

APPRAISAL COVER SHEET

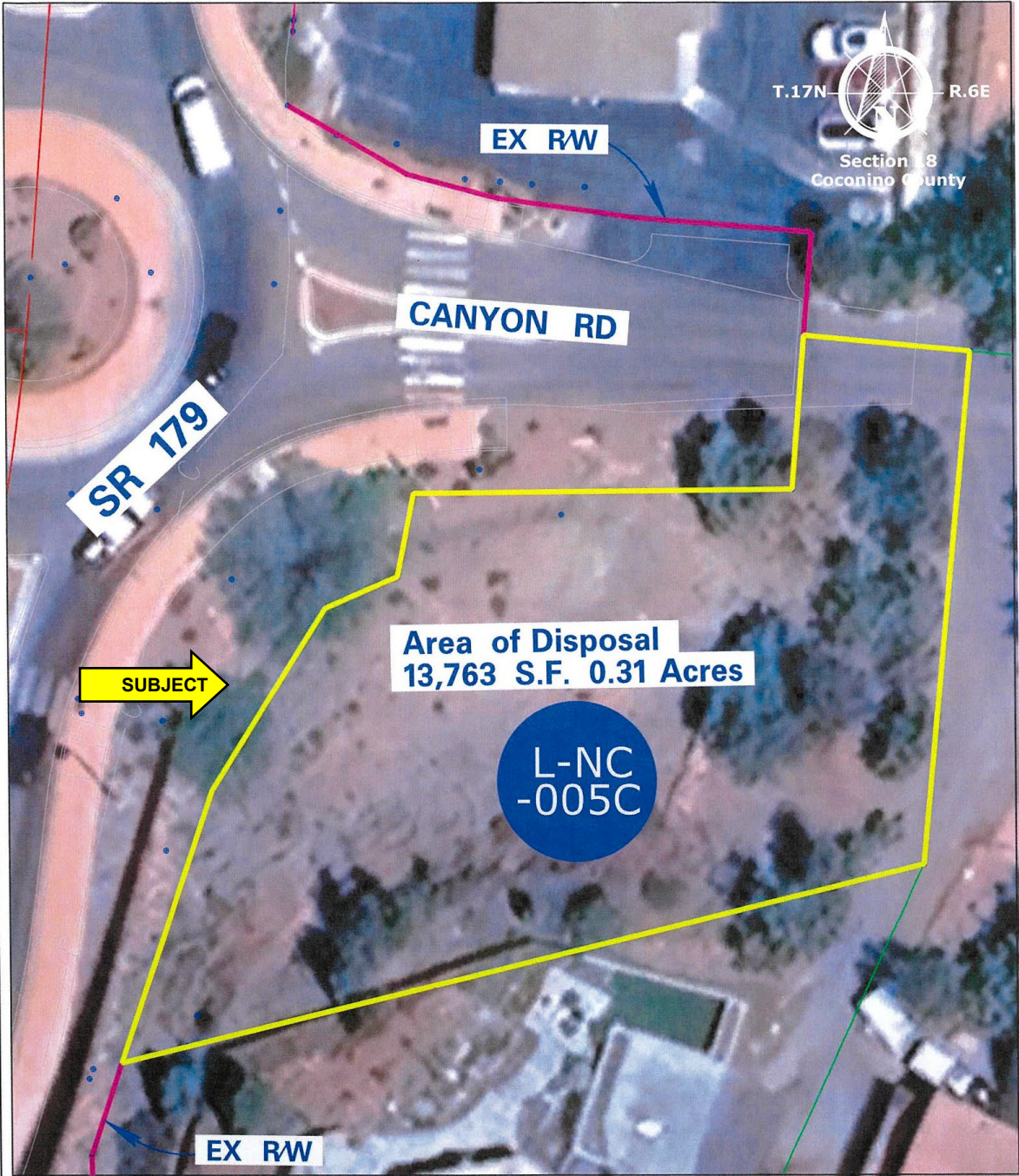
TYPE OF REPORT:	Appraisal for Market Value
ADOT PARCEL NO.:	L-NC-005C
OWNER NAME:	State of Arizona, by and through its Department of Transportation
NAME & LOCATION OF PROPERTIES:	Excess parcel consisting of approximately 13,763 square feet (0.31 acres). The land is located at the southeast corner of State Route 179 and Canyon Road, Sedona County, Arizona. A portion of Section 15, Township 19 North, Range 22 W, G&SRB&M.
PROJECT:	M6975 01X
HIGHWAY:	RIM ROCK - SEDONA
SECTION:	Village of Oak Creek - Jct. 89A
DATE OF APPRAISAL REPORT:	October 31, 2024
EFFECTIVE DATE OF VALUE:	October 7, 2024
APPRAISERS:	Steven R. Cole, MAI, SRA Certified General Real Estate Appraiser #30130

AERIAL MAP – PROPERTY APPRAISED



**boundaries are approximate*

ADOT AERIAL EXHIBIT



PLEASE NOTE: This exhibit is intended for Appraisal purposes only. Refer to Final Right-of-Way Plans for additional information.

ADOT Right Of Way <small>THIS SKETCH PLAN IS FOR ADOT INTERNAL USE ONLY</small>	PARCEL #	L-NC-005-C	HIGHWAY NAME:		RIM ROCK - SEDONA
	DRAWN	JV	PROJECT NO.		179 YV 304 H3414 02R
	DATE	04/25/2024	FEDERAL AID NO.:		S 238 - 805
ROUTE NO.:	LOCATION:		SHEET NO.		
SR 179	SR 179 - CANYON DR		1 OF 1		



P.O. Box 16156
TUCSON, ARIZONA 85732
(520) 327-0000
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LETTER OF TRANSMITTAL

October 31, 2024

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

RE: Appraisal of ADOT Parcel L-NC-005C. The subject is an excess parcel of land which is part of the RIM ROCK - SEDONA project. According to ADOT, the excess parcel area consists of $\pm 13,763$ square feet, (0.31 acres). The property is located at the southeast corner of State Route 179 and Canyon Road, Sedona, Coconino County, Arizona.

Appraiser's File No.: 24-208-L

Mr. Walcutt:

At your request, I have provided my market value opinion for the subject excess parcel referenced above. The excess area is located at the southeast corner of State Route 179 and Canyon Road in Sedona, Coconino County, Arizona. The subject is accessed via Gardner Road, a two lane, asphalt paved residential street. I have received significant, professional appraisal assistance in the performance of this appraisal from Scott Harden, Certified General Real Estate Appraiser. However, the opinions and conclusions expressed are my own.

The subject parcel consists of $\pm 13,763$ gross square feet, (0.31 acres). It represents excess land from the Rim Rock - Sedona project. It is located at the southeast corner of State Route 179 and Canyon Road in Sedona, Coconino County, Arizona. It is further described as a portion of the northeast quarter of Section 18, Township 17 North, Range 6 West G & SRB & M, Coconino County, Arizona. The parcel has legal access via Canyon Road, a two lane, asphalt paved street.

The subject is located along State Route 179. It does not appear access is available for the property from State Route 179. There is a retail building located across Canyon Road at the northeast corner of the same intersection. It appears that the subject property could support a small retail development. There are municipal utilities available to the lot line.

The topography of the subject property is sloping, northeast to southwest. There is a steep incline near the southern boundary. The topography of the site could provide a small building envelop.

The subject property was inspected on October 7, 2024. The appraiser was accompanied by Mr. Jim Walcutt from ADOT and Mr. Scott Harden, an associate appraiser with Southwest Appraisal Associates.

The purpose of this appraisal is to provide market value opinion for the subject excess parcel identified in the ADOT Right of Way Excess Report dated March 26, 2023, as of October 7, 2024, 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 2024* (USPAP), promulgated by the Appraisal Standards Board of the Appraisal Foundation. The Sales Comparison Approach is utilized to support my 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. While the undersigned remains solely responsible for this report, I have acknowledged in the Certification that Scott Harden has provided significant professional appraisal experience. The use of "our," or "we" refers to both Mr. Harden and me.

Based upon the data, analysis, opinions, and conclusions contained in this report, our market value opinions for the subject excess parcel, as of October 7, 2024, is as follows:

ADOT PARCEL L-NC-005C, MARKET VALUE OPINION:

±13,763 SQUARE FEET (0.31 ACRES)\$370,000

This estimate of Market Value equals approximately\$27.00 Per Square Foot

An exposure time of 6 to 12 months is estimated for the sale of the excess 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 appraiser. It is an extraordinary assumption of this appraisal that there is no known archaeological significance on the excess parcel.*
- 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 excess parcel.*
- 3) The excess parcel was inspected by the appraiser. No evidence of environmental risks or hazardous conditions was observed. It is an extraordinary assumption in this appraisal that there are no known environmental risks or hazardous conditions on the excess parcel.*
- 4) This appraisal relies on the site areas provided by ADOT, and the Coconino County Assessor's measurement tool. It is an extraordinary assumption that the site area contained in this appraisal is accurate.*

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.”¹

There are no hypothetical conditions that apply to this appraisal.

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

I hereby certify that to the best of my 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.

¹ *Uniform Standards of Professional Appraisal Practice, 2020-2023 Ed., Appraisal Foundation*

Respectfully submitted,

Southwest Appraisal Associates, Inc.

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

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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.

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 are 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.

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 excess parcel.*
- 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 excess parcel.*
- 3. The excess parcel was inspected by the appraisers. No evidence of environmental risks or hazardous conditions was observed. It is an extraordinary assumption in this appraisal that there are no known environmental risks or hazardous conditions on the excess parcel.*
- 4. This appraisal relies on the site areas provided by ADOT, and the Coconino County Assessor's measurement tool. It is an extraordinary assumption that the site areas contained in this appraisal are accurate.*

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.”²

There are no hypothetical conditions that apply to this appraisal.

² Uniform Standards of Professional Appraisal Practice, 2020-2021 Ed., Appraisal Foundation

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

EXECUTIVE SUMMARY

General Identification/Location:	The excess parcel area consists of 13,763 square feet (0.31 acres) of excess, vacant land located at the southeast corner of Canyon Road and State Route 179 in Sedona, Coconino County, Arizona.
Section, Township & Range:	That portion of the Northeast quarter of Section 18, Township 17 North, Range 6 East.
Assessor's Parcel Numbers:	None. Coconino County Assessor's office has not assigned a parcel number to the subject property.
Subject Lot Sizes/Shapes:	±13,763 square feet, (0.31 acres)/Irregular.
Effective Date of Value:	October 7, 2024
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 sale or disposal of the excess property identified herein.
Flood Insurance Zone:	The excess parcel area is identified as being located in Flood Zone X per FIRM Map Panel No.:040057657H, dated March, 21, 2023. Zone X, which is an area defined by FEMA as areas outside the 500 year flood limit.
Zoning:	CO, City of Sedona zoning code. The CO zoning district is intended to accommodate general retail and other commercial and service uses, and incidental or accessory uses where access requires good vehicular circulation. Land uses are characterized by frequent visits of customers and clients. The CO district is intended to provide attractive commercial development with adequate access to arterial streets and with efficient internal circulation and parking and that is compatible with surrounding residential areas.
Highest and Best Use:	Commercial Development.
Market Value Opinion:	ADOT PARCEL L-NC-005C, MARKET VALUE OPINION (ROUNDED): ±13,763 SQ. FT. (0.31 ACRES).....\$370,000

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 excess parcel 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 excess parcel. The fee simple interest is the unencumbered interest in a property. The three traditional approaches to value are considered. However, since the subject excess parcel is vacant land with no existing vertical improvements which does not actively generate any rental income, the only applicable approach to value is the Sales Comparison Approach.

In the Sales Comparison Approach, recent sales of similar vacant residential lots, known as "comparable sales," are analyzed and adjusted to the two proposed subject lots. This approach best represents the actions of buyers and sellers in the market for this type of property. The degree of similarity between the comparable sales and the subject property determines the reliability of this approach.

PROPERTY IDENTIFICATION

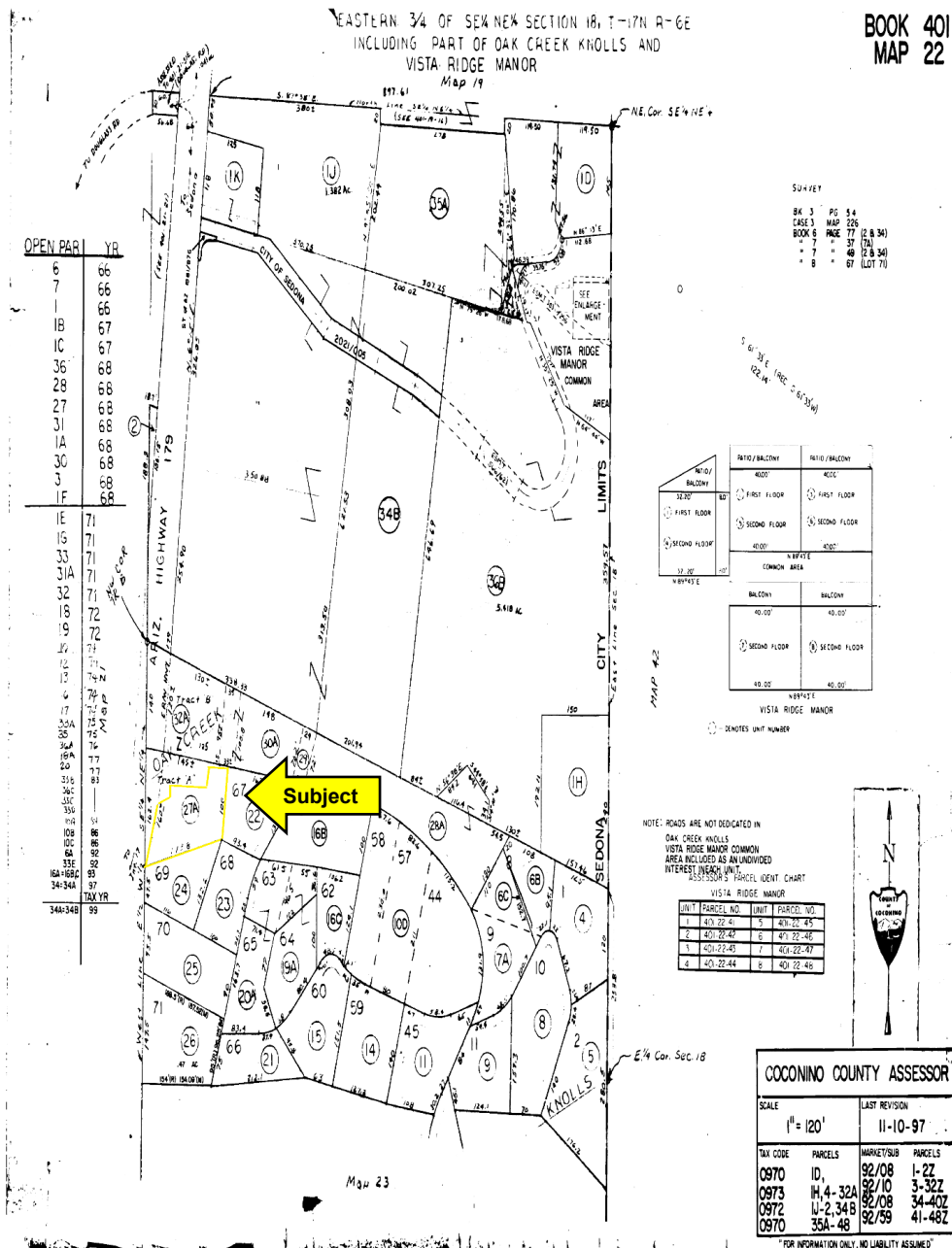
The subject property is a vacant, excess parcel totaling ±13,763 square feet (0.31 acres). There is no physical address. The property is located on the southeast corner of Canyon Road and State Route 179 in Sedona, Coconino County, Arizona. The Coconino County Assessor's Office has not assigned a parcel number. The following legal description for the excess parcel was provided by ADOT in the Right of Way Excess Reports as follows:

SCHEDULE A-1
LEGAL DESCRIPTION

Tract "A", OAK CREEK KNOLLS, as shown on the plat thereof recorded in Case 1, Map 12, records of Coconino County, Arizona, located in that portion of the Southeast quarter of the Northeast quarter of Section 18, Township 17 North, Range 6 East, as depicted on Exhibit "A" attached, Sheet P-18, of ADOT Drawing D-13-T-457, the Right of Way Plans of RIM ROCK-SEDONA HIGHWAY, Village of Oak Creek-Jct-89A Section, Project 179 YV 304 H3414.

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

PLAT MAP



*Boundaries are approximate

PURPOSE OF THE APPRAISAL

<i>Purpose of the Appraisal:</i>	The purpose of this appraisal is to estimate the market value of the fee simple estate.
<i>Intended User of the Appraisal:</i>	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.
<i>Intended Use of the Appraisal:</i>	The intended use of the appraisal is to utilize the market value estimate to assist in decisions regarding the sale or disposition of the excess parcel identified herein.
<i>Date of Value Opinion:</i>	The effective date of the value opinion is October 7, 2024.
<i>Date of the Appraisal Report:</i>	The date of the appraisal report is October 31, 2024.

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 excess 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.³

³ *The Dictionary of Real Estate, 7th Ed.*, Appraisal Institute, 2022, p. 73.

OWNERSHIP HISTORY AND FIVE-YEAR CHAIN OF TITLE

ADOT Parcel L-NC-005C:

Title to subject excess parcel is vested in the State of Arizona, by and through its Department of Transportation, through a Warranty Deeds from Karen Dell Livingston, Trustee of the Sedona Family Trust, dated January 25, 1991, recorded February 28, 2007, in Document Number 2007-3427603.

A Right of Way Excess 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 excess parcel for the five years prior to this appraisal. To the best of our knowledge, the subject excess parcel is not currently listed for sale.

RIGHT OF WAY / VESTING

- 1.) Warranty Deed from Karen Dell Livingston, Trustee of the Sedona Family Trust, dated January 25, 1991, to the State of Arizona, by and through its Department of Transportation, dated February 16, 2007, recorded February 28, 2007, in Document No. 2007-3427603. [Parcel 3-1569, Project 179 YV 304 H3414]

END OF RIGHT OF WAY / VESTING

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 opinions. The Sales Comparison Approach is employed to estimate the market values for the subject excess parcel. 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, 2024, the scope of work for the appraisal includes, but is not limited to, the following:

- Inspection and analysis of the subject excess 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 Reports, ARMLS, Coconino County records, and interviews with real estate participants and

realtors/agents. Based on our conclusion of Highest and Best Use, similar land comparable sales throughout the Sedona market area were selected.

The comparable residential lot 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 excess parcel. Overall, the market value opinions provided in this report are well supported.

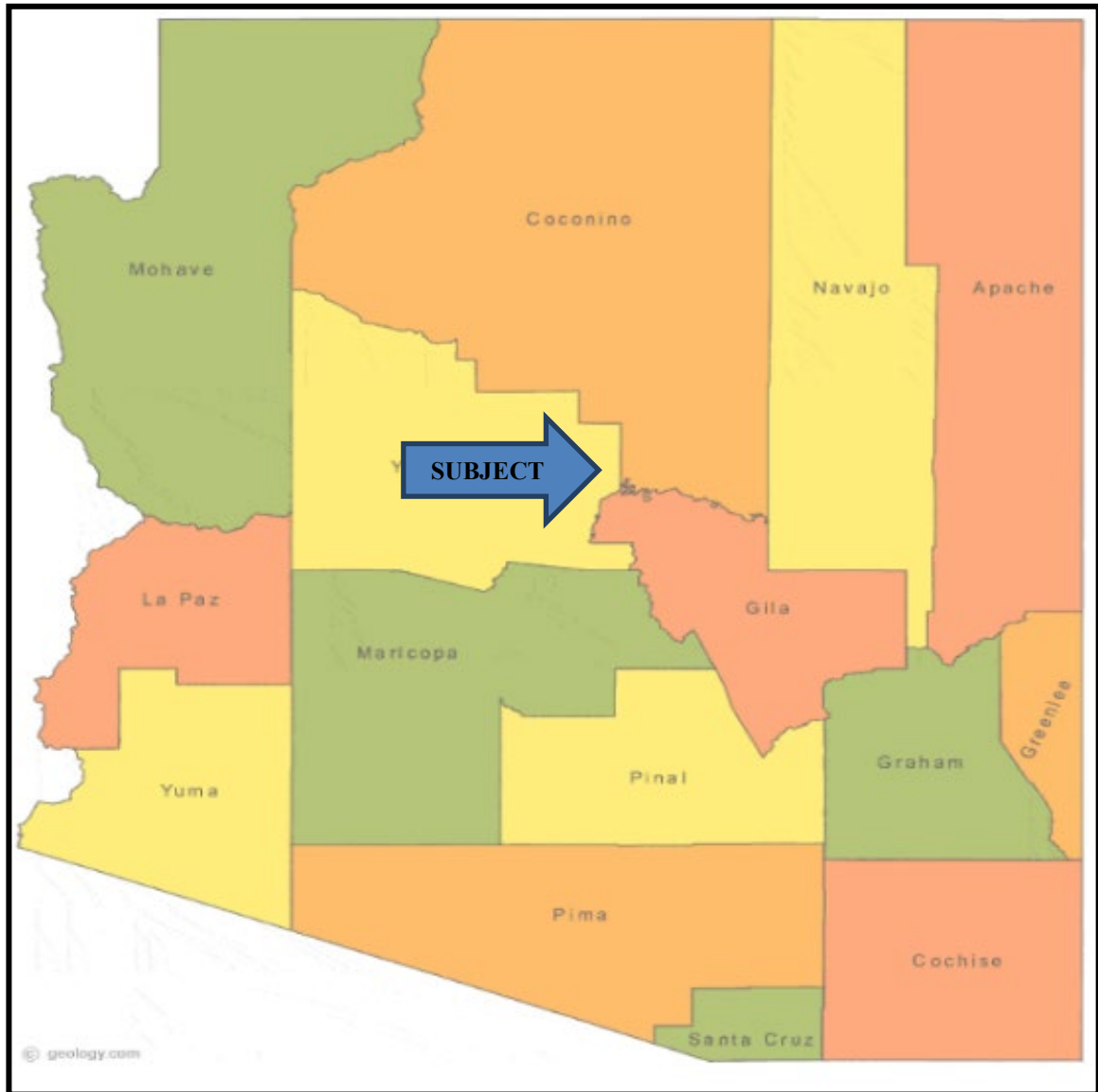
Limitation in Scope:

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.

REGIONAL ANALYSIS

The subject excess parcel is located within Coconino County within the State of Arizona, in Sedona, one of the principal cities of Coconino County. This section presents an analysis of Coconino County's growth and economic trends. Then, I provide a conclusion relating to these area trends to the valuation of the subject excess parcel.

ARIZONA COUNTY MAP



REGIONAL ANALYSIS

The value of a property is not entirely intrinsic, that is, it is not determined solely by the physical characteristics of the site itself. The economic, governmental, environmental, and social forces in the immediate area must be analyzed, for these are often important determinants of value.

Geographic Location:

The City of Sedona is situated in the southeastern portion of Coconino County and northeastern Yavapai County. The subject property I located in Coconino County. Coconino County is the second largest county in the United States and the largest in Arizona but, is one of the most sparsely populated. It is characterized by rugged mountains, deep canyons and thick forests of pine, spruce, piñon, aspen and oak. Within its borders are many scenic sites including the most popular Grand Canyon National Park. Other attractions are Oak Creek Canyon, Sunset Crater National Monument, prehistoric Indian ruins at Wupatki, Walnut Canyon, the Navajo National Monument, the San Francisco Peaks, Arizona's highest point at 12,633 feet, and Lake Powell, with 1,960 miles of shoreline.

Indian reservations comprise 39 percent of the land area and are home to the Navajo, Hopi, Paiute, Havasupai and Hualapai tribes. The U.S. Forest Service and Bureau of Land Management control 32 percent of the land area; the state of Arizona owns 9 percent; other public lands comprise 7 percent; and the remaining 13 percent is privately owned.

Population Data:

According to the Arizona Commerce Authority, Coconino County has had a 1.15% annual population growth since 2012. This is below the overall growth in the State of Arizona. Population growth for Arizona, Coconino County, and Sedona are presented in the following table.

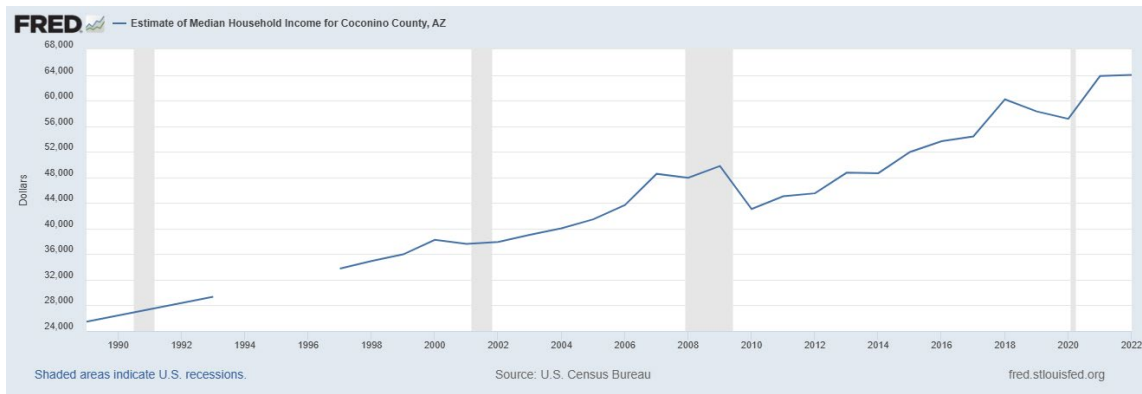
POPULATION STATISTICS Arizona, Coconino County & Cities			
YEAR	2012	2022	Annual Growth Rate
Arizona	6,474,915	7,409,189	1.44%
Coconino County	134,181	149,647	1.15%
Sedona	10,017	9,684	-3.32%

Population statistics for other Coconino County cities is listed in the following table.

Population - Coconino County, AZ	2019	2020	2021	2022	2023
<i>July 1st Estimates, Employment and Population Statistics, Arizona Department of Administration</i>					
Total Population	146,611	145,697	147,434	149,647	150,722
% Chg from Year Ago	1.1%	-0.6%	1.2%	1.5%	0.7%
Flagstaff	77,584	77,305	76,960	78,664	79,705
% Chg from Year Ago	2.3%	-0.4%	-0.4%	2.2%	1.3%
Fredonia	1,342	1,323	1,374	1,374	1,367
% Chg from Year Ago	-0.4%	-1.4%	3.9%	0.0%	-0.5%
Page	7,552	7,440	7,618	7,642	7,633
% Chg from Year Ago	0.4%	-1.5%	2.4%	0.3%	-0.1%
Sedona	9,782	9,684	9,784	9,834	9,860
% Chg from Year Ago	0.1%	-1.0%	1.0%	0.5%	0.3%
Tusayan	610.0	603.0	614.0	614.0	611.0
% Chg from Year Ago	0.0%	-1.1%	1.8%	0.0%	-0.5%
Williams	3,195	3,227	3,384	3,538	3,618
% Chg from Year Ago	0.7%	1.0%	4.9%	4.6%	2.3%
Unincorporated	53,720	53,252	54,878	55,209	55,173
% Chg from Year Ago	-0.2%	-0.9%	3.1%	0.6%	-0.1%
Sedona (Coconino Portion)	2,609	2,547	2,606	2,606	2,615
% Chg from Year Ago	-1.7%	-2.4%	2.3%	0.0%	0.3%
Sedona (Yavapai Portion)	7,173	7,137	7,178	7,228	7,245
% Chg from Year Ago	0.7%	-0.5%	0.6%	0.7%	0.2%
Published by Economic and Business Research Center.					

Economy:

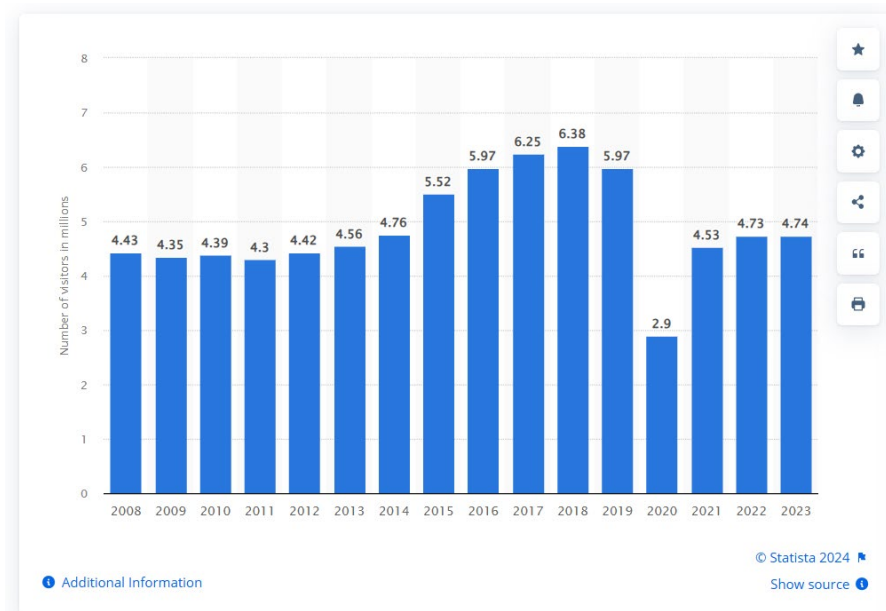
According to the most recent publication by FRED, in 2021 residents of Coconino County had a median household income of \$64,016 annually. The median income increased a total of 6.36% from \$60,187 in 2018. Residents in the county make \$6,991 less annually in 2021 than Arizona as a whole. The chart below shows the most recently published median household income for Coconino County.



Tourism:

The region is largely dependent on tourism as a driving force in the economy. The Grand Canyon is one of the world’s seven natural wonders and draws visitors from around the world. According to the National Park Service, visitors to the Grand Canyon account for approximately \$1 billion dollars in economic activity to the local economy. Coconino County also has one of the three ski resorts in the State of Arizona. Snowbowl is the second largest ski resort in the state and is a destination for residents throughout Arizona. According to the Alliance Bank Economic Policy Institute, Snowbowl has a direct economic impact of \$58 million dollars annually to the Coconino County economy.

According to the National Park Service, an estimated 4,733,705 persons visited the Grand Canyon in 2023. Tourism was adversely impacted by the Covid-19 Pandemic. The total visitation in 2023 is still 21% below 2019. The following chart shows the number of visitors to the Grand Canyon since 2008.



SOURCE: Statista Research

According to the most recent publication by the Arizona Office of Tourism, Grand National Monument had the most visitors of any national park in Arizona in 2024. In 2024 tourism to Canyon de Chelly increased 123.73%, which was the largest per cent increase while tourism to the Grand Canyon increased 7.5%. The following chart presents national park tourism statistics for Arizona national parks.

National Park Service Visitation						
National Park	July 2024	July 2023	% Change	2024 YTD	2023 YTD	% Change YTD
Canyon de Chelly NM	45,632	20,401	123.7%	222,418	181,662	22.4%
Casa Grande NM	3,560	4,394	-19.0%	71,949	81,686	-11.9%
Chiricahua NM	2,381	2,375	0.3%	49,032	41,876	17.1%
Coronado NM	10,789	11,016	-2.1%	99,772	76,843	29.8%
Fort Bowie NHS	241	155	55.5%	5,823	5,364	8.6%
Glen Canyon NRA ¹	523,004	577,671	-9.5%	2,924,561	2,905,960	0.6%
Grand Canyon NP	538,554	557,321	-3.4%	2,828,349	2,630,883	7.5%
Hubbell Trading Post NHS	4,264	5,433	-21.5%	29,537	31,810	-7.1%
Lake Mead NRA ¹	138,323	129,263	7.0%	908,314	784,070	15.8%
Montezuma Castle NM	19,617	22,621	-13.3%	236,679	227,372	4.1%
Navajo NM	6,071	4,664	30.2%	29,239	24,169	21.0%
Organ Pipe Cactus NM	6,557	7,692	-14.8%	124,684	128,111	-2.7%
Petrified Forest NP	49,151	52,116	-5.7%	338,833	324,642	4.4%
Pipe Spring NM	2,438	2,148	13.5%	15,094	14,240	6.0%
Saguaro NP	35,125	35,596	-1.3%	588,050	675,573	-13.0%
Sunset Crater Volcano NM	8,710	9,090	-4.2%	49,817	49,220	1.2%
Tonto NM	744	972	-23.5%	20,073	21,755	-7.7%
Tumacacori NHP	Not Available	1,142		Not Available	21,925	
Tuzigoot NM	5,400	4,676	15.5%	66,900	64,239	4.1%
Walnut Canyon NM	14,050	16,480	-14.7%	117,220	91,557	28.0%
Wupatki NM	25,014	25,140	-0.5%	132,050	121,907	8.3%
Total All Parks	Not Available	1,490,366		Not Available	8,504,864	

Employment:

Due to the large amount of tourism in the region, a large portion of the employment base is hospitality and service related. According to Data USA, Coconino County's accommodation and food service industry makes up 13.2% of the employment sector. This is compared to 6.6% for Arizona as a whole. This indicates Coconino County's reliance on the tourism industry.

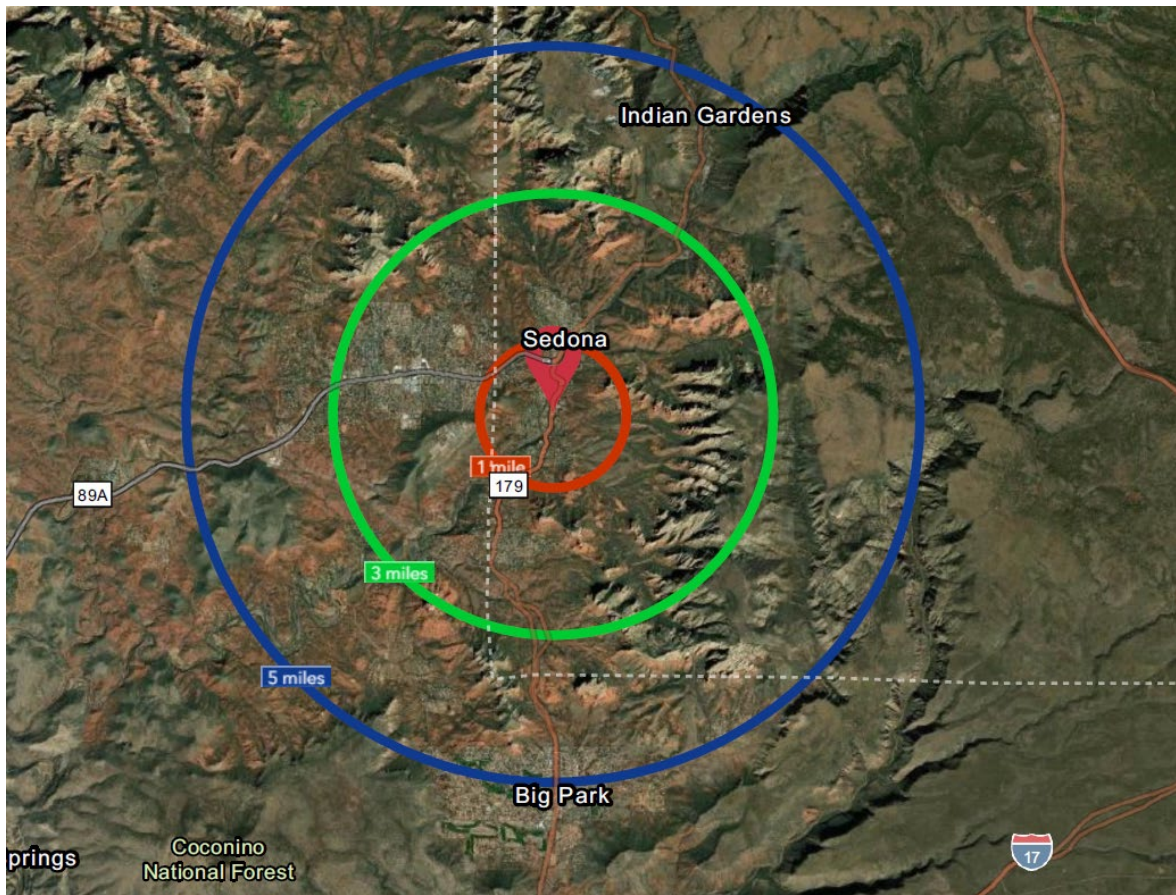
The University of Arizona's Economic and Business Research Center, produces employment studies for the Coconino County and the Flagstaff Metropolitan Statistical Area, MSA. According to their most recent study employment numbers have been on the rise on a year-over-year basis for the last five-month period. According to the most recent data, there are 75,921 persons in the work force with a 4.3% unemployment rate. The following chart represents these statistics.

Flagstaff MSA (Coconino County) Monthly Summary	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024
<i>Labor Force, Thousands, Not Seasonally Adjusted, Local Area Unemployment Statistics, U.S. Bureau of Labor Statistics</i>						
Civilian Labor Force	75,531	75,038	76,742	76,529	75,921	
% Chg from Year Ago	0.9%	-0.2%	-0.0%	1.2%	0.7%	
Employment	73,612	72,607	73,561	73,007	72,640	
% Chg from Year Ago	1.8%	0.4%	0.4%	1.2%	1.1%	
Unemployment	1,919	2,431	3,181	3,522	3,281	
% Chg from Year Ago	-23.6%	-16.8%	-9.0%	-0.1%	-8.1%	
Unemployment Rate	2.5	3.2	4.1	4.6	4.3	
Chg from Year Ago	-0.9	-0.7	-0.5	-0.1	-0.4	

Conclusion:

Coconino County's economic growth is largely due to moderate population increases and the growing tourism sector. Flagstaff is the driving economic force in the region with the largest population increases. Tourism in the region has started to recover from the Covid-19 Pandemic. The overall economic outlook in the region is for slow economic growth which is largely reliant on the tourism 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.

Sedona is the sixth largest city in the county and is located about 119 miles north of Phoenix, and 47 miles northeast of Prescott, the county seat. Sedona is a city that straddles the county line between Coconino and Yavapai Counties. The subject property is located in Yavapai County.

Sedona was founded in 1902 and incorporated in 1988. Historically, it was a rural ranching community. This 19-square-mile city is divided between Coconino and Yavapai Counties, and only 51% of the area is privately owned. The remaining lands are part of the Coconino National Forest. The elevation is 4,500 feet, although surrounding red-rock formations extend to more than 7,000 feet.

The city has evolved from a rural community into one of Arizona's premier tourism centers. Sedona's hospitality industry offers world-class resorts, as well as small, family-run

motels. There is fine dining, numerous retail shops, and varied art galleries. Its scenic beauty and mild climate make sightseeing, birdwatching, hiking, golfing, swimming, horseback riding, and jeep touring year-round activities.

The community's growth during the last decade has brought with it an increasing number of families with young children. However, Sedona's high housing costs and predominance of low-wage, service industry jobs compel most of the local workforce to live in nearby Cottonwood and Clarkdale, which are much more affordable.

Commercial uses are concentrated along State Routes 89A and 179, near the "Y" intersection. Commercial uses and retail services are abundant and serve the needs of the residents. A map with some popular tourist attractions is below.



Sedona Population:

According to the 2020 Census, the population is reported to be 9,684 persons. This estimate encompasses both the Yavapai and Coconino County sides of Sedona. Many of the residents in Sedona are retirees. Sedona's population has slightly declined by 3.5% since the 2010 Census. The population decline is attributed to the geographic constraints of the surrounding mountains, lands that are controlled by federal and state governments and high housing costs.

Economic Factors:

Major private employers in Sedona include the Hilton Sedona Resort & Spa, L'Auberge de Sedona Resort, Enchantment Resort, and Los Abrigados Resort and Spa. Primary public employers include the City of Sedona, Sedona-Oak Creek School District, Arizona Public Service (APS), Cottonwood/Oak Creek School District, City of Cottonwood and Mingus Union High School.

Approximately 72% of private sector employment in Sedona is in retail trade and services which include lodging industry jobs. The next two largest industries in terms of employment are finance, insurance, real estate and construction.

Tourism:

Sedona's scenic red rocks and mild climate attract an estimated 2 to 4 million visitors year-round. Currently, there is no method to provide accurate numbers of the actual visitors to the Sedona area. Partial data is obtained through lodging information. However, many are day-visitors and do not stay overnight in Sedona.

Economically, as well as socially, tourism provides numerous positive benefits to the Sedona community. For a town of its size, Sedona has a higher-than-normal number of businesses and services available to residents as well as visitors. Sales and bed taxes generated by visitor expenditures help contribute to city revenues. Visitor spending provides income for businesses. More job opportunities are available within the community. Sedona has also been successfully attracting wellness seekers due to the high number of resorts, retreats and personal enrichment programs.

Tourism to Sedona was negatively impacted by the pandemic. Due to Sedona's heavy reliance on tourism, the local economy was negatively affected more than most communities by Covid-19. This trend has reversed, and travel has dramatically increased to Sedona.

Transportation:

Highways 89A and 179 serve as the primary commercial arterials and provide the only access for local and visitor traffic. Highway 89A through Oak Creek Canyon is the state's first designated scenic highway. Highway 179 provides direct access to Interstate 17 for the Village of Oak Creek and Sedona. It is primarily a two-lane highway, with four travel lanes plus a center turn lane in portions of the Village of Oak Creek.



The Arizona Department of Transportation improvement project was designed to enhance the transportation corridor with emphasis on safety, mobility and preservation of scenic, aesthetics, historic, environmental and other community values. One of the highlights of the ADOT improvements incorporates the use of roundabouts. A roundabout is a one-way circular intersection that incorporates a design to reduce traffic, accidents, delays and speed. There are no traffic signals or stop signs in roundabouts.

Community Services:

The Sedona-Oak Creek Unified School District is comprised of a high school (grades 9 through 12) located in Sedona and two elementary schools (grades K through 8), one in Sedona and the other in the Village of Oak Creek, six miles south of Sedona. Several private elementary and high schools are also located in the area.

Both Coconino and Yavapai Community Colleges offer classes, and Northern Arizona University is in Flagstaff, 30 miles north.

Sedona offers a wide range of physicians, surgeons and dentists, with many specialties represented. Sedona's outpatient facility contains both emergency and cancer centers, lab, x-ray, and a mammography unit. There is a 270-bed hospital in Flagstaff (30 miles north of Sedona). An emergency search and rescue team, and a medical evacuation helicopter serve the area.

Utility services in the area are provided by APS, Citizens Arizona Gas, Sedona Arizona Water Company (Sedona), Big Park Water Company, and Oak Creek Water Company.

DEMOGRAPHICS

2024 Demographics: <i>Source: STDBOnline</i>	1-Mile Radius	3-Mile Radius	5-mile Radius
2024 Summary			
Population	1,050	8,246	13,456
Households	585	4,377	7,154
Families	331	2,407	3,964
Average Household Size	1.79	1.88	1.86
Owner Occupied Housing Units	436	3,404	5,485
Renter Occupied Housing Units	149	973	1,669
Median Age	64.9	63.5	63.9
Median Household Income	\$49,046	\$69,341	\$69,364
Average Household Income	\$89,906	\$110,129	\$109,377

Conclusion Impact on Value:

Sedona and outlying areas are recovering from the effects of the pandemic. The scenic beauty of the area will continue to attract tourists and new residents. Population growth is expected to remain slow, consistent with historical trends, primarily due to the area's comparatively high housing cost. Sedona is expected to continue to attract luxury and second-home buyers. Tourism is expected to remain strong in the area as opposed to business travel, which is expected to be adversely impacted for a longer term.



SUBJECT PHOTOGRAPHS

Photo 1: View of subject facing southeast from SR 179.



Photo 2: View of the subject facing southeast from SR 179.



Photo 3: View facing east from across SR 179.



Photo 4: View facing southwest from Canyon Road.



Photo 5: Facing southwest across subject property.



Photo 6: View facing east.



Photo 7: View southeast, severe slope south boundary of subject property.



Photo 8: View facing northeast from SW corner of property.



Photo 9: View facing east across subject property.



Photo 10: View of drainage, northwest corner of subject property.



Photo 11: View north, State Route 179.



Photo 12: View south, State Route 179.



Photo 13: View facing east, Canyon Road.



Photo 14: View facing west, Canyon Road.



Photo 15: Electric and gas utilities across Canyon Road.



Photo 16: Water utility available, SW corner of subject property.



SITE ANALYSIS

<i>Location:</i>	The excess parcel area consists of a ±13,763 square foot (0.31 acre) vacant parcel, located at the southeast corner of State Route 179 and Canyon Road, Sedona, Coconino County, Arizona. Further identified as a portion of Section 18, Township 17 North, Range 6 East, G&SRB&M.
<i>Parcel Size/Shape/Topography:</i>	ADOT Parcel L-NC-005C – ±13,763 sq. ft. or 0.31-acre lot is irregular shaped with sloping topography from southeast to northwest. .
<i>Access (Legal / Physical)/View Potential:</i>	<p>The excess parcel has direct access along Canyon Road, a fully improved two-lane residential collector street. There is no access from State Route 179.</p> <p>There are mountain views to the north and west.</p>
<i>Utilities:</i>	
Electric:	Arizona Public Service (APS)
Telephone:	Multiple Providers
Gas:	Unisource
Water:	Arizona Water Company; Oak Creek Water Company
Sewer:	City of Sedona Wastewater
<i>Floodplain:</i>	The excess parcel area is identified as being located in Flood Zone X per FIRM Map Panel No.:040057657H, dated March, 21, 2023. Zone X, which is an area defined by FEMA as 0areas outside the 500 year flood limit.
<i>Environmental Conditions:</i>	No environmental reports were provided for our review. Lacking environmental reports, this appraisal assumes that there are no environmental conditions on or around the subject excess parcel that would adversely impact its market value.
<i>Soil & Subsoil Conditions:</i>	No soils engineering reports were 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 subject excess parcel. The surrounding improved properties indicate that subsoil conditions support single-family residential home development.
<i>Restrictions & Easements:</i>	A Right of Way Disposal Report was provided for my review. Based on the report reviewed, there are no adverse easements or encroachments identified. Based on a review of construction plans and ROW Disposal

Report provided by ADOT, there does not appear to be adverse easements which impact the future development of the subject site.



Sedona Photograph

FLOOD MAP

National Flood Hazard Layer FIRMette



111°46'9"W 34°51'38"N



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
	Levee, Dike, or Floodwall
OTHER FEATURES	Cross Sections with 1% Annual Chance Water Surface Elevation
	Coastal Transect
	Base Flood Elevation Line (BFE)
	Limit of Study
	Jurisdiction Boundary
MAP PANELS	Coastal Transect Baseline
	Profile Baseline
	Hydrographic Feature
	Digital Data Available
	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 10/17/2024 at 4:01 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.

ASSESSED VALUATION & TAX DATA

The subject excess parcel represents an excess remnant of vacant land from the RIM ROCK - SEDONA right-of-way. The property owner, the 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 subject is an excess parcel owned by ADOT. The subject parcel is located in the CO Zoning District per City of Sedona Zoning Codes. ***The CO district is intended to accommodate general retail and other commercial and service uses, and incidental or accessory uses where access requires good vehicular circulation.***

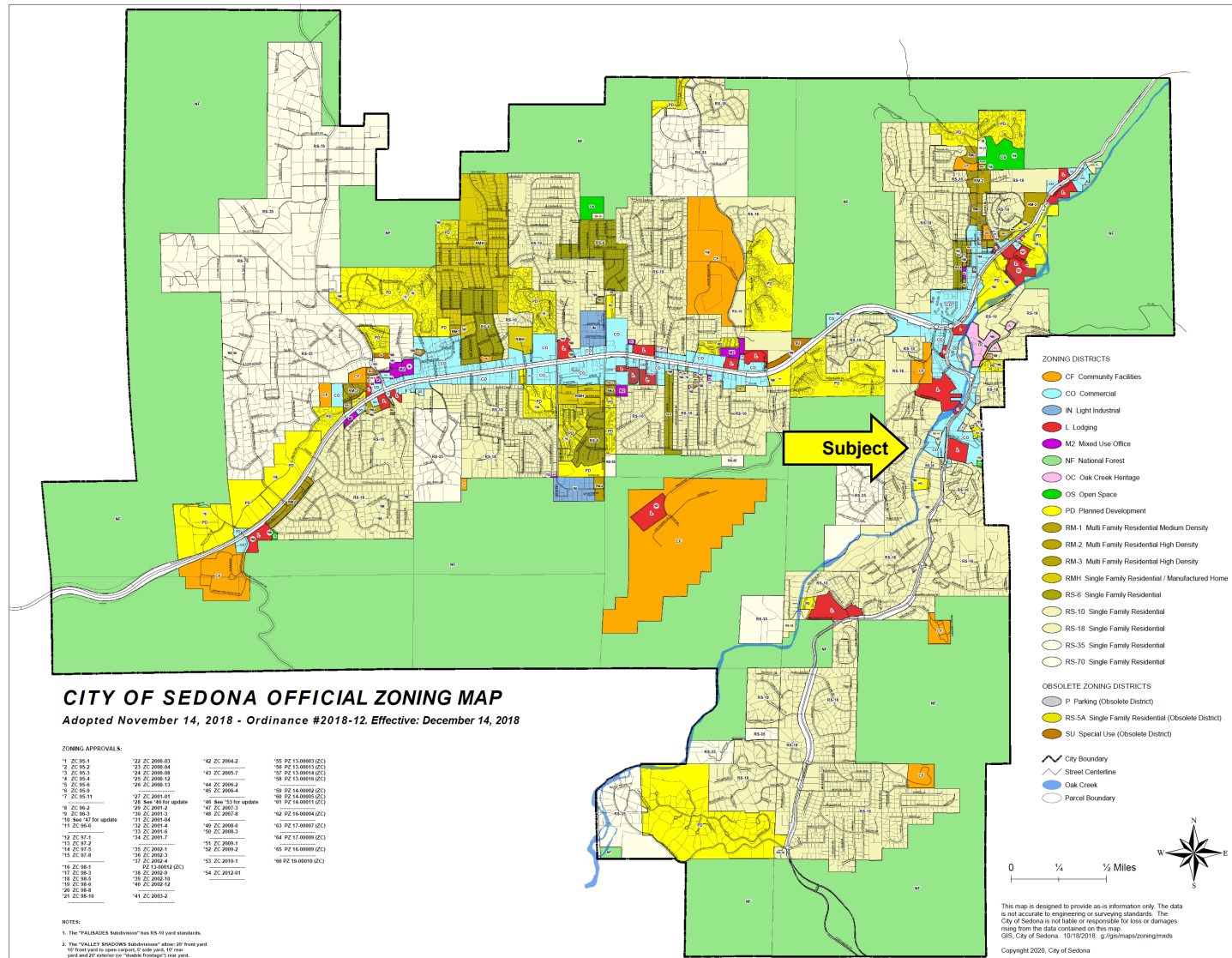
Land uses are characterized by frequent visits of customers and clients. The CO district is intended to provide attractive commercial development with adequate access to arterial streets and with efficient internal circulation and parking and that is compatible with surrounding residential areas.

The CO Development Standards are outlined in the following table:

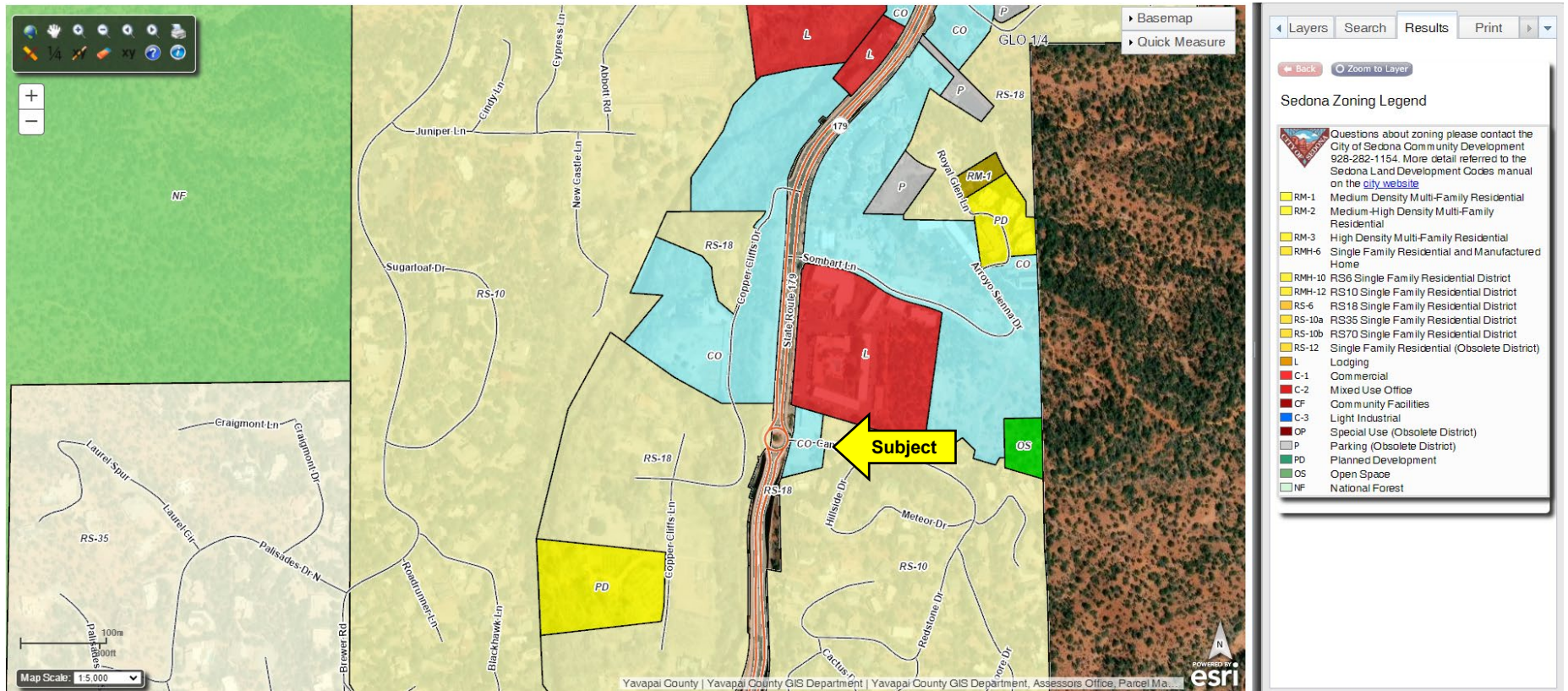
<u>Lot Standards (minimum)[1]</u>		
A	Width	60 feet
	Area	10,000 sq. ft.
<u>Setbacks (minimum)</u>		
B	Front	10 feet
C	Side	None
	Side, <u>abutting street</u>	10 feet
D	Rear	None
	Any setback, where <u>abutting residential zoning district</u>	20 feet
<u>Height</u>		
	<u>Building height</u>	See § <u>2.24.E</u>
<u>Impervious Coverage (maximum)</u>		
	<u>Building coverage</u>	60 percent
	<u>Total coverage</u>	80 percent

Building Height -The height of a building shall be measured as the vertical distance above the natural grade to the top of a flat roof or parapet, the deck line of a mansard roof, or to the top of the ridgeline of the highest gable of a pitched roof or hip roof.

ZONING MAP



ZONING MAP CLOSE UP



MARKET ANALYSIS AND HIGHEST AND BEST USE

According to *The Appraisal of Real Estate, 14th 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 property is located in the CO, Commercial Land Use zoning district. This zoning permits a variety of commercial uses. The minimum lot size is 10,000 square feet. The legally permissible uses as vacant are any of the uses that are permitted by zoning.

Physically Possible:

The parcel consists of ±13,763 of vacant land. Surrounding uses in the immediate vicinity are commercial and residential uses. According to FIRM Map Panel 040057657H, dated March 21, 2023, the subject is located in FEMA Flood Zone X, which is not considered flood prone. Based on the zoning, location, physical characteristics and surrounding uses, the physically possible use for the subject, as vacant, is for commercial uses.

Financially Feasible:

The financially feasible use for the property is that use which is legally permissible, physically possible and that generates income. In this section, an analysis of the market for the subject's property type is warranted.

Market Analysis:

Given the physical characteristics and adjoining commercial land uses, the most likely use of the subject is for commercial development. There are no formal statistics available for the supply and demand of commercial properties in the Sedona/Oak Creek area. Local Real Estate Brokers were interviewed to determine market demand in the area.

According to brokers familiar with the commercial land market in the subject area, Jack McMahon with McMahon and Miller Commercial Real Estate, the commercial market is stable. Mr. McMahon indicated that the Sedona market benefits from its location as a popular, international tourist destination. Mr. McMahon stated that there are limited vacant commercial properties in the market and in the past three years the City of Sedona has been aggressively buying vacant land. The City has seen commercial sale prices over \$30 per square foot. Properties along SR 89A and SR 179 tend to sell at higher prices given the superior access, visibility and traffic volumes, compared to other secondary and tertiary commercial locations.

A search of the Sedona/Oak Creek market for commercial properties was conducted. Due to the limited sales volumes, there were few search criteria used. Residential and industrial properties were excluded.

	Report Time Frame: 1/1/2021 - 10/24/2024
	Sale Date: from 1/1/2020
	Sold Transactions
Number of Transactions	19
Total Dollar Volume	\$58,120,439
Total Bldg Square Feet	0
Total Land in Acres	135.43
Total Land in SF	5,899,331
Average Price	\$3,418,849
Average Number of SF	0
Average Price Per Bldg SF	-
Median Price Per SF	-
Average Number of Acres	7.13
Average Number of SF(Land)	310,491
Average Price Per Unit	-
Median Price Per Unit	-
Average Number of Units	-
Average Price Per Acre	\$437,259
Average Price Per SF(Land)	\$10.04
Median Price Per Acre	\$663,049
Median Price Per SF(Land)	\$15.22

Based on a search for commercial land sales there have been 19 sales transactions with a total sales volume of \$58,120,439 or an average price of \$10.04 per square foot. The median price per square foot is \$15.22.

Trend Report

	2021	2022	2023	01/1-10/24/24
	Sold Transaction	Sold Transaction	Sold Transaction	Sold Transaction
Number of Transactions	6	10	1	2
Total Dollar Volume	\$8,826,317	\$42,511,500	\$4,200,000	\$2,582,622
Total Bldg Square Feet	0	0	0	0
Total Land in Acres	11.72	116.88	2.65	4.18
Total Land in SF	510,523	5,091,293	115,434	182,081
Average Price	\$1,471,053	\$5,313,938	\$4,200,000	\$1,291,311
Average Number of SF	0	0	0	0
Average Price Per Bldg SF	-	-	-	-
Median Price Per SF	-	-	-	-
Average Number of Acres	1.95	11.69	2.65	2.09
Average Number of SF(Land)	85,087	509,129	115,434	91,040
Average Price Per Unit	-	-	-	-
Median Price Per Unit	-	-	-	-
Average Number of Units	-	-	-	-
Average Price Per Acre	\$753,099	\$371,701	\$1,584,906	\$617,852
Average Price Per SF(Land)	\$17.29	\$8.53	\$36.38	\$14.18
Median Price Per Acre	\$737,083	\$304,850	\$1,584,906	\$606,822
Median Price Per SF(Land)	\$16.92	\$7.00	\$36.38	\$13.93

The table above outlines the sales transactions within the subject market area from 2021 to the effective date of value. The average price per square foot has fluctuated over the past 3 years from \$8.53 per square foot in 2022 to \$36.38 per square foot in 2023. 2022 had the highest sales volume with 10 transactions. To date in 2024, there has only been 2 sales transaction. The year 2023 only had 1 sales transaction with a price of \$36.38 per square foot. This is Sale Comparable 3 in the Sales Comparisons Analysis.

Given the limited recent sales available it is difficult to support a market conditions adjustment from the sales data. I have relied on broker interviews including Mr. McMahon, Mr. Andrew Brerley with Coldwell Bank Realty, and Ross Smith with Marcus & Millichap. Based on our conversations with local brokers, it indicated that the market pricing is stable due to the interest from California buyers. The market participants believe that higher interest rates have curbed some enthusiasm for deals. However, there is a positive outlook with the recent Federal Reserve interest rate cut. They believe that it is too soon to see the positive impact couple with anxiety with the upcoming Presidential Election. Based on the foregoing, the financially feasible and maximally productive use of the subject, as vacant, is for commercial uses.

Maximally Productive – Highest and Best Use As Vacant:

Given the land use regulations, location, physical characteristics and market analysis, the highest and best use, as if vacant, is for commercial use.

Conclusion, Highest and Best Use, As Vacant

Given the zoning, location, physical characteristics and general market conditions, the highest and best use, as vacant, is for commercial development.

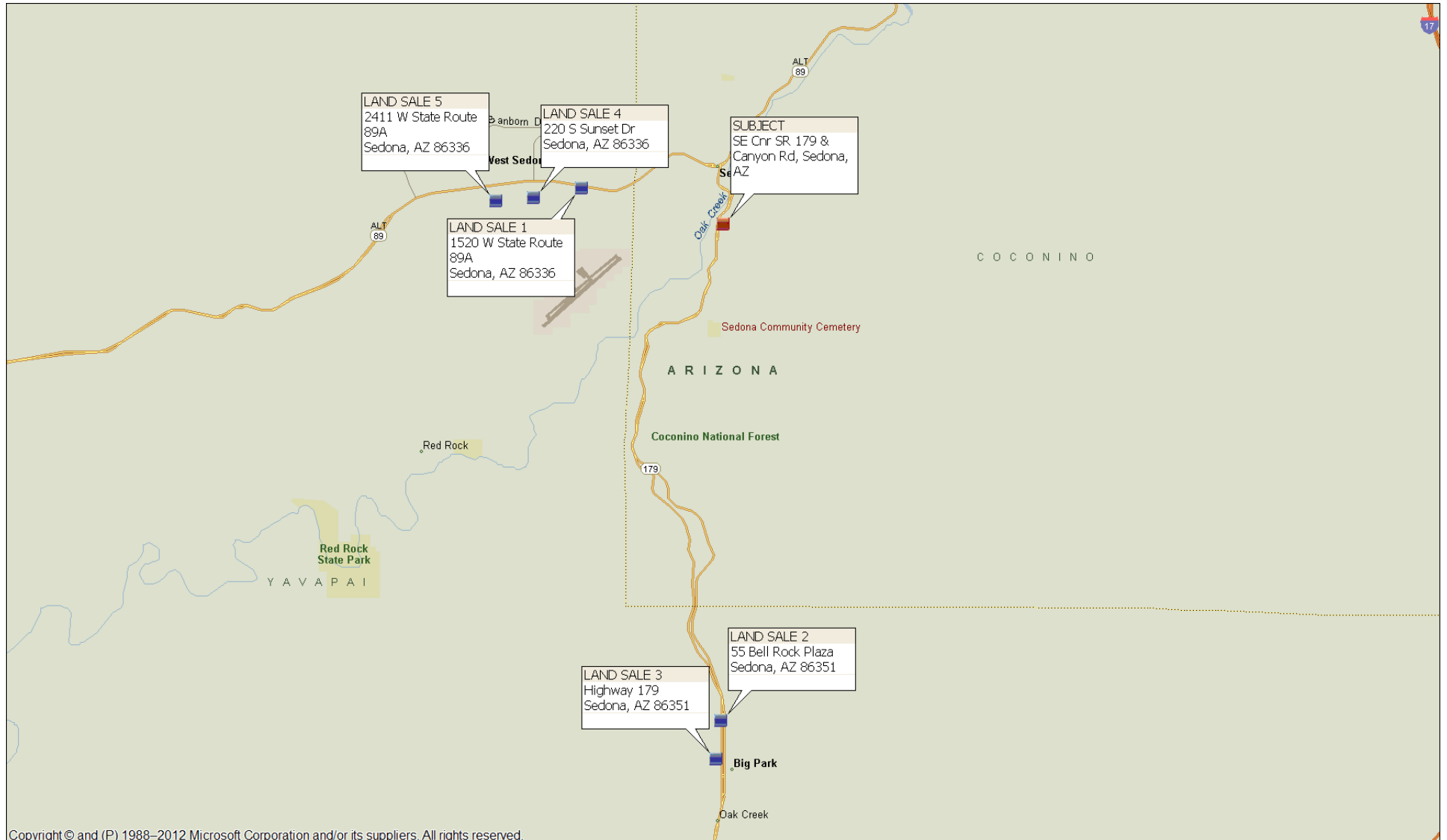
LAND VALUATIONS

The Sales Comparison Approach is used to provide market value opinions for the subject lots, 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. The sales comparison approach is the only applicable approach to valuing vacant parcels like the subject. Thus, neither a Cost nor Income Approach is applicable to the valuation of vacant parcels.

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 subject and comparable sales are vacant commercially zoned parcels. Thus, the appropriate unit of comparison is the price per square foot.

Search parameters for comparable land sales focused on land sales that are similar in size and potential use. Due to the small market area, there has been limited sales activity over the last several years. The search for recent land sales included the Sedona market areas within Coconino and Yavapai Counties, Arizona. In addition, my search focused on recent sales of properties located along State Route 179 with highway frontage. 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 lot comparable sales relative to the subjects and individual data sheets are presented on the following pages. The comparable adjustment matrix follows the land value analysis.

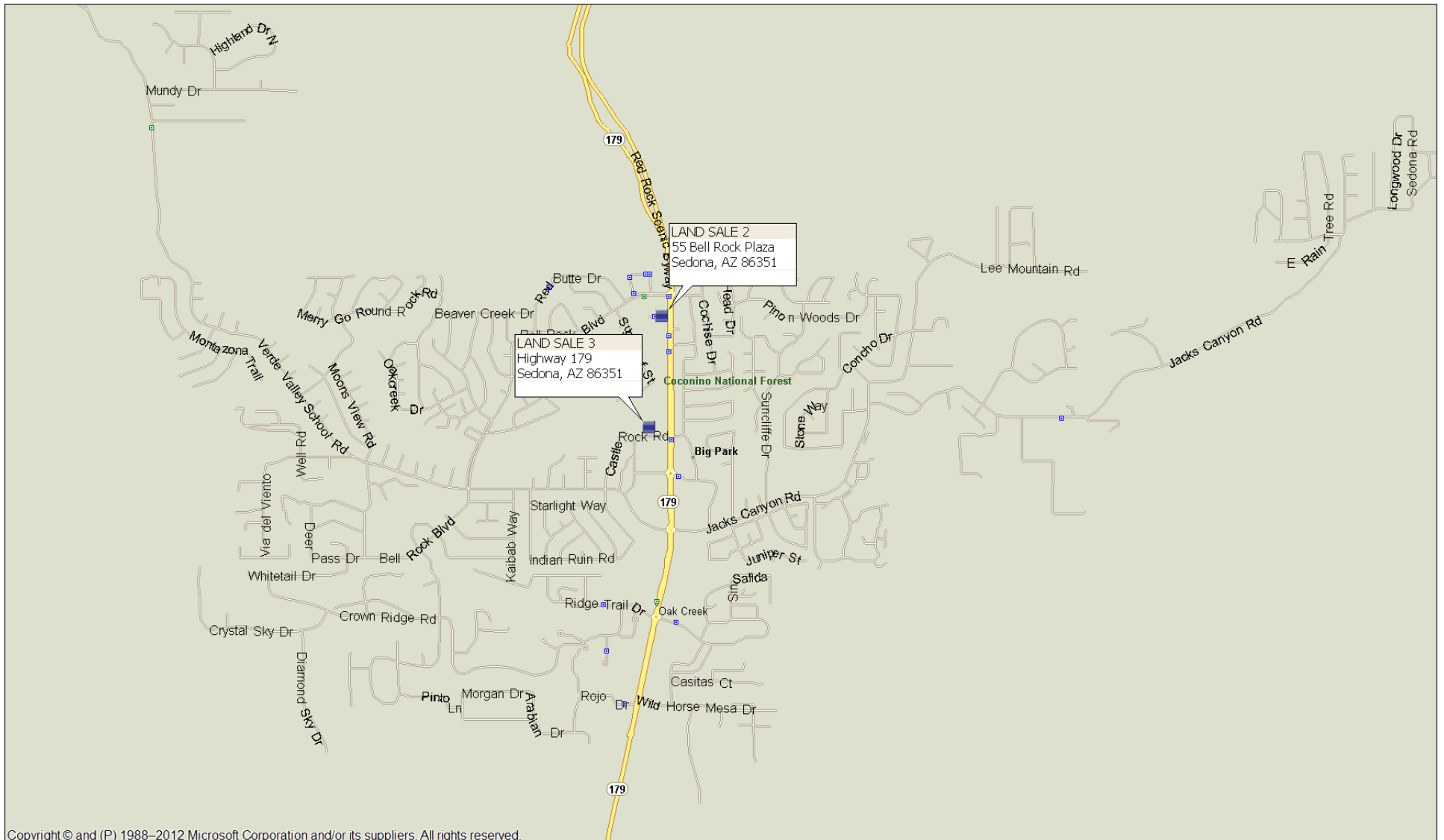
COMPARABLE SALES MAP



COMPARABLE SALES MAP CLOSE UP #1



COMPARABLE SALES MAP CLOSE UP #2



COMPARABLE LAND SALE



ASSESSOR'S MAP



COMPARABLE:

SALE 1

LOCATION:

1529 W State Route 89A, Sedona, Yavapai
County, Arizona 86336

LEGAL DESCRIPTION:	A Portion of Lot 1 and 2, Sec 12, T17N, R5E, G&SRB&M
ASSESSOR PARCEL NUMBER:	408-25-038R
RECORDS:	
Instrument:	Warranty Deed
Date Recorded:	07/26/2021
Document:	2021-0053411
SELLER:	CC-Possee LLC
BUYER:	Sedona Take Five LLC
SALE PRICE:	\$695,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash
CONDITIONS OF SALE:	Market
SITE SIZE.	18,731 square feet, or 0.43 acres
SALE PRICE PER LAND SF:	\$37.10
PHYSICAL DESCRIPTION	
Topography / Shape:	Level, basically rectangular
Flood Zone:	Zone X, not a flood hazard area.
Utilities:	All utilities are available to site.
Access/Visibility:	Good visibility and access from State Route 89A. .
ZONING:	CO, Commercial, City of Sedona.
USE:	Commercial
THREE YEAR HISTORY:	No prior sales within the past 3 years from date of sale.
MARKETING TIME:	Not reported

CONFIRMED WITH: Affidavit of Value, Deed

DATE CONFIRMED: October 2024

COMMENTS:

Property is vacant land. Property was purchased for future development of a commercial C-Store.

SALE 2

55-56 Bell Rock Plaza, Yavapai Co, Arizona 86351

Lots 55 and 56 Bell Rock Plaza Subdivision

405-27-419 & 405-27-320

RECORDS:

Instrument: Warranty Deed
Date Recorded: November 18, 2021
Document: 2021-0082430

SELLER: Larry C and Alexandra Lane

BUYER: Sedona Hospitality LLC

SALE PRICE: \$525,000

INTEREST CONVEYED: Fee Simple

TERMS: Conventional Loan

CONDITIONS OF SALE: Market

SITE SIZE. 18,295 square feet, or 0.42 acres

SALE PRICE PER S.F: \$28.70

PHYSICAL DESCRIPTION:

Topography / Shape: Level / Irregular

Flood Zone: Zone X, not a flood hazard area.

Utilities: All utilities are available to site.

Access/Visibility: Access via interior road. Average Visibility from SR 179.

ZONING: Commercial, Town of Oak Creek

THREE YEAR HISTORY: No prior sale within the past 3 years from date of sale.

MARKETING TIME: Unknown.

CONFIRMED WITH: Affidavit of Value and Deed. Andrew Brearley,
Coldwell Banker Realty, ((28)300-2973.

DATE CONFIRMED: October 2024

COMMENTS:

The property is part of the Bell Rock Commercial Plaza, located in Oak Creek/Sedona market. The property was purchased for future development of a small, hotel property.

COMPARABLE LAND SALE



ASSESSOR'S MAP



COMPARABLE:

SALE 3

LOCATION:

6416 E Hwy 179, Sedona, Yavapai County,
Arizona 86351

LEGAL DESCRIPTION:

A portion of Tract "A" Village Square Amended.

ASSESSOR PARCEL NUMBER: 405-40-013C

RECORDS:

Instrument: Warranty Deed
Date Recorded: 09/27/2023
Document: 2023-0042303

SELLER: Arizona Byway Properties LLC

BUYER: Green Leaf Property LLC, Sedona College of
International Management

SALE PRICE: \$4,200,000

INTEREST CONVEYED: Fee Simple

TERMS: Cash

CONDITIONS OF SALE: Market

SITE SIZE. 115,434 square feet, or 2.65 acre

SALE PRICE PER S.F.: \$36.38

PHYSICAL DESCRIPTION:

Topography / Shape: Level / Irregular

Flood Zone: Zone X

Utilities: All utilities are available to site.

Access/Visibility: Average access, no highway frontage, average visibility

ZONING: C2-2, Commercial, Town of Oak Creek

THREE YEAR HISTORY: No prior sale within the past 3 years.

MARKETING TIME: Not reported.

CONFIRMED WITH: Affidavit of Value. Warranty Deed. Jack McMahon,
McMahon and Miller Commercial Real Estate
(928)244-2709.

DATE CONFIRMED: October 2024

COMMENTS:

This property was purchased by the Sedona College of International Management. The buyer intends to develop the subject property.

COMPARABLE LAND SALE



ASSESSOR'S MAP



COMPARABLE:

SALE 4

LOCATION:

220 S Sunset Dr., Sedona, Yavapai County, Arizona
86336

LEGAL DESCRIPTION:	A portion of SE ¼, SW ¼ of SW ¼ of SW ¼ of Sec 12, T17N, R5E, G&SRB&M, Yavapai County, Arizona
ASSESSOR PARCEL NUMBER:	408-26-030C
RECORDS:	
Instrument:	Warranty Deed
Date Recorded:	May 08, 2024
Document:	2024-0018141
SELLER:	Sunset Loft, LLC
BUYER:	City of Sedona
SALE PRICE:	\$1,657,622
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash
CONDITIONS OF SALE:	Market
SITE SIZE.	108,900 square feet, or 2.50 acres
SALE PRICE PER S.F.:	\$15.22
PHYSICAL DESCRIPTION:	
Topography / Shape:	Level / Square
Flood Zone:	Zone X
Utilities:	All utilities available to site.
Access/Visibility:	Average access and visibility from Sunset Drive.
ZONING:	CO, Commercial, City of Sedona.
THREE YEAR HISTORY:	No prior sale within the past 3 years.
MARKETING TIME:	Not Available.

CONFIRMED WITH:

Affidavit of Value, Deed

DATE CONFIRMED:

October 2024

COMMENTS:

Property was purchased by the City of Sedona. No information was provided as to the future development or use of the property despite calls to the City of Sedona.

COMPARABLE LAND SALE



ASSESSOR'S MAP



COMPARABLE:

SALE 5

LOCATION:

2411 W SR 89A, Sedona, Yavapai County, Arizona
86336

LEGAL DESCRIPTION:	SEC 11 TWN 17N RNG 05E
ASSESSOR PARCEL NUMBER:	408-24-023A
RECORDS:	
Instrument:	NA
Date Recorded:	Active Listing
Document:	NA
SELLER:	Dahya Revocable Family Trust
BUYER:	NA
LIST PRICE:	\$1,999,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash
CONDITIONS OF SALE:	Market
SITE SIZE.	77,972 square feet, or 1.79 acres
LIST PRICE PER S.F.:	\$26.00
PHYSICAL DESCRIPTION:	
Topography / Shape:	Level / Rectangular
Flood Zone:	Zone X
Utilities:	All utilities available to site.
Access/Visibility:	Good access and visibility from SR 89A.
ZONING:	CO, Commercial, City of Sedona.
THREE YEAR HISTORY:	No prior sale within the past 3 years.
MARKETING TIME:	224 days on market.
CONFIRMED WITH:	Listing Memorandum, Jack McMahon, McMahon and Miller Commercial Real Estate (928)244-2709.
DATE CONFIRMED:	October 2024

COMMENTS:

Property is listed for sale for a price of \$1,999,000 or \$26.00 per square foot. The property was in contract for purchase, but the transaction fell out. There is a letter of intent for the property, but according to the listing broker it is well below the list price. The seller has countered the offer, but details were not provided. The listing broker indicated that the front portion of the property will be developed for commercial/retail use, with the back portion for MF use.

LAND VALUE ANALYSIS

Value adjustments are considered to each comparable lot price for differences between the subject lots and the lot comparables for the following elements of comparison: property rights conveyed, financing terms, conditions of sale, market conditions (time), location, physical characteristics, zoning/planned use.

<i>SUMMARY OF COMPARABLE PARCELS</i>							
LOT COMP	SALE DATE	PROPERTY LOCATION	ACTUAL LOT PRICE	ADJUSTED LOT PRICE ¹	LOT AREA (SF)	PRICE PER SF	ZONING / PLANNED USE
1	07/26/21	1520 W State Route 89A Sedona, AZ 86336	\$695,000	\$695,000	18,731	\$37.10	CO, Commercial
2	11/18/21	55-56 Bell Rock Plz Sedona, AZ 86351	\$525,000	\$525,000	18,295	\$28.70	Commercial, Yavapai Co.
3	09/01/23	6419 E Highway 179 Sedona, AZ 86351	\$4,200,000	\$4,200,000	115,434	\$36.38	Commercial, Yavapai Co.
4	05/08/24	220 S Sunset Drive Sedona, AZ 86336	\$1,657,622	\$1,657,622	108,900	\$15.22	CO, Commercial
5	Listing	2411 W State Rt 89A Sedona, AZ 86336	\$1,999,000	\$1,999,000	77,972	\$25.64	CO, Commercial
¹ Adjusted sale price for cash equivalency and/or development costs (where applicable)							
Subj.	---	ADOT PARCEL L-NC- 005C SE Cnr SR 179 & Canyon Rd, Sedona, Coconino Co., AZ	---	---	13,763		CO, Commerical

Quantitative adjustments have been considered for elements of comparison including property rights conveyed, financing terms, conditions of sale, market conditions, location, and other physical differences. Here follows the analysis of the sales by each element of comparison. The adjustment matrix summarizing the price adjustments as they apply to the sales precedes the conclusion of this analysis. Five comparable sales are used in the analysis of the subject parcel.

Property Rights Conveyed

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

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 sales were cash equivalent or assumed to be cash equivalent. Thus, no price adjustments are unnecessary to any of the comparable sales.

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. All four closed comparable sales represent arm's-length transactions with broker or agent commissions being paid. Sale Five as an active listing is being marketed for sale. It is assumed that Sale Five will be an arm's-length transaction. Thus, no price adjustments are necessary for conditions of sale to any of the five sales.

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 subjects are appraised as of a specific date, the comparable sales must be analyzed to determine the direction of change, if any, during the period between the sale date and the date of valuation.

The four closed sales analyzed in this section transacted between July 2021 and May 2024. Sale Five is an active listing. As noted in the Market Analysis there was limited sales data to determine a market conditions adjustment. Based on our market participant interviews, the City of Sedona has been an aggressive participant in the market and has been pushing market prices upward. However, the brokers interviewed believe that the market has been stable for the past three years. No price adjustment is warranted for market conditions.

Location/Access (Legal & Physical)/Visibility

The subject is located on the southeast corner of State Route 179 and Canyon Road in Sedona, Arizona. Access is available from Canyon Road. The area is predominantly single family residential to the east, south and north. There is a retail establishment on the northeast corner of State Route 179 and Canyon Road. Across State Route 179 to the west is single family residential and Oak Creek. Due to the topography of the subject and existing sidewalk and retaining wall, it is assumed that there is no physical access from State Route 179. The subject has good visibility from southbound State Route 179.

Land Comp One is located at 1520 W State Route 89A, Sedona, Yavapai County, Arizona. The comparable is located in the western portion of Sedona, in Yavapai County. The subject is located at the northeast corner of State Route 89A and Posse Ground Road.

The comparable has similar visibility as the subject. There is direct access from State Route 89A. The surrounding area has superior commercial development. However, overall location, access and visibility is similar to the subject property and no price adjustment is warranted.

Land Comp Two is located south of the subject property in the Oak Creek/Sedona market area, in Yavapai County, Arizona. The subject parcel is located within the Bell Rock Commercial Plaza, approximately 7 miles south of the subject property and outside the tourist district of Sedona, Arizona. The Bell Rock Plaza has access from State Route 179; however, the subject parcel sits back to the west within the complex and does not have visibility from SR 179. This comparable sale is in a similar location in terms of median income levels and land values. No price adjustments are warranted for location.

Land Comp Three is situated across State Highway 95 from the subject. The comparable sale is located at 6416 E Highway 179 in the Oak Creek/Sedona market area, in Yavapai County, Arizona. The parcel sits back from SR 179 and is accessed via an interior roadway. The surrounding commercial development is superior to the subject location. This comparable sale is in a similar location in terms of median income levels and land values. Overall, no price adjustment for location is warranted.

Land Comp Four is located at 2220 S Sunset Road in Sedona, Yavapai County, Arizona. This comparable sale is located south of the SR 89A. The location is significantly inferior for commercial visibility. Overall, an upward price adjustment is warranted for inferior commercial location.

Land Comp Five is an active listing located at located at 2411 West SR 89A, Sedona, Yavapai County, Arizona. This sale is in a similar location as Sale One in terms of median income levels and land values, and fronts along State Route 89A. As outlined with Land Comp 1, no price adjustments are necessary for the location, access and visibility.

Physical Characteristics

Adjustments for physical characteristics include the size, topography/shape/potential view(s), zoning/planned use, availability of utilities, and floodplain issues.

Lot Sizes

Generally, due to economies of scale, smaller parcels tend to sell at higher prices per acre than larger ones. The subject parcel is 13,763 square feet per ADOT survey. Comparable sales range from 18,295 square feet to 115,434 square feet. Attempts were made

to bracket the subject property. No recent, comparable sales of smaller parcels were discovered. Based on the sales data, economies of scale exist, and price adjustments are warranted for size to Comparable Sales Three, Four and Five. Comparable Sales One and Two, although larger than the subject property, are considered similar in size to the subject. No price adjustment is warranted to Sales One and Two.

Topography / Shape

The subject is a small parcel with an irregular shape and sloping topography. The sloping potentially limits the development and the location of a suitable building pad. The sales are rectangular and have no issues with the potential development of a suitable building pad. The subject and comparable sales are level. A downward price adjustment is warranted for the shape and topography of the five comparables.

Zoning / Planned Use

The five comparable sales have similar zonings or were purchased for development of commercial projects. Thus, no price adjustments for zoning/planned use are made to the sale comparable sales.

Utilities (Offsites)

As previously described in the “Site Analysis” section, the subject has access to all municipal utilities. All five comparable sales have all municipal utilities available. Thus, no price adjustments are necessary for the availability of utilities to any of the comparables.

Floodplain

The subject parcel is outside the 100- and 500-year flood plains which are not required to carry flood insurance. All five comparable sales have similar flood designations with no flood issues. Thus, no price adjustments are necessary to any of the five comparables for floodplain issues.

Here follows the Adjustment Matrix summarizing the adjustments as they apply to the comparable lots and the subjects.

LOT COMPARABLE ADJUSTMENT MATRIX

ELEMENTS OF COMPARISON	SUBJECT	Land Sale 1		Land Sale 2		Land Sale 3		Land Sale 4		Land Sale 5	
	ADOT PARCEL L-NC-005C SE Cnr SR 179 & Canyon Rd, Sedona, Coconio Co., AZ	1520 W State Route 89A Sedona, AZ 86336	Price /Sq. Ft. Adjustments	55-56 Bell Rock Plz Sedona, AZ 86351	Price /Sq. Ft. Adjustments	6419 E Highway 179 Sedona, AZ 86351	Price /Sq. Ft. Adjustments	220 S Sunset Drive Sedona, AZ 86336	Price /Sq. Ft. Adjustments	2411 W State Rt 89A Sedona, AZ 86336	Price /Sq. Ft. Adjustments
SALE PRICE	N/A	\$695,000	\$37.10	\$525,000	\$28.70	\$4,200,000	\$36.38	\$1,657,622	\$15.22	\$1,999,000	\$25.64
PROPERTY RIGHTS CONVEYED <i>Adjustment</i>	Fee Simple	Fee Simple 0%	\$0.00	Fee Simple 0%	\$0.00	Fee Simple 0%	\$0.00	Fee Simple 0%	\$0.00	Fee Simple 0%	\$0.00
FINANCING TERMS <i>Adjustment</i>	Assume Cash to Seller	Cash 0%	\$37.10	Cash 0%	\$28.70	Cash 0%	\$36.38	Cash 0%	\$15.22	Assume Cash to Seller 0%	\$25.64
CONDITIONS OF SALE <i>Adjustment</i>	Assume Arm's -Length	Arm's-Length 0%	\$0.00	Arm's-Length 0%	\$28.70	Arm's-Length 0%	\$36.38	Arm's-Length 0%	\$15.22	Arm's-Length 0%	\$25.64
MARKET CONDITIONS (TIME) <i>Adjustment</i>	October 7, 2024 Date of Value	July 26, 2021 0%	\$37.10	November 18, 2021 0%	\$28.70	September 1, 2023 0%	\$36.38	May 8, 2024 0%	\$15.22	Listing 0%	\$25.64
			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
ADJUSTED SALE PRICE			\$37.10		\$28.70		\$36.38		\$15.22		\$25.64
LOCATION General Legal/Physical/Visibility <i>Adjustment</i>	Average / Sedona Yes/Paved/Visibility from Hwy No access from SR 179	Average/Sedona Yes/Paved/Visibility from Hwy Access from SR 89A 0%	\$0.00	Average/Oak Creek Yes/Paved/No Visibility from Hwy Interior Street Access 0%	\$0.00	Average/Oak Creek Yes - Paved-Off Hwy Interior Street Access 0%	\$0.00	Average/Sedona Yes/Paved/No Visibility from Hwy Interior Street Access 25%	\$3.81	Average/Sedona Yes/Paved/Visibility from Hwy Access from SR 89A 0%	\$0.00
PHYSICAL CHARACTERISTICS Site Size in SF <i>Adjustment</i>	13,763	18,731 0%	\$0.00	18,295 0%	\$0.00	115,434 15%	\$5.46	108,900 15%	\$2.28	77,972 10%	\$2.56
Topography / Shape <i>Adjustment</i>	Sloping, Irregular	Level, Rectangular -15%	-\$5.57	Level, Irregular -15%	-\$4.30	Level, Irregular -15%	-\$5.46	Level, Square -15%	-\$2.28	Level, Rectangular -15%	-\$3.85
Zoning / Planned Use <i>Adjustment</i>	CO, Commerical	C2H, Commerical Highway 0%	\$0.00	C2H, Commerical Highway 0%	\$0.00	CMO, Commercial 0%	\$0.00	C2H, Commerical Highway 0%	\$0.00	C2H, Commerical Highway 0%	\$0.00
Utilities <i>Adjustment</i>	All to Site	All to Site 0%	\$0.00	All to Site 0%	\$0.00	All to Site 0%	\$0.00	All to Site 0%	\$0.00	All to Site 0%	\$0.00
Floodplain <i>Adjustment</i>	Zone X	Zone X 0%	\$0.00	Zone X 0%	\$0.00	Zone X 0%	\$0.00	Zone X 0%	\$0.00	Zone X 0%	\$0.00
ADJUSTED SALE PRICE / SF			\$31.54		\$24.39		\$36.38		\$19.03		\$24.36

Conclusion – ADOT Parcel L-NC-005C

After adjusting for all of the appropriate elements of comparison, the adjusted price ranges from the five comparable sales are \$19.03 per square foot to \$36.38 per square foot. Sales One and Two are the most similar to the subject in site size and will be given the greatest weight. The two sales after adjustment range from \$25.39 per square foot to \$31.54 per square foot, with an average of \$27.95 per square foot. Comps Three and Four will be given lesser weight. Comp Five is an active listing and is considered as a reflection of current market conditions.

Based on the foregoing, it is our opinion that the market value of the subject parcel is \$27.00 per square foot, as follows:

$$13,763 \text{ S.F.} \times \$27.00/\text{S.F.} = \$371,601$$

Rounded to: \$370,000

ADOT PARCEL L-NC-005C, MARKET VALUE OPINIONS:

±13,763 SQUARE FEET (0.31 ACRES)\$370,000
This estimate of Market Value equals approximately\$27.00 Per Square Foot

EXPOSURE TIME

Exposure time is the estimated length of time the appraised property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. The marketing times from the five comparable sales are analyzed to estimate the exposure time for the subject property.

Comparable Sales Two, Three, Four and Five reported marketing periods of 4 days to 873 days, with an average of 240 days, or about 8 months. If priced accordingly and offered individually on the open market at alternating times, the two subject lots should sell within 6 to 12 months.

AUDITING BREAKDOWN

The following is the Auditing Breakdown for the six appraised properties.

Parcel L-NC-005C

Total Sum of Value	\$370,000
Improvements to be Acquired	\$0
Severance Damages	\$0
Special Benefits	\$0
Cost to Cure	<u>\$0</u>
Total Market Value	\$370,000

PROJECT: M6975 01X
HIGHWAY: RIM ROCK - SEDONA
SECTION: VILLAGE OF OAK CREEK - JCT. 89A
PARCELS: L-NC-005C
CONTRACT: JW-24-009

I hereby certify:

That I personally inspected the properties herein appraised. I did make a personal field inspection of each of the comparables relied upon in making said appraisal. 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 my knowledge and belief, the statements contained in said appraisal are true and the opinions, as expressed therein, are based upon correct information; subject to the limiting conditions therein set forth.

That no hidden or unapparent conditions for the subject excess parcel, 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 my 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 I understand this appraisal may be used in connection with the potential excess of the property by the State of Arizona.

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

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

That I have not revealed the findings and result of such appraisal to anyone other than the property officials of the Arizona Department of Transportation, 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.

That my opinion of the MARKET VALUE for the subject excess parcel as of the 7th day of October, 2024, based upon our independent appraisal and the exercise of our professional judgment is as follows:

ADOT PARCEL L-NC-005C, MARKET VALUE OPINION:

±13,763 SQUARE FEET (0.31 ACRES)\$370,000

This estimate of Market Value equals approximately\$27.00 Per Square Foot



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

CERTIFICATION

THE APPRAISER 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.

I have **no** present or prospective interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved.

I have not performed services as appraisers regarding the subject excess parcel which is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

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

My 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.

The 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.

I have made personal inspections of the property that is the subject of this report.

Scott P. Harden, Arizona Certified General Appraiser #31995. 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.

I 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".

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: October 31, 2024

A handwritten signature in blue ink, appearing to read "Steve Cole".

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

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.

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.

ARIZONA FINANCIAL ENTERPRISE CREDENTIAL CERTIFICATE

No: CGA-30130

STEVEN R. COLE

CREDENTIAL TYPE	ISSUE DATE	EFFECTIVE DATE	EXPIRATION DATE
Certified General Appraiser	Aug 15, 1991	Sep 1, 2024	Aug 31, 2026

This certificate was printed on August 5, 2024 and will remain in effect until a change request has been approved by the Department or the credential is surrendered, suspended, revoked or expired.

Arizona Department of Insurance and Financial Institutions
difi.az.gov
100 N 15th Ave, Suite 261
Phoenix, AZ 85007-2630

ADDENDA



Infrastructure Delivery and Operations

Katie Hobbs, Governor

Jennifer Toth, Director

Greg Byres, Deputy Director for Transportation/State Engineer

Steve Boschen, Division Director

Iqbal Hossain, PE, Group Manager

205 S. 17th Ave. Room: 331
Mail Drop: 612E
Phoenix, AZ 85007

August 26, 2024

Steven Cole
Southwest Appraisal Associates, Inc
P.O. Box 16156
Tucson, AZ. 85732-6156

RE: Appraisal Assignment No.: JW-25-004
PROJECT: M 6975 01X
HIGHWAY: RIM ROCK - SEDONA
SECTION: Village of Oak Creek - Jct. 89A
PARCEL: L-NC-005B, L-NC-005C

Dear Steven Cole:

You are hereby requested to provide your fee quote to prepare an appraisal for the referenced parcel. Your appraisal report will need to reflect the market value using the current date of valuation, and be prepared in accordance with terms of this task; the ADOT Right of Way Procedures Manual Project Management Section Chapters Three and Four; The Federal Highway Administration (FHWA) Uniform Act, 49 CFR Part 24; the current edition of the Uniform Standards of Professional Appraisal Practice (USPAP) guidelines at the time of your valuation; and the enclosed scope of work and provided information.

The purpose of the appraisal report is to estimate the market value of the fee simple estate of the acquisition and its effect to the remaining property. The intended use of the appraisal report is to utilize value estimates to assist in decisions regarding the sale or disposal of the parcel.

ADOT Procurement Group will issue a Purchase Order that will be your notice to proceed with the appraisal assignment. You may contact the property owners to arrange for the property inspection after you receive your notice to proceed from procurement. Inspection dates/times must be provided at least seven calendar days prior to inspection to the Property Owner and emailed to Robert Jeffery (RJeffery@AZDOT.GOV); Vanessa Nunez (VNunez@AZDOT.GOV); Jim Walcutt (JWalcutt@AZDOT.GOV); Therisa Billingsley (TBillingsley@AZDOT.GOV); and Timothy O'Connell (TO'Connell@AZDOT.GOV)

Please direct any questions regarding this appraisal assignment to Jim Walcutt, (520-591-7923, JWalcutt@AZDOT.GOV), ADOT R/W Review Appraiser. All changes must be in writing to prevent any miscommunications.

Additional information regarding the parcel is as follows:

Type of Report:	Appraisal
Type of Property:	EXCESS LAND
Scope Notes:	Market Value is required for appraisal of this excess parcel.

The FHWA is to be named as an intended user of the appraisal. The appraisal report must include the ADOT Certificate of Appraiser immediately following the Auditing Breakdown section of the report. The addenda to the report is to include a current copy of the appraiser's State of Arizona Certified General Real Estate Appraiser license, a copy of the owner contact correspondence including Owner Contact Report Form(s), and a copy of the signed procurement purchase order.

Appraisal Contractor agrees that within any particular project wherein Contractor has provided appraisal or consulting services to ADOT, no other appraisal services may be provided to other clients/property owners in this project, without the written approval of ADOT. Any hypothetical assumptions, extraordinary limiting condition or jurisdictional exceptions of the appraisal must be pre-approved by the Review Appraiser prior to submittal of the appraisal report and identified in the appraisal report.

In the course of the appraisal assignment due diligence, if it is discovered that the property ownership has transferred to any entity other than that noted in the ADOT Title report, the Review Appraiser must be notified immediately. A new Title Report and Ownership Record Sheet will then be ordered for inclusion in the appraisal report.

Please note that there are changes to civil expert disclosure and discovery rules effective July 1, 2018. Please update your qualifications in the appraisal report to list all other cases in which you have testified as an expert witness at a hearing or trial during the previous four years.

A complete initial appraisal report in an electronic PDF file format is to be submitted by e-mail to the review appraiser by the appraisal due date. All subsequent appraisal report iterations are also to be e-mailed to the review appraiser. Within 5 business days after ADOT approves the acceptability for the initial report submittal, the Appraiser will deliver an electronic PDF file and four (4) bound color copies of the final report. The submitted final hard copies of the appraisal report are to include, a CD with a PDF copy of the appraisal report with the following naming convention:

ADOT Parcel # Owner Name – (Appraisal Firm Name) – Date of Value - Date of Appraisal Report,
eg; Owner Name - (Appraisal Firm) DOV xx-xx-2020 DOR xx-xx-2020.

The appraisal report package is to be addressed to ADOT Right of Way Operations - Appraisal, ADOT Mail Room, 1655 W. Jackson Street, Phoenix, AZ 85007. Packages must be marked Time Sensitive or Urgent. If a delivery service is utilized, a confirmation notice is to be e-mailed to the review appraiser.

Please complete the last page of this bid request with your quote and email to RightofWayContracts@azdot.gov no later than 5:00 p.m. on August 29, 2024.

Sincerely,
Jim Walcutt
R/W Project Management Section

Enclosure(s)
cc: Esther Valencia, R/W Contracts Section

Southwest Appraisal Associates, Inc
Steven Cole

August 26, 2024

RESPONSE DUE ON OR BEFORE

RE: REVIEW APPRAISER ASSIGNMENT NO: JW-25-004
PROJECT:
HIGHWAY: RIM ROCK - SEDONA
SECTION: Village of Oak Creek - Jct. 89A
PARCEL(S): L-NC-005B, L-NC-005C

PARCEL #	30 Day Bid	45 Day Bid
L-NC-005B		
L-NC-005C		
TOTAL	\$	\$

Quote prepared by:

Steven Cole, Certification # 30130

Date

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 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.

Date of Search: March 21, 2024

Examiner: Jim Gregg

Reviewer:

Update to:

Examiner:

Reviewer:

Update to:

Examiner:

Reviewer:

Update to:

Examiner:

Reviewer:

Update to:

Examiner:

Reviewer:

County: Coconino

Tax Arb: 401-19-021A

Disposal: N/A

Tracs No.: 179YV304H341402R

Highway: RIM ROCK-SEDONA

Excess Land: L-NC-005C

Fed. No.: S 238-805

Section: Village of Oak Creek-Jct-89A

Parcel No.: 3-1569

SCHEDULE A-1
LEGAL DESCRIPTION

Tract "A", OAK CREEK KNOLLS, as shown on the plat thereof recorded in Case 1, Map 12, records of Coconino County, Arizona, located in that portion of the Southeast quarter of the Northeast quarter of Section 18, Township 17 North, Range 6 East, as depicted on Exhibit "A" attached, Sheet P-18, of ADOT Drawing D-13-T-457, the Right of Way Plans of RIM ROCK-SEDONA HIGHWAY, Village of Oak Creek-Jct-89A Section, Project 179 YV 304 H3414.

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

RIGHT OF WAY / VESTING

- 1.) Warranty Deed from Karen Dell Livingston, Trustee of the Sedona Family Trust, dated January 25, 1991, to the State of Arizona, by and through its Department of Transportation, dated February 16, 2007, recorded February 28, 2007, in Document No. 2007-3427603.
[Parcel 3-1569, Project 179 YV 304 H3414]

END OF RIGHT OF WAY / VESTING

REQUIREMENTS

1. Record Deed from the State of Arizona, by and through its Department of Transportation to the proposed buyer(s).

NOTE: Repurchase rights do not apply due to the property being acquired more the eight years prior to this transaction.

END OF REQUIREMENTS

SCHEDULE B

1. None.

END OF SCHEDULE B

EXHIBIT "A"

That portion of Tract "A" of OAK CREEK KNOLLS, as shown on the plat thereof recorded in Case 1, Map 12, records of Coconino County, Arizona, located in the Southeast quarter of the Northeast quarter (SE $\frac{1}{4}$ NE $\frac{1}{4}$) of Section 18, Township 17 North, Range 6 East, Gila and Salt River Meridian, Coconino County, Arizona, which lies southeasterly of the following described **EXISTING EASTERLY RIGHT OF WAY LINE OF STATE ROUTE 179 (RIM ROCK – SEDONA HIGHWAY):**

EXISTING EASTERLY RIGHT OF WAY LINE DESCRIPTION:

Commencing at a Bureau of Land Management (B.L.M.) brass cap marking the Northeast corner of said Section 18, being North 89°46'01" East 2633.91 feet from a B.L.M. brass cap marking the North quarter corner of said Section 18;

thence along the North line of said Section 18, South 89°46'01" West 227.23 feet to the existing right of way centerline of said State Route 179;

thence along said existing right of way centerline of State Route 179 South 17°49'18" West 465.59 feet;

thence continuing along said existing right of way centerline of State Route 179 along a curve to the Right having a radius of 954.94 feet, a length of 418.82 feet;

thence continuing along said existing right of way centerline of State Route 179 South 42°57'02" West 230.84 feet;

thence continuing along said existing right of way centerline of State Route 179 along a curve to the Left having a radius of 572.95 feet, a length of 385.90 feet;

thence continuing along said existing right of way centerline of State Route 179 South 04°21'36" West 842.55 feet;

thence South 85°38'24" East 33.00 feet to the POINT OF BEGINNING on the existing easterly right of way line of said State Route 179;

(continued)

EXHIBIT "A"

PAGE 1

thence along the existing easterly right of way line of said State Route 179 South 59°49'07" East 27.51 feet;

thence continuing along the existing easterly right of way line of said State Route 179 South 75°00'13" East 18.92 feet;

thence continuing along the existing easterly right of way line of said State Route 179 South 81°57'46" East 28.01 feet;

thence continuing along the existing easterly right of way line of said State Route 179 South 85°24'19" East 35.91 feet;

thence continuing along the existing easterly right of way line of said State Route 179 South 04°35'51" West 51.97 feet;

thence continuing along the existing easterly right of way line of said State Route 179 South 89°26'42" West 76.57 feet;

thence continuing along the existing easterly right of way line of said State Route 179 South 11°29'52" West 17.13 feet;

thence continuing along the existing easterly right of way line of said State Route 179 South 66°10'34" West 15.93 feet;

thence continuing along the existing easterly right of way line of said State Route 179 South 32°09'22" West 43.30 feet;

thence continuing along the existing easterly right of way line of said State Route 179 South 18°48'29" West 77.49 feet;

thence continuing along the existing easterly right of way line of said State Route 179 South 01°09'52" East 38.80 feet to the POINT OF ENDING.

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

EXHIBIT "A"

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PLEASE NOTE: This exhibit is intended for Appraisal purposes only. Refer to Final Right-of-Way Plans for additional information.

ADOT Right Of Way <small>THIS SKETCH PLAN IS FOR ADOT INTERNAL USE ONLY</small>		PARCEL #	L-NC-005-C	HIGHWAY NAME:		RIM ROCK - SEDONA
		DRAWN	JV	PROJECT NO.		179 YV 304 H3414 02R
		DATE	04/25/2024	FEDERAL AID NO.:		S 238 - 805
ROUTE NO.:	LOCATION:				SHEET NO.	
SR 179	SR 179 - CANYON DR				1 OF 1	

Control access along SR179

L-NC-005 A= 3-1488

L-NC-005 B= 3-1484, 1483, 1533

L-NC-005 C= 3-1569

Private

