

MEMORANDUM

Date: November 18, 2016

To: The Honorable Ally Miller, Member

Pima County Board of Supervisors

From: C.H. Huckelberry,

County Administration

Re: Your November 18, 2016 Email Regarding Monsanto

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

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

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

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

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

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

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

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

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

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

A5: Please see Attachment 2.

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

CHH/mjk Attachments

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

ATTACHMENT 1

From: Ally Miller

To: Chuck Huckelberry

Cc: Shirley Lamonna; Monique Harley; Sherry Potter

Subject: Questions Re: Monsanto

Date: Friday, November 18, 2016 8:34:06 AM

Mr. Huckelberry,

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

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

Thanks for your assistance.

Regards, Ally

Ally Miller Pima County Supervisor

District 1

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ATTACHMENT 2

ESTIMATED ASSESSOR ASSESSMENT VAI	LUE AND PROPERTY	TAXES - YEAR 1	
	Legislative Class 1 Commercial Property	Legislative Class 2 Agricultural Property (Qualified Ag Property)	Legislative Class 6.2 Foreign Trade Zone Property
Capital Expenditures	\$94,600,000	\$94,600,000	\$94,600,00
Land Acquisition (155 acres @ \$22,580 per acre)	\$3,500,000	\$3,500,000	\$3,500,00
Site Preparation & Utilities	\$15,100,000	\$15,100,000	\$15,100,00
Architectural & Design Costs (7% of Capex)	\$0	\$0	\$15,200,00
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$10,200,000
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,000
Total Land, Design, Preparation & Improvements	\$85,300,000	\$85,300,000	\$85,300,000
Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000
Assessor Assessment Value			
Real Property			
Land (8 acres)	\$3,500,000	\$155,000	Ć2 F00 000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000		\$3,500,000
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$10,200,000	\$18,200,000	\$18,200,000
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$0	\$(
Total Real Property Land & Improvements	\$70,200,000	\$48,500,000	\$48,500,000
Assessor Rule B For Taxable Limited Value Versus Full Cash Value (2016 Ratio)	0.937	\$66,855,000	\$70,200,000
Equals: Real Property Tax Assessment Limited Value		0.958	0.941
Property Legislative Class Assessment Ratio	\$65,777,400	\$64,047,090	\$66,058,200
Real Property Assessed Value	18.00%	15.00%	5.009
Less: Real Property Exemptions	\$11,839,932	\$9,607,064	\$3,302,910
Equals: Real Property Net Assessed Value	\$0	\$0	\$0
Education wear Lindberra, Later Wassessen, Astron	\$11,839,932	\$9,607,064	\$3,302,910
Business Personal Property			
Estimated Business Personal Property	\$9,300,000	ć0 200 000 l	40.000.000
Company Business Property Exemption (2016 exemption amount)	\$152,926	\$9,300,000	\$9,300,000
Estimated Business Personal Property, net of company exemption	\$9,147,074	\$152,926	\$152,926
Estimated Business Personal Property Useful Life	10 Years	\$9,147,074	\$9,147,074
10-Year Useful Life Personal Property Valuation Factor for Year 1	10 rears	10 Years	10 Years
Property Qualifies for Additional Depreciation	22.50%		
Property Does Not Qualify for Additional Depreciation	22.30%	22.50%	
Assessor Full Cash Value For Business Personal Property	\$2.0E0.001.CF	40.000.00	90.00%
Property Legislative Class Assessment Ratio	\$2,058,091.65	\$2,058,091.65	\$8,232,366.60
Business Personal Property Assessed Value	18.00%	15.00%	5.00%
Less: Business Personal Property Property Exemptions	\$370,456	\$308,714	\$411,618
Equals: Business Personal Property Net Assessed Value	\$0 \$370,456	\$0	\$0
	\$370,436	\$308,714	\$411,618
tal Taxable Value Of Real Property & Business Personal Property	\$12,210,388	\$9,915,778	\$3,714,528
sessor Tax Area Code For Subject Property Site	0603	0603	0603
tal State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	\$14.3645	\$14.3645	\$14.3645
			72
X YEAR 2015 PROPERTY TAX BY JURISDICTION			
PIMA COUNTY PRIMARY & DEBT SERVICE (\$5.0877)	\$621,227.91	\$504,485.04	\$188,984.04
TATE SCHOOL EQUALIZATION PRIMARY (\$0.5054)	61,711.30	50,114.34	
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY (\$6.3370)	773,772.29	628,362.86	18,773.23
IMA COMMUNITY COLLEGE PRIMARY (\$1.3689)	167,148.00		235,389.64
DINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500)	6,105.20	135,737.09	50,848.17
ENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400)	17,094.54	4,957.89	1,857.27
IMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135)		13,882.09	5,200.34
IMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)	37,118.19	30,118.15	10,354.62
IRE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	62,920.13	51,096.00	19,140.97
OTAL PROPERTY TAXES	5,702.25	4,630.67	1,734.69
OTHER TRACES	\$1,752,799.81	\$1,423,384.13	\$532,282.97
YMENT IN LIEU OF TAXES FOR SCHOOL DISTRICTS - FTZ DESIGNATION VERSUS	CLASS 1	CLASS 2	
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY	\$538,382.65		
	4000,005,00	\$392,973.22	

- Actual allocation of \$100 million capital expenditure budget is unknown. Amounts presented are illustrative of how local assessor may determine assessment value for project property based on Arizona statutes. Land that qualifies as Agricultural Property will be valued by the income approach pursuant to A.R.S. Title 42, Chapter 13, Article 3, which would have a lower value than land used for Legislative Class 1 or 6.2 purposes.
- 2. Legislative Class 1 Commercial and Legislative Class 2 Agricultural Business Personal Property qualify for additional depreciation reduction under current stautes.

 Legislative Class 6.2 Foreign Trade Zone Business Personal Property does not qualify for additional depreciation under current statutes.
- 3. Assessor will likely apply Rule B In determining Year 1 Taxable Limited Value of property when significant change in use occurs. In future years, Taxable Limited Value cannot increase by more than 5% above prior year Limited Value and cannot exceed property's Full Cash Value.

ESTIMATED ASSESSOR ASSESSMENT VALU	E AND PROPERTY	TAXES - YEAR 2	
	Legislative Class 1 Commercial Property	Legislative Class 2 Agricultural Property (Qualified Ag Property)	Legislative Class 6.2 Foreign Trade Zone Property
Capital Expenditures	\$94,600,000	\$94,600,000	\$94,600,00
Land Acquisition (8 acres @ \$30,000 per acre)	\$3,500,000	\$3,500,000	\$3,500,00
Site Preparation & Utilities	\$15,100,000	\$15,100,000	\$15,100,00
Architectural & Design Costs (7% of Capex)	\$0	\$0	\$
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,00
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,00
Total Land, Design, Preparation & Improvements Estimated Business Personal Property	\$85,300,000	\$85,300,000	\$85,300,00
Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,00
Assessor Assessment Value			<u> </u>
Real Property			
Land (8 acres)	\$3,500,000	\$155,000	\$3,500,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,00
Total Real Property Land & Improvements	\$70,200,000	\$66,855,000	\$70,200,00
Taxable Limited Value Relative To Full Cash Value (Max 5% Increase from prior year)	0.984	1.000	0.98
Equals: Real Property Tax Assessment Limited Value	\$69,066,270	\$66,855,000	\$69,361,11
Property Legislative Class Assessment Ratio	18.00%	15.00%	5,00
Real Property Assessed Value	\$12,431,929	\$10,028,250	\$3,468.05
Less: Real Property Exemptions	\$0	\$0	\$
Equals: Real Property Net Assessed Value	\$12,431,929	\$10,028,250	\$3,468,05
Business Personal Property			
Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000
Company Business Property Exemption (2016 exemption amount)	\$152,926	\$152,926	\$152,926
Estimated Business Personal Property, net of company exemption	\$9,147,074	\$9,147,074	\$9,147,074
Estimated Business Personal Property Useful Life	10 Years	10 Years	10 Year
10-Year Useful Life Personal Property Valuation Factor for Year 2			10 (60)
Property Qualifies for Additional Depreciation	33.20%	33,20%	
Property Does Not Qualify for Additional Depreciation		33.20,0	81.009
Assessor Full Cash Value For Business Personal Property	\$3,036,828.57	\$3,036,828.57	\$7,409,129.94
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.009
Business Personal Property Assessed Value	\$546,629	\$455,524	\$370,456
Less: Business Personal Property Property Exemptions	\$0	\$0	\$0
Equals: Business Personal Property Net Assessed Value	\$546,629	\$455,524	\$370,456
otal Taxable Value Of Real Property & Business Personal Property	\$12,978,558	\$10,483,774	40.000.00
	412,070,000	\$10,463,774	\$3,838,512
sessor Tax Area Code For Subject Property Site tal State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	0603	0603	0603
to state of rocal surpriserious tay waters (2 het \$100 Tayable Mat Assessed Asine)	\$14.3645	\$14.3645	\$14.364
X YEAR 2015 PROPERTY TAX BY JURISDICTION			
TATE SCHOOL FOLIALIZATION PRIMARY (55.0877)	\$660,310.07	\$533,382.97	\$195,291.9
TATE SCHOOL EQUALIZATION PRIMARY (\$0.5054)	65,593.63	52,985.00	19,399.83
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY (\$6.3370)	822,451.20	664,356.76	243,246.48
IMA COMMUNITY COLLEGE PRIMARY (\$1.3689)	177,663.47	143,512.38	52,545.38
DINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500)	6,489.27	5,241.89	1,919.26
ENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400)	18,169.98	14,677.28	5,373.92
IMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135)	38,974.10	31,438.56	10,872.35
IMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)	66,878.51	54,022.89	19,779.85
IRE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	6,060.99	4,895.92	1,792.58
OTAL PROPERTY TAXES	\$1,862,591.22	\$1,504,513.65	\$550,221.60
MENT IN LIEU OF TAXES FOR SCHOOL DISTRICTS - FTZ DESIGNATION VERSUS	CLASS 1	CLACE 2	
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY	\$579,204.72	\$421,110.28	
IIMA COMMINITY COLLEGE DOIMA DV	7 3/20 117 2		

PIMA COMMUNITY COLLEGE PRIMARY

Actual allocation of \$100 million capital expenditure budget is unknown. Amounts presented are illustrative of how local assessor may determine assessment
value for project property based on Arizona statutes. Land that qualifies as Agricultural Property will be valued by the income approach pursuant to A.R.S.
Title 42, Chapter 13, Article 3, which would have a lower value than land used for Legislative Class 1 or 6.2 purposes.

\$125,118.09

\$90,967.00

- 2. Legislative Class 1 Commercial and Legislative Class 2 Agricultural Business Personal Property qualify for additional depreciation reduction under current stautes.

 Legislative Class 6.2 Foreign Trade Zone Business Personal Property does not qualify for additional depreciation under current statutes.
- 3. Assessor will likely apply Rule B in determining Year 1 Taxable Limited Value of property when significant change in use occurs. In future years, Taxable Limited Value cannot increase by more than 5% above prior year Limited Value and cannot exceed property's Full Cash Value.

	E AND PROPERIT	TAXES - YEAR 3	
	Legislative Class 1 Commercial Property	Legislative Class 2 Agricultural Property (Qualified Ag Property)	Legislative Class 6.2 Foreign Trade Zone Property
Capital Expenditures	\$94,600,000	\$94,600,000	\$94,600,000
Land Acquisition (8 acres @ \$30,000 per acre)	\$3,500,000	\$3,500,000	\$3,500,000
Site Preparation & Utilities	\$15,100,000	\$15,100,000	\$15,100,000
Architectural & Design Costs (7% of Capex)	\$0	\$0	Ś
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	Ś
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,000
Total Land, Design, Preparation & Improvements	\$85,300,000	\$85,300,000	\$85,300,000
Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000
Assessor Assessment Value			
Real Property			
Land (8 acres)	\$3,500,000	\$155,000	\$3,500,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$0
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,000
Total Real Property Land & Improvements	\$70,200,000	\$66,855,000	\$70,200,000
Taxable Limited Value Relative To Full Cash Value (Max 5% Increase from prior year)	1.000	1.000	1.000
Equals: Real Property Tax Assessment Limited Value	\$70,200,000	\$66,855,000	\$70,200,000
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.009
Real Property Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000
Less: Real Property Exemptions	\$0	\$0	\$0
Equals: Real Property Net Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000
Business Personal Property			
Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000
Company Business Property Exemption (2016 exemption amount)	\$152,926	\$152,926	\$152,926
Estimated Business Personal Property, net of company exemption	\$9,147,074	\$9,147,074	\$9,147,074
Estimated Business Personal Property Useful Life	10 Years	10 Years	10 Year
10-Year Useful Life Personal Property Valuation Factor for Year 3			
Property Qualifies for Additional Depreciation	41.00%	41.00%	
Property Does Not Qualify for Additional Depreciation			72.00%
Assessor Full Cash Value For Business Personal Property	\$3,750,300.34	\$3,750,300.34	\$6,585,893.28
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Business Personal Property Assessed Value	\$675,054	\$562,545	\$329,295
Less: Business Personal Property Property Exemptions	\$0	\$0	\$0
Equals: Business Personal Property Net Assessed Value	\$675,054	\$562,545	\$329,295
otal Taxable Value Of Real Property & Business Personal Property	\$13,311,054	\$10,590,795	\$3,839,295
ssessor Tax Area Code For Subject Property Site	0603	0603	0603
otal State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	\$14.3645	\$14.3645	\$14.3645
X YEAR 2015 PROPERTY TAX BY JURISDICTION			
PIMA COUNTY PRIMARY & DEBT SERVICE (\$5.0877)	\$677,226.49	\$538,827.88	\$195,331.81
STATE SCHOOL EQUALIZATION PRIMARY (\$0.5054)	67,274.06	53,525.88	19,403.80
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY (\$6.3370)	843,521.49	671,138.68	243,296.12
PIMA COMMUNITY COLLEGE PRIMARY (\$1.3689)	182,215.01	144,977.39	52,556.11
(1	6,655.53	5,295.40	1,919.65
OINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500)	40 00 - 40	14,827.11	5,375.01
OINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500) CENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400)	18,635.48		7. 3.42
OINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500) CENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400) PIMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135)	18,635.48 39,613.86	31,438.56	11,003.85
OINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500) CENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400) PIMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135) PIMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)			
OINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500) CENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400) PIMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135) PIMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153) FIRE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	39,613.86	31,438.56	19,783.89
OINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500) CENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400) PIMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135) PIMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)	39,613.86 68,591.86	31,438.56 54,574.36	
OINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500) ENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400) PIMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135) PIMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153) REDISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	39,613.86 68,591.86 6,216.26	31,438.56 54,574.36 4,945.90	19,783.89 1,792.95

PIMA COMMUNITY COLLEGE PRIMARY

1. Actual allocation of \$100 million capital expenditure budget is unknown. Amounts presented are illustrative of how local assessor may determine assessment value for project property based on Arizona statutes. Land that qualifies as Agricultural Property will be valued by the income approach pursuant to A.R.S. Title 42, Chapter 13, Article 3, which would have a lower value than land used for Legislative Class 1 or 6.2 purposes.

\$129,658.90

\$92,421.28

- 2. Legislative Class 1 Commercial and Legislative Class 2 Agricultural Business Personal Property qualify for additional depreciation reduction under current stautes.

 Legislative Class 6.2 Foreign Trade Zone Business Personal Property does not qualify for additional depreciation under current statutes.
- 3. Assessor will likely apply Rule B in determining Year 1 Taxable Limited Value of property when significant change in use occurs. In future years, Taxable Limited Value cannot increase by more than 5% above prior year Limited Value and cannot exceed property's Full Cash Value.

ESTIMATED ASSESSOR ASSESSMENT VALU	E AND PROPERTY	TAXES - YEAR 4	
	Legislative Class 1 Commercial Property	Legislative Class 2 Agricultural Property (Qualified Ag Property)	Legislative Class 6.2 Foreign Trade Zone Property
Capital Expenditures	\$94,600,000	\$94,600,000	\$94,600,000
Land Acquisition (8 acres @ \$30,000 per acre)	\$3,500,000	\$3,500,000	\$3,500,000
Site Preparation & Utilities	\$15,100,000	\$15,100,000	\$15,100,000
Architectural & Design Costs (7% of Capex)	\$0	\$0	\$0
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$0
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,000
Total Land, Design, Preparation & Improvements	\$85,300,000	\$85,300,000	\$85,300,000
Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000
Assessor Assessment Value			· · · · · · · · · · · · · · · · · · ·
Real Property			
Land (8 acres)	\$3,500,000	\$155,000	\$3,500,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$18,200,000
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,000
Total Real Property Land & Improvements	\$70,200,000	\$66,855,000	\$70,200,000
Taxable Limited Value Relative To Full Cash Value (Max 5% Increase from prior year)	1.000	1.000	1.000
Equals: Real Property Tax Assessment Limited Value	\$70,200,000	\$66,855,000	\$70,200,000
Property Legislative Class Assessment Ratio	18,00%	15.00%	5.00%
Real Property Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000
Less: Real Property Exemptions	\$0	\$10,028,230	\$3,510,000 \$0
Equals: Real Property Net Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000
		, , , , , , , , , , , , , , , , , , , ,	40,030,000
Business Personal Property			
Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000
Company Business Property Exemption (2016 exemption amount)	\$152,926	\$152,926	\$152,926
Estimated Business Personal Property, net of company exemption	\$9,147,074	\$9,147,074	\$9,147,074
Estimated Business Personal Property Useful Life	10 Years	10 Years	10 Years
10-Year Useful Life Personal Property Valuation Factor for Year 4			
Property Qualifies for Additional Depreciation	45.30%	45.30%	
Property Does Not Qualify for Additional Depreciation			62.00%
Assessor Full Cash Value For Business Personal Property Property Legislative Class Assessment Ratio	\$4,143,624.52	\$4,143,624.52	\$5,671,185.88
	18.00%	15.00%	5.00%
Business Personal Property Assessed Value	\$745,852	\$621,544	\$283,559
Less: Business Personal Property Property Exemptions Equals: Business Personal Property Net Assessed Value	\$0	\$0	\$0
Equals: business Personal Property Net Assessed Value	\$745,852	\$621,544	\$283,559
otal Taxable Value Of Real Property & Business Personal Property	\$13,381,852	\$10,649,794	\$3,793,559
ssessor Tax Area Code For Subject Property Site	0603	0603	0603
otal State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	\$14.3645	\$14.3645	0603 \$14.3645
		V =110013	
AX YEAR 2015 PROPERTY TAX BY JURISDICTION			
PIMA COUNTY PRIMARY & DEBT SERVICE (\$5.0877)	\$680,828.48	\$541,829.57	\$193,004.90
STATE SCHOOL EQUALIZATION PRIMARY (\$0.5054)	67,631.88	53,824.06	19,172.65
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY (\$6.3370)	848,007.96	674,877.44	240,397.83
PIMA COMMUNITY COLLEGE PRIMARY (\$1.3689)	183,184.17	145,785.03	51,930.03
JOINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500)	6,690.93	5,324.90	1,896.78
CENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400)	18,734.59	14,909.71	5,310.98
PIMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135)	39,613.86	31,438.56	11,003.85
PIMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)	68,956.69	54,878.39	19,548.21
FIRE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	6,249.32	4,973.45	1,771.59
TOTAL PROPERTY TAXES	\$1,919,897.88	\$1,527,841.11	\$544,036.82
AYMENT IN LIEU OF TAXES FOR SCHOOL DISTRICTS - FTZ DESIGNATION VERSUS	CLASS 1	CLASS 2	
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY	\$607,610.13	\$434,479.61	
PIMA COMMUNITY COLLEGE PRIMARY	\$131,254.14	\$93,855.00	

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

	Legislative Class 1 Commercial Property	Legislative Class 2 Agricultural Property (Qualified Ag Property)	Legislative Class 6.2 Foreign Trade Zone Property
Capital Expenditures	\$94,600,000	\$94,600,000	\$94,600,0
Land Acquisition (8 acres @ \$30,000 per acre)	\$3,500,000	\$3,500,000	
Site Preparation & Utilities	\$15,100,000	\$15,100,000	\$3,500,0
Architectural & Design Costs (7% of Capex)	\$0	\$13,100,000	\$15,100,00
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,00
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$18,200,000	
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,0
Total Land, Design, Preparation & Improvements	\$85,300,000	\$85,300,000	
Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$85,300,0 \$9,300,0
		1-,0,000	
Assessor Assessment Value			
Real Property			
Land (8 acres)	\$3,500,000	\$155,000	\$3,500,00
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,0
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,0
Total Real Property Land & Improvements	\$70,200,000	\$66,855,000	\$70,200,00
Taxable Limited Value Relative To Full Cash Value (Max 5% Increase from prior year)	1.000	1.000	1.00
Equals: Real Property Tax Assessment Limited Value	\$70,200,000	\$66,855,000	\$70,200,00
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00
Real Property Assessed Value	\$12,636,000	\$10,028,250	\$3,510,00
Less: Real Property Exemptions	. \$0	\$0	
Equals: Real Property Net Assessed Value	\$12,636,000	\$10,028,250	\$3,510,00
Business Personal Property			
Estimated Business Personal Property	¢0.200.000 I	40.000.000.1	
Company Business Property Exemption (2016 exemption amount)	\$9,300,000	\$9,300,000	\$9,300,00
Estimated Business Personal Property, net of company exemption	\$152,926	\$152,926	\$152,92
Estimated Business Personal Property Useful Life	\$9,147,074	\$9,147,074	\$ <u>9,</u> 147,07
10-Year Useful Life Personal Property Valuation Factor for Year 5	10 Years	10 Years	10 Yea
Property Qualifies for Additional Depreciation			
Property Does Not Qualify for Additional Depreciation	47.20%	47.20%	
Assessor Full Cash Value For Business Personal Property			53.00
Property Legislative Class Assessment Ratio	\$4,317,418.93	\$4,317,418.93	\$4,847,949.2
	18.00%	15.00%	5.00
Business Personal Property Assessed Value Less: Business Personal Property Property Exemptions	\$777,135	\$647,613	\$242,39
Equals: Business Personal Property Net Assessed Value	\$0	\$0	\$
Equals. Business Personal Property Net Assessed Value	\$777,135	\$647,613	\$242,39
otal Taxable Value Of Real Property & Business Personal Property	\$13,413,135	\$10,675,863	\$3,752,39
ssessor Tax Area Code For Subject Property Site	0603		
otal State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	\$14.3645	0603 \$14.3645	060 \$14.364
		\$14.5045	314.304
TY VEAD TMC ODODEDTY TAY BY HUDISDICTION			
IX YEAR 2015 PROPERTY TAX BY JURISDICTION PIMA COUNTY PRIMARY & DEBT SERVICE (\$5.0877)	4000 000 001		
	\$682,420.07	\$543,155.89	\$190,910.7
	67,789.98	53,955.82	18,964.6
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY (\$6.3370)	849,990.36	676,529.44	237,789.4
PIMA COMMUNITY COLLEGE PRIMARY (\$1.3689)	183,612.40	146,141.88	51,366.5
OINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500)	6,706.57	5,337.94	1,876.2
ENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400)	18,778.39	14,946.21	5,253.3
IMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135)	39,613.86	31,438.56	11,003.8
PIMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)	69,117.89	55,012.72	19,336.1
IRE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	6,263.93	4,985.63	1,752.3
OTAL PROPERTY TAXES	\$1,924,293.45	\$1,531,504.09	\$538,253.1
YMENT IN LIEU OF TAXES FOR SCHOOL DISTRICTS - FTZ DESIGNATION VERSUS	012004		
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY	CLASS 1	CLASS 2	
PIMA COMMUNITY COLLEGE PRIMARY	\$612,200.96	\$438,740.04	

- Actual allocation of \$100 million capital expenditure budget is unknown. Amounts presented are Illustrative of how local assessor may determine assessment
 value for project property based on Arizona statutes. Land that qualifies as Agricultural Property will be valued by the income approach pursuant to A.R.S.
 Title 42, Chapter 13, Article 3, which would have a lower value than land used for Legislative Class 1 or 6.2 purposes.
- 2. Legislative Class 1 Commercial and Legislative Class 2 Agricultural Business Personal Property qualify for additional depreciation reduction under current stautes.

 Legislative Class 6.2 Foreign Trade Zone Business Personal Property does not qualify for additional depreciation under current statutes.
- 3. Assessor will likely apply Rule B in determining Year 1 Taxable Limited Value of property when significant change in use occurs. In future years, Taxable Limited Value cannot increase by more than 5% above prior year Limited Value and cannot exceed property's Full Cash Value.

ESTIMATED ASSESSOR ASSESSMENT VALUE AND PROPERTY TAXES - YEAR 6			
	Legislative Class 1 Commercial Property	Legislative Class 2 Agricultural Property (Qualified Ag Property)	Legislative Class 6.2 Foreign Trade Zone Property
Capital Expenditures	\$94,600,000	\$94,600,000	\$94,600,00
Land Acquisition (8 acres @ \$30,000 per acre)	\$3,500,000	\$3,500,000	\$3,500,00
Site Preparation & Utilities	\$15,100,000	\$15,100,000	\$15,100,00
Architectural & Design Costs (7% of Capex)	\$0	\$0	\$25,255,55
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,00
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$15,200,00
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,00
Total Land, Design, Preparation & Improvements	\$85,300,000	\$85,300,000	
Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$85,300,00
Assessor Assessment Value			
Real Property			
Land (8 acres)	\$3,500,000	\$155,000	Ć2 F00 00
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$3,500,00
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0		\$18,200,00
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$0	Ş
Total Real Property Land & Improvements		\$48,500,000	\$48,500,00
Taxable Limited Value Relative To Full Cash Value (Max 5% Increase from prior year)	\$70,200,000	\$66,855,000	\$70,200,00
Equals: Real Property Tax Assessment Limited Value	1.000	1.000	1.00
	\$70,200,000	\$66,855,000	\$70,200,00
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00
Real Property Assessed Value	\$12,636,000	\$10,028,250	\$3,510,00
Less: Real Property Exemptions	\$0	\$0	Ś
Equals: Real Property Net Assessed Value	\$12,636,000	\$10,028,250	\$3,510,00
Business Personal Property			
Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,00
Company Business Property Exemption (2016 exemption amount)	\$152,926	\$152,926	\$152,92
Estimated Business Personal Property, net of company exemption	\$9,147,074	\$9,147,074	\$9,147,07
Estimated Business Personal Property Useful Life	10 Years	10 Years	10 Yea
10-Year Useful Life Personal Property Valuation Factor for Year 5		20 10013	
Property Qualifies for Additional Depreciation	44.00%	44.00%	
Property Does Not Qualify for Additional Depreciation	4410070	44.00%	
Assessor Full Cash Value For Business Personal Property	\$4,024,712.56	\$4,024,712.56	44.00
Property Legislative Class Assessment Ratio	18.00%		\$4,024,712.5
Business Personal Property Assessed Value	\$724,448	15.00%	5.00
Less: Business Personal Property Property Exemptions		\$603,707	\$201,23
Equals: Business Personal Property Net Assessed Value	\$0 \$724,448	\$0 \$603,707	\$201,236
otal Taxable Value Of Real Property & Business Personal Property	440,000,400		QEO1,200
oral raxable value of real Property & Business Personal Property	\$13,360,448	\$10,631,957	\$3,711,236
ssessor Tax Area Code For Subject Property Site	0603	0603	060
otal State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	\$14.3645	\$14.3645	\$14.364
AX YEAR 2015 PROPERTY TAX BY JURISDICTION			
PIMA COUNTY PRIMARY & DEBT SERVICE (\$5.0877)	Apre mee col	****	
STATE SCHOOL EQUALIZATION PRIMARY (\$0.5054)	\$679,739.51	\$540,922.08	\$188,816.5
(1)	67,523.70	53,733.92	18,756.5
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY (\$6.3370)	846,651.59	673,747.11	235,181.0
PIMA COMMUNITY COLLEGE PRIMARY (\$1.3689)	182,891.17	145,540.86	50,803.1:
OINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500)	6,680.22	5,315.98	1,855.62
ENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400)	18,704.63	14,884.74	5,195.7
PIMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135)	39,613.86	31,438.56	11,003.8
PIMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)	68,846.39	54,786.47	19,124.0
IRE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	6,239.33	4,965.12	
OTAL PROPERTY TAXES	\$1,916,890.40	\$1,525,334.84	1,733.1 \$532,469.6
YMENT IN LIEU OF TAXES FOR SCHOOL DISTRICTS - FTZ DESIGNATION VERSUS	CLASS 1	0.000	
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY	\$611,470.56	CLASS 2	
PIMA COMMUNITY COLLEGE PRIMARY	\$132,088.06	\$438,566.08	

- Actual allocation of \$100 million capital expenditure budget is unknown. Amounts presented are illustrative of how local assessor may determine assessment
 value for project property based on Arizona statutes. Land that qualifies as Agricultural Property will be valued by the income approach pursuant to A.R.S.
 Title 42, Chapter 13, Article 3, which would have a lower value than land used for Legislative Class 1 or 6.2 purposes.
- 2. Legislative Class 1 Commercial and Legislative Class 2 Agricultural Business Personal Property qualify for additional depreciation reduction under current stautes.

 Legislative Class 6.2 Foreign Trade Zone Business Personal Property does not qualify for additional depreciation under current statutes.
- 3. Assessor will likely apply Rule B in determining Year 1 Taxable Limited Value of property when significant change in use occurs. In future years, Taxable Limited Value cannot increase by more than 5% above prior year Limited Value and cannot exceed property's Full Cash Value.

ESTIMATED ASSESSOR ASSESSMENT VALU	ESTIMATED ASSESSOR ASSESSMENT VALUE AND PROPERTY TAXES - YEAR 7			
	Legislative Class 1 Commercial Property	Legislative Class 2 Agricultural Property (Qualified Ag Property)	Legislative Class 6.2 Foreign Trade Zone Property	
Capital Expenditures	\$94,600,000	\$94,600,000	\$94,600,000	
Land Acquisition (8 acres @ \$30,000 per acre)	\$3,500,000	\$3,500,000	\$3,500,000	
Site Preparation & Utilities	\$15,100,000	\$15,100,000	\$15,100,000	
Architectural & Design Costs (7% of Capex)	\$0	\$0	\$(
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000	
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$0	
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,000	
Total Land, Design, Preparation & Improvements	\$85,300,000	\$85,300,000	\$85,300,000	
Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000	
Assessor Assessment Value				
Real Property				
Land (8 acres)	\$3,500,000	\$155,000	¢2 F00 000	
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$3,500,000 \$18,200,000	
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$10,200,000	\$18,200,000	
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,000	
Total Real Property Land & Improvements	\$70,200,000	\$66,855,000		
Taxable Limited Value Relative To Full Cash Value (Max 5% Increase from prior year)	1,000	1,000	\$ 70,200,00 0	
Equals: Real Property Tax Assessment Limited Value	\$70,200,000	\$66,855,000	\$70,200,000	
Property Legislative Class Assessment Ratio	18,00%	15.00%	5,009	
Real Property Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000	
Less: Real Property Exemptions	\$0	\$10,028,230		
Equals: Real Property Net Assessed Value	\$12,636,000	\$10,028,250	\$0 \$3,510,000	
			75,020,000	
Business Personal Property				
Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000	
Company Business Property Exemption (2016 exemption amount)	\$152,926	\$152,926	\$152,926	
Estimated Business Personal Property, net of company exemption	\$9,147,074	\$9,147,074	\$9,147,074	
Estimated Business Personal Property Useful Life	10 Years	10 Years	10 Years	
10-Year Useful Life Personal Property Valuation Factor for Year 5				
Property Qualifies for Additional Depreciation Property Does Not Qualify for Additional Depreciation	33.00%	33.00%		
Assessor Full Cash Value For Business Personal Property	45.545.55		33.00%	
Property Legislative Class Assessment Ratio	\$3,018,534.42	\$3,018,534.42	\$3,018,534.42	
Business Personal Property Assessed Value	18.00%	15.00%	5.00%	
Less: Business Personal Property Property Exemptions	\$543,336	\$452,780	\$150,927	
Equals: Business Personal Property Net Assessed Value	\$0	\$0	\$0	
adams promises to some troperty rect assessed value	\$543,336	\$452,780	\$150,927	
Total Taxable Value Of Real Property & Business Personal Property	\$13,179,336	\$10,481,030	\$3,660,927	
Assessor Tax Area Code For Subject Property Site	0603	0603	0603	
Total State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	\$14.3645	\$14.3645	\$14.3645	
	<u> </u>		72	
AX YEAR 2015 PROPERTY TAX BY JURISDICTION				
	Anna ari ari			
	\$670,525.08	\$533,243.37	\$186,256.98	
STATE SCHOOL EQUALIZATION PRIMARY (\$0.5054) MARANA SCHOOL DISTRICT PRIMARY & SECONDARY (\$6,3370)	66,608.36	52,971.13	18,502.33	
	835,174.52	664,182.87	231,992.94	
	180,411.93	143,474.82	50,114.43	
	6,589.67	5,240.52	1,830.46	
· · · · · · · · · · · · · · · · · · ·	18,451.07	14,673.44	5,125.30	
(1)	39,613.86	31,438.56	11,003.85	
	67,913.12	54,008.75	18,864.76	
FIRE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486) TOTAL PROPERTY TAXES	6,154.75	4,894.64	1,709.65	
IVIAL FROM LATE I IAACS	\$1,891,442.36	\$1,504,128.10	\$525,400.70	
AYMENT IN LIEU OF TAXES FOR SCHOOL DISTRICTS - FTZ DESIGNATION VERSUS	CLASE 4	014000		
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY	CLASS 1 \$603,181.58	CLASS 2		
PIMA COMMUNITY COLLEGE PRIMARY	\$130.297.50	\$432,189.93		
	313U.23/.3U	244 SEU 501		

Actual allocation of \$100 million capital expenditure budget is unknown. Amounts presented are illustrative of how local assessor may determine assessment
value for project property based on Arizona statutes. Land that qualifies as Agricultural Property will be valued by the income approach pursuant to A.R.S.
Title 42, Chapter 13, Article 3, which would have a lower value than land used for Legislative Class 1 or 6.2 purposes.

\$130,297.50

\$93,360.39

- 2. Legislative Class 1 Commercial and Legislative Class 2 Agricultural Business Personal Property qualify for additional depreciation reduction under current stautes.

 Legislative Class 6.2 Foreign Trade Zone Business Personal Property does not qualify for additional depreciation under current statutes.
- 3. Assessor will likely apply Rule B in determining Year 1 Taxable Limited Value of property when significant change in use occurs. In future years, Taxable Limited Value cannot increase by more than 5% above prior year Limited Value and cannot exceed property's Full Cash Value.

	Louislathus Class C	Legislative Class 2	Legislative Class 6.
	Legislative Class 1	Agricultural Property	Foreign Trade Zone
Capital Expenditures	Commercial Property	(Qualified Ag Property)	Property
Land Acquisition (8 acres @ \$30,000 per acre)	\$94,600,000	\$94,600,000	\$94,600,0
Site Preparation & Utilities	\$3,500,000	\$3,500,000	\$3,500,0
Architectural & Design Costs (7% of Capex)	\$15,100,000	\$15,100,000	\$15,100,0
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$0	\$0	
Storage Marchause Space (43,000 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,0
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,0
Total Land, Design, Preparation & Improvements	\$85,300,000	\$85,300,000	\$85,300,0
Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,0
Agracan Agracan and Malus			
ssessor Assessment Value			
Real Property			
Land (8 acres)	\$3,500,000	\$155,000	\$3,500,0
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,0
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	1 - 5//-
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,0
Total Real Property Land & Improvements	\$70,200,000	\$66,855,000	\$70,200,0
Taxable Limited Value Relative To Full Cash Value (Max 5% Increase from prior year)	1.000	1,000	
Equals: Real Property Tax Assessment Limited Value	\$70,200,000	\$66,855,000	
Property Legislative Class Assessment Ratio	18.00%		
Real Property Assessed Value	\$12,636,000	15.00%	5.0
Less: Real Property Exemptions		\$10,028,250	\$3,510,0
Equals: Real Property Net Assessed Value	\$0	\$0	
Educative at 1 Aberel 1462 Wassager Adire	\$12,636,000	\$10,028,250	\$3,510,0
Business Personal Property			
Estimated Business Personal Property	\$9,300,000	40.000.000.1	
Company Business Property Exemption (2016 exemption amount)		\$9,300,000	\$9,300,0
Estimated Business Personal Property, net of company exemption	\$152,926	\$152,926	\$152,9
	\$9,147,074	\$9,147,074	\$9,147,0
Estimated Business Personal Property Useful Life	10 Years	10 Years	10 Ye
10-Year Useful Life Personal Property Valuation Factor for Year 5			
Property Qualifies for Additional Depreciation	22.00%	22.00%	
Property Does Not Qualify for Additional Depreciation			22.0
Assessor Full Cash Value For Business Personal Property	\$2,012,356.28	\$2,012,356.28	\$2,012,356.
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.0
Business Personal Property Assessed Value	\$362,224	\$301,853	\$100,63
Less: Business Personal Property Property Exemptions	\$0	\$0	9100,0
Equals: Business Personal Property Net Assessed Value	\$362,224	\$301.853	\$100,61
			7-00,0
tal Taxable Value Of Real Property & Business Personal Property	\$12,998,224	\$10,330,103	\$3,610,61
sessor Tax Area Code For Subject Property Site	0603	0603	
tal State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	\$14.3645	\$14.3645	06 \$14.36
		72110010	
X YEAR 2015 PROPERTY TAX BY JURISDICTION			
IMA COUNTY PRIMARY & DEBT SERVICE (\$5.0877)	\$554 240 44T	Arrana	
TATE SCHOOL EQUALIZATION PRIMARY (\$0.5054)	\$661,310.64	\$525,564.66	\$183,697.4
	65,693.02	52,208.35	18,248.0
	823,697.45	654,618.62	228,804.1
1,	177,932.68	141,408.78	49,425.
DINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500)	6,499.11	5,165.06	1,805.3
ENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400)	18,197.51	14,462.14	5,054.
IMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135)	39,613.86	31,438.56	11,003.1
MA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)	66,979.85	53,231.02	18,605.
RE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	6,070.17	4,824.16	
OTAL PROPERTY TAXES	\$1,865,994.29	\$1,482,921.35	1,686.: \$518,331.:
		T-1-02)022103	93.0,331./
MENT IN LIEU OF TAXES FOR SCHOOL DISTRICTS - FTZ DESIGNATION VERSUS	CLASS 1	CLASS 2	
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY	\$594,892.59	\$425,813.76	
		· · · · · · · · · · · · · · · · · · ·	

- Actual allocation of \$100 million capital expenditure budget is unknown. Amounts presented are illustrative of how local assessor may determine assessment
 value for project property based on Arizona statutes. Land that qualifies as Agricultural Property will be valued by the income approach pursuant to A.R.S.
 Title 42, Chapter 13, Article 3, which would have a lower value than land used for Legislative Class 1 or 6.2 purposes.
- 2. Legislative Class 1 Commercial and Legislative Class 2 Agricultural Business Personal Property qualify for additional depreciation reduction under current stautes.

 Legislative Class 6.2 Foreign Trade Zone Business Personal Property does not qualify for additional depreciation under current statutes.
- 3. Assessor will likely apply Rule B In determining Year 1 Taxable Limited Value of property when significant change in use occurs. In future years, Taxable Limited Value cannot increase by more than 5% above prior year Limited Value and cannot exceed property's Full Cash Value.

ESTIMATED ASSESSOR ASSESSMENT VALUE AND PROPERTY TAXES - YEAR 9			
	Legislative Class 1 Commercial Property	Legislative Class 2 Agricultural Property (Qualified Ag Property)	Legislative Class 6.2 Foreign Trade Zone Property
Capital Expenditures	\$94,600,000	\$94,600,000	\$94,600,00
Land Acquisition (8 acres @ \$30,000 per acre)	\$3,500,000	\$3,500,000	\$3,500,00
Site Preparation & Utilities	\$15,100,000	\$15,100,000	\$15,100,00
Architectural & Design Costs (7% of Capex)	\$0	\$0	\$
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,00
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$20,200,080
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,00
Total Land, Design, Preparation & Improvements	\$85,300,000	\$85,300,000	\$85,300,00
Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,00
Assessor Assessment Value			
Real Property			
Land (8 acres)	\$3,500,000	\$155,000	\$3,500,000
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$18,200,000	\$18,200,000
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$0	\$0	\$18,200,000
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$48,500,000	\$48,500,000
Total Real Property Land & Improvements	\$70,200,000	\$66,855,000	\$70,200,000
Taxable Limited Value Relative To Full Cash Value (Max 5% Increase from prior year)	1.000	1.000	1.000
Equals: Real Property Tax Assessment Limited Value	\$70,200,000	\$66,855,000	\$70,200,000
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00
Real Property Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000
Less: Real Property Exemptions	\$0	\$10,020,250	\$3,510,000
Equals: Real Property Net Assessed Value	\$12,636,000	\$10,028,250	\$3,510,000
		<u> </u>	\$3,310,000
Business Personal Property			
Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,000
Company Business Property Exemption (2016 exemption amount)	\$152,926	\$152,926	\$152,926
Estimated Business Personal Property, net of company exemption	\$9,147,074	\$9,147,074	\$9,147,074
Estimated Business Personal Property Useful Life	10 Years	10 Years	10 Year
10-Year Useful Life Personal Property Valuation Factor for Year 5			
Property Qualifies for Additional Depreciation	12.00%	12.00%	
Property Does Not Qualify for Additional Depreciation			20.009
Assessor Full Cash Value For Business Personal Property	\$1,097,648.88	\$1,097,648.88	\$1,829,414.80
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00%
Business Personal Property Assessed Value	\$197,577	\$164,647	\$91,471
Less: Business Personal Property Property Exemptions	\$0	\$0	\$0
Equals: Business Personal Property Net Assessed Value	\$197,577	\$164,647	\$91,471
otal Taxable Value Of Real Property & Business Personal Property	\$12,833,577	\$10,192,897	\$3,601,471
ssessor Tax Area Code For Subject Property Site	0603	0603	0603
otal State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	\$14.3645	\$14.3645	\$14.3645
AX YEAR 2015 PROPERTY TAX BY JURISDICTION	T		
PIMA COUNTY PRIMARY & DEBT SERVICE (\$5.0877)	\$652,933.90	\$518,584.03	\$183,232.04
STATE SCHOOL EQUALIZATION PRIMARY (\$0.5054)	64,860.89	51,514.91	18,201.83
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY (\$6.3370)	813,263.77	645,923.88	228,225.22
PIMA COMMUNITY COLLEGE PRIMARY (\$1.3689)	175,678.83	139,530.56	49,300.54
JOINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500)	6,416.79	5,096.45	1,800.74
CENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400)	17,967.01	14,270.06	5,042.06
PIMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135)	39,613.86	31,438.56	11,003.85
PIMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)	66,131.42	52,524.00	18,558.38
FIRE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	5,993.28	4,760.08	1,681.89
TOTAL PROPERTY TAXES	\$1,842,859.75	\$1,463,642.53	\$517,046.55
YMENT IN LIEU OF TAXES FOR SCHOOL DISTRICTS - FTZ DESIGNATION VERSUS	CLASS 1	0.400	
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY	\$585,038.55	CLASS 2	
	3303,030,33	\$417,698.66	

- Actual allocation of \$100 million capital expenditure budget is unknown. Amounts presented are illustrative of how local assessor may determine assessment
 value for project property based on Arizona statutes. Land that qualifies as Agricultural Property will be valued by the income approach pursuant to A.R.S.
 Title 42, Chapter 13, Article 3, which would have a lower value than land used for Legislative Class 1 or 6.2 purposes.
- 2. Legislative Class 1 Commercial and Legislative Class 2 Agricultural Business Personal Property qualify for additional depreciation reduction under current stautes.

 Legislative Class 6.2 Foreign Trade Zone Business Personal Property does not qualify for additional depreciation under current statutes.
- 3. Assessor will likely apply Rule B in determining Year 1 Taxable Limited Value of property when significant change in use occurs. In future years, Taxable Limited Value cannot increase by more than 5% above prior year Limited Value and cannot exceed property's Full Cash Value.

	Legislative Class 1 Commercial Property	Legislative Class 2 Agricultural Property	Legislative Class 6.2 Foreign Trade Zone
Capital Expenditures	\$94,600,000	(Qualified Ag Property)	Property
Land Acquisition (8 acres @ \$30,000 per acre)	\$3,500,000	\$94,600,000	\$94,600,0
Site Preparation & Utilities	\$15,100,000	\$3,500,000	\$3,500,00
Architectural & Design Costs (7% of Capex)	\$15,100,000	\$15,100,000	\$15,100,00
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)	\$18,200,000	\$0	
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$18,200,000	\$18,200,000	\$18,200,00
Other Real Estate Improvements (5,000 square feet @ \$75 per square foot)	\$48,500,000	\$0	
Total Land, Design, Preparation & Improvements	\$85,300,000	\$48,500,000	\$48,500,00
Estimated Business Personal Property	\$9,300,000	\$85,300,000	\$85,300,00
	\$3,300,000	\$9,300,000	\$9,300,00
Assessor Assessment Value	· · · · · · · · · · · · · · · · · · ·		
Real Property	· .		
Land (8 acres)	\$3,500,000	4477 000	******
Greenhouse Facilities (6 acres (261,360 sq. ft.) @ \$32 per square foot)		\$155,000	\$3,500,00
Storage Warehouse Space (43,000 square feet @ \$45 per square foot)	\$18,200,000	\$18,200,000	\$18,200,00
Other Real Estate Improvements (5,000 square feet @ \$45 per square foot)	\$0	\$0	
Total Real Property Land & Improvements	\$48,500,000	\$48,500,000	\$48,500,00
Taxable Limited Value Relative To Full Cash Value (Max 5% Increase from prior year)	\$70,200,000	\$66,855,000	\$70,200,00
Equals: Real Property Tax Assessment Limited Value	1.000	1.000	1.00
Property Legislative Class Assessment Ratio	\$70,200,000	\$66,855,000	\$70,200,00
Real Property Assessed Value	18.00%	15.00%	5.00
	\$12,636,000	\$10,028,250	\$3,510,00
Less: Real Property Exemptions	\$0	\$0	
Equals: Real Property Net Assessed Value	\$12,636,000	\$10,028,250	\$3,510,00
Business Bowers Business			
Business Personal Property			
Estimated Business Personal Property	\$9,300,000	\$9,300,000	\$9,300,00
Company Business Property Exemption (2016 exemption amount)	\$152,926	\$152,926	\$152,92
Estimated Business Personal Property, net of company exemption	\$9,147,074	\$9,147,074	\$9,147,07
Estimated Business Personal Property Useful Life	10 Years	10 Years	10 Yea
10-Year Useful Life Personal Property Valuation Factor for Year 5			
Property Qualifies for Additional Depreciation	2.50%	2.50%	
Property Does Not Qualify for Additional Depreciation			0.00
Assessor Full Cash Value For Business Personal Property	\$228,676.85	\$228,676.85	\$0.0
Property Legislative Class Assessment Ratio	18.00%	15.00%	5.00
Business Personal Property Assessed Value	\$41,162	\$34,302	\$
Less: Business Personal Property Property Exemptions	\$0	\$0	\$1
Equals: Business Personal Property Net Assessed Value	\$41,162	\$34,302	\$
otal Taxable Value Of Real Property & Business Personal Property	\$12,677,162	\$10,062,552	\$3,510,000
ssessor Tax Area Code For Subject Property Site	0603	0603	060
otal State & Local Jurisdiction Tax Rates (\$ per \$100 Taxable Net Assessed Value)	\$14.3645	\$14.3645	\$14.364
			<u> </u>
X YEAR 2015 PROPERTY TAX BY JURISDICTION			
PIMA COUNTY PRIMARY & DEBT SERVICE (\$5.0877)	\$644,975.97	\$511,952.46	\$178,578.2
STATE SCHOOL EQUALIZATION PRIMARY (\$0.5054)	64,070.37	50,856.14	17,739.5
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY (\$6.3370)	803,351.76	637,663.92	222,428.7
IMA COMMUNITY COLLEGE PRIMARY (\$1.3689)	173,537.67	137,746.27	48,048.3
OINT TECHNICAL EDUCATION DISTRICT SECONDARY (\$0.0500)	6,338.58	5,031.28	1,755.0
ENTRAL ARIZONA WATER CONSERVATION DISTRICT SECONDARY (\$0.1400)	17,748.03	14,087.57	4,914.0
PIMA COUNTY FLOOD CONTROL DISTRICT SECONDARY (\$0.3135)	39,613.86	31,438.56	11,003.8
IMA COUNTY LIBRARY DISTRICT SECONDARY (\$0.5153)	65,325.42	51,852.33	18,087.0
IRE DISTRICT ASSISTANCE TAX SECONDARY (\$0.0486)	5,920.23	4,699.21	
OTAL PROPERTY TAXES	\$1,820,881.89	\$1,445,327.74	1,639.1
	7-,020,002:03		\$504,193.9
YMENT IN LIEU OF TAXES FOR SCHOOL DISTRICTS - FTZ DESIGNATION VERSUS	CLASS 1	CLASS	
MARANA SCHOOL DISTRICT PRIMARY & SECONDARY	\$580,923.06	CLASS 2	
	430U,323.U0	\$415,235.22	

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 Title 42, Chapter 13, Article 3, which would have a lower value than land used for Legislative Class 1 or 6.2 purposes.
- 2. Legislative Class 1 Commercial and Legislative Class 2 Agricultural Business Personal Property qualify for additional depreciation reduction under current stautes.

 Legislative Class 6.2 Foreign Trade Zone Business Personal Property does not qualify for additional depreciation under current stautes.
- 3. Assessor will likely apply Rule B in determining Year 1 Taxable Limited Value of property when significant change in use occurs. In future years, Taxable Limited Value cannot increase by more than 5% above prior year Limited Value and cannot exceed property's Full Cash Value.