

TYPE OF APPRAISAL: Appraisal Report

Parcel Number: L-T-134

Owner: State of Arizona

Property Location: Southeast of Interstate 10 and Speedway Boulevard
1003 N. Contzen Avenue
Tucson, Arizona 85705

Project Number: 10 PM 257 H3188 01R

Highway: Casa Grande – Tucson Highway

Section: Speedway Boulevard – Congress Street

Date of Report: March 13, 2018

Date of Value: February 21, 2018

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

FIRST APPRAISAL SERVICES

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

Owned by
State of Arizona

Location of Property to be Appraised:

Southeast of Interstate 10 and Speedway Boulevard
1003 N. Contzen Avenue
Tucson, Arizona 85705

Report Dated:

March 13, 2018

Effective Date:

February 21, 2018

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

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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

Reference:

FAS 1.18-2731.00
ADOT Project H318801R
Parcel L-T-134



FIRST APPRAISAL SERVICES

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

March 13, 2018

Mr. Jim Walcutt
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: H318801R
 Highway: Casa Grande –Tucson
 Section: Speedway Boulevard
 Parcel: L-T-134

Dear Mr. Walcutt:

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 9,934-square foot tract of land located southeast of Interstate 10 and Speedway Boulevard on Contzen Avenue in the City of Tucson. A physical inspection of the property was made on February 21, 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 February 21, 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. Jim Walcutt
Arizona Department of Transportation
March 13, 2018

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 February 21, 2018, is:

FORTY THOUSAND DOLLARS

\$40,000.00

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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- E Comparable Land Sales Data
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Summary of Salient Facts and Conclusions

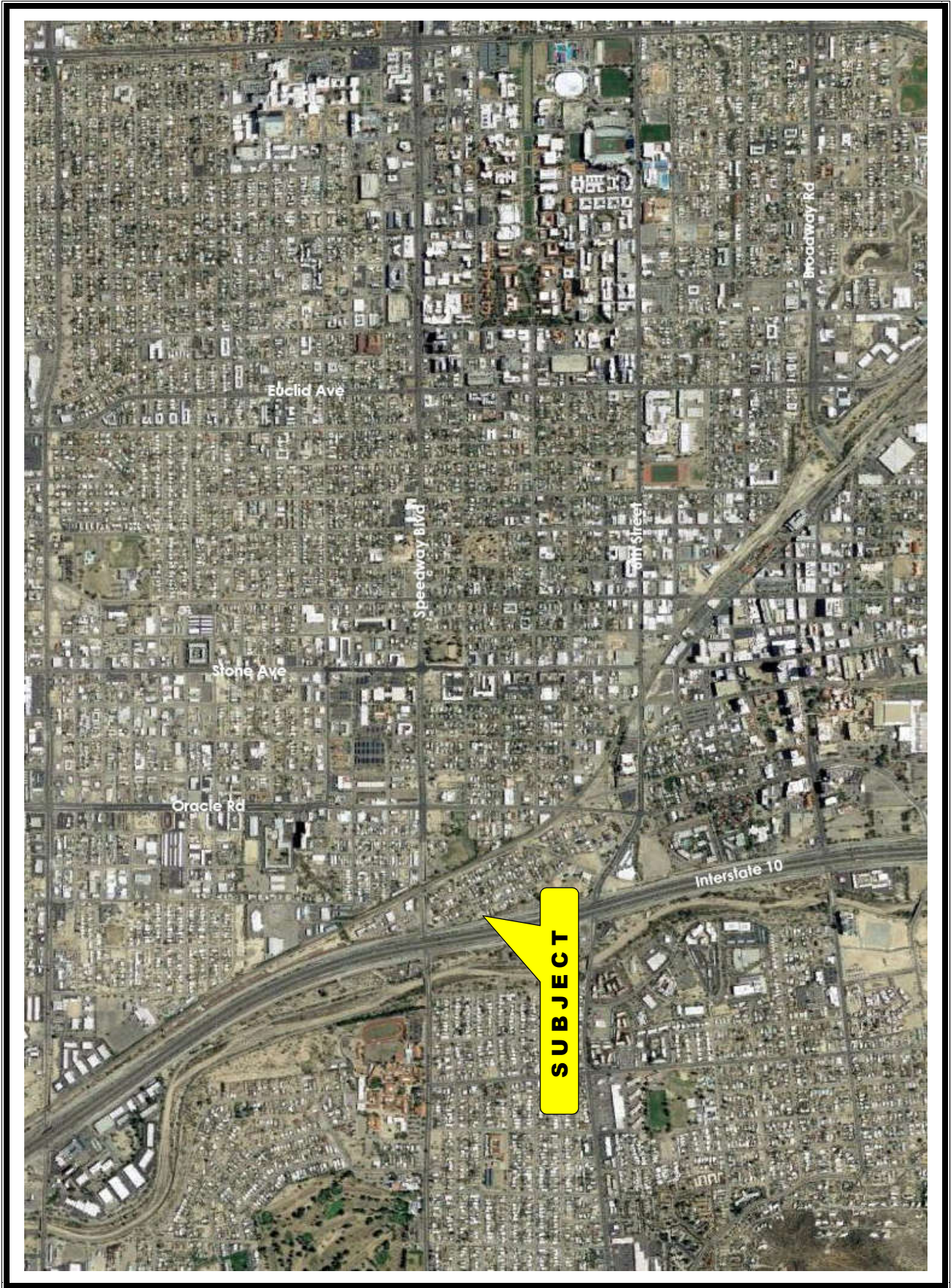
Client	Arizona Department of Transportation		
Client Reference	Highway:	Casa Grande – Tucson	
	Section:	Speedway Boulevard	
	Parcel:	L-T-134	
Date of Report	March 13, 2018	Limiting Conditions	See Addendum A
Report Format	Appraisal Report	Certification	See Page 43

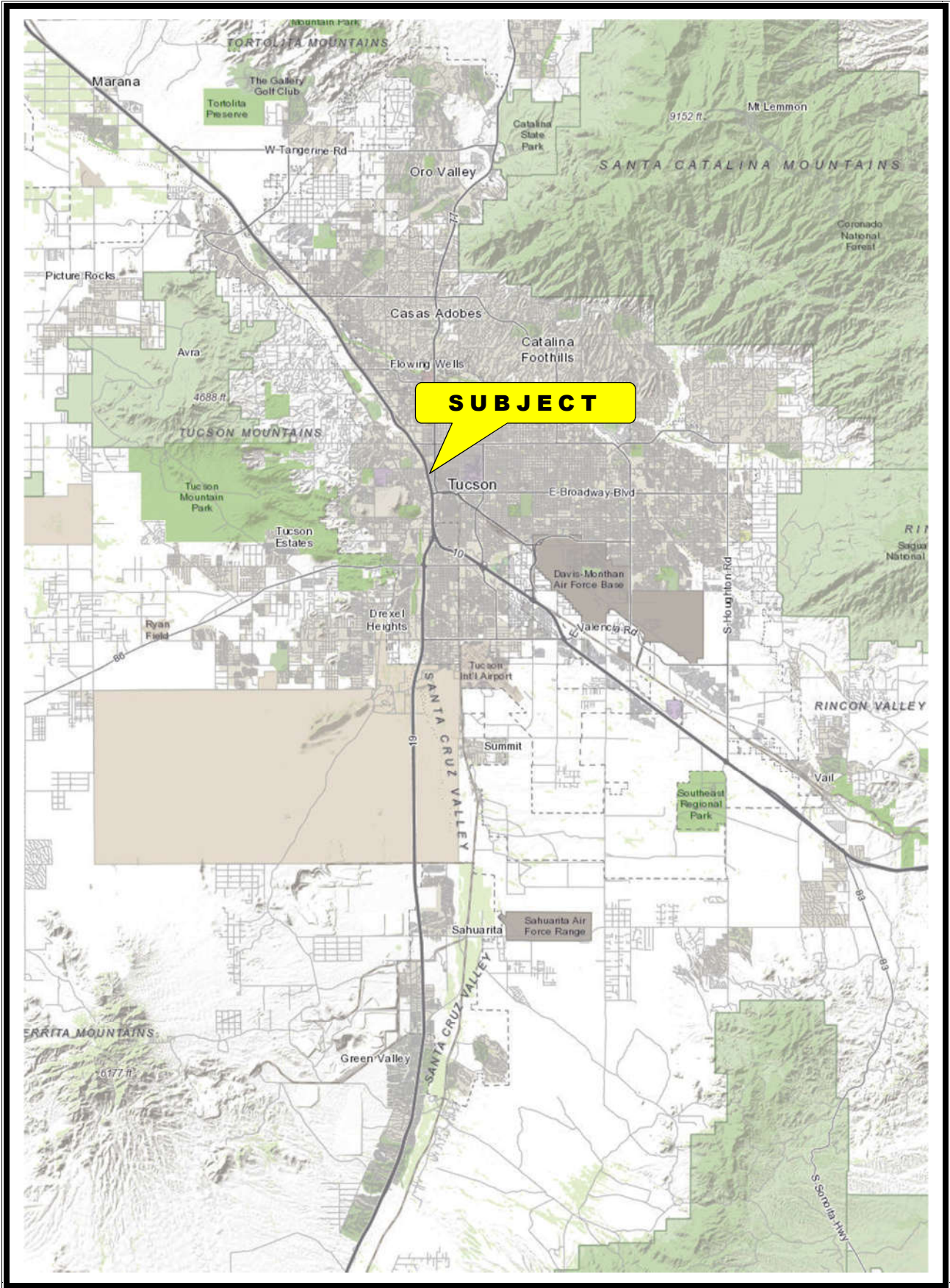
Property Information

Ostensible Owner	State of Arizona		
Location of Property	Southeast of Interstate 10 and Speedway Boulevard		
Street Address	1003 N. Contzen Avenue	County	Pima
	Tucson, Arizona 85705		
	Section/Township-Range	11/14S-13E	Map Reference 107-227QH
Assessor Parcel Number(s)	116-16-181; 116-16-182		
Site Area	9,934 square feet	Zoning District(s)	R-3
	0.228 acres		City of Tucson
		Flood Zone	Zone X
Present Use	Vacant Land		
Highest and Best Use:			
As If Vacant:	Hold for future single-family residential development		

Valuation Information

Effective Date	February 21, 2018		
Extraordinary Assumptions	None		
Hypothetical Conditions	None		
Valuation Summary	Sales Comparison Approach		\$40,000.00
	Income Approach		Not Applicable
	Cost Approach		Not Applicable
Fee Simple Interest	Conclusion of Value		\$40,000.00







INTRODUCTION

Purpose and Scope of the Appraisal

Purpose

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 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.¹

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.

¹ 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: February 21, 2018

Date of Inspection: February 21, 2018

Date of Report: March 13, 2018

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.²

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.³

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. Since there are no leases affecting the ownership of the subject property, there is no leased fee or leasehold estate to be considered.

Scope of Work

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.

² The Appraisal of Real Estate, 14th ed. (Chicago: Appraisal Institute, 2013) p70

³ The Dictionary of Real Estate Appraisal, 6th 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 Tucson, as well as from a physical inspection of the area. Specific data pertaining to the metropolitan Tucson land market was provided by the CBRE, Cushman & Wakefield|PICOR, Tucson Realty & Trust Co., the Tucson Association of Realtors, 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 February 21, 2018. Zoning information and information relating to the availability of utility infrastructure was provided by the City of Tucson. Title information is based upon the information provided by the client. Other sources of information utilized in this appraisal include the Office of the Pima County Recorder, Pima County Treasurer and Pima 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 a search of public records. 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 appraisal. The market search for similar properties was specifically concentrated in the central Tucson 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, 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

The underlying assumptions and limiting conditions pertaining to this report are contained in the “Certificate of Appraiser” immediately following the “Auditing Breakdown” section of this report, as well as found in Addendum A. 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.”⁴ 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 Foundation⁵. The opinions and conclusions as stated within this report are not based upon any hypothetical conditions.

⁴ Uniform Standards of Professional Appraisal Practice, 2018-2019 Edition, The Appraisal Foundation

⁵ 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 21 of this report. The property that is the subject of this report may be commonly identified as follows:

Location.....	Southeast of Interstate 10 and Speedway Boulevard
Street Address	1003 N. Contzen Avenue
City, State, ZIP	Tucson, Arizona 85705
Assessor Parcel Number(s)	116-16-181; 116-16-182

Legal Description⁶

Those portion of Lot 16 and Lot 17, Block 9, MCKINLEY PARK AMENDED SUBDIVISION, according to the map or plat thereof of record in the office of the County Recorder of Pima County, Arizona, in Book 3 of Maps and Plats, Page 26, located in Section 11, Township 14 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County, Arizona, as depicted on Sheet 6, of ADOT Drawing D-10-7-375, the Right of Way Plans of Casa Grande-Tucson Highway, Speedway Boulevard-Congress St. Section, Project 10 PM 257 H3188 01R / NH-10-4(141).

Figure 1 – Property Identification



⁶ From information contained within a Right of Way Disposal Report prepared by the Arizona Department of Transportation, a copy of which is included in the addenda to this appraisal report

Ownership and Occupancy

Ostensible Owner

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 Warranty Deed recorded with the Pima County Recorder on April 4, 1991, as document number 91037000, and by Quitclaim Deed recorded with the Pima County Recorder on December 2, 1997, as document number 97198157.

Occupancy

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

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 subject region is located in southern Arizona and can generally be described as encompassing all of Pima County. The region is situated approximately two hours south of the urban core of the metropolitan Phoenix area. The geography of Pima County ranges from low desert in the western portion of the county to more mountainous regions in the eastern part of the county. The Santa Catalina Mountains located on the northeast edge of Tucson includes Mount Lemmon at an elevation of 9,157 feet above sea level. Pima County contains a total land area of 9,189 square miles. The federal government owns or controls 71% (including Tribal lands), the State of Arizona and local governments own or control 17%, with the remaining 12% in private ownership. The City of Tucson is the Pima County seat of government and located in the northeastern portion of the county.

Climate is one of the most attractive features of the State and the metropolitan Tucson area, with a year-long average of nearly 78 percent sunshine. The average annual daily high temperature is 83 degrees, and the average annual low is 58 degrees Fahrenheit. Much of southern Arizona, including the Tucson area, is considered to be arid with an annual precipitation of 11.65 inches. The coldest months are

Figure 3 – Tucson Climate

Month	Avg. High	Avg. Low	Mean	Avg. Precip	Record High	Record Low
Jan	65°F	42°F	54°F	0.97 in.	88°F (1927)	6°F (1913)
Feb	68°F	44°F	56°F	0.96 in.	92°F (1957)	17°F (1899)
Mar	74°F	48°F	61°F	0.77 in.	99°F (1988)	20°F (1965)
Apr	82°F	55°F	69°F	0.36 in.	104°F (1989)	27°F (1945)
May	91°F	64°F	78°F	0.17 in.	111°F (1910)	32°F (1899)
Jun	99°F	72°F	86°F	0.21 in.	117°F (1990)	43°F (1908)
Jul	99°F	76°F	88°F	2.34 in.	114°F (1995)	49°F (1911)
Aug	97°F	75°F	86°F	2.24 in.	112°F (1993)	55°F (1917)
Sep	94°F	71°F	83°F	1.18 in.	107°F (2000)	43°F (1913)
Oct	84°F	59°F	72°F	0.86 in.	102°F (1993)	26°F (1971)
Nov	73°F	48°F	61°F	0.62 in.	94°F (1924)	19°F (1921)
Dec	64°F	41°F	53°F	0.97 in.	85°F (1939)	10°F (1901)
Annual	83°F	58°F	71°F	11.65 in.		

www.weather.com

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 100 degrees Fahrenheit.

Population

Based upon the 2010 decennial census performed by the U.S. Bureau of Census, Arizona has a population of 6,392,017 persons. The population of Arizona increased by 25% over the 5,130,632 estimate made in the 2000 census. Only the population of Nevada grew at a faster rate than Arizona during this decade.

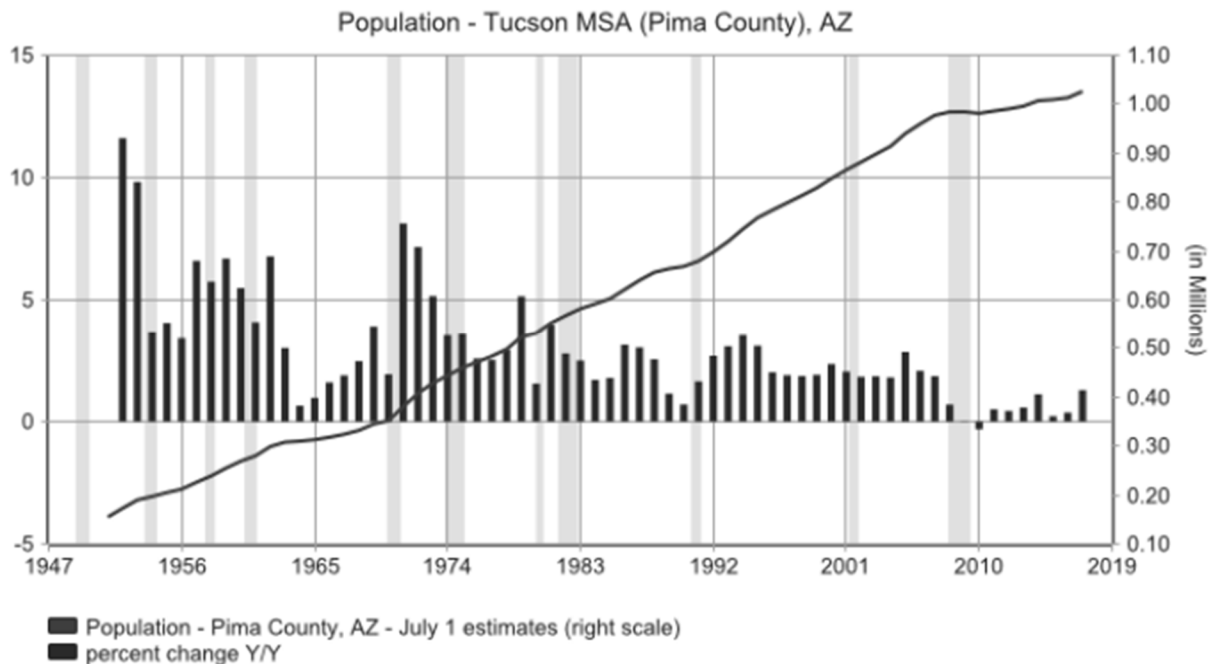
Arizona currently ranks as the 14th largest state. The 2017 Census population estimate for the State of Arizona by the U.S. Census Bureau is 7,016,270.

Figure 4 – Historical Decennial Population Estimates⁷

	Arizona	Tucson MSA
Census Estimates		
2010	6,392,017	980,263
2000	5,130,632	843,746
1990	3,665,339	666,880
1980	2,716,546	531,443
1970	1,775,399	351,667
1960	1,302,161	265,660

The U.S. Bureau of Census defines the Tucson Metropolitan Statistical Area (MSA) as Pima County in southern Arizona. Based upon U.S. Census Bureau data, Pima County is the second most populous of Arizona's counties with a 2010 estimate of 980,263 persons and has grown by approximately 16.2% since 2000. The 2017 population estimate for Pima County by the Arizona Office of Economic Opportunity is 1,026,099.


The greater metropolitan Tucson area is comprised of the cities of Tucson, Oro Valley, Marana, Sahuarita and South Tucson. Tucson is the area's largest municipality with an estimated 2017 population of 537,634 persons. Marana is the next largest city with a population of 45,378, and Oro Valley follows closely with a population of 44,517. Sahuarita, located in the southern portion of the metropolitan Tucson area, has a population of 29,049 persons.⁸



⁷ Source: U.S. Census Bureau, American FactFinder

⁸ Source: Arizona Department of Administration, Office of Employment and Population Statistics (www.azstats.gov)

Figure 5 – Tucson MSA Population Trends

Population - Pima County, AZ	2013	2014	2015	2016	2017
<i>Employment and Population Statistics, Arizona Department of Administration</i>					
Total Population (July 1st Estimates)	996,046	1,007,162	1,009,371	1,013,103	1,026,099
% Chg from Year Ago	0.57%	1.12%	0.22%	0.37%	1.28%
Marana	38,610	40,342	41,655	43,752	45,378
Oro Valley	41,668	42,190	43,499	43,648	44,517
Sahuarita	26,768	27,476	27,637	28,425	29,049
South Tucson	5,674	5,751	5,712	5,635	5,664
City of Tucson	525,154	529,336	529,845	529,989	537,634
Unincorporated	358,172	362,067	361,023	361,654	363,857
Published by  Economic and Business Research Center. Powered by dataZoa					

Economic Trends

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. Principal industries of the region include tourism, manufacturing and high-tech industries. The largest employers in the area include Raytheon Missile Systems and The University of Arizona which both employ more than 10,000 people each. Davis Monthan Airforce Base, Tucson Unified School District and Wal-Mart Stores, Inc. each employ more than 7,000 employees.

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.⁹ 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

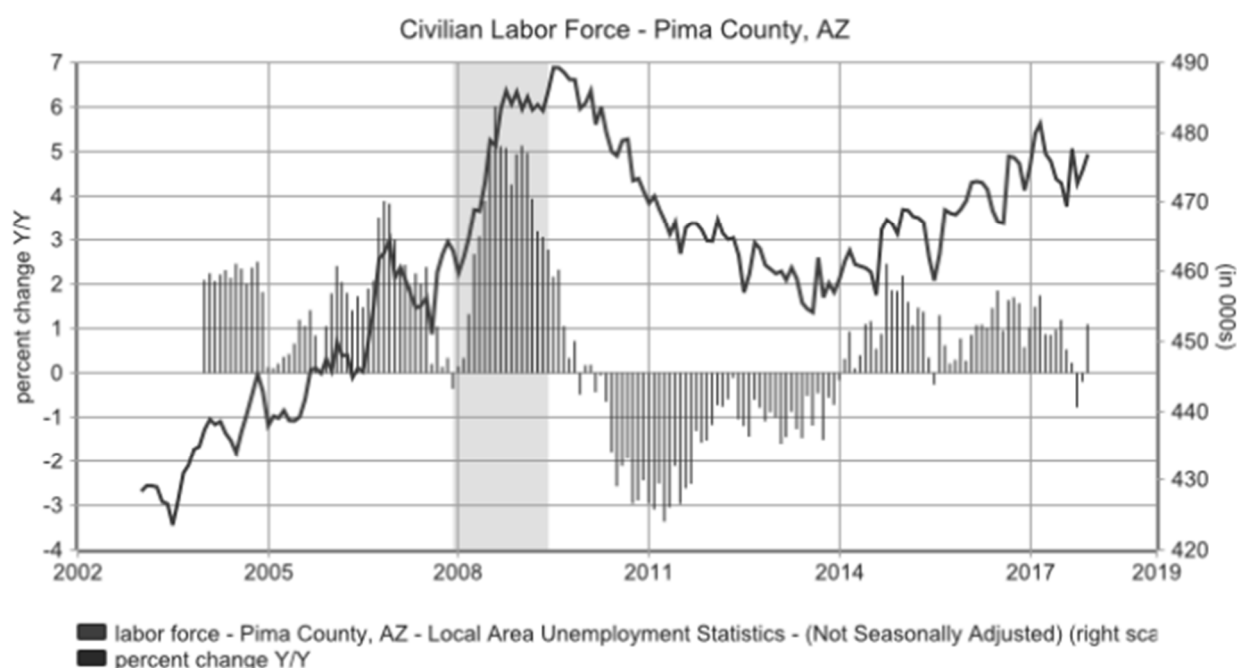
- Finance and insurance increased 14.7 percent nationally and contributed to growth in every state and the District of Columbia. This industry was the leading contributor to growth in seven of the ten fastest growing states, including Delaware—the fastest growing state.

⁹ 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/2017/xls/qgsp0717.xlsx

- 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.

Labor Force and Employment

Figure 6 – Tucson MSA Labor Force and Unemployment Rate

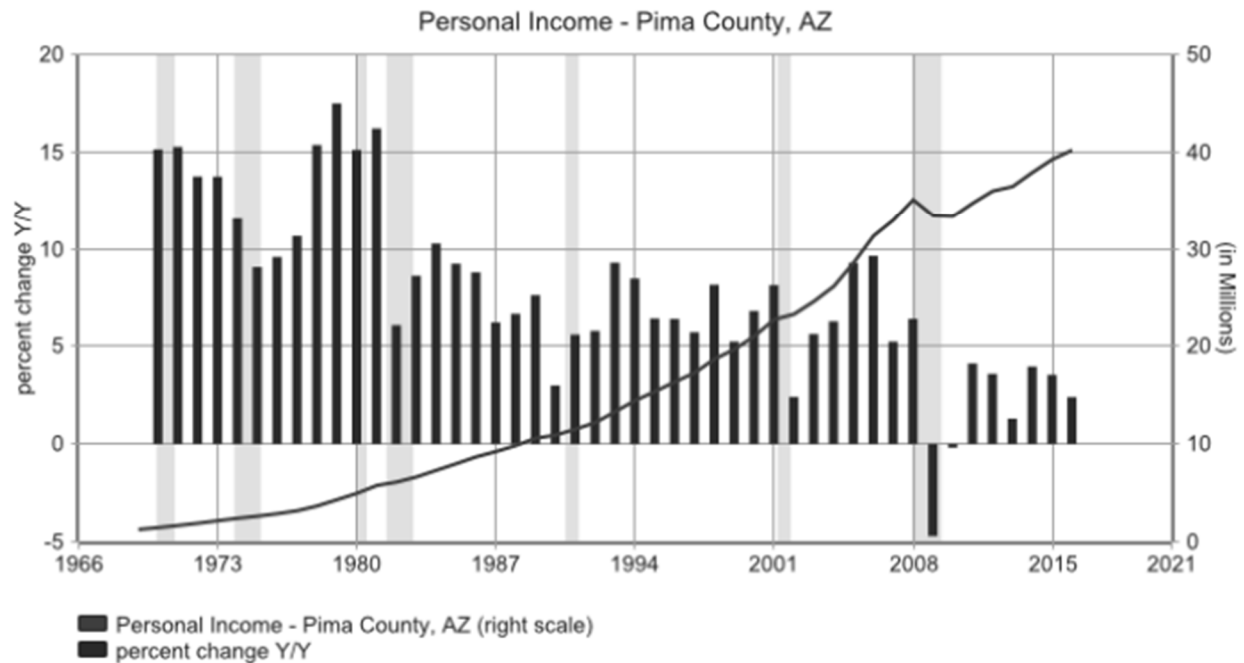


Labor Force - Pima County, AZ (not seasonally adjusted)	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017
<i>Local Area Unemployment Statistics, Bureau of Labor Statistics</i>					
Civilian Labor Force	469,433	477,698	472,724	474,627	476,914
% Chg from Year Ago	0.53%	0.23%	-0.78%	-0.20%	1.10%
Employment	448,047	457,522	453,832	455,558	456,774
% Chg from Year Ago	1.24%	1.00%	-0.07%	0.22%	1.24%
Unemployment	21,386	20,176	18,892	19,069	20,140
Unemployment Rate	4.6	4.2	4.0	4.0	4.2
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%¹⁰. The average monthly total civilian labor force was 476,914 for the Tucson MSA in December 2017, while the average unemployment rate was 4.2%. The unemployment rate for the greater Tucson area has historically been slightly below that of the state average. The unemployment rates for both the State and Tucson Metropolitan Area have been generally decreasing since mid-2011.

Income and Wages

Arizona's nominal per capita personal income has been increasing since 2011 and reached \$38,536 in 2015, according to the latest preliminary estimates from the U.S. Bureau of Economic Analysis (BEA). National average wage per worker was \$57,625 in the fourth quarter of 2016. Arizona's per capita personal income rose 3.1% from 2014 to 2015, before adjustment for inflation.



¹⁰ 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>

Figure 7 – Tucson MSA Personal Income

Income, Earnings, Wages - Pima County, AZ	2011	2012	2013	2014	2015	2016
<i>Place of residence profile (\$000), Bureau of Economic Analysis</i>						
Total personal income	34,737,686	35,985,709	36,453,218	37,899,146	39,240,415	40,182,115
% Chg from Year Ago	4.12%	3.59%	1.30%	3.97%	3.54%	2.40%
<i>Derivation of income (000\$)</i>						
Net earnings 1/	19,402,686	20,277,951	20,366,599	20,591,266	20,834,714	21,356,724
Personal current transfer receipts	8,177,515	8,136,195	8,394,353	9,042,651	9,582,054	9,879,477
Income maintenance 2/	773,120	783,633	784,540	781,838	793,689	787,050
Unemployment insurance compensation	181,508	125,670	78,320	52,998	47,179	45,162
Retirement and other	7,222,887	7,226,892	7,531,493	8,207,815	8,741,186	9,047,265
Dividends, interest, and rent	6,608,397					
<i>Per capita incomes (\$)</i>						
Per capita personal income 5/	35,166	36,258	36,576	37,780	38,921	39,541
% Chg from Year Ago	3.50%	3.11%	0.88%	3.29%	3.02%	1.59%
Per capita net earnings 5/	19,642	20,431	20,435	20,526	20,665	21,016

Forecast Data

Figure 8 – Tucson MSA Forecast

Tucson MSA Forecast	2016	2017	2018	2019	2020	2021
Personal Income (\$ mil)	39,863.9	41,139.1	42,712.9	44,749.3	46,996.7	49,253.5
% Chg from Year Ago	2.4%	3.2%	3.8%	4.8%	5.0%	4.8%
Retail Sales (\$ mil)	13,044.4	13,574.3	13,861.7	14,280.0	14,847.0	15,323.4
% Chg from Year Ago	1.1%	4.1%	2.1%	3.0%	4.0%	3.2%
Total Nonfarm Employment (000s)	373.4	376.4	380.8	386.0	391.1	395.4
% Chg from Year Ago	1.3%	0.8%	1.2%	1.4%	1.3%	1.1%
Population (000s), July 1st estimates	1,013.1	1,017.8	1,023.9	1,030.9	1,038.4	1,046.6
% Chg from Year Ago	0.4%	0.5%	0.6%	0.7%	0.7%	0.8%
Residential Permits (units)	2,466.0	2,770.9	2,926.7	3,118.9	3,340.7	3,546.7
% Chg from Year Ago	1.6%	12.4%	5.6%	6.6%	7.1%	6.2%
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Published by Economic and Business Research Center, The University of Arizona.					Powered by data2oa	

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.¹¹

Real Estate Market Sectors

The following is a brief summary of the different sectors of the metropolitan Tucson area real estate market.

Single Family Housing Sector

The total sales volume of home sales increased 6.86% from December 2016 to December 2017 with a 3.17% increase in active listings over the same period. The median sale price ended 2017 at \$205,000 which is 14.53% higher than in December 2016.

For the overall real estate market in Tucson and southern Arizona, the Seller's Market conditions continue. The inventory of homes for sale continued to decline in 2017, while sales increased further. The shortage of listings has not been a drag on home sales, however it has contributed to a 10% increase in median price. This has created a very competitive environment, especially at lower price points. At the higher end of the market, there is still an oversupply of homes. We expect continued strength in the real estate market in 2018.¹²

Figure 9 – MLSSA Monthly Statistics, April 2017

December 2017 Recap by Month and Year - % of Change

Total Sales Volume

	2017	2016	Annual % Change
December	\$276,914,274	\$259,126,521	6.86%
November	\$279,460,100	\$255,666,525	9.31%
Month % Change	-0.91%	1.35%	

Average Sales Price

	2017	2016	Annual % Change
December	\$248,131	\$230,540	7.63%
November	\$246,437	\$220,212	11.91%
Month % Change	0.69%	4.69%	

Average List Price

	2017	2016	Annual % Change
December	\$255,058	\$233,223	9.36%
November	\$252,533	\$223,119	13.18%
Month % Change	1.00%	4.53%	

Total Under Contract

	2017	2016	Annual % Change
December	1,290	1,589	-18.82%
November	1,531	1,775	-13.75%
Month % Change	-15.74%	-10.48%	

Total Unit Sales

	2017	2016	Annual % Change
December	1,116	1,124	-0.71%
November	1,134	1,161	-2.33%
Month % Change	-1.59%	-3.19%	

Median Sales Price

	2017	2016	Annual % Change
December	\$205,000	\$179,000	14.53%
November	\$207,527	\$184,900	12.24%
Month % Change	-1.22%	-3.19%	

New Listings

	2017	2016	Annual % Change
December	1,272	1,136	11.97%
November	1,494	1,589	-5.98%
Month % Change	-14.86%	-28.51%	

Active Listings

	2017	2016	Annual % Change
December	3,453	3,347	3.17%
November	3,611	3,661	-1.37%
Month % Change	-4.38%	-8.58%	

¹¹ Arizona's Economy, Fall 2017 Issue (www.azeconomy.org)

¹² Source: Long Realty, Tucson and Southern Arizona 2017 End of Year Housing Report

Multifamily Housing Sector

The vacancy rate of conventionally-operated, stabilized units improved 0.21% from the last quarter, while improving 0.57% from one year ago to 6.30%. The lowest fourth quarter vacancy of 4.68% occurred in the Northeast Tucson submarket, followed by the 4.87% rate recorded in Catalina Foothills Submarket. The highest vacancy rate was 8.63% in the Southeast Tucson submarket. Eight of Tucson's 15 submarkets experienced improvement in vacancy, with the greatest declines occurring in Southeast Tucson (-1.49%) and South Tucson/Airport (-1.04%). Total absorption in fourth quarter 2017 increased by 212 units. North Central Tucson added the greatest number of units (72) while East Tucson suffered the largest decline of units (51). The average monthly gross apartment rent without utilities in Metropolitan Tucson was \$729 per unit or \$0.98 per square foot for the fourth quarter, representing an \$11 or 1.53% increase from last quarter. There were a total of 6 arms-length transactions that occurred in the 4th quarter 2017 (over 40 units). The average sales price was \$97,855 per unit or \$112.75 per square foot.

Sales velocity for 4th quarter 2017 slowed down significantly. The slowdown is due to a few factors including a widening of buyer and seller expectations along with limited inventory in the marketplace. Developers are encouraged with the improving rental market fundamentals and have begun developing projects outside the University and Downtown submarkets. Lending has been extremely encouraging throughout the 2017 calendar year. We are being approached by various banks about financing options for Tucson multi-family. Investor interest continues to far surpass the supply leading to a seller's market. Pricing has continued to be pushed due to the demand and lack of inventory. We see the apartment rental market continuing to improve; however, we see inventory levels to be constrained in 2018.¹³

Industrial Sector

The Tucson Industrial Market continued strong momentum as the year 2017 closed out. Another quarter of positive net absorption (131,500 SF) resulted in a 6.8% vacancy rate, under 7.0% for the first time since Q2 2008. This represents a full percentage point improvement year over year.

Average sales prices per square foot have grown 24.9% in two years, from \$54.81 in 2015 to \$68.45 in 2017. Sales volume in 2017 ticked up slightly from the year prior to \$66.3 million. Industrial sales remain strong, with continued interest in investment and owner/user properties. The top sales for this quarter included several investment properties, the largest of which was 110,026 SF building in the southwest/airport submarket.

In concert with strong occupancy, rental rates continue to improve. Rents for space under 20,000 SF are expected to rise in the range of 7%-10% in 2018 with virtually no concessions. Rents for space over 20,000 SF will be flat and won't rise until larger spaces/buildings are absorbed. While rates have not improved enough to justify speculative construction market wide, look for development opportunities in stronger submarkets in the year ahead.¹⁴

¹³ Source: Cushman & Wakefield | PICOR *Marketbeat*, Tucson Multifamily Q4 2017

¹⁴ Source: Cushman & Wakefield | PICOR *Marketbeat*, Tucson Industrial Q4 2017

Office Sector

Absorption of professional office and medical space continued at a solid pace. The Q4 office vacancy rate of 9.0% is the lowest since the Great Recession, and was impacted by a net absorption of some +300,000 square feet (SF) during the past twelve months. However, current market lease rates do not yet support speculative office development due to the high cost of construction. Consequently new development is primarily build-to-suit, most notably Caterpillar's 150,000 SF corporate HQ now under construction. Office sales activity is typically investor oriented, with average deal size around \$1.6 million, with cap rates ranging between 7.5% to 8%.¹⁵

Retail Sector

Tucson's retail market continued its robust growth with 89,248 square feet (SF) of positive net absorption for this quarter. Demand for space in the retail market continues to be strong with 139,939 SF under construction this quarter. Vacancy ticked down slightly from 6.2% to 6.0%.

The holiday season of 2017 introduced some notable trends in retail consumption. In-store purchases were up overall compared to last year with apparel being the top seller. The minor increase of 0.8% in online shopping this quarter provided consumers with easy access to price comparisons and a wider range of selection, creating a trend towards buying value brands and higher-quality luxury brands. Discount retailers such as Ross, HomeGoods, and Marshalls showed substantial sales growth in fourth quarter 2017. Middle range retailers re-engineered marketing strategies to bolster sales. We saw a significant number of pop-up stores during the holidays which landlords welcomed to increase shopping center traffic.

81% of households reported their financial situation in 2017 as the same or better than in 2016, up 65% more than from five years ago. Higher income shoppers spent nearly double the market average. Industry speculation over the health of Sears and Kmart suspect that their disappearance from the market would drive shoppers into other department stores leading to great increases in their overall sales. There is an obvious trend in mobile app usage for retail shopping. 22% of consumers used a retailer's app to make a purchase. Brick and mortar retailers recaptured shoppers' attention by creating an incentivized environment by offering discounts before the holidays instead of after.¹⁶

¹⁵ Source: Cushman & Wakefield | PICOR *Marketbeat*, Tucson Office Q4 2017

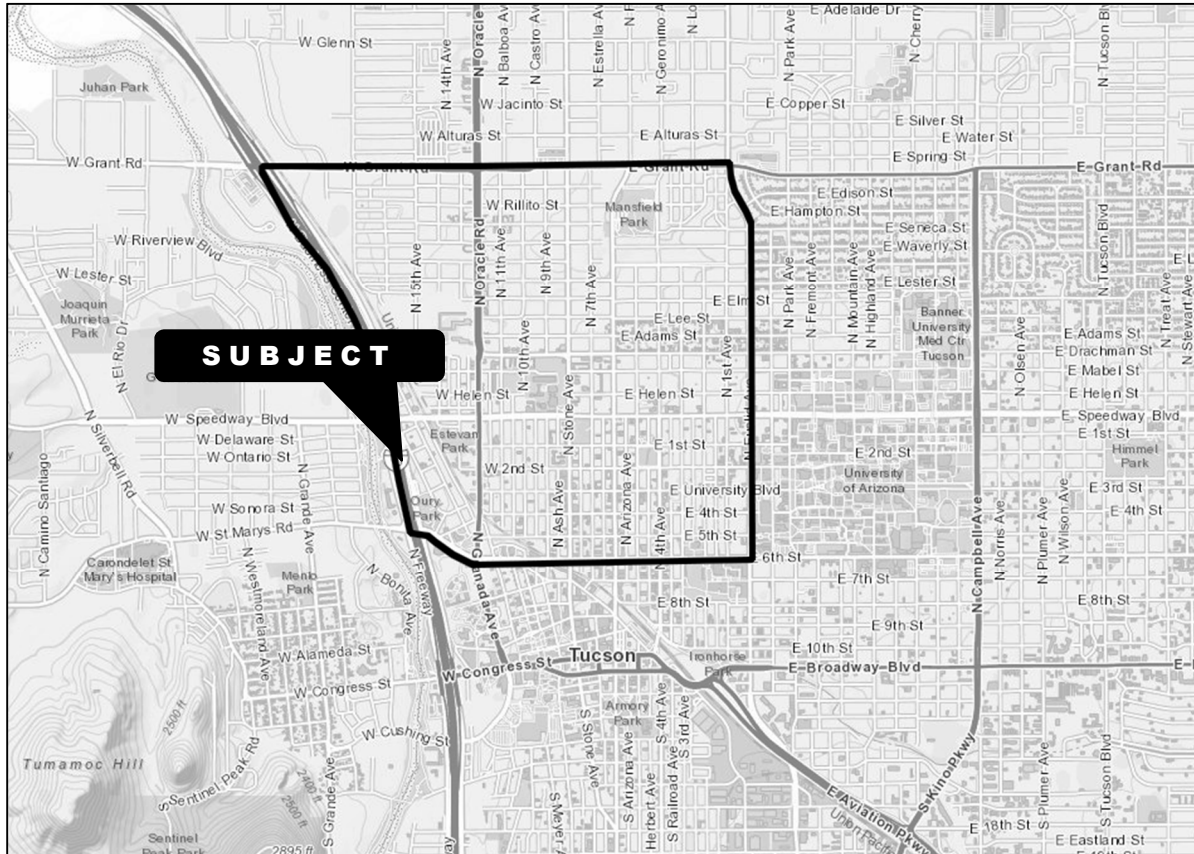
¹⁶ Source: Cushman & Wakefield | PICOR *Marketbeat*, Tucson Retail Q4 2017

Neighborhood Analysis

Location

The subject property is located southwest of Speedway Boulevard and Main Avenue within the City of Tucson. Situated less than one mile northwest of the downtown central business district of the City of Tucson, the location of the subject property is graphically illustrated on the map in Figure 10.

Figure 10 – Location Map



© Arizona State Land Department Parcel Viewer



The subject neighborhood is generally bounded on the north by Grant Road, 6th Street and St. Mary's Road to the south, Interstate 10 to the west, and Euclid Avenue to the east. This area encompasses approximately three square miles within the City of Tucson. The boundaries of the subject neighborhood, which represents a portion of the broader market area, encompass an area considered influential on the property to be appraised, given the types, visibility, accessibility, utility and overall consistency and similarity of uses.

Transportation

The network of principal and secondary streets throughout the metropolitan Tucson area is well developed and provides the neighborhood convenient access. The primary arterial roadways throughout metropolitan Tucson are based on a grid system, with major arterial roadways placed on one-mile intervals. These major roadways are generally paved multiple lane thoroughfares with traffic control signals as they intersect each other.

The primary north/south arterial roadways through the subject neighborhood are Euclid Avenue, Stone Avenue and Oracle Road. Oracle Road becomes Main Avenue south of Drachman Avenue a short distance north of Speedway Boulevard, and then becomes Granada Avenue south of 6th Street. Primary east/west arterial roadways are Grant Road, Speedway Boulevard and 6th Street, which becomes St. Mary's Road west of Main Avenue. These arterial roadways are generally paved with asphalt and carry multiple lanes of traffic.

Interstate 10 is located along the west boundary of the subject neighborhood and provides access to the regional freeway system and the other communities which comprise the metropolitan area. Access to Interstate 10 is possible at interchanges located at Grant Road and Speedway Boulevard. St. Mary's Road has an underpass at Interstate 10.

In addition to the network of arterial roadways and the regional freeway system, the metropolitan Tucson area is serviced by other modes of transportation. Freight rail service is found in the metropolitan area and the Union Pacific Railroad has a 24-track railyard located along the south side of East Aviation Parkway between 22nd Street and Alvernon Way. The railroad extends northwest from the railyard through the subject neighborhood and generally follows the Interstate 10 alignment. Intercity rail passenger service is currently available in the metropolitan area with Amtrak station located near the downtown central business district. Intracity rail service is provided by a four-mile streetcar route which connects downtown Tucson and the University of Arizona.

Public air transportation for the subject neighborhood is provided primarily by Tucson International Airport south of downtown Tucson. The airport has three runways and one domestic terminal with 20 gates. Based upon statistics from the Tucson Airport Authority, passenger traffic totaled 3,413,451 people enplaned and deplaned for the 12 months ending September 2017.¹⁷

Land Use Patterns

Development patterns tend to be defined by zoning ordinances. The City of Tucson has successfully coordinated growth within the subject neighborhood by defined zoning ordinances, construction requirements, and environmental requirements. The land use within the subject neighborhood is a variety of residential, commercial and industrial components.

¹⁷ Tucson Airport Authority (www.flytucson.com/taa/about/statistics/)

Land uses within the subject neighborhood are typical of that found throughout metropolitan Tucson, with commercial and multi-family residential uses located along arterial roadways, particularly at or near arterial road intersections. Commercial development within the neighborhood includes a variety of strip retail centers and freestanding commercial retail and office buildings along several of the arterial roadways. Single family residential subdivision development is found on more interior parcels away from these intersections. The subject neighborhood also has an industrial component which is found in the northwestern area of the neighborhood. The subject neighborhood is also in close proximity to the central business district of Tucson as well as the University of Arizona.

Amenities

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 and sewer service is provided by the City of Tucson. Southwest Gas Company provides natural gas service, and local telephone service is provided by Cox Communications, Comcast and CenturyLink. Electric service is provided by Tucson Electric Power. 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 local municipalities. Medical facilities serving the neighborhood include Banner University Medical Center, Carondelet St. Mary's Hospital, and the Veterans Administration Hospital.

Public educational facilities are located in and around the subject area, and include a number of K-12 schools within the Tucson Unified School District. The University of Arizona is located east of neighborhood, situated west of Campbell Avenue along Speedway Boulevard. Also serving the area is Pima Community College at Speedway Boulevard and Stone Avenue.

Trends

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". Although this most recent recession is officially over, the local markets have yet to return to full health.

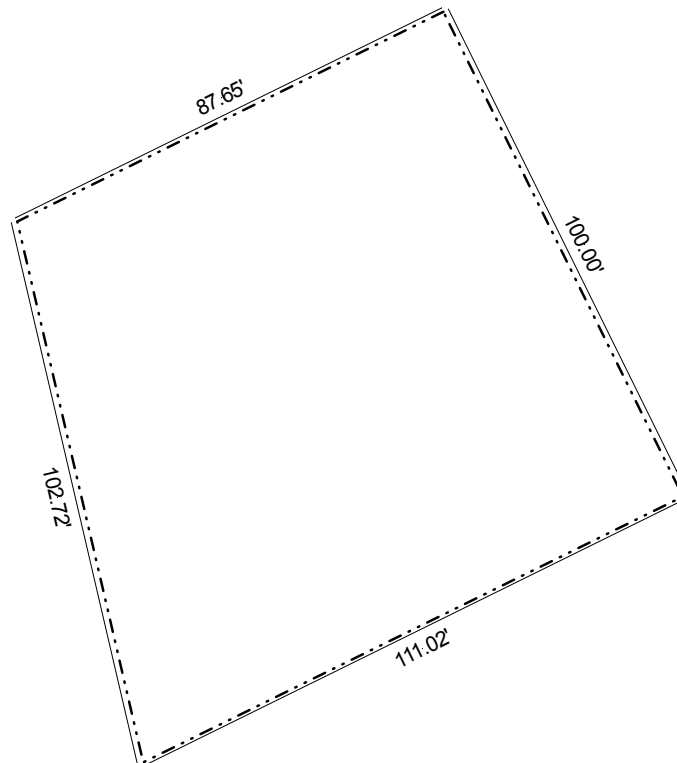
The subject neighborhood is characterized by a mix of well-established residential, commercial and industrial land uses, and does not exhibit any indication of drastic changes in land use in the near future. There is some land available for new development although the economic climate may not be conducive to short term development. The long-term outlook for the metropolitan area is for continued population and job growth which will create demand for residential housing and neighborhood commercial support facilities. The trend of the subject neighborhood is for continued stability.

Real Property Description

The following description of the subject property is based upon a physical inspection of the property on February 21, 2018, and on other occasions, in conjunction with an examination of Pima County public records.

Site Data

<i>Location</i>	Southeast of Interstate 10 and Speedway Boulevard		
<i>Street Address</i>	1003 N. Contzen Avenue		
<i>City, State ZIP</i>	Tucson, Arizona 85705		
<i>County</i>	<u>Pima</u>	<i>Map Reference</i>	<u>107-227QH</u>
<i>Census Tract</i>	<u>000300</u>	<i>Block</i>	<u>2030</u>
<i>Assessor Parcel No(s)</i>	116-16-181; 116-16-182		
<i>Land Area</i> ¹⁸	<u>9,934</u>	Square feet	
	<u>0.228</u>	Acres	
<i>Shape/Dimensions</i>	The subject property is slightly irregular in shape, measuring 100 feet along the eastern boundary and 111.02 feet along the southern boundary. The northern boundary is shorter at 87.05 feet.		



¹⁸ Source: Arizona Department of Transportation

<i>Street Improvements</i>	Street Name	Contzen Avenue
	Lanes (# Direction)	1 North 1 South
	Street Width	50 feet
	Center Lane/Median	None
	Pavement	Asphalt
	Curb	Yes
	Gutter	Yes
	Sidewalk	Yes
	Lighting	Yes
	Frontage	±100 feet
	Traffic Count	NA

Access/Frontage Access to the property is provided by a network of residential collector roadways south from Speedway Boulevard or north from St. Mary's Road. Access to the property is considered good.

<i>Surrounding Development</i>	North:	Residential Development
	South:	Residential Development
	East:	Residential Development
	West:	Freeway Right-of-Way

The subject property is located in a primarily residential area east of Interstate 10 and a short distance north of the downtown Tucson central business district, located south of St. Mary's Road/6th Street. Some non-residential development is found to the north and south along the Interstate 10 corridor and the Union Pacific Railroad which generally runs parallel to Interstate 10 north of the subject property.

<i>Utilities</i>	In Use		Available from:
	Yes	No	
Electricity.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Tucson Electric Power
Water.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	City of Tucson
Sanitary Sewer	<input type="checkbox"/>	<input checked="" type="checkbox"/>	City of Tucson
Natural Gas	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Southwest Gas Company
Telecom	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Cox Communications
			CenturyLink
			Comcast

Utilities are not currently in use on the property, but are readily available throughout the immediate area.

Topography The site is generally level and at grade with surrounding properties.

Drainage No apparent drainage problems were observed during a physical inspection of the site by the appraiser.

<i>Flood Hazard</i>	FEMA Flood Insurance Rate Map(s):		
	Flood Zone(s)	Panel	Effective Date
	X	04019C2276L	June 16, 2011

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. 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 realty signs, on-premise signs or off-premise signs on the property.

Zoning

The subject property is located within the R-3 Residence Zone district as defined by the City of Tucson zoning authorities. According to the zoning ordinance,

This zone provides for high density, residential development and compatible uses. Civic, educational, recreation, religious uses, and select other uses, such as day care and urban agriculture, are also permitted that provide reasonable compatibility with adjoining residential uses¹⁹

As is the case with almost every zoning district, the permitted uses are subject to density, area, building and yard regulations. In addition to these development standards, other requirements such as those for parking are set forth in the appropriate sections of the zoning ordinance.

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.

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 March 1, 2017, prepared by the Arizona Department of Transportation does not indicate the presence of any easements affecting the property to be appraised. 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.

¹⁹ City of Tucson Unified Development Code, Section 4.7.12

Taxes and Assessments

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 Pima County is determined for ad valorem tax purposes, and is purportedly synonymous with market value according to state statute. Table 1 summarizes the current assessments and shows a brief tax history of the subject property. In this instance, the subject property is exempt from real property taxes because it is owned by the State of Arizona.

Table 1 – Real Property Assessment and Tax History

Tax Year	Primary Valuation			Secondary Valuation			Assessed Tax	Status
	Limited Value	Assessment Ratio	Assessed Value	Full Cash Value	Assessment Ratio	Assessed Value		
2018	\$31,000.00	15%	\$4,650.00	\$38,197.00	15%	\$5,729.55	\$0.00	Exempt
2017	\$47,112.00	15%	\$7,067.00	\$47,112.00	15%	\$7,067.00	\$0.00	Exempt
2016	\$47,112.00	15%	\$7,067.00	\$47,112.00	15%	\$7,067.00	\$0.00	Exempt
2015	\$47,112.00	16%	\$7,538.00	\$47,112.00	16%	\$7,538.00	\$0.00	Exempt
2014	\$47,112.00	16%	\$7,538.00	\$47,112.00	16%	\$7,538.00	\$0.00	Exempt

While there is some theoretical relationship between the assessed valuation and the fair market value of properties in Pima County, no reliance may be placed on this relationship since the Assessor's appraisals are not always borne out by examination of actual activity in the marketplace. As a consequence, no further emphasis or attention will be given the assessed valuation of the subject property, as it relates to market value, in this appraisal report.

Division of Real and Personal Property

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, 2018-2019 ed.)²⁰

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.

²⁰ The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015) p170



VALUATION ANALYSIS

Highest and Best Use

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."²¹

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

Legally Permissible

The City of Tucson zoning ordinance requirements are the only significant legal restrictions limiting the use of the property. As indicated in the site analysis, the subject property is presently within the R-3 Residence Zone district. This zone allows for primarily single- and multi-family residential land uses as set forth in the zoning ordinance for the City of Tucson. Thus, only these uses and those specifically mentioned in the zoning ordinance could currently be considered legally permissible.

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.

Existing residential subdivisions can be found in the area and share the R-3 zoning of the subject, or in the similar R-2 district. There are also industrial and commercial districts in the area along the interstate and railroad corridors. In light of the existing land uses in the area and those allowed under the current zoning of the subject property, a change in zoning is not likely to occur.

²¹ The Appraisal of Real Estate, 14th ed. (Chicago: Appraisal Institute, 2013) p332

Physically Possible

The physical characteristics of the subject parcel, such as its topography, access, size, shape, and available utilities, are adequate for its legally permissible land uses. 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. The subject property consists of a portion of two separately assessed residential lots. The northern lot, parcel 116-16-181, contains 4,675 square feet and does not meet the minimum lot size requirement (5,000 square feet) for single-family residential development. The lot area of the combined lots would be sufficient for most of the legally permissible land uses and provide for greater utility and functionality of the land.

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 subject neighborhood is a well-established residential area with no new subdivision development taking place. Demand for infill development of single lots within established subdivisions is relatively low. Given existing development patterns, the location of the subject property, the economic climate, and the market in which the subject property competes, it is my opinion that near-term residential development of the subject site would not be economically feasible as of the date of valuation.

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 to hold for future single-family residential development.

Summary and Conclusion

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:..... Hold for future single-family residential development

Valuation Methodology

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.

Sales Comparison Approach

Introduction

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.²²

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 Pima 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.

²² The Appraisal of Real Estate, 14th 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 lot 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 2 summarizes the significant information extracted from the comparable sales believed to be most pertinent in the valuation of the subject land.

Table 2 – Land Sales Summary Table

Comp No.	Intended Use	Sale Date	Zoning	Frontage	Land Area Square Feet	Price	Price per Square Foot
1	Land Investment	11/15	R-3	Mid-Block	7,025	\$ 31,000.00	\$4.41
2	Land Investment	08/16	R-3	Mid-Block	2,738	\$ 12,000.00	\$4.38
3	Land Investment	11/17	R-3	Mid-Block	8,124	\$ 50,000.00	\$6.15
4	Land Investment	01/18	R-3	Mid-Block	7,691	\$ 30,000.00	\$3.90
SUBJECT			R-3	Mid-Block	9,934		

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, and the buyers and sellers having been informed and typically motivated. For this reason, no adjustment will be necessary when considering the conditions of these sales.

- *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. Based upon my analysis of the market data and my professional judgment, no adjustment will be made in this analysis when considering the amount of time that may have elapsed between the date of purchase of the comparable property and the date of valuation of the property to be appraised.

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. The property being appraised has a mid-block location in an area that is in proximity to both residential and supporting commercial development.

The comparable properties are all located within the same residential subdivision as the property being appraised. Comparable No. 1 is located approximately one block south of the subject on Contzen Avenue. Comparable No. 2 is on Anita Avenue less than three blocks southeast, and Comparable No. 4 is also on Anita Avenue approximately one block southeast. Comparable No. 3 is on Oury Street just west of Anita Avenue approximately three blocks southeast. Adjustment for the location of each comparable property will not be necessary 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 higher prices than do similar smaller parcels. This can be illustrated by Comparable Nos. 3 and 4. In practice, the price-size tradeoff is typically a less direct, more uncertain relationship complicated by other physical characteristics and locational factors. The subject property is larger than all of the comparable properties which will require upward adjustment. The adjustment for Comparable No. 2 will be larger because the small size of this property also results in inferior utility when compared to the subject property.

- *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 role in the prices developed by these properties because all of the comparable properties have the same R-3 zoning as the property being appraised.

Comparable No. 2 is smaller than the subject property as well as being smaller than the minimum lot requirement for properties within the R-3 zoning district. The use of this property is limited to primarily assemblage purposes rather than for development and an upward adjustment will be applied for this reason to Comparable No. 2.

- *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 Interstate 10 and Speedway Boulevard

Grantor Real Estate Resolutions, LLC

Grantee Tierra San Sebastian I, LLC

Sale Date November 2015

Sale Price \$31,000.00

\$4.41 per Square Foot

Land Area 7,025 Square Feet

Comparable No. 1 is a site located southeast of Interstate 10 and Speedway Boulevard at 937 N. Contzen Avenue, situated approximately one block southeast of the subject property. This site is generally level and at grade with the abutting properties and roadway. Surrounding land uses include primarily residential land uses, although some commercial land uses are located a short distance east across the railroad right-of-way.

This property was purchased with no immediate development plans.



The location of this property is very similar to the subject property and will not warrant any adjustment in this analysis. In terms of physical characteristics, this property is smaller than the subject property, and a 5% upward adjustment will be applied in this instance. After the adjustments indicated, this sale suggests a value of \$32,550 for the subject land.

Comparable No. 2

Southeast of Interstate 10 and Speedway Boulevard

Grantor Vicente Suarez

Grantee Tierra San Sebastian I, LLC

Sale Date August 2016

Sale Price \$12,000.00

\$4.38 per Square Foot

Land Area 2,738 Square Feet

Comparable No. 2 is a site located southeast of Interstate 10 and Speedway Boulevard at 750 N. Anita Avenue, situated less than three blocks southeast of the subject property. This site is generally level and at grade with the abutting properties and roadway. Surrounding land uses include primarily residential land uses, although some commercial land uses are located a short distance east across the railroad right-of-way.

This property was purchased with no immediate development plans.



The location of this property is very similar to the subject property and will not warrant any adjustment in this analysis. In terms of physical characteristics, this property is significantly smaller than the subject property, and a 10% upward adjustment will be applied in this instance. A 20% upward adjustment will be applied for the use of this property being limited to primarily assemblage purposes. After the adjustments indicated, this sale suggests a value of \$15,600 for the subject land.

Comparable No. 3

Southeast of Interstate 10 and Speedway Boulevard

Grantor	Pop Star, LLC	Sale Price	\$50,000.00
Grantee	John J. Genell		\$6.15 per Square Foot
Sale Date	November 2017	Land Area	8,124 Square Feet

Comparable No. 3 is a site located southeast of Interstate 10 and Speedway Boulevard at 513 W. Oury Street, situated approximately three blocks southeast of the subject property. This site is generally level and at grade with the abutting properties and roadway. Surrounding land uses include primarily residential land uses, although some commercial land uses are located a short distance east across the railroad right-of-way. This property was purchased with no immediate development plans.



The location of this property is very similar to the subject property and will not warrant any adjustment in this analysis. In terms of physical characteristics, this property is smaller than the subject property, and a 5% upward adjustment will be applied in this instance. After the adjustments indicated, this sale suggests a value of \$52,500 for the subject land.

Comparable No. 4

Southeast of Interstate 10 and Speedway Boulevard

Grantor	Chuch Wing Lim and Man Shao Wu Lim	Sale Price	\$30,000.00
Grantee	Erdal Kocak		\$3.90 per Square Foot
Sale Date	January 2018	Land Area	7,691 Square Feet

Comparable No. 4 is a site located southeast of Interstate 10 and Speedway Boulevard at 910 N. Anita Avenue, situated approximately one block southeast of the subject property. This site is generally level and at grade with the abutting properties and roadway. Surrounding land uses include primarily residential land uses, although some commercial land uses are located a short distance east across the railroad right-of-way. This property was purchased with no immediate development plans.



The location of this property is very similar to the subject property and will not warrant any adjustment in this analysis. In terms of physical characteristics, this property is smaller than the subject property, and a 5% upward adjustment will be applied in this instance. After the adjustments indicated, this sale suggests a value of \$31,500 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 \$12,000 per lot to a high indication of \$50,000 per lot. 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 sales adjustment grid on the following page.

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 \$15,600 per lot to \$52,500 per lot, with a mean value of \$33,038 per lot. I believe that the subject property may be reasonably and fairly placed within this range.

The subject property is larger than all of the comparable properties, and there appears to be a correlation between lot size and price. Comparable No. 3 is the largest parcel examined in this analysis and this property developed the highest price. Conversely, Comparable No. 2 is the smallest parcel and it developed the lowest price. The size of this property is significantly smaller than the other comparable properties and is believed to be inferior in terms of utility and functionality. The use of this property is limited primarily to assemblage purposes since it does not meet minimum lot size requirements. The indication of value provided by Comparable No. 2 will be given less weight and consideration in this analysis.

All things considered, the value of the subject property could reasonably be placed in the upper portion of the range in values due to its larger lot size. Based upon the preceding analysis, the indication of value for the subject land, as of the current date of valuation and given a reasonable period of exposure, is \$40,000.00.

Table 3 – Land Sales Adjustment Grid

Comparable No.	SUBJECT			
	1	2	3	4
Sale Price	\$31,000.00	\$12,000.00	\$50,000.00	\$30,000.00
Date of Sale	11/15	08/16	11/17	01/18
Elapsed Time (months)	28	19	4	2
Land Area – Square Feet	7,025	2,738	8,124	7,691
Frontage	Mid-Block	Mid-Block	Mid-Block	Mid-Block
Zoning	R-3	R-3	R-3	R-3
Sale Price per Space/Unit	\$31,000	\$12,000	\$50,000	\$30,000
Transactional Adjustments				
Property Rights	0%	0%	0%	0%
Adjusted Price	\$31,000	\$12,000	\$50,000	\$30,000
Financing	0%	0%	0%	0%
Adjusted Price	\$31,000	\$12,000	\$50,000	\$30,000
Conditions of Sale	0%	0%	0%	0%
Adjusted Price	\$31,000	\$12,000	\$50,000	\$30,000
Immediate Expenditures	0%	0%	0%	0%
Adjusted Price	\$31,000	\$12,000	\$50,000	\$30,000
Market Conditions	0%	0%	0%	0%
Adjusted Price	\$31,000	\$12,000	\$50,000	\$30,000
Property Adjustments				
Location	0%	0%	0%	0%
Physical Characteristics				
Land Area	+5%	+10%	+5%	+5%
Economic Characteristics	0%	0%	0%	0%
Legal Characteristics	0%	0%	0%	0%
Use/Zoning	0%	+20%	0%	0%
Non-Reality Components	0%	0%	0%	0%
Net Adjustment	+5%	+30%	+5%	+5%
Indicated Unit Value	\$32,550	\$15,600	\$52,500	\$31,500

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.²³

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.²⁴

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.²⁵

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.

²³ *The Appraisal of Real Estate*, 14th ed. (Chicago: Appraisal Institute, 2013) p439

²⁴ *Ibid*, p491

²⁵ *Ibid*, p509

Cost Approach

Introduction

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.²⁶

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.

²⁶ The Appraisal of Real Estate, 14th 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	\$40,000.00
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 February 21, 2018, is:

FORTY THOUSAND DOLLARS

\$40,000.00

Certification

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 February 21, 2018, is:

FORTY THOUSAND DOLLARS

\$40,000.00

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: H318801R
Parcel Number: L-T-134

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 I have given consideration to the value of the property the damages and benefits to the remainder, if any; and accept to liability for matters of title or survey. 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.

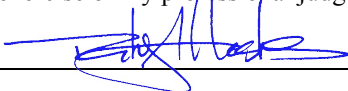
That I understand this appraisal may be used in connection with the acquisition of right of way for a highway to be constructed by the State of Arizona with the assistance of federal aid highway funds or other federal funds.

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 February 21, 2018, is FORTY THOUSAND DOLLARS (\$40,000.00), based on my independent appraisal and the exercise of my professional judgment.

DATE: 3/13/2018 SIGNATURE: 

Underlying Assumptions and Limiting Conditions

- | | |
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| <ol style="list-style-type: none"> 1. A legal description was not furnished to the appraiser, unless so noted in the text of this report. 2. The title to the property is marketable, free and clear of all liens. 3. The property does not exist in violation of any applicable codes, ordinances, statutes or other governmental regulations. 4. The appraiser was not furnished with a specific site survey, unless one is cited in the text of this report. 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. 6. Responsible ownership and competent management exist for the property. 7. Adequate utility services are available for the subject property and that they will continue to be so in the foreseeable future. 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. 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. 10. This report considers nothing of a legal character and the appraisers assume no responsibility for matters of a legal nature. 11. Testimony or attendance in court is not required by reason of this appraisal, unless arrangements are previously made. 12. Any information furnished by the property owner, agent, or management is correct as received. 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. 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. 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. 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. | <ol style="list-style-type: none"> 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. 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. 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). 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. 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. 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. 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. 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. 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. 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. |
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1



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View southwest across the subject property

3



View northwest across the subject property

4



View northeast across the subject property

5



View southeast across the subject property

6



View north along Contzen Avenue

7

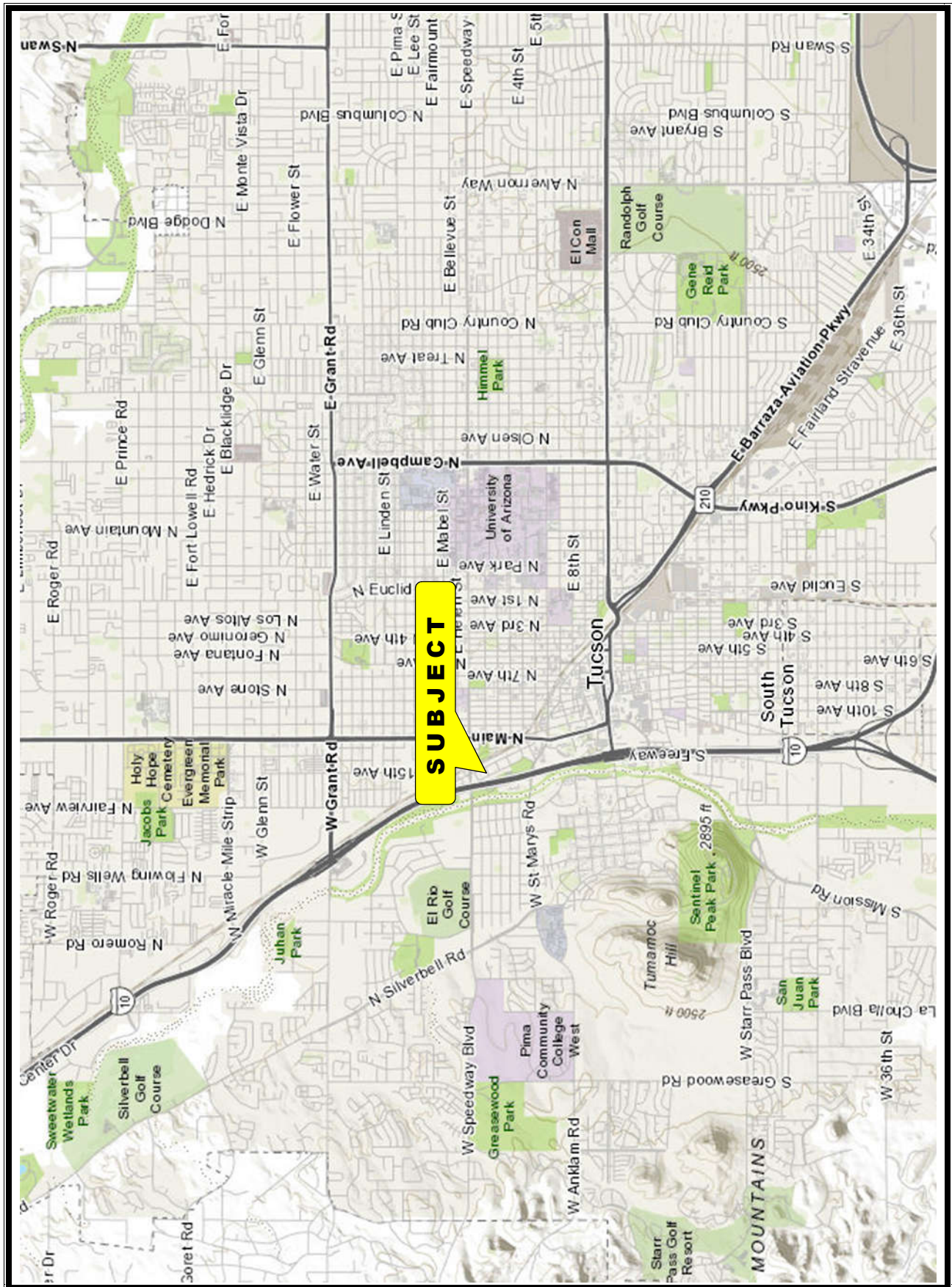


View south along Contzen Avenue

8

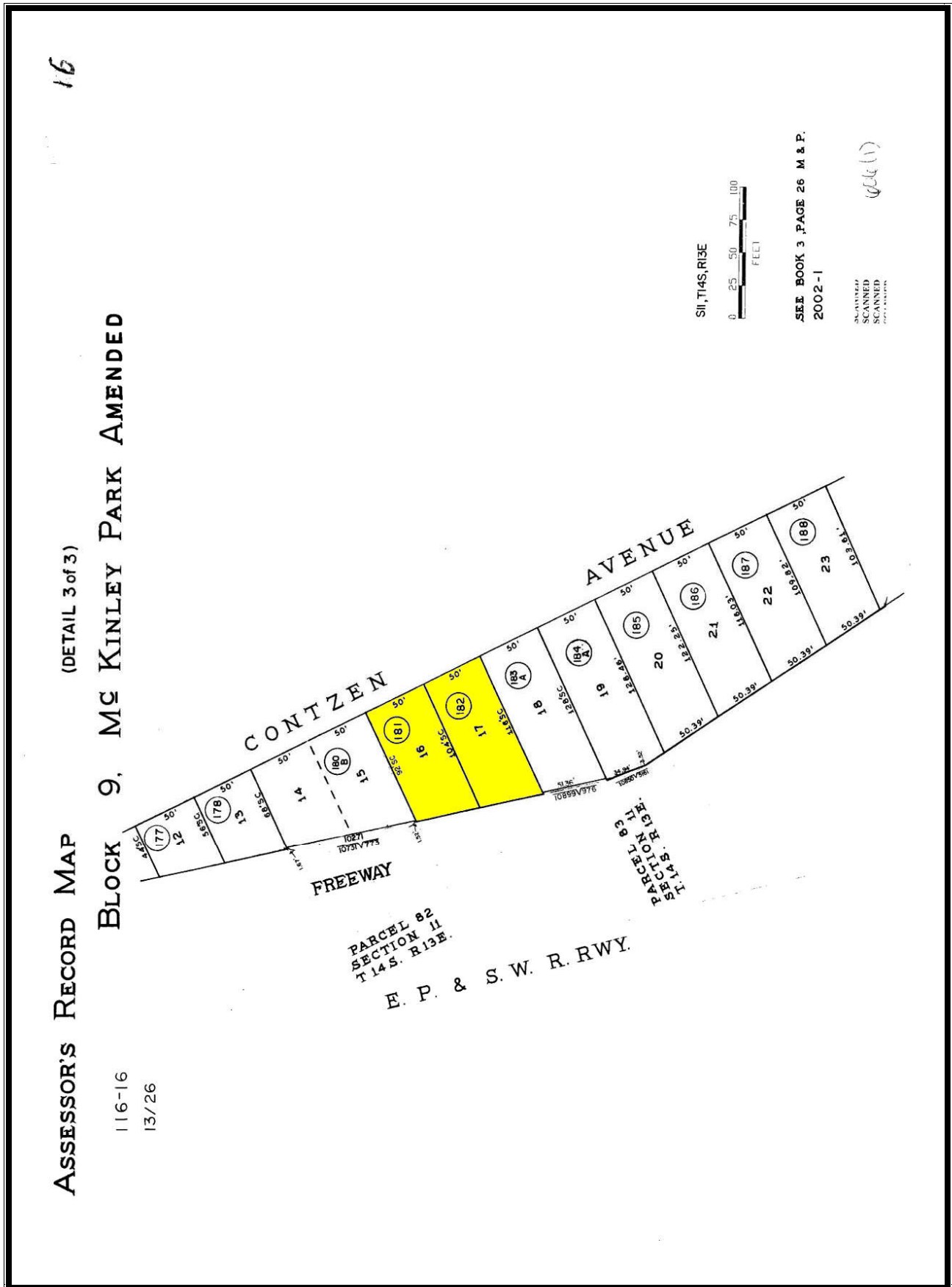


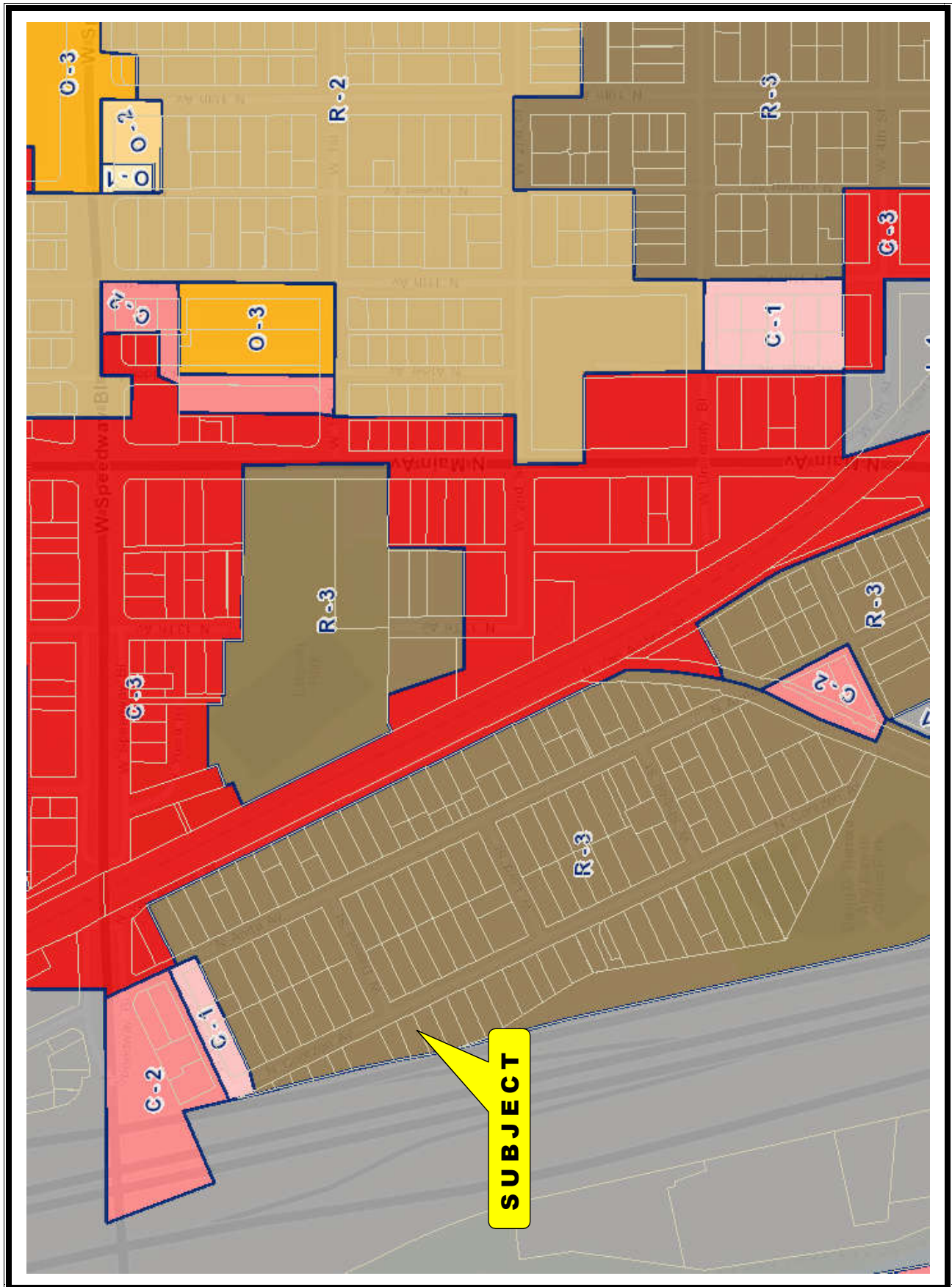
View east along Delong Street

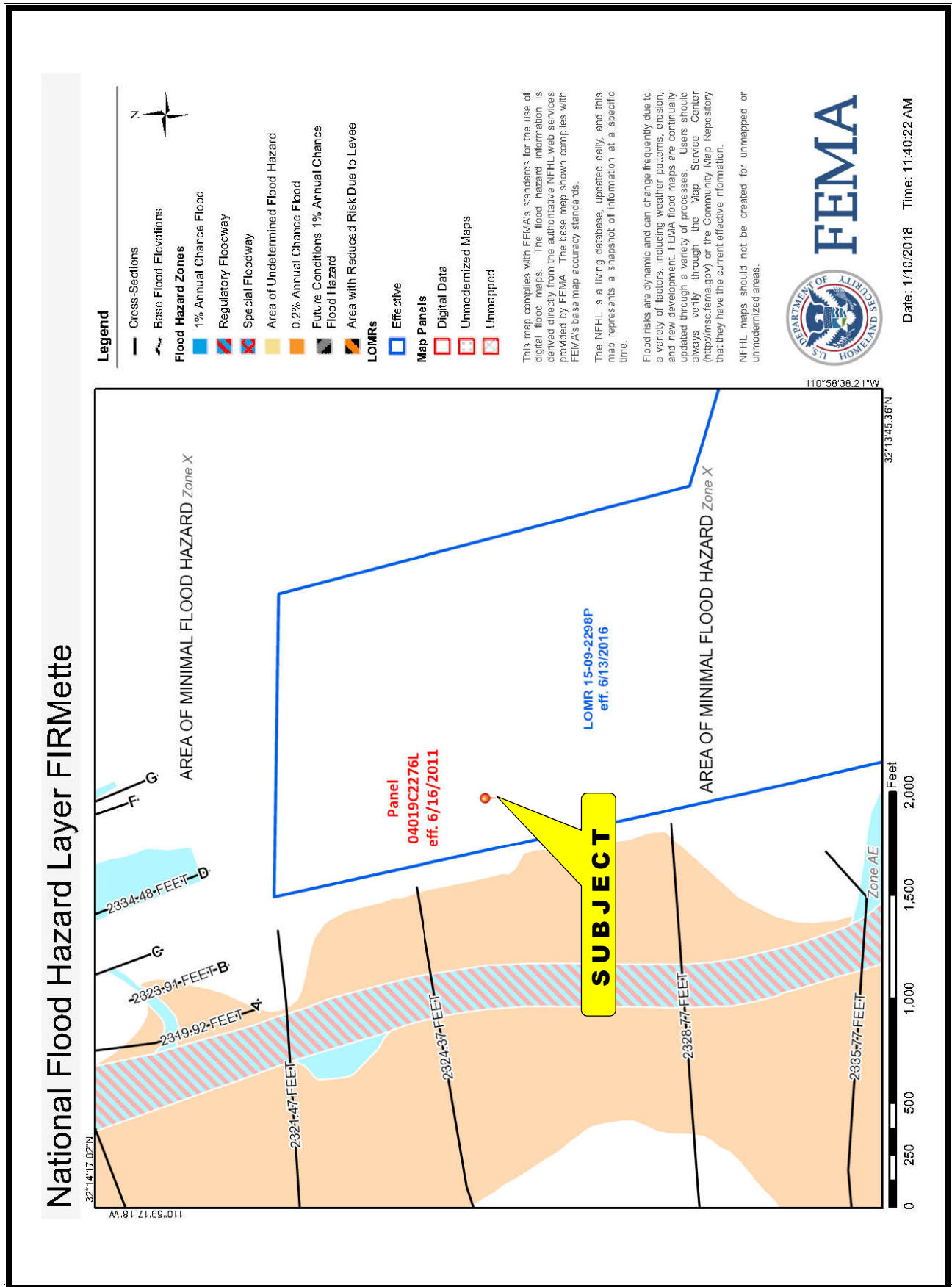


© Arizona State Land Department Parcel Viewer

C







ARIZONA DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY TITLES SECTION
TITLE ASSIGNMENT – RESOLUTIONS/DISPOSALS

Project: H318801R Section: SPEEDWAY-CONGRESS Count:
Fed Id No: N/A Highway: TUCSON-CASA GRANDE
Resolution Number: L-T-134
Assigned to: SHIRLEY SEELEY
Date: 01/19/2017
For: ☐ Prior Resolutions ☒ Disposal Report ☐ Special Projects ☐ Field Inspector

The following is furnished for your use in performing this assignment:

☐ R/W Plans ☐ Resolution Request ☐ Report and Recommendation ☒ Documents ☐ E-m:

Requested by: TIM MAHONEY. SEE TIM WITH QUESTIONS.

Special instructions: DISPOSAL REPORT.

This assignment is to be completed on or before: 02/03/2017


THE SPACE BELOW IS TO BE COMPLETED BY EXAMINER
Indicate type of report(s) and number of items, owners or reports

TO REVIEWER:

The following is submitted pursuant to this assignment:

_____ Resolutions _____ Disposal Report _____ Special Project _____

Remarks: _____

 _____
Signature of Examiner 3/14/17 _____
Date Approved

Reviewer's Remarks:

TRANSMITTED TO:

Title Assignment: RESOS.doc

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: WARRANTY DEED executed by DAVID L. KAY, a married man, as his sole and separate property, who acquired title as David L. Kay, husband of Susan E. Kay, as his sole and separate property, Grantor, in favor of the State of Arizona, by and through its Department of Transportation, Grantee dated February 19th, 1991 and recorded April 4, 1991 in Docket 9010, at page 160 in Document No. 91037000. ADOT Parcel No. 10-921.

QUITCLAIM DEED executed by ROSA LUCERO, an unmarried woman, Grantor, in favor of the STATE OF ARIZONA, by and through its Department of Transportation, the Grantee dated August 19, 1997, recorded December 2, 1997 in Docket 10683, at page 1478 in Document No. 97198157. ADOT Parcel No. 10-1123

Upon compliance with REQUIREMENTS herein, satisfactory title will vest in the proposed purchaser. TO FOLLOW

LEGAL DESCRIPTION

SEE SCHEDULE A-1 ATTACHED

REMARKS: The Schedule B Items are shown herein for the benefit of Right of Way appraiser.

Date of Search: March 1 st , 2017	Examiner: Shirley Seeley	Reviewer: Byron Hopkins
Update to:	Examiner:	Reviewer:
Update to:	Examiner:	Reviewer:
Update to:	Examiner:	Reviewer:
Update to:	Examiner:	Reviewer:

County: Pima	Tax Arb: 116-16-181 & 182	Disposal: N/A
Tracs No.: 10 PM 257 H3188 01R	Highway: Casa Grande-Tucson HWY	Excess Land: L-T-134
Fed. No.: NH-10-4(141)	Section: Speedway Blvd-Congress St.	Parcel No.: 10-921; 10-1123

**SCHEDULE A-1
LEGAL DESCRIPTION**

Those portions of Lot 16 and Lot 17, Block 9, MCKINLEY PARK AMENDED SUBDIVISION, according to the map or plat thereof of record in the office of the County Recorder of Pima County Arizona, in Book 3 of Maps and Plats, Page 26, located in Section 11, Township 14 South, Range 13 East, Gila and Salt River Meridian, Pima County, Arizona, as depicted on Exhibit "A" attached, Sheet 6, of ADOT Drawing D-10-T-375, the Right of Way Plans of CASA GRANDE-TUCSON HWY, Speedway Blvd.-Congress ST. Section, Project 10 PM 257 H3188 01R / NH-10-4(141).

NOTE: The legal description of the area to be conveyed will be produced by the ADOT Right-of-Way Delineation Unit.

END OF SCHEDULE A-1

RIGHT OF WAY VESTING

WARRANTY DEED executed by DAVID L. KAY, a married man, as his sole and separate property, who acquired title as David L. Kay, husband of Susan E. Kay, as his sole and separate property, Grantor, in favor of the State of Arizona, by and through its Department of Transportation, Grantee dated February 19th, 1991 and recorded April 4, 1991 in Docket 9010, at page 160 in Document No. 91037000. ADOT Parcel No. 10-921.

QUITCLAIM DEED executed by ROSA LUCERO, an unmarried woman, Grantor, in favor of the STATE OF ARIZONA, by and through its Department of Transportation, the Grantee dated August 19, 1997, recorded December 2, 1997 in Docket 10683, at page 1478 in Document No. 97198157. ADOT Parcel No. 10-1123

END OF RIGHT OF WAY VESTING

REQUIREMENTS

1. 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 in 1991 and 1997.

The parcel of land herein to be conveyed shall have no right or easement of access to or from Interstate Highway 10.

END OF REQUIREMENTS

SCHEDULE B

1. Reservation unto the public and various utility companies, easements for existing utilities, if any, within the herein described property in accordance with Arizona Revised Statute 28-7210 as set forth in the _____ Deed executed by the State of Arizona, by and through its Department of Transportation, Grantor, in favor of the proposed purchaser, dated _____, recorded _____ as Document No. _____, in the office records of Pima County, Arizona.

END OF SCHEDULE B

TRANSMITTAL		Date: December 1, 2016						
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-T-134 Disposal Name: ADOT Parcels # 10-921 and #10-1123								
Deliver To Raul Torres Property Management 612E	Sent From Paul O'Brien, P.E. Environmental Planning Group							
<input checked="" type="checkbox"/> Attached <input type="checkbox"/> Under Separate Cover								
Action: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 50%; padding: 2px;"><input type="checkbox"/> For your approval</td> <td style="width: 50%; padding: 2px;"><input checked="" type="checkbox"/> For your use</td> </tr> <tr> <td style="padding: 2px;"><input type="checkbox"/> For your information</td> <td style="padding: 2px;"><input type="checkbox"/> For your response</td> </tr> <tr> <td style="padding: 2px;"><input type="checkbox"/> As you requested</td> <td style="padding: 2px;"><input type="checkbox"/> For review and comment</td> </tr> </table>			<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
<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: <u>Paul O'Brien, P.E.</u> Title: <u>Environmental Planning Manager</u>								



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

November 29, 2016

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-T-134
ADOT Parcels 10-921 and 10-1123
Disposal is located east of Interstate 10 at Milepost 257.5 on North Contzen Avenue, Tucson,
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,

A handwritten signature in black ink, appearing to read "Paul O'Brien", is written over a horizontal line.

Paul O'Brien, P.E.
Manager

Enclosures

PO:eg

ARIZONA DEPARTMENT OF TRANSPORTATION
206 S. 17th Avenue Phoenix, AZ 85007 azdot.gov

Arizona Department of Transportation
Environmental Planning
Excess Land Disposal Checklist

Excess Number: L-T-134

Name: ADOT parcels #10-921 and #10-1123

Location/Address: The two adjoining parcels are located east of Interstate 10 (I-10) at approximate milepost 257.5, on North Contzen Avenue, Pima County, Arizona.

Clearance

Prepared By: Ed Green Date: 29 Nov 16
Ed Green
Hazardous Materials Coordinator

Approved By: Paul O'Brien Date: 12/1/16
for Paul O'Brien, P.E.
Manager

PO:eg

I. PROJECT DESCRIPTION

- A. The Arizona Department of Transportation (ADOT) proposes to dispose of excess property L-T-134. The property is also known as adjoining ADOT parcels #10-921 and #10-1123, and Pima County Assessor's parcel numbers 116-16-1829 (for parcel #10-921) and 116-16-1810 (for parcel #10-1123).
- B. Location: The adjoining parcels are located east of Interstate 10 (I-10) at approximate milepost 257.5, on North Contzen Avenue, Pima County, Arizona.
- C. Purpose: The property will be sold in accordance with State law.

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

The disposal parcels consist of approximately 0.23 total acres of vacant land. Parcel #10-921 consists of 5,259.04 square feet of vacant land that has never been developed. Parcel #10-1123 formerly contained a single-family residence (address 1003 North Contzen Avenue) that was razed by ADOT for construction of the I-10 frontage road.

Land Use Characteristics

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

Endangered Species Act Listed Species

	Yes	No	If Yes, List Species.	Comments.
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 AO (areas subject to inundation by 1-percent-annual-chance shallow flooding, usually sheet flow on sloping terrain) according to the Federal Emergency Management Agency Flood Insurance Rate Map Number 04019C 2276L.

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 Preliminary Initial Site Assessment was performed by the ADOT Environmental Planning Group. No hazardous materials concerns were identified. 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 Arizona Department of Transportation's 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. On August 24, 2016, ADOT initiated consultation on a finding of "no historic properties affected" with the State Historic Preservation Office (SHPO) and SHPO concurrence was received on August 24, 2016. ADOT has determined that this project 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

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

STATE OF ARIZONA
DEPARTMENT OF TRANSPORTATION
HIGHWAYS DIVISION

RIGHT OF WAY PLAN OF THE
CASA GRANDE-TUCSON HIGHWAY
SPEEDWAY BLVD. - CONGRESS ST.
10 PM 257 H3188 01R
NH-10-4(141)

LENGTH OF PROJECT 1.0 MILE DISTRICT Y



APPROVED IN ACCORDANCE WITH ROADWAY R.W.S.
DATE 1-15-2015


CHIEF OF HIGHWAYS

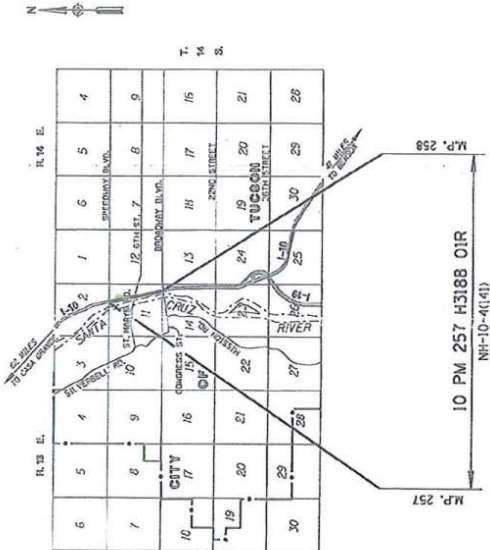
APPROVED IN ACCORDANCE WITH ROADWAY R.W.S.
DATE 1-15-2015

CHIEF OF HIGHWAYS

APPROVED IN ACCORDANCE WITH ROADWAY R.W.S.
DATE 1-15-2015

CHIEF OF HIGHWAYS

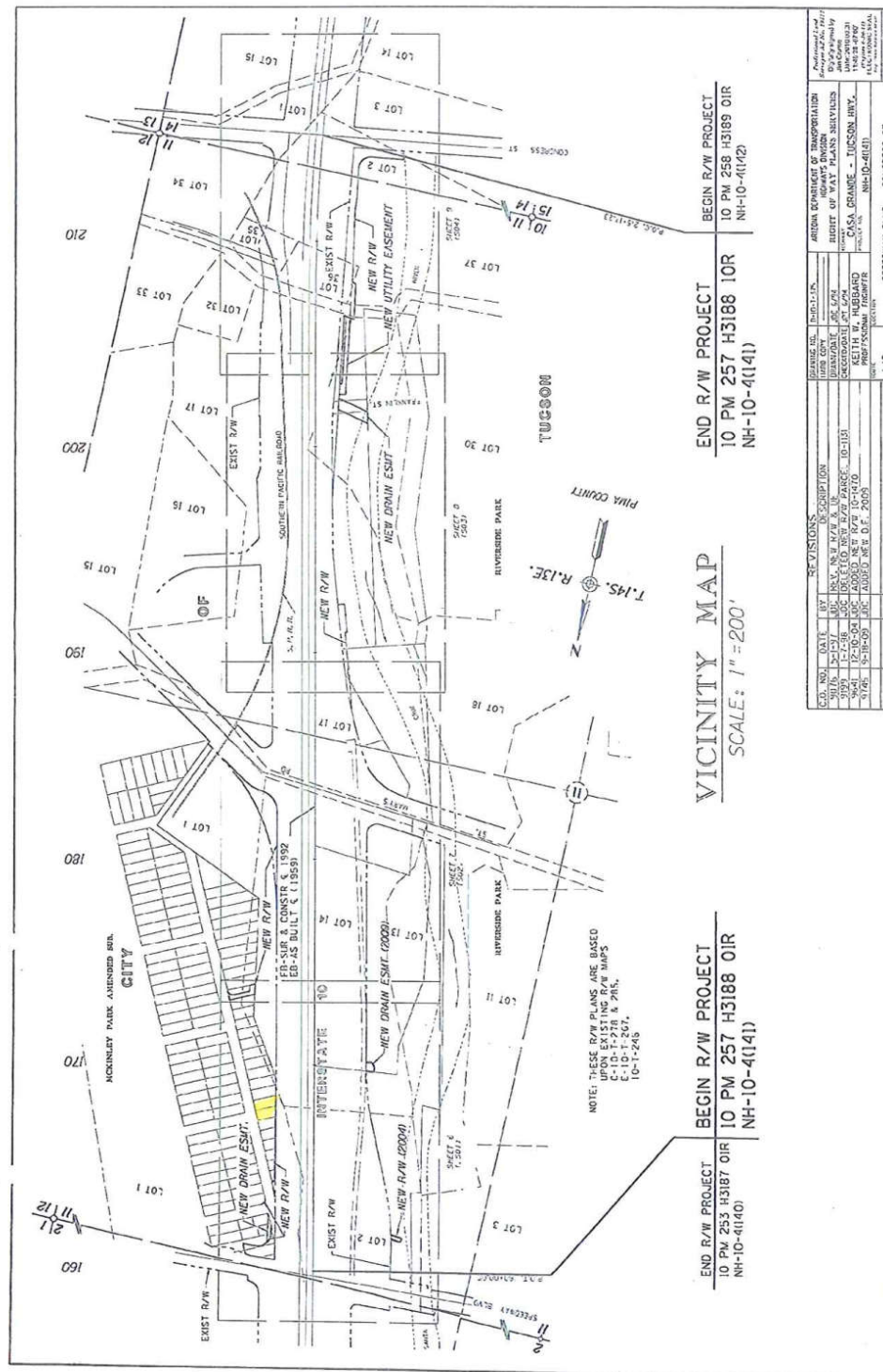


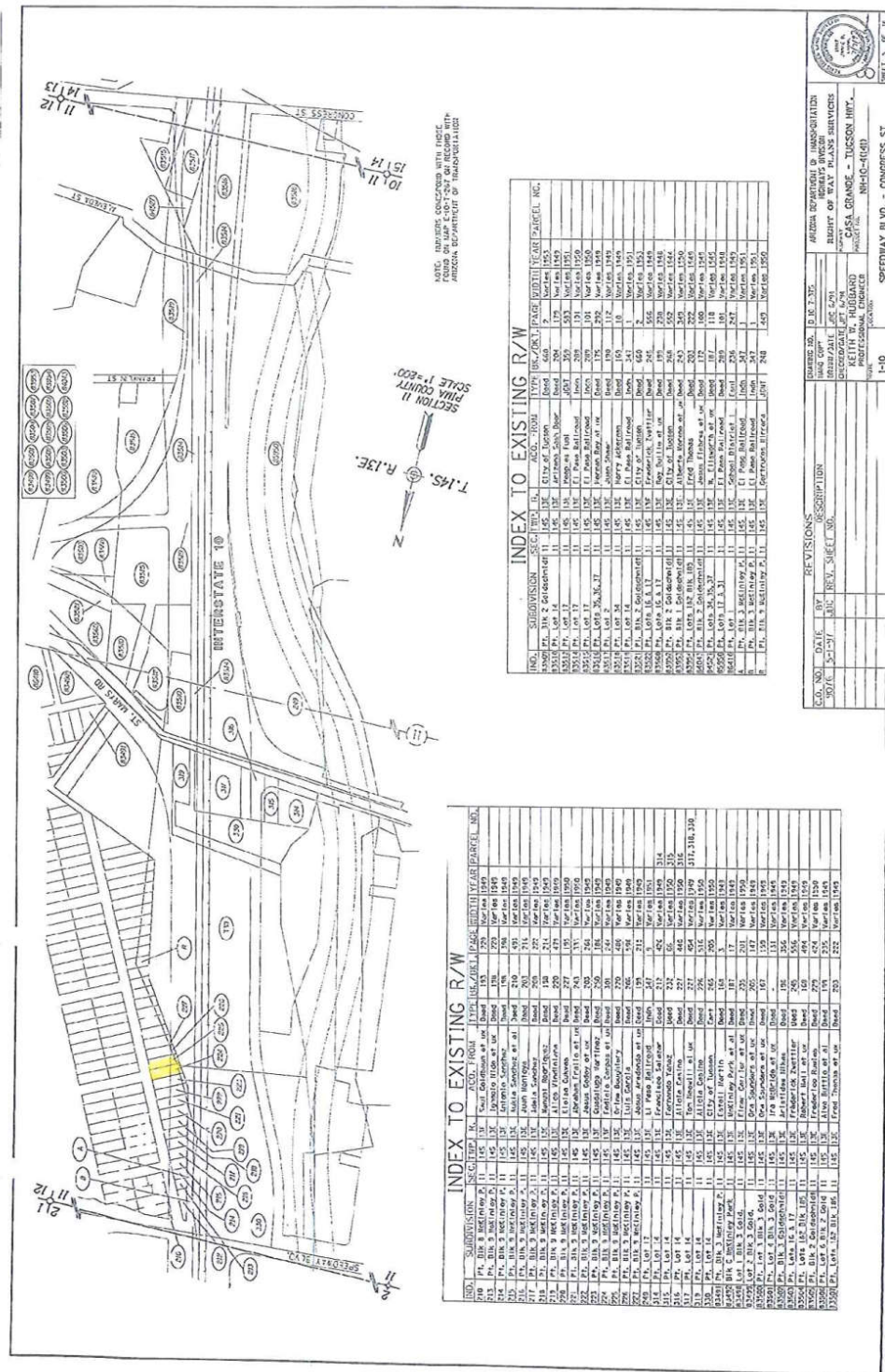


Public Reading Requirements Certified
INVESTIGATOR'S CERTIFICATE
C & S REVIEW
BID SET REVIEW

No Additional Survey Required
10/25/2014

OWNERSHIP				RECORD				ACQUISITION RECORD			
PARCEL NUMBER	OWNER	DESCRIPTION	TOTAL AREA	AS ACQUIRED	EASEMENT AREA	REMAINDER	SHEET NO.	INSTRUMENT TYPE	DATE	RECORDED DATE	DOCUMENT
10-921	David L. Key	PT. Lot 17 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6	3/25/91	W.D.	2/19/91	4/4/91
10-1017	Laura M. Banks, as Trustee	PT. Lot 627 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	12.600 SF	12.600 SF	TCE 710 SF	12.600 SF	6	10/10/91	W.D.	7/28/91	10/13/91
10-1115	City of Tucson	PT. Lot 10 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1117	Phoenix Jewish Community Center	PT. Lot 17 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1118	City of Tucson	PT. Lot 10 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1119	City of Tucson	PT. Lot 10 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1120	Alisco Vineola	PT. Lot 11 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1121	William H. Stepien II	PT. Lot 12 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1122	Abraham L. Fralio	PT. Lot 13 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1123	Rene Liourn	PT. Lot 14 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1124	Marionella M. Garcia	PT. Lot 15 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1125	City of Tucson	PT. Lot 16 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1126	Fidelio Martinez Rosini	PT. Lot 17 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1127	City of Tucson	PT. Lot 18 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1128	City of Tucson	PT. Lot 19 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1129	City of Tucson	PT. Lot 20 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1130	La Quinta Inns	PT. Lot 21 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1131	City of Tucson	PT. Lot 22 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1132	Correia Oper eters	PT. Lot 23 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1133	Tucson Electric Power Company	PT. Lot 24 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1134	City of Tucson	PT. Lot 25 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1135	Herman Ray Estate, et al	PT. Lot 26 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1136	City of Tucson	PT. Lot 27 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1137	Carman C. Garcia	PT. Lot 28 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1138	Anna Marie Gradillas	PT. Lot 29 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1139	Irene Pauline Holton	PT. Lot 30 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1140	Carmelita Sanchez	PT. Lot 31 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1141	Johnny Sanchez, et ux	PT. Lot 32 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1142	John D. Anderson	PT. Lot 33 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1143	Soledad M. Martinez	PT. Lot 34 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1144	Ernest Richard Wiles, et al	PT. Lot 35 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				
10-1145	Consuelo Martinez Trust	PT. Lot 36 Bk 1 S. 1/2 Sec 11 T. 14S. R. 13E.	10.515 SF	10.515 SF	TCE 710 SF	10.515 SF	6				





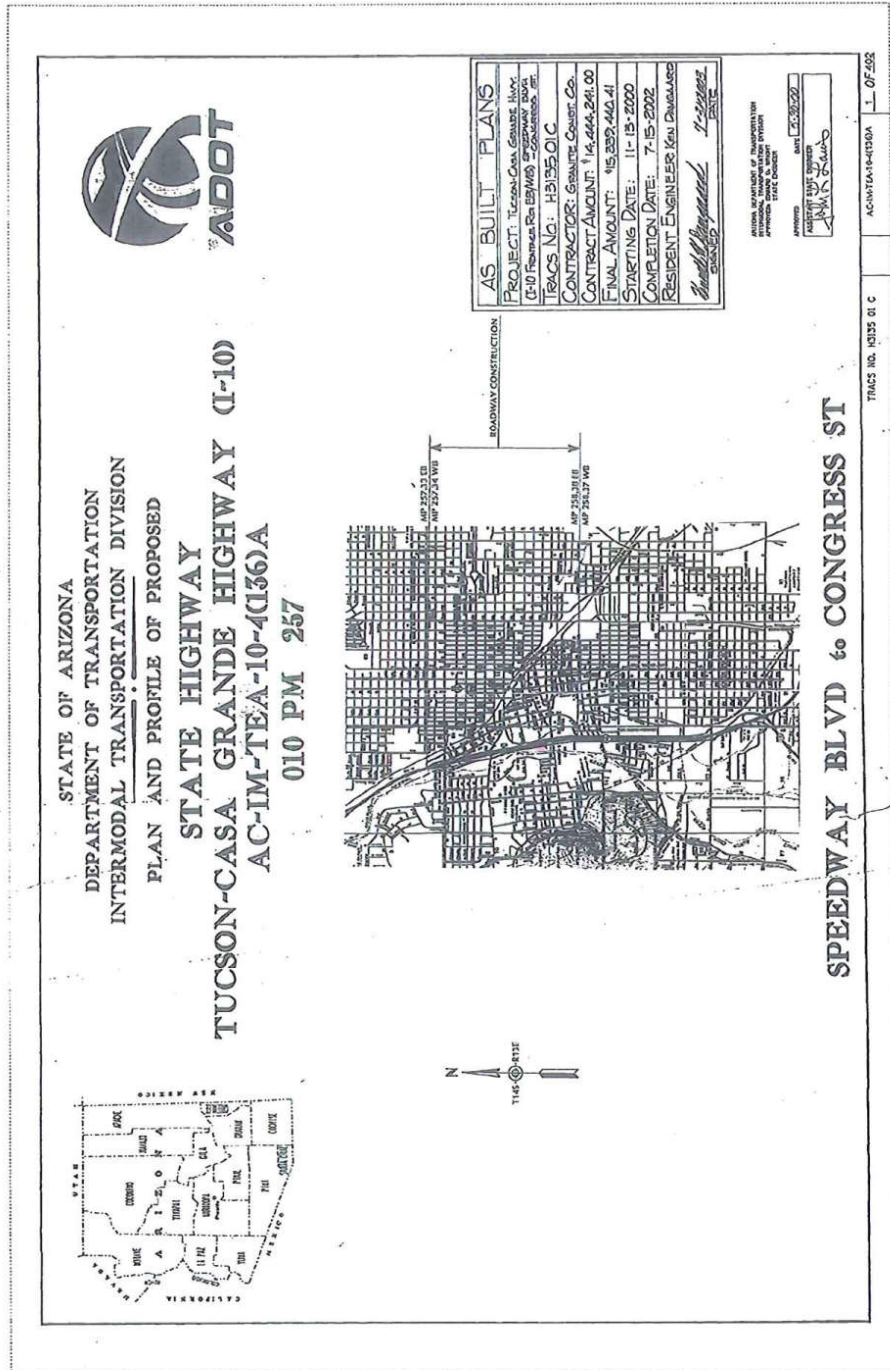


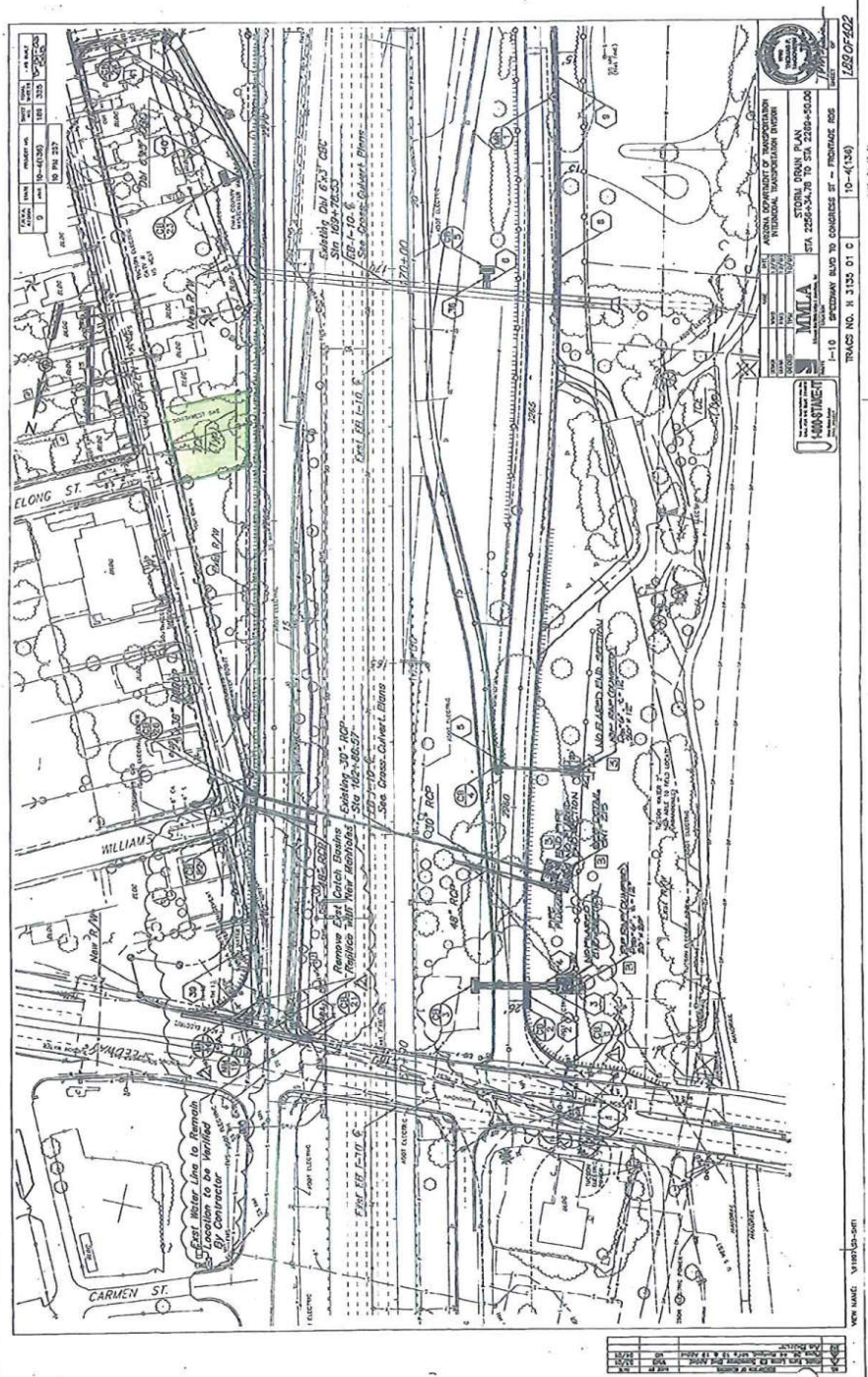


















PROJECT NO.	DATE	SCALE	DATE	SCALE
9	10/27	1/4" = 100'	1	15'

STATE OF ARIZONA
DEPARTMENT OF TRANSPORTATION
HIGHWAYS DIVISION

RIGHT OF WAY PLAN OF THE
CASA GRANDE-TUCSON HIGHWAY
SPEEDWAY BLVD. - CONGRESS ST.
10 PM 257 H3188 OIR.
NH-10-4(141)

LENGTH OF PROJECT 1.0 MILE DISTRICT T

The map shows a plan view of the highway right-of-way. The alignment is shown as a dashed line with stationing from 0+00 to 1+00. Key features include the Silverbell River, Tucson River, and various streets like Broadway Blvd. and 2nd Street. The map is oriented with North at the top.

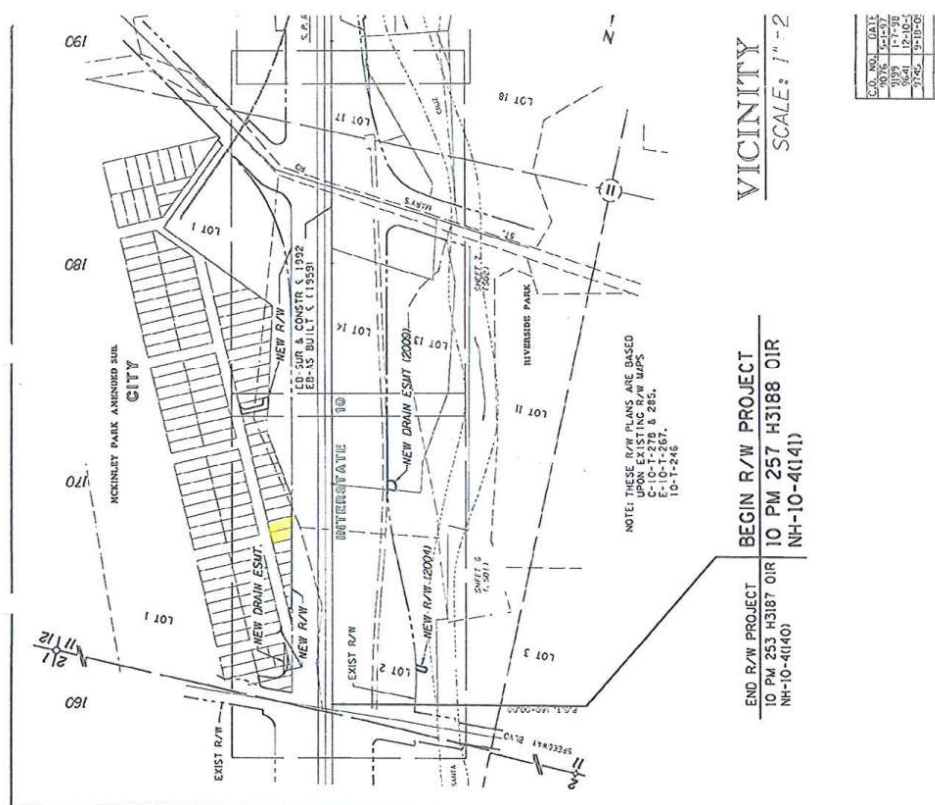
DESIGN DEPARTMENT OF TRANSPORTATION
APPROVED FOR RIGHT OF WAY TRANSMISSION IN ACCORDANCE
WITH REGULATION 100-20-1-101 DATED 10-1-57
DESIGNED BY 100-20-1-101 DATED 10-1-57
CHECKED BY 100-20-1-101 DATED 10-1-57
WITH REGULATION 100-20-1-101 DATED 10-1-57
DATE 10-1-57
APPROVED IN ACCORDANCE WITH REGULATION 100-20-1-101
DATE 10-1-57

CHIEF FIELD AGENT	DATE
	10-1-57

U.S. DEPARTMENT OF TRANSPORTATION DIVISION OF HIGHWAYS	DATE
	10-1-57

DESIGNING NO.	0-10-T-375
SHEET NO.	16

PUBLIC HEARING REQUIREMENTS CERTIFIED
UNOBSTRUCTED CLEARANCE
C & S REVIEW
RD SET REVIEW







3/12/2018

ARTICLE 4: ZONES

Print

Tucson, AZ Unified Development Code

4.7.12. RESIDENCE ZONE (R-3)

This zone provides for high density, residential development and compatible uses. Civic, educational, recreation, religious uses, and select other uses, such as day care and urban agriculture, are also permitted that provide reasonable compatibility with adjoining residential uses.

(Am. Ord. 11328, 12/8/2015)

4.8.4. PERMITTED USES: URBAN RESIDENTIAL ZONES

TABLE 4.8-2: PERMITTED USES - URBAN RESIDENTIAL ZONES						
P = Permitted Use S = Permitted as Special Exception Use						
[1] Mayor and Council Special Exception Procedure, Section 3.4.4						
[2] Zoning Examiner Special Exception Procedure, Section 3.4.3						
[3] PDSD Special Exception Procedure, Section 3.4.2						
LAND USE	R-1	R-2	R-3	MH-1	MH-2	USE SPECIFIC STANDARDS
Agricultural Land Use Group With Land Use Class/Type:						
Community Garden	P	P	P	P	P	All: 4.9.2.B
Crop Production	P	P	P	P	P	All: 4.9.2.C
Farmers' Market as an accessory use to any permitted Agricultural Land Use Group	P	P	P	P	P	All: 4.9.9.A.12
Civic Land Use Group With Land Use Class/Type:						
Cemetery		P	P			R-2, R-3: 4.9.3.A.1
Civic Assembly (government owned and operated only)			P			
Cultural Use:						
Government owned and operated only	P	P	P	P	P	
Privately-owned and operated	S [1]	S [1]	S [1]			R-1, R-2, R-3: 4.9.3.C.2 -.8
With Food Service as an accessory use to a P or S Cultural Use	S [1]	S [1]	S [1]			R-1, R-2, R-3: 4.9.4.M.1 & .3
With Alcoholic Beverage Sales as an accessory use to a P or S Cultural Use	S [1]	S [1]	S [1]			R-1, R-2, R-3: 4.9.4.C.3 and 4.9.4.V.4 & .8
With Entertainment as an accessory use to a P or S Cultural Use	S [1]	S [1]	S [1]			R-1, R-2, R-3: 4.9.4.K.6
With General Merchandise Sales as an accessory use to a P or S Cultural Use	P	P	P			R-1, R-2, R-3: 4.9.9.B.1 & .2
Educational Use:						
Elementary & Secondary	P	P	P	P	P	R-1, R-2, R-3, MH-1, MH-2: 4.9.3.D.1-7
Elementary & Secondary	S [2]	S [2]	S [2]	S [2]	S [2]	
With Salvaging &	P	P	P	P	P	R-1, R-2, R-3, MH-1, MH-2:

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Recycling as an accessory use to both P & S uses						4.9.5.G.1 & 3
Postal Service (government owned and operated only)		P	P			
Protective Service (government owned and operated only)	P	P	P	P	P	R-2, R-3, MH-1, MH-2; 4.9.13.F
Religious Use	P	P	P	P	P	
With Columbarium as an accessory use	P	P	P	P	P	
With Salvaging & Recycling as an accessory use	P	P	P	P	P	R-1, R-2, R-3, MH-1, MH-2; 4.9.5.G. 1 & 3
Farmers' Market as an accessory use to any permitted Civic Land Use Group	P	P	P	P	P	All: 4.9.9.A.12
Commercial Services Land Use Group						
Administrative and Professional Office (government owned and operated only)		P	P		P	
Communications:						
Wireless Communication	P	P	P	P	P	R-1, R-2, R-3, MH-1, MH-2; 4.9.4.I.2, .3, & .4.a or .4.b
Wireless Communication, limited to wireless communication towers and antennas	S [see use specific standards]	S [see use specific standards]	S [see use specific standards]	S [see use specific standards]	S [see use specific standards]	R-1, R-2, R-3, MH-1, MH-2; S[3] - 4.9.4.I.2, .3 & .5.b or S[2] - 4.9.4.I.2, .3 & .6.a or S[1] - 4.9.4.I.2, .3 & .7
Day Care:						
Adult Care	P	P	P	P		R-1, R-2, MH-1: 4.9.4.B.1 R-3: 4.9.4.B.2
Child Care, maximum 30 children	P	P				R-1, R-2: 4.9.4.H.1-5, .6.a & .7.d.
Child Care, maximum 100 children			P			R-3: 4.9.4.H.1-5, .6.b, & .7.e
Child Care, unlimited number of children	S [2]	S [2]	S [2]	S [2]		R-1, R-2: 4.9.4.H.1-5, .6.c, 7.f, & .8 R-3: 4.9.4.H.1-5, .6.c, 7.g, & .8
Child Care with extended hours (before 6:00 am or after 7:00 pm)	S [2]	S [2]		S [2]		R-1, R-2, R-3: 4.9.4.H.1, .2, .8, & .9
Medical Services, excluding blood donor center		S [2]	S [2]			R-2: 4.9.4.O.2 and 4.9.4.P.1, 2.a, 3, & .4 R-3: 4.9.4.O.2 and 4.9.4.P.1, 2.a, .3, & .4
Recreation Land Use Group With Land Use Class/Type:						
Parks and Recreation	P	P	P	P	P	R-1, R-2, MH-1, MH-2; 4.9.13.B & C R-3: 4.9.13.B and C
Farmers' Market as an accessory use to any permitted Recreation Land Use Group	P	P	P	P	P	All: 4.9.9.A.12
Residential Land Use Group With Land Use Class/Type:						

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3/12/2018 ARTICLE 4: ZONES						
Family Dwelling:						
Duplex		P	P	P		R-2: 4.9.7.B.6, .9, & .10 R-3: 4.9.7.B.6
Manufactured Housing	P	P	P	P	P	R-1: For 1 unit, 4.9.7.B.5 - 9; for 2 units (min. 10,000 sf lot size required), 4.9.7.B R-2: 4.9.7.B.6, .9, & .10 R-3: 4.9.7.B.6
Multifamily Development		P	P	P		R-2: 4.9.7.B.6, .9, & .10 R-3: 4.9.7.B.6
Single-family, Detached	P	P	P	P	P	R-1: For 1 unit, 4.9.7.B.5 - 9; for 2 units (min. 10,000 sf lot size required), 4.9.7.B.1 - .9, & .11 R-2: 4.9.7.B.6, .9, & .10 R-3: 4.9.7.B.6
Home Occupation as an accessory use to any permitted Family Dwelling use	P	P	P	P	P	All: 4.9.7.D
Home Occupation : Travelers' Accommodation, Lodging as an accessory use to any permitted Family Dwelling use	S [2]	S [2]				R-1: 4.9.7.E.10, .11, & .13 and 4.9.7.H.2 & .5 - .11 R-2: 4.9.7.E.10, .11, & .13 and 4.9.7.H.3 & .5 - .11
Flexible Lot Development	P	P	P	P	P	All: 8.7.3
Group Dwelling			P			R-3: 4.9.7.B.6
Mobile Home Dwelling				P	P	
With Home Occupation as an accessory use				P	P	MH-1, MH-2: 4.9.7.D
Mobile Home Park:				P	P	
The following accessory uses in Mobile Home Parks with 100 spaces or more: • Day Care, Child; • Food and Beverage Sales (limited to a deli/caterer or snack bar); • General Merchandise Sales; • Personal Service (limited to a coin-operated laundry or pick-up station for dry cleaning); • Travelers' Accommodation; Campsite; and, • Vehicle Rental and Sales					P	MH-2: For Day Care, Child use, 4.9.4.H.1-5; • For Travelers' Accommodation, Campsite, 4.9.4.Z; • For Food and Beverage Sales, General Merchandise Sales, and Personal Service, 4.9.7.I.3 • Vehicle Rental and Sales, 4.9.7.I.4
With Travelers' Accommodation, Campsite as an accessory use				P	P	MH-1, MH-2: 4.9.4.Z
Residential Care Services, Adult Care or Physical and Behavioral Health Services:						
Maximum 10 Residents	P	P	P	P	P	R-1, R-2: 4.9.7.J. 2.a, 3.a, 4 R-3, MH-1, MH-2: 4.9.7.J. 3.a, .4
Unlimited # Residents		P	P			R-2: 4.9.7.J.2.a, .3.d, .4, .7 R-3: 4.9.7.J.2.b, 3.d, .4, .8

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Maximum 15 Residents		S [2]		S [2]		R-1, R-2: 4.9.7.J.2.a, .3.b, .4 MH-1: 4.9.7.J.3.b, .4
Unlimited # Residents	S [2]			S [2]		R-1: 4.9.7.J.2.a, 3.d, .4, .8 MH-1: 4.9.7.J.3.d, .4, .8
Residential Care Services, Adult Rehabilitation Service or Shelter Care:						
Maximum 15 Residents		S [2]				R-2: 4.9.7.J.1, .2.a, .3.b, .4, 9
Maximum 20 Residents			S [2]			R-3: 4.9.7.J.1, .2.b, .3.c, .4, 9
Unlimited # Residents		S[2]	S[2]			R-2: 4.9.7.J.1, 2.a, 3.d, .4, 8 R-3: 4.9.7.J.1, 2.b, 3.d, .4, .8
Residential Care Services, Child Rehabilitation Service (maximum 10 Residents)		P	P			R-2: 4.9.7.J.1, 2.a, .3.a, .4 R-3: 4.9.7.J.1, 2.b, .3.a, .4
Residential Care Services, Shelter Care for Victims of Domestic Violence:						
Maximum 10 Residents		P				R-2: 4.9.7.J.1, 2.a, 3.a, 4 & 9
Maximum 20 Residents			P			R-3: 4.9.7.J.1, 2.b, 3.c, 4 & 9
Storage Land Use Group With Land Use Class/Type:						
Hazardous Material Storage as an accessory use to any permitted principal use in every land use group	P	P	P	P	P	R-1, R-2, R-3, MH-1, MH-2; 4.9.10.B.1 & .2.a
Utilities Land Use Group With Land Use Class/Type:						
Distribution System	S [2]	S [2]	S [2]	S [2]	S [2]	R-1, R-2, R-3, MH-1, MH-2; 4.9.11.A.1, .2, .5, .8, .9, .11
Renewable Energy Generation	S [2]	S [2]	S [2]	S [2]	S [2]	R-1, R-2, R-3 MH-1, MH-2; 4.9.11.B.2, .3, .4, .5

(Am. Ord. 11070, 5/14/2013; Am. Ord. 11127, 11/6/2013; Am. Ord. 11257, 4/21/2015; Am. Ord. 11328, 12/8/2015;
Am. Ord. 11409, 11/9/2016)

6.3.2. DETERMINING A USE'S DIMENSIONAL STANDARDS

A. To determine all of a proposed use's required dimensional standards, refer to the following:

1. The applicable dimensional standard table provided in this article;
2. The applicable exceptions to the dimensional standard provided in this article;
3. The applicable use-specific standards provided in Section 4.9, *Use-Specific Standards*; and,
4. When applicable, the overlay requirements provided in Article 5, *Overlay Zones*.

B. When the standards of this Article conflict with other sections of the Unified Development Code (UDC), the most restrictive applies except as follows. Exception: when the standards of this article conflict with the use-specific standards provided in Article 4, the use-specific standards shall control.

C. Dimensional standards for accessory uses, buildings, and structures are provided in Section 6.6.

6.3.3. EXPLANATION AND APPLICABILITY OF TERMS USED IN THE DIMENSIONAL STANDARD TABLES

The following is an explanation and applicability of frequently used terms in the dimensional standard tables:

A. Mobile Home Dwelling

For the purposes of determining the applicable dimensional standards, a mobile home is considered a residential use. See Section 11.3.7.C for the definition of mobile home dwelling.

B. Mobile Home Park

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ARTICLE 4: ZONES

For the purposes of determining the applicable dimensional standards, a mobile home park is considered a nonresidential use. See Section 11.3.7.C.1 for the definition of mobile home park.

C. Multifamily Development

For the purposes of determining the applicable dimensional standards, multifamily development is considered a nonresidential use. See Section 11.3.7.A.3 for the definition of multifamily development.

D. Nonresidential Use

For the purposes of determining the applicable dimensional standards, the following uses as defined in Section 11.3 are considered nonresidential uses:

1. A use from the Agricultural, Civic, Commercial, Industrial, Restricted Adult Activities, Retail, Storage, Storage, or Wholesaling Use Groups;
2. Group Dwelling, except as provided in Section 6.3.3.H.7;
3. Multifamily Development;
4. Mobile Home Park; and,
5. Residential Care Service Uses, except as provided in Section 6.3.3.H.4.

E. Nonresidential Zone

For the purposes of determining the applicable perimeter yard standard, the following are considered nonresidential zones: O-1, O-2, O-3, P, RV, NC, RVC, C-1, C-2, C-3, OCR-1, OCR-2, P-I, I-1, and I-2.

F. Perimeter Yard

The perimeter yard standard is based on whether the proposed use is nonresidential or residential (Sections 6.3.3.D or .H, respectively) and the use's adjacency to a nonresidential or residential zone (Sections 6.3.3.E or .I, respectively).

G. Residential Density

The maximum permitted number of residential dwelling units per lot or size. For example:

1/7,000 sf means that no more than one dwelling unit per 7,000 square feet is permitted.

36/acre means that no more than 36 dwelling units per acre are permitted.

H. Residential Use

For the purposes of determining the applicable dimensional standards, the following uses as defined in Section 11.3.7 are considered residential uses:

1. Duplex;
2. Manufactured Housing;
3. Mobile Home Dwelling;
4. Residential Care Service uses located or locating in an existing residential use as defined by this section;
5. Single-Family Dwelling, Attached;
6. Single-Family Dwelling, Detached; and,
7. Single-Family Dwellings that meet the nonconforming group dwelling criteria in accordance with Section 4.9.7.B.9.

I. Residential Zone

For the purposes of determining the applicable perimeter yard standard, the following are considered residential zones: OS, IR, RH, SR, SH, RX-1, RX-2, R-1, R-2, R-3, MH-1, MH-2, MU, PAD, and PCD.

J. Single-family (SF) Use

The same uses as provided in Section 6.3.3.H, *Residential Use*.

TABLE 6.3-2.A: DIMENSIONAL STANDARDS FOR THE R-1, R-2, R-3, MH-1, & MH-2 ZONES

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ARTICLE 4: ZONES

Note: Several variables factor into determining a use's required dimensional standards. See Section 6.3.2, Determining a Use's Dimensional Standards, for further details.

Dimensional Standard	Zone				
	R-1	R-2	R-3	MH-1	MH-2
Residential Density (maximum)	SF: 1 / 7,000 sf SF (2 units): 2 / 10,000 sf	SF: 1 / 5,000 sf MF: 15 / acre	SF: 1 / 5,000 sf MF: 36 / acre	SF / MH: 1 / 7,000 sf MF / MH Park: 8 / acre	SF / MH: 1 / 5,000 sf MF & MH Park: 15 / acre
Lot Size / Site Area (minimum)	SF (1 unit): 7,000 sf SF (2 units): 10,000 sf Nonres: see Exceptions	5,000 sf	SF: 5,000 sf MF / Nonres: 0	7,000 sf	5,000 sf
Lot Coverage (maximum)	70%	SF: 70% MF: 75% Nonres: see Exceptions	70%	70%	SF, MH, Res. Care Services: 70% MF & MH Park: 75% Nonres: see Exceptions
Height (maximum)	25'	25'	SF, Civic Uses, & Admin / Prof Offices: 25' MF / Nonres: 40'	25'	25'
Perimeter Yard [Standard based on the proposed use's adjacency to a residential or nonresidential zone or street]					
Street	Section 6.4.5.C	Section 6.4.5.C	Section 6.4.5.C	Section 6.4.5.C	Section 6.4.5.C
Res Use ➡ Res. Zone	6' or 2/3(H)*	6' or 2/3(H)*	6' or 2/3(H)*	6' or 2/3(H)*	6' or 2/3(H)*
Res Use ➡ Nonres Zone	10' or 3/4(H)*	10' or 3/4(H)*	10' or 3/4(H)*	10' or 3/4(H)*	10' or 3/4(H)*
Nonres Use ➡ Res or Nonres Zone	10' or 3/4(H)*	10' or 3/4(H)*	10' or 3/4(H)*	10' or 3/4(H)*	10' or 3/4(H)*

* The greater of the two dimensions applies

Key:

(H) = Height of the proposed exterior building wall

MF = Multifamily Development (Section 6.3.3.C)

MH = Mobile Home Dwelling (Section 6.3.3.A)

MH Park = Mobile Home Park (Section 6.3.3.B)

N/A = Not Applicable

Nonres = Nonresidential (Section 6.3.3.D or .E, whichever is applicable)

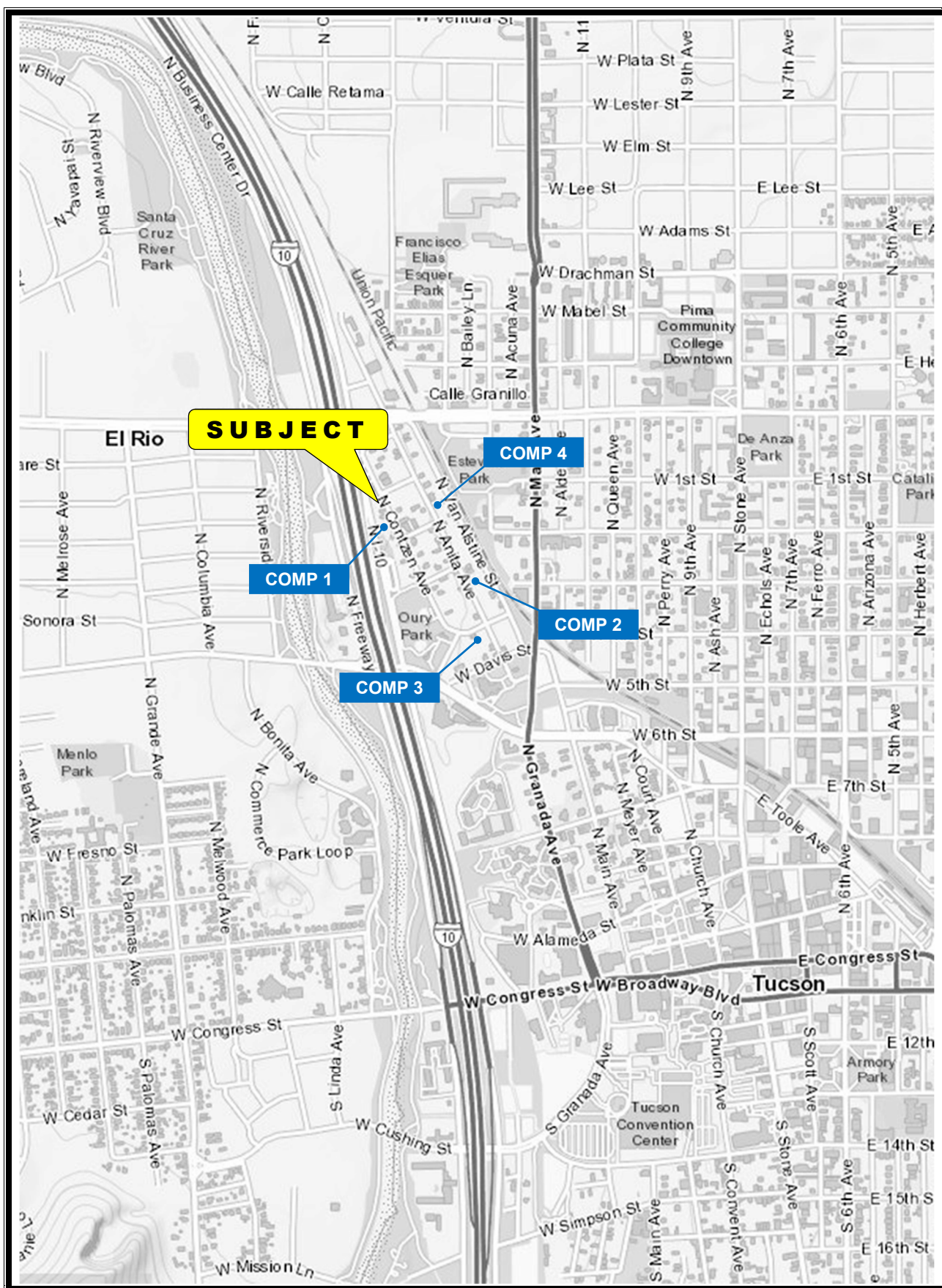
Res = Residential (Section 6.3.3.H or .I, whichever is applicable)

SF = Single-family Use (Section 6.3.3.J)

sf = square feet

➡ = adjacent to

(Am. Ord. 11070, 5/14/2013)



Comparable No. 1**Property Information**

Property Type:	Vacant Lot		
Location:	Southeast of Interstate 10 and Speedway Boulevard		
Address:	925/937 N. Contzen Avenue	Map Reference:	107-227QH
City, State ZIP:	Tucson, Arizona 85705	County:	Pima
Land Area:	7,025 square feet 0.161 acres	Zoning Authority:	City of Tucson
		Zoning District(s):	R-3
		Flood Hazard Zone(s):	X
Legal Description:	Part of the NE¼ of Section 11, Township 14 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County, Arizona		
Parcel Number(s):	116-16-186; 116-16-187		

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

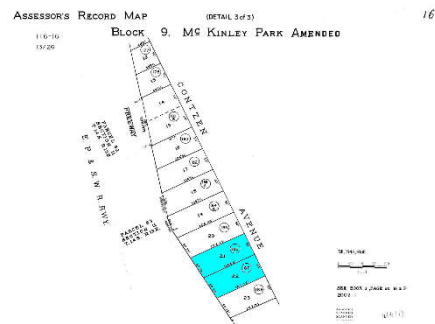
Sale Information

Grantor:	Real Estate Resolutions, LLC		
Grantee:	Tierra San Sebastian I, LLC		
Date of Sale:	November 2015		
Sales Price:	\$31,000.00 \$4.41 per square foot	Terms:	\$31,000.00 (100%) cash down All cash sale
Recordation:	11/4/2015 Warranty Deed 2015-3080086	Three Year Sales History:	None

Source/Confirmation: Recorded Documents

Comments:

This site is generally level and at grade with the abutting properties and roadway. Surrounding land uses include primarily residential land uses, although some commercial land uses are located a short distance east across the railroad right-of-way. This property was purchased with no immediate development plans.



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Comparable No. 2**Property Information**

Property Type:	Vacant Lot		
Location:	Southeast of Interstate 10 and Speedway Boulevard		
Address:	750 N. Anita Avenue	Map Reference:	107-227QH
City, State ZIP:	Tucson, Arizona 85705	County:	Pima
Land Area:	2,738 square feet 0.063 acres	Zoning Authority:	City of Tucson
		Zoning District(s):	R-3
		Flood Hazard Zone(s):	X
Legal Description:	Part of the NE¼ of Section 11, Township 14 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County, Arizona		
Parcel Number(s):	116-16-048		

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

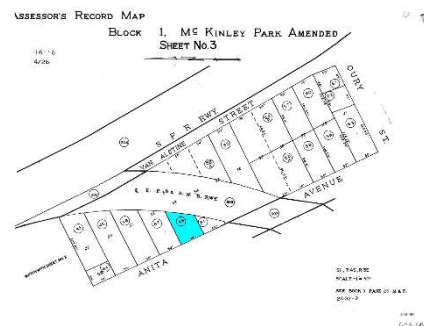
Sale Information

Grantor:	Vicente Suarez		
Grantee:	Tierra San Sebastian I, LLC		
Date of Sale:	August 2016		
Sales Price:	\$12,000.00 \$4.38 per square foot	Terms:	\$12,000.00 (100%) cash down All cash sale
Recordation:	8/18/2016 Warranty Deed 2016-2310349	Three Year Sales History:	None

Source/Confirmation: Recorded Documents

Comments:

This site is generally level and at grade with the abutting properties and roadway. Surrounding land uses include primarily residential land uses, although some commercial land uses are located a short distance east across the railroad right-of-way. This property was purchased with no immediate development plans.



Comparable No. 3**Property Information**

Property Type:	Vacant Lot		
Location:	Southeast of Interstate 10 and Speedway Boulevard		
Address:	513 W. Oury Street	Map Reference:	107-227QH
City, State ZIP:	Tucson, Arizona 85705	County:	Pima
Land Area:	8,124 square feet 0.187 acres	Zoning Authority:	City of Tucson
		Zoning District(s):	R-3
		Flood Hazard Zone(s):	X
Legal Description:	Part of the NE¼ of Section 11, Township 14 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County, Arizona		
Parcel Number(s):	116-16-080		

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

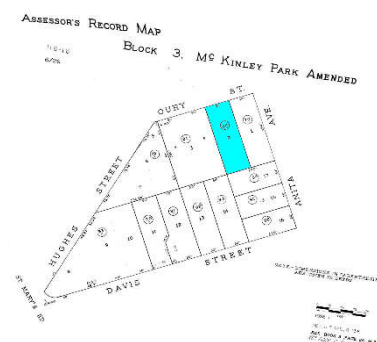
Sale Information

Grantor:	Pop Star, LLC		
Grantee:	John J. Genell		
Date of Sale:	November 2017		
Sales Price:	\$50,000.00 \$6.15 per square foot	Terms:	\$50,000.00 (100%) cash down All cash sale
Recordation:	11/3/2017 Warranty Deed 2017-3070426	Three Year Sales History:	None

Source/Confirmation: Recorded Documents

Comments:

This site is generally level and at grade with the abutting properties and roadway. Surrounding land uses include primarily residential land uses, although some commercial land uses are located a short distance east across the railroad right-of-way. This property was purchased with no immediate development plans.



Comparable No. 4**Property Information**

Property Type:	Vacant Lot		
Location:	Southeast of Interstate 10 and Speedway Boulevard		
Address:	870/900/910 N. Anita Avenue		
City, State ZIP:	Tucson, Arizona 85705	Map Reference:	107-227QH
		County:	Pima
Land Area:	7,691 square feet 0.177 acres	Zoning Authority:	City of Tucson
		Zoning District(s):	R-3
		Flood Hazard Zone(s):	X
Legal Description:	Part of the NE¼ of Section 11, Township 14 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County, Arizona		
Parcel Number(s):	116-16-023; 116-16-027; 116-16-028; 116-16-029		

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

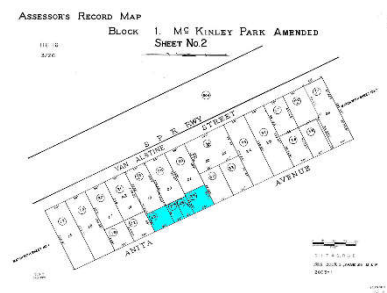
Sale Information

Grantor:	Chuch Wing Lim and Man Shao Wu Lim		
Grantee:	Erdal Kocak		
Date of Sale:	January 2018		
Sales Price:	\$30,000.00 \$3.90 per square foot	Terms:	\$30,000.00 (100%) cash down All cash sale
Recordation:	1/5/2018 Warranty Deed 2018-0050642	Three Year Sales History:	None

Source/Confirmation: Recorded Documents

Comments:

This site is generally level and at grade with the abutting properties and roadway. Surrounding land uses include primarily residential land uses, although some commercial land uses are located a short distance east across the railroad right-of-way. 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>Department of Financial Institutions 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>Certified General Real Estate Appraiser</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>Certified General Real Estate Appraiser</p>	<p></p>
<p>TIMOTHY A. HASKINS</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>Signed in the Superintendent's office at 2910 North 44th Street, Suite 310, in the City of Phoenix, State of Arizona, this 23rd day of May, 2017.</p>
<p>Expiration Date : June 30, 2019</p>	<p> Robert D. Charlton Superintendent</p>