

Comparable Land Sales Map – Land Sales in Tucson



Comparable Land Sales Map – Land Sales Outside of Tucson



Comparable Land Sale One



South from Aerospace Parkway



South from Aerospace Parkway

Identification

Type:	Industrial land
Location:	On the south side of Hughes Access Road, east of Nogales Highway in Pima County (prior to annexation into the City of Tucson)
Tax Parcel Number(s):	140-52-001E And 001F

Sale Data

Sale Price:	\$3,730,000
Terms:	All cash to seller
Unit Price:	\$0.39 Per square foot/\$16,816 per acre
Date of Recordation:	March 29, 2012 (January 2012 escrow)
Grantor/Seller:	Auriga Properties, Inc.
Grantee/Buyer:	Pima County
Instrument:	Special Warranty Deed
Instrument Number:	2012-0890518
Conditions of Sale:	Typical
Marketing Period:	Less than one year at sale price
Source/Confirmation:	Co-Star, public records, seller's representative (Robert Tucker at 520-577-0200) and inspection

Site Data

Shape/Dimensions:	Rectangular
Area:	9,662,044 Net square feet/221.81 net acres (net of existing roadways)
Topography:	Slightly rolling desert
Zoning/Restrictions:	CI-2, Pima County

Flood Zone:	Zone X
Airport Zone:	None
Environmental Concerns:	Approximately 36.66 acres (16.53%) of this property is Riparian C habitat.
Off-Sites:	Hughes Access Road is a two-lane, asphalt paved roadway.
Lot Type:	Minor corner
Utilities:	Electricity, telephone, water and sewer in area
Arterial Frontage:	4,060± Feet along the south side of Hughes Access Road
Traffic Count:	13,149 Vehicles per day along Hughes Access Road per 2017 Pima Association of Governments
Improvements:	None
Comments:	This property was acquired by Pima County to provide a buffer area for future expansion of Raytheon and for construction of Aerospace Parkway and Raytheon Parkway to reroute traffic from Hughes Access Road. As of 2019, the portions of the property outside the newly developed roadways are being marketed for sale or lease as part of the Aerospace Research Campus with an aerospace, defense research and technology focus.

Intended Use	Raytheon buffer area and roadway improvements with potential for industrial development.
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Comparable Land Sale One Aerial Photo



Comparable Land Sale Two



Identification

Type:	Industrial land
Location:	On the west side of Craycroft Road and the south side of Drexel Road, north of Valencia Road in Pima County
Tax Parcel Number(s):	140-36-001

Sale Data

Sale Price:	\$2,410,480
Terms:	All cash to seller
Unit Price:	\$0.33 Per square foot/\$14,503 per acre
Date of Recordation:	November 2, 2012 (February 2012 escrow)
Grantor/Seller:	Interstate 10/Valencia Properties, LLC
Grantee/Buyer:	FSP Solar Land Company, LLC
Instrument:	Special Warranty Deed
Instrument Number:	2012-3070489
Conditions of Sale:	Typical
Marketing Period:	Less than one year at sale price
Source/Confirmation:	Co-Star, public records, seller's broker (Rob Glaser at 520-546-2707) and inspection

Site Data

Shape/Dimensions:	Irregular
Area:	7,239,672 Net square feet/166.20 net acres
Topography:	Slightly rolling desert
Zoning/Restrictions:	CI-1, Pima County
Flood Zone:	Zone X
Airport Zone:	Davis Monthan Air Force Base Airport Environs Height zones from under 40 feet to 100 feet and 65-70 and 70-75 LDN noise contour lines
Environmental Concerns:	Approximately 6.47 acres (3.89%) of this property is Riparian C habitat.
Off-Sites:	Craycroft Road is a two-lane, asphalt paved roadway.
Lot Type:	Minor corner
Utilities:	Electricity, telephone, water and sewer are in the area; however, use of the water will require annexation into Tucson.
Arterial Frontage:	1,837± Feet along Craycroft Road
Traffic Count:	1,462 Vehicles per day along Craycroft Road, 1,515 vehicles per day along Drexel Road and 27,960 vehicles per day along Valencia Road per Pima Association of Governments
Improvements:	None
Comments:	This property was marketed as part of three separate properties. The asking price for this 166.20 acres was \$20,000 per acre. The buyer had an agreement with TEP for the purchase of generated electricity prior to the close.

Intended Use Development of a solar field.

Comparable Land Sale Two Aerial Photo



Comparable Land Sale Three



Identification

Type:	Mixed use land
Location:	On the east side of Kino Parkway (aka Campbell Avenue), the southwest side of Interstate 10 and the north side of Irvington Road, in Tucson
Tax Parcel Number(s):	132-19-148A, 132-28-764, 765 And 766

Sale Data

Sale Price:	\$8,750,000
Terms:	All cash to seller
Unit Price:	\$1.20 Per square foot/\$52,395 per acre
Date of Recordation:	August 1, 2014 (around May/June 2014 escrow date)
Grantor/Seller:	Trust 18344-T
Grantee/Buyer:	Pima County
Instrument:	Special Warranty Deed
Instrument Number:	2014-2130445
Conditions of Sale:	Typical
Marketing Period:	Less than one year at sale price
Source/Confirmation:	Co-Star, public records, buyer (Dana Hausman at 520-724-6313) and inspection

Site Data

Shape/Dimensions:	Irregular and non-contiguous
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Comparable Land Sale Four



West from Alvernon Way



North from Corona Road

Identification

Type: Industrial land
Location: At the northwest corner of Alvernon Way and Corona Road, in Tucson
Tax Parcel Number(s): 140-41-134D (formerly 140-41-128A, 134B, 134C, 135A, 135C And 135D)

Sale Data

Sale Price: \$9,531,270
Terms: All cash to seller
Unit Price: \$2.00 Per square foot/\$87,262 per acre
Date of Recordation: April 21, 2015 (December 2014 escrow)
Grantor/Seller: Urban Equities, etal
Grantee/Buyer: Homegoods, Inc.
Instrument: Special Warranty Deeds
Instrument Numbers: 2015-1110572, 2015-1110573, 2015-1110574, 2015-1110575 And 2015-1110576
Conditions of Sale: Typical
Marketing Period: Not actively marketed as a single property
Source/Confirmation: Co-Star, public records, seller's broker (Rob Glaser at 520-546-2707) and inspection

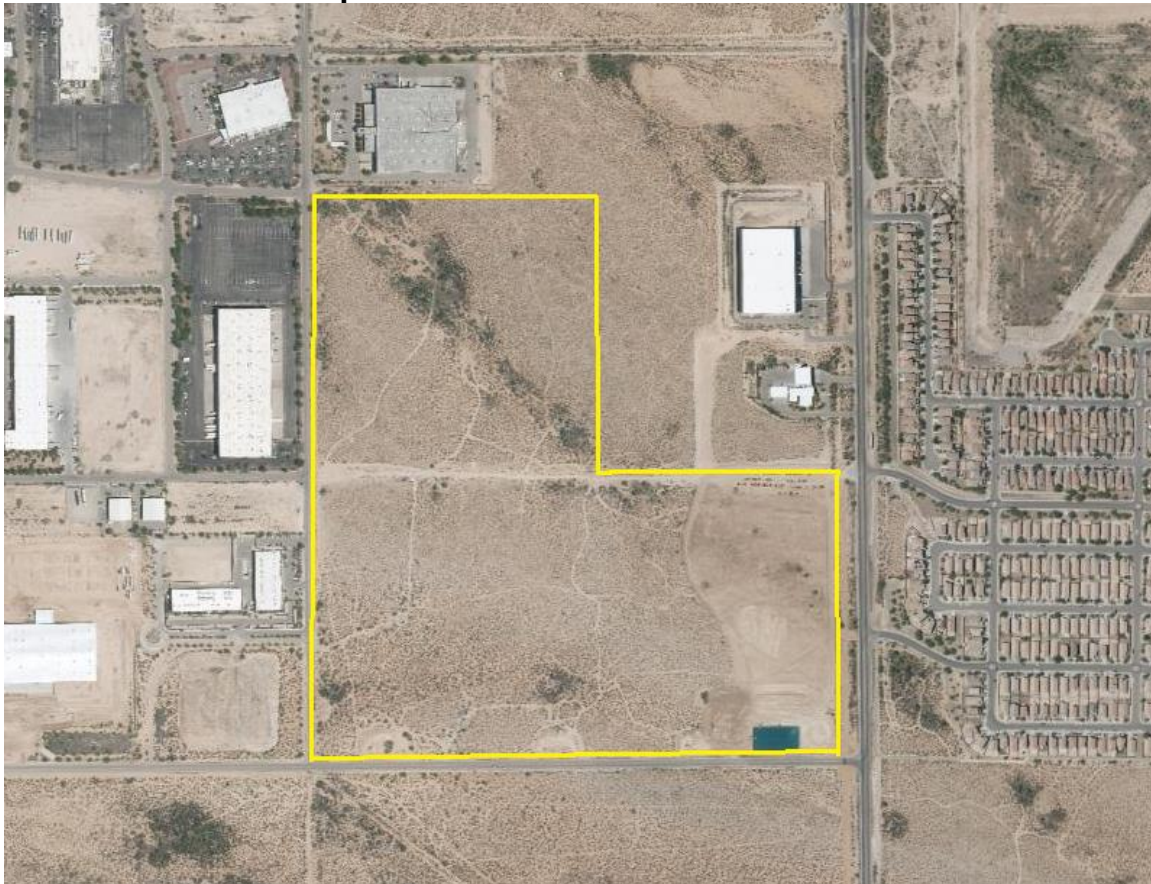
Site Data

Shape/Dimensions: Irregular
Area: 4,757,861 Net square feet/109.225 net acres
Topography: Slightly rolling desert
Zoning/Restrictions: I-1, City of Tucson

Flood Zone:	Zone X
Airport Zone:	None
Environmental Concerns:	Approximately 23.08 acres (21.13%) of this property is Riparian C habitat.
Off-Sites:	Alvernon Way is a two-lane, asphalt-paved roadway with center turn-lane and right turn lane raised and landscaped median. Corona Road is a two-lane, asphalt-paved roadway with curb, gutter and sidewalk. Palo Verde is a two-lane, asphalt-paved roadway with curb and gutter.
Lot Type:	Corner
Utilities:	Electricity, telephone, water and sewer to the property
Arterial Frontage:	1,295± Feet along Alvernon Way
Traffic Count:	11,783 Vehicles per day along Alvernon Way per 2017 Pima Association of Governments traffic count
Improvements:	None
Comments:	This property is located in an industrial area near the Tucson Airport.

Intended Use	Development of a distribution warehouse facility
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Comparable Land Sale Four Aerial Photo



Comparable Land Sale Five



Identification

Type:	Industrial land
Location:	On the south side of Warner Road and the east side of the alignment of Sossaman Road in, Mesa Arizona
Tax Parcel Numbers:	304-30-016, 304-30-017A, 017B, 017C, 017D, 304-30-018A And 304-30-019A

Sale Data

Sale Price:	\$7,935,000
Terms:	All cash to seller
Unit Price:	\$1.20 Per square foot/\$52,342 per acre
Date of Recordation:	March 31, 2017 (January 2017 escrow)
Grantor/Seller:	FR/CAL 3 Mesa Warner, LLC
Grantee/Buyer:	Tonto Corp.
Instrument:	Special Warranty Deed
Instrument Number:	2017-0228787
Conditions of Sale:	Typical
Marketing Period:	Less than one year at sale price
Source/Confirmation:	Co-Star, public records, buyer's broker (Brian Lee at 602-339-2020) and inspection

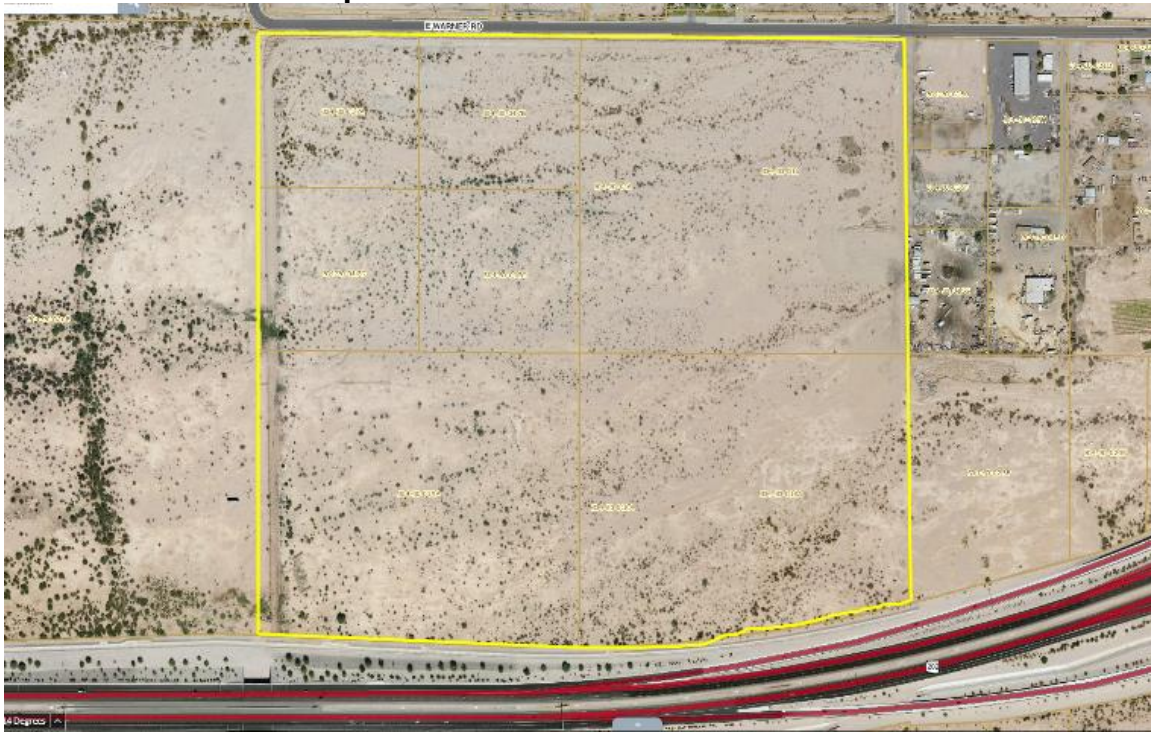
Site Data

Shape/Dimensions:	Irregular
Area:	6,603,696 Net square feet/151.60 net acres (net of existing roadways)
Topography:	Near-level and at grade with surrounding properties
Zoning/Restrictions:	AG, City of Mesa
Flood Zone:	Zone X
Airport Zone:	Partially within the 60 DNL contour line of Phoenix Gateway Airport
Environmental Concerns:	None identified
Off-Sites:	Warner Road is an asphalt-paved road. Sossaman Road is not installed, but has potential to be extended, from Warner Road to Ray Road through an existing tunnel under Loop 202.
Lot Type:	Currently interior with potential to be an arterial corner
Utilities:	Electricity, telephone and water in area, no sewer
Arterial Frontage:	2,651± Feet along the south side of Warner Road
Traffic Count:	2.1K Vehicles per day along East Warner Road per 2015 MPSI data
Improvements:	None
Comments:	This property is vacant undeveloped land targeted for Mixed Use Activity / Employment use on the City of Mesa General Plan. The property is located along the north side of, and has visibility from, the Loop 202 freeway. There is no planned interchange or sufficient existing right of way for an interchange at Loop 202 and Sossaman Road, however, there is potential to extend Sossaman Road under Loop 202. The broker stated that the seller was tired of holding this property and discounted the price. The property is now listed for \$152,460 per acre (\$3.50 per square foot). There have been some inquiries but no offers at that price. The broker indicated that there is too much supply of industrial land in the area for the current demand.

Intended Use

The buyer intends to hold for investment with no intentions to build.

Comparable Land Sale Five Aerial Photo



Comparable Land Sale Six



North from Peters Road



West from Thornton Road

Identification

Property Type:	Industrial land
Location:	At the northwest corner of Peters Road and Thornton Road, in Casa Grande, Arizona
Tax Parcel No.:	503-48-005A

Sale Data

Sales Price:	\$7,825,000 (\$9,390,000 list price)
Terms:	All cash to seller
Unit Price:	\$1.20 Per square foot/\$52,059 Per net acre
Date of Recordation:	June 19, 2017 (August 2016 escrow)
Grantor/Seller:	Auza Ranches, LLC
Grantee/Buyer:	NCP Casa Grande, LLC
Instrument:	Special Warranty Deed
Instrument Number:	2017-043439
Conditions of Sale:	Typical
Marketing Period:	Nearly two years
Confirmation:	CoStar, public records, broker, and inspection

Site Data

Shape/Dimensions:	Irregular
Area:	6,547,504 Gross Square feet/156.50 gross acres

	150.31 Net acres (net of required dedications along Peters Road and Thornton Road)
Topography:	Level and at grade with surrounding properties
Zoning/Restrictions:	I-2, General Industrial, City of Casa Grande
Flood Zone:	Zone X
Airport Zone:	None
Environmental Concerns:	None identified
Off-Sites:	Paved roadways
Lot Type:	Corner
Utilities:	Electricity, gas, water nearby and sewer in Burris Road
Arterial Frontage:	Peters Road and Thornton Road
Traffic Count:	3,542 Vehicles per day along Thornton Road and 661 vehicles per day along Peters Road per 2015 MPSI data
Comments:	This property is located in an industrial area of Casa Grande and adjacent to a railroad spur. The sale is scheduled to close June 15, 2017. The property is being acquired for development of an LKQ auto salvage facility.
Intended Use:	Development of an industrial use

Comparable Land Sale Six Aerial Map



Comparable Land Sale Seven



Identification

Type:	Industrial land
Location:	On the west side of Wilmot Road, north of Los Reales Road, in Tucson
Tax Parcel Number(s):	140-37-059C

Sale Data

Sale Price:	\$3,250,000
Terms:	All cash to seller
Unit Price:	\$0.71 Per square foot/\$31,006 per acre
Date of Recordation:	November 15, 2018 (August 2018 escrow)
Grantor/Seller:	6702 Wilmont Arizona, LLC
Grantee/Buyer:	Olam Holdings
Instrument:	Limited Warranty Deed
Instrument Number:	2018-3190210
Conditions of Sale:	Typical
Marketing Period:	Not disclosed
Source/Confirmation:	Co-Star, public records, seller's broker (John Stewart at 520-352-2700) and inspection

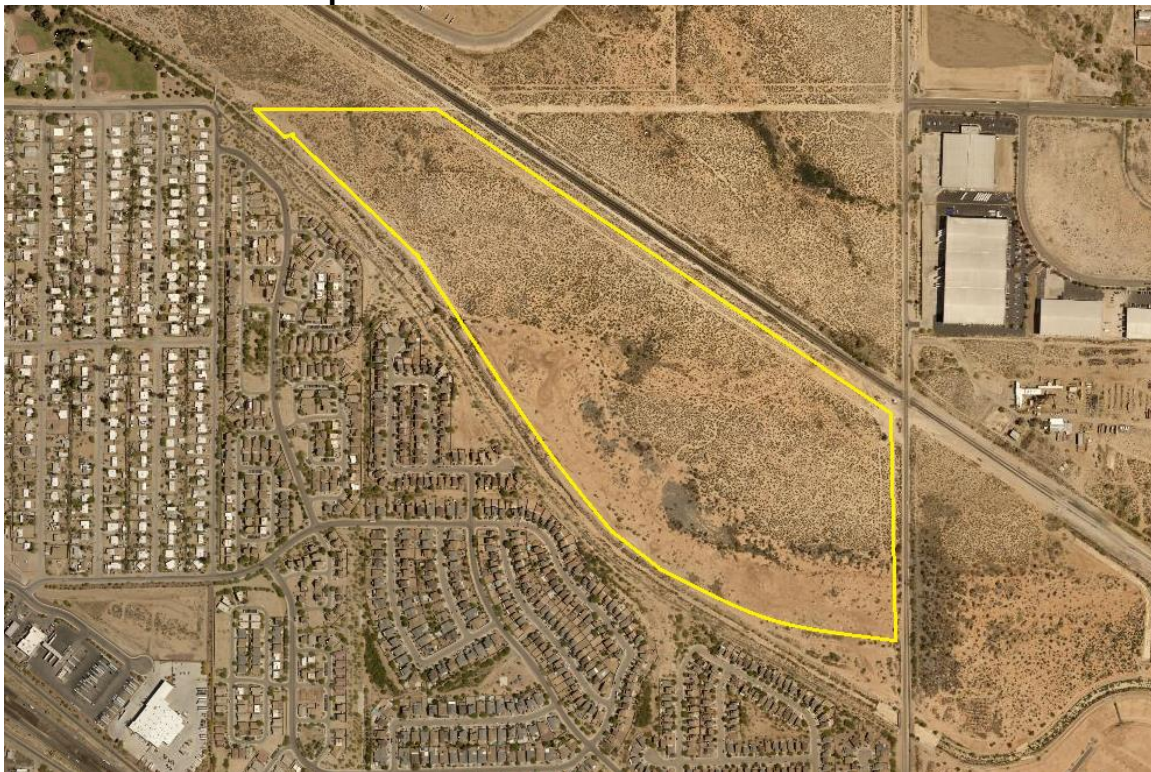
Site Data

Shape/Dimensions:	Irregular
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Area:	4,565,959 Net square feet/104.82 net acres
Topography:	Slightly rolling desert
Zoning/Restrictions:	Mostly I-2, City of Tucson
Flood Zone:	Mostly Zone X and bisected by small washes
Airport Zone:	Approximately 32.53 acres (31.04%) within the Davis Monthan Air Force Based height restriction area, restricted to 100 to 140 feet; and mostly within the 65-70 LDN contour lines
Environmental Concerns:	Approximately 23.83 acres (22.73%) of this property is Riparian C habitat.
Off-Sites:	Wilmot Road a two-lane, asphalt-paved roadway.
Lot Type:	Mid-block
Utilities:	Electricity, telephone, water and sewer in the area
Arterial Frontage:	1,330± Feet along Wilmot Road
Traffic Count:	5,136 Vehicles per day along Wilmot Road per 2010 Pima Association of Governments traffic count
Improvements:	None
Comments:	This property is located in an area of residential and industrial uses southeast of Davis Monthan Airforce Base.

Intended Use	Development of a solar field
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Comparable Land Sale Seven Aerial Photo



Comparable Land Sale Eight



South from Peters Road



West from Thornton Road

Identification

Type: Industrial land
Location: On the south side of Peters Road, the west side of Thornton Road, the north side of Selma Highway and the east side of Burris Road in Casa Grande
Tax Parcel Number(s): 140-37-059C

Sale Data

Sale Price: \$25,940,000
Terms: All cash to seller
Unit Price: \$1.49 Per square foot/\$65,017 per acre
Date of Recordation: December 20, 2018 (September 2016 escrow)
Grantor/Seller: CG Neighbor, LLC
Grantee/Buyer: Pinal County
Instrument: Special Warranty Deed
Instrument Number: 2018-094004
Conditions of Sale: Typical
Marketing Period: Less than one year at sale price
Source/Confirmation: Co-Star, public records, seller (Jakob Anderson at 480-751-2900) and inspection

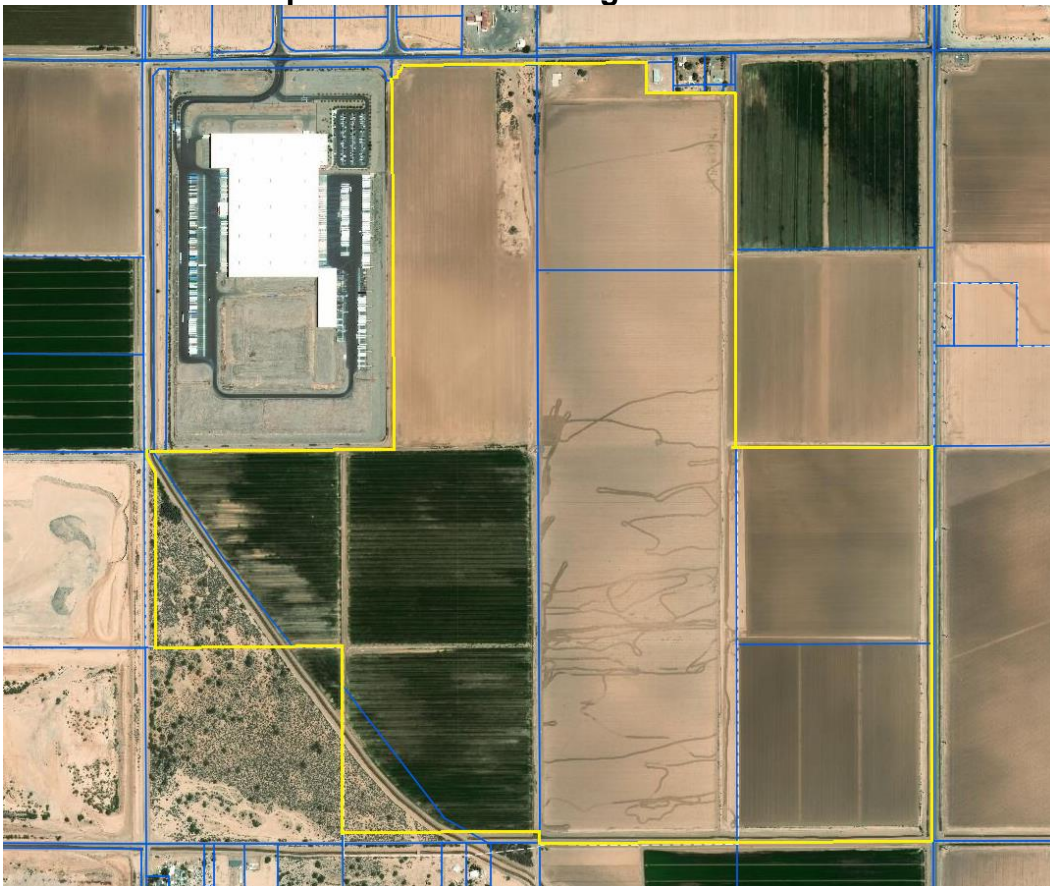
Site Data

Shape/Dimensions: Irregular
Area: 17,379,129 Net square feet/398.9699 net acres
Topography: Near level
Zoning/Restrictions: I-2, City of Casa Grande
Flood Zone: Zone X
Airport Zone: None

Environmental Concerns:	None
Off-Sites:	Both Peters Road and Thornton Road are two-lane, asphalt-paved roadways. Selma Highway and Burris Road are bladed gravel roadways.
Lot Type:	Corner
Utilities:	Electricity, telephone, water and sewer in the area
Arterial Frontage:	2,650± Feet along Thornton Road and 1,700± feet along Peters Road
Traffic Count:	650 VPD along Peters Road, 3,256 VPD along Thornton Road, 75 VPD along Burris Road per 2017 MPSI data
Improvements:	None
Comments:	This property is located in an area of Casa Grande in transition from agricultural to industrial uses. This property is located within the Central Arizona Commerce Park with all utilities and rail service. Pinal County acquired the property and will lease the site to Lucid Motors.

Intended Use	Development of an electric auto manufacturing facility
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Comparable Land Sale Eight Aerial Photo



Land Sales Summary and Adjustment Grid									
	Subject	Comparable Land Sales							
		1	2	3	4	5	6	7	8
Sale Price	-	\$3,730,000	\$2,410,480	\$8,750,000	\$9,531,270	\$7,935,000	\$7,825,000	\$3,250,000	\$25,940,000
Size in Net Sq Ft	12,951,714	9,662,044	7,239,672	7,262,062	4,757,861	6,603,696	6,547,504	4,565,959	17,379,129
Size in Acres	297.3304	221.8100	166.2000	166.7140	109.2255	151.6000	150.3100	104.8200	398.9699
Price Per Sq Ft	-	\$0.39	\$0.33	\$1.20	\$2.00	\$1.20	\$1.20	\$0.71	\$1.49
Price Per Acre	-	\$16,816	\$14,503	\$52,485	\$87,262	\$52,342	\$52,059	\$31,006	\$65,017
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Total Adjustment	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Price Adj. For Rights Conveyed	-	\$3,730,000	\$2,410,480	\$8,750,000	\$9,531,270	\$7,935,000	\$7,825,000	\$3,250,000	\$25,940,000
Financing	All Cash	All Cash	All Cash	All Cash	All Cash	All Cash	All Cash	All Cash	All Cash
Total Adjustment	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Price Adj. For Financing	-	\$3,730,000	\$2,410,480	\$8,750,000	\$9,531,270	\$7,935,000	\$7,825,000	\$3,250,000	\$25,940,000
Conditions of Sale	Typical	Typical	Typical	Typical	Typical	Typical	Typical	Typical	Typical
Adjustment Factor	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Adjustment	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Price Adj. For Conditions	-	\$3,730,000	\$2,410,480	\$8,750,000	\$9,531,270	\$7,935,000	\$7,825,000	\$3,250,000	\$25,940,000
Market Conditions	Aug-19	Mar-12	Nov-12	Aug-14	Apr-15	Mar-17	Jun-17	Nov-18	Dec-18
Adjustment Factor	-	35.00%	35.00%	25.00%	20.00%	10.00%	10.00%	5.00%	5.00%
Total Adjustment	-	\$1,305,500	\$843,668	\$2,187,500	\$1,906,254	\$793,500	\$782,500	\$162,500	\$1,297,000
Price Adj. For Market Conditions	-	\$5,035,500	\$3,254,148	\$10,937,500	\$11,437,524	\$8,728,500	\$8,607,500	\$3,412,500	\$27,237,000
Adjusted Price Per Sq Ft	-	\$0.52	\$0.45	\$1.51	\$2.40	\$1.32	\$1.31	\$0.75	\$1.57
Location and Access	Typical	Inferior	Superior	Superior	Superior	Superior	Similar	Superior	Similar
Adjustment Factor	-	20%	-10%	-10%	-5%	-20%	0%	-10%	0%
Freeway Exposure	None	None	None	Interstate 10	None	Loop 202	None	None	None
Adjustment Factor	-	0%	0%	-15%	0%	-15%	0%	0%	0%
Lot Type	Corner	Minor Corner	Minor Corner	Interior	Corner	Mid-Block	Corner	Mid-Block	Corner
Adjustment Factor	-	5%	5%	10%	0%	10%	0%	10%	0%
Size in Acres	297.3304	221.8100	166.2000	166.7140	109.2255	151.6000	150.3100	104.8200	398.9699
Adjustment Factor	-	-5%	-10%	-10%	-20%	-10%	-10%	-20%	10%
Utilities	All in Area	Similar	Similar	Superior	Superior	Inferior	Similar	Superior	Superior
Adjustment Factor	-	0%	0%	-5%	-5%	5%	0%	-5%	-5%
Off-Site Improvements	Paved Road	Paved Road	Paved Road	Superior	Paved Road	Paved Road	Paved Roads	Paved Road	Paved Roads
Adjustment Factor	-	0%	0%	-10%	0%	0%	0%	0%	0%
Improvements	None	None	None	None	None	None	None	None	None
Adjustment Factor	-	0%	0%	0%	0%	0%	0%	0%	0%
Airport Environs	7% to 10%	None	100%	None	None	Partial 60 DNL	None	Inferior	None
Adjustment Factor	-	0%	10%	0%	0%	0%	0%	5%	0%
Topogrpahy/Environmental	PPC & 32.6% Rip. C	16.53% Rip. C	3.89% Rip. C	11.96% Rip. C	21.13% Rip. C	None	None	22.73% Rip C	None
Adjustment Factor	-	-10%	-15%	-10%	-5%	-15%	-15%	-5%	-15%
Zoning/Potential Use	I-2, P-I, Industrial	CI-2, Industrial	CI-1, Solar	PAD, Mixed	I-1 Industrial	AG, Industrial	I-2, Industrial	I-2, Solar	I-2, Industrial
Adjustment Factor	-	0%	0%	0%	0%	0%	0%	0%	0%
Development Horizon	Mixed	Mid-Long Term	Near Term	Mid Term	Immediate	Mid Term	Immediate	Near Term	Immediate
Adjustment Factor	-	-10%	0%	-20%	-45%	-20%	-45%	0%	-45%
Net Percentage Adjustment	-	0%	-20%	-70%	-80%	-65%	-70%	-25%	-55%
Final Adjusted Pricer Per Sq Ft	-	\$0.52	\$0.36	\$0.45	\$0.48	\$0.46	\$0.39	\$0.56	\$0.71

*Assumed to be extended to the subject site for this analysis.

Discussion of Transaction Adjustments

Property Rights Conveyed: This is an appraisal of the fee simple interest in the larger parcel. The fee-simple interest was conveyed in each of the comparable sales; therefore, no adjustments are indicated for property rights conveyed.

Financing Terms: All of the comparables sold for all cash to the seller, indicating no adjustment for financing terms.

Conditions of Sale: All of the comparables sold under typical conditions of sale, indicating no adjustment.

Expenditures Immediately After the Sale: In my research of the comparable sales, I did not identify any expenditures made immediately after the sale for which adjustments should be made.

Market Conditions: The effective date of the appraisal is August 14, 2019. The comparable sales sold (escrow closed) between March 2012 and December 2018. As discussed in the Tucson Area Analysis and Market Area Analysis sections of this report, market conditions for industrial properties have improved over this time period. Furthermore, as discussed in the highest and best use analysis section of this report, land absorption has been positive in the area over the last five years. These market conditions support increasing land values.

To estimate an adjustment for market conditions, I have considered resales of the comparable sales used in this appraisal; however, Comparable Land Sale 7 is the only sale that sold previously. This property sold for \$1,900,000 in January 2006 and again for \$3,250,000 in November 2018. This is an increase of \$1,350,000, or 71.05%, or 5.5% over the nearly 13-year period. With no other land sales to estimate an adjustment for market conditions, I have also considered increases in the sale prices and rental rates of improved industrial properties in Tucson.

According to information from CoStar, the market sale price per square foot for industrial buildings in Tucson was \$59.50 in the First Quarter of 2012 and \$93.18 in the First Quarter of 2019. This is an increase of \$33.68 per square foot, or 56.605% over the 7-year period, or 8.08% per year.

Furthermore, according to information from CoStar, the rental rate for industrial space in the Tucson market was \$6.53 per square foot in the First Quarter of 2012 and \$8.49 per square foot in the First Quarter of 2019. This is an increase of \$1.96 per square foot, or 30.01% over the 7-year period, or 4.29% per year.

Based on these indications, I adjust each of the comparables upward 5% per year for market conditions.

Discussion of Property Adjustments

Location

For this analysis, the location of the subject property is rated typical. Comparables 6 and 8 have similar locations and are not adjusted. Comparables 2, 3, 4, 5 and 7 have superior locations in areas closer to freeways and/or with superior surrounding development and are adjusted downward. Although Comparable 1 is located near the subject property, it sold prior to the improvements in the area. The improvements in the area have improved the nature of the area, indicating an upward adjustment.

Freeway Exposure

Typically, properties with freeway exposure sell for a higher unit price than properties without freeway exposures. The subject property does not have freeway exposure. Comparables 1, 2, 4, 6, 7 and 8 similar do not have freeway exposure, indicating no adjustments. Comparables 3 and 5 have freeway exposure and are adjusted downward.

Lot Type

The subject property is a corner lot at the northwest and northeast corners of Aerospace Parkway and Country Club Road. Comparables 4, 6 and 8 are similar corner lots, indicating no adjustments. Comparables 1, 2, 3, 5 and 7 are either mid-block or minor corner lots, which is inferior to the subject, indicating upward adjustments.

Size in Acres

The subject property contains 297.3304 acres of land area. Typically, larger properties sell for a lower unit price than smaller properties. Recognizing this correlation, adjustments to each of the comparable sales have been considered. Comparables 1, 2, 3, 4, 5, 6 and 7 smaller than the subject and are adjusted downward for size. Comparable 8 is larger than the subject and is adjusted upward.

Utilities

All required utilities are in the area of the subject property, however, will require extension. The estimated cost to extend utilities to the property is \$769,126. Comparables 1, 2 and 6 have similar utilities that will require extension or similar efforts. Comparables 3, 4, 7 and 8 have superior utilities and are adjusted downward. Comparable 5 has inferior utilities and is adjusted upward.

Off-site Improvements

The subject property fronts along asphalt-paved roadways. Comparables 1, 2, 4, 5, 6, 7 and 8 have similar roadway improvements, indicating no adjustments. Comparable 3 has superior roadway improvements and is adjusted downward.

Improvements

The subject property does not have any significant improvement. None of the comparables had any improvements that contributed value of the sale, indicating no adjustments for improvements.

Airport Environs

The eastern portion of the subject property is located within the Airport Environs zone of the Tucson Airport. Although there are height and use restrictions for that area, only a small portion of the property is impacted, and the impacts are relatively minor for an industrial use. Comparables 1, 3, 4, 5, 6 and 8 have similar or no airport impact and are not adjusted. Comparables 2 and 7 have more significant airport environs impacts and are adjusted upward.

Topography/Environmental Concerns

The subject property has an area with Pima Pineapple Cactus and areas with Riparian C habitat along washes. Development of land located within these areas will require mitigation that will make development more costly and/or will retaining some portions of the property as open space. Comparables 1, 2, 3, 4 and 7 have similar areas, however, the amount of land impacted is less than that of the subject property, indicating downward adjustments. Comparables 5, 6 and 8 do not have any similar areas and are adjusted downward.

Zoning/Potential Use

The subject property is zoned I-2, P-I with potential for industrial use. The zoning and potential uses of the comparable sales are sufficiently similar to not require adjustments. Although Comparable 5 is zoned AG, with a mid-term development horizon, the AG zoning is not a significant factor and no adjustment is made.

Development Horizon

Properties that are acquired for immediate development often sell for a higher unit price than properties that are acquired for longer-term development. The development horizon for the subject property is mixed. The development horizon of the 84.8500 acres for the Arizona Air National Guard Munitions Storage Facility will likely be in the near term. The development horizon of the other 212.4804 acres will likely be in the long term. Nonetheless, use of the 212.4804 acres as a buffer area for the existing Raytheon facilities is an immediate or near-term use. If land had to be acquired for use as a buffer area, the price that would be paid for that land would be the value of the land at its highest and best use without any restriction for use as a buffer area. A seller would not discount the price based on the buyer's planned use as open space. The buyer would sell the property for its value at its highest and best use. Nonetheless, I do recognize that with that limitation in place some adjustments to the comparables are required for

the long-term development horizon. However, the magnitude of the adjustments is moderated by the fact that use as a Raytheon buffer area is an immediate or near-term use of the property. The adjustments to the comparable sales for the differences in development horizon are discussed as follows:

Comparable 1 was acquired for development of roadway improvements and as for use as a Raytheon buffer area. After development of the roadway improvements, the property was partially developed with an industrial use and other portions of the property are being marketed for industrial uses. Although the development horizon of this property is relatively long (it has already been seven years since the property sold), the development horizon is shorter than the subject, indicating a downward adjustment.

Comparable 2 was acquired for near-term development, however, was acquired for a relatively low intensity use (solar field). Due to the low-intensity use, no adjustment is made for development horizon.

Comparable 3 was acquired for development of a park (ball fields) in 2014. The property has been partially developed with a park. Furthermore, the property had potential for a shorter development horizon, indicating a downward adjustment.

Comparable 4 was acquired for immediate development of an industrial use. This is significantly superior to the subject, indicating a downward adjustment.

Comparable 5 was acquired to hold for investment. Given the location of this property in the path of development for the southeast Phoenix area, the development horizon of this sale is shorter than the subject, indicating a downward adjustment.

Comparable 6 was acquired for immediate development of an industrial use. This is significantly superior to the subject, indicating a downward adjustment.

Comparable 7 was acquired for near-term development, however, was acquired for a relatively low intensity use (solar field). Due to the low-intensity use, no adjustment is made for development horizon.

Comparable 6 was acquired for immediate development of an industrial use. This is significantly superior to the subject, indicating a downward adjustment.

Reconciliation of Value Indications

The comparable sales have an unadjusted sale price range of \$0.33 to \$2.00 per square foot and indicate a value range of \$0.36 to \$0.71 per square foot for the subject property, with a concentration between \$0.45 and \$0.56 per square foot. Based on these indications it is my opinion that the subject property has a value of \$0.50 per square foot of site area.

Thus, with a unit value of \$0.50 per square foot and a site area of 12,951,714 square feet, the overall value of the subject site is calculated as follows:

$$\begin{array}{r} 12,951,714 \text{ Square Feet} \times \$0.50 \text{ Per Square Foot} = \$6,475,857 \\ \$6,475,000 \end{array}$$

Therefore, based on this analysis, it is my opinion that the market value of the subject property is \$6,475,000.

RECONCILIATION AND VALUATION CONCLUSION

Reconciliation is the process whereby the appraiser evaluates and selects from among alternative conclusions or indications, a single conclusion of value. An orderly connection of interdependent elements is a prerequisite of proper reconciliation. This requires a re-examination of specific data, procedures, and techniques within the framework of the approaches used to derive preliminary estimates. Each approach is reviewed separately by comparing it to the other approaches to value in terms of adequacy, accuracy, completeness of reasoning, and overall reliability.

Within the scope of this report, all three approaches to value have been considered, however, only the sale comparison approach has been used. The reasoning for not using the cost and income approaches was explained previously. The value indication from the sales comparison approach is \$6,475,000.

In the sales comparison approach for the subject site I analyzed sales of eight comparable properties. Although differing somewhat in terms of location, physical characteristics and zoning, it is my opinion that the comparables used are indicative of the value range for the subject property. Moreover, it is my opinion that no other comparables in the area provide a more reliable indication of value for the subject property. Thus, with all weight on the sales comparison approach, it is my opinion that the market value of the property, as of the effective date of the appraisal is **\$6,475,000**.

Exposure Time

Exposure time is defined as “the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.”¹⁰ Based on other sales in the area, it is my opinion that the subject property could have been sold in twelve months or less.

¹⁰Appraisal Standards Board of The Appraisal Foundation, *2018-2019 Uniform Standards of Professional Appraisal Practice* (United States of America, 2018), page 4.

- Subject Photographs
- Condition of Title Report
- Appraiser's Qualifications



SUBJECT PHOTOGRAPHS



**Northeast from Aerospace Parkway
From near the west side**



**Northwest from Aerospace Parkway
From near the east side**



**East along Aerospace Parkway
From near the west side**



**West along Aerospace Parkway
from near the east side**



North from Aerospace Parkway



**North along the alignment of Country
Club Drive from Aerospace Parkway**



**West along Aerospace Parkway
from near the Country Club Drive**



**East along Aerospace Parkway
from near the Country Club Drive**

CONDITION OF TITLE REPORT SCHEDULES A AND B

CONDITION OF TITLE REPORT

Issued by

Title Security Agency, LLC

SCHEDULE A

1. Effective Date: February 26, 2019

Our No.: 60016444-001-B13.

This is a Condition of Title Report only. This report does not represent nor commit any type of title insurance. The liability incurred, if any, is limited to twice the amount of the fees paid for this report.

FOR THE BENEFIT AND USE OF:

TUCSON AIRPORT AUTHORITY and RICK ENGINEERING COMPANY

2. The estate or interest in the land described or referred to in this Report and covered herein is:

A FEE

3. Title to the estate or interest in said land is at the effective date hereof vested in:

TUCSON AIRPORT AUTHORITY, INC., an Arizona corporation

4. The land referred to in this Report is in the State of Arizona, County of Pima, and is described as follows:

See Exhibit A attached hereto and made a part hereof.

EXHIBIT A

PARCEL "H1" LEGAL DESCRIPTION

REF: PORTION OF APN NUMBERS 140-47-005B, 140-47-006E, & 140-47-006F

A PORTION OF THE NORTH HALF OF SECTION 32 AND NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 15 SOUTH, RANGE 14 EAST, GILA & SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT A 1/2-INCH REBAR TAGGED "RLS 18211" FOUND AT THE NORTHEAST CORNER OF SAID NORTHWEST QUARTER;

THENCE SOUTH 00°24'37" EAST UPON THE EAST LINE OF SAID NORTHWEST QUARTER, 800.02 FEET TO A LINE PARALLEL WITH AND 800 FEET SOUTH OF THE NORTH LINE OF SAID NORTHWEST QUARTER;

THENCE SOUTH 89°11'37" WEST, UPON SAID PARALLEL LINE, 108.65 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 18°34'40" WEST 1,756.49 FEET TO A LINE PARALLEL WITH AND 80.00 FEET NORTH OF THE NORTH RIGHT-OF-WAY (R.O.W.) LINE OF AEROSPACE PARKWAY, AS RECORDED AT SEQUENCE 20150750518, RECORDS OF THE PIMA COUNTY RECORDER, A NON-TANGENT CURVE CONCAVE SOUTHERLY, THE RADIUS POINT OF SAID CURVE BEARS SOUTH 06°14'05" WEST;

THENCE WESTERLY UPON SAID PARALLEL LINE AND THE ARC OF SAID CURVE TO THE LEFT, HAVING A RADIUS OF 2,145.00 FEET AND A CENTRAL ANGLE OF 6°53'44", FOR AN ARC DISTANCE OF 258.15 FEET;

THENCE SOUTH 89°20'21" WEST CONTINUING UPON SAID PARALLEL LINE 1,716.47 FEET TO THE WEST LINE OF SECTION 33;

THENCE SOUTH 89° 21' 37" WEST CONTINUING UPON SAID PARALLEL LINE 5,158.30 FEET TO A TANGENT CURVE;

THENCE WESTERLY UPON SAID PARALLEL LINE AND THE ARC OF SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 1,835.00 FEET AND A CENTRAL ANGLE OF 5°02'54", FOR AN ARC DISTANCE OF 161.68 FEET TO THE WEST LINE OF SECTION 32;

THENCE NORTH 00° 13' 54" WEST UPON SAID WEST LINE 1,613.61 FEET TO A LINE PARALLEL WITH AND 800 FEET SOUTH OF THE NORTH LINE OF SECTION 32;

THENCE NORTH 89° 11' 27" EAST UPON SAID PARALLEL LINE 2,657.35 FEET;

THENCE NORTH 89° 11' 25" EAST CONTINUING UPON SAID PARALLEL LINE 2,656.73 FEET TO THE WEST LINE OF SECTION 33;

THENCE NORTH 89° 11' 37" EAST UPON A LINE PARALLEL WITH AND 800 FEET SOUTH OF THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 33 FOR A DISTANCE OF 2,546.39 FEET TO THE POINT OF BEGINNING.

EXHIBIT A
(Continued)

PARCEL "H1" 80-FOOT RIGHT-OF-WAY LEGAL DESCRIPTION

REF: PORTION OF APN NUMBERS 140-47-005B , 140-47-006E, & 140-47-006F

A PORTION OF THE NORTH HALF OF SECTION 32 AND NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 15 SOUTH, RANGE 14 EAST, GILA & SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2-INCH REBAR TAGGED "RLS 18211" FOUND AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY (R.O.W.) LINE OF AEROSPACE PARKWAY, AS RECORDED AT SEQUENCE 20150750518, RECORDS OF THE PIMA COUNTY RECORDER AND THE WEST LINE OF SECTION 32;

THENCE NORTH 00° 13' 54" WEST UPON THE WEST LINE OF SECTION 32 FOR A DISTANCE OF 80.25 FEET TO A LINE PARALLEL WITH AND 80.00 FEET NORTH OF SAID R.O.W. LINE, A NON-TANGENT CURVE CONCAVE NORTHERLY, THE RADIUS POINT OF SAID CURVE BEARS NORTH 04°24'31" EAST;

THENCE EASTERLY UPON SAID PARALLEL LINE AND THE ARC OF SAID CURVE TO THE LEFT, HAVING A RADIUS OF 1,835.00 FEET AND A CENTRAL ANGLE OF 5°02'54", FOR AN ARC DISTANCE OF 161.68 FEET;

THENCE NORTH 89° 21' 37" EAST CONTINUING UPON SAID PARALLEL LINE 5,158.30 FEET TO THE EAST LINE OF SECTION 32;

THENCE NORTH 89° 20' 21" EAST CONTINUING UPON SAID PARALLEL LINE 1,716.47 FEET TO A TANGENT CURVE CONCAVE SOUTHERLY;

THENCE EASTERLY CONTINUING UPON SAID PARALLEL LINE AND THE ARC OF SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 2,145.00 FEET AND A CENTRAL ANGLE OF 6°53'44", FOR AN ARC DISTANCE OF 258.15 FEET;

THENCE SOUTH 18° 34' 40" WEST 81.97 FEET TO THE NORTH R.O.W. LINE OF AEROSPACE PARKWAY, A NON-TANGENT CURVE CONCAVE SOUTHERLY, THE RADIUS POINT OF SAID CURVE BEARS SOUTH 05°44'54" EAST;

THENCE WESTERLY UPON SAID R.O.W. LINE AND THE ARC OF SAID CURVE TO THE LEFT, HAVING A RADIUS OF 2,065.00 FEET AND A CENTRAL ANGLE OF 6°24'34", FOR AN ARC DISTANCE OF 231.00 FEET;

THENCE SOUTH 89° 20' 21" WEST CONTINUING UPON SAID R.O.W. LINE 1,716.78 FEET TO THE EAST LINE OF SECTION 32;

THENCE SOUTH 89° 21' 37" WEST CONTINUING UPON SAID NORTH R.O.W. LINE 5,158.02 FEET TO A CURVE CONCAVE NORTHERLY;

THENCE WESTERLY UPON SAID R.O.W. LINE AND THE ARC OF SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 1,915.00 FEET AND A CENTRAL ANGLE OF 4°51'15", FOR AN ARC DISTANCE OF 162.24 FEET TO THE POINT OF BEGINNING.

SCHEDULE B

- A. The rights of parties in possession by reason of any unrecorded lease or month to month tenancies affecting any portion of the within described property.
- B. This report is for informational purposes only and is not to be considered a commitment to issue any form of title insurance. It is for the use only of the party who ordered it and liability, if any, is limited to the amount of the fee paid. Receipt and use of this report shall be evidence of the acceptance of the terms hereof.
- C. There are no other recorded matters affecting the title to the land described in this report.
1. RESERVATIONS contained in the Patents from the State of Arizona, recorded [in Docket 9999 at page 1398](#) and in [Docket 11820 at page 2443](#), reading as follows:
- This Patent is issued subject to any and all easements or rights of way heretofore legally obtained and now in full force and effect.
- EXCEPT all oil gas and other hydrocarbon substances, helium or other substances of a gaseous nature, geothermal resources, coal, metals, minerals, fossils, fertilizer of every name and description and except all materials which may be essential to production of fissionable material as reserved in Arizona Revised Statutes.
2. TAXES AND ASSESSMENTS collectible by the County Treasurer, a lien not yet due and payable for the following year:
- 2019
3. INTENTIONALLY OMITTED
4. EASEMENT and rights incident thereto, as set forth in instrument:
- Recorded at [Sequence No. 20150750519](#)
Purpose drainage
5. MATTERS disclosed in Street Naming recorded at [Sequence No. 20152720038](#)
6. MATTERS contained in Resolution No. 2017-10 relating to County Highways recorded at Sequence No. 20171010390.
7. Right-of-way for county highway granted to Pima County No. 9-3004. (Country Club Road)
8. Right-of-way for county highway granted to Pima County No. 3367. (Country Club Road)

NOTE: Taxes for 2018 are shown EXEMPT; Tax Parcel Nos.:

140-47-005B

140-47-006E

140-47-006F

NOTE: Vesting deeds (Patents) recorded in:

[Docket 9999 at page 1398](#)

[11820 at page 2443](#)[Docket](#)

END OF SCHEDULE B

APPRAISER'S QUALIFICATIONS

Professional Qualifications of J. Douglas Estes, MAI, SR/WA

Professional Certification, Designations and Associations

- Arizona Certified General Real Estate Appraiser Number 30821
- MAI, Appraisal Institute, Certificate Number 11429
- SR/WA, International Right of Way Association, Designation Number 5641

Experience

Firms

- 2014—Present, Real Estate Appraiser and Owner, Landpro Valuation, Mesa, AZ
- 1998—2014, Real Estate Appraiser for Sell & Associates, Tempe, AZ
- 1994—1998, Real Estate Appraiser for Sell, Huish & Associates, Tempe, AZ
- 1993—1994, Appraisal Researcher for R.H. Whitlatch & Associates, Yuma, Arizona
- 1989—1993, Construction Estimator for Estes Insulation, Yuma, Arizona

Property Types/Assignments

- | | |
|---|----------------------------------|
| • Expert Witness Testimony | • Desert Land |
| • Industrial Buildings | • Agricultural Land |
| • Retail Buildings | • Ranches |
| • Gas Stations and Convenience Stores | • Mobile Home and RV Parks |
| • Environmentally Contaminated Property | • Single-Family Residences |
| • Rights-of-Way and Easements | • Funeral Homes |
| • Multi-Family Residential Properties | • Auto Service Facilities |
| • Residential Subdivisions | • Auto Sales Facilities |
| • Medical Office Buildings | • Sand and Gravel Land (Mine) |
| • Billboard Leases | • Feasibility Studies |
| • Transportation and Utility Corridors | • RV and Boat Storage Facilities |
| • Leased Fee Analysis/Valuations | • Partial Interest Valuations |
| • Mini-Storage Facilities | • Master Planned Communities |
| • Historic Properties | • Partial Taking Valuations |
| • Professional Office Buildings | • Transit Warehouses |
| • Section 8 Rent Comparability Studies | • Commercial Subdivisions |
| • Aerial Easements | |

Geographical Areas

- | | |
|--------------|---|
| • Arizona | • Mexico |
| • California | • Gila River Indian Community |
| • Utah | • Navajo Nation |
| • New Mexico | • Salt River Pima Maricopa Indian Community |
| • Nevada | |

Litigation Assignments

- Eminent Domain
- Bankruptcy
- Divorce
- Income, Gift and Estate Taxes
- Foreclosure
- Real Estate Taxes
- Insurance Claims
- Fraud

Education

- Bachelor of Science, Business Management-Finance, Cum Laude, Marriott School of Management, Brigham Young University, 1989

Professional Courses and Seminars

- Condemnation Summit XX, 2017
- Condemnation Summit XVIII, 2016
- Condemnation Summit XVII, 2016
- Condemnation Summit XVI, 2015
- Condemnation Summit XV, 2014
- Condemnation Summit XIV, 2014
- Condemnation Summit XIII, 2013
- Arizona Appraiser Laws and Regulations Course, 2013
- Arizona Supervisory Appraiser/Trainee Appraiser Course, 2013
- IRWA Course 103, Ethics and the Right of Way Profession, 2012
- Condemnation Summit IX, Phoenix, 2011
- AI Seminar, Introduction to Valuation for Financial Reporting, Phoenix, 2011
- Condemnation Summit VII, Phoenix, 2010
- State Bar of Arizona Annual Convention, Bankruptcy, Glendale, 2010
- State Bar of Arizona Annual Convention, Negotiating & Restructuring RE, Glendale, 2010
- IRWA Course 502, Business Relocation, Tempe, 2010
- LAI, Real Estate Bankruptcies for the Non-Lawyer RE Professional, Scottsdale, 2010
- International Right of Way Association Facilitator Clinic, Las Vegas, 2010
- AI Seminar, Uniform Appraisal Standards for Federal Land Acquisitions, Phoenix, 2009
- IRWA Course 803, Eminent Domain Law for the Right of Way Professional, Phoenix, 2009
- AI Seminar, Appraising Distressed Commercial RE: Here We Go Again, Mesa, 2009
- IRWA Course 410, Reviewing Appraisals in Eminent Domain, Tempe, 2008
- IRWA Course 401, Appraisal of Partial Acquisitions, Los Angeles, 2007
- IRWA Course 900, Principles of Real Estate Engineering, Tempe, 2007
- IRWA Course 213, Conflict Management, Tempe, 2006
- IRWA Course 205, Bargaining Negotiations, Tempe, 2006
- IRWA Course 800, Principles of Real Estate Law, Tempe, 2006
- IRWA Course 212, Creatively Solving Problems in Groups, Tempe, 2005
- IRWA Course 104, Standards of Practice for the Right of Way Professional, 2005
- IRWA Course 200, Principles of Real Estate Negotiation, Phoenix, 2004
- IRWA Course 403, Easement Valuation, Phoenix, 2004

- IRWA Course 214, Skills of Expert Testimony, Phoenix, 2004
- AI Seminar, Online Valuation of Detrimental Conditions, Online, 2003
- AI Course 420N, Business Practices and Ethics, Tempe, 2003
- IRWA Course 802, Legal Aspects of Easements, Phoenix 2003
- AI Course 410, Standards of Professional Practice, Part A, Tempe 2003
- AI Course 705, Litigation Appraising: Specialized Topics and Applications, Tempe 2002
- AI Course 700, Appraiser as Expert Witness: Preparation and Testimony, Tempe 2002
- AI Course 720, Condemnation Appraising: Advanced Principles, Tempe 2000
- AI Course 710, Condemnation Appraising: Basic Principles, Tempe 2000
- Comprehensive Appraisal Workshop, Dallas, Texas, 1996
- AI Course 550, Advanced Applications, San Diego, California, 1996
- AI Course 540, Report Writing & Valuation Analysis, San Diego, California, 1995
- AI Course 530, Sales Comparison & Cost Approaches, Boulder, Colorado, 1995
- AI Course 420, Code of Professional Ethics, Las Vegas, Nevada, 1995
- AI Course 410, USPAP, Las Vegas, Nevada, 1995
- AI Course 520, Highest and Best Use and Market Analysis, Tempe, AZ, 1995
- AI Course 510—Advanced Income Capitalization, San Jose, California, 1994
- AI Course 310—Basic Income Capitalization, San Diego, California, 1993
- AI Course 110—Appraisal Principles, Salt Lake City, Utah, 1993

Other Readings/Studies

- Principles of Right of Way (International Right of Way Associations)
- Numerous Eminent Domain Cases
- Real Estate Valuation in Litigation, 2nd Edition (Chicago: Appraisal Institute, 1995)
- The Appraisal of Real Estate (Chicago: Appraisal Institute)

Other Professional & Civic Activities

- IRWA Course Facilitator
- IRWA Kachina Chapter 28 Professional of the Year, 2008
- IRWA Kachina Chapter Executive Board, 2006-2009 (2008 President)
- IRWA Kachina Chapter-Seminar Committee, 2004-2008
- IRWA Kachina Chapter-Marketing and Public Awareness Chairman, 2004-2009
- Arizona Management Group
- Boy Scouts of America
- Instructor for Lorman Education Services
- Spanish Speaking