

APPRAISAL COVER SHEET

TYPE OF REPORT: Appraisal for Market Values

ADOT PARCEL NO.: L-C-145

OWNER NAME: State of Arizona, by and through its Department of Transportation

NAME & LOCATION OF PROPERTIES: Portions of the East Half of Section 18, Township 1 North, Range 2 East, Gila and Salt River Meridian, Maricopa County, Arizona. The subject disposal properties represent narrow and irregular strips of land located on the west side of South 59<sup>th</sup> Avenue and the South Mountain Freeway (SR 202L), between West Buckeye Road and West Lower Buckeye Road, Phoenix, Arizona 85043. The subject disposal properties represent excess remnants of vacant land for the SR 202L right of way that have no physical or legal access from South 59<sup>th</sup> Avenue and West Lower Buckeye Road due to access control. As vacant land, the disposal parcels have no physical property addresses. The adjacent larger parcel to the west have physical property addresses of 6103 West Buckeye Road and 6225 West Durango Street, Phoenix, Arizona 85043.

PROJECT: M697201X

HIGHWAY: SR 202L (South Mountain Freeway)

SECTION: Salt River – Junction I-10 Papago Segment

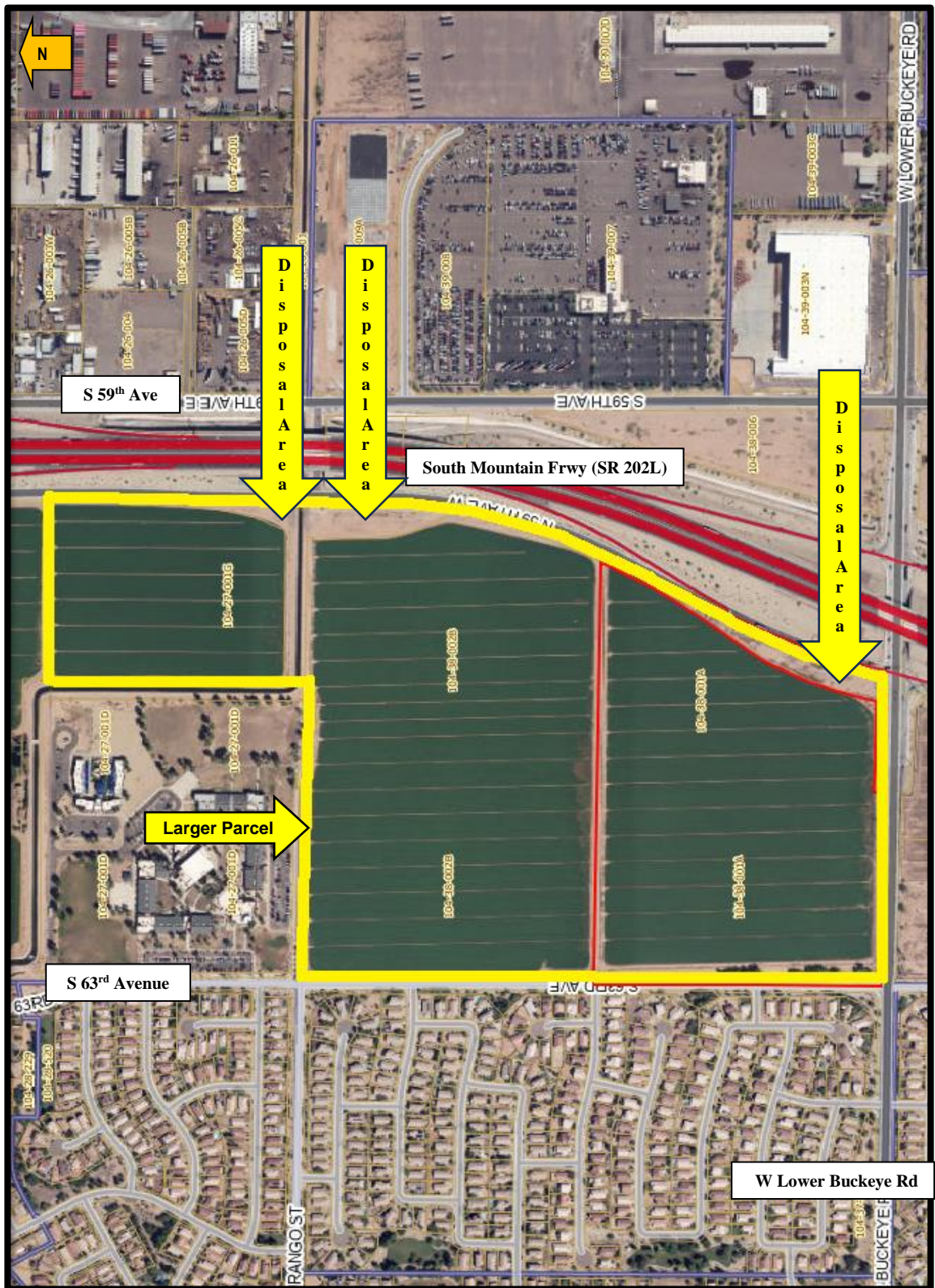
DATE OF APPRAISAL REPORT: June 15, 2023

EFFECTIVE DATE OF VALUE: June 3, 2023

APPRAISERS: Richard G. Lee  
Certified General Real Estate Appraiser #31626

Steven R. Cole, MAI, SRA  
Certified General Real Estate Appraiser #30130

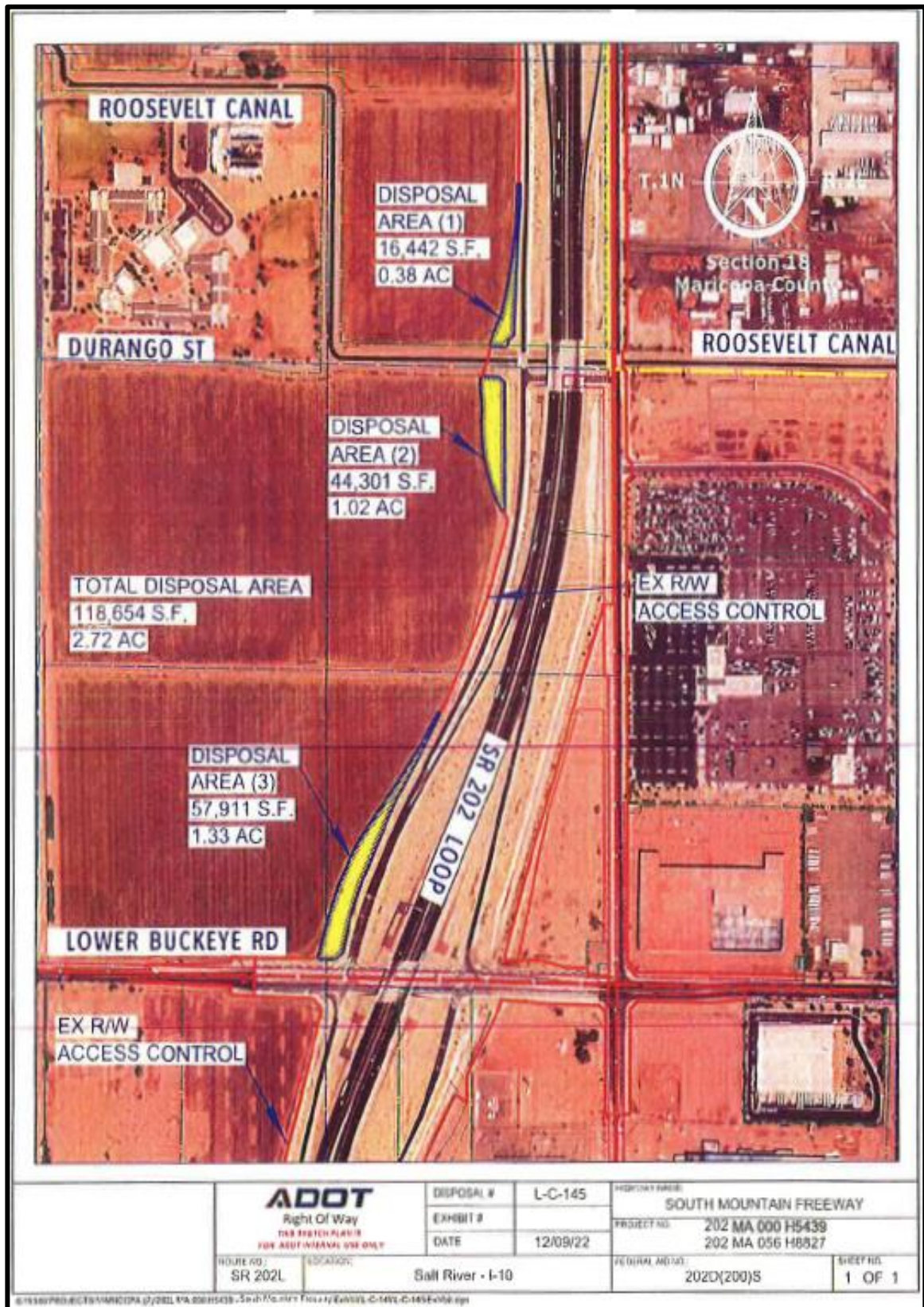
**AERIAL PHOTOGRAPH – PROPERTY APPRAISED**



*The lot boundaries in yellow are approximate*



**ADOT AERIAL EXHIBIT**





P.O. Box 16156  
TUCSON, ARIZONA 85732  
(520) 327-0000  
FAX (520) 327-3974

## ***LETTER OF TRANSMITTAL***

June 15, 2023

Mr. Jim Walcutt  
Arizona Department of Transportation  
205 South 17<sup>th</sup> Avenue, Room 331  
Mail Drop #612E  
Phoenix, Arizona 85007

RE: Appraisal of ADOT Parcel L-C-145, three disposal parcels consisting of narrow and irregular strips of vacant land located on the west side of South 59<sup>th</sup> Avenue and the South Mountain Freeway (SR 202L), between West Buckeye Road and West Lower Buckeye Road, Phoenix, Arizona 85043. The subject disposal parcels have land areas consisting of 1) 16,442 square feet (0.38 acres), 2) 44,301 square feet (1.02 acres), and 3) 57,911 square feet (1.33 acres). They represent excess remnants of vacant land for the SR 202L right-of-way that have no physical or legal access from South 59<sup>th</sup> Avenue or West Lower Buckeye Road due to access control. As vacant parcels of land, they have no physical property addresses.

### **Appraiser's File No.: 23-048-L**

Mr. Walcutt:

At your request, we have provided our market value opinions for the subject disposal parcels referenced above. Due to the subject disposal parcels being narrow and irregular strips of land with no physical or legal access, the appraisers used the across-the-fence (ATF) methodology to value them. The ATF methodology is a land valuation method used in the appraisal of corridors. The across-the-fence method is used to develop a value opinion based on comparison to abutting land. Corridor land value, like the subject's excess strips of the SR 202L right-of-way, in theory, are worth as much as the land through which the corridor passes. Thus, the subject disposal parcels are valued using the adjacent larger parcel technique. The Larger Parcel used in this appraisal consists of approximately ±5,635,531 gross square feet, (129.37 acres), including the subject disposal parcel site areas. The Larger Parcel is situated on the north side of West Lower Buckeye Road, west side of South 59<sup>th</sup> Avenue and the SR 202L, east side of South 63<sup>rd</sup> Avenue, and the east terminus of West Durango Street, Phoenix, Maricopa County, Arizona 85043.

The purpose of this appraisal is to provide market value opinions for the subject disposal parcels identified in the ADOT Right of Way Disposal Report dated September 1, 2022, as of June 3, 2023, the effective date of value, pursuant to Arizona Revised Statute 28-7091, as follows:

*"... '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."*

The intended users of the appraisal include the officials and agents of the Arizona Department of Transportation (ADOT). No other use or users are intended, and any unintended use may be misleading. The intended use of the appraisal is to utilize the market value estimate to assist in decisions regarding the disposition of the properties identified herein.

This appraisal report is intended to comply with the requirements set forth in: (1) the Arizona Department of Transportation Appraisal Standards and Specifications; and (2) the *Uniform Standards of Professional Appraisal Practice 2020-2023* (USPAP), promulgated by the Appraisal Standards Board of the Appraisal Foundation. The Sales Comparison Approach is utilized to support our market value opinions.

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

Based upon the data, analysis, opinion, and conclusion contained in this report, our market value opinion for the subject disposal parcels, as of June 3, 2023, is as follows:

**ADOT PARCEL L-C-145, MARKET VALUE OPINIONS:**

<b>DISPOSAL AREA (1) 16,442 SQUARE FEET (0.38 ACRES)</b> .....	<b>\$62,000</b>
<b>This estimate of Market Value equals approximately .....</b>	<b>\$3.77 Per Square Foot</b>
<b>DISPOSAL AREA (2) 44,301 SQUARE FEET (1.02 ACRES)</b> .....	<b>\$166,000</b>
<b>This estimate of Market Value equals approximately .....</b>	<b>\$3.75 Per Square Foot</b>
<b>DISPOSAL AREA (3) 57,911 SQUARE FEET (1.33 ACRES)</b> .....	<b>\$217,000</b>
<b>This estimate of Market Value equals approximately .....</b>	<b>\$3.75 Per Square Foot</b>
<b>TOTAL SUM OF THE RETAIL VALUES .....</b>	<b>\$445,000</b>

Due to the disposal parcels lack of access, smaller site areas, narrow and irregular site shapes, their highest and best use (H&BU) is for assemblage with the adjacent parcels to the west. Thus, the only likely potential buyer is the adjacent land holder from whom access will be provided. There is no marketing period as the opportunity to acquire them would be presented directly to the adjacent property ownership. This appraisal employs the larger parcel technique in order to provide the market value opinions for the subject disposal parcels. The larger parcel technique and the reasoning for our selection of the subject "Larger Parcel" is discussed in more detail in the following section titled Determination of the Larger Parcel. Here forward, the subject larger parcel is identified as the Larger Parcel.

**Extraordinary Assumption**

Pursuant to the Uniform Standards of Professional Appraisal Practice (USPAP), the definition of Extraordinary Assumption is as follows:

*“An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis”.*

This appraisal report is based on the following extraordinary assumptions:

- 1) No archaeological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known archaeological significance on the subject property.*
- 2) No geological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known geological significance on the subject property.*
- 3) The subject disposal parcels were inspected by the appraisers. No evidence of environmental risks or hazardous conditions was observed. It is an extraordinary assumption of this appraisal that there are no known environmental risks or hazardous conditions on the subject property.*
- 4) This appraisal relies on the site areas obtained from the ADOT Right of Way Disposal Report dated September 1, 2022. It is an extraordinary assumption that the site areas provided by ADOT are accurate.*
- 5) According to ADOT, the subject disposal parcels do not have any physical and legal access from the west side of South 59<sup>th</sup> Avenue or the north side of West Lower Buckeye Road, due to access control. Thus, the only viable legal and physical access to the subject disposal parcels is from the adjacent larger parcels to the west. This limits the disposal parcels potential market viability as they would only have value to the adjacent property holder.*
- 6) The subject Larger Parcel site area was estimated using the Maricopa County Assessor measuring tool (see Larger Parcel Map, Page 11). It is an extraordinary assumption that the Larger Parcel site area contained herein as provided by Maricopa County Assessor measuring tool is accurate and contains approximately ±5,635,531 gross square feet or 129.37 acres.*

**Special Note:**

***According to ADOT, the subject disposal parcels do not have any physical and legal access from the west side of South 59th Avenue or the north side of West Lower Buckeye Road, due to access control. Thus, the only viable legal and physical access to the subject disposal parcels are from the adjacent parcels to the west. This limits their potential marketability, as they would only have value to the adjacent property holder.***

**Hypothetical Condition:**

Pursuant to the Uniform Standards of Professional Appraisal Practice (USPAP), hypothetical condition is defined as follows:

*“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. Hypothetical conditions are contrary to known*



*facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”<sup>1</sup>*

None.


***The use of these extraordinary assumptions and hypothetical conditions might have affected the assignment results.***

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

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

Respectfully submitted,

Southwest Appraisal Associates, Inc.

By   
Richard G. Lee  
*Certified General Real  
Estate Appraiser #31626*

By   
Steven R. Cole, MAI, SRA  
*Certified General Real  
Estate Appraiser # 30130*

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<sup>1</sup> *Uniform Standards of Professional Appraisal Practice, 2020-2023 Ed.*, Appraisal Foundation

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## ***ASSUMPTIONS AND LIMITING CONDITIONS***

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

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

The Appraisers assume no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor do the Appraisers render any opinion as to the title, which is assumed to be good and marketable. The property is appraised assuming responsible ownership, competent management, and adequate marketing typical for that type of property. The legal description provided is assumed to be correct. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.

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

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

In the absence of a professional Engineer's Feasibility Study, information regarding the existence of utilities is made only from a visual inspection of the site. The Appraisers assume no responsibility for the actual availability of utilities, their capacity or any other problem which may result from a condition involving utilities. The respective companies, governmental agencies or entities should be contacted directly by concerned persons. The Appraisers are not required to give testimony or appear in court because of having made the appraisal with reference to the property in question unless prior arrangements have been made and confirmed in writing.

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Any allocation of the valuation in the appraisal report between land and improvements applies only under the existing program of utilization. The separate valuation for land and improvements must not be used in conjunction with any appraisal and are invalid if so used. The Appraisers assume that there are no hidden or unapparent conditions of the property, subsoil, potential flooding hazards, hydrology or structures which would render it more or less valuable. The Appraisers assume no responsibility for such conditions or for engineering which might be required to discover such factors. To the extent that published data from public agencies is available on the above, the Appraisers have made an effort to consult this information.

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

The presence of barriers to the disabled, which may or may not be present within or on the subject property, will not be considered by me. The Appraisers assume, and the client warrants, that no such barriers adversely affect the utility, usability, or developability of the property to the best of their knowledge. The Appraisers are not qualified to analyze such barriers. The value opinion has been predicated on the assumption that there are no such barriers on or in the property that would cause a loss in value. No responsibility will be assumed for any such conditions, or for any expertise or architectural knowledge required to identify and analyze them. The client is urged to retain an expert in this field, if desired. If at a later time the presence of such barriers is surveyed by an expert, we reserve the right, for an additional agreed upon fee, to reanalyze and revalue said property, taking into account the discovery of such factors and their effects on the value of the subject property.

Information, estimates, and opinions furnished to the Appraisers and contained in the report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the Appraisers can be attributed to the Appraisers. Disclosures of the contents of the report by the Appraisers is governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraisers are affiliated.

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



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Prospective value opinions are intended to reflect the current expectations and perceptions of market participants along with available factual data. They should be judged on the market support for the forecasts when made, not whether specific items in the forecasts are realized. The appraiser cannot be held responsible for unforeseeable events that alter market conditions prior to the effective date of the report.

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

### ***EXTRAORDINARY ASSUMPTIONS/HYPOTHETICAL CONDITIONS***

#### **Extraordinary Assumption:**

Pursuant to the Uniform Standards of Professional Appraisal Practice (USPAP), the definition of Extraordinary Assumption is as follows:

*“An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis”.*

This appraisal report is based on the following extraordinary assumptions:

- 1) No archaeological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known archaeological significance on the subject property.*
- 2) No geological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known geological significance on the subject property.*
- 3) The subject disposal parcels were inspected by the appraisers. No evidence of environmental risks or hazardous conditions was observed. It is an extraordinary assumption of this appraisal that there are no known environmental risks or hazardous conditions on the subject property.*
- 4) This appraisal relies on the site areas obtained from the ADOT Right of Way Disposal Report dated September 1, 2022. It is an extraordinary assumption that the site areas provided by ADOT are accurate.*
- 5) According to ADOT, the subject disposal parcels do not have any physical and legal access from the west side of South 59<sup>th</sup> Avenue or the north side of West Lower Buckeye Road, due to access control. Thus, the only viable legal and physical access to the subject disposal parcels is from the adjacent larger parcels to the west. This limits the disposal parcels potential market viability as they would only have value to the adjacent property holder.*
- 6) The subject Larger Parcel site area was estimated using the Maricopa County Assessor measuring tool (see Larger Parcel Map, Page 11). It is an extraordinary assumption that the Larger Parcel site area contained herein as provided by Maricopa County Assessor measuring tool is accurate and contains approximately ±5,635,531 gross square feet or 129.37 acres.*

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**Special Note:**

*According to ADOT, the subject disposal parcels do not have any physical and legal access from the west side of South 59th Avenue or the north side of West Lower Buckeye Road, due to access control. Thus, the only viable legal and physical access to the subject disposal parcels are from the adjacent parcels to the west. This limits their potential marketability, as they would only have value to the adjacent property holder.*

**Hypothetical Condition:**

Pursuant to the Uniform Standards of Professional Appraisal Practice (USPAP), hypothetical condition is defined as follows:

*“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. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”<sup>2</sup>*

None.

*The use of these extraordinary assumptions and hypothetical conditions might have affected the assignment results.*

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<sup>2</sup> *Uniform Standards of Professional Appraisal Practice, 2020-2023 Ed.*, Appraisal Foundation



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## ***EXECUTIVE SUMMARY***

General Location:	The subject disposal properties represent narrow and irregular strips of land located on the west side of South 59th Avenue and the South Mountain Freeway (SR 202L), between West Buckeye Road and West Lower Buckeye Road, Phoenix, Arizona 85043.
Section, Township & Range:	Portions of the East Half of Section 18, Township 1 North, Range 2 East, Gila and Salt River Meridian, Maricopa County, Arizona.
Assessor's Parcel Number:	None. The subject disposal parcels represent vacant strips of excess land from the SR 202L right-of-way with no assigned parcel numbers.  Larger Parcel consists of all or portions of Assessor Parcel Numbers 104-27-001G (portion), 104-38-001A and 104-38-002B.
Parcel Size:	Subject disposal parcels have land areas consisting of: Disposal Area (1), 16,442 square feet (0.38 acres); Disposal Area (2), 44,301 square feet (1.02 acres); and Disposal Area (3), 57,911 square feet (1.33 acres).  The Larger Parcel used in this appraisal consists of approximately ±5,635,531 gross square feet, (129.37 acres), including the subject disposal parcel site areas.
Legal/Physical Access:	According to ADOT, the subject disposal parcels do not have any legal or physical access from the west side of South 59th Avenue or the north side of West Lower Buckeye Road, due to access control. Thus, the only viable legal and physical access to the subject disposal parcels are from the adjacent parcels to the west. This limits their potential marketability, as they would only have value to the adjacent property holder.
Effective Date of Value:	June 3, 2023
Interest Appraised:	Fee Simple Estate
Intended Use of the Appraisal:	The intended user of the appraisal includes the officials and agents of the Arizona Department of Transportation. No other use or users are intended, and any unintended use may be misleading.
Intended Use of the Appraisal:	The intended use of the appraisal is to utilize the market value estimates to assist in decisions regarding the disposition of the property identified herein.
Flood Insurance Zone:	Disposal Area (1) is identified as being Flood Zone AH while Disposal Areas (2) and (3) are in Flood Zone X (Unshaded)

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per FIRM Map Panel No. 04013C2190M, dated November 4, 2015. Zone AH are areas with a 1% annual chance of shallow flooding, usually in the form of a pond, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones. Zone X (Unshaded), which is an area defined by FEMA as being outside the 100 and 500-year flood plains. The majority of the subject Larger Parcel is in Zone X. The chance of flooding on the Larger Parcel is minimal.

**Zoning/General Plan:**

The Larger Parcel is zoned RE-35, Single-Family Residence District. The basic purpose of these regulations is to foster the creation of living areas which can assist the establishment of stable, functional neighborhoods. An established pattern of living in this metropolitan area reflects a tradition of single-family occupied dwellings which also emphasize outdoor living. Many of these dwellings are thereby located on relatively large urban or suburban lots. These regulations provide standards for dwellings built at low and moderate densities. While the predominant housing type is expected to be single-family dwelling, provisions are made for alternative housing types within the same density limits.

According to the City of Phoenix General Plan, My Community Map, and the Estrella Village Core Plan, the Larger Parcel is identified as being MU, Mixed-Use. The Mixed-Use designation denotes areas which may include residential services, and basic commercial, general office, entertainment, and cultural functions with a compatible relationship. The Mixed-Use designation is intended to minimize the impacts traditionally associated with growth by providing housing, shopping and employment opportunities in the same area.

The appraisers believe that the Larger Parcel is most suitable for a mixed-use oriented development including medium and higher-density residential, along with commercial uses including residential services and traditional retail-oriented uses. The Larger Parcel requires re-zoning approval but is considered highly probable given the conforming uses identified by the General Plan and the Estrella Village Core Plan. The need to rezone the Larger Parcel is considered in our adjustments to the comparable land sales analyzed in this report.

**Highest and Best Use:**

Mixed-use oriented development as demand warrants. Near term H&BU is to hold as an investment.

**Market Value Opinions:**

**Disposal Area (1), 16,442 SF (0.38 ACRES).....\$62,000**

**Disposal Area (2) 44,301 SF (1.02 Acres).....\$166,000**

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**Disposal Area (3) 57,911 SF (1.33 Acres).....\$217,000**

***THE APPRAISAL PROCESS***

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

The sections comprising the first portion of the report include: Date, Function and Purpose of the Appraisal, Property Identification, Scope of Work, Regional and Neighborhood Analysis, Site Analysis, and Highest and Best Use. The highest and best use of the subject disposal parcels is the basis upon which market value is determined.

The second portion of the report contains the approaches used to determine an opinion of market value of the fee simple interest in the subject disposal parcels. The fee simple interest is the unencumbered interest in a property. The three traditional approaches to value are considered. However, since the subject disposal parcels represent vacant land, the only applicable approach to value is the Sales Comparison Approach.

In the Sales Comparison Approach, recent sales of similar parcels of land, known as "comparables," are analyzed and adjusted to the subject parcels. This approach best represents the actions of buyers and sellers in the market for this type of property. The degree of similarity between the comparables and the subjects determines the reliability of this approach.



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## ***DETERMINATION OF THE LARGER PARCEL***

This appraisal employs the larger parcel technique in order to provide the market value opinions for the subject disposal areas. Due to the subject disposal parcels being narrow and irregular strips of land with no physical or legal access, the appraisers used the across-the-fence (ATF) methodology to value them. The ATF methodology is a land valuation method used in the appraisal of corridors. The across-the-fence method is used to develop a value opinion based on comparison to abutting land. Corridor land value, like the subject's excess strips of the SR 202L right-of-way, in theory, are worth as much as the land through which the corridor passes. Thus, the subject disposal parcels are valued using the adjacent larger parcel technique. The definition for the larger parcel that is generally accepted by the courts is as follows:

“...the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use.”<sup>3</sup>

The three traditional tests of use, ownership, and contiguity are evaluated by the appraiser to determine the larger parcel. Additionally, consideration is given to the demand for vacant land in the subject's market area. The determination for the larger parcel includes consideration for location, physical characteristics, geographic constraints, physical barriers, land use designation, marketing demand and highest and best use. These factors are taken into consideration in estimating the size and shape of the larger parcel.

According to Arizona Department of Transportation Appraisal Standards and Specifications, “the ‘larger parcel’ concept is an analytical premise unique to the field of eminent domain valuation, and valuation of corridor lands and is of paramount importance in valuing partial acquisitions....The Larger Parcel may be all of one parcel, part of a parcel, or several parcels combined, depending on the following:”

1. *Unity of Use*
2. *Unity of Title/Ownership*
3. *Contiguity*

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<sup>3</sup> *The Dictionary of Real Estate Appraisal, 7<sup>th</sup> ed.*, Appraisal Institute, 2022, p. 105.

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### *Unity of Use*

Unity of use requires that a parcel of land be devoted to the same use. The presence or absence of actual use is not the determining factor. Rather, it is the unity of highest and best use.

The appraisers used the across-the-fence, (ATF), methodology to value the subject disposal parcels, as they consist of narrow and irregular strips of land with no direct access which are remnants of the SR 202L right-of-way corridor. The ATF methodology is a value opinion based on comparison with adjacent lands. Corridor land value is worth as much as the land through which the corridor passes. The subject disposal areas are valued using the adjacent Larger Parcel, which the appraiser estimates consists of approximately ±5,635,531 gross square feet, (129.37 acres), including the three subject disposal site areas. It consists of three contiguous legal parcels which are rectangular and slightly irregular in shape. The Larger Parcel has legal and physical access from West Lower Buckeye Road approximately 660 feet west of the SR 202L intersection, along the east side of South 63<sup>rd</sup> Avenue, and along West Durango Street.

The zoning for the subject's larger parcel is zoned RE-35, Single-Family Residence District. The basic purpose of these regulations is to foster the creation of living areas which can assist the establishment of stable, functional neighborhoods. An established pattern of living in this metropolitan area reflects a tradition of single-family occupied dwellings which also emphasize outdoor living. These regulations provide standards for dwellings built at low and moderate densities. While the predominant housing type is expected to be single-family dwelling, provisions are made for alternative housing types within the same density limits.

According to the City of Phoenix General Plan, My Community Map, and the Estrella Village Core Plan, the Larger Parcel is identified as being MU, Mixed-Use. Mixed-Use designation denotes areas which may include residential services, and basic commercial, general office, entertainment, and cultural functions with a compatible relationship. The Mixed-Use designation is intended to minimize the impacts traditionally associated with growth by providing housing, shopping and employment opportunities in the same area.

Based on this information, a review of the comparable land sales data analyzed in this report, and conversations with market participants, the appraisers believe that the Larger Parcel would be purchased as an investment with potential for future mixed-use, commercial and residential development.

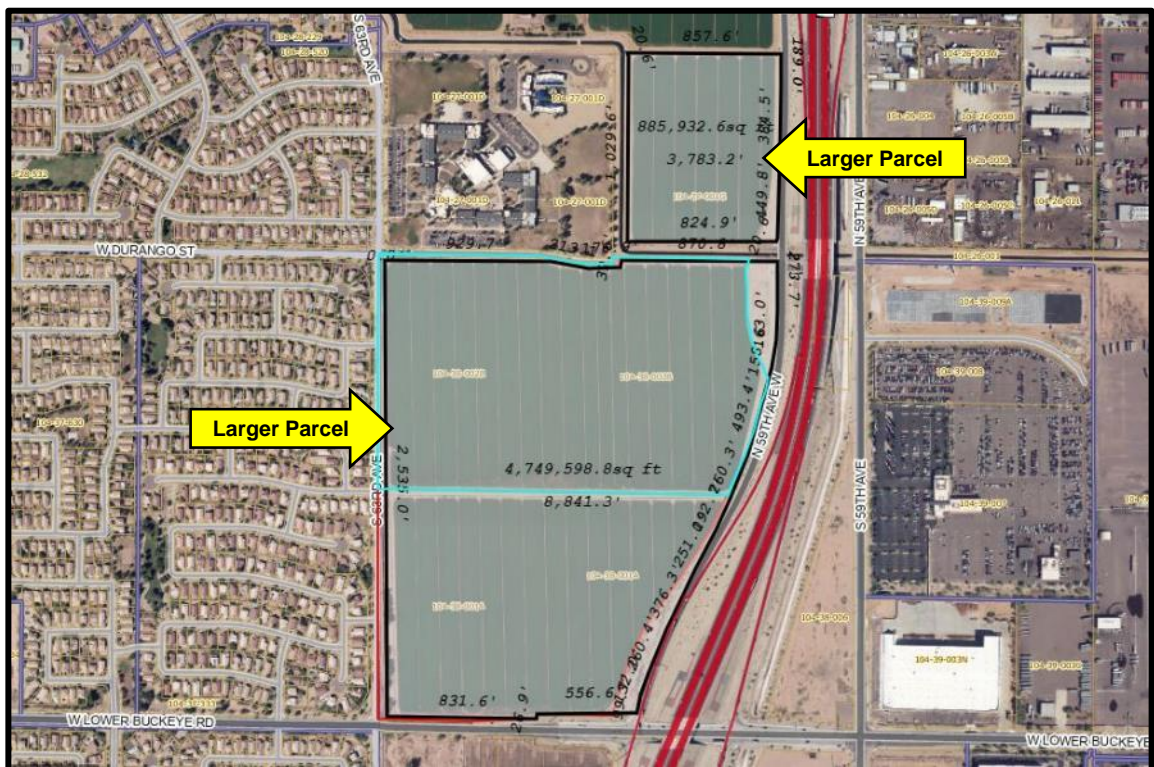
### ***Unity of Title/Ownership***

To qualify as a larger parcel, it is essential that it is owned by the same individual, or group of individuals. Title to the Larger Parcel is vested in the same ownership, Property Reserve Arizona, LLC. Thus, the test of Unity of Title/Ownership is satisfied.

### ***Contiguity***

Physical unity of contiguity must be present for a larger parcel to exist. The Larger Parcel consists of three contiguous parcels that are physically situated at the northeast corner of West Lower Buckeye Road and South 63<sup>rd</sup> Avenue, as well as the south side and eastern terminus of West Durango Street. The physical property addresses for the Larger Parcel include 6103 West Buckeye Road and 6225 West Durango Street, Phoenix, Arizona 85043. As defined, the Larger Parcel consists of approximately ±5,635,531 gross square feet, (129.37 acres), including the subject disposal site areas (see the Larger Parcel Map below). Based on the foregoing analysis, the Larger Parcel depicted in the following Maricopa County map, meets the criteria for use of the ATF and larger parcel methodologies, and is hereafter identified as the Larger Parcel. Thus, the Larger Parcel consists of approximately ±5,635,531 gross square feet, (129.37 acres). (*Depiction is approximate*).

### ***LARGER PARCEL MAP***



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## ***PROPERTY IDENTIFICATION***

The subject disposal parcels consist of a vacant land consisting of: Disposal Area (1), 16,442 square feet (0.38 acres); Disposal Area (2), 44,301 square feet (1.02 acres); and Disposal Area (3), 57,911 square feet (1.33 acres). The subject disposal properties represent narrow and irregular strips of land located on the west side of South 59th Avenue and the South Mountain Freeway (SR 202L), between West Buckeye Road and West Lower Buckeye Road. They represent excess remnants of land from the SR 202L right-of-way which have no legal or physical access from South 59<sup>th</sup> Avenue, or West Lower Buckeye Road this, due to access control. As vacant parcels of land they have no physical property addresses. The following legal description was provided by ADOT Right of Way Disposal Report.

### **SCHEDULE A-1 LEGAL DESCRIPTION**

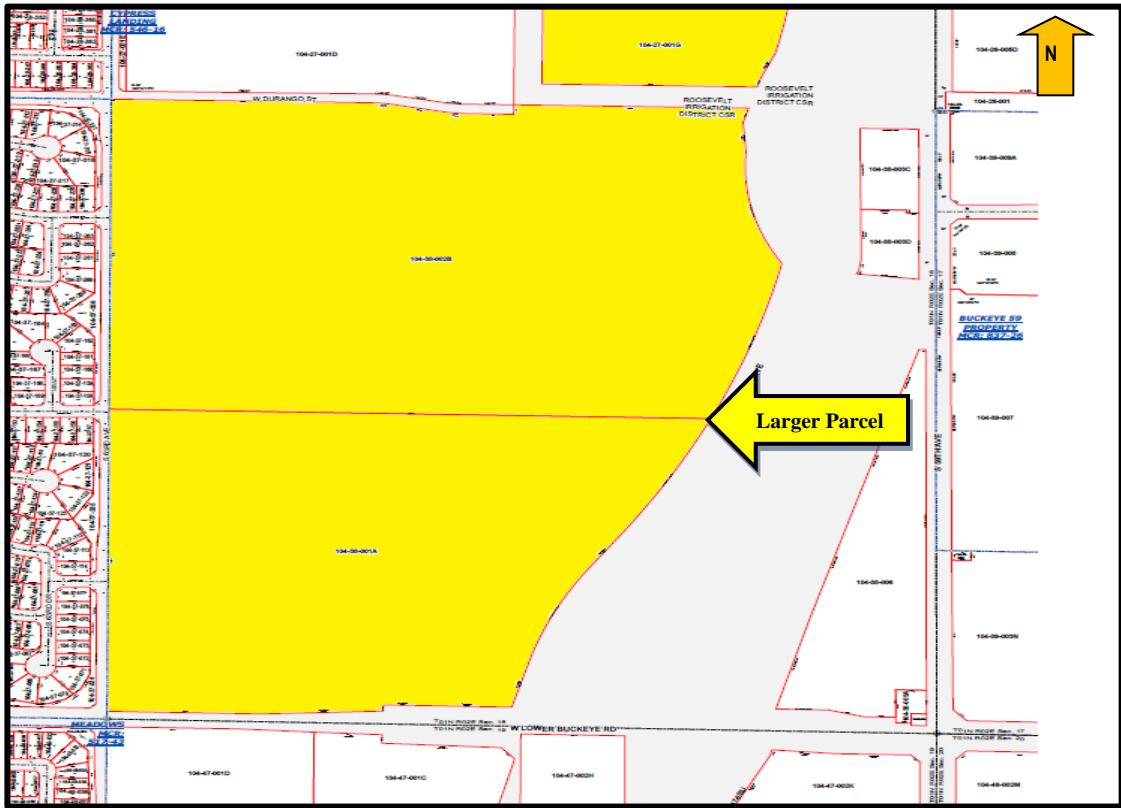
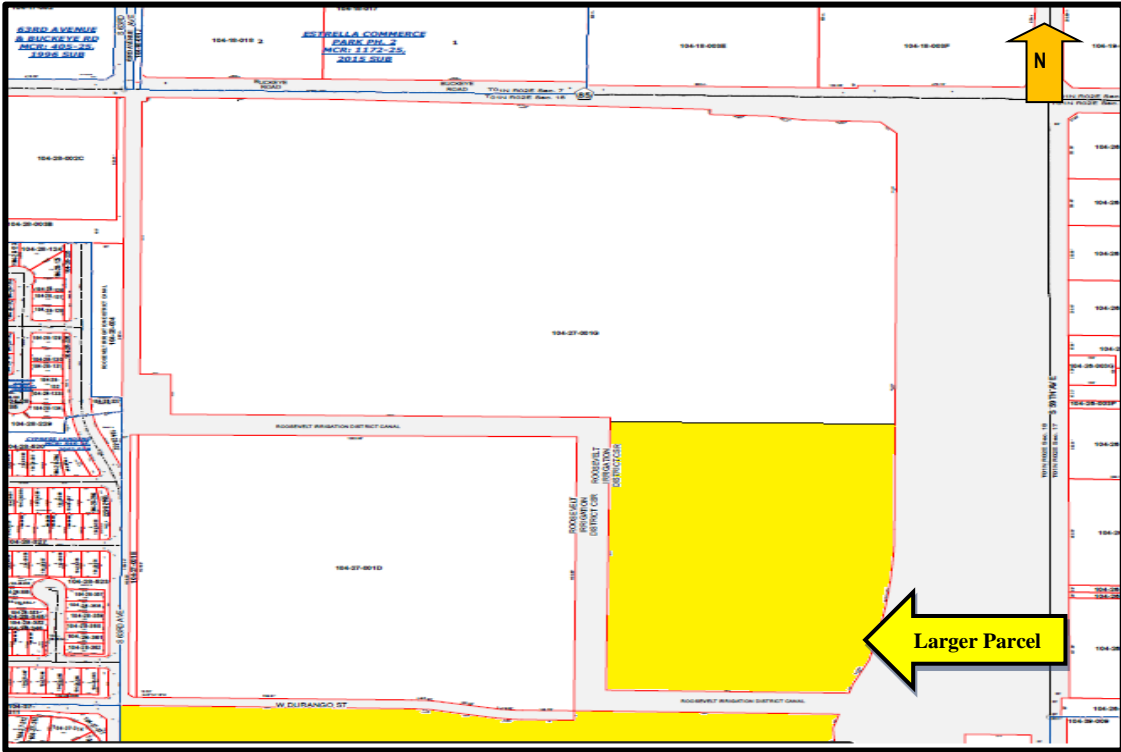
That portion of the East half of Section 18, Township 1 North, Range 2 East, Gila and Salt River Meridian, Maricopa County, Arizona, as depicted on Exhibit "A" attached, Sheets P-5, P-6, and P-7 of ADOT Drawing D-7-T-1014, the Right of Way Plans of SOUTH MOUNTAIN FREEWAY, Section Salt River-JCT I-10 Papago, Project 202L 010 MA 000 H5439 / 202L 010 MA 056 H8827.

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

**END OF SCHEDULE A-1**



# ASSESSOR PLAT MAPS



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## ***PURPOSE OF THE APPRAISAL***

- Purpose of the Appraisal:*** The purpose of this appraisal is to estimate the market values of the fee simple estate.
- Intended User of the Appraisal:*** The intended user of the appraisal includes the officials and agents of the Arizona Department of Transportation. No other use or users are intended, and any unintended use may be misleading.
- Intended Use of the Appraisal:*** The intended use of the appraisal is to utilize the market value estimates to assist in decisions regarding the disposition of the disposal properties identified herein.
- Date of Value Opinion:*** The effective date of the value opinions is June 3, 2023.
- Date of the Appraisal Report:*** The date of the appraisal report is June 15, 2023.

## ***DEFINITIONS***

### ***Definition of Market Value:***

Pursuant to Arizona Revised Statute 28-7091:

*"... '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."*

### ***Interest To Be Appraised:***

The interest to be appraised for the subject disposal parcels is the fee simple estate interest, defined as follows:

*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.<sup>4</sup>*

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<sup>4</sup> *The Dictionary of Real Estate, 7<sup>th</sup> Ed.*, Appraisal Institute, 2022, p. 73.

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## ***OWNERSHIP HISTORY AND FIVE-YEAR CHAIN OF TITLE***

### **ADOT Parcel L-C-145:**

Title to subject disposal parcels are vested in the State of Arizona, by and through its Department of Transportation, through a Quitclaim Deed from the United States of America to the State of Arizona, dated March 13, 2020, recorded March 23, 2020 in Document No. 2020-0246387.

A Right of Way Disposal Report was provided to the appraisers. Based on our review of the report, public records, and other sources, there have been no other sales, title transfers, or offers to purchase the subject disposal parcels for the five years prior to this appraisal. To the best of our knowledge, the subject disposal parcels are not currently listed for sale.

### **RIGHT OF WAY / VESTING**

- 1.) Amended Final Order of Condemnation in Civil Case No. 2016-001533 of the Arizona Superior Court, Maricopa County, entitled the State of Arizona, ex rel., John Halikowski, Director, Department of Transportation, Plaintiff, vs. Property Reserve Arizona, L.L.C., an Arizona Limited Liability Company; and Maricopa County, Defendants, dated April 21, 2017, recorded May 12, 2017, in Document No. 2017-0346068.  
[Project 202L 010 MA 000 H5439 / 202L 010 MA 056 H8827, Parcel 7-11645]

**NOTE:** Property acquired as fee only.

**NOTE:** Stipulated Judgment No. CV2016-001533, filed February 16, 2017, in the Superior Court, Maricopa County, Arizona, was reviewed and all conditions were complied with.

- 2.) Quitclaim Deed from the United States of America to the State of Arizona, by and through its Department of Transportation, dated March 13, 2020, recorded March 23, 2020, in Document No. 2020-0246387.

**NOTE:** This Quitclaim Deed has verbiage that releases any remnant interests that SRP may have had in the property.

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## ***SCOPE OF WORK***

The Scope of Work for an appraisal is the extent of the process of collecting, confirming, and reporting data, as well as the methods used in supporting the value opinion. The Sales Comparison Approach is employed to estimate the market values of the subject disposal parcels. The Cost and Income Approaches are excluded since the market does not rely on these approaches when valuing vacant land.

In accordance with *Uniform Standards of Professional Appraisal Practice* (USPAP), effective January 1, 2023, the scope of work for the appraisal includes, but is not limited to, the following:

- Inspection and analysis of the subject disposal parcels and the Larger Parcel, market conditions, and other restrictions that affect value; and
- Research, analysis, and confirmation of comparable market data.

Research included the examination of sales and listing data published by CoStar COMPS of Arizona, ARMLS, Maricopa County records, and interviews with real estate participants and brokers. Based on our conclusion of Highest and Best Use, similar land comparables throughout the metropolitan Phoenix area were selected.

The comparable sales and other market data that is included in the analysis are considered to be the best available. The data selected is adequate to provide reliable indications of market values for the subject disposal parcels. Overall, the market value opinion provided in this report is well supported.

### ***Limitation in Scope:***

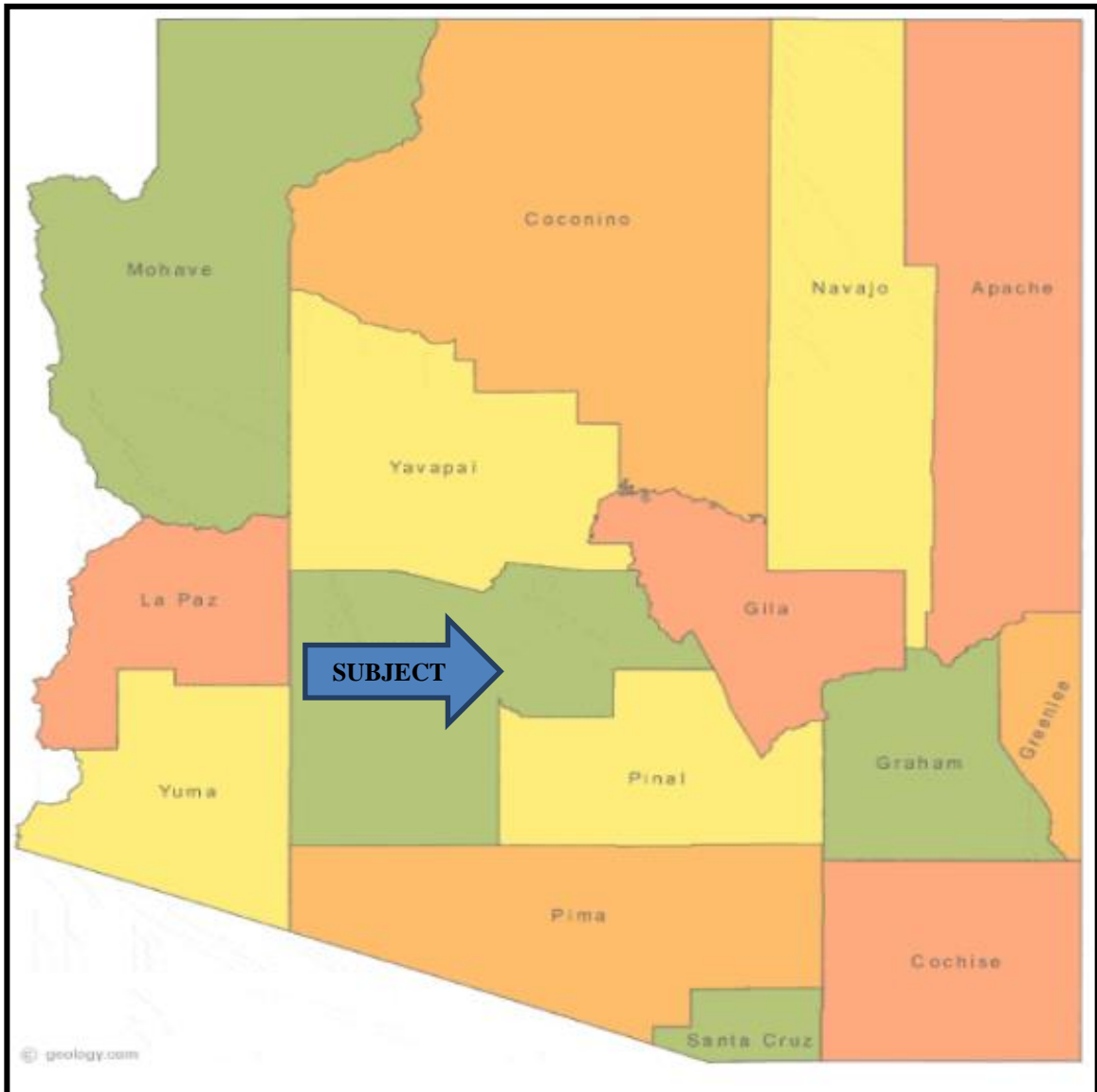
This report is a narrative appraisal report. There are no other limitations in the scope of the assignment, other than those discussed in the Assumptions and Limiting Conditions, Extraordinary Assumptions, and Hypothetical Conditions.

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## ***REGIONAL ANALYSIS***

The subject disposal parcels are located within Maricopa County within the State of Arizona. This section presents an analysis of Maricopa County's growth and economic trends. The city of Phoenix is also reviewed here. Then, we provide a conclusion relating these area trends to the valuation of the subjects.

### ***ARIZONA COUNTY MAP***





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## ***OVERVIEW – MARICOPA COUNTY***

It is well known that the Maricopa real estate market has been volatile over the past three years. Real estate market volatility resulted from the COVID-19 pandemic, as well as other events such as energy price changes and record price inflation. Every day, there is greater clarity about their effects and expectations as evidenced by transaction activity, various data sources, and market participants.

Maricopa County, named after the Maricopa Tribe, was created from portions of Pima and Yavapai counties in 1871. It was the fifth county formed in Arizona, and eventually portions were used to create Gila and Pinal counties. In the late 19th century, citizens living far south of Prescott, the territorial capital and site of the Territorial Legislature, petitioned for a more local seat of government. Residents of the Salt River Valley and the Gila River area wanted a new county in their respective locations. After weighing both proposals, the legislature agreed with the Salt River Valley group and created Maricopa County. In 1889, Phoenix became the final site of the territorial capital and retains its status as Arizona's capital city.

More than half of the state's population resides in Maricopa County, which includes the cities of Phoenix, Mesa, Glendale, Scottsdale, Tempe, Chandler, Peoria and the town of Gilbert. This metropolitan area is the state's major center of political and economic activity. In addition to housing the state capital, the county is home to a growing high-tech industry; manufacturing and agricultural industries; 15 institutions of higher learning, including Arizona State University and the Thunderbird Garvin School of International Management; various cultural attractions; major league professional basketball (Phoenix Suns and Phoenix Mercury), football (Arizona Cardinals), hockey (Phoenix Coyotes) and baseball's 2001 World Champion Arizona Diamondbacks; and Phoenix Sky Harbor International Airport, fifth busiest in the world with over 1,300 daily flights.

Today Maricopa County measures 9,222 square miles, 98 square miles of which is water. Twenty-nine percent of this area is owned individually or by corporation, and 28 percent is owned by the U.S. Bureau of Land Management. The U.S. Forest Service and the State of Arizona each control 11 percent of the county; an additional 16 percent is owned by other public entities. Almost 5 percent is Indian reservation land.

## ***POPULATION – MARICOPA COUNTY***

The population for Maricopa County is detailed in the following table. The County

has had positive population growth for the past ten years, albeit growth slowed over the past few years due to the Covid-19 pandemic. The current population is 4,586,431. The five-year population growth was 8.4%.

<b>Population Maricopa County</b>			
Year	Total Population	Numerical Increase	Percent Increase
2013	3,945,153	Not. Applc.	Not. Applc.
2014	4,004,060	58,907	1.49%
2015	4,076,400	72,340	1.81%
2016	4,154,976	78,576	1.93%
2017	4,221,203	66,227	1.59%
2018	4,293,823	72,620	1.72%
2019	4,366,987	73,164	1.70%
2020	4,436,704	69,717	1.60%
2021	4,507,419	70,715	1.59%
2022	4,586,431	79,012	1.75%

Note: All estimates are as of July 2022.

Source: State of Arizona, Office of Employment & Population Statistic  
<https://population.az.gov/population-estimates>

### ***GROSS DOMESTIC PRODUCT – PHOENIX (MSA)***

The primary measure of an area’s economic activity is Gross Domestic Product (GDP). GDP figures for the Phoenix Metropolitan Statistical Area, (MSA), are provided in the following table for the past seven years. The figures are in current dollars. Positive GDP growth was reported from 2015 to 2019, prior to pandemic. During 2020, the height of the pandemic, GDP declined well below annual averages. As of 2021, the GDP figure recovered. Overall, 2021 GDP growth in the Phoenix MSA was 6.93%, a trend that will likely continue through 2022 into 2023.

<b>Gross Domestic Product Phoenix MSA</b>			
Year	Total	Numerical Increase	Percent Increase
2015	\$207,170,720	---	---
2016	\$214,024,595	\$6,853,875	3.31%
2017	\$222,960,470	\$8,935,875	4.18%
2018	\$232,915,200	\$9,954,730	4.46%
2019	\$242,939,171	\$10,023,971	4.30%
2020	\$244,882,735	\$1,943,564	0.83%
2021	\$261,707,170	\$16,824,435	6.93%

Note: Dollars are in millions.

Source: U.S. Bureau of Economic Analysis  
[https://www.bea.gov/iTable/index\\_regional.cfm](https://www.bea.gov/iTable/index_regional.cfm)

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## ***EMPLOYMENT AND UNEMPLOYMENT – MARICOPA COUNTY***

Total employment and unemployment rates for Maricopa County are provided in the following tables for the period from 2015 through 2021. Please note that all statistics are as of December. Maricopa County had positive employment growth in each of the years prior to 2020 and the pandemic, with an average annual employment growth of 3.22%. As of December 2021, employment growth was 1.28%, a sign of recovery after posting negative 2.75% employment growth in 2020, during the height of the pandemic. Previous employment growth was in line with the national statistics.

<b>Employment Maricopa County</b>			
<u>Year</u>	<u>Total Employment</u>	<u>Numerical Increase</u>	<u>Percent Increase</u>
2015	\$1,817,078	---	---
2016	\$1,871,953	54,875	3.02%
2017	\$1,927,372	55,419	2.96%
2018	\$1,993,417	66,045	3.43%
2019	\$2,062,384	68,967	3.46%
2020	\$2,005,661	(56,723)	-2.75%
2021	\$2,031,358	25,697	1.28%

Note: All figures are as of December.

Source: U.S. Bureau of Labor Statistics.

<https://www.bls.gov/regions/west/arizona.htm>

Unemployment as of year-end 2021 was 4.5%, which was in-line with pre-Covid pandemic years. Unemployment has been steadily trending downward after a rise during the height of the pandemic in 2020. This is a trend that is likely to continue through 2022.

<b>Unemployment Rates Maricopa County</b>	
<u>Year</u>	<u>Unemployment Rate</u>
2015	5.2%
2016	4.7%
2017	4.3%
2018	4.2%
2019	4.2%
2020	7.2%
2021	4.5%

Note: All figures are as of December.

Source: U.S. Bureau of Labor Statistics.

<https://www.bls.gov/regions/west/arizona.htm>

## ***RECENT PERFORMANCE***

Phoenix MSA is enhancing its advantage over the region. Job growth has gained momentum, lifting payrolls further above their pre-pandemic peak. This stands in contrast

to the region, which only recouped its COVID-19-induced job losses in July. Although job gains are broad-based, explosive growth in manufacturing has been the main driver as of late. Industry payrolls are a whopping 7% above February 2020 levels, boosted by a sharp rise in the past year. The unemployment rate is more than a full percentage point below its previous cyclical low, though it has ticked up as the labor force grows rapidly. The housing market is cooling as rising mortgage rates and declining affordability dampen demand.

### **MARKET COMPARISON**

The following table illustrates key economic indicators and a comparison of the Phoenix MSA to the regional grouping as a whole. As indicated, Phoenix MSA is projected to outperform the West Region Metros in six of the eight performance categories shown over the next five years.

Comparison of Key Economic Indicators - Phoenix MSA Metro to West Region										
Indicator	Phoenix MSA			Annual Growth		West Region Metros			Annual Growth	
	2016	2021	2026	2016 - 2021	2021 - 2026	2016	2021	2026	2016 - 2021	2021 - 2026
Gross metro product (C12\$ bil)	205.4	238.8	306.8	3.1%	5.1%	4,450	5,178	6,109	3.1%	3.4%
Total employment (ths)	1,914.8	2,119.6	2,418.8	2.1%	2.7%	32,854	33,515	36,698	0.4%	1.8%
Unemployment rate (%)	5.2%	7.4%	3.5%			5.1%	6.4%	4.3%		
Personal income growth (%)	5.9%	10.1%	5.6%			4.3%	6.9%	4.9%		
Population (ths)	4,578.5	5,035.4	5,420.7	1.9%	1.5%	76,560	79,179	81,824	0.7%	0.7%
Single-family permits (#)	16,621	31,658	35,362	13.8%	2.2%	178,090	274,750	308,196	9.1%	2.3%
Multifamily permits (#)	5,781	16,561	10,479	23.4%	-8.7%	131,497	153,354	117,945	3.1%	-5.1%
FHFA house price (1995Q1=100)	221	321	412	7.8%	5.1%	487	661	734	6.3%	2.1%
Phoenix MSA outperforming West Region Metros										
Phoenix MSA underperforming West Region Metros										

Source: Moody's Analytics Precis® US Metro; Compiled by Newmark

### **LARGEST EMPLOYERS – PHOENIX MSA**

The 20 largest employers for The Phoenix MSA, as reported by Moody's are noted in the table on the following page. While not all-encompassing, this list provides further indication of the types of economic sectors that are drivers for the area. Job sector composition also gives an indication of the predominant drivers of current and future demand for supporting commercial real estate sectors. The top five largest private sector employers are Banner Health, Walmart Inc., Fry's Food Stores, Wells Fargo, and Arizona State University.

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**Selected Major Employers: Phoenix MSA**

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Rank	Employer	Employees
1	Banner Health	45,894
2	Walmart Inc.	33,619
3	Fry's Food Stores	20,165
4	Wells Fargo	16,700
5	Arizona State University	14,889
6	HonorHealth	12,163
7	Dignity Health	10,598
8	Intel Corp.	10,400
9	Bank of America	10,000
10	JP Morgan Chase & Co.	10,000
11	Freeport-McMoran Copper & Gold Inc.	9,300
12	Grand Canyon Education	8,500
13	Bashas' Family of Stores	8,299
14	American Express	7,795
15	Honeywell Aerospace	7,792
16	Mayo Clinic Hospital	7,500
17	UnitedHealthcare of Arizona Inc.	7,302
18	State Farm	7,200
19	Arizona Public Service Co.	5,866
20	Salt River Project	5,239

Source: Moody's Analytics Precis@ US Metro

Phoenix MSA's core white-collar drivers are primed for solid growth in the near and medium term. Finance employment reversed course in the second quarter, regaining some momentum following a decline for the majority of last year. Credit intermediation accounts for the bulk of Phoenix MSA's finance employment, and its share of total jobs is nearly three times the national average. This sector will benefit from a rising interest rate environment as well as historically solid credit quality and credit growth, which will enable banks and credit card issuers to expand. Additionally, moderate business and living costs, a high quality of life, a strong labor pool, and a business-friendly climate will make Phoenix MSA a hub for expansions and relocations of back-office banking and insurance roles. Tech will offer additional support as many firms are opting to expand in the metro area given its cost advantage over other tech hubs through California.

Strong global demand for semiconductors will keep manufacturing on a growth trend. The industry is becoming increasingly important in the metro area, with job growth outpacing the overall labor market since 2016. The local semiconductor industry, Phoenix MSA's specialization, will benefit from solid demand and rising prices for chips used in automobiles and electronic devices. Phoenix MSA's reasonable costs, large labor pool, and abundance of available land are already enabling it to attract a vast amount of factory investment. Semiconductor producers Intel and Taiwan Semiconductor as well as battery cell maker KORE Power are the latest firms to choose Phoenix MSA. KORE Power and

Intel are in the process of expansion, which will result in the addition of a few thousand workers over the next few years. This will provide a generous tailwind to the rapidly growing industry.

Strong demographic tailwinds and robust income growth driven by expansion of high-paying industries will allow consumer industries to press ahead. Phoenix MSA's population will expand at three times the national pace in the coming years, while the addition of good-paying finance, tech and manufacturing jobs will allow incomes to grow faster than regionally and nationally. More residents will increase foot traffic at restaurants, stores and bars and boost demand for medical services, driving strong job growth in leisure/hospitality, retail and healthcare.

***EMPLOYMENT GROWTH PROJECTIONS – MARICOPA COUNTY***

The University of Arizona Eller College of Management tracks the Phoenix area economy. Employment figures were obtained from the Eller School of Management and are noted below. Employment growth is projected to continue at a more moderate pace than over the past few quarters this, as the economic slowdown decreases due to moderating inflation. Please note that the figures exclude agricultural jobs.

<b>Employment Projections Maricopa County</b>			
<b>Year</b>	<b>Total Nonfarm Employment</b>	<b>Numerical Increase</b>	<b>Percent Increase</b>
Nov-22	2,373,900	---	---
Dec-22	2,388,800	14,900	0.63%
Jan-23	2,412,000	23,200	0.97%
Feb-23	2,407,500	(4,500)	-0.19%
Mar-23	2,424,300	16,800	0.70%
Apr-23	2,426,100	1,800	0.07%

Note: Excludes agricultural employment.

<https://www.azecconomy.org/data/maricopa-county/>

***Transportation – Phoenix MSA***

Phoenix is well served by all major modes of transportation. Phoenix Sky Harbor International Airport is Arizona's largest and busiest airport, and among the largest commercial airports in the United States. The airport serves as a hub for American Airlines and a base for Southwest Airlines. In 2021, American Airlines carried approximately 43% of all Phoenix Sky Harbor passengers followed by Southwest Airlines with approximately 35%. Thus, American and Southwest are the airport's largest passenger carriers which provide domestic and international air services.



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Interstate 10 connects Phoenix with California to the north and west and with Tucson and New Mexico to the south and east. Interstate 17 connects Phoenix with Flagstaff to the north. The Phoenix area is further served by a highly functional light rail system, transit system, and arterial freeways, highways and state routes.

### ***OVERVIEW – PHOENIX***

With an outstanding quality of life, affordability and steady growth in job opportunities, more than 1.63 million people call Phoenix home. Phoenix is the vibrant center of one of the fastest growing job markets and economies in the United States. As the fifth largest city in the country, Phoenix is emerging in a new economy with strengths in high technology, manufacturing, bioscience research and advanced business services. As a top market for skilled and available workforce, companies are growing in Phoenix because it is not only a thriving business environment, but a great place to live.

#### ***Principal Economic Activities***

Phoenix remains one of the nation's better-performing markets for employment growth recording more than 56,000 job additions in the trailing 12-month period ending April 2023. The labor market now has 151,700 more jobs than before the pandemic, the fourth-highest gain in the nation. The local economy was highly resilient during the pandemic, thanks to a diversified employment base across a broad range of industries. Metro Phoenix lost about a quarter million positions in March and April 2020 but by July 2021, Phoenix fully regained those losses, which was nearly a full year ahead of the U.S. This marks a stark contrast to its protracted recovery from the global financial crisis, when Phoenix didn't recoup its job losses until well after the broader nation did.

The competitive advantage and growth drivers that have historically stimulated growth in the Valley of the Sun remain strong. Affordability and job prospects are attracting people living in dense and expensive cities to Phoenix. The adoption of remote work has given more people mobility and has enticed residents in California or East Coast markets to relocate. Population growth, a diversifying economy, relative affordability, and business friendly regulation have strengthened the Phoenix value proposition. These characteristics attracted an average of 175 people to the Phoenix metro each day in 2022 and made Maricopa County the fastest-growing county in the country.

An influx of residents and the market's large educational institutions and colleges are significant contributors to the local talent pool. Metro Phoenix is home to the country's

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largest public and private universities: Arizona State University (ASU) and Grand Canyon University (GCU). ASU enrollment surpassed 140,000 students in fall 2022, spread across five campuses and including online students. ASU's primary location in Tempe is the largest, with more than 57,000 students on campus. Beyond producing new graduates, the universities collaborate with local employers on research and classroom curricula.

Businesses are selecting Phoenix to expand because of the extensive labor pool and favorable regulatory treatment. Numerous employers have announced expansions and relocations since the pandemic. Taiwan Semiconductor Manufacturing Company (TSMC) made national headlines when it confirmed plans to build a second fabrication plant in north Phoenix. The move increases the firm's investment from \$12 billion to \$40 billion, creating 10,000 high-tech jobs. Preliminary estimates from city economic development officials indicate the investment by TSMC could bring up to 45 additional businesses to the Valley that support and supply the plant. Additionally, Intel is underway on a \$20 billion expansion at its Chandler campus where the semiconductor giant is building two new fabs alongside its four existing ones. Amazon recently opened several last-mile and fulfillment sites throughout the metro and leased a 95,000-SF office in Tempe, which will generate thousands of new jobs. Other companies that have added hundreds of new jobs over the past few years include Allstate, Deloitte, Choice Hotels, Mayo Clinic, Wells Fargo, Farmers Insurance, and USAA. Microsoft, Google, and Apple have invested in data centers throughout the metro. While labor is the primary driver behind the market's business attraction success, relative affordability and a more accommodating regulatory environment help tip the scale in favor of Phoenix when companies make their site selection decision.

The number of companies moving to metro Phoenix is noteworthy, but the diversity of industries has helped sustain the region's long-term stability. Phoenix was synonymous with cheap labor and land that attracted call centers and back-office operators more than a decade ago. The economy depended on industries associated with household growth, construction, lending, brokerage, tile and cabinet manufacturers, etc. Because of its past reliance on housing, Phoenix was among the hardest-hit metros during the Great Recession; the market lost more than 240,000 jobs, 25% of which were in the construction industry alone. Phoenix recovered from the Great Recession about two years after the U.S. The companies that Phoenix is attracting have evolved, and the market has emerged as a hub for advanced manufacturing, aerospace, life sciences, logistics, technology, and finance.

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## ***POPULATION – CITY OF PHOENIX***

Population information for the City of Phoenix is provided in the following table for the past 10 years. The City of Phoenix has the largest population in Maricopa County followed by the City of Mesa. The Phoenix’s current population is 1,634,061. The 11-year population growth totals 11.6%, or about 1.05% per year. The average annual growth rate is similar to the state level.

<b>Population City of Phoenix</b>			
<b>Year</b>	<b>Total Population</b>	<b>Numerical Increase</b>	<b>Percent Increase</b>
2013	1,482,253	Not. Appl.	Not. Appl.
2014	1,499,510	17,257	1.16%
2015	1,520,158	20,648	1.38%
2016	1,542,212	22,054	1.45%
2017	1,558,912	16,700	1.08%
2018	1,576,598	17,686	1.13%
2019	1,595,630	19,032	1.21%
2020	1,611,162	15,532	0.97%
2021	1,630,195	34,565	2.17%
2022	1,657,035	45,873	2.85%

Source: State of Arizona, Office of Employment & Population Statistics  
<https://population.az.gov/population-estimates>

## ***Transportation – Phoenix MSA***

Phoenix is well served by all major modes of transportation. Phoenix Sky Harbor International Airport is Arizona's largest and busiest airport, and among the largest commercial airports in the United States. In 2020, Phoenix Sky Harbor was the 8th-busiest airport in the U.S., and 24th-busiest in the world. The airport serves as a hub for American Airlines and a base for Southwest Airlines. In 2019, American carried nearly 46% of all Phoenix Sky Harbor passengers and employed nearly 9,500 people, making it the airport's largest carrier provides domestic and international air service.

Interstate 10 connects Phoenix with California to the north and west and with Tucson and New Mexico to the south and east. Interstate 17 connects Phoenix with Flagstaff to the north. The Phoenix area is further served by a highly functional light rail system, transit system, and arterial freeways, highways and state routes.

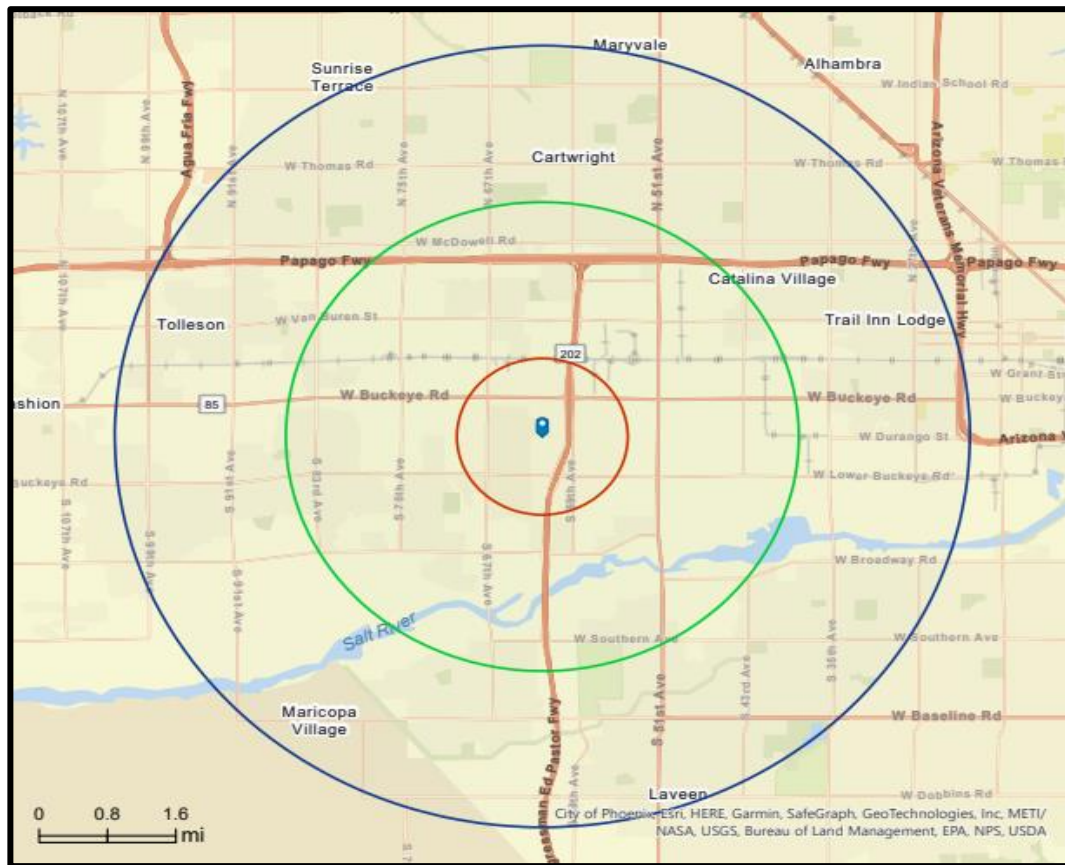
## ***CONCLUSION – REGIONAL IMPACT ON VALUE***

Phoenix remains one of the nation's best-performing markets for job growth. The local economy has been one of the most resilient in the U.S. during the pandemic, thanks to a diversified job market. Affordability and job prospects are attracting people living in dense and expensive cities to Phoenix. While labor is the primary driver behind the market's

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business attraction success, relative affordability helps tip the scale in favor of Phoenix when companies make their site selection decision. Longer term, the Phoenix metro area will outperform the U.S. thanks to lower living costs, solid population gains and the continued diversification of industry.

## NEIGHBORHOOD ANALYSIS



The value of any property is not solely determined by the physical characteristics of the site. The environmental, social, economic, and governmental forces in the immediate area must also be analyzed as they can have direct and indirect effects on value.

### **Location:**

The subject disposal parcels are located on the west side of South 59th Avenue and the South Mountain Freeway (SR 202L), between West Buckeye Road and West Lower Buckeye Road, Phoenix, Arizona 85043. They represent excess remnants of vacant land for the SR 202L right-of-way that have no physical or legal access from South 59th Avenue or West Lower Buckeye Road due to access control. As vacant parcels of land they have no physical property addresses.

### **Boundaries:**

North: Interstate 10  
South: Elliot Road and the Gila River Indian Reservation  
East: 19<sup>th</sup> Avenue and the Interstate 17 alignment  
West: Loop 101 Aqua Fria Freeway and 99<sup>th</sup> Avenue.

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**General Description:**

The surrounding area is viewed as suburban, with the immediate area around the subjects described as primarily residential, agricultural and industrial land uses. The area south of Interstate 10, from an industrial perspective, is heavily developed with distribution warehouses that cater to freeway traffic between Phoenix and the various California markets, most specifically the Los Angeles area. Notably, there is limited retail in the surrounding neighborhood, south of Interstate 10. The area is easily accessible from Interstate 10 and the Loop 202 along several main arterials.

Van Buren, Buckeye Road, Lower Buckeye Road, Broadway Road, Southern Avenue, Cesar Chavez Boulevard, Dobbins Road, and Elliot Road are the major neighborhood east/west arterials that are improved with a variety of retail and industrial service facilities, with residential subdivisions positioned off the main arteries. Surface roadway access within the neighborhood in connection with adjoining neighborhoods is good. Primary north-south roads are 35th, 43rd 51st, 59th, 67th, and 75<sup>th</sup> avenues. Interstate 10 is the principal east/west transportation route for local residents, as well as residents living further west who use this roadway as regular commuting routes. Full diamond interchanges are currently in place along 35th, 43rd 51st, 59th, 67th, and 75th avenues. The Larger Parcel is served and accessed via the Loop 202 South Mountain Freeway. The Loop 202 was recently completed in early 2020. This freeway alignment extends west from Interstate 10 in the southeast valley, south of Phoenix South Mountain Park (along the alignment of Pecos Road), then northwest along the Gila River Indian Reservation, and then north to Interstate 10 in the west valley between 55th and 63rd avenues.

The Black Canyon Freeway, (Interstate 17), is located about five miles north of the subject and extends north to Flagstaff and south through Phoenix to its junction with Interstate 10, which continues south through Tempe and Chandler to Tucson. Access to the freeway is provided by a full diamond interchange at its intersection with Interstate 10. The outer Loop 101 Agua Fria Freeway has been constructed along the approximate 99th Avenue alignment and connects Interstate 10 and 17. This loop freeway now forms a three-quarter circle around the MSA and has greatly improved access for the subject's immediate area. Access to the subject property is considered to be good via transportation systems and local roadways.

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**Governmental Forces:**

Police Protection: City of Phoenix  
Fire Protection: City of Phoenix  
Comment: The subject is located within the City of Phoenix. Most of the land in the area is for residential and industrial use.

**Environmental Forces:**

Quality of Surrounding Area: Some environmental characteristics that influence value include land use patterns, topography, building densities, property maintenance, nuisances and hazards, and the adequacy of transportation corridors. The improvements range from new to about 50 years old and are in fair to excellent condition.

Utilities: The neighborhood is served with all municipal utilities including electric from Arizona Public Service (APS), natural gas from Southwest Gas, telephone from CenturyLink and other private providers. Water and sewer services are provided by the City of Phoenix.

The following data shows demographics within a one, three, and five-mile radius of the subject. All three demographic sets show household income and distribution to be lower than that of the Phoenix, MSA.

**DEMOGRAPHICS**

<b>2022 Demographics:</b> <i>Source: STDBOnline</i>	<b>1-Mile Radius</b>	<b>3-Mile Radius</b>	<b>5-mile Radius</b>
<b>2022 Summary</b>			
Population	6,842	67,192	310,492
Households	1,774	18,485	84,327
Families	1,504	14,859	66,115
Average Household Size	3.85	3.63	3.62
Owner Occupied Housing Units	1,060	10,491	45,578
Renter Occupied Housing Units	714	7,994	38,750
Median Age	27.0	27.4	28.0
Median Household Income	\$57,590	\$58,538	\$56,370
Average Household Income	\$78,661	\$76,401	\$73,123

**CONCLUSION**

The population within the subject neighborhood has experienced above average growth since 2010, a trend expected to continue for the next five years. The neighborhood has a middle to upper middle-income demographic profile, with a 2022 average household income of \$76,401 within a three-mile radius of the subject. Overall, the neighborhood outlook over the next several years is generally favorable, with continued growth and new development anticipated. As a result, the demand for existing developments is expected to be positive in the long-term. Generally, the neighborhood is expected to maintain a modest and relatively stable growth pattern for the foreseeable future.



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***SUBJECT PHOTOGRAPHS***

***Photo 1: View Northwest Across Disposal Area (1)***



***Photo 2: View Southeast Across Disposal Area (2)***





**Photo 3:** View North Across Disposal Area (3)



**Photo 4:** View Northwest Across the Larger Parcel from Southeast Corner





**Photo 5:** View North Across Larger Parcel from Lower Buckeye Road



**Photo 6:** View Northeast Across Portion of Larger Parcel from Durango Street





***Photo 7:*** View Southwest Across Larger Parcel from Durango Street



***Photo 8:*** View West Along Durango Street, Larger Parcel to Left





**Photo 9:** View South at Intersections of Durango Street & 63<sup>rd</sup> Avenue, Larger Parcel to Left



**Photo 10:** View East Along Lower Buckeye Road, Larger Parcel to Left





**Photo 11:** View North Along 59<sup>th</sup> Avenue, Disposal Area (1) & Larger Parcel to Left



**Photo 12:** View South Along 59<sup>th</sup> Avenue, Disposal Area (2) & Larger Parcel to Right





3D AERIAL



The lot boundaries in yellow are approximate

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## ***SITE ANALYSIS – LARGER PARCEL***

- Location:*** The Larger Parcel is located within a portion of Section 18, Township 1 North, Range 2 East, Gila and Salt River Meridian, Maricopa County, Arizona. The Larger Parcel has physical property addresses of 6103 West Buckeye Road and 6225 West Durango Street, Phoenix, Arizona 85043. The Larger Parcel is situated at the northeast corner of South 63rd Avenue and West Lower Buckeye Road and the west side of South 59<sup>th</sup> Avenue south of West Buckeye Road.
- Parcel Size/Shape/Topography:*** According to the Maricopa County Assessor measuring tool, the Larger Parcel consists of ±5,635,531 gross square feet or 129.37 acres. It is an extraordinary assumption of this appraisal that the site areas obtained from the Maricopa County measuring tool is accurate. The Larger Parcel is rectangular and slightly irregular in shape which is level and at or above street grade with Lower Buckeye Road, 63<sup>rd</sup> Avenue and Durango Street.
- Ingress/Egress:*** The Larger Parcel has legal and physical access from West Lower Buckeye Road approximately 660 feet west of the SR 202L intersection, along the east side of South 63rd Avenue, and along West Durango Street. Overall, the access to the Larger Parcel is considered to be adequate while the visibility is good.
- Surrounding Uses:***
- North:*** Western Valley Middle School and agricultural use land with residential improvements  
***East:*** South 59<sup>th</sup> Avenue and the SR 202L (South Mountain Freeway)  
***South:*** West Lower Buckeye Road followed by vacant agricultural use land  
***West:*** South 63<sup>rd</sup> Avenue followed by a single-family residential subdivision
- Utilities:***
- Electric: Arizona Public Service (APS)  
Telephone: Century Link and other providers  
Gas: Southwest Gas Corporation  
Water: City of Phoenix  
Sewer: City of Phoenix
- Floodplain:*** Disposal Area (1) is identified as being Flood Zone AH while Disposal Areas (2) and (3) are in Flood Zone X (Unshaded) per FIRM Map Panel No. 04013C2190M, dated November 4, 2015. Zone AH are areas with a 1% annual chance of shallow flooding, usually in the form



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of a pond, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones. Zone X (Unshaded), which is an area defined by FEMA as being outside the 100 and 500-year flood plains. The majority of the subject Larger Parcel is in Zone X. The chance of flooding on the Larger Parcel is minimal.

***Environmental Conditions:***

No environmental reports were provided for our review. Lacking environmental reports, this appraisal assumes that there are no environmental conditions on or around the Larger Parcel or the subject disposal parcels which would adversely impact market value.

***Soil & Subsoil Conditions:***

A soils engineering report was not provided for our review. Thus, the soil and sub-soil conditions are not known. There is no visual evidence of adverse soil conditions on the Larger Parcel or the subject disposal parcels. The surrounding properties indicate that subsoil conditions support development of properties of this type.

***Restrictions & Easements:***

A Right Of Way Disposal Report was provided for our review. Based on the report reviewed, there are no adverse easements or encroachments identified or that were visually observed during the property inspection. This appraisal assumes that the Larger Parcel is encumbered by typical public utility and irrigation easements that do not adversely affect value.

# FLOOD MAP

## National Flood Hazard Layer FIRMette



### Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation (BFE) Zone A, V, A99
		With BFE or Depth Zone AE, AO, AH, VE, AR
		Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
		Future Conditions 1% Annual Chance Flood Hazard Zone X
		Area with Reduced Flood Risk due to Levee. See Notes. Zone X
		Area with Flood Risk due to Levee Zone D
OTHER AREAS		NO SCREEN Area of Minimal Flood Hazard Zone X
		Effective LOMRs
GENERAL STRUCTURES		Area of Undetermined Flood Hazard Zone D
		Channel, Culvert, or Storm Sewer
OTHER FEATURES		Levee, Dike, or Floodwall
		20.2 17.8 Cross Sections with 1% Annual Chance Water Surface Elevation
MAP PANELS		Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
		Jurisdiction Boundary
OTHER FEATURES		Coastal Transect Baseline
		Profile Baseline
OTHER FEATURES		Hydrographic Feature
		Digital Data Available
MAP PANELS		No Digital Data Available
		Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 6/10/2023 at 4:06 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

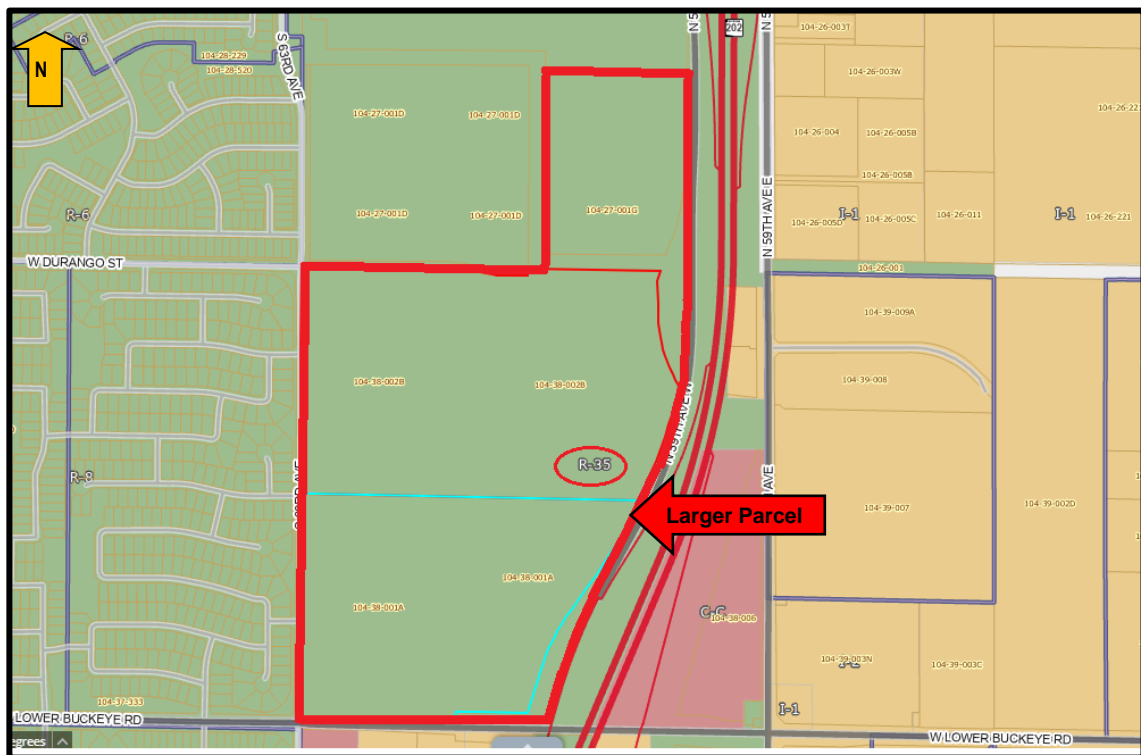
The lot boundaries in yellow are approximate

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## ***ASSESSED VALUATION & TAX DATA***

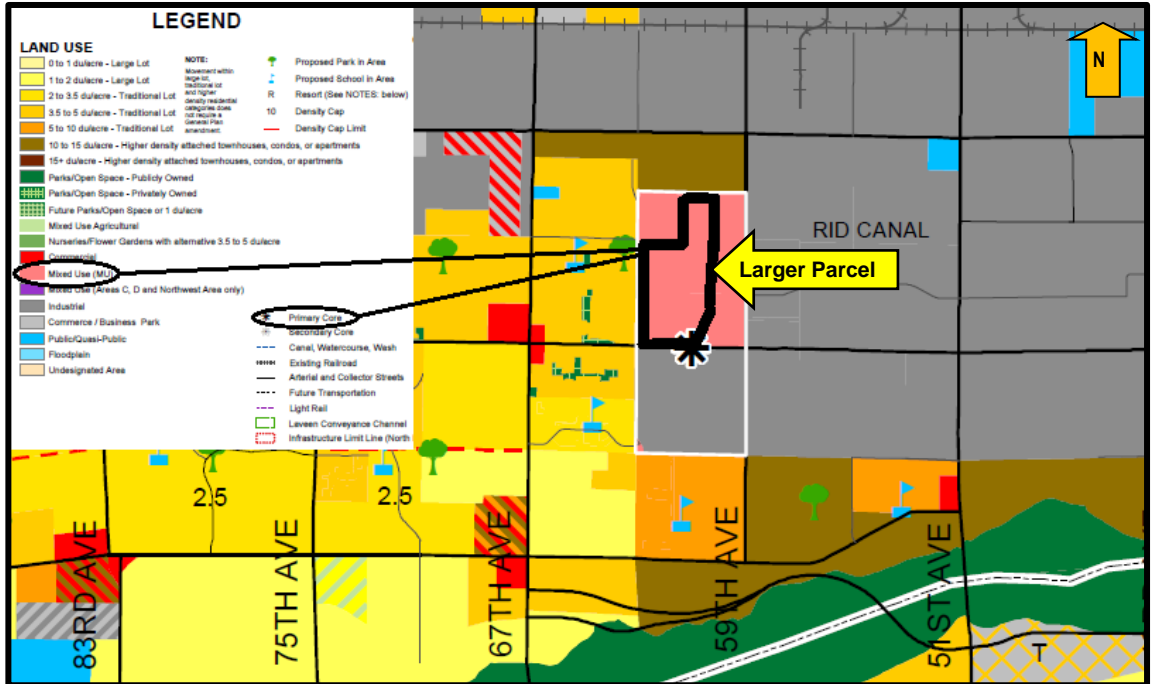
The subject disposal parcels are excess remnants of vacant land from the SR 202L (South Mountain Freeway) right-of-way. The property owner, State of Arizona, is exempt from property taxation. It is an assumption of this appraisal that taxes for a non-exempt buyer would be assessed based on tax rates consistent with other properties in the immediate area.

## ***ZONING***

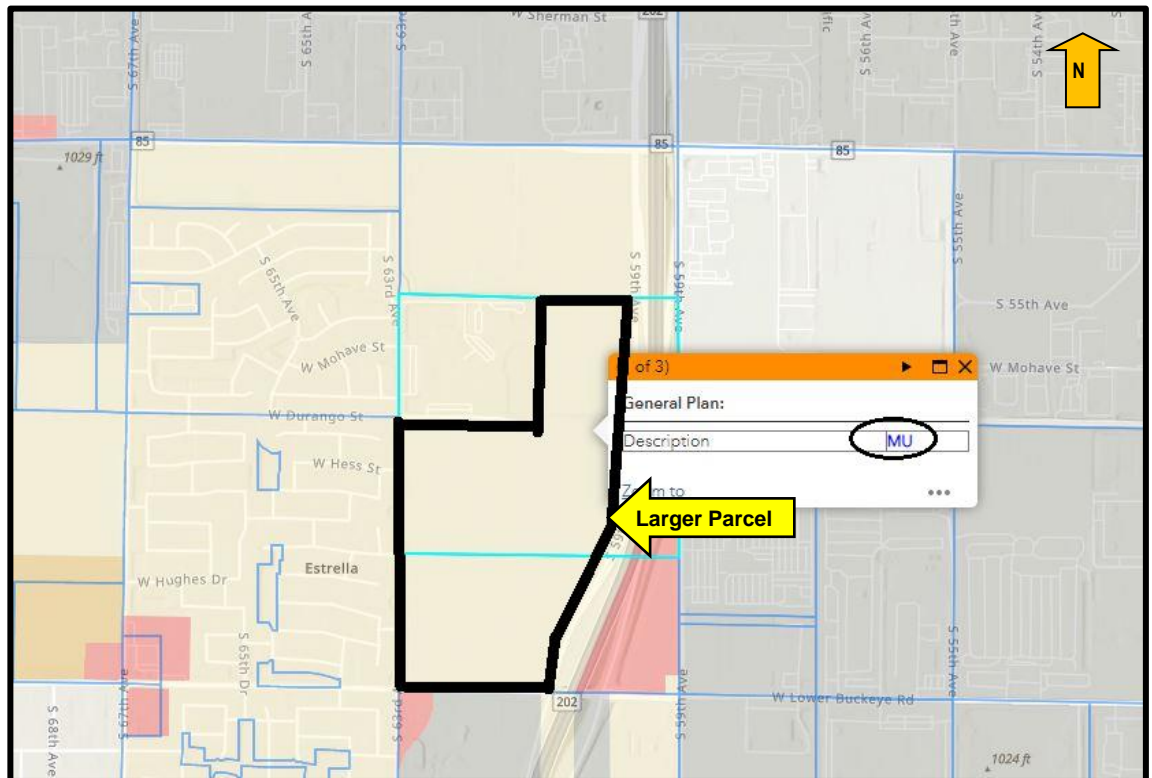


The zoning for the subject's larger parcel is zoned RE-35, Single-Family Residence District. The basic purpose of these regulations is to foster the creation of living areas which can assist the establishment of stable, functional neighborhoods. An established pattern of living in this metropolitan area reflects a tradition of single-family occupied dwellings which also emphasize outdoor living. These regulations provide standards for dwellings built at low and moderate densities. While the predominant housing type is expected to be single-family dwelling, provisions are made for alternative housing types within the same density limits.

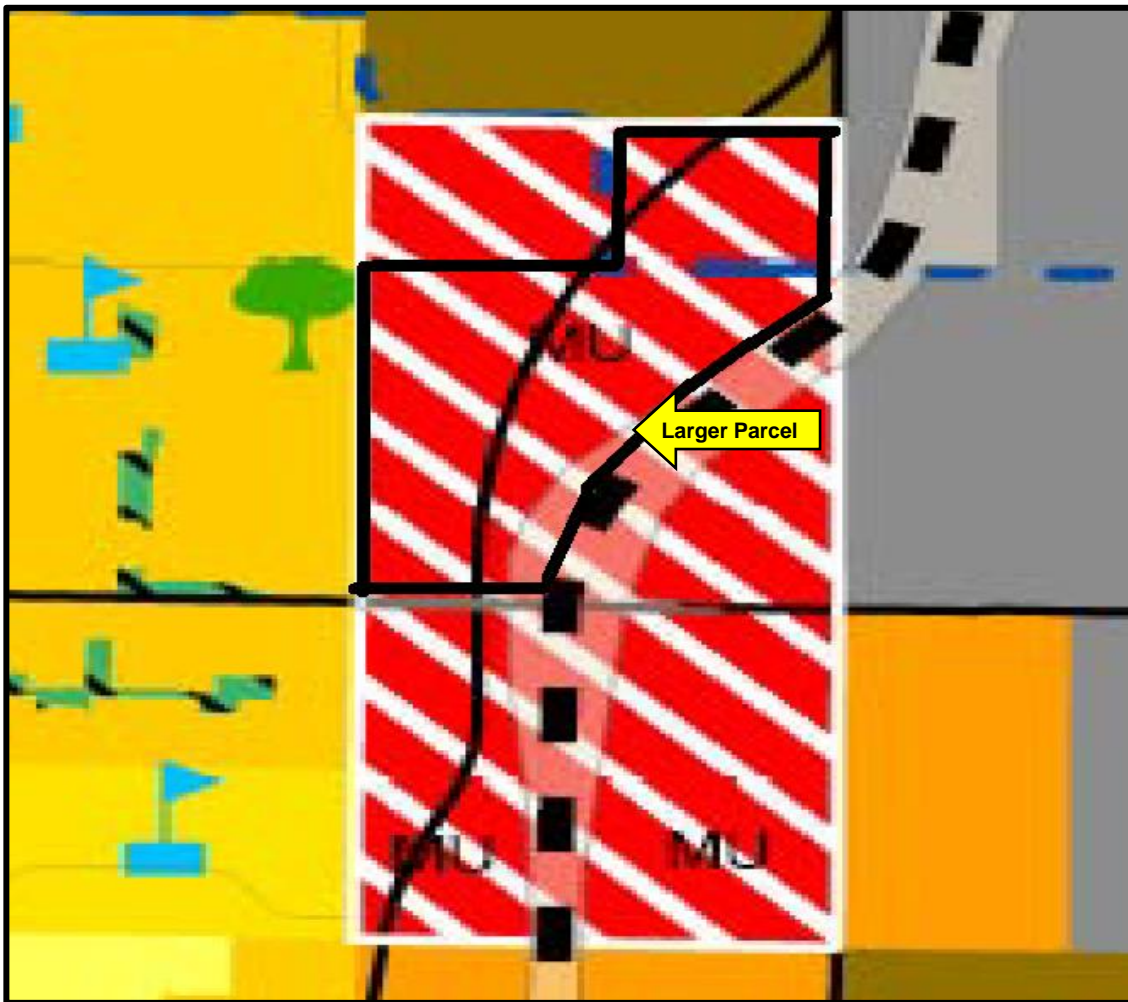
**CITY OF PHOENIX – GENERAL PLAN MAP**



**MY COMMUNITY MAP**







According to the City of Phoenix General Plan, My Community Map, and the Estrella Village Core Plan, the Larger Parcel is identified as being MU, Mixed-Use. Mixed-Use designation denotes areas which may include residential services, and basic commercial, general office, entertainment, and cultural functions with a compatible relationship. The Mixed-Use designation is intended to minimize the impacts traditionally associated with growth by providing housing, shopping and employment opportunities in the same area.

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***LARGER PARCEL - MARKET ANALYSIS  
RETAIL, MULTI-FAMILY & SINGLE-FAMILY***

“Market analysis is a process for the examination of the demand for, and supply of, a property type and the geographic market area for the property type.”<sup>5</sup>

***Larger Parcel Attributes***

The Larger Parcel represents vacant land consisting of approximately 5,635,531 square feet, (129.37 acres). The property is located just off the northwest corner of West Lower Buckeye Road and the South Mountain Freeway (SR 202L) in southwest Phoenix. According to the City of Phoenix General Plan, the subject is designated for Mixed-Use including residential services, and basic commercial, general office, entertainment, and cultural functions with a compatible relationship. The Mixed-Use designation is intended to minimize the impacts traditionally associated with growth by providing housing, shopping and employment opportunities in the same area. Due to the Larger Parcel size, shape, access, visibility, Mixed-Use land use designation, the surrounding uses in the immediate area, and recent land sales and development trends in the area, it is highly probable that the subject would be purchased for development of a mixed-use oriented project including medium and higher-density residential, along with commercial uses including residential services and traditional retail-oriented uses. This represents the highest and best use of the Larger Parcel, as vacant.

***TOLLESON RETAIL SUBMARKET REPORT (MICRO)***

The vacancy in the Tolleson retail submarket is 3.0% and has decreased 1.0% over the past 12 months. During this period, 71,000 SF has been absorbed, and 43,000 SF has been delivered to the submarket. Rents are around \$23.00/SF, Triple Net (NNN), which is a 9.1% increase from where they were a year ago. In the past three years, rents have increased a cumulative 22.4%. About 32,000 SF is under construction, representing a 1.1% expansion of inventory. 11 sales have occurred in the past 12 months. Sales have averaged \$310/SF, and the estimated value for the submarket as a whole is \$256/SF.

<b>12 Mo Deliveries in SF</b>	<b>12 Mo Net Absorption in SF</b>	<b>Vacancy Rate</b>	<b>12 Mo Rent Growth</b>
<b>45.4K</b>	<b>71.1K</b>	<b>3.0%</b>	<b>9.1%</b>

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<sup>5</sup> *The Appraisal of Real Estate, 14<sup>th</sup> Edition*, Appraisal Institute, P 299

## KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	0	-	-	-	0	0	0
Power Center	280,616	6.1%	\$26.81	6.6%	0	0	0
Neighborhood Center	1,086,737	4.6%	\$23.45	2.5%	7,818	6,000	0
Strip Center	269,586	0%	\$21.47	2.4%	1,520	0	12,000
General Retail	1,280,802	1.6%	\$21.13	1.2%	3,437	3,500	19,800
Other	0	-	-	-	0	0	0
<b>Submarket</b>	<b>2,917,741</b>	<b>3.0%</b>	<b>\$22.56</b>	<b>2.3%</b>	<b>12,775</b>	<b>9,500</b>	<b>31,800</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-1.0%	5.7%	4.3%	10.5%	2006 Q1	2.6%	2006 Q3
Net Absorption SF	71.1K	67,559	29,443	507,683	2007 Q1	(57,290)	2017 Q1
Deliveries SF	45.4K	67,539	44,654	417,938	2007 Q1	0	2022 Q1
Rent Growth	9.1%	0.5%	2.2%	9.1%	2023 Q1	-8.8%	2009 Q3
Sales Volume	\$27.2M	\$18.9M	N/A	\$55.8M	2021 Q4	\$2.4M	2010 Q1

## Sales

Tolleson is a regular target among retail investors in the Phoenix metro. Annual sales volume has averaged \$27.8 million over the past five years, including a 12-month high of \$55.8 million over that stretch. The recorded transaction volume here reached \$25.6 million in the past year. The general retail sector drove that volume. Market pricing, based on the estimated price movement of all properties in the submarket, sat at \$256/SF during the second quarter of 2023. That market price is up compared to the second quarter of last year, and that level comes in above the region's average. The market cap rate has shrunk since last year to 6.4%. That is the lowest cap rate in the past five years, which is the same as the metro's average.

## SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$451,000	\$2,267,053	\$1,100,000	\$7,683,631
Price/SF	\$66	\$278	\$267	\$1,642
Cap Rate	3.6%	4.7%	4.1%	7.0%
Time Since Sale in Months	2.5	8.8	8.9	11.9
Property Attributes	Low	Average	Median	High
Building SF	1,400	7,261	3,852	25,000
Stories	1	1	1	1
Typical Floor SF	1,400	7,352	3,852	25,000
Vacancy Rate At Sale	0%	8.7%	0%	100%
Year Built	1921	1980	1983	2023
Star Rating	★★★★★	★★★★★ 2.6	★★★★★	★★★★★

Within the subject's Tolleson retail submarket, CoStar statistics indicated increasing retail sales volume and median sale price per square foot through the first half of 2023, with more modest increases indicated through the second half of 2023.

**OVERALL SALES**

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$245.69	145	7.1%
2026	-	-	-	-	-	-	\$233.41	138	7.4%
2025	-	-	-	-	-	-	\$224.79	133	7.6%
2024	-	-	-	-	-	-	\$229.08	135	7.4%
2023	-	-	-	-	-	-	\$250.92	148	6.8%
YTD	2	\$7.6M	0.9%	\$3,787,500	\$281.88	5.5%	\$255.78	151	6.4%
2022	18	\$21.4M	3.4%	\$1,529,259	\$255.97	4.0%	\$247.06	146	6.5%
2021	16	\$55.8M	5.3%	\$4,293,338	\$390.70	7.1%	\$229.32	136	6.6%
2020	11	\$13.1M	1.4%	\$1,314,839	\$337.09	5.9%	\$206.41	122	7.0%
2019	18	\$23.1M	3.7%	\$2,099,240	\$287.01	6.9%	\$197.99	117	7.1%
2018	28	\$30.4M	6.9%	\$1,449,509	\$183.66	7.0%	\$188.81	112	7.3%
2017	12	\$13M	2.9%	\$1,298,612	\$217.28	5.6%	\$184.60	109	7.2%
2016	15	\$18.9M	3.7%	\$1,716,171	\$208.73	5.9%	\$180.03	106	7.2%
2015	14	\$20M	3.0%	\$1,425,201	\$237.15	8.4%	\$173.91	103	7.3%
2014	26	\$33.5M	13.2%	\$1,973,341	\$145.17	7.5%	\$162.25	96	7.6%
2013	14	\$9.7M	2.7%	\$749,881	\$136.58	6.6%	\$144.84	86	7.9%
2012	18	\$17.4M	10.5%	\$1,338,542	\$107.17	7.2%	\$145.42	86	7.9%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

***SOUTH PHOENIX MULTI-FAMILY SUBMARKET REPORT (MICRO)***

South Phoenix is a relatively small multi-family submarket encompassing many of the metro's blue-collar neighborhoods. Apartment demand has outpaced new supply over the past decade, compressing vacancies to an all-time low of 3.7% in 2021. Since then, however, a slowdown in renter demand just as new construction projects hit the market created a supply and demand imbalance that sent vacancy upward to 12.1%. Conditions may worsen in the near term as new supplies come online in the coming quarters. About 1,500 units are currently under construction, which by South Phoenix Submarket standards is a considerable amount. Upon full delivery, the pipeline will expand the apartment inventory by 17.5%. For comparison, metro Phoenix has about 9.7% of existing stock currently under construction. Amid this backdrop, rent growth has also softened. In the past 12 months, average asking rents declined -1.5%, a considerable drop off from the near 20% gains seen in late 2021.

Investors looking for value-add opportunities are active in the submarket, and several high-volume deals drove a healthy \$306 million in investment sales in the past 12 months. Strong demand for well-located properties has pushed up pricing in the submarket over the past decade, though at \$300,000/unit, the average market price is still below Phoenix's level. Recently, however, higher interest rates began to impact values, weighing on prices and cap rates. While many deals involve individual investors acquiring smaller, aging assets, a hand full of larger transactions priced over \$50 million have traded hands recently, including the largest deal in submarket history by Rise48 Equity.



<b>12 Mo. Delivered Units</b>	<b>12 Mo. Absorption Units</b>	<b>Vacancy Rate</b>	<b>12 Mo. Asking Rent Growth</b>
<b>943</b>	<b>363</b>	<b>12.1%</b>	<b>-1.5%</b>

#### KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	3,964	15.8%	\$1,751	\$1,735	111	195	632
3 Star	3,467	10.3%	\$1,564	\$1,549	110	80	900
1 & 2 Star	1,334	5.7%	\$956	\$954	(1)	0	0
<b>Submarket</b>	<b>8,765</b>	<b>12.1%</b>	<b>\$1,613</b>	<b>\$1,599</b>	<b>220</b>	<b>275</b>	<b>1,532</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	6.0%	10.0%	11.7%	14.5%	2002 Q3	3.7%	2021 Q2
Absorption Units	363	105	397	575	2021 Q4	(444)	2016 Q3
Delivered Units	943	149	458	769	2023 Q1	0	2018 Q3
Demolished Units	0	29	5	416	2017 Q2	0	2023 Q1
Asking Rent Growth (YOY)	-1.5%	2.7%	2.4%	17.1%	2021 Q3	-8.0%	2009 Q4
Effective Rent Growth (YOY)	-2.0%	2.7%	2.3%	17.7%	2021 Q3	-8.0%	2009 Q4
Sales Volume	\$292M	\$79.9M	N/A	\$391.1M	2022 Q4	\$0	2008 Q3

### Sales

Due to a limited inventory, the submarket's sales volume tends to be volatile on an annual basis with 2022 marking an up-year in terms of activity. The minimal supply of institutional assets in South Phoenix lends itself more to trades involving older apartment communities with fewer than 100 units. Many deals in the submarket trade for less than \$3 million, though a handful of transactions priced above \$50 million took place over the past several quarters, a notable outlier from historical trends. Elevated investor interest for pricier assets drove annual sales volume of \$306 million over the past 12 months.

Rise48 Equity has been one of the most active apartment buyers in Phoenix over the past two years. The firm is responsible for the largest single-asset acquisition in submarket history with its \$125 million (\$332,400/unit) purchase of Encore 202 in July. The seller, Bean Investment Real Estate, acquired the 376- unit property in 2019 in a distressed sale, which traded as vacant and still under renovation. Rise48 bought the property as part of a 1031 exchange and is planning to invest additional capital in renovations and rebrand the assets to Rise Encore.

Newly built single-family rental properties are still trading at a premium. In November, The Carlyle Group and Banyan Residential bought Orchards on 12th for \$19.4 million (\$511,400/unit) through a partnership. The luxury build-to-rent community was built in 2021 with one- and two-story options ranging from 1,589 to 2,235 SF. Amenities include 9-foot ceilings, quartz countertops, and attached two-car garages. The asset has since been rebranded to Banyan Preserve and was fully leased at the time of sale. The

Carlyle Group also acquired a 72-unit BTR complex formerly known as Cyrene at South Mountain for \$35.4 million (\$492,200/unit). The property was 41% occupied at the time of sale and has since been rebranded as Banyan at South Mountain.

Moving forward, transaction activity is expected to slow as the pressure from rising interest rates makes it difficult for deals to pencil. Additionally, softer rent growth projections and the uncertain economic outlook is reducing investor confidence and could stall trade volume. Values have already shown signs of moderating with the average market price sliding over the past few quarters. Cap rates have similarly moved up, a trend that is expected in the near term.

**SALE COMPARABLES SUMMARY STATISTICS**

Sales Attributes	Low	Average	Median	High
Sale Price	\$852,000	\$26,525,012	\$19,433,137	\$125,000,000
Price/Unit	\$71,000	\$325,278	\$183,333	\$511,398
Cap Rate	4.0%	5.5%	5.5%	7.0%
Vacancy Rate At Sale	0%	12.1%	8.3%	41.7%
Time Since Sale in Months	2.2	6.8	8.1	11.0
Property Attributes	Low	Average	Median	High
Property Size in Units	10	81	38	376
Number of Floors	1	1	2	3
Average Unit SF	450	763	693	1,400
Year Built	1946	1986	1986	2022
Star Rating	★★★★★	★★★★★ 2.9	★★★★★	★★★★★

Within the subject’s South Phoenix multi-family submarket, CoStar statistics indicated decreasing multi-family sales volume with stabilizing median sale price units through the first half of 2023, with possible decreases indicated through the second half of 2023.

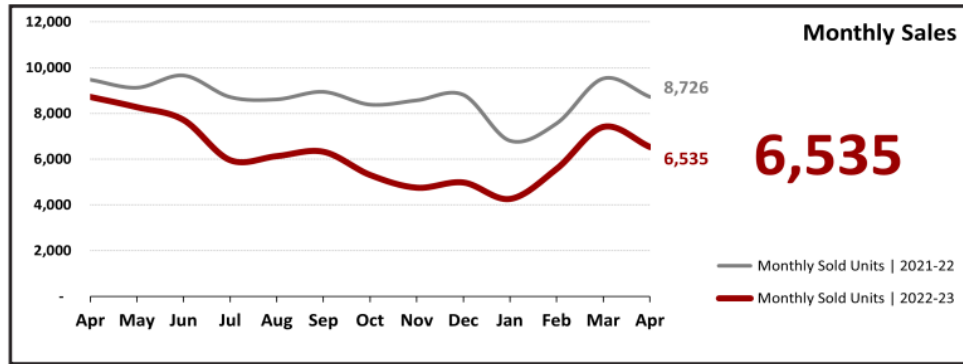
**OVERALL SALES**

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$307,262	433	4.5%
2026	-	-	-	-	-	-	\$287,529	406	4.6%
2025	-	-	-	-	-	-	\$267,086	377	4.8%
2024	-	-	-	-	-	-	\$258,411	364	4.7%
2023	-	-	-	-	-	-	\$279,405	394	4.3%
YTD	4	\$6.8M	0.6%	\$1,700,500	\$128,340	7.0%	\$296,443	418	4.1%
2022	13	\$391.1M	14.2%	\$30,080,883	\$335,091	4.7%	\$297,984	420	4.0%
2021	19	\$151.5M	10.9%	\$7,975,772	\$181,051	5.6%	\$291,754	411	3.8%
2020	13	\$284.8M	18.9%	\$25,893,682	\$214,158	5.8%	\$216,272	305	4.5%
2019	22	\$148M	20.1%	\$7,400,195	\$105,566	6.7%	\$180,203	254	5.0%
2018	12	\$165.4M	22.5%	\$16,541,039	\$108,751	6.6%	\$156,307	220	5.3%
2017	11	\$72.8M	9.2%	\$9,093,750	\$122,889	7.1%	\$138,635	196	5.6%
2016	12	\$8.7M	3.6%	\$874,150	\$40,283	9.4%	\$127,590	180	5.8%
2015	9	\$194.7M	27.8%	\$21,633,056	\$98,781	7.5%	\$118,916	168	5.8%
2014	6	\$27.6M	12.8%	\$5,520,600	\$77,755	7.2%	\$107,607	152	6.1%
2013	4	\$7.8M	3.9%	\$1,952,996	\$27,900	9.5%	\$96,700	136	6.4%
2012	9	\$88.4M	22.1%	\$9,816,778	\$56,527	7.4%	\$93,859	132	6.4%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.  
 (2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

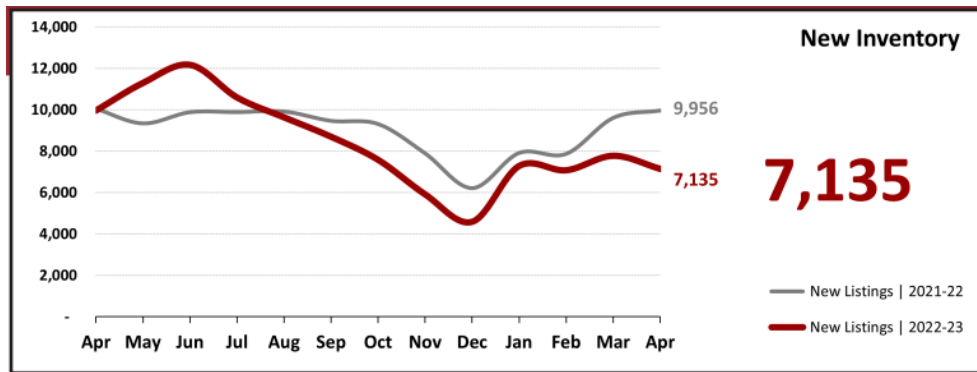
**PHOENIX METRO & ZIP CODE 85043 SINGLE-FAMILY REPORT (MACRO/MICRO)**

As stated in the “Neighborhood Analysis” section, the Larger Parcel is located in South Phoenix within the Estrella Village Plan area in zip code 85043, as defined by the Arizona Regional MLS. According to the ARMLS statistics for the First Quarter 2023 and the April 2023 monthly statistics, home sales volume in metro Phoenix was down 11.9% month-over-month, while the year-over-year comparison decreased 25.1%.



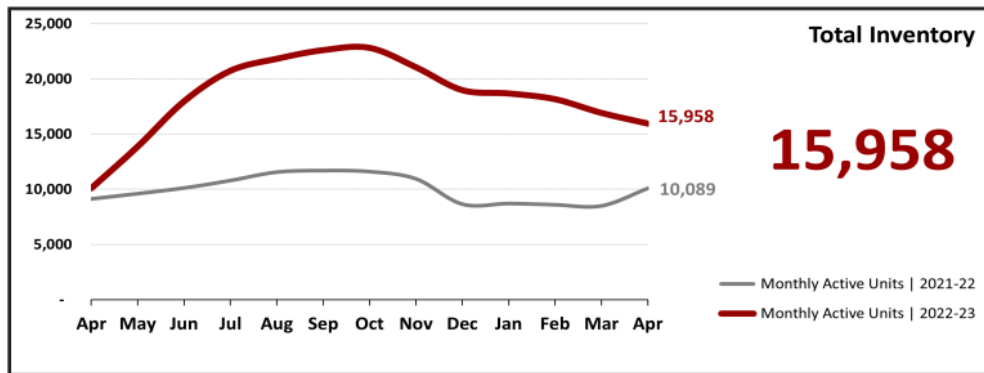
Closed MLS sales with a close of escrow date from 4/1/23 to 4/30/23, 0 day DOM sales removed

New home inventory in MLS is down -8.2% month-over-month, while the year-over-year comparison decreased by -28.3%.



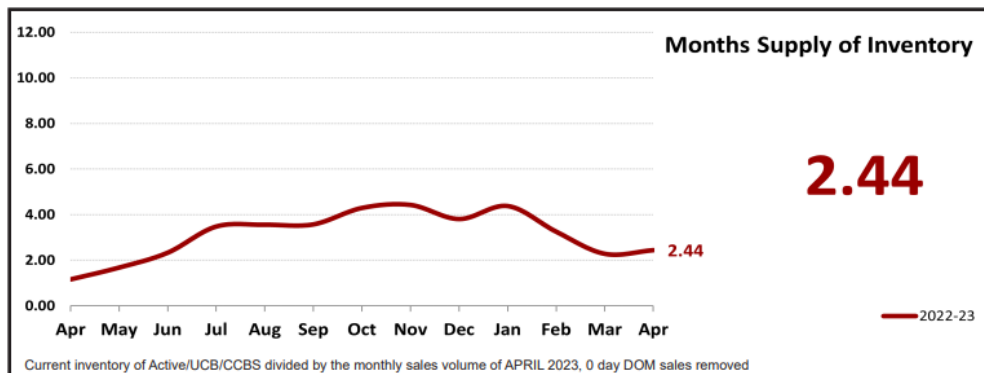
New MLS listings that were active for at least one day from 4/1/23 to 4/30/23, 0 day DOM sales removed

Total housing inventory available for sale in ARMLS had a month-over-month decrease of -5.7%, while year-over-year reflects an increase of -58.2%.



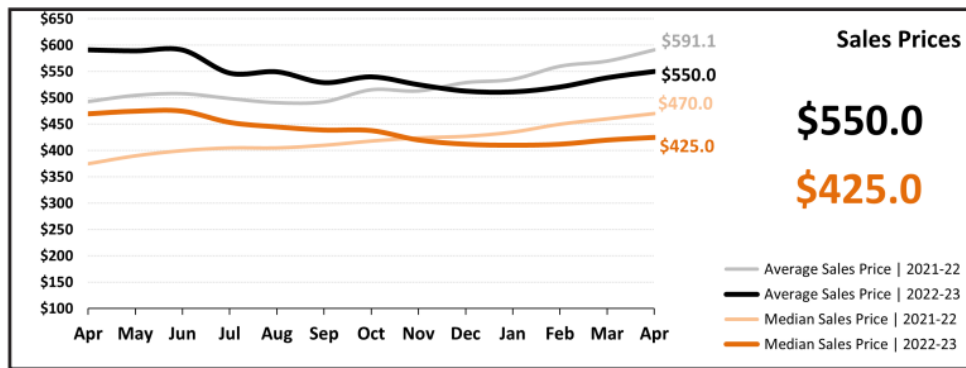
Snapshot of statuses on 4/30/23

Monthly supply of housing inventory available for sale in ARMLS for March 2023 was 2.28, with April 2023 at 2.44 months.

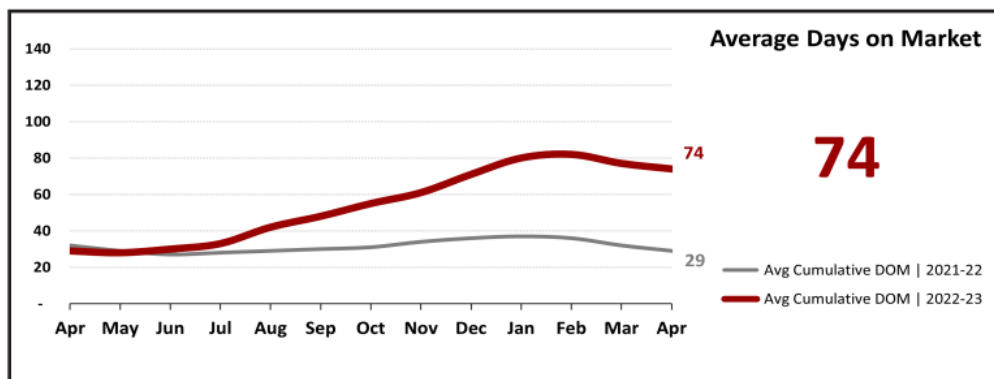


Current inventory of Active/U/CB/CCBS divided by the monthly sales volume of APRIL 2023, 0 day DOM sales removed

The average sales price decreased 7.0% year-over-year, while the year-over-year median sales price increased about 9.6%.



Days-on-market increased 45 days year-over-year, while month-over-month decreased -3 days.



High mortgage rates continue to cast a shadow not only on buyers, but sellers as well. A recent Realtor.com home seller survey found that 82% of prospective sellers are worried about “rate lock,” or having to trade in the ultralow rate on their current home for a much higher one if they were to sell and then try to buy. With restricted supply, home prices are once again on the rise. The median priced home, as reported by ARMLS, peaked in May and June 2022 at \$475,000. As interest rates began to climb, prices started to fall. Over the next seven months, the month-over-month median price fell to \$410,000, a 13.68% drop. As the new year began, it became obvious that prices were not only stabilizing, but were actually starting to grow. Prices have now risen for three consecutive months and will rise again in May.

As for the Arizona Department of Housing’s 270,000 estimated housing shortage, a more recent report done by the Common-Sense Institute determined Arizona needs 74,419 additional housing units to meet demand in the state with affordable housing as part of that need.

## Maricopa County

Key Metrics	Q1-2023	1-Yr Chg
Median Sales Price	\$431,000	-8.3%
Average Sales Price	\$554,268	-6.0%
Pct. of List Price Received	93.2%	-7.9%
Days on Market	78	136.4%
Closed Sales	14,196	-27.4%
Homes for Sale	10,419	188.8%
Months Supply	1.7	265.6%

### Market Activity



### Historical Median Sales Price for Maricopa County



In the subject's 85043 zip code, the average sales price of a single-family residence decreased 10.5% year-over-year to \$355,848, while the median sales price decreased 9.8%, to \$354,000 as of the 1<sup>st</sup> Quarter 2023. The days-on-market increased to 79, an increase of 192.6% from the prior year. Closed sales in the 1<sup>st</sup> Quarter 2023 were 89, which represents a decline of 11% from the prior year.

	Median Sales Price		Average Sales Price		Pct. of List Price Received		Days on Market		Closed Sales	
	Q1-2023	1-Yr Chg	Q1-2023	1-Yr Chg	Q1-2023	1-Yr Chg	Q1-2023	1-Yr Chg	Q1-2023	1-Yr Chg
85042	\$380,000	▼ -14.6%	\$409,899	▼ -13.5%	92.0%	▼ -9.0%	89	▲ 154.3%	103	▼ -43.1%
<b>85043</b>	<b>\$354,000</b>	<b>▼ -9.8%</b>	<b>\$355,848</b>	<b>▼ -10.5%</b>	<b>91.4%</b>	<b>▼ -10.7%</b>	<b>79</b>	<b>▲ 192.6%</b>	<b>89</b>	<b>▼ -11.0%</b>
85044	\$425,000	▼ -9.2%	\$486,447	▼ -8.0%	93.5%	▼ -8.5%	82	▲ 215.4%	119	▼ -17.4%

### Conclusion

The housing market in metro Phoenix is showing signs of declines in total sales volume and average and median sales prices, with increases in the days-on-market. This is a trend that is likely to continue through the first half of 2023, as the Spring buying seasons

transitions to the Summer market. The long-term prospects for the metro Phoenix housing market remains favorable due to a shortage of resales and new homes, an issue that is not likely to be remedied in the foreseeable future.

**MARKET CONDITIONS ADJUSTMENTS**

**Land Sales Trends**

	2020	2021	2022
	Sold Transaction	Sold Transaction	Sold Transaction
Number of Transactions	79	144	63
Total Dollar Volume	\$945,928,711	\$1,869,356,354	\$810,142,556
Total Bldg Square Feet	0	0	0
Total Land in Acres	5,709.36	10,807.27	4,344.55
Total Land in SF	248,699,722	470,764,681	189,248,598
Average Price	\$11,973,781	\$12,981,641	\$12,859,406
Average Number of SF	0	0	0
Average Price Per Bldg SF	-	-	-
Median Price Per SF	-	-	-
Average Number of Acres	72.27	75.05	68.96
Average Number of SF(Land)	3,148,098	3,269,199	3,003,946
Average Price Per Unit	-	-	-
Median Price Per Unit	-	-	-
Average Number of Units	-	-	-
Average Price Per Acre	\$165,680	\$172,972	\$186,473
Average Price Per SF(Land)	\$3.80	\$3.97	\$4.28
Median Price Per Acre	\$165,861	\$163,406	\$183,601
Median Price Per SF(Land)	\$3.81	\$3.75	\$4.21

The appraisers used CoStar to search sales of vacant land ranging in size from 30 to 300 acres, which sold for between \$2.00 and \$8.00 per square foot of land area. The time period searched was between January 1, 2019 through December 31, 2022. CoStar reported that in January 2019, there were a total of 79 land transactions totaling \$945,928,711, with a median price per square foot of \$3.81. This compares to year-end December 2022, in which 63 properties sold totaling \$810,142,556, with a median price per square foot of \$4.21. As of year-end 2021, the median price per square foot was \$3.75, a modest decline from the prior year. The sales data implies land values increased from January 2019 through year-end 2022 at 10.5%, or about 3.5% annually. However, over the past 12 months, land values appear to have stabilized with no discernable increases or decreases.

Local market participants indicated commercial land price appreciation rate over the past few years was between 2% and 3% per annum. Based on this information, the appraisers made upward adjustments to the land comparable sales for improving market conditions (time) through the first half of 2022. The adjustment for market conditions is based on an annual appreciation rate of 2.0%, or 0.167% per month applied to the months of appreciation from the comparables sale date through the first half of 2022. Land values over

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the past 12 months have remained stable this, due to the increases in interest rates, higher than expected inflation, and ongoing uncertainties in the economy.

### ***HIGHEST AND BEST USE – LARGER PARCEL***

According to *The Appraisal of Real Estate, 14<sup>th</sup> Edition*, published by the Appraisal Institute, highest and best use is defined as:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

The highest and best use of the land as vacant must meet four criteria. The highest and best use must be:

- 1) ***Legally Permissible:*** What uses are permitted by zoning, private restrictions, historic districts, and environmental regulations on the site?
- 2) ***Physically Possible:*** Based on the physical characteristics of the site, what uses are physically possible?
- 3) ***Financially Feasible:*** Which uses meeting the first two criteria will produce a positive return to the owner of the site?
- 4) ***Maximally Productive:*** Among the feasible uses, which use will produce the highest price, or value, consistent with the rate of return warranted by the market? This use is the highest and best use.

### ***AS VACANT***

#### ***Legally Permissible***

The subject is currently zoned RE-35, a lower-density single-family residential zoning designation by the City of Phoenix. It is further designated for MU, Mixed-Use according to the City of Phoenix General Plan and the Estrella Village Core Plan. Mixed-Use designation denotes areas which may include residential services, and basic commercial, general office, entertainment, and cultural functions with a compatible relationship. The Mixed-Use designation is intended to minimize the impacts traditionally associated with growth by providing housing, shopping and employment opportunities in the same area.

The appraisers believe that the Larger Parcel is most suitable for a mixed-use oriented development including medium and higher-density residential, along with commercial uses including residential services and traditional retail-oriented uses. The Larger Parcel requires re-zoning approval but is considered highly probable given the conforming uses identified by the General Plan and the Estrella Village Core Plan.



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### ***Physically Possible***

The Larger Parcel consists of approximately ±5,635,531 gross square feet, (129.37 acres), including the subject disposal parcel site areas. It is rectangular and slightly irregular in shape which is level and at or above street grade with Lower Buckeye Road, 63rd Avenue and Durango Street. The Larger Parcel has legal and physical access from West Lower Buckeye Road approximately 660 feet west of the SR 202L intersection, along the east side of South 63rd Avenue, and along West Durango Street. Overall, the access to the Larger Parcel is considered to be adequate while the visibility is good.

Based on the City of Phoenix General Plan and the Estrella Village Core Plan land use designation as Mixed-Use, the location, physical characteristics of the parcel, and surrounding improved uses, the physically possible use, as vacant, is a mixed-use oriented development, including medium and higher-density residential, along with commercial uses including residential services and traditional retail-oriented uses, that conforms to the surrounding uses and physical constraints.

### ***Financially Feasible & Maximally Productive***

The third and final test of highest and best use considers the financially feasible and maximally productive uses of the subject property. The financially feasible maximally productive use of a property is one that is legally permissible and physically possible that also creates a positive return for the investor. Given the legally permissible and physically possible uses for the Larger Parcel, the financially feasible use is determined through an analysis of the factors that affect the market. Reference is made to the Market Analysis section of the report. The market analysis is an integral component of the financially feasible test for the Highest and Best Use of the subject, as vacant. Demand factors are created by the combination of the legal, physical, and economic characteristics related to the income generated from potential uses.

As stated in the Market Analysis section, the subject's Tolleson retail submarket is experiencing favorable trends in vacancy rates, rental rates and sales prices, while the South Phoenix multi-family submarket is experiencing modestly unfavorable trends in vacancy rates and rental rates. Apartment demand has typically outpaced new supply by a considerable margin over the past 10 years, and vacancies have trended below the historical average. The South Phoenix multi-family submarket has one of the lowest average asking rents and affordability is a key demand driver. High demand for affordable units has given landlords leverage to increase rents. As a result, rent growth had been trending upward.

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With an influx of some 1,500 new units, the near-term outlook for the multi-family submarket is for continued increases in vacancy rates and stabilization in asking rental rates. Regarding the single-family housing market, the 85043-zip code has been experiencing declines in total sales volume and median and average sales prices, while the days-on-market and inventory have been increasing. With the continued shortage of resale and new housing, demand will continue, albeit slower than expected due to rising interest rates and ongoing inflation concerns. Once interest rates stabilize and inflation subsides demand for multi and single-family will trend upward.

The appraisers believe that the subject site is most suitable for a mixed-use oriented development, including medium and higher-density residential, along with commercial uses including residential services and traditional retail-oriented uses. In the absence of immediate demand for development of a large-scale mixed-use development, the highest and best use is to hold the Larger Parcel as an investment.

***Conclusion, Highest and Best Use, As Vacant***

Given the zoning, location and general market conditions, the highest and best use, as vacant, is for development of a mixed-use oriented development, consistent with the General Plan and the Estrella Village Core Plan. In the absence of immediate demand for development of a large-scale mixed-use development, the highest and best use is to hold the Larger Parcel as an investment.

***LAND VALUATION – LARGER PARCEL***

The Sales Comparison Approach is used to provide a market value opinion for the Larger Parcel (inclusive of the subject disposal parcels), as vacant land. This approach applies the principle of substitution which affirms that when a property can be replaced, its value tends to be set by the cost of acquiring an equally desirable substitute property without undue or costly delay.

Adjustments are made to the comparable sales based on the following elements of comparison: property rights conveyed, financing terms, conditions of sale, market conditions (time), location, physical characteristics, and zoning/planned use. The sale price per square foot of land area is the appropriate unit of comparison for this analysis. This is derived by dividing the sale price by the total square footage of the site.

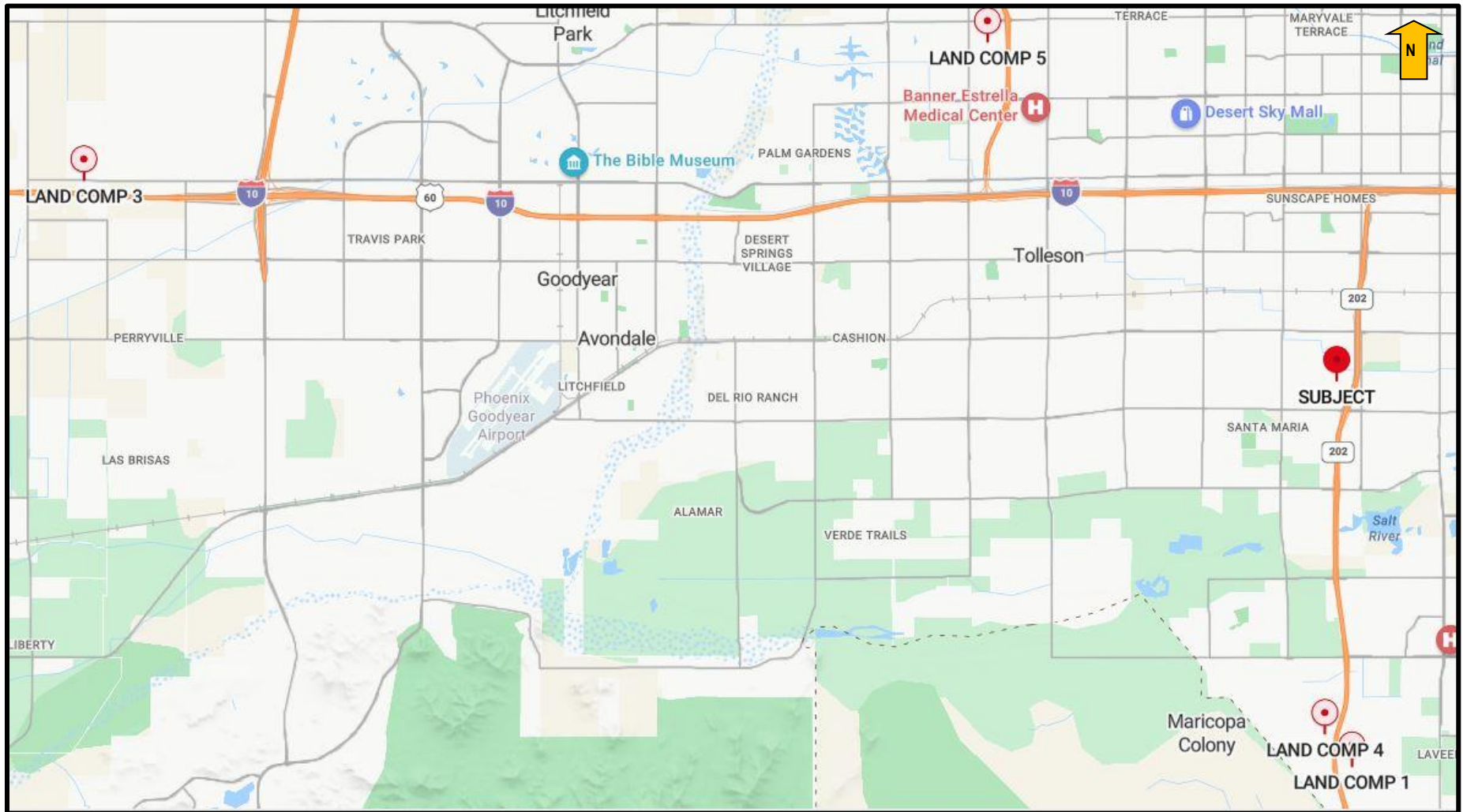
Search parameters for comparable sales focused on vacant parcels of land that are similar in size and potential or planned use. The search for recent land sales included

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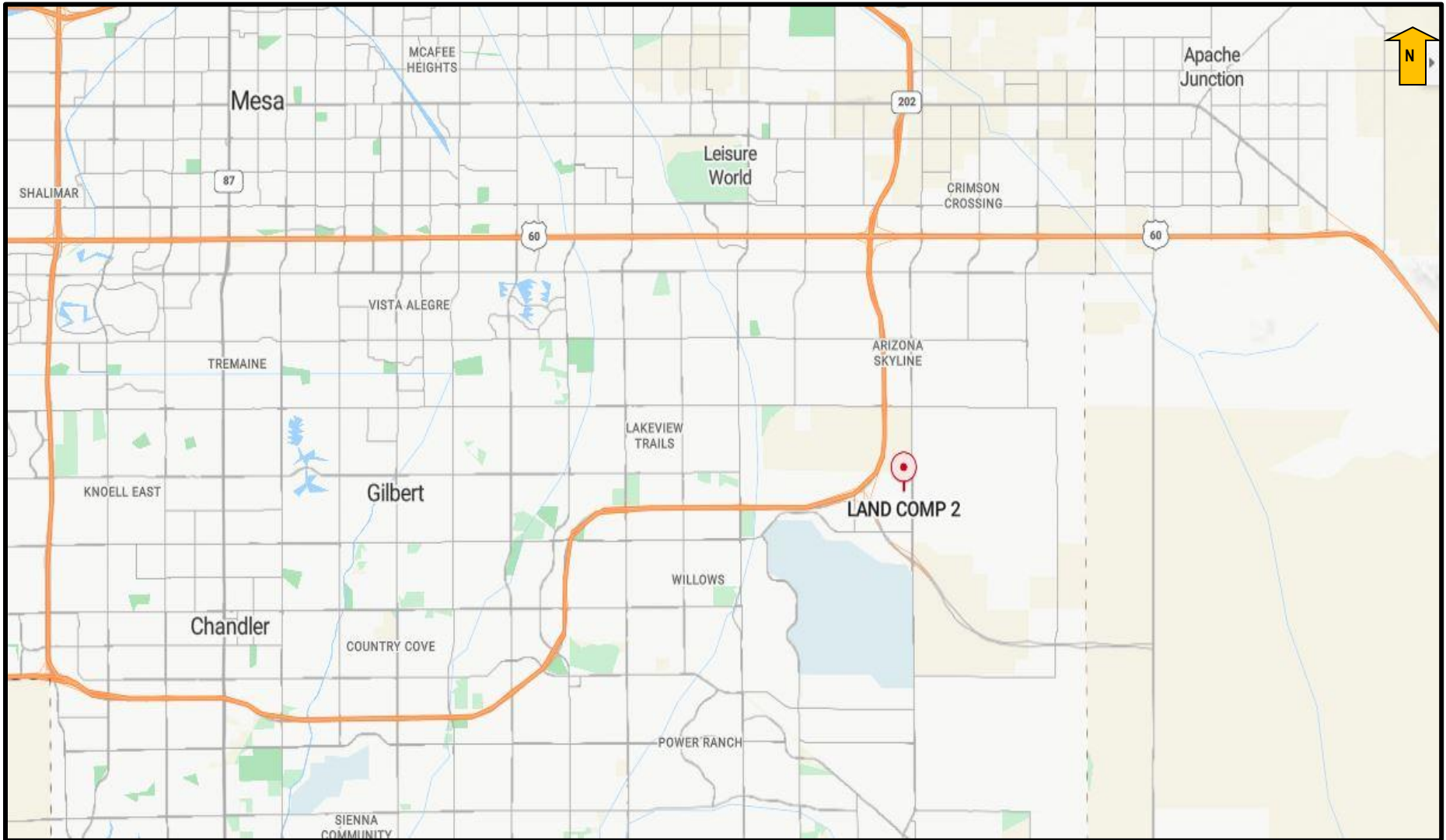
immediate and surrounding areas that have similar demographics and are planned for similar potential developments. The market data that is included in the analysis is considered to be the best available and provides a credible opinion of value.

A location map showing the comparable sales relative to the Larger Parcel, individual data sheets, and parcel maps are presented on the following pages. The adjustment matrix follows the land value analysis.

**LAND COMPARABLE MAP 1**



**LAND COMPARABLE MAP 2**



## COMPARABLE LAND SALE



COMPARABLE NUMBER:	LAND COMP 1
LOCATION:	9680 S. 59th Avenue, Laveen Village, AZ 85339
LEGAL DESCRIPTION:	Portions of the NE4, E2, SE4 of Section 7, T1S, R2E, G&SRM, Maricopa County, Arizona
TAX CODE NUMBER(S):	300-02-031B, -033C, -037A, -038, -041C, & -042C
RECORDS:	
Instrument:	Special Warranty Deed
Date Recorded:	November 5, 2020
Affidavit of Fee No:	20201076949
SELLER:	Arizona Department of Transportation
BUYER:	Cold Springs, LLC
SALE PRICE:	\$17,820,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length
SITE AREA IN SQ. FT.:	3,954,438
SITE AREA IN ACRES:	90.78
SALE PRICE PER SQ. FT.:	\$4.51
PHYSICAL DESCRIPTION	
Location:	Average / SW Phoenix
Access / Visibility / Traffic:	Above Average / Good / Heavy
Site Utility:	Rectangular / Average
Utilities:	All to site
Flood:	Zone X (shaded)
ZONING / GENERAL PLAN:	C-2 / CP-GCP, Commercial / Commerce-Business Park
PLANNED USE:	Mixed-Use/Commercial & Residential
THREE YEAR HISTORY:	No prior sales
MARKETING TIME:	7 months
CONFIRMED WITH:	Reliable Source, Public Records
DATE CONFIRMED:	6/3/2023
COMMENTS:	

This comparable represents the sale of 90.78 acres, (3,954,438 SF), of vacant mixed-use zoned land located at the southwest corner of South 59th Avenue and the Loop 202 (South Mountain Freeway) off-ramp, in Phoenix, AZ. Zoned C-2, Commercial and CP/GCP, Commerce-Business Park by the City of Phoenix the property is mostly rectangular in shape with average site utility. It sold in November 2020 for \$17,820,000, or \$4.51 PSF of land area. The buyer, purchased the site as an investment with the potential for future mixed-use development with commercial and residential components. The site sold at the list price, the buyer paid cash, and no sale conditions were noted.

I.D. : 23-048-LC.1



## COMPARABLE LAND SALE



COMPARABLE NUMBER:	LAND COMP 2
LOCATION:	9063 E. Warner Road, Mesa, AZ 85212
LEGAL DESCRIPTION:	E2, NW4 of Section 21, T1S, R7E, G&SRB&M, Maricopa County, Arizona
TAX CODE NUMBER(S):	304-31-009A, -012D, -012J, -012L, -012M, -013F, & -013G
RECORDS:	
Instrument:	Special Warranty Deed
Date Recorded:	June 8, 2021
Affidavit of Fee No:	20210630013
SELLER:	BD218, LLC
BUYER:	Scannell Properties #507, LLC
SALE PRICE:	\$36,038,340
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length
SITE AREA IN SQ. FT.:	7,245,335
SITE AREA IN ACRES:	166.33
SALE PRICE PER SQ. FT.:	\$4.97
PHYSICAL DESCRIPTION	
Location:	Above Average / SE Mesa
Access / Visibility / Traffic:	Above Average / Good / Heavy
Site Utility:	Irregular / Average
Utilities:	All to site
Flood Plain:	Zone X (shaded)
ZONING / GENERAL PLAN:	LI & LC, Limited Industrial & Commercial / Mixed-Use Activity/Employment
PLANNED USE:	2 Million SF Office/Industrial Park
THREE YEAR HISTORY:	No prior sales
MARKETING TIME:	2 Years +
CONFIRMED WITH:	Reliable Source, Public Records
DATE CONFIRMED:	6/3/2023
COMMENTS:	

This comparable represents the sale of 166.33 acres, (7,245,335 SF), of vacant commercial/industrial zoned land located at the southeast corner of the Loop 202 and Warner Road, in southeast Mesa, AZ. Zoned LI, Light Industrial and LC, Limited Commercial with a general plan designation of Mixed-Use Activity/Employment by the City of Mesa. The property is irregular in shape with average site utility. It sold in June 2021 for \$36,038,340, or \$4.97 PSF of land area. The buyer, a well-known developer, purchased the site to develop a 2 million SF office/industrial park. The buyer paid cash for the site and no sale conditions were noted.

I.D. : 23-048-LC.2

## COMPARABLE LAND SALE



<b>COMPARABLE NUMBER:</b>	LAND COMP 3
<b>LOCATION:</b>	18900 W. McDowell Road, Buckeye, AZ 85396
<b>LEGAL DESCRIPTION:</b>	Parcel of Land in the SE4, Section 33, T2N, R2W, G&SRB&M, Maricopa County, Arizona
<b>TAX CODE NUMBER(S):</b>	502-65-006K, -006M & -006T
<b>RECORDS:</b>	
Instrument:	Special Warranty Deeds
Date Recorded:	October 27, 2021
Affidavit of Fee No:	20211157389 & 20211186222
<b>SELLER:</b>	SMS Investors LP & McDowell 16A, LLLP
<b>BUYER:</b>	Buckeye Phase 1 Owner, LLC
<b>SALE PRICE:</b>	\$28,224,049
<b>INTEREST CONVEYED:</b>	Fee Simple
<b>TERMS:</b>	Cash to Seller
<b>CONDITIONS OF SALE:</b>	Arm's-Length
<b>SITE AREA IN SQ. FT.:</b>	7,777,992
<b>SITE AREA IN ACRES:</b>	178.56
<b>SALE PRICE PER SQ. FT.:</b>	\$3.63
<b>PHYSICAL DESCRIPTION</b>	
Location:	Average / NE Buckeye
Access / Visibility / Traffic:	Above Average / Average / Heavy
Site Utility:	Rectangular / Average
Utilities:	All to site
Flood Plain:	Zone X (shaded)
<b>ZONING / GENERAL PLAN:</b>	I-1, Light Industrial & BP, Business Park / E, Employment
<b>PLANNED USE:</b>	2.7 Million SF Office/Industrial Park
<b>THREE YEAR HISTORY:</b>	No prior sales
<b>MARKETING TIME:</b>	2 Years +
<b>CONFIRMED WITH:</b>	Tony Bagneschi, Broker (Insight Land), 602-385-1511
<b>DATE CONFIRMED:</b>	6/3/2023

**COMMENTS:**  
This comparable represents the sale of 178.56 acres, (7,777,992 SF), of vacant commercial/industrial zoned land located at the northwest corner of the McDowell and Perryville roads, just north of Interstate 10 in northeast Buckeye, AZ. Zoned LI, Light Industrial and BP, Business Park with a general plan designation of E, Employment by the City of Buckeye. The property is mostly rectangular in shape with average site utility. It sold in October 2021 for \$28,224,049, or \$3.63 PSF of land area. The buyer, a well-known developer, purchased the site to develop a 2.7 million SF, 4-building office/industrial park. The buyer paid cash for the site and no sale conditions were noted.

I.D. : 23-048-LC.3



## COMPARABLE LAND SALE



COMPARABLE NUMBER:	LAND COMP 4
LOCATION:	W/s. of Loop 202, Btwn. Dobbins Road and Elliot Road, Phoenix, AZ 85339
LEGAL DESCRIPTION:	Portion of Those Parcels Described in Document No. 2018-0816318 and Situated in the E2 of Sec 7, T1N, R2E, G&SRB&M, Maricopa County, Arizona
TAX CODE NUMBER(S):	300-02-032B, -033A, -034, -035, -036, 041A, 042A & 300-03-016L
RECORDS:	
Instrument:	Special Warranty Deeds
Date Recorded:	June 17, 2022
Affidavit of Fee No:	20220511540 & 20220511541
SELLER:	202 & Dobbins REH, LLC
BUYER:	LCG2I Laveen II, LLC
SALE PRICE:	\$39,500,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length
SITE AREA IN SQ. FT.:	6,115,687
SITE AREA IN ACRES:	140.40
SALE PRICE PER SQ. FT.:	\$6.46
PHYSICAL DESCRIPTION	
Location:	Average / SW Phoenix
Access / Visibility / Traffic:	Above Average / Good / Heavy
Site Utility:	Irregular / Average
Utilities:	All to site
Flood Plain:	Zone X (shaded)
ZONING / GENERAL PLAN:	C-2, Commercial, CP/GCP, Commerce Park & R-2 PCD, Multi-Family Residential
PLANNED USE:	Mixed-Use Development
THREE YEAR HISTORY:	No prior sales
MARKETING TIME:	13 months
CONFIRMED WITH:	Larry Kush, Broker (Orion Investment RE), 480-482-1944
DATE CONFIRMED:	11/4/2022
COMMENTS:	

This comparable represents the sale of a combined 140.40 acres, (6,115,687 SF), of vacant mixed-use (commercial/industrial and residential), zoned land located on the west side of the Loop 202, between Dobbins Road and Elliot Road in southwest Phoenix. The site offers good visibility to the Loop 202 and heavy traffic volumes. Zoned a mix of C-2, Commercial, CP/GCP Commercial Park and R-2 PCD, Multi-Family Residential, with a similar General Plan designation, the property consists of 8 contiguous parcels which is irregular in shape with average site utility. It closed escrow in June 2022 and was in escrow for about a year while the buyer got the property rezoned from S-1. It sold for \$39,500,000, or \$6.46 PSF of land area. The buyer, purchased the site with plans to develop a multi-phase project with a mix of commercial and industrial uses along with multi-family apartments. The property was on the market about 13 months with the buyer paying cash. No other sale conditions were noted.

I.D. : 23-048-LC.4

## COMPARABLE LAND SALE



COMPARABLE NUMBER:	LAND COMP 5
LOCATION:	3402 N. 95th Avenue, Phoenix, AZ 85037
LEGAL DESCRIPTION:	Part of the NW4 of Section 28, T2N, R1E, G&SRB&M, Maricopa County, Arizona
TAX CODE NUMBER(S):	102-26-003F
RECORDS:	
Instrument:	Special Warranty Deed
Date Recorded:	November 15, 2022
Affidavit of Fee No:	20220846455
SELLER:	Lennar Arizona, Inc.
BUYER:	Nexmetro Western Garden, LLC
SALE PRICE:	\$12,162,500
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Below market/No commissions
SITE AREA IN SQ. FT.:	5,827,674
SITE AREA IN ACRES:	133.78
SALE PRICE PER SQ. FT.:	\$2.09
PHYSICAL DESCRIPTION	
Location:	Fair / W Phoenix
Access / Visibility / Traffic:	Average / Good / Heavy
Site Utility:	Rectangular / Average
Utilities:	All to site
Flood Plain:	Zone X (shaded)
ZONING / GENERAL PLAN:	PUD PCD, Mixed-Use (Commercial/Industrial) / Residential 10-15 DUs/Acre
PLANNED USE:	Mixed-Use Development
THREE YEAR HISTORY:	No prior sales
MARKETING TIME:	Not provided
CONFIRMED WITH:	Reliable Source, Public Records
DATE CONFIRMED:	6/3/2023

### COMMENTS:

This comparable represents the sale of 133.78 acres, (5,827,674 SF), of vacant mixed-use (commercial/industrial and residential), zoned land located at the northwest corner of the Loop 101 and Indian School Road, east side of 99th Avenue in west Phoenix. The site offers good visibility to the Loop 101 and heavy traffic volumes. Zoned for mixed-use with a combination of commercial/industrial and higher-density residential (10-15 DUs/acre), the property is mostly rectangular in shape with average site utility. It sold for \$12,162,500, or \$2.09 PSF of land area and sold "off-market" with the buyer approaching the seller directly with no brokers involved and no sales commissions being paid. The buyer, purchased the site with plans to develop a multi-phase project with a mix of commercial/industrial uses along with median and higher-density residential. The buyer paid cash and no sale conditions were noted.

I.D. : 23-048-LC.5

## **LAND VALUE ANALYSIS – LARGER PARCEL**

Five land comparables are included in this analysis. The transactions occurred between November 2020 and November 2022. The land comparables were selected for their similar locations, physical characteristics, and zoning/planned use or highest and best use.

### **SUMMARY OF LAND COMPARABLES**

LAND COMP	SALE DATE	PROPERTY LOCATION	ADJUSTED SALE PRICE <sup>1</sup>	SITE AREA (SQ. FT.)	SITE AREA (ACRES)	PRICE PER SQ. FT.	ZONING & GENERAL PLAN / PLANNED USE or H&BU
1	11/05/20	9680 S. 59th Avenue, Laveen Village, AZ 85339	\$17,820,000	3,954,438	90.78	\$4.51	C-2 / CP-GCP, Commercial / Commerce-Business Park Mixed-Use/Commercial & Residential
2	06/08/21	9063 E. Warner Road, Mesa, AZ 85212	\$36,038,340	7,245,335	166.33	\$4.97	LI & LC, Limited Industrial & Commercial / Mixed-Use Activity/Employment 2 Million SF Office/Industrial Park
3	10/27/21	18900 W. McDowell Road, Buckeye, AZ 85396	\$28,224,049	7,777,992	178.56	\$3.63	I-1, Light Industrial & BP, Business Park / E, Employment 2.7 Million SF Office/Industrial Park
4	06/17/22	W/s. of Loop 202, Btwn. Dobbins Road and Elliot Road, Phoenix, AZ 85339	\$39,500,000	6,115,687	140.40	\$6.46	C-2, Commercial, CP/GCP, Commerce Park & R-2 PCD, Multi-Family Residential Mixed-Use Development
5	11/15/22	3402 N. 95th Avenue, Phoenix, AZ 85037	\$12,162,500	5,827,674	133.78	\$2.09	PUD PCD, Mixed-Use (Commercial/Industrial) / Residential 10-15 DUs/Acre Mixed-Use Development
<b>Subject</b>	---	<b>6225 W. Durango Street, Phoenix, AZ 85043</b>	---	<b>5,635,531</b>	<b>129.37</b>	---	<b>RE-35, Single-Family / MU, Mixed-Use Mixed-Use Development</b>
				<b>Larger Parcel Incl. Excess Disposal Areas</b>			

<sup>1</sup> Adjusted sale price for cash equivalency and/or development costs (where applicable)

Quantitative adjustments have been considered for elements of comparison including property rights conveyed, financing terms, conditions of sale, and date of sale, location, and physical differences. Here follows the analysis of the sales by each element of comparison. An adjustment matrix summarizing the adjustments as they apply to the comparable sales precedes the conclusion of this analysis.

#### ***Property Rights Conveyed***

No price adjustments to any of the five land comparables are made for property rights conveyed. The fee simple interest was transferred for each comparable.

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### ***Financing Terms***

In accordance with the definition of market value, adjustments for financing terms assume all cash or cash to the seller with the buyer obtaining new conventional financing at prevailing interest rates. All five of the land comparables were cash equivalent. Thus, no price adjustments are unnecessary to any of the comparables for financing terms.

### ***Conditions Of Sale***

An adjustment for conditions of sale is made if the transaction was influenced by outside factors such as financial duress, lack of a sales commission, a related-party transaction, or out of the ordinary motivations of the buyer or seller. Four of the five comparables represent arm's-length transactions with brokers involved and sales commissions being paid. Thus, no price adjustments are necessary for conditions of sale to Land Comps One, Two, Three and Four.

Land Comp Five sold "off-market" with the buyer and seller approaching each other directly, with no brokers involved and no sales commissions being paid. Thus, an upward adjustment is indicated for a typical sales commission. Land Comp Five also sold below market, as the seller wanted to liquidate the property quickly and was willing to accept a lower sale price. Therefore, an upward adjustment is also made for the below market sale conditions.

### ***Market Conditions (Time)***

An adjustment for market conditions considers any changes that occur in the marketplace over time. These changes include fluctuations in supply and demand, inflation, or deflation. Since the Larger Parcel is appraised as of a specific date, the sales must be analyzed to determine the direction of change, if any, during the period between the sale date and the date of valuation. None of the sales included in this analysis provide sale and re-sale data within this time frame to derive a paired-sale analysis.

As discussed in the Market Analysis (Page 53), local market participants indicated that the land price appreciation rate over the past few years for similar parcels was between 2% and 3% per annum. Based on this information, the appraisers made upward adjustments to the land comparables of 3% to 5% for improving market conditions (time) through mid-2022. The adjustment for market conditions is based on an annual appreciation rate of 2.0%, or 0.167% per month applied to the months of appreciation from the comparables sale date through mid-year 2022. Land values have remained stable due to the increases in interest rates and uncertainties in the economy.

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***Location/Access/Visibility***

The Larger Parcel is located at the northwest corner of West Lower Buckeye Road and the South Mountain Freeway (Loop 202), in southwest Phoenix. It represents an irregular shaped parcel which has level topography that is at street grade with both Lower Buckeye Road and 63<sup>rd</sup> Avenue, and at or below the Loop 202 southbound off-ramp. The subject site has good frontage and visibility to the Loop 202, but no direct access due to the ADOT access control. Legal and physical access to the Larger Parcel is available via Lower Buckeye Road, 63<sup>rd</sup> Avenue, and Durango Street. Access to the Larger Parcel is considered to be adequate for the envisioned highest and best use.

*Land Comp One* is located at the southeast corner of West Dobbins Road and the Loop 202 (South Mountain Freeway) off-ramp, 5.8 miles southeast of the Larger Parcel. This is a similar location with similar street frontage/visibility but, has superior overall access. Thus, a downward price adjustment is necessary for superior access.

*Land Comp Two* is located at the southeast corner of East Warner Road and the Loop 202 in Mesa, Arizona, 43.8 miles to the southeast of the Larger Parcel. The location and access is considered superior to that of the Larger Parcel thus, downward price adjustments are made for superior location and access. This area has higher land values and median income levels. Thus, the downward price adjustment for superior location.

*Land Comp Three* is located at the northwest corner of McDowell Road and Perryville Road in northeast Buckeye, Arizona, about 20 miles to the northwest of the Larger Parcel. This is a more remote location with lower land values and lower median income levels. The upward price adjustment for inferior location is partially offset by superior overall access compared to the subject. The net price adjustment is upward for inferior location.

*Land Comp Four* is located on the west side of the Loop 202, between Dobbins Road and Elliot Road in southwest Phoenix, 5.5 miles to the south of the Larger Parcel. Like Land Comp One, the location is similar with similar street frontage/visibility but, with superior overall access. Thus, a downward price adjustment is necessary for superior access.

*Land Comp Five* is located at the southwest corner of West Indian School Road and the Loop 101 on-ramp in the Merryville area of west Phoenix, about 10 miles to the northwest of the Larger Parcel. This is an inferior location with lower land values and lower median income levels. Thus, the upward price adjustments for inferior location. The upward

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price adjustment for inferior location is partially offset by superior overall access. The net price adjustment is upward for inferior location.

***Physical Characteristics***

Adjustments for physical characteristics include the site size, site utility (shape/topography), zoning/planned or highest and best use, availability of utilities, and floodplain issues.

***Site Size***

Generally, due to economies of scale, smaller parcels tend to sell at higher prices per acre than larger ones this, as there are more potential buyers competing for smaller parcels. The Larger Parcel site area is approximately 5,635,531 square feet, (129.37 acres). The five land comparables range from 3,954,438 to 7,777,992 square feet, (90.78 to 178.56 acres). A downward price adjustment is made to Land Comp One which is smaller than the Larger Parcel. Upward price adjustments are made to Land Comps Two and Three which are larger than the estimated site area for the Larger Parcel. No price adjustments are deemed necessary to Land Comps Four and Five, as they are deemed to be similar in size to the Larger Parcel.

***Site Utility (Shape/Topography)***

The Larger Parcel is irregular in shape, which is level and at street grade with both Lower Buckeye Road and 63<sup>rd</sup> Avenue, and at or below street grade with the Loop 202 off-ramp. The Larger Parcel's overall site utility is considered to be average. In our opinion, all five land comparables offer similar site shapes and utility to that of the Larger Parcel. Thus, no price adjustments are made to any of the land comparables.

***Zoning & General Plan / Planned or Highest & Best Use***

Given the Larger Parcel's existing zoning, general plan and Estrella Village Core Plan land use designations, and its location, the most likely use would be for mixed-use oriented development. The Larger Parcel requires re-zoning approval but is considered highly probable given the conforming uses identified by the General Plan and the Estrella Village Core Plan. The need to rezone the Larger Parcel is considered in our adjustments to the comparable land sales analyzed in this report. All five land comparables have superior zonings and development potential thus, downward price adjustments are reflected.

***Utilities (Offsites)***

As previously described in the "Site Analysis" section, the Larger Parcel currently has access to all municipal utilities including electricity, telephone, natural gas, and

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municipal water and sewer either to the property line, or adjacent in the right of ways. All five land comparables have similar access to municipal utilities. Thus, no price adjustments are necessary to any of the land comparables for utilities.

***Floodplain***

The majority of the Larger Parcel is outside the 100- and 500-year floodplains, with very low probability of flooding. All five land comparables have similar flood designations with no flood issues. Thus, no price adjustments are necessary to any of the five land comparables.

Here follows an Adjustment Matrix summarizing the adjustments as they apply to the five land comparables.

## LAND COMPARABLE ADJUSTMENT MATRIX

ELEMENTS OF COMPARISON	SUBJECT	LAND COMP 1		LAND COMP 2		LAND COMP 3		LAND COMP 4		LAND COMP 5	
	6225 W. Durango Street, Phoenix, AZ 85043	9680 S. 59th Avenue, Laveen Village, AZ 85339	Price / sq ft Adjustments	9063 E. Warner Road, Mesa, AZ 85212	Price / sq ft Adjustments	18900 W. McDowell Road, Buckeye, AZ 85396	Price / sq ft Adjustments	W/s. of Loop 202, Btwn. Dobbins Road and Elliot Road, Phoenix, AZ 85339	Price / sq ft Adjustments	3402 N. 95th Avenue, Phoenix, AZ 85037	Price / sq ft Adjustments
SALE PRICE / PER SQUARE FOOT	N/A	\$17,820,000	\$4.51	\$36,038,340	\$4.97	\$28,224,049	\$3.63	\$39,500,000	\$6.46	\$12,162,500	\$2.09
PROPERTY RIGHTS CONVEYED	Fee Simple	Fee Simple		Fee Simple		Fee Simple		Fee Simple		Fee Simple	
<i>Adjustment</i>		0%	\$0.00	0%	\$0.00	0%	\$0.00	0%	\$0.00	0%	\$0.00
FINANCING TERMS	Assume Cash to Seller	Cash to Seller		Cash to Seller		Cash to Seller		Cash to Seller		Cash to Seller	
<i>Adjustment</i>		0%	\$0.00	0%	\$0.00	0%	\$0.00	0%	\$0.00	0%	\$0.00
CONDITIONS OF SALE	Assume Arm's-Length	Arm's-Length		Arm's-Length		Arm's-Length		Arm's-Length		Below market/No commissions	
<i>Adjustment</i>		0%	\$0.00	0%	\$0.00	0%	\$0.00	0%	\$0.00	28%	\$0.58
MARKET CONDITIONS (TIME)	June 3, 2023	November 5, 2020		June 8, 2021		October 27, 2021		June 17, 2022		November 15, 2022	
<i>Adjustment</i>	Date of Value	5%	\$0.23	4%	\$0.20	3%	\$0.11	0%	\$0.00	0%	\$0.00
<b>ADJUSTED SALE PRICE PER SF</b>			<b>\$4.73</b>		<b>\$5.17</b>		<b>\$3.74</b>		<b>\$6.46</b>		<b>\$2.67</b>
LOCATION	Average / SW Phoenix	Average / SW Phoenix		Above Average / SE Mesa		Average / NE Buckeye		Average / SW Phoenix		Fair / W Phoenix	
Access/Visibility/Traffic	Average / Good / Heavy	Above Average / Good / Heavy		Above Average / Good / Heavy		Above Average / Average / Heavy		Above Average / Good / Heavy		Average / Good / Heavy	
<i>Adjustment</i>		-10%	(\$0.47)	-15%	(\$0.78)	5%	\$0.19	-10%	(\$0.65)	15%	\$0.40
PHYSICAL CHARACTERISTICS											
Site Size in SF	5,635,531	3,954,438		7,245,335		7,777,992		6,115,687		5,827,674	
Site Size in Acres	129.37	90.78		166.33		178.56		140.40		133.78	
<i>Adjustment</i>		-10%	(\$0.47)	5%	\$0.26	5%	\$0.19	0%	\$0.00	0%	\$0.00
Site Utility (Shape / Topography)	Irregular / Level / Average	Rectangular / Average		Irregular / Average		Rectangular / Average		Irregular / Average		Rectangular / Average	
<i>Adjustment</i>		0%	\$0.00	0%	\$0.00	0%	\$0.00	0%	\$0.00	0%	\$0.00
Zoning / General Plan	RE-35, Single-Family / MU, Mixed-Use	C-2 / CP-GCP, Commercial / Commerce-Business Park		U & LC, Limited Industrial & Commercial / Mixed-Use Activity/Employment		I-1, Light Industrial & BP, Business Park / E, Employment		C-2, Commercial, CPSPD, Commerce Park & R-2-PD, Multi-Family Residential		PUD-PD, Mixed-Use Commercial/Industrial / Residential 10-15 Dba/Ace	
Planned Use or H&BU	Mixed-Use Development	Mixed-Use/Commercial & Residential		2 Million SF Office/Industrial Park		2.7 Million SF Office/Industrial Park		Mixed-Use Development		Mixed-Use Development	
<i>Adjustment</i>		-10%	(\$0.47)	-10%	(\$0.52)	-10%	(\$0.37)	-10%	(\$0.65)	-10%	(\$0.27)
Utilities (Offsites)	All to site	All to site		All to site		All to site		All to site		All to site	
<i>Adjustment</i>		0%	\$0.00	0%	\$0.00	0%	\$0.00	0%	\$0.00	0%	\$0.00
Floodplain	Zone X (Unshaded)	Zone X (shaded)		Zone X (shaded)		Zone X (shaded)		Zone X (shaded)		Zone X (shaded)	
<i>Adjustment</i>	Outside Flood	0%	\$0.00	0%	\$0.00	0%	\$0.00	0%	\$0.00	0%	\$0.00
<b>NET % ADJUSTMENT / ADJUSTED SALE PRICE / SF</b>		<b>-26.5%</b>	<b>\$3.31</b>	<b>-16.8%</b>	<b>\$4.14</b>	<b>3.0%</b>	<b>\$3.74</b>	<b>-20.0%</b>	<b>\$5.17</b>	<b>34.4%</b>	<b>\$2.80</b>



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**Conclusion – ADOT Parcel L-C-145**

After making adjustments for all of the appropriate elements of comparison, the adjusted price range from the comparable land sales is \$2.80 to \$5.17 per square foot, with an average of \$3.83, and a median of \$3.74. Three of the five land comparables had adjusted land values of \$3.31 to \$4.14 per square foot with an average of \$3.73. Thus, the appraisers put most weight on the adjusted land values of Land Comps One, Two and Three, which are deemed most similar to the subject.

The individual parcels below, valued as part of the previously identified adjacent larger parcels, have no independent access. Therefore, they must be valued as part of the larger parcels. It is legally and physically impossible to provide access to these smaller parcels without the benefit of the adjacent parcel. Thus, the only buyers who will be able to develop these smaller properties are the adjacent parcel owners. As such, the parcels have been valued based on an “Across the Fence” methodology.

Based on the foregoing data and analysis, it is our opinion that the market value of the Larger Parcel consisting of 5,635,531 square foot site is approximately \$3.75 per square foot. The following are the concluded values for the three subject disposal areas.

**ADOT PARCEL L-C-145, MARKET VALUE OPINIONS:**

<b>DISPOSAL AREA (1) 16,442 SQUARE FEET (0.38 ACRES).....</b>	<b>\$62,000</b>
<b>This estimate of Market Value equals approximately .....</b>	<b>\$3.77 Per Square Foot</b>
<b>DISPOSAL AREA (2) 44,301 SQUARE FEET (1.02 ACRES).....</b>	<b>\$166,000</b>
<b>This estimate of Market Value equals approximately .....</b>	<b>\$3.75 Per Square Foot</b>
<b>DISPOSAL AREA (3) 57,911 SQUARE FEET (1.33 ACRES).....</b>	<b>\$217,000</b>
<b>This estimate of Market Value equals approximately .....</b>	<b>\$3.75 Per Square Foot</b>

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**AUDITING BREAKDOWN**

The following is the Auditing Breakdown for the three subject disposal parcels.

**ADOT PARCEL L-C-145, MARKET VALUE OPINIONS:**

<b>DISPOSAL AREA (1) 16,442 SQUARE FEET (0.38 ACRES).....</b>	<b>\$62,000</b>
<b>This estimate of Market Value equals approximately .....</b>	<b>\$3.77 Per Square Foot</b>
<b>DISPOSAL AREA (2) 44,301 SQUARE FEET (1.02 ACRES).....</b>	<b>\$166,000</b>
<b>This estimate of Market Value equals approximately .....</b>	<b>\$3.75 Per Square Foot</b>
<b>DISPOSAL AREA (3) 57,911 SQUARE FEET (1.33 ACRES).....</b>	<b>\$217,000</b>
<b>This estimate of Market Value equals approximately .....</b>	<b>\$3.75 Per Square Foot</b>
<b>TOTAL SUM OF THE RETAIL VALUES .....</b>	<b>\$445,000</b>

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PROJECT: M6972 01X  
HIGHWAY: SR 202L (SOUTH MOUNTAIN FREEWAY)  
SECTION: SALT RIVER – JUNCTION I-10 PAPAGO SEGMENT  
PARCELS: L-C-145  
CONTRACT: JW-23-014

We hereby certify:

That we personally inspected the properties herein appraised. We did not make a personal field inspection of each of the comparables relied upon in making said appraisal. The Larger Parcel and the comparables relied upon in making the appraisal were as represented by the photographs, and aerials and plat maps contained in the appraisal.

To the best of our 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 Larger Parcel and the subject disposal parcels, subsoil, or structures were found or assumed to exist which would render the property more or less valuable; and we assume no responsibility for such conditions, 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 on the properties, were not observed by the appraisers. The appraisers, however, are not qualified to detect such substances, the presence of which may affect the values of the properties. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

That our analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Arizona Department of Transportation Appraisal Standard and Specifications and the Uniform Standards of Professional Appraisal Practice.

That this appraisal has further been made in conformity with the appropriate State and Federal laws, regulations, policies, and procedures applicable to appraisal.

That we understand this appraisal may be used in connection with the potential disposal of the properties by the State of Arizona.

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

That we have no direct or indirect present or contemplated future personal interest in the properties that are the subject of this report, or any benefit from the potential disposal of the properties appraised herein.

That we have not revealed the findings and result of such appraisal to anyone other than the property officials of the Arizona Department of Transportation, and we will not do so unless so authorized by property State officials, or until we are required to do so by due process of law, or until we are released from this obligation by having publicly testified as to such findings.

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That our opinions of the MARKET VALUE for the subject disposal parcels as of the 3<sup>rd</sup> day of June, 2023, based upon our independent appraisal and the exercise of our professional judgment is as follows:

**ADOT PARCEL L-C-145, MARKET VALUE OPINIONS:**

**DISPOSAL AREA (1) 16,442 SQUARE FEET (0.38 ACRES).....\$62,000**  
**This estimate of Market Value equals approximately .....\$3.77 Per Square Foot**

**DISPOSAL AREA (2) 44,301 SQUARE FEET (1.02 ACRES).....\$166,000**  
**This estimate of Market Value equals approximately .....\$3.75 Per Square Foot**

**DISPOSAL AREA (3) 57,911 SQUARE FEET (1.33 ACRES).....\$217,000**  
**This estimate of Market Value equals approximately .....\$3.75 Per Square Foot**



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*Richard G. Lee*  
*Certified General Real*  
*Estate Appraiser #31626*



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*Steven R. Cole, MAI, SRA, AI-GRS*  
*Certified General Real*  
*Estate Appraiser #30130*

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## ***CERTIFICATION***

THE APPRAISERS CERTIFY TO THE BEST OF THEIR KNOWLEDGE AND BELIEF:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

The reported valuations, assumptions and limiting conditions are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.

We have **no** present or prospective interest in the properties that are the subject of this report and no personal interest or bias with respect to the parties involved.

We have not performed services as appraisers regarding the Larger Parcel or the subject disposal parcels which are the subject of this report within the three-year period immediately preceding acceptance of this assignment.

We have no bias with respect to the properties that is the subject of this report or to the parties involved with this assignment.

Our compensation is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the standards and reporting requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

Richard Lee has made personal inspections of the properties that are the subject of this report, while Steve Cole did not inspect the subject properties.

No one provided significant real property appraisal assistance to the person(s) signing this certification.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. The use of this report is also subject to the requirements of the Arizona Board of Appraisal.

We hereby certify that we are competent to complete the appraisal assignment. The reader is referred to appraisers' Statement of Qualifications.

All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraisers whose signatures appear on the appraisal report, unless indicated as "Review Appraiser".

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No change of any item in the appraisal report shall be made by anyone other than the Appraisers, and the Appraisers shall have no responsibility for any such unauthorized change.

As of the date of this report, Steve Cole, MAI, AI-GRS has completed the continuing education program for Designated Members of the Appraisal Institute.

Date: June 15, 2023



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*Richard G. Lee*  
*Certified General Real*  
*Estate Appraiser #31626*



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*Steven R. Cole, MAI, SRA, AI-GRS*  
*Certified General Real*  
*Estate Appraiser #30130*

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## ***QUALIFICATIONS OF STEVEN R. COLE, MAI, SRA, AI-GRS***

### **FORMAL EDUCATION:**

Bachelor of Arts Degree with high honors, University of California,  
Santa Barbara, 1971

Master's Degree in Business Administration, University of California,  
Los Angeles, 1973. Concentration: Urban Land Economics

### **PROFESSIONAL EDUCATION:**

Successful Completion of Examinations for the following courses given by the  
Appraisal Institute:

"Real Estate Appraisal Principles" and "Basic Valuation Procedures"

"Capitalization Theory & Techniques", Parts 1, 2, and 3

"Case Studies in Real Estate Valuation"

"Introduction to Real Estate Investments Analysis"

"Litigation Valuation"

"Standards of Professional Practice", Part A, B & C

"Market Analysis"

"Review Theory - General"

Attendance at Numerous Educational Seminars:

### **PROFESSIONAL MEMBERSHIPS:**

Member, Appraisal Institute (MAI), Certification Number 6080. The institute conducts a voluntary program of continuing education for its designated members. MAI's and RM's who meet the minimum standards of this program are awarded periodic educational certification. As of this date, I have completed the requirements under the continuing education program of the Appraisal Institute. I am currently certified through December 31, 2021.

Senior Residential Appraiser (SRA), of the Appraisal Institute. This designation signifies expertise in the valuation of residential properties of 1 to 4 units.

General Review Specialist (AI-GRS), of the Appraisal Institute. This designation signifies expertise in the review of appraisals of general real estate properties.

### **EXPERIENCE:**

Includes valuation of most types of urban real property: single and multi-family residential, commercial, industrial, and vacant land. Experience also includes special purpose properties, feasibility studies, Fee Simple and leasehold interest, counseling, and appraisal for condemnation since 1975.

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ADDITIONAL EDUCATIONAL AND PROFESSIONAL ACTIVITY:

Publication of articles in Professional Journals:

“A New Methodology for Estimating Highest and Best Use”,  
*Real Estate Appraiser and Analyst*, Summer, 1987

“Estimating the Value of Proposed Developments by Discounting  
Cash Flow”, *Real Estate Review*, Summer, 1988.

Formerly a Certified Instructor with the Appraisal Institute for “Highest and Best Use Applications”, “Feasibility Analysis and Highest and Best Use- Nonresidential Properties”, and “Principals and Procedures of Real Estate Appraisal”.

Associate Faculty, Pima Community College for “Real Estate Appraisal Principals” and “Basic Valuation Procedures”, 2000-2006.

Instructor for Tucson Board of Realtors, American Bar Association, Brodsky School of Real Estate, and Hogan School of Real Estate. Appraisal Principles, Appraisal Procedures, Market Analysis. Using the Internet for Due Diligence.

President of Southern Arizona Chapter #116, Appraisal Institute, 1983-84.

President for the Arizona State Chapter #41, Appraisal Institute, 1990.

Chairman, Pima County Real Estate Council, 2003-2004, Director 1989-2007.

Chairman, Tucson Airport Authority Chairman, 2015.  
Board of Directors, 2011-2016. Member, Tucson Airport Authority, 2007-2016.

APPROVED APPRAISER:

With most major commercial banks and mortgage companies in Arizona.

STATE CERTIFICATION:

Arizona Certified General Real Estate Appraiser Number 30130. Currently certified through August 31, 2024.



**Department of Insurance and Financial Institutions**  
**State of Arizona**

**CGA - 30130**

This document is evidence that:  
Arizona Revised Statutes, relating to the establishment and operation of a:

**STEVEN R. COLE**

has complied with the provisions of

**Certified General Real Estate Appraiser**

and that the Deputy Director of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

**Certified General Real Estate Appraiser**

**STEVEN R. COLE**

This license is subject to the laws of Arizona and will remain in full force and effect until expired, surrendered, revoked or suspended as provided by law.

Expiration Date : **August 31, 2024**

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## ***QUALIFICATIONS OF RICHARD LEE***

### FORMAL EDUCATION:

Bachelor of Arts, Criminal Justice, The University of Reno, Reno, Nevada, 1997

### PROFESSIONAL EDUCATION:

Classes Provided by The Appraisal Institute:

Standards of Professional Practices – Part A& B  
Uniform Standards of Professional Appraisal Practices  
Real Estate Appraisal Principles  
Basic Valuation Procedures  
General Applications  
Basic & Advanced Income Capitalization  
Market Analysis and Highest and Best Use  
Computer-Enhanced Cash Flow Modeling  
Review Theory - General

### EXPERIENCE:

1999 - 2001	Staff Appraiser, Baker, Peterson, Baker & Associates, Tucson, Arizona
2001 – 2007	Appraiser, Lipman Stevens & Carpenter, San Diego, California
2007 – 2007	Senior Analyst, Integra Realty Resources, San Diego, California
2007 - 2008	Appraiser, Capital Markets Group, Cushman & Wakefield, San Diego, California
2008 - 2013	Appraiser, Southwest Appraisal Associates, Tucson, Arizona
2013 - 2014	Senior Appraiser, Lefevers Viewpoint Group, Inc./Viewpoint Group, LLC, Phoenix, Arizona
2014 - 2019	Senior Appraiser, CBRE, Inc., Tucson, Arizona
2019 - 2022	Senior Appraiser, Southwest Appraisal Associates, Tucson, Arizona

Appraisal experience has been in the fee preparation of real estate appraisals, rent analyses, and feasibility studies for a variety of clients. Experience involves a broad spectrum of property types including retail centers, industrial buildings and facilities, traditional office buildings, medical offices and surgical centers, ground leases, convenience stores/gas stations, car washes, self-storage facilities, and vacant land. Experience also encompasses property types including mobile home/RV parks, residential subdivisions, master-planned communities, PUD's, assisted living facilities, private/charter schools, restaurants, apartments, automotive facilities, and a variety of special use properties with an emphasis in going-concern valuations.

### PROFESSIONAL MEMBERSHIP:

Arizona Certified General Real Estate Appraiser, No. 31626, Expires April 30, 2024

**Department of Insurance and Financial Institutions**  
**State of Arizona**

CGA - 31626

This document is evidence that:  
Arizona Revised Statutes, relating to the establishment and operation of a:

**RICHARD G LEE**

has complied with the provisions of

**Certified General Real Estate Appraiser**

and that the Deputy Director of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

**Certified General Real Estate Appraiser**

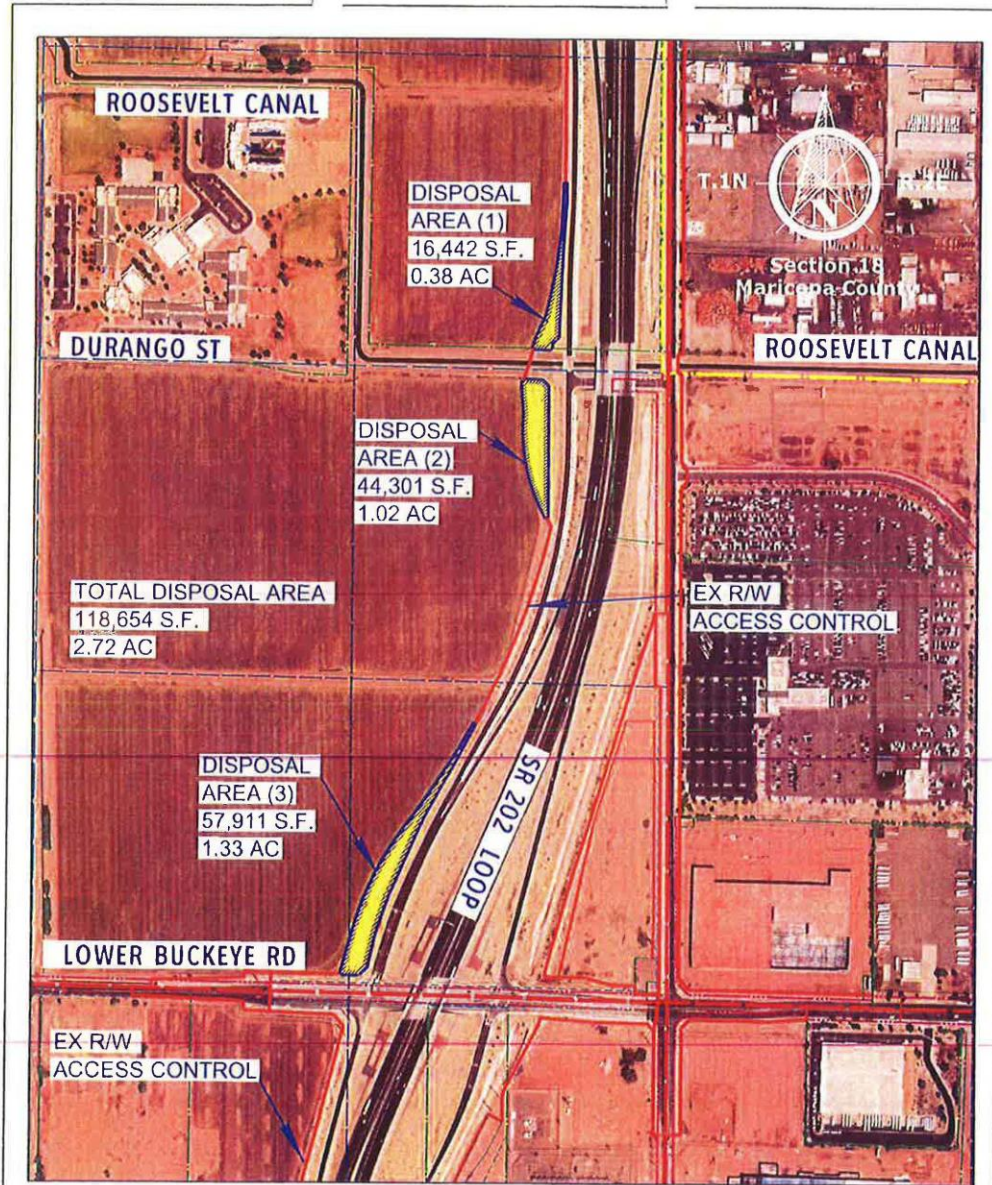
**RICHARD G LEE**

This license is subject to the laws of Arizona and will remain in full force and effect until expired, surrendered, revoked or suspended as provided by law.

Expiration Date : **April 30, 2024**

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***ADDENDA***



<p><b>ADOT</b> Right Of Way THIS SKETCH PLAN IS FOR ADOT INTERNAL USE ONLY</p>	DISPOSAL #	L-C-145	HIGHWAY NAME	SOUTH MOUNTAIN FREEWAY
	EXHIBIT #		PROJECT NO.	202 MA 000 H5439 202 MA 056 H8827
	DATE	12/09/22	FEDERAL AID NO.	202D(200)S
ROUTE NO.: SR 202L	LOCATION: Salt River - I-10			SHEET NO. 1 OF 1

G:\9310\PROJECTS\MARICOPA\17202L\1A\000 H5439 - South Mountain Freeway\EXHIBIT-L-C-145-L-C-145\Exhibit.dwg



**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 85007-3212

**By virtue of that certain:** See Right of Way / Vesting Section.

Upon compliance with REQUIREMENTS herein, satisfactory title will vest in the proposed buyers.

**LEGAL DESCRIPTION**

SEE SCHEDULE A-1 ATTACHED

**REMARKS:** The Schedule B Items shown, if any, reflect only those matters that have occurred subsequent to the acquisition of the subject property.

<b>Date of Search:</b> 9-1-2022	<b>Examiner:</b> Jim Gregg	<b>Reviewer:</b>
<b>Update to:</b>	<b>Examiner:</b>	<b>Reviewer:</b>
<b>Update to:</b>	<b>Examiner:</b>	<b>Reviewer:</b>
<b>Update to:</b>	<b>Examiner:</b>	<b>Reviewer:</b>
<b>Update to:</b>	<b>Examiner:</b>	<b>Reviewer:</b>

<b>County:</b> MARICOPA	<b>Tax Arb:</b> N/A	<b>Disposal:</b> N/A
<b>Tracs No.:</b> 202L 010 MA 000 H5439 / 202L 010 MA 056 H8827		
<b>Highway:</b> South Mountain Freeway	<b>Excess Land:</b> L-C-145	
<b>Fed. No.:</b> N/A	<b>Section:</b> Salt River-JCT I-10 Papago	<b>Parcel No.:</b> 7-11645

**SCHEDULE A-1  
LEGAL DESCRIPTION**

That portion of the East half of Section 18, Township 1 North, Range 2 East, Gila and Salt River Meridian, Maricopa County, Arizona, as depicted on Exhibit "A" attached, Sheets P-5, P-6, and P-7 of ADOT Drawing D-7-T-1014, the Right of Way Plans of SOUTH MOUNTAIN FREEWAY, Section Salt River-JCT I-10 Papago, Project 202L 010 MA 000 H5439 / 202L 010 MA 056 H8827.

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

**END OF SCHEDULE A-1**



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**RIGHT OF WAY / VESTING**

- 1.) Amended Final Order of Condemnation in Civil Case No. 2016-001533 of the Arizona Superior Court, Maricopa County, entitled the State of Arizona, ex rel., John Halikowski, Director, Department of Transportation, Plaintiff, vs. Property Reserve Arizona, L.L.C., an Arizona Limited Liability Company; and Maricopa County, Defendants, dated April 21, 2017, recorded May 12, 2017, in Document No. 2017-0346068.  
[Project 202L 010 MA 000 H5439 / 202L 010 MA 056 H8827, Parcel 7-11645]

**NOTE:** Property acquired as fee only.

**NOTE:** Stipulated Judgment No. CV2016-001533, filed February 16, 2017, in the Superior Court, Maricopa County, Arizona, was reviewed and all conditions were complied with.

- 2.) Quitclaim Deed from the United States of America to the State of Arizona, by and through its Department of Transportation, dated March 13, 2020, recorded March 23, 2020, in Document No. 2020-0246387.

**NOTE:** This Quitclaim Deed has verbiage that releases any remnant interests that SRP may have had in the property.

**END OF RIGHT OF WAY / VESTING**

## **REQUIREMENTS**

1. Terms, conditions and requirements contained in Certificate of Grandfathered Groundwater Right, from the State of Arizona Department of Water Resources to the Arizona Department of Transportation, dated October 25, 2017.
2. Record Deed from the State of Arizona, by and through its Department of Transportation to the proposed buyer(s).

**NOTE:** Repurchase rights **do not** apply due to the property being acquired through a Final Order of Condemnation.

## **END OF REQUIREMENTS**

**SCHEDULE B**

1. Easement with respect to underground facilities for a water line and appurtenances, with the right to use land adjacent to said easement during temporary periods of construction and maintenance by Roosevelt Irrigation District, an Arizona municipal corporation, to Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona, dated September 20, 2017, recorded September 26, 2017, in Document No. 2017-0710497.
2. Exclusive Irrigation Easement for irrigation pipeline(s) and turnout structure(s), from the State of Arizona, by and through its Department of Transportation, to Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona, dated February 9, 2018, recorded February 9, 2018, in Document No. 2018-0126673.
3. Aerial Easement from the State of Arizona, by and through its Department of Transportation, to Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona, to accommodate the swing, blow out or other movement of conductors, cables, wires or other lines together with the unrestricted right of vehicular and pedestrian access for the purpose of vegetation removal, dated April 13, 2018, recorded April 18, 2018, in Document No. 2018-0293585.
4. Irrigation Easement for irrigation pipeline(s) and turnout structure(s), from the State of Arizona, by and through its Department of Transportation, to Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona, dated May 1, 2018, recorded May 11, 2018 in Document No. 2018-0363949.
5. Irrigation Easement for irrigation pipeline(s) and turnout structure(s), from the State of Arizona, by and through its Department of Transportation, to Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona, dated June 6, 2018, recorded June 19, 2018, in Document No. 2018-0468667.
6. Contract and Grant of Easement by and between the United States of America and the State of Arizona, by and through its Department of Transportation, for the relocation of a portion of a piped irrigation facility, dated March 12, 2019, recorded March 28, 2019, in Document No. 2019-0215706.

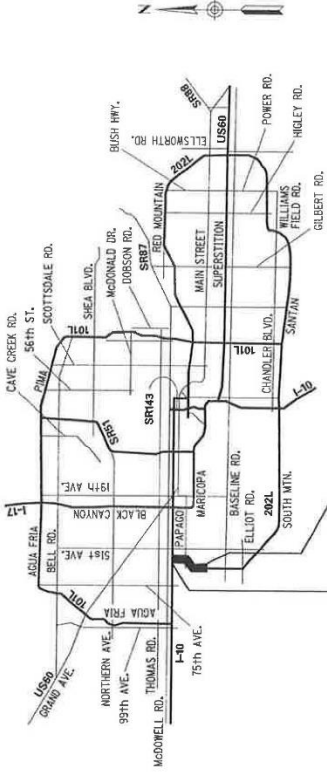
**END OF SCHEDULE B**



**RIGHT OF WAY PLANS OF THE**  
SOUTH MOUNTAIN FREEWAY  
SALT RIVER - JCT I-10 PAPAGO SEGMENT  
202L MA 000 H5439 / 202L MA 056 H8827  
202D(200'S)



**PROJECT LOCATION**  
★ COUNTY NAME: MARICOPA  
LENGTH OF PROJECT: 4.3 MILES  
ADOT DISTRICT: CENTRAL (C)  
DRAWING NUMBER: D-T-1-1014



APPROVED IN ACCORDANCE WITH  
ARIZONA STATE TRANSPORTATION BOARD  
RESOLUTION 87-08-A-68 8/27/1987  
87-11-A-05 12/18/1987  
87-08-A-68 8/27/1987  
2011-05-A-062 5/15/2011  
2015-03-A-008 3/20/2015  
2017-01-A-000 1/20/2017  
2017-01-A-000 1/20/2017  
2018-05-A-025 5/12/2018  
2018-05-A-025 5/12/2018

NOTE: ALL RW ACQUISITION ACQUIRED  
UNDER PROJECT 202L MA 056 H8827  
SALT RIVER - JCT I-10 PAPAGO SEGMENT  
SALT RIVER - JCT I-10 PAPAGO SEGMENT

202L MA 000 H5439  
202L MA 056 H8827

202L MA 000 H5439  
202L MA 056 H8827

**SHEET INDEX**

COVER SHEET	1
STANDARD ABBREVIATIONS & SYMBOLS	S-1
OWNERSHIP RECORD SHEETS	ORS-1 TO ORS-5
VICINITY MAP	VM-1 TO VM-4
PLAN SHEETS	P-1 TO P-27
PARCEL INSERT SHEETS	PAR-1 TO PAR-2
RIGHT OF WAY MONUMENTATION SHEETS	MS-1 TO MS-15
TOTAL SHEETS	55

NOTE: ALL RW ACQUISITION ACQUIRED UNDER PROJECT 202L MA 056 H8827 SALT RIVER - JCT I-10 PAPAGO SEGMENT

202L MA 000 H5439  
202L MA 056 H8827

202L MA 000 H5439  
202L MA 056 H8827

SALT RIVER - JCT I-10 PAPAGO SEGMENT

SALT RIVER - JCT I-10 PAPAGO SEGMENT

SALT RIVER - JCT I-10 PAPAGO SEGMENT

SALT RIVER - JCT I-10 PAPAGO SEGMENT

SALT RIVER - JCT I-10 PAPAGO SEGMENT

SALT RIVER - JCT I-10 PAPAGO SEGMENT

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SALT RIVER - JCT I-10 PAPAGO SEGMENT

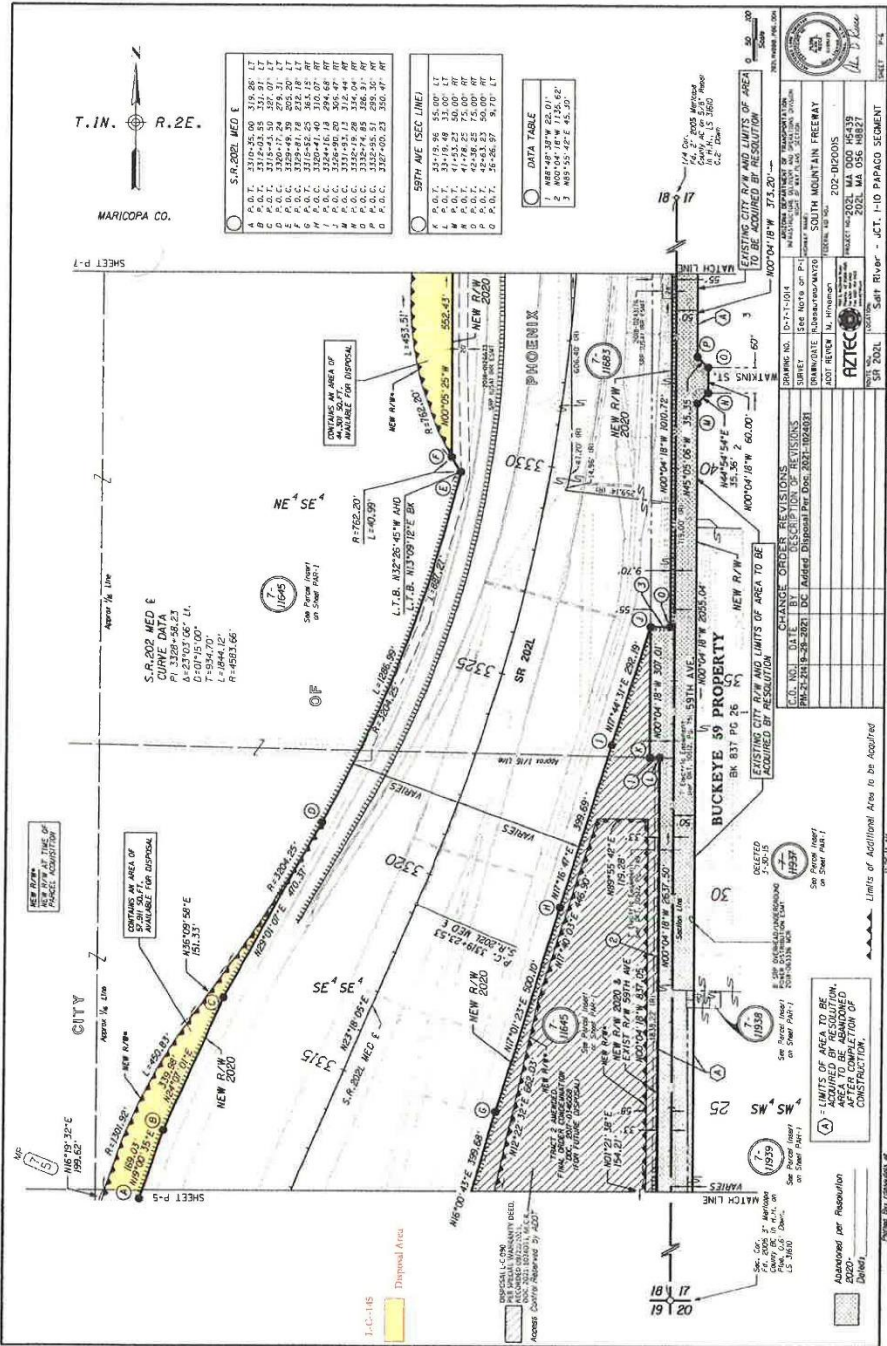
SALT RIVER - JCT I-10 PAPAGO SEGMENT



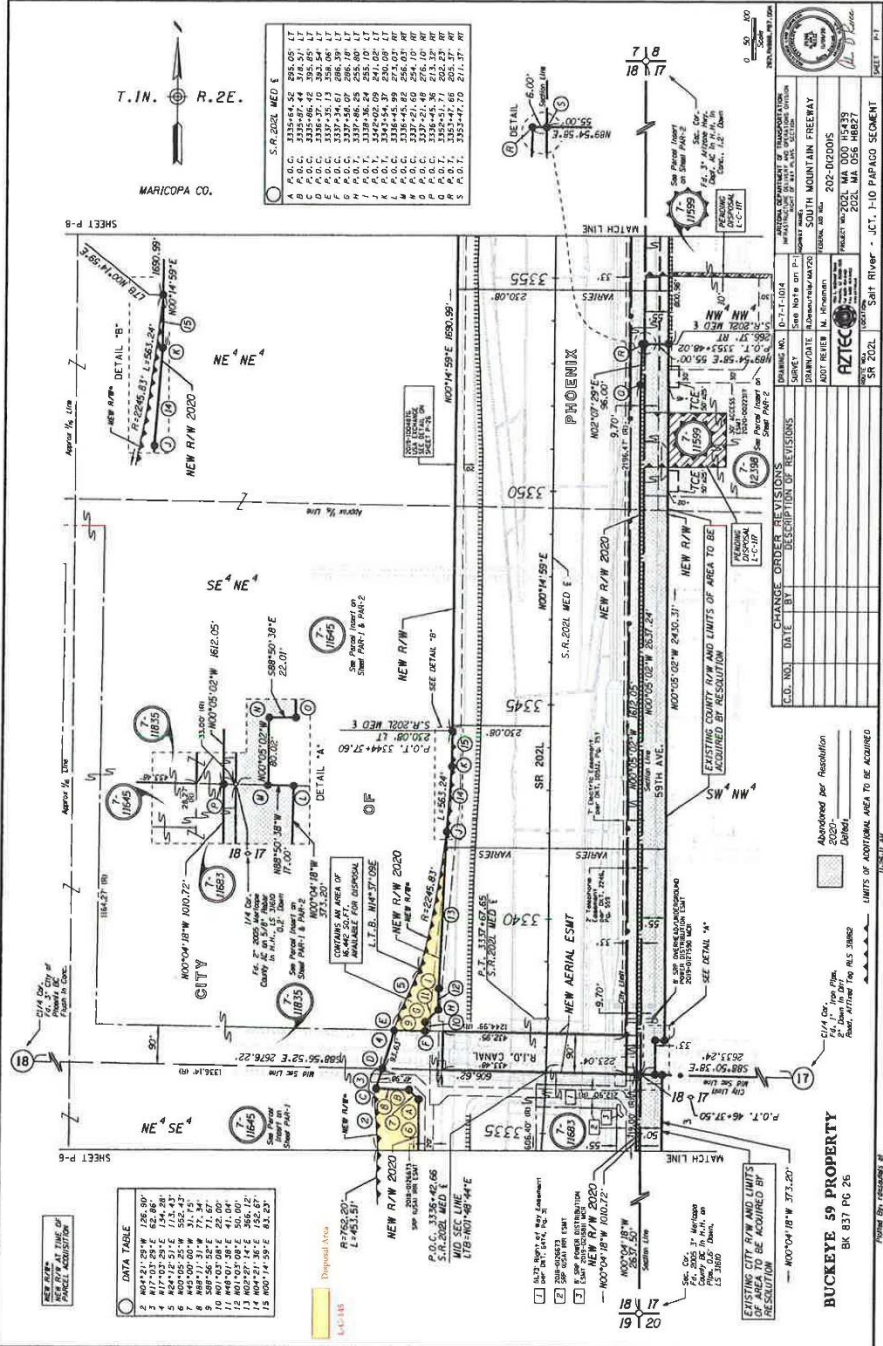












**NEW R/W'S**  
AREA SHOWN AT TIME OF  
PROPOSED ACQUISITION

LINE	POINT	COORDINATES
1	1	804+21.92W 126.80'
2	2	817+02.82E 62.06'
3	3	824+72.51E 114.43'
4	4	845+00.00W 317.2'
5	5	889+11.31W 71.34'
6	6	897+02.08E 22.00'
7	7	897+02.08E 22.00'
8	8	897+02.08E 22.00'
9	9	897+02.08E 22.00'
10	10	897+02.08E 22.00'
11	11	897+02.08E 22.00'
12	12	897+02.08E 22.00'
13	13	897+02.08E 22.00'
14	14	897+02.08E 22.00'
15	15	897+02.08E 22.00'

**DATA TABLE**

LINE	POINT	COORDINATES
1	1	804+21.92W 126.80'
2	2	817+02.82E 62.06'
3	3	824+72.51E 114.43'
4	4	845+00.00W 317.2'
5	5	889+11.31W 71.34'
6	6	897+02.08E 22.00'
7	7	897+02.08E 22.00'
8	8	897+02.08E 22.00'
9	9	897+02.08E 22.00'
10	10	897+02.08E 22.00'
11	11	897+02.08E 22.00'
12	12	897+02.08E 22.00'
13	13	897+02.08E 22.00'
14	14	897+02.08E 22.00'
15	15	897+02.08E 22.00'

**Deposited Area**

LINE	POINT	COORDINATES
1	1	804+21.92W 126.80'
2	2	817+02.82E 62.06'
3	3	824+72.51E 114.43'
4	4	845+00.00W 317.2'
5	5	889+11.31W 71.34'
6	6	897+02.08E 22.00'
7	7	897+02.08E 22.00'
8	8	897+02.08E 22.00'
9	9	897+02.08E 22.00'
10	10	897+02.08E 22.00'
11	11	897+02.08E 22.00'
12	12	897+02.08E 22.00'
13	13	897+02.08E 22.00'
14	14	897+02.08E 22.00'
15	15	897+02.08E 22.00'

**EXISTING CITY R/W AND LIMITS OF AREA TO BE ACQUIRED BY RESOLUTION**

LINE	POINT	COORDINATES
1	1	804+21.92W 126.80'
2	2	817+02.82E 62.06'
3	3	824+72.51E 114.43'
4	4	845+00.00W 317.2'
5	5	889+11.31W 71.34'
6	6	897+02.08E 22.00'
7	7	897+02.08E 22.00'
8	8	897+02.08E 22.00'
9	9	897+02.08E 22.00'
10	10	897+02.08E 22.00'
11	11	897+02.08E 22.00'
12	12	897+02.08E 22.00'
13	13	897+02.08E 22.00'
14	14	897+02.08E 22.00'
15	15	897+02.08E 22.00'

**BUCKEYE 59 PROPERTY**  
BK 837 PG 26

**CHANGE ORDER REVISIONS**

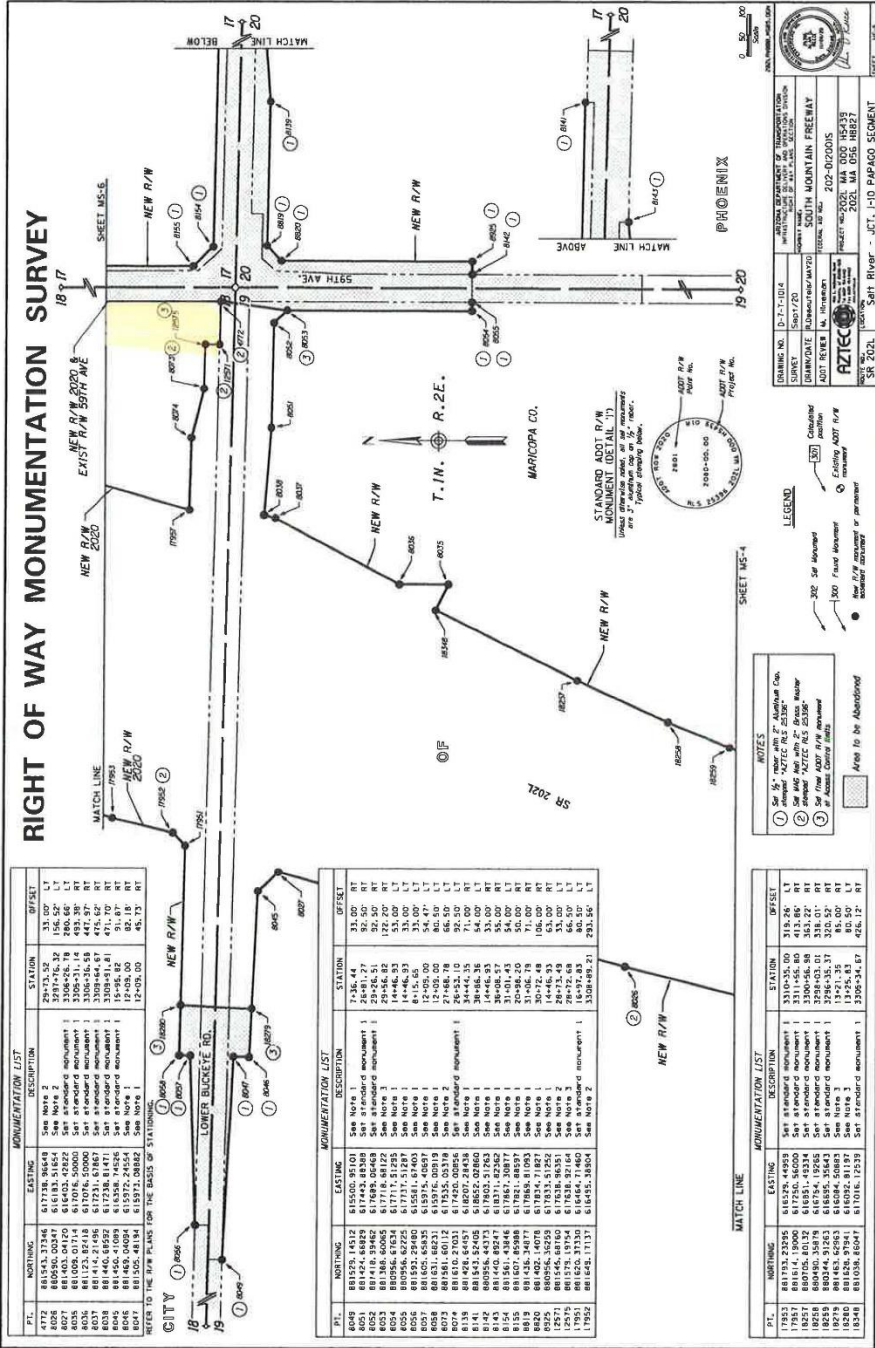
NO.	DATE	DESCRIPTION OF REVISIONS
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		

**PROPERTY INFORMATION**

PROJECT NO.	202-020005
CLIENT	BUCKEYE 59 PROPERTY
DATE	11/14/2020
DRAWING NO.	07-1-1014
SCALE	AS SHOWN
DESIGNED BY	M. Brennan
CHECKED BY	M. Brennan
DATE	11/14/2020
PROJECT NO.	202-020005
CLIENT	BUCKEYE 59 PROPERTY
DATE	11/14/2020
DRAWING NO.	07-1-1014
SCALE	AS SHOWN
DESIGNED BY	M. Brennan
CHECKED BY	M. Brennan
DATE	11/14/2020

**SW APPRAISAL ASSOCIATES**  
1117 N. 10TH AVENUE, SUITE 100, PHOENIX, AZ 85004  
TEL: 602.955.1111 FAX: 602.955.1112  
WWW.SWAPPRAISAL.COM

# RIGHT OF WAY MONUMENTATION SURVEY



PT.	NORTHING	EASTING	DESCRIPTION	STATION	OFFSET
4772	881543.73746	617738.96549	See Note 2	29+72.52	33.00' LT
4800	889000.00000	616183.51854	See Note 1	3397+76.32	156.52' LT
8005	881029.01714	617076.50000	See Note 1	3300+31.14	493.38' RT
8006	881432.14546	617238.51471	See Note 1	3308+51.81	447.37' RT
8007	881460.89592	617238.51471	See Note 1	3308+51.81	471.10' RT
8008	881460.89592	617238.51471	See Note 1	3308+51.81	31.18' RT
8009	881460.89592	617238.51471	See Note 1	3308+51.81	31.18' RT
8010	881460.89592	617238.51471	See Note 1	3308+51.81	45.73' RT

PT.	NORTHING	EASTING	DESCRIPTION	STATION	OFFSET
8001	881474.64829	617442.83389	See Note 1	2+481+27	33.00' LT
8002	881548.60005	617715.51295	See Note 1	29+25+51	32.50' RT
8003	880956.61634	617715.51295	See Note 1	14+466+33	53.00' LT
8004	881548.60005	617715.51295	See Note 1	8+15+65	33.00' LT
8005	881521.22460	615551.61400	See Note 1	12+05+00	54.47' LT
8006	881625.65835	615975.40597	See Note 1	29+52+10	32.50' LT
8007	881625.65835	615975.40597	See Note 1	27+48+78	86.50' LT
8008	881625.65835	615975.40597	See Note 1	27+48+78	33.00' RT
8009	881625.65835	615975.40597	See Note 1	30+72+48	54.00' LT
8010	881625.65835	615975.40597	See Note 1	28+75+49	106.00' RT
8011	881625.65835	615975.40597	See Note 1	28+75+49	66.50' LT
8012	881625.65835	615975.40597	See Note 1	3308+51.81	33.00' LT
8013	881625.65835	615975.40597	See Note 1	3308+51.81	231.55' LT

PT.	NORTHING	EASTING	DESCRIPTION	STATION	OFFSET
8014	881548.60005	617715.51295	See Note 1	2+481+27	33.00' LT
8015	881548.60005	617715.51295	See Note 1	29+25+51	32.50' RT
8016	880956.61634	617715.51295	See Note 1	14+466+33	53.00' LT
8017	881548.60005	617715.51295	See Note 1	8+15+65	33.00' LT
8018	881521.22460	615551.61400	See Note 1	12+05+00	54.47' LT
8019	881625.65835	615975.40597	See Note 1	29+52+10	32.50' LT
8020	881625.65835	615975.40597	See Note 1	27+48+78	86.50' LT
8021	881625.65835	615975.40597	See Note 1	27+48+78	33.00' RT
8022	881625.65835	615975.40597	See Note 1	30+72+48	54.00' LT
8023	881625.65835	615975.40597	See Note 1	28+75+49	106.00' RT
8024	881625.65835	615975.40597	See Note 1	28+75+49	66.50' LT
8025	881625.65835	615975.40597	See Note 1	3308+51.81	33.00' LT
8026	881625.65835	615975.40597	See Note 1	3308+51.81	231.55' LT

PT.	NORTHING	EASTING	DESCRIPTION	STATION	OFFSET
8027	881548.60005	617715.51295	See Note 1	2+481+27	33.00' LT
8028	881548.60005	617715.51295	See Note 1	29+25+51	32.50' RT
8029	880956.61634	617715.51295	See Note 1	14+466+33	53.00' LT
8030	881548.60005	617715.51295	See Note 1	8+15+65	33.00' LT
8031	881521.22460	615551.61400	See Note 1	12+05+00	54.47' LT
8032	881625.65835	615975.40597	See Note 1	29+52+10	32.50' LT
8033	881625.65835	615975.40597	See Note 1	27+48+78	86.50' LT
8034	881625.65835	615975.40597	See Note 1	27+48+78	33.00' RT
8035	881625.65835	615975.40597	See Note 1	30+72+48	54.00' LT
8036	881625.65835	615975.40597	See Note 1	28+75+49	106.00' RT
8037	881625.65835	615975.40597	See Note 1	28+75+49	66.50' LT
8038	881625.65835	615975.40597	See Note 1	3308+51.81	33.00' LT
8039	881625.65835	615975.40597	See Note 1	3308+51.81	231.55' LT

PT.	NORTHING	EASTING	DESCRIPTION	STATION	OFFSET
8040	881548.60005	617715.51295	See Note 1	2+481+27	33.00' LT
8041	881548.60005	617715.51295	See Note 1	29+25+51	32.50' RT
8042	880956.61634	617715.51295	See Note 1	14+466+33	53.00' LT
8043	881548.60005	617715.51295	See Note 1	8+15+65	33.00' LT
8044	881521.22460	615551.61400	See Note 1	12+05+00	54.47' LT
8045	881625.65835	615975.40597	See Note 1	29+52+10	32.50' LT
8046	881625.65835	615975.40597	See Note 1	27+48+78	86.50' LT
8047	881625.65835	615975.40597	See Note 1	27+48+78	33.00' RT
8048	881625.65835	615975.40597	See Note 1	30+72+48	54.00' LT
8049	881625.65835	615975.40597	See Note 1	28+75+49	106.00' RT
8050	881625.65835	615975.40597	See Note 1	28+75+49	66.50' LT
8051	881625.65835	615975.40597	See Note 1	3308+51.81	33.00' LT
8052	881625.65835	615975.40597	See Note 1	3308+51.81	231.55' LT

PT.	NORTHING	EASTING	DESCRIPTION	STATION	OFFSET
8053	881548.60005	617715.51295	See Note 1	2+481+27	33.00' LT
8054	881548.60005	617715.51295	See Note 1	29+25+51	32.50' RT
8055	880956.61634	617715.51295	See Note 1	14+466+33	53.00' LT
8056	881548.60005	617715.51295	See Note 1	8+15+65	33.00' LT
8057	881521.22460	615551.61400	See Note 1	12+05+00	54.47' LT
8058	881625.65835	615975.40597	See Note 1	29+52+10	32.50' LT
8059	881625.65835	615975.40597	See Note 1	27+48+78	86.50' LT
8060	881625.65835	615975.40597	See Note 1	27+48+78	33.00' RT
8061	881625.65835	615975.40597	See Note 1	30+72+48	54.00' LT
8062	881625.65835	615975.40597	See Note 1	28+75+49	106.00' RT
8063	881625.65835	615975.40597	See Note 1	28+75+49	66.50' LT
8064	881625.65835	615975.40597	See Note 1	3308+51.81	33.00' LT
8065	881625.65835	615975.40597	See Note 1	3308+51.81	231.55' LT

**NOTES**

- See Note 1 for Monumentation of Right of Way.
- See Note 2 for Monumentation of Right of Way.
- See Note 3 for Monumentation of Right of Way.
- See Note 4 for Monumentation of Right of Way.

**LEGEND**

- 300' Standard Monument
- 300' Standard Monument
- 300' Standard Monument
- 300' Standard Monument

**ADDITIONAL INFORMATION**

DRAWING NO. 12-7-1014  
 SURVEY: SR 202L  
 PROJECT: SOUTH MOUNTAIN FREEWAY  
 ADOT REVENUE DISTRICT: 10  
 PROJECT NO.: 202-012005  
 PROJECT NO.: 202L MA 000 H2439  
 PROJECT NO.: 202L MA 000 H2439  
 PROJECT NO.: 202L MA 000 H2439

**RZTEC**

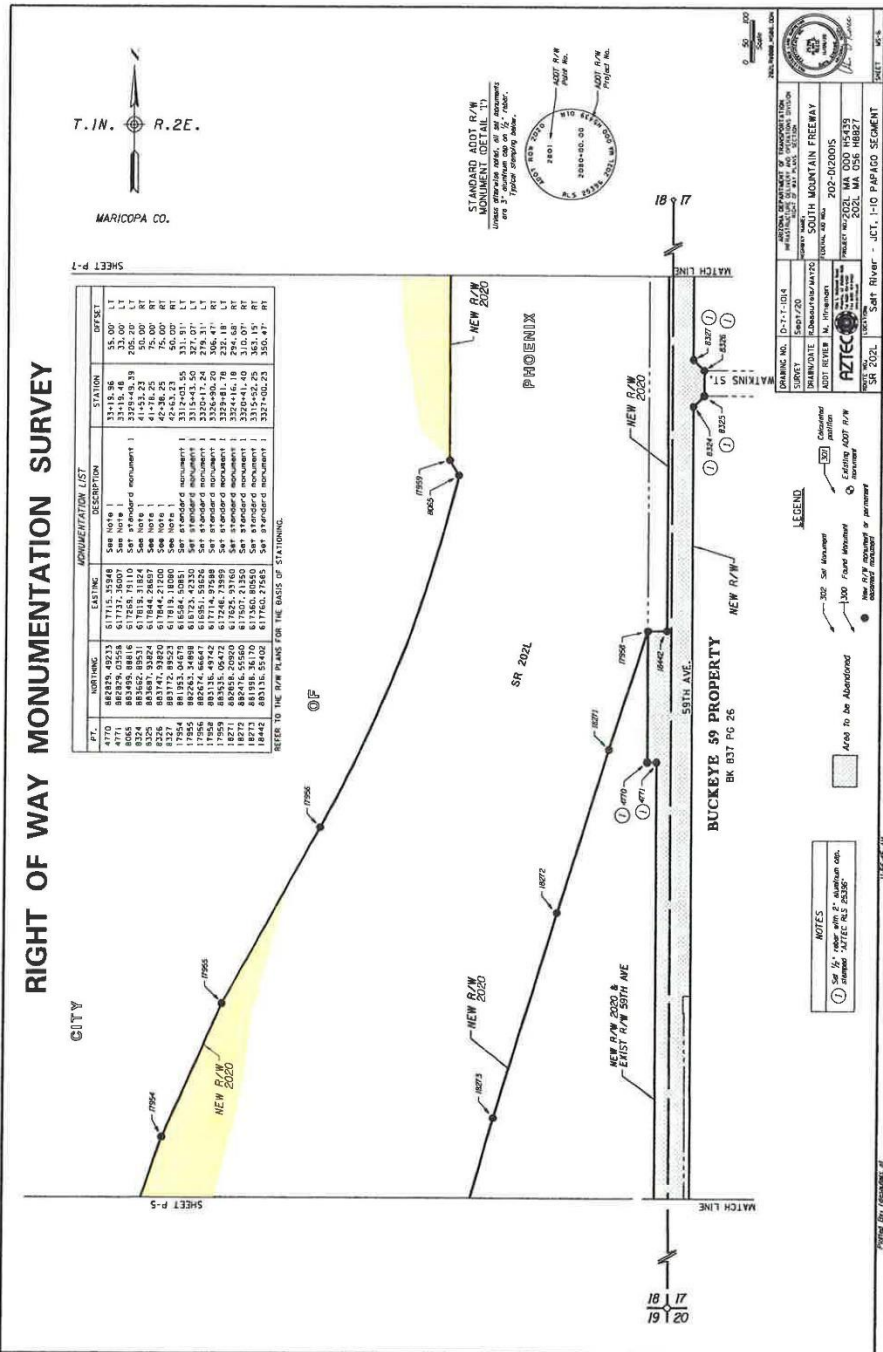
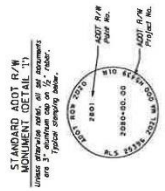
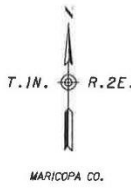
SR 202L - Salt River - JCT. I-10 PAPAGO SCHEMATIC

SHEET MS-5

# RIGHT OF WAY MONUMENTATION SURVEY

PT.	NORTHING	EASTING	MONUMENTATION LIST	DESCRIPTION	STATION	DECKET
1170	882878.40273	611715.55248	See Note 1	See Note 1	35+16.36	58.00' L1
4124	882878.03568	611732.36007	See Note 1	See Note 1	33+00.00	L1
8324	883662.88531	611815.31824	See Note 1	See Note 1	41+52.23	50.00' RT
8325	883174.93824	611844.26007	See Note 1	See Note 1	41+18.25	75.00' RT
8327	883172.85253	611815.18000	See Note 1	See Note 1	42+53.23	50.00' RT
17955	882874.96899	611725.42350	See standard monument	See standard monument	33+24.55	L1
17956	882874.66447	611851.58262	See standard monument	See standard monument	33+11.91	L1
18271	882858.20260	611826.91160	See standard monument	See standard monument	33+24.12	L1
18272	881918.36170	611746.71899	See standard monument	See standard monument	33+24.12	L1
18273	881918.36170	611560.80550	See standard monument	See standard monument	33+15.29	RT
18442	883136.59400	611760.27685	See standard monument	See standard monument	33+15.29	RT

REFER TO THE R/W PLANS FOR THE BASIS OF STATIONING.



**NOTES**

- 1. See 1/2" scale plan for monument locations.
- 2. See 1/2" scale plan for monument locations.

**LEGEND**

- 200' Survey Monument
- 100' Survey Monument
- Existing ADOT R/W Monument
- Area to be Abandoned
- Area to be Abandoned

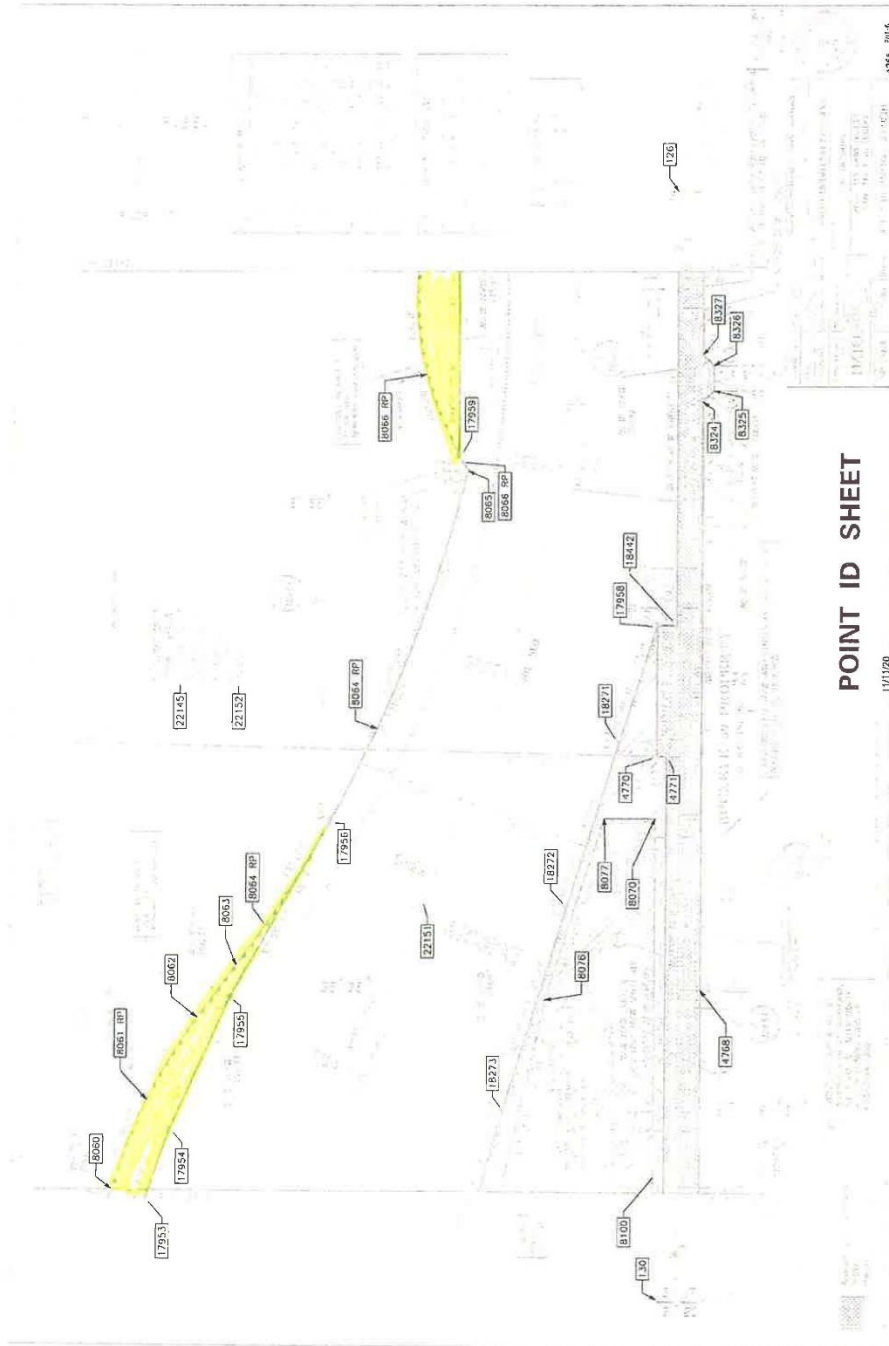
**PROJECT INFORMATION**

DRAWING NO. D-7-T-1024  
 SURVEY SOUTH MOUNTAIN FREEMAN  
 ADOT R/W 2020, MA 000 15435  
 PROJECT NO. 2020-020005  
 2020 MA 05E HBB77  
 SR 202L - Soft River - JCT. 1-10 P&ID SEGMENT









**POINT ID SHEET**

1/11/20

1255 8064













# PURCHASE ORDER

PHOENIX, on 5/12/2023  
CTR054974/ JW-23-014/ M697201X/ L-C-145/ Appraisal due 45 days from approval-SOUTHWEST APPRAISAL ASSOCIATES INC

### SUPPLIER

**SOUTHWEST APPRAISAL ASSOCIATES INC**  
Attn: STEVEN COLE  
Address: Legal Address  
PO BOX 16156  
UNITED STATES  
TUCSON, Arizona 85732-6156  
Phone: 5203270000  
E-mail: STEVE@SWAA.BIZ

### ORDER No. PO0000549599

*(please refer to this number on all documents)*  
**Amendment:**  
**Requestor:** ESTHER VALENCIA  
**Agency:** Department of Transportation  
**Division:** Infrastructure Delivery & Operations  
Division Construction  
**Department:** Right Of Way  
**Site:** RIGHT OF WAY  
**Phone:** 6027128793  
**Email:** EVALENCIA@AZDOT.GOV

### DELIVER TO

*(unless specified differently per item)*  
**Address:** RIGHT OF WAY  
205 S 17TH AVE  
MD 612E RM 331  
UNITED STATES  
PHOENIX, Arizona 85007-3212  
**Deliver To:**  
**Requested Delivery Date:**  
*(Unless specified differently per item in section delivery details)*

### BILL TO

**Address:** RIGHT OF WAY  
205 S 17TH AVE  
MD 612E RM 331  
UNITED STATES  
PHOENIX, Arizona 85007-3212  
**Payment Terms:** Net 30

ITEM	CONTRACT ID	CODE/SKU	REFERENCE AND DESCRIPTION	QTY	UNIT	UNIT PRICE (USD)	TOTAL (USD)
1	CTR054974-2	650544-1	CTR054974/ JW-23-014/ M697201X/ L-C-145/ Appraisal due 45 days from approval Commentaire : M697201X	1.0000	Total Cost		

**Total before Tax** USD  
 Non-Taxable - 0 % 0.00 USD  
**Total after Tax** USD



**DELIVERY CONDITIONS**

Delivery Conditions	Date	Type	%	Amount	Item

**PURCHASE ORDER TERMS AND CONDITIONS**

State of Arizona  
**PURCHASE ORDER TERMS AND CONDITIONS**  
Applied to APP Purchase Orders on or after 11/10/2022

- 1. Modification.** No modification of the purchase order shall bind State of Arizona Buyer (Buyer) unless Buyer agrees to the modification in writing.
- 2. Packing and Shipping.** Seller shall be responsible for industry standard packing which conform to all legal requirements. Containers must be clearly marked with any required identifying information such as the lot number, destination address, and purchase order number.
- 3. Title and Risk of Loss.** The title and risk of loss of the materials shall not pass to Buyer until Buyer physically receives the materials at the point of delivery.
- 4. Invoice and Payment.** A separate invoice shall be issued for each shipment. No invoice shall be issued prior to shipment of materials and no payment will be made prior to receipt and acceptance of materials and correct invoice. Payment due dates, including discount periods, will be computed from date of receipt of materials or date of receipt of correct invoice (whichever is later) to date Buyer's warrant as mailed. Unless freight and other charges are itemized, any discount provided will be taken on full amount of invoice. Payment shall be subject to the provisions of Title 35 of Arizona Revised Statutes (A.R.S.), subject to the requirements and limitations of A.R.S. § 35-154. The Buyer's obligation is payable solely from funds appropriated for the purpose of acquiring the materials or services referred to in this Purchase Order; should Buyer's funding change, no legal liability on the part of the Buyer for any payment may arise under this Purchase Order until funds are made available for performance.
- 5. Inspection.** All materials are subject to final inspection and acceptance by Buyer. Material failing to meet the requirements of this Purchase Order will be held at Seller's risk and may be returned to Seller. If so returned, the cost of transportation, unpacking, inspection, repacking, reshipping, or other similar expenses are the responsibility of the Seller.
- 6. No Replacement of Defective Tender.** Every tender of materials must fully comply with all provisions of Purchase Order as the time of delivery, quantity, quality and the like. If a tender is made which does not fully conform, it shall constitute a breach and Seller shall not have the right to substitute a conforming tender.
- 7. Gratuities.** The buyer may, by written notice to the Seller, cancel this Purchase Order if it is found by Buyer that gratuities, in the form of entertainment, gifts, or otherwise, were offered or given by the Seller, or any agent or representative of the Seller, to any officer or employee of the State of Arizona with the purpose of securing an order or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with the respect to the performing, of such order. In the event this Purchase Order is canceled by Buyer pursuant to this provision, Buyer shall be entitled to recover or withhold from the Seller the amount of the gratuity, in addition to any other rights and remedies available under Arizona state law.
- 8. Warranties.** Seller warrants that all materials and services delivered under this Purchase Order will conform to the requirements of this Purchase Order (including all applicable descriptions, specifications, drawing and samples) will be free from defects in material and workmanship and will be free from defects in design and fill for the intended purposes. Any inspection or acceptance of the materials or services by Buyer shall not alter or affect the obligations of Seller or the right of Buyer under the foregoing warranties.

- 9. E-Verify.** In accordance with A.R.S. § 41-4401, Seller warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23- 214, Subsection A.
- 10. Assignment and Delegation.** No right or interest in this Purchase Order shall be assigned by Seller without the written permission of Buyer, and no delegation of any duty of Seller shall be made without written permission of Buyer.
- 11. Third Party Antitrust Violations.** Seller assigns to Buyer any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Seller toward fulfillment of this Purchase Order
- 12. Interpretation –** This Purchase Order is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their agreement. No course of prior dealings between the parties and no course of dealing or usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding. Whenever a term defined by the Uniform Commercial Code (U.C.C.) is used in the Purchase Order, the definition contained in the U.C.C. is to control.
- 13. Non-Discrimination.** The Contractor shall comply with State Executive Orders No. 2023-01, 2009-09, and any and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 14. Indemnity.** Seller agrees to indemnify and save Buyer harmless from any loss, damage or expense whatsoever resulting to the Buyer from any and all claims and demands on account of infringement or alleged infringement of any patent in connection with the manufacture or use of any product included in this Purchase Order and upon written request, Seller will defend at its own expense any legal action or suit against Buyer involving any such alleged patent infringement and will pay and satisfy any judgments rendered or settlements reached in any such legal actions or suits. Seller will indemnify Buyer against all claims for damages to persons or property resulting from defects in materials or workmanship
- 15. Liens.** All delivered materials and services performed under this Purchase Order shall be free of all liens and if Buyer requests, a formal release of all liens shall be delivered to Buyer.
- 16. Contract Number.** If an Arizona contract number appears on the face of this Purchase Order or the Purchase Order was placed against an existing Arizona contract, the terms of that contract are incorporated herein by this reference.
- 17. Taxes.** Seller shall be responsible for paying any and all applicable taxes, including but not limited to state and local transaction privilege taxes.
- 18. Conflict of Interest.** Pursuant to A.R.S. § 38-511, this Purchase Order is subject to cancellation by the buyer if any person significantly involved in initiation negotiating securing drafting or creating the contract on behalf of the State is at any time while the contract is in effect, an employee or any other party to the contract in any capacity or a consultant to any other party of the contract will respect to the subject matter of the contract.
- 19. Remedies and Applicable Law.** This Purchase Order shall be governed by the law of the State of Arizona and suits pertaining to this Purchase Order may only be brought under Article 9 of the Arizona Procurement Code (A.R.S. §§ 41-2501 et seq., and the rules thereunder, A.A.C. R2-7-101 et seq.)
- 20. Books and Records.** Under A.R.S. § 35-214 and § 35-215, the Seller shall retain all books, accounts, reports, files and other

records relating to the Purchase Order for five years after completion of the Purchase Order. These books and records shall be available at all reasonable times for inspection and audit by the State at such state offices designated by the State.

**21. State Law Certifications.** If Seller is a Company as defined in A.R.S. § 35-393, Contractor Seller certifies that it shall comply with A.R.S. § 35-394, regarding use of forced labor of ethnic Uyghurs, as applicable. If this purchase order is over \$100,000, Seller further certifies that it is not currently engaged in a boycott of Israel as described in A.R.S. §§ 35-393 et seq. and will refrain from any such boycott for the duration of this Purchase Order.

**22. Arbitration.** The Buyer and Seller agree to use arbitration as required by A.R.S. § 12-1518.

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