

APPRAISAL COVER SHEET

TYPE OF REPORT: Appraisal for Market Value

ASSESSOR PARCEL NO.: Portion of 212-48-047A

ADOT PARCEL NO.: L-SC-040

OWNER NAME: State of Arizona

NAME & LOCATION OF PROPERTY: Vacant land consisting of approximately 1.84 acres or 80,163 square feet according to the client. The property is located at the southwest corner of SR 86 and Sunset Boulevard in unincorporated Pima County, AZ 85757. The property does not currently have a property address as the land is vacant.

PROJECT: M6975 01X

HIGHWAY: Why – Tucson Highway

SECTION: Robles Jct. - Bilbray

DATE OF APPRAISAL REPORT: July 1, 2025

EFFECTIVE DATE OF VALUE: June 25, 2025

APPRAISERS:

STEVEN R. COLE, MAI, SRA, AI-GRS
*CERTIFIED GENERAL REAL
ESTATE APPRAISER #30130*

JOHN MEDLEY
*CERTIFIED GENERAL REAL
ESTATE APPRAISER #1049989*

AERIAL MAP – PROPERTY APPRAISED



Yellow Property Boundaries are an Approximation



P: (520) 327-0000

F: (520) 327-3974

P.O. Box 16156
Tucson, AZ 85732

July 1, 2025

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

RE: Appraisal of ADOT Parcel L-SC-140. The subject property consists of 80,163 square feet or 1.84 acres. The property currently does not have a physical address as the land is vacant. It is Pima County Assessor Parcel Number 212-48-047A. The property is located at the southwest corner of Ajo Highway and Sunset Boulevard, Tucson, Pima County, Arizona 85757.

Appraiser's File No.: 25-187-L

Mr. Walcutt:

At your request, we have provided our market value opinion for the subject parcel referenced above. The subject property consists of 80,163 square feet or 1.84 acres of vacant land. The property was listed for sale on January 30, 2024 for \$150,000. According to the listing representative, there has been minimal interest to purchase the property. While this diminished activity provides an indication of the subject's current market value, the lack of interest may be partially attributed to the listing's limited exposure to the market.

The subject parcel is located within the FEMA Flood Zone AO. This is a flood hazard area with a 1% or greater chance of shallow flooding each year. This risk of flooding may create a problem for the successful sale of the property. A hydrology study was not provided to the appraisers. Due to this, we have used an Extraordinary Assumption regarding the development potential of the site. These development issues are outlined in the Land Valuation section of this appraisal. If a hydrology study indicates our assumptions are incorrect, and the hydrology is worse than understood based on the limited public information, our market value opinion is subject to change.

RECOMMENDATION: The appraisers recommend that a hydrology study be performed on the subject property to clarify the current condition of the site.

On the western portion of the site, a wash runs from north to south. This area is estimated to encompass 5,975 square feet of land. Due to the existence of this wash, the developable area of the site is reduced from approximately 80,163 square feet to approximately 74,188. While the 5,975 square feet of wash area cannot be developed without extraordinary cost, it can be used for setbacks and open space requirements for development. Due to this, the wash area will be valued as part of the larger parcel.

Currently the subject property is located in the SR, Suburban Ranch zoning district in Pima County, AZ. Due to the property's location along Ajo Highway, a buyer would likely purchase the property to develop a commercial use. The appraisers believe that the subject has a reasonable probability of being rezoned to CB-1, Local Business zone, in Pima County. The likelihood of rezoning is discussed in the Zoning section of this appraisal. The need for rezoning is another detriment to the sale of the property.

The purpose of this appraisal is to provide market value opinion for the subject property, as of June 25, 2025, the effective date of value. Our definition of market value is pursuant to Arizona Revised Statute 28-7091, which follows:

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

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

This appraisal report is intended to comply with the requirements set forth in: (1) the Arizona Department of Transportation Appraisal Standards and Specifications; and (2) the *Uniform Standards of Professional Appraisal Practice 2024* (USPAP), promulgated by the Appraisal Standards Board of the Appraisal Foundation. The Sales Comparison Approach is utilized to support our market value opinion.

This report or any portion thereof is for the exclusive use of the client and is not intended to be used, sold, transferred, given, or relied on by any other person other than the client without the prior, expressed written permission of the authors, as set forth within the Assumptions and Limiting Conditions contained in this report. Based upon the data, analysis, opinions, and conclusions contained in this report, our market value opinion for the subject disposal parcel, as of June 25, 2025, is as follows:

**“AS IS” MARKET VALUE OPINION FOR THE
SUBJECT PROPERTY, AS OF JUNE 25, 2025\$110,000**

The value opinion provided herein is subject to the following Extraordinary Assumptions and Limiting Conditions, and appraiser certifications.

Extraordinary Assumption:

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

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

This appraisal report is based on the following extraordinary assumptions:

- 1) *No archaeological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known archaeological significance on the disposal parcel.*
- 2) *No geological survey was provided to the appraisers. It is an extraordinary assumption of this appraisal that there is no known geological significance on the disposal parcel.*
- 3) *The disposal parcel was inspected by the appraiser. No evidence of environmental risks or hazardous conditions was observed. It is an extraordinary assumption in this appraisal that there are no known environmental risks or hazardous conditions on the disposal parcel.*
- 4) *This appraisal relies on the site areas provided by ADOT, and the Pima County Assessor's measurement tool. It is an extraordinary assumption that the site areas contained in this appraisal are accurate.*
- 5) *This appraisal assumes that the subject property's location within a FEMA floodplain does not make its development significantly more expensive. Due to the lack of a hydrology study, this appraisal assumes that the site's development as outlined in the Land Valuation section is correct. If these estimates are discovered to be incorrect, our opinion of market value is subject to change.*

Hypothetical Condition:

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

"A hypothetical condition is a condition directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis." ¹

There are no hypothetical conditions that apply to this appraisal.

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

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

Respectfully submitted,



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



John E. Medley
Certified General Real
Estate Appraiser # 1049989

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

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ASSUMPTIONS AND LIMITING CONDITIONS

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

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

The Appraisers assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraisers render any opinion as to the title, which is assumed to be good and marketable. Right of Way disposal report was furnished to the Appraisers. The property is appraised as though under responsible ownership, competent management and adequate marketing typical for that type of property. The legal description, if provided to me, is assumed to be correct. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.

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

When possible, the Appraisers has relied upon building measurements provided by the client, owner, or agents of these parties. In their absence, the appraisers have relied upon their own measurements of the subject improvements. However, there are some factors that may limit our ability to obtain accurate measurements. Professional building area measurements are beyond the scope of this appraisal assignment.

In estimating the opinion of value of the subject property and in analyzing comparable information, the Appraisers have relied upon information from public and private planning agencies as to the potential use of land or improved properties. This information may include, but is not limited to, Area Plans, Neighborhood Plans, Zoning Plans and Ordinances, Transportation Plans and the like. To the extent that these plans may change, the value opinions of this report may also change.

The dates of value to which the opinions expressed in this report apply are set forth in this report. The Appraisers assumes no responsibility for the economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors. These forecasts are,

therefore, subject to changes with future conditions.

In the absence of a professional Engineer's Feasibility Study, information regarding the existence of utilities is made only from a visual inspection of the site. The Appraisers assumes no responsibility for the actual availability of utilities, their capacity or any other problem which may result from a condition involving utilities. The respective companies, governmental agencies or entities should be contacted directly by concerned persons.

The Appraisers are not required to give testimony or appear in court because of having made the appraisal with reference to the property in question unless prior arrangements have been made and confirmed in writing.

Any allocation of the valuation in the appraisal report between land and improvements applies only under the existing program of utilization. The separate valuation for land and improvements must not be used in conjunction with any appraisal and are invalid if so used.

The Appraisers assumes that there are no hidden or unapparent conditions of the property, subsoil, potential flooding hazards, hydrology or structures which would render it more or less valuable. The Appraisers assume no responsibility for such conditions or for engineering which might be required to discover such factors.

Unless otherwise stated within this report, the existence of hazardous materials, which may or may not be present within or on the property, will not be considered by the appraiser. The Appraisers assumes, and the clients warrant, that no such materials adversely affect the utility, usability or development potential of the property to the best of their knowledge. The Appraisers are not qualified to detect such substances. The value opinion has been predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility will be assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The clients are urged to retain an expert in this field, if desired.

The presence of barriers to the disabled, which may or may not be present within or on the subject property, will not be considered by us. We have not performed a compliance survey to determine if it is in conformance with the A.D.A (Americans with Disabilities Act). The Appraisers assumes, and the clients warrant, that no such barriers adversely affect the utility, usability, or development potential of the property to the best of their knowledge. The Appraisers are not qualified to analyze such barriers. The value opinion has been predicated on the assumption that there are no such barriers on or in the property that would cause a loss in value. The clients are urged to retain an expert in this field, if desired.

Information, estimates and opinions furnished to the Appraisers and contained in the report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the Appraisers can be attributed to the Appraisers.

Disclosures of the contents of the report by the Appraisers are governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraisers are affiliated.

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

Prospective value opinions are intended to reflect the current expectations and perceptions of market participants. They should not be judged on whether specific items in the forecasts are realized. The Appraisers cannot be held responsible for unforeseeable events that alter market conditions after the effective date of the report. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is likely that some assumptions will not materialize and that unanticipated events may occur that will affect actual performance.

The appraisers have not made a specific survey of the subject property to determine whether or not it has any plant or wildlife which is identified as an endangered or threatened species by the U.S. Fish and Wildlife Service. While not observed and while no information was provided to confirm or deny the existence of any endangered or threatened species on the subject property (unless expressly stated herein), it is emphasized that the appraisers are not qualified to detect or analyze such plants and wildlife. Any such conclusions must be based upon the professional expertise of persons qualified to make such judgments. Thus, any person or other entity with an interest in the subject property is urged to retain an expert if so desired.

Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraiser, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval from Southwest Appraisal Associates' President.

This appraisal was prepared for the sole and exclusive use of the client. Any party who is not the clients or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Southwest Appraisal Associates. We claim no expertise in areas such as, legal description survey, structural, or environmental, engineering mechanical or electrical systems and the like. We assume such data is accurate and such systems functional unless otherwise noted in the appraisal.

This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.

This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.

This appraisal is not intended to be used in connection with a real estate syndicate or syndicates. A real estate syndicate is a general or limited partnership, joint venture, unincorporated association or other organization formed for the purpose of an investment from an interest in real property. It includes, but is not limited to a sale, exchange, trade or development of such real property. It may or may not be registered with the United States Securities and Exchange Commission or a state regulatory agency which regulates public offerings.

This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights, (mineral, gas, and oil), were not considered in this appraisal unless specifically stated to the contrary.

If any claim is filed against Southwest Appraisal Associates, its officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, only for direct compensatory damages, (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by Southwest Appraisal Associates to provide this report.

All disputes shall be settled by binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

The use of this report or its analysis and conclusions by the clients or any other party constitutes acceptance of all the above limiting conditions as well as those expressed in the letter of transmittal.

SUBJECT PHOTOGRAPHS

Photo 1: Facing Southwest from Northeast Property Corner



Photo 2: Northern Property Boundary Facing West from Northeast Corner



Photo 3: Facing Southeast from Northwest Property Corner



Photo 4: Wash Along Western Property Boundary



Photo 5: Facing Northeast from Southwest Property Corner



Photo 6: Southern Property Boundary



Photo 7: Facing West from Sunset Boulevard



Photo 8: Facing South from Ajo Highway (Mid-Block)



EXECUTIVE SUMMARY

Property Location:	The subject property is located at the Southwest corner of State Route 86 and Sunset Boulevard in unincorporated Pima County, AZ.
Assessor's Parcel Number:	A portion of 212-48-047A.
Property Type:	Vacant Land
Effective Date of Value:	June 25, 2025, the date of the property inspection.
Purpose of the Appraisal:	Provide "As Is" Market Value opinion for the subject property.
Intended Use:	The intended use of the appraisal is to utilize the market value estimates to assist in decisions regarding the potential sale of the subject property.
Intended Users:	The intended users of the appraisal includes the officials and agents of the Arizona Department of Transportation and the officials and agents of the Federal Highway Administration. No other use or users are intended, and any unintended use may be misleading.
Interest Appraised:	Fee Simple Interest.
Site Size:	According to the client, the subject property consists of 80,163 square feet or 1.84 acres.
Hazardous Substances:	None known.
Flood Insurance Zone:	Zone AO as defined by FEMA as River or stream flood hazard areas, and areas with a 1% or greater chance of shallow flooding each year, usually in the form of sheet flow, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Average flood depths derived from detailed analyses are shown within these zones.
Zoning:	Currently zoned SR, Pima County Zoning. This appraisal assumes the subject property could likely be rezoned CB-1. See "Zoning" section for probability of rezoning analysis.
Highest & Best Use:	Commercial use.
<i>As Is" Market Value Opinion:</i>	<i>\$110,000</i>
Exposure Time:	Exposure time is estimated at 12 months if priced appropriately.

THE APPRAISAL PROCESS

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

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

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

In the Sales Comparison Approach, recent sales of similar properties, known as "comparables," are analyzed and adjusted to the subject property. The adjustment matrix or grid uses excel software. Calculations of less than whole numbers are carried out by excel as actual decimal values. These values are employed in the estimate of value and not the rounded numbers as shown. This approach best represents the actions of buyers and sellers in the market for this type of property. The degree of similarity between the comparables and the subject property determines the reliability of this approach.

PROPERTY IDENTIFICATION

The subject property is located at the southwest corner of State Route 86 and Sunset Boulevard. As the land is vacant, it does not have an established property address. The land being appraised is further identified as a portion of Pima County Assessor's Parcel Number 212-48-047A. It is located in Township 14S, Range 12E, Section 35. The subject's legal description according to the Pima County Assessor's Office is as follows: *LOT 50 LESS RDS 1.87 AC SEC 35-14-12*

ASSESSOR'S RECORD MAP

212-48
FORMERLY
204-58

SECTION 35, TOWNSHIP 14 SOUTH, RANGE 12 EAST

DETAIL 4 (SE1/4)

LOT 44 5.00 AC. (41)
LOT 43 5.00 AC. (40)
LOT 42 5.00 AC. (39)
LOT 41 5.00 AC. (38A)
LOT 40 5.57 AC. (37B)
LOT 39 4.75 AC. (36B)
LOT 38 3.94 AC. (35B)
LOT 37 3.13 AC. (34B)
LOT 45 3.84 AC. (42B)
LOT 46 3.03 AC. (43B)
LOT 47 3.59 AC. (44B)
LOT 48 3.59 AC. (45B)
LOT 49 3.59 AC. (46B)
LOT 50 3.62 AC. (47A) (SUBJECT)
LOT 51 4.44 AC. (48B)
LOT 52 5.24 AC. (49B)
LOT 53 6.07 AC. (50B)
LOT 54 6.86 AC. (51B)
LOT 61 5.00 AC. (59A)
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PURPOSE OF THE APPRAISAL

Provide “As Is” Market Value opinion for the subject property.

The intended users of the appraisal include the officials and agents of the Arizona Department of Transportation and the officials and agents of the Federal Highway Administration. No other use or users are intended, and any unintended use may be misleading.

The intended use of the appraisal is to utilize the market value estimates to assist in decisions regarding the potential sale of the subject property.

The effective date of value for this appraisal is June 25, 2025, the date of the property inspection.

The date of the appraisal report is July 1, 2025.

DEFINITIONS

Appraisal:

“(noun) The act or process of developing an opinion of value; an opinion of value. (adjective) Of or pertaining to appraising and related functions such as appraisal practice or appraisal services.”²

Appraiser:

“One who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective.”³

Contiguity:

“The quality or state of being contiguous.”⁴

Economic Unit:

1. *“A portion of a larger (parent) parcel, vacant or improved, that can be described and valued as a separate and independent parcel. Physical characteristics such as location, access, size, shape, existing improvements, and current use are considered when identifying an economic unit. The economic unit should reflect marketability characteristics similar to other properties in the market area. In appraisal, the identification of economic units is essential in highest and best use analysis of a property.”*

2. *“A combination of parcels in which land and improvements are used for mutual economic benefit. An economic unit may comprise properties that are neither contiguous nor owned by the same owner. However, they must be managed and operated on a unitary basis and each parcel must make a positive economic contribution to the operation of the unit.”⁵*

Exposure Time:

“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.”⁶

Fee Simple Estate:

The Fee Simple Estate is the interested to be appraised for the subject within this report.

“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.”⁷

Larger Parcel:

“In governmental land acquisitions and in valuation of charitable donations of partial interest in property such as easements, the tract or tracts of land that are

² Uniform Standards of Professional Appraisal Practice, The Appraisal Foundation, 2018-2019.

³ Appraisal Institute, The Dictionary of Real Estate Appraisal, Seventh Edition, pg. 10

⁴ Merriam-Webster On-Line Dictionary, 2010.

⁵ Appraisal Institute, The Dictionary of Real Estate Appraisal (Sixth Edition), pg. 72-73

⁶ Uniform Standards of Professional Appraisal Practice, The Appraisal Foundation, 2016-2017.

⁷ Appraisal Institute, The Dictionary of Real Estate Appraisal (Sixth Edition), pg. 90

under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, and unity of ownership, and unity of highest and best use. In most states, unity of ownership, contiguity, and unity of use are the three conditions that establish the larger parcel for the consideration of severance damages. In federal and some state cases, however, contiguity is sometimes subordinated to unitary use.”⁸

Market Value:

“"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.”⁹

Project Influence

“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.”¹⁰

OWNERSHIP HISTORY

Title to the subject property is currently vested to the State of Arizona. Prior to the State of Arizona taking ownership of the property, it was owned by Phil Galloway, 50% interest, and Holly and Mark Waldon, 50% interest. Title to Holly and Mark Waldon’s interest was transferred via Warranty Deed to the State of Arizona on September 3, 2013, Recording Number 2013-2460649. Title to Phil Galloway’s interest was transferred via Warranty Deed to the State of Arizona on September 3, 2013, Recording Number 2013-2460648. Ownership of the subject has not been transferred since these transactions. On January 30, 2024, the subject property was listed for sale by ADOT for \$150,000. During this period, the property has not received any written offers to purchase. As of the date of value, the property remains for sale at the \$150,000 original list price.

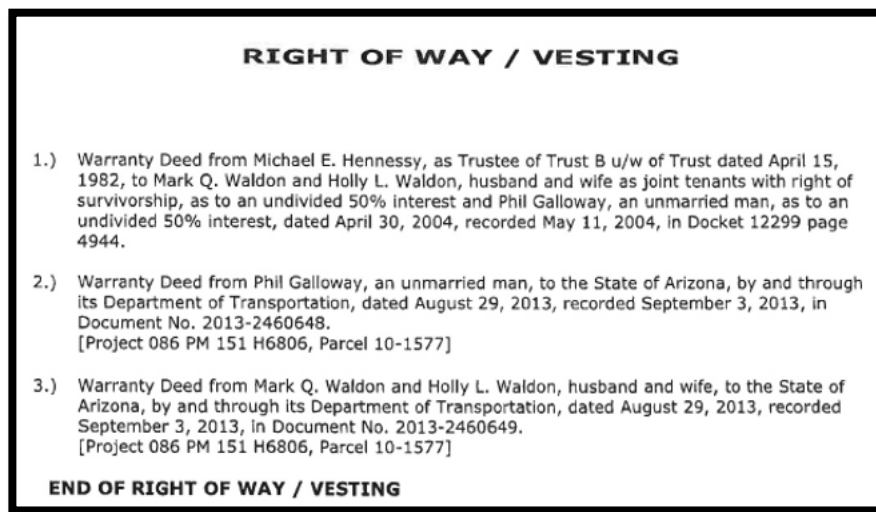
Mr. Jim Walcutt, ADOT representative, accompanied Mr. John Medley, appraiser, on the inspection of the subject property on June 25, 2025. This inspection date is used as

⁸ Appraisal Institute, The Dictionary of Real Estate Appraisal, Seventh Edition, pg. 105

⁹ A.R.S. 28-7091

¹⁰ Arizona Revised Statutes 28-7097

our date of value. Mr. Steve Cole inspected the property separately on June 21, 2025. The chain of Title provided by the client is shown below.



SCOPE OF WORK

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

In accordance with *Uniform Standards of Professional Appraisal Practice* (USPAP) 2024, the scope of work for the appraisal includes, but is not limited to, the following:

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

Research included the examination of sales and listing data published by CoStar COMPS of Arizona, Multiple Listing Service of Southern Arizona (MLSSAZ), Pima County public records, and interviews with real estate participants and brokers. Based on our conclusions of Highest and Best Use, vacant land property sales with proposed commercial uses were selected.

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

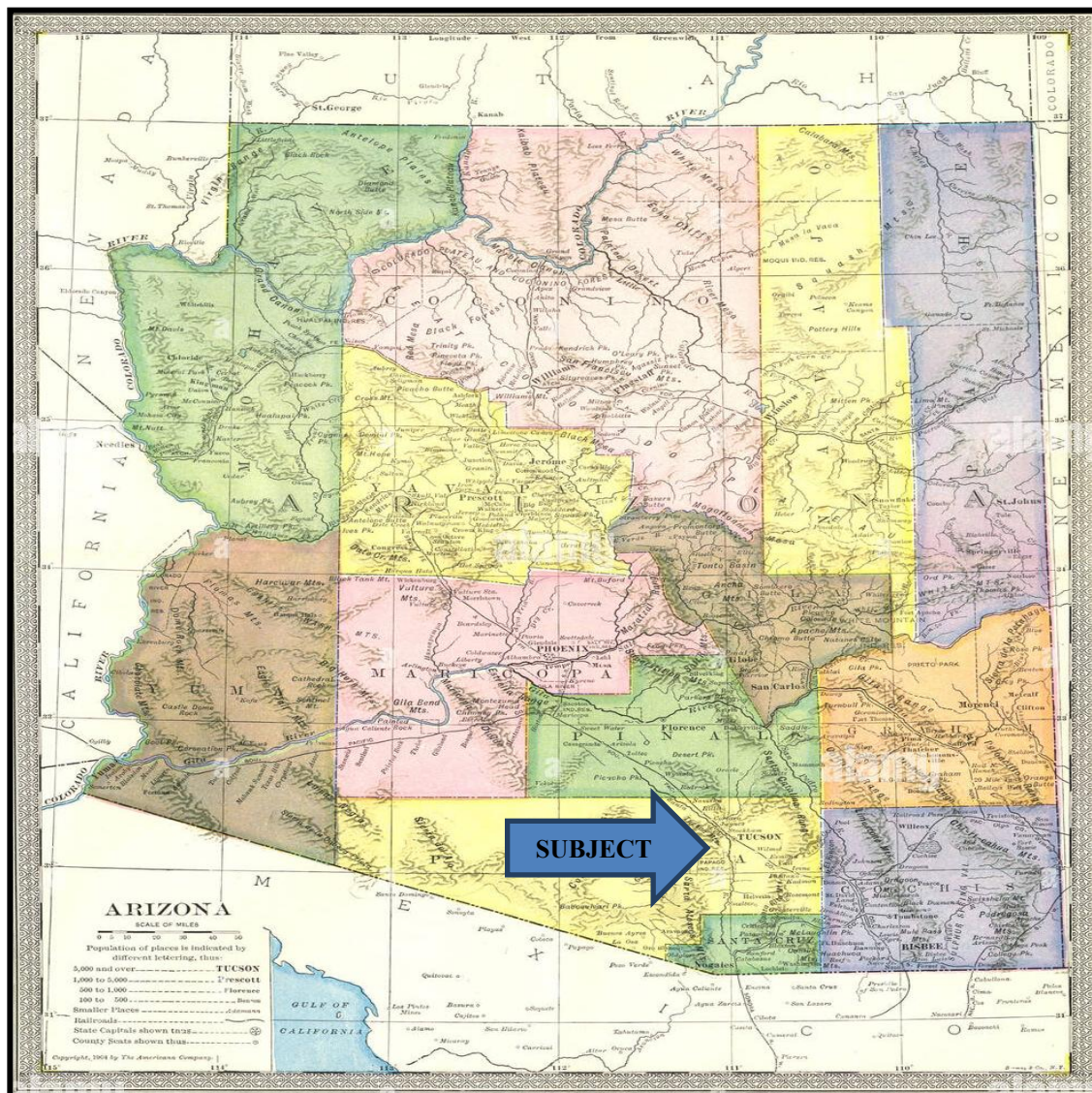
Limitation in Scope:

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

REGIONAL ANALYSIS

The subject is located within Pima County within the State of Arizona. This section presents an analysis of Pima County's growth and economic trends. The City of Tucson is also reviewed here. Then, we provide a conclusion relating these area trends to the valuation of the subject.

ARIZONA COUNTY MAP



OVERVIEW – PIMA COUNTY

Pima County is located in southern Arizona and is about 95 miles south of Phoenix. Mexico is immediately south of Pima County. The county has five incorporated cities including Tucson, South Tucson, Marana, Oro Valley, and Sahuarita. These cities are clustered around Tucson. Green Valley, a large retirement community, is unincorporated and is about 25 miles south of Tucson.

Pima County is within an area known as the Sonora Desert, a unique eco-system. It is the only area in the World where the Saguaro cactus grows naturally. The city of Tucson is located in eastern Pima County and is the largest city in Pima County. It is in a valley surrounded by the Catalina, Rincon, Santa Rita, and Tucson Mountain ranges. Elevations within these ranges climb to over 9,000 feet.

The University of Arizona is one of the largest employers in the County. It is a nationally recognized undergraduate and graduate school with total enrollment of over 45,900. Davis-Monthan Air Force base is an important defense installation, also located in Tucson. Due to its clear night skies, Pima County is home to a number of prominent observatories including the Kitt Peak National Observatory.

Population

The population of Pima County is detailed in the following table. The County has had positive population growth for the past decade. The population growth was 5.52% from 2018 to 2024.

Population Pima County			
Year	Total Population	Numerical Increase	Percent Increase
2018	1,028,511	N/A	N/A
2019	1,038,205	9,694	0.94%
2020	1,045,589	7,384	0.71%
2021	1,058,318	12,729	1.22%
2022	1,072,298	13,980	1.32%
2023	1,080,000	7,702	0.72%
2024	1,086,634	6,634	0.61%
2025	1,095,800	9,166	0.84%
2026	1,102,200	6,400	0.58%

Note: All estimates are as of July. 2020 is the actual Census.
Note: 2025-2026 are projections.
Source: State of Arizona, Office of Employment & Population Statistics.
<https://population.az.gov/population-estimates>

Gross Domestic Production

The primary measure of an area's economic activity is Gross Domestic Product (GDP). GDP figures for the Tucson Metropolitan Statistical Area are provided in the following table for the past six years. Published data for 2023 County GDP was the most recent available as of the date of this appraisal. The figures are in current dollars. Pima County's GDP was \$62 million in 2023, the second highest of all 15 counties. Arizona's overall GDP was \$422 million for the year, with Pima County's making up 14.7% of it.

Gross Domestic Product Pima County				
Year	Total	Numerical Increase		Percent Increase
2017	\$ 42,331	N/A		N/A
2018	\$ 44,786	\$ 2,455		5.80%
2019	\$ 47,040	\$ 2,254		5.03%
2020	\$ 48,112	\$ 1,072		2.28%
2021	\$ 51,828	\$ 3,716		7.72%
2022	\$ 55,800	\$ 3,972		7.66%
2023	\$ 62,169	\$ 6,369		11.41%

Note: Dollars are in millions.
Source: U.S. Bureau of Economic Analysis
https://www.bea.gov/iTable/index_regional.cfm

Employment and Unemployment

Total employment and unemployment rates for Pima County are provided in the following tables for 2015 through year end 2024. Pima County had positive employment growth from 2016 to 2019. In 2020, there was a large decrease in employment due to the COVID-19 pandemic. As the shock of the pandemic faded, this trend reversed dramatically until 2023 and levelled off to minor increase. As of December 2024, there were 476,403 employed persons in Pima County.



SOURCE: <https://fred.stlouisfed.org/series/LAUCN0401900000000005>

The unemployment rate as of year-end 2024 was only 3.4%. Prior to the COVID-19 pandemic, the unemployment rate was consistently under 5%. The unemployment rate temporarily surged during the pandemic up to 12%. Since then, it has recovered even below pre-pandemic levels.



SOURCE: <https://fred.stlouisfed.org>

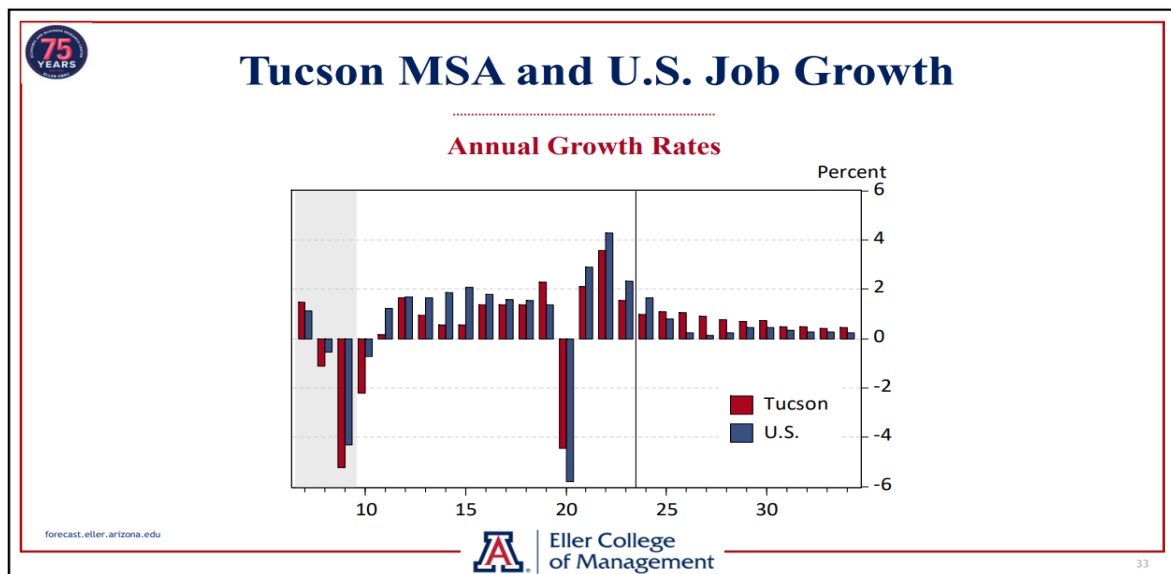
Largest Employers

The ten largest employers for Pima County are noted in the following table. The county’s employment base is largely government related. Seven of the top ten employers are government or quasi-government entities. One the private sector employers noted, Raytheon, is largely dependent on government spending. The University of Arizona is one of the largest employers in the County. It is a nationally recognized undergraduate and graduate school with a total enrollment of over 45,900 people. Davis-Monthan Air Force base is an important defense installation, also located in Tucson.

Employer	Industry	Description
University of Arizona	Education	A major public research university with positions in faculty, research, administration, and support staff.
State of Arizona	Government	Offers a wide range of roles in public administration, education, healthcare, and public safety across various state agencies.
Raytheon Missiles & Defense	Defense	Specializes in missile defense and advanced radar technologies, offering roles in engineering, IT, and administration.
Banner – University Medical Center Tucson	Healthcare	A leading healthcare provider offering opportunities in clinical care, research, and administrative roles.
Davis-Monthan Air Force Base	Military	Provides roles for military personnel and civilians in logistics, maintenance, and administration.
Pima County	Government	Offers roles in public administration, healthcare, education, and community services.
Tucson Unified School District (TUSD)	Education	The largest public school district, employing teachers, administrators, and support staff.
Carondelet Health Network	Healthcare	Operates hospitals and medical facilities, providing jobs for healthcare professionals and administrative staff.
Tucson Electric Power (TEP)	Utilities	A key utility provider offering roles in energy generation, customer service, and operations.
Caterpillar Inc.	Manufacturing	Employs professionals in engineering, technology, and administration at its Surface Mining & Technology Division.

Employment Growth Projections

The University of Arizona Eller College of Management tracks the Tucson area economy. Employment figures were obtained from the Eller School of Management’s 2024 economic outlook project and are noted below. Employment growth is projected to continue as the population base continues to increase. This growth is expected to be at a slower pace than the previous 10-year pace.



Market Trends

The discussion here focuses on the four principal commercial property types. These include office, retail, industrial and apartments. Information from CoStar for each of these

four property types is provided in the following table. All data is year-end information for each property type from 2010 through 2024.

Please note that the information reported is for the Tucson Metropolitan area which includes Tucson, South Tucson, Marana, Oro Valley, Sahuarita, and Green Valley. This represents the urban areas of Pima County, also known as the “Tucson Metropolitan Area.” The outlying rural areas are excluded.

Pima County - Metropolitan Tucson Commercial and Multi-Family Markets								
Year	Office		General Retail		Industrial		Apartment	
	Vacancy	Rent Per Sq. Ft.	Vacancy	Rent Per Sq. Ft.	Vacancy	Rent Per Sq. Ft.	Vacancy	Rent Unit
2010	12.0%	\$ 19.53	5.7%	\$ 11.52	11.6%	\$ 6.51	10.3%	\$ 603
2011	11.8%	\$ 18.98	5.1%	\$ 12.50	12.3%	\$ 6.34	10.0%	\$ 610
2012	12.4%	\$ 18.56	5.5%	\$ 12.98	11.9%	\$ 6.20	9.4%	\$ 618
2013	12.8%	\$ 18.62	4.7%	\$ 12.36	10.3%	\$ 6.31	9.4%	\$ 633
2014	12.1%	\$ 18.41	4.8%	\$ 11.98	9.6%	\$ 6.49	9.5%	\$ 645
2015	12.0%	\$ 18.98	3.7%	\$ 12.43	8.5%	\$ 6.80	8.6%	\$ 667
2016	10.9%	\$ 18.65	3.6%	\$ 14.10	7.1%	\$ 6.83	7.9%	\$ 692
2017	9.4%	\$ 18.93	3.2%	\$ 14.70	6.8%	\$ 6.53	6.7%	\$ 721
2018	8.5%	\$ 19.15	2.6%	\$ 14.54	5.8%	\$ 6.43	6.0%	\$ 767
2019	8.6%	\$ 20.79	7.9%	\$ 16.35	6.8%	\$ 8.69	6.5%	\$ 825
2020	9.4%	\$ 21.33	8.2%	\$ 16.93	6.4%	\$ 8.91	4.9%	\$ 874
2021	10.0%	\$ 22.21	6.1%	\$ 18.29	2.9%	\$ 8.97	4.6%	\$ 1,043
2022	10.5%	\$ 22.71	6.2%	\$ 17.57	3.1%	\$ 10.31	8.2%	\$ 1,088
2023	9.1%	\$ 23.45	5.7%	\$ 17.95	5.9%	\$ 10.72	8.5%	\$ 1,135
2024	10.5%	\$ 23.62	5.6%	\$ 19.73	5.9%	\$ 10.99	11.5%	\$ 1,161

Source: CoStar respective year-end reports for each property type.

In 2010, vacancy rates for 3 of the 4 property types exceeded 10%. Since then, economic conditions have slowly improved. By year-end 2017 and continuing through 2020, vacancy rates for all property types were below 10%. However, the United States national economy has grown at a greater rate than the Pima County area.

At year-end 2024, the industrial and apartment vacancy rates were reported at 5.9% and 11.5%, respectively. Apartment vacancies experienced the highest vacancy increase of all categories despite higher interest rates. According to Hamid Panahi, a top performing multi-family broker in Tucson, the higher vacancy rates for apartments is skewed by the large number of lower-end units that we have in Tucson. Overall, for newer and superior maintained properties, Mr. Panahi believes that the vacancy rate is significantly lower.

Although there have been increases in vacancy rates over the past couple of years, the data shows that rental rates have continued to increase in nearly every category.

OVERVIEW – TUCSON

Tucson was founded in 1775 and incorporated in 1877. Early occupants in the area were Indian tribes. Later the Spanish founded the San Xavier Del Bac Mission, also known as the White Dove of the Desert. This is one of the more famous landmarks in the State of

Arizona. The city occupies a valley surrounded by the Catalina, Rincon, Santa Rita, and Tucson Mountain ranges. The city’s elevation is 2,641 at the airport and is a desert climate.

Population – City of Tucson

Population information for the City of Tucson is provided in the following table for the past six years. Tucson has by far the largest population in Pima County. The city’s current population is 557,219. The six-year population growth totals 4.5% or about 0.75% per year. 2024 witnessed the most significant population growth in the period. This is substantially slower than Phoenix which has had an average of 1.2% growth per year for the past 6 years.

Population City of Tucson			
Year	Total Population	Numerical Increase	Percent Increase
2018	538,100	2,200	0.41%
2019	540,400	2,300	0.43%
2020	541,900	1,500	0.28%
2021	543,200	1,300	0.24%
2022	544,600	2,700	0.50%
2023	547,400	4,200	0.77%
2024	557,219	12,619	2.32%
Note: All estimates are as of July. 2020 is the actual Census.			
Source: State of Arizona, Office of Employment & Population Statistics.			
https://population.az.gov/population-estimates			

University of Arizona

Non-local visitors to Arizona Athletics events alone contribute substantially to the local economy. According to a study done by the University of Arizona Department of Agricultural & Resource Economics¹¹, visitors and team travel for these events contribute roughly 2,600 jobs, \$80 million in labor income, \$120 million in gross regional product (GRP), and \$220 million in sales to the Pima County economy. When considering the spending of local residents attending events, the economic contributions are even larger, supporting an estimated \$69 million in GRP and over 1,300 jobs within the county.

Beyond athletics, the University of Arizona's overall operations and spending have a profound impact on Pima County's economy. The report estimates that in fiscal year 2017, the Arizona Public University Enterprise, which includes the University of Arizona, generated 84,355 jobs statewide, with \$6 billion in value added and \$11.1 billion in economic output. While county-level figures are not provided, it is evident that the

¹¹<https://media.azpm.org/master/document/2024/3/13/pdf/arizona-athletics-2022-23-economic-impact-report.pdf>

University's presence as a major employer, consumer of goods and services, and driver of research expenditures creates significant economic activity in the region.

Transportation – Tucson

Tucson is adequately served by all major modes of transportation. The Tucson International Airport provides domestic and international air service to 23 different destinations. Interstate 10 connects Tucson with Phoenix and California to the north and New Mexico and Texas to the east. Interstate 19 connects Tucson with Mexico to the south. Greyhound provides local and national bus line service. Union Pacific provides freight rail service connecting California and Texas. Passenger rail service is provided by Amtrak.

Conclusion

Pima County and the City of Tucson have experienced modest economic growth in the last 12 months. The effects of the pandemic are still seen in higher-than-normal office and retail vacancy rates although pricing and rents have continued to increase. Employment in the area is projected to increase modestly, which will continue to stimulate the economy.

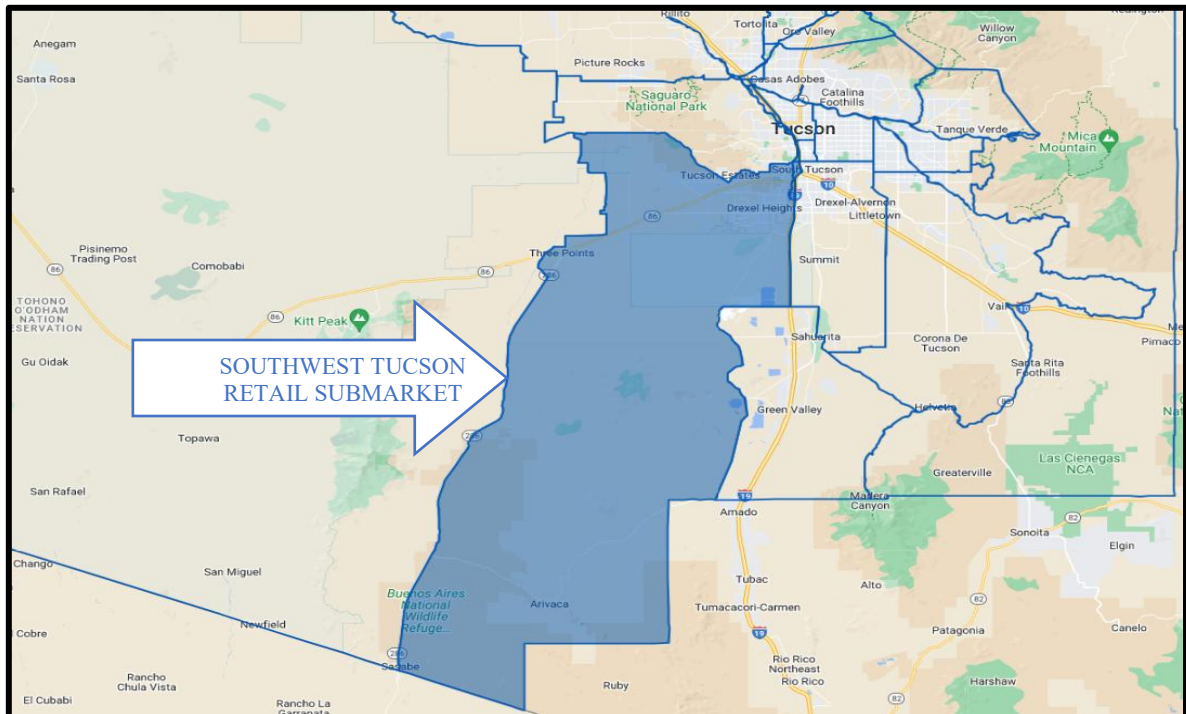
The depressing effect of higher interest rates on demand for all forms of real estate including single family residential homes has been significant. Weak national economic conditions put downward pressure on commercial and residential real estate values in the region. Continued population growth helps to sustain demand in all real estate sectors. Regional activity is expected to provide continued economic growth in Pima County and Tucson in the near-term.

MARKET ANALYSIS

The purpose of market analysis is to show how the interaction of supply and demand affects the property's value. "Market analysis is a process for the examination of the demand for, and supply of, a property type and the geographic market area for the property type."¹²

Subject Attributes

The subject property is vacant land located along a major throughfare. Due to its location and frontage, the subject would likely be purchased for the development of a commercial use. Multi-family is not considered in this analysis as the subject is not served by municipal sewer, which is required for the density needed for multi-family uses. Thus, the following analysis will focus on the retail market. According to CoStar, the subject property is located in the Southwest Tucson Retail Submarket which is outlined in the following map.

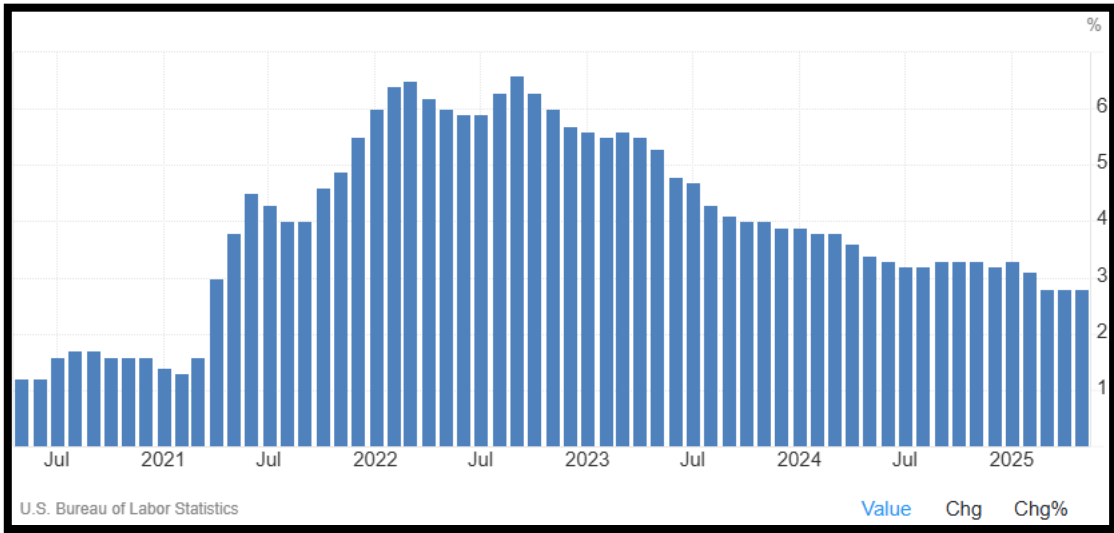


National Economy

According to the U.S. Bureau of Labor Statistics, the inflation rate was around 2% from 2019 through 2021. In 2022 inflation began to increase and peaked at 6.2% in September 2022. Since then, inflation has declined and is presently at 2.8% as of May 2025. This remains above the Federal Reserve's target of 2%. The following chart represents

¹² *The Appraisal of Real Estate, 14th Edition*, Appraisal Institute, P 299

inflation in the United States over the last 5 years according to the U.S. Bureau of Labor Statistics.



SOURCE: <https://tradingeconomics.com/united-states/core-inflation-rate>

Conventional Long Term Mortgage Data

According to the “Primary Mortgage Market Survey” compiled by Freddie Mac, the most recent interest rate for a 30-year fixed rate mortgage is 6.81% as of June 18, 2025. Mortgage interest rates are up from the all-time low of 2.65% in January, 2021. In the beginning of 2022, the 30-year United States Single Family Home Prices mortgage interest rate began a steep increase to 7.79% in October 2023. Since then, the 30-year mortgage interest rate has slightly declined to the previously reported 6.81%.

The following chart shows the fixed mortgage interest rates for a 15-year, in green, and 30-year, in blue, loan over the last 5-year period.

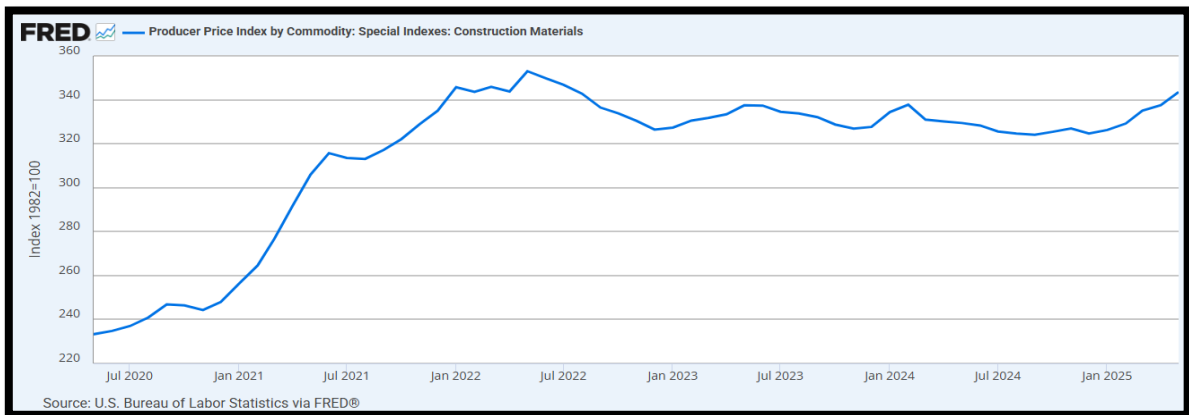


SOURCE: <https://www.freddiemac.com/pmms>

Cost of Construction

In July 2020, Construction Materials Pricing index was 237.0, (1982=100). The index increased dramatically to 353.02 in May 2022, an increase of 49% in less than 2 years. Even though construction material costs have declined to 343.526 in May 2025, these costs remain well above the previous 10-year average.

The following chart represents the previous 5-year period of construction costs according to the St. Louis Federal Reserve follows.

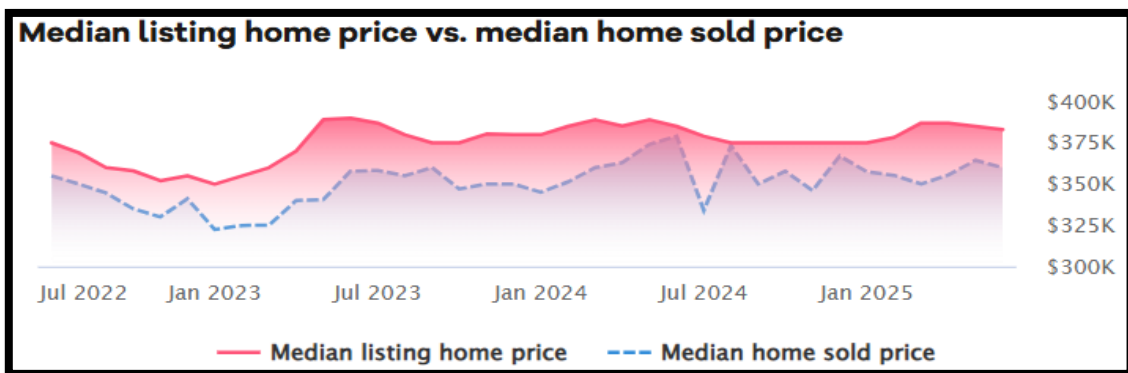


SOURCE: <https://fred.stlouisfed.org/series/WPUSI012011>

Tucson Housing Market

Over the last 3-year period, residential properties in the Tucson housing market have increased from \$355,000 in June 2022 to \$359,900 in May 2025. Residential home sale prices peaked in May 2024 with a median sale price of \$379,000. Over the next 12 months, median home sales prices declined 5.04% to the previously mentioned \$359,900. This decline is largely attributed to high mortgage interest rates.

While the subject property's value does not directly correlate with the single-family home residential market, this information provides insight into the real estate market as a whole. The chart below represents these statistics as provided by Realtor.com.



Source: https://www.realtor.com/realestateandhomes-search/Tucson_AZ/overview

Southwest Tucson Retail Submarket

The following data compares the retail statistics for the Southwest Tucson Retail Submarket and the overall Metro Tucson Retail Market. This is followed by the subject's submarket statistics compared to the 15 submarkets in the Tucson Metro.

<i>Source: CoStar</i>	2Q25 Southwest Tucson Retail	2Q25 Metro Tucson
No. of Buildings:	222	5,582
Total GLA (SF):	3,100,000	57,100,000
Total Vacancy (SF):	18,300	3,400,000
Vacancy Rate (%):	0.6%	6.0%
12 Month Net Absorption	33,200	5,300
Under Construction (SF):	0	291,000
Market Asking Rent (SF):	\$22.74	\$20.50

SUBMARKET INVENTORY													
No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Central East	1,122	8,913	15.6%	2	3	5	0.1%	6	0	-	-	-
2	Central West	768	7,418	13.0%	3	1	5	0.1%	5	0	-	-	-
3	Downtown Tucson	318	1,843	3.2%	11	0	0	0%	-	1	2	0.1%	7
4	E Outlying Pima Cnty	1	6	0%	15	0	0	0%	-	0	-	-	-
5	East Tucson	789	9,934	17.4%	1	2	9	0.1%	4	2	18	0.2%	5
6	Foothills	302	5,973	10.5%	5	2	4	0.1%	7	1	60	1.0%	3
7	North/Oro Valley	191	2,600	4.6%	8	1	16	0.6%	3	2	64	2.4%	2
8	Northeast Tucson	27	332	0.6%	13	0	0	0%	-	0	-	-	-
9	Northwest Tucson	308	4,621	8.1%	6	2	119	2.6%	1	3	43	0.9%	4
10	South Tucson	1,034	7,265	12.7%	4	1	0	0%	8	1	101	1.4%	1
11	South/SW Outlying	168	1,900	3.3%	10	0	0	0%	-	1	3	0.2%	6
12	Southeast Tucson	155	1,951	3.4%	9	3	28	1.5%	2	0	-	-	-
13	Southwest Tucson	222	3,129	5.5%	7	0	0	0%	-	0	-	-	-
14	W Outlying Pima Cnty	40	328	0.6%	14	0	0	0%	-	0	-	-	-
15	West Tucson	137	893	1.6%	12	0	0	0%	-	0	-	-	-

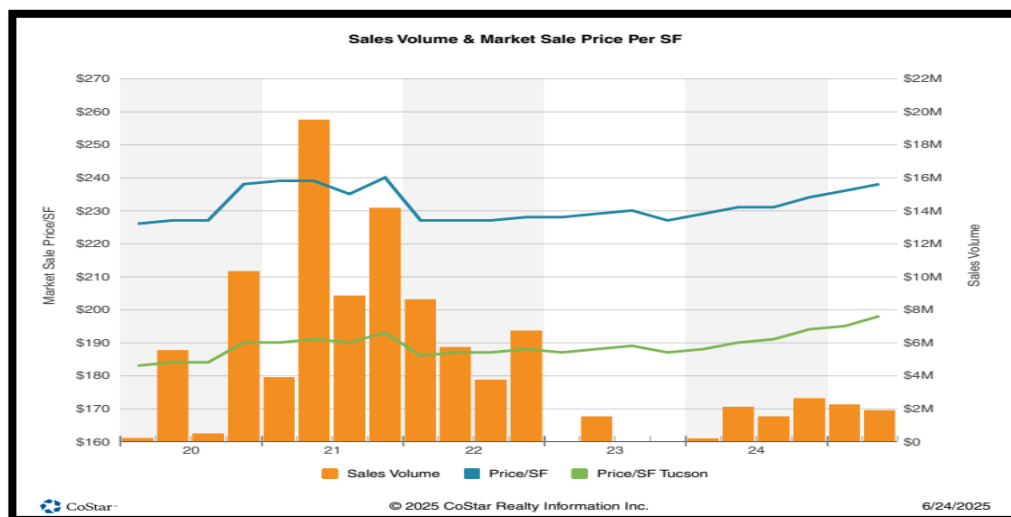
SUBMARKET RENT							
No.	Submarket	Market Asking Rent		12 Month Market Asking Rent		QTD Annualized Market Asking Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Central East	\$18.29	13	5.3%	11	5.8%	10
2	Central West	\$18.53	12	5.9%	8	6.2%	7
3	Downtown Tucson	\$20.62	10	6.2%	6	7.4%	2
4	E Outlying Pima Cnty	\$23.38	3	-4.6%	15	-0.4%	15
5	East Tucson	\$19.70	11	6.4%	3	6.0%	9
6	Foothills	\$25.75	1	6.9%	1	6.5%	6
7	North/Oro Valley	\$25.17	2	5.5%	9	5.2%	13
8	Northeast Tucson	\$21.68	7	6.2%	5	4.2%	14
9	Northwest Tucson	\$23.32	4	6.0%	7	5.6%	11
10	South Tucson	\$17.10	14	4.9%	12	6.9%	5
11	South/SW Outlying	\$20.89	9	6.3%	4	7.2%	3
12	Southeast Tucson	\$21.46	8	5.5%	10	5.3%	12
13	Southwest Tucson	\$22.74	5	6.5%	2	8.3%	1
14	W Outlying Pima Cnty	\$17.01	15	3.4%	14	6.1%	8
15	West Tucson	\$21.81	6	4.8%	13	7.1%	4

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Central East	630,040	7.1%	11	99,671	1.1%	2	0
2	Central West	499,981	6.7%	10	(63,685)	-0.9%	13	-
3	Downtown Tucson	99,938	5.4%	8	(12,449)	-0.7%	11	-
4	E Outlying Pima Cnty	-	-	-	0	0%	-	-
5	East Tucson	943,338	9.5%	12	(66,794)	-0.7%	14	-
6	Foothills	169,830	2.8%	5	2,107	0%	6	1.8
7	North/Oro Valley	415,060	16.0%	13	(129,642)	-5.0%	15	-
8	Northeast Tucson	19,424	5.9%	9	(532)	-0.2%	10	-
9	Northwest Tucson	127,948	2.8%	4	118,544	2.6%	1	1.0
10	South Tucson	320,969	4.4%	6	(31,217)	-0.4%	12	-
11	South/SW Outlying	98,360	5.2%	7	672	0%	7	-
12	Southeast Tucson	40,639	2.1%	2	27,669	1.4%	4	1.1
13	Southwest Tucson	18,333	0.6%	1	33,213	1.1%	3	-
14	W Outlying Pima Cnty	-	-	-	0	0%	-	-
15	West Tucson	22,210	2.5%	3	17,159	1.9%	5	-

Based on the aforementioned data, the subject's submarket has the 7th largest inventory, the 5th highest asking rent rate, and 2nd highest rent growth over the last 12 months. It ranks 1st in the market with the lowest vacancy rate. This indicates that the subject's submarket has pent up demand for new retail developments.

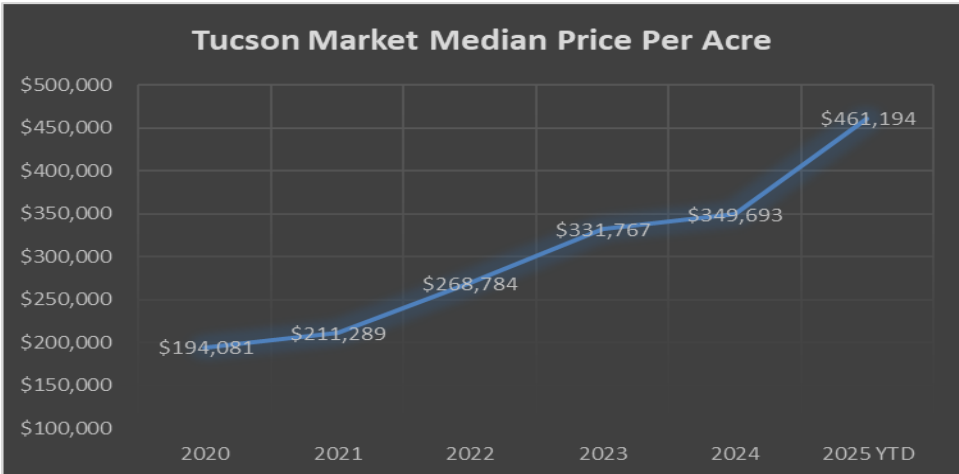
Southwest Submarket Sales Volume and Price

According to CoStar, sales volumes of retail properties over the last 5 years peaked in the 2nd quarter of 2021 with over \$19 million in sales. Since then, sales volumes have declined with the largest drop-off starting in 2023. This decline is largely attributed to the rise in interest rates. The decline in volume has only had a minimal impact on sales prices, which have continued to increase. Sales prices in the 1st quarter 2020 were \$226 per square foot. This increased to \$238 per square foot in the 2nd quarter 2025. As shown below, sales prices in the subject's submarket, in blue, are well above the Tucson Market as a whole, in green. This is represented in the following chart.



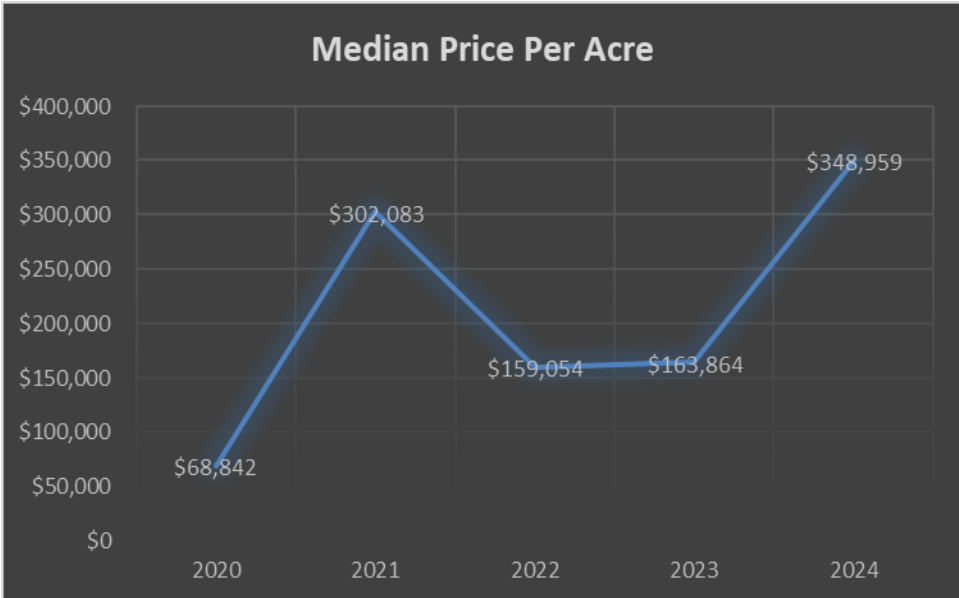
Tucson Market Land Sales

According to CoStar, there has been 429 vacant, commercial land sales in Tucson Market over the last 5 years. In 2020, the median sale price per acre was \$194,081. The median sales price per acre increased 137.6%, or 22.9% annually, to \$461,194 per acre in 2025 year to date. The large increase in 2025 is partially attributed to the limited amount of sales year to date. These land sales are represented in the following chart.



Southwest Tucson Submarket Land Sales

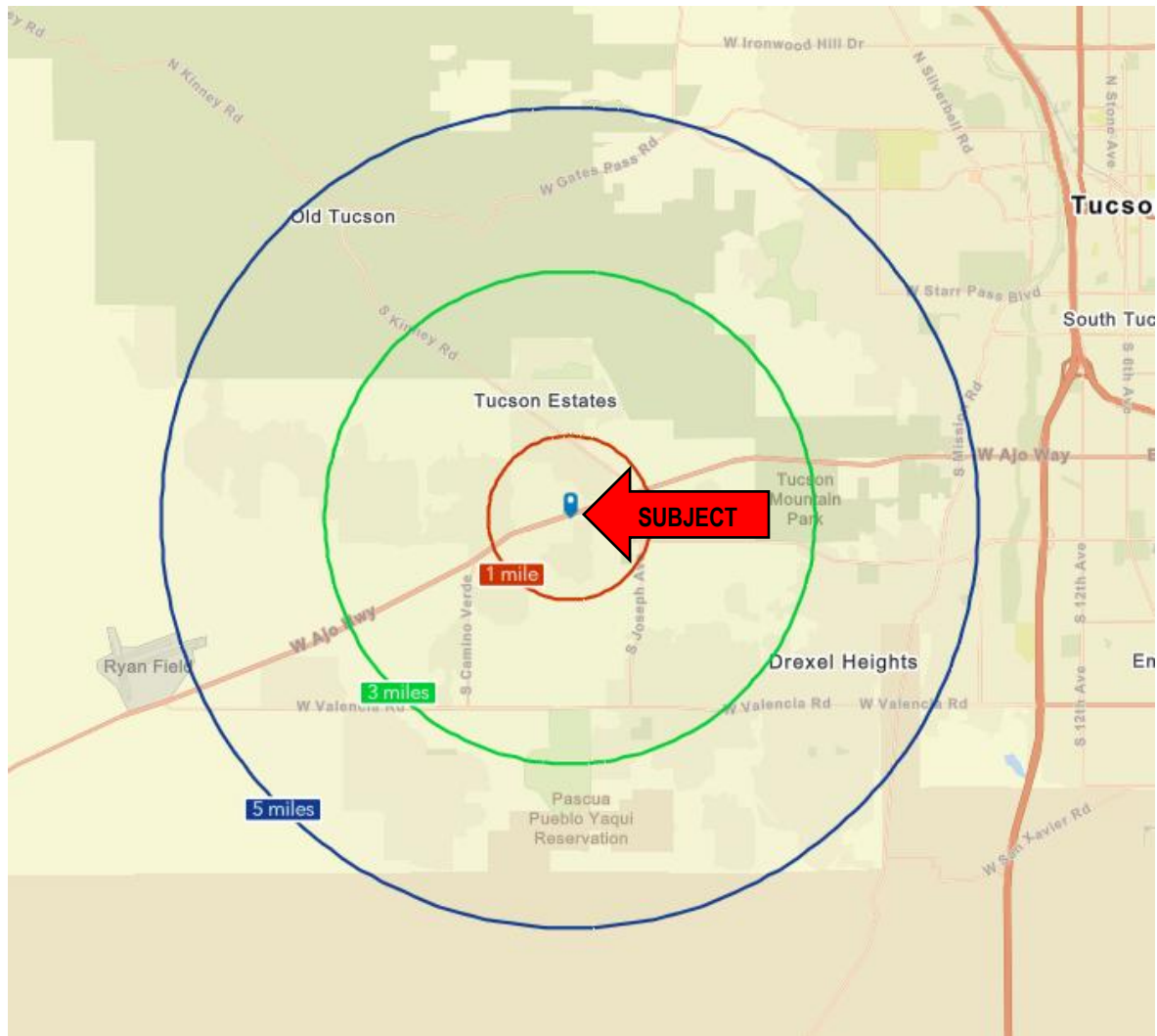
According to CoStar, in the subject property’s submarket there have been 32 vacant, commercial land sales from 2020 to 2025 year to date. In 2020 the median sale price per acre was \$68,842. The median sales price per acre increased 406.9%, or 81.4% annually, to \$348,959 per acre in 2024. There are no recorded sales in the submarket in 2025. Due to the very limited sales volume, this data is not considered a reliable indicator of the changes in the market. These sales are represented in the following chart.



Market Analysis Conclusion

Based on the aforementioned data, price increases for commercial land have outpaced the residential land market. The subject property's submarket is a better performing market in comparison to the Tucson Market as a whole. This is largely due to the recent expansion of The Landing and the existing Tucson Spectrum development. Additionally, the subject property benefits from its proximity to Casino Del Sol. Based on the aforementioned data, a 6% annual increase in market conditions will be utilized within our market conditions adjustment.

NEIGHBORHOOD ANALYSIS



The subject property is located in the southwest portion of the Tucson metropolitan area, approximately 10 miles southwest of the central business district. It is in an expanding development area with residential and commercial uses nearby. Overall, the area is considered rural.

The neighborhood's boundaries are west of Interstate 19, north of the San Xavier District of the Tohono O'odham Nation, east of Three Points, and south of Tucson Mountain Park.

Land Use and Economic Activity

Land uses within the subject's neighborhood primarily consist of a mixture of commercial and residential developments. The immediate area surrounding the subject is low density residential and low intensity commercial uses. Commercial development primarily exists to the southeast of the subject property along Valencia Road. The majority of the single-family residential development within a one-mile radius of the subject may be described as low-density single-family homes with some tract home subdivisions. The neighborhood is approximately 50% developed. Land use patterns are stable, with significant new development occurring to the east of the subject.

Casino Del Sol

The primary source of employment in the subject's neighborhood is Casino Del Sol, located approximately 2 miles east of the subject property. It is a destination location for local Tucson residents. Casino Del Sol is owned and operated by the Pascua Yaqui Tribe. According to Zoominfo.com, Casino Del Sol employs approximately 3,700 individuals with an annual revenue of \$253 million dollars. They offer a 215-room hotel, 18 holes of championship golf, a Spa, AVA Amphitheater, fine dining, and a casino with slots and table games.

Tucson Spectrum

The most prominent retail project in the subject's neighborhood is the Tucson Spectrum, a 1.1 million square foot regional shopping center located at the southwest corner of Irvington Road and Interstate 19. Anchor tenants include Target, Home Depot, Harkins Theaters, Food City, Best Buy, Ross Dress For Less, Marshall's, and Michael's.

The Landing

The most recent retail development in the area is The Landing, which is being developed by Bourn Companies. Located directly across the street from Tucson Spectrum, on the north side of Irvington Road, west of Interstate 19, The Landing is a 65-acre, mixed-use project designed to appeal to visitors and the surrounding community alike. An eclectic mix of retail, restaurants, office and hospitality encircle a vibrant family-friendly zocalo-like plaza with local food, retail, entertainment and amusements. Adjacent residential features 125 single-family rental homes in one, two, and three-bedroom floor plans.

Access

Primary access to the subject neighborhood is provided by Interstate 19 and major arterials. The Tucson MSA is set up in a grid format with major thoroughfares set one-mile apart. Major arterials in the neighborhood include Ajo Highway, Irvington Road, Drexel Road, and Valencia Road. Overall access is considered to be above average due to the subject's frontage along Ajo Highway.

Demographics

2024 Demographics: <i>Source: STDBOnline</i>	1-Mile Radius	3-Mile Radius	5-mile Radius
2024 Summary			
Population	2,496	18,658	76,841
Households	816	7,726	27,787
Families	594	5,012	19,312
Average Household Size	3.05	2.41	2.76
Owner Occupied Housing Units	723	6,768	22,452
Renter Occupied Housing Units	93	958	5,335
Median Age	40.4	50.6	39.0
Median Household Income	\$78,442	\$68,232	\$71,526
Average Household Income	\$95,412	\$86,446	\$88,225

Conclusion:

The population and households within the subject neighborhood have increased modestly over the past five years. The neighborhood has a middle-income profile with a median household income of \$68,232 within three miles of the subject. The neighborhood outlook over the next several years is generally favorable. As a result, the demand for existing developments is expected to be positive. Generally, the neighborhood is expected to maintain a relatively stable growth pattern in the foreseeable future.

SITE ANALYSIS

Location

The subject property is located at the southwest corner of State Route 86 (Ajo Highway) and Sunset Boulevard. This corner location is in the southwest portion of the Tucson Metropolitan Area but is not within the city limits of Tucson.

Shape and Area

According to the client, the subject property consists of 80,163 square feet or 1.84 acres. The site is irregularly shaped. The site's irregular shape does not inhibit its development potential.

Topography

The eastern portion of the site has level topography that is at street level with Sunset Boulevard. The western portion of the site has a wash that traverses across the property. The wash is approximately 4 feet below the surrounding terrain and encompasses approximately 5,975 square feet of the site, which is represented below.

Access

The subject property has frontage along Ajo Highway and Sunset Blvd. Currently, vehicular access to the subject property is from Sunset Blvd., just south of Ajo Highway Road.

Traffic Counts

According to the most recently available data from ADOT, the subject property had exposure to 11,808 vehicles per day along Ajo Highway in 2023. Additionally, there are 1,736 vehicles per day on Sunset Blvd in 2024.

Surrounding Uses

The property is predominantly surrounded by vacant land. There are several single-family residential homes in the vicinity of the subject, and light commercial developments along various sections of Ajo Highway.

Site Improvements

The property is undeveloped, vacant land with no site improvements.

Utilities

Electric, gas, and water are available at the lot line or nearby. Sewer is not available but is located in Sheridan Avenue, approximately ¼ mile to the east of the site. According to Ms. Erica Lopez, Pima County Environmental Quality Manager Water and Waste,

residential developments on septic systems within Pima County require a 1-acre minimum lot size. A waiver to develop on less than an acre can be submitted for review. This waiver requires the land to have adequate percolation. In Ms. Lopez's experience, the minimum lot size to gain a waiver approval was over 0.5-acre in size. The lack of available sewer prohibits the property's development with a multi-family use.

Police and Fire Protection

Police services are provided by Pima County Sheriff Department. Fire and emergency services are provided by Drexel Heights Fire District.

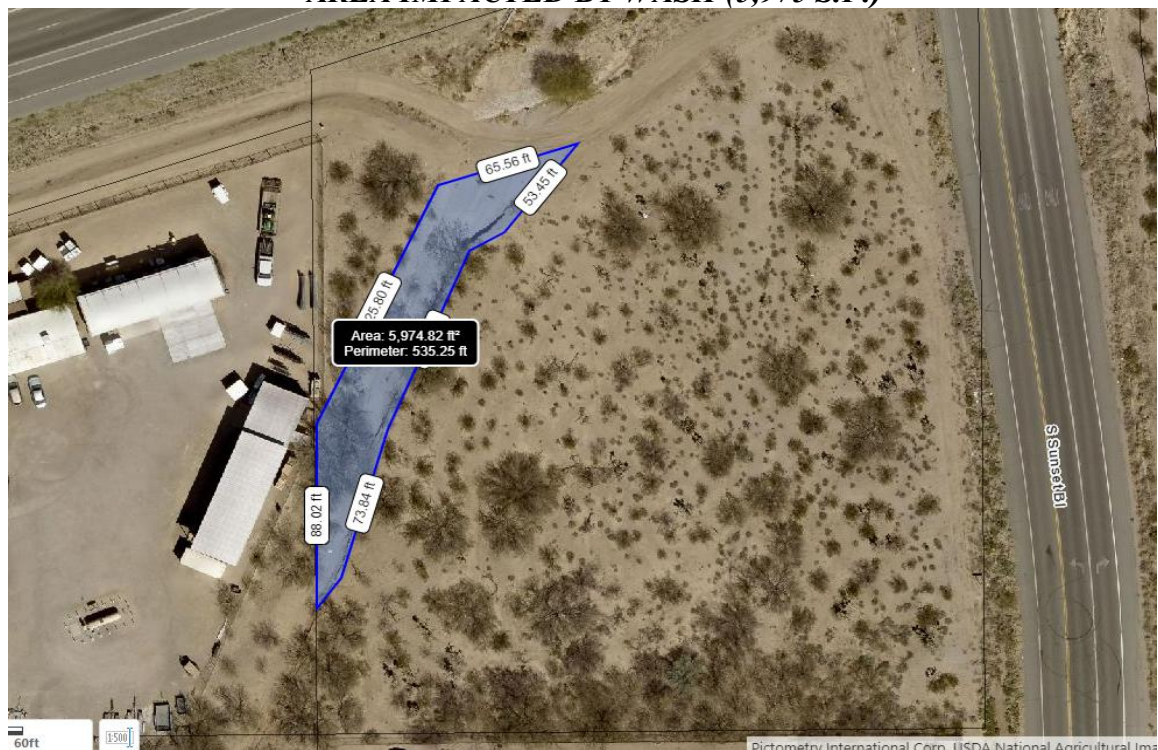
Flood Plain

The subject property is located within Flood Zone AO according to the FEMA Map 04019C2265L, dated June 16, 2011. Zone AO is defined by FEMA as follows:

"River or stream flood hazard areas, and areas with a 1% or greater chance of shallow flooding each year, usually in the form of sheet flow, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Average flood depths derived from detailed analyses are shown within these zones."

Based on the following FEMA map, the subject property's flood depth ranges from 1 to 2 feet. Development of the subject property is inhibited by its location in the Zone AO floodplain. This will be further discussed in the Land Valuation section of this appraisal.

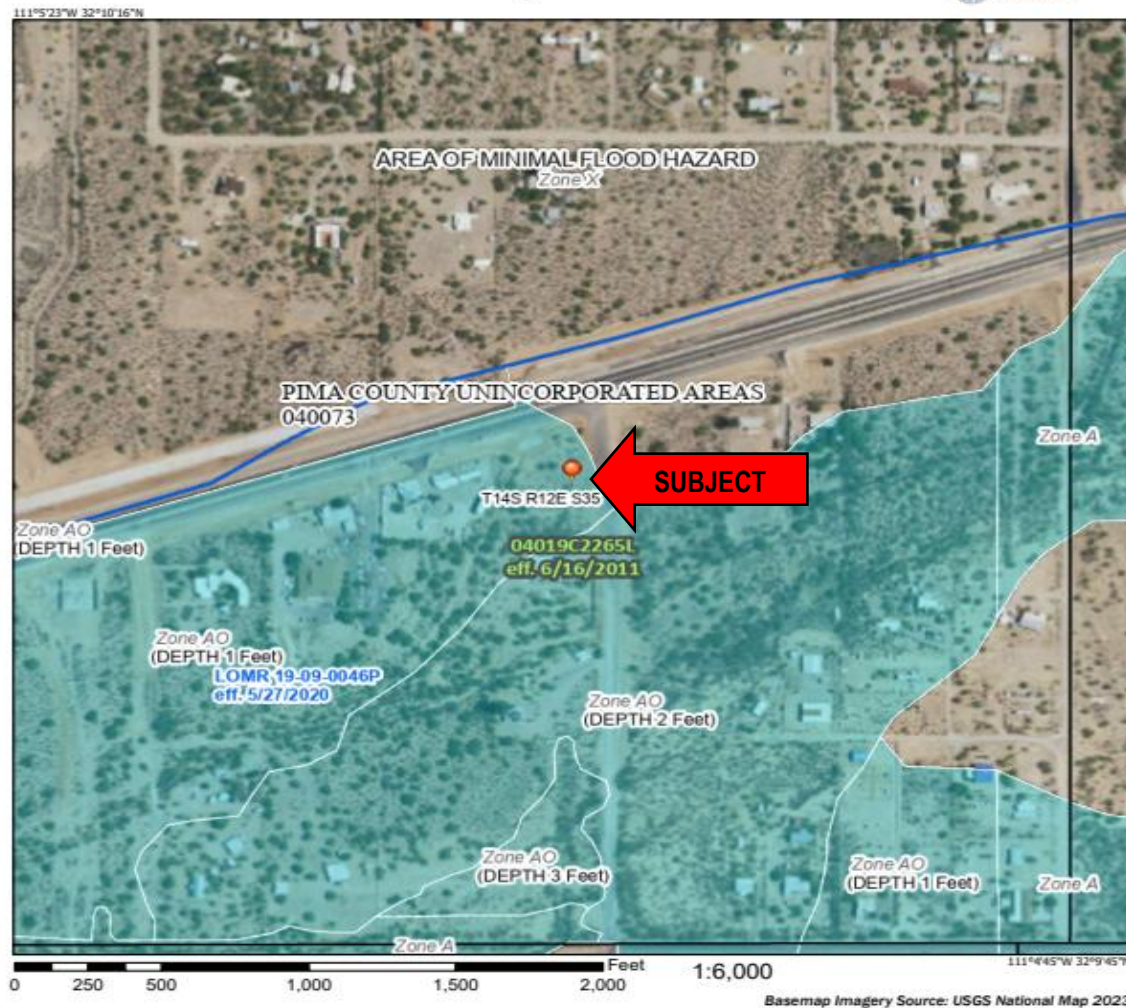
AREA IMPACTED BY WASH (5,975 S.F.)



Impacted Area is an Estimation by the Appraisers

FEMA FLOOD MAP

National Flood Hazard Layer FIRMette



Legend

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

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE) Zone X, V, A, O, AH, VE, AR
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee. See Notes. Zone X
- Area with Flood Risk due to Levee Zone D

OTHER AREAS

- NO SCREEN Area of Minimal Flood Hazard Zone X
- Effective LOMRs
- Area of Undetermined Flood Hazard Zone D

GENERAL STRUCTURES

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

OTHER FEATURES

- Cross Sections with 1% Annual Chance Water Surface Elevation
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

MAP PANELS

- Digital Data Available
- No Digital Data Available
- Unmapped

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

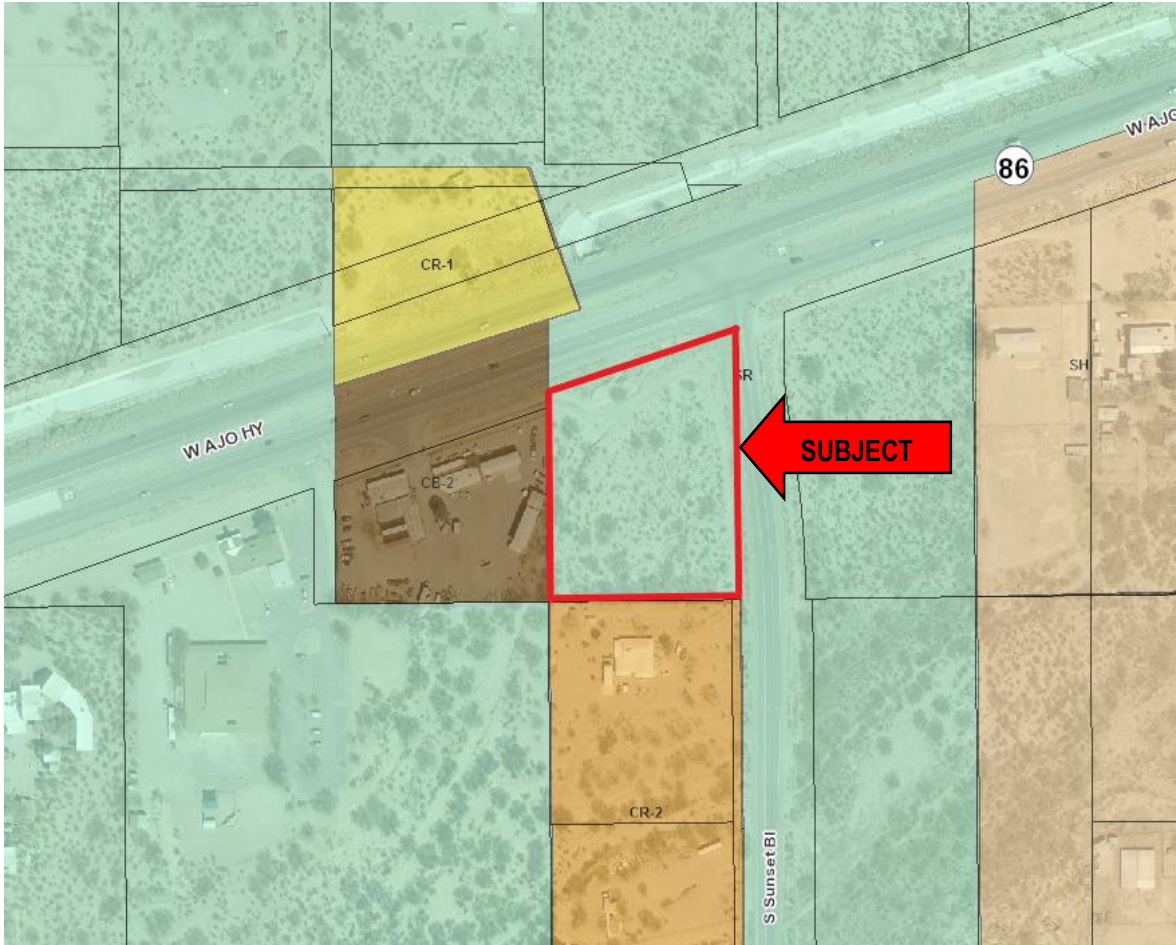
This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 11/9/2023 at 4:02 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

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

ZONING

The subject property is located in the Suburban Ranch, SR, zoning district in Pima County. This zone is represented on the following map followed by a brief description of the allowable uses.



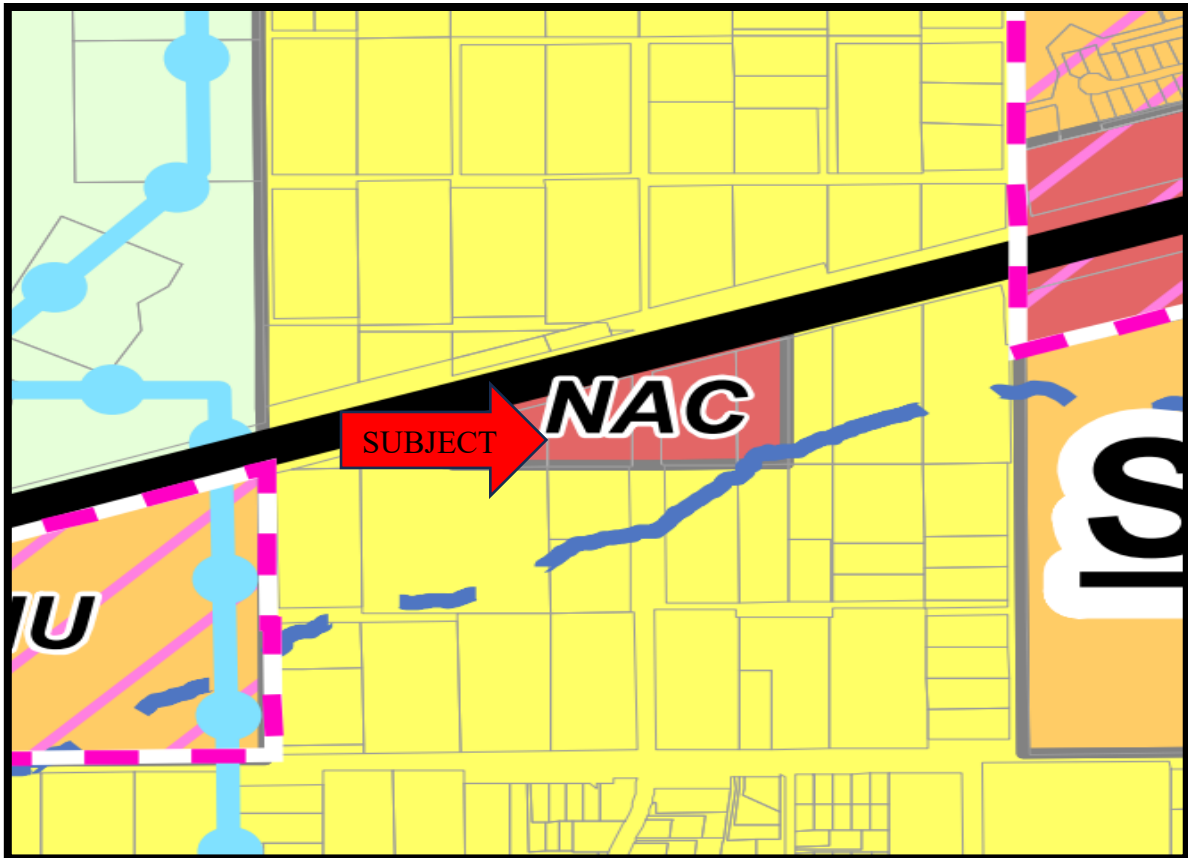
SR, Suburban Ranch Zone

The Suburban Ranch, SR, zone in Pima County is designed to accommodate low-density residential development, primarily consisting of mobile homes on individual lots or within mobile home parks. The SR zoning allows for compatible uses, such as civic, educational, recreational, religious, and agricultural facilities.

General Plan

The subject property is located in the Neighborhood Activity Center, NAC, in the Pima County General Plan. This is represented on the following map.

GENERAL PLAN MAP



The NAC allows for lower-intensity, mixed-use areas in Pima County that are designed to provide residents with convenient access to the goods and services they need on a daily and weekly basis. The NAC land use allows for a mix of housing, retail, office, and service uses, as well as public amenities.

Probability of Rezoning

The subject property is located within a low-density residential zoning district. Due to its location along a major throughfare, the subject property would likely be purchased to develop a commercial use. The property's marketability would be improved with a more intensive zoning than the current Suburban Ranch, SR, zoning. Due to this, a knowledgeable buyer would consider the likelihood of rezoning the site with a more intensive zone. We have relied on the following text in our consideration of rezoning the subject property.

Definition - Probability of Rezoning

The general rule is that present market value must ordinarily be determined by consideration only of the uses for which the land "is adapted and for which it is available." The exception to this general rule is that if the land is not presently available for a particular use by reason of a zoning ordinance or other restriction imposed by law, but the evidence tends to show a "reasonable probability of a

change in the near future” in the zoning ordinance or other restriction, then the effect of such probability upon the minds of purchasers generally may be taken into consideration in fixing present market value.¹³

Ms. Donna Spicola, Pima County Planner 2, was interviewed about the probability of rezoning the subject property for a commercial use. Ms. Spicola stated that the subject property’s location in the Pima County General Plan allows for commercial uses. She states that it is likely that the subject property would receive approval to be rezoned for a commercial use. In her opinion, the most likely upzoning to be approved is CB-1, General Business Zone.

CB-1, Local Business

The CB-1, Local Business is designed to accommodate a variety of neighborhood-scale commercial uses. Permissible uses within the zone encompass a wide spectrum of commercial , while conditional uses may be permitted with approval. Allowable uses include but are not limited to: retail stores, restaurants, office uses, automotive repair, gasoline service, hotel, marijuana dispensary, and all uses allowed in the TR, Transitional Zone.

Pima County Rezoning Fees

According to the Pima County Development Services Department, effective July 1, 2024, there are fees associated with the rezoning of a property. The potential fees associated with the subject property include but are not limited to the following fees outlined below.

Advertised Public Hearing	\$696
Comprehensive Plan Amendment & Rezoning	\$2,717
Site Analysis Rezoning Fees/Business	\$5,505
Modification of Rezoning Condition	\$1,043
Total	\$9,961

SOURCE: <https://content.civicplus.com/api/assets/632ac0c6-6769-401e-8af0-295683a80341>

During the rezoning process, it is typical for a development plan, which includes a traffic impact analysis, to be created prior to the rezoning request. This development plan serves as the basis for the rezoning request. The cost of a development plan varies based on the type and size of the development. This development plan is used to entitle the property during the rezoning process. Since none of the comparable sales are entitled, this cost is not considered.

¹³ *Martens V. State, Real Estate Valuation in Litigation 2nd. Edition, page 142, Appraisal Institute*

Entrepreneurial Incentive

In addition to the direct costs of rezoning, the indirect costs must also be considered. These are the costs to the entrepreneur who is holding the property during the rezoning process. A return to the equity investor of 10% to 20% per year is warranted depending on the risk of the investment. Based on our interview with Ms. Spicola, Pima County Planner 2, there is minimal risk for the subject property in the rezoning process. Due to this, we have estimated a return of 10% of the total direct and indirect costs. In total, it is estimated that the subject would incur \$10,957 in costs for rezoning. This cost includes 10% for Entrepreneurial Incentive. These costs will be considered in the Land Valuation section which follows.

Conclusion

Based on the interview with the Pima County Planning Department, this appraisal assumes that the subject property could reasonably be rezoned from SR to CB-1. This rezoning is estimated to take approximately one-year and would require a development plan. Overall, rezoning the subject property to CB-1 would allow for a more intensive development and increase the property's marketability.

ASSESSED VALUATION & TAX DATA

The subject is a portion of Pima County Assessor's Parcel 212-48-047A, which is the subject property's parent parcel. The following tax data encompasses the entire parcel. The property owner, State of Arizona, is exempt from property taxation. The subject's 2025 and 2026 limited cash values are in line with similar land in the subject's market. The following chart represents the subject's 2025 and 2026 limited cash value.

<i>AD VALOREM TAX INFORMATION</i>		
	2025 Actual Limited Value	2026 Actual Limited Value
212-48-047A	\$44,670	\$46,904
Subtotal	\$44,670	\$46,904
Assessment Ratio @	15%	15%
Limited Assessed Totals	\$6,701	\$7,036
EXEMPT FROM PROPERTY TAXES		
Total Taxes	\$0	\$0
Per Square Foot	\$0.00	\$0.00
Source: Pima County Assessor & Pima County Treasurer		

HIGHEST AND BEST USE

According to the 15th Edition of *The Appraisal of Real Estate*, published by the Appraisal Institute, highest and best use may be defined as:

"The reasonably probable and legal use of vacant land or an improved property, which is legally permissible, physically possible, appropriately supported, financially feasible, and that results in the highest value." (Page 332)

The highest and best use must meet four criteria. The highest and best use must be:

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

AS VACANT

Legally Permissible

Currently, the subject property is zoned SR, Suburban Ranch. As discussed within the Zoning Section, we believe there is a reasonable probability that the subject property could be rezoned to CB-1, Local Business. As such, the subject property is appraised as zoned CB-1 less the cost to be incurred by the owner for such a rezoning. The CB-1 zoning district legally allows for but is not limited to the following uses: retail stores, restaurants, office uses, automotive repair, gasoline service, hotel, marijuana dispensary, and all uses allowed in the TR, Transitional Zone.

Physically Possible

According to the client, the subject property consists of 1.84 acres or 80,163 square feet. This site size allows for smaller neighborhood commercial developments. The property consists of irregularly shaped, generally flat terrain that is at street grade with Sunset Blvd which provides access to the property. Utilities are available at or near the lot line with the exception of municipal sewer. The property is reliant on septic development.

The subject property is located within the Zone AO, FEMA floodplain. This floodplain restricts the site's development and increased site development costs. A hydrology study or site plan was not provided to the appraiser. Based on the commercial development adjacent west to the subject property, its location in the Zone AO floodplain is not estimated to be prohibitive to the site's development if the existing wash is properly developed.

Financially Feasible

The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses. The subject's smaller site size restricts its development to neighborhood serving retail and commercial uses. As discussed in the market analysis of this report, the subject property is located within an expanding submarket that demands higher rent rates than the Tucson MSA. There has been small and larger scale development of new retail product east of the property and within the Southwest Tucson Retail Submarket. While speculative development may not be feasible at this time due to the currently high cost of construction, build-to-suit developments are feasible if the agreed upon rents are sufficient to cover the developer's costs. Thus, developing the site with an owner occupied or build to suit commercial use is financially feasible.

Maximally Productive - Conclusion

Based on the aforementioned data presented within this report, the appraisers conclude that the highest and best use of the subject is for a commercial use, time and circumstances warranted. Our analysis of the subject and respective market characteristics indicates that the most likely buyer would be a commercial land investor (land speculation), or a commercial developer. Thus, the highest and best use of the subject property is for future commercial use.

LAND VALUATION

The Sales Comparison Approach is used to provide a market value opinion for the subject property, as vacant land. This approach applies the principle of substitution which affirms that when a property can be replaced, its value tends to be set by the cost of acquiring an equally desirable substitute property without undue or costly delay. The Sales Comparison Approach is the only applicable approach to value vacant land like the subject. Thus, neither a Cost nor Income Approach is applicable to the valuation of vacant land.

Adjustments are made to the comparable sales based on the following elements of comparison: property rights conveyed, financing terms, conditions of sale, market conditions (time), location, physical characteristics, and zoning/planned use. The subject property consists of vacant land. Its highest and best use is commercial land that include retail development. Thus, the appropriate unit of comparison is sale price per square foot.

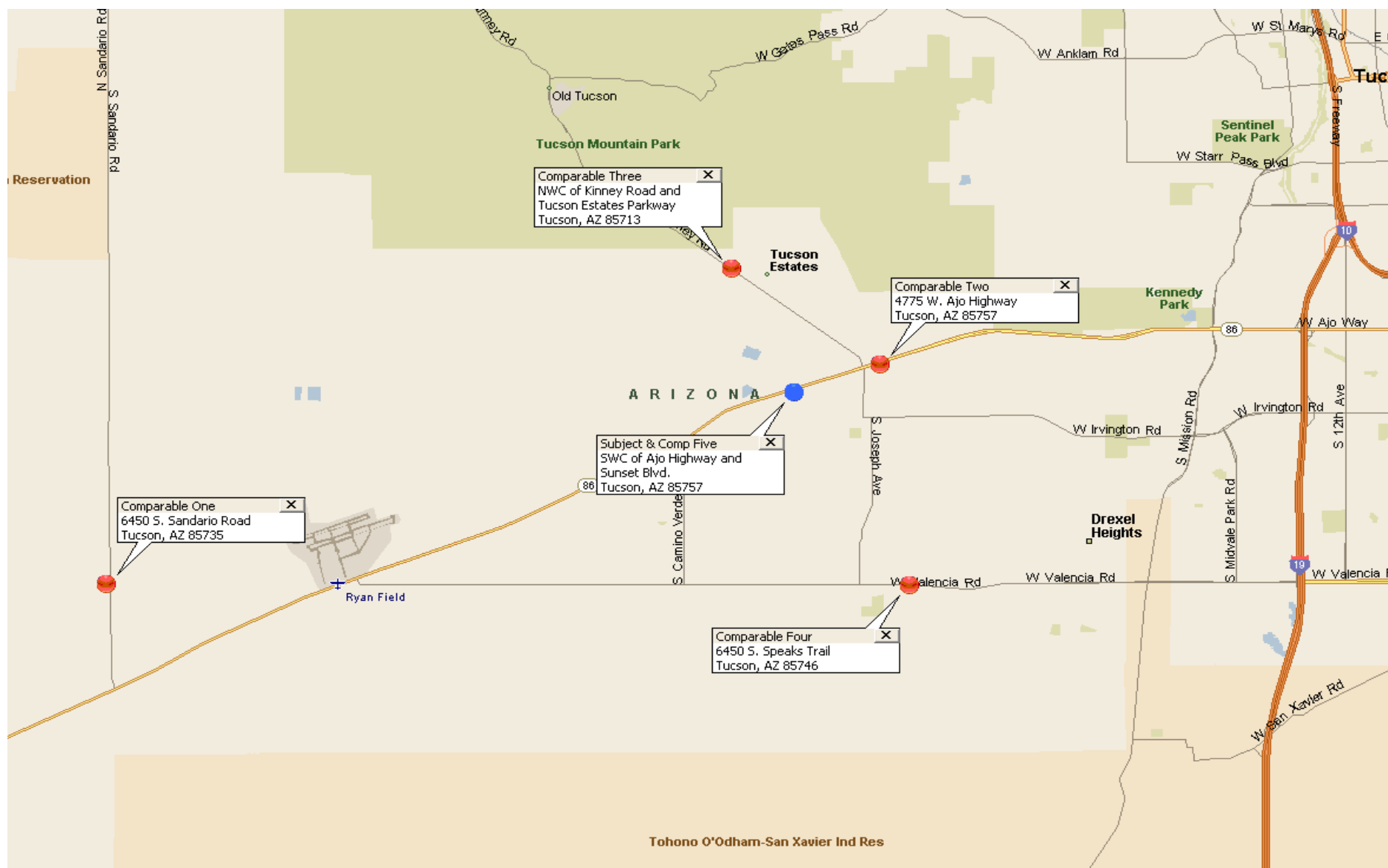
Search parameters for comparable commercial land focused on sales and listings that are similar in location and size to that of the subject. The search for land sales included immediate and surrounding areas that have similar demographics and are planned for similar commercial uses. There are several sales and listing of commercial use land just east of the subject, near Kinney Road and Ajo Highway. These properties are developed pads which are considered superior to the subject. Due to their superior site development, these sales and listing are excluded in our analysis. Since there is limited recent sale data of properties similar to the subject within close proximity, we have utilized older land sales. Price adjustments have been made to these properties to account for the increased market conditions since their sale date. The market data that is included in the analysis is considered to be the best available and provides a credible opinion of value.

There have been several residential use land sales located just south of the subject over the last 2 years. While these sales provide insight into the subject's market area, they do not provide a reliable indication of the subject's market value. Thus, they are excluded in our analysis. These sales are outlined in the following chart.

EXCLUDED LAND SALES							
LAND COMP	SALE DATE	PROPERTY LOCATION	SALE PRICE	SITE AREA IN S.F.	PRICE PER S.F.	ZONING / PLANNED USE	REASON EXCLUDED
1	04/26/23	5515 W. Irvington Road, Tucson, AZ 85757	\$75,000	15,507	\$4.84	CB-1 / Single-Family Residential	The property's frontage, size, developability, and use is not comparable to the subject.
2	07/21/23	South of Irvington Rd., East of Sunset Blvd., Tucson, AZ 85757	\$110,000	25,971	\$4.24	CB-1 / Single-Family Residential	The property's frontage, size, developability, and use is not comparable to the subject.
3	12/01/23	4950 S. Browning Lane, Tucson, AZ 85757	\$80,000	43,560	\$1.84	CR-1 / Single-Family Residential	The property's frontage, developability, and use is not comparable to the subject.
4	03/06/24	North of Iowa St., and West of Sheridan Avenue, Tucson, AZ 85757	\$120,000	41,589	\$2.89	CB-1 / Single-Family Residential	The property's frontage, developability, and use is not comparable to the subject.
AVERAGES:			\$96,250	31,657	\$3.45		

A location map showing the selected comparable land sales and listing relative to the subject property and individual data sheets are presented on the following pages. The price per square foot adjustment matrix follows the land value analysis.

COMPARABLE MAP



COMPARABLE LAND SALE



COMPARABLE:	Comp 1
LOCATION:	6450 S. Sandario Rd, Tucson, AZ, 85735
TAX CODE NUMBER:	209-11-1310 (Now 209-11-131B)
RECORDS:	
Instrument:	Special Warranty Deed
Date Recorded:	May 25, 2021
Affidavit of Fee No:	20211451190
SELLER:	SMT Investors, LP, CFG Hubbard Masterson I, et all
BUYER:	DCM Development Company, LLC
SALE PRICE:	\$275,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arms-Length W/Development Agreement
SITE SIZE IN SQ. FT.:	85,378
SITE SIZE IN ACRES:	1.96
SALE PRICE PER SQ. FT:	\$3.22
SALE PRICE PER ACRE:	\$140,306
PHYSICAL DESCRIPTION	
Location:	Below Average
Access / Frontage:	Average / Average
Traffic Counts:	1,453 Vehicles Per Day, ADOT 2022
Topography / Shape:	Level / Rectangular
Flood Risk:	Zone X
Utilities:	Lot Line Except Sewer, Septic Required
ZONING/PLANNED USE:	CB-1, Local Business / Dollar General-Retail
THREE YEAR HISTORY:	No Prior Sales
MARKETING TIME:	Not Disclosed
CONFIRMED WITH:	Dave Hammack, Buyer's Broker, 520-546-2712, CoStar, and Affidavit of Value
DATE CONFIRMED:	6/23/2025
COMMENTS:	

This sale represents a parcel of land which was bought for the development of a Dollar General. It is located in a rural area approximately two-miles west of Ryan Airfield. The property is on the northwest corner of Sandario Road and Valencia Road. This part of Valencia road does not connect with the primary thoroughfare of Valencia Road closer to Interstate-19. According to the buyer's agent, the buyer had a development agreement in place with Dollar General prior to the purchase. The buyer will develop the land and building and Dollar General agreed to a 15-year lease with multiple options. This provides financial security to the buyer. Water is available in Valencia Road and overhead electric lines are at the northeastern property boundary. Sewer service is not available in this area and a septic system is required.

COMPARABLE LAND SALE



COMPARABLE:	Comp 2
LOCATION:	4775 W. Ajo Highway, Tucson, AZ 85757
TAX CODE NUMBER:	212-50-0100
RECORDS:	
Instrument:	Warranty Deed
Date Recorded:	December 22, 2021
Affidavit of Fee No:	2021-3560547
SELLER:	Sean & Lori Nicks
BUYER:	Bear River Storage LLC
SALE PRICE:	\$800,000
INTEREST CONVEYED:	Fee Simple
TERMS:	\$100,000 Down, Seller Carryback
CONDITIONS OF SALE:	Arm's-Length
SITE SIZE IN SQ. FT.	229,866
SITE SIZE IN ACRES	5.28
SALE PRICE PER ACRE:	\$151,601
SALE PRICE PER SQ. FT:	\$3.48
PHYSICAL DESCRIPTION	
Location:	Good
Access / Frontage:	Above Average / Good
Traffic Counts:	34,948 Vehicles Per Day, ADOT 2022
Topography / Shape:	Level / Irregular
Flood Risk:	Zone X and Zone A
Utilities:	Lot Line
ZONING/PLANNED USE:	CB-2, Commercial / Self Storage-Investment
THREE YEAR HISTORY:	No Prior Sales
MARKETING TIME:	Not Disclosed
CONFIRMED WITH:	Sean Nicks, Seller, 520-576-2332, CoStar, and Affidavit of Value
DATE CONFIRMED:	Work File
COMMENTS:	

This comparable is located with frontage along Ajo Highway. West of the site there is commercial development which includes O'Reilly Auto, McDonald's, Dairy Queen and Circle K. The seller provided a carryback loan to the buyer for \$700,000. According to the seller, the interest rate on the loan was at a current rate. At the time of purchase, the buyer intended to develop a self-storage facility on the site. The property is currently listed for sale for \$1.09 million as the buyer abandoned their development plan. According to the Pima County GIS, approximately 55% or 2.9 acres of the site is within the Zone A floodplain.

COMPARABLE LAND SALE



COMPARABLE:	Comp 3
LOCATION:	NWC Kinney Road and Tucson Estates Parkway, Tucson, AZ 85713
TAX CODE NUMBER:	212-29-005B
RECORDS:	
Instrument:	Warranty Deed
Date Recorded:	April 28, 2022
Affidavit of Fee No:	2022-1180566
SELLER:	Falcon Ridge Real Estate LLC
BUYER:	Vincenzo Field
SALE PRICE:	\$40,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length / Below Market
SITE SIZE IN SQ. FT.	44,867
SITE SIZE IN ACRES	1.03
SALE PRICE PER ACRE:	\$38,835
SALE PRICE PER SQ. FT:	\$0.89
PHYSICAL DESCRIPTION	
Location:	Average
Access / Frontage:	Average / Average
Traffic Counts:	5,556 Vehicles Per Day, ADOT 2022
Topography / Shape:	Gently Sloping / Irregular
Flood Risk:	Zone X-Restrictive Wash
Utilities:	Lot Line
ZONING/PLANNED USE:	CB-1, Commercial / Restaurant
THREE YEAR HISTORY:	No Prior Sales
MARKETING TIME:	Not Disclosed
CONFIRMED WITH:	Vincezo Field, Buyer, 734-395-3658, CoStar, and Affidavit of Value
DATE CONFIRMED:	Work File

COMMENTS:

This comparable represents the sale of 1.03 acres of vacant, commercial land. The property is located adjacent west of the Tucson Estates mobile home community. According to the buyer, the transaction was arm's-length and utilized a broker. The buyer purchased the land to develop with a commercial use. Although his plans are not finalized, the buyer intends to use the site for a restaurant use. Nearby commercial developments include Circle K, Family Dollar, Ace Hardware, and several restaurants. The property is encumbered by a wash that restricts the site's development. This was is not defined by FEMA, but the existing culvert at the southern property boundary and information provided by Pima County support its existence.

COMPARABLE LAND SALE



COMPARABLE:	Comp 4
LOCATION:	6450 S. Speaks Trail, Tucson, AZ 85746
TAX CODE NUMBER:	137-18-126A
RECORDS:	
Instrument:	Special Warranty Deed
Date Recorded:	September 9, 2022
Affidavit of Fee No:	2022-2520414
SELLER:	Four Davis Brothers LLC
BUYER:	Pascua Yaqui Tribe
SALE PRICE:	\$365,000
INTEREST CONVEYED:	Fee Simple
TERMS:	Cash to Seller
CONDITIONS OF SALE:	Arm's-Length
SITE SIZE IN SQ. FT.	114,998
SITE SIZE IN ACRES	2.64
SALE PRICE PER ACRE:	\$138,258
SALE PRICE PER SQ. FT:	\$3.17
PHYSICAL DESCRIPTION	
Location:	Above Average
Access / Frontage:	Good / Good
Traffic Counts:	30,042 Vehicles Per Day, ADOT 2022
Topography / Shape:	Level / Irregular
Flood Risk:	Zone X
Utilities:	Lot Line
ZONING/PLANNED USE:	GR-1, Residential / Assumed Commercial
THREE YEAR HISTORY:	No Prior Sales
MARKETING TIME:	Not Disclosed
CONFIRMED WITH:	Dave Hammack, Buyer's Broker, 520-546-2712, CoStar, and Affidavit of Value
DATE CONFIRMED:	Work File
COMMENTS:	

This comparable represents the sale of 2.64 acres according to the Pima County Assessor's Office. The listing indicated that the site size is 2.84 acres. I have relied on the assessor's site estimate. The property was marketed as retail development land due to its corner location with frontage on Valencia Road. Utilities are available at the property's lot line. According to the buyer's broker, the transaction was arm's-length. The buyer does not have immediate plans for development of the site. The surrounding area is primarily low-density residential with some low intensity commercial uses. The surrounding residences show signs of deferred maintenance. Directly east of the site is a Family Dollar.

COMPARABLE LAND LISTING



COMPARABLE:

Comp 5

LOCATION:

SWC of Ajo Highway and Sunset Blvd. Tucson, AZ
85757

TAX CODE NUMBER:

Portion of 212-48-047A

RECORDS:

List Date:

January 30, 2024

Days on Market:

512 Days As of Date of Value

Listing Agent:

ADOT Right of Way Property Management

SELLER:

State of Arizona

BUYER:

Active Listing

LIST PRICE:

\$150,000

INTEREST CONVEYED:

Fee Simple

TERMS:

Assumed Cash to Seller

CONDITIONS OF SALE:

Active Listing

SITE SIZE IN SQ. FT.

80,163 / 74,188 Developable

SITE SIZE IN ACRES

1.84

LIST PRICE PER ACRE:

\$81,522

LIST PRICE PER SQ. FT:

\$1.87

PHYSICAL DESCRIPTION

Location:

Average

Access / Frontage:

Above Average / Above Average

Traffic Counts:

13,544 Vehicles Per Day, ADOT 2023 & 2024

Topography / Shape:

Level / Irregular

Flood Risk:

Zone AO-Restrictive Wash

Utilities:

Lot Line Except Sewer, Septic Required

ZONING/PLANNED USE:

SR-Suburban Ranch / Assumed Commercial

THREE YEAR HISTORY:

No Prior Sales

MARKETING TIME:

512 Days

CONFIRMED WITH:

Donna Bentley, Listing Agent, 602-712-8808

DATE CONFIRMED:

6/26/2025

COMMENTS:

This comparable represents the active listing of the subject property. According to Donna Bentley, ADOT Listing Agent, the property was listed for sale on January 30, 2024 for \$150,000. The property was listed for sale on ADOT's website. It was not listed on CoStar or the MLS, which is typical of the market to provide adequate exposure. Since it has been listed, the property has received a verbal offer to purchase for \$80,000. No other written or verbal offers have been submitted. This is partially attributed to the lack of sufficient exposure to the market.

LAND VALUE ANALYSIS

Quantitative adjustments have been considered for elements of comparison including property rights conveyed, financing terms, conditions of sale, and date of sale, location, and physical characteristics, zoning/planned use. A tabulation of these comparable sales and listing follows.

<i>SUMMARY OF LAND COMPARABLES</i>								
LAND COMP	SALE DATE	PROPERTY LOCATION	SALE PRICE	SITE AREA IN ACRES	SITE AREA IN S.F.	PRICE PER ACRE	PRICE PER S.F.	ZONING / PLANNED USE
1	05/25/21	6450 S. Sandario Rd, Tucson, AZ, 85735	\$275,000	1.96	85,378	\$140,306	\$3.22	CB-1, Local Business / Dollar General-Retail
2	12/22/21	4775 W. Ajo Highway, Tucson, AZ 85757	\$800,000	5.28	229,866	\$151,601	\$3.48	CB-2, Commercial / Self Storage-Investment
3	04/28/22	NWC Kinney Road and Tucson Estates Parkway,	\$40,000	1.03	44,867	\$38,835	\$0.89	CB-1, Commercial / Restaurant
4	09/09/22	6450 S. Speaks Trail, Tucson, AZ 85746	\$365,000	2.64	114,998	\$138,258	\$3.17	GR-1, Residential / Assumed Commercial
5	Active Listing	SWC of Ajo Highway and Sunset Blvd. Tucson, AZ 85757	\$150,000	1.84	80,163	\$81,522	\$1.87	SR-Suburban Ranch / Assumed Commercial
Subject	---	SWC of Ajo Highway and Sunset Blvd. Tucson, AZ 85757	---	1.84	80,163	---	---	SR-Assumed CB-1 / Commercial Development

The following is an analysis of the sales by each element of comparison. The adjustment matrix summarizes the price adjustments and precedes the conclusion of this analysis.

Property Rights Conveyed

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

Financing Terms

In accordance with the definition of market value, adjustments for financing terms assume all cash or cash to the seller with the buyer obtaining new conventional financing at prevailing interest rates.

Comparables One, Two, Three, Four, and Five were transacted on the basis of all cash to seller, assumed cash to seller or a market rate carry back loan. No price adjustments are made for those financing terms.

Conditions Of Sale

A price adjustment for conditions of sale is made if the transaction was influenced by outside factors such as financial duress, lack of a sales commission, a related-party transaction, or out of the ordinary motivations of the buyer or seller.

Comparable One is an arm's-length transaction. The buyer purchased the land with a build to suit development agreement in place with Dollar General, a national retailer. The existing development agreement with a credit worthy tenant guaranteed an immediate profit to the buyer. According to Trek Investment Group, Dollar General selects isolated locations with limited income levels to avoid competition with larger grocery chains¹⁴. Without this development agreement, it is unlikely the property would be purchased on the open market at the purchase price due to its isolated location. The buyer's broker did not disclose how much value the existing development agreement influenced the purchase price.

There are no commercial land sales in the area to use as a basis for our price adjustment. There is a 1.15-acre site listed for sale \$108,696 or \$2.50 per square foot. It is located at 15442 W. Ajo Highway, Tucson, AZ 85735, west of the comparable. While this property has superior frontage along Ajo Highway, it is located in an area with limited population and development. Its listing price is considered as a basis for our price adjustment. Additionally, the sale price of Comparable Three and the listing price of Comparable Five is also considered. Comparable One's existing development agreement is superior to the subject. A downward price adjustment is made.

Comparables Two, and Four were arm's-length transactions that utilized a broker. No price adjustments are made.

According to CoStar, Comparable Three had the lowest total purchase price of all commercial land sales up to 3 acres in the Tucson MSA over the last 3-year period prior to the sale. This is an indication that the property was purchased at a price below its market value. The buyer stated that the transaction was arm's-length and the property was listed on the open market with a broker. Although, this purchase price is considered below market value based on land values in the surrounding area. An upward price adjustment is made to account for the below market sale price.

Comparable Five is the active listing of the subject property. The property was listed for sale on January 30, 2024. The property is currently listed for sale on ADOT's website. It

¹⁴ <https://www.trekig.com/in-the-press/how-dollar-general-became-rural-americas-store-of-choice/>

is not listed on CoStar or the MLS. In order to provide appropriate exposure to the market, for sale properties typically utilize these listing services. According to the listing agent, the property has received minimal interest to purchase. This is partially attributed to the limited exposure of the property. A verbal offer was submitted to purchase the property for \$80,000. Due to the limited interest to purchase the property, it is likely the property would be purchased for less than the list price. A downward price adjustment is made.

Market Conditions (Time)

A price adjustment for market conditions considers any changes in market prices that occur over time. These changes include fluctuations in supply and demand and general price changes for the property type. Since the subject property is appraised as of a specific date, the comparable sales must be analyzed to determine the direction of price change, if any, during the period between the sale date and the effective date of value.

The sales dates for the comparable sales range from May 2021 to currently listed. As discussed in the Market Analysis, market conditions have been improving since May 2021 to the effective date of value. A 6% annual upward price adjustment is applied from all of the comparable sales dates to the June 25, 2025 date of value. Comparable Five is not adjusted as it is a current listing.

LOCATION

General/Access/Frontage

In order to determine the economic differences between the subject property and the comparables, income levels, the annual amount of money spent on retail and food services, population, adjacent uses, access, and frontage are analyzed. The following chart summarizes these characteristics for the subject and comparables.

PROPERTY CHARACTERISTICS						
Category	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Median Annual Household Income*	\$68,232	\$72,854	\$76,710	\$66,333	\$74,070	\$68,232
Average Spent Annually on Retail Trade and Food Service*	\$23,696	\$27,992	\$25,213	\$23,152	\$24,453	\$23,696
Population*	18,658	1,979	20,860	14,164	36,384	18,658
Adjacent Uses	Commercial and Residential	Vacant Land and Residential	Commercial and Residential	Vacant Land and Residential	Commercial and Residential	Commercial and Residential
Access	4-Lane Urban Principal Arterial - Above Average	2-Lane Rural Minor Arterial - Average	4-Lane Urban Principal Arterial - Above Average	3-Lane Urban Major Collector - Average	5-Lane Urban Minor Arterial - Above Average	4-Lane Urban Principal Arterial - Above Average
Frontage	Direct Corner With 13,544 VPD - Above Average	Direct Corner With 1,453 VPD - Average	Direct Mid-Block With 34,948 VPD - Good	Direct Corner With 5,556 VPD - Average	Direct Corner With 30,042 VPD - Good	Direct Corner With 13,544 VPD - Above Average
*2024 Annual Data is From Site to do Business Within a 3-Mile Radius						

The subject property is located on the southwest corner of Ajo Highway and Sunset Boulevard. It is situated approximately 4 miles north of Casino Del Sol, which is the area's primary employer. According to Site to do Business, there are 18,658 persons who spend \$23,696 on retail products and food services and have a median household income of \$68,232 within a 3-mile radius. The income and expenditure levels support average quality commercial developments. The surrounding area contains commercial and residential uses. There are vast amounts of undeveloped land in the immediate area with more intensive developments existing to the east. Overall, the subject's location is considered average.

Access to the subject property is from Sunset Boulevard, east of the subject property. This access is considered above average as it is benefited by its corner location adjacent south of Ajo Highway. The subject has above average frontage along Ajo Highway with an average daily traffic count of 13,544 vehicles per day along Ajo Highway and Sunset Boulevard.

Comparable One has a similar income level and retail expenditure level per person as the subject, the comparable has an inferior population base. Its location is below average due to its isolated, largely undeveloped location. An upward price adjustment is made. The comparable is accessed from an inferior roadway that is considered average. An upward price adjustment is made. The property is corner located on a roadway with minimal traffic volumes, inferior to the subject. An upward price adjustment is made. Overall, an upward price adjustment is made.

Comparable Two has superior income levels, retail expenditure levels, and population base compared to the subject. The surrounding area is developed with retail developments and residential subdivisions within close proximity. The adjacent retail uses are occupied by national companies and benefit the comparable. Its location is superior to the subject and a downward price adjustment is made. The property is accessed from the same roadway as the subject and is considered similar. No price adjustment is made for access. The comparable's mid-block location is not as prominent as the subject's corner location. Although, traffic volumes near the comparable are more than double the subject's traffic exposure. Overall, the comparable's frontage is superior to the subject and a downward price adjustment is made. Overall, a downward price adjustment is made.

Comparable Three has slightly inferior income levels, retail expenditure levels, and population base compared to the subject. The surrounding area is developed with residential uses that include manufactured homes. The surrounding area also contains large tracts of

undeveloped land. Its location is considered inferior to the subject and an upward price adjustment is made. The comparable is accessed from an inferior roadway. An upward price adjustment is made. The property has direct frontage along Kinney Road which provides inferior traffic exposure. An upward price adjustment is made for exposure. Overall, an upward price adjustment is made.

Comparable Four is located in an area with superior income levels, retail expenditure levels, and population base compared to the subject. It is located just west of one of the most prominent commercial corridors in the Tucson Metro. Its location is superior to the subject and a downward price adjustment is made. The comparable is accessed from a superior roadway and contains two access points from Valencia Road and Camino De Oeste. This is superior to the subject and a downward price adjustment is made. The property's corner location has exposure to heavy traffic volumes which are superior to the subject. A downward price adjustment is made. Overall, a downward price adjustment is made.

Comparable Five is the active listing for the subject property. No price adjustments are warranted.

Physical Characteristics

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

Site Size

Assuming all other things are equal a larger property usually sells for a lower price per acre than a smaller property due to economies of scale. This is because smaller properties typically have a larger number of potential buyers than a larger property and because the holding cost to the developer of a larger parcel is greater due to the extended timeline to develop a larger site area. The subject property is comprised of 80,163 square feet or 1.84 acres. Due to the wash on the western portion of the site, only 74,188 square feet, 92.5%, of the site is developable. The comparable sales range from 44,867 square feet to 229,866 square feet.

There is limited available land sale data within the subject's neighborhood to extract reliable site size adjustments using paired sales. Commercial land sales within Pima County were analyzed to estimate site size adjustments. According to CoStar, within the last 3-year period, the 41 land sales ranging from 32,670 to 54,450 square feet had a median sale price of \$15.78 per square foot. The 10 land sales that ranged from 76,230 square feet to 98,010 square feet had a median sale price of \$12.34 per square foot. The 12 land sales ranging from

108,900 to 130,680 square feet had a median sale price of \$5.92 per square foot. The 7 land sales ranging from 217,800 square feet to 239,580 square feet had a median sale price of \$5.66 per square foot.

It is acknowledged that the smaller land sales include more developed sites which typically sell for more per square foot than raw land sales. These differences provide some guidance regarding a size adjustment and is considered the basis for our adjustments. Based on the aforementioned data, economies of scale are most prevalent for properties over 108,900 square feet or 2.5 acres.

Comparables One and Five are similarly sized compared to the subject property. No price adjustments are made.

Comparables Two and Four are larger than the subject. Upward price adjustments are made.

Comparable Three is smaller than the subject property. A downward price adjustment is made.

Topography / Shape

The subject property has flat topography with the exception of the wash on the western portion of the site. This wash will be accounted for in the floodplain section. Thus, its topography is not analyzed. The property is irregular in shape. The property's irregular shape does not inhibit its development.

Comparables One, Two, Four, and Five have flat terrain and irregular site shape that are not restrictive. No price adjustments are made.

Comparable Three has gently sloping terrain that requires additional grading to develop the site. This is inferior to the subject property. An upward adjustment is made to account for the additional grading costs.

Utilities (Offsites)

The subject property's water, gas, and electric utilities are located at or near the property's lot line. Sewer is approximately ¼ mile to the east of the site. Due to the exorbitant costs to develop sewer to the site, it is reliant on the development of a septic system. According to *Marshall Valuation Services, MVS*, a 2,000-gallon septic tank ranges from \$4,264 to \$5,928 with an average cost of \$5,096, which is used. According to the Arizona Department of Environmental Quality, a 2,000-gallon septic tank needs 140–160 feet of leach lines. According to MVS, the cost of leach lines average \$12.17 per linear foot. Based on the 140-foot minimum, the leach lines costs \$1,704. In total, a septic system is estimated

to cost \$6,800. This cost equates to \$0.09 per square foot for the subject's 80,163 square foot site ($\$6,800 / 80,163 \text{ S.F.} = \0.09 Per S.F.). This cost is used as the basis for our price adjustments.

Comparable One and Five has water, electric and gas available at or near the lot line. The sites do not have sewer and are reliant on septic development. This is similar to the subject property and no adjustment is made.

Comparables One, Two, Three, and Four have all utilities available at or near the lot line. This is superior to the subject which is reliant on septic development. A downward adjustment is made to the comparables which have superior sewer development potential.

Comparable Five has water, electric and gas available at or near the lot line. The site does not have sewer and is reliant on septic development. This is similar to the subject property and no adjustment is made.

Floodplain

As discussed in the Site Analysis, the subject property is located in the FEMA Zone AO floodplain. This floodplain has a 1% or greater chance of shallow flooding every year with an average depth of 1 to 3 feet. A hydrology study was not supplied to the appraiser. It is a recommendation that the property owner or any potential buyer have a hydrology study performed on the property prior to any development of the site. Without a hydrology study or site plan, we will use cost estimates to raise the building site 2 feet. This estimate is made to use as a basis for our adjustments.

Bill Carroll, President of Civil and Environmental Consultants was interviewed regarding development of the subject property. Mr. Carroll stated that development of the subject property can not increase the water runoff to the surrounding properties. Without completing a hydrology study of the subject, which is outside of the scope of work for this appraisal, determining the required development to accommodate the required flowage of water is unknown.

The subject property consists of approximately 74,188 square feet of developable site area. Typical site coverage ratios from the subject's market area were analyzed to estimate the site's development. Based on the selected improved commercial properties, the typical site coverage ratio is 12.43%. These site coverage ratios are outlined in the following chart.

SITE COVERAGE RATIOS				
PARCEL #	SITE SIZE	BUILDING SIZE	SITE COVERAGE RATIO	USE
212-48-046A	87,701	4,237	4.83%	Old Town Horse and Pet
212-50-001F	53,819	6,904	12.83%	Multi-Tenant Retail
212-50-011G	42,153	7,711	18.29%	O'Reilly Auto Parts
212-50-001G	31,349	3,467	11.06%	McDonalds
212-50-006A	29,649	3,129	10.55%	Tiny's Restaurant
318-26-317E	81,022	13,782	17.01%	Walgreens
AVERAGES	54,282	6,538	12.43%	-

Utilizing the average site coverage ratio of 12.43% on the subject's 74,188 square feet of developable site area, the subject's building area is estimated to be 9,222 square feet ($74,188 \times 0.1243 = 9,222$). Assuming a 9,222 square foot building is developed on the subject property's site, we will estimate the cost to raise the building site area out of the existing floodplain.

To raise the 9,222 square foot building site 2 feet, the subject property would require 683 cubic yards of fill dirt. This equates as follows:

$$9,222 \text{ Square Feet} \times 2 \text{ Foot Site Lift} = 18,444 \text{ Square Feet}$$

$$18,444 \text{ S.F.} / 27 \text{ (Conversion to Cubic Yards)} = 683 \text{ Cubic Yards}$$

Kevin McAlevy, Pioneer Landscaping Commercial Sales, 719-726-4931, was consulted regarding the required amount of fill dirt needed to raise the building pad 2 feet. According to Mr. McAlevy, the site would require 925 tons of fill dirt. The cost of fill dirt to include delivery to the site and dump is \$22,191.

Riprap would be required to protect the embankment from erosion. Based on our measurements utilizing the Pima County GIS mapping system, 258 linear feet of wash embankment would need riprap. Assuming the 258 feet of riprap would need to be 4 feet high on both embankment sides, 2,064 square feet of riprap would be required ($258 \times 8 = 2,064 \text{ S.F.}$). This equates to 229 square yards of riprap required of bank protection ($2,064 / 9 = 229$). According to *MVS*, riprap costs range from \$119.48 to \$168.92 per square yard. Utilizing the middle of the range, \$144.20 per square yard, riprap is estimated to cost \$33,022 ($\$144.20 \times 229 \text{ S.Y.} = \$33,022$).

According to *MVS*, grading and surplus disposal costs \$0.35 to \$0.90 per square foot with an average cost of \$0.63 per square foot. The estimated building site consists of 9,222 square feet. Grading of the site would consist of recently delivered fill dirt which is considered the easiest to grade. The low end of the price estimate is used to consider grading

costs according to *MVS*. This grading will not include site compacting which is required prior to development. Additionally, the cost to remove the existing vegetation prior to the delivery of the fill dirt is not considered. This is due to the comparables having to incur similar cost to remove native vegetation prior to their development. The grading costs equates as follows:

$$9,222 \text{ S.F. } \times \$0.35 = \$3,228$$

The total cost to raise the buildable site 2 feet includes: cost of fill dirt, transportation costs, riprap, and grading costs. These costs are added together to estimate the total development costs to remove the site from the floodplain. In total, the estimated cost to lift the site out of the floodplain is as follows:

<u>\$22,191</u>	<u>+</u>	<u>\$33,022</u>	<u>+</u>	<u>\$3,228</u>	<u>=</u>	<u>\$58,441</u>
Fill Dirt		Riprap		Grading		Total

Time and risk associated with developing the site out of the floodplain is considered. It is typical of the market for investors to expect a 10% to 20% return for entrepreneurial incentive. Due to the lack of a hydrology study, the actual development required to bring the site out of the floodplain is unknown. This adds additional risk to the investor who would demand a higher return on the investment for the added risk. To account for the increased risk, 20% is added to the estimated costs of curing the subject property's floodplain issues for entrepreneurial incentive. This equates as follows.

$$\$58,441 \times 1.20 = \$70,129$$

The subject property consists of 80,163 square feet. The estimated costs plus entrepreneurial incentive to raise the site is divided by the site size to estimate the costs per square foot. This equates as follows.

$$\$70,129 / 80,163 \text{ SF} = \$0.87 \text{ Per Square Foot}$$

The \$0.87 per square foot cost will be used as a basis for the adjustments made to the comparables. Downward adjustments will be made to comparables that require less or no additional site work in comparison to the subject property.

Comparables One is located in Zone X, outside of the floodplain. This is superior to the subject property. A downward adjustment is made.

Comparable Two is located within the Zone A and Zone X floodplains. The comparable is estimated to have additional development cost as its partially located in Zone A. The portion of the comparable is less affected by the floodplain in comparison to the

subject. A downward price adjustment is made for less than the total costs incurred by the subject.

Comparable Three is located in a Zone X, outside of the floodplain. Based on our physical inspection of the comparable, there is an existing wash along the northern portion of the comparable. Prior to its development, the site would require water mitigations that are less intensive compared to the subject. A reduced downward price adjustment is made.

Comparable Four is located in Zone X, outside of the floodplain. This is superior to the subject property. A downward adjustment is made.

Comparable Five is the subject property. No price adjustment is warranted.

Zoning / Potential Use

The subject property is currently zoned SR, Suburban Ranch, a residential zoning district. The appraiser established that there is a reasonable likelihood of the subject property receiving rezoning approval to CB-1, Local Business Zone. The rezoning process is estimated to take one-year and incur additional costs as outlined in the Zoning section of this appraisal.

When valuing a property that is subject to rezoning considerations are given to risks of non-approval, costs to rezone and time associated within the rezoning process. These are considered within the price adjustments to the comparable sales. Based on the probability of rezoning, the subject property's potential future use is believed to be a commercial use. The estimated cost to rezone the subject property that includes 10% for entrepreneurial incentive is \$10,957 or \$0.14 per square foot. The \$0.14 per square foot cost to rezone the subject is used as a basis for adjustments to the comparables.

Comparable One is zoned CB-1, Local Business Zone in Pima County. The property was improved with a Dollar General retail store, which is an allowable use for the subject. The comparable does not have to be rezoned, which is superior to the subject. A downward price adjustment is made to account for the subject's rezoning costs.

Comparable Two is zoned CB-2, General Business. This zoning district allows for more intensive uses compared to the subject's assumed CB-1 zoning. The buyer's original planned use was a self-storage development, which is allowable in the subject's assumed zoning. The buyer abandoned this development plan and has currently listed the property for sale at \$1.09 million. The comparable's larger size and zoning can allow for a more intensive commercial use compared to the subject. As the comparable does not have to be rezoned, a

downward price adjustment is made for the cost to rezone the subject. An additional downward price adjustment is made for the comparable's superior zoning.

Comparable Three is currently zoned CB-1, Local Business Zone. The property owner purchased the property with plans to develop a restaurant use, which is an allowable use on the subject property. As the comparable does not have to be rezoned, a downward price adjustment is made for the cost to rezone the subject.

Comparable Four is zoned GR-1, Rural Residential. Due to the property's location along Valencia Road and corner location it would likely be developed with a commercial use. The comparable property was marketed and sold as a retail property. Based on the comparable's location, size, and frontage, the property would likely be developed with a commercial use, similar to the subject property. The buyer purchased the land without plans to immediately develop the site. The comparable would have to be rezoned, similar to the subject property. Thus, no adjustment is made for the cost of rezoning.

Comparable Five is the subject property. No price adjustments are warranted. Here follows the Comparable Sales Adjustment Matrix summarizing the adjustments to the comparable land sales as they apply to the subject property.

LAND ADJUSTMENT MATRIX

ELEMENTS OF COMPARISON	SUBJECT	Comp 1		Comp 2		Comp 3		Comp 4		Comp 5	
	SWC of Ajo Highway and Sunset Blvd. Tucson, AZ 85757	6450 S. Sandario Rd, Tucson, AZ, 85735	Price / SF Adjustments	4775 W. Ajo Highway, Tucson, AZ 85757	Price / SF Adjustments	NWC Kinney Road and Tucson Estates Parkway, Tucson, AZ 85713	Price / SF Adjustments	6450 S. Speaks Trail, Tucson, AZ 85746	Price / SF Adjustments	SWC of Ajo Highway and Sunset Blvd. Tucson, AZ 85757	Price / SF Adjustments
SALE PRICE / PER SQUARE FOOT	N/A	\$275,000	\$3.22	\$800,000	\$3.48	\$40,000	\$0.89	\$365,000	\$3.17	\$150,000	\$1.87
INTEREST RIGHTS CONVEYED	Assume Fee Simple	Fee Simple 0%	\$0.00	Fee Simple 0%	\$0.00	Fee Simple 0%	\$0.00	Fee Simple 0%	\$0.00	Fee Simple 0%	\$0.00
FINANCING TERMS	Assume cash to seller	Cash to Seller 0%	\$3.22	\$100,000 Down, Seller Carryback 0%	\$3.48	Cash to Seller 0%	\$0.89	Cash to Seller 0%	\$3.17	Assumed Cash to Seller 0%	\$1.87
CONDITIONS OF SALE	Assume Market	Arms-Length W/Development Agreement -40%	\$0.00	Arm's-Length 0%	\$0.00	Arm's-Length / Below Market 25%	\$0.89	Arm's-Length 0%	\$0.00	Active Listing -25%	\$0.00
MARKET CONDITIONS	June 25, 2025 Date of Value	May 25, 2021 24%	\$1.93	December 22, 2021 21%	\$3.48	April 28, 2022 18%	\$0.22	September 9, 2022 15%	\$1.11	Active Listing 0%	\$0.47
ADJUSTED SALE PRICE PER SF			\$2.40		\$4.21		\$1.32		\$3.65		\$1.40
LOCATION	Average	Below Average		Good		Average		Above Average		Average	
General	Above Average / Above Average	Average / Average 20%	\$0.48	Above Average / Good -30%	-\$1.26	Average / Average 10%	\$0.13	Good / Good -25%	-\$0.91	Above Average / Above Average 0%	\$0.00
PHYSICAL CHARACTERISTICS	80,163 / 74,188 Developable	85,378 0%	\$0.00	229,866 10%	\$0.42	44,867 -5%	-\$0.07	114,998 5%	\$0.18	80,163 / 74,188 Developable 0%	\$0.00
Topography / Shape	Level / Irregular	Level / Rectangular 0%	\$0.00	Level / Irregular 0%	\$0.00	Gently Sloping / Irregular 15%	\$0.20	Level / Irregular 0%	\$0.00	Level / Irregular 0%	\$0.00
Utilities	Lot Line Except Sewer, Septic Required	Lot Line Except Sewer, Septic Required 0%	\$0.00	Lot Line -2%	-\$0.09	Lot Line -7%	-\$0.09	Lot Line -2%	-\$0.09	Lot Line Except Sewer, Septic Required 0%	\$0.00
Floodplain	Zone AO-Restrictive Wash	Zone X -36%	-\$0.87	Zone X and Zone A -17.5%	-\$0.74	Zone X-Restrictive Wash -5%	-\$0.07	Zone X -24%	-\$0.87	Zone AO-Restrictive Wash 0%	\$0.00
Zoning / Planned Use	Currently SR, Assumed CB-1 / Commercial Use	CB-1, Local Business / Dollar General-Retail -6%	-\$0.14	CB-2, Commercial / Self Storage-Investment -15%	-\$0.63	CB-1, Commercial / Restaurant -11%	-\$0.14	GR-1, Residential / Assumed Commercial 0%	\$0.00	SR-Suburban Ranch / Assumed Commercial 0%	\$0.00
ADJUSTED SALE PRICE / SF			\$1.87		\$1.91		\$1.28		\$1.96		\$1.40

Conclusion:

The unadjusted sale prices for the comparables range from \$0.89 to \$3.48 per square foot. After making adjustments for all of the appropriate elements of comparison, the adjusted price range for the comparable sales is \$1.28 to \$1.96 per square foot, with an average price of \$1.68 and a median price of \$1.87 per square foot. While all of the comparables are considered, greatest weight is given to the adjusted sale price of Comparable Three. This property is commercially zoned land that is development restricted due to a wash, similar to the subject. Least weight is given to Comparables Two and Four which are superiorly located and have superior development potential.

Based on the foregoing data and analysis, it is our opinion that the market value of the subject property is \$1.35 per square foot. This equates as follows.

80,163 Square Feet X \$1.35 Per Square Foot = \$108,220, Rounded to \$110,000

“As Is” Rounded Market Value Opinion:

\$110,000

EXPOSURE TIME

Exposure time is the estimated length of time the appraised property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. An exposure time of 12 months or less is estimated for the subject property if priced appropriately.

AUDITING BREAKDOWN

Market Value Opinion, Land:	\$110,000
Market Value Opinion, Improvements:	\$0
Severance Damages:	\$0
Cost to Cure:	\$0
Opinion of Market Value:	\$110,000

CERTIFICATION OF APPRAISER

Project Number: L-SC-040

Parcel Number: Portion of 212-48-047A

We hereby certify:

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

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

That no hidden or unapparent conditions of the property, subsoil, or structures were found or assumed to exist which would render the subject property more or less valuable; and we assume no responsibility for such conditions, or for engineering which might be required to discover such factors. That, unless otherwise stated in this report, the existence of hazardous 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 our analysis, 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, and policies and procedures applicable to appraisal of right-of-way for such purposes; and that, to the best of our 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 we understand this appraisal may be used in conjunction with the acquisition of right of way for a highway to be constructed by the State of Arizona with the assistance of Federal aid highway funds or other Federal funds.

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

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

That we have not revealed the findings and results of such appraisal to anyone other than the proper officials of the Arizona Department of Transportation or officials of the Federal Highway Administration, and we will not do so unless so authorized by proper State officials,

or until we are required to do so by due process of law, or until we are released from this obligation by having publicly testified as to such findings.

Based upon our independent appraisal and the exercise of our professional judgements, our opinion of the MARKET VALUE of the subject as of the 25th day of June, 2025, is \$110,000.



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



John E. Medley
Certified General Real
Estate Appraiser # 1049989

CERTIFICATION

THE APPRAISER CERTIFIES TO THE BEST OF THEIR KNOWLEDGE AND BELIEF:

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

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

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

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

We have not performed services as appraisers regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

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

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

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

Steven Cole, MAI, AI-GRS and John Medley made a personal inspection of the property that is the subject of this report.

All work within this appraisal was completed by the signing appraisers.

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

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

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

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

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



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



John E. Medley
Certified General Real
Estate Appraiser # 1049989

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

FORMAL EDUCATION:

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

Master's degree in business administration, University of California, Los Angeles. Concentration: Urban Land Economics.

PROFESSIONAL EDUCATION:

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

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

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

"Case Studies in Real Estate Valuation"

"Introduction to Real Estate Investments Analysis"

"Litigation Valuation"

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

"Market Analysis"

"Review Theory - General"

Attendance at Numerous Educational Seminars:

PROFESSIONAL MEMBERSHIPS:

Member, Appraisal Institute (MAI), Certification Number 6080. The institute conducts a voluntary program of continuing education for its designated members. MAI's and RM's who meet the minimum standards of this program are awarded periodic educational certification. As of this date, I have completed the requirements under the continuing education program of the Appraisal Institute. I am currently certified through December 31, 2027.

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

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

EXPERIENCE:

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

ADDITIONAL EDUCATIONAL AND PROFESSIONAL ACTIVITY:

Publication of articles in Professional Journals:

“A New Methodology for Estimating Highest and Best Use”,

Real Estate Appraiser and Analyst, Summer, 1987

“

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

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

Associate Faculty, University of Arizona and Pima Community College. Courses offered; “Real Estate Appraisal Principles” and “Basic Valuation Procedures.”

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

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

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

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

Chairman, Tucson Airport Authority Chairman, 2015.

Board of Directors, 2011-2016. Member, Tucson Airport Authority, 2007-2024.

Member of the Arizona Airports Association.

APPROVED APPRAISER:

With many major commercial banks and mortgage companies in Arizona.

STATE CERTIFICATION:

Arizona Certified General Appraiser Number 30130. Currently certified through August 31, 2026.

Licensed Arizona real estate sale person, licensed through April 2026.

ARIZONA FINANCIAL ENTERPRISE CREDENTIAL CERTIFICATE

No: CGA-30130



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

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

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

QUALIFICATIONS OF JOHN E. MEDLEY

FORMAL EDUCATION:

Bachelor of Arts Degree, University of Arizona, Tucson, 2008

PROFESSIONAL EDUCATION:

Successful completion of examinations for the following courses:

- Basic Appraisal Principles and Basic Valuation Procedures
- Residential Market Analysis and Highest and Best Use
- Residential Sales Comparison and Income Approaches
- Residential Site Valuation and Cost Approach
- General Appraiser Market Analysis and Highest and Best Use
- General Appraiser Site Valuation and Cost Approach
- General Appraiser Sales Comparison Approach
- General Appraiser Report Writing and Case Studies
- General Appraiser Income Approach
- Statistics, Modeling and Finance
- Commercial Appraisal Review
- Expert Witness for Commercial Appraisers

EXPERIENCE:

Includes valuation of most types of commercial, industrial, and vacant land properties. Experience also includes condemnation appraisals, aviation properties, special purpose properties, fee simple, leased fee, and leasehold interests.

SEMINARS:

- Condemnation Summit XXXI
- Arizona Airport Association Conferences
- Southern Arizona CCIM Economic Forecasts
- Tucson Association of Realtors Conferences

STATE CERTIFICATION:

Arizona Certified General Real Estate Appraiser Number 1049989. Currently certified through November 30, 2025.

Department of Insurance and Financial Institutions

State of Arizona

CGA - 1049989

John Edward Medley

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

has complied with the provisions of

Certified General Real Estate Appraiser

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

Certified General Real Estate Appraiser

John Edward Medley

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

Expiration Date : **November 30, 2025**

ADDENDA

ARIZONA

PURCHASE ORDER

PHOENIX, on 6/13/2025
CTR054974/ JW-25-037/ M697501X/ L-SC-040/ Appraisal due in 30 days-SOUTHWEST APPRAISAL ASSOCIATES INC

SUPPLIER

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

ORDER No. PO0000779506

(please refer to this number on all documents)

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

DELIVER TO

(Unless specified differently per item)

Address: RIGHT OF WAY
205 S 17th Ave
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: Net 30

ITEM	CONTRACT ID	CODE/SKU	REFERENCE AND DESCRIPTION	QTY	UNIT	UNIT PRICE (USD)	TOTAL (USD)
1	CTR054974-4	917771-1	CTR054974/ JW-25-037/ M697501X/ L-SC-040/ Appraisal due in 30 days Commentaire : L-SC-040	1.0000	Total Cost		
Total before Tax							
Non-Taxable - 0 %							
Total after Tax							

ARIZONA

Page 1 of 5

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

June 19, 2025

RE: Appraisal Assignment No.: JW-25-037
PROJECT: M6975 01X
HIGHWAY: WHY - TUCSON HIGHWAY
SECTION: Robles Jct. - Bilbary Rd.
PARCEL: L-SC-040

Dear:

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

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

ADOT Procurement Group will issue a Purchase Order that will be your notice to proceed with the appraisal assignment. You may contact the property owners to arrange for the property inspection after you receive your notice to proceed from procurement. Inspection dates/times must be provided at least seven calendar days prior to inspection to the Property Owner and emailed to Merrisa Marin (MMarin@AZDOT.GOV); Sandy Ojeda (SOjeda2@AZDOT.GOV); Michael Craig (MCraig@AZDOT.GOV); Tim O'Connell (TOconnell@AZDOT.GOV); Jim Walcutt (JWalcutt@AZDOT.GOV); and Cristian Rivas (CRivas@AZDOT.GOV).

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

Additional information regarding the parcel is as follows:

Type of Report: Appraisal
Type of Property: EXCESS LAND
Scope Notes:

The FHWA is to be named as an intended user of the appraisal. The appraisal report must include the ADOT Certificate of Appraiser immediately following the Auditing Breakdown section of the report. The addenda to the report is to include a current copy of the appraiser's State of Arizona Certified General

Real Estate Appraiser license, a copy of the owner contact correspondence including Owner Contact Report Form(s), and a copy of the signed procurement purchase order.

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

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

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

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

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

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

Please complete the last page of this bid request with your quote and email to RightofWayContracts@azdot.gov no later than 5:00 p.m. on June 9 ,2025.

Sincerely,
Jim Walcutt
R/W Project Management Section

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



ADOT Right Of Way <small>(THIS SKETCH PLAN IS FOR ADOT INTERNAL USE ONLY)</small>		DISPOSAL #	L-SC-040	HIGHWAY NAME:	
		EXHIBIT #		WHY - TUCSON HIGHWAY	
		DATE	01/05/2023	PROJECT NO.	
ROUTE NO:	SR 86	LOCATION:		FEDERAL AID NO.:	SHEET NO.
		Robles Jct. - Bilbray Rd.		086-A(210)T	1 OF 1

\\NF\FS\proj\086-A(210)T\Drawings\RightOfWay\PROJECT\SR-086\101208 PM 151 H5808 - Robles Jct. - Bilbray Rd\101208 ADOT In-Route Cable and Exhibit\RightOfWay\SR-086-A(210)T.dgn



EXHIBIT "A"

That portion of Lot 50, Section 35, Township 14 South, Range 12 East, Pima County, Arizona, described as follows:

COMMENCING at a concrete nail with brass tag stamped "PCDOT 30" marking the East quarter corner of said Section 35, being North 00°22'46" West 1317.59 feet from a 2½ inch pipe with tag "RLS 42014" marking the South 1/16th corner of said Section 35;

thence along the East line of said Section 35 South 00°22'46" East 396.34 feet to the Eastbound construction centerline of State Route 86 (WHY – TUCSON HIGHWAY);

thence along said Eastbound construction centerline of State Route 86 South 71°36'44" West 1509.26 feet;

thence South 18°23'16" East 90.00 feet to the juncture of the existing southerly right of way line of said State Route 86 with the existing westerly right of way line of Sunset Boulevard;

thence along said existing westerly right of way line of Sunset Boulevard South 08°23'16" East 35.54 feet to the POINT OF BEGINNING at the proposed southerly new right of way line of said State Route 86;

thence continuing along said existing westerly right of way line of Sunset Boulevard South 08°23'16" East 175.45 feet;

thence continuing along said existing westerly right of way line of Sunset Boulevard along a curve to the Right having a radius of 1098.92 feet, a length 154.23 feet;

thence continuing along said existing westerly right of way line of Sunset Boulevard South 00°20'48" East 5.13 feet to the South line of said Lot 50 of Section 35;

thence along said South line of Lot 50 South 89°40'26" West 285.41 feet to the Southwest corner of said Lot 50;

thence along the West line of said Lot 50 North 00°20'53" West 251.03 feet to said proposed southerly new right of way line of State Route 86;

(continued)

EXHIBIT "A"

PAGE 1

PROJECT: 086 PM 151 H6806	LOCATION: Robles Jct. - Bilbray Rd.	PARCEL: L-SC-040
086-A(210)T	Disposal	cg 07-13-2023

thence along said proposed southerly new right of way line of State Route 86 North 71°36'44" East 263.00 feet to the POINT OF BEGINNING.

The parcel of land described above shall have no right or easement of access to said State Route 86.

The Access Control provisions set forth above shall be a covenant running with the land and shall be binding upon, and shall inure to the benefit of the State of Arizona, the landowners and their respective successors and assigns with respect to the property. The Access Control provisions shall also remain enforceable by the State of Arizona even if all or part of any roadway is abandoned to a local jurisdiction.

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

EXHIBIT "A"

PAGE 2

PROJECT: 086 PM 151 H6806	LOCATION: Robles Jct. - Bilbray Rd.	PARCEL: L-SC-040
086-A(210)T	Disposal	cg 07-13-2023

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.

Date of Search: April 3, 2023	Examiner: Jim Gregg	Reviewer:
Update to:	Examiner:	Reviewer:
Update to:	Examiner:	Reviewer:
Update to:	Examiner:	Reviewer:
Update to:	Examiner:	Reviewer:

County: Pima	Tax Arb: N/A	Disposal: L-SC-040
Tracs No.: 086 PM 151 H6806 01R	Highway: Why-Tucson	Excess Land: N/A
Fed. No.: N/A	Section: ROBLES JCT - BILBRAY RD.	Parcel No.: 10-1577

**SCHEDULE A-1
LEGAL DESCRIPTION**

That portion of Southeast quarter of Section 35, Township 14 South, Range 12 East, , as depicted on Exhibit "A" attached, Sheet P-18 of ADOT Drawing D-10-T-407, the Right of Way Plans of WHY-TUCSON HIGHWAY, Section Robles Jct. - Bilbray Rd., Project 086 PM 151 H6806 01R.

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

- 2 -

RIGHT OF WAY / VESTING

- 1.) Warranty Deed from Michael E. Hennessy, as Trustee of Trust B u/w of Trust dated April 15, 1982, to Mark Q. Waldon and Holly L. Waldon, husband and wife as joint tenants with right of survivorship, as to an undivided 50% interest and Phil Galloway, an unmarried man, as to an undivided 50% interest, dated April 30, 2004, recorded May 11, 2004, in Docket 12299 page 4944.
- 2.) Warranty Deed from Phil Galloway, an unmarried man, to the State of Arizona, by and through its Department of Transportation, dated August 29, 2013, recorded September 3, 2013, in Document No. 2013-2460648.
[Project 086 PM 151 H6806, Parcel 10-1577]
- 3.) Warranty Deed from Mark Q. Waldon and Holly L. Waldon, husband and wife, to the State of Arizona, by and through its Department of Transportation, dated August 29, 2013, recorded September 3, 2013, in Document No. 2013-2460649.
[Project 086 PM 151 H6806, Parcel 10-1577]

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 by a signed waiver of first right of refusal.

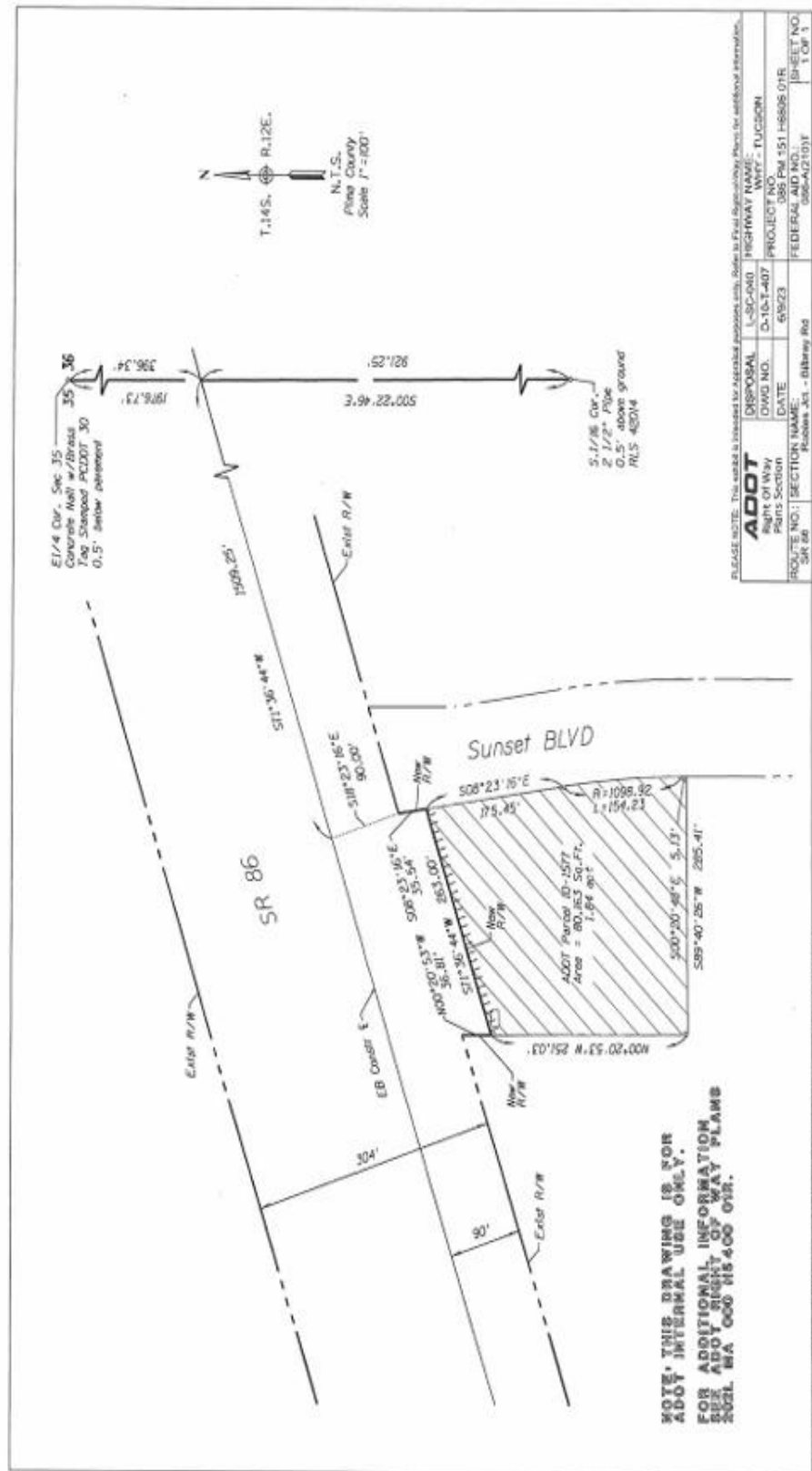
END OF REQUIREMENTS

SCHEDULE B

1. Establishment and acquisition of new right of way as a state highway for the improvement of State Route 86, as set forth in Resolution of Establishment No. 2015-01-A-001, dated January 9, 2015, recorded January 13, 2015, in Document 2015-130304.

END OF SCHEDULE B

- 5 -



ADOT

L-SC-040

STATE OF ARIZONA
DEPARTMENT OF TRANSPORTATION
INTERMODAL TRANSPORTATION DIVISION
PROJECT PLANS

STATE HIGHWAY
WHY-TUCSON HIGHWAY
SR 86

VOLUME 2 of 2



Constructed by:
The Ashton Company, Inc.
Contractors & Engineers
7/5/2019

Asst.-Lines By:
William P. Sloan, P.E.
ADOT
7/21/2019

Record Drawings By:
J. Paul Salinas, P.E.
Michael Baker International
8/1/2019

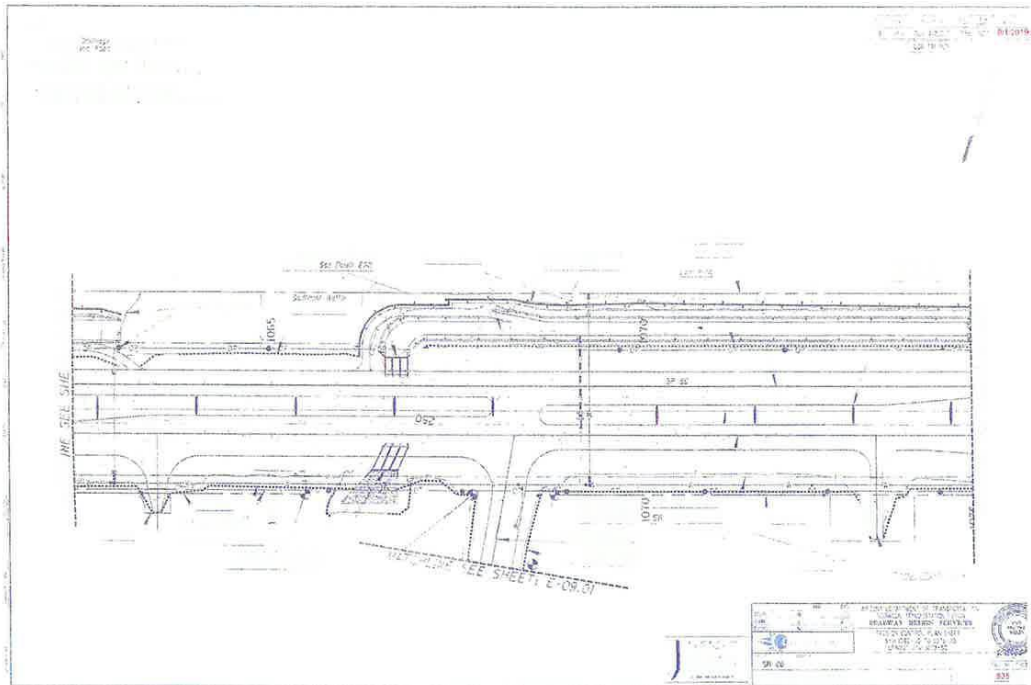
VALENCIA ROAD-KINNEY ROAD
PROJECT NO. 086 PM 159 H6806 01 C
FEDERAL AID NO. STP-086-A(210)S

OFFICIAL DEPARTMENT OF TRANSPORTATION
DESIGNATION
DATE: 11/15/2019, P.E., STATE ENGINEER

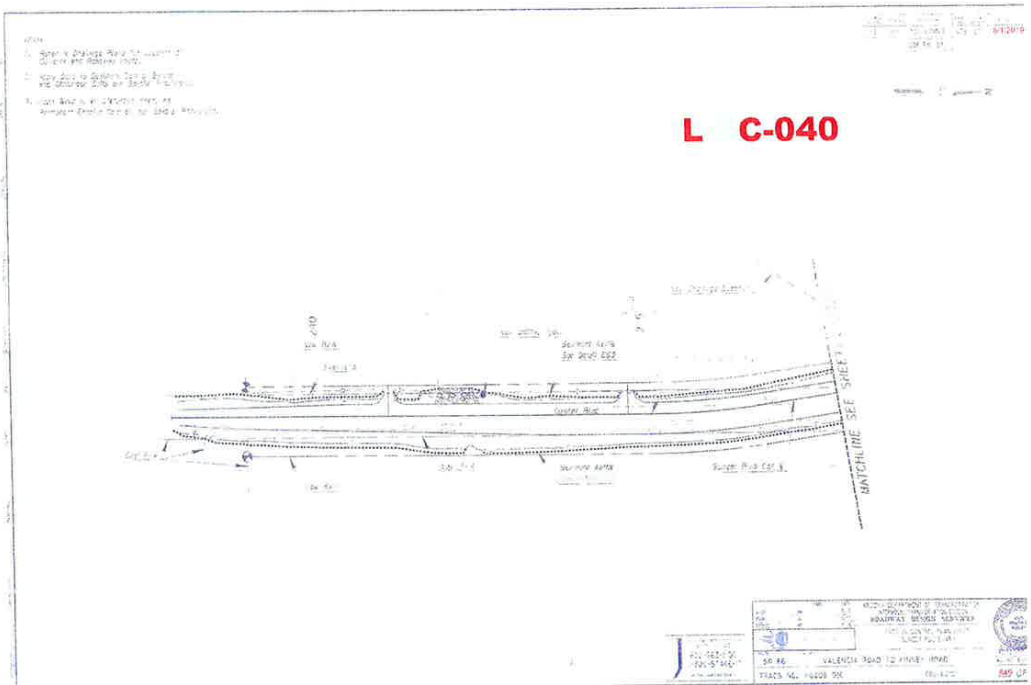
REV	DATE	BY	DESCRIPTION
1	11/15/2019	580	1082

Southwest Appraisal Associates

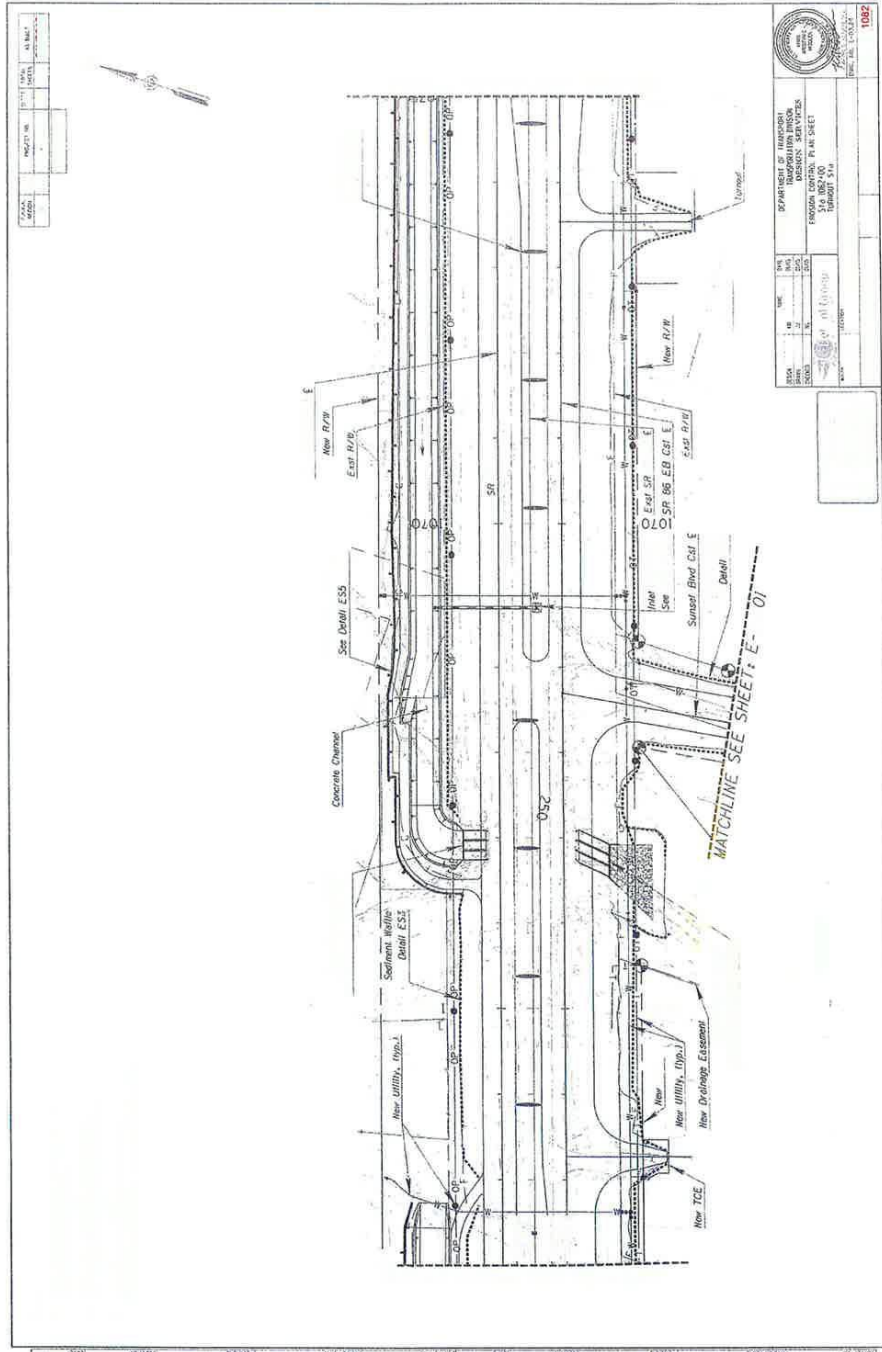




L-SC-040

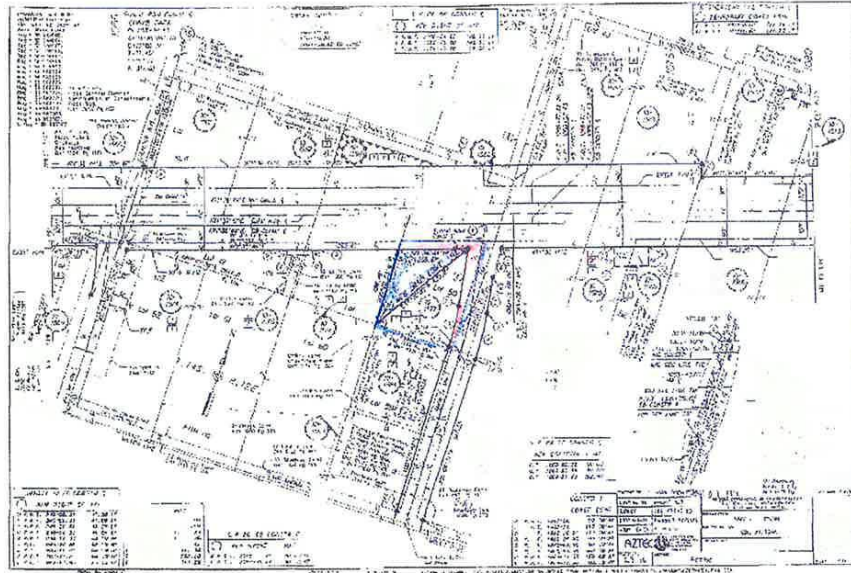


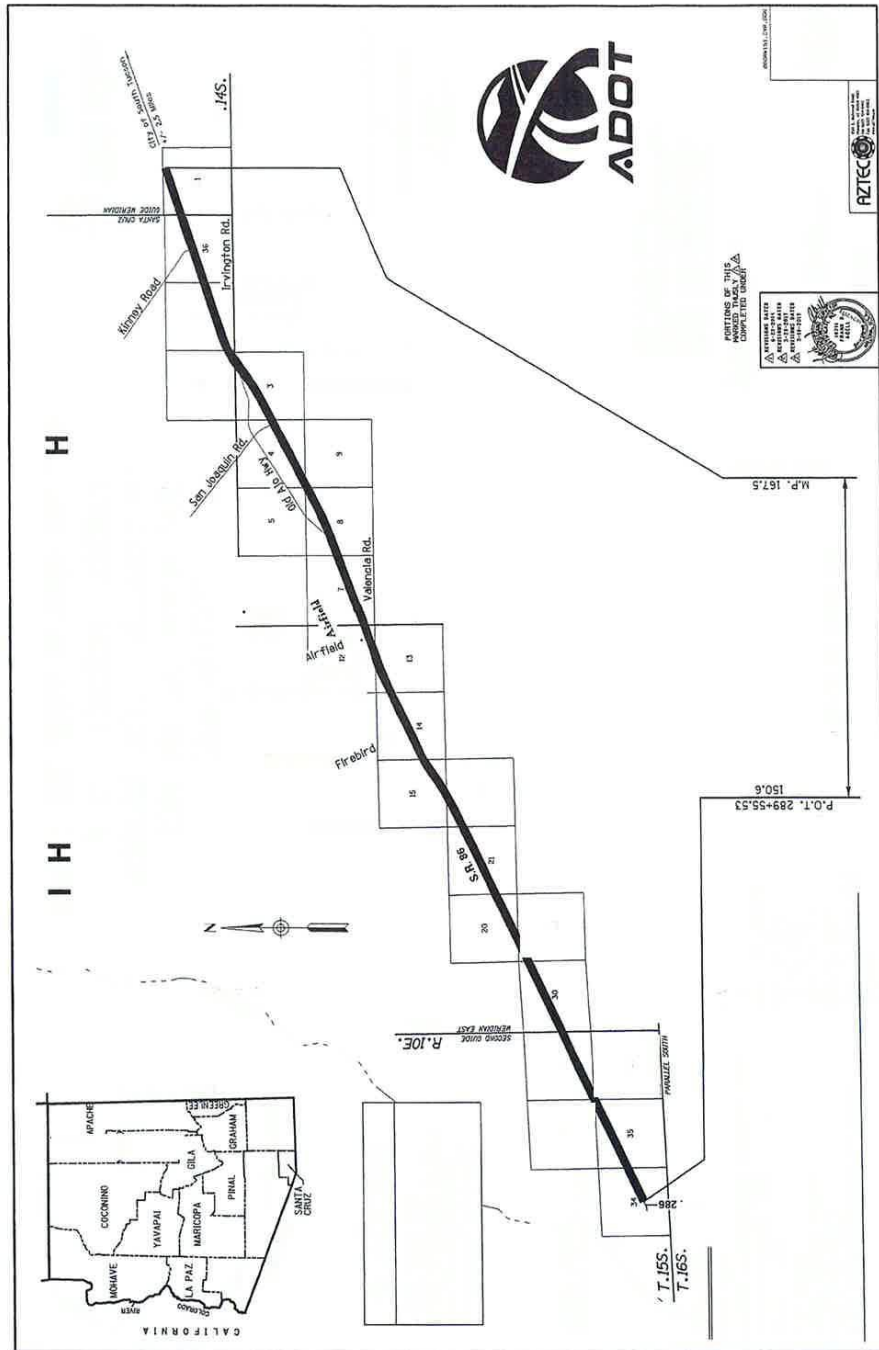
L C-040

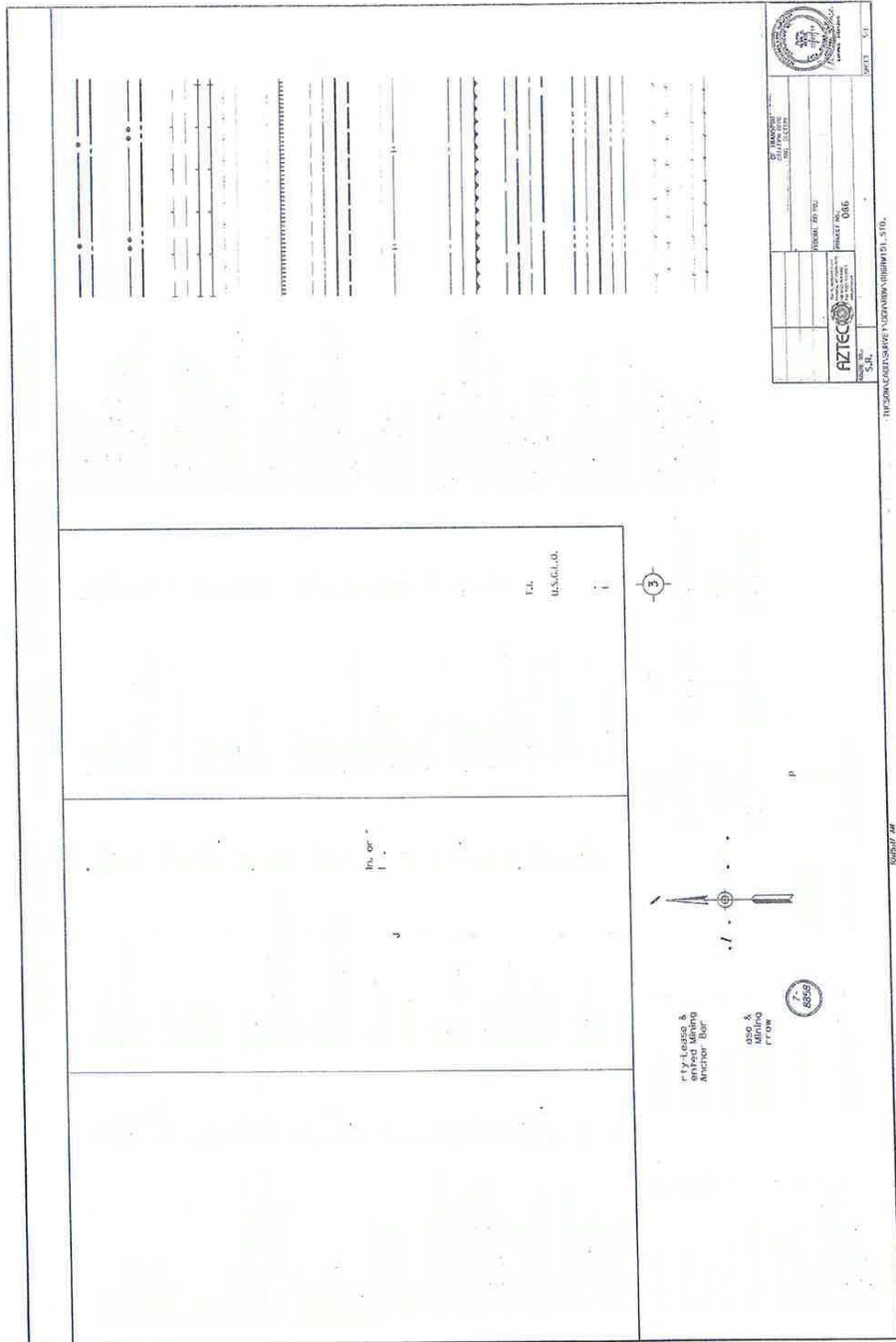


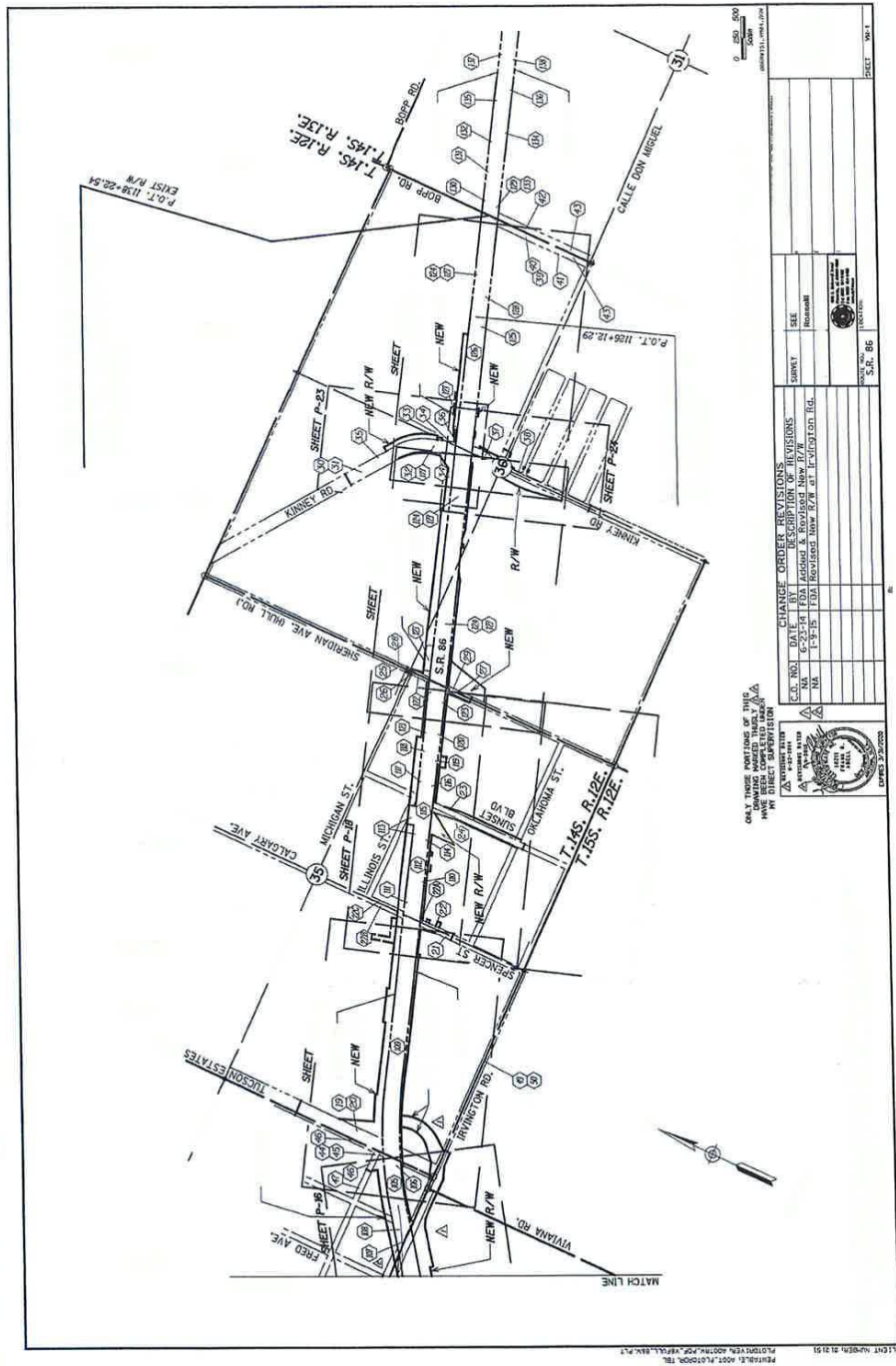
DEPARTMENT OF TRANSPORTATION TEXAS ENGINEERING SERVICES PROJECT NO. 1000000000000000 DRAWING NO. 1000000000000000 SHEET NO. 1000000000000000	
DATE 10/1/2010	BY J. L. Smith
CHECKED J. L. Smith	APPROVED J. L. Smith

DATE	10/1/2010
BY	J. L. Smith
CHECKED	J. L. Smith
APPROVED	J. L. Smith















RIPRAP LENGTH 258 FEET

