

MEMORANDUM PUBLIC WORKS-REAL PROPERTY SERVICES

Date: February 12, 2016

To: C.H. Huckelberry

County Administrator

RE: **RB** Land Acquisition From: Neil J. Konigsberg, Manager

Real Property Services/PWA

Below are our responses to questions from Supervisor Miller's office regarding the acquisition of approximately 326.48 acres of Floodprone land from RB Land, LLC by the Regional Flood Control District.

1. Ouestion: Page 7 of the appraisal states the site is not currently listed for sale. It is, however, listed online as a land investment project of 80 acres of developable land with the remainder as mitigation land. http://www.randallmartin.com/portfolio/#marker10 My understanding of FLAP is that the property owner must request we purchase their land. Since they turned down our \$650K offer in 2011, is there an underlying reason that they are approaching us now to acquire the land? Environmental issues?

Answer: The property is not listed for sale. The owner of the property is RB Land, LLC. The sole member of the LLC is Randy Bury. Rand Bury is the President of Randall Martin, a land investment company that lists its current projects on its website. There is no broker, no listing with a broker, and no listed sales price.

The closing of the acquisition is subject to receiving a satisfactory phase I, which the County has ordered. A draft has been received, and it reveals no REC (recognized environmental condition), HREC (historically recognized environmental condition) or CREC (controlled recognized environmental condition) in connection with the subject property.

With respect to the Seller's reasons for wanting to sell now, we know that the Seller is anxious to close quickly so that it can liquidate the property. We do not know to what use the Seller intends to put the funds generated from the sale.

2. Ouestion: The appraiser cautions that this is not intended to stand alone as an appraisal report; that the appraisal she prepared on 12/28/11 should be included & made a part of this appraisal. Can we get a copy of it?

Answer: we have provided a copy of the prior appraisal. However, the most recent appraisal is a complete appraisal.

3. Question: Have the \$10,054.81 in delinquent taxes through 6/30/15 been paid? If not, how will they be addressed?

Answer: according to the Treasurer's records the 2015 taxes have been paid in full. To the extent they were not paid, they would have been paid by the Seller at Closing. There will be no 2016 taxes due.

4. Question: Why are Exhibits C, D & E not completed?

Answer: The contract provides in section 4 that there are no wells or underground improvements. Exhibits C & D are only completed if there are wells or underground improvements. Exhibit E is intended only as a form of deed, per section 7.3.1 of the contract. We include a form of deed so that we do not have to negotiate the terms of any recorded instruments at closing.

6. Question: Is the FEMA Map #04019C1020L dated 6/16/11 reflective of the FEMA floodplain mapping review/ratings conducted that year?

Answer: The FEMA Special Flood Hazard Area was originally delineated with the first set of Flood Insurance Rate Maps in 1983, and have remained as originally delineated. Periodically FEMA re-prints the Flood Insurance Rate Maps to clean up any map changes that have occurred. The 6/16/11 date is the last re-printing of the map. No changes occurred in this location as a result of the re-printing. It remains a high hazard area.

SUMMARY APPRAISAL REPORT

PREPARED FOR:

Mr. Doug Laney, MAI, SR/WA

Appraisal Supervisor

Pima County Real Property Services 201 N. Stone Avenue, Sixth Floor

Tucson, AZ 85701

PREPARED BY:

Beverly Weissenborn, MAI Burke Weissenborn, LLC 110 South Church, Suite 8300

Tucson, AZ 85701

DATE OF VALUE:

December 28, 2011

DATE OF THE REPORT:

January 6, 2012

FILE NUMBER:

03-11-91-L

OWNERS:

RB Land, LLC

PROPERTY:

326.48 acres of vacant land located

about 2.5 miles west of Sandario Road and 1.0 to 2.0 miles south of Avra Valley Road, Pima County,

Arizona.

LEGAL:

Located in Section 19, Township 12

South, Range 11 East

TAX CODE NOS: 215-19-002D, 215-19-002J, 215-19-

005C



January 6, 2012

Mr. Doug Laney, MAI, SR/WA Appraisal Supervisor Pima County Real Property Services 201 N. Stone Avenue, Sixth Floor Tucson AZ 85701

REF: Appraiser's File No.: 03-11-91-L

Dear Mr. Laney:

At your request, I have provided an opinion of market value of 326.48 acres of vacant land located on the north side of the Emigh Road alignment, 2 to 3 miles west of Sandario Road, in Avra Valley, Pima County, Arizona. The site is located in Section 19, Township 12 South, Range 11 East.

The date of value is December 28, 2011, the date of the most recent property inspection. The intended use of the appraisal is to provide a valuation basis for the potential acquisition of the property by Pima County for open space. Pima County and its assignees are the exclusive intended users of the report.

This is a summary appraisal report that is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the *Uniform Standards of Professional Appraisal Practice* promulgated by the Appraisal Standards Board of the Appraisal Foundation. It is also intended to comply with the appraisal requirements set forth by Pima County.

This report is being prepared for Pima County. This report or any portion thereof is for the exclusive use of the client and is not intended to be used, sold, transferred, given, or relied on by any other person other than the client without the prior, expressed written permission of the author, as set forth within the Limiting Conditions contained in this report.

Based upon my judgment and the data and discussions contained in this report, the market value of the subject property is as follows:

Mr. Doug Laney, MAI, SR/WA January 6, 2012 Page 2

MARKET VALUE OPINION OF THE SUBJECT PROPERTY.....\$650,000

I hereby certify that to the best of my knowledge and belief, all statements and opinions contained in this appraisal report are correct. This transmittal letter is not valid for any purpose unless accompanied by the appraisal referred to herein.

In order to guarantee the authenticity of this report, the designated appraiser has imprinted this letter of transmittal with an embossed seal. Any copy without same is not a certified copy and the appraiser assumes no responsibility or liability for such a report.

Respectfully submitted,

Burke Weissenborn, LLC

Beverly Weissenborn, MAI

Certified General Real Estate Appraiser #30125

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CONTINGENT AND LIMITING CONDITIONS

The certification of the Appraiser appearing in the report is subject to the following conditions, and to such other specific and limiting conditions as are set forth by the Appraiser in the report.

This report is being prepared for my client. This report or any portion thereof is for the exclusive use of the client and is not intended to be used, sold, transferred, given or relied on by any other person than the client without the prior, expressed written permission of the author, as set forth within the Limiting Conditions contained in this report.

The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership, competent management and adequate marketing typical for that type of property.

The Appraiser has made no survey of the property. Any sketch or map in the report may show approximate dimensions and is included for illustrative purposes only. It is the responsibility of a certified engineer, architect or registered surveyor to show by a site plan the exact location of the subject property or any improvements or any proposed improvements thereon, or the exact measurements or calculations of estimated area of the site. In the absence of such a survey, the Appraiser may have utilized Tax Assessor's maps or other maps provided by the client which may not represent the exact measurements of the subject property or other comparable information utilized to determine the value of the subject property. Any variation in dimensions or calculations based thereon may alter the opinions of value contained within the report.

In determining the opinion of value of the subject property and in analyzing comparable information, the Appraiser has relied upon information from public and private planning agencies as to the potential use of land or improved properties. This information may include, but is not limited to, Area Plans, Neighborhood Plans, Zoning Plans and Ordinances, Transportation Plans and the like. In the opinion of market value, the Appraiser may consider the extent to which a knowledgeable and informed purchaser or seller, as of the date of the appraisal, would reflect the reasonable probability of changes in such land uses becoming actualized in the future. To the extent that these plans may change, the value opinions of this report may also change.

In the absence of a professional Engineer's Feasibility Study, information regarding the existence of utilities is made only from a visual inspection of the site. The Appraiser assumes no responsibility for the actual availability of utilities, their capacity or any other problem which may result from a condition involving utilities. The respective companies, governmental agencies or entities should be contacted directly by concerned persons.

The Appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless prior arrangements have been made and confirmed in writing. Any allocation of the valuation in the appraisal report between land and improvements applies only under the existing program of utilization. The separate valuation for land and improvements must not be used in conjunction with any appraisal and are invalid if so used.

The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, potential flooding hazards, hydrology or structures which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such factors. To the extent that published data from public agencies is available on the above, the Appraiser has made an effort to consult this information.

Unless otherwise stated within this report, the existence of hazardous materials, which may or may not be present within or on the property, will not be considered by the appraiser. The Appraiser assumes, and the client warrants, that no such materials adversely affect the utility, usability or developability of the property to the best of their knowledge. The Appraiser is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, radon gas or other potentially hazardous materials may affect the opinion of value of the property. The value opinion has been predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility will be assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. If at a later time hazardous materials or substances are discovered, the Appraiser reserves the right, for an additional agreed upon fee, to reanalyze and re-value said property, taking into account the discovery of such factor or factors and their effects on the value of the subject property.

Information, estimates and opinions furnished to the Appraiser and contained in the report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the Appraiser can be attributed to the Appraiser.

Disclosures of the contents of the report by the Appraiser are governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraiser is affiliated.

On all reports which are undertaken subject to satisfactory completion of, alterations of or repairs to improvements, the report and value conclusions contained in it are contingent upon completion of the improvements or of the repairs thereto or alterations thereof in a workmanlike manner and consistent with the specifications presented to the Appraiser.

On all reports which are undertaken subject to satisfactory completion of, alterations of or repairs to improvements, the report and value conclusions contained in it are contingent upon completion of the improvements or of the repairs thereto or alterations thereof in a workmanlike manner and consistent with the specifications presented to the Appraiser.

The appraiser has not made a specific survey of the subject property to determine whether or not it has any plant or wildlife which is identified as an endangered or threatened species

by the U.S. Fish and Wildlife Service. While not observed and while no information was provided to confirm or deny the existence of any endangered or threatened species on the subject property (unless expressly stated herein), it is emphasized that the appraiser is not qualified to detect or analyze such plants and wildlife. Any such conclusions must be based upon the professional expertise of persons qualified to make such judgments. Thus, any person or other entity with an interest in the subject property is urged to retain an expert if so desired. It is possible that a survey of the property could reveal that the site contains endangered or threatened plants or wildlife. If so, this fact could have a negative effect on the value of the property. Since the appraiser has no direct evidence relating to this issue, possible endangered or threatened species were not considered in valuing the property.

The use of this report or its analysis and conclusions by the client or any other party constitutes acceptance of all the above limiting conditions.

SUMMARY OF SALIENT FACTS

PROPERTY: 326.48 acres of vacant land

PROPERTY LOCATION: On the north side of the Emigh Road

alignment, 2 to 3 miles west of Sandario Road and 1 to 2 miles south of Avra Valley Road,

Pima County, Arizona

DATE OF VALUATION: December 28, 2011

DATE OF INSPECTION: December 23 and December 28, 2011

DATE OF REPORT: January 6, 2012

TYPE OF REPORT: Summary

OWNER OF RECORD: RB Land, LLC

CLIENT: Mr. Doug Laney, MAI, SR/WA

Pima County Real Property Services

INTEREST APPRAISED: Fee Simple

TAX CODE NUMBERS: 215-19-002D, -002J and -005C

SITE DATA: The site is located in a rural area of Pima

County known as Avra Valley. It is just west of the town of Marana a suburb of metropolitan Tucson. Legal access is provided by a 30' right-of-way extension of Emigh Road. Physical access is available to the north and west boundaries off private dirt roads and/or easements. Electric and telephone are nearby. There is no developed water source or sewer lines. Area residents rely on individual wells for domestic water and septic systems for waste disposal.

Propane is available through private services.

About 96% of the site is in the Brawley Wash Floodplain Flow Corridor and bisected by the East Branch of the Brawley Wash. According to the National Flood Insurance Program's Flood Insurance Rate Map, Community Panel 04019C, Panel No. 1020L, revised June 16, 2011; the subject site is in Zones AO-2 and AO-3, areas subject to 100-year flooding with

FLOOD HAZARD:

a depth of 2 to 3 feet. To obtain a Floodplain Use Permit, an Engineering Report that maps the hydraulics of the wash must be prepared by an Arizona Registered Professional Civil Engineer. The results of the report will dictate whether or not habitable structures would be allowed. If allowed, any structures would have to be elevated one foot above the base flood elevation.

ZONING:

RH, Rural Homestead with a minimum lot

site of 4.13 acres.

COMPREHENSIVE PLAN:

RT; Resource Transition

LANDS CONSERVATION SYSTEM:

IRA: Important Riparian 93% Area;

Xeroriparian D and 7% Xeroriparian C.

HIGHEST & BEST USE:

Investment, with the potential for use as

mitigation land.

MARKETING TIME/EXPOSURE TIME: 18 to 24 months

OPINION OF MARKET VALUE OF THE SUBJECT SITE, AS VACANT,

AS OF DECEMBER 28, 2011\$650,000

THE APPRAISAL PROCESS

An appraisal is an opinion based upon research, judgment, and an analysis of factors influencing real estate value. These factors consider the four major forces at work in the economy: physical, legal/political, social and economic forces.

The front section of the appraisal contains the appraisal criterion and factual data. The second half of the appraisal is the Valuation Section which contains the Highest and Best Use Analysis and the valuation. The highest and best use of the subject property is the basis upon which market value is estimated.

The three traditional approaches to value are considered. Since the subject property consists of vacant, unimproved land, only the Sales Comparison Approach is applicable. In the Sales Comparison Approach, recent sales of similar properties, known as "comparables," are analyzed and adjusted to the subject property. This approach best represents the actions of buyers and sellers in the market for this type of property.

PROPERTY IDENTIFICATION

The subject site consists of 326.48 acres of vacant land. It is located on the north side of the Emigh Road alignment, two to three miles west of Sandario Road and one to two miles south of Avra Valley Road in an area of Pima County known as Avra Valley. According to the legal description in the Title Report dated October 24, 2011, the property is legally described as follows.

Parcol 1

The Southwost Quarter of Section 19, Township 12 South, Range 11 East, Gila and Salt River Meridian, Pime County, Arizona.

(JV Arbs 22 and 23)

Parcel 2

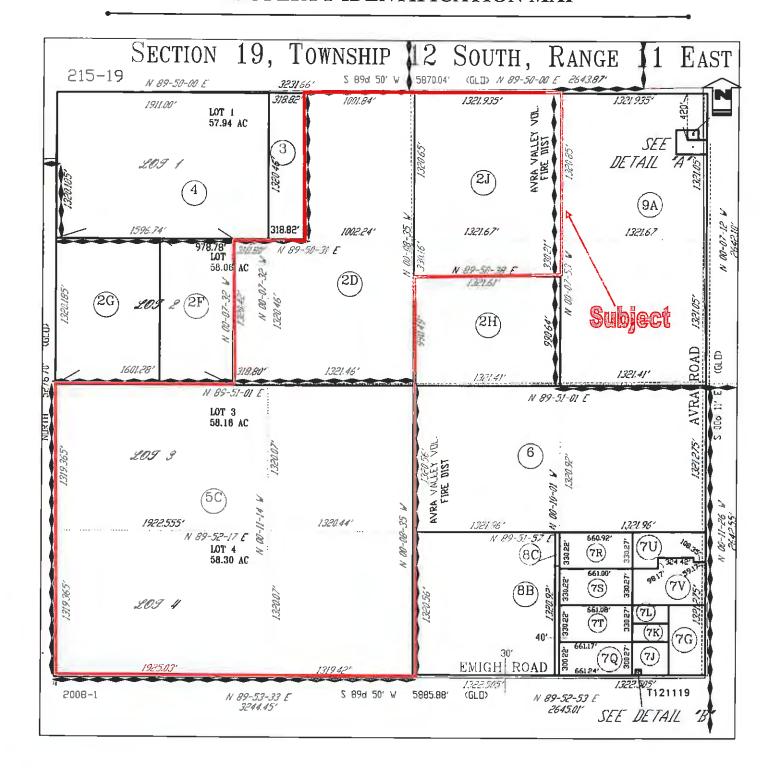
The Northeast Quarter of the Northwest Quarter, EXCEPT the West 318.82 feet thereof; and the Southeast Quarter of the Northwest Quarter; and the East 318.8 feet of Lot 2; all in Section 19, Township 12 South, Range 11 East, Gila and Sait River Meridian, Pima County, Arizona.

(JV Arb 21)

Parcel 3

The Northwest Quarter of the Northeast Quarter and the North Half of the North Half of the Southwest Quarter of the Northeast Quarter of Section 19 Township 12 South, Range 11 East, Gila and Salt River Meridian, Pinta Gounty, Arteons.

PROPERTY IDENTIFICATION MAP



INTENDED USE/USER OF THE APPRAISAL

Intended Use of the Appraisal: To provide an opinion of market value to be used

as the financial basis for the potential acquisition

of the subject property by Pima County.

Intended User: Pima County and their designees and/or assigns.

Date of Valuation: December 28, 2011, the date of the most recent

property inspection.

Date of the Appraisal: January 6, 2012

DEFINITION OF MARKET VALUE

The following definition of market value from page 177 of The Dictionary of Real Estate Appraisal, Fourth Edition is applied in this appraisal.

"The most probable price, as of a specified date, in cash or terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and self-interest, and assuming that neither is under undue duress.

INTEREST TO BE APPRAISED

The interest to be appraised is the fee simple estate which is defined as:

"This interest in the fee is a fee without limitations to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power, and taxation. The property is appraised as if free and clear and without any restrictions or encumbrances which would limit the marketability of the property."

OWNERSHIP HISTORY AND FIVE-YEAR CHAIN OF TITLE

According to the Title Report, title to the subject site is vested in RB Land, LLC. Title was acquired by virtue of a Deed recorded June 21, 2011 in Sequence No. 20111720394. The grantor was RB Land Venture 1, LLC who was a related party. On the same day RB Land Venture 1, LLC acquired title from the Marana Unified School District No. 6. According to Will White, the buyer's representative, this acquisition was part of an exchange in which Marana Unified School District acquired about 107.65 acres on Grier Road for a price of \$3,200,000. Title to the subject property was conveyed at an allocated value of \$165,000 or about \$500 per acre based on an appraisal. The subject site was donated to the school district in 1986.

SCOPE OF WORK

According to the 2010-11 Uniform Standards of Professional Appraisal Practice, Scope of Work Rule identifies the following three criteria that must be addressed in each appraisal.

- 1. Identify the problem to be solved.
- 2. Determine and perform the scope of work necessary to develop credible assignment results; and
- 3. Disclose the scope of work in the report.

The subject site is a vacant parcel of land located in a rural area west of Metropolitan Tucson. The property was inspected by the appraiser on December 23 and 28, 2011. The site is located two to three miles west of Sandario Road and one to two miles south of Avra Valley Road. It is situated along the East Branch of the Brawley Wash. The closest access to the west boundary is from Avra Valley Road via several interior access easements that are not publically maintained. There is a farm road across private land that provides physical access to the north boundary. Legal access is via the 30-foot right-of-way to Emigh Road. Emigh Road ends about ½ mile east of the southeast corner and Twin Peaks Road ends about ¼ mile east of the northeast corner of the site.

The most significant characteristic impacting the subject site is the location within the Brawley Wash Floodplain Flow Corridor. According to FEMA maps and a hydrology report prepared by the Pima County Flood Control District, the site is within the following designated flood areas. In addition, the entire site is classified as an Important Riparian Area (IRA). As can be seen from the table below, most of the site is in Xeroriparian Area D.

Parcel #	Total	Zone	Zone	Riparian
	Acreage_	AO-2	AO-3	Classification
215-19-002D	79.96	39.18	40.78	99.76%: Xeroriparian D
215-19-002J	49.85	49.85	0	95.8%; Xeroriparian D
215-19-005C	197.56	110.70	86.86	84.38%; Xeroriparian D & 14.02% Xeroriparian C
Total	327.37 Acres*	199.73 Acres	127.64 Acres	
Percentage		61%	39%	

^{*}Slight difference in total acreage due to estimated areas in the floodplain.

For any development to occur, a Floodplain Use Permit must be issued which requires an engineering study completed by an Arizona Registered Professional Civil Engineer that outlines the effects a proposed development will have on the flow of water through the area being developed and surrounding areas. However, for all practical purposes development is not allowed in Zone AO-3. Development regulations for all other zones require the finished floor of any habitable structure be elevated one foot above the base flood elevation or a total of 3 feet in Zone AO-2. Also there is a 250 foot setback from the East Branch of the Brawley Wash which carries over 10,000 cfs.

In an area designated as an Important Riparian Area (IRA), mitigation is required if more than one-third of a parcel is disturbed.

In addition to the limitations resulting from the floodplain and riparian restrictions, the recent economic downturn has negatively affected demand for land regardless of the potential use. Residential land, in particular, has been negatively impacted. While there has been some recent activity, it is expected that until the existing inventory of improved lots and land that is platted and/or entitled is absorbed, there will be very little demand for large vacant sites like the subject.

A search for recent sales has been conducted with a focus on the rural areas in the western, southern and northwest portions of metropolitan Tucson. Regardless of the zoning and/or potential use, there are very few land sales in excess of 50 acres that have recently occurred. Only six recent sales can be considered relevant to the valuation of the subject. In addition, two nearby land leases will be analyzed. Tabulations of the sales and discussions will be presented to arrive at a value conclusion for the subject site.

NEIGHBORHOOD DATA

Since the parties for whom this appraisal is prepared are familiar with the subject neighborhood, only a brief description is presented. The neighborhood boundaries are defined as the Pima/Pinal County line to the north, Sandario Road, Saguaro National Park and Tucson Mountain County Park on the east, the Tohono O'Odham Nation to the south and Ironwood Forest National Monument and the Tohono O'Odham Nation to the west. Although portions of the neighborhood are within the incorporated limits of Marana, much of the land in the neighborhood, including the subject property, is located in unincorporated Pima County.

Historically, Marana has been a farming community located on the outskirts of Tucson. In recent years, the Town of Marana has aggressively expanded by annexing land to the southeast to enlarge the tax base. Today, the population of Marana is 34,961 and includes the master-planned communities of Continental Ranch and Dove Mountain. In addition, Marana includes much of the commercial development in the vicinity of I-10 and Cortaro Farms Road, Ina Road, Thornydale Road and Orange Grove Road.

The subject property is located in a rural area known as Avra Valley located south and west of Marana, between the Ironwood Forest National Monument and Saguaro National Park. Surrounding land uses are primarily low density, rural residential developments consisting mostly of manufactured homes and some site-built homes. The predominance of manufactured homes is largely a function of affordability, zoning and the floodplain restrictions. Development of manufactured homes on floodprone land is often allowed providing the homes are elevated on block piers, with stem walls and skirting or the building pads are raised one foot above the base flood elevations and the homes are angled appropriately in the event of a flood.

One new subdivision has been developed relatively close to the subject property. Tierra Linda is located on the south side of Emigh Road, about 1.5 miles west of Sandario Road and about one mile east of the subject property. Approximately 214 acres were purchased in November 2003 for development of 190 ¾-acre lots. Pepper Viner Homes purchased 76 lots under a rolling option agreement. They started selling homes in October 2005. The prices initially ranged from about \$300,000 to \$400,000. Today, prices have been reduced to \$229,990 to \$329,990.

There are several small commercial uses nearby including a Minit Market and Arizona Fuel at the southwest corner of Sandario and Picture Rocks Road about 4.5 miles southeast of the subject site. Other smaller commercial uses are located in this vicinity. Most recently developed is a Chevron gas station and convenience store located on the east side of Sandario Road north of Picture Rocks Road. With the exception of several other small convenience stores and commercial uses scattered throughout the area, the closest commercial services are at Cortaro Farms Road and Silverbell or at I-10 and Ina Road about 12 miles southeast of the subject property.

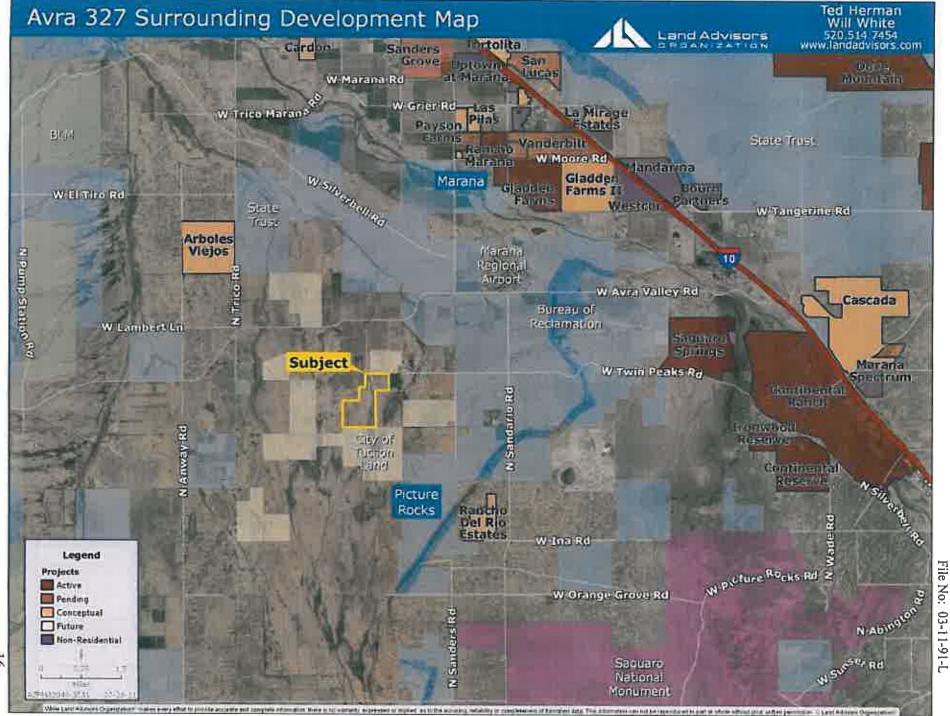
Primary asphalt paved roads providing access within the neighborhood include Sandario Road, Sanders Road, Picture Rocks Road, Avra Valley Road, Manville Road, Silverbell Road and Trico Road. Most of the secondary neighborhood streets are graded dirt, many of which are private easements. Due to the floodplains of the Brawley Wash, the Black Wash and the Blanco Wash which traverse the area from south to north, many neighborhood roads become impassible during heavy rains.

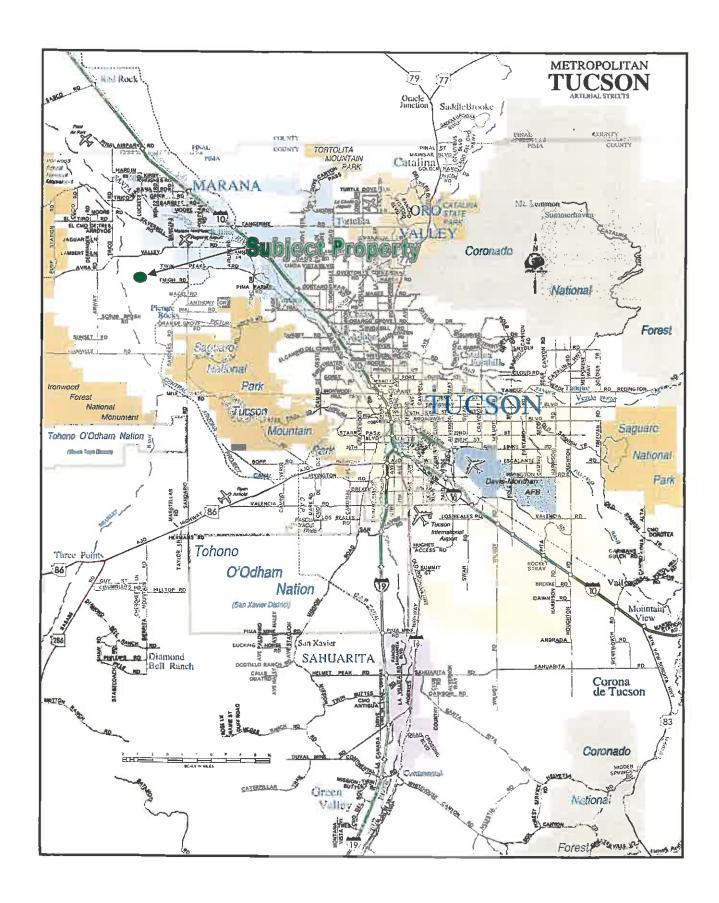
The subject property is within the Marana Unified School District. A new campus for Marana Junior High School was recently completed. Marana High School is located about two miles east of the subject property at the northwest corner of Emigh Road and Sandario Road.

Police protection is provided by Pima County Sheriff's Department. Fire protection is provided by Avra Valley Volunteer Fire Department and Picture Rocks Volunteer Fire Department. A new station has recently been completed on the west side of Sandario Road, north of Picture Rocks Road. Trico Electric Cooperative and Tucson Electric Power supply electricity. Century Link (formerly Quest Communications) provides telephone service. Throughout the neighborhood, water is supplied by several small water companies or by individual wells. In the immediate vicinity of the subject property, water is supplied by individual wells. Although municipal sewer is not generally available, the wastewater treatment plant is being improved and sewer is being extended to the higher density developments north of the subject property in Marana. Lower density subdivisions with one-acre lots have individual private septic systems for waste disposal.

There are several large employers in the area including Tucson Ready-Mix, Sargent Controls and Aerospace, Evergreen Air Center, Costco, and Arizona Portland Cement. Two solar power generating facilities have recently been approved on two large acreage sites within close proximity to the subject. In June 2011 the Pima County Board of Supervisors unanimously approved a project by FRV Tucson Solar to develop a photovoltaic solar power generating plant on a 305-acre site that wraps around the northwest corner of Sanders Road and Emigh Road about ½ mile east of the subject. In a separate agreement, NRG Solar will develop a 320-acre site one mile south of Avra Valley Road on the west side of the Garvey Road alignment which is about 1/2 mile west of the subject. Both solar projects are sited on land owned by Tucson Water Company and both are the subject of 20-year lease agreements that coincide with agreements to sell energy to Tucson Electric Power. In the short term, the plants will generate about 600 construction jobs. The longer term job creation will be nominal.

Historically, the northern portion of the neighborhood in the vicinity of Marana was characterized as a rural, farming community. However, with the recent construction of the Santa Cruz River levee which removed a significant amount of land from the floodplain, some of the farm land in the vicinity of I-10 and the Town of Marana, has been, or is planned for development of higher density, residential subdivisions. In the vicinity of the subject property, the area has a rural flavor with homes situated on large lots typically one to five acres and larger. Higher density development is unlikely in this area due to the lack of infrastructure and the floodplain restrictions. In addition, Tucson Water owns about 20,000 acres in Avra Valley. Most of this is fallow farmland that was acquired about 20 years ago for control of water rights. Due to the recent decline in growth as a result of the economic recession and down turn in the housing market, no significant growth is expected in rural areas like the subject in the foreseeable future.





SITE DATA

Location:

The subject property is located two to three miles west of Sandario Road and one to two miles south of Avra Valley Road. The site is located in Avra Valley, a rural area of Pima County just west of metropolitan Tucson.

Site Area/Shape:

According to the Pima County Assessor's records, the site consists of 326.48 acres. It is comprised of three Assessor Parcel Numbers and is irregularly shaped.

Topography/Vegetation:

The terrain is generally level and bisected in a north-south direction by the East Branch of the Brawley Wash. The site has native Sonoran desert scrub vegetation. The majority of the site is sparsely vegetated except along braided channels and the East Branch of the Brawley Wash which are lined with mesquites.

Access:

There is physical access in close proximity to the north and west boundaries of the subject site via private dirt easements that are accessible from Avra Valley Road. There is a private dirt farm road that extends south of Avra Valley Road about one mile to the north boundary of the subject site. Access to about 1,200 feet of the west boundary is from the north via El Paso Gas Road, to Maggies Farm Lane, to Desert Owl Way and Ghost Ranch Road. With the exception of El Paso Gas Road which is a dirt road maintained by Pima County, these roads are dirt and not publically maintained. They may become impassible during times of wet weather.

According to the Assessor's Maps, legal access is via a 30 foot wide right-of-way for Emigh Road which extends along the south boundary of Section 19. At this time, Emigh Road dead-ends about ½ mile east of the southeast corner of the subject site. If the subject site were ever developed, Emigh Road and all-weather access across the East Branch of the Brawley Wash would have to be built in order to facilitate access to the majority of the subject site.

There are no other apparent dedicated rights-of-way to allow legal access to the subject site.

Utilities:

Electric and telephone are available to the residential properties just west of the site and about one-quarter mile east of the site. Overhead lines also extend along the north boundary. Service is provided by Tucson Electric Company and Century Link Communications. There is no developed water source. Domestic water is typically supplied by individual wells or shared wells. Since homes in the area are generally situated on large lots of one acre and more in size, septic systems are used for waste disposal. There is no municipal sewer service in the area. Propane is supplied by private contract. There is no natural gas available for local service.

Surrounding Uses:

There is irrigated farmland to the north and northeast of the subject site along the Brawley Wash. The adjoining land to the east is vacant. There are residential lots about ¼ mile east that are improved with either site-built or manufactured homes. About ½ mile east at the northwest corner of Sanders Road and Emigh Road, the City of Tucson recently leased a 305 acre site for development of a solar power generating facility. Across the street from this facility is the Tierra Linda subdivision. Along the Brawley Wash to the south the land is mostly vacant and owned by the City of Tucson. Much of the land in this area is fallow or irrigated farm land. There are scattered manufactured homes on large lots to the west of the subject. Many of these have been elevated to comply with floodplain regulations.

Flood Zone:

According to FEMA Map #04019C1020L dated June 16, 2011, the entire site is in the 100-year floodplain. Based on the FEMA maps, Pima County Flood Control reports the number of acres located within each floodplain classification.

Parcel #	Total Acreage	Zone AO-2	Zone AO-3	Riparian Classification
215-19-002D	79.96	39.18	40.78	99.76%: Xeroriparian D
215-19-002J	49.85	49.85	0	95.8%; Xeroriparian D
215-19-005C	197.56	110.70	86.86	84.38%; Xeroriparian D & 14.02% Xeroriparian C
Total	327.37 Acres*	199.73 Acres	127.64 Acres	
Percentage		61%	39%	

^{*}Slight difference in total acreage due to estimated areas in the floodplain.

The AO zones are subject to 100-year flooding with depths of 2 to 3 feet. As can be seen on the following map, the areas Zoned AO-2 include approximately 65 acres at the extreme northeast corner of the site, an area along the west boundary and the middle of the site between two channels of the Brawley Wash. Each channel is designated AO-3 and most impacted by flooding. While AO-2 is generally developable providing the finish floor is elevated three feet and other requirements are met pertaining to pier depths, building angles, runoff and access, development of land in Zone AO-3 is extremely limited.

According to the Pima County Floodplain Department, the subject site is in the Brawley Wash Floodplain Flow Corridor. As such, a Floodplain Use Permit is needed to develop any portion of the subject site. To obtain a Floodplain Use Permit, an engineering study is required from an Arizona Registered Professional Civil Engineer that outlines the effects any proposed development will have on the flow of water through the area being developed and the surrounding areas. The study is then used to evaluate the possible flood hazards and to render a decision on the suitability of development. Ms. Suzie Bohnet, senior hydrologist with Pima County, indicated the flow totals about 21,000 cfs at a point near the north boundary. This is a significant amount of water in a 100-year event and suggests that development of the site will be extremely difficult based on current engineering. She further noted that there is a 250-foot building setback from the top of the

banks of each channel. The reader should refer to the Addenda for a map of the Brawley Wash Corridor and the associated copy of the engineering requirements.

Conservation Lands System:

Nearly 100% of the subject site is designated as IRA, Important Riparian Area. The majority of the site (87%) is in Xeroriparian D. About 13% of the site along the East Branch of the Brawley Wash is designated Xeroriparian C. These are regulated areas that require a mitigation plan and Board approval when 1/3 acre or more per parcel is disturbed. Mitigation can be handled onsite or offsite but must be approved by the Pima County Regional Flood Control District and the Flood Control District Board of Directors. If onsite mitigation is not feasible, offsite mitigation may be approved under one of the following three options.

- Restoration of disturbed or degraded Regulated Riparian Habitat (RRH) on another parcel of land that provides comparable or superior biological function similar to the RRH proposed for disturbance, with appropriate long-term protection measures.
- (2) Land transfer proposals; and
- (3) Payment in an in-lieu fee

Archaeological:

The presence of any archaeological features is unknown.

Easements:

According to the Title Report prepared by First American Title on October 24, 2011, there is only one easement that affects the subject site. This is an access easement that extends east-west through the north central portion of the property.

Environmental Hazards and Nuisances:

Although there was nothing of significance noted on the subject site, there has been some target shooting and wildcat dumping. This appraisal assumes no environmental contamination.

Tax Data and Assessed Valuation:

The subject site is assessed under the following Assessor's Parcel Numbers. The full cash values are reported for each parcel. According to the Assessor's office, all parcels are tax exempt. Until June 2011 the site was owned by the Marana Unified School District. It is expected that taxes will be assessed in 2012 since the site is now in private ownership.

Assessor Parcel Number	2012 Full Cash Value
215-19-002D	\$44,000
215-19-002J	\$27,500
215-19-005C	<u>\$108,064</u>
Total	\$179,564