Tucson, 2009
- Commercial Appraisal Engagement, Tucson, 2011
- Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets - Tucson, 2012

- Standards of Professional Practice – Tucson, Arizona 2013
- Complex Litigation Appraisal Case Studies – Tucson, Arizona 2013
- Standards of Professional Practice – Tucson, Arizona 2014
- Standards of Professional Practice – Tucson, Arizona 2016
- Review Theory-General San Diego, California 2016
- Review Theory-Case Studies Chicago, Illinois, 2018
- Highlights - USPAP Tucson, Arizona 2019

*Seminars and Conferences*

- “Americans with Disabilities Act”, AI, 1993
- “FIRREA - Overview & Practical Application”, FIRREA Seminars, 1993
- “Overview of Evaluations & Limited Scope Appraisals”, Nelson-Hummel, 1994
- “Market Overview”, AI, 1994
- “Litigation Skills for the Appraiser”, AI, 1997
- “Analyzing Operating Expenses”, AI, 1998
- “Partial Interest Valuation”, AI, 2000
- “Subdivision Analysis”, AI, 2001
- “Appraisal Consulting”, AI, 2003
- “Appraising Manufactured Housing”, AI, 2004
- “The Cloaked Lease Clause - Unveiled!”, AI, 2004
- “Full Disclosure and How Stigmas Affect Value”, 2004
- “Pima County Commercial Real Estate Market Forecast”, 2005
- “National USPAP Update”, AI, 2005
- “Practical Issues in Fair Housing”, 2006
- “Eminent Domain”, AI, 2007
- “Online Business Practices and Ethics”, AI, 2010
- “Condemnation Summit”, 2012 through 2018

# ARIZONA LICENSE

## Department of Financial Institutions State of Arizona

CGA - 30151

This document is evidence that: **JEFFREY TEPLITSKY** has complied with the provisions of Arizona Revised Statutes, relating to the establishment and operation of a:

**Certified General Real Estate Appraiser**

and that the Superintendent of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

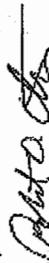
**Certified General Real Estate Appraiser**

**JEFFREY TEPLITSKY**

This license is subject to the laws of Arizona and will remain in full force and effect until surrendered, revoked or suspended as provided by law.

Expiration Date : August 31, 2020

Signed in the Superintendent's office at 100 North 15th Avenue, Suite 261, in the City of Phoenix, State of Arizona, this 6th day of July, 2018.



Robert D. Charlton  
Superintendent