

# FIRST APPRAISAL SERVICES

An Appraisal Report for the Valuation of  
a Vacant Tract of Land

Owned by  
State of Arizona

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**Location of Property to be Appraised:**

Southeast of Higley Road and Thomas Road  
Mesa, Arizona 85215

**Report Dated:**

June 7, 2018

**Effective Date:**

April 26, 2018

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**Prepared for:**

Arizona Department of Transportation  
Right of Way Operations Section  
205 S. Seventeenth Avenue  
Room 331, Mail Drop #612E  
Phoenix, Arizona 85007

**Prepared by:**

Timothy A. Haskins, ASA  
*Arizona Certified General  
Real Estate Appraiser #30668*

First Appraisal Services, PLC  
3420 E. Shea Boulevard, Suite 200  
Phoenix, Arizona 85028

602.264-0011  
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**Reference:**

FAS 1.18-2736.00

Project: 202L MA 000 H5400  
Highway: Red Mountain Freeway  
Section: Gilbert Road – Higley Road  
Parcel: L-C-003



# FIRST APPRAISAL SERVICES

3420 E. Shea Boulevard, Suite 200 | Phoenix | Arizona | 85028  
602.264-0011 | info@azfas.com

June 7, 2018

Mr. Timothy O'Connell  
Review Appraiser  
Arizona Department of Transportation  
Right of Way Operations Section  
205 S. Seventeenth Avenue  
Room 331, Mail Drop #612E  
Phoenix, Arizona 85007

RE: Project: 202L MA 000 H5400  
Highway: Red Mountain Freeway  
Section: Gilbert Road – Higley Road  
Parcel: L-C-003

Dear Mr. O'Connell:

In accordance with your request and authorization, I have prepared an appraisal of the property referenced above. I am pleased to present the narrative Appraisal Report transmitted by this letter, containing pertinent data related to the valuation of the property appraised.

The subject property is a 10.278-acre tract of land located southeast of Higley Road and Thomas Road in the City of Mesa. A physical inspection of the property was made on April 26, 2018, with representatives of the property owner present.

The purpose of this appraisal is to estimate the market value of the property identified herein. The intended use of this appraisal is to assist in decisions regarding the possible sale or disposal of the property being appraised. The effective date for this appraisal assignment is April 26, 2018.

This appraisal report has been written in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation, the Code of Ethics of the American Society of Appraisers, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, the Federal Highway Administration (FHWA) Uniform Act, 49 CFR Part 24, and the guidelines and standards of the Arizona Department of Transportation.



Mr. Timothy O'Connell  
Arizona Department of Transportation  
June 7, 2018

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The opinion of market value as defined and expressed herein is subject to the Underlying Assumptions and Limiting Conditions set forth in this report, as well as the appraiser's certification. There have been no extraordinary assumptions or hypothetical conditions made for this appraisal assignment.

As a result of my investigation and study, I am of the opinion that the market value of the fee simple estate of the appraised property, as of April 26, 2018, is:

**ONE MILLION  
ONE HUNDRED TWENTY THOUSAND DOLLARS  
\$1,120,000.00**

Thank you for the opportunity to be of service to you. If you have any questions or if we may be of any further assistance in this matter, please do not hesitate to call or write this office.

Respectfully submitted,  
FIRST APPRAISAL SERVICES

Timothy A. Haskins, ASA  
Arizona Certified General Real Estate Appraiser No. 30668

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  - ADOT Environmental Clearance Package (selected pages)
- E Comparable Land Sales Data
- F Qualifications and Resume of the Appraiser

# Summary of Salient Facts and Conclusions

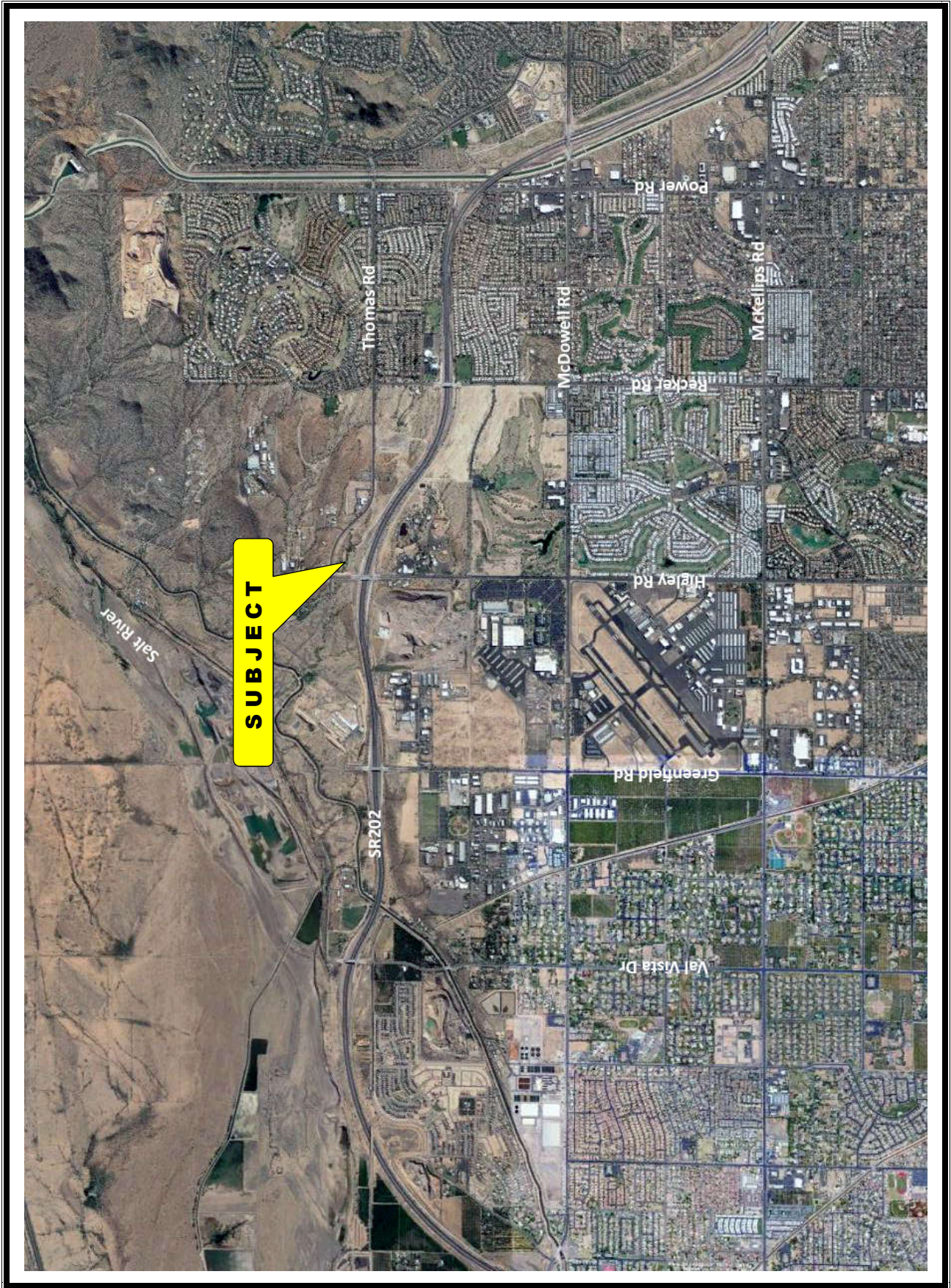
Client	Arizona Department of Transportation		
Client Reference	Project:	H882701202L MA 000 H5400	
	Highway:	Red Mountain Freeway	
	Section:	Gilbert Road – Higley Road	
	Parcel:	L-C-003	
Date of Report	June 7, 2018	Limiting Conditions	See Addendum A
Report Format	Appraisal Report	Certification	See Page 48
Intended Use	Assist in the possible sale or disposal of the subject property		
Intended User(s)	Arizona Department of Transportation and Federal Highway Administration		

## Property Information

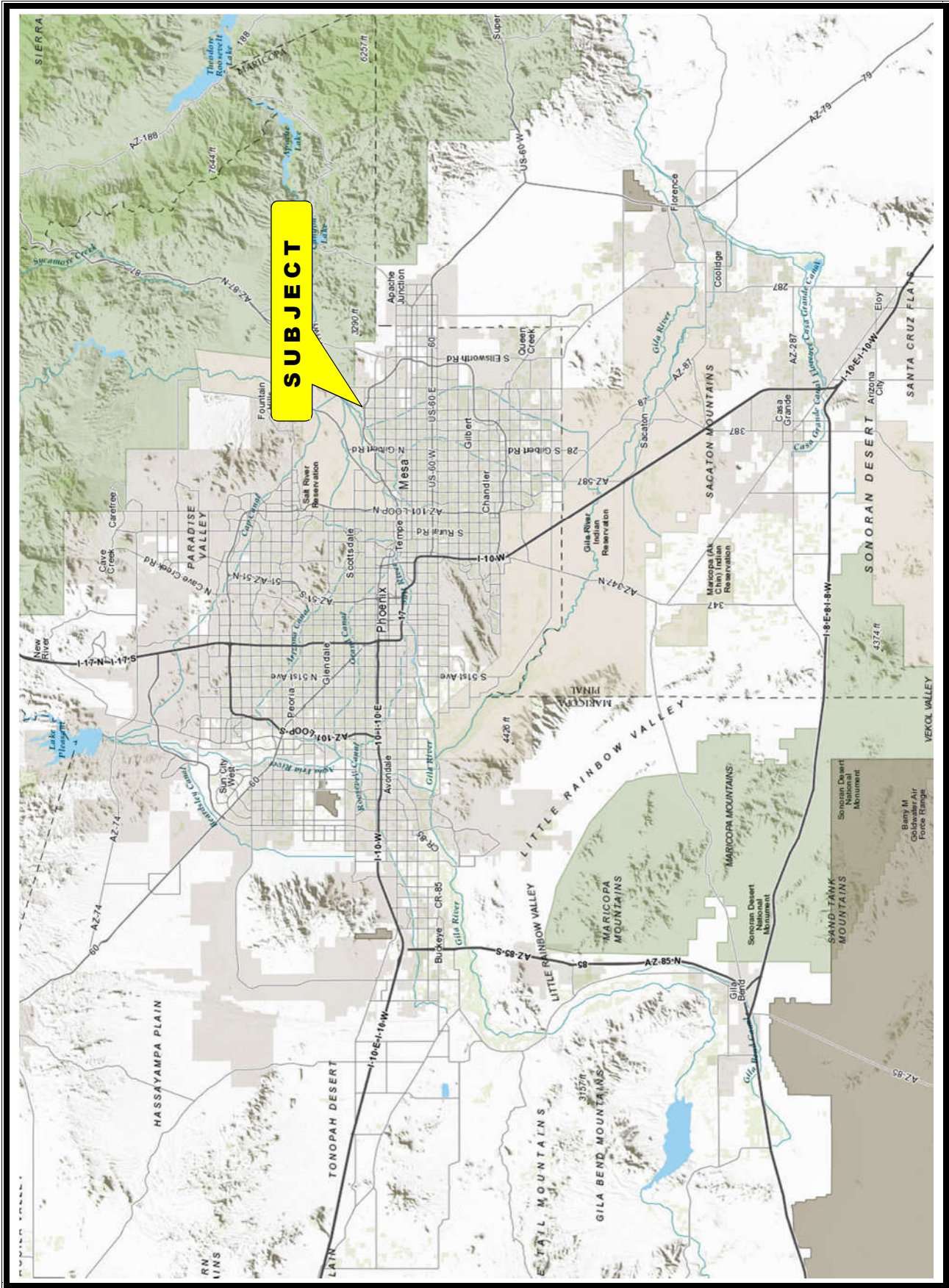
Ostensible Owner	State of Arizona		
Location of Property	Southeast of Higley Road and Thomas Road		
Street Address	None Given		County
	Mesa, Arizona 85215		Maricopa
	Section/Township-Range	26/2N-6E	Map Reference 129-185LS
Assessor Parcel Number(s)	Unassessed		
Site Area	447,706 square feet	Zoning District(s)	Unzoned
	10.278 acres		City of Mesa
		Flood Zone	Zone X
Present Use	Vacant Land		
Highest and Best Use:			
As If Vacant:	Land Investment		

## Valuation Information

Effective Date	April 26, 2018		
Extraordinary Assumptions	None		
Hypothetical Conditions	None		
Valuation Summary	Sales Comparison Approach .....		\$1,120,000.00
	Income Approach .....		Not Applicable
	Cost Approach .....		Not Applicable
Fee Simple Interest	Conclusion of Value		\$1,120,000.00









# INTRODUCTION

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## Purpose and Scope of the Appraisal

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### **Purpose**

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The purpose of this appraisal is to estimate the market value of the property identified on page 7, hereinafter referred to as the “subject property”. The intention of this appraisal service was that it was to be performed in such a manner that the results of the analysis, opinion, or conclusion would be that of a disinterested third party.

### **Intended Use and User**

The intended use of this appraisal is to assist in decisions regarding in the possible sale or disposal of the property being appraised. The Arizona Department of Transportation and the Federal Highway Administration are the intended users of this appraisal.

### **Definition Of Value**

The decision of what value is being estimated is determined, at least in part, by the function of the appraisal and affects the scope of the appraisal. Different types of value that may be considered include market value, value in use, going-concern value, investment value, assessed value and insurable value. In light of the purpose of this appraisal, market value will be estimated in this appraisal and is defined as follows:

For the purposes of this article, “market value” means the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements which the property would bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable.

Arizona Revised Statute 28-7091 [Title 28 Chapter 20 Article 6]

### *Exposure Period*

The definition of exposure time used in this report is in accordance with the Appraisal Standards Board of the Appraisal Foundation. Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market, and is defined by the Appraisal Board as the,

estimated length of time that 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.<sup>1</sup>

Based upon an analysis of the general market area and sales of similar property types in the area, normal exposure time for properties similar to the subject appears to be within a twelve month time period.

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<sup>1</sup> Uniform Standards of Professional Appraisal Practice, 2018-2019 Edition, The Appraisal Foundation

## Date of Valuation

The significant dates utilized in this report are summarized in the table to the right. The effective date of this appraisal, which is the date of valuation, is the most recent date of physical inspection by the appraiser.

Effective Date: .....	<u>April 26, 2018</u>
Date of Inspection: .....	<u>April 26, 2018</u>
Date of Report: .....	<u>June 7, 2018</u>

## Property Rights Appraised

In the appraisal of real property, there are many concepts that must be understood and applied. One of these concepts relates to the rights inherent in the ownership of real property.

Real property appraisal involves not only the identification and valuation of a variety of different rights, but also the analysis of the many limitations on those rights, and the effect that the limitations have on value.<sup>2</sup>

The fee simple title is regarded as an estimate without limitations or restrictions. Partial interests are created by selling, leasing, or otherwise limiting the “bundle of rights” in the fee simple estate, resulting in something less than the complete fee simple estate. An appraisal assignment may require the appraisal of fee simple title or a partial interest such as a leasehold estate or an easement. The three most common types of property rights involved in the appraisal process are defined below.<sup>3</sup>

**Fee simple estate** absolute ownership unencumbered by any other interest or estate; subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

**Leased fee estate** the ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

**Leasehold estate** the right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

The appraisal of the fee simple interest in the subject property is being presented in this report, subject to “Schedule B” of the right of way disposal report prepared for the subject property. A very small portion of the subject property is leased which creates a leasehold estate in that portion of the property. Any value of the leasehold estate is beyond the scope of this appraisal.

## Scope of Work

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The appraisal process is an orderly set of procedures that is undertaken to solve a problem concerning the value of real estate. These procedures help direct an appraiser to identify the particular appraisal problem and lead to reporting its solution to the client. The initial step in this process is the definition of the appraisal problem. This is accomplished through the identification of the real estate, the date of value to be utilized, the property rights to be appraised, and the type of value sought to be estimated.

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<sup>2</sup> *The Appraisal of Real Estate*, 14<sup>th</sup> ed. (Chicago: Appraisal Institute, 2013) p70

<sup>3</sup> *The Dictionary of Real Estate Appraisal*, 6<sup>th</sup> ed. (Chicago: Appraisal Institute, 2015) p90 and p128

After the appraisal problem is identified, general data on the market and the subject property is collected. This data includes information about the state, county, city, neighborhood, and the subject site and improvements. This information is then examined to conclude a highest and best use of the property being appraised. It is also during this stage in the process that any potentially applicable comparable cost, rental and sales market data is collected for analysis in the valuation of the subject property.

#### *Area Analysis*

Research during the preparation of this appraisal included a regional analysis as well as analysis of the more immediate area surrounding the subject property. Primary sources of information are cited within the body of this report and include the United States Census Bureau, the United States Department of Labor and Center for Business Research, the Arizona Department of Commerce, the Arizona Department of Economic Security, the Arizona State University Center for Real Estate Theory and Practice, and various local and regional business publications.

Neighborhood data was gathered from the City of Mesa, as well as from a physical inspection of the area. Specific data pertaining to the metropolitan Phoenix land market was provided by the Arizona State University, CB Richard Ellis, Newmark Grubb Knight Frank, Cassidy Turley Real Estate Services, and real estate agents and brokers active in the market.

#### *Property Description*

Primary sources of information regarding the description of the subject property include a physical inspection of the property by the appraiser on April 26, 2018, and several other dates. Zoning information and information relating to the availability of utility infrastructure was provided by the City of Mesa. Title information is based upon the Right of Way Disposal Report provided by the Client. Other sources of information utilized in this appraisal include the Office of the Maricopa County Recorder, Maricopa County Treasurer and Maricopa County Assessor, and the Federal Emergency Management Agency.

#### *Market Data Information*

The market data used in this appraisal was collected, in part, from real estate agents and brokers who are knowledgeable of the subject marketplace, local and regional publications, and CoStar Group. The appraiser researched comparable market transactions occurring within the subject market area, and found sufficient data to estimate a reliable value of the subject property under appraisement. The market search for similar properties was specifically concentrated in the east Mesa area. The analysis of the market incorporated both historic and current data.

After all the data is gathered, an analysis of the market and subject property is undertaken. This is done to gain an understanding of the market and subject property so that informed conclusions as to the value of the subject property can be formulated. One of the primary objectives of this analytical process is to assist the appraiser in determining the highest and best use of the subject property, as if vacant and as improved, if applicable. The data and analysis is then applied to the three traditional approaches to value: the cost approach, the sales comparison (or market) approach, and the income capitalization approach, if applicable.



The final step in the appraisal process is the reconciliation or correlation of the conclusions derived from the approaches to value utilized. In the reconciliation, the appraiser considers the relative applicability of each of the approaches and then examines the range provided by the indications of value from each applicable approach to value. The appraiser must consider the strength and weaknesses of each approach and the reliability of each indicator as it relates to the subject property. The final value estimate may be stated as a single figure, a range, or a combination of both.

Under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice, an appraiser may communicate the results of an appraisal in either an “Appraisal Report” or a “Restricted Appraisal Report”. The primary difference between the report formats is who may rely on the appraisal. The *Appraisal Report* format was chosen for this appraisal assignment. The depth of discussion presented in this report is based upon the scope of the appraisal assignment and the stated intended use and users.

The scope of this report includes the accumulation and analysis of pertinent and sufficient market data in order to employ a meaningful and appropriate valuation methodology in the appraisal of the fee simple interest in the property that is the subject of this report. This appraisal report is written in accordance with the guidelines and standards of the Uniform Standards of Professional Appraisal Practice, the Code of Ethics of the American Society of Appraisers, and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, the Federal Highway Administration (FHWA) Uniform Act, 49 CFR Part 24, and the Arizona Department of Transportation.

## Limiting Conditions

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The underlying assumptions and limiting conditions pertaining to this report are contained in the Certificate of Appraiser on page 48 and Addendum A to this report. These assumptions and limiting conditions are an integral part of the report and are only placed at the end to facilitate reading of the report, not to minimize their importance.

## Extraordinary Assumptions and Hypothetical Conditions

The Appraisal Foundation defines an *extraordinary assumption* as, “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”<sup>4</sup> There have been no extraordinary assumptions made in the appraisal of the property for this assignment.

A *hypothetical condition* is, “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis”, as defined by The Appraisal Foundation<sup>5</sup>. The opinions and conclusions as stated within this report are not based upon any hypothetical conditions.

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<sup>4</sup> Uniform Standards of Professional Appraisal Practice, 2018-2019 Edition, The Appraisal Foundation

<sup>5</sup> Uniform Standards of Professional Appraisal Practice, 2018-2019 Edition, The Appraisal Foundation



## **FACTUAL DATA**

## Identification of the Real Estate

The first step in the appraisal process is the definition of the appraisal problem, which includes the identification of the real estate to be appraised. There are several ways to identify a property, including by reference (if the property is named), by address and by the identity of a physical entity in a legal description.

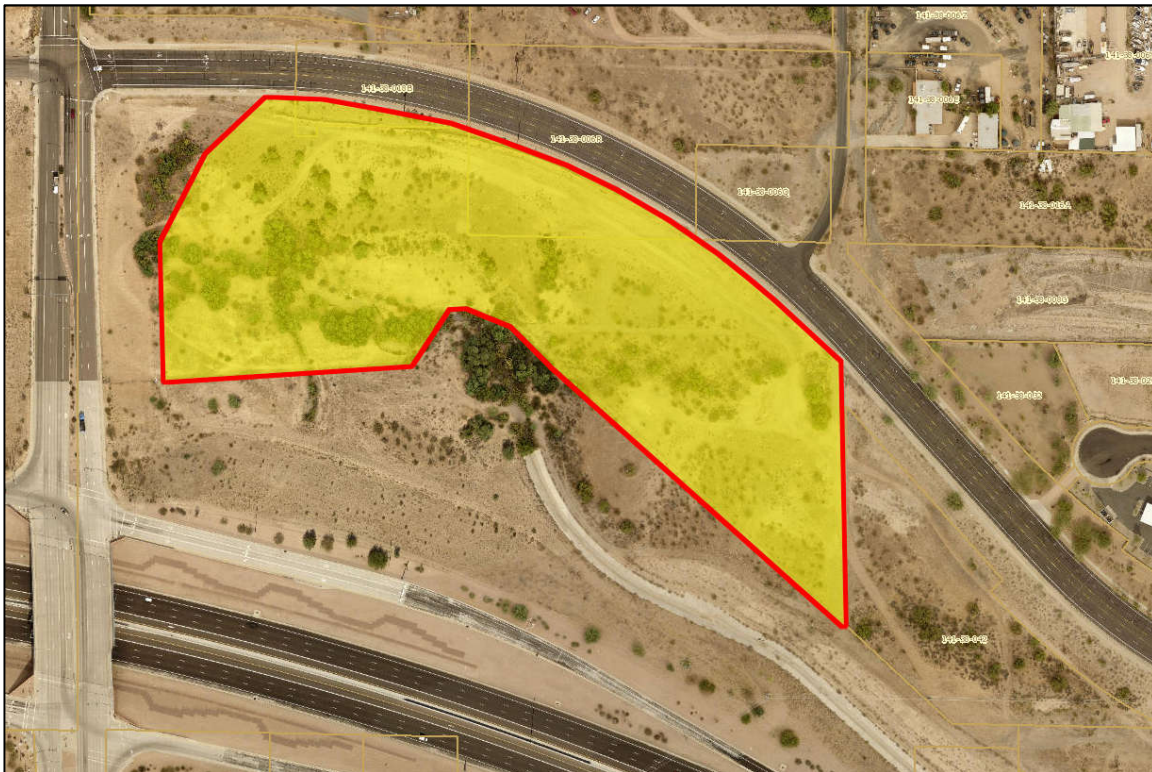
The purpose of this section of the report is to identify the property only. A physical description of the property to be appraised can be found later in this report beginning on page 23 of this report. The property that is the subject of this report may be commonly identified as follows:

Location.....	Southeast of Higley Road and Thomas Road
Street Address .....	None Given
City, State, ZIP .....	Mesa, Arizona 85215
Assessor Parcel Number(s) .....	Unassessed

### Legal Description<sup>6</sup>

A portion of the Southwest quarter of Section 26, Township 2 North, Range 6 East, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona

**Figure 1 – Property Identification**



## Ownership and Occupancy

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### Ostensible Owner

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According to public records, the State of Arizona, by and through its Department of Transportation, holds title to the subject property as of the date of valuation.

### Five Year Sales History

Investigation of the public records fails to reveal any arms-length transactions involving the subject property within five years of the date of valuation. The current vesting of the subject property is established by several Warranty Deeds recorded with the Maricopa County Recorder over a seven month period in 2000. The appraiser has not discovered any evidence indicating that the subject property is currently offered for sale.

### Occupancy

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When analyzing the bundle of rights inherent to the subject property, tenancies of the property must be examined. Tenancy is created when real estate ownership is divided into property interests. This can result from co-ownership of real estate, or when the right to use and occupy a property is conveyed through a lease. The occupancy of the property to be appraised as of the effective date of this appraisal is as follows:

- ☒ Vacant Land
- ☐ Unoccupied
- ☐ Owner-occupied
- ☐ Tenant-occupied

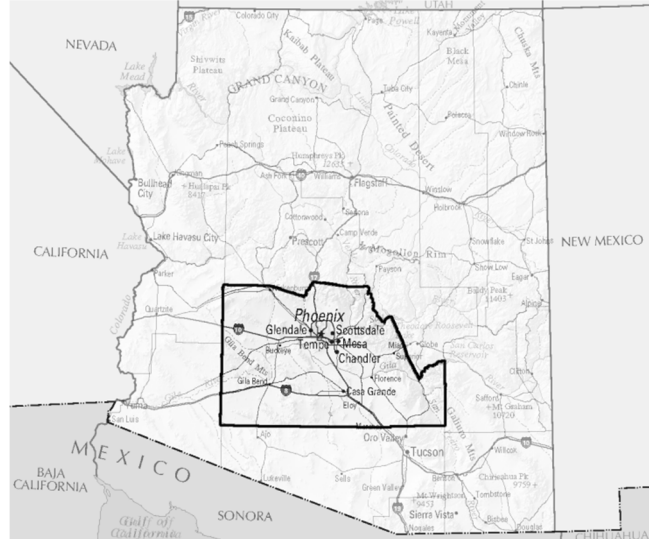
The property owner has entered into a Rental and Access Agreement allowing Nammo Talley Inc. to access a 500 square foot area surrounding a water monitoring well located on the property being appraised. This agreement is on a year-to-year basis which began in October 2016 and has a contract rental rate of \$100 per year.

## Regional Analysis

### Location and Climate

The sunbelt state of Arizona is among the fastest growing in the nation with the majority of new residents moving into the metropolitan Phoenix area. Known informally as the “Valley of the Sun”, this area covers only eight percent of the state’s 113,909 square miles but encompasses most of the urban core of Maricopa County where 60 percent of Arizona’s population lives. This large population base exerts considerable economic and political influence over the balance of the state and contributes to making metropolitan Phoenix the largest trade center in the southwestern United States.

**Figure 2 – State Map**



Geographically, the Phoenix metropolitan area is in Maricopa County located near the center of the state at an elevation of approximately 1,100 feet above sea level. Maricopa County has low mountain ranges, desert valleys and man-made lakes, with 1,300 miles of canals crisscrossing the county’s agricultural districts. Maricopa County contains a total land area of 9,222 square miles and a total water area of 98.4 square miles. The federal government owns or controls 59% (including Indian controlled lands), the State of Arizona and local governments own or control 11%, with the remaining 30% in private ownership. Phoenix is the Arizona state capitol and Maricopa County seat of government.

Climate is one of the most attractive features of the State and the metropolitan Phoenix area, with a year-long average of nearly 86 percent sunshine. The average annual daily high temperature is 87 degrees, and the average annual low is 61 degrees Fahrenheit. Much of southern Arizona, including the Phoenix area, is considered to be arid with an annual precipitation of 8.29

**Figure 3 – Phoenix Climate**

Month	Avg. High	Avg. Low	Mean	Avg. Precip	Record High	Record Low
Jan	67°F	45°F	54°F	0.83 in.	88°F (1971)	16°F (1913)
Feb	71°F	48°F	60°F	0.77 in.	92°F (1986)	24°F (1933)
Mar	76°F	51°F	65°F	1.07 in.	100°F (1988)	25°F (1966)
Apr	85°F	58°F	71°F	0.25 in.	105°F (1992)	35°F (1922)
May	94°F	67°F	81°F	0.16 in.	114°F (1910)	39°F (1899)
Jun	104°F	75°F	90°F	0.09 in.	122°F (1990)	49°F (1908)
Jul	104°F	81°F	95°F	0.99 in.	121°F (1995)	63°F (1912)
Aug	105°F	80°F	95°F	0.94 in.	116°F (2003)	58°F (1917)
Sep	99°F	75°F	87°F	0.75 in.	116°F (1950)	47°F (1965)
Oct	88°F	63°F	75°F	0.79 in.	107°F (1980)	34°F (1971)
Nov	75°F	50°F	63°F	0.73 in.	96°F (1924)	27°F (1931)
Dec	70°F	44°F	56°F	0.92 in.	87°F (1950)	22°F (1911)
Annual	87°F	61°F	74°F	8.29 in.		

www.weather.com

inches. The coldest months are December, January and February, while the hottest months are June, July, August and September. Although generally moderate, the summer months can become quite hot with temperatures often exceeding 110 degrees Fahrenheit.

## Source of Water

In desert environments, a continuing and adequate supply of water is necessary to ensure ongoing growth. The Salt River Valley is supplied with water from rain and melting snow in Arizona's mountains. The Salt River Project has constructed dams along rivers to the north and east of the Valley to collect and store this runoff water. These dams have historically provided sufficient water for agriculture and residential use. In addition, development of effective reclaimed wastewater projects has increased the Valley's overall water supply. Another important source of water for the Salt River Valley is the Central Arizona Project (CAP), which was formed to direct Colorado River water into central Arizona. The CAP provides a vital source of water to supplement the valley's current supply.

## Population

Based upon the 2000 decennial census performed by the U.S. Bureau of Census, Arizona has a population 5,130,632 persons. The population of Arizona increased by 40.0% over the 3,665,339 estimate made in the 1990 census. Only the population of Nevada grew at a faster rate than Arizona during this decade.

Arizona currently ranks as the 14<sup>th</sup> largest state. The 2017 Census population estimate for the State of Arizona by the U.S. Census Bureau is 7,016,270.

**Figure 4 – Historical Decennial Population Estimates<sup>7</sup>**

	Arizona	Phoenix MSA
Census Estimates		
2010	6,392,017	4,200,427
2000	5,130,632	3,251,876
1990	3,665,339	2,238,498
1980	2,716,546	1,600,093
1970	1,775,399	1,039,807
1960	1,302,161	726,183

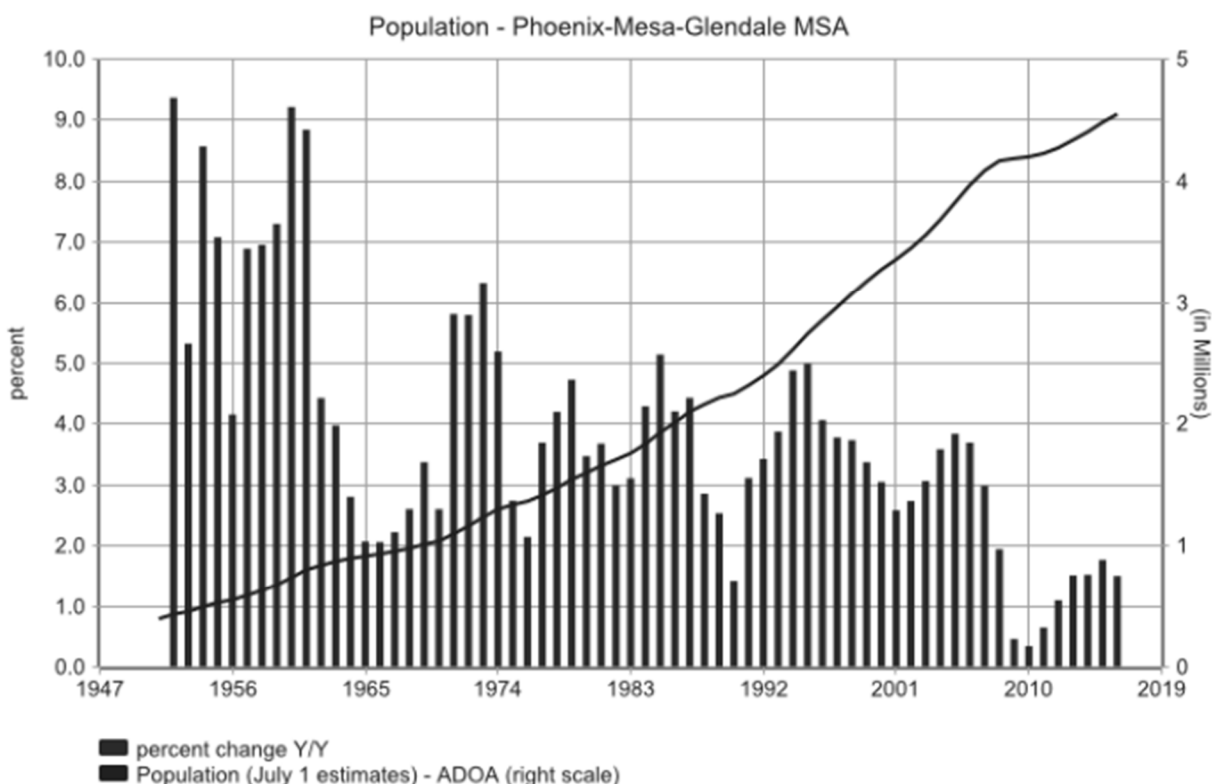
The U.S. Bureau of Census defines the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area (MSA) as both Maricopa and Pinal counties in central Arizona. Approximately 91% of the MSA's population, however, is located in Maricopa County. Based upon U.S. Census Bureau data, Maricopa County is the most populous of Arizona's counties with a 2010 estimate of 3,817,117 persons and has grown by approximately 24.6% since 2000. Pinal County, which together with Maricopa County comprises the Phoenix-Mesa-Scottsdale MSA, recorded the greatest growth rate between 2000 and 2010 at 109.1%. The 2017 population estimate for Maricopa and Pinal Counties is 4,649,287.

The greater metropolitan Phoenix area is comprised of the cities of Phoenix, Mesa, Chandler, Glendale, Scottsdale, Gilbert, Tempe, Peoria, Surprise and numerous smaller communities. While Phoenix is the state's largest municipality with a 2017 estimated population of 1,579,253 these other eight communities boast populations in excess of 100,000 each. The City of Phoenix has also become the sixth largest city in the United States. The surrounding municipalities of Apache Junction, Avondale, Buckeye, El Mirage, Fountain Hills, Goodyear, Paradise Valley, and Queen Creek, each have a population of more than 10,000 persons. The cities of Casa Grande, Coolidge, Eloy, Florence and Maricopa, all within Pinal County, also have a population in excess of 10,000 persons.<sup>8</sup>

<sup>7</sup> Source: U.S. Census Bureau, American FactFinder

<sup>8</sup> Source: Arizona Department of Administration, Office of Employment and Population Statistics (<https://population.az.gov/population-estimates>)

**Figure 5** – Phoenix-Mesa-Glendale MSA Population Trend



Published by [Economic and Business Research Center](#) at [dataZoa.com](#)

Population (July 1st estimates) Phoenix-Mesa-Glendale MSA, Arizona, U.S.	2012	2013	2014	2015	2016	2017
Phoenix-Mesa-Glendale MSA 1/	4,273,897	4,338,672	4,404,888	4,482,906	4,550,388	4,649,287
% Chg from Year Ago	1.10%	1.52%	1.53%	1.77%	1.51%	2.17%
Arizona 1/	6,498,569	6,581,054	6,667,241	6,758,251	6,835,518	6,965,897
% Chg from Year Ago	0.94%	1.27%	1.31%	1.37%	1.14%	1.91%
United States 2/	313,993,272	316,234,505	318,622,525	321,039,839	323,405,935	325,719,178
% Chg from Year Ago	0.75%	0.71%	0.76%	0.76%	0.74%	0.72%
1/ July 1 estimates, Office of Employment and Population Statistics, Arizona Department of Administration						
2/ Census						
Published by <a href="#">Economic and Business Research Center</a> Powered by <a href="#">dataZoa</a>						

## Economic Trends

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The historical principal industries in Arizona have been agriculture, mining, trade and services. Through the years, there has been a shift in the State's industrial structure, with significant declines in mining and agriculture in relation to other sectors. Agriculture and mining remain significant forces in the local economy of some parts of rural Arizona. Maricopa County is the largest producer of crops and livestock in the State, although their shares of employment and gross product are comparatively small. Biomedical research, and solar power generation and its related industries, are relatively new to the area and could potentially have a more significant impact on the metropolitan Phoenix area.

The state gross domestic product (GDP) is the sum of gross state product originating from all industries in Arizona. This is a measurement of the State's output, which was estimated to be \$161,792 million in 2000. The Arizona GDP, the counterpart to the national gross domestic product, had been increasing prior to 2007. By 2008, the Arizona GDP had increased to \$261,128 million, but decreased to \$245,216 million in 2009. The Arizona GDP has been increasing since 2009 to its current level of \$321,635 million in the third quarter of 2017, providing an indication of an economic recovery.<sup>9</sup> According to the Bureau of Economic Analysis website,

Real gross domestic product (GDP) increased in every state and the District of Columbia in the third quarter of 2017, according to statistics on the geographic breakout of GDP released today by the U.S. Bureau of Economic Analysis. Real GDP by state growth in the third quarter ranged from 5.7 percent in Delaware to 0.5 percent in South Dakota.

For the nation, 17 of 21 industry groups increased in the third quarter. Finance and insurance, durable goods manufacturing, and information services were the leading contributors to national economic growth

- Finance and insurance increased 14.7 percent nationally and contributed to growth in every state and the District of Columbia. This industry was the leading contributor to growth in seven of the ten fastest growing states, including Delaware—the fastest growing state.
- Durable goods manufacturing increased 7.5 percent nationally—the sixth consecutive quarter of growth. This industry increased in 49 states and the District of Columbia, and was the leading contributor to growth in Oregon.
- Information services increased 9.0 percent nationally. This industry contributed to growth in every state and the District of Columbia, and was the leading contributor to growth in Washington
- Mining increased 9.7 percent nationally—the fourth consecutive quarter of growth. Although this industry wasn't a leading contributor to growth for the nation, it was the leading contributor to growth in Texas—the second fastest growing state.
- Agriculture, forestry, fishing, and hunting declined 2.4 percent nationally—the fourth consecutive quarter of decline. This industry subtracted from growth in every state in the Plains region, most notably in South Dakota and Iowa.

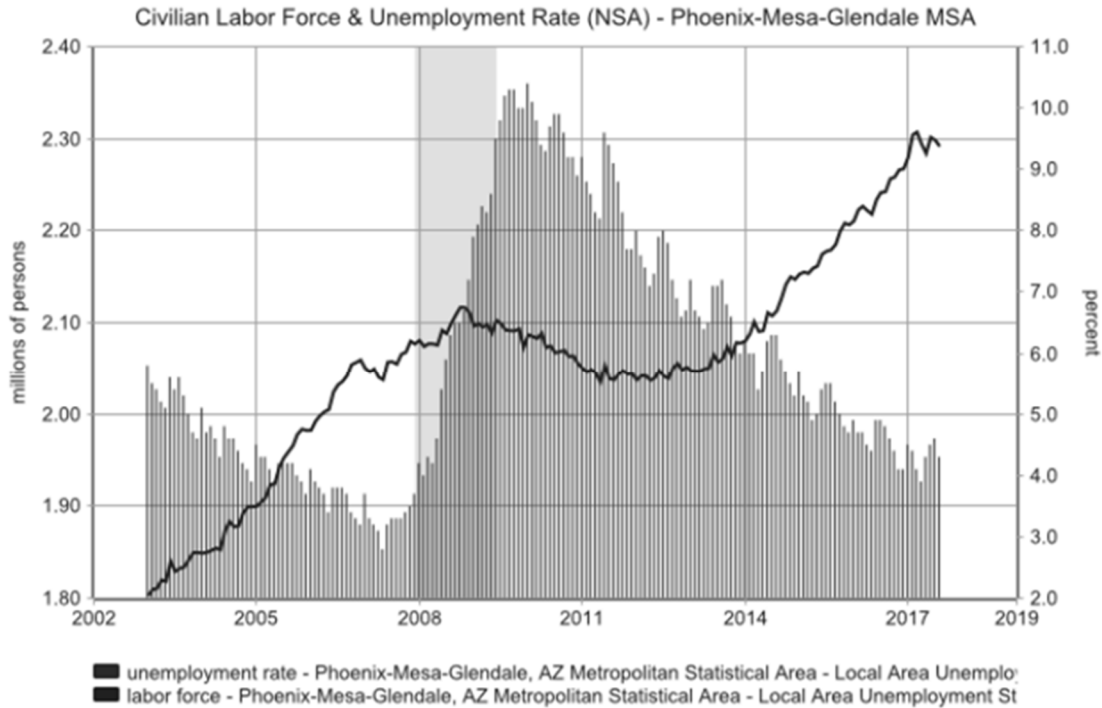
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<sup>9</sup> United States Department of Commerce, Bureau of Economic Analysis;  
[https://www.bea.gov/newsreleases/regional/gdp\\_state/qgsp\\_newsrelease.htm](https://www.bea.gov/newsreleases/regional/gdp_state/qgsp_newsrelease.htm);  
[https://www.bea.gov/newsreleases/regional/gdp\\_state/2017/xls/qgsp0717.xlsx](https://www.bea.gov/newsreleases/regional/gdp_state/2017/xls/qgsp0717.xlsx)



## Labor Force and Employment

**Figure 6 – Phoenix-Mesa-Glendale MSA Labor Force and Unemployment Rate**



Published by Economic and Business Research Center at dataZoa.com

Labor Force - Phoenix-Mesa-Glendale MSA (not seasonally adjusted)	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017
<i>Local Area Unemployment Statistics, Bureau of Labor Statistics</i>						
Civilian Labor Force	2,298,355	2,294,063	2,317,213	2,302,324	2,323,379	2,325,098
% Chg from Year Ago	2.53% ↑	2.31% ↑	2.70% ↑	1.96% ↑	2.53% ↑	2.55% ↑
Employment	2,193,202	2,195,982	2,225,234	2,216,146	2,236,836	2,233,397
% Chg from Year Ago	2.86% ↑	2.92% ↑	3.41% ↑	2.67% ↑	2.97% ↑	2.67% ↑
Unemployment	105,153	98,081	91,979	86,178	86,543	91,701
% Chg from Year Ago	-3.86% ↓	-9.81% ↓	-11.86% ↓	-13.48% ↓	-7.81% ↓	-0.23% ↓
Unemployment Rate	4.6	4.3	4.0	3.7	3.7	3.9
Chg from Year Ago	-0.3	-0.5	-0.6	-0.7	-0.4	-0.2
Published by  Economic and Business Research Center. Powered by dataZoa						

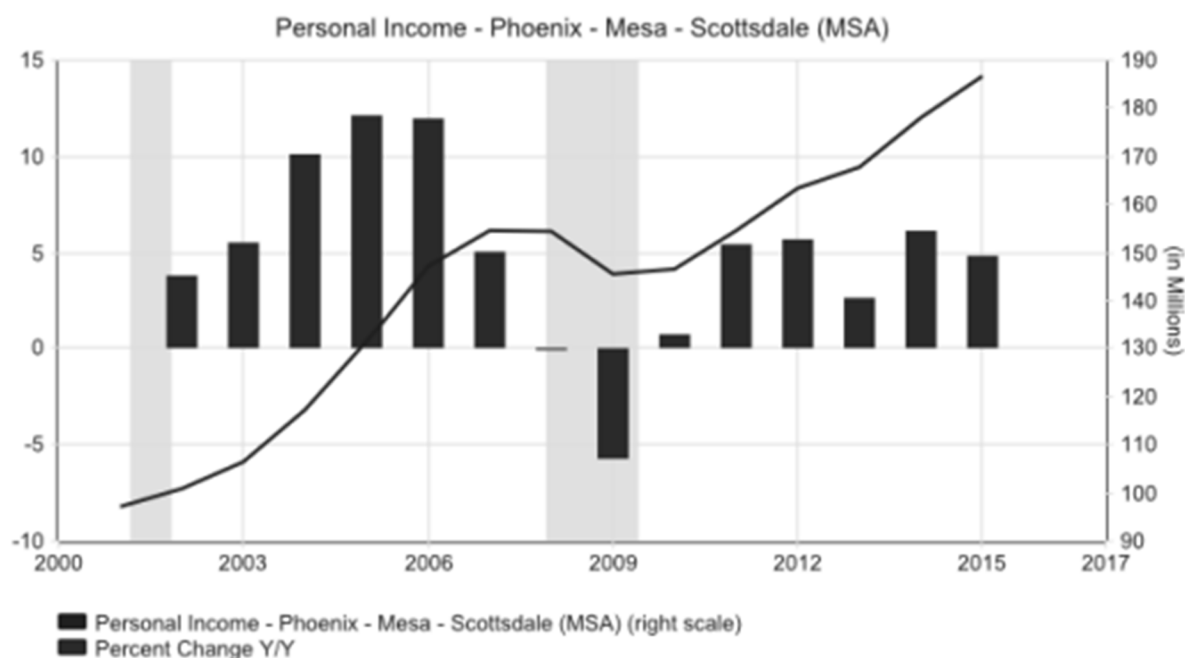
The preliminary average monthly statewide total civilian labor force in December 2017 was estimated to be 3,340,100 persons with an average unemployment rate of 4.5%<sup>10</sup>. The average monthly total civilian labor force was 2,325,098 for the Phoenix-Mesa-Scottsdale MSA, while the average unemployment rate was 3.9%. Although the unemployment rate for the greater Phoenix area has increased from the twenty-year record low of 2.7% in the late 1990's, it has historically been below that of both the state and national averages. The unemployment rates for both the State and Phoenix-Mesa-Scottsdale Metropolitan Area have been generally increasing between mid-2007 and late 2010, there has been some downward movement since mid-2010.

<sup>10</sup> University of Arizona, Economic and Business Research Center;  
<https://ebr.eller.arizona.edu/current-indicators/arizona-us>;  
<https://ebr.eller.arizona.edu/current-indicators/phoenix-mesa-scottsdale-msa>

## Income and Wages

The Economic Business and Research Center (EBRC) at the University of Arizona estimates the per capita personal income to be \$40,415 utilizing estimates from the Arizona Office of Employment and Population Statistics at year end 2016. The Arizona per person income measured \$37,595 in 2015 which ranked 47<sup>th</sup> in the nation. According to George W. Hammond, EBRC Director and Professor, “Arizona’s per capita income ranked low in large part because wages tend to be low in Arizona. It was also related to the state’s relatively low employment-population ratio (driven by demographics), income from dividends, interest, and rent, and transfer income.”<sup>11</sup>

**Figure 7 – Phoenix-Mesa-Glendale MSA Personal Income**

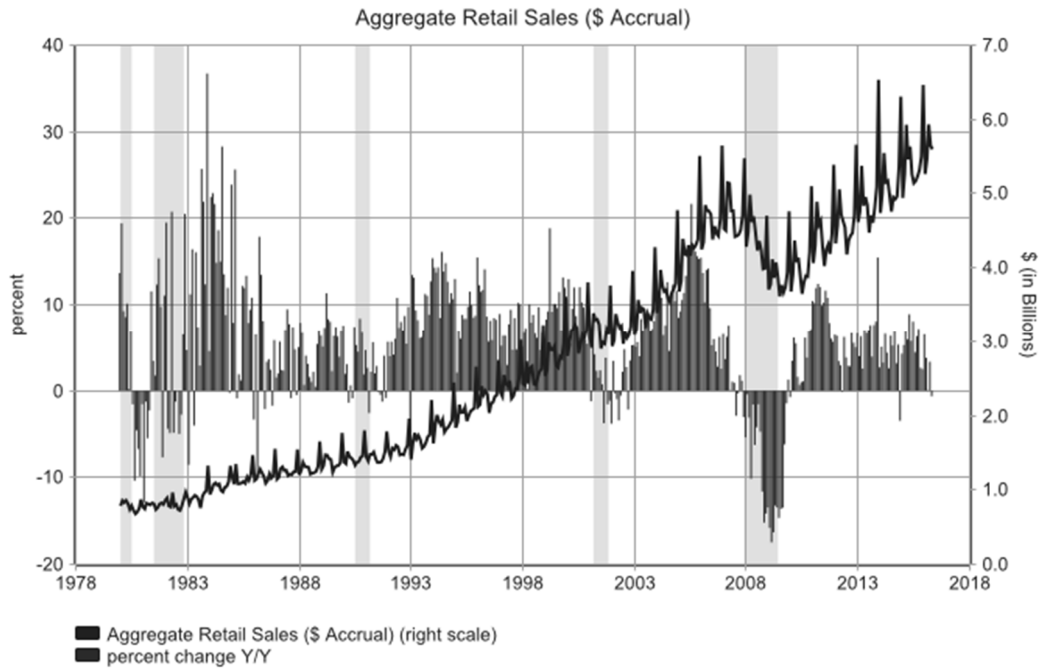


Income, Earnings and Wages - Phoenix-Mesa-Scottsdale MSA	2011	2012	2013	2014	2015	2016
<i>Current \$ 000s, CA4 Personal Income and Employment by Major Component, Bureau of Economic Analysis and EBRC</i>						
Total personal income	154,596,814	163,407,229	167,760,664	178,114,443	189,306,602	196,801,479
% Chg from Year Ago	5.44% ↑	5.70% ↑	2.66% ↑	6.17% ↑	6.28% ↑	3.96% ↑
Per capita personal income 1/	36,568.45	38,233.78	38,666.36	40,435.63	42,228.55	43,249.38
% Chg from Year Ago	4.77% ↑	4.55% ↑	1.13% ↑	4.58% ↑	4.43% ↑	2.42% ↑
Nonfarm personal income 2/	154,227,072	163,015,852	167,209,959	177,638,727	188,906,370	196,364,959
Farm income 3/	369,742	391,377	550,705	475,716	400,232	436,520
Earnings by place of work	109,675,431	115,843,100	121,210,921	127,384,858	134,558,561	141,320,318
% Chg from Year Ago	4.85% ↑	5.62% ↑	4.63% ↑	5.09% ↑	5.63% ↑	5.03% ↑

<sup>11</sup> *Ranking Arizona: Income and the Quality of Life, Arizona's Economy*, Fall 2017 Issue

## Retail Sales

**Figure 8 – Aggregate Retail Sales**



Sales - Phoenix-Mesa-Glendale MSA	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017
<i>\$ millions (accrual), ADOR and EBRC 1/</i>					
Aggregate Retail 2/	5,984.08	5,819.31	5,321.58	5,618.79	5,760.21
% Chg from Year Ago	6.92%	5.94%	-0.26%	7.38%	6.90%
Retail (less food and gasoline)	4,008.29	3,974.51	3,529.16	3,782.76	3,831.20
Food 3/	737.64	740.28	742.92	745.57	748.22
Restaurants and Bars	875.28	762.29	713.08	735.76	813.23
Gasoline 4/	362.88	342.23	336.41	354.70	367.56
Gallons (000s), ADOT	161.06	150.63	152.50	162.56	154.18
Amusements	83.26	121.44	73.11	78.14	71.12
Hotel/Motel	144.18	102.92	88.10	91.21	114.28

1/ All data, with the exception of those footnoted below, are from Arizona Department of Revenue's "Transaction Privilege Tax Calculated Taxable Sales by County and Class."

2/ Aggregate retail sales is calculated by EBRC by summing retail sales less food (ADOR), restaurant and bar sales (ADOR), gasoline sales (EBRC), and food sales (EBRC).

3/ Food is not taxable in Arizona, EBRC uses forecasting models to estimate food sales in Arizona and the Phoenix and Tucson MSAs.

4/ EBRC calculates \$ value of gasoline sales using gallons sold (ADOT) multiplied by the AAA mid-month \$/gal price for regular gasoline in Phoenix.

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## Forecast Data

**Figure 9 – Phoenix-Mesa-Glendale MSA Forecast**

Phoenix-Mesa-Glendale MSA Forecast	2016	2017	2018	2019	2020	2021
Personal Income (\$ mil)	194,412.6	205,227.9	217,496.1	231,660	247,463.9	263,374.5
% Chg from Year Ago	4.13%	5.56%	5.98%	6.51%	6.82%	6.43%
Retail Sales (\$ mil)	67,137.8	70,867.0	73,459.0	77,592.1	82,429.3	86,778.1
% Chg from Prior	3.4%	5.6%	3.7%	5.6%	6.2%	5.3%
Total Nonfarm Employment (000s)	1,972.9	2,026.4	2,081.8	2,134.6	2,187.3	2,239.8
% Chg from Year Ago	3.1%	2.7%	2.7%	2.5%	2.5%	2.4%
Population (000s), July 1st estimates	4,550.4	4,624.7	4,706.5	4,790.7	4,879.6	4,971.6
% Chg from Year Ago	1.5%	1.6%	1.8%	1.8%	1.9%	1.9%
Residential Building Permits (units)	28,583.0	29,575.3	31,130.4	32,001.4	33,611.7	34,357.6
% Chg from Prior	27.6%	3.5%	5.3%	2.8%	5.0%	2.2%
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Published by <a href="#">Economic and Business Research Center</a> .					Powered by datazoa	

George W. Hammond, Ph.D., EBR Director with the Eller College of Management at The University of Arizona, reports

Arizona continues to add jobs, income, and residents at a faster pace than the nation. However, gains are coming at a slow pace compared to the state's own history. Demographics (aging of the baby boom generation) is likely playing a role here, and this will continue to be an issue in the long run.

The 30-year forecast calls for Arizona to outpace the national rate of job growth. However, that is not likely to be true for the state's growth in per capita income. This is expected to remain positive and outpace inflation, but the state is not expected to beat the national rate. That means Arizona is forecast to lose ground to the nation on a key measure of prosperity.

During the past 40 years, Arizona has gradually fallen further and further behind in per capita income, with slow wage growth contributing to the divergence. One key factor driving this has been the trend in four year college attainment, which has drifted from well above the national average in the 1940s to significantly below average today. If Arizona's college attainment rate continues to lag behind the national average, it will be very difficult to close the income gap.<sup>12</sup>

<sup>12</sup> [Arizona's Economy](#), Fall 2017 Issue ([www.azeconomy.org](http://www.azeconomy.org))

## Real Estate Market Sectors

### Land Market

According to Colliers International in their land market *Research & Forecast Report* for the first half of 2017, sales activity for land parcels increased during the first half of 2017 and will likely remain active during the second half of the year. According to the Colliers International report,

Sales of land parcels continued to accelerate to start 2017. The number of land sales rose 11 percent from the second half of 2016 to the first half of this year. Land transactions are up 50 percent from the pace established in the first half of last year.

Sales prices for land rose during the first half of the year. The median price reached \$4.10 per square foot, up 12 percent from the median price in 2016. Price gains were strongest for land parcels intended for commercial and industrial uses.

Sales of land parcels for residential uses have accounted for more than half of the total land transactions thus far in 2017. Activity for residential parcels slowed by about 3 percent from the second half of last year, but is up more than 50 percent from the first half of last year. Land sales for residential uses are off to the fastest start to a year since 2013.

Prices of land for residential development have trended lower as there have been fewer infill transactions and more sales in the suburbs. The median price during the first half of this year was \$2.72 per square foot, down 12 percent from the 2016 median price.

With the local economy picking up and the commercial real estate markets strengthening, land sales for commercial uses have accelerated. Sales in the first half of 2017 were up 32 percent from the same period in 2016.

Pricing for commercial land is also on the rise. The median price in land for commercial uses reached \$5.18 per square foot in the first half of 2017, up 24 percent from the 2016 median price. If market rents for commercial properties continue to push higher, there could be additional room for commercial land prices to rise.

Land sales for industrial uses got off to a strong start to 2017, with sales velocity up nearly 50 percent from the second half of last year. Some of the most significant transactions have been located along the Loop 303 in the Northwest Valley and south of the Interstate 10, between 75th Avenue and 107th Avenue.

Prices for land intended for industrial uses rose rapidly during the first half of the year, with the median price reaching \$4.30 per square foot. This is a 31 percent increase from the median price recorded in 2016

### Single Family Housing Sector

**Figure 10 – ARMLS Marketwatch Report, Q4-2017 Overview**

	Median Sales Price		Average Sales Price		Pct. of List Price Received		Days on Market		Closed Sales	
	Q4-2017	1-Yr Chg	Q4-2017	1-Yr Chg	Q4-2017	1-Yr Chg	Q4-2017	1-Yr Chg	Q4-2017	1-Yr Chg
Maricopa	\$254,900	↑ + 8.5%	\$315,498	↑ + 8.0%	98.2%	↑ + 0.2%	45	↓ - 8.5%	19,083	↑ + 2.5%
Pinal	\$192,775	↑ + 10.9%	\$207,918	↑ + 10.8%	98.3%	↑ + 0.6%	52	↓ - 17.1%	2,128	↑ + 8.6%

## **Multifamily Housing Sector**

According to the Colliers International, a national real estate services firm with an office in the metropolitan Phoenix area:<sup>13</sup>

The Greater Phoenix multifamily market closed out another strong year in 2017. Vacancy inched higher in the fourth quarter, but the rate is still lower today than it was one year ago. Vacancy has remained in a very tight range since the second half of 2014, with the rate never ticking above 6.5 percent or below 5.0 percent.

The vacancy rate has remained low even as a wave of new units has come online. Deliveries peaked in 2017 and the pace of new construction will likely slow in the year ahead. While the number of new units forecast to come online in 2018 will mark a dip from the 2017 total, deliveries are being spread across a greater number of submarkets than in recent years. More than half of the submarkets in Greater Phoenix have units currently under construction, with activity picking up in areas such as Peoria, Goodyear and Avondale.

Sales of multifamily buildings were very consistent throughout 2017. During the fourth quarter, transaction velocity was nearly identical to figures for the first three quarters of the year. The underlying health of the market is driving investor demand, particularly as new projects get leased up and rents continue to tick higher. Cap rates compressed in 2017, particularly during the second half of the year. Cap rates averaged 5.5 percent during the past 12 months, a modest decline from 2015 and 2016 levels

## **Industrial Sector**

The Phoenix Industrial market ended the fourth quarter 2017 with a vacancy rate of 7.8%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 2,684,912 square feet in the fourth quarter. Vacant sublease space increased in the quarter, ending the quarter at 1,076,489 square feet. Rental rates ended the fourth quarter at \$7.21, an increase over the previous quarter. A total of 19 buildings delivered to the market in the quarter totaling 1,344,577 square feet, with 6,888,332 square feet still under construction at the end of the quarter.<sup>14</sup>

## **Office Sector**

The Phoenix Office market ended the fourth quarter 2017 with a vacancy rate of 14.7%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 898,494 square feet in the fourth quarter. Vacant sublease space decreased in the quarter, ending the quarter at 1,321,543 square feet. Rental rates ended the fourth quarter at \$24.57, an increase over the previous quarter. A total of six buildings delivered to the market in the quarter totaling 338,421 square feet, with 1,740,329 square feet still under construction at the end of the quarter.<sup>15</sup>

## **Retail Sector**

The Phoenix retail market experienced a slight improvement in market conditions in the fourth quarter 2017. The vacancy rate went from 8.2% in the previous quarter to 7.8% in the current quarter. Net absorption was positive 1,371,431 square feet, and vacant sublease space decreased by (39,091) square feet. Quoted rental rates increased from third quarter 2017 levels, ending at \$15.31 per square foot per year. A total of 19 retail buildings with 384,251 square feet of retail space were delivered to the market in the quarter, with 1,079,532 square feet still under construction at the end of the quarter.<sup>16</sup>

<sup>13</sup> Colliers International, Research & Forecast Report, Greater Phoenix, Multifamily, 4Q 2017

<sup>14</sup> Source: The CoStar Industrial Report, Year-End 2017, Phoenix Industrial Market

<sup>15</sup> Source: The CoStar Industrial Report, Year-End 2017, Phoenix Industrial Market

<sup>16</sup> Source: The CoStar Retail Report, Year-End 2017, Phoenix Retail Market

## 19

The topography of the area is generally flat with a gradual slope to the north and west. Properties in the area generally drain into the Salt River, which is ephemeral and flows only in response to precipitation events or releases from the Granite Reef Dam just north of Mesa. The Utery Mountains are located south of the Salt River near the northeastern portion of the neighborhood. The Fannin-McFarland Aqueduct of the Central Arizona Project enters the neighborhood through the Utery Mountains and extends in a southeasterly direction. The Eastern Canal and the Roosevelt Water Conservation District Canal also cross the neighborhood.

## **Transportation**

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Metropolitan Phoenix streets are generally laid out in a grid system with primary arterial roadways on section lines at one mile intervals. The network of principal and secondary street is well developed and provides the neighborhood convenient access to the rest of the city and to the balance of metropolitan Phoenix.

The primary north/south arterial roadways through the subject neighborhood are Gilbert Road, Lindsay Road, Val Vista Drive, Greenfield Road, Higley Road, Recker Road and Power Road. Primary east/west arterial roadways are McDowell Road, McKellips Road, and Brown Road. Thomas Road is located one mile north of McDowell Road but extends only two miles between Higley Road and Power Road, and west from Val Vista Drive approximately one mile. The arterial roadways are generally paved with asphalt and carry multiple lanes of traffic.

The Red Mountain Freeway (State Route 202) provides access to the regional freeway system and the other communities which comprise the metropolitan area. Access to the freeway from the subject neighborhood is made by interchanges at McDowell Road, Val Vista Drive, Greenfield Road, Higley Road and Power Road. The Red Mountain Freeway extends east from the Pima Freeway (State Route 101) to the Superstition Freeway (US Highway 60) in east Mesa. State Route 101 then continues south as the Santan Freeway and creates a loop around the southeast metropolitan Phoenix area.

Public air transportation for the subject neighborhood is provided primarily by Phoenix Sky Harbor International Airport east of downtown Phoenix. The airport has three runways, three domestic terminals with 112 gates, an international terminal, four cargo buildings, and houses the Arizona Air National Guard. Based upon statistics from the Airports Council International, Sky Harbor was the thirteenth busiest airport in the nation in terms of passenger traffic with 43,302,381 passengers enplaned and deplaned during 2016, as well as being the twelfth busiest airport for all traffic movements.<sup>17</sup>

Cargo air service and limited passenger air service is also provided by Williams Gateway Airport, the former Williams Air Force Base, located southeast of the subject neighborhood in Mesa. The airport has three runways and is used primarily for general aviation flight training, although other uses including military aircraft, large aircraft flight-testing, and cargo operations are common. Mesa Falcon Field Municipal Airport located at Higley Road and McDowell Road also provides service to the subject neighborhood and is used primarily for general aviation purposes.

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<sup>17</sup> Airports Council International ([www.aci-na.org](http://www.aci-na.org))



## **Land Use Patterns**

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Development patterns tend to be defined by zoning ordinances. The City of Mesa and Maricopa County have successfully coordinated city growth by defined zoning ordinances, construction requirements, and environmental requirements. The land use within the subject neighborhood is a variety of industrial, residential and commercial developments.

Land uses within the subject neighborhood are typical of that found throughout metropolitan Phoenix, with commercial and multi-family residential uses at or near arterial road intersections. Single family residential subdivision development is found on more interior parcels away from these intersections. There are several master-planned communities in and around the subject neighborhood, particularly east of Higley Road, including Red Mountain Ranch, Las Sendas, Painted Mountain, Apache Wells and Alta Mesa.

Commercial development within the neighborhood includes anchored retail centers, commercial office buildings, small residential service businesses, convenience stores, and service stations. The largest concentration of retail development within the neighborhood is found along Power Road at the intersections of McDowell Road and McKellips Road. Some of the retail users in the subject neighborhood include Walgreen's, Target, Albertson's/Osco, Basha's, and Big 5 Sports.

Industrial users in the area are found around Mesa Falcon Field, and are generally light industrial and business park developments. Boeing Helicopters has a large facility at the northwest corner of Higley Road and McDowell Road. Additional industrial users are for the most part found within the several industrial/business parks surrounding the airport.

## **Amenities**

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Utilities in the form of sanitary sewer, water, electric power, natural gas and telephone service are generally available and in use throughout the neighborhood. These utilities are adequate to support additional residential, commercial and/or industrial development. Municipal water service and sanitary sewer service are provided by the City of Mesa, Southwest Gas Company provides natural gas service, and CenturyLink and Cox Communications provide local telecom services. Electric service is provided by Salt River Project. Utility rates are equitable when compared to other areas of the city and do not adversely impact property values.

Fire and police protection are provided by the City of Mesa. Major medical facilities that serve the neighborhood include Banner Heart Hospital and Banner Baywood Medical Center located northwest of Power Road and Broadway Road, and Banner Desert Medical Center located at the southwest corner of Dobson Road and Southern Avenue.

Public educational facilities are located in and around the subject area, and include a number of K-12 schools within the Mesa Unified School District. Higher education facilities that serve the neighborhood include Mesa Community College at Red Mountain located at the northeast corner of Power Road and McKellips Road. The main campus of Arizona State University is located approximately fifteen miles to the west in Tempe.

Other amenities serving the subject neighborhood include a number of local city parks throughout the region, as are a number of public and private golf courses. The Utery Mountain Recreation Area is located a short distance to the east and is surrounded to the north and east by the Tonto National Forest. Superstition Springs Mall is a regional shopping center is located a short distance to the south at the southwest corner of Power Road and Southern Avenue.

## **Trends**

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The nation came out of the longest economic downturn of the post-World War II era in June 2009, eighteen months after the beginning of the “Great Recession”. And although this most recent recession is officially over, the local markets have yet to return to full health.

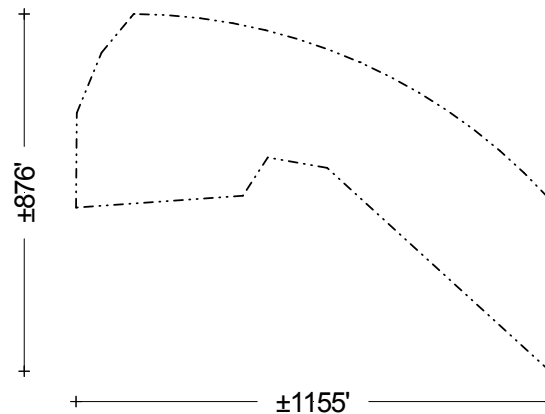
The subject neighborhood is characterized by a mix of residential, commercial and industrial users. The area is predominantly residential in character, although industrial uses are predominant around Falcon Field and extending north to the city limits. No drastic change in these land uses is likely to take place in the foreseeable future. The long-term outlook is for continued demand for residential housing and neighborhood commercial support facilities.

## Real Property Description

The following description of the subject property is based upon a physical inspection of the property on April 26, 2018, and on other occasions, in conjunction with an examination of Maricopa County public records.

### Site Data

Location	Southeast of Higley Road and Thomas Road		
Street Address	None Given		
City, State ZIP	Mesa, Arizona 85215		
County	<u>Maricopa</u>	Map Reference	<u>129-185LS</u>
Census Tract	<u>420206</u>	Block	<u>1000</u>
Assessor Parcel No(s)	Unassessed		
Land Area <sup>18</sup>	<u>447,706</u>	Square feet	
	<u>10.278</u>	Acres	
Shape/Dimensions	The subject property is irregular in shape, measuring approximately 1,155 feet east to west and approximately 876 feet north to south.		



<i>Street Improvements</i>	Street Name	Higley Road	Thomas Road
	Lanes (#   Direction)	3 North   2 South	2 East   2 West
	Street Width	Varies	±100 feet
	Center Lane/Median	Median	Lane
	Pavement	Asphalt	Asphalt
	Curb	Yes	Yes
	Gutter	Yes	Yes
	Sidewalk	Yes	Yes
	Lighting	Yes	Yes
	Frontage	±475 feet	±1,136 feet
	2017 Traffic Count	1,700	1,100

<sup>18</sup> Source: Arizona Department of Transportation

The intersection at Higley Road and Thomas Road near the northwest corner of the subject site is a signalized intersection. Both roadways are section line arterial roadways, although Higley Road north of Thomas Road becomes a two-lane collector roadway. Thomas Road west of Higley Road is on State Trust Land and is effectively a driveway to a sand and gravel operation. State Route 202 (Red Mountain Freeway) is located south of the subject site and has a full interchange at Higley Road.

*Access/Frontage*

The subject site has frontage along both Higley Road and Thomas Road, although the property is setback some distance from the Higley Road improvements as a result of a roadway embankment supporting Higley Road. The area immediately south of the subject site is within the right-of-way of State Route 202 and utilized for drainage purposes. The freeway road improvements are some distance from the subject site. Ingress and egress to the subject site is believed to be legally possible from both Higley Road and Thomas Road, although the topography of the site makes access from Higley Road impractical if not impossible. Access to the property is considered good.

*Surrounding  
Development*

North:	<u>Residential Development, Low Density</u>
South:	<u>Mixed Uses</u>
East:	<u>Vacant Land</u>
West:	<u>Vacant Land</u>

The subject property is located in an area of vacant land and industrial land uses north of Mesa Falcon Field Airport which is located approximately one mile southwest of the property being appraised. A few low-density residential uses are found north of the subject site, but industrial development is found further north including the Nammo Talley ammunition manufacturing headquarters. There are significant sand and gravel operations in close proximity on the land to the west and southwest of the subject site. A children's home compound, which includes residential and commercial components, and the Longbow Golf Club are located south of the subject site and across State Route 202.

*Utilities*

	In Use		Available from:
	Yes	No	
Electricity.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Salt River Project</u>
Water.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>City of Mesa</u>
Sanitary Sewer .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>City of Mesa</u>
Natural Gas .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Southwest Gas Company</u>
Telecom .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Cox Communications</u>
			<u>CenturyLink</u>

Utilities are not currently in use on the property, but are available in the area. Water lines (16" DIP) are located in the Thomas Road and Higley Road rights-of-way. A sewer line (12" DIP) is located near the southwest corner of the site extending underneath Higley Road and along the north side of State Route 202. Municipal sewer service would need to be extended to the property a short distance.

*Topography*

The topography of the site is generally level in the eastern portion of the site but does slope downward slightly toward the south. The western portion of the site is above the grade of Thomas Road although there is a significant swale in southwestern portion of the site. A well-defined ridge begins near the center of the southern property boundary and provides distinct line of demarcation between the lower and upper portions of the site, although this ridge becomes less defined near the western boundary of the site.

*Drainage*

It is apparent that water is intended to flow across the southwestern portion of the site. A concrete channel within the State Route 202 right-of-way directs water into a natural wash which crosses the southwest corner of the site to a culvert which carries water under Higley Road. A second culvert allows water to enter the subject site from the south under State Route 202. The appraiser estimates that an area of approximately 145,000 square feet in the southwest corner of the site, based upon aerial photographs, is impacted by the potential of water retention and flowage, as illustrated in the following figure.



*Flood Hazard*

FEMA Flood Insurance Rate Map(s):

Flood Zone(s)	Panel	Effective Date
X	04013C2280L	October 16, 2013

The Zone X designation is for areas of 0.2% chance of flood; area of 1% annual chance flood with average depths of less than one foot or with drainage areas less than one square mile; and areas protected by levees from 1% annual chance flood.

As with any property, the subject may be susceptible to standing water due to localized conditions not reflected on the Flood Insurance Rate Maps.

*Soil Conditions  
and  
Environmental  
Conditions*

The appraiser is not aware of any soils report or other environmental study having been conducted for the property, nor has any such report been requested or supplied to the appraiser. Furthermore, the appraiser has not performed any background investigation or testing for indications of contamination, whether man-made or naturally occurring. The client has provided an environmental clearance package indicating that there are no observed or suspected environmental concerns, although a water monitoring well operated by Nammo Talley is located on the site. This appraisal assumes that the property is not in violation of any federal or state environmental policy, act, statute or regulation.

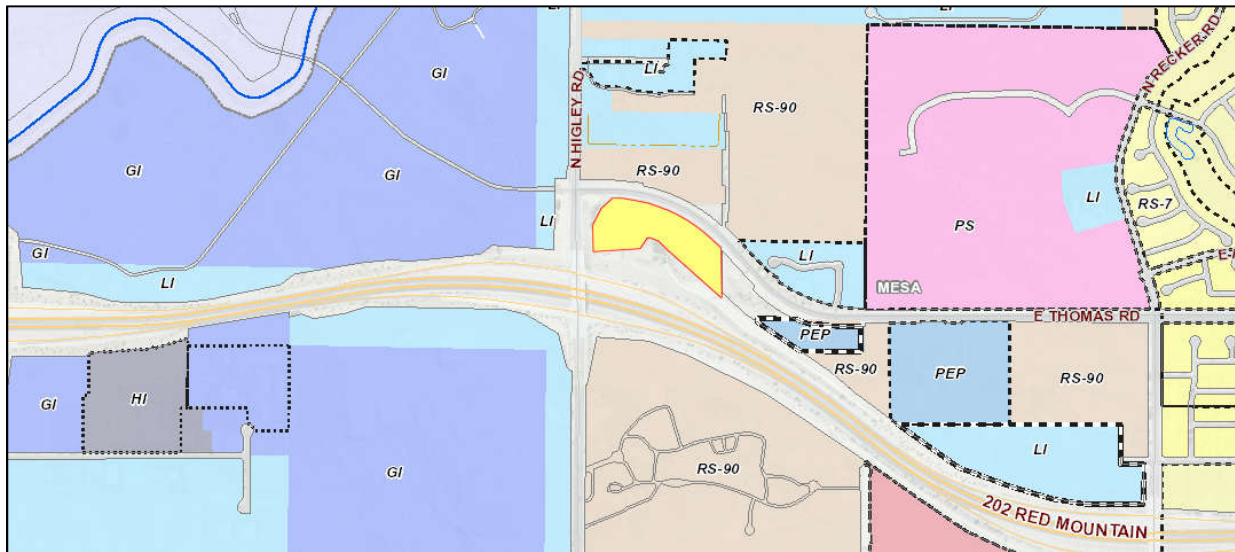
A physical inspection of the property was made and no factors were observed that would indicate the existence of surface or subsurface contamination of the property. A site assessment study by a qualified environmental engineer, hydrologist, geologist and/or other such experts may discover conditions that require action. This appraisal is written with the assumption that the property is free from environmental contaminants. The reader of this report is cautioned that the presence of such substances can have a dramatic impact upon the value of the property.

*Signs*

A physical inspection of the site did not reveal the presence of any on-premise signs or off-premise signs on the property. There are three wood signs (3' x 4') on the property identifying the site as an Arizona Department of Transportation excess parcel.

## Zoning

**Figure 12 – Zoning Map**



Portion of City of Mesa Zoning Map

The subject property is located in an area categorized for employment land uses as shown on the general plan for the City of Mesa. The property to be appraised is shown on the City of Mesa zoning maps as being a part of the right-of-way for State Route 202 (Red Mountain Freeway) and not within any specific zoning district. Properties to the west fall within the Light Industrial (LI) and General Industrial (GI) districts. Properties to the north are within the RS-90 Residential Single Dwelling District and the LI district. Properties to the east are PEP (Planned Employment Park), RS-90, LI and PS (Public and Semi-Public).

The appraiser has not found any evidence that there are pending zoning changes involving the property being appraised. The current use of the property as vacant land is considered to be a conforming use under current zoning regulations since vacant land is allowed under all zoning districts.

## Easements and Restrictions

The appraisal of a property involves consideration of the bundle of rights contained with the property and the effect of the loss of any of these private rights on its value as a whole. These rights are inherent in ownership of real property and guaranteed by law, but subject to certain limitations and restrictions.

A Right of Way Disposal Report dated February 3, 2016, prepared by the Arizona Department of Transportation does not suggest the presence of any easements or restrictions of the property. The legal description of the site reserves easements for existing utilities, if any, as well as a 500 square portion of the site surrounding the monitoring well site located on the property. A physical inspection did not reveal the presence of any obvious easements, restrictions or adverse uses which would affect the development potential, utility or marketability of the property to be appraised.

## **Taxes and Assessments**

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Since 1980, the State of Arizona has operated under two distinct valuation bases for levying ad valorem property taxes. Taxes levied against the net assessed amount of limited property valuation are referred to as primary taxes, and the dollars generated are used for the maintenance and operation of counties, cities, school districts, community college districts, and the state. Taxes levied against the net assessed amount of full cash value are referred to as secondary taxes, and the dollars generated are used for retirement of bonded indebtedness, voter-approved budget overrides, and the maintenance and operation of special service districts, such as sanitary, fire, and road improvement districts.

Real estate taxes in Arizona are assessed on a calendar year. The first installment, equal to one-half of the total tax liability, is due and payable on the first day of October and delinquent on the first day of November of the tax year. The second installment is payable on the first day of October of the tax year, but not due until the first day of March of the year following the tax year. The second installment becomes delinquent on the first day of May of the year following the tax year.

The full cash value (FCV) of real estate as estimated by Maricopa County is determined for ad valorem tax purposes, and is purportedly synonymous with market value according to state statute. In this instance, the subject property is unassessed and exempt from real property taxes because it is owned by the State of Arizona.

## **Division of Real and Personal Property**

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Personal property is a movable item of property that is not permanently affixed to, or part of, real estate. The Appraisal Institute offers two definitions of personal property:

1. The interests, benefits, and rights inherent in the ownership of tangible objects that are considered by the public as being personal; also called tangible personal property.
2. Identifiable tangible objects that are considered by the general public as being “personal” – for example, furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; all tangible property that is not classified as real estate. (USPAP, 2016-2017 ed.)<sup>19</sup>

When personal property is attached to the land and/or improvements, they are typically fixtures and become a part of the real estate. While fixtures are considered real estate, trade fixtures are not. Trade fixtures are those fixtures that are owned and attached to a rented space by a tenant. On occasion, it can be difficult to determine whether an item should be considered as personal property or real estate.

The valuation of any personal property located on the subject property is beyond the scope and purpose of this appraisal assignment. As a practical matter, the property being appraised is a vacant tract of land and a physical inspection did not reveal any evidence of personal property located on this parcel.

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<sup>19</sup> The Dictionary of Real Estate Appraisal, 6<sup>th</sup> ed. (Chicago: Appraisal Institute, 2015) p170



## VALUATION ANALYSIS



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## Highest and Best Use

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Highest and best use is a market-driven concept and is the underlying premise of estimating market value. The competitive forces in a property's market area directly influence the highest and best use of that property. The definition of highest and best use may be stated as, "the reasonably probable use of a property that results in the highest value."<sup>20</sup>

As stated in this definition, the analysis of highest and best use requires separate examinations of the land as if vacant, and the entire property as improved, when applicable. If a property is vacant, then only an analysis of the land is necessary. If a property is improved, it is necessary to analyze the highest and best use of the property as improved and as if it were vacant. In either instance, the highest and best use of the subject must be legally permissible, physically possible, financially feasible and maximally productive.

Implied within the definition of highest and best use is recognition of the contribution of that specific use to community environment or to community development goals. In cases where a site is improved, the highest and best use may be determined to be different from the existing use. The existing use will continue, unless and until the land value under its highest and best use exceeds the total value of the property in its existing use. The conclusion of highest and best use results from the appraiser's judgment and analytical skills and represents an opinion, not a fact, to be found.

### As If Vacant

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#### Legally Permissible

As indicated in the site analysis, the subject property is not presently within any zoning district, but is adjacent to the Light Industrial and Heavy Industrial districts which is consistent with the general plan for the City of Mesa. The appraiser spoke with a City of Mesa planner who indicated that any future zoning of the subject site would need to be consistent with the Employment designation on the general plan.

The reasonable probability of a change in zoning that would allow different uses of the land, other than those allowed under the current zoning classification, can also be important in giving an opinion as to the highest and best use of the property. In analyzing any possible change in zoning, the existing development of surrounding properties can be considered to determine what other land uses might be appropriate for the subject property. Other factors such as the public response to a change in zoning and support, or lack of support, by city planning personnel should also be taken into consideration in the probability of successfully obtaining a change in zoning.

In light of the existing land uses in the area and the general plan for the City of Mesa, a change in zoning is likely to occur that would allow land uses consistent with the Light Industrial (LI) or Planned Employment Park (PEP) zoning districts.

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<sup>20</sup> *The Appraisal of Real Estate*, 14<sup>th</sup> ed. (Chicago: Appraisal Institute, 2013) p332

### **Physically Possible**

The physical characteristics of the subject parcel, such as its access, size, shape, and available utilities, are adequate for its legally permissible land uses. The topography of the site varies from generally level areas in the eastern portion of the site to a natural wash below a well-defined ridge in the western portion of the site. The shape of the site is somewhat irregular although the larger size of the site and relatively few acute angles help mitigate any detrimental effect of the irregular shape. The subject property has a good location in proximity to residential development, commercial services, employment centers and transportation routes. No adverse external physical conditions were observed which would materially affect the development of the site. In general, there do not appear to be any significant physical constraints to the development of the subject parcel with the exception of the topography in the southwestern portion of the site.

A soils report has not been provided, although it is noted from a physical inspection of the subject property and existing development on properties in the immediate area, that the soil appears to be adequate for its legally permissible uses.

### **Financially Feasible**

Economic feasibility is a function of supply and demand. The feasibility of any development of the subject site, then, is dependent upon the supply of similar land suitable for development and the demand for the available development alternatives.

The most recent economic downturn has made obtaining financing more difficult for new speculative development. One of the first markets to make any kind of a comeback has been the multifamily residential market, and most notably in the central portions of the greater Phoenix area. The commercial market has not been as quick to turn around. Demand for industrial land parcels similar to property being appraised in the subject neighborhood has been relatively low as evidenced by the few number of industrially zoned land parcels purchased over the past several years. In terms of land inventory, there is a supply of vacant land parcels in the area for future development.

Given existing development patterns, the location of the subject parcels, the current economic climate, the market in which the subject property competes, it is my opinion that development of the subject property would not be economically feasible as of the date of valuation for speculative purposes.

### **Maximally Productive**

After considering the uses that are physically possible, legally permissible and economically feasible, the question of profitability is addressed. A parcel of land may have several different uses that generate sufficient revenue to satisfy an investor's required rate of return on investment and provide a return on the land. The highest and best use of the land is that financially feasible use that produces the greatest return. This concept is significantly related to user demand for the end product and the cost of production.

Considering the physical characteristics of the subject site, the location of the property, its access to transportation routes, and proximity to commercial services, employment centers and residential development, the most profitable use of the subject site is for land investment purposes.

### **Summary and Conclusion**

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After having applied the tests of availability, adaptability and demand, it is my conclusion that the highest and best use of the subject property is as follows:

As If Vacant: ..... Land Investment

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## Valuation Methodology

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This report has, thus far, presented the first three significant steps in the valuation process. The appraisal problem has been defined by stating the scope and purpose of the appraisal, identifying the real estate to be appraised, identifying the real property rights to be valued, and stating what value is to be estimated and as of a particular date of valuation. During the second step of the process, data has been collected and analyzed regarding the region in which the property is located, the more immediate subject market, and specific data regarding the subject property itself. The third step taken was the conclusion of highest and best use for the property to be appraised. The next step is the application of the different approaches to estimating value.

Under current appraisal methodology, real estate is valued by applying three traditional approaches to value, commonly known as 1) the sales comparison (or market) approach, 2) the income capitalization approach to value, and 3) the cost approach. All three approaches to value have been considered in the preparation of this report. The relative merits of each approach will be weighed in respect to the property being appraised. The final estimate of value will be derived from analysis and judgment concerning each of these approaches to value.

### *Sales Comparison Approach to Value*

This approach to value is based upon the principle of substitution that states that no one is justified in paying more for a property than the cost of acquiring an equally desirable substitute property, assuming no undue or costly delay. To implement this approach, a search is made in the market to find sales of property with similar utility and having similar characteristics to the subject. This is done on the theory that these properties are those that would be competing with the subject if it were placed on the market.

This approach is a comparative method in which properties that have been sold in the open market are compared directly with the subject. The first step is to collect and then analyze the appropriate sales data. No two properties are exactly alike, so it is necessary to develop some common unit of comparison. Based upon this unit of comparison, adjustments are then made to the comparable properties for features in which they differ from the subject. After adjustment, the sales will then give useful indications of value for the property being appraised.

### *Income Capitalization Approach to Value*

While the sales comparison approach and cost approach are based upon the principle of substitution, the income capitalization approach to value is founded in the principle of anticipation. Simply put, there is value in real property that can be measured by converting anticipated benefits, such as cash flow and/or a reversion, into an indication of value by capitalizing this income stream. Typically, an estimate is made of the potential gross income of a property by analyzing the market rental value of the property and any other sources of income attributable to the real property. Vacancy and collection losses are then subtracted to arrive at the effective gross income. The applicable expenses are deducted to arrive at a net income figure.

The resultant net income is processed into an indication of the property value. This is typically accomplished by applying an overall capitalization rate to the net income. An alternate income capitalization method utilizing gross rental income and a gross rental income multiplier can also be utilized. The income capitalization approach to value is of most importance in estimating the value of revenue producing properties.

#### *Cost Approach to Value*

In this approach to value, an estimate is made of the reproduction or replacement cost new of any improvements on the property. Depreciation from all causes is then deducted and the land value is added to provide an indication of value for the entire property. Since the cost approach to value includes an estimate of value for the land, a sales comparison analysis is made to compare sales of vacant land parcels similar in highest and best use to the subject site.

The cost to reproduce or replace a property is most closely related to market value when a property is of new construction. As a result, this approach to value is most important when estimating the value of a property that is relatively new, and can be especially persuasive when the value of the underlying land is well supported and there is little evidence of accrued depreciation.

The final step in the valuation process is a reconciliation of the three approaches to value. The quantity and quality of the data gathered for each method is examined and weighted appropriately in the final estimate of value. The subject parcel is a vacant tract of land and, for this reason, the cost and income capitalization approaches to value are not applicable under the scope and purpose of this appraisal. The valuation of the subject land is limited to a direct sales comparison approach.

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## Sales Comparison Approach

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### Introduction

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This approach to value is based upon the principle of substitution which states that no one is justified in paying more for a property than the cost of acquiring an equally desirable substitute property, assuming no undue or costly delay. To implement this approach, a search is made in the market to find sales of property of similar utility and having similar characteristics to the subject. This is done on the theory that these properties are those that would be competing with the subject if it were placed on the market. The Appraisal Institute describes the sales comparison approach to value as:

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.<sup>21</sup>

During the preparation of this appraisal report, a number of sale transactions were investigated and analyzed. In order to discover these comparable transactions, a search was made of the public records of Maricopa County. Those properties meeting certain minimum criteria in terms of similarity and sale date are researched further by obtaining copies of the transfer documents and declarations of value. At this point, efforts are made to contact the buyer and seller, as well as any brokers or agents who would have knowledge of the transaction, in order to further verify the more specific details of the sale. This would include whether the buyer and seller were related, what the financial terms of the transaction were and the motivations of the parties involved, as well as additional details of the physical characteristics of the properties that have been sold.

The process of estimating the value of the subject property encompassed a search of similar vacant sites in the subject's market area. The most significant of these sales are included in some detail in the addenda to the appraisal report, along with a map showing their relative location to the subject property.

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<sup>21</sup> The Appraisal of Real Estate, 14<sup>th</sup> ed. (Chicago: Appraisal Institute, 2013) p377

## Land Value Analysis

No two properties are exactly alike, so it is necessary to develop some common unit of comparison. This could be the price per square foot, the price per acre, the price per section, or the price per site. Due to the size of the subject land and the market in which the property competes, a comparison on a price per square foot basis will be most meaningful. Since properties do differ in characteristics, it is necessary to adjust comparable sites for features in which they differ from the subject. This might be for such items as size, shape, location, access, terrain and vegetation. After adjustment, the sales will then give useful indications of value for the subject land. Table 1 summarizes the significant information extracted from the comparable sales believed to be most pertinent in the valuation of the subject land.

**Table 1** – Land Sales Summary Table

Comp No.	Intended Use	Sale Date	Zoning	Frontage	Land Area Square Feet	Price	Price per Square Foot
1	Industrial Development	12/14	HI	Mid-Block	853,340	\$ 5,500,000.00	\$6.45
2	Commercial Development	09/15	LC	Corner	395,873	\$ 2,576,574.00	\$6.51
3	Commercial Development	11/16	LI	Corner	448,668	\$ 2,137,001.25	\$4.76
4	Land Investment	03/18	GC	Corner	713,077	\$ 1,400,000.00	\$1.96
SUBJECT			-	Corner	447,706		

The comparable sales summarized in the Land Sales Summary Table are all located within the same general area as the property to be appraised. The sales differ in terms of total size, date of sale, unit selling price and specific location, yet each is believed to be comparable to the subject property in some respects and each would offer a viable alternative to a prospective buyer of the subject. After adjustment for those factors that vary significantly from the subject property, these sales will each provide a useful value indication for the subject land.

The elements of comparison that may require adjustment can generally be described as transactional adjustments or property adjustments. Transactional adjustments are those made for characteristics of the sale transaction including property rights, financing, conditions of the sale, any immediate expenditures made in order to make the sale, and market conditions. Property adjustments are those made for differences in the characteristics of the properties. The elements of comparison are summarized and analyzed as follows.

- *Property Rights*

The fee simple interest in the subject land is being analyzed herein, and those comparable transactions which conveyed the fee simple rights in their respective properties will be of most benefit in this analysis. Each of the properties above conveyed nothing less than the fee simple interest in the property and, therefore, no adjustment will be necessary when considering the real property rights conveyed.

- *Financing*

These properties were purchased on a variety of terms, none of which fell outside the usual range found in the market. As documented on the individual comparable sheets located in the appendix to this report, each of these properties sold for cash, or on terms commonly found in the market and deemed equivalent to cash. The terms of these sales, then, do not affect their validity as indicators of market value. No adjustment for the financing terms of the transactions will be necessary when compared with the subject property.

- *Conditions of Sale*

An examination of the comparable transactions reveals each of the conveyances to be considered arms-length. The buyers and sellers were considered informed and typically motivated, although the buyer in Comparable No. 1 was purchasing the site for assemblage for the expansion of a property adjacent to the east. The broker indicated that the assemblage did influence the price paid for the site, and a downward adjustment will be applied to Comparable No. 1 to account for the assemblage value associated with this transaction.

- *Immediate Expenditures*

In some instances, the price paid for a property reflects the knowledge that the buyer will have to make some expenditure prior to closing or immediately thereafter in order for the sale of the property to be completed. These expenditures can include such costs as those associated with demolition of improvements, or a remediation of environmental contamination. Each of the comparable sites examined in this analysis did not require any unusual expenditure that would require adjustment.

- *Market Conditions*

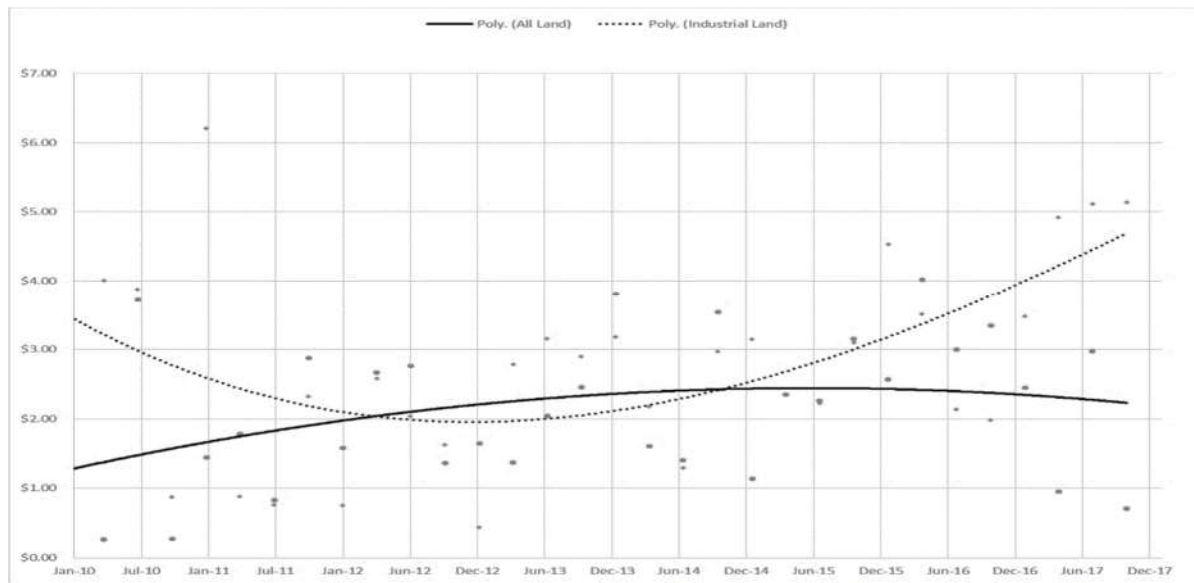
There are two measures of the prevailing market conditions that are pertinent to the valuation of the subject property. Given a sufficient number of transactions that have taken place over any time period, the trend of prices developed over that time period can indicate a strengthening, weakening or even a static market. In addition, the amount of time each property is exposed to the market can give an indication of current conditions.

*Price Trends* – It would be difficult to quantify any specific time adjustment in terms of percentage or dollar amount that could be universally applied to all properties within the subject area. The sales presented in this report for analysis cover a time period from late 2014 to early 2018. The metropolitan Phoenix area real estate market was at or near the end of a record growth period by the end of 2006 and has since been in decline, led by a drop in the housing market. The market has since started to show signs of recovery and growth over the past several years.

A survey of land sales throughout metropolitan Phoenix shows that prices have been relatively stable over the time period covered by the comparable sales. An examination of only industrial land sales suggests a stronger appreciation in prices over this time period. Based upon my analysis of the market data and my professional judgment, an upward adjustment will be made to Comparable Nos. 1, 2 and 3 examined in this analysis when considering the amount of time that has elapsed between the dates of purchase of the comparable properties and the date of valuation of the property to be appraised.



**Figure 13 – Average Land Sales Prices, 2010-2017**



*Exposure Time* – Similar properties within a given market at a given time could be expected to have similar periods of exposure to the market prior to being purchased, other things being equal. A reasonable exposure period of any property is not only a function of time, but also a function of price and use. As a result, a reasonable exposure period should encompass adequate, sufficient and reasonable time and effort. Since there are different factors that contribute to a reasonable exposure time, this period will vary from property to property and vary based on market conditions.

Based upon the current market conditions and the supply and demand for properties similar to the subject site, a reasonable exposure time for the property is estimated to be less than twelve months. Consequently, those comparable properties that were exposed to the market for a significantly shorter or longer period of time would require adjustment. In this instance, each of the comparable properties was purchased given a reasonable exposure period, and no adjustment will be necessary for this factor.

- **Location**

Through the examination of the location of a property, the time-distance relationship between a property and possible points of destination is studied. These relationships, or linkages, include the ease of access to places such as schools, shopping, parks, other recreational facilities and workplaces. In theory, a property with a greater number of linkages will command a higher price than a similar property with fewer linkages. A property with a greater number of linkages is generally created by that property being closer to existing development.

Considered in the location of a property are such external influences as street patterns and width, surrounding property maintenance and upkeep, access to the property and the neighborhood, availability of utilities, and possible nuisances in the area. Adjustments for location can be for items such as frontage, visibility or corner characteristics, and they can also be for the more external influences on the property.

Comparable No. 1 is located southeast of Greenfield Road and State Route 202 approximate one mile west of the subject property. Comparable Nos. 2 and 3 are located along Longbow Parkway which runs parallel to State Route 202 a short distance south of the subject property. Comparable No. 2 is located at the northwest corner of Recker Road and Longbow Parkway, and Comparable No. 3 is located at the southeast corner of Higley Road and Longbow Parkway. Comparable No. 4 is located at the southwest corner of Main Street and State Route 202 southeast of the subject property. Adjustments for location will be applied to Comparable Nos. 1, 3 and 4 in this analysis.

- *Physical Characteristics*

Adjustment for physical characteristics is based on the observation that price per unit varies with size, shape, topography, and related physical attributes. After careful examination of each comparable property, including a physical inspection, the physical characteristics of the comparable properties are similar enough so that no adjustment is warranted, except as noted herein.

*Land Area* – Other things being equal, it is generally accepted that larger parcels tend to develop lower prices than do similar smaller parcels on a per unit basis. This can be illustrated by a comparison of Comparable Nos. 2 and 3. In practice, the price-size tradeoff is typically a less direct, more uncertain relationship complicated by other physical characteristics and locational factors. Based upon the size of the subject parcel and those of the comparable properties, an adjustment for land area will be made to Comparable Nos. 1 and 4 in this analysis.

*Utilities* – The presence of utilities to a property can have an impact upon the price paid for a property. Generally, a development site with utilities available to the property will tend to develop a price higher than a similar property where utilities would have to be extended. The subject property would need to have sewer service extended up to approximately one-half mile along Higley Road and Thomas Road prior to development at an estimated cost of \$300,000 or more.

Comparable Nos. 1, 2 and 3 all have sewer lines in the abutting roadways. Comparable No. 4 is further from both sewer and water lines and would need extension to the property prior to development. This property also developed the lower end of the range of prices which is due, at least in part, to the proximity of available utilities. For this reason, downward adjustments will be applied to Comparable Nos. 1, 2 and 3 in this analysis for the availability of utilities and will be based primarily upon the cost of extending sewer service to the subject site.

*Shape* – The subject property is irregular in shape which could reduce the utility of the site to some extent. Comparable Nos. 1 and 2 are more regular in shape and a minor downward adjustment will be applied to each of those properties. Comparable No. 3 is also irregular in shape and considered inferior to the subject. A minor upward adjustment will be applied for the shape of this property. Comparable No. 4 is only slightly irregular and will not warrant any adjustment.

*Topography* – The topography of the subject property consists of areas of generally level and sloping areas to more rugged terrain in the southwest corner. It is estimated by the appraiser that approximately 145,000 square feet, which equates to about one-third of the total land area, has less utility than the balance of the site due to the topography which includes a natural wash.

All of the comparable properties are generally level sites which require less site preparation for development. Furthermore, none of the comparable sites have areas similar to the subject which are considered to be less usable than the balance of the property due to topographical features to the extent of the subject property. For this reason, downward adjustments will be applied to the comparable properties for topography to account for lower development costs and greater amounts of usable land. Comparable No. 4 has a shallow wash across the property and the adjustment for this property will be slightly smaller than for the other properties.

- *Economic Characteristics*

Economic characteristics are those that affect the ability of a property to produce income. Examples of these characteristics include operating expenses, quality of management, lease terms and rent concessions, to name a few. This element of comparison is especially important when examining properties that are purchased as an investment by providing an income stream to an investor.

This analysis is being made to estimate the value of the subject site. Vacant land is not typically purchased to provide an immediate income stream to an investor. Thus, economic characteristics of the subject site will not be considered any further in this analysis, except as they relate to the development potential of the subject and comparable properties.

- *Legal Characteristics*

*Use/Zoning* – The location of a property within a given zoning district, in some instances, may warrant adjustment. A tract of land with a more restrictive zoning classification might develop a lower price per unit than a similar tract with a more liberal classification. After examination of the subject market, however, it is my opinion that zoning does not play a significant role in the prices developed by these properties. Although the subject is not zoned, assigning a zoning district to the subject property is an administrative process with minimal cost or risk. For this reason, an adjustment will not be made in this analysis for zoning.

- *Non-Realty Components*

In certain instances, the price of a property may reflect the additional value of personal property, business concerns or other items that do not constitute real property. In this case, the transaction of each respective comparable property conveyed only real property and no adjustment will be made when considering non-realty components.

With these general observations in mind, we may now proceed with a comparison of these properties to the subject property and the value indications derived from each. The adjustments utilized in this analysis are extracted from available data using the paired sales technique, when possible, which is frequently used in the application of the sales comparison approach to value. In cases where there is insufficient data to extract adjustments, the appraiser's judgment and experience are emphasized unless other data or techniques could be employed.

**Comparable No. 1**

Southeast of Greenfield Road and State Route 202

Grantor	RD Greenfield, LLC	Sale Price	\$5,500,000.00
Grantee	Special Devices, Incorporated.		\$6.45 per Square Foot
Sale Date	December 2014	Land Area	853,340 Square Feet

**Comparable No. 1** is a site located southeast of Greenfield Road and State Route 202 on Virginia Street, situated approximately one mile southwest of the subject property. This site is generally level and at grade with the abutting properties and roadway. State Route 202 forms the north boundary of this site and is below grade of the property. Surrounding land uses include industrial development, sand and gravel operations, and Mesa Falcon Field Airport is a short distance to the south. This property was purchased to develop an industrial property as an expansion to an existing property adjacent to the east, and the price paid reflects a premium paid due to the assemblage according to the broker.



A 10% downward adjustment will be made for the conditions of sale to account for the assemblage value. An upward adjustment of 10% will be applied to account for the amount of time between the date of sale and the date of valuation. The location of this property is a more interior site with a mid-block location on a collector roadway and a 5% upward adjustment will be made for this factor. In terms of physical characteristics, this property is larger than the subject property, and a 5% upward adjustment will be applied in this instance. An offsetting 5% downward adjustment will be made for the closer location of available utilities. An additional 5% downward adjustment will be made for the more regular shape of this site. A rather significant 25% downward adjustment will be applied for the topography of this site since it is more level with greater amounts of usable area. After the adjustments indicated, this sale suggests a value of \$4.79 per square foot for the subject land.

**Comparable No. 2**

Southwest of Recker Road and State Route 202

Grantor	Dover Associates, LLC	Sale Price	\$2,576,574.00
Grantee	Longbow CAS, LLC		\$6.51 per Square Foot
Sale Date	September 2015	Land Area	395,873 Square Feet

**Comparable No. 2** is a site located southwest of Recker Road and State Route 202 at the northwest corner of Longbow Parkway, situated approximately one mile southeast of the subject property. This site is generally level and at grade with the abutting properties and roadways. The State Route 202 interchange at Recker Road is near the northeast corner of the property. Surrounding land uses includes residential development and vacant land planned for commercial and industrial development, and Mesa Falcon Field Airport is a short distance to the southwest. The Longbow Golf Club is also just south of this property. This property was purchased to develop retail space anchored by a grocery store.



An upward adjustment of 10% will be applied to account for the amount of time between the date of sale and the date of valuation. The location of this property is considered similar to the subject property and an adjustment will not be made for this factor. In terms of physical characteristics, this property is slightly smaller than the subject property, although an adjustment will not be applied in this instance. A 10% downward adjustment will be made for the closer location of available utilities. A 5% downward adjustment will be made for the more regular shape of this site. A rather significant 25% downward adjustment will be applied for the topography of this site since it is more level with greater amounts of usable area. After the adjustments indicated, this sale suggests a value of \$4.30 per square foot for the subject land.

<b>Comparable No. 3</b>			
Higley Road south of State Route 202			
Grantor	Dover Associates, LLC	Sale Price	\$2,137,001.25
Grantee	Opus Development Company, LLC		\$4.76 per Square Foot
Sale Date	November 2016	Land Area	448,668 Square Feet

**Comparable No. 3** is a site located on Higley Road south of State Route 202 at the southeast corner of Longbow Parkway, situated approximately one-half mile south of the subject property. This site is generally level and at grade with the abutting properties and roadways. Surrounding land uses include industrial development, a sand and gravel operation, and Mesa Falcon Field Airport is a short distance to the southwest. This site is also adjacent to the Longbow Golf Club to the southeast. The property was split into two parcels after being purchased and the parcel with Higley Road frontage has been developed with an industrial building. The second parcel along Longbow Parkway remains undeveloped.



An upward adjustment of 5% will be applied to account for the amount of time between the date of sale and the date of valuation. The location of this property is considered similar to the subject property but does not have any freeway frontage or visibility and further from a freeway interchange. A 5% upward adjustment will be made for this factor. In terms of physical characteristics, this property is slightly larger than the subject property, although an adjustment will not be applied in this instance. A 10% downward adjustment will be made for the closer location of available utilities. A 5% upward adjustment will be made for the irregular shape of this site. A rather significant 25% downward adjustment will be applied for the topography of this site since it is more level with greater amounts of usable area. After the adjustments indicated, this sale suggests a value of \$3.75 per square foot for the subject land.

**Comparable No. 4**

Southwest corner of Main Street and State Route 202

Grantor Roger D. Overson

Grantee Monty R. Germaine and Debora L. Germaine, Trustees

Sale Date March 2018

Sale Price \$1,400,000.00

\$1.96 per Square Foot

Land Area 713,077 Square Feet

**Comparable No. 4** is a site located at the southwest corner of Main Street and State Route 202, situated less than seven miles southeast of the subject property. This site is generally level and at grade with the abutting properties and roadway. A shallow natural wash crosses this property. State Route 202 forms the east boundary of this site and a sound barrier wall has been built along the freeway right-of-way. Surrounding land uses include residential and commercial development. This property was purchased with no immediate development plans.



An adjustment will not be applied to account for the amount of time between the date of sale and the date of valuation. The location of this property is considered inferior to the subject since Main Street does not have an interchange with State Route 202 and a 5% upward adjustment will be made for this factor. In terms of physical characteristics, this property is larger than the subject property, and a 5% upward adjustment will be applied in this instance. An adjustment will not be made for utilities or the shape of this site. A rather significant 20% downward adjustment will be applied for the topography of this site since it is more level with greater amounts of usable area. After the adjustments indicated, this sale suggests a value of \$1.76 per square foot for the subject land.

## Conclusion of Land Value

Thus far, we have examined several sales that are believed to be the best representations of the value that may be applied to the subject land. The unadjusted value indications range from a low of \$1.96 per square foot to a high indication of \$6.51 per square foot. The comparable sales examined each have some characteristics in common with the subject site. After adjustments have been applied for those factors that vary from the subject, we are presented with a range in values that might be applied to the subject land. The adjustments to the comparable properties discussed above may be more graphically illustrated in the following sales adjustment grid.

Table 2 – Land Sales Adjustment Grid

COMPARABLE NO.	SUBJECT			
	1	2	3	4
Sale Price	\$5,500,000.00	\$2,576,574.00	\$2,137,001.25	\$1,400,000.00
Date of Sale	12/14	09/15	11/16	03/18
Elapsed Time (months)	41	32	18	2
Land Area – Square Feet	853,340	395,873	448,668	713,077
Frontage	Mid-Block	Corner	Corner	Corner
Topography	Level	Level	Level	Level
Zoning	HI	LC	LI	GC
Sale Price per Square Foot of Land	\$6.45	\$6.51	\$4.76	\$1.96
Transactional Adjustments				
Property Rights	0%	0%	0%	0%
Adjusted Price	\$6.45	\$6.51	\$4.76	\$1.96
Financing	0%	0%	0%	0%
Adjusted Price	\$6.45	\$6.51	\$4.76	\$1.96
Conditions of Sale	-10%	0%	0%	0%
Adjusted Price	\$5.81	\$6.51	\$4.76	\$1.96
Immediate Expenditures	0%	0%	0%	0%
Adjusted Price	\$5.81	\$6.51	\$4.76	\$1.96
Market Conditions	+10%	+10%	+5%	0%
Adjusted Price	\$6.39	\$7.16	\$5.00	\$1.96
Property Adjustments				
Location	+5%	0%	+5%	+5%
Physical Characteristics				
Land Area	+5%	0%	0%	+5%
Utilities	-5%	-10%	-10%	0%
Shape	-5%	-5%	+5%	0%
Topography	-25%	-25%	-25%	-20%
Economic Characteristics	0%	0%	0%	0%
Legal Characteristics	0%	0%	0%	0%
Non-Reality Components	0%	0%	0%	0%
Net Adjustment	-25%	-40%	-25%	-10%
Indicated Unit Value	\$4.79	\$4.30	\$3.75	\$1.76

The sequence of adjustments of the transactional items (property rights, financing, conditions of sale, immediate expenditures and market conditions) are typically applied in the order they are listed, and an adjusted price is calculated after each adjustment. The property adjustments are each applied, in no particular order, to the adjusted price after all transactional adjustments are made. An adjusted price is not made after each separate property adjustment.

After adjustment for those elements that differ from the subject property, the indicated range is from \$1.76 per square foot to \$4.79 per square foot, with a mean value of \$3.65 per square foot. I believe that the subject property may be reasonably and fairly placed within this range.

The appraiser is also aware of a current listing of an approximate 23-acre site located just east of the property to be appraised on the south side of Thomas Road west of Recker Road. This property is larger than the subject and is more regular in shape with a more level topography. This site is zoned PEP (Planned Employment Park) with a mix of proposed uses from industrial to office to multifamily residential land uses. The property is listed with Commercial Properties Inc. at a price of \$5,637,317, which equates to approximately \$5.50 per square foot. This price is considered to be greater than what the subject property could command due to its physical characteristics.

Comparable No. 2 could be considered the least comparable to the property being appraised because it required both the largest net adjustment as well as the largest adjustment as a percentage of sale price. Conversely, Comparable No. 4 required the fewest adjustments and had the smallest net adjustment. This property developed the lower end of the range in indicated values which can also be at least partially attributed to the land investment nature of the property rather than being purchased for immediate development. The subject property is also believed to be a land investment parcel rather than a development parcel. All things considered, Comparable No. 4 will be given greatest weight and consideration in this analysis, and it is my opinion the subject property could reasonably be placed in the lower portion of the range in indicated values provided by these properties.

Based upon the preceding analysis, a value of \$2.50 per square foot represents a reasonable expectation of the probable market value of the subject land. Therefore, the indication of value for the subject land, as of the current date of valuation and given a reasonable period of exposure, is \$1,120,000.00, and can be calculated as follows:

447,706 square feet at	\$2.50 per square foot =	\$	1,119,265.00
	rounded to,	\$	1,120,000.00



## Income Capitalization Approach

### Introduction

The procedures involved in this approach to value simulate much of the same analyses performed by an investor in the acquisition of real estate. Rather than employing an individual's investment objectives, however, general market objectives for the typical investor are substituted so that the resultant value indication represents market value. The Appraisal Institute describes the income capitalization approach to value as follows:

The income capitalization approach to value consists of methods, techniques, and mathematical procedures than an appraiser uses to analyze a property's capacity to generate benefits (i.e., usually the monetary benefits of income and reversion) and convert these benefits into an indication of present value.<sup>22</sup>

The underlying premise of the income capitalization approach is the principle of anticipation. The definition above implies that the value of a property is created as a result of the anticipation of future benefits derived from that property. These future benefits can either be an income stream produced by the property, a lump sum at the time of sale of the property (referred to as a reversion), or both the income stream and reversion. These cash flows are processed into an indication of value by use of capitalization techniques. The direct and yield capitalization methods are typically examined.

*Direct capitalization* is a method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only one year's income is used. Yield and value change are implied, but not explicitly identified.<sup>23</sup>

*Yield capitalization* is the capitalization method used to convert future benefits, typically a periodic income stream and reversion, into present value by discounting each future benefit at an appropriate rate or by applying an overall rate (developed using one of the yield capitalization methods) that explicitly reflects the investment's income pattern, change in value, and yield rate.<sup>24</sup>

The income capitalization approach will not be utilized in this appraisal. Vacant land is not typically owned for the potential of providing an income stream to an investor. While ground leases of vacant land do occur, they are not considered to be an investment vehicle capable of producing an income stream commensurate with the market value of the underlying land.

<sup>22</sup> The Appraisal of Real Estate, 14<sup>th</sup> ed. (Chicago: Appraisal Institute, 2013) p439

<sup>23</sup> Ibid, p491

<sup>24</sup> Ibid, p509

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## Cost Approach

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### Introduction

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In this approach to value, an estimate is made of the reproduction or replacement cost new of any improvements on the property. Depreciation from all causes is then deducted and the land value is added to provide an indication of value for the entire property. The cost approach is of most value when dealing with improvements that are new or in like new condition. The Appraisal Institute describes the cost approach to value as follows:

In the cost approach, appraisers compare the cost of the subject improvements as evidenced by the cost of construction of substitute properties with the same utility as the subject property. The estimate of development cost is adjusted for market-extracted losses in value caused by the age, condition, and utility of the subject improvements or for locational problems. The land value is then added, usually based on comparison with sales of comparable sites. The sum of the value of the land and the improvements is adjusted for the rights included with the subject property again based on market comparisons.<sup>25</sup>

The basic premise of the cost approach is the principle of substitution that holds that when several commodities or services with the same utility are available, the one with the lowest price attracts the greatest demand and the widest distribution. As applied to the cost approach, a prudent individual would not pay more to purchase an existing building than the amount at which a property of equal desirability and utility can be obtained through the purchase of a site and the construction of the improvements without undue delay.

The property that is the subject of this appraisal is a vacant tract of land. The cost approach to value is not germane in the valuation of the subject property since there are no building improvements on the property to be considered in this analysis.

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<sup>25</sup> The Appraisal of Real Estate, 14<sup>th</sup> ed. (Chicago: Appraisal Institute, 2013) p561

## Reconciliation of Value

The concluding step in the valuation process is to evaluate the alternative conclusions of value indicated by each of the traditional approaches to value to arrive at a final estimate of value.

Sales Comparison Approach .....	\$1,120,000.00
Income Capitalization Approach .....	Not Applicable
Cost Approach .....	Not Applicable

The sales comparison approach is often considered to provide the most reliable indication of value because it addresses direct sales of comparable properties. We have found properties which are believed to share some characteristics with the subject, and have been able to make adjustments for those characteristics which differ from the property to be appraised. After adjustment, each of the properties compared to the subject property results in a reasonable indication of value for the subject property. Since the subject property is a vacant tract of land, this is the only approach applied and presented in this analysis.

An income approach to value is often preferred when analyzing the value of an income producing property such as the subject. Through the application of the income capitalization approach to value, an overall capitalization rate is applied to the net income of the subject property, or a multiplier is applied to the potential gross rent of the subject property, to arrive at an estimate of value. This approach to value is generally preferred for appraising income-producing properties because it can measure the value of future anticipated cash flows. This approach to value has not been applied in this appraisal.

In the cost approach to value, the depreciated replacement value of the subject improvements were estimated as of the date of valuation, including the contributing value of the land as if vacant. There are inherent difficulties in accurately estimating the total accrued depreciation when applying the cost approach to value to a property that is not new, or in like new condition. The measurement of accrued depreciation will more often than not be a subjective determination by the appraiser. While this approach can and does provide a benchmark against the other indications of value, the estimate of value from the cost approach to value is typically given little weight in the valuation of a property. This approach to value has not been applied in this appraisal.

The subject property is appraised under its highest and best use, and with a reasonable exposure period of less than twelve months. Based on the analyses presented herein and the indications of value provided by the traditional approaches to value, it is my final conclusion that the market value of the fee simple interest of the subject property, as of April 26, 2018, is:

**ONE MILLION  
ONE HUNDRED TWENTY THOUSAND DOLLARS  
\$1,120,000.00**

## Certification

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

- The statements of fact contained in this report are to the best of my knowledge and belief, true and correct and that no information has knowingly been withheld.
- The analyses, opinions and conclusions are my personal, impartial and unbiased professional opinions which are limited only by the Underlying Assumptions and Limiting Conditions contained herein. Unless otherwise acknowledged in this report, no one has provided significant professional assistance in the preparation of this report.
- I have no interest or bias, present or contemplated, in the property appraised or any personal interest in the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- No one provided significant real property appraisal assistance to the person signing this certification.
- Neither my employment to make the appraisal, nor the compensation is contingent on the development or reporting of a predetermined value for the property, a direction in value which favors the cause of the client, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- I have personally inspected the property which is the subject of this report.
- This appraisal was made in accordance with the *Uniform Standards of Professional Appraisal Practice* of the Appraisal Foundation.
- This appraisal complies with the Code of Ethics and Standards of Professional Practices of the American Society of Appraisers. Furthermore, the American Society of Appraisers has a mandatory recertification program for all of its Senior members, and I am in compliance with that program.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.

Therefore, based upon the preceding data and discussion, together with the appraiser's best judgment and experience, the market value of the subject property as of April 26, 2018, is:

**ONE MILLION ONE HUNDRED TWENTY THOUSAND DOLLARS**

**\$1,120,000.00**

Respectfully submitted,

FIRST APPRAISAL SERVICES



Timothy A. Haskins, ASA

Arizona Certified General Real Estate Appraiser No. 30668

**RIGHT-OF-WAY SECTION APPRAISAL SERVICES  
CERTIFICATE OF APPRAISER**

Project Number: 202L MA 000 H5400  
Parcel Number: L-C-003

I hereby certify:

That I personally inspected the property herein appraised, and that I have afforded the property owner the opportunity to accompany me at the time of inspection. I also made a personal field inspection of each comparable sale relied upon in making said appraisal. The subject and the comparable sales relied upon in making the appraisal were as represented by the photographs contained in the appraisal.

That, to the best of my knowledge and belief, the statements contained in said appraisal are true and the opinions, as expressed, therein, are based upon correct information; subject to the limiting conditions therein set forth.

That no hidden or unapparent conditions of the property, subsoil, or structures were found or assumed to exist which would render the subject property more or less valuable; and I assume to responsibility for such condition. Or for engineering which might be required to discover such factors. That unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present in the property was not observed by myself or acknowledged by the owner. This appraiser, however, is not qualified to detect such substances, the presence of which may affect the value of the property. No responsibility is assumed for any such condition, or for any expertise or engineering knowledge required to discover them.

That my analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the ADOT ROW Procedures Manual, Chapter 4, Appraisal Standards and Specifications (2016); the Federal Highway Administration (FHWA) Uniform Act, 49 CFR Part 24; and the Uniform Standards of Professional Appraisal Practice (USPAP 2018-2019) guidelines.

That this appraisal has further been made in conformity with the appropriate state and federal laws, regulations policies, and procedures applicable to the appraisal of right of way for such purposes; and that, to the best of my knowledge, no portion of the value assigned to such property consists of items which are non-compensable under the established laws of said state.

That neither my employment nor my compensation for making the appraisal and report are in any way contingent upon the values reported herein.

That I have no direct or indirect present or contemplated future personal interest in the property that is the subject of this report, or any benefit from the acquisition of the property appraised herein.

That I have not revealed the findings and result of such appraisal to anyone other than the property officials of the Arizona Department of Transportation or officials of the Federal Highway Administration, and I will not do so unless authorized by proper state officials, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified to such findings.

That my opinion of the Market Value of the property, as of April 26, 2018, is ONE MILLION ONE HUNDRED TWENTY THOUSAND DOLLARS (\$1,120,000.00), based on my independent appraisal and the exercise of my professional judgment.

DATE: 6/7/2018 SIGNATURE: 

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### Underlying Assumptions and Limiting Conditions

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|---|---|
| <ol style="list-style-type: none"> <li>1. A legal description was not furnished to the appraiser, unless so noted in the text of this report.</li> <li>2. The title to the property is marketable, free and clear of all liens.</li> <li>3. The property does not exist in violation of any applicable codes, ordinances, statutes or other governmental regulations.</li> <li>4. The appraiser was not furnished with a specific site survey, unless one is cited in the text of this report.</li> <li>5. The property is appraised as if owned in fee simple title without encumbrances, unless otherwise mentioned in this report. This fee simple estate contains the sum of all fractional interests which may exist.</li> <li>6. Responsible ownership and competent management exist for the property.</li> <li>7. Adequate utility services are available for the subject property and that they will continue to be so in the foreseeable future.</li> <li>8. The appraisers are not responsible for the accuracy of the opinions furnished by others and contained in this report, nor are they responsible for the reliability of government data utilized in the report.</li> <li>9. The compensation for appraisal services rendered is dependent only upon the delivery of this report and compensation is not contingent upon the values estimated.</li> <li>10. This report considers nothing of a legal character and the appraisers assume no responsibility for matters of a legal nature.</li> <li>11. Testimony or attendance in court is not required by reason of this appraisal, unless arrangements are previously made.</li> <li>12. Any information furnished by the property owner, agent, or management is correct as received.</li> <li>13. The appraisers assume that there are no hidden or unapparent conditions of the property, sub-soil or structures which could render it more or less valuable than an otherwise comparable property, unless such is stated in the report.</li> <li>14. This appraisal will not take into consideration the possibility of the existence of asbestos, PCB transformers, urea formaldehyde foam insulation, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (containing hazardous materials), or the cost of encapsulation or removal thereof. The appraisers are not qualified to detect or evaluate such substances.</li> <li>15. Should the client have a concern over the existence of such substances, they are urged to retain the services of a qualified independent engineer or contractor to determine the extent of the condition and the cost of any required or desired treatment or removal. The cost must be borne by the client or owner of the property, however, this cost has not been considered in the valuation of the property.</li> <li>16. Virtually all land in Arizona is affected by pending or potential litigation by various Indian tribes claiming superior water rights for their reservations. The amounts claimed and the effects on other water users are largely undetermined, but the claims could result in some curtailment of water usage or ground water pumping on private land. The Ground Water Management Act (as amended) may also restrict future ground water pumping in various parts of the State. Given this uncertainty, neither the undersigned nor any of their representatives can make warranties concerning rights to or adequacy of the water supply with respect to the premises, although the sale of premises include such water rights as are appurtenant thereto.</li> </ol> | <ol style="list-style-type: none"> <li>17. The appraisers cannot predict or evaluate the possible effects of future wage price control actions of the government upon retail income or financing of the subject property; hence, it is assumed that no control will apply which would nullify contractual agreements, thereby changing property values. The market value estimated is as of the date of the estimate. All dollar amounts are based on the purchasing power of the dollar as of that date.</li> <li>18. Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use; the physical report(s) remain the property of the appraiser for the use of the client, the fee being for the analytical services only.</li> <li>19. Neither all nor any part of this appraisal report shall be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of the appraiser(s).</li> <li>20. Neither this report, nor any of its contents, may be used for the sale of shares or similar units of ownership in the nature of securities, without specific prior approval of the appraiser(s). No part of this appraisal may be reproduced without the permission of the appraisers.</li> <li>21. This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the appraiser(s) whose signature(s) appear on the appraisal report. No change of any item in the report shall be made by anyone other than the appraiser. The appraiser shall have no responsibility if any such unauthorized change is made.</li> <li>22. The appraiser may not divulge the material contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by a court of law or body with the power of subpoena.</li> <li>23. The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose as of the date of the photos. Site plans are not surveys unless so designated.</li> <li>24. On-site or off-site proposed improvements, if any, as well as any repairs required, are considered for purposes of this appraisal to be completed in good and workmanlike manner according to information submitted and/or considered by the appraisers. In cases of proposed construction, the appraisal is subject to change upon inspection of the property after construction is completed.</li> <li>25. The authentic copies of this report are signed in blue ink and have been bound. Any copy that does not have the above is unauthorized and may have been altered.</li> <li>26. Acceptance of, and/or use of, this appraisal report by client constitutes acceptance of the foregoing conditions in their entirety. Appraiser liability extends only to the identified client, not subsequent parties or users, and is limited to the amount of fee received by the appraiser. Use or reliance upon this report by third parties is specifically prohibited.</li> <li>27. <b>Extraordinary Assumption(s):</b> This appraisal assignment is written under the extraordinary assumption(s) cited in this report</li> </ol> |
|---|---|

1



Aerial view of the subject property



2



View northwest from near the northeast corner of the subject property

3



View southwest from near the northeast corner of the subject property



**4**



View northwest from near the southeast corner of the subject property

**5**



View northwest from the central portion of the subject property

6



View southeast from the central portion of the subject property

7



View southeast from near the northwest corner of the subject property



**8**



View south from near the northwest corner of the subject property

**9**



View east along the southern property boundary from Higley Road

10



View northeast across the subject property from Higley Road

11



Typical sign on the subject property



12



View south along Higley Road at Thomas Road

13



View north along Higley Road at State Route 202

14



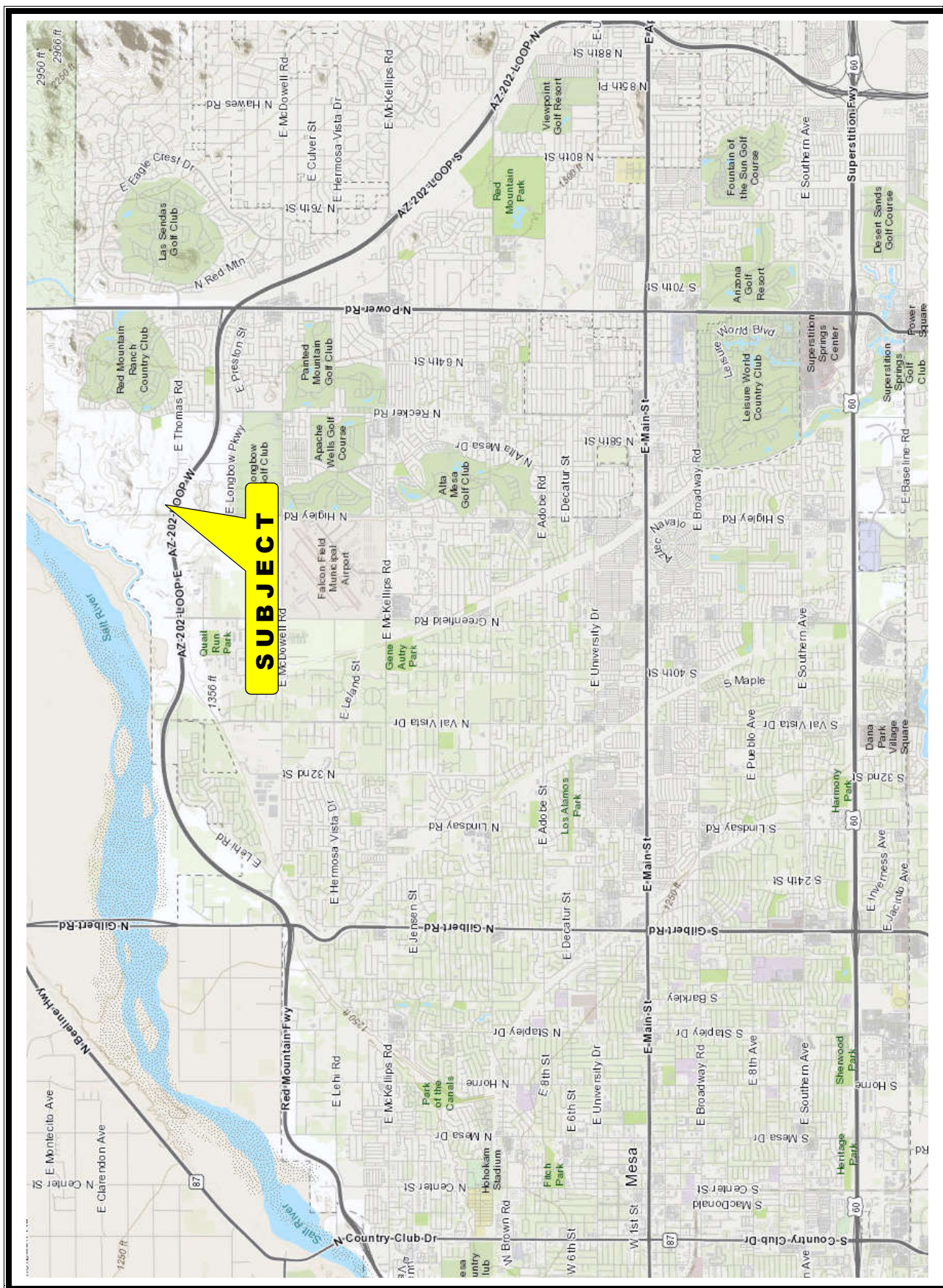
View east along Thomas Road at Higley Road

15



View northwest along Thomas Road east of 54<sup>th</sup> Street



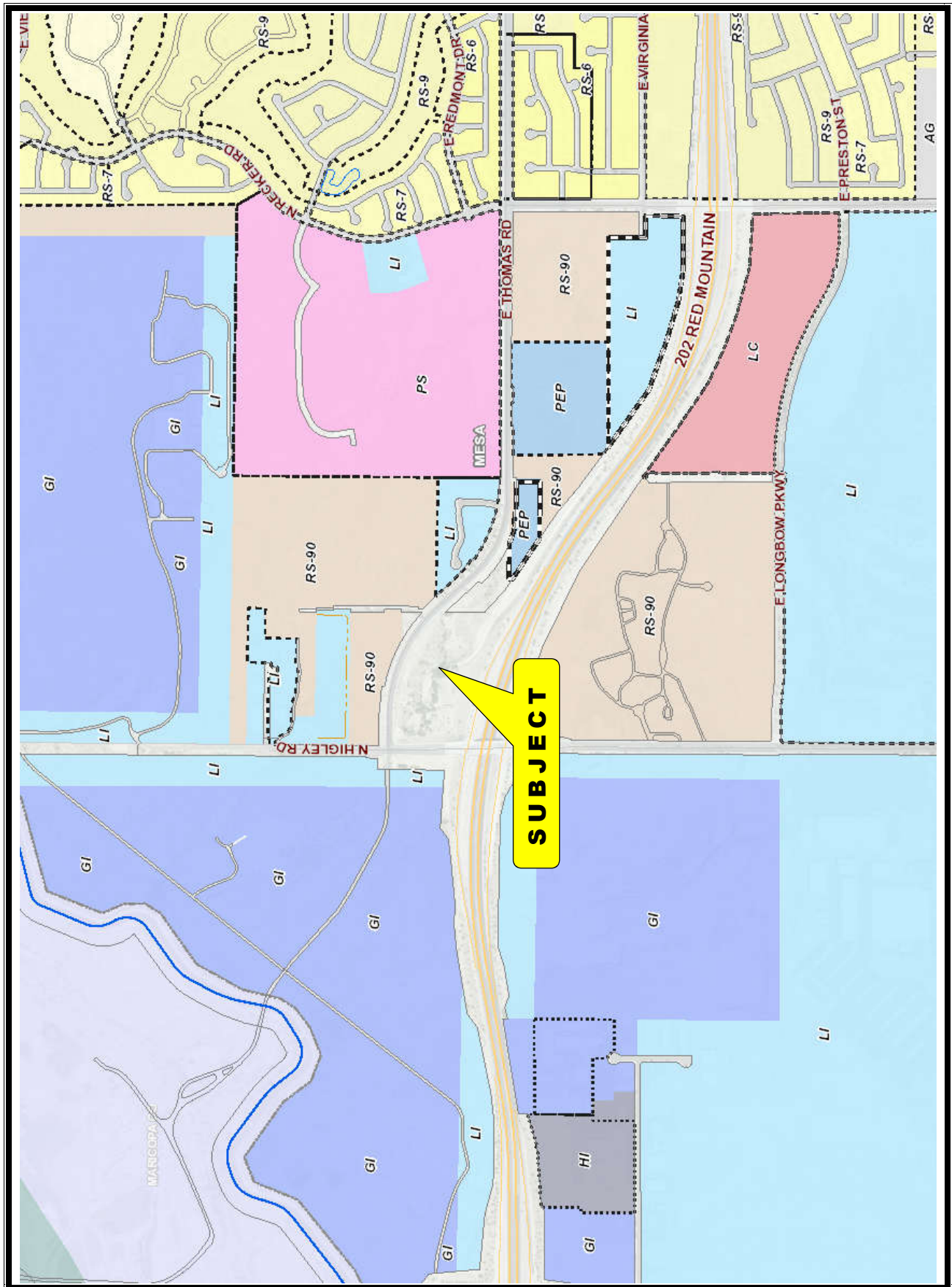


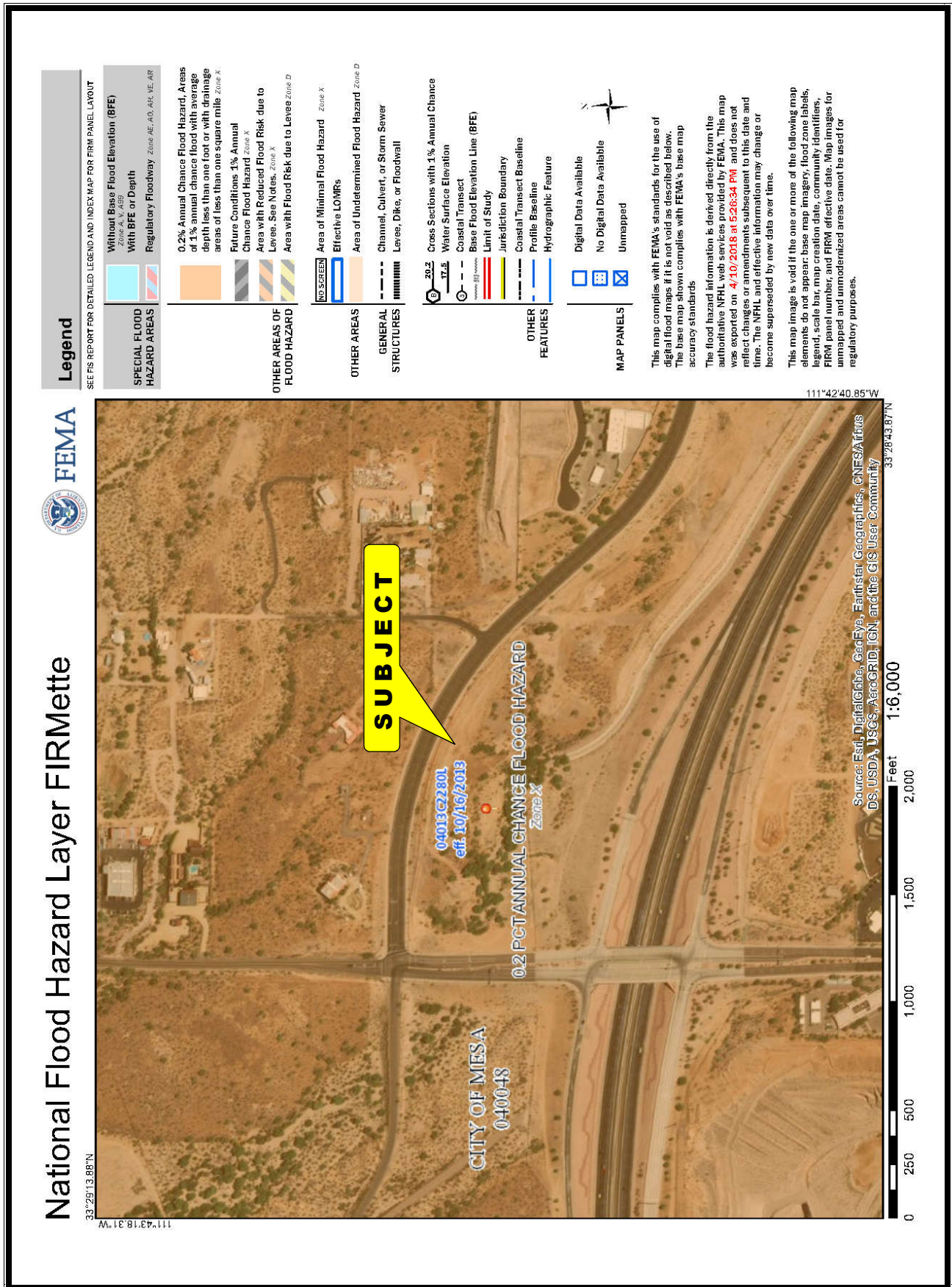
© Arizona State Land Department Parcel Viewer













**ARIZONA DEPARTMENT OF TRANSPORTATION**  
**RIGHT OF WAY GROUP**  
**RIGHT OF WAY DISPOSAL REPORT**

The undersigned has examined the title to the property described in SCHEDULE A-1 herein, and the Fee owner is:

The State of Arizona, by and through its Department of Transportation

**Address:** 205 South 17th Avenue, Mail Drop 612E, Phoenix, Arizona 85007

**By virtue of that certain:** See Exhibit A and Resolutions Section.

Upon compliance with REQUIREMENTS herein, satisfactory title will vest in the Proposed Buyer.

**LEGAL DESCRIPTION**

SEE SCHEDULE A-1 ATTACHED  
 SEE ALSO EXHIBIT "A" ATTACHED

**REMARKS:** Excess Land Report.

**Date of Search:** 02-03-2016

**Examiner:** Angela Clark

**Reviewer:** Chuck Mullany *CM*

**Update to:**

**Examiner:**

**Reviewer:**

**Update to:**

**Examiner:**

**Reviewer:**

**Update to:**

**Examiner:**

**Reviewer:**

**Update to:**

**Examiner:**

**Reviewer:**

**County:** Maricopa

**Tax Arb:** 141-38-N/A

**Disposal:** N/A

**Tracs No.:** 202LMA000H540001R

**Highway:** RED MOUNTAIN FREEWAY

**Excess Land:** L-C-003

**Fed. No.:** RAM 600-8-803

**Section:** Gilbert Road – Higley Road

**Parcel No.:** See Exhibit B

**SCHEDULE A-1  
LEGAL DESCRIPTION**

That portion of Section 26, Township 2 North, Range 6 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, as depicted on Exhibit "A" attached, Sheets P-27 and P-28 of ADOT Drawing D-7-T-915, the Right of Way Plans of RED MOUNTAIN FREEWAY, Section Gilbert Road – Higley Road, Project 202LMA000H540001R.

**Note: The legal description of the area to be sold will be produced by the ADOT Right of Way Delineation Unit.**

**END OF SCHEDULE A-1**

- 2 -

**RIGHT OF WAY VESTING**

- 1.) Warranty Deed from J. Frank Wood and Clara C. Wood, husband and wife, to the State of Arizona, by and through its Department of Transportation, dated February 25, 2000, recorded March 20, 2000, in Document No. 2000-0207108.  
[Parcel 7-8927, Project 600-8-803 / 202LMA000H540001R]
- 2.) Warranty Deed from Steven Michael Zeman, an unmarried man, to the State of Arizona, by and through its Department of Transportation, dated May 3, 2000, recorded May 30, 2000, in Document No. 2000-0408899.  
[Parcel 7-8928, Project 600-8-803 / 202LMA000H540001R]
- 3.) Warranty Deed from William G. Cumnard, II and Diana S. Cumnard, husband and wife, to the State of Arizona, by and through its Department of Transportation, dated July 10, 2000, recorded July 28, 2000, in Document No. 2000-0576872.  
[Parcel 7-8930, Project 600-8-803 / 202LMA000H540001R]
- 4.) Warranty Deed from Mark S. Tomasko, an unmarried man, to the State of Arizona, by and through its Department of Transportation, dated August 2, 2000, recorded August 17, 2000, in Document No. 2000-0632516.  
[Parcel 7-9481, Project 600-8-803 / 202LMA000H540001R]
- 5.) Warranty Deed from Doreen Davis Key, wife of Jim L. Key, as her sole and separate property, to the State of Arizona, by and through its Department of Transportation, dated July 26, 2000, recorded August 17, 2000, in Document No. 2000-0632516A.  
[Parcel 7-9449, Project 600-8-803 / 202LMA000H540001R]
- 6.) Warranty Deed from Rockford Eaton, LLC, an Arizona L.L.C. & Michael L. Wirth, a married man dealing with his sole and separate property and Alan L. Wirth, a married man, dealing with his sole and separate property, as tenants in common, to the State of Arizona, by and through its Department of Transportation, dated August 30, 2000, recorded September 29, 2000, in Document No. 2000-0751766.  
[Parcel 7-8929-1, Project 600-8-803 / 202LMA000H540001R]
- 7.) Warranty Deed from Mark L. Wirth, husband of Margie Wirth, dealing with his sole and separate property, to the State of Arizona, by and through its Department of Transportation, dated August 30, 2000, recorded September 29, 2000, in Document No. 2000-0751768.  
[Parcel 7-9441, Project 600-8-803 / 202LMA000H540001R]
- 8.) Warranty Deed from Alan L. Wirth and Diane E. Wirth, husband and wife, to the State of Arizona, by and through its Department of Transportation, dated August 9, 2000, recorded August 29, 2000, in Document No. 2000-0751769.  
[Parcel 7-8925, Project 600-8-803 / 202LMA000H540001R]
- 9.) Warranty Deed from Mark L. Wirth, a married man, Michael L. Wirth, a married man, and Alan L. Wirth, a married man, as tenants in common, to the State of Arizona, by and through its Department of Transportation, dated August 9, 2000, recorded September 29, 2000, in Document No. 2000-0751774.  
[Parcel 7-9442, Project 600-8-803 / 202LMA000H540001R]

- 10.) Warranty Deed from Mark L. Wirth, husband of Margie Wirth, dealing with his sole and separate property, to the State of Arizona, by and through its Department of Transportation, dated August 30, 2000, recorded September 29, 2000, in Document No. 2000-0751776.  
[Parcel 7-9581, Project 600-8-803 / 202LMA000H540001R]
- 11.) Warranty Deed from Mark L. Wirth, a married man as his sole and separate property; Michael L. Wirth, a married man as his sole and separate property; and Alan L. Wirth, a married man as his sole and separate property, all as tenants in common, to the State of Arizona, by and through its Department of Transportation, dated August 30, 2000, recorded September 29, 2000, in Document No. 2000-0751782.  
[Parcel 7-8929, Project 600-8-803 / 202LMA000H540001R]
- 12.) Warranty Deed from Mark L. Wirth, a married man dealing with his sole and separate property; Michael L. Wirth, a married man dealing with his sole and separate property; and Alan L. Wirth, a married man dealing with his sole and separate property, all as tenants in common, to the State of Arizona, by and through its Department of Transportation, dated August 30, 2000, recorded September 29, 2000, in Document No. 2000-0751787.  
[Parcel 7-8929-2, Project 600-8-803 / 202LMA000H540001R]
- 13.) Final Order of Condemnation in Civil Case No. CV2000-015338 of the Arizona Superior Court, Maricopa County, entitled the State of Arizona, ex rel., Mary E. Peters, Director, Department of Transportation, Plaintiff, vs. R.D.C., INC., an Arizona corporation; MARICOPA COUNTY TREASURER, Defendants, dated September 27, 2002, recorded October 23, 2002, in Document No. 2002-1105106.  
[Parcel 7-9443, Project 600-8-803 / 202LMA000H540001R]

**END OF RIGHT OF WAY VESTING**

**REQUIREMENTS**

1. Furnish the name of the buyer of the property described in Schedule A-1 herein.
2. Record Deed from the State of Arizona, by and through its Department of Transportation to the proposed buyer(s).

NOTE: Repurchase rights do not apply due to the property being acquired:

- a. Warranty Deed to ADOT, recorded March 20, 2000 in Document No. 2000-0207108.  
[Parcel 7-8927, Project 600-8-803 / 202LMA000H540001R]
- b. Warranty Deed to ADOT, recorded May 30, 2000 in Document No. 2000-0408899.  
[Parcel 7-8928, Project 600-8-803 / 202LMA000H540001R]
- c. Warranty Deed to ADOT, recorded July 28, 2000 in Document No. 2000-0576872.  
[Parcel 7-8930, Project 600-8-803 / 202LMA000H540001R]
- d. Warranty Deed to ADOT, recorded August 17, 2000 in Document No. 2000-0632516.  
[Parcel 7-9481, Project 600-8-803 / 202LMA000H540001R]
- e. Warranty Deed to ADOT, recorded August 17, 2000 in Document No. 2000-0632516A.  
[Parcel 7-9449, Project 600-8-803 / 202LMA000H540001R]
- f. Warranty Deed to ADOT, recorded September 29, 2000 in Document No. 2000-0751766.  
[Parcel 7-8929-1, Project 600-8-803 / 202LMA000H540001R]
- g. Warranty Deed to ADOT, recorded September 29, 2000 in Document No. 2000-0751768.  
[Parcel 7-9441, Project 600-8-803 / 202LMA000H540001R]
- h. Warranty Deed to ADOT, recorded September 29, 2000 in Document No. 2000-0751769.  
[Parcel 7-8925, Project 600-8-803 / 202LMA000H540001R]
- i. Warranty Deed to ADOT, recorded September 29, 2000 in Document No. 2000-0751774.  
[Parcel 7-9442, Project 600-8-803 / 202LMA000H540001R]
- j. Warranty Deed to ADOT, recorded September 29, 2000 in Document No. 2000-0751776.  
[Parcel 7-9581, Project 600-8-803 / 202LMA000H540001R]
- k. Warranty Deed to ADOT, recorded September 29, 2000 in Document No. 2000-0751782.  
[Parcel 7-8929, Project 600-8-803 / 202LMA000H540001R]
- l. Warranty Deed to ADOT, recorded September 29, 2000 in Document No. 2000-0751787.  
[Parcel 7-8929-2, Project 600-8-803 / 202LMA000H540001R]

**END OF REQUIREMENTS**

**SCHEDULE B**

1. There are no Schedule B matters to report.

**END OF SCHEDULE B**

- 6 -



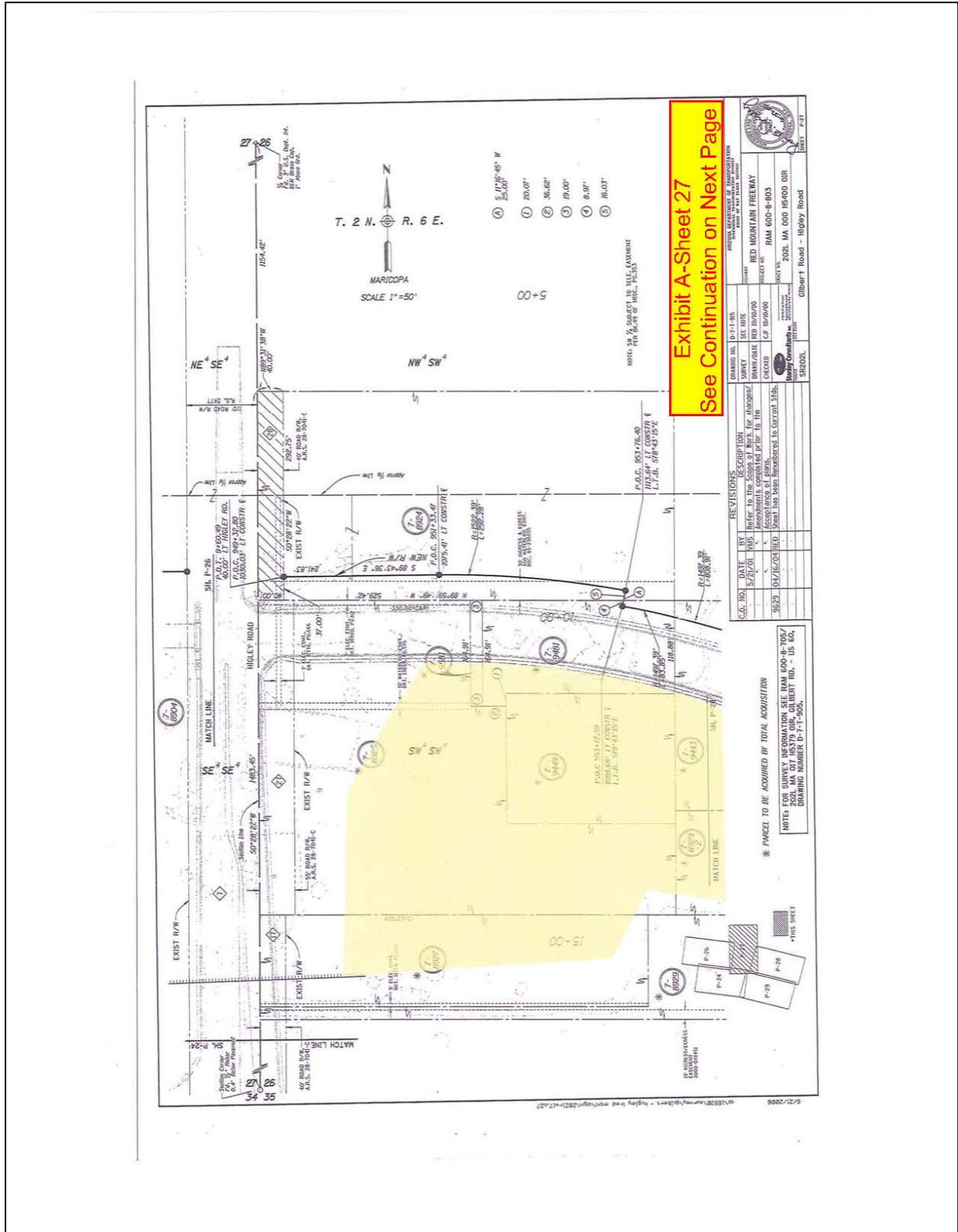
**EXHIBIT B**

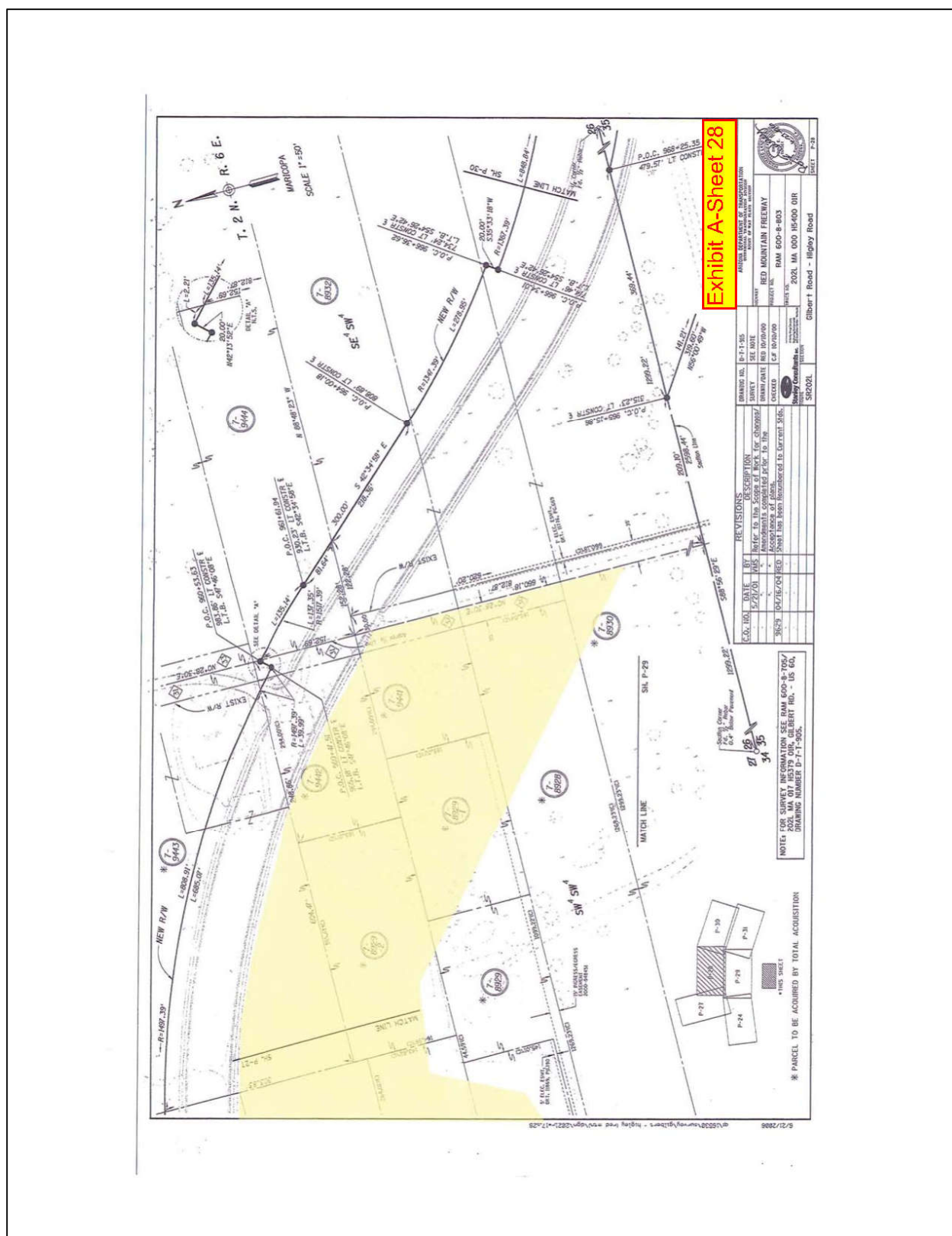
**ADOT PARCEL NUMBERS**

a.	7-8925
b.	7-8927
c.	7-8928
d.	7-8929
e.	7-8929-1
f.	7-8929-2
g.	7-8930
h.	7-9441
i.	7-9442
j.	7-9443
k.	7-9449
l.	7-9481
m.	7-9581

**END OF EXHIBIT B**

- 7 -





**EXHIBIT "A"**

That portion of the Southwest quarter of the Southwest quarter (SW¼SW¼) of Section 26, Township 2 North, Range 6 East, Gila and Salt River Meridian, Maricopa County, Arizona, described as follows:

COMMENCING at a ½ inch rebar marking the South quarter corner of said Section 26, being South 88°56'29" East 2598.44 feet from a ½ inch rebar marking the Southwest corner of said Section 26;

thence along the South line of said Section 26, North 88°56'29" West 1299.22 feet to the East line of the Southwest quarter of the Southwest quarter (SW¼SW¼) of said Section 26;

thence along said East line of the Southwest quarter of the Southwest quarter (SW¼SW¼) of Section 26, North 00°28'30" East 186.41 feet to the POINT OF BEGINNING on an existing chain link fence;

thence along said chain link fence North 47°26'07" West 737.53 feet;

thence continuing along said chain link fence North 80°00'02" West 147.00 feet;

thence continuing along said chain link fence South 32°50'38" West 111.74 feet;

thence continuing along said chain link fence South 85°54'51" West 407.73 feet;

thence North 00°28'22" East 232.21 feet;

thence North 22°10'46" East 159.64 feet;

thence North 39°33'01" East 123.15 feet;

thence from a Local Tangent Bearing of South 89°43'35" East along a curve to the Right having a radius of 1372.00 feet, a length of 1135.63 feet;

thence South 42°18'31" East 13.93 feet to said East line of the Southwest quarter of the Southwest quarter (SW¼SW¼) of Section 26;

thence along said East line of the Southwest quarter of the Southwest quarter (SW¼SW¼) of Section 26, South 00°28'30" West 417.13 feet to the POINT OF BEGINNING.

447,706 square feet, more or less.

(continued)

**PAGE 1**

<b>PROJECT:</b> 202L MA 000 H5400	<b>LOCATION:</b> Gilbert Rd. – Higley Rd.	<b>PARCEL:</b> L-C-003
600-8-803	Disposal	cg 03-14-2018

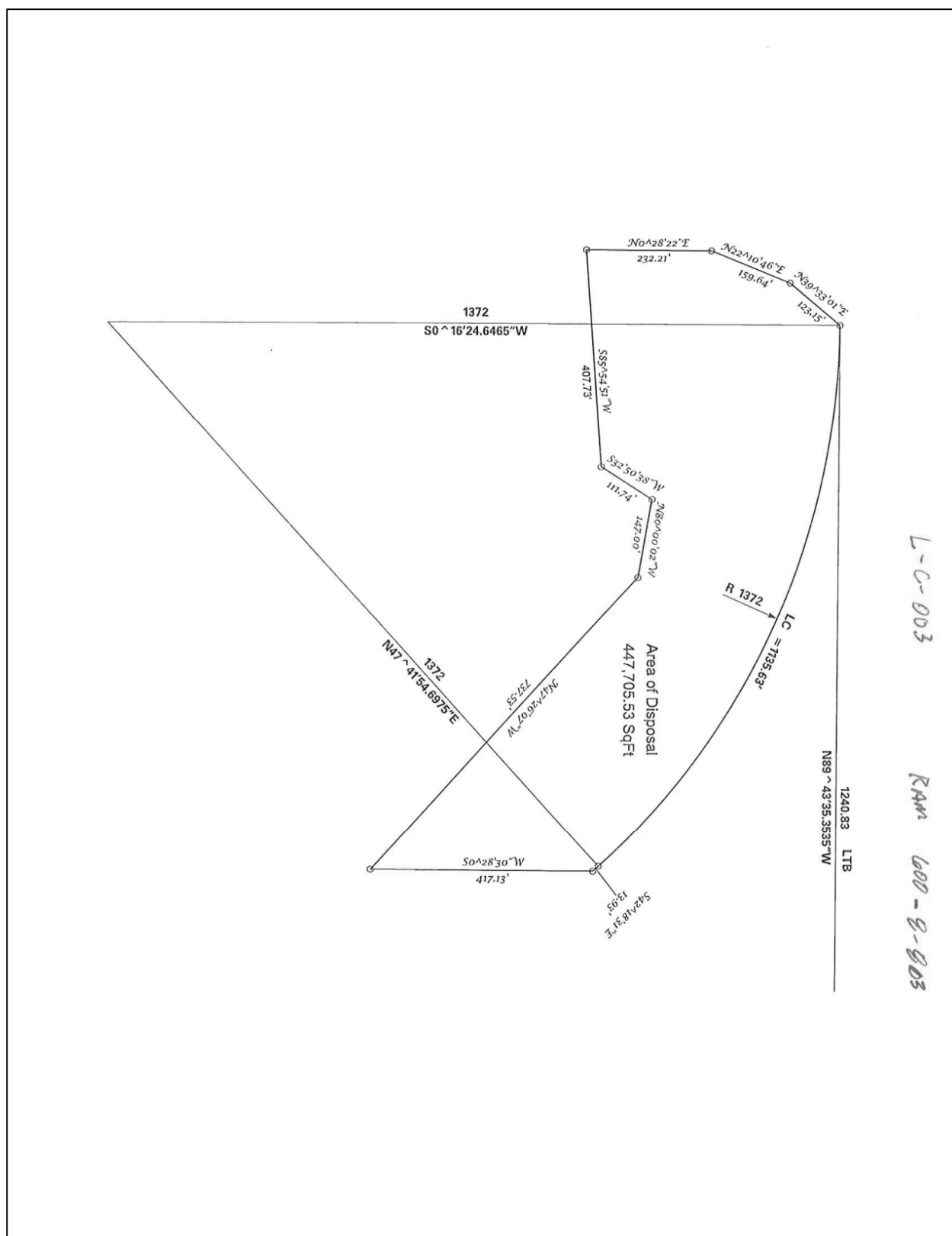
There shall be no right or easement of access to, from or between the parcel of land described above and State Route 202L (RED MOUNTAIN FREEWAY).

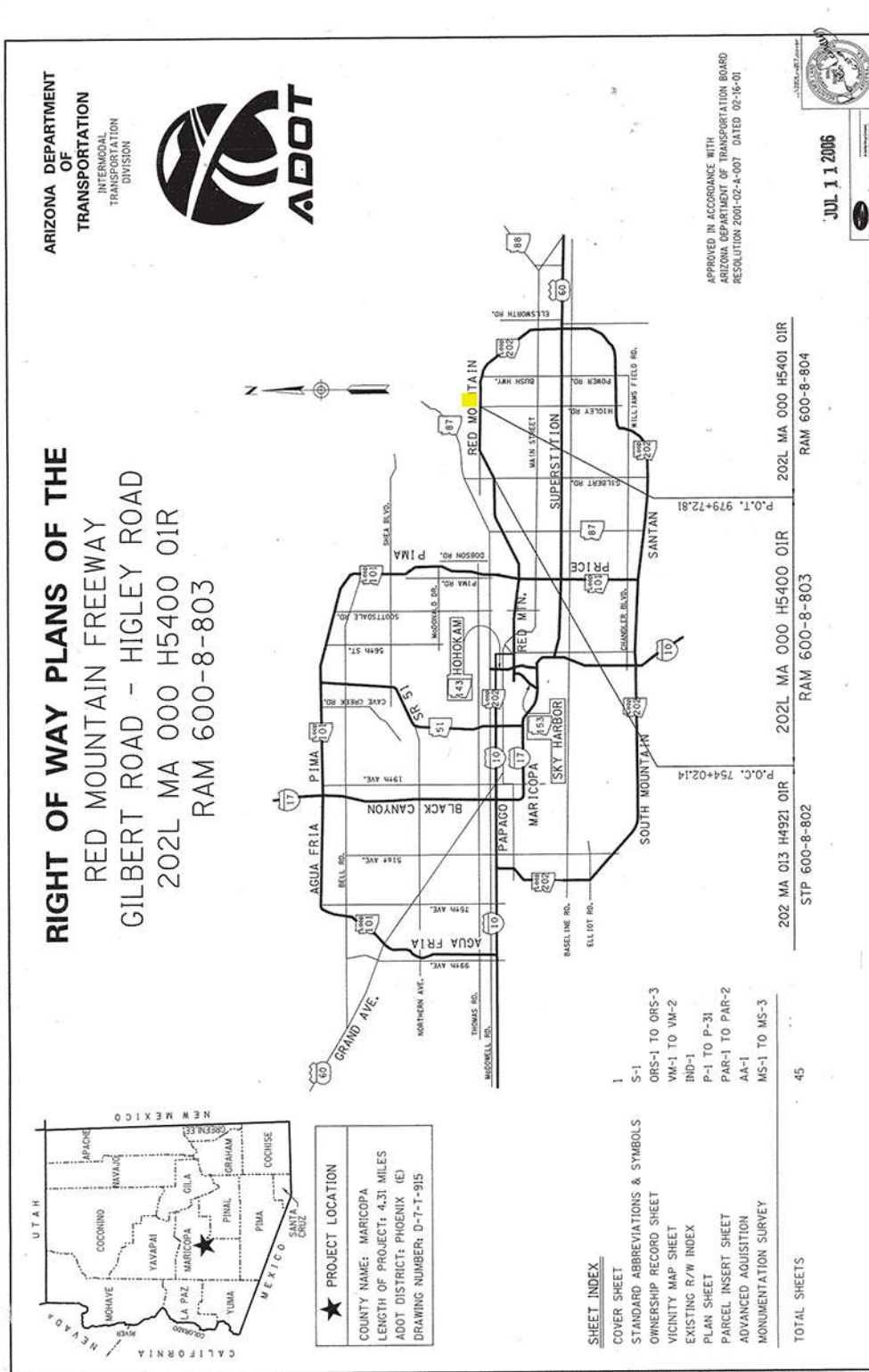
**GRANTOR RESERVES** unto the public and various utility companies, easements for existing utilities, if any, within the above described property, in accordance with Arizona Revised Statute 28-7210. Access to the existing utilities will be by way of what exists at the time of this conveyance and shall be the responsibility of the Grantee herein and of the public or utility companies to show where that access is located.

**ALSO GRANTOR RESERVES** a rectangular area that is approximately 16+ feet by 30 feet for an area of approximately 500 square feet, said area being located within the above described property just southerly of the existing Thomas Road sidewalk, and is being used by Nammo Talley, Inc, for a monitoring well that is placed within the rectangular area.

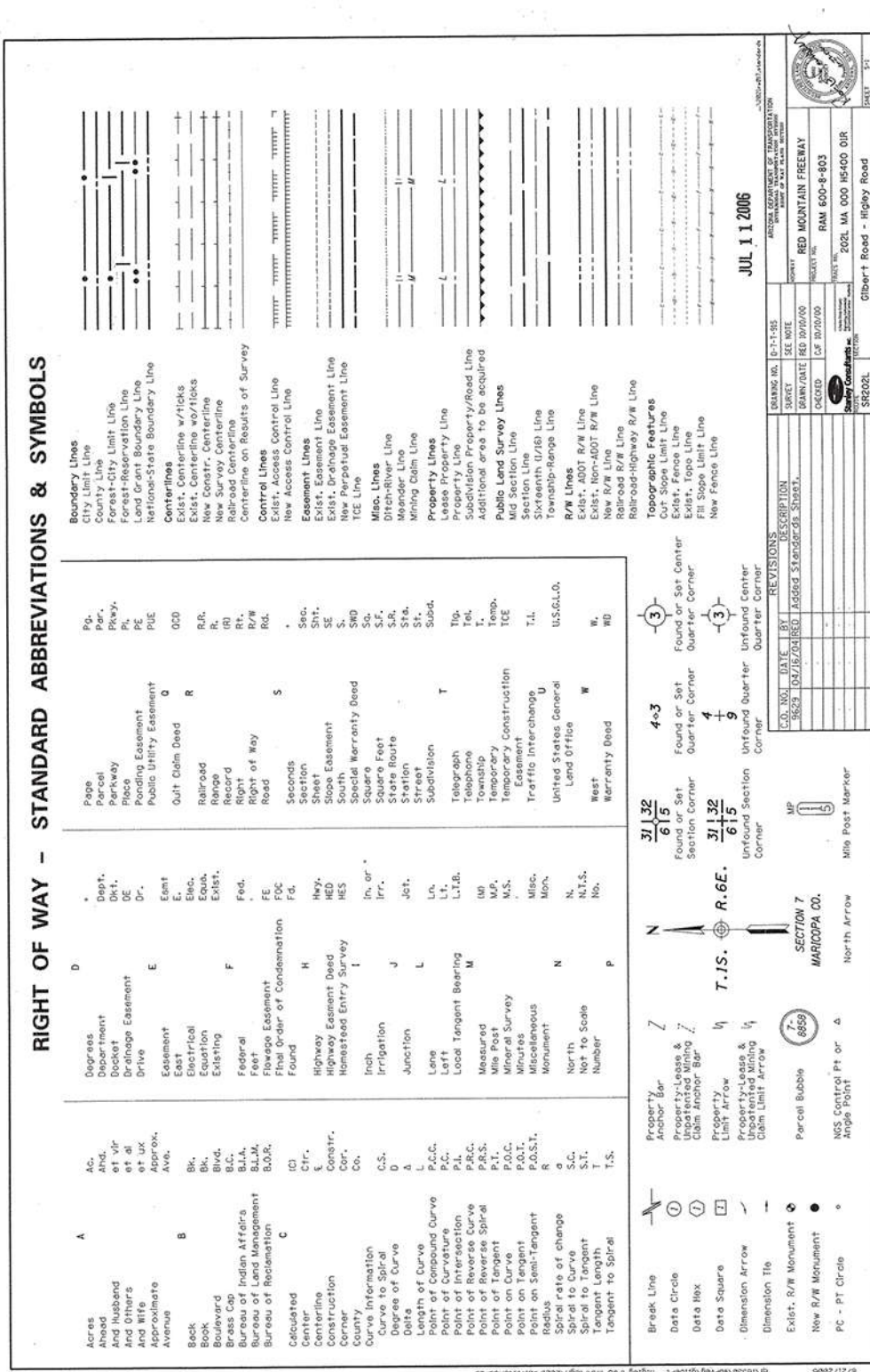
**PAGE 2**

<b>PROJECT:</b> 202L MA 000 H5400	<b>LOCATION:</b> Gilbert Rd. – Higley Rd.	<b>PARCEL:</b> L-C-003
600-8-803	Disposal	cg 03-14-2018











OWNERSHIP				RECORD				ACQUISITION RECORD			
PARCEL NUMBER	OWNER	DESCRIPTION	TOTAL AREA	AREA ACQUIRED	EXISTING EASEMENTS	NEW EASEMENTS	REMAINDER	SHEET NO.	INSTRUMENT	DATE	RECORDED
7-8904-L	TALLEY DEFENSE SYSTEMS, INC.	PT. SW4, SEC. 27, T2N, R6E	4,354.205	205.687	170.278 TCE		4,150.919	P-18 TO P-22	QCD	03/22/01	01-332524
7-8905	NORMAN D. PEARCE, ET AL	PT. NE4, SEC. 33, T2N, R6E	351.568	58.496	3.801 TCE		293.072		QCD	03/22/01	01-332524
7-8906	JOHN WEIK JR., ET UX	PT. NW4, NW4, SEC. 34, T2N, R6E	324.646	103.274	6.324 TCE		103.607	P-20 TO P-21	FOC	10/08/01	01-1025610
7-8908	SUPERSTITION CRUSHING, AN ARIZONA L.L.C.	PT. NW4, NW4, SEC. 34, T2N, R6E	174.479	18.001			156.468	P-20 TO P-21	FOC	09/10/01	01-908732
7-8909	ROC, INC.	LOT 27, MCR 233, PG2	113.252	8.307			104.945	P-20 TO P-21	WD	02/07/01	01-287166
7-8911	FOUNTAIN HILLS LAND & EQUIPMENT	PT. N2, NW4, SEC. 34, T2N, R6E	974.098	376.964			597.134	P-20 TO P-21	WD	02/15/01	01-271962
7-8913	SPECIAL DEVISES, INC.	PT. NE4, NW4, SEC. 34, T2N, R6E	1,025.985	135.970			889.995	P-22	FOC	07/13/01	01-704172
7-8914-L	E.J.C. INVESTMENTS	PT. NE SEC. 34, T2N, R6E	6,353.060	39.851			6,275.816	P-22 TO P-25	FOC	10/10/02	02-105104
7-8915-L	AMCON MATERIALS COMPANY, INC.	PT. NE SEC. 34, T2N, R6E	6,353.060	77.185			6,275.816	P-22 TO P-25	FOC	10/10/02	02-105104
7-8916	THE VERA IRENE DINGMAN TRUST	PT. NW4, NW4, SEC. 35, T2N, R6E	168.816	83.345			85.471	P-22 TO P-25	WD	04/28/00	00-391595
7-8918	CITY OF MESA	PT. NW4, NW4, SEC. 35, T2N, R6E	200.869	27.781			173.088	P-22 TO P-25	WD	05/23/02	03-054132
7-8919	JALING COEN	PT. NW4, NW4, SEC. 35, T2N, R6E	216.863	149.008			67.855	P-29	WD	05/13/00	00-438105
7-8920	JAMES M. LANDO	PT. NE4, NW4, SEC. 35, T2N, R6E	43.683	42.707			916	P-29	WD	04/26/00	00-398643
7-8921	CARE, L.L.C.	PT. NE4, NW4, SEC. 35, T2N, R6E	43.685	46.246			42.168	P-31	WD	04/26/01	01-624600
7-8922	THE RICHMOND A. BOAZ TRUST	PT. NE4, NW4, SEC. 35, T2N, R6E	215.111	113.687			101.424	P-25 TO P-29	WD	12/26/00	01-009177
7-8923	SUNSHINE ACRES CHILDREN'S HOME, INC.	PT. NW4, SEC. 35, T2N, R6E	5,272.131	400.157	2,004 TCE		7,541	P-25 TO P-29	WD	03/20/01	01-063331
7-8924	DUANE L. WIRTH, ET UX	PT. W2, SW4, SEC. 26, T2N, R6E	214.254	31.964			182.290	P-27	FOC	02/10/03	03-177765
7-8925	ALAN L. WIRTH, ET UX	PT. SW4, SW4, SEC. 26, T2N, R6E	219.515	192.331				P-27 TO P-28	WD	08/09/00	00-751169
7-8927	J. FRANK WOOD, ET UX	PT. SW4, SW4, SEC. 26, T2N, R6E	87.729	81.929				P-28 TO P-29	WD	02/25/00	00-507108
7-8928	STEVEN MICHAEL ZEMAN	PT. SW4, SW4, SEC. 26, T2N, R6E	209.354	202.759				P-29 TO P-30	WD	06/03/00	00-408899
7-8929	MARK L. WIRTH, ET AL	PT. SW4, SW4, SEC. 26, T2N, R6E	50.011	49.217				P-30 TO P-31	WD	08/30/00	00-751162
7-8929-1	MARK L. WIRTH, ET AL	PT. SW4, SW4, SEC. 26, T2N, R6E	43.660	43.660				P-31 TO P-32	WD	08/30/00	00-751166
7-8929-2	MARK L. WIRTH, ET AL	PT. SW4, SW4, SEC. 26, T2N, R6E	59.665	59.665				P-32 TO P-33	WD	08/30/00	00-751187
7-8930	L. BLAIN & GERALDINE CUMMARS	PT. SW4, SW4, SEC. 26, T2N, R6E	406.847	348.569				P-33 TO P-34	WD	07/10/00	00-576872

\* PARCEL TO BE ACQUIRED AS A TOTAL ACQUISITION.  
\* 12,096 SQ. FT. TO BE ACQUIRED BY RESOLUTION.  
NOTE: ALL AREAS SHOWN ARE IN SQUARE FEET.

JUL 1 2006

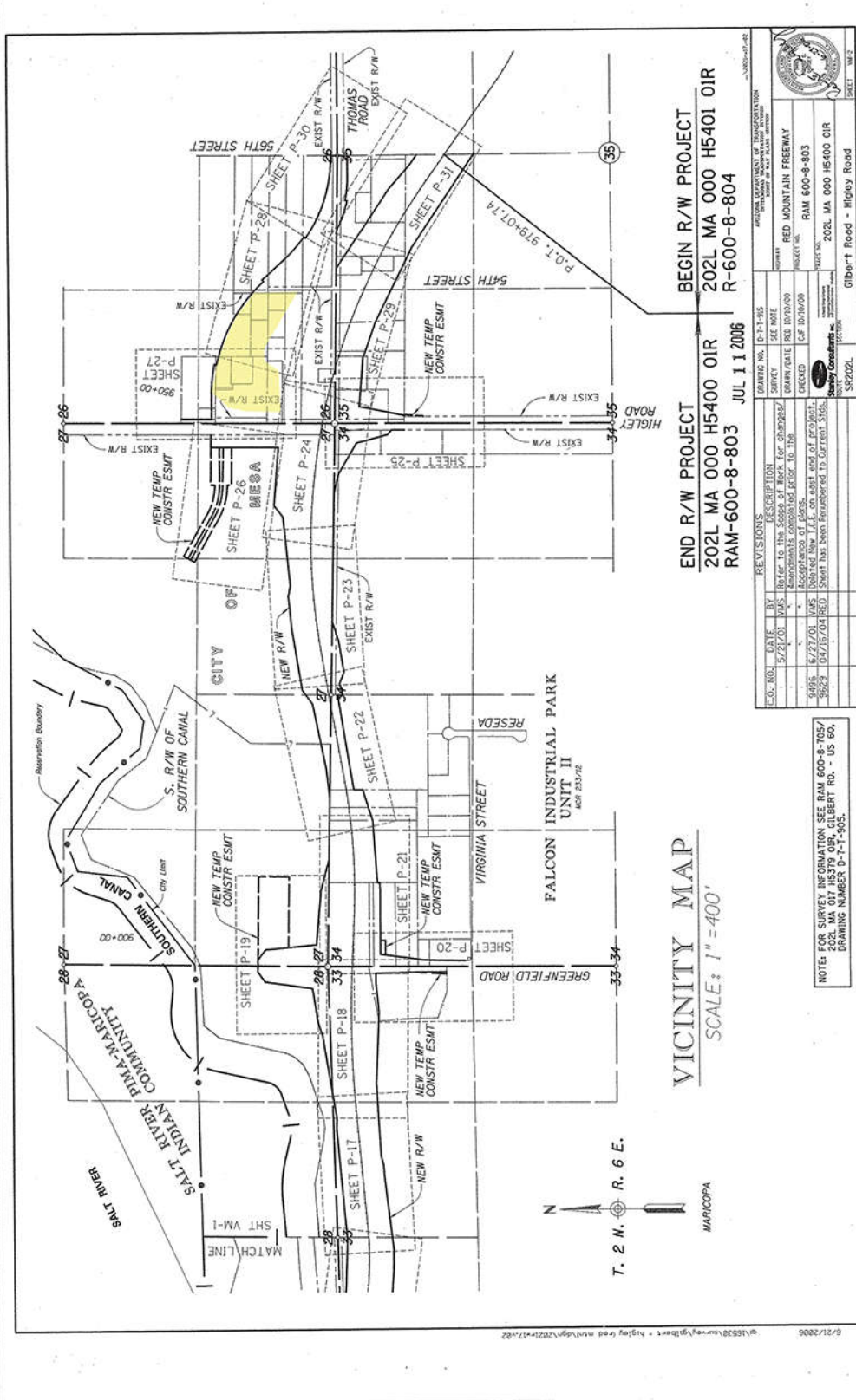
NOTE: FOR SURVEY INFORMATION SEE RAM 600-8-705/  
DRAWING NUMBER D-11-900.

REVISIONS	DATE	BY	DESCRIPTION
1	04/16/04	REC	Updated Acquisition Record all parcels & removed Street to Current State.

RAMING NO.	02-11-905	DATE	02/13/03
SURVEY	SEE NOTE	DATE	02/13/03
PROJECT	RED MOUNTAIN FREEMAN	DATE	02/13/03
PROJECT NO.	RAM 600-8-803	DATE	02/13/03
PROJECT NO.	2021 MA 000 H5400 01R	DATE	02/13/03
PROJECT NO.	Gilbert Road - Highway Road	DATE	02/13/03

[illegible]

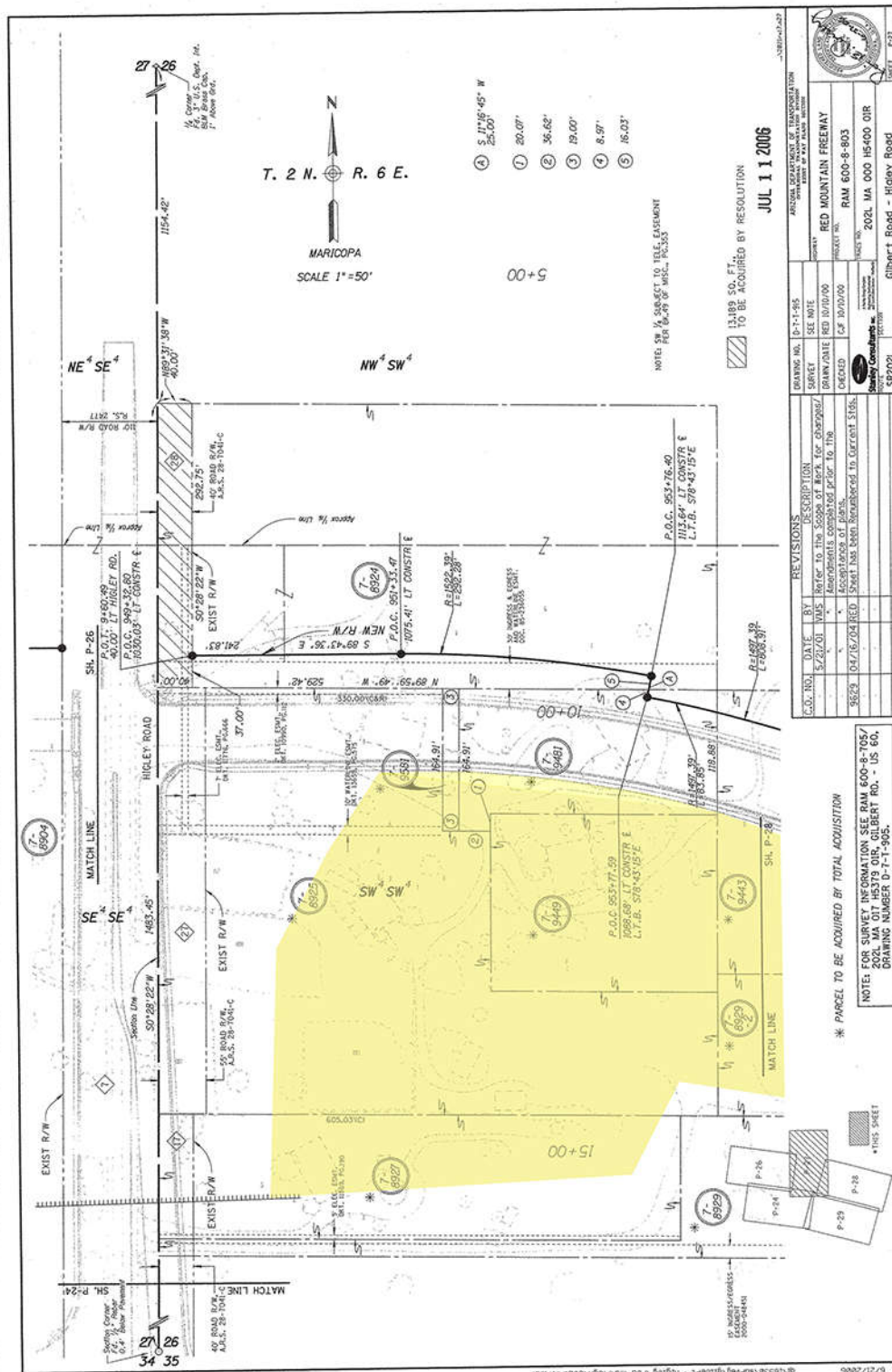




**EXISTING RIGHT OF WAY DOCUMENTS - NOT CONTROLLED BY ADOT**

INDEX NUMBER	DESCRIPTION	ACQUIRED FROM	TYPE	DOCKET / RD MAP BK & PAGE	WIDTH	YEAR	PARCEL NUMBER	SHEET NUMBER
1	PT. NW SEC. 32, T2N, R6E	PER TITLE REPORT FOR T-8987	ARS 28-704-C	RD MAP BK 2 15	33'			
2	PT. SE SW & SW SEC. 29, T2N, R6E	E.W. MORTENSEN & SARAH E. WORTENSEN	QUIT CLAIM DEED	BK 105	182	1914		
3	PT. SW SEC. 28 & SE SEC. 29, T2N, R6E	ALLIED CONCRETE AND MATERIALS CO.	QUIT CLAIM DEED	83-361842	22'	1981		
4	PT. SE SW SEC. 28, T2N, R6E	BERTIE HARRIS & OLIVIA HARRIS	QUIT CLAIM DEED	BK 105	180	1914		
5	PT. SE SEC. 29 & SW SEC. 28, T2N, R6E	J.S. HARRIS	QUIT CLAIM DEED	BK 105	181	1914		
6	PT. NE SEC. 32 & NW SEC. 33, T2N, R6E	P.B. BEVELLE & MARY ALICE BEVELLE	QUIT CLAIM DEED	BK 105	179	1914		
7	PT. E, SEC. 27, T2N, R6E	BLM	RS 2477	AZA-32218 BK 233 OF MAPS	110'	1963		
8	PT. NW NW SEC. 34, T2N, R6E	TERRA DEVELOPMENT	DEDICATION		12	1981		
9	PT. NE SEC. 34, T2N, R6E	EDGAR JOSEPH CYR & JERALDINE E. CYR	EASEMENT	13454	690	40' & 15'		
10	PT. NW SEC. 35, T2N, R6E	JAMES A. DINGMAN & VERA IRENE DINGMAN	EASEMENT	5456	458	40'		
11	PT. NW NW SEC. 35, T2N, R6E	JAMES A. DINGMAN & VERA IRENE DINGMAN	EASEMENT	6521	835	40'		
12	PT. NE NW SEC. 35, T2N, R6E	WILLIAM C. BEATTY & SHIRLEY J. BEATTY	EASEMENT	5456	458	40'		
13	PT. NE NW SEC. 35, T2N, R6E	JOHN F. BOUTER & JOSEPHINE V. BOUTER	EASEMENT	5474	547	40'		
14	PT. NW SEC. 35, T2N, R6E	SUNSHINE ACRES CHILDREN'S HOME	QUIT CLAIM DEED	2170	380	65'		
15	PT. NW SEC. 35, T2N, R6E	SUNSHINE ACRES CHILDREN'S HOME	QUIT CLAIM DEED	88-174461	15'	1988		
16	PT. NW SEC. 35, T2N, R6E	SUNSHINE ACRES CHILDREN'S HOME	QUIT CLAIM DEED	94-0804302	10'	1994		
17	PT. NW SEC. 36, T2N, R6E	PER TITLE REPORT FOR T-8927, T-8928, T-8929, T-8930	ARS 28-704-C		40'			
18	PT. SW SEC. 26, T2N, R6E	CUMMARO REALTY AND INSURANCE COMPANY	EASEMENT	14167	1134	40'		
19	PT. SW SEC. 26, T2N, R6E	JARVIS E. HYMER	EASEMENT	14167	1136	40'		
20	PT. SE SW SEC. 26, T2N, R6E	PAUL L. CHRISTOPH, ET AL	EASEMENT	14167	1131	40'		
21	PT. SE SW SEC. 26, T2N, R6E	PAUL L. CHRISTOPH & MARJORIE A. CHRISTOPH	EASEMENT	14706	351	30'		
22	PT. SE SW SEC. 26, T2N, R6E	ANN E. CHRISTOPH & WILLIAM KIPPER	EASEMENT	14706	353	30'		
23	PT. SE SW SEC. 26, T2N, R6E	FRANK J. CHRISTOPH & ANNIE CHRISTOPH	EASEMENT	14706	356	30'		
24	PT. NE SEC. 34, T2N, R6E	EJAC INVESTMENT	WD	97-0220165	65'	1987		
25	PT. NE SEC. 34, T2N, R6E	ANNA KATHERINE WALL TSELENITS	EASEMENT	6613	604	40'		
26	PT. NE SEC. 34, T2N, R6E	BARBARA WALL FREDERICH	EASEMENT	6613	606	40'		
27	PT. NE SEC. 34, T2N, R6E	MARK H. WALL	ARS 28-704-C	6613	608	40'		
28	PT. NW SEC. 26, T2N, R6E	PER TITLE REPORT FOR T-8924	ARS 28-704-C		40'			
29	PT. SW SEC. 26, T2N, R6E	PER TITLE REPORT FOR T-8925	ARS 28-704-C		55'			
30	PT. SW SEC. 26, T2N, R6E	STEVEN M. ZEMAN	WD	97-0216399				
31	PT. SW SEC. 26, T2N, R6E	LORRETTA K. MAYER	EASEMENT	12981	308	30'		
32	PT. SW SEC. 26, T2N, R6E	ALAN E. THOME	EASEMENT	14706	358			
33	PT. SW SEC. 26, T2N, R6E	BRUCE COREY & BETTIE L. COREY	EASEMENT	14600	463	30'		

DRAWING NO. 10-71-965  
DATE 5/27/00  
BY NMS  
FOR THE STATE OF MA, COUNTY OF ESSEX  
NOTARIAL PUBLIC OFFICE  
COUNTY OF ESSEX  
MASSACHUSETTS  
COMMISSION EXPIRATION DATE 12/31/03  
**NOTE:** FOR SURVEY INFORMATION SEE RAM 600-8-705/  
202L MA 017 H5379 OIR, GILBERT RD. - US 60,  
DRAWING NUMBER D-71-965.  
**Stamp:** Survey Commission Seal No. SR202L  
Seal No. SR202L  
Gibbert Road - Higley Road  
RAM 600-8-803  
202L MA 000 H500 OIR  
RED MOUNTAIN FREIGHTWAY  
DECIDED C/F 8/10/00  
JUL 1 2006







TRANSMITTAL		Date: <i>Bentley</i> 31 MAR 17
Environmental Planning		
Arizona Department of Transportation Mail Drop EM02 1611 W. Jackson Phoenix AZ 85007		Phone: (602)712-7767 Fax: (602)712-3066
Excess Number:	L-C-003	
Disposal Name:	All or portions of ADOT parcels # 7-09441, -09481, -08930, -08928, -08927, -09442, -08929-2, -08929, -08925, -09581, -09443, -09449, and -08929-1	
Deliver To		Sent From
Raul Torres		Paul O'Brien, P.E.
Property Management 612E		Environmental Planning
<input checked="" type="checkbox"/> Attached		<input type="checkbox"/> Under Separate Cover
Action:		
<input type="checkbox"/> For your approval	<input checked="" type="checkbox"/> For your use	
<input type="checkbox"/> For your information	<input type="checkbox"/> For your response	
<input type="checkbox"/> As you requested	<input type="checkbox"/> For review and comment	
Description:		
Attached is the environmental clearance package for this disposal.		
Remarks:		
Distribution:		
<input type="checkbox"/> Reading File	<input checked="" type="checkbox"/> Project File	<input type="checkbox"/>
Signed: Paul O'Brien, P.E. <i>Paul O'Brien</i>		
Title: Environmental Planning Manager		

**Arizona Department of Transportation  
Environmental Planning  
Excess Land Disposal Checklist**

**Excess Number:** L-C-003

**Name:** All or portions of ADOT parcels # 7-09441, -09481, -08930, -08928, -08927, -09442, -08929-2, -08929, -08925, -09581, -09443, -09449, and -08929-1

**Location/Address:** Parcels are located at the southeast corner of East Thomas Road and North Higley Road, north of State Route 202 Loop (SR-202L), Mesa, Maricopa County, Arizona.

**Clearance**

Prepared By: Ed Green Date: 27 Mar 17  
Ed Green  
Hazardous Materials Coordinator

Approved By: Paul O'Brien Date: 3/31/17  
Paul O'Brien, P.E.  
Manager

PO:eg

Attachment: Access Agreement



**I. PROJECT DESCRIPTION**

- A. The Arizona Department of Transportation (ADOT) proposes to dispose of excess property L-C-003. The disposal consists of all or portions of thirteen ADOT parcels: # 7-09441, -09481, -08930, -08928, -08927, -09442, -08929-2, -08929, -08925, -09581, -09443, -09449, and -08929-13877.
- B. Location: Parcels are located at the southeast corner of East Thomas Road and North Higley Road, north of State Route 202 Loop (SR-202L), Mesa, Maricopa County, Arizona.
- C. Purpose: The property will be sold in accordance with State law.

**II. IMPACT EVALUATION****A. Natural Environment**

This disposal property consists of 10.26 acres of vacant land. Parcels # 7-09441, -09481, -08927, -09442, -08929-2, -08929, -08925, -09443, and -09449 were formerly residential properties (circa 1970's to 1990's) that were razed by ADOT for the construction of SR-202L. The remaining parcels were never developed.

**Land Use Characteristics**

	<b>Current Condition</b>	<b>Former Use</b>	<b>Surrounding Area</b>
Vacant	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Residential	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Commercial	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industrial	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Agricultural	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Natural	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Landscaped	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Endangered Species Act Listed Species**

	<b>Yes</b>	<b>No</b>	<b>If Yes, List Species.</b>	<b>Comments.</b>
Critical Habitat	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Suitable Habitat	<input type="checkbox"/>	<input checked="" type="checkbox"/>		

The disposal property is located in an area designated Zone X (area determined to be outside the 0.2% annual chance floodplain) according to the Federal Emergency Management Agency Flood Insurance Rate Map Number 04013C2280L.

**B. Physical/Construction**

This type of action does not require any construction-related activities. No construction-related impacts will result from this disposal activity.

A hazardous materials site assessment was performed by ADOT Environmental Planning. Portions of the property are located in an area of groundwater being monitored by the nearby Nammo Talley facility located at 4051 North Higley Road under Nammo Talley's Aquifer Protection Permit # P-101370, Place ID 1407, LTF 46292, Significant Amendment. A Nammo Talley monitoring well, "NT-4" (ADWR # 55-910226), is located on ADOT parcel # 7-09443 (Maricopa County Assessor Parcel 141-38-006R). Well NT-4 has been monitored quarterly since

February 2009 for the potential presence of perchlorate. According to Nammo Talley, no perchlorate has been detected in NT-4 through 12/12/2016. Nammo Talley has been provided access to the well through an access agreement with ADOT. Groundwater beneath the disposal property should not be used unless it meets applicable Federal and State water quality standards. No other hazardous materials or similar concerns were identified at the disposal property. No further hazardous materials investigation is recommended.

Due to the lack of construction-related activities and impacts, this project is exempt from air quality conformity regulations.

The ADOT Noise Abatement Policy was written to conform to the federal policy and guidelines as stated in Title 23 of the Code of Federal Regulations Part 772. No analysis of traffic noise impacts is required for this project as it does not significantly alter the horizontal or vertical alignment of the existing highway nor does it increase capacity of transportation facilities.

#### **C. Socioeconomic**

Title VI of the Civil Rights Act of 1964 and related statutes assure that individuals are not excluded from participation in, denied the benefit of, or subject to discrimination on the basis of race, color, national origin, age, sex, and disability. Executive Order 12898 on Environmental Justice directs that programs, policies and activities not have a disproportionately high and adverse human health and environmental effect on minority and low-income populations. This disposal project will not result in new impacts on the surrounding area. Sale of this property will not result in any residential or business relocation. This disposal will not have a disproportionately high or adverse impact on minority or low-income communities.

#### **D. Cultural Resources**

This disposal project will have no effect on historic properties based on the results of cultural resource surveys. Consulting parties for this project included ADOT and the State Historic Preservation Office (SHPO). ADOT initiated consultation on a finding of "no historic properties affected" on May 25, 2016. Concurrence was received from SHPO on May 26, 2016. At this time ADOT has determined that the project may proceed with a finding of "no historic properties affected".

### **III. PUBLIC INVOLVEMENT**

This disposal action does not require a public involvement plan.

### **IV. ACTION REQUIRED**

<b>Federal-Aid Projects</b>	
Categorical Exclusion Group 2	<input checked="" type="checkbox"/>
Programmatic	<input checked="" type="checkbox"/>
Non-Programmatic	<input type="checkbox"/>
<b>State-Funded Projects</b>	
Environmental Clearance	<input type="checkbox"/>



Douglas A. Ducey, Governor  
John S. Halikowski, Director  
Dallas Hammit, State Engineer  
Steve Boschen, Division Director

March 27, 2017

Ms. Karla S. Petty  
Division Administration  
Federal Highway Administration  
4000 North Central Avenue, Suite 1500  
Phoenix, AZ 85012-3500

ATTENTION: Rebecca Yedlin

Re: Disposal # L-C-003  
All or portions of ADOT parcels # 7-09441, -09481, -08930, -08928, -08927, -09442, -08929-2,  
-08929, -08925, -09581, -09443, -09449, and -08929-1  
Disposal is located at the southeast corner of North Higley Road and East Thomas Road, north of  
State Route 202 Loop, Mesa, Maricopa County, Arizona

Dear Ms. Petty:

The Arizona Department of Transportation proposes to dispose of the referenced site by sale in accordance with State law. This project has been reviewed by the Environmental Planning Group and has been determined to meet the criteria of a Categorical Exclusion in accordance with 23 CFR 771.117(d) and the Arizona Programmatic Categorical Exclusion of August 4, 2000.

The enclosed Environmental Determination demonstrates that no significant environmental impacts will occur with this disposal activity.

Sincerely,

Paul O'Brien, P.E.  
Manager

Enclosures

PO:eg

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ARIZONA DEPARTMENT OF TRANSPORTATION  
206 S. 17<sup>th</sup> Avenue Phoenix, AZ 85007 [azdot.gov](http://azdot.gov)

## Preliminary Initial Site Assessment

Project No. 600-8-803 TRACS No. 202L MA 000 H5400 01RSection I: Site Location InformationAssessor Parcel No. SEE ATTACHMENT ADOT Parcel No. SEE ATTACHMENTAddress/Route & Milepost SR202L MP 21Section 26 Township 2N Range 6E 1/4 1/4 1/4Latitude 33.482621 N Longitude -111.716033 WSite Characteristics: Historic Land UseAgriculture      Residential X Commercial      Industrial      Natural XVehicle Maintenance:      Chemical Storage:      UST System:     Septic System: X Water/Dry Well:      Pesticide/Herbicide     Other:     Site Characteristics: Current Land UseAgriculture      Residential      Commercial      Industrial      Natural VACANCTVehicle Maintenance:      Chemical Storage:      UST System:     Septic System:      Water/Dry Well:      Pesticide/Herbicide     Other: Monitor WellSection II: Site Surface ConditionsDimensions: N/A Length      Width     Area:      Sq. feet or      Sq. meters or      AcresTopography: FlatGeology: Q - Quaternary Surficial DepositsVegetation: Native - Lower Colorado River DesertscrubStructures: None

Utilities: Typical Sub-urbanSection III: Results of Database ReviewNo concerns on project X Concerns on project \_\_\_\_\_  
(Complete Section IV)Section IV: Environmental ConcernsObserved: Monitoring Well on project Operated by Nammo Talley (ADWR 55-910226)Suspected: NoneUnusual  
Conditions: NoneSection V: Recommendations

High Priority Phase 1: \_\_\_\_\_ Medium Priority Phase 1: \_\_\_\_\_ Low Priority Phase 1: \_\_\_\_\_

No additional survey required: X Aerial Photograph Review: XSection VI: CommentsOne Recognized Environmental Condition (REC) noted on project. See observed above.3 Toxic Release Inventory sites within 1/4 mile - Not considered REC'sConsultant  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_ADOT  
Name Ed Green Signature  Date 27 Mar 17

**ADOT Environmental Planning  
Hazardous Material Records Check**

**Project Name:** Disposal L-C-003

**Parcel No.:** 7-9411, 7-9441, 7-9481, 7-8930, 7-8928, 7-8927, 7-9442, 7-8928-2, 7-8929, 7-8925, 7-9581, 7-9442, 7-9449, 7-8928-1

**TRACS No.:** 202L MA 000 H5400 01R

**Project No.:** 600-8-803

**Project Location:** SR202 & Higley Road (Northeast Quadrant)

**Project Description:**

These parcels were acquired circa 2000 for the construction of SR 202 in Maricopa County, Arizona, and will be disposed of according to law.

**Section I: Site Location Information**

The project is located on the Northwest Quadrant of the SR 202 and Higley Traffic Interchange, Maricopa County, Arizona near MP 21 Zip Code: 85215

**Section II: Records Review**

A review of the NETROnline, Environmental Protection Agency Databases (NEPAssit and ECHO), and the Arizona Department of Environmental Quality Databases (MegaSearch and eMap) for Hazardous Materials was conducted on February 6, 2017. The results of these searches are summarized in (Table 1)

**Section III: Site Reconnaissance**

A site reconnaissance was conducted during the week of February 15, 2017. ADOT's 2016 video log and Google Earth 2016 "Street View" were also reviewed, for areas of concern.

**Section IV: Comments**

The review of the NETROnline, showed one UST site, within one-quarter of a mile of the site, EPA, and ADEQ, databases for RCRA, ICIS-Air, PCS/ICIS, TRI, CERCLIS, ACRES, RAD, and TSCA showed three sites within a one-half mile radius of the project area with Underground Storage Tanks (UST's) within ½ mile radius. These sites are not considered to be of environmental concern.

See Attached Report documents

27 Mar 17





Intermodal Transportation

Douglas A. Ducey, Governor

John S. Halikowski, Director

Dallas Hammit, Deputy Director for Transportation

TO: Ed Green, Environmental Planning

FROM: Shearon Vaughn, ADOT EPG, Historic Preservation Team

DATE: May 31, 2016

RE: Disposal L-C-003 / CPS ID CB10  
NE corner Higley Road and Loop 202 Freeway  
Initial State Act Consultation  
"no historic properties affected"

The Arizona Department of Transportation (ADOT) is planning to dispose of one parcel known as Disposal L-C-003 which consists of portions of 13 ADOT parcels, located at the northeast corner of Higley Road and the Loop 202 Red Mountain Freeway (south of Thomas Road), Mesa, Maricopa County, within the southwest quarter of Section 26, Township 2 North, Range 6 East, Gila-Salt River Baseline and Meridian, and depicted on the Buckhorn USGS topographic quadrangle map. The parcel area and area of potential effects (APE) consists of approximately 10.26 total acres of excess right-of-way and will be sold according to law. Consulting parties include ADOT, and the State Historic Preservation Office (SHPO). Due to the developed and disturbed nature of the project area, tribal consultation is not warranted.

As a result of prior surveys, no cultural resources were identified within the current proposed project APE. The disposal parcel has been previously disturbed by several private residences with houses, outbuildings, drives and landscaping, and a storage facility, built between 1976 and 1999. After 2002, the construction of the Loop 202 Freeway and the realignment of Thomas Road east of Higley Road resulted in major restructuring of the land for slopes and drainage. The only areas which have not been surveyed are the former private residence lots. Since little native surface remains, further pedestrian survey would not be productive.

ADOT initiated consultation on a finding of "no historic properties affected" on May 25, 2016. Concurrence was received from SHPO on May 26, 2016.

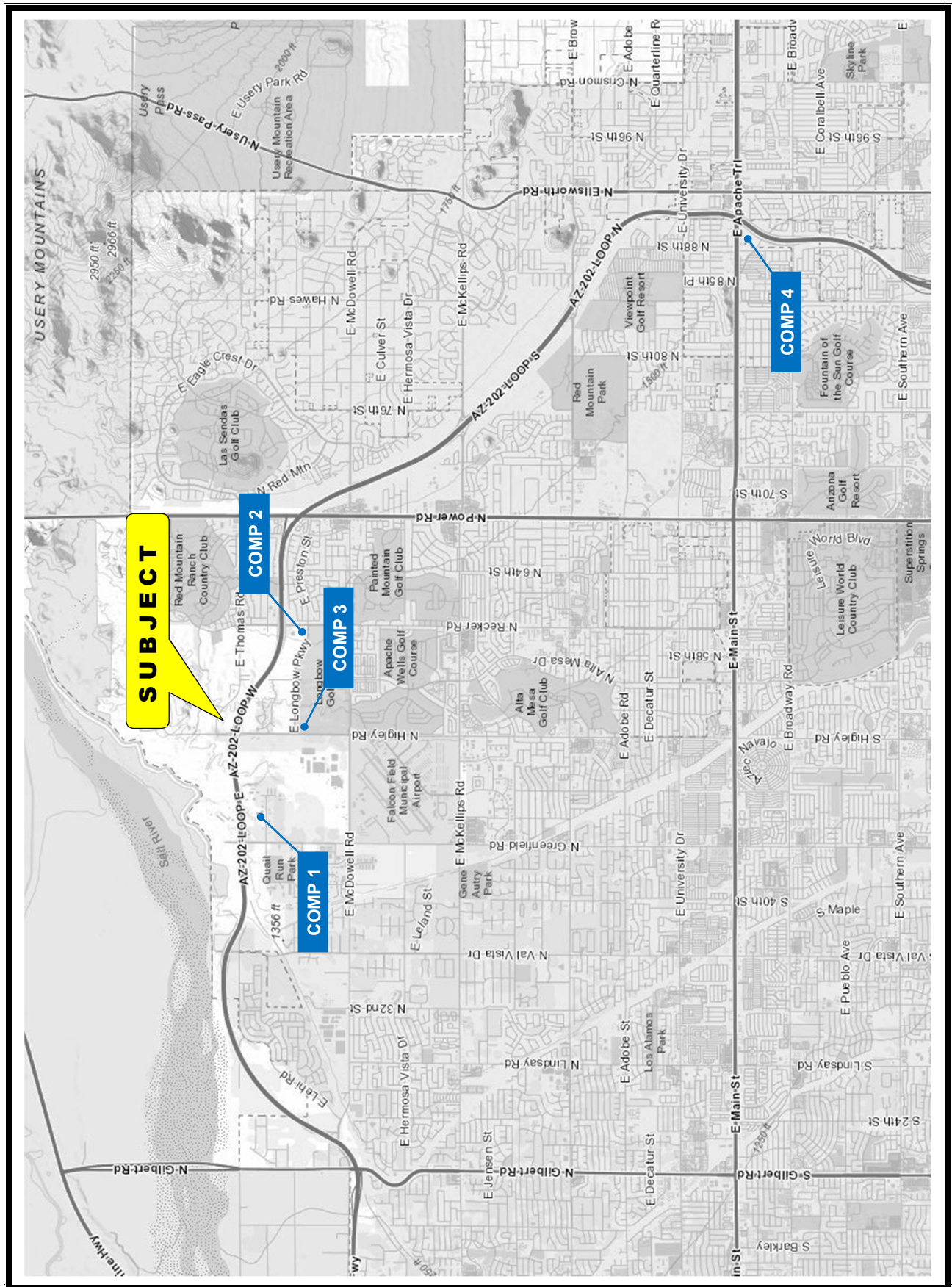
At this time ADOT has determined that this project may proceed with a finding of "no historic properties affected". All consultation and review for this project is now complete. If you have any questions about this clearance, please feel free to contact me at (602) 712-6428 or by e-mail at [svaughn@azdot.gov](mailto:svaughn@azdot.gov).

Sincerely,

A handwritten signature in dark ink, reading "Shearon D. Vaughn".

Shearon D. Vaughn  
Historic Preservation Specialist

ARIZONA DEPARTMENT OF TRANSPORTATION  
206 S. 17th Ave. | Phoenix, AZ 85007 | [azdot.gov](http://azdot.gov)



© Arizona State Land Department Parcel Viewer

C

**Comparable No. 1****Property Information**

<b>Property Type:</b>	Vacant Land		
<b>Location:</b>	Southeast of Greenfield Road and State Route 202		
<b>Address:</b>	4558 E. Virginia Street	<b>Map Reference:</b>	129-184LT
<b>City, State ZIP:</b>	Mesa, Arizona 85215	<b>County:</b>	Maricopa
<b>Land Area:</b>	853,340 square feet 19.590 acres	<b>Zoning Authority:</b>	City of Mesa
		<b>Zoning District(s):</b>	HI
		<b>Flood Hazard Zone(s):</b>	X
<b>Legal Description:</b>	Part of the NW¼ of Section 34, Township 2 North, Range 6 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona		
<b>Parcel Number(s):</b>	141-37-050A		

<b>Topography:</b>	Level	<b>Building Area:</b>	NA	<b>Floor Area Ratio:</b>	NA
<b>Access:</b>	Paved Road	<b>Year Built:</b>	NA	<b>Parking:</b>	NA
<b>Utilities:</b>	At property	<b>No. of Stories:</b>	NA	<b>Clear Height:</b>	NA
		<b>Occupancy:</b>	NA	<b>Percent Office:</b>	NA

**Sale Information**

<b>Grantor:</b>	RD Greenfield, LLC		
<b>Grantee:</b>	Special Devices, Incorporated.		
<b>Date of Sale:</b>	December 2014		
<b>Sales Price:</b>	\$5,500,000.00 \$6.45 per square foot	<b>Terms:</b>	\$5,500,000.00 (100%) cash down All cash sale
<b>Recordation:</b>	1/21/2015 Special Warranty Deed 2015-0046233	<b>Three Year Sales History:</b>	None
<b>Source/Confirmation:</b>	CoStar Group; Recorded Affidavit of Property Value Mr. Kent Hanson, Cushman Wakefield (602.224-4433)		

**Comments:**

This site is generally level and at grade with the abutting properties and roadway. State Route 202 forms the north boundary of this site and is below grade of the property. Surrounding land uses include industrial development, sand and gravel operations, and Mesa Falcon Field Airport is a short distance to the south. This property was purchased to develop an industrial property as an expansion to an existing property adjacent to the east, and the price paid reflects a premium paid due to the assemblage according to the broker.





**Comparable No. 2****Property Information**

**Property Type:** Vacant Land

**Location:** Southwest of Recker Road and State Route 202  
**Address:** 3150 N. Recker Road  
**City, State ZIP:** Mesa, Arizona 85215

**Map Reference:** 129-185LT  
**County:** Maricopa

**Land Area:** 395,873 square feet  
 9.088 acres

**Zoning Authority:** City of Mesa  
**Zoning District(s):** LC  
**Flood Hazard Zone(s):** X

**Legal Description:** Part of the SE¼ of Section 35, Township 2 North, Range 6 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona

**Parcel Number(s):** 141-41-021

**Topography:** Level  
**Access:** Paved Road  
**Utilities:** At property

**Building Area:** NA  
**Year Built:** NA  
**No. of Stories:** NA  
**Occupancy:** NA

**Floor Area Ratio:** NA  
**Parking:** NA  
**Clear Height:** NA  
**Percent Office:** NA

**Sale Information**

**Grantor:** Dover Associates, LLC  
**Grantee:** Longbow CAS, LLC

**Date of Sale:** September 2015

**Sales Price:** \$2,576,574.00  
 \$6.51 per square foot

**Terms:** \$2,576,574.00 (100%) cash down  
 All cash sale

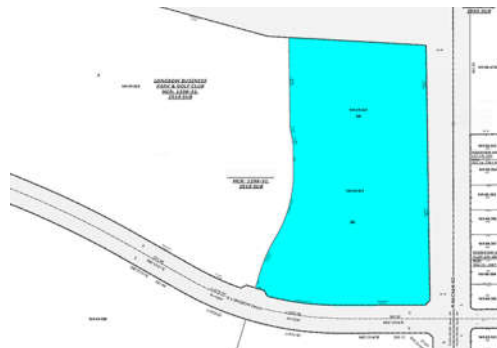
**Recordation:** 11/17/2016  
 Special Warranty Deed  
 2016-0850873

**Three Year Sales History:** None

**Source/Confirmation:** CoStar Group; Recorded Affidavit of Property Value  
 Mr. Joe Isbell, Daedelus Real Estate Advisors (602.889-2302)

**Comments:**

This site is generally level and at grade with the abutting properties and roadways. The State Route 202 interchange at Recker Road is near the northeast corner of the property. Surrounding land uses includes residential development and vacant land planned for commercial and industrial development, and Mesa Falcon Field Airport is a short distance to the southwest. The Longbow Golf Club is also just south of this property. This property was purchased to develop retail space anchored by a grocery store.



**Comparable No. 3****Property Information**

<b>Property Type:</b>	Vacant Land		
<b>Location:</b>	Higley Road south of State Route 202		
<b>Address:</b>	5207 E. Longbow Parkway	<b>Map Reference:</b>	129-185LT
<b>City, State ZIP:</b>	Mesa, Arizona 85215	<b>County:</b>	Maricopa
<b>Land Area:</b>	448,668 square feet 10.300 acres	<b>Zoning Authority:</b>	City of Mesa
		<b>Zoning District(s):</b>	LI
		<b>Flood Hazard Zone(s):</b>	X
<b>Legal Description:</b>	Part of the SW¼ of Section 35, Township 2 North, Range 6 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona		
<b>Parcel Number(s):</b>	141-41-022; 141-41-023A		

<b>Topography:</b>	Level	<b>Building Area:</b>	NA	<b>Floor Area Ratio:</b>	NA
<b>Access:</b>	Paved Road	<b>Year Built:</b>	NA	<b>Parking:</b>	NA
<b>Utilities:</b>	At property	<b>No. of Stories:</b>	NA	<b>Clear Height:</b>	NA
		<b>Occupancy:</b>	NA	<b>Percent Office:</b>	NA

**Sale Information**

<b>Grantor:</b>	Dover Associates, LLC		
<b>Grantee:</b>	Opus Development Company, LLC		
<b>Date of Sale:</b>	November 2016		
<b>Sales Price:</b>	\$2,137,001.25 \$4.76 per square foot	<b>Terms:</b>	\$2,137,001.25 (100%) cash down All cash sale
<b>Recordation:</b>	5/31/2017 Special Warranty Deed 2017-0397444	<b>Three Year Sales History:</b>	None

**Source/Confirmation:** CoStar Group; Recorded Affidavit of Property Value

**Comments:**

This site is generally level and at grade with the abutting properties and roadways. Surrounding land uses include industrial development, a sand and gravel operation, and Mesa Falcon Field Airport is a short distance to the southwest. This site is also adjacent to the Longbow Golf Club to the southeast. The property was split into two parcels after being purchased and the parcel with Higley Road frontage has been developed with an industrial building. The second parcel along Longbow Parkway remains undeveloped.



**Comparable No. 4****Property Information**

<b>Property Type:</b>	Vacant Land		
<b>Location:</b>	Southwest corner of Main Street and State Route 202		
<b>Address:</b>	None Given		
<b>City, State ZIP:</b>	Mesa, Arizona 85208	<b>Map Reference:</b>	152-189LX
		<b>County:</b>	Maricopa
<b>Land Area:</b>	713,077 square feet 16.370 acres	<b>Zoning Authority:</b>	City of Mesa
		<b>Zoning District(s):</b>	GC
		<b>Flood Hazard Zone(s):</b>	X
<b>Legal Description:</b>	Part of the SE¼ of Section 21, Township 1 North, Range 7 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona		
<b>Parcel Number(s):</b>	218-41-280B; 218-41-280E; 218-41-280F		

<b>Topography:</b>	Level	<b>Building Area:</b>	NA	<b>Floor Area Ratio:</b>	NA
<b>Access:</b>	Paved Road	<b>Year Built:</b>	NA	<b>Parking:</b>	NA
<b>Utilities:</b>	In Area	<b>No. of Stories:</b>	NA	<b>Clear Height:</b>	NA
		<b>Occupancy:</b>	NA	<b>Percent Office:</b>	NA

**Sale Information**

<b>Grantor:</b>	Roger D. Overson		
<b>Grantee:</b>	Monty R. Germaine and Debora L. Germaine, Trustees		
<b>Date of Sale:</b>	March 2018		
<b>Sales Price:</b>	\$1,400,000.00 \$1.96 per square foot	<b>Terms:</b>	\$630,000.00 (45%) cash down Balance from third party lender on undisclosed terms
<b>Recordation:</b>	3/5/2018 Special Warranty Deed 2018-0166150	<b>Three Year Sales History:</b>	None

**Source/Confirmation:** CoStar Group; Recorded Affidavit of Property Value

**Comments:**

This site is generally level and at grade with the abutting properties and roadway. A shallow natural wash crosses this property. State Route 202 forms the east boundary of this site and a sound barrier wall has been built along the freeway right-of-way. Surrounding land uses include residential and commercial development. This property was purchased with no immediate development plans.





# Timothy A. Haskins, ASA

## APPRAISAL CERTIFICATION, LICENSING AND MEMBERSHIPS

State of Arizona Certified General Real Estate Appraiser; Certificate No. 30668  
Recertified through June 30, 2019

Accredited Senior Appraiser, (ASA) American Society of Appraisers (1995);  
Recertified through October 30, 2020

- Officer – Phoenix Chapter of American Society of Appraisers (1994-1996)
- President – Phoenix Chapter of American Society of Appraisers (1997-1999)

Member, International Right of Way Association (2001)

## PROFESSIONAL AFFILIATIONS

Practicing Affiliate, Appraisal Institute

## EXPERIENCE

Owner, First Appraisal Services, PLC (2016-present)  
Senior Appraiser, First Appraisal Services, Inc. (2000-2015)  
Production Director/Senior Analyst, WMF Robert C. Wilson (1998-2000)  
Senior Managing Appraiser, Appraisal Sciences, Ltd. (1997-1998)  
Staff Appraiser, Appraisal Sciences, Ltd. (1990-1997)

## SCOPE OF ASSIGNMENTS

Vacant Land  
Industrial Facilities  
Office Buildings  
Retail Buildings  
Residential Properties  
Special Use Properties  
Eminent Domain, Estate Planning, Tax Planning  
Litigation Support  
Expert Witness (Maricopa County & Pinal County Superior Courts)

## EDUCATION

University of Arizona, B.S. in Business Administration, 1990

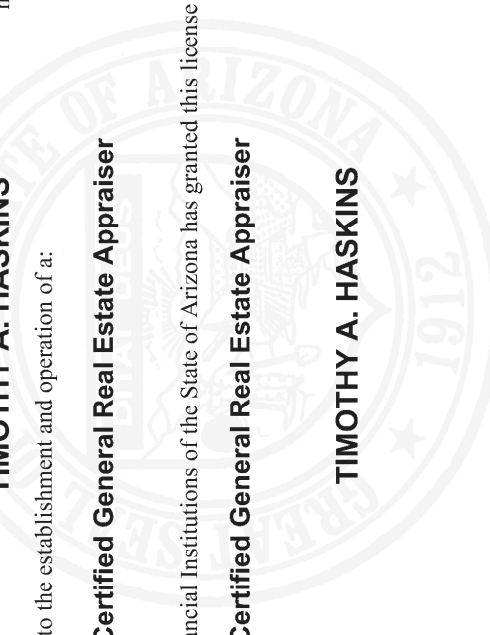

Various Continuing Education Courses, including:

Business Practices and Ethics  
National Uniform Standards of Professional Appraisal Practice  
Uniform Appraisal Standards for Federal Land Acquisitions  
Ethics and the Right of Way Profession  
Basic Capitalization Course  
The Technical Inspection of Real Estate  
The Appraisal of Partial Acquisitions  
Valuation of Conservation Easements Certificate Program  
Office Building Valuation: A Contemporary Perspective  
Principles of Real Estate Negotiation  
Principles of Real Estate Engineering  
Real Estate Finance Statistics and Valuation Modeling  
Marketability Studies: Six-Step Process & Basic Applications  
Forecasting Revenue  
Small Hotel/Motel Valuation



3420 E. Shea Boulevard, Suite 200  
Phoenix, Arizona 85028

602.264-0011  
thaskins@azfas.com

	
<p><b>Department of Financial Institutions</b> State of Arizona</p>	
<p>CGA - 30668</p>	<p>TIMOTHY A. HASKINS</p>
<p>This document is evidence that:</p>	<p>has complied with the provisions of</p>
<p>Arizona Revised Statutes, relating to the establishment and operation of a:</p>	<p></p>
<p><b>Certified General Real Estate Appraiser</b></p>	<p></p>
<p>and that the Superintendent of Financial Institutions of the State of Arizona has granted this license to transact the business of a:</p>	<p></p>
<p><b>Certified General Real Estate Appraiser</b></p>	<p></p>
<p><b>TIMOTHY A. HASKINS</b></p>	<p></p>
<p>This license is subject to the laws of Arizona and will remain in full force and effect until surrendered, revoked or suspended as provided by law.</p>	<p></p>
<p>Expiration Date : <b>June 30, 2019</b></p>	<p>Signed in the Superintendent's office at 2910 North 44<sup>th</sup> Street, Suite 310, in the City of Phoenix, State of Arizona, this 23rd day of May, 2017.</p>
<p></p>	<p> Robert D. Charlton Superintendent</p>