

**PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING**

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**COVER PAGE**

**APPRAISAL REPORT**

**An Opinion of Market Value and Compensation Due  
for Partial Acquisition, Right of Way, Drainage Easement and TCEs of a site,  
At the SEC and NEC of Silverbell Road (4000 N), and Sweetwater Drive  
Tucson, Arizona, 85745**

**Index # 22012.01, 22012.02  
Project: SR6A Silverbell**

**As Of July 8, 2022**

**Owner: Pima County**

**Tax Parcel: 103-04-001Q, 1P, 1S, 103-10-002A  
Sec. 20, 29, T13S, R13E**

*Prepared For Use By*  
**City of Tucson,  
Real Estate Division  
201 N Stone Ave, 6<sup>th</sup> Floor  
Tucson, AZ 85701**

*Appraisal Prepared By*

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

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Letter of Transmittal

October 6, 2022

Mr. John Cahill, City of Tucson  
Administrator  
Real Estate Division  
City of Tucson

Re: Opinion of market value for partial acquisition of an 14.28 acre site known as the SEC and NEC of Silverbell Road (4000 N), and Sweetwater Drive.

In response to your request I have completed an analysis of the above referenced property; this letter of transmittal is part of that appraisal report. This is an appraisal report conforming to State of Arizona Department of Transportation's FHWA-approved Appraisal Manual, ARS § 12-1122, current Uniform Standard Professional Appraisal Practice and Advisory Opinions (USPAP) and compatible with the definition found at 49 CFR 24.103.

Problem Identification: The purpose of the appraisal is to assist in the determination of just compensation for partial acquisition by furnishing an opinion of market value. Effective date of the appraisal is July 8, 2022, the date of most recent site visit.

Relevant subject characteristics: Subject site size (larger parcel) is indicated to be 14.28 acres. The larger parcel is located on the northeast and southeast corners of Silverbell Road and Sweetwater Drive. The northeast corner is 11.28 acres, zoned RX-1 (Residence Zone), irregular in shape and of relatively level topography, moderately downward sloping to the east towards the Santa Cruz River and south towards Trails End wash. The southeast corner is 3.0 acres, zoned R-1 (Residence Zone), irregular in shape, moderately downward sloping to the south towards the Trails End Wash. The larger parcel site is indicated to be FEMA flood zone X approximately 93.5%, 6.5% zone A, with Pima County indicated RFCDD 14.6% erosion hazard setback area (EHSA), however, the washes do not appear to be well defined. There is significant Pima County indicated riparian area on the southern parcel, which the City of Tucson takes into consideration, particularly when intersecting with an ERZ wash (Trails End). The northern portion of the larger parcel is improved with the Pima County Animal Care Center, indicated to be a total of 58,229sf in 4 buildings (primarily veterinary clinic) plus related site improvements, a northwest portion of the site remains in natural desert vegetation; the southern portion of the larger parcel is improved with additional parking area for the northern parcel use.

The acquisition is 45,960sf of ROW along Silverbell Road, 7,175sf DE (drainage easement) and 14,463sf total TCEs (4, located at points of access); as the acquisition does not impact improvements (buildings), the analysis considers the land only segment (vacant land) with the exception of any improvements in the area of acquisition.

Assignment Conditions: There is a hypothetical condition in that the analysis of the parcel after the acquisition assumes that road project improvements (road widening and drainage improvements) have been completed. It is an extraordinary assumption that paving, wire fence and concrete wall improvements in the TCE area are returned to like condition after completion of improvements. The use of this hypothetical condition and extraordinary assumption may affect assignment results. Please also see standard limiting conditions in the appendix.

My opinion of compensation due, subject to all conditions and assumptions, as follows:

Value Before Acquisition		\$777,500
Value Part Acquired (Fee)	-	\$57,452
Value Part Acquired (DE)	-	\$4,036
Remainder Before Acquisition	=	\$716,012
Remainder After Acquisition	-	\$716,012
Severance Damages	=	\$0
Site Improvements	+	\$27,442
Cost to Cure	+	\$9,263
TCE	+	\$1,808
Total Compensation	=	\$100,001
Rounded up to	=	\$100,100

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

Sincerely,



Paul D. Hendricks, MAI

Arizona Certified General Real Estate Appraiser 30197

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## **PREFACE & SUMMARY**

APPRAISAL REFERENCE:	2022233LP NEC & SEC Sweetwater
PROBLEM IDENTIFICATION:	The following 7 parameters are considered, client, intended users, intended use, type of opinion, effective date, relevant subject characteristics and assignment conditions:
CLIENT:	City of Tucson, Real Estate Division
APPRAISER:	Paul D. Hendricks, MAI Arizona Certified General Real Estate Appraiser 30197
PURPOSE, INTENDED USE:	The purpose of the appraisal is to assist in the determination of just compensation for partial acquisition by furnishing an opinion of market value; the intended use is for road project.
INTENDED USERS:	City of Tucson, client, and Gena Cox-Dorman, Acquisition Sciences, as Agent are the only intended users; however, it is understood that following review and acceptance of this report by client, this report will become public information
SUBJECT CHARACTERISTICS:	Subject site size (larger parcel) is indicated to be 14.28 acres. It is located on the northeast and southeast corners of Silverbell Road and Sweetwater Drive, zoned RX-1 and R-1 (Residence Zones), irregular in shape and of relatively level topography, moderately downward sloping to the east towards the Santa Cruz and south towards Trails End wash. The site is indicated to be FEMA flood zone X 93.5%, 6.5% zone A, with Pima County indicated RFCD 14.6% erosion hazard setback area (EHSA), however, the washes do not appear to be well defined. There is significant Pima County indicated riparian area on the southern parcel, which the City of Tucson takes into consideration, particularly when intersecting with an ERZ wash (Trails End). The northern portion of the larger parcel is improved with the Pima County Animal Care Center, indicated to be a total of 58,229sf in 4 buildings (primarily veterinary clinic) plus related site improvements, a northwest portion of the site remains in natural desert vegetation; the southern portion of the larger parcel is improved with additional parking area for the northern parcel use..
ACQUISITION:	45,960sf Fee, 7,175sf DE, 14,463sf TCEs (total)
TAX CODE:	103-04-001Q, 1P, 1S; 103-10-002A
INTEREST CONSIDERED:	Fee simple and easement
<b>EFFECTIVE DATE OF VALUATION:</b>	<b>July 8, 2022; Date of Site Visit.</b>
DATE OF APPRAISAL REPORT:	October 6, 2022
TYPE OF APPRAISAL REPORT:	Appraisal Report

OPINION OF VALUE/COMPENSATION:

Value Before Acquisition		\$777,500
Value Part Acquired (Fee)	-	\$57,452
Value Part Acquired (DE)	-	\$4,036
Remainder Before Acquisition	=	\$716,012
Remainder After Acquisition	-	\$716,012
Severance Damages	=	\$0
Site Improvements	+	\$27,442
Cost to Cure	+	\$9,263
TCE	+	\$1,808
Total Compensation	=	\$100,001
Rounded up to	=	\$100,100

ASSIGNMENT CONDITIONS:

There is a hypothetical condition in that the analysis of the parcel after the acquisition assumes that road project improvements (road widening and drainage improvements) have been completed. It is an extraordinary assumption that paving, wire fence and concrete wall improvements in the TCE area are returned to like condition after completion of improvements. The use of this hypothetical condition and extraordinary assumption may affect assignment results. Please also see standard limiting conditions in the appendix.

**Property Overview Aerial**



## **PURPOSE OF THE APPRAISAL**

The purpose of the appraisal is to assist in the determination of just compensation for partial acquisition by furnishing an opinion of market value.

## **INTENDED USE OF THE APPRAISAL**

The opinion of value will be used by the client, City of Tucson, in partial acquisition for road project.

## **INTEREST APPRAISED**

The interest appraised is the fee simple estate and easement; fee simple estate is defined as "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat".

Easement is defined in Dictionary of Real Estate Appraisal, 6<sup>th</sup> Edition, as the right to use another's land for a stated purpose.

## **PROPERTY IDENTIFICATION**

The site is located at the NEC and SEC of Silverbell Road and Sweetwater Drive. It is identified as follows:

NEC (4000 N Silverbell); Tax parcel 103-04-001Q, 1P, 1S. A legal description from assessor's record: SELY PTN SE4 SW4 SE4 SEC 20-13-13; SEC; Tax parcel 103-10-002A. A legal description from assessor's record: CTRL NLY TRI PTN N2 NE4 3 AC SEC 29-13-13, G&SRB&M, Pima County, Arizona.

## **MARKET VALUE DEFINED**

Value shall be determined by ascertaining the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements that the property would bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable.

([Arizona Statute 12-1122C](#))

## **PROJECT INFLUENCE**

### ARS 28-7097

In acquiring property for transportation purposes pursuant to this article, when determining the market value of the property to be taken and the market value of the remainder, if any, in the before condition, a decrease or increase in the market value of the real property before the date of valuation caused by the public project for which the property is to be acquired or by the likelihood that the property would be acquired for the project shall be disregarded.

All steps in the appraisal process, including the selection of comparable sales and analysis of market data, in the before condition, were completed disregarding any influence from the project for which this appraisal is being completed.

## **EXPOSURE PERIOD**

Exposure time, always presumed to precede the effective date of the appraisal, is defined as follows: "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market".

Exposure time estimated from review of comparable sales and from discussions with active market participants is estimated for the subject property to be approximately 3 to 12 months.



## **EFFECTIVE DATE OF APPRAISAL, REPORT DATE**

The effective date of the appraisal is July 8, 2022, the date of most recent site visit. The transmittal date of the report is October 6, 2022.

## **ANALYSIS AND IDENTIFICATION OF LARGER PARCEL**

After consideration of the three tests of larger parcel, common ownership, use and physical contiguity, as well as beneficial control, the larger parcel is the subject parcel (NEC and SEC) as identified. The main (NEC) parcel is improved with Pima Animal Care Center; the SEC is of the same ownership interest, and a portion of the subject site appears to be used as parking for the subject northern parcel. The southern parcel is significantly environmentally restricted (riparian area intersecting the Trails End, an ERZ wash), essentially eliminating any other development use of the site; thus the two form a larger parcel with common ownership, use and physical contiguity (separated only by an eastern portion of Sweetwater Drive).

## **APPRAISAL DEVELOPMENT AND REPORTING PROCESS (SCOPE)**

- The appraiser performed an appraisal process in conformance with State of Arizona Department of Transportation's FHWA-approved Appraisal Manual, ARS § 12-1122, current Uniform Standard Professional Appraisal Practice and Advisory Opinions (USPAP) and compatible with the definition found at 49 CFR 24.103
- Determined the nature of the appraisal assignment by identifying the client, intended users, intended use, type of opinion, effective date of the opinion, property interest appraised, and any subject property assignment conditions such as extraordinary, hypothetical assumptions or necessary jurisdictional exceptions.
- Afforded the property owner opportunity to accompany the appraiser; inspected on April 11, 2022 with property owner representatives as well as Gena Cox-Dorman of Acquisition Sciences.
- Performed an inspection of the property including the neighborhood, the subject site and its relevant characteristics
- Reviewed site plat, zoning and flood zone maps indicating physical suitability of the parcel. Reviewed zoning ordinance and neighborhood plans applicable to the subject property.
- Performed a Highest and Best Use Analysis to identify the use that would result in highest market value.
- Researched comparable sales from available data sources including Costar, MLS, Realquest and appraiser's files.
- Inspected, by drive by, all comparable sales used.
- Attempted confirmation of each comparable sale with a party familiar with the property/transaction (when confirmation was not available, public records/information was relied upon).
- Applied appraisal techniques (sales comparison approach) and methodology according to the appraisal body of knowledge and the expectations and actions of my appraisal peers to arrive at an indication of market value of the subject.
- Contacted local sign company for estimate of subject sign relocation/replacement cost.
- Prepared an appraisal report describing my appraisal process, in conformance with the above referenced standards.
- *Any other components of scope including the 7 parameters, client, intended users, intended use, type of opinion, effective date, relevant subject characteristics and assignment conditions are considered to be included in/as scope.*

**PROPERTY OWNERSHIP; 5 YEAR SALES HISTORY**

According to assessor's record, ownership is indicated to be Pima County; there are indicated to have been no market transfers in the past 5 years, I am unaware of any marketing of the property for sale over the past year.

**OWNER CONTACT FOR INSPECTION**

Property owner representatives were contacted by email, scheduling and attending an initial site visit April 11, 2022; following a final acquisition staking, I inspected the property unescorted July 8, 2022.

## MARKET AREA (NEIGHBORHOOD) ANALYSIS

A property is an integral part of its surroundings. The character and features of the surrounding area directly affect the use of a property which is a primary factor in the property's value. In order to estimate the value of a property, an analysis of the surrounding area must be made. This surrounding area is referred to as a neighborhood.

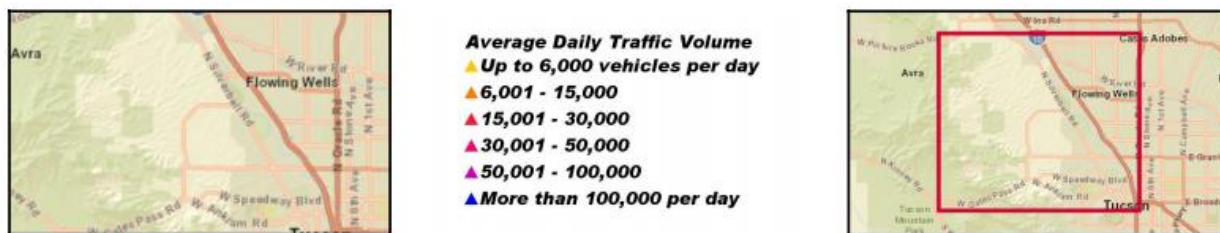
The subject property is located in a western portion of the City of Tucson. The boundaries of the area which exert the most influence over the subject (Northern Santa Cruz) are considered to be the Tucson Mountains on the west to Interstate 10 on the east, from Sunset Road south to Speedway Boulevard.

These boundaries are considered appropriate due to physical divisions, predominate land uses, and social characteristics. The subject property generally falls in the mid-eastern portion of this area.

The area west of Silverbell is largely Pima County jurisdiction with the area to the east City of Tucson. The Santa Cruz wash is a significant divider of the market area; property to the east of the Santa Cruz to Interstate 10 are largely commercial-industrial with the areas west being primarily residential with commercial services along Silverbell Road at major east-west traffic arterials (Grant and Speedway). The area transitions from higher density urban residential densities on the east to lower density suburban residences to the west into the lower western foothills.

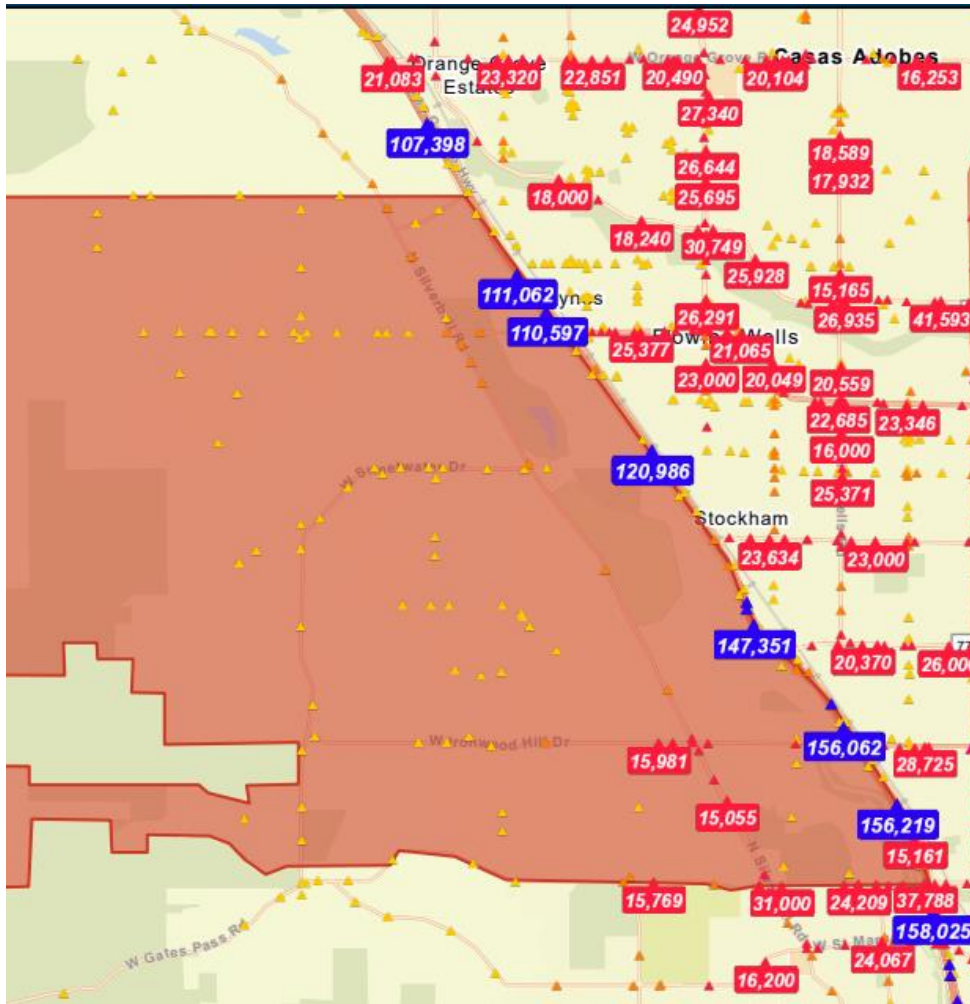
There are significant recreational features in the area including Christopher Columbus Regional Park with urban lakes at the southeast corner of Silverbell and El Camino Del Cerro, Silverbell Municipal Golf Course south of Sweetwater at Silverbell, Juakin Murieta Park and El Rio Golf Course north and east of Silverbell and Speedway. Pima Community west campus and Greasewood Park are just south of the market area described, on the east and west sides of Greasewood Road respectively. The Loop around metro Tucson with links to Marana, Oro Valley, and South Tucson provides Pima County residents and visitors on foot, bikes, skates, and horses 131 miles of shared-use paths connecting the Rillito River Park, Santa Cruz River Park, and Pantano River Park with Julian Wash and the Harrison Greenway

Access to and throughout the neighborhood is considered to be average to good due to Interstate 10 being the eastern boundary, with Silverbell being a medium volume scenic arterial. Recently (2017) Sunset Road was extended from Interstate 10, over the Santa Cruz by bridge, to Silverbell Road with a 3-lane roadway with intersection improvements and turn lanes at the major intersections. The following provides an overview of arterial traffic counts in the market area:



Source: Kalibrate Technologies (Q1 2022)

It appears in the following map that traffic counts in the area along Silverbell near Sweetwater Drive are 6,000-15,000vpd.



The neighborhood demographics along with demographics indicated in a 1 mile radius around the subject property are compared to county averages as follows:

Variable	NEC Sweetwater (1 mi)	Silverbell II MA	Pima County, AZ
2021 Total Population	769	23,444	1,077,673
2021-2026 Population: Compound Annual Growth Rate	0.39%	0.47%	0.88%
2021 Total Households	308	9,228	428,697
2021 Per Capita Income	\$32,900	\$35,223	\$30,716
2021 Median Household Income	\$75,312	\$76,104	\$55,823
2021 Population Age 25+: Graduate/Professional Degree	146	3,047	106,106
2021 Owner Occupied Housing Units	252	6,898	274,307
Percent Owner Occupied	77.8%	71.0%	57.3%
2021 Vacant Housing Units	16	484	49,834
Percent Vacant	4.9%	5.0%	10.4%
2021 Total Housing Units	324	9,712	478,531
2021 Median Home Value	\$308,861	\$299,157	\$240,501
2021 Average Home Value	\$332,087	\$349,793	\$309,933
2019 Housing: Mobile Homes	0	285	47,450
Percent Mobile Homes	0.0%	2.9%	9.9%
2019 Median Contract Rent (HHs Paying Cash Rent)	\$1,131	\$896	\$760
2021 Population Density (Pop per Square Mile)	245.0	858.1	117.3

As indicated, the subject surrounding 1 mile radius and surrounding market area are projected to grow at lower rate than the Tucson Metro area (Pima County) overall. Median household and per capita income

levels are significantly to moderately above county averages respectively. Median home values in the surrounding 1 mi radius and market area are significantly above the metro area.

As mentioned, the market area is largely Pima County west of Silverbell and City of Tucson on the east. Where City of Tucson (subject parcels) properties are served police and fire protection by the City, within Pima County fire protection is by Rural metro. Electricity is provided by TEP, water by the City of Tucson, or private well, wastewater by Pima County or septic and telephone by CenturyLink. The subject neighborhood lies within the boundaries of Tucson Unified School District (north of El Camino Del Cerro is Flowing Wells). Public Transportation is available in the market area along Grant and Speedway to Greasewood and Silverbell north to Goret Road.

In summary, the subject market area is transitioning from higher density urban densities on the east to lower suburban densities to the west; there are significant recreational amenities in the area, particularly along Silverbell Road and the Santa Cruz. Residents within a 1 mile radius and surrounding market area are well above the surrounding metro area in income characteristics and home values.

## SITE DESCRIPTION

Location:	NEC and SEC Silverbell Road and Sweetwater Drive.												
Site Size:	14.28 acres per assessor's record.												
Access:	Good, roughly 1,150' on Silverbell, approximately 170' on Sweetwater; Sweetwater terminates at roughly this point, east of Silverbell Road.												
MS&R	Silverbell is a 150' Medium Volume Scenic Arterial.												
Visibility/View:	Visibility and view is considered to be good; Christopher Columbus Park (lake) is located directly east of the subject.												
Shape:	Irregular but of reasonable utility.												
Topography:	Relatively level, moderately downward sloping to the east toward the Santa Cruz and south towards the Trails End wash.												
Flood Hazard:	According to the FEMA Digital Flood Insurance Rate Map, panel 04019C1668L the site is indicated to be approximately 6.5% Flood Zone-A (area of 100 year flood, elevations undetermined), the balance zone-X.												
Washes/Riparian:	The Trails End (Pima County RFCD 2,000-5,000cfs, 75' setback) is located south and east of the subject site; roughly 17.8% of the site is indicated to be xeroriparian-C (RFCD), however a portion of this area appears to presently improved with paved parking area, thus no longer riparian.												
Easements, Restrictions:	A title report has not been provided; there are no easements indicated on subject plat maps; it is assumed there are typical utility easements providing utilities to site improvements.												
Contamination:	No environmental assessment was available. There are no known conditions or apparent environmental hazards evident during the site visit, but appraisers are not trained in the detection of such materials.												
Utilities:	Utilities are generally available in the area from the following sources, (however an engineering study is needed to determine if all utilities are available in adequate supply for new development): <table><tr><td>Water:</td><td>City of Tucson</td></tr><tr><td>Sewer:</td><td>Pima County Wastewater</td></tr><tr><td>Electricity:</td><td>Tucson Electric Power</td></tr><tr><td>Natural Gas:</td><td>Southwest Gas</td></tr><tr><td>Telephone:</td><td>CenturyLink</td></tr><tr><td>Public Safety/Fire:</td><td>City of Tucson</td></tr></table>	Water:	City of Tucson	Sewer:	Pima County Wastewater	Electricity:	Tucson Electric Power	Natural Gas:	Southwest Gas	Telephone:	CenturyLink	Public Safety/Fire:	City of Tucson
Water:	City of Tucson												
Sewer:	Pima County Wastewater												
Electricity:	Tucson Electric Power												
Natural Gas:	Southwest Gas												
Telephone:	CenturyLink												
Public Safety/Fire:	City of Tucson												
Surrounding Land Uses:	RX-1 zoned north and east (park) R-1 undeveloped land to the south, SR undeveloped residential west of Silverbell.												
Zoning:	<p>RX-1 and R-1, Residence Zones: RX-1 provides for suburban, low density, single-family, residential development, agriculture and other compatible neighborhood uses. Development Standards include 36,000sf minimum lot size, maximum density 2 units/36,000sf, maximum lot coverage 15% (non-res), res: N/A, 30 maximum height with setbacks of 20'-front (street), Res use to Res zone 20', Res use to Non-res zone (H), Nonres use to Res zone 20', Nonres Use to Nonres Zone 0'.</p> <p>R-1 provides for urban, low density, single-family, residential development, together with schools, parks, and other public services</p>												

necessary for a satisfactory urban residential environment. Certain other uses, such as day care and urban agriculture, are permitted that provide reasonable compatibility with adjoining residential uses. Development Standards (General) include 7,000sf minimum lot size, maximum density 2 units/10,000sf, maximum lot coverage 70%, 25 maximum height with setbacks of 20'-front (street), residential use to residential use 6' or 2/3 (H).

**Market Area:**

The subject is located in the northern portion of Santa Cruz Area Plan an area extending approximately 14 miles from Los Reales Road on the south to Orange Grove Road on the north. It is bounded on the east by Interstates I0 and 19 and on the west by Mission and Silverbell Roads. The proposed Santa Cruz Riverpark concept extends throughout the length of the plan and is the central focus of the area. The Santa Cruz Area Plan is intended to guide future development and coordinate governmental actions when developing the Santa Cruz River and its immediate environs as a major cultural and recreational resource, while stabilizing and improving adjacent neighborhoods. The subject site is not within any "Key Parcel" special planning area, thus there are no specific indications of appropriate uses other than existing zoning.

**Site Analysis Conclusion:**

The subject site has good access due to frontage on Silverbell Road. It is zoned RX-1 and R-1 which provides for suburban, low density, single-family, residential development, agriculture and other compatible neighborhood uses. Utilities are available in the area though an engineering study would be needed to determine adequate supply etc. The site is relatively level, moderately downward sloping to the west towards the Santa Cruz and the south towards the Trails End wash. It is largely FEMA-x with minor zone-A; there is significant restriction due to riparian area in the southern parcel in the vicinity of Trails End wash.

**Real Estate Tax Analysis**

Assessor's indication of 2023 full cash values (including improvements, not considered in this analysis) and 2021 taxes are as follows; there are no special assessments and there are no taxes paid due to municipal ownership.

Tax Parcel	103-10-002A	103-04-001Q	103-04-001P	103-04-001S	Totals
FCV Land	\$151,690	\$117,000	\$28,168	\$74,000	\$219,168
FCV Impvt.	\$0	\$7,364,207	\$0	\$0	\$7,364,207
FCV Total	\$151,690	\$7,481,207	\$28,168	\$74,000	\$7,583,375
2021 Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0



## HIGHEST AND BEST USE

Highest and best use is defined by the Appraisal Institute in The Dictionary of Real Estate Appraisal, 6<sup>th</sup> Edition, as:

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Also implied is that the determination of highest and best use results from the appraiser's judgment and analytical skill, i.e., that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value), another appropriate term to reflect highest and best use would be most probable use. In the context of investment value, an alternative term would be most profitable use. The four criteria for the estimate of highest and best use that result in the highest land value are that the use be, legally permissible, physically possible, financially feasible, and maximally productive.

### HIGHEST AND BEST USE, AS IF VACANT:

**Legally Permissible:** The subject is zoned RX-1 and R-1 Residence Zone: This zone provides for suburban, low density, single-family, residential development, agriculture and other compatible neighborhood uses.

Development Standards (RX-1) include 36,000sf minimum lot size, maximum density 2 units/36,000sf, maximum lot coverage 15% (non-res), res: N/A, 30 maximum height with setbacks of 20'-front (street), Res use to Res zone 20', Res use to Non-res zone (H), Nonres use to Res zone 20', Nonres Use to Nonres Zone 0'. Development Standards (R-1) include 7,000 min site, 2 units per 10,000sf, 70% lot coverage, 25' height with setbacks of 20'-front (street), Res use to Res zone 6', Res use to Non-res zone 10' or  $\frac{3}{4}(H)$ , Nonres use to Res or Nonres zone 10' or  $\frac{3}{4}(H)$ .

**Physically Possible:** The subject parcel is indicated to be 14.28 acres, it has access via Silverbell, a medium volume scenic arterial in this area. Utilities are available in the area though an engineering study would be needed to determine adequate supply etc. The site is relatively level, moderately downward sloping to the west. It is largely FEMA-x with minor zone-A and zone x-shaded.

**Financially Feasible:** The financial feasibility of the subject site is market derived. The following is from the First Quarter 2022 Forecast Update (completed at the end of February 2022) by George W. Hammond, Ph.D., EBRC Director and Research Professor:

Arizona's jobs are once again breaking new ground, after regaining their pre-pandemic peak in November 2021. In addition, the state unemployment plunged during the second half of the year, as the state's labor market tightened significantly. Nominal retail sales continued to rise rapidly through the end of the year, reflecting past income gains, rising household wealth, and rapid inflation. House prices have soared lately, as household formation increased, dragging down housing affordability. Population gains were solid last year, driven solely by net migration as natural increase dipped into negative territory.

The outlook for the state economy is positive, with the baseline forecast calling for strong job growth in 2022 and 2023 and continued solid population gains. Income and sales growth are forecast to slow in nominal terms this year and fall after adjustment for inflation. The recent surge in inflation implies more restrictive monetary policy and higher interest rates this year, which will likely contribute to slower economic growth and may raise the risk of a downturn next year.

### Second Quarter 2022 Forecast Update; May 2022

Arizona's economy continues to recover unevenly from the pandemic. Jobs in three out of the state's seven metropolitan areas were below their pre-pandemic level in April. Further, jobs in six out of 11 NAICS industries were below their February 2020 level as well. While statewide jobs have regained their pre-pandemic peak well before the U.S., they remain well below where they likely would have been had the pandemic not occurred. Overall, state and national labor markets



remain in turmoil as employer efforts to rapidly ramp up production meet workers re-evaluating career objectives and opportunities.

The baseline forecasts for Arizona, Phoenix, and Tucson call for continued recovery from the economic impacts of the pandemic. Job growth remains strong this year, while income and sales growth rapidly decelerate, with the end of pandemic-related federal income support. Inflation is projected to remain very high this year before steeply decelerating in 2023. Downside risks to the baseline have increased in recent months, with large supply-side shocks and rapidly rising interest rates joining diminished federal income support to slow growth.

### Arizona Recent Developments

Arizona seasonally-adjusted nonfarm payroll jobs increased by 16,100 in April, after a revised drop of 4,400 in April. The preliminary estimate for March showed a decline of 3,700 jobs.

Over-the-month job gains were driven by manufacturing, which added a whopping 4,900 jobs. That was followed by leisure and hospitality (up 4,600), education and health services (up 2,300), professional and business services (up 1,500), trade, transportation and utilities (up 1,200), information (up 1,000), other services (up 700), and government (up 500). Employment in natural resources and mining and financial activities was stable, while construction jobs dropped by 600.

The seasonally-adjusted manufacturing job gain in April was the largest on record (going back to 1966). Gains were about evenly split between durables (up 2,200) and nondurables (up 2,700). Durable job gains were concentrated in other durables (up 1,100), with additional gains in aerospace (up 500), computer and electronic products (up 400), and fabricated metals (up 300). Arizona's seasonally-adjusted unemployment rate dropped to 3.2% in April, down from 3.3% in March. The April estimate set another record low going back to 1976. (**Exhibit 1**).

## Exhibit 1: Arizona and U.S. Unemployment Rates, Seasonally Adjusted

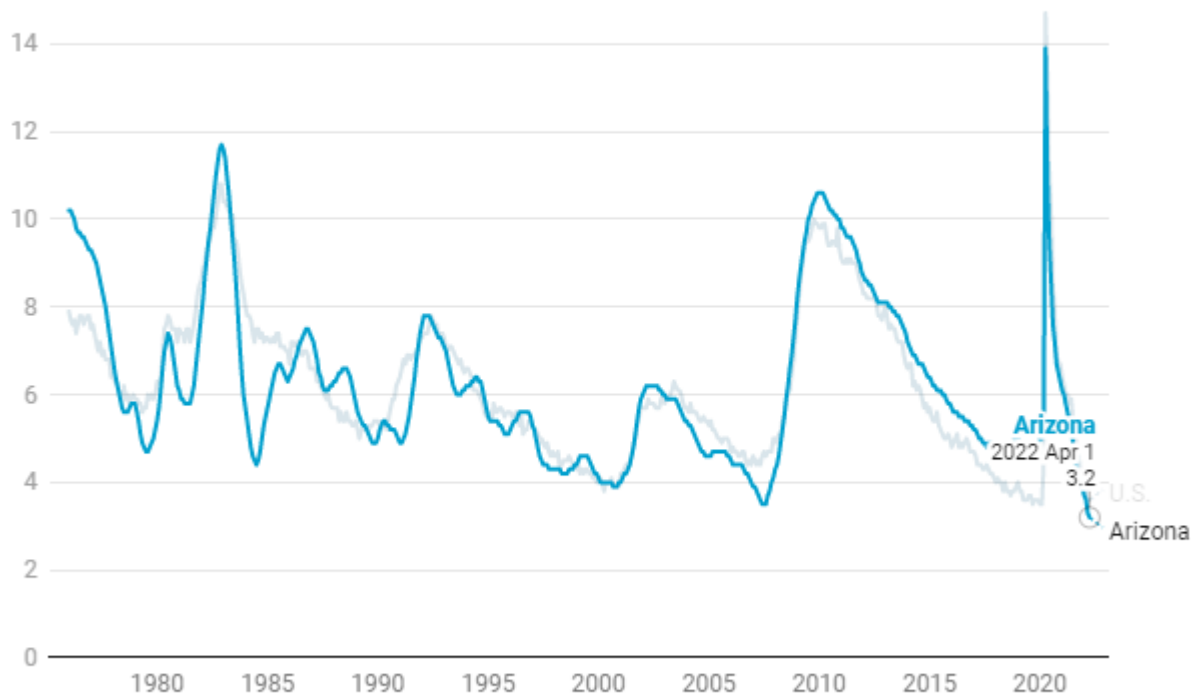


Exhibit 1: Arizona and U.S. Unemployment Rates, Seasonally Adjusted

Source: U.S. BLS • Get the data • Created with Datawrapper

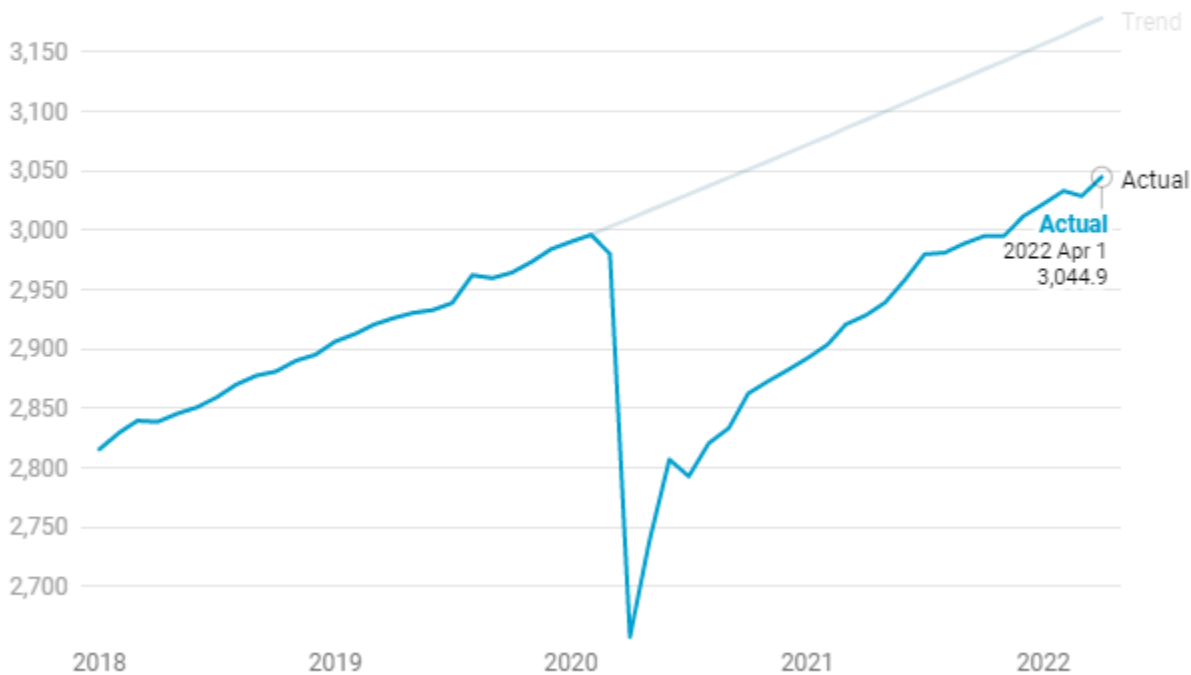
Government and leisure and hospitality jobs remained far below their pre-pandemic levels in April. Government jobs (primarily local government) were 20,300 below and leisure and hospitality jobs were 13,500 jobs below. Education and

health services were still down 1,900, followed by information (down 1,200), natural resources and mining (down 200), and other services (down 100).

In contrast, trade, transportation, and utilities jobs were up 55,600 in April, followed by financial activities (up 11,200), manufacturing (up 10,600), construction (up 5,500), and professional and business services (up 3,000).

Overall, Arizona jobs were up 48,700 jobs from February 2020 to April 2022. Even so, state jobs were down 133,800 from where they would have been had the pandemic not occurred (**Exhibit 2**).

## **Exhibit 2: Arizona Jobs Are Far Below Their Pre-Pandemic Trend, Seasonally Adjusted, Thousands**



*Exhibit 2: Arizona Total Nonfarm Jobs, Actual vs. Trend, Seasonally Adjusted, Thousands*

There also remains a lot of variation in job recovery rates across Arizona's metropolitan statistical area. The current estimates suggest that four of the state's seven metropolitan areas have replaced all of the jobs lost during the February to April 2020 period: Lake Havasu City-Kingman, Phoenix, Prescott, and Yuma. As of April 2022, Sierra Vista-Douglas replaced 63.6% of the jobs lost early in the pandemic, Tucson replaced 88.4%, and Flagstaff replaced 92.2%. The U.S. rate was 94.6%.

Housing permit activity has been strong during the pandemic. At the same time, house prices continued to rise at a rapid pace. In April 2022, median house prices were up 24.8% over the year in Phoenix and 21.1% in Tucson. The Case-Shiller house price index, which measures repeat sales, was up 32.9% over the year in Phoenix in February, well above the national average increase of 19.8%. This has had a large negative impact on housing affordability in Arizona, particularly in the Phoenix MSA, where affordability has fallen well below the national average.

Labor compensation costs continued to accelerate in the first quarter of 2022, according to the BLS Employment Cost Index. The total compensation index (wages and salaries as well as fringe benefits) for the Phoenix MSA rose by 5.5% over the year in the first quarter of 2022. That was well above the national pace of 4.8% and faster than the 4.9% over the year increase to finish 2021. Even so, total compensation growth was well below the national rate of inflation in the first quarter, with the all-items consumer price index up 8.0% over the year.

### **Arizona Outlook**

The outlook for Arizona, Phoenix, and Tucson depends in part on national and global economic events. The forecasts presented here are based on U.S. projections released by IHS Markit in April 2022. It was based on the following assumptions:

- During the spring of 2022, the winter wave of COVID (Omicron variant) fades and the transition from pandemic to endemic resumes.
- The forecast includes all of the pandemic relief enacted to date. The support to incomes from these measures, which averaged \$2.7 trillion (annual rate) over the first half of 2021, dropped to less than \$0.7 trillion by the fourth quarter. The forecast includes the Infrastructure Investment and Jobs Act and the recent Consolidated Appropriation Act of 2022 that funds government for this fiscal year. The forecast does not include the “Build Back Better” reconciliation bill.
- The Fed raises its policy rate six more times by late 2023, to a range of 3.0% – 3.25%. The Fed’s balance sheet declines by about one third through 2024.  
Tariffs and trade agreements between the U.S. and China since 2017 are assumed to continue.
- Real foreign GDP contracted by 4.7% in 2020. Growth rebounded to 5.6% in 2021 and then slows to 3.0% in 2022, amidst the fallout from the Russian invasion of Ukraine.
- The price of Brent crude oil is forecast to rise to \$120 per barrel in the second quarter of 2022, up from \$80 per barrel in the fourth quarter of 2021. The price then descends gradually back to \$69 per barrel by mid-2026 due to demand destruction (caused by higher prices), a partial resolution of the conflict in Ukraine, and increased non-Russian production.

The baseline forecast (summarized here) is assigned a 50% probability. The pessimistic scenario is assigned 35% and the optimistic scenario is assigned the remaining 15%.

The baseline forecast calls for U.S. real GDP to rise by 3.0% in 2022 and then decelerate to 2.8% in 2023 and 2.7% in 2024. Compared to March, the April projections for real GDP were revised down in 2022, reflecting new data for the months preceding the Russian invasion of Ukraine that suggest slower growth in the first quarter.

Nonfarm payroll jobs nationally dropped by 5.8% in 2020 but rebounded in 2021 with growth of 2.8%. The forecast calls for jobs to rise by 4.0% in 2022 and 1.5% in 2023.

The unemployment rate peaked at 8.1% for the year in 2020 but fell to 5.4% in 2021. It is forecast to decline to 3.6% in 2022 and 2023.

Inflation gathered momentum last year, with an average annual price increase of 4.7%. The forecast calls for inflation to spike again in 2022 to 6.8%, reflecting the surge in oil prices this year. Inflation decelerates rapidly to 2.6% in 2023, as oil prices fall, supply-chain issues ease, and workers return to the labor force. With this forecast, inflation projections were raised by 0.6 percentage points in 2022.

The national forecast sets the stage for continued growth in Arizona. Overall, Arizona jobs and population are forecast to grow at a solid pace in the near term, while income and sales growth decelerate with the end of federal income support. **Exhibit 3** summarizes the Arizona forecast through 2024.

The revised employment data shows that Arizona added 105,200 jobs in 2021 (annual average basis using seasonally-adjusted data) for 3.7% growth. The baseline forecast calls for growth to decelerate slightly to 3.6% in 2022 and then to 3.0% in 2023.

The forecast calls for population growth to accelerate from 1.5% in 2022 to 1.6% in 2023, with the addition of 118,400 new residents by July 1, 2023. Most of that growth is driven by net migration. Solid population gains contribute to housing permit activity continuing at a high level, with 64,708 permits in 2022 and 62,452 permits in 2023.

In contrast to solid job and population growth in 2022, personal income growth decelerates to 2.0% before adjustment for inflation and declines by 4.5% after adjustment for inflation, reflecting the end of federal income support related to the pandemic.

Retail sales (broadly defined to include food, retail, restaurants and base, and gasoline) growth decelerates to 1.9% in 2023 before adjustment for inflation and declines by 0.7% after adjustment for inflation. Taxable retail plus remote sales (narrowly defined) is forecast to decelerate from 19.9% growth in 2021 to 8.1% in 2022 and then to 2.6% in 2023.

**Exhibit 3: Arizona Outlook Summary, Annual Growth Rates and Levels**

	Actual	Forecast		
	2021	2022	2023	2024
<b>Growth Rate</b>				
Nonfarm Jobs	3.7	3.6	3.0	2.2
Personal Income	7.2	2.0	6.7	6.7
Retail Plus Remote Sales	19.9	8.1	2.6	4.2
Population	1.5	1.5	1.6	1.5
<b>Level</b>				
Unempl. Rate	4.9	3.4	3.6	4.0
Housing Permits	64,692	64,708	62,452	50,533

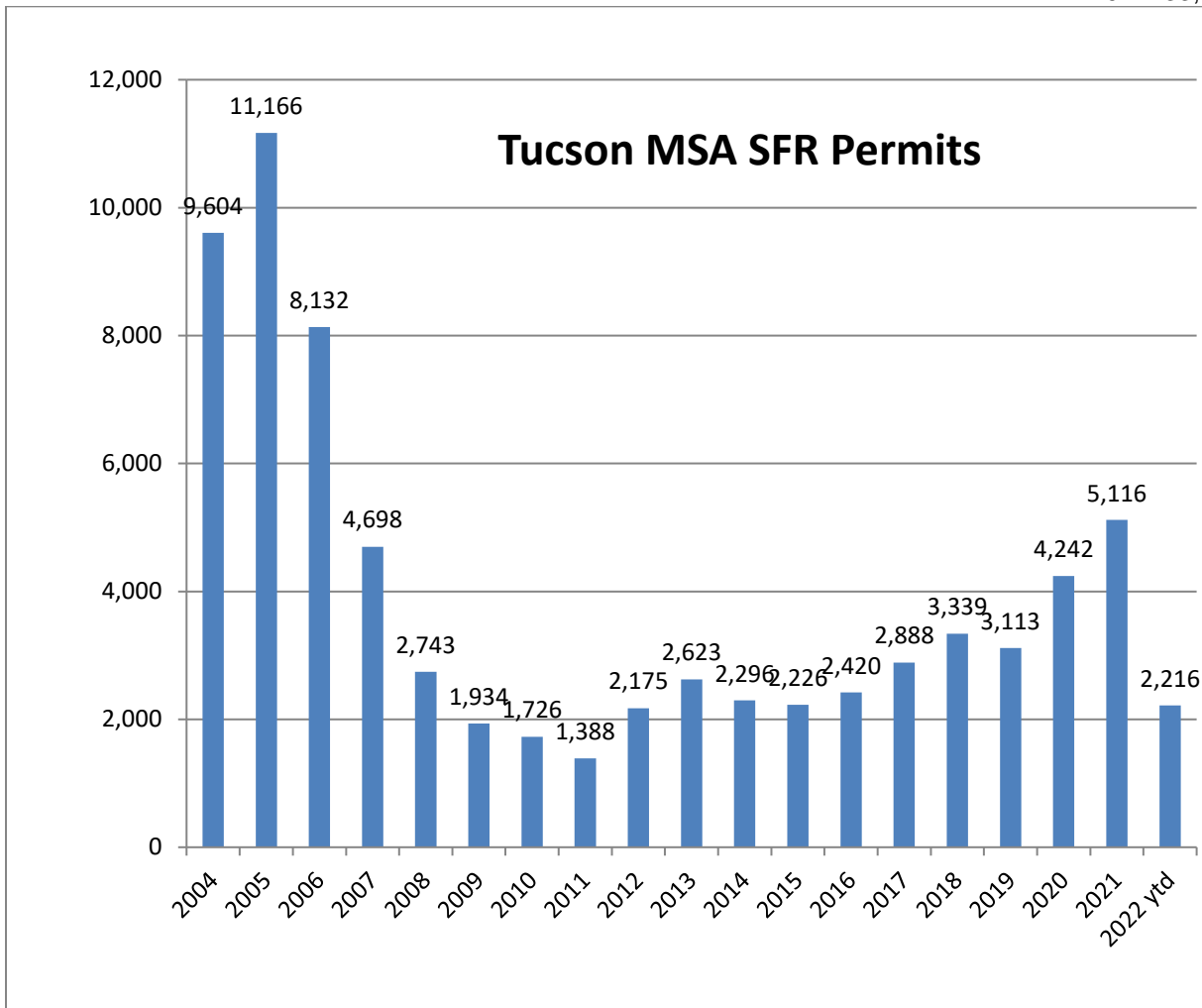
**Recent Developments**

May 4, the Federal Reserve raised its benchmark overnight interest rate by half a percentage point, the biggest jump in 22 years. Fed Chair Jerome Powell said policymakers were ready to approve half-percentage-point rate hikes at upcoming policy meetings in June and July. However in June the Fed voted to raise the Fed Fund's Rate by 75 basis points; while there are factors outside of Fed's control (supply chain), all recent indicators point to a cooling economy. Lending indicators declined for the second consecutive month, led by slowing housing construction, lower stock prices (falling into bear market), and lower consumer expectations. Retail sales also declined in May, attributed to inflation, high gas prices, and higher borrowing costs for purchases such as cars. U.S. manufacturing grew, but at a slower rate than expected. And homebuilding starts and permits declined again in May. Homebuilder sentiment dropped once again, many pointing to the decrease in new home buyers and persistently high construction costs.

Arizona: the Arizona Office of Economic Opportunity indicates that May employment across the estate fell by 5,500 jobs; the state averaged a loss of 6,700 jobs in May between 2010-2019. The majority of the losses were in the government super sector, with 6,700 jobs lost. The government sector includes state and local government education, which reported losses as the school year ended. Greater Phoenix and Greater Tucson reported job losses in May of 3,100 and 2,100 jobs respectively.

While each real estate market and market area are affected differently, the decline leading into the great recession, particularly in the Tucson Metro area, was precipitated by the residential market and this market was initially the first to signal recovery, it is also the first market to demonstrate strength in spite of the Covid-19 pandemic; it is thus summarized.

**Residential:** US Census reported single family residential permits in the Tucson Metro area (Pima County) as follows:

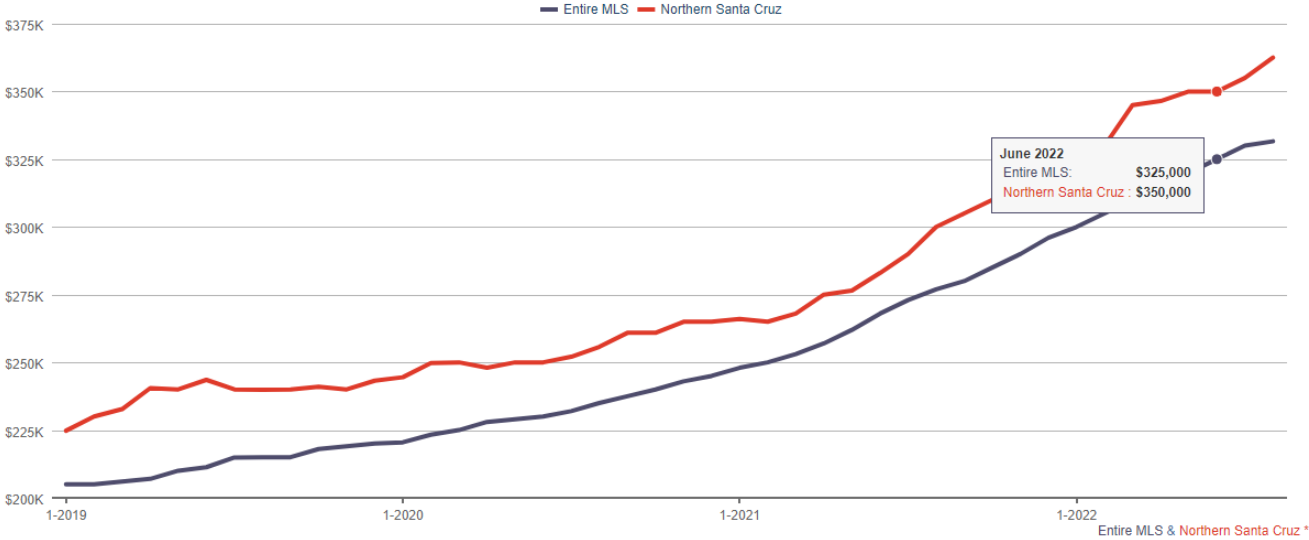


As indicated, residential permits dropped precipitously from a high in 2005 through 2011; 2012 and 2013 indicated the beginning of a turn around, recently there has been a string of increases towards 5,000 permits which has been considered to be a long term sustainable level benchmark. From 2006 through 2011 home values decreased drastically from previous highs but again have turned around with strong recent increases in appreciation; March 2022 statistics indicate that Tucson Median Sales Prices (all MLS) increased by 22.4% year over year. SFR permits have significantly surpassed recent years (almost 36.3% above 2019) and 2021 was again 20.5% above 2020, year to date 2022 is just under the same period of 2021 (Source: census.gov).

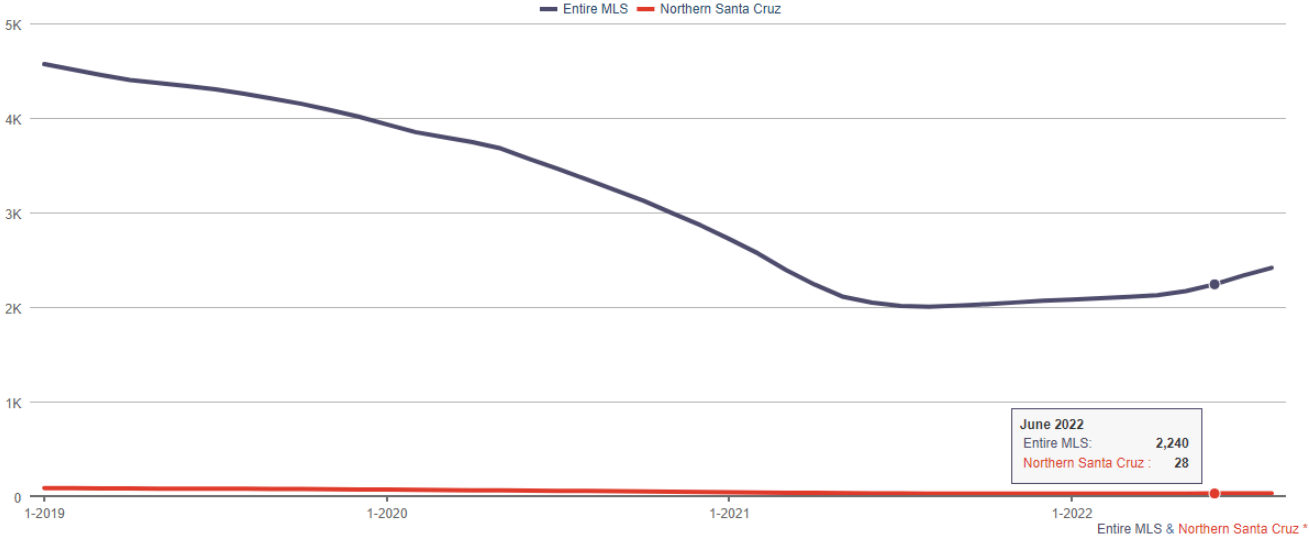
The following are 3 year trends in SFR properties for the entire MLS and the subject Northern Santa Cruz market area; to summarize, median home prices in the subject neighborhood are approximately 8% higher than that for the entire MLS, prices have increased 23.7% over the past year as compared to 21.3% appreciation in the entire MLS. There are very few SFR listings available in the neighborhood, months of supply is moderating from a high of approximately 2.7 months February 2019 to lows of 1.1 (entire MLS) and 0.8 months (NSC) March 2022, to 1.2 and .9 months currently (respectively); median days on market has increased moderately recently to 6 days currently from lows of 5 days 3<sup>rd</sup> quarter 2021; median sale percent of list price, has been more erratic in the subject neighborhood but from September 21 has joined that of the entire MLS, at 100%.

The indicated trend SFR information is considered to be reasonable for analysis of subject residential land, lot sales are not tracked; the analysis of residential sales is significant as this related to the highest and best and anticipated use of the subject site:

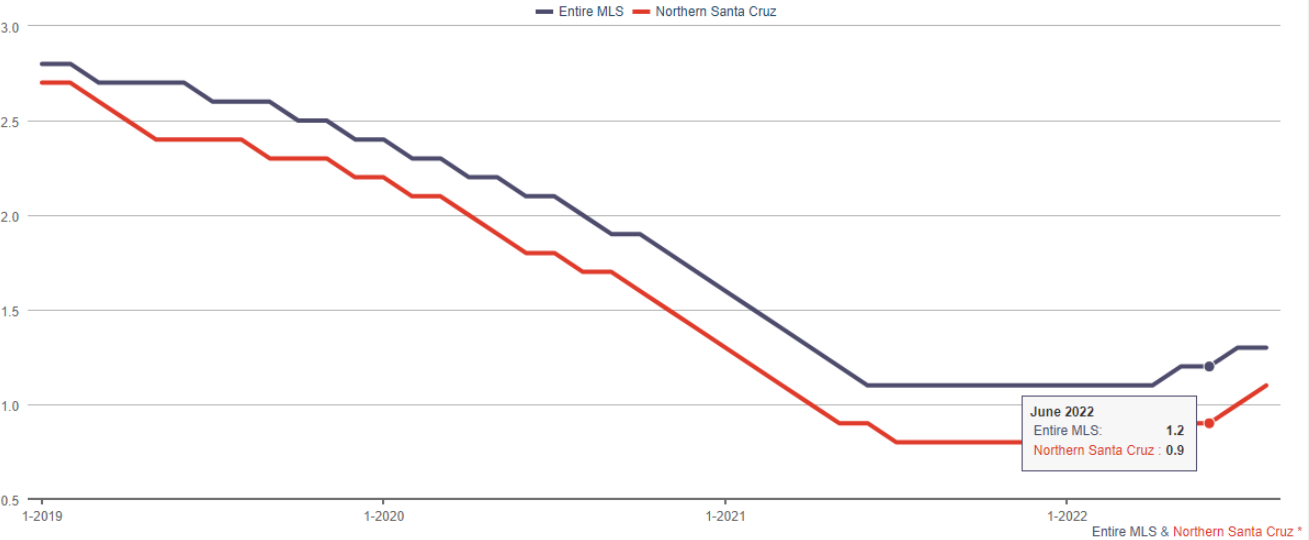
Median Sales Price



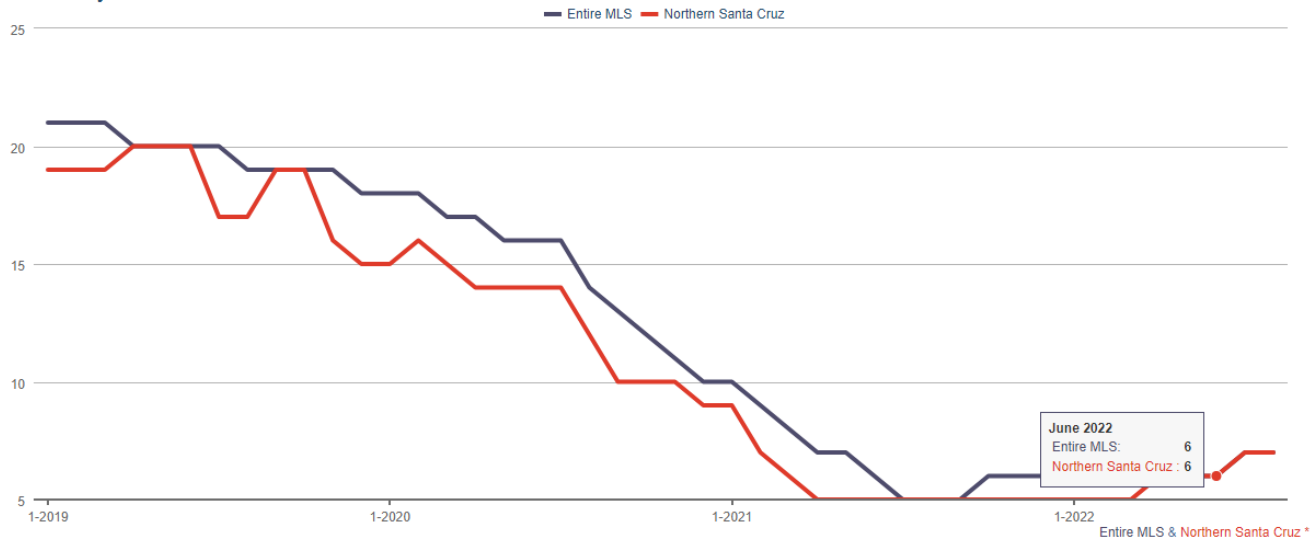
Homes for Sale



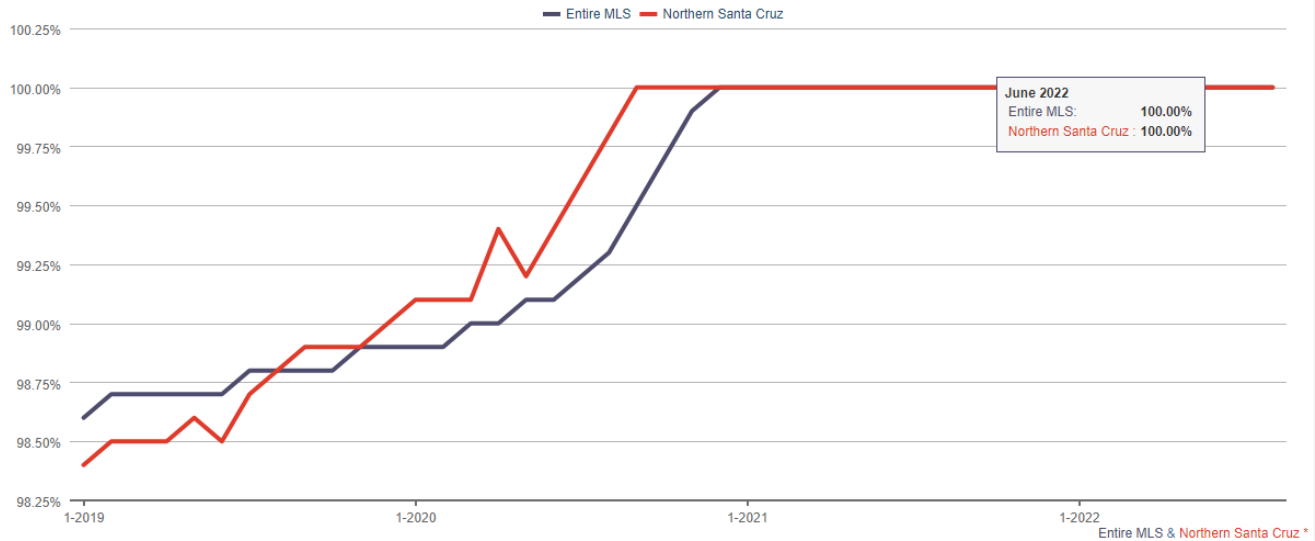
Months Supply of Homes for Sale



Median Days on Market



Median Percent of Last List Price



**Maximum Profitability:** In conclusion, the highest and best use “as if vacant” is considered to be investment, potentially either single family residential development to RX-1 permitted density or an alternative use benefitting from situs at a traffic signaled intersection of medium volume scenic arterial such as a church or school, etc.

## **VALUATION METHODOLOGY**

The valuation methodology, or appraisal process, is defined as an orderly program by which the problem is planned and the data involved is acquired, classified, analyzed, and interpreted into an opinion of value.

The cost and income approaches are not typically employed in the analysis of site value given adequate sales of unimproved sites, thus they are not employed. In consideration of a suitably active market, the most reasonable method of forming an opinion of site market value is by sales comparison approach.

## **SALES COMPARISON APPROACH**

The sales comparison approach considers the recent sales of properties with similar use and potential to the subject. This technique is an application of the principle of substitution which affirms that, when a property can be replaced with an alternative property of similar utility without undue delay, its value tends to be set by the cost to acquire such an equally desirable substitute property.

The sales comparison approach is the process of analyzing sales data of properties considered comparable to the subject being appraised. The reliability of the sales comparison approach is dependent upon (a) the availability of comparable sales data, (b) verification of the sales data and derivation of various indicators of value, (c) the absence of non-typical conditions affecting the sales price of the comparable sales, and (d) the degree of comparability of the sales to the subject and the extent of adjustments required to make the sales equal to the subject.

There are ten basic elements of comparison that will be considered in sales comparison analysis; they include:

1. Real property rights conveyed
2. Financial terms
3. Conditions of sale
4. Expenditures made immediately after purchase
5. Market conditions
6. Location
7. Physical characteristics
8. Economic characteristics
9. Use
10. Non-realty components of value

Adjustments for items 1-5 above are made first if necessary, indicating an "adjusted sale price". The comparables prices are each then adjusted for differences in location, physical characteristics (including use or zoning), economic characteristics and any non-realty components of value.

After adjusting the comparable sales prices to compare equally to the subject, the sales are reduced to common units of comparison for further analysis. The units of comparison selected depend on the type of property being appraised. The comparables have been analyzed primarily on a price per acre basis; this is a common unit of comparison for properties such as the subject. The comparable properties are then adjusted for locational, physical and economic differences as indicated.

A search of the Tucson area market revealed the following sales, considered to be most applicable to this appraisal valuation.



### Comparable Sale One

Location: 3203 W Ironwood Dr., SEC Painted Hills, Tucson, 85745

Tax Code Number: 116-04-119C

Records: 03/22/2022 2022 0810725

Seller: Sherman Louis Frederick

Buyer: Tucson Com Carpet Inc Profit Sharing Plan St Aubin Richard E

Sale Price: \$450,000

Site Size: 9.04ac

\$/Sf Site \$1.14

Terms: Cash

Zoning: RX-2, Tucson Residential

Comments: Frontage on Ironwood Hills, traffic counts 3,007vpd (21) and Painted Hills 963vpd (21), also fronting on Cosby Ln, no traffic counts. The site is FEMA-x, 7% EHSA per PC RFCD (however, site is in City). Utilities are available. The listing agent believes the purchaser's plans were investment and eventual multi-lot development per zoning.  
After the fact, the seller was found to be fraudulent (not the owner).

Confirmation: MLS 22202832, listing agent, Jim Vincent, 520.548-0216, pdh 2022233





### Comparable Sale Two

Location: 5347 W Twin Peaks, NEC Camino De Manana, Tucson, 85742

Tax Code Number: 216-25-020E, 20C, 20F, 19B, 15H, 15J, 15F, 15L, 15MG

Records: 08/06/2021 2021 2170413

Seller: MVL Properties LLC

Buyer: Kc Twin Peaks LLC

Sale Price: \$1,968,545 total

Site Size: 38.09ac

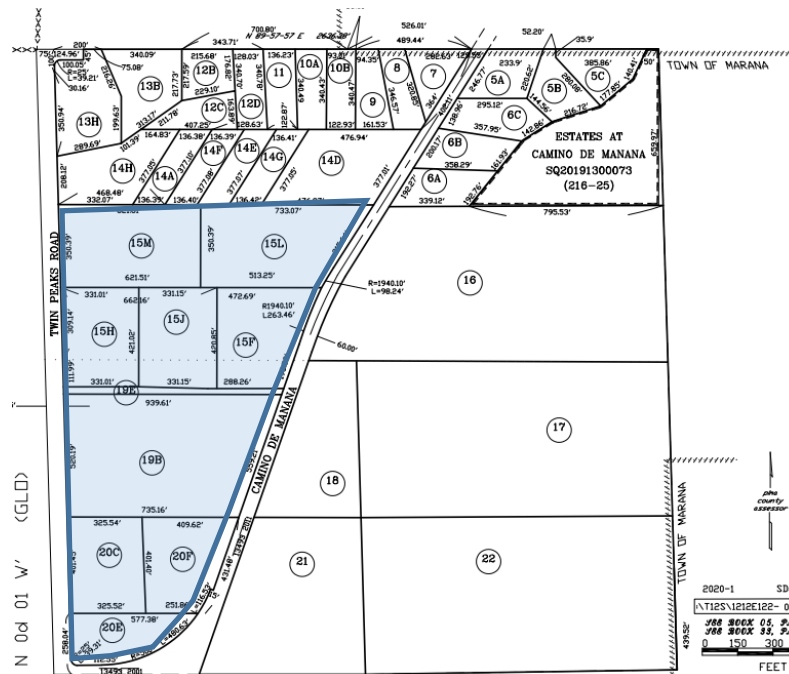
\$/Sf Site \$1.19

Terms: Cash

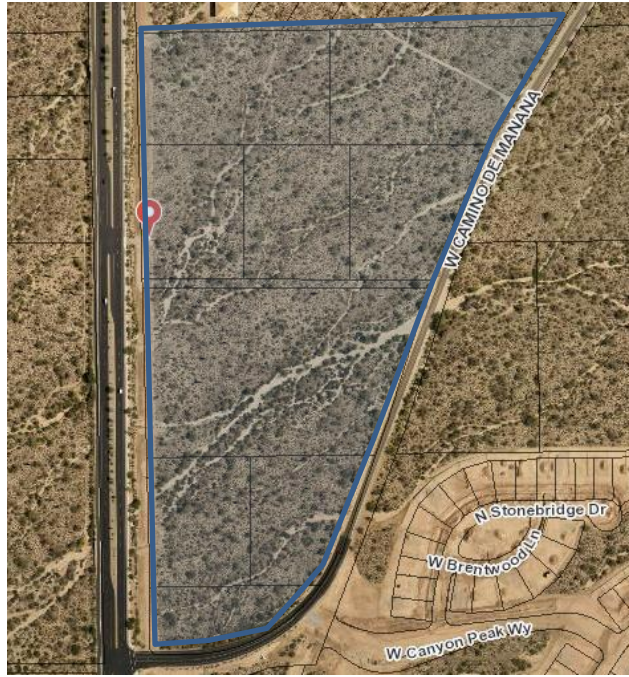
Zoning: R-36, Marana Residential

Comments: Frontage on Twin Peaks 8,595vpd (21) traffic counts and Camino De Marnana 765vpd (21). The site is 80% AO-1; 74% RIP and 17.5% EHSA per PC RFCD (however, site is in Marana). Utilities were available with the exception of water needing to be extended (cost to provide unknown). The site was in escrow roughly a year while purchaser secured approval for approx. 2RAC (listing agent).

Confirmation: Costar, listing agent, 520.323-5149, Ben Becker, pdh 2022227







### Comparable Sale Three

Location: 5344 W Desert Falcon, NEC Twin Peaks, Tucson, 85742

Tax Code Number: 216-03-006L, 006M

Records: 04/28/2020 2020 1200636

Seller: Ringgold Resources Inc

Buyer: Saint Mary Tucson Charitable Tr

Sale Price: \$430,000

Site Size: 9.80ac

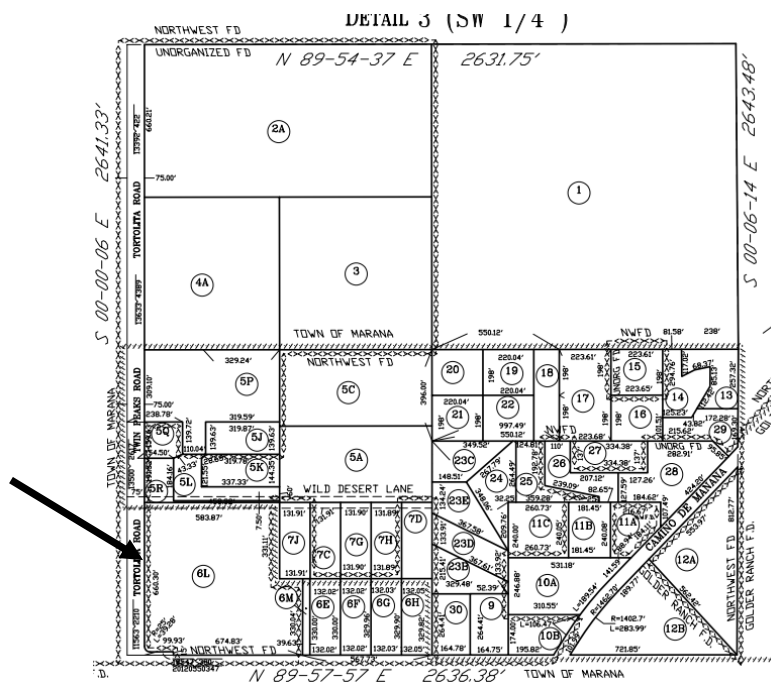
\$/Sf Site \$1.01

Terms: Cash

Zoning: R-36, Marana Residential

Comments: Frontage on Twin Peaks 8,595vpd (21) traffic counts, no traffic counts on Desert Falcon or Wild Desert Ln. The site is 100% AO-1; 56% RIP and 35% EHSA per PC RFCD (however, site is in Marana). Utilities were available with the exception of water. The site was purchased for investment by a church.

Confirmation: MLS 22005337, listing agent, 520.661-1212, Paul Hayworth, pdh 2022233





### Comparable Sale Four

Location: 6055 N Silverbell Rd, Tucson 85743

Tax Code Number: 101-06-080-101-06-0940

Records: N/A; Active, MLS 22208000

Seller: Pioneer Title Tr Tr140131 Attn: Silverbell Road LLC

Buyer: N/A

Asking Price: \$589,000

Site Size: 11.012ac (subdivision plat)

\$/Sf Site \$1.23

Terms: Cash

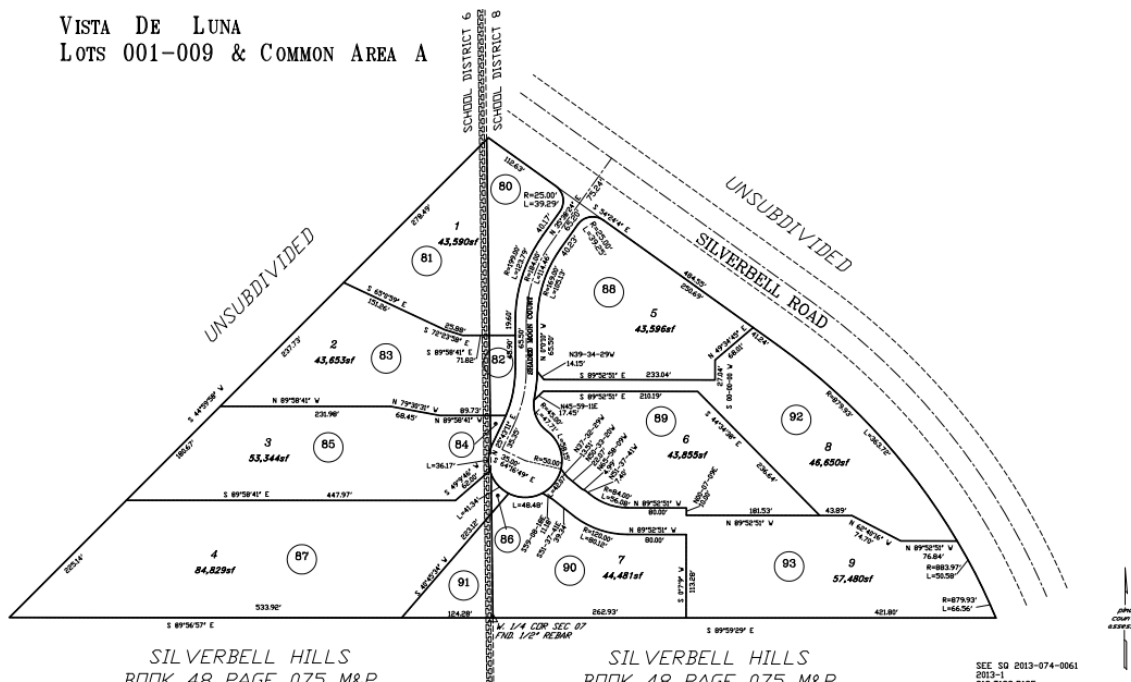
Zoning: R-36, Marana Residential

Comments: An approved (several years ago, "process to be completed by future owner") 9 lot subdivision. Frontage on Silverbell Rd, traffic counts 9,516vpd (21). Per RFCD largely regulated riparian habitat (RFCD; however, site is in Marana). A significant portion of the site (west side lots) are FEMA-A; some of these lots are also restricted by local wash setbacks (per plat). Moderately rising topography, offering enhanced views. Utilities are available with the exception of sewer. MLS history indicates the property has been on the market from 1/8/2021 with a minor break between 7/8/21 to 9/3/21; it has been active contingent twice, 4/5/22 and 6/15/22 but is again indicated as "Active".

Confirmation: MLS 22208000, listing agent, Sheila Moore, 520.954-2323, pdh 2022233

101-06

VISTA DE LUNA  
LOTS 001-009 & COMMON AREA A

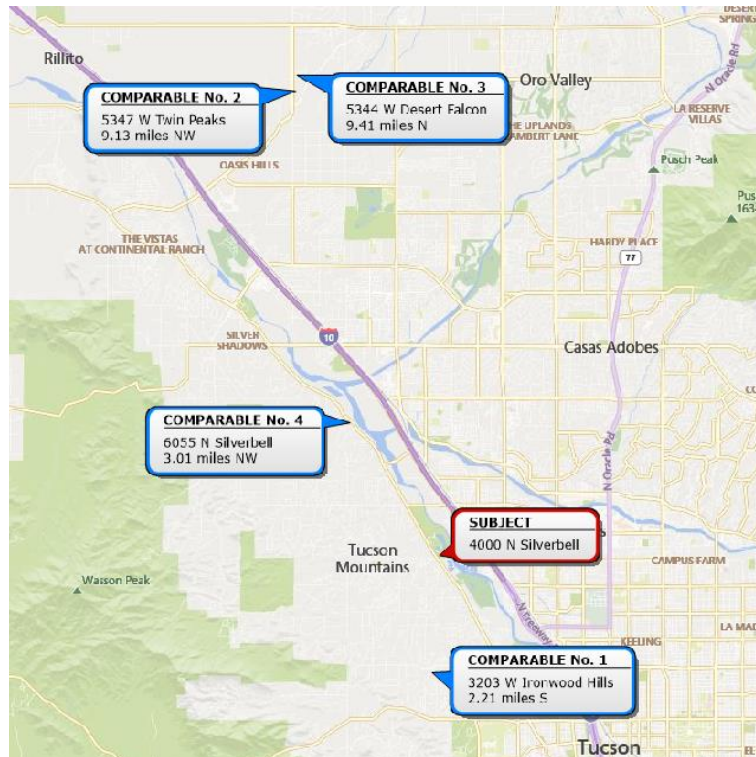








### SITE SALES COMPOSITE MAP



### Site Value Analysis Before the Acquisition

Three sales and one active listing have been selected for the subject value analysis.

Adjustments are applied to provide insight into the relative significance (weight) of the characteristic being considered and difference from the various comparable sales to the subject parcel. While based on appraisal experience and interpretation from the market, they are not intended to be precise to each comparable and category.

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

Financing: The comparables were cash to seller, no adjustment is necessary.

Conditions of Sale: The sales were considered to have had typical sale motivations, no adjustment is considered necessary.

Market Conditions: The sales occurred from April 2020 through March 2022; comparable four is active contingent. The residential market has been improving significantly over this time period, the sales are adjusted upward based on approximately 20% per year for market conditions.

Location: The sales are considered to be similar/comparable to the subject, not requiring adjustment.

Size; the sales are all large enough to permit lot splitting-subdivision; comparables 1, 3 and 4 are quite to the subject in size, sale 2 is significantly larger, potentially offering economies of scale, however, from analysis of the sales, none of the comparables would appear to warrant adjustment for size.

Zoning: the subject and comparables are zoned for suburban density residential; however, sales 1 and 2, with higher density potential, are adjusted downward as higher density development sites typically sell for more per unit.

Improvements: the subject is considered as vacant, sales 1-3 all with no improvements, do not require adjustment; comparable 4 is adjusted downward for former approved development plat.

Flood/Other, the subject is moderately restricted by flood zone and other environmental characteristics; sale 1 is considered to be similar to the subject, not requiring adjustment; comparables 2-4, considered to be inferior due to greater restriction, are adjusted upward.

Site Utility: the subject has average utility overall and utilities necessary for development. Comparables 2-4 are similar in utility, not requiring adjustment; sale 1 is inferior due to shape and thus adjusted upward. Comparables 2-4 are adjusted upward for inferior utilities available for development.

View: the subject and comparables are considered to have relatively comparable/offsetting views, no adjustment necessary.

Conclusion: Emphasis is placed on sale 1, followed by comparable 4, due to greater similarity in location and being more recent, requiring significantly less adjustment for market condition; a subject site value at approximately \$1.25/sf, \$777,500 (\$1.250052 before rounding for following analysis), is considered reasonable.

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

SITE SALES COMPARISON SUMMARY, Before Acquisition					
Comparable	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Location	4000 N Silverbell Rd	3203 W Ironwood Hls	5347 W Twin Peaks	5344 W Desert Falcon	6055 N Silverbell Rd
Tax ID Number	103-04-001Q+	116-04-119c	216-25-020E	216-03-006L+	101-06-0800+
<b>Sales Data</b>					
Date of Sale	N/A	Mar-22	Aug-21	Apr-20	Active
Sales Price	N/A	\$450,000	\$1,968,545	\$430,000	\$589,000
Site Size (ac)	14.28	9.04	38.09	9.80	11.01
Property Rights (Interest)	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Interest adjustment	0%	0%	0%	0%	0%
Financing	Cash	Cash	Cash	Cash	Cash
Cash Equivalent Price	N/A	\$450,000	\$1,968,545	\$430,000	\$589,000
Conditions of Sale	Average	Average	Average	Average	Average
Condition Adjustment	0%	0%	0%	0%	0%
Market Condition (Time)	N/A	Mar-22	Aug-21	Apr-20	Active
Market Conditions Adj.	0.0%	0.0%	14.0%	39.0%	-5.0%
Adjusted price/sf	N/A	\$1.14	\$1.35	\$1.40	\$1.17
<b>Physical Characteristics</b>					
Location	Avg/Good	Similar	Similar	Similar	Similar
Size	14.28	9.04	38.09	9.80	11.01
Zoning	RX-1, R-1	RX-2	R-36+	R-36	R-36
Improvements	None	None	None	None	Platting
Flood, Other	6.5% FEMA-A, 14.6% EHSA, 17.8% RIP	FEMA-x, 7% EHSA	80% FEMA-AO-1, 74% RIP, 18% EHSA	FEMA-AO-1, 56% RIP, 35% EHSA	Ptl FEMA-A, EHSA, RIP
Site Utility/Utilities	Avg/Good	Inf shape	Inferior	Superior	Superior
View	Average	Similar	Similar	Inferior	Inferior
<b>Adjustments</b>					
Location	0.0%	0.0%	0.0%	0.0%	0.0%
Size	0.0%	0.0%	0.0%	0.0%	0.0%
Zoning	0.0%	-5.0%	-5.0%	0.0%	0.0%
Improvements	0.0%	0.0%	0.0%	0.0%	-5.0%
Flood, Other	0.0%	0.0%	5.0%	5.0%	5.0%
Site Utility	0.0%	5.0%	0.0%	0.0%	0.0%
Utilities	0.0%	0.0%	5.0%	5.0%	5.0%
View	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net Physical Adjustments</b>					
Net Physical Adjustments	Same	Offsetting	Upward	Upward	Upward
Net Adjustment (Overall)	0.0%	0.0%	5.0%	10.0%	5.0%
Adjusted Comp Price		\$1.14	\$1.42	\$1.54	\$1.23
Subject Value Opinion	\$777,500				
Subject Value (\$/sf)	\$1.250052				

## VALUE OF PART ACQUIRED:

### Silverbell Road, Goret Road to El Camino Del Cerro Project:

The Silverbell Road corridor extends approximately eight miles from Grant Road to Ina Road and is part of the voter-approved Regional Transportation Authority (RTA) plan. The project, being designed and constructed in three phases, will serve the west and northwest portions of the Tucson metropolitan area. Phase 1, completed from Grant Road to Goret Road; Phase 2, under design from Goret Road to El Camino del Cerro; and Phase 3, El Camino del Cerro to Ina Road under design in 2022.

The project includes widening the roadway to four lanes (two in each direction) with raised, landscaped medians, eliminating existing dip crossings and construction of drainage culverts that can be used by wildlife. The plan includes a continuous 10' wide, asphalt multi-use path along the east side of Silverbell, 6' bicycle lanes between the travel lane and curb (in each direction), traffic signal improvements at Sweetwater and El Camino del Cerro, native landscaping and water harvesting, retaining walls with natural architectural finish and public art. The new asphalt roadway will utilize a rubber blend to mitigate noise.

From plans provided, the subject site will have a partial acquisition at the site's western boundary (Silverbell Road), at varying depths, totaling 45,960sf. The drainage easement is at the site southwest corner adjacent to the fee acquisition, relatively square in shape, totaling 7,175sf. The DE is indicated to be for rock rip-rap leading to a new four cell box culvert to take drainage under Silverbell to the east. There are 4-TCE's at points of access along Silverbell Rd. totaling 14,463sf.

### Part Taken:

### Fee Acquisition:

Interests in property vary; real property analysis often considers the "bundle of rights" wherein an ownership interest is likened to a bundle of sticks with the various rights of ownership compared to a bundle of sticks. Ownership rights include the right to use real estate, sell it, lease it, enter it, give it away or choose to do none of these.

In a fee simple acquisition, all of the rights are taken, 100% of fee value. As the value of the site before the acquisition has been opined at \$1.250052 per square foot, compensation is indicated as follows:

\$57,452 (45,960 SF x \$1.250052/sf).

### Compensation for Easement:

The subject parcel will have use disrupted by a permanent drainage easement adjacent to the roadway at the northern edge of Trails End Wash. The area of the easement remains ownership of the current property owner; however, the easement is in perpetuity. Being adjacent to the right of way, this area is already restricted from development due to required setback (20'); further, it is restricted by wash setback and riparian area. In consideration of the present utility in this location, and loss in utility to the property owner due to the proposed drainage easements, compensation based on 45% of fee value is considered reasonable.

The total opinion of compensation for partial acquisition in drainage easements is therefore as follows:

	Area SF		% of Fee		\$/SF Site		Value
Drainage Easement	7,175	x	45.00%	x	\$1.250052	=	\$4,036

### **Remainder Before the Acquisition:**

The value of the remainder before the acquisition is simply the value of the subject property before the acquisition less the value of the part acquired (fee and easement), as follows:

Value Before Acquisition		\$777,500
Value Part Acquired (Fee)	-	\$57,452
Value Part Acquired (DE)	-	\$4,036
Remainder Before Acquisition	=	\$716,012

### **SITE DESCRIPTION AFTER THE ACQUISITION**

The remainder site after the acquisition is reduced in size by 7.48%, 45,960sf to 576,014sf, approximately 13.22 acres. The acquisition is as indicated above, off of the site western boundary, adjacent to Silverbell.

Access along Silverbell is improved from two lanes, undivided to four lanes with raised median, bike lanes and a multi-use path on the east side of the road.

Site utility, topography, potential for views, etc. are not considered to be significantly changed. Utilities, if necessary, are relocated and again available to the site after the acquisition.

In conclusion, the site continues to have similar development potential and demand due to site size, rolling topography and view potential etc.

### **HIGHEST AND BEST USE AFTER THE ACQUISITION:**

Legally, the remainder parcel is considered to have similar potential to the parcel before the acquisition.

Physically, the site is reduced moderately in size (7.48%) and utility due to the drainage easement, it still has Silverbell Road frontage with similar restriction due to flood zone, riparian area and setbacks etc.

Financially, market forces are not affected by the acquisition.

The maximally productive use after the project for the site as if vacant, is considered to be the same as that before the acquisition.

### **REMAINDER SITE VALUE OPINION; AFTER THE ACQUISITION:**

The same comparable sales are considered to be most appropriate for analysis of the subject site after the acquisition. Site value is again opined at \$1.250052/sf, as follows:

SITE SALES COMPARISON SUMMARY, After Acquisition					
Comparable	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Location	4000 N Silverbell Rd	3203 W Ironwood Hls	5347 W Twin Peaks	5344 W Desert Falcon	6055 N Silverbell Rd
Tax ID Number	103-04-001Q+	116-04-119c	216-25-020E	216-03-006L+	101-06-0800+
<b>Sales Data</b>					
Date of Sale	N/A	Mar-22	Aug-21	Apr-20	Active
Sales Price	N/A	\$450,000	\$1,968,545	\$430,000	\$589,000
Site Size (ac)	13.22	9.04	38.09	9.80	11.01
Price per SF	N/A	N/A	N/A	\$1.01	\$1.23
Property Rights (Interest)	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Interest adjustment	0%	0%	0%	0%	0%
Financing	Cash	Cash	Cash	Cash	Cash
Cash Equivalent Price	N/A	\$450,000	\$1,968,545	\$430,000	\$589,000
Conditions of Sale	Average	Average	Average	Average	Average
Condition Adjustment	0%	0%	0%	0%	0%
Market Condition (Time)	N/A	Mar-22	Aug-21	Apr-20	Active
Market Conditions Adj.	0.0%	0.0%	14.0%	39.0%	-5.0%
Adjusted price/sf	N/A	\$1.14	\$1.35	\$1.40	\$1.17
<b>Physical Characteristics</b>					
Location	Avg/Good	Similar	Similar	Similar	Similar
Size	13.22	9.04	38.09	9.80	11.01
Zoning	RX-1, R-1	RX-2	R-36+	R-36	R-36
Improvements	None	None	None	None	Platting
Flood, Other	Similar to Before Acquisition	FEMA-x, 7% EHSA	80% FEMA-AO-1, 74% RIP, 18% EHSA	FEMA-AO-1, 56% RIP, 35% EHSA	Ptl FEMA-A, EHSA, RIP
Site Utility/Utilities	Avg/Good	Inf shape	Inferior	Superior	Superior
View	Average	Similar	Similar	Inferior	Inferior
<b>Adjustments</b>					
Location	0.0%	0.0%	0.0%	0.0%	0.0%
Size	0.0%	0.0%	0.0%	0.0%	0.0%
Zoning	0.0%	-5.0%	-5.0%	0.0%	0.0%
Improvements	0.0%	0.0%	0.0%	0.0%	-5.0%
Flood, Other	0.0%	0.0%	5.0%	5.0%	5.0%
Site Utility	0.0%	5.0%	0.0%	0.0%	0.0%
Utilities	0.0%	0.0%	5.0%	5.0%	5.0%
View	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net Physical Adjustments</b>					
Net Physical Adjustments	Same	Offsetting	Upward	Upward	Upward
Net Adjustment (Overall)	0.0%	0.0%	5.0%	10.0%	5.0%
Adjusted Comp Price / SF		\$1.14	\$1.42	\$1.54	\$1.23
Subject Value (\$/sf)	\$1.250052				

The remainder parcel is comprised of the remainder site area not encumbered by the DE (576,014sf-7,175sf = 568,839sf) and the remainder value to the easement area, as follows:

Remainder	Unencumbered Area	568,839	x	100.00%	x	\$1.250052	=	\$711,078.47		Rounded
	Drainage Easements	7,175	x	55.00%	x	\$1.250052	=	\$4,933.02		
						Total	=	\$716,011.49		\$716,012

### Severance Damages Analysis:

Severance is indicated if the value of the remainder after the acquisition is below the value of the remainder before the acquisition. As indicated, remainder after the acquisition is not worth less than remainder before the acquisition, therefore there is no severance.

Remainder Before Acquisition	=	\$716,012
Remainder After Acquisition	-	\$716,012
Severance Damages	=	\$0

### Site Improvements:

As mentioned, there are site improvements in the area of acquisition including landscaping rock, paved parking area with striping and parking stops, curbing and sidewalk.

Depreciated cost is estimated from review of local contractors (rock) and Marshall and Swift Valuation, as follows:

Rock	4"-'8"	25 Ton	\$56.00	\$1,400
Rock Labor				\$500
Pavement	Base, Asphalt	3,805 sf	\$4.40	\$16,742
Parking stops, stipes		7 ea	\$68.00	\$476
Curb	Ext Curb	294.2 lf	\$11.45	\$3,369
Sidewalk	4' Concr	241 lf	\$7.87	\$1,897
Sub Total				\$24,383
Current Cost		1.16		\$28,285
Local Mult		0.98		\$27,719
Ent Incentive		10.0%		\$2,772
Total Cost				\$30,491
Depreciation		10.0%		-\$3,049
Depreciated Cost				\$27,442

### Cost to Cure:

Additionally, there are two signs currently, a most western sign, considered to be in existing right of way (not compensated), and a larger sign located in the currently planned area of acquisition. Addisigns, a local sign contractor, has provided estimates for depreciated replacement cost and the cost to relocate the sign to an alternative location on the site (see appendix). Their estimates indicate that the cost to relocate the sign, \$9,262.93, is less than the depreciated replacement cost of the sign, thus feasible as a cost to cure.

### Compensation for TCE:

As mentioned, the subject parcel will have use disrupted by a temporary construction easement (TCE).

A TCE is a non-possessory right which allows the holder of the easement the use of the area for construction of improvements for a stated period of time. After this time period, the easement rights revert to the owner of the fee simple interest. The estimated loss in value that results from TCE is generally based on the economic rent loss of the area encumbered by the easement during the term. The fee

simple value of the area encumbered by the easement is multiplied by an appropriate rate of return which equals an annual market rent. The annual market rent is adjusted to reflect the market rent for the term of the temporary construction easement.

The subject property west of the TCE will maintain Ina Road access, it is presumed that even the area of TCE will maintain reasonable access for soils testing etc. during the duration of the TCE; any improvements located within the TCE area, if disturbed during construction, will be reconstructed or replaced by the contractor, the land in the TCE area will be returned in the same or equal condition after construction at no cost to the property owner. The TCE is located on the eastern portion of the site, around sewer-line easement. The construction easements are indicated to be required for approximately 12 months. This type of use is considered to be most similar to a site lease, with all rights of use of the site available to the lessee during the term of the lease.

I retain in my file, sale/lease comparables indicating site capitalization rates from 4.9% to 10.36%, however, most of the comparable rates are lower due to existing improvements that would be retained at the end of the lease; further, most are superior significant traffic view corners or other locations that would be in demand for national credit type tenants, again indicating a lower cap rate than that reasonable for the subject site.

Robert Nolan, Oxford Realty advisors has offered a commercial site on 22<sup>nd</sup> Street for sale at \$13.10/sf of site or \$5,000/mo NNN lease; dividing the lease rate offered by asking price indicates a 7.5% cap rate, however, the listing broker confirms that the lower cap rate is due to accepting lower alternative in the form of lease until the market improves towards site asking sale price

Rob Glaser, industrial specialist with Picor has leased undeveloped sites and continues to offer a number of such sites on a for sale or for lease basis (example-2190 E Benson Highway); when asked how he determined asking lease rates, reports that (for "yard" sites) he typically prices in the range of 8%-10% of site value with adjustment for location and other peculiarities if any.

Terry Dahlstrom, a broker with the Volk Company, indicated that leases are generally written at a rate of 10%. He also indicated that sellers carrying back a first deed of trust will generally expect a rate range from 8.5% to 10%, depending on the terms of sale.

Jim Marian, broker with Chapman Lindsey, indicated that sellers carrying back notes on land sales transactions will generally reflect a rate of return range from 8% to 11%, depending on terms of sale and financial strength of the buyer.

Andy Romo, broker and investor, indicated that the most recent ground lease he negotiated was 1993, at the northeast corner of Speedway and Campbell to a Boston Chicken; the lease rate 10%. He also offered the lease of a site on the south side of Grant west of I-10 to QuikTrip Convenience Stores and that prior to the sale the purchaser had also investigated the possibility of a land lease. The rate of return discussed was 8%. Mr. Romo reported that in his experience, the rate of return for a land lease is typically between 8% and 10%, depending on the credit of the tenant.

Bill Young, an investor with Horseshoe Management, indicated he would want a rate of return of 10% to 12%. If the tenant is financially strong and the value is at market, then the rate would be 10%, if the tenant is financially weak and the value is low, then the rate of return would be 12%. Land contracts or first deeds of trust that he carries back are typically at a rate of 10%. He indicated that he recently extended a land lease to Wells Fargo Bank for property located on the west side of Campbell Avenue, north of Glenn Street, basing the land lease on a 10% return to the land value, which he estimated to be \$15.00 per square foot; the parcel size totaling 65,489sf which indicates a total estimated land value of \$982,000 (rounded). The new land lease to Wells Fargo is at \$100,000 for the first year with 3% annual increases based on a 10-year term with two 5-year options. The lease rate reflects a rate of return to the estimated value of 10.18% (\$100,000/\$982,000).

George Larsen of Larsen-Baker Real Estate has been active in the sale and leasing of land for commercial uses and is an active real estate broker in the Tucson market. Mr. Larsen indicated that he recently leased a parcel of land located on Houghton Road and Golf Links Road to QuikTrip Convenience



Stores, the 78,400sf parcel leasing at a rate of \$129,000 per year. Mr. Larsen indicated that he based the lease rate on a 10% return to value, or \$1,290,000 (\$129,000 / .10). This is equal to \$16.45 per square foot for the land. Mr. Larsen indicated that in his real estate experience, the rate of return for a land lease is typically between 8% and 10%.

Jonathan Jump of Jump Real Estate Investments, has been active in the sale and leasing of land for commercial uses and is an active real estate broker in the Tucson market. Mr. Jump indicated that he recently leased a parcel of land to Valero for the development of a gas station/convenience store. The land, located at Drexel Road and Houghton Road, totals 75,000sf and is leasing at a rate of \$150,000 per year. He related that he did not use a typical rate of return formula to estimate the land lease rate, but that he is familiar with the industry standard rate of return being between 8% and 10%.

David DeConcini of 4-D Properties indicated that his company recently entered into two land leases. The first at the northwest corner of Irvington Road and Benson Highway, the tenant QuikTrip; the rate of return used for the land lease was 10% on a land value of \$1,320,000, or \$132,000 per year. The lease is for a 20 year period with 6-five year options. The second lease was with a Circle K, located at 6<sup>th</sup> Avenue and Interstate 10. He indicated that the Circle K Corporation dictates a non-negotiable 8% rate of return for the land lease, but that the land is valued at the upper end of the value range which had the net effect of equaling a 10% rate of return to the lessor. The lease period is for 20 years with 8-five year options.

Max Fisher of Picor (February 2019) leased a 2.13 acre industrial site in northwest Tucson for 3 year lease. The site was fenced and leased by a company with other operations in the area (thus considered to be effectively an expansion). The lease rate divided by sales in the area indicating approximately \$3.00/sf indicate a site lease rate of 8.62%.

Nancy McClure of CBRE currently has a site at the northwest corner of Interstate 10 and Grant Road available for sale or lease. The for-lease rate is based on 10% land cap rate applied to the asking for sale price; the lease would likely be for at least 50 years with additional option periods; indexing of 8% to 10% every 5 years (the site subsequently sold).

Ron Zimmerman of Picor recently (April 2022) leased a 1.84 acre industrial site in northwest Tucson for 3 year lease. The site was fenced and graveled. I recently (3/2022) appraised a 3.54ac industrial site in close proximity at \$3.10/sf, at this rate an indicated land cap rate is 13.3%.

Based on the preceding information and that retained in my files, a reasonable annual rate of return for the TCE at 10% is considered to be reasonable. The net operating income is estimated based upon market data and/or a current subject Lease.

$14,463 \text{ sf} \times \$1.250052 \times .10 = \$1,807.95$  (Rounded up to \$1,808).

**Total Compensation:**

Total compensation is therefore opined for the part taken in fee, DE, site improvements, cost to cure and TCE, as follows:

Value Before Acquisition		\$777,500
Value Part Acquired (Fee)	-	\$57,452
Value Part Acquired (DE)	-	\$6,727
Remainder Before Acquisition	=	\$713,321
Remainder After Acquisition	-	\$713,321
Severance Damages	=	\$0
Site Improvements	+	\$27,442
Cost to Cure	+	\$9,263
TCE	+	\$1,808
Total Compensation	=	\$102,692
Rounded up to	=	\$102,700

## STATEMENT AND CERTIFICATION OF APPRAISER

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

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

the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions

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

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

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

my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute. (C.S.R.1-1)

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.

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

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

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

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

I have performed no services regarding the subject property within the prior 3 years as an appraiser or in any other capacity.

I am competent to complete the appraisal.

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

PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING



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

PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING

## **APPENDIX**

1. Appraisal Assumptions and Limiting Conditions
2. Subject Exhibits and Photos
3. Addisigns Estimate
4. Consultant Qualifications

## **LIMITING CONDITIONS AND ASSUMPTIONS**

### **of Standard Real Estate Appraisal**

(Consisting of the 23 Items Below and Others as Mentioned)

#### **1. Information Used, Trade Secrets**

The appraiser(s) shall not be responsible for the accuracy of any information obtained from the client or any other source and used in the appraisal, subject to the due diligence provision of the Uniform Standards of Professional Appraisal Practice. The appraiser(s) shall not be liable for any information or work obtained from any subcontractor. It is strongly suggested that the client consider independent verification of all factual data as a prerequisite to any transaction involving the purchase, sale, lease, or other decision involving a significant commitment of funds affecting the subject property. The client agrees that the appraisal produced pursuant to this agreement consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552(b)(4) and furthermore agrees to obtain the appraiser(s) authorization before reproducing the appraisal in whole or in part.

#### **2. Authentic Copies, Changes, Modifications**

The authentic copies of this report were delivered to the client; copies not coming from the client may have been altered. The appraiser(s) reserve the right, at their sole discretion, and at any time, to alter statements, analysis, conclusions or any value estimate(s) in the appraisal if facts pertinent to the appraisal process and report which were unknown at the time of completion become known to the appraiser(s).

#### **3. Use of Appraisal, Limit of Liability**

This report is intended solely and exclusively for use by the client. The sole purpose of the report is to assist the client by valuation of the subject property. The client also acknowledges and agrees that some of those involved with the assignment appraisal may be independent contractors and the client hereby agrees not to hold the appraiser(s) liable for any acts of same. Notwithstanding anything herein to the contrary, the client will forever indemnify and hold appraiser(s) harmless from any claims by third parties related in any way to this appraisal.

The liability of the appraiser and affiliated business entities, its officers, directors, shareholders or employees (hereinafter collectively referred to as appraiser) is limited to the herein named client only. No liability shall extend to any third party, and the total amount of such liability shall in no event exceed the amount of the fee actually received by the appraiser(s).

Third parties shall include, but not be limited to, general and limited partners of the client if said client is a partnership, stock holders of the client if said client is a corporation, and all lenders, tenants, past owners, successors, assigns, offerees, transferees and spouses of client. The appraiser(s) shall not be held responsible for any costs incurred to investigate or correct any deficiencies of any type which may be present in the real estate and/or real property herein appraised. Acceptance and/or use of this report by the client constitutes acceptance of all limiting conditions and assumptions set forth herein.

#### **4. Court Testimony**

Testimony or attendance in court by reason of this appraisal, with reference to the property in question, shall not be required, unless arrangements have previously been made.

#### **5. Copies, Publication, Distribution of the Report**

Possession of any copy of this report shall not authorize or empower the client or any third party with any publication rights whatsoever, or with any authorization to use the appraisal other than for its intended and stated purpose noted in the agreement and/or in the report. The physical report(s) shall remain the property of the appraiser(s) at all times and appraiser(s) hereby grant the client permission

to use the appraisal report(s) solely for the purposes set forth. The client agrees that the payment of the appraisal fee is in exchange for the analytical services of appraiser(s) and by the payment of said fee, the client has not purchased the appraisal report. With the exception of public disclosure indicated below, neither all nor any part of this appraisal report shall be given, recited, published, copied, distributed, nor in any way communicated to third parties in any manner, in whole or in part, without the prior written consent of the appraiser(s).

This report has been prepared for City of Tucson and appraiser recognizes that the report will become public record after review and will be available for review by the public upon request.

#### **6. Confidentiality**

All conclusions and opinions concerning the analysis as set forth in this report were prepared by the appraiser(s) whose signature(s) appear on the appraisal report. No changes shall be made in the report by anyone other than the appraiser(s). The appraiser(s) shall not be held responsible for any unauthorized changes or such consequences as may transpire from unauthorized changes. The appraiser(s) may not divulge the material contents of the report to anyone other than the client or his designee as specified in writing, except as may be required by the professional association(s) of the which the appraiser(s) are members as may be requested in confidence for ethics enforcement, or by a court of law, or any other body with the power of subpoena. The appraisal has been prepared for City of Tucson with the knowledge that the report will ultimately become public records and may be made available for public review.

#### **7. Measurements, Exhibits**

The sketches, maps and photographs in the appraisal report are include solely for the purpose of assisting the reader in visualizing the property and are not necessarily to scale. The appraiser(s) have made no survey of the property and site plans included in the report are not to be considered as surveys unless so designated. Any sketch or map in the appraisal report shows approximate dimensions and is included for general illustrative purposes only. It is the responsibility of a qualified engineer, architect, or registered land surveyor to show the exact location of the subject improvements thereon, existing or proposed, as well as the measurements and areas of land and improvements. In the absence of a survey, the appraiser(s) may have used Tax Assessor's maps or records or other maps provided by the client which may or may not represent the exact measurements of the subject property or other comparable data relied upon in estimating the market value of the subject property. Any variation in land or building areas from those considered in the appraisal may alter the estimates of value contained in the report.

#### **8. Legal, Title, and Market Value Premise**

The appraiser(s) have no responsibility for matters of any legal nature affecting the property being appraised or the title thereto; the appraiser(s) assume title to be good and marketable, and free of clouds unless otherwise noted. No Title Policy or report has been furnished to the appraiser(s), unless so stated in the report. The property is being appraised as though it were under financially sound and responsible ownership with typical and competent management. The hypothetical sale referred to in the definition of market value assumes adequate marketing efforts and exposure time normal for the property. The appraiser(s) are not responsible for the accuracy of legal description.

#### **9. Engineering, Structural Matters; Hazardous or Toxic Materials, Physical Condition**

The appraiser(s) have inspected the land and the improvements. However, it is not possible to observe conditions beneath the soil surface, or hidden structural, mechanical, or other components; the appraiser(s) shall not be hold responsible for any defects in the property related thereto. The property appraised is as though there are no hidden or unapparent conditions which would affect market value; this includes subsoil conditions, potential flood conditions, hydrological and/or structural conditions. The appraiser(s) are not responsible for such conditions or those engineering efforts which might be required to discover and/or correct such factors. The value estimate assumes there are no defective property conditions that would cause a loss of value. The land or the soil of

the area being appraised is assumed to be firm and otherwise satisfactory for building use. Although soil subsidence and the influence of toxic material in the area of the subject and its environs is unknown, the appraiser(s) do not warrant against this condition or occurrence of problems from soil (or toxic atmospheric) conditions known or unknown.

Unless otherwise stated in the report, the existence of hazardous material, substance or gas, which may or may not be present within, on or near the property, has been disregarded in the appraisal. The appraiser(s) are not qualified to detect such substances as asbestos, urea-formaldehyde foam insulation, radon gas, or other potentially hazardous material and/or substances which may adversely affect the value of the property. The value estimate is predicated on the assumption that there is no such toxic material and/or condition affecting the property that would cause a loss in value. The appraiser(s) are not responsible for any such condition and/or the engineering expertise required to discover any such condition. The client is urged to retain an expert in this field, if so desired. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment are assumed to be in good working order unless otherwise stated. Appraiser(s) are not responsible for the adequacy or type of insulation, or energy efficiency of the improvements or equipment, which are assumed to be standard for the subject property type. Unless otherwise stated, the appraiser(s) have not been supplied with a termite inspection report or occupancy permit. The appraiser(s) shall not be held responsible for, nor shall the appraiser(s) be deemed to have made any representations regarding any potential costs associated with obtaining same or for past or present, legal or physical, deficiencies which may be found. Client further agrees that the appraiser(s) shall not be held responsible for any costs incurred or consequences arising from the need, or the lack of need, for flood hazard insurance.

#### **10. Utilities**

In the absence of a qualified professional engineer's study, information regarding the existence of utilities is made from a visual inspection of the site and review of available public information. The appraiser(s) have no responsibility for the actual availability of utilities, their capacity, or any other problem which might result from a condition involving utilities. Although public utility lines might be located adjacent to the subject property, the capacity of these lines for any proposed development is not known. The respective companies, governmental agencies or entities should be contacted directly by concerned individuals. Unless otherwise stated in the report, utilities of all types are considered in the appraisal to be present in adequate quality and quantity for the intended use or highest and best use of the property.

#### **11. Legality of Use, Management of Property**

The appraisal is based, unless otherwise stated, on there being full compliance with all applicable federal, state and local environmental regulations and laws, that all applicable zoning, building, use regulations and restrictions of all types have been complied with and, moreover, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate. The appraisal is prepared under the assumption that the property which is the subject of this report is maintained and managed pursuant to prudent and competent ownership and management.

#### **12. Component Values, Special Studies**

The distribution of the total valuation in this report between land and improvements applies only under the existing program of use. The separate valuations for land and building must not be used separately and are invalid if so used. No environmental or impact studies, special market study or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or within the report.

### **13. Inclusions.**

Furnishings, equipment, personal property or business operations which may sometimes be considered a part of the real estate, have been disregarded, unless otherwise specified and only the real estate is considered in the value estimate. In some limited circumstances, business and real estate interests and values may be combined depending on the specific situation and as determined by a written agreement. Please see the appraisal report for further clarification.

### **14. Proposed Improvements, Conditional Value**

Any improvements proposed, on- or off-site, as well as any repairs required, will be assumed, for purposes of this appraisal, to be completed in a good and workmanlike manner according to information submitted by the client for consideration by the appraiser(s). In cases of proposed construction, the appraisal is subject to change upon inspection of the property by the appraiser after construction is completed. The estimate of market value is as of the date shown, as proposed, and as if completed and operating at the levels shown and projected or as otherwise indicated and labeled in the appraisal report.

### **15. Value Change, Dynamic Market, Influences on Market Value, Alteration of Estimate and/or Analysis Herein By Appraiser**

The estimated market value, as defined in the report, is subject to change with market fluctuations over time; value is highly related to exposure, time, promotional effort, terms, motivation, and personal and general economic and supply/demand conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property both physically and economically in the marketplace.

The market value estimated, and the costs used, are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate. The client hereby agrees that the appraisal report and value estimate are subject to change if the physical or legal entity or the financial arrangements are different than that envisioned in this report or upon change in, or discovery of, certain influencing market conditions or property conditions as well.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value or investment value or value in use, the client hereby acknowledges and agrees that such estimates are intended to be a reflection of benefits which the appraiser(s) have been directed to assume as given, as well as from the appraiser's interpretation of income and yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value; they are thus subject to change as the market and value is naturally dynamic. The client agrees that these types of appraisals are based on reasonable estimates and as such, will not hold appraiser(s) responsible for any errors in the estimated values. The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color or national origin of the present or previous owners nor upon the occupants of the properties in the vicinity of the property which is the subject of the appraisal.

### **16. After-Tax Analysis, Investment Analysis, and/or Valuation**

Any "after" tax income or investment analysis and resultant measures of return on investment are intended to reflect only possible and general market considerations, whether as part of estimating value or estimating possible returns on investment at an assumed value or price paid; the client acknowledges and agrees that the appraiser(s) do not claim any expertise in tax matters and moreover will not rely on any information prepared by appraiser(s) which in any way relates to income tax matters.



#### **17. Information furnished by Client and Third Parties**

Any and all information furnished by the client and/or third parties is logically presumed to not only be correct but complete, either in entirety or summarized as presented, and if there are no other documents modifying the one or ones mentioned herein.

#### **18. Federal Law OMB Circular A-129 & Bulletins 91-05 and 92-06 Amending Circular A-129**

These require USPAP standards and practices be used under State certification and license programs under Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) (P.L. 101-73) and OMB Bulletin 92-06 applies these USPAP to the 17 affected Federal eminent-domain agencies subject to the regulations of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act), as amended by regulations in 49 CFR Part 24. Agencies not subject to the Uniform Act should follow the revised 49 CFR Part 24 to conform to OMB Bulletin 92-06.

#### **19. Americans With Disabilities Act (ADA)**

This act became effective January 26, 1992. The appraiser(s) have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. As the appraiser(s) have no direct evidence relating to this issue, possible or direct noncompliance with the requirements of ADA in estimating the value of the property was not considered.

#### **20. Environmental**

It is assumed that there are no protected species of plants or animals in, on, or near the subject property other than any described in the report.

It is assumed that the site is not a cactus ferruginous pygmy owl habitat (defined by US Fish & Wildlife as: Land below 4000 feet in elevation that has saguaro greater than 8 feet tall or containing a woodpecker cavity) ironwood, mesquite, or paloverde vegetation (must be >6 inches in diameter). (note as of May 2006 the pygmy owl has been de-listed as an endangered species; however, there is ongoing litigation seeking to overturn this de-listing).

#### **21. Report Type**

This is a Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. Supporting documentation concerning the data, reasoning, and analysis is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

#### **22. Other Information for Readers**

We recommend that if sewer or septic connection, or condition of same, is of concern to client or other readers of this report, a qualified expert should be hired to inspect the system and perform appropriate tests as he/she deems necessary. Further, if water source, status, possible toxic influences on air, water, soil, or improvement construction material or condition of mechanical, structural or other systems or components are of concern, an appropriate expert should be engaged as we are not experts in such matters. The reader is cautioned that value is dynamic and changes with changing market conditions over time. Subsequent sales, listings, and other market influencing activity may influence value after the date of the value estimate. The value estimate is an estimate, not a determined fact.

### **23. Conclusion**

Acceptance of and/or use of this appraisal report by the client or any third party reader or user, constitutes acceptance of the above stated conditions as well as any other(s) stated in this report. The acceptance of this appraisal report also constitutes acceptance of responsibility for payment of the appraisal fee balance due and any costs incurred by the appraiser(s) in collection of same. Appraiser liability extends only to stated client, not subsequent parties or users; any additional appraiser liability is limited to the actual amount of fee received by said appraiser(s).

These Limiting Conditions and Assumptions are in conjunction with any form type page(s) of similar nature in the appraisal report package; further, the reader is advised that certain comments in the report may point out other specific assumptions and/or limiting conditions pertaining to this appraisal even though an attempt has been made to summarize all limiting conditions and assumptions herein; the client or designated user of the appraisal report should inspect the property and confirm factual information before a final decision is made concerning the subject.

*--- end ---*

## **SUBJECT PHOTOS & EXHIBITS**

Area of acquisition (southern parcel, 103-10-002A) looking South



TCE 36 (left), 37 (right) Looking East



Silverbell Road Looking South



Silverbell Rd Looking North Towards Sweetwater Drive





Trails End Wash



Approximate Area of Drainage Easement



Parcel 103-10-002A Site View Looking SE (Existing Improvements)



Sign (furthest west)





Sign in Area of Acquisition



Northern Site Portion (103-04-001Q+) looking Northeast





Area of Acquisition (Northern Parcel, Looking North)



TCE 9 Looking NW



Area of Acquisition Looking N from TCE9

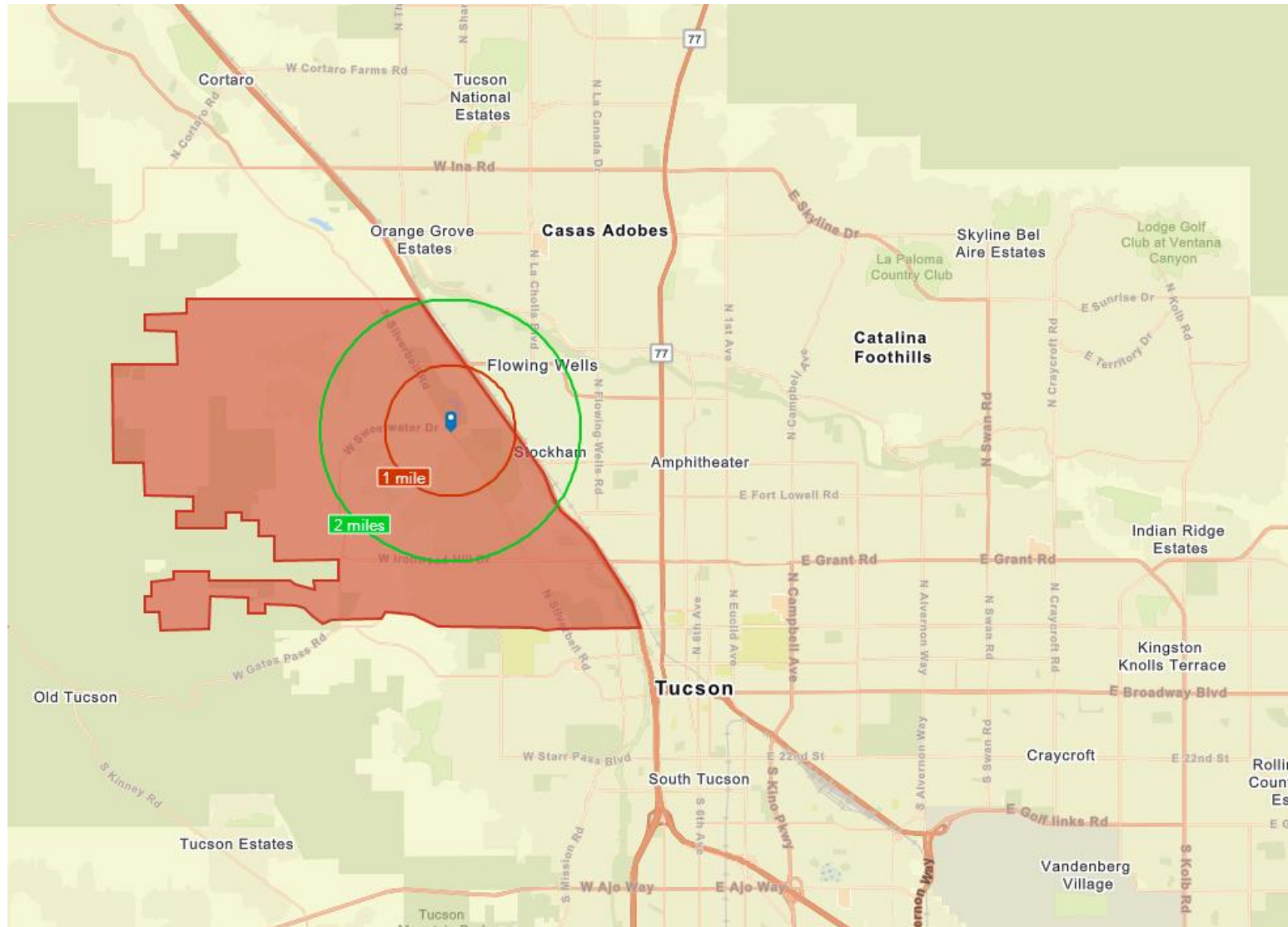


TCE 8 Looking NW

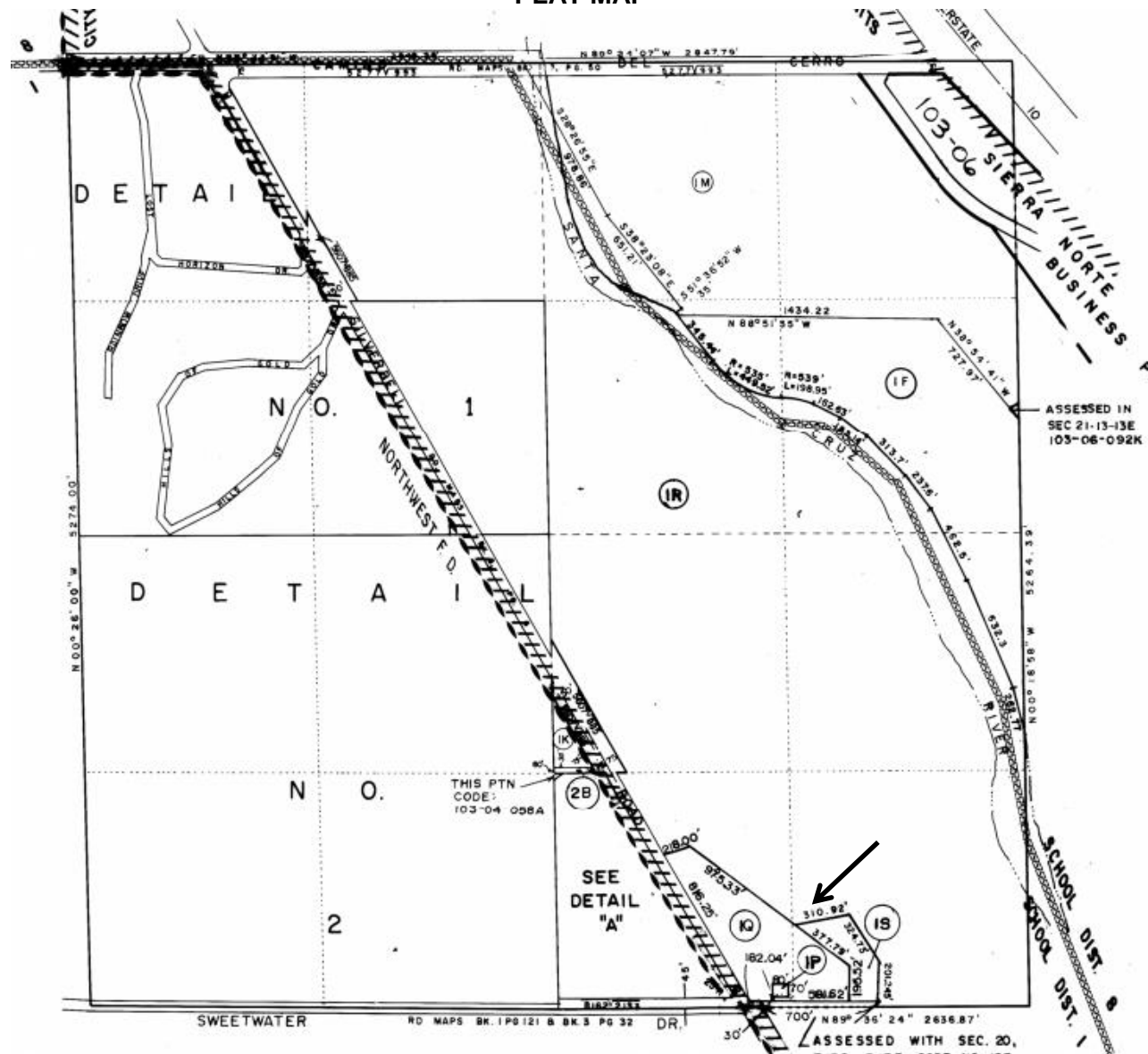




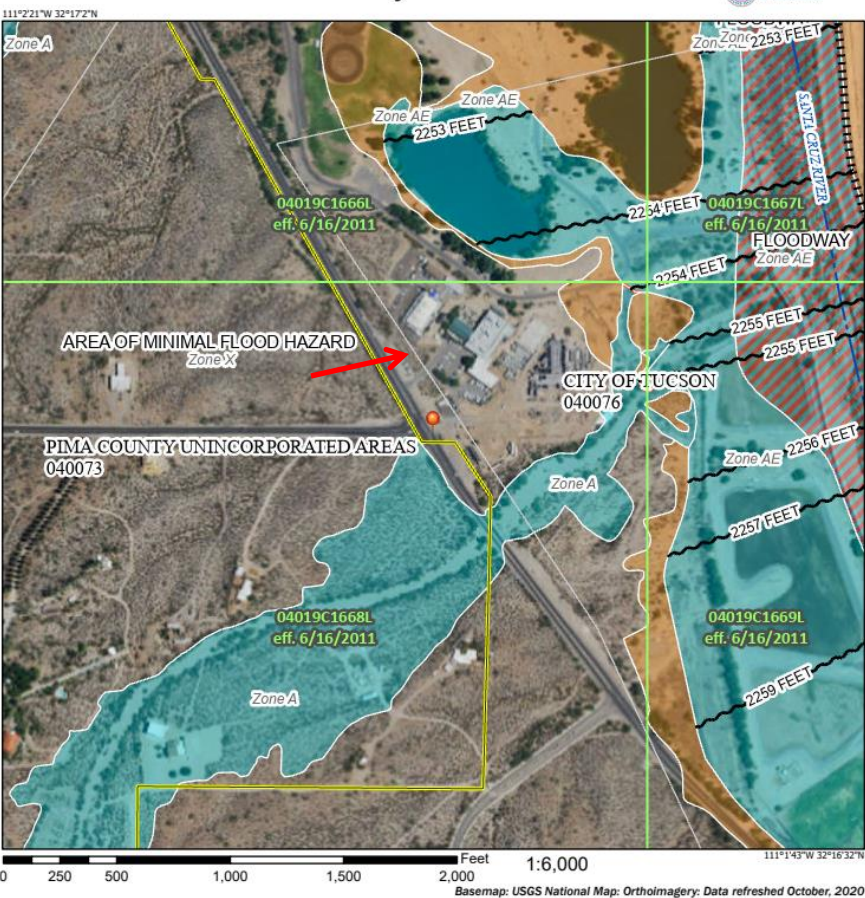
## NEIGHBORHOOD MAP



PLAT MAP



FEMA Flood Zone Maps  
National Flood Hazard Layer FIRMette



**Legend**

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

**SPECIAL FLOOD HAZARD AREAS**

- Without Base Flood Elevation (BFE)  
Zone A, X, AE
- With BFE or Depth Zone AE, AO, AH, VE, AR
- Regulatory Floodway

**OTHER AREAS OF FLOOD HAZARD**

- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee. See Notes. Zone X
- Area with Flood Risk due to Levee Zone D

**GENERAL STRUCTURES**

- NO SCREEN Area of Minimal Flood Hazard Zone X
- Effective LOMRs
- Area of Undetermined Flood Hazard Zone C

**OTHER FEATURES**

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall
- Cross Sections with 1% Annual Chance Water Surface Elevation
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

**MAP PANELS**

- Digital Data Available
- No Digital Data Available
- Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 4/9/2022 at 12:29 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

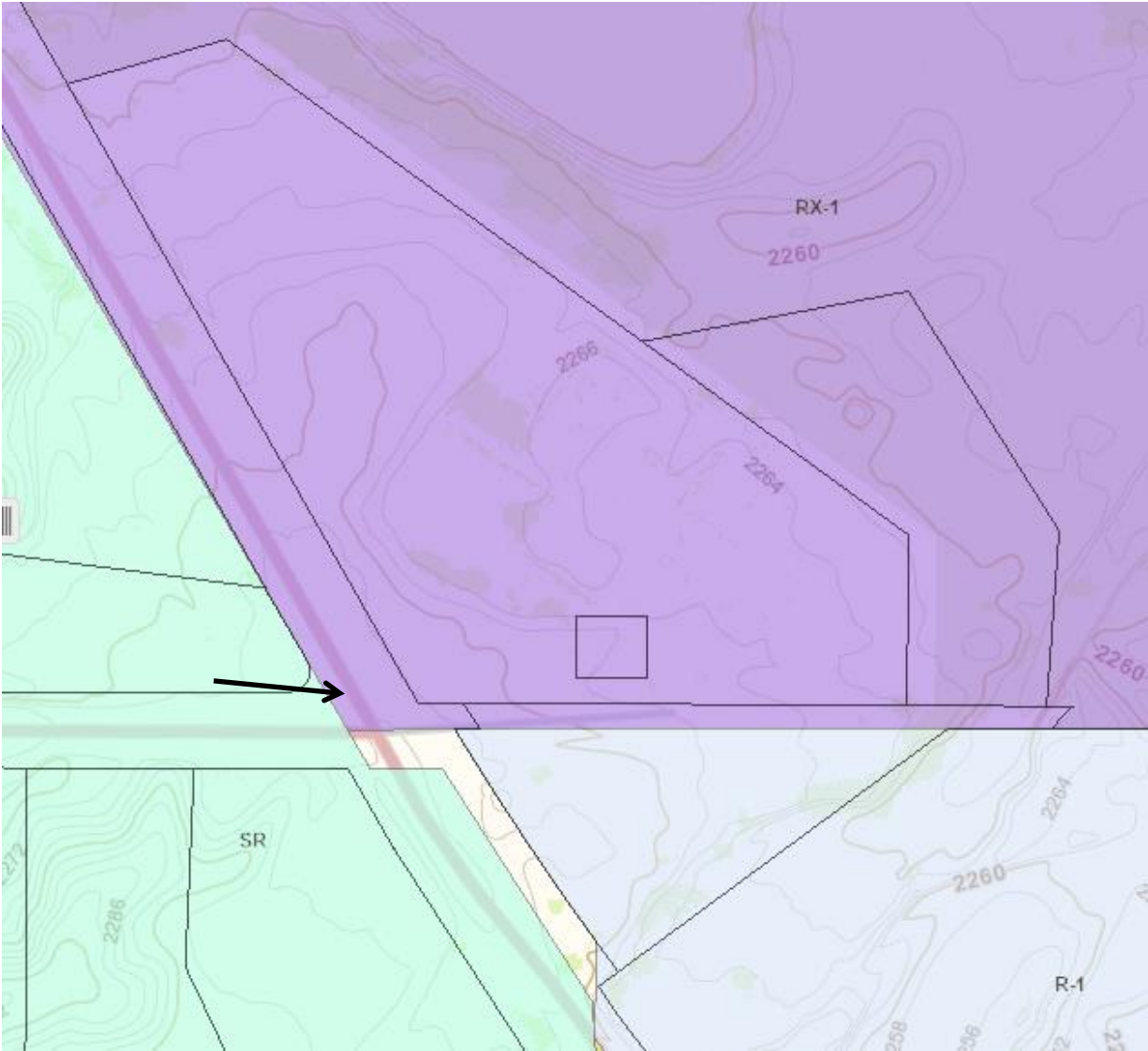
This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmoderated areas cannot be used for regulatory purposes.



Map Tucson Mapping



Topography/Zoning Map





**Acquisition Legal Descriptions and Exhibits**

September 6, 2022  
Psomas #7EPS140101

**EXHIBIT A**

**LEGAL DESCRIPTION  
RIGHT-OF-WAY (RW 6)**

A portion of that Parcel of land described in Warranty Deed recorded in Docket 13178, Page 512 and as depicted in Record of Survey recorded in Sequence No. 20122790874 in the office of the Pima County Recorder, Pima County, Arizona, located in the southeast one-quarter of Section 20, Township 13 South, Range 13 East, Gila and Salt River Meridian, Pima County, Arizona, described as follows:

**COMMENCING** at the centerline intersection of Silverbell Road and Sweetwater Drive monumented by a pavement nail with tag stamped "RLS 18211" and depicted as Pt. #7033 in the above referenced Record of Survey, from which the south one-quarter corner of said Section 20, monumented by a 2-inch brass cap survey monument stamped "LS 12122" and depicted as Pt. #27SC in said Record of Survey, bears South 89 degrees 23 minutes 02 seconds West (Basis of Bearing for this legal description), a distance of 1058.93 feet;

**THENCE** upon the centerline of said Silverbell Road as depicted in said Record of Survey, North 30 degrees 28 minutes 43 seconds West a distance of 822.42 feet;

**THENCE** North 59 degrees 31 minutes 17 seconds East a distance of 75.00 feet to the intersection of the northwesterly line of the above referenced Parcel of land with the easterly right-of-way of said Silverbell Road as depicted in said Record of Survey, being the **POINT OF BEGINNING**;

**THENCE** upon said northwesterly line, North 73 degrees 32 minutes 35 seconds East a distance of 53.60 feet;

**THENCE** South 30 degrees 28 minutes 43 seconds East a distance of 307.00 feet;

**THENCE** South 59 degrees 31 minutes 17 seconds West a distance of 27.00 feet;

**THENCE** South 30 degrees 28 minutes 43 seconds East a distance of 436.54 feet;

**THENCE** South 59 degrees 31 minutes 52 seconds West a distance of 10.50 feet;

**THENCE** South 29 degrees 58 minutes 03 seconds East a distance of 48.68 feet;

**THENCE** South 89 degrees 54 minutes 59 seconds East a distance of 12.70 feet;

**THENCE** South 30 degrees 28 minutes 43 seconds East a distance of 27.81 feet;

**THENCE** North 89 degrees 23 minutes 02 seconds East a distance of 31.34 feet to the beginning of a non-tangent curve concave northeasterly and having a radius of 6780.49 feet, to which beginning of curve a radial bears South 59 degrees 13 minutes 59 seconds West;

**THENCE** southeasterly along said curve to the left through a central angle of 00 degrees 02 minutes 56 seconds, an arc distance of 5.78 feet to the south line of the above referenced Parcel of land;

**THENCE** upon said south line, South 89 degrees 23 minutes 02 seconds West a distance of 60.20 feet to the easterly right-of-way of said Silverbell Road as depicted in said Record of Survey;

**THENCE** upon said easterly right-of-way, North 30 degrees 28 minutes 43 seconds West a distance of 830.89 feet to the **POINT OF BEGINNING**.

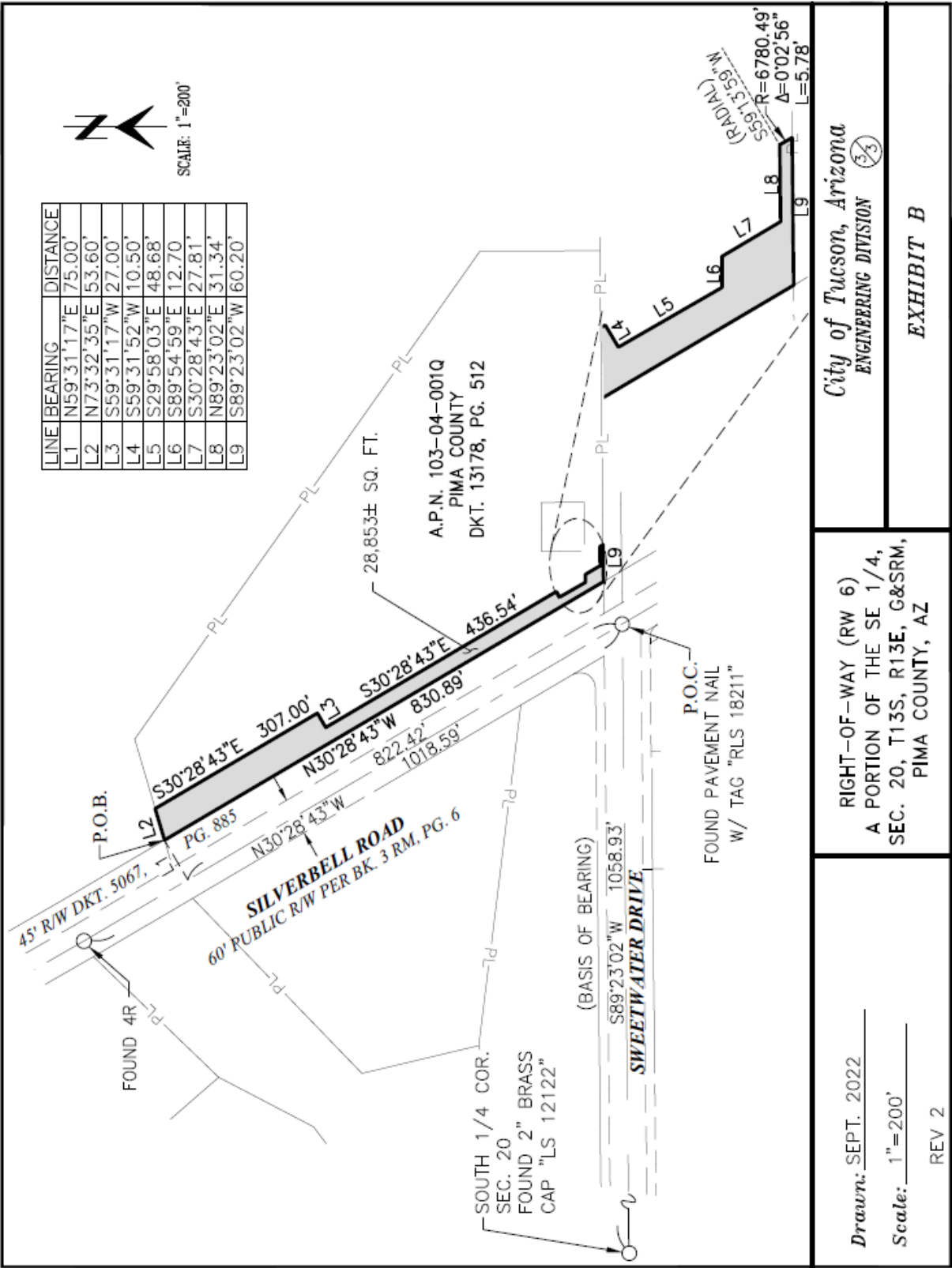
Containing an area of 28,853 square feet or 0.662 acres of land, more or less.

See Exhibit B attached hereto and made a part hereof.

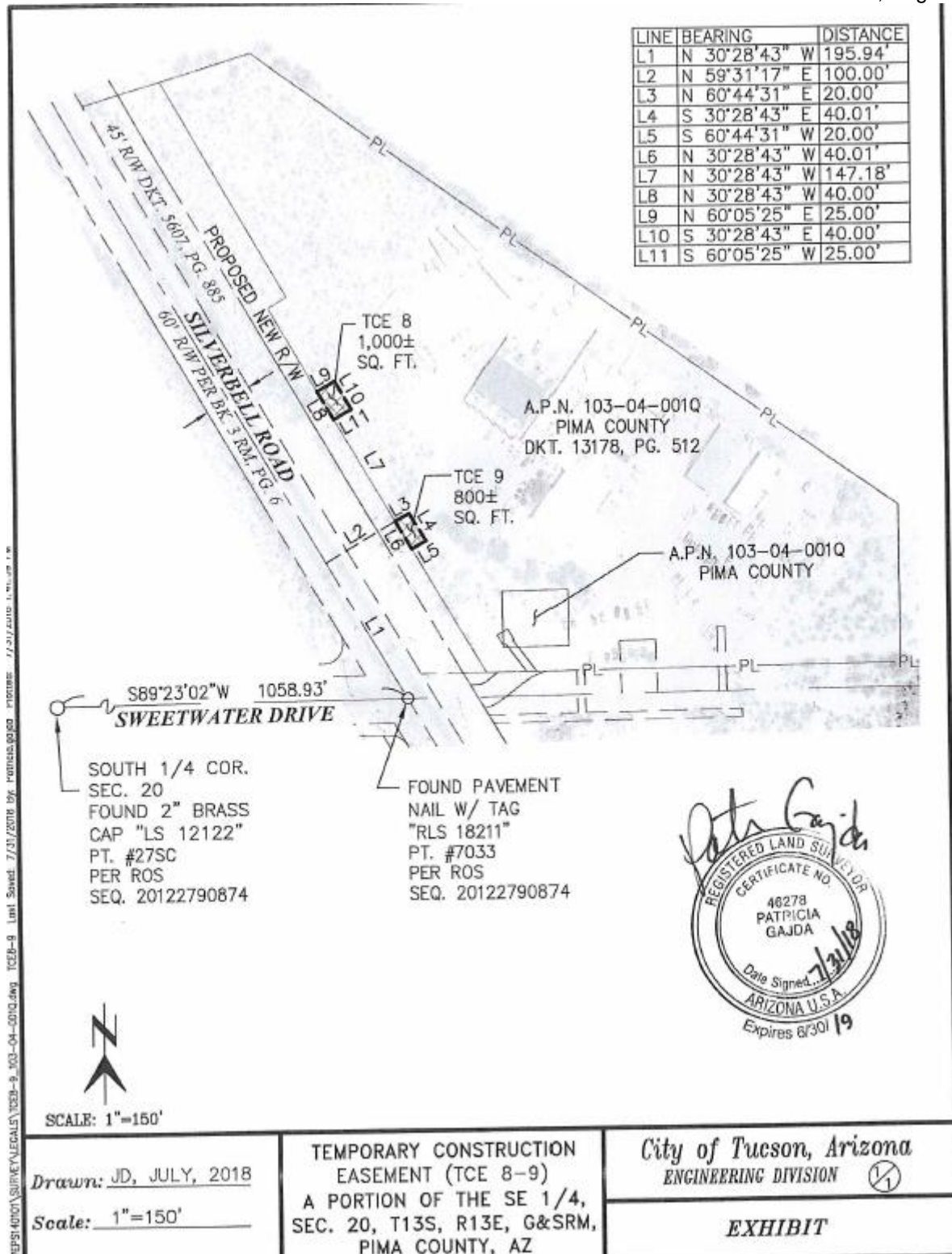
Prepared By:  
Psomas



Richard Iman, AZ. R.L.S. 68764



T:\PSP140101\SURVEY\LEGAL\SURVEY\103-04-001Q\rev-2022-09-06.dwg RWS Last Saved: 9/7/2022 1:23:13 PM Plotted: 9/7/2022 1:23:13 PM







September 18, 2018  
Psomas #7EPS140101

**EXHIBIT A**

**LEGAL DESCRIPTION  
RIGHT-OF-WAY (RW 7)**

A portion of Parcel 1 described in Warranty Deed recorded in Sequence No. 20152370211 and as depicted in Record of Survey recorded in Sequence No. 20122790874 in the office of the Pima County Recorder, Pima County, Arizona, located in the southeast one-quarter of Section 20 and in the northeast one-quarter of Section 29, Township 13 South, Range 13 East, Gila and Salt River Meridian, Pima County, Arizona, described as follows:

**COMMENCING** at the centerline intersection of Silverbell Road and Sweetwater Drive monumented by a pavement nail with tag stamped "RLS 18211" and depicted as Pt. #7033 in the above referenced Record of Survey, from which the north one-quarter corner of said Section 29, monumented by a 2-inch brass cap survey monument stamped "LS 12122" and depicted as Pt. #27SC in said Record of Survey, bears South 89 degrees 23 minutes 02 seconds West (Basis of Bearing for this legal description), a distance of 1058.93 feet;

**THENCE** North 65 degrees 57 minutes 49 seconds East a distance of 75.48 feet to the northwest corner of said Parcel 1 and the **POINT OF BEGINNING**;

**THENCE** upon the north line of said Parcel 1, North 89 degrees 23 minutes 02 seconds East a distance of 60.20 feet to the beginning of a non-tangent curve concave northeasterly and having a radius of 6780.49 feet, to which beginning of curve a radial bears South 59 degrees 11 minutes 03 seconds West;

**THENCE** southeasterly along said curve to the left through a central angle of 00 degrees 47 minutes 07 seconds, an arc distance of 92.94 feet;

**THENCE** South 89 degrees 23 minutes 02 West a distance of 11.66 feet to the beginning of a non-tangent curve concave northeasterly and having a radius of 6790.49 feet, to which beginning of curve a radial bears South 58 degrees 26 minutes 58 seconds West;

**THENCE** southeasterly along said curve to the left through a central angle of 02 degrees 37 minutes 48 seconds, an arc distance of 311.69 feet to the southeasterly line of said Parcel 1;

**THENCE** upon said southeasterly line, South 51 degrees 15 minutes 47 seconds West a distance of 27.21 feet to the easterly right-of-way of said Silverbell Road as depicted in said Record of Survey;

**THENCE** upon said easterly right-of-way, North 37 degrees 29 minutes 34 seconds West a distance of 174.58 feet to the beginning of a tangent curve concave northeasterly and having a radius of 1071.41 feet and monument by a 1/2-inch rebar with tag stamped "RLS 18211";

**THENCE** continuing upon said easterly right-of-way and along said curve to the right through a central angle of 07 degrees 00 minutes 51 seconds, an arc distance of 131.16 feet to a 1/2-inch rebar with tag stamped "RLS 18211";

**THENCE** continuing upon said easterly right-of-way, North 30 degrees 28 minutes 43 seconds West a distance of 128.28 feet to the **POINT OF BEGINNING**.

Containing an area of 17,107 square feet or 0.393 acres of land, more or less.

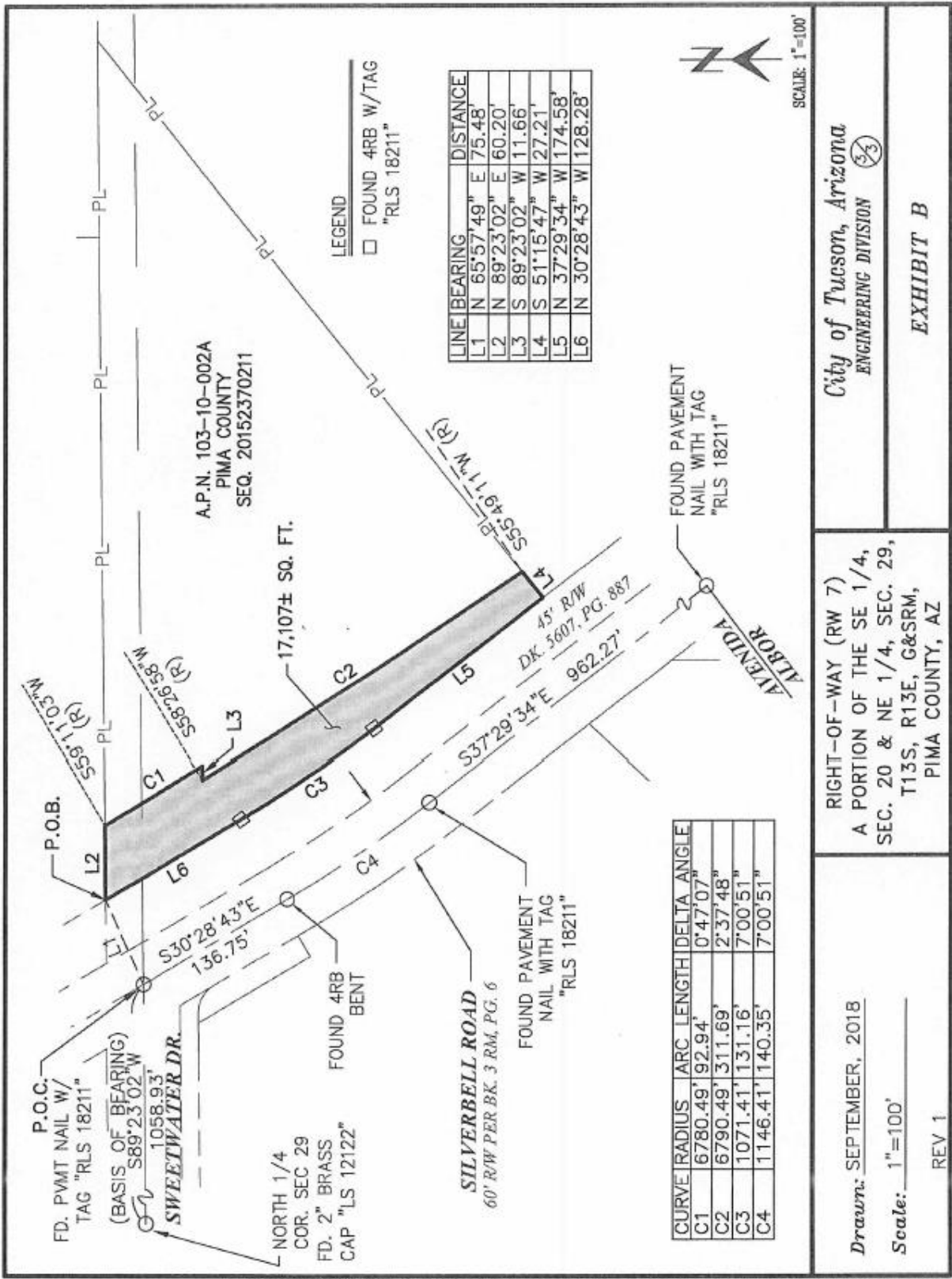
See Exhibit B attached hereto and made a part hereof.

Prepared By:  
Psomas



Patricia Gajda, AZ. R.L.S. 46278



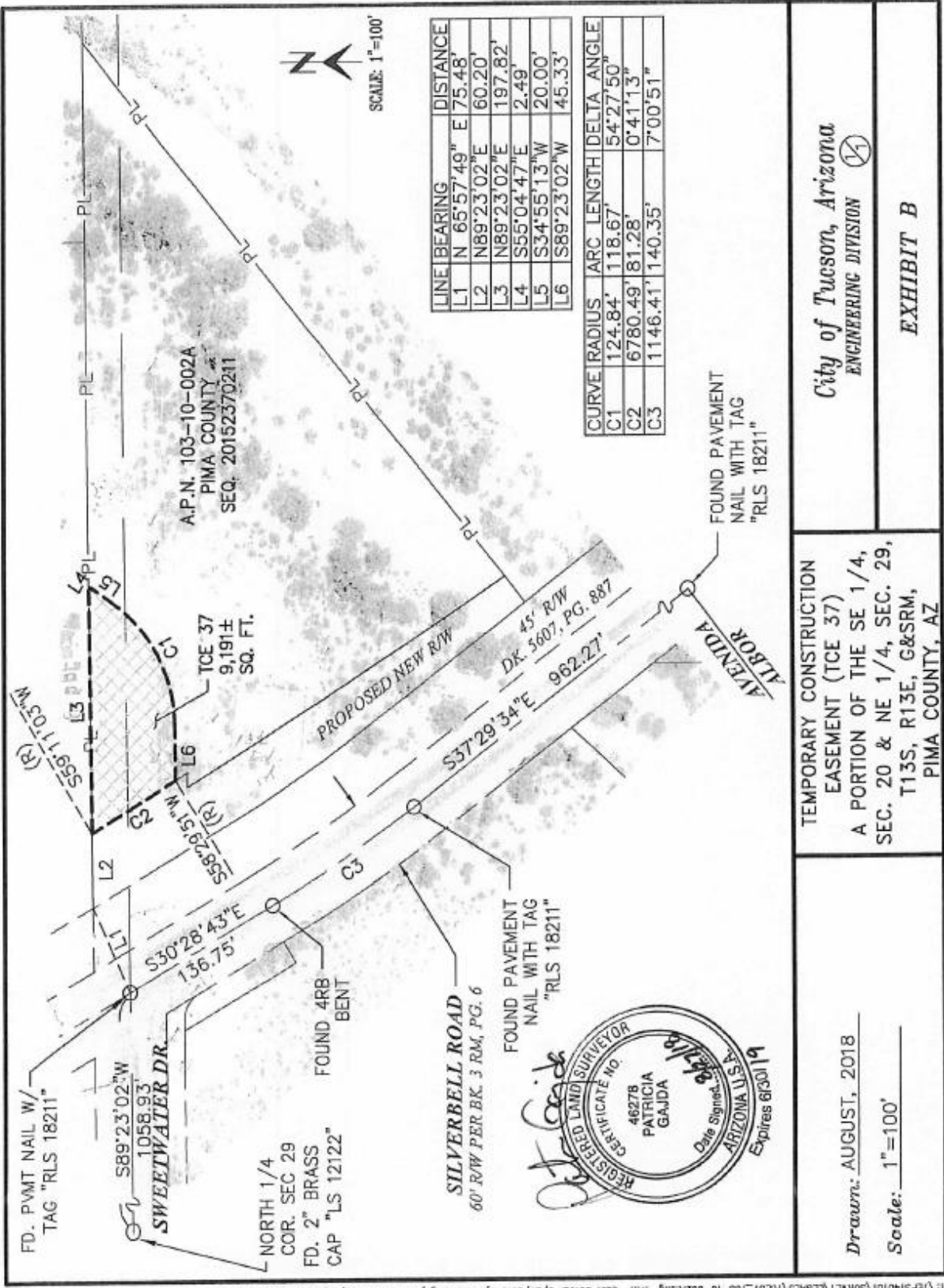


City of Tucson, Arizona  
ENGINEERING DIVISION

RIGHT-OF-WAY (RW 7)  
A PORTION OF THE SE 1/4,  
SEC. 20 & NE 1/4, SEC. 29,  
T13S, R13E, G&SRM,  
PIMA COUNTY, AZ

Drawn: SEPTEMBER, 2018  
Scale: 1"=100'  
REV 1

EXHIBIT B



City of Tucson, Arizona  
ENGINEERING DIVISION

EXHIBIT B

TEMPORARY CONSTRUCTION  
EASEMENT (TCE 37)  
A PORTION OF THE SE 1/4,  
SEC. 20 & NE 1/4, SEC. 29,  
T13S, R13E, G&SRM,  
PIMA COUNTY, AZ

Drawn: AUGUST, 2018  
Scale: 1"=100'

July 27, 2018  
Psomas #7EPS140101

**EXHIBIT A**

**LEGAL DESCRIPTION  
DRAINAGE EASEMENT (DE 12)**

A portion of Parcel 1 described in Warranty Deed recorded in Sequence No. 20152370211 and depicted in Record of Survey recorded in Sequence No. 20122790874 in the office of the Pima County Recorder, Pima County, Arizona, located in the northeast one-quarter of Section 29, Township 13 South, Range 13 East, Gila and Salt River Meridian, Pima County, Arizona, described as follows:

**COMMENCING** at the centerline intersection of Silverbell Road and Sweetwater Drive monumented by a pavement nail with tag stamped "RLS 18211" and depicted as Pt. #7033 in the above referenced Record of Survey, from which the north one-quarter corner of said Section 29, monumented by a 2-inch brass cap survey monument stamped "LS 12122" and depicted as Pt. #27SC in said Record of Survey, bears South 89 degrees 23 minutes 02 seconds West (Basis of Bearing for this legal description), a distance of 1058.93 feet;

**THENCE** upon the centerline of said Silverbell Road, South 30 degrees 28 minutes 43 seconds East a distance of 136.75 feet to the beginning of a tangent curve concave northeasterly and having a radius of 1146.41 feet and monumented by a bent 1/2-inch rebar;

**THENCE** continuing upon said centerline and along said curve to the left through a central angle of 07 degrees 00 minutes 51 seconds, an arc distance of 140.35 feet to a pavement nail with tag stamped "RLS 18211";

**THENCE** continuing upon said centerline, South 37 degrees 29 minutes 34 seconds East a distance of 86.09 feet;

**THENCE** North 52 degrees 30 minutes 26 seconds East a distance of 107.86 feet to proposed easterly right-of-way of said Silverbell Road, being the **POINT OF BEGINNING**;

**THENCE** North 56 degrees 33 minutes 46 seconds East a distance of 85.00 feet;

**THENCE** South 34 degrees 04 minutes 12 seconds East a distance of 80.17 feet to the southeasterly line of said Parcel 1;

**THENCE** upon said southeasterly line, South 51 degrees 15 minutes 47 seconds West a distance of 85.68 feet to said proposed easterly right-of-way and the beginning of a non-tangent curve concave northeasterly and having a radius of 6790.49 feet, to which beginning of curve a radial bears South 55 degrees 49 minutes 11 seconds West;

**THENCE** upon said proposed easterly right-of-way, northwesterly along said curve to the right through a central angle of 00 degrees 44 minutes 36 seconds, an arc distance of 88.08 feet to the **POINT OF BEGINNING**.

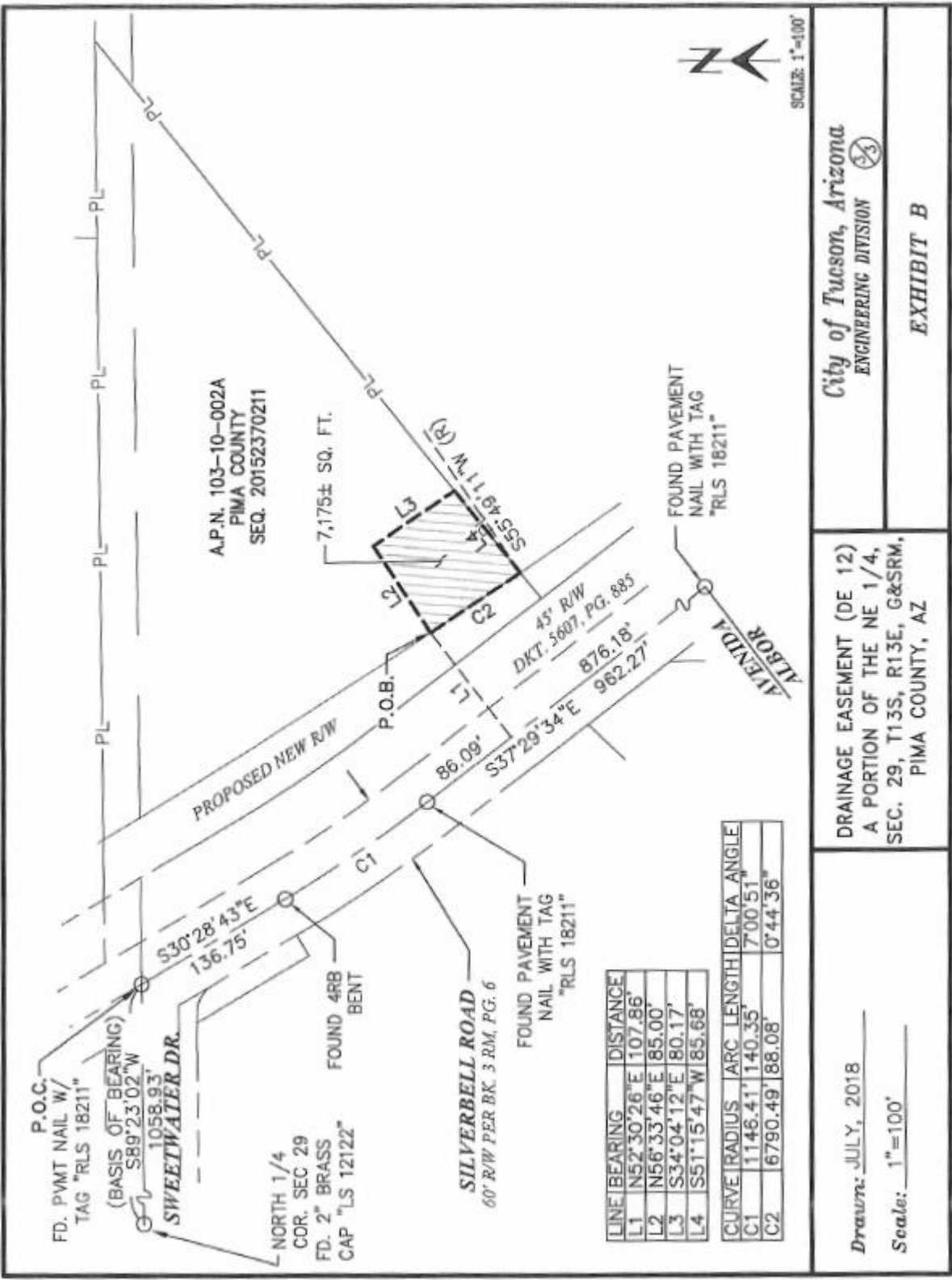
Containing an area of 7,175 square feet (0.165 acres) of land, more or less.

See Exhibit B attached hereto and made a part hereof.

Prepared By:  
Psomas



Patricia Gajda, AZ. R.L.S. 46278



## Addisigns Estimates



**ADDISIGNS, INC.**  
3808 East 38th Street  
Tucson, AZ 85713  
Ph: (520) 748-1540  
Email: [mike@addisigns.com](mailto:mike@addisigns.com)  
Web: <http://www.addisigns.com>

**Estimate #: 16507**

Page 1 of 2

<b>Created Date:</b>	7/11/2022 8:10:51AM	<b>Prepared For:</b>	Paul Hendricks Real Estate Appraisal
<b>Salesperson:</b>	Colby Sweet	<b>Contact:</b>	Paul Hendricks
<b>Email:</b>		<b>Office Phone:</b>	(520) 3256512
<b>Office Phone:</b>	(520) 748-1540	<b>Email:</b>	pdhend@cox.net
<b>Office Fax:</b>	(520) 571-9120	<b>Address:</b>	4708 E. Scarlett St. Tucson, AZ 85711

**Description:** Pima Animal Control 4000 N. Silverbell Rd. Tucson, AZ 85745 - Survey site for relocation of two (2) signs.  
Price is for relocation does not include demo of the old signs.

Paul,

Thank you for allowing us to provide you with an Estimate for this project. If you have any questions about this, please give me a call at 520-748-1540.

Regards,

Colby

		Price		Subtotal
<b>1</b>	<b>Product:</b> Site Survey	\$0.00	\$0.00	\$0.00
	<b>Description:</b> Survey was completed for relocation of two (2) signs: The two signs are on the east side of Silverbell Rd., just south of Sweetwater Dr. Customer would like a depreciated cost estimate for the sign nearest the street (believed to be in the right of way). They would like a depreciated cost estimate for the larger sign (and block wall) nearest the parking area. They would also like a cost estimate to relocate this sign elsewhere on the site if feasible. It appears to that the spot northwest of the walled utility area (see attached) would be a reasonable location for potential relocation. If we are able to determine that the cost to relocate this sign would be more than the depreciated cost of the sign (not feasible to relocate), they would not need the cost to relocate.			
		Price	Unit Price	Subtotal
<b>2</b>	<b>Product:</b> Custom Fabricated Sign	\$9,262.93	\$9,262.93	\$9,262.93
	<b>Description:</b> Relocate LARGER sign on site. Move to the new location across the street. The sign will require a new block base and footing. This is the roughly 4'x16' sign on 8x8x16 block base.			
		Price	Unit Price	Subtotal
<b>3</b>	<b>Product:</b> Custom Fabricated Sign	\$13,998.43	\$13,998.43	\$13,998.43
	<b>Description:</b> LARGER sign depreciated cost based on 10 years and the sign lasting 40 years.			
		Price	Unit Price	Subtotal
<b>4</b>	<b>Product:</b> Custom Fabricated Sign	\$4,527.43	\$4,527.43	\$4,527.43
	<b>Description:</b> Relocate SMALLER sign. Mounted onto 4" square tubing and 2" tubing. This is the vertical sign rough 2'w x 8' high.			
		Price	Unit Price	Subtotal
<b>5</b>	<b>Product:</b> Custom Fabricated Sign	\$6,974.11	\$6,974.11	\$6,974.11
	<b>Description:</b> SMALLER sign depreciated cost based on 10 years and the sign lasting 40 years.			

Print Date: 7/29/2022 7:32:52AM

## **CONSULTANT'S QUALIFICATIONS**

**PAUL D. HENDRICKS, MAI**

4708 E. Scarlett, Tucson, AZ 85711

Phone and Fax 530.325-6512

Email: [PaulHendricksMAI@gmail.com](mailto:PaulHendricksMAI@gmail.com)

## **EDUCATION**

### **Academic**

Bachelor of Science in Business Administration, University of Arizona; Real Estate and Finance Major.

### **Valuation**

#### **Appraisal Courses and Examinations:**

- Standards of Professional Practice; A, B
- Standards of Professional Practice, C
- Investment Analysis
- Highest and Best Use, and Market Analysis
- Valuation Analysis and Report Writing
- Case Studies in Real Estate Valuation
- Income Approach to Value and Capitalization
- Basic Principles, Methods 1A
- Americans with Disabilities Act
- Due Diligence/Environmental Checklist
- Residential Appraisal Techniques
- FEMA Flood Hazard
- Arizona Appraisal Law
- Construction and Engineering Awareness
- Reviewing Appraisals
- Small Residential Income Property Appraisal
- Hazardous Materials
- Litigation Valuation
- Appraiser as Expert Witness
- Partial Interest Valuation; Undivided
- Land Valuation Assignments
- Residential & Commercial Solar Valuation
- Uniform Standards Appraisal Federal Land Acquisitions

#### **Appraisal Seminars**

- Appraisal Business Management
- Critical Building Inspections
- Fair Lending and the Appraiser
- Residential Real Estate Econometrics
- Commercial Appraisal; Lender Requirements



## **EXPERIENCE**

### **November 1995 - Present:**

#### **Real Estate Appraiser/Consultant, Paul Hendricks Appraisal & Counseling, Tucson, Arizona**

In November 1995, Mr. Hendricks again returned to his own firm which performs appraisal and consulting assignments primarily in Arizona; he also works as an independent contractor for other appraisal firms in the Tucson area. He continues to work as an independent contractor with Hendricks, Vella, Weber & Williams, a California corporation with assignments primarily in California.

### **1994-November 1995:**

#### **Senior Real Estate Analyst; The Dorchester Group, Scottsdale, Arizona.**

In January 1994 Mr. Hendricks joined The Dorchester Group as a Senior Analyst. He has provided consulting and valuation services on several complex real estate issues and assignments for the firm which specialized in litigation support for its operations in Arizona and California.

### **1986-1993:**

#### **Real Estate Appraiser/Consultant, Paul Hendricks Appraisal & Counseling; Tucson, Arizona.**

During this time Mr. Hendricks performed real estate appraisals and consulting for his own firm as well as working as an independent contractor primarily for Swango Appraisal. Appraisal assignments included a wide variety of property types including industrial and retail, special use, apartment, motel, subdivision and land as well as residential properties and commercial appraisal reviews.

### **1979-1986:**

#### **Senior Real Estate Analyst, Swango Appraisal & Consultation; Tucson, Arizona.**

Mr. Hendricks primarily performed a wide variety of appraisal assignments for residential and commercial properties.

## **PROPERTIES**

Property experience encompasses virtually all types, including apartments, retail centers, industrial, offices, motels, special use properties and commercial appraisal reviews. Clients include private, corporate, institutional, and governmental entities.

## **COMPUTERS**

Mr. Hendricks' experience includes development of specialized spreadsheets dealing with anticipated income streams from tenant leases, analysis of various leasehold positions and Discounted Cash Flow analyses and projections.

#### **PROFESSIONAL AFFILIATIONS**

- Member Appraisal Institute, MAI (Membership No. 7811)
- Certified General Real Estate Appraiser, State of Arizona (30197)
- President, Appraisal Institute, Tucson Chapter (1997)
- Vice President, Appraisal Institute, Tucson Chapter (1996)
- Secretary, Appraisal Institute, Tucson Chapter (1995)
- Treasurer, Appraisal Institute, Tucson Chapter (1994)
- Board of Directors, Appraisal Institute, Tucson, Arizona (1991-1993)

#### **GEOGRAPHIC WORK/MARKET EXPERIENCE**

Mr. Hendricks has completed real estate assignments and has market familiarity in Arizona, California and Nevada.

#### **EXPERT WITNESS EXPERIENCE**

Mr. Hendricks will always sign appraisal reports and be responsible for analysis of the appraisal problem, primary and secondary data research, selection and confirmation of comparable properties, inspection and all analysis as well as defense of conclusions.

Mr. Hendricks has been qualified as an expert witness in Superior Court in Arizona and has given depositions and testimony experience in bankruptcy proceedings, condemnation, and other litigation. He has performed analysis for condemnor and condemnee parties.

#### **SPECIAL PROJECTS**

In Tucson, Mr. Hendricks worked as an independent fee appraiser for the City of Tucson and Pima County in the condemnation, acquisition and negotiation of several large road projects including Country Club, Alvernon and Speedway Boulevard, Golf Links, Wetmore Road and La Cholla as well as condemnation for the acquisition of Central Arizona Project pumping station sites.

In Phoenix, Mr. Hendricks is an independent fee appraiser for the City of Phoenix with experience in appraisal of a variety of commercial property types for the Central Phoenix/East Valley Light Rail Project.

Mr. Hendricks is under contract with Arizona Department of Transportation and has experience in appraisal of a variety of commercial property types.

At The Dorchester Group, Mr. Hendricks has assisted in the analysis of the impact of the Exxon Valdez Oil Spill in Prince William Sound, Alaska on certain real estate holdings and litigation support for the U.S. Justice Department in relation to acquisition of and subsequent development of Lake Pleasant. Consulting assignments have analyzed market rental and effects in value from site contamination and soil subsidence.

**Department of Insurance and Financial Institutions**  
**State of Arizona**

**CGA - 30197**

**PAUL D. HENDRICKS**

This document is evidence that:  
Arizona Revised Statutes, relating to the establishment and operation of a:

has complied with the provisions of

**Certified General Real Estate Appraiser**

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

**Certified General Real Estate Appraiser**

**PAUL D. HENDRICKS**

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

Expiration Date : **August 31, 2024**