

**ASSIGNMENT REFERENCES**

**PARCEL NUMBER:** L-M-412A

**OWNER NAME:** State of Arizona Department of Transportation

**ADDRESS:** 3720 N 54<sup>th</sup> St., Mesa, AZ 85215

**LOCATION OF PROPERTY:** Northwest corner of Thomas Rd. and 54<sup>th</sup> St (3720 S), NE of E-202 (Red Mountain fwy) & Higley Rd., Mesa, AZ

**PROJECT:** M519401X

**HIGHWAY:** RED MOUNTAIN FREEWAY

**SECTION:** Gilbert Road – Higley Road

**APPRAISAL ASSIGNMENT:** JW-25-005

**PURCHASE ORDER:** PO 0000738297

**DATE OF VALUE:** February 26, 2025 (Effective Date of Appraisal)

**DATE OF REPORT:** May 6, 2025

**APPRAISER:** Paul D. Hendricks, MAI  
Arizona State Certified General Real Estate  
Appraiser Certificate No. 30197  
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**APPRAISAL REPORT**

**An Opinion of Market Value for Potential Sale or Disposition**

**Of the property located e/o 202 Red Mountain, 3720 N 54<sup>th</sup>St.,  
Mesa, AZ 85215  
Maricopa County, Arizona**

**as of February 26, 2025**

**Parcel Number: L-M-412A**

**Owner: State of Arizona Department of Transportation,**

**Tax Parcels: 141-38-0440, 0460  
Sec. 26 T2N R6E**

*Prepared For Use By*  
**Arizona Department of Transportation  
Infrastructure Delivery & Operations  
Right of Way, 205 S 17<sup>th</sup> Av., MD 612E RM331  
Phoenix, AZ 85007-3212**

*Appraisal Prepared By*  
**PAUL HENDRICKS REAL ESTATE APRAISAL & COUNSELING  
Paul D. Hendricks, MAI  
Arizona Certified General Real Estate Appraiser 30197**

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May 6, 2025

Letter of Transmittal

Jim Walcutt  
ADOT R/W Review Appraiser  
Right of Way, 205S 17<sup>th</sup> Av., MD 612E Rm 331  
Phoenix, AZ 85007-3212

Re: Opinion of market value for potential sale or disposition of parcel L-M-412A, located at the northwest corner of Thomas Rd & 54<sup>th</sup> St, n/o E-202, Mesa, AZ 85215.

In response to your request I have completed an analysis of the above referenced property; this letter of transmittal is part of that appraisal report. This is an appraisal report and conforms to Uniform Standards of Professional Appraisal Practice, ADOT Right of Way Procedures Manual Project Management Section Chapters Three and Four; and The Federal Highway Administration (FHWA) Uniform Act, 49 CFR Part 24.

Problem Identification: The purpose of the appraisal is to opine market value of the fee simple interest of the property described. The intended use is to utilize the value estimate to assist in decisions regarding the sale or disposition of the property.

The effective date of the appraisal and date of valuation is February 26, 2025 the date of site visit. The date of completion of the appraisal report is May 6, 2025.

Relevant Subject Characteristics: Located at the northwest corner of Thomas Rd & 54<sup>th</sup> St., north of E 202-Red Mountain Freeway. A site indicated to be +/- 104,128sf, 2.39ac, parcel 141-38-044 is zoned RS 90 (Single Residence), parcel 141-38-046 is not presently zoned. The site is located in the Falcon Field Rotorcraft Land Use Compatibility Study Area. FEMA zone X-shaded (.2% area of minimal chance flood).

My opinion of market value is: \$446,000

Assignment Conditions: It is an extraordinary assumption that parcel 141-38-046, if developed, would be permitted at RS-90. It is an extraordinary assumption that reported road improvements necessary are as reported and cost estimates reasonable; that an existing road through the site is an illegal encroachment that could be removed for development (at no cost to purchaser/owner); that though the site is located in the Falcon Field Rotorcraft Land Use Compatibility Study Area, residential development would be permitted. No hypothetical conditions are employed. The use of these extraordinary assumptions may have affected assignment results. Please see standard limiting conditions and assumptions in the appendix.

Please call if you have any questions regarding the following appraisal report. Thank you for the opportunity to be of service.



Sincerely,  
Paul D. Hendricks, MAI  
Arizona Certified General Real Estate Appraiser 30197

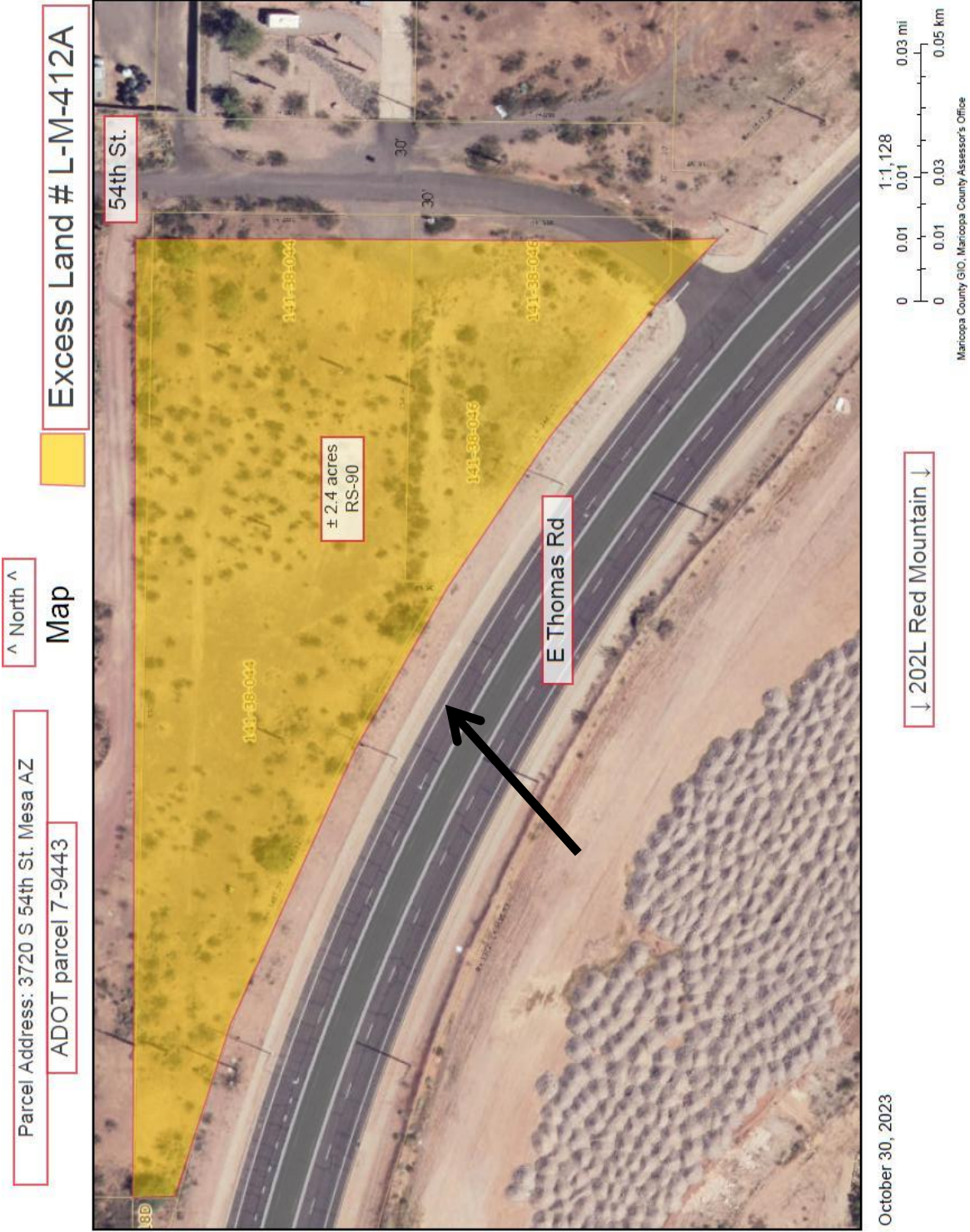
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PREFACE & SUMMARY

Appraisal Reference:	2025338 Parcel L-M-412A
Problem Identification:	The following 7 parameters are considered, client, intended users, intended use, type of opinion, effective date, relevant subject characteristics and assignment conditions:
Client:	Arizona Department of Transportation Right of Way Operations-Appraisal
Appraiser:	Paul D. Hendricks, MAI Arizona Certified General Real Estate Appraiser 30197
Purpose, Intended Use:	The purpose of the appraisal is to opine market value of the fee simple estate(s). The intended use is to utilize value estimates to assist in decisions regarding the sale or disposition of property.
Intended Users:	Our client, Arizona Department of Transportation its agents and officials and the FHWA are the only intended users and for the above intended use. Use of this report by others is not intended by appraiser.
Subject Characteristics:	Located at the northwest corner of Thomas Rd & 54 <sup>th</sup> St., north of E.202-Red Mountain Freeway, the site indicated to be +/- 104,128sf, 2.39ac, zoned RS 90 (Single Residence) minimum site area (90,000sf). The site is located in the Falcon Field Rotorcraft Land Use Compatibility Study Area. FEMA zone X-shaded (.2% area of minimal chance flood).
Tax Code:	141-38-0440, 0460
Owner:	State of Arizona Department of Transportation
Interest Considered:	Fee Simple.
Opinion of Value:	\$446,000
Effective Date of Valuation:	February 26, 2025; Date of Site Visit.
Date of Appraisal Report:	May 6, 2025
Type of Appraisal Report:	Report
Assignment Conditions:	It is an extraordinary assumption that parcel 141-38-046, if developed, would be permitted at RS-90. It is an extraordinary assumption that reported road improvements necessary are as reported and cost estimates reasonable; that an existing road through the site is an illegal encroachment that could be removed for development (at no cost to purchaser/owner); that though the site is located in the Falcon Field Rotorcraft Land Use Compatibility Study Area, residential development would be permitted. No hypothetical conditions are employed. The use of these extraordinary assumptions may have affected assignment results. Please see standard limiting conditions and assumptions in the appendix.

ROW Aerial Exhibit





***SUBJECT PHOTOS***

Site View Looking west from 54<sup>th</sup> St (151240527)



Site View Looking northwest from 54<sup>th</sup> St/Thomas (141719107)



Road encroachment looking northwest towards adjacent property (152212574)



Thomas Rd Looking West (subject site on right) (151225789)





65<sup>th</sup> St Looking North from Thomas Rd (subject left) (151234148)



**PURPOSE OF THE APPRAISAL**

The purpose of the appraisal is to opine market value of the fee simple estate of the subject parcel.

**INTENDED USE, INTENDED USER OF THE APPRAISAL**

The estimate will be used by my client, State of Arizona-Arizona Department of Transportation it agents and officials and the FHWA, the only intended users; the intended use is to utilize value estimates to assist in decisions regarding the sale or disposition of the property.

**INTEREST APPRAISED**

The interest appraised is the fee simple estate defined as "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".

**PROPERTY IDENTIFICATION**

APN 141-38-0440, 0460. A Right of Way Disposal Report indicates the following legal description: That portion of the Southwest quarter of the Southwest quarter of Section 26, Township 2 North, Range 6 East, Gila and Salt River base and Meridian, Maricopa County, Arizona, as depicted on Exhibit "A" attached, Sheet P-27 and P-28, of ADOT Drawing D-7-T-915, the Right of Way Plans of RED MOUNTAIN FREEWAY, Section Gilbert Road-Higley Road, Project RAM 600-8-803 / Parcel 7-9443 and 7-9442.

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

**ANALYSIS AND IDENTIFICATION OF LARGER PARCEL**

After consideration of the three tests of a larger parcel; physically contiguous, common ownership, and common use, as well as beneficial control, the subject larger parcel is as previously described; adjacent properties are of different ownership.

**MARKET VALUE DEFINED**

For the purposes of this article, "market value" means the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements that the property would bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable. (Arizona Statute 28-7091. Definition of market value)

**EXPOSURE PERIOD**

Exposure time, always presumed to precede the effective date of the appraisal, is defined as follows: "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market".

Exposure time, estimated from review of comparable sales and from discussions with active market participants is estimated for the property before the acquisition and the remainder after the acquisition to be approximately 6 to 24 months.

**EFFECTIVE DATE OF APPRAISAL, REPORT DATE**

The effective date of the appraisal is February 26, 2025, the date of physical site visit. The transmittal date of the report is February 27, 2025.

**OWNER CONTACT;**

Jim Walcutt, ownership representative contacted me requesting a response for appraisal bid. I inspected the site February 26, 2025 with Jim Walcutt of ADOT, ownership representative.

**OWNERSHIP (5 year chain of title)/MARKETING HISTORY**

- 1.) Warranty Deed from Mark L. Wirth, a married man, Michael L. Wirth, a married man, and Alan L. Wirth, a married man, as Tenants in Common to the State of Arizona , by and through its Department of Transportation, dated September 22, 2000, recorded September 29, 2000 in Document No. 2000-0751774. [Project RAM 600-8-803, Parcel 7-9442]
- 2.) Final Order of Condemnation in Civil Case No. CV 2000-015338 of the Arizona Superior Court, Maricopa County, entitled the State of Arizona, ex rel., Mary E. Peters, Director, Department of Transportation, Plaintiff, vs. R.D.C., Inc., an Arizona corporation; and Maricopa County, Defendants, dated September 27, 2002, recorded October 23, 2002, in Document No. 2002-1105106. [Project RAM 600-8-803, Parcel 7-9443]

**APPRAISAL DEVELOPMENT AND REPORTING PROCESS (SCOPE)**

As mentioned above, the purpose of the appraisal is to opine market value of the fee simple estate of the subject properties. In preparing this appraisal, I:

- Received invitation to bid and property information relative to the appraisal and discussed Definition of the (Appraisal) Problem with Jim Walcutt, ADOT representative.
- Received and reviewed property descriptions.
- Visited the subject parcel February 26, 2025 with Tammy Alme of ADOT, developing relevant subject characteristics.
- Reviewed the site plat and flood zone maps, indicating physical utility of the parcel.
- Reviewed zoning and applicable area plans indicating legal permissibility of the parcel.
- Discussed required permitted uses and road improvements necessary for development with City of Mesa personnel.
- Researched sales of similar sites, focusing in the Phoenix metro area market, with an emphasis on location, size and use; currently competitive (listings) have also been considered (listings often provide useful indications of upper limit to value).
- Data sources utilized included Costar, MLS, realquest, my files and discussions with market participants.
- Inspected, by drive by, all comparable sales used.
- Attempted confirmation of each comparable sale with a party familiar with the property/transaction (when confirmation was not available, public records/information was relied upon).
- Discussed value and market conditions with active market participants in the area including buyers and sellers and brokers.
- Applied the sales comparison approach to arrive at an opinion of market value of the subject property.
- Developed a final opinion of market value and reported the same in this appraisal report, believed to conform to the Uniform Standards of Professional Appraisal Practice, ADOT Right of Way Procedures Manual Project Management Section Chapters Three and Four; and The Federal Highway Administration (FHWA) Uniform Act, 49 CFR Part 24.

**PROJECT INFLUENCE:**

Any influence in valuation caused by the project prior to the date of valuation will be discussed and considered by the appraiser in each appraisal. However, the effect of these influences, if any, is to be disregarded in the valuation of the subject property, pursuant to Arizona Revised Statutes 28-7097 which states:

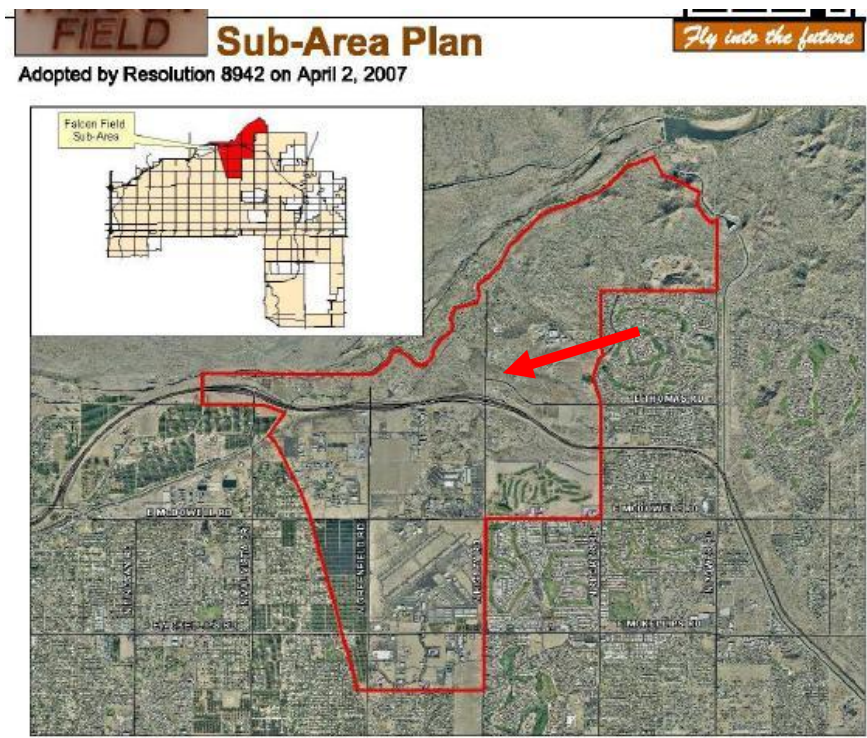
“In acquiring property for transportation purposes pursuant to this article, when determining the market value of the property to be taken and the market value of the remainder, if any, in the before condition, a decrease or increase in the market value of the real property prior to the date of valuation caused by the public project for which the property is to be acquired or by the likelihood that the property would be acquired for the project shall be disregarded.” All steps in the appraisal process, including the selection of comparable sales and analysis of market data, were completed disregarding any influence from the project for which this appraisal is being completed

**MARKET AREA (NEIGHBORHOOD) ANALYSIS**

A property is an integral part of its surroundings. The character and features of the surrounding area directly affect the use of a property which is a primary factor in the property's value. In order to estimate the value of a property, an analysis of the surrounding area must be made. This surrounding area is referred to as a market area (neighborhood).

The subject property is located a northeast portion of the City of Mesa, Maricopa County, Arizona. The City of Mesa is divided into 7 sub-areas; Sub-area plans provide a framework for future decision making for select, small geographical areas within the community. They contain statements of principles and recommendations for strategies to achieve desired development in the area. Prepared with substantial public involvement, these plans represent the consensus of the residents.

The subject is in the Falcon Field sub-area, with boundaries as follows: along the Salt River, which represents the City's corporate limits to the north; then south along Power Road to the northern boundary of Red Mountain Ranch; then west along that boundary to Recker Rd, continuing along Recker Rd south to McDowell Rd; then west to Higley Rd; following Higley Rd south to McLellan Rd; from there, heading west to the RWCD Canal; and finally, following the canal northwesterly to the Mesa Corporate Limits.





The Mesa 2025 General Plan intends that the Falcon Field sub-area be: leveraged for the economic development potential generated by the airport, regional transportation linkages, and existing infrastructure; developed with airport compatible land uses; and designated for a mix of land uses that maximize long term employment potential.

The following is a table of Land Area by Current (April 2007 Report) Land Use Plan and Designation and 2025 General Plan Designation in Falcon Field Sub-area:

Land Area by Current (2007) Land Use			Land Area by General Plan (2025) Designation		
Land Use	Net Acres	%	Land Use	Net Acres	%
Vacant	2,143.36	45.30%	Vacant	2,075.40	43.00%
Public/Semi-Public	901.34	19.10%	Business Park	1,190.50	24.60%
General Industrial	707.26	15.00%	Mixed-Use Employment	532.00	11.00%
Agricultural	244.80	5.20%	Public/Semi-Public	364.90	7.60%
Business Park	209.74	4.40%	Light Industrial	249.00	5.20%
Parks	182.63	3.90%	Parks	184.70	3.80%
Low Densitv Residential (0-1)	152.70	3.20%	Low Densitv Residential (1-2)	82.40	1.70%
Light Industrial	120.84	2.60%	Community Commercial	52.40	1.10%
Neighborhood Commercial	24.23	0.50%	Office	51.40	1.10%
			Mixed-Use Residential	38.00	0.80%
			Education	10.30	0.20%

Per the Falcon Field Sub-area Plan, the following are Falcon Field Sub-area Land Use Strategies to achieve a rational pattern of land use that maintains area aviation strengths, provides high quality employment, and delivers entertainment options:

- LU-1. Falcon Field Sub-Area Land Use and Conceptual Circulation Plan - Implement the Falcon Field Sub-Area Land Use and Conceptual Circulation Plan (Figure 1-2 in Section 1-6), a component of this effort that will serve to guide the evaluation of rezoning proposals and inform developers of the intent of area stakeholders. The plan also serves to protect residential areas from aviation related impacts and prevents the encroachment of incompatible UICI into airport noise contours, hazard areas, and approaches.
- LU-2. General Plan Update- Update the Mesa 2025 General Plan Land Use Plan for consistency with the Falcon Field area Land Use Plan. Closer study of this area has identified essential improvement to the Land Use Plan contained within the General Plan.
- LU-3. City Initiated Rezoning - Coordinate with public and private landowners to rezone vacant parcels so that they are consistent with the Falcon Field Sub Area Land Use Plan. This action will eliminate many potential safety and nuisance related land use conflicts, including those that seriously conflict with the aviation activity of the area.
- LU-4. Airport Master Plan Update - Update the Falcon Field Airport Master Plan. An airport master plan with more current content will inform updates to this plan and serve to minimum potential land use conflicts.
- LU-5. Periodic Falcon Field Sub-Area Plan Revision - Periodically review and update this plan to incorporate the results of other planning efforts, recent capital improvements, emerging issues, and changing circumstances.
- LU-6. F.A.A. Land Release - Coordinate with the Federal Aviation Authority for the release of restricted lands on the west side of Greenfield Road *directly* across from the airport, so that essential, low impact commercial services and employment opportunities may be provided to the area.
- LU-7. Deed Restrictions on City Owned Property. Implement limitations via deed restriction, development agreements or other similar private instrument on marketed City property (lease or

purchase) to ensure the intended mix of uses, character of development, and compatibility of uses with area aviation activities. Agreements and limitations should be sensitive to residential land uses adjacent to or nearby these parcels.

LU-8. Falcon Field Employment Center Strategy; Continue implementation of the Falcon Field Employment Center Strategy as necessary to expedite the implementation of the land use plan. In addition to that economic development effort, coordinate with other economic development initiatives for the area towards the same end.

LU-9. Airport Business Linkages - Promote the airport, regional surface transportation infrastructure, and area utility infrastructure to strengthen and expand aviation-to-business and business to business linkages. This strategy serves to expedite the implementation of the Falcon Field Sub-Area Land Use Plan.

The subject is located in the Falcon Field Rotorcraft Land Use Compatibility Study Area; the Mesa 2040 General plan, subject appears to be “employment”; the 2050 General Plan-Local Employment Center

The social characteristics of the subject Falcon Field market area are compared to a 1 mile radius surrounding the subject property and the City of Mesa and Phoenix Metro Area, as follows:

Variable	L-M 412A (1 mile)	Falcon Field Sub-area (9.95 sq mi)	Mesa City, AZ	Phoenix-Mesa-Chandler, AZ MSA (CBSA)
2024 Total Population	1,051	1,943	521,604	5,149,752
2024-2029 Growth Rate: Population	1.37%	1.25%	0.42%	0.95%
2024 Total Households	458	801	201,120	1,922,675
2024 Per Capita Income	\$83,082	\$82,000	\$40,844	\$44,441
2024 Median Household Income	\$124,812	\$130,297	\$79,614	\$87,166
2024 Pop Age 25+: Grad/Professional Degree	171	312	37,665	456,853
2024 Owner Occupied HUs	420	745	132,831	1,302,602
Percent Owner Occupied	83.7%	82.6%	58.1%	61.5%
2024 Vacant Housing Units	44	101	27,456	195,546
Percent Vacant Housing	8.8%	11.2%	12.0%	9.2%
2024 Total Housing Units	502	902	228,576	2,118,221
2024 Median Home Value	\$616,124	\$637,879	\$432,658	\$462,805
2024 Average Home Value	\$713,962	\$723,051	\$479,491	\$533,735
2022 Housing: Mobile Homes (ACS 5-Yr)	4	15	29,102	119,718
Percent Mobile Home	0.8%	1.7%	12.7%	5.7%
2022 Median Contract Rent (ACS 5-Yr)	\$2,150	\$1,583	\$1,172	\$1,244
2024 Population Density	334.8	195.3	3,689.3	353.5

The above indicates the area surrounding the subject (1 mi radius) and Falcon Field Sub-area are above average in anticipated growth rate and above average in per capita and median household income levels as are median home values.

**Conclusion:**

The subject is in a northeast portion of the city. It is well established and still fostering an outlook of growth, particularly with uses compatible with the air field. Surrounding economics are significantly stronger (resident income levels and median home values) than surrounding areas (Mesa and Phoenix-Mesa-Chandler MSA).

SITE DESCRIPTION

The basic features of the subject site is described below.

Location:	The subject located at the northwest corner of Thomas Rd. and 54 <sup>th</sup> St (3720 N), east of Higley Road, Mesa.		
Site Size:	+/- 104,128sf, 2.39ac.		
Access:	E 202 to Higley Rd, north to Thomas Road, a paved, two land roadway, traffic counts on Thomas Rd are 1,127vpd (2022).		
Visibility/Frontage:	Average to good, frontage on Thomas Road and 54 <sup>th</sup> St.		
Shape:	Triangular, frontage on Thomas Road is indicated at 706.51', depth at the western boundary is 35.81'; frontage along 54 <sup>th</sup> St, is 363.73'.		
Topography:	Moderately upward sloping north, above street grade,		
Flood Hazard:	According to FIRM Flood Hazard map 04013C2280L, revised 10/16/2023, the subject parcel is located in Flood Zone X-shaded (.2% annual chance flood hazard, areas of 1% annual chance flood with average depth less than 1 foot or with drainage areas of less than 1 square mile).		
Easements and Other Special Restrictions:	No easements or other special restrictions are noted in the Right of Way Disposal report, plat map or site legal description. 54 <sup>th</sup> Street turns moderately west at its intersection with Thomas Rd., a subject site southeast corner triangle, 2,069sf, will be reserved for public roadway easement (see exhibit in appendix).		
Hazardous Materials/ Contamination:	No environmental assessment has been made available; no apparent hazardous materials were evident at site visit; however, appraisers are not trained in detection of such.		
Utilities:	Utilities are generally available in the area from the following sources, (however an engineering study is needed to determine if all utilities are available in adequate supply for new development):		
	Water:	City of Mesa	
	Sewer:	None; Septic*	
	Electricity:	SRP	
	Natural Gas:	City of Mesa	
	Telephone:	CenturyLink	
	Public Safety:	City of Mesa	
	Fire:	City of Mesa.	

\*Septic is not permitted, however, it is reported that an exception may be obtained, given a development agreement that once sewer is in the area, the septic would be abandoned and the property connected to the sewer.

Mesa serves the area with natural gas but to serve the site would be costly as there are no residential mains in the area.

Surrounding Land Uses:	Residential development to the north and northeast, un-developed industrial to the south, south side of Thomas Rd. and further north		
Census Tract:	#4202.06		

Zoning:	<p>Parcel 141-38-044 is zoned RS-90 (Single Residence), providing for detached single residence housing at densities of up to 7 units per net acre. Designators (-90, -43, -35, -15, -9, -7 and -6) are used to denote the minimum lot size in thousands of square feet. This district also provides for community residences, assisted living homes, day care group homes, park and recreation facilities, and civic and institutional uses such as churches and places for religious assemblies that are appropriate in a residential environment. Non-residential uses of a strictly limited scale under the specific conditions listed may also be allowed.</p> <p>Development standards include (for complete restrictions see zoning ordinance): 90,000sf minimum lot area, 150' minimum lot width, 150' minimum lot depth, maximum lot coverage 40%, minimum yards: 22' front (enclosed livable area), 30' (garages and carport front and side yards), interior side 20', street side 20' ,rear 30'.</p> <p>Parcel 141-38-046 is presently unzoned; it is assumed that for development it would be considered as RS-90 as is in place by surrounding properties.</p>
Other:	<p>It is reported that development would require ½ roadway improvement (including pavement, curb and gutter, streetlights and sidewalk) to City of Mesa standards along frontage with 54<sup>th</sup> St.</p>
General Plan Etc.:	<p>Mesa General Plan 2040 Falcon Field Rotorcraft Land Use Compatibility Study Area; the general plan indicates that residential uses are not suitable, however zoning, such as RS-90 permits residential if in place, is permitted; Section 2 of the ordinance reads “The Study is adopted as a guiding document only, and to the extent a conflict exists between the Study and the Mesa Zoning Ordinance, the Mesa Zoning Ordinance shall control”.</p> <p>Mesa 2040 General plan, subject appears to be “employment”; 2050-Local Employment Center</p>
Site Analysis Summary:	<p>The subject parcel is +/- 104,128sf, 2.39ac, located at the northwest corner of Thomas Rd and 54<sup>th</sup> St. It is zoned RS-90 and unzoned (parcel 046). It is in the Falcon Field Rotorcraft Land Use Compatibility Study Area which indicates that residential development is not suitable, but where a conflict exists between the Study and Mesa zoning, the zoning ordinance controls. Utilities, with the exception of sewer and natural gas are reportedly available. Septic is not permitted but it may be possible to develop with an exception (given development agreement). Development reportedly would require ½ roadway improvement to City of Mesa standards along frontage with 54<sup>th</sup> St. FEMA zone X-shaded. The site is surrounded by low density residential to the north, northwest and northeast; undeveloped industrial zoned land south of Thomas Rd. It has relatively good traffic linkages due to proximity to 202 South Mountain Freeway.</p>



Real Estate Tax Analysis

The following information is available from the county treasurer’s office.

Tax Parcel	141-38-044	141-38-046	Total
FCV 2025	\$442,000	\$188,100	\$630,100
2024 Tax	\$0.00	\$0.00	\$0.00

There are no taxes due to municipal ownership.

HIGHEST AND BEST USE

Highest and best use is defined by the Appraisal Institute in The Dictionary of Real Estate Appraisal, 7<sup>th</sup> Edition, as:

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Implied is that the determination of highest and best use results from the appraiser's judgment and analytical skill, i.e., that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria that highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

HIGHEST AND BEST USE, AS IF VACANT:

**Legally Permissible:** The subject is zoned RS-90 (Single Residence) and un-zoned (parcel 046). RS-90 provides for detached single residence housing at densities of up to 7 units per net acre. Designators (-90, -43, -35, -15, -9, -7 and -6) are used to denote the minimum lot size in thousands of square feet. This district also provides for community residences, assisted living homes, day care group homes, park and recreation facilities, and civic and institutional uses such as churches and places for religious assemblies that are appropriate in a residential environment. Non-residential uses of a strictly limited scale under the specific conditions listed may also be allowed.

Development standards include (for complete restrictions see zoning ordinance): 90,000sf minimum lot area, 150’ minimum lot width, 150’ minimum lot depth, maximum lot coverage 40%, minimum yards: 22’ front (enclosed livable area), 30’ (garages and carport front and side yards), interior side 20’, street side 20’ ,rear 30’.

Parcel 141-38-046 is un-zoned; it is assumed that for development it would be considered as RS-90, consistent with surrounding residential property.

It is in the Falcon Field Rotorcraft Land Use Compatibility Study Area which indicates that residential development is not suitable, but where a conflict exists between the Study and Mesa zoning, the zoning ordinance controls. City of Mesa Planning officials have confirmed that development to RS-90 (zoning) would be permitted.

**Physically Possible:** The subject parcel is +/- 104,128sf, 2.39ac, located at the northwest corner of Thomas Rd and 54<sup>th</sup> St. Utilities, with the exception of sewer and natural gas are reportedly available. Septic is not permitted but it may be possible to develop with an exception (given development agreement). Development reportedly would require ½ roadway improvement to City of Mesa standards along frontage with 54<sup>th</sup> St. FEMA zone X-shaded. The site is surrounded by low density residential to the north, northwest and northeast; undeveloped industrial zoned land south of Thomas Rd. and further north. It has relatively good traffic linkages due to proximity to 202 South Mountain Freeway.

In addition to physical and legal characteristics, the financial feasibility of the subject site is significantly influenced by market conditions. The Arizona Economy Fourth Quarter 2024 Forecast Update by George W. Hammond, Ph.D., EBRC Director and Research Professor; December 2024

Even with significant headwinds from reduced housing affordability, elevated interest rates, and tight labor markets, Arizona continues to generate solid economic growth. Job gains are far outpacing national growth in the preliminary data and may be growing even faster than the data suggest. Phoenix inflation has decelerated below the national average, leaving real personal income growth in Arizona above the U.S. Taxable retail plus remote and restaurant and bar sales, however, have slowed significantly in 2024.

The baseline outlook calls for Arizona, Phoenix, and Tucson to continue growing, and to outpace the U.S., assuming the U.S. economy avoids recession. Risks to the U.S. outlook remain tilted slightly to the downside. A modest U.S. recession would take the wind out of Arizona’s sails, but probably not generate a huge downturn.

This forecast was completed before election day. The results of the election inject significant uncertainty into the outlook. It is unclear as of this writing how the incoming Federal administration will implement policies discussed during the campaign. However, there are significant downside risks to the state and national economies from large and widespread increases in tariffs, as well as mass deportations. Stay tuned to future forecasts as the policy landscape becomes clearer.

Arizona Recent Developments

Arizona’s seasonally-adjusted unemployment rate ticked up to 3.6% in October, up from 3.5% in September. Arizona’s rate remained below the national average in October (4.1%).

Overall, according to preliminary data, state jobs were up 65,000 over the year in October, which translated into 2.0% growth. That was above the nation at 1.3%. Year to date through October, jobs were up 68,500, or 2.2% (**Exhibit 1**). Again, Arizona outpaced the U.S. at 1.7%.  
*Exhibit 1: Arizona Year-to-Date Job Growth, Through October, Percent*

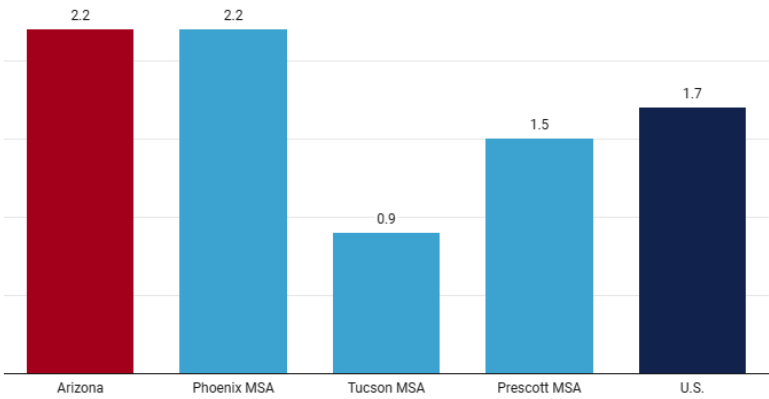


Exhibit 1: Arizona Year-to-Date Job Growth, Through October, Percent  
Chart: Economic and Business Research Center, Eller College of Management, The University of Arizona • [Get the data](#) • Created with [Datawrapper](#)

Keep in mind that the U.S. Bureau of Labor Statistics has indicated that (based on data through March of 2024) they expect to revise Arizona jobs up with the benchmark revisions to be released in March 2025.

Jobs in the Phoenix MSA were up 45,100 over the year in October, for 1.9% growth. Phoenix accounted for 69.4% of state gains. Year to date, Phoenix jobs were up 52,400. That translated into a 2.2% increase.

As for the state, the U.S. Bureau of Labor Statistics expects to revise Phoenix jobs up with the benchmark revision in March 2025.

Tucson MSA jobs were also up over the year in October, rising by 3,800. However, that translated into relatively slow growth of 0.9%. That was below the state and national averages. Year to date, Tucson jobs were up 3,600 or 0.9%.

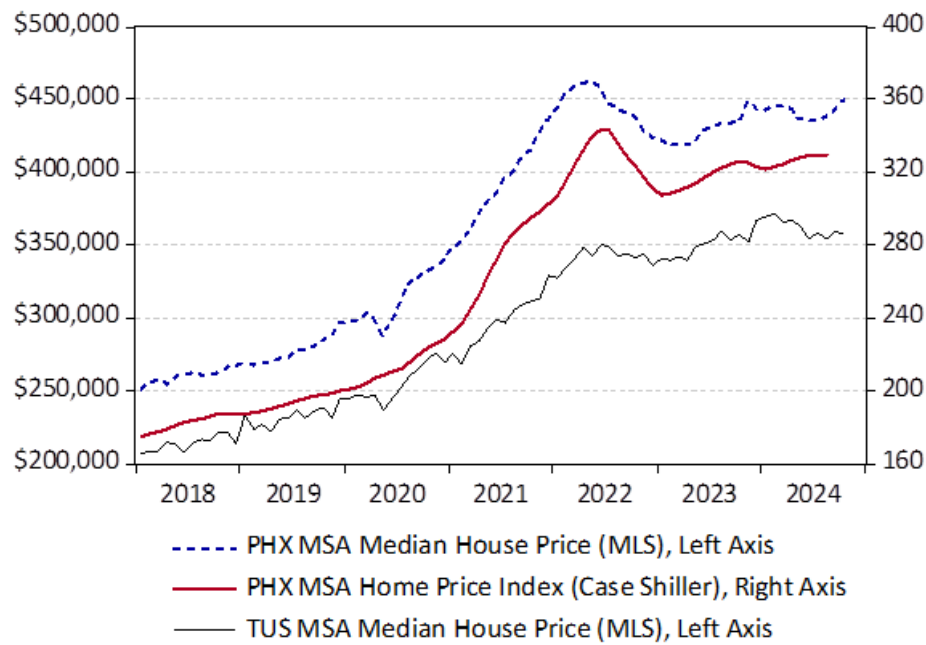
The U.S. Bureau of Labor Statistics does not release preliminary benchmark analyses for smaller metropolitan areas, like Tucson and Prescott.

Prescott MSA jobs were up 1,400 over the year in October, for 2.0% growth. Year to date, Prescott jobs were up 1.5%.

House prices in Phoenix and Tucson continue to rise at modest rates, at least compared to the explosive growth during 2021-2022. The Phoenix median house price rose 3.4% over the year in October 2024, hitting 449,900. Tucson's median home price was lower, at 352,000, which was down 0.1% over the year. The Phoenix Case-Shiller Index was up 2.1% over the year in August (latest data).

Even so, house prices in the Phoenix MSA were well below their recent peak in 2022, measured either by the median home price or the Case-Shiller index (**Exhibit 2**). Tucson's median home price was modestly above 2022 levels.

Exhibit 2: House Prices Continued to Rise in Phoenix and Tucson, Seasonally Adjusted



The U.S. Bureau of Economic Analysis (BEA) has revised data back to 2019. The latest data put Arizona per capita personal income (before adjustment for inflation) at \$62,543 in 2023, using Census population estimates. That was up 6.1% from 2022, outpacing national growth of 5.4%. National per capita personal income was \$69,810 last year. Overall, Arizona's per person income was 89.6% of the national average and ranked 35<sup>th</sup> in the nation (including the District of Columbia).

The Phoenix MSA consumer price index for all items rose just 1.6% over the year in October. That was below the national pace of 2.6%. Phoenix MSA inflation now has been below the U.S. average for more than a year (since September 2023).

Core inflation, all items less food and energy, in Phoenix rose 2.7% over the year in October, below the U.S. rate of 3.3%.

Commodities inflation, which includes tangible goods, like gas, food, new and used cars, furniture, apparel, etc., was -2.5% in Phoenix and -1.0% nationally over the year October. That implies that commodities prices, on average, were lower than a year ago. In fact, Phoenix commodities prices have been falling since October 2023.

Services inflation, which includes intangible goods like health care, travel and tourism, educational services, and, most importantly, housing, rose 3.7% over the year in Phoenix in October. That was below the national pace of 4.7%.

Shelter inflation, which includes rent, imputed owner-occupied rent, and short-term rentals, was 2.4% over the year in Phoenix in October and 4.9% nationally.

Even though inflation has moderated significantly in Phoenix and nationally, prices remain elevated. The all-items consumer price index in Phoenix was up 25.5% in October 2024, compared to October 2020. Nationally, the all-items index was up 21.2%. Phoenix prices were driven up faster than the U.S. by the housing market. In particular, the shelter consumer price index was up 39.6% in Phoenix during the past four years, compared to 23.8% nationally.

Arizona taxable retail sales growth (including remote sellers) has decelerated significantly this year, particularly in the third quarter. Statewide taxable retail plus remote sales were down slightly over the year through September 2024, down 0.4% in Phoenix, and down 0.6% in Tucson. Sales were up 1.3% in Prescott. The performance in the retail plus remote category was buoyed by remote sellers, with sales up between 8.8% and 12.4%, across Phoenix, Tucson, Prescott, and the state. In contrast, sales in the narrowly-defined retail sector were down across all four geographies.

Sales at restaurants and bars have also decelerated. Statewide sales at restaurants and bars were up 1.9% over the year through August 2024, up 2.1% in Phoenix, up 1.2% in Tucson, and up 0.6% in Prescott.

**Arizona Outlook**

The Arizona forecast calls for sustained growth at rates above the U.S. As **Exhibit 3** shows, job growth is expected to accelerate to 2.9% in 2024, up from 2.6% in 2023. This is well above current job growth rates in the preliminary nonfarm payroll data, because the U.S. Bureau of Labor Statistics preliminary benchmark suggested that they will revise the Arizona data up significantly next March. In order to accommodate this, the 2024 nonfarm payroll data in the Arizona projections are forecast estimates, not published historical data.

Nonfarm job growth decelerates in 2025 and 2026, reaching 2.0%, as labor force gains slow in response to the aging of the baby boom generation.

Education and health services drive state job gains during the next decade, followed by professional and business services; financial activities, leisure and hospitality; and trade, transportation, and utilities. These five sectors account for 91.1% of total job gains through 2034.

While no goods-producing sector is forecast to make the top five in job gains, manufacturing jobs are expected to rise significantly during the next decade, reflecting gains in high-tech manufacturing (semiconductors and related, batteries, etc.).

Personal income rose strongly in 2023, up 7.0%. It is forecast to decelerate to 6.1% in 2024, 6.2% in 2025 and 5.8% in 2026. Income growth slows this year with decelerating wage gains and slower growth in dividends, interest, and rent as interest rates fall.



Nominal taxable retail (plus remote) sales growth decelerates from 3.4% in 2023 to 1.0% in 2024, reflecting slower income growth and decelerating inflation. Growth rebounds in 2025 to 4.1% and again in 2026 to 4.5%.

Population growth slows gradually during the forecast period, reflecting in part demographic pressures related to the aging of the baby boom generation. Natural increase is very low during the next ten years, which makes net migration the main driver of population gains. Net migration slows in the near term as mortgage interest rates remain well above pre-pandemic levels, locking in some homeowners to their current place of residence.

Exhibit 3: Arizona Job Growth Accelerates This Year

	Actual	Forecast		
	2023	2024	2025	2026
Growth Rate				
Nonfarm Jobs	2.6	2.9	2.4	2.0
Personal Income	7.0	6.1	6.2	5.8
Retail Plus Remote Sales	3.4	1.0	4.1	4.5
Population	1.6	1.5	1.4	1.3
Level				
Unempl. Rate	3.9	3.6	3.8	4.3
Housing Permits	58,433	60,932	56,675	52,175

The state unemployment rate is forecast to drop to 3.6% in 2024, down from 3.9% in 2023, reflecting the job growth acceleration. As job growth slows, the unemployment rate trends up to 4.3% by 2026.

Slowing population gains put downward pressure on housing permits during the forecast. Total permits fall from 60,932 in 2024 to 52,175 in 2026.


Risks to the Outlook

The baseline forecasts for Arizona, Phoenix, and Tucson call for continued growth, assuming the U.S. economy avoids recession. The baseline U.S. forecast (produced in October 2024) is assigned a 55% probability. However, it is important to consider alternative scenarios. In October, S&P Global generated a pessimistic scenario for the U.S. economy (assigned 25% probability) that assumed that the U.S. economy falls into a moderate recession in 2025, driven by worsening conflicts in the Middle East and Ukraine. That generates much slower growth in Arizona, but not outright declines in jobs or population.


S&P Global also generated an optimistic scenario for the U.S. (assigned 20% probability), which assumes stronger growth than the baseline. This also generates stronger gains in Arizona.

The results of the election inject significant uncertainty into the national and state outlook. Significant and widespread increases in tariffs and mass deportations would generate supply-chain disruptions and elevate inflation. While it is unclear as of this writing whether and how the incoming Federal administration will implement these policies, there are significant downside economic risks associated with each.

Arizona Economic Forecast Data (Statewide)

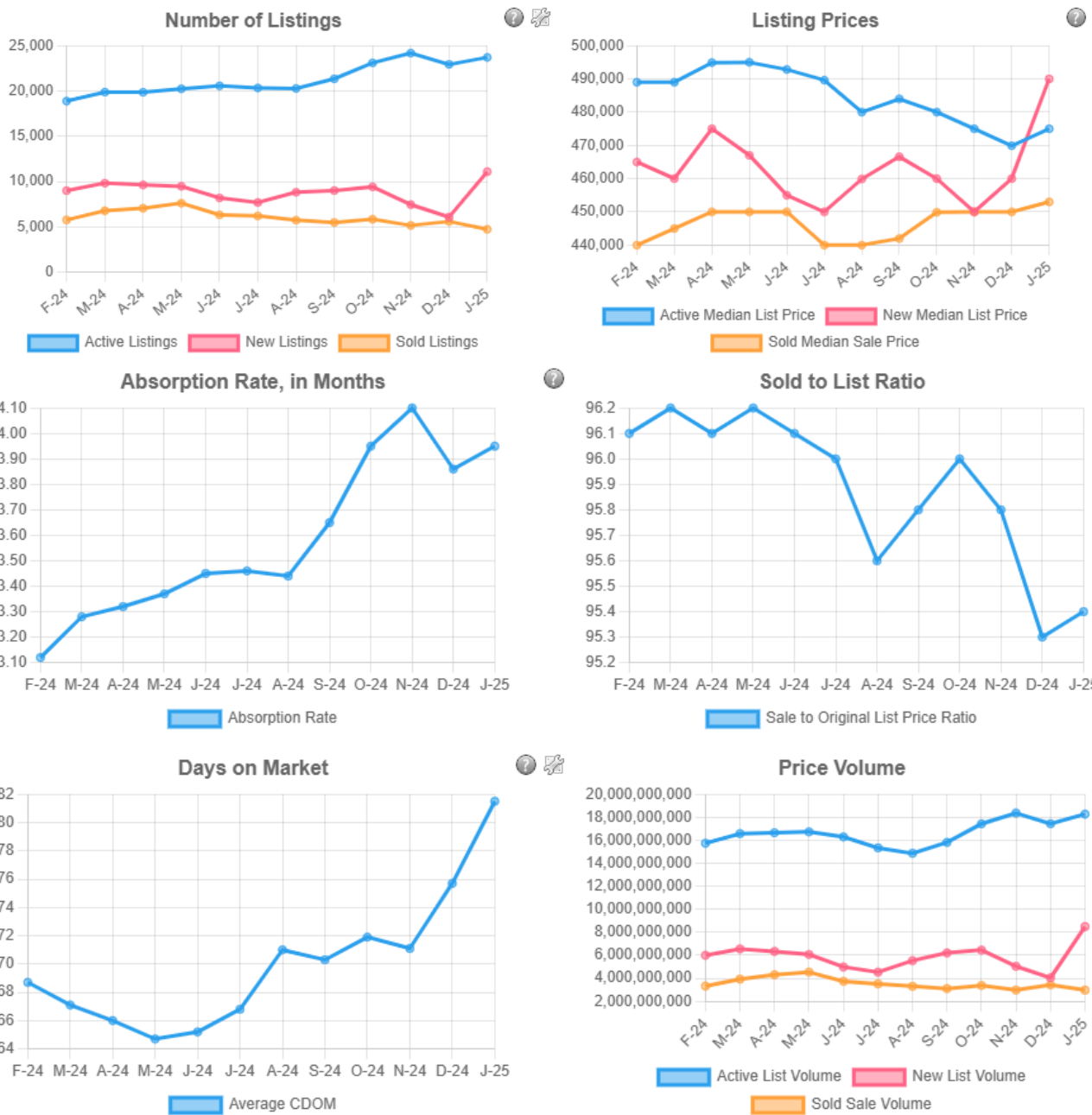
Arizona Forecast*	2023	2024	2025	2026	2027
Personal Income (\$ mil)	464,774.8	493,174.5	523,969.6	554,516.6	586,387.7
% Chg from Year Ago	7.0%	6.1%	6.2%	5.8%	5.7%
Retail Sales (\$mil)	172,000.0	173,000.0	179,000.0	187,000.0	195,087.0
% Chg from Year Ago	3.0%	0.6%	3.5%	4.5%	4.3%
Total Nonfarm Employment (000s)	3,194.4	3,288.0	3,365.8	3,431.5	3,488.9
% Chg from Year Ago	2.6%	2.9%	2.4%	2.0%	1.7%
Population (000s), July 1st estimates	7,525.1	7,634.9	7,738.5	7,841.2	7,941.4
% Chg from Year Ago	1.6%	1.5%	1.4%	1.3%	1.3%
Residential Building Permits (units)	58,433.0	60,932.2	56,675.4	52,175.2	46,793.9
% Chg from Year Ago	-5.0%	4.3%	-7.0%	-7.9%	-10.3%
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Phoenix-Mesa-Scottsdale MSA Forecast (Maricopa + Pinal Counties)

Phoenix-Mesa-Scottsdale MSA Forecast*	2023	2024	2025	2026	2027
Personal Income (\$ mil)	331,890.6	353,512.1	374,704.5	398,000.7	422,553.9
% Chg from Year Ago	7.0%	6.5%	6.0%	6.2%	6.2%
Retail Sales (\$mil)	125,000.0	126,000.0	129,000.0	134,000.0	140,504.0
% Chg from Year Ago	3.3%	0.8%	2.4%	3.9%	4.9%
Total Nonfarm Employment (000s)	2,404.6	2,478.1	2,533.9	2,585.4	2,633.6
% Chg from Year Ago	3.0%	3.1%	2.3%	2.0%	1.9%
Population (000s)	5,132.5	5,220.6	5,304.9	5,386.7	5,467.0
% Chg from Year Ago	1.8%	1.7%	1.6%	1.5%	1.5%
Residential Permits (units)	45,616.0	47,761.6	45,321.5	42,807.7	40,750.1
% Chg from Year Ago	-4.6%	4.7%	-5.1%	-5.5%	-4.8%
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Published by  Economic and Business Research Center, The University of Arizona.				Powered by dataZoo	

The following is a statistical summary of residential trends in the Phoenix metro area over the past 12 months (through January 2025; source ARMLS):

Residential



While, as indicated above, the single family residential market has cooled significantly from recent past extremes due to significantly reduced home affordability and rising interest rates, over the past year median home sales have increased moderately (just under 5%), however, days on market has increased significantly, median listing prices have decreased and the sold to listing ratio has decreased.

**Maximum Profitability:** In conclusion, the subject site is permits residential development by zoning which is consistent with surrounding development. It is restricted due to lack of sewer but has potential for septic exception. Any development would require dedications for road and ½ street road improvements along 54<sup>th</sup> St frontage. The maximally profitable use is considered to be residential development as permitted under RS-90 zoning.

**VALUATION METHODOLOGY**

In the appraisal of real estate, three methods of estimating value are often employed, depending on the characteristics of the property; they include the Cost Approach, Sales Comparison Approach and the Income Approach.

The cost approach is a set of procedures through which a value of the fee simple interest is derived by estimating a reproduction or replacement cost of improvements, deducting accrued depreciation from all sources, and adding the value of the site as if vacant. This approach is particularly useful in the analysis of a property that is new or nearly new, which is not significantly affected by any forms of depreciation, and properties that are not frequently exchanged in the market.

As the appraisal considers an unimproved parcel of land the cost approach is not considered to be necessary for credible assignment results.

The Sales Comparison Approach is a set of procedures through which value is estimated by comparison of the subject property to the sales of similar properties that have recently sold, making adjustments to the sales for differences between the subject and the comparable property's based on units of comparison. The sales comparison approach is significant in the estimate of site value.

The income approach is a set of procedures through which value is estimated based on the future benefits of property ownership (income earning potential) of the property appraised. Rental income is estimated based on analysis of similar market properties and or the subject income stream. Incomes are reduced by expenses to the owner and net income is capitalized by either direct capitalization, yield capitalization, or both. As vacant sites are not typically leased or purchased for income earning potential, the income approach is not considered to be necessary for credible assignment results.

In consideration of the availability of comparable site sales from which to estimate value, and due to deficiencies in the cost and income approaches, the sales comparison approach is considered to be the only approach necessary for credible assignment results.



**SITE VALUATION**

The following comparable sales are chosen in the estimate of site value for the above referenced site. They were selected after a thorough search of the market; services used included affidavits and public records, brokers, appraisers, and others because they represent the best (i.e. most similar) comparables available within a reasonable degree of similarity to the property appraised.

Properties are never identical with respect to all major items which affect value, so the price of each of the comparable properties is adjusted, on a price per square foot basis, for points of significant difference with respect to the property appraised in the order noted. The prices are adjusted, if need be, for (in sequence):

1. Real property rights conveyed
2. Financial terms
3. Conditions of sale
4. Expenditures made immediately after purchase
5. Market conditions
6. Location
7. Physical characteristics
8. Economic characteristics
9. Use
10. Non-realty components of value

Adjustments for items 1-5 above are made first if necessary, indicating an “adjusted sale price”. After adjusting the comparable sales prices to compare equally to the subject, the sales are reduced to common units of comparison for further analysis. The units of comparison selected depend on the type of property being appraised. The comparables have been analyzed on an overall price basis which is a common unit of comparison for properties such as the subject. The comparable properties are then adjusted for locational, physical and economic differences as indicated.

The following sales are considered to be most significant to the valuation of the subject site, after thorough search of market sales comparables.

**Comparable Site Sale One**

Location: 3550 W Morrow Dr., Glendale, 85308

Legal Description: S 317F E2 LOT 58 WESTERN MEADOWS 3 MCR 116-33 P/F 2022-0196404, Maricopa County, AZ

Tax Code Number: 206-13-064F

Records: 4/26/2024 document 2024 0221329

Seller: Aida Ayala, Ricardo Ayala

Buyer: Ahmad Ali Rajab Ali

Sale Price: \$370,000; Asking Price \$487,000 to \$397,000, 126 DOM

Terms: Cash

Site Size: 52,538sf, 1.21ac

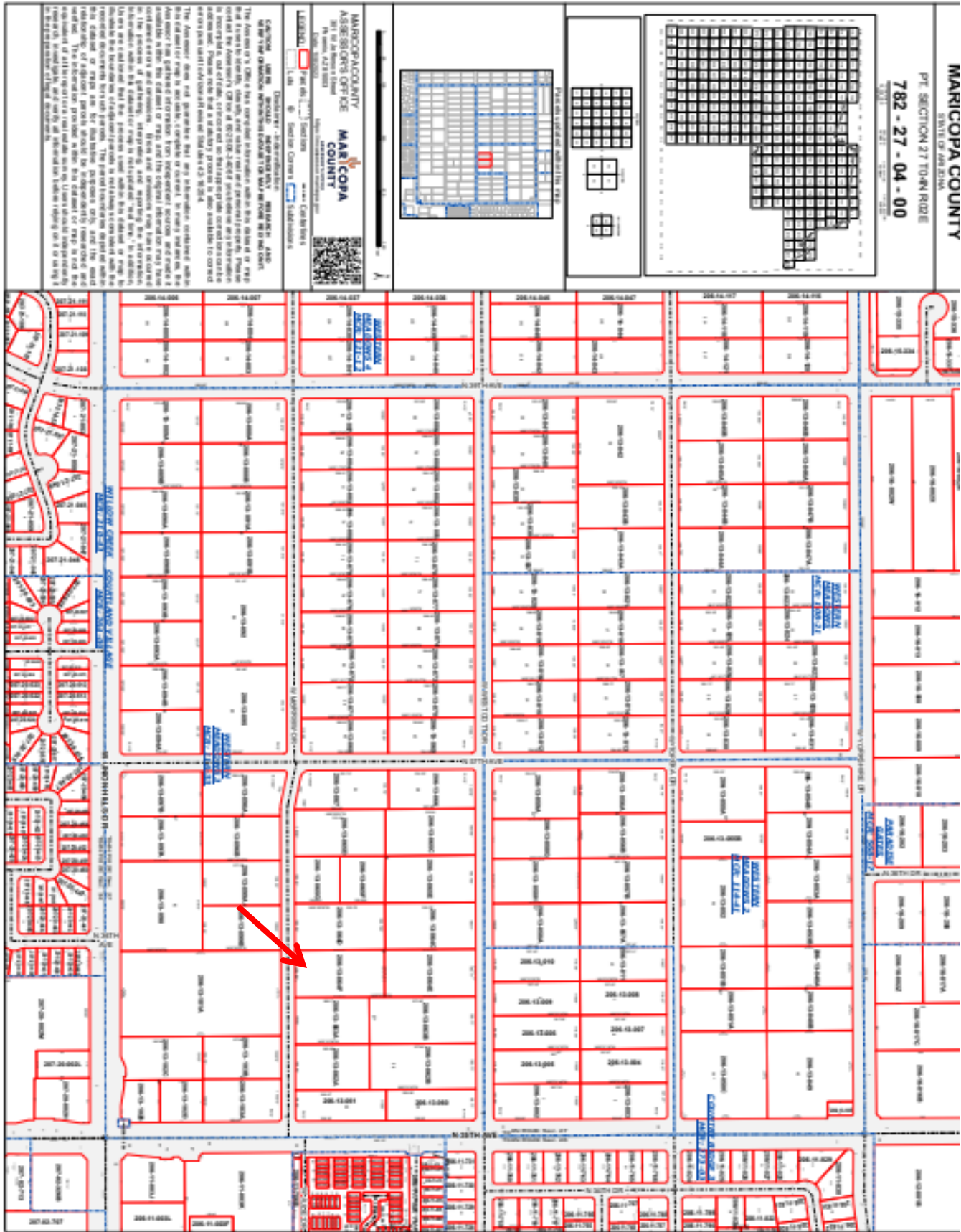
Price Per Unit: \$7.04/sf

Zoning: RE-43 (Glendale, Residential)

Comments: Located south of Loop 101, west of I-17; the site is moderately upward sloping towards the mountain/park. No utilities at the time of sale with the exception of electricity; utilities reportedly are in Morrow; the site has irrigation rights and a lined irrigation ditch. Blueprints for a 5BR 3BA were available as a potential value add

Confirmation: ARMLS 637336, Aida Ayala, seller/listing agent, 623-255-3206, pdh 2025338





**Comparable Site Sale Two**

Location: 3535 W McArthur Rd., Phoenix, 85083

Legal Description: POR N2 SE4 SE4 NE SEC 34 DAF COM E4 COR SEC 34 TH N 333.23F TH W 508.11F TH N 308.61F TH E 22F TO POB TH CONT E 280.21F TH S 169.31F TH W 280.11F TH N 169.31F TO POB P/F 2023-0442030, Maricopa County, AZ

Tax Code Number: 205-05-015c

Records: 4/22/2024 document 2024 0208654

Seller: FindingGoodHealth.com LLC

Buyer: BNDC Investments LLC

Sale Price: \$660,000; Asking Price \$800,000 to \$650,000, 33 DOM

Terms: \$250,000 cash to PMM 15yrs 6.5%, not considered to have affected the sale price

Site Size: 95,005sf, 2.18ac

Price Per Unit: \$6.95/sf

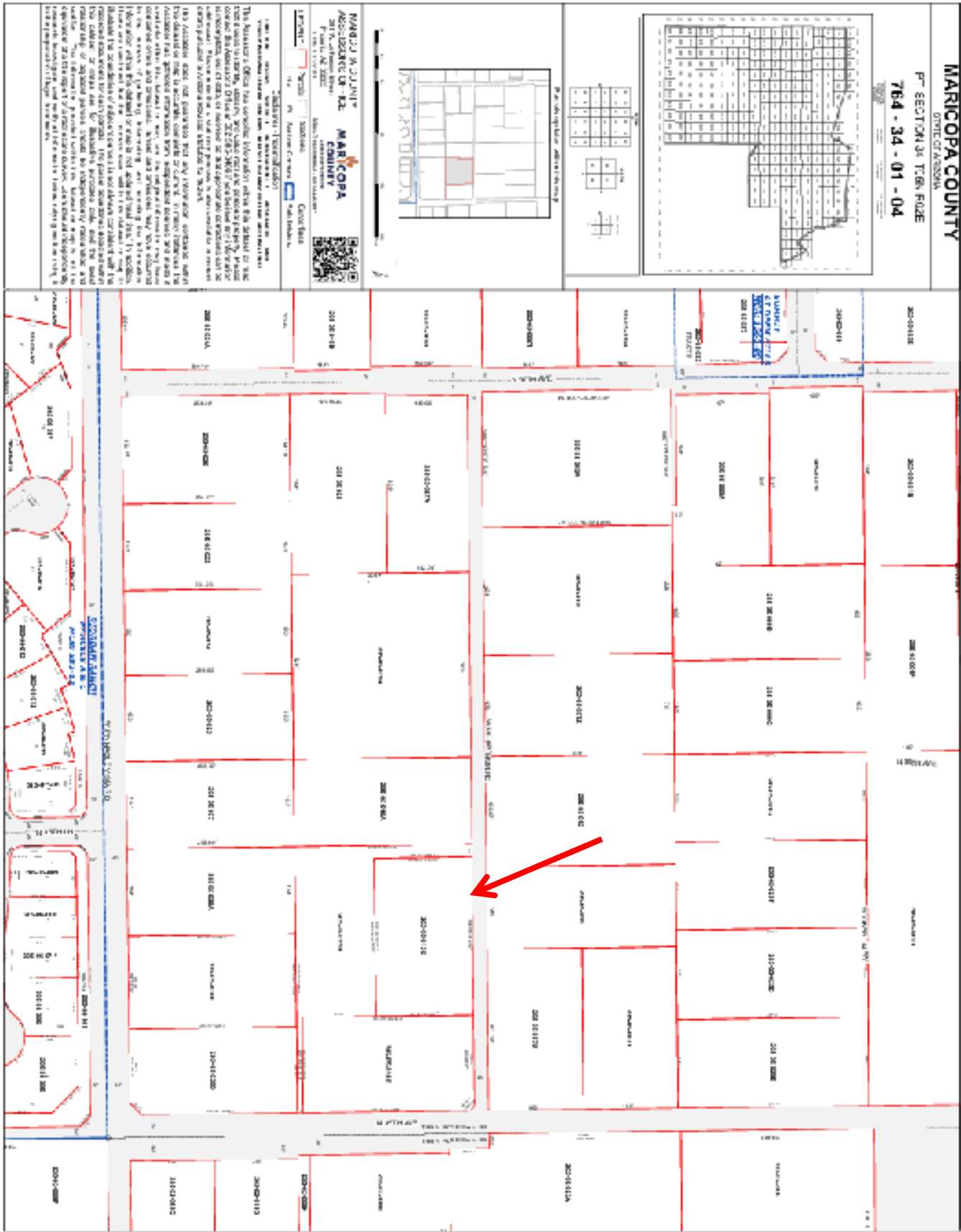
Zoning: S-1 (Phoenix, Residential)

Comments: Located north of Loop 101, west of I-17; the site was improved with a dilapidated residence; the listing agent priced at land only; however, apparently the purchaser considered to be of value and is reportedly renovating for use. Electricity and water were available and there was a septic tank (former residence).

Confirmation: ARMLS 6675666, Paul Mosley, listing agent, 928-208-8129, pdh 2025338



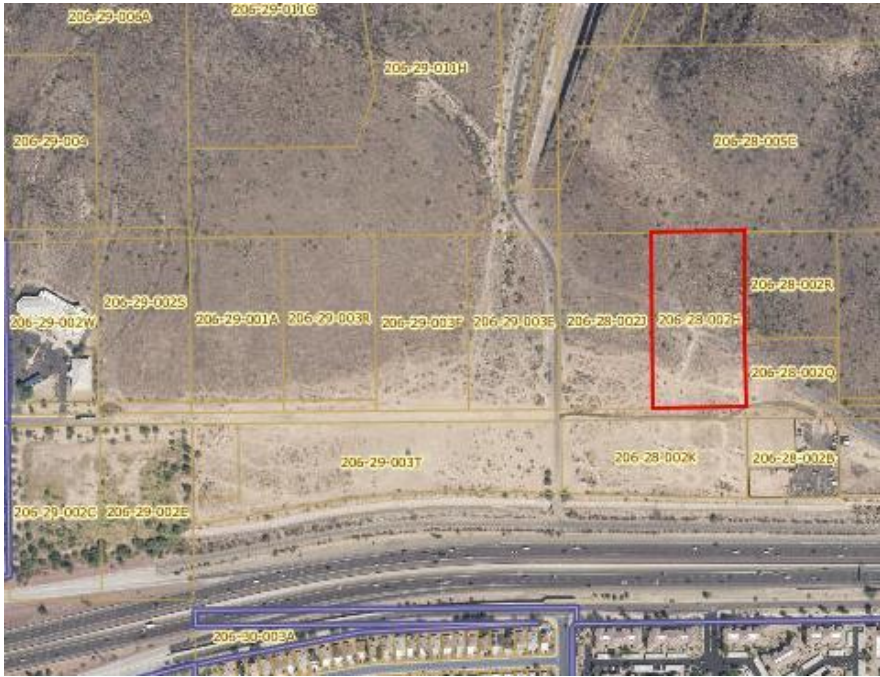






**Comparable Site Sale Three**

Location: 4612 W Tonopah Dr., Glendale, 85308  
Legal Description: E2 NW4 SW4 SE4 EX S 40' RD 4.70 AC, Maricopa County, AZ  
Tax Code Number: 206-28-002H  
Records: 7/13/2023 document 2023 0364266  
Seller: Jessica Anderson  
Buyer: Imaginations Church Phoenix LLC  
Sale Price: \$389,949; Asking Price \$774,947, 604 DOM  
Terms: Cash  
Site Size: 211,113sf, 2.18ac  
Price Per Unit: \$1.85/sf  
Zoning: RE-43 (Glendale, Residential)  
Comments: Located north of Loop 101, west of I-17; .38mi dirt road. The site is level at the southwest corner and then rises significantly. Utilities were relatively distant, water within ½ mile, electric under 350', no gas, sewer on property.  
Confirmation: ARMLS 6296067, Mike Cave, listing agent, 602-410-7660, pdh 2025338





**Comparable Site Sale Four**

Location: 9603 E McLellan Rd., Mesa, 85207

Legal Description: TH POR S2 SEC 10 DAF BEG CTR SD SEC TH E 699.20F TH S 53D 50M W 866.89F TH N 478.96F TH N 44D 53M W 49.52F TH E 35F POB P/F 2024-0095718, Maricopa County, AZ

Tax Code Number: 220-01-017Q

Records: 1/05/2023 document 2023 0006450

Seller: Alexander Wladyslewski

Buyer: Brian & Amy Frost

Sale Price: \$500,000; Asking Price \$750,000 to \$549,000, 573 DOM

Terms: Cash

Site Size: 180,295sf, 2.18ac

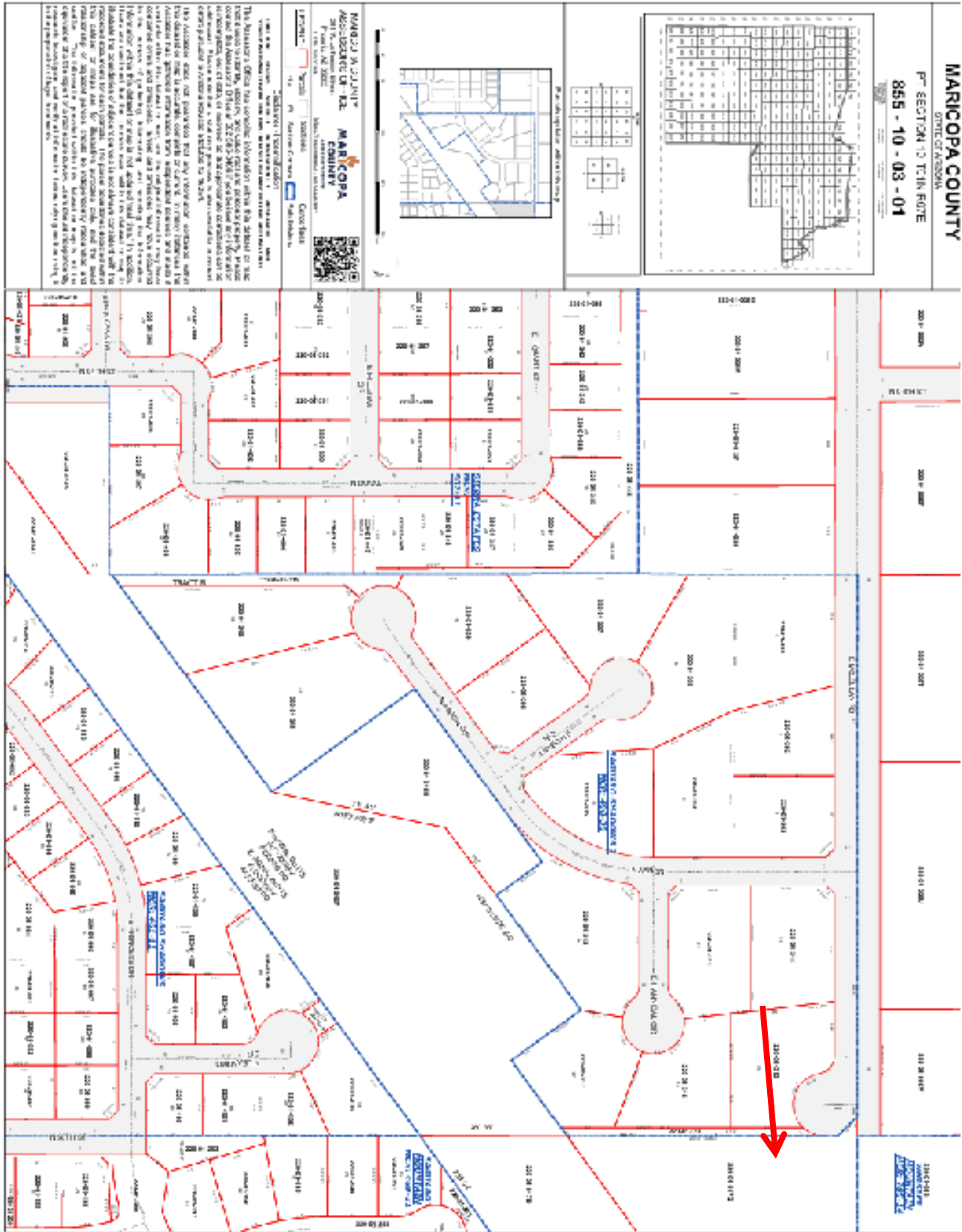
Price Per Unit: \$2.77/sf

Zoning: RS-43 (Mesa, Residential)

Comments: Located northeast of E 202 and Ellsworth Rd at the end of a cul-de-sac and backing up a mountain range rising from 1,700' (building site) to 2,000' (northeast of the site). Utilities were all available at under 350'.

Confirmation: ARMLS 6496654, Mark Gunning, listing agent, 480-820-3333, pdh 2025338







Sales Composite Map



**Comparable Sales Discussion and Adjustments:**

Adjustments are first made, if necessary, for property rights appraised, financing, conditions of sale, market conditions, and expenditures after sale, indicating an adjusted sale price. The comparables are then adjusted for differences in location, physical characteristics (including use or zoning), economic characteristics and any non-realty components of value.

Adjustments are applied to provide insight into the relative significance (weight) of the characteristic being considered and difference from the various comparable sales to the subject parcel. While based on appraisal experience and interpretation from the market, they are not intended to be precise to each comparable and category.

Property Rights: Each of the comparable sales involved fee simple interests, there are no adjustments required for property rights conveyed.

Financing: Sales 1, 3 and 4 were indicated to be cash; sale 2 involved a partial carryback but terms were not considered to have affected the sale price; no adjustment is considered necessary.

Conditions of Sale: The sales were all reported to have average sales motivation, not requiring adjustment.

Market Condition: The sales occurred from January 2023 through April 2024, the market has continued to appreciate, the sales are adjusted on the basis of approximately 10% per year.

Location: Comparables 2 and 4 are considered to be similar enough to the subject's location to not warrant adjustment; sales 1 and 3 are adjusted upward for inferior surrounding income levels and median home values.

Size: On an overall price basis larger parcels would logically sell for more and smaller lots less, all else being equal. Sale 2 is similar enough as to not warrant adjustment; sale 1 is adjusted upward for smaller size and sales 3 and 4 adjusted downward for larger size.



Zoning: Each of the comparable sales is zoned permitting higher density residential development, however, sale 1 due to size, is similar to the subject in being a single home-site; sales 3 and 4 due to physical characteristics were purchased for development of a single home-site; no adjustment is considered necessary; sale 2 is adjusted downward for zoning and potential to split to two home-sites (moderately as surrounding properties are of similar size rather than being split to permitted development density).

Improvements: The subject and sales 1, 3 and 4 had no improvements, no adjustment is necessary; sale 2 is adjusted downward for improvements which the purchaser apparently considered of value.

Utilities: Sales 2 and 4, similar to the subject in utilities, are not adjusted; sale 1 is considered to be superior due to irrigation and therefore adjusted downward; sale 3 is inferior and thus adjusted upward.

Site Utility: The subject and sales 1 and 2 are considered to have average site utility; sales 3 and 4 are restricted due to rising topography, considered inferior to average and therefore adjusted upward.

Site Access/View: The subject is considered to have average access and view, the comparables are considered to be similar, not requiring adjustment.

**Estimated Market Value Conclusion:**

The subject is bracketed by the comparables with sales 1, 3 and 4 with net upward adjustment and sale 2 with net downward adjustment. With similar emphasis is placed on sale 3 due to it being recent and requiring least gross adjustment, lease emphasis on each of the sales, a subject site value at \$531,000, indicating approximately \$5.10/sf is considered reasonable.

Greater detail on the comparable sales and their adjustment is available on the following grid:

SITE SALES COMPARISON SUMMARY					
Comparable	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Location	Thomas Rd e/o Higley	3550 W Morrow Dr, Glendale	3535 W McArthur, Phoenix	4612 W Tonopah Dr, Glendale	9603 E McLellen Rd, Mesa
Tax ID Number	141-38-018D	206-13-064F	205-05-015C	206-28-002H	220-01-017Q
Sales Data					
Date of Sale	N/A	Apr-24	Apr-24	Jul-23	Jan-23
Sales Price	N/A	\$370,000	\$660,000	\$389,949	\$500,000
Site Size (sf)	2.39	1.21	2.18	4.85	4.14
Property Rights (Interest)	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Interest adjustment	0%	0%	0%	0%	0%
Financing	Cash	Cash	Cash, PMM	Cash	Cash
Cash Equivalent Price	N/A	\$370,000	\$660,000	\$389,949	\$500,000
Conditions of Sale	Average	Average	Average	Average	Average
Condition Adjustment	0%	0.0%	0%	0.0%	0.0%
Market Condition (Time)	N/A	Apr-24	Apr-24	Jul-23	Jan-23
Market Conditions Adj.	0.0%	8.0%	8.0%	16.0%	21.0%
Adjusted Sale Price	N/A	\$399,600	\$712,800	\$452,341	\$605,000
Physical Characteristics					
Location	Average	Inferior	Similar	Inferior	Similar
Size	2.39	1.21	2.18	4.85	4.14
Zoning	RS-90	RE-43	S-1	RE-43	RS-43
Improvements	None	Nil	Superior	Similar	Similar
Utilities	Elec, Water	Superior	Similar	Inferior	Similar
Site Utility	Average	Similar	Similar	Superior	Inferior
Access/View	Average	Similar	Similar	Similar	Similar
Adjustments					
Location	0.0%	10.0%	0.0%	10.0%	0.0%
Size	0.0%	20.0%	0.0%	-20.0%	-15.0%
Zoning	0.0%	0.0%	-10.0%	0.0%	0.0%
Improvements	0.0%	0.0%	-10.0%	0.0%	0.0%
Utilities	0.0%	-10.0%	0.0%	10.0%	0.0%
Site Utility	0.0%	0.0%	0.0%	10.0%	10.0%
Access/View	0.0%	0.0%	0.0%	0.0%	0.0%
Net Physical Adustments	N/A	Upward	Downward	Upward	Downward
Net Adjustment (Overall)	0.0%	20.0%	-20.0%	10.0%	-5.0%
Adjusted Comp Price/sf		\$479,520	\$570,240	\$497,575	\$574,750
Subject Value Opinion	\$531,000				
Subject Value (\$/SF)	\$5.10				

Required Road Improvements Adjustment: As mentioned, any development of the subject site would require ½ road improvements (24' pavement, curbs and gutters, sidewalk and street lights). The above opinion of value is adjusted for these costs (estimated by Marshall Valuation national cost handbook) as follows:

1/2 Road Dev Cost					
Site Frontage on 54th St	363.73	If			
Street (24' Asphalt)	8,730	sf @	\$4.14	=	\$36,142
Streetlights	2	ea @	\$4,505	=	\$9,010
Streetlights (lateral)	363.73	If @	\$15.79	=	\$5,743
Curb-gutter	363.73	If @	\$25.55	=	\$9,293
Sidewalk( 5')	1,819	sf @	\$7.47	=	\$13,588
Sub Total					\$73,776
Profit, soft cost, contingencies	15.0%				\$11,066
Total Cost					\$84,842
Rounded					\$85,000

Conclusion: The As Is Market Value, adjusted for this cost, is thus \$446,000 (\$531,000-\$85,000).

Auditing Breakdown

Land	\$446,000
Improvements	\$0
Severance	\$0
Cost to Cure	\$0
Special Benefits	\$0
Total	\$446,000

CERTIFICATE OF APPRAISER

Project Number: M519401X  
Parcel Number: L-M-412A

I hereby certify;

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

That I have given consideration to the value of the property the damages and benefits to the remainder, if any; and accept no liability for matters of title or survey. That, to the best of my knowledge and belief, the statements contained in said appraisal are true and the opinions, as expresses therein, are based upon correct information; subject to the limiting conditions therein set forth.

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

That my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the 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 of right of way for such purposes; and that, to the best of my knowledge, no portion of the value assigned to such property consists of items which are non-compensable under the established laws of said State.

That I understand this appraisal may be used in conjunction with the disposition of excess land related to right of way for a highway by the State of Arizona with the assistance of Federal aid highway funds or other Federal funds.

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

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

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

That my opinion of the MARKET VALUE for disposition of the parcel as of the 26th day of February, 2025, is \$446,000, based upon my independent appraisal and the exercise of my professional judgment.

Date:3/4/2025                      Signature:   
Arizona Certified General Real Estate Appraiser #30197

**STATEMENT AND CERTIFICATION OF APPRAISER**

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

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

the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my 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 with respect to the parties involved.

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 engagement in this assignment was not contingent upon developing or reporting predetermined results.

my compensation for completing this assignment 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 reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute. (C.S.R.1-1)

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.

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

No one provided significant professional appraisal assistance to the person signing this report.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.(C.S.R.1-2).

As of the date of this report, I have completed the continuing education program of the Appraisal Institute (C.S.R.1-3).

I have performed no services regarding the subject property within the prior 3 years as an appraiser or in any other capacity.

If this report is in any way disassembled, reproduced, altered, or used in any other capacity than that made known to the appraiser at the time of the request and stated herein, the appraiser is not responsible for this report and it is invalid.

PAUL HENDRICKS REAL ESTATE APPRAISAL & COUNSELING



Paul D. Hendricks, MAI  
Arizona Certified General Real Estate Appraiser 30197



**APPENDIX**

- 1. Appraisal Assumptions and Limiting Conditions
- 2. Subject Exhibits
- 3. Disposal Title Report
- 4. Consultant Qualifications
- 5. Purchase Order

**LIMITING CONDITIONS AND ASSUMPTIONS**  
**of Standard Real Estate Appraisal**

(Consisting of the 23 Items Below and Others as Mentioned)

**1. Information Used, Trade Secrets**

The appraiser(s) shall not be responsible for the accuracy of any information obtained from the client or any other source and used in the appraisal, subject to the due diligence provision of the Uniform Standards of Professional Appraisal Practice. The appraiser(s) shall not be liable for any information or work obtained from any subcontractor. It is strongly suggested that the client consider independent verification of all factual data as a prerequisite to any transaction involving the purchase, sale, lease, or other decision involving a significant commitment of funds affecting the subject property. The client agrees that the appraisal produced pursuant to this agreement consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552(b)(4) and furthermore agrees to obtain the appraiser(s) authorization before reproducing the appraisal in whole or in part.

**2. Authentic Copies, Changes, Modifications**

The authentic copies of this report will be signed in blue ink. Any copy not having said seal is unauthorized and may have been altered. The appraiser(s) reserve the right, at their sole discretion, and at any time, to alter statements, analysis, conclusions or any value estimate(s) in the appraisal if facts pertinent to the appraisal process and report which were unknown at the time of completion become known to the appraiser(s).

**3. Use of Appraisal, Limit of Liability**

This report is intended solely and exclusively for use by the client. The sole purpose of the report is to assist the client by valuation of the subject property. The client also acknowledges and agrees that some of those involved with the assignment appraisal may be independent contractors and the client hereby agrees not to hold the appraiser(s) liable for any acts of same. Notwithstanding anything herein to the contrary, the client will forever indemnify and hold appraiser(s) harmless from any claims by third parties related in any way to this appraisal.

The liability of the appraiser and affiliated business entities, its officers, directors, shareholders or employees (hereinafter collectively referred to as appraiser) is limited to the herein named client only. No liability shall extend to any third party, and the total amount of such liability shall in no event exceed the amount of the fee actually received by the appraiser(s).

Third parties shall include, but not be limited to, general and limited partners of the client if said client is a partnership, stock holders of the client if said client is a corporation, and all lenders, tenants, past owners, successors, assigns, offerees, transferees and spouses of client. The appraiser(s) shall not be held responsible for any costs incurred to investigate or correct any deficiencies of any type which may be present in the real estate and/or real property herein appraised. Acceptance and/or use of this report by the client constitutes acceptance of all limiting conditions and assumptions set forth herein.

**4. Court Testimony**

Testimony or attendance in court by reason of this appraisal, with reference to the property in question, shall not be required, unless arrangements have previously been made.

**5. Copies, Publication, Distribution of the Report**

Possession of any copy of this report shall not authorize or empower the client or any third party with any publication rights whatsoever, or with any authorization to use the appraisal other than for its intended and stated purpose noted in the agreement and/or in the report. The physical report(s) shall remain the property of the appraiser(s) at all times and appraiser(s) hereby grant the client permission to use the appraisal report(s) solely for the purposes set forth. The client agrees that the payment of the appraisal fee is in exchange for the analytical services of appraiser(s) and by the payment of said fee, the client has not purchased the appraisal report. With the exception of public disclosure indicated below, neither all nor any part of this appraisal report shall be given,

recited, published, copied, distributed, nor in any way communicated to third parties in any manner, in whole or in part, without the prior written consent of the appraiser(s).

#### **6. Confidentiality**

All conclusions and opinions concerning the analysis as set forth in this report were prepared by the appraiser(s) whose signature(s) appear on the appraisal report. No changes shall be made in the report by anyone other than the appraiser(s). The appraiser(s) shall not be held responsible for any unauthorized changes or such consequences as may transpire from unauthorized changes. The appraiser(s) may not divulge the material contents of the report to anyone other than the client or his designee as specified in writing, except as may be required by the professional association(s) of the which the appraiser(s) are members as may be requested in confidence for ethics enforcement, or by a court of law, or any other body with the power of subpoena.

#### **7. Measurements, Exhibits**

The sketches, maps and photographs in the appraisal report are include solely for the purpose of assisting the reader in visualizing the property and are not necessarily to scale. The appraiser(s) have made no survey of the property and site plans included in the report are not to be considered as surveys unless so designated. Any sketch or map in the appraisal report shows approximate dimensions and is included for general illustrative purposes only. It is the responsibility of a qualified engineer, architect, or registered land surveyor to show the exact location of the subject improvements thereon, existing or proposed, as well as the measurements and areas of land and improvements. In the absence of a survey, the appraiser(s) may have used Tax Assessor's maps or records or other maps provided by the client which may or may not represent the exact measurements of the subject property or other comparable data relied upon in estimating the market value of the subject property. Any variation in land or building areas from those considered in the appraisal may alter the estimates of value contained in the report.

#### **8. Legal, Title, and Market Value Premise**

The appraiser(s) have no responsibility for matters of any legal nature affecting the property being appraised or the title thereto; the appraiser(s) assume title to be good and marketable, and free of clouds unless otherwise noted. No Title Policy or report has been furnished to the appraiser(s), unless so stated in the report. The property is being appraised as though it were under financially sound and responsible ownership with typical and competent management. The hypothetical sale referred to in the definition of market value assumes adequate marketing efforts and exposure time normal for the property. The appraiser(s) are not responsible for the accuracy of legal description.

#### **9. Engineering, Structural Matters; Hazardous or Toxic Materials, Physical Condition**

The appraiser(s) have inspected the land and the improvements. However, it is not possible to observe conditions beneath the soil surface, or hidden structural, mechanical, or other components; the appraiser(s) shall not be hold responsible for any defects in the property related thereto. The property appraised is as though there are no hidden or unapparent conditions which would affect market value; this includes subsoil conditions, potential flood conditions, hydrological and/or structural conditions. The appraiser(s) are not responsible for such conditions or those engineering efforts which might be required to discover and/or correct such factors. The value estimate assumes there are no defective property conditions that would cause a loss of value. The land or the soil of the area being appraised is assumed to be firm and otherwise satisfactory for building use. Although soil subsidence and the influence of toxic material in the area of the subject and its environs is unknown, the appraiser(s) do not warrant against this condition or occurrence of problems from soil (or toxic atmospheric) conditions known or unknown.

Unless otherwise stated in the report, the existence of hazardous material, substance or gas, which may or may not be present within, on or near the property, has been disregarded in the appraisal. The appraiser(s) are not qualified to detect such substances as asbestos, urea-formaldehyde foam insulation, radon gas, or other potentially hazardous material and/or substances which may adversely affect the value of the property. The value estimate is predicated on the assumption that there is no such toxic material and/or condition affecting the property that would cause a loss in value. The appraiser(s) are not responsible for any such condition and/or the engineering expertise required to discover any such condition. The client is urged to retain an expert in this field, if so desired. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment are

assumed to be in good working order unless otherwise stated. Appraiser(s) are not responsible for the adequacy or type of insulation, or energy efficiency of the improvements or equipment, which are assumed to be standard for the subject property type. Unless otherwise stated, the appraiser(s) have not been supplied with a termite inspection report or occupancy permit. The appraiser(s) shall not be held responsible for, nor shall the appraiser(s) be deemed to have made any representations regarding any potential costs associated with obtaining same or for past or present, legal or physical, deficiencies which may be found. Client further agrees that the appraiser(s) shall not be held responsible for any costs incurred or consequences arising from the need, or the lack of need, for flood hazard insurance.

**10. Utilities**

In the absence of a qualified professional engineer's study, information regarding the existence of utilities is made from a visual inspection of the site and review of available public information. The appraiser(s) have no responsibility for the actual availability of utilities, their capacity, or any other problem which might result from a condition involving utilities. Although public utility lines might be located adjacent to the subject property, the capacity of these lines for any proposed development is not known. The respective companies, governmental agencies or entities should be contacted directly by concerned individuals. Unless otherwise stated in the report, utilities of all types are considered in the appraisal to be present in adequate quality and quantity for the intended use or highest and best use of the property.

**11. Legality of Use, Management of Property**

The appraisal is based, unless otherwise stated, on there being full compliance with all applicable federal, state and local environmental regulations and laws, that all applicable zoning, building, use regulations and restrictions of all types have been complied with and, moreover, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate. The appraisal is prepared under the assumption that the property which is the subject of this report is maintained and managed pursuant to prudent and competent ownership and management.

**12. Component Values, Special Studies**

The distribution of the total valuation in this report between land and improvements applies only under the existing program of use. The separate valuations for land and building must not be used separately and are invalid if so used. No environmental or impact studies, special market study or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or within the report.

**13. Inclusions.**

Furnishings, equipment, personal property or business operations which may sometimes be considered a part of the real estate, have been disregarded, unless otherwise specified and only the real estate is considered in the value estimate. In some limited circumstances, business and real estate interests and values may be combined depending on the specific situation and as determined by a written agreement. Please see the appraisal report for further clarification.

**14. Proposed Improvements, Conditional Value**

Any improvements proposed, on- or off-site, as well as any repairs required, will be assumed, for purposes of this appraisal, to be completed in a good and workmanlike manner according to information submitted by the client for consideration by the appraiser(s). In cases of proposed construction, the appraisal is subject to change upon inspection of the property by the appraiser after construction is completed. The estimate of market value is as of the date shown, as proposed, and as if completed and operating at the levels shown and projected or as otherwise indicated and labeled in the appraisal report.

**15. Value Change, Dynamic Market, Influences on Market Value, Alteration of      Estimate      and/or  
Analysis Herein By Appraiser**

The estimated market value, as defined in the report, is subject to change with market fluctuations over time; value is highly related to exposure, time, promotional effort, terms, motivation, and personal and general economic and supply/demand conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property both physically and economically in the marketplace.

The market value estimated, and the costs used, are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate. The client hereby agrees that the appraisal report and value estimate are subject to change if the physical or legal entity or the financial arrangements are different than that envisioned in this report or upon change in, or discovery of, certain influencing market conditions or property conditions as well.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value or investment value or value in use, the client hereby acknowledges and agrees that such estimates are intended to be a reflection of benefits which the appraiser(s) have been directed to assume as given, as well as from the appraiser's interpretation of income and yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value; they are thus subject to change as the market and value is naturally dynamic. The client agrees that these types of appraisals are based on reasonable estimates and as such, will not hold appraiser(s) responsible for any errors in the estimated values. The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color or national origin of the present or previous owners nor upon the occupants of the properties in the vicinity of the property which is the subject of the appraisal.

**16. After-Tax Analysis, Investment Analysis, and/or Valuation**

Any "after" tax income or investment analysis and resultant measures of return on investment are intended to reflect only possible and general market considerations, whether as part of estimating value or estimating possible returns on investment at an assumed value or price paid; the client acknowledges and agrees that the appraiser(s) do not claim any expertise in tax matters and moreover will not rely on any information prepared by appraiser(s) which in any way relates to income tax matters.

**17. Information furnished by Client and Third Parties**

Any and all information furnished by the client and/or third parties is logically presumed to not only be correct but complete, either in entirety or summarized as presented, and if there are no other documents modifying the one or ones mentioned herein.

**18. Federal Law OMB Circular A-129 & Bulletins 91-05 and 92-06 Amending Circular A-129**

These require USPAP standards and practices be used under State certification and license programs under Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) (P.L. 101-73) and OMB Bulletin 92-06 applies these USPAP to the 17 affected Federal eminent-domain agencies subject to the regulations of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act), as amended by regulations in 49 CFR Part 24. Agencies not subject to the Uniform Act should follow the revised 49 CFR Part 24 to conform to OMB Bulletin 92-06.

**19. Americans With Disabilities Act (ADA)**

This act became effective January 26, 1992. The appraiser(s) have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. As the appraiser(s) have no direct evidence relating to this issue, possible or direct noncompliance with the requirements of ADA in estimating the value of the property was not considered.

**20. Pygmy Owl Habitat**

It is assumed that the site is not a cactus ferruginous pygmy owl habitat (defined by US Fish & Wildlife as: Land below 4000 feet in elevation that has saguaro greater than 8 feet tall or containing a woodpecker cavity) ironwood, mesquite, or palo verde vegetation (must be >6 inches in diameter).

**21. Report Type**

This is a Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. It is believed to be compliant with ADOT "Detailed Narrative Report". Supporting documentation concerning the data, reasoning, and analysis is retained in the



appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

**22. Other Information for Readers**

We recommend that if sewer or septic connection, or condition of same, is of concern to client or other readers of this report, a qualified expert should be hired to inspect the system and perform appropriate tests as he/she deems necessary. Further, if water source, status, possible toxic influences on air, water, soil, or improvement construction material or condition of mechanical, structural or other systems or components are of concern, an appropriate expert should be engaged as we are not experts in such matters. The reader is cautioned that value is dynamic and changes with changing market conditions over time. Subsequent sales, listings, and other market influencing activity may influence value after the date of the value estimate. The value estimate is an estimate, not a determined fact.

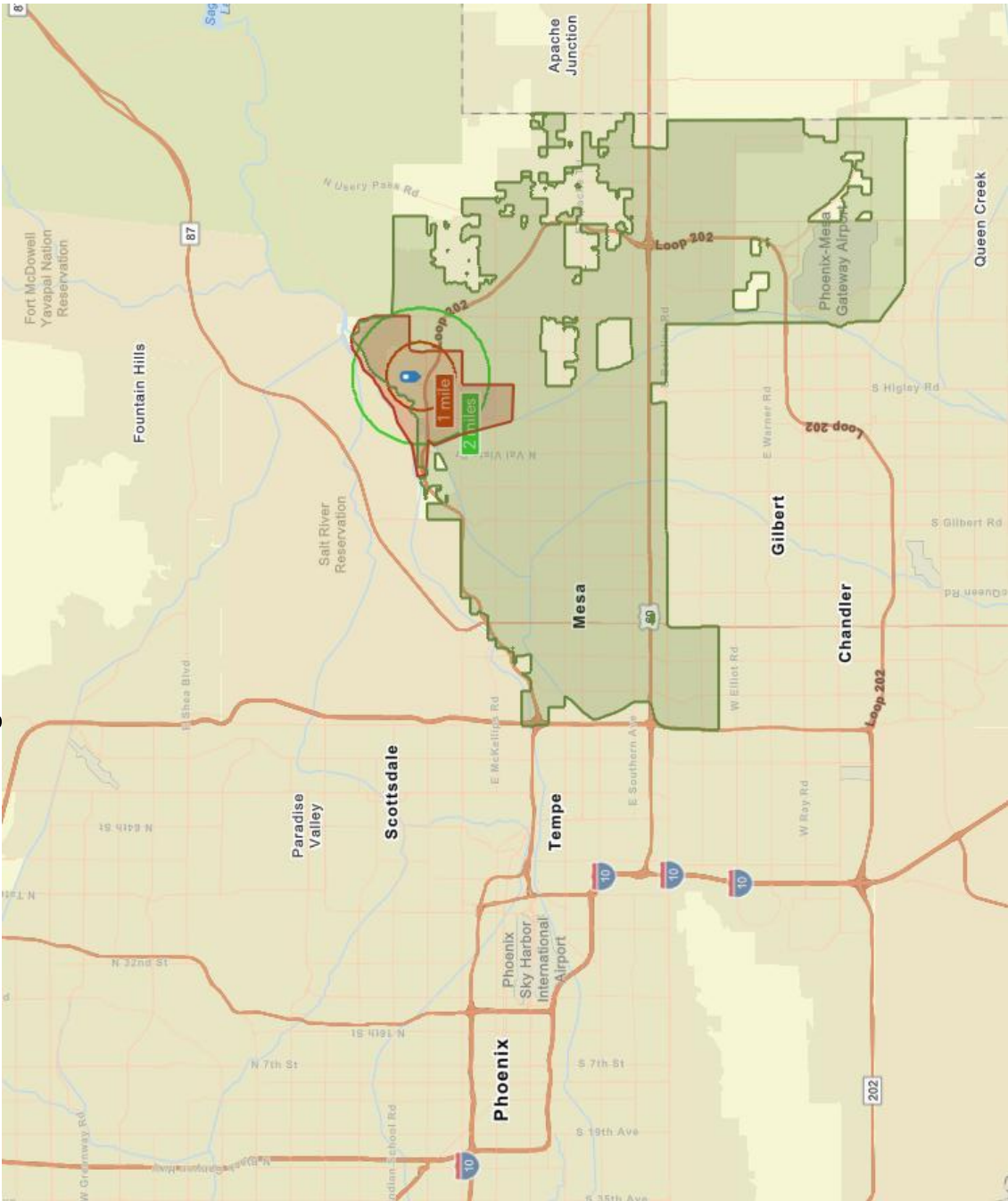
**23. Conclusion**

Acceptance of and/or use of this appraisal report by the client or any third party reader or user, constitutes acceptance of the above stated conditions as well as any other(s) stated in this report. The acceptance of this appraisal report also constitutes acceptance of responsibility for payment of the appraisal fee balance due and any costs incurred by the appraiser(s) in collection of same. Appraiser liability extends only to stated client, not subsequent parties or users; any additional appraiser liability is limited to the actual amount of fee received by said appraiser(s).

These Limiting Conditions and Assumptions are in conjunction with any form type page(s) of similar nature in the appraisal report package; further, the reader is advised that certain comments in the report may point out other specific assumptions and/or limiting conditions pertaining to this appraisal even though an attempt has been made to summarize all limiting conditions and assumptions herein; the client or designated user of the appraisal report should inspect the property and confirm factual information before a final decision is made concerning the subject.

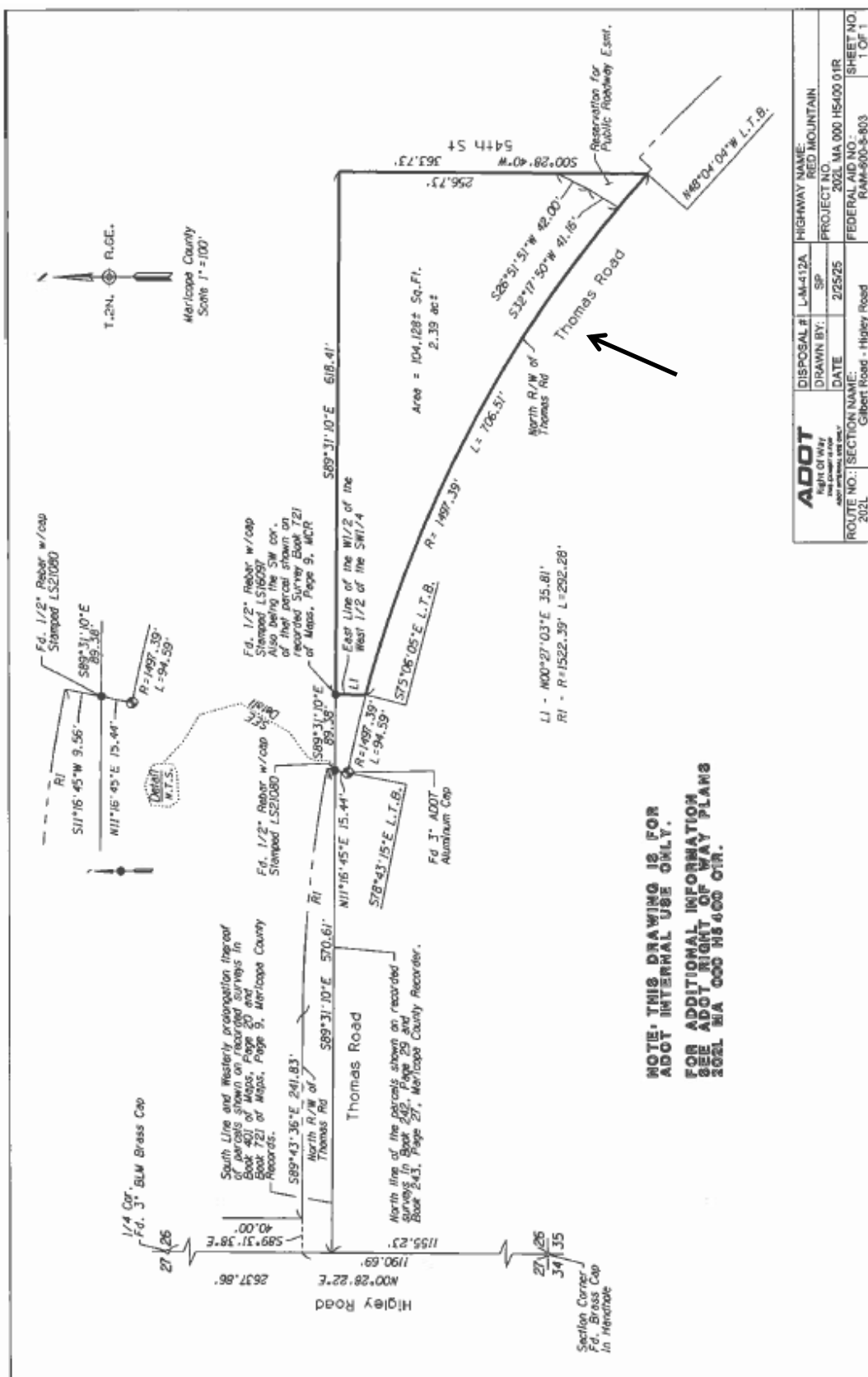
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**SUBJECT EXHIBITS**  
**Neighborhood/Market Area**





### Sketch Plan



**EXHIBIT “A”**

That portion of the Southwest quarter (SW¼) of Section 26, Township 2 North, Range 6 East, Gila and Salt River Meridian, Maricopa County, Arizona, described as follows:

COMMENCING at a brass cap in a handhole marking the Southwest corner of said Section 26, being South 00°28'22" West 2637.86 feet from a 3 inch U.S. Dept. Int. brass cap on a 1 inch pipe, 1 foot above ground, marking the West quarter corner of said Section 26;

thence along the West line of said Southwest quarter North 00°28'22" East 1155.23 feet to the westerly prolongation of the South line of the parcel(s) shown in recorded surveys in Book 401 of Maps, page 20 and Book 721 of Maps, page 9, Maricopa County records;

thence along said westerly prolongation South 89°31'10" East 659.99 feet to a ½ inch rebar with cap “LS 16097” and to the POINT OF BEGINNING, said point also being the Southwest corner of those parcel(s) shown in recorded surveys in Book 401 of Maps, page 20 and Book 721 of Maps, page 9, Maricopa County records;

thence continuing along said South line South 89°31'10" East 618.41 feet to a point on a line that is 1320.00 feet West of and parallel with the North-South midsection line of said Section 26 as defined on recorded surveys Book 886 of Maps, page 46 and Book 1665 of Maps, page 2, Maricopa County records, said point also being approximately 41.5 feet westerly of the monumented and occupied East line of the West half of said Southwest quarter as shown on said recorded surveys; said point also being designated as Point “A”;

thence along said line that is 1320.00 feet West of and parallel with said North-South midsection line South 00°28'40" West 363.73 feet to a point on the northerly right of way line of Thomas Road as shown on Arizona Department of Transportation right of way plans project number RAM 600-8-803;

thence along said northerly right of way line from a Local Tangent Bearing of North 48°04'04" West, along a curve to the Left having a radius of 1497.39 feet, a length of 706.51 feet to the East line of that parcel shown on recorded survey in Book 243 of Maps, page 27, Maricopa County records and the East line of that parcel described in Rec. No. 2024-0085423, Maricopa County records;

thence along said East line North 00°27'03" East 35.81 feet to the POINT OF BEGINNING.

(continued)

**PAGE 1**

<b>PROJECT:</b> 202L MA 000 H5400	<b>LOCATION:</b> Gilbert Rd. – Higley Rd.	<b>PARCEL:</b> L-M-412A
600-8-803	Disposal	cg 03-03-2025

**RESERVING A PUBLIC ROADWAY EASEMENT** over that portion of the above described parcel that lies easterly of the following described line:

COMMENCING at said Point “A”;

thence along the East line of the above described parcel South 00°28’40” West 256.73 feet to the POINT OF BEGINNING;

thence South 26°51’51” West 42.00 feet;

thence South 32°17’50” West 41.16 feet to said northerly right of way line of Thomas Road and 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.

**PAGE 2**

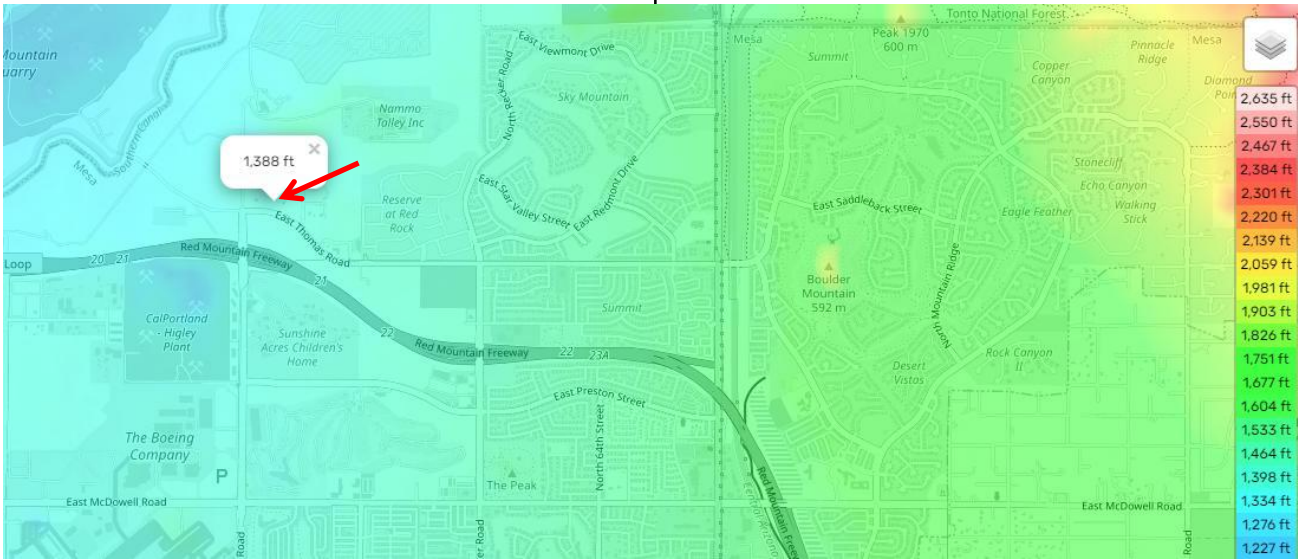
<b>PROJECT:</b> 202L MA 000 H5400	<b>LOCATION:</b> Gilbert Rd. – Higley Rd.	<b>PARCEL:</b> L M 412A
600-8-803	Disposal	cg 03-03-2025



Zoning Map

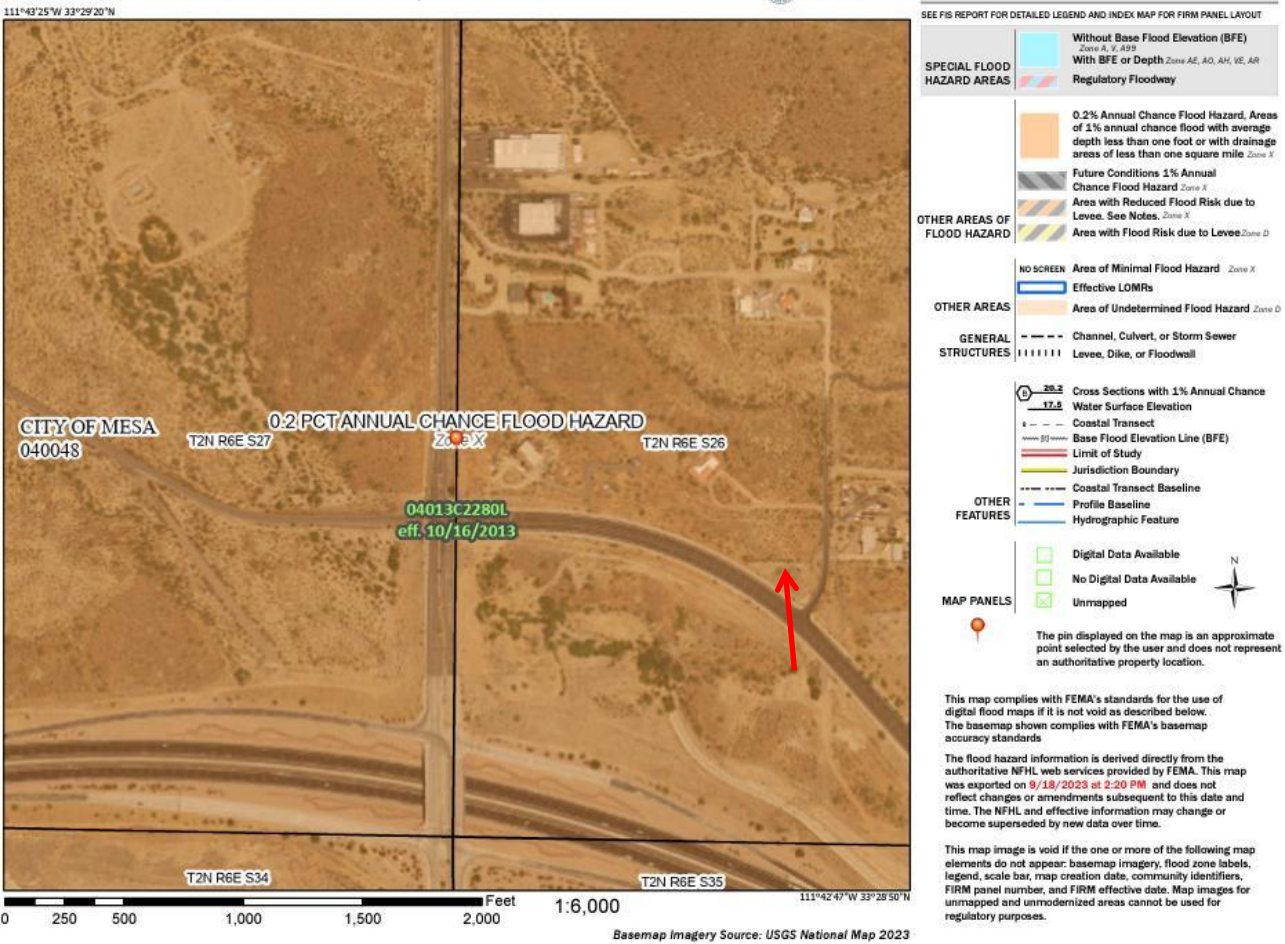


Topo



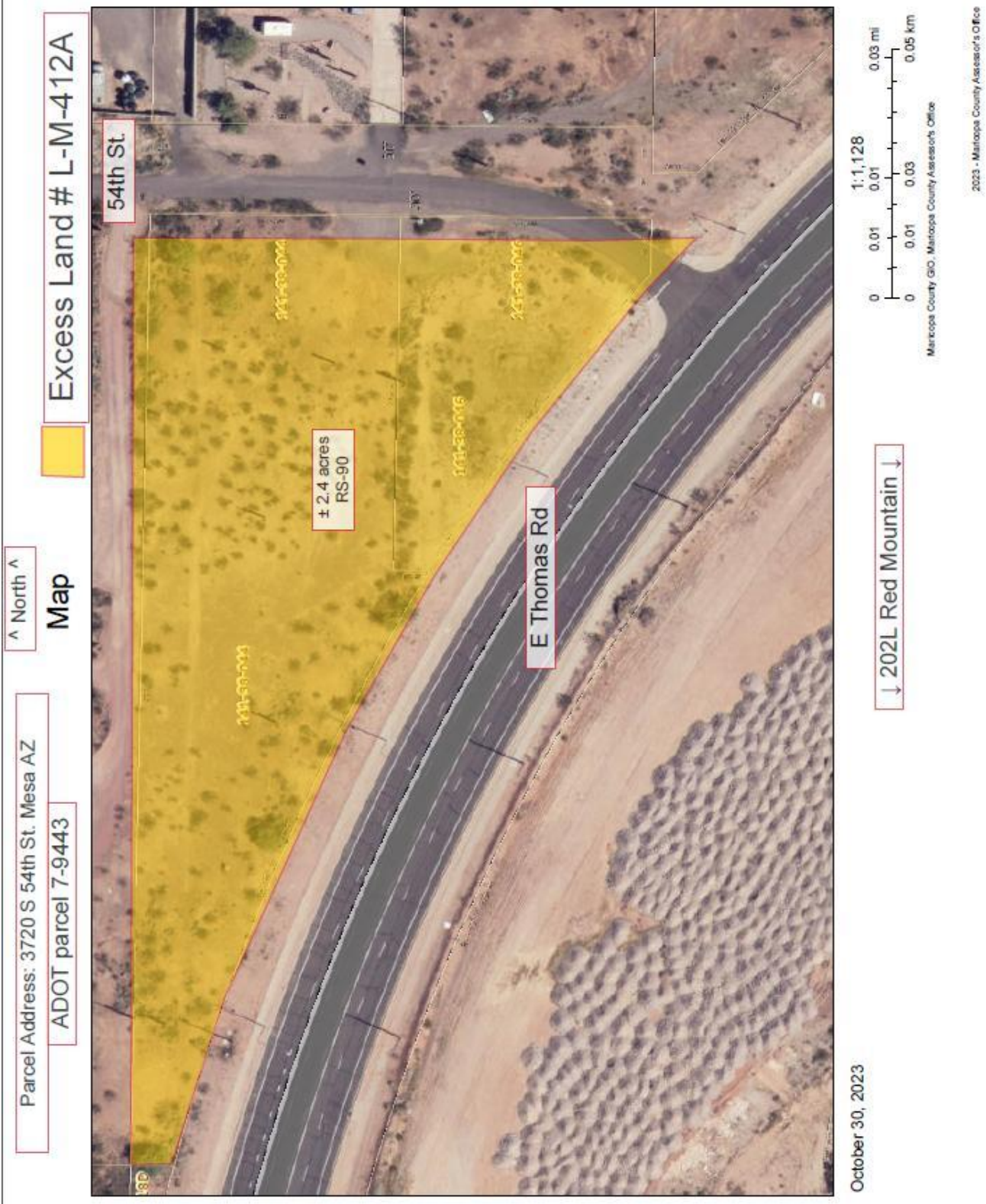
FLOOD ZONE MAP

National Flood Hazard Layer FIRMette





ROW Exhibit



Disposal Title Report Documents

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

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

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

Address: 205 South 17th Avenue, Mail Drop 612E, Phoenix, Arizona 85007-3212

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

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

LEGAL DESCRIPTION  
SEE SCHEDULE A-1 ATTACHED

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

12/22/2024 Updated and amended to add Parcel No. 7-9442. JG

Date of Search: 12/04/2023	Examiner: Jim Gregg	Reviewer:
Update to: 2/15/2024	Examiner: Jim Gregg	Reviewer:
Update to:	Examiner:	Reviewer:
Update to:	Examiner:	Reviewer:
Update to:	Examiner:	Reviewer:

County: Maricopa	Tax Arb: 141-38-006C, J, M	Disposal: N/A
Tracs No.: 202LMA000H5400	Highway: RED MOUNTAIN FREEWAY	Excess Land: L-M-412A
Fed. No.: N/A	Section: Gilbert Road-Higley Road	Parcel No.: 7-9443 and 7-9442

**SCHEDULE A-1  
LEGAL DESCRIPTION**

That portion of the Southwest quarter of the Southwest quarter of Section 26, Township 2 North, Range 6 East, Gila and Salt River base and Meridian, Maricopa County, Arizona, as depicted on Exhibit "A" attached, Sheet P-27 and P-28, of ADOT Drawing D-7-T-915, the Right of Way Plans of RED MOUNTAIN FREEWAY, Section Gilbert Road-Higley Road, Project RAM 600-8-803 / Parcel 7-9443 and 7-9442.

**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 Mark L. Wirth, a married man, Michael L. Wirth, a married man, and Alan L. Wirth, a married man, as Tenants in Common to the State of Arizona , by and through its Department of Transportation, dated September 22, 2000, recorded September 29, 2000 in Document No. 2000-0751774.  
[Project RAM 600-8-803, Parcel 7-9442]
- 2.) Final Order of Condemnation in Civil Case No. CV 2000-015338 of the Arizona Superior Court, Maricopa County, entitled the State of Arizona, ex rel., Mary E. Peters, Director, Department of Transportation, Plaintiff, vs. R.D.C., Inc., an Arizona corporation; and Maricopa County, Defendants, dated September 27, 2002, recorded October 23, 2002, in Document No. 2002-1105106.  
[Project RAM 600-8-803, Parcel 7-9443]

**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 than eight years prior to this transaction. (Document No. 2000-0751774)

**NOTE:** Repurchase rights **do not** apply due to the property being acquired through a Final Order of Condemnation. (Document No. 2002-1105106)

**END OF REQUIREMENTS**

**SCHEDULE B**

- 1. None.

**END OF SCHEDULE B**

CONSULTANT'S QUALIFICATIONS

PAUL D. HENDRICKS, MAI  
4708 E. Scarlett, Tucson, AZ 85711  
Voice & Fax (520) 325-6512  
Email: PaulHendricksMAI@gmail.com  
www.TucsonAzAppraisal.com

EDUCATION

Academic

Bachelor of Science in Business Administration, University of Arizona; Real Estate and Finance Major.

Valuation

Appraisal Courses and Examinations:

- Standards of Professional Practice; A, B
- Standards of Professional Practice, C
- Investment Analysis
- Highest and Best Use, and Market Analysis
- Valuation Analysis and Report Writing
- Case Studies in Real Estate Valuation
- Income Approach to Value and Capitalization
- Basic Principles, Methods 1A

Appraisal Seminars

- Appraisal Business Management
- Critical Building Inspections
- Fair Lending and the Appraiser
- Residential Real Estate Econometrics
- Commercial Appraisal; Lender Requirements

- Americans with Disabilities Act
- Due Diligence/Environmental Checklist
- Residential Appraisal Techniques
- FEMA Flood Hazard
- Arizona Appraisal Law
- Construction and Engineering Awareness
- Reviewing Appraisals
- Small Residential Income Property Appraisal
- Hazardous Materials
- Litigation Valuation
- Appraiser as Expert Witness
- Partial Interest Valuation; Undivided
- Land Valuation Assignments
- Residential & Commercial Solar Valuation
- Uniform Standards Appraisal Federal Land Acquisitions

**EXPERIENCE**

**November 1995 - Present:**

**Real Estate Appraiser/Consultant, Paul Hendricks Appraisal & Counseling, Tucson, Arizona**

In November 1995, Mr. Hendricks again returned to his own firm which performs appraisal and consulting assignments primarily in Arizona; he also works as an independent contractor for other appraisal firms in the Tucson area. He continues to work as an independent contractor with Hendricks, Vella, Weber & Williams, a California corporation with assignments primarily in California.

**1994-November 1995:**

**Senior Real Estate Analyst; The Dorchester Group, Scottsdale, Arizona.**

In January 1994 Mr. Hendricks joined The Dorchester Group as a Senior Analyst. He has provided consulting and valuation services on several complex real estate issues and assignments for the firm which specialized in litigation support for it's operations in Arizona and California.

**1986-1993:**

**Real Estate Appraiser/Consultant, Paul Hendricks Appraisal & Counseling; Tucson, Arizona.**

During this time Mr. Hendricks performed real estate appraisals and consulting for his own firm as well as working as an independent contractor primarily for Swango Appraisal. Appraisal assignments included a wide variety of property types including industrial and retail, special use, apartment, motel, subdivision and land as well as residential properties and commercial appraisal reviews.

**1979-1986:**

**Senior Real Estate Analyst, Swango Appraisal & Consultation; Tucson, Arizona.**

Mr. Hendricks primarily performed a wide variety of appraisal assignments for residential and commercial properties.

**PROPERTIES**

Property experience encompasses virtually all types, including apartments, retail centers, industrial, offices, motels, special use properties and commercial appraisal reviews. Clients include private, corporate, institutional, and governmental entities.

**COMPUTERS**

Mr. Hendricks' experience includes development of specialized spreadsheets dealing with anticipated income streams from tenant leases, analysis of various leasehold positions and Discounted Cash Flow analyses and projections.

**PROFESSIONAL AFFILIATIONS**

- Member Appraisal Institute, MAI (Membership No. 7811)
- Certified General Real Estate Appraiser, State of Arizona (30197)
- President, Appraisal Institute, Tucson Chapter (1997)
- Vice President, Appraisal Institute, Tucson Chapter (1996)
- Secretary, Appraisal Institute, Tucson Chapter (1995)
- Treasurer, Appraisal Institute, Tucson Chapter (1994)
- Board of Directors, Appraisal Institute, Tucson, Arizona (1991-1993)

**GEOGRAPHIC WORK/MARKET EXPERIENCE**

Mr. Hendricks has completed real estate assignments and has market familiarity in Arizona, California and Nevada.

**EXPERT WITNESS EXPERIENCE**

Mr. Hendricks will always sign appraisal reports and be responsible for analysis of the appraisal problem, primary and secondary data research, selection and confirmation of comparable properties, inspection and all analysis as well as defense of conclusions.

Mr. Hendricks has been qualified as an expert witness in Superior Court in Arizona and has given depositions and testimony experience in bankruptcy proceedings, condemnation, and other litigation. He has performed analysis for condemnor and condemnee parties.

Prior 4 year experience:

7/23/21 Testimony (telephonic interview) Arizona Superior Court, Pima County, Hon Gary J. Cohen; for City of Tucson Danielle Constant, Esq. and Dina Aouad, assistant; for Defendant-Hector Ochoa.

11/9/20 Testimony (via go to meeting) in Arizona Superior Court, Judge-Daniele Viola. Staples V Watson Chevrolet; for plaintiff-Lesley Lukach, ESQ, Pima County Assessor, for Defendant-Jeremy Shorbe, ESQ. Stubbs & Schubart.

**SPECIAL PROJECTS**

In Tucson, Mr. Hendricks worked as an independent fee appraiser for the City of Tucson and Pima County in the condemnation, acquisition and negotiation of several large road projects including Country Club, Alvernon and Speedway Boulevard, Golf Links, Wetmore Road and La Cholla as well as condemnation for the acquisition of Central Arizona Project pumping station sites.

In Phoenix, Mr. Hendricks is an independent fee appraiser for the City of Phoenix with experience in appraisal of a variety of commercial property types for the Central Phoenix/East Valley Light Rail Project.

Mr. Hendricks is under contract with Arizona Department of Transportation and has experience in appraisal of a variety of commercial property types.

At The Dorchester Group, Mr. Hendricks has assisted in the analysis of the impact of the Exxon Valdez Oil Spill in Prince William Sound, Alaska on certain real estate holdings and litigation support for the U.S. Justice Department in relation to acquisition of and subsequent development of Lake Pleasant. Consulting assignments have analyzed market rental and effects in value from site contamination and soil subsidence.

ARIZONA FINANCIAL ENTERPRISE CREDENTIAL CERTIFICATE

No: OGA-30197

PAUL D. HENDRICKS

DITAT DEUS

CREDENTIAL TYPE	ISSUE DATE	EFFECTIVE DATE	EXPIRATION DATE
Certified General Appraiser	August 15, 1991	September 01, 2024	August 31, 2026

This certificate was printed on August 17, 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  
dif.az.gov  
100 N 15th Ave, Suite 261  
Phoenix, AZ 85007-3530



ARIZONA

PURCHASE ORDER

PHOENIX, on 1/29/2025  
CTR054970/ JW-25-005/ M519401X/ L-M-412A/ Appraisal due 45 Days from approval-PAUL  
HENDRICKS REAL ESTATE APPRAISAL AND CONSULTIN

SUPPLIER

PAUL HENDRICKS REAL ESTATE APPRAISAL ,  
Attn: Mr. Paul Hendricks  
Address: 4708 E Scarlett St  
UNITED STATES  
Tucson, 85711  
Phone: 5203256512  
E-mail: pdhend18@gmail.com

ORDER No. PO0000738297

(please refer to this number on all documents)

Amendment:  
Requestor: ESTHER VALENCIA  
Agency: Department of Transportation  
Division: Infrastructure Delivery & Operations  
Division Construction  
Department: Right Of Way  
Site: RIGHT OF WAY  
Phone: 6027128793  
Email: EVALENCIA@AZDOT.GOV

DELIVER TO

(unless specified differently per item)

Address: RIGHT OF WAY  
1801 W Jefferson St  
UNITED STATES  
Phoenix, Arizona 85007  
Deliver To:  
Requested Delivery Date:  
(Unless specified differently per item in section delivery details)

BILL TO

Address: RIGHT OF WAY  
205 S 17TH AVE  
MD 612E RM 331  
UNITED STATES  
PHOENIX, Arizona 85007-3212  
Payment Terms: 100% Upon Acceptance

ITEM	CONTRACT ID	CODE/SKU	REFERENCE AND DESCRIPTION	QTY	UNIT	UNIT PRICE (USD)	TOTAL (USD)
1	CTR054970-3	869492-1	CTR054970/ JW-25-005/ M519401X/ L-M-412A/ Appraisal due 45 Days from approval Commentaire : L-M-412A	1.0000	Total Cost	3,725.0000	3,725.00

Total before Tax	3,725.00 USD
Non-Taxable - 0 %	0.00 USD
Total after Tax	3,725.00 USD



PURCHASE ORDER

DELIVERY CONDITIONS

Delivery Conditions	Date	Type	%	Amount	Item



PURCHASE ORDER TERMS AND CONDITIONS

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

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

ARIZONA

PURCHASE ORDER

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



PURCHASE ORDER

seq., and the rules thereunder, A.A.C. R2-7-101 et seq.)

**21. Books and Records.** Under A.R.S. § 35-214 and § 35-215, the Seller shall retain all books, accounts, reports, files and other records relating to the Purchase Order for five years after completion of the Purchase Order. These books and records shall be available at all reasonable times for inspection and audit by the State at such state offices designated by the State.

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

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

