

**ASSIGNMENT REFERENCES**

**PARCEL NUMBER:** L-M-486

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

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**ADDRESS:** N/A, N side of Wahalla Lane at 14<sup>th</sup> St.  
Phoenix, AZ 85024.

**LOCATION OF PROPERTY:** Northeast corner of Wahalla Lane and 14<sup>th</sup> St.,  
Maricopa County, Arizona

**PROJECT:** H089301R

**HIGHWAY:** Statewide Excess Land-SR101-Northeast  
Outer Loop

**SECTION:** I-17-Cave Creek Road

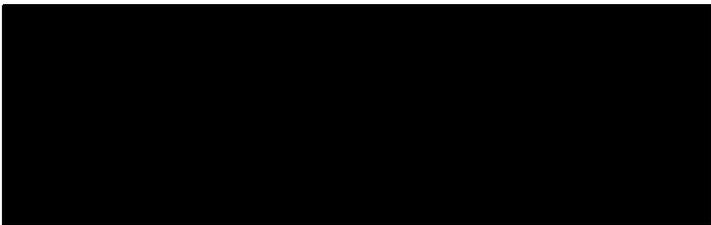
**CONTRACT NO.:** AD14-052958

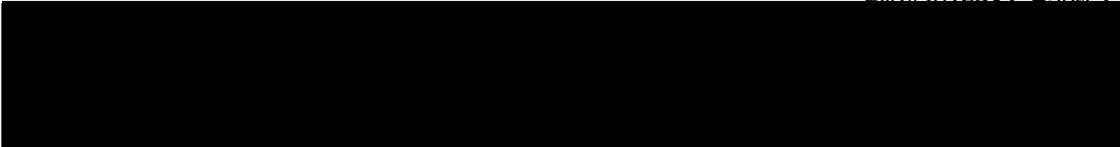
**PURCHASE ORDER:** PG UF0133

**DATE OF APPRAISAL:** June 22, 2015 (Effective Date of Appraisal)

**DATE OF VALUATION:** June 22, 2015

**DATE OF REPORT:** July 1, 2015

**APPRAISER:** 



**APPRAISAL REPORT**  
(ADOT Detailed Narrative Report)

**An Opinion of Market Value**

**Of the property located at the  
Northeast corner of Wahalla Lane and 14<sup>th</sup> St.,  
Maricopa County, Arizona**

**as of June 22, 2015**

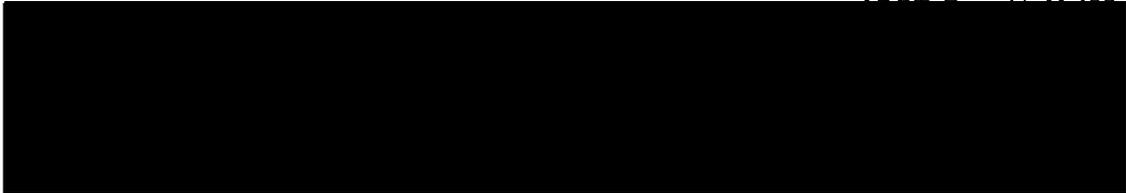
**Parcel Number: L-M-486**

**Owner: State of Arizona  
by and through its Department of Transportation**

**Tax Parcel: 213-23-007B, 213-23-010B  
Sec. 28 T4N R3E**

*Prepared For Use By*  
**Arizona Department of Transportation  
Right of Way Operations, Room 331  
205 S. 17<sup>th</sup> Avenue, Maildrop 612E  
Phoenix, AZ 85007**





July 1, 2015

Letter of Transmittal

Mr. Steve Troxel  
Arizona Department of Transportation  
Right of Way Operations, Room 331  
205 S. 17<sup>th</sup> Avenue, Maildrop 612E  
Phoenix, AZ 85007

Re: An Opinion of Market Value of parcel L-M-486, located at the northeast corner of Wahalla Lane and 14<sup>th</sup> St. south of Loop 101, Phoenix, Arizona.

In response to your request I have completed an analysis of the above referenced property; this letter of transmittal is part of that appraisal report. This is an appraisal report and conforms to Uniform Standards of Professional Appraisal Practice and Arizona Department of Transportation Appraisal Standards and Specifications (Detailed Narrative Report).

Problem Identification: The purpose of the appraisal is to estimate market value of the property identified above. The intended use is for potential excess land sale.

The effective date of the appraisal and date of valuation is June 22, 2015 the date of site visit. The date of completion of the appraisal report is July 1, 2015.

Relevant Subject Characteristics: The subject parcel is indicated to be 141,189.7 square feet, approximately 3.24 acres, per ADOT Sketch Plan. It is zoned R1-8, City of Phoenix Single-Family Residence District. The site is considered to have average access being just southwest of Loop 101 and 16<sup>th</sup> St. According to FEMA flood maps the subject parcel is located in Flood Zone X Shaded (does not require flood insurance and no restrictions on building for flood classification). Utilities necessary for development of the site are available.

My opinion of market value is \$600,000.

Assignment Conditions: Value opinions are based on Extraordinary Assumptions related to parcel size (being 141,189.7sf), a southern 25' ingress-egress easement (being applicable) and an eastern reported 33' easement not being applicable to the subject site. The use of these extraordinary assumptions might have affected the assignment results, thus if found not to be true, the conclusions may need to be amended. Additionally, please see standard limiting conditions and assumptions.

Auditing Breakdown	
Land	\$600,000
Improvements	\$0
Severance Damages	\$0 (N/A)
Cost to Cure	\$0 (N/A)
Special Benefits	\$0 (N/A)
Total	\$600,000



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



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**PREFACE & SUMMARY**

APPRAISAL REFERENCE: 2015932 Parcel L-M-486

PROBLEM IDENTIFICATION: The following 7 parameters are considered, client, intended users, intended use, type of opinion, effective date, relevant subject characteristics and assignment conditions:

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CLIENT: Arizona Department of Transportation  
Right of Way Operations, Room 331  
205 S. 17<sup>th</sup> Avenue, Maildrop 612E  
Phoenix, AZ 85007

APPRAISER: [REDACTED]

PURPOSE, INTENDED USE: The purpose of the appraisal is to opine market value of the subject property. The intended use is for potential excess land sale.

INTENDED USERS: Our client, Arizona Department of Transportation its agents and officials, the property owner and a court with jurisdiction are the only intended users and for the above intended use. Use of this report by others is not intended by appraiser.

SUBJECT CHARACTERISTICS: The subject site is located at the northeast corner of Wahalla Lane and 14<sup>th</sup> St., Maricopa County, Arizona.

SITE SIZE: 141,189.7 square feet, approximately 3.32 acres.

ZONING: R1-8, City of Phoenix, Single Family Residence District

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

TAX CODE: Formerly 213-23-007B, 010B

INTEREST CONSIDERED: Fee Simple.

**EFFECTIVE DATE OF VALUATION:** **June 22, 2015; Date of Site Visit.**

DATE OF APPRAISAL REPORT: July 1, 2015

TYPE OF APPRAISAL REPORT: Report (ADOT "Detailed Narrative Report")

OPINION OF MARKET VALUE: \$600,000

Assignment Conditions: Value opinions are based on Extraordinary Assumptions related to parcel size (being 141,198.7sf), a southern 25' ingress-egress easement (being applicable) and an eastern reported 33' easement not being applicable to the subject site. The use of these extraordinary assumptions might have affected the assignment results, thus if found not to be true, the conclusions may need to be amended.. Additionally, please see standard limiting conditions and assumptions.

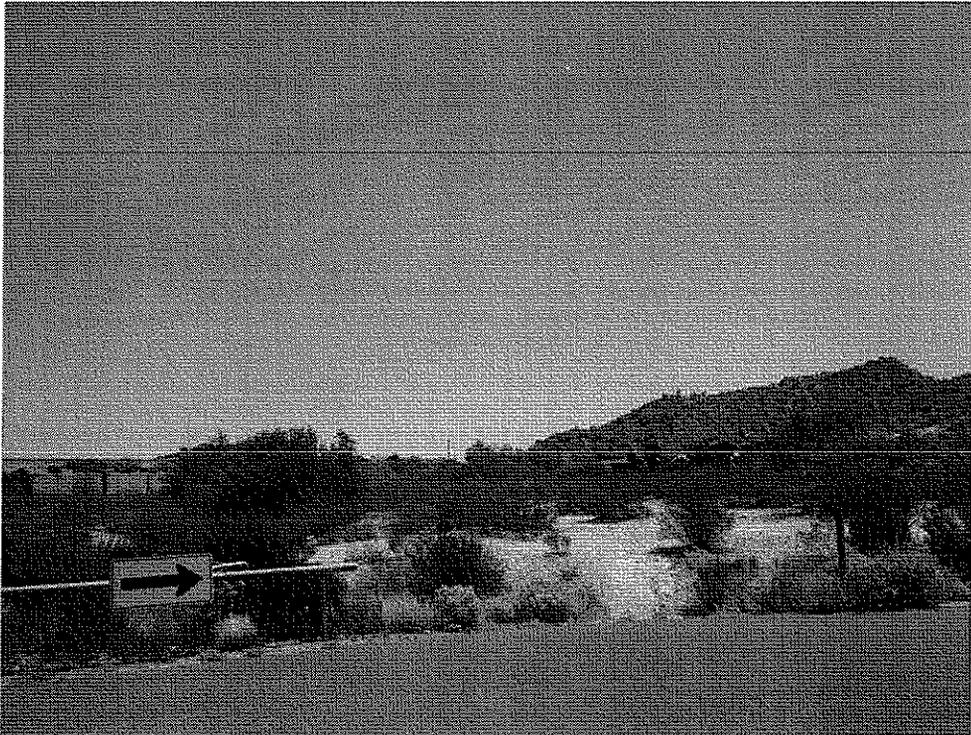
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[REDACTED]

LOCATION MAP



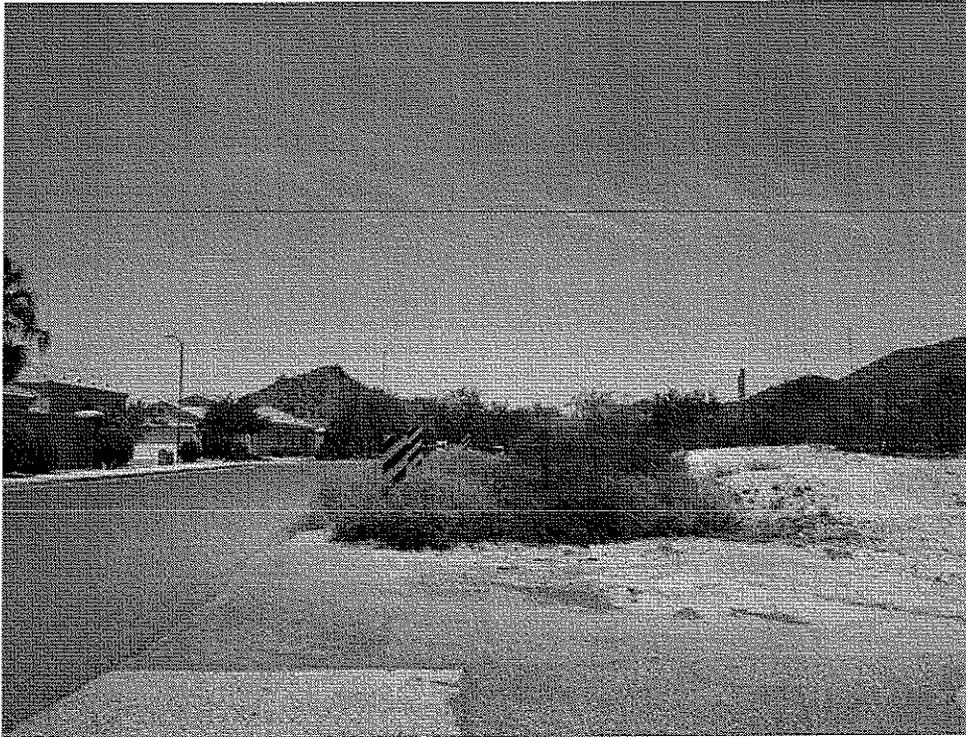
**SUBJECT PHOTOS** (Photos Taken 6/22/15)  
Parcel View Looking Northeast from 14<sup>th</sup> Street



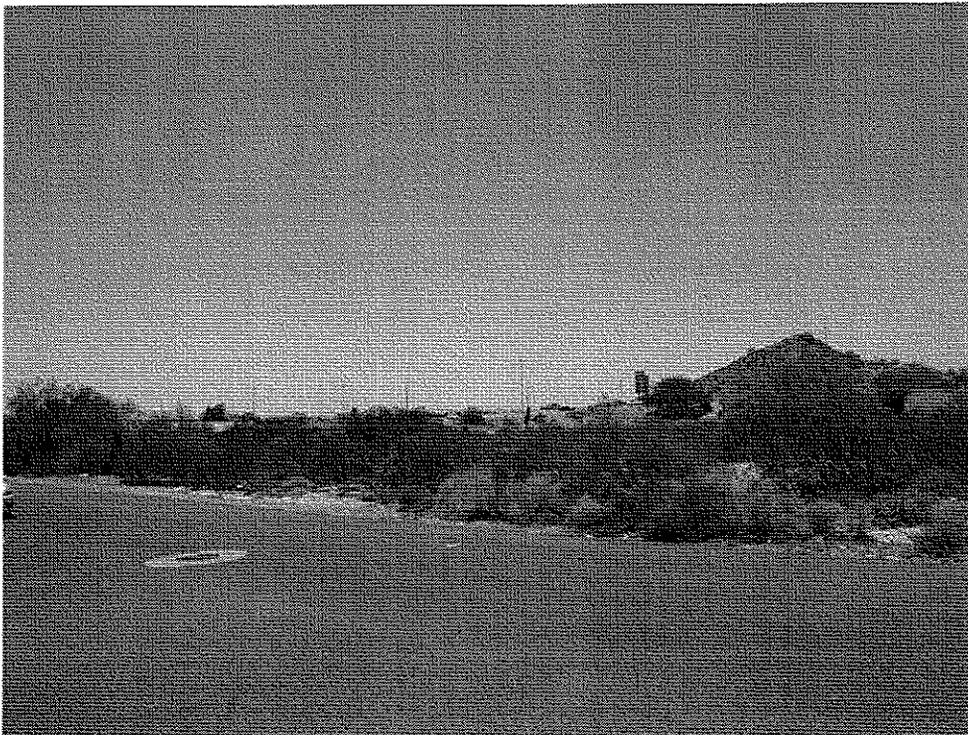
Wahalla Lane Looking East (subject site on left)



Apparent Easement area along subject southern boundary, looking west



Site Looking Northwest



### **PURPOSE OF THE APPRAISAL**

The purpose of the appraisal is to estimate market value of the subject property.

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

The estimate will be used by our client, State of Arizona-Arizona Department of Transportation it agents and officials, the only intended users; the intended use is for potential sale.

### **INTEREST APPRAISED**

The interest appraised is the fee simple estate defined as "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat".

### **PROPERTY IDENTIFICATION**

The subject property is located in the NE4, NE4 of section 28 T4N R3E (of G&SRB&M, Maricopa County, Arizona), south of Loop 101, west of 16<sup>th</sup> Street (parcel numbers 213-23-007B, 213-23-010B). A complete legal description is available in the appendix.

### **ANALYSIS AND IDENTIFICATION OF LARGER PARCEL**

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

### **MARKET VALUE DEFINED**

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

### **EXPOSURE PERIOD**

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

Exposure time, estimated from review of comparable sales and from discussions with active market participants is estimated for the property before the acquisition and the remainder after the acquisition to be approximately 6 to 12 months.

### **EFFECTIVE DATE OF APPRAISAL, REPORT DATE**

The effective date of the appraisal is June 22, 2015, the date of physical site visit. The transmittal date of the report is July 1, 2015.

### **OWNER CONTACT;**

ADOT is the owner of the subject site. The appraiser called directed inspection contacts Jim Walcutt, Deborah Fisher and Shirley Feeney; each declined accompanying appraiser on the inspection. I inspected the site in the morning of June 22, 2015, unescorted.

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

According to subject right-of-way title report provided to appraiser, current ownership is held by State of Arizona by and through its Department of Transportation. According to Maricopa County Assessor, the site was acquired by State of Arizona in 1994. The appraiser discussed marketing with Shirley Feeny (602-712-8746); who reported, only marketing since the prior 2013 appraisal was briefly from March 2015 when offered at \$395,300; over the past several months it has been indicated as price awaiting appraisal. Deborah Fisher of ADOT in 2013 reported that the subject site had been offered for sale on 2/25/08 at the appraised value of \$830,000 and then later reduced by 20% in December of 2009 (\$664,000); she was not aware of when the price was removed.

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

As mentioned above, the purpose of the appraisal is to estimate compensation due owners for a partial acquisition (fee). In preparing this appraisal, the appraiser:

- Received invitation to bid and property information relative to the appraisal and discussed Definition of the (Appraisal) Problem with Jim Walcutt, ADOT representative.
- Visited the subject parcel on June 22, 2015, unescorted, developing relevant subject characteristics.
- Reviewed the site plat, zoning and flood zone maps, indicating physical utility of the parcel.
- Researched sales of similar sites, focusing in the North-Central Phoenix Metro area with an emphasis on use, location, size and zoning; currently competitive (listings) have also been considered (listings often provide useful indications of upper limit to value).
- Inspected, by drive by, all comparable sales used.
- Attempted confirmation of each comparable sale with a party familiar with the property/transaction (when confirmation was not available, public records/information was relied upon).
- Discussed value and market conditions with active market participants in the area including buyers and sellers and brokers.
- Applied the sales comparison approach to arrive at an opinion of market value of the subject property.
- Developed a final opinion of market value and reported the same in this appraisal report, believed to conform to the Uniform Standards of Professional Appraisal Practice and Arizona Department of Transportation Appraisal Standards and Specifications.

### **PROJECT INFLUENCE:**

Not applicable; while the subject parcel was acquired in relation to the development of the Northern Loop (101); this development has been completed for several years; there is no longer an active project to be considered.

### **AREA DATA:**

Within the Phoenix and Tucson metropolitan areas all parties are reportedly familiar with general area, land usage, economic, use trends, and any special conditions; a discussion of past growth, trends and the general economy serve no particular purpose and is therefore omitted from the appraisal report.

## NEIGHBORHOOD ANALYSIS

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

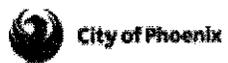
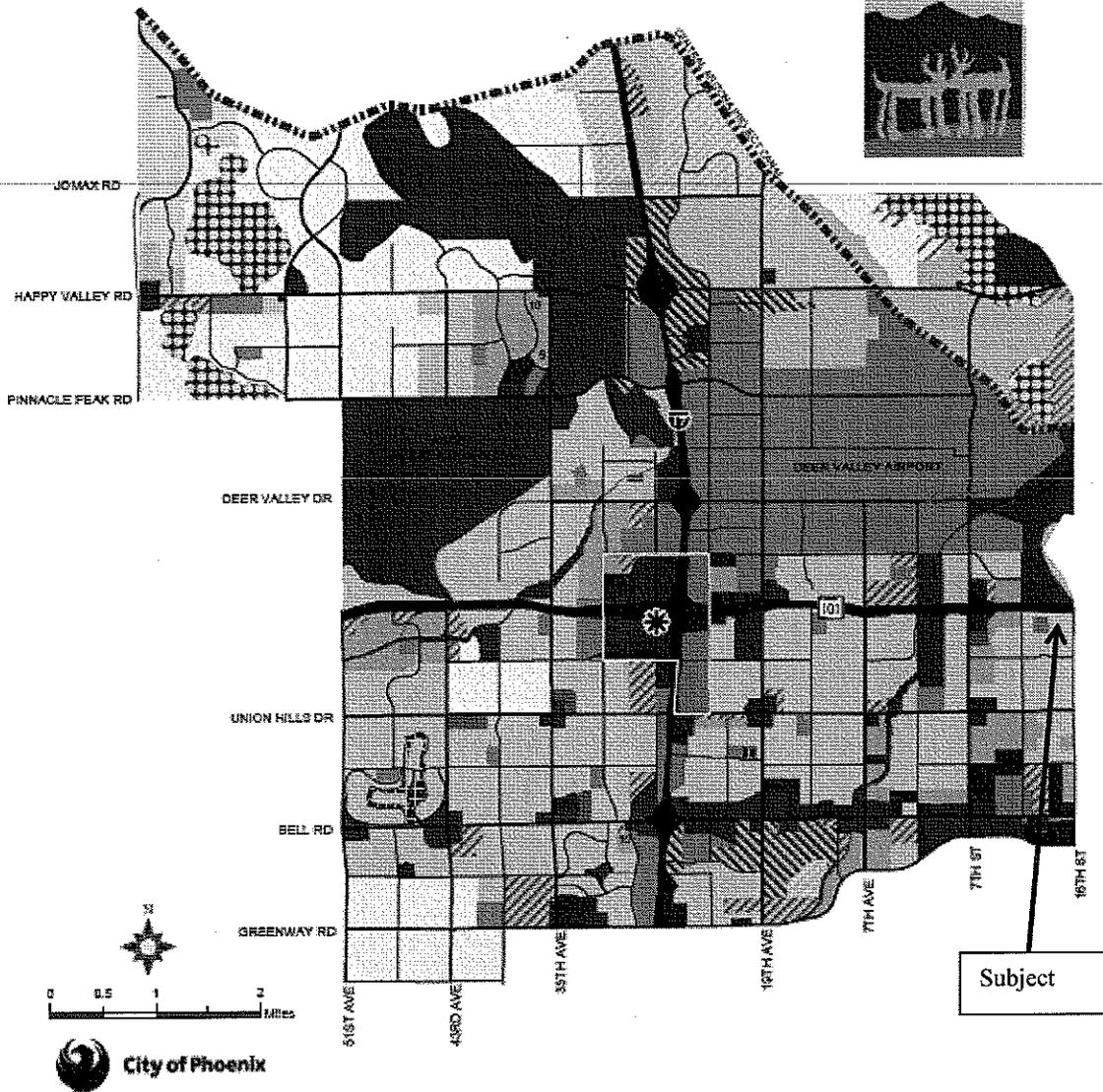
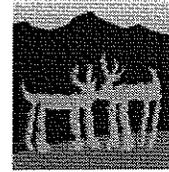
The subject neighborhood is in the north-central part of Phoenix in the Deer Valley Village Planning area. The village, with boundaries being from the Central Arizona Project on the north to Greenway (Acoma) on the south, from City of Phoenix western boundary on the west to 16<sup>th</sup> Street on the east, 56.9 square miles. The village core is at Beardsley Road and I-17.

Deer Valley Village, summarizing the village brochure, is characterized by its desert setting and mountains. It is a relatively young, growing community and is distinguished by its growing attraction for business and residential development. Deer Valley Village has considerable zoned and developed industrial land to satisfy basic employment needs. Additionally, Deer Valley is one of the most active areas in the valley for construction of single-family detached homes and development of commercial uses. Development of the core, located at the crossroads of the Interstate 17 and Loop 101 freeways, includes a wide range of uses including industrial, commercial, shopping and high density residential. Deer Valley is highlighted by the landmarks of the black, volcanic Adobe Mountain and the Hedgpeth Hills. The Deer Valley Airport is a major general aviation airport in the metropolitan area; The Deer Valley Rock Art Center at the foot of Adobe Dam, Adobe Dam Recreation Area, Turf Paradise, and other recreational facilities offer unique leisure time activities.

The area surrounding the subject site was annexation #104 in 1979; it is considered to be in the growth stage of typical life cycle.

There are a number of Overlay or Specific Plans within the village including the Black Canyon-Maricopa Freeway Specific Plan, Deer Valley Airport Overlay Ordinance, Deer Valley Core Specific Plan, Greenway Road Land Use Study, Deer Valley Road Land Use Study and Outer loop Freeway Specific Plan. The following General Plan Map indicates various existing and recommended land uses in the Deer Valley Village:

# Deer Valley Village



### General Plan Categories

<p>1. Color Legend: An important element of the City of Phoenix General Plan is the color legend, which provides a visual key to the various land use categories. The color legend also provides a visual key to the various land use categories. The color legend also provides a visual key to the various land use categories.</p> <p>2. Land Use Categories: The land use categories are defined by the City of Phoenix General Plan. The land use categories are defined by the City of Phoenix General Plan. The land use categories are defined by the City of Phoenix General Plan.</p> <p>3. Land Use Categories: The land use categories are defined by the City of Phoenix General Plan. The land use categories are defined by the City of Phoenix General Plan. The land use categories are defined by the City of Phoenix General Plan.</p> <p>4. Land Use Categories: The land use categories are defined by the City of Phoenix General Plan. The land use categories are defined by the City of Phoenix General Plan. The land use categories are defined by the City of Phoenix General Plan.</p>	<p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>0 to 1 du/acre - Large Lot</li> <li>1 to 2 du/acre - Large Lot</li> <li>2 to 3.5 du/acre - Traditional Lot</li> <li>3.5 to 5 du/acre - Traditional Lot</li> <li>5 to 10 du/acre - Traditional Lot</li> </ul>	<ul style="list-style-type: none"> <li>10 to 15 du/acre - Higher density attached townhouses, condos, or apartments</li> <li>15+ du/acre - Higher density attached townhouse, condos, or apartments</li> <li>Parks/Open Space - Publicly Owned</li> <li>Parks/Open Space - Privately Owned</li> <li>Parks / Open Space - Future / 1 sta face of color shown in stripe</li> <li>Mixed Use (Striped)</li> <li>Two color allow indicate that either land use in any quantity is appropriate. Can be any combination (i.e., commercial / industrial, or residential / residential, or industrial / residential specific density, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Commercial</li> <li>Industrial</li> <li>Community / Business / Park</li> <li>Public/Quasi-Public</li> <li>Transportation</li> <li>Major Streets</li> <li>Collector Streets</li> <li>Canal, Watercourse, Water</li> <li>Primary Core</li> <li>R Record (See NOTES #4)</li> </ul>
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As indicated, commercial uses are concentrated along Bell Road and I-17 with commercial also at significant section line corners; industrial uses are significant and concentrated around Deer Valley Airport and along I-17; there are significant greenway, parks and open space. Most interior areas are moderate density (2-3.5du/acre) residential properties. Valley Metro is more limited in the neighborhood, available on only some of the major section line arterials with little above Union

Hills. Municipal services including utilities, police and fire protection are available in the neighborhood.

The Deer Valley Village has two school districts, Deer Valley and Paradise Valley School District (subject). Nearest schools to the subject site include, Eagle Ridge elementary, 19801 N 13<sup>th</sup> St (K-6<sup>th</sup> grade) and North Canyon High School, 1700 E Union Hills Dr. (9-12<sup>th</sup> grade). Nearest recreation (to the subject) include: City Park-Buffalo Ridge I, 19260 N 16<sup>th</sup> st. 42 acres, Sports complex-Rose Mofford Sports Complex, 23<sup>rd</sup> & Peoria (softball, soccer), City Pool-Mountain View, 1104 E Grovers Ave, Desert Park-Union Hills, 16<sup>th</sup> St & Beardsley, 439 acres. The nearest Police Station-North Resource Bureau, 302 E Union Hills and Fire Station-45, 2545 E Beardsley Rd.

The following provides demographic characteristics of the subject neighborhood along with a 2 mile radius surrounding the subject site, compared to the Phoenix Metro Area (Maricopa County):

Variables	Maricopa County, AZ	Phoenix City, AZ	Deer Valley Village	LM-486 (2 miles)
2015 Total Population (Esri)	4,049,311	1,513,274	172,322	50,821
2015-2020 Population: Annual Growth Rate (Esri)	1.35	1.09	1.09	1.07
2015 Total Households (Esri)	1,496,061	540,068	67,103	21,848
2015 Average Household Size (Esri)	2.67	2.76	2.56	2.32
2015 Median Household Income (Esri)	\$53,434	\$46,532	\$56,537	\$48,398
2015 Average Household Income (Esri)	\$74,246	\$66,427	\$72,256	\$62,365
2015 Per Capita Income (Esri)	\$27,665	\$23,982	\$28,167	\$26,876
2015 Median Home Value (Esri)	\$211,568	\$186,859	\$189,852	\$179,223
2015 Owner Occupied Housing Units (Esri)	\$909,676	\$289,696	\$41,529	\$12,254
2015 Percentage Owner Occupied Housing Units	52.7%	46.9%	56.3%	50.6%
2015 Vacant Housing Units (Esri)	\$229,379	\$77,735	\$6,680	\$2,384
2015 Percentage Vacant Housing Units	13.3%	12.6%	9.1%	9.8%
2015 Total Housing Units (Esri)	1,725,440	617,803	73,783	24,232

As indicated above, the City of Phoenix, Deer Valley Neighborhood and surrounding subject 2 mile radius are consistent but below anticipated growth in the overall county as is expected due to current lower density in outlying areas. Median household and per capita income in the surrounding 2 mile radius is bracketed between Phoenix and County on the upper and lower ends respectively, the Deer Valley neighborhood is moderately above all. Deer Valley and the subject radius are bracketed in median home value by Phoenix and County, lower and higher respectively. Percentage owner occupancy in the surrounding 2 mile radius is bracketed between Phoenix and County on the upper and lower ends respectively, the Deer Valley neighborhood is moderately above all; vacancy in the Deer Valley neighborhood and surrounding 2 mile radius are below both City of Phoenix and Maricopa county averages.

**Conclusion:**

The subject is in a moderately newer neighborhood (Deer Valley Village) in north-central Phoenix. There is a mix of uses in the neighborhood including commercial uses, typically concentrated along Bell Road and I-17 and at significant section line corners; industrial uses concentrated around Deer Valley Airport and along I-17, significant greenway, parks and open space and most interior areas being moderate density (2-3.5du/acre) residential properties. Neighborhood demographics are generally bracketed by Maricopa County on the upper end and City of Phoenix on the lower end; however, median household income and per capita income in the neighborhood is slightly above each of the geographic areas. There are reasonable commercial services within the neighborhood with somewhat limited public transportation. Traffic linkages to educational and work centers is considered to be average to good.

### SITE DESCRIPTION

The basic features of the subject site are described below.

Location:	The subject is located in the northeast corner of Wahalla Lane and 14 <sup>th</sup> Street, south of Loop 101, Phoenix, AZ
Assessor's Parcel Number:	213-23-007B, 213-23-010B (former parcel numbers, now not indicated as applicable by Maricopa County Assessor's office).
Site Size:	141,198.7 square feet, approximately 3.24 acres, per Sketch Plan (Disposal) exhibit.
Access and Frontage:	The subject parcel is considered to have average access with approximately 328.3' frontage on Wahalla Lane and 300.28' to 291.57' depth.
Ingress/egress:	Average via Wahalla Lane and a portion of 14 <sup>th</sup> Street.
Visibility:	Average to good; Wahalla Lane is an interior street, the site is partially visible from eastbound Loop 101 approaching the subject western boundary before noise wall and highway privacy wall.
Shape:	Essentially rectangular with moderately greater frontage than depth.
Topography:	Generally level at street grade (Wahalla Lane), around 1485' the Loop 101 freeway in this vicinity is reported to be 1505'; the site is downward sloping to the west but not to the extent that residential development would be significantly affected (similar to surrounding development).
Flood Hazard:	According to FIRM Flood Hazard map 04013C1295L, revised October 16, 2013, the subject parcel is located in Flood Zone X Shaded; (areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood) does not require flood insurance and no restrictions on building for flood classification.
Easements and Other Special Restrictions:	According to "Schedule B" of the subject title report there is an ingress-egress easement along the eastern 33'; this easement, by ROW maps, appears to be east of the adjacent eastern property (not applicable to the subject). The ROW map indicates a 25' ingress/egress easement along the subject southern boundary (this is presumed to be accurate); another easement (see schedule B in appendix) appears to have been abandoned.
Hazardous Materials/Contamination:	A PISA was performed by ADOT Environmental Planning Group; no further hazardous materials investigation is recommended.
Utilities:	Utilities are generally available from the following sources: Water: City of Phoenix Sewer: City of Phoenix Electricity: Salt River Project Gas: Southwest Gas Telephone: Qwest Telecommunications

Surrounding Land Uses:	The site is surrounded by Beardsley Road and then Loop 101 to the north, and residential property to the south, east and west; the parcel at the subject northeast corner and properties further east along Wahalla Lane to 16 <sup>th</sup> Street, are residentially zoned undeveloped but are being offered for sale (price undetermined) based on reported C-O (office) zoning approval.
Census Tract:	#040136168, population-5,595, 2.47 km <sup>2</sup> , Density 2,265.2, boundaries; Loop 101 to Union Hills, 7 <sup>th</sup> St to 16 <sup>th</sup> St.
Zoning:	<p>The subject is R1-8 Single-Family Residence District. The purpose of this regulation is to foster the creation of living areas which can assist the establishment of stable, functional neighborhoods. An established pattern of living in this metropolitan area reflects a tradition of single-family occupied dwellings which also emphasize outdoor living. Many of these dwellings are thereby located on relatively large urban or suburban lots. These regulations provide standards for dwellings built at low and moderate densities. While the predominant housing type is expected to be single-family dwelling, provisions are made for alternative housing types within the same density limits.</p> <p>Development requirements are generally as follows (for subdivisions built after June 2, 1998), Conventional: Min lot width-65', min lot depth-none except 110' adjacent to freeway or arterial, density unit/acre-4.0, perimeter building setbacks, front-15', rear 15' (1 story), 20' (2 story), side 10' (1 story), 15' (2 story), maximum height-2 stories, 30', lot coverage-40% primary structure, not including attached shade structures, 50% total.</p>
General/Specific Plans:	The subject is indicated as being suitable for 3.5-5.0 density units per acre on the Phoenix General Plan, consistent with current zoning. The subject is within the Outer Loop Freeway Specific Plan (101). Policies of the plan generally call for maintaining existing land uses with minimal disruption of communities. The subject is not designated as an area of justified land use modification. The noise wall along the subject northern boundary was in effort to reduce noise levels to 65 dB(A)Ldn or less.
Archaeology:	According to the ADOT Disposal Checklist, the subject disposal project will have no effect on historic properties. No significant historic properties were identified for the site in a cultural resources survey.
Site Analysis Summary:	The subject is essentially rectangular in shape. It has street frontage along the southern and a portion of the western boundary. As the site is well below the Loop 101 Freeway, it will be visible from the freeway in spite of 8' noise wall. Zoning is R1-8, du/acre 4.0; the Phoenix General Plan density is consistent (3.5-5.0du/ac). The site is located in Other Flood Areas Zone X (does not require flood insurance and no restrictions on building for flood classification). There are no environmental or archaeological concerns.

*Real Estate Tax Analysis*

Full Cash Valuation and Real Estate Taxes;

The following information was provided from Maricopa County Assessor's office for 2014; there are no taxes due to municipal ownership.

Tax Parcel	213-23-007B	213-23-010B	Totals
FCV Land	\$60,200	\$95,500	\$155,700
FCV Impvt.	\$0	\$0	\$0
FCV Total	\$60,200	\$95,500	\$155,700
2014 Tax	N/A	N/A	\$0.00
Assessments	None	None	None

## HIGHEST AND BEST USE

Highest and best use is defined by the Appraisal Institute in The Dictionary of Real Estate Appraisal, 5<sup>th</sup> Edition, as:

### highest and best use

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value.

Implied is that the determination of highest and best use results from the appraiser's judgment and analytical skill, i.e., that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria for the estimate of highest and best use that result in the highest land value are that the use be legally permissible, physically possible, financially feasible, and maximally productive.

### HIGHEST AND BEST USE, AS IF VACANT:

**Legally Permissible:** The subject is R1-8 Single-Family Residence District. The purpose of this regulation is to foster the creation of living areas which can assist the establishment of stable, functional neighborhoods. Conventional-current development requirements include: minimum lot width-65', min lot depth-none except 110' adjacent to freeway or arterial, density unit/acre-4.0, perimeter building setbacks, front-15', rear 15' (1 story), 20' (2 story), side 10' (1 story), 15' (2 story), maximum height-2 stories, 30', lot coverage-40% primary structure, not including attached shade structures, 50% total. As mentioned, there appears to be a 25' ingress-egress easement along the subject southern boundary; this is only slightly greater than the above required front and back building setbacks, therefore not significantly adverse to overall site utility.

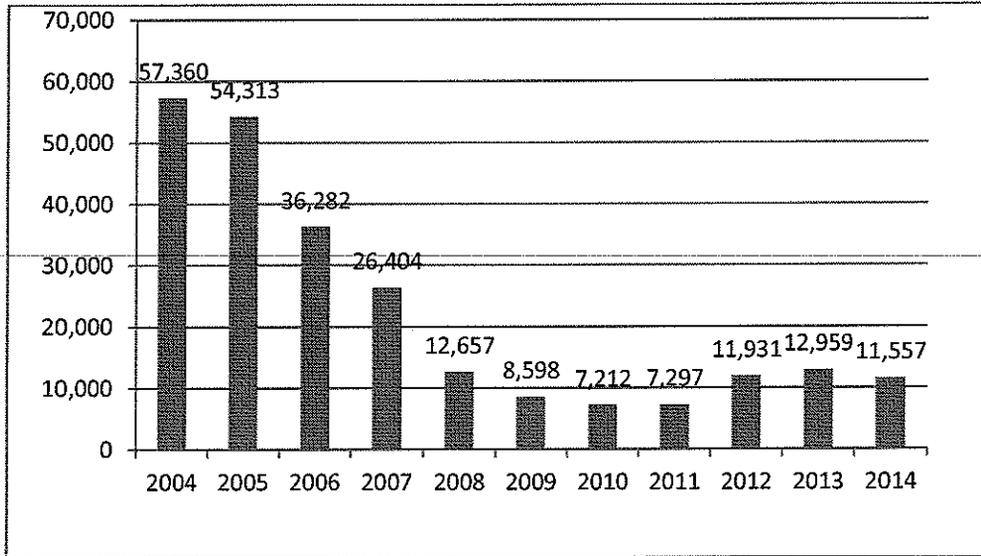
The subject is indicated as being suitable for 3.5-5.0 density units per acre on the Phoenix General Plan, consistent with current zoning.

**Physically Possible:** The site is indicated to be 141,198.7 square feet with approximately 328.3' frontage on Wahalla Lane and 300.28' to 291.57' depth. The subject parcel is located in Other Flood Areas Zone X Shaded (does not require flood insurance and no restrictions on building for flood classification). The site is generally level.

**Financially Feasible:** The financial feasibility of the subject site is market derived. The Phoenix Metro Area, as well as Arizona and the Nation are believed to be coming out of a significant recession. The National Bureau of Economic Research has recently (September 2010) determined that the recession officially started in December 2007 and ended in June 2009. The panel, however, made it clear that it knows the economy has not been favorable and that it has not been operating normally since then. To date the recovery has been characterized as very slow with slow employment and population gains and potential headwinds including increased tax rates and federal sequestration as well as poorly performing global markets which threaten to derail any recovery experienced.

### Real Estate Markets:

**Residential:** US Census reported single family residential permits in the Phoenix-Mesa-Glendale Metro area is as follows:

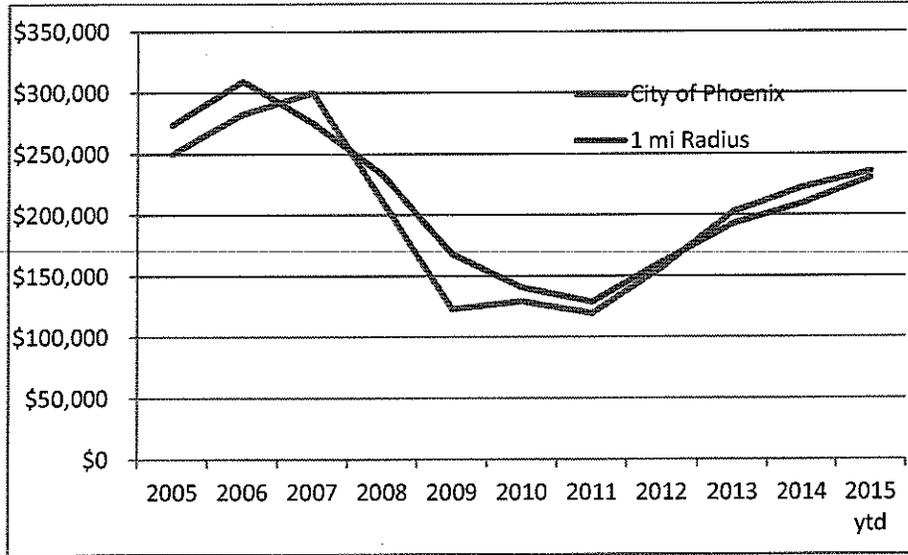


As indicated, residential permits dropped precipitously from a high in 2004 through 2011; however, 2012 and 2013 brought increases, followed by a reduction again in 2014; 2015 year to date, 4,975 permits through April again indicates improvement. Over this time period home values decreased drastically but again, appear to have turned around; however, there has been concern, that due to sales having been much higher in percentage of "investor" rather than homeowners, that there may be a mini bubble, and that after investor demand is satiated, there could again be value decreases.

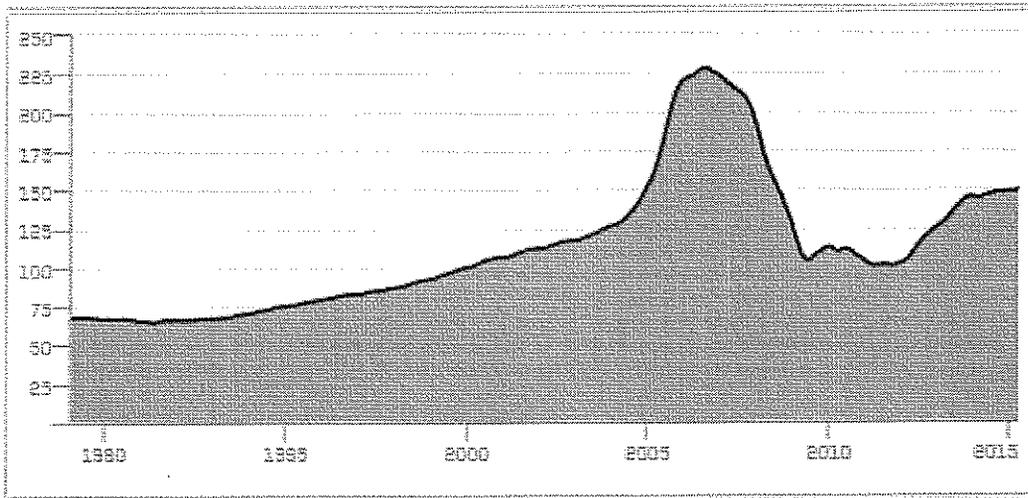
A year by year comparison of home prices in the City of Phoenix to a 1 mile radius surrounding the subject site, starting in 2005, is as follows:

Year	City of Phoenix		1 mi Radius	
	#Sales	Avg. Hm Price	#Sales	Avg. Hm Price
2005	26,620	\$250,108	356	\$273,629
2006	19,716	\$282,652	266	\$309,446
2007	12,465	\$299,917	180	\$275,515
2008	13,022	\$211,854	153	\$233,484
2009	25,188	\$123,269	227	\$167,950
2010	22,798	\$129,528	229	\$140,619
2011	26,229	\$119,407	306	\$128,907
2012	21,984	\$156,804	293	\$161,309
2013	19,989	\$202,233	245	\$192,733
2014	17,962	\$222,142	231	\$208,967
2015 ytd	9,022	\$235,595	101	\$230,569

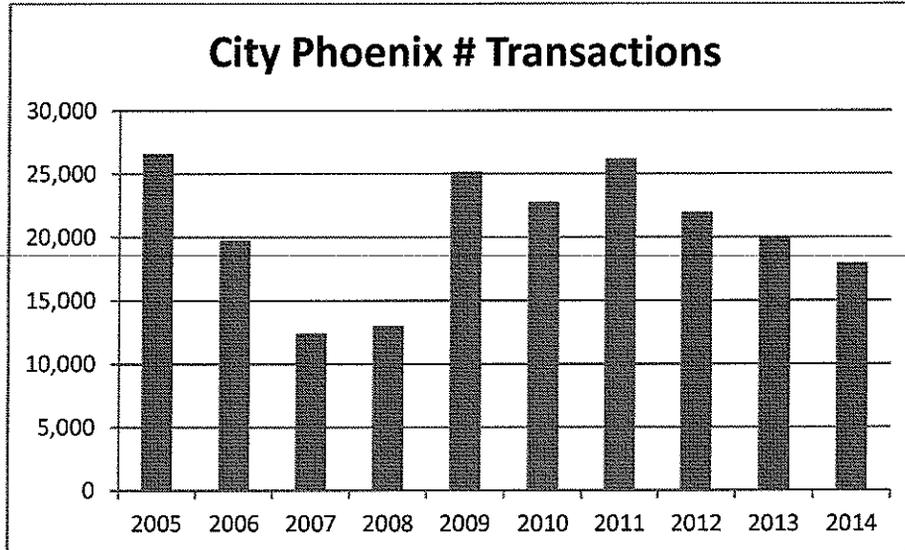
The following graph indicates the picture representation of the above table:



As indicated, the surrounding 1 mile radius and City of Phoenix demonstrated rising prices into 2006 and 2007 respectively and then generally significant declines for the next 4 years; however, 2012 and 2013 saw significant rise in prices; 2014 and 2015 have flattened significantly but still show value increases. This is confirmed by the following Case-/Shiller graphic:



Potentially significant to the level of rising prices is the number of transactions taking place in the market. In spite of significantly lower number of residential building permits being taken out and decreased population growth over the past several years, the rate of sales has remained significant:



This is considered to be due initially to the amount of investor purchases buying up distressed property sales at significantly lower than pre-recession prices. This buying frenzy caused increased pricing over 2012 and 2013 which were not sustainable. More recently, according to a recent Arizona Republic article, home sales (number of transactions) which rose 9 percent from April 2013 to April 2014, are increasing due to "boomerang buyers", those who have repaired their credit after foreclosure or short sale, are fueling the recovery, however, the increase in home sales wasn't enough to boost home prices as the Valley's median dipped 1 percent to \$215,000 between March and April.

In conclusion, the recovery is considered to be taking place. While the pendulum of increasing home prices and number of re-sale transactions has slowed significantly, the number of properties for sale, particularly in the range of \$200,000 to \$500,000 listings has thinned relative to demand is expected to lead consistent moderate price increases (forecasted at 5% for 2015 before the March to April decrease) to a level that makes new home development feasible.

**Maximum Profitability:** In consideration site legal, location, physical characteristics, current market conditions, zoning and neighborhood development, highest and best use for the site, is considered to be residential development; depending on the pricing and design, new home development may not be economically feasible yet, particularly noting the subject parcel relatively small size and less potential for economies of scale; however, as the following sales demonstrate, similar sites are being acquired both for current development and investment.

### VALUATION METHODOLOGY

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

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

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

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

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

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

### SITE VALUATION

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

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

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

Adjustments for items 1-5 above are made first if necessary, indicating an "adjusted sale price". The prices are then adjusted for differences in location, physical characteristics (including use or zoning), economic characteristics, and any non-realty components of value.

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

**Comparable Land Sale One**

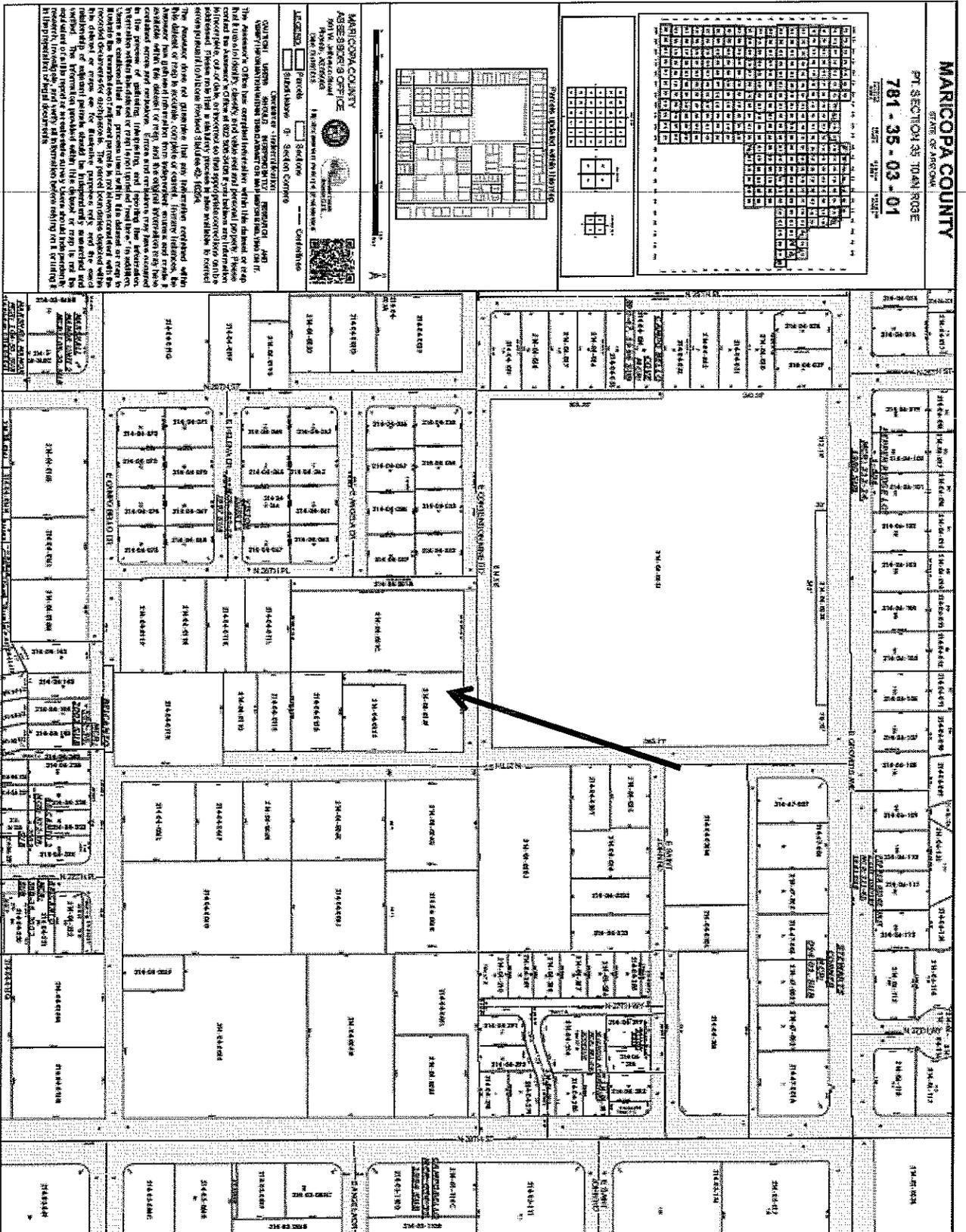
LOCATION: 2627, 2629 E Contention Mine Rd, SWC 27<sup>th</sup> St., Phoenix, AZ  
LEGAL DESCRIPTION: Pt W2, NE4, & E2, N2, E2, of SW4, NE4, SW4, Sec 35, T4N, R3E, G&SRB&M, Maricopa County, Arizona  
TAX CODE NUMBER: 214-04-001A, 001C, 013F  
RECORDS: 4/30/15 document 20150303249

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SELLER: Acorn 6<sup>a</sup> Contention Mine Real Estate LLC  
BUYER: BUTROH LLC  
SALE PRICE: \$190,000  
TERMS: Cash  
SITE SIZE: 68,104 sf, 1.56 acres  
PRICE PER SF: \$2.79  
ZONING: R1-6, City of Phoenix  
COMMENTS: The site is of irregular shape on the SWC of Contention Mine and 27<sup>th</sup> St. Utilities are reportedly available with the exception of sewer (approx. 35') and the site had no significant development issues, per FEMA 04013C1295L X shaded. The purchaser is working on entitlements for a 9 lot subdivision and plans to sell to homebuilders at approximately \$60,000 per lot (before approved plat).

CONFIRMED WITH: MLS5116632, Joe Walsh, buyer agent/purchaser, 602.619-7581, pdh 2015932





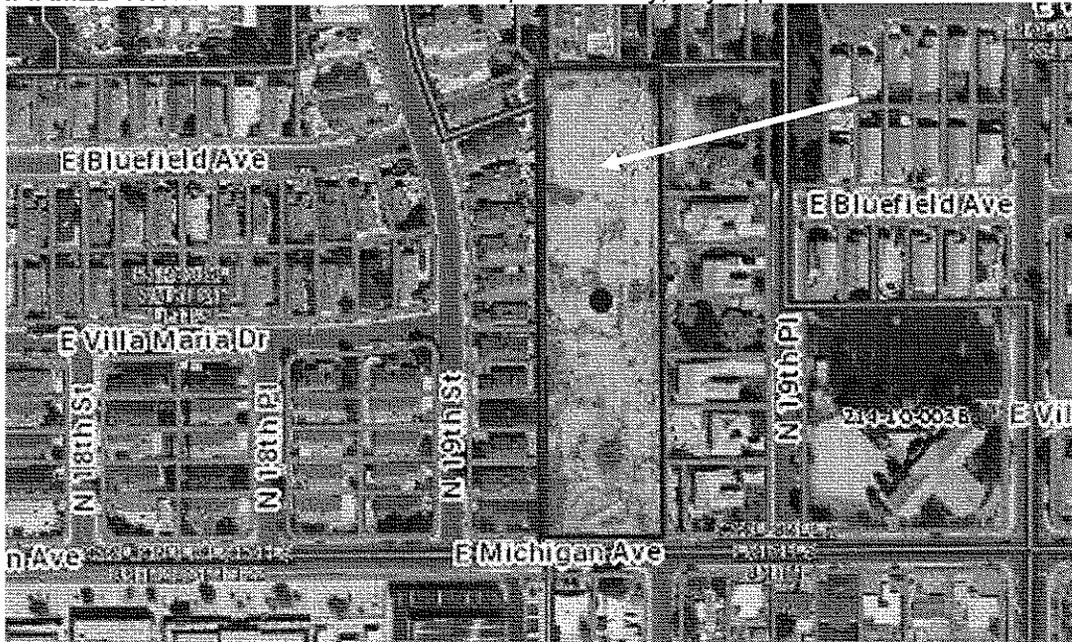
**Comparable Land Sale Two**

LOCATION: 1906 E Michigan Ave at 19<sup>th</sup> St., Phoenix, AZ  
LEGAL DESCRIPTION: Ptn W2, W2, E2, E2, S2, N2, NW4 Sec 34, T4N, R3E, G&SRB&M,  
Maricopa County, Arizona  
TAX CODE NUMBER: 214-10-008b  
RECORDS: 2/27/15 document 20150142612

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SELLER: TRS 6 LLC, Marbella Homes Inc. Brian Hegardt, 480.420-3355  
BUYER: Michigan Ave & 19th St LLC. 602.580-8500  
SALE PRICE: \$495,000  
TERMS: \$25,000 cash, balance private party financing  
SITE SIZE: 104,108 sf, 2.39 acres  
PRICE PER SF: \$4.75  
ZONING: R1-8, City of Phoenix  
COMMENTS: The site is rectangular. Utilities are reportedly available and the site had no significant development issues, per FEMA 04013C1295L X shaded. Purchased as raw land, the site is now being developed with 12 SFR lots.

CONFIRMED WITH: Costar 3245589, Bruce Hilby, buyer, pdh 2015932

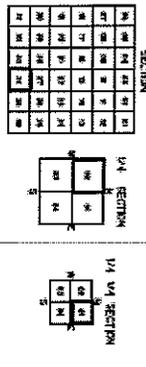


MARICOPA COUNTY  
OFFICIAL PARCEL MAP  
STATE OF ARIZONA

PT. SECTION 34, T04N R03E

Map D - 781 - 34 - 02 - 01

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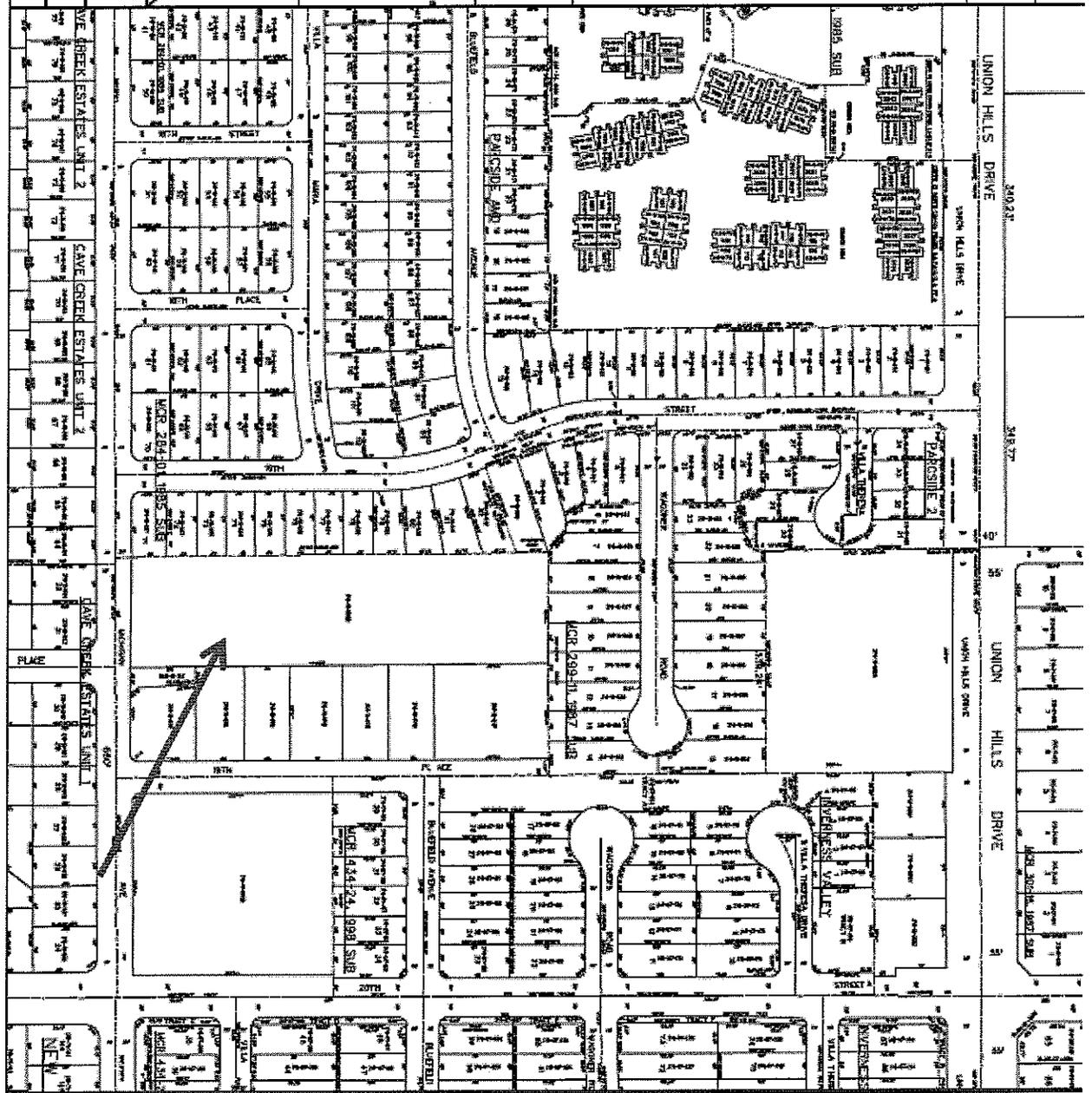
ASSESSOR'S OFFICE, MARICOPA COUNTY, ARIZONA  
 1000 N. GILBERT AVENUE, SUITE 200  
 GILBERT, ARIZONA 85234  
 PHONE: 480-342-2200  
 FAX: 480-342-2201  
 WWW.AZASSESSOR.COM

**SUBDIVISIONS**  
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SCALE: 4" = 60'

**MARICOPA COUNTY ASSESSOR'S OFFICE**  
 1000 N. GILBERT AVENUE, SUITE 200  
 GILBERT, ARIZONA 85234  
 PHONE: 480-342-2200  
 FAX: 480-342-2201  
 WWW.AZASSESSOR.COM

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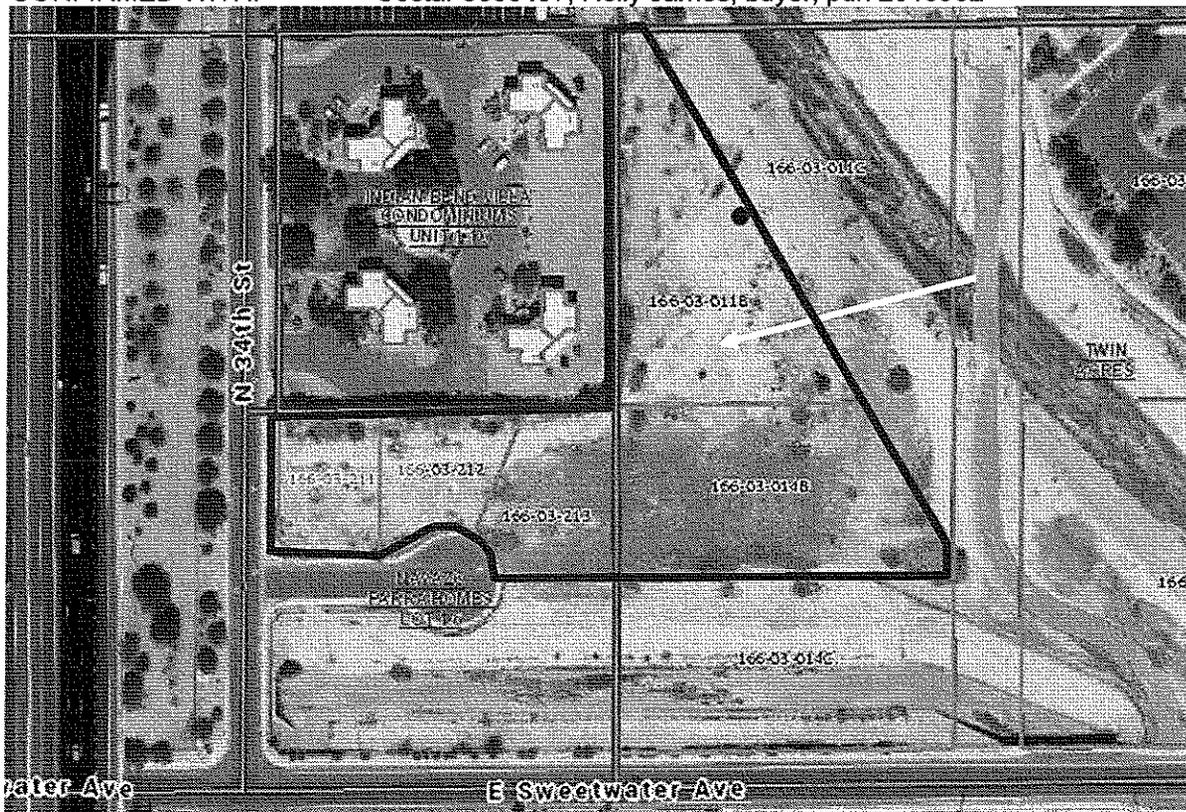
### Comparable Land Sale Three

LOCATION: 3402-3426 E Captain Dreyfus Ave. NWC 34<sup>th</sup> St., Phoenix, AZ  
LEGAL DESCRIPTION: Lots 1-3 Navazo-Para Homes, Pt Lots 3 & 6 Twin Acres, Sec 13, T3N, R3E, G&SRB&M, Maricopa County, Arizona  
TAX CODE NUMBER: 166-03-011B, 014B, 213, 212, 211  
RECORDS: 8/5/14 document 20140513867

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SELLER: TRS 4 LLC, Marbella Homes Inc. Brian Hegardt, 480.420-3355  
BUYER: DR Horton, Inc. 480.483-0006  
SALE PRICE: \$580,952  
TERMS: Cash  
SITE SIZE: 124,094 sf, 2.85 acres  
PRICE PER SF: \$4.68  
ZONING: R-2, parcel 011b-R1-6, City of Phoenix  
COMMENTS: The site is of irregular shape on the NEC of Captain Dreyfus and 34<sup>th</sup> St e/o Hwy 51. Utilities are reportedly available and the site had no significant development issues, per FEMA 04013C1735L X shaded. The purchaser intends to develop the site with 14 SFR lots.

CONFIRMED WITH: Costar 3090497, Holly James, buyer, pdh 2015932





**Comparable Land Sale Four**

LOCATION: 18932 N 26<sup>th</sup> St., s/o Beardsley, Phoenix, Arizona

LEGAL DESCRIPTION: Lot 1 Mobile Ranchos, Lot 1 Dodge Townhomes, Ptn E2, N2, S2, NW4, NW4 Sec 28, T4N, R3E, G&SRB&M, Maricopa County, Arizona

TAX CODE NUMBER: 213-18-004K, 007, 346

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RECORDS: 1/6/14 document 20140007917

SELLER: GSI Secured Loan Fund LLC

BUYER: Dodge Homes LLC, Troy Michigan

SALE PRICE: \$575,000, (\$785,000 asking price, 272 DOM)

TERMS: Cash

SITE SIZE: 130,943 sf, 3.01 acres

PRICE PER SF: \$4.39

ZONING: R-4A, City of Phoenix

COMMENTS: The site is L shaped, on the NWC of Marco Polo Rd. Utilities are reportedly available and the site had no significant development issues. per FEMA 04013C1295L X shaded. The listing agent believes the purchaser intends to develop with attached SFR's.

CONFIRMED WITH: Costar 2925961, Matt Telban, listing agent, 602.616-3257, pdh 2015932





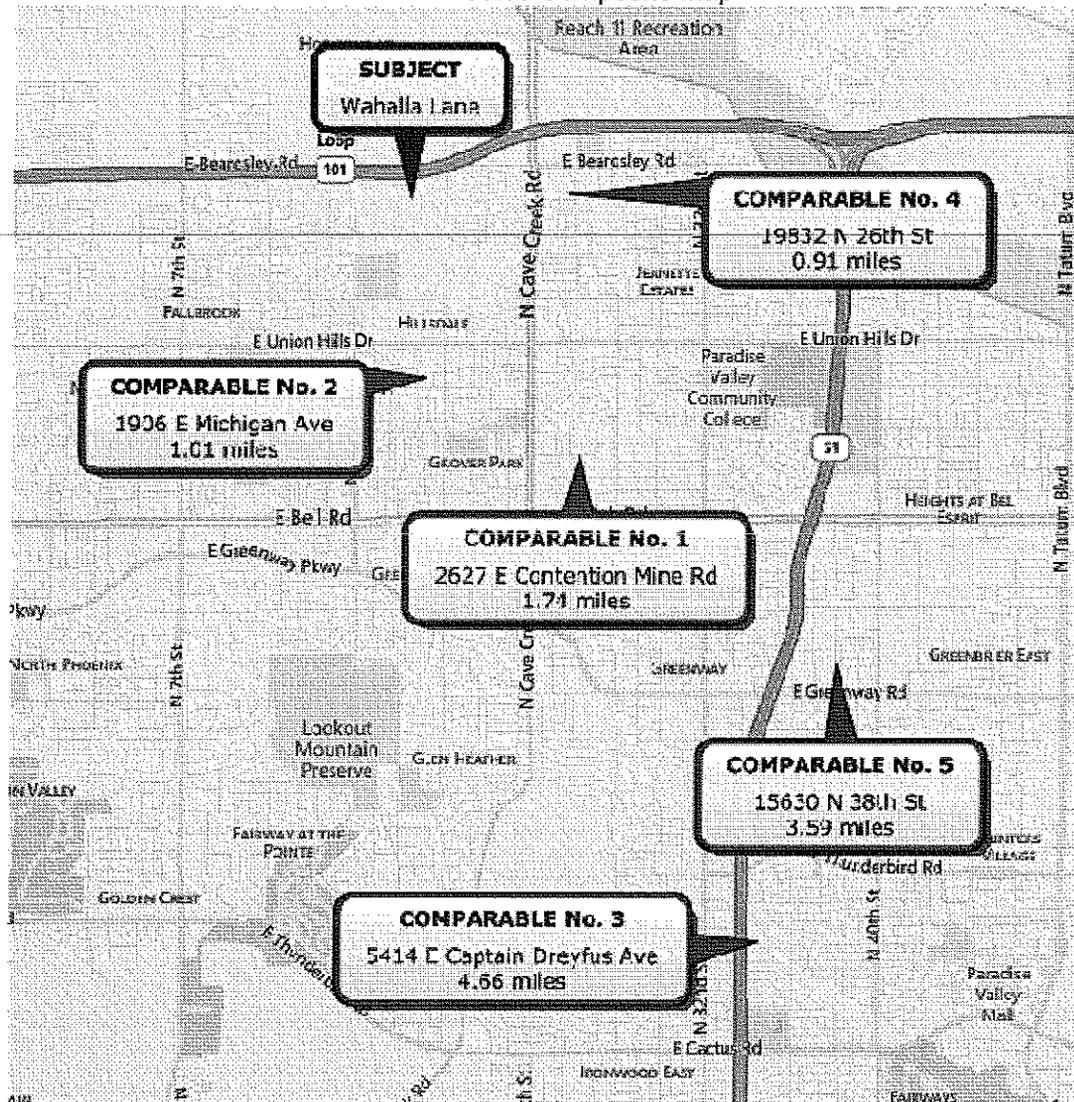
**Comparable Land Sale Five**

LOCATION: 15640 N 38<sup>th</sup> St., Phoenix, Arizona  
LEGAL DESCRIPTION: Lot 36, Robin Hood Acres, Maricopa County, Arizona  
TAX CODE NUMBER: 214-34-036  
RECORDS: 5/3/13 document 20130407264  
SELLER: PV Real Estate Investments LLC (Jacques Munro)  
BUYER: Charles and Linda Burrows  
SALE PRICE: \$305,000  
TERMS: Cash  
SITE SIZE: 91,678 sf, 2.11 acres  
PRICE PER SF: \$3.33  
ZONING: R1-14, City of Phoenix  
COMMENTS: The site is roughly square, on the SWC of Tierra Buena Lane. Utilities are reportedly available and the site had no significant development issues; per FEMA 04013C1295L, X shaded. The site is designated as 3.5-5 du/ac on the Phoenix General Plan; there is R1-8 across the street to the east.  
CONFIRMED WITH: MLS4802270, Jacques Munro, listing agent/seller representative, 602.953-3838, pdh 2013745





### Sales Composite Map



### Comparable Sales Discussion and Adjustments:

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

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

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

Financing: Each of the sales were reported to be cash to seller; no adjustments are considered necessary.

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

Market Condition: The sales occurred from May 2013 through May 2015. The market is considered to have improved over this time frame, thus the comparables are adjusted upward moderately, based on an adjustment of approximately 5% per year.

Location: The subject is an average to good location, in an area of growth with relatively good linkages to other parts of the City and services. Sales 1 and 5 are considered to be moderately inferior with slightly lower value of surrounding residential property, they are adjusted upward; sales 2-4 are considered to be similar or offsetting, not requiring adjustment.

Size: the sales are all considered to be similar to the subject in relatively small size for highest and best use (eventual multi-lot development). While smaller parcels often sell for more on a per unit basis, this is not considered to hold true in this case as smaller parcels potentially offer even less economy of scale; no adjustment for size is considered to be necessary.

Zoning: The subject and comparables are all zoned for moderate density residential. Ordinarily, higher density zoned parcels sell for more on a price per square foot basis, thus sale 5 is adjusted upward for lower density zoning, however, the adjustment is moderated by general plan suggesting higher density zoning is reasonable and surrounding property with such higher density zoning, suggesting rezoning to density similar to the subject may be feasible. Sales 1 and 2 have zoning similar to the subject; sales 3 and 4 have higher density zoning; they are adjusted downward.

Site Issues: The subject and comparables 2, 4 and 5 are considered to be similar in having utilities available and no significant site development issues, no adjustment is considered necessary; sales 1 and 3 are adjusted moderately upward for inferior site utility due to shape.

Improvements: The subject and sales had no improvements; no adjustments are necessary.

Site Utilities: the subject and sales all have utilities necessary for development, no adjustment is considered necessary.

Site Access/View: The subject and comparables have reasonable access and generally average views for the area, no adjustments are considered necessary.

#### **Estimated Market Value Conclusion:**

Before adjustment the comparables indicated a range of \$2.79 to \$4.75 per square foot; however, after being adjusted for conditions of sales the range narrows slightly to approximately \$3.50 to \$4.80 per square foot. The comparables bracket the subject with sales 1 and 5 having net upward physical adjustment, sale 2 with no physical adjustment, and sales 3 and 4 with net downward adjustment. Sale 2 is given emphasis, followed by sales 1 and 5 which are more similar to the subject in zoning. With emphasis as indicated, a subject value at \$4.25 per square foot, rounded to \$600,000, is considered reasonable. This is significantly above the most recent reported ADOT offering price, \$395,300 but this price was apparently published only briefly following several years with the price un-determined. It is significantly below prior peak offering prices (\$664,000 around December 2009) but this price was based on downward adjustment of 20% to the price established in late February 2008 by appraisal which likely relied on sales indications during the peak of the market just before the beginning of the "great recession", which was followed by roughly 5-6 years of significant reduction in single family residential development and decreases to associated land prices.

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

SITE SALES COMPARISON SUMMARY						
Comparable	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Location	NEC Wahalla Ln & 14th St	SWC Contention Mine & 38th	1906 E Michigan Ave	NEC Capt Dreyfus & 34th St	26th St s/o Beardsley	SWC 38th St & Tierra Buena
Tax ID Number	213-23-010	214-04-001a	214-10-008b	166-03-014b	213-18-346	214-34-036
<b>Sales Data</b>						
Date of Sale	Curr.	May-15	Feb-15	Aug-14	Jan-14	May-13
Sales Price	N/A	\$190,000	\$495,000	\$580,952	\$575,000	\$305,000
Site Size (AC)	3.24	1.56	2.39	2.85	3.01	2.10
Price per SF	n/a	\$2.79	\$4.75	\$4.68	\$4.39	\$3.33
Property Rights (Interest)	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Interest adjustment	0%	0%	0%	0%	0%	0%
Financing	Cash	Cash	Cash	Cash	Cash	Cash
Cash Equivalent Price	N/A	\$190,000	\$495,000	\$580,952	\$575,000	\$305,000
Conditions of Sale	Average	Average	Average	Average	Average	Average
Condition Adjustment	0%	0%	0%	0%	0%	0%
Market Condition (Time)	Curr.	May-15	Feb-15	Aug-14	Jan-14	May-13
Market Conditions Adj.	N/A	0.0%	1.0%	4.0%	7.0%	10.0%
Adjusted Price	N/A	\$190,000	\$499,950	\$604,190	\$615,250	\$335,500
Adjusted price per SF	N/A	\$2.79	\$4.80	\$4.87	\$4.70	\$3.66
<b>Physical Characteristics</b>						
Location	Average	Inferior	Similar	Similar	Offsetting	Inferior
Size; AC	3.24	1.56	2.39	2.85	3.01	2.10
Zoning	R1-8	R1-6	R1-8	R-2,R1-6	R-4	R1-14
Improvements	None	None	None	None	None	None
Site Utility/Utilities	Average	Inferior	Similar	Inferior	Similar	Similar
Access/View	Average	Similar	Similar	Similar	Similar	Similar
<b>Adjustments</b>						
Location		20.0%	0.0%	0.0%	0.0%	5.0%
Size		0.0%	0.0%	0.0%	0.0%	0.0%
Zoning/Use		0.0%	0.0%	-10.0%	-10.0%	5.0%
Improvements		0.0%	0.0%	0.0%	0.0%	0.0%
Site Utility/Utilities		5.0%	0.0%	5.0%	0.0%	0.0%
Access/View		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net Physical Adjustments</b>						
Net Physical Adjustments		Upward	Similar	Downward	Downward	Upward
Net Adjustment (Overall)		25.0%	0.0%	-5.0%	-10.0%	10.0%
Adjusted Comp Price		\$3.49	\$4.80	\$4.63	\$4.23	\$4.03
Subject Value (\$/SF)	\$4.25					
Opinion of Subj. Value	\$600,000					

**CERTIFICATE OF APPRAISER**

**Project Number: H089301R**

**Parcel Number: L-M-486**

I hereby certify;

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

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

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

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

That this appraisal has further been made in conformity with the appropriate State and Federal laws, regulations, policies and procedures applicable to appraisal of right of way for such purposes; and that, to the best of my knowledge, no portion of the value assigned to such property consists of items which are non-compensable under the established laws of said State.

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

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

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

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

That my opinion of the MARKET VALUE for disposition of the parcel as of the 22<sup>nd</sup> day of June, 2015, is \$600,000, based upon my independent appraisal and the exercise of my professional judgment.



## STATEMENT AND CERTIFICATION OF APPRAISER

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

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

the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions

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

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

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

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

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

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

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

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

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

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

I have appraised the subject property within the prior 3 years, June 2013, for the same client and for the same intended use.

I am competent to complete the appraisal.

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



## APPENDIX

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1. Appraisal Assumptions and Limiting Conditions
2. Subject Exhibits
3. Right of Way Map
4. Consultant Qualifications

## **LIMITING CONDITIONS AND ASSUMPTIONS**

### **of Standard Real Estate Appraisal**

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

#### **1. Information Used, Trade Secrets**

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

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

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

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

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

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

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

#### **4. Court Testimony**

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

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

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

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

**6. Confidentiality**

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

**7. Measurements, Exhibits**

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

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

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

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

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

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



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

#### **10. Utilities**

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

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

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

#### **12. Component Values, Special Studies**

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

#### **13. Inclusions.**

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

#### **14. Proposed Improvements, Conditional Value**

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

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

The estimated market value, as defined in the report, is subject to change with market fluctuations over time; value is highly related to exposure, time, promotional effort, terms, motivation, and personal and general

economic and supply/demand conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property both physically and economically in the marketplace.

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

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

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

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

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

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

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

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

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

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

#### **20. Pygmy Owl Habitat**

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

#### **21. Report Type**

This is a Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. It is believed to be compliant with ADOT

"Detailed Narrative Report". Supporting documentation concerning the data, reasoning, and analysis is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

## **22. Other Information for Readers**

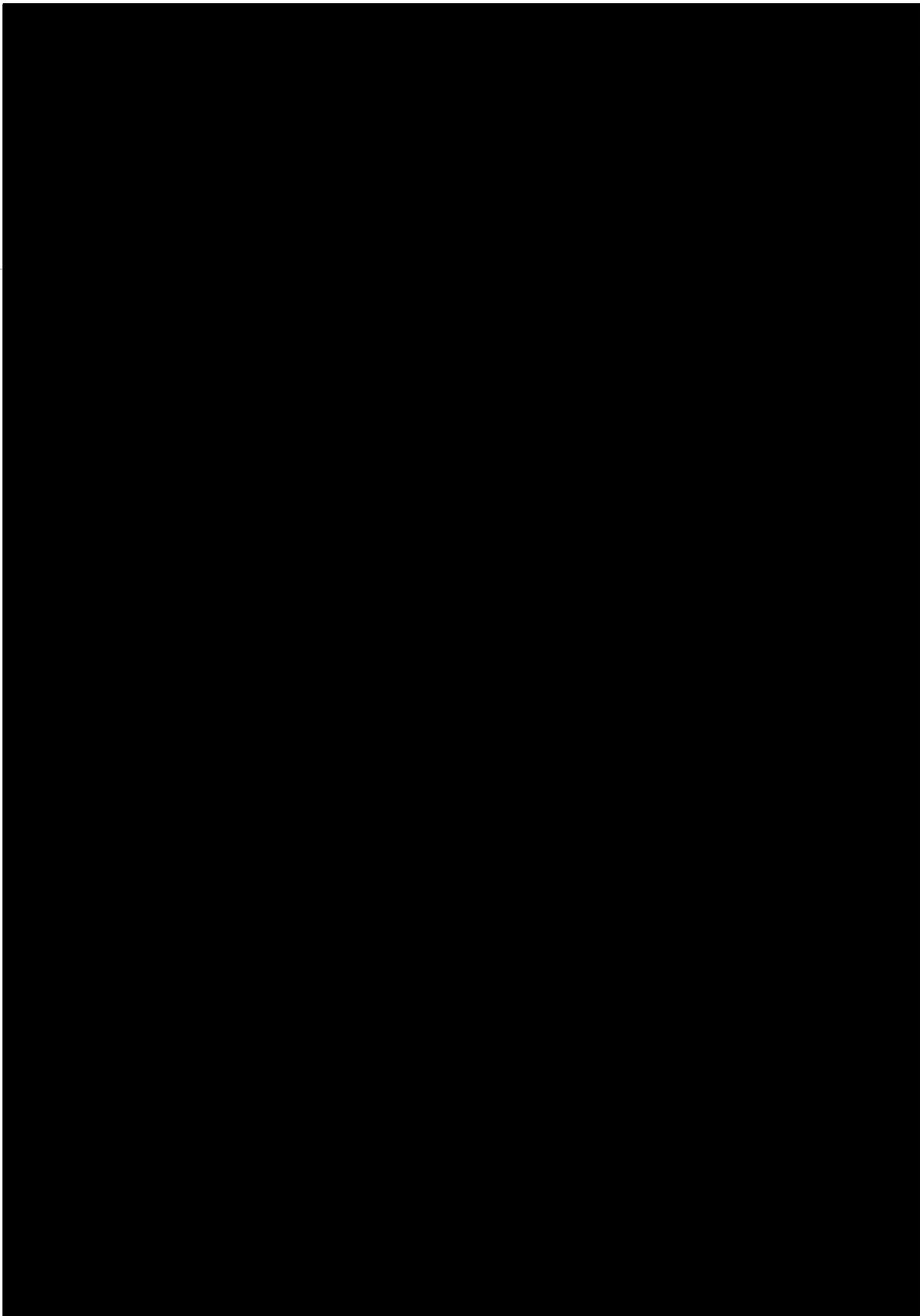
We recommend that if sewer or septic connection, or condition of same, is of concern to client or other readers of this report, a qualified expert should be hired to inspect the system and perform appropriate tests as he/she deems necessary. Further, if water source, status, possible toxic influences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

## **23. Conclusion**

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

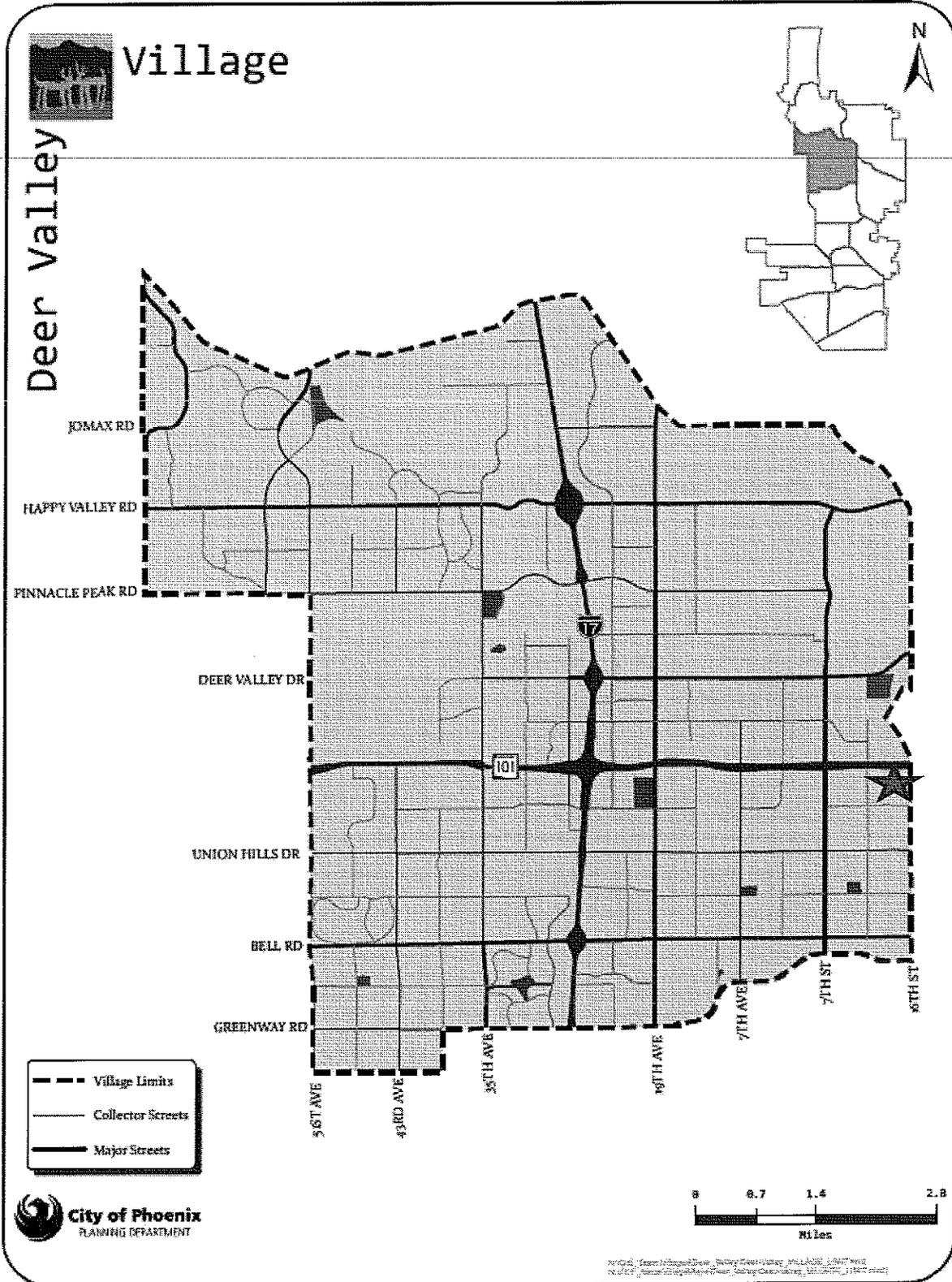
These Limiting Conditions and Assumptions are in conjunction with any form type page(s) of similar nature in the appraisal report package; further, the reader is advised that certain comments in the report may point out other specific assumptions and/or limiting conditions pertaining to this appraisal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

--- end ---

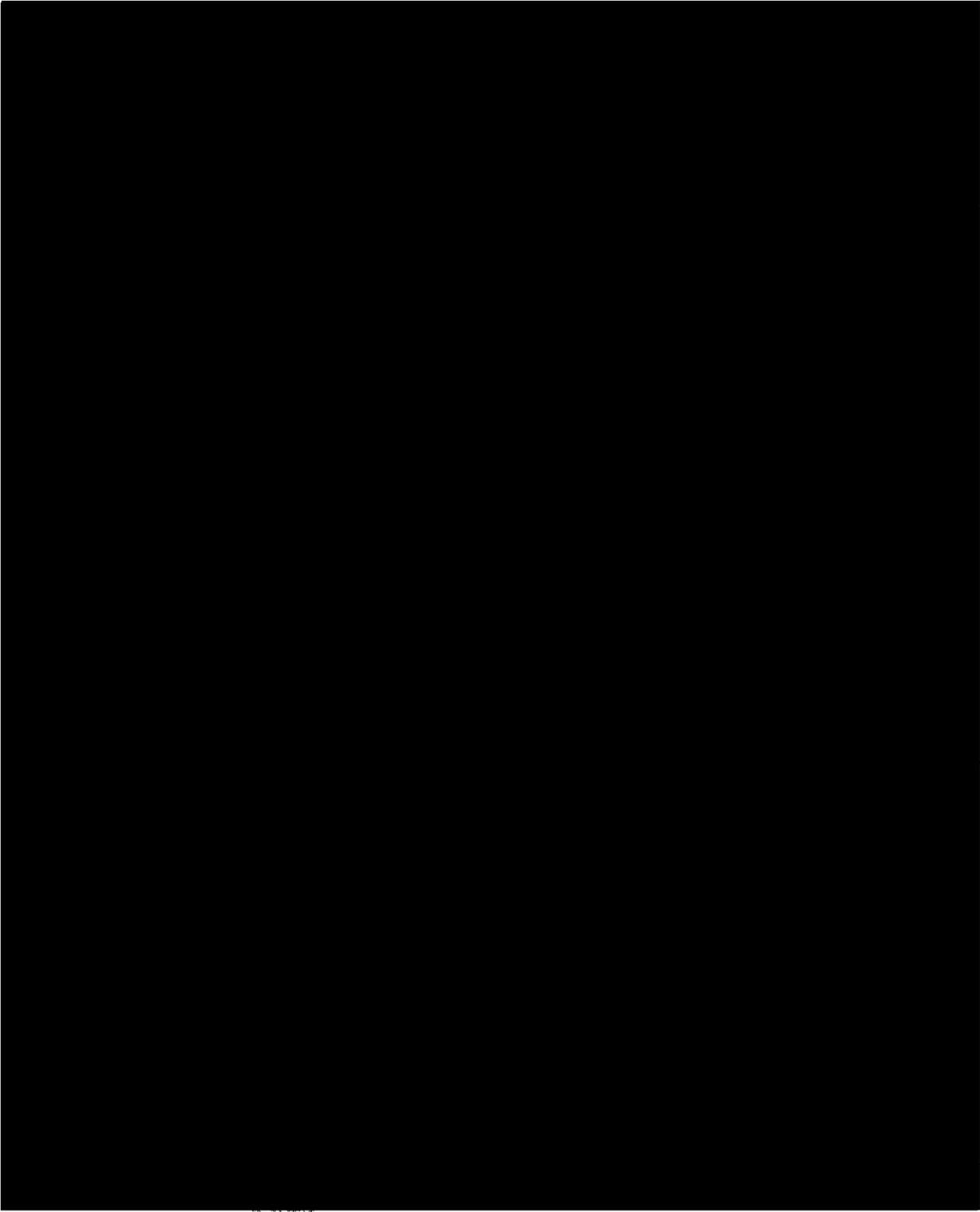




### Neighborhood Map (Deer Valley Village)

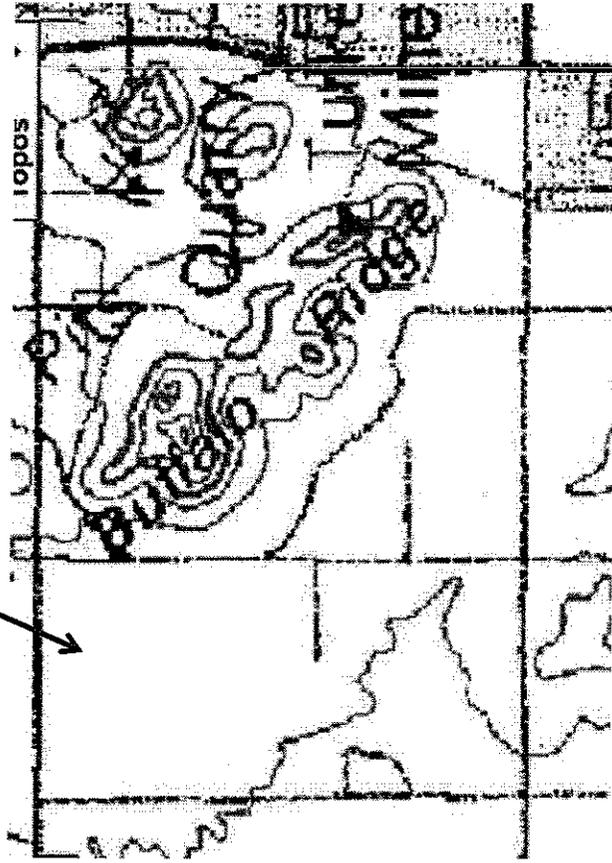
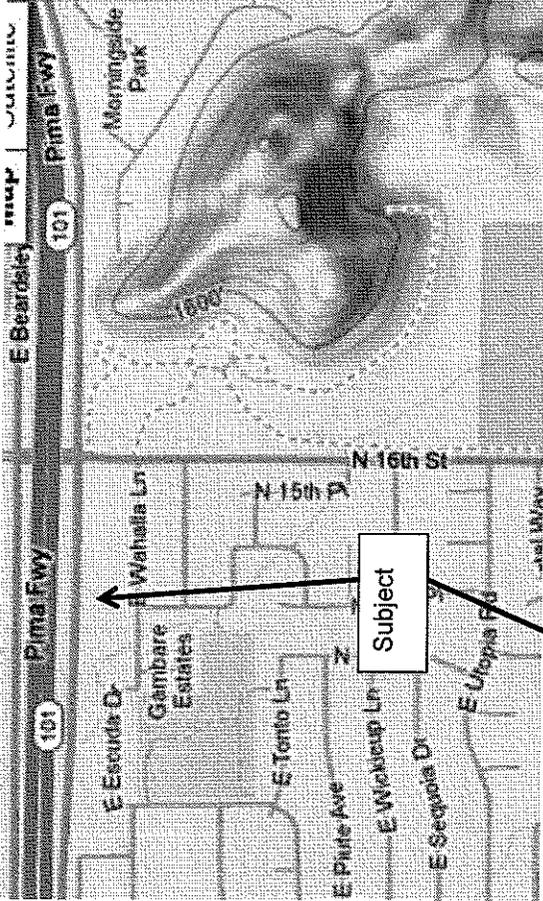




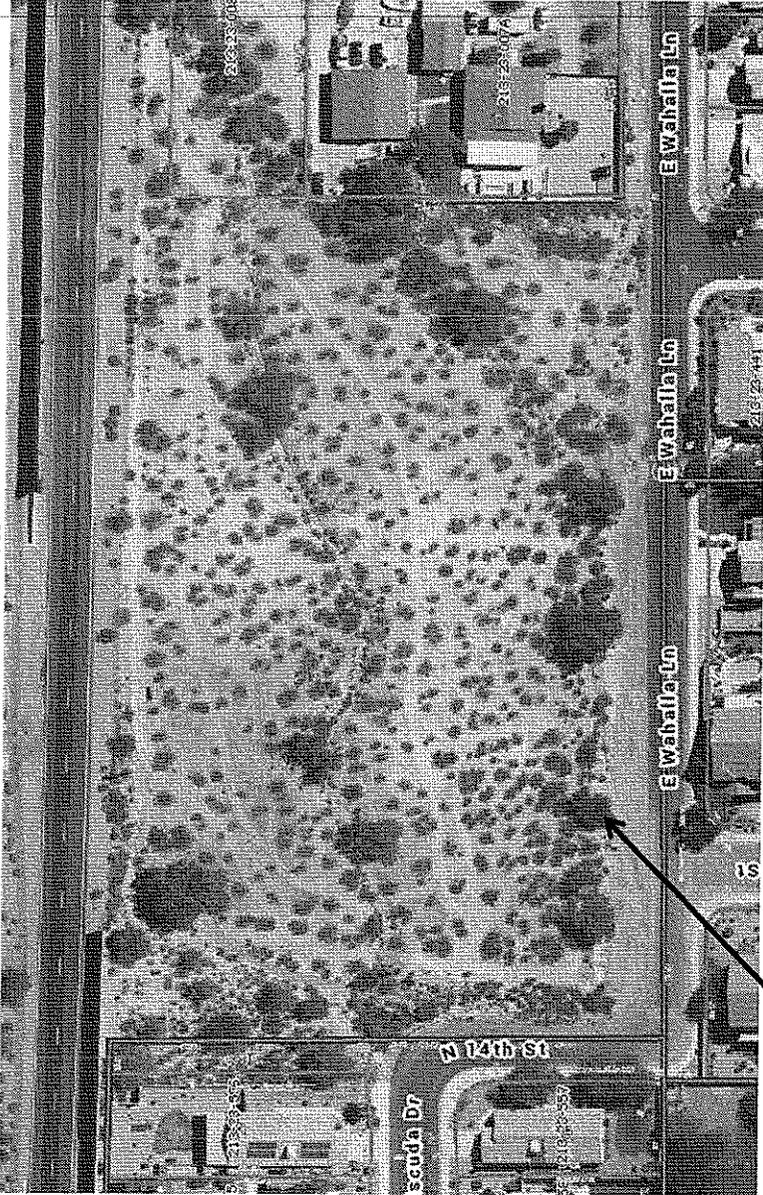


05  
02

TOPOGRAPHY MAPS

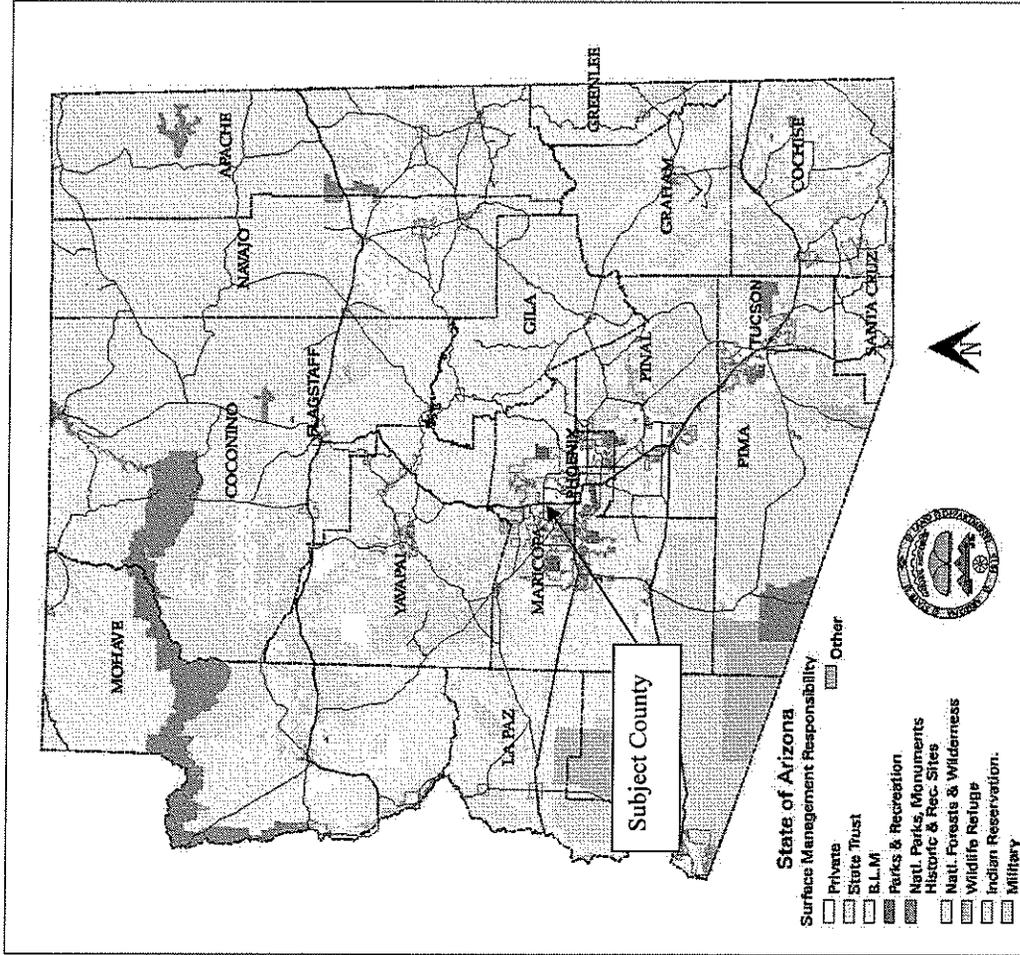


Aerial Photo

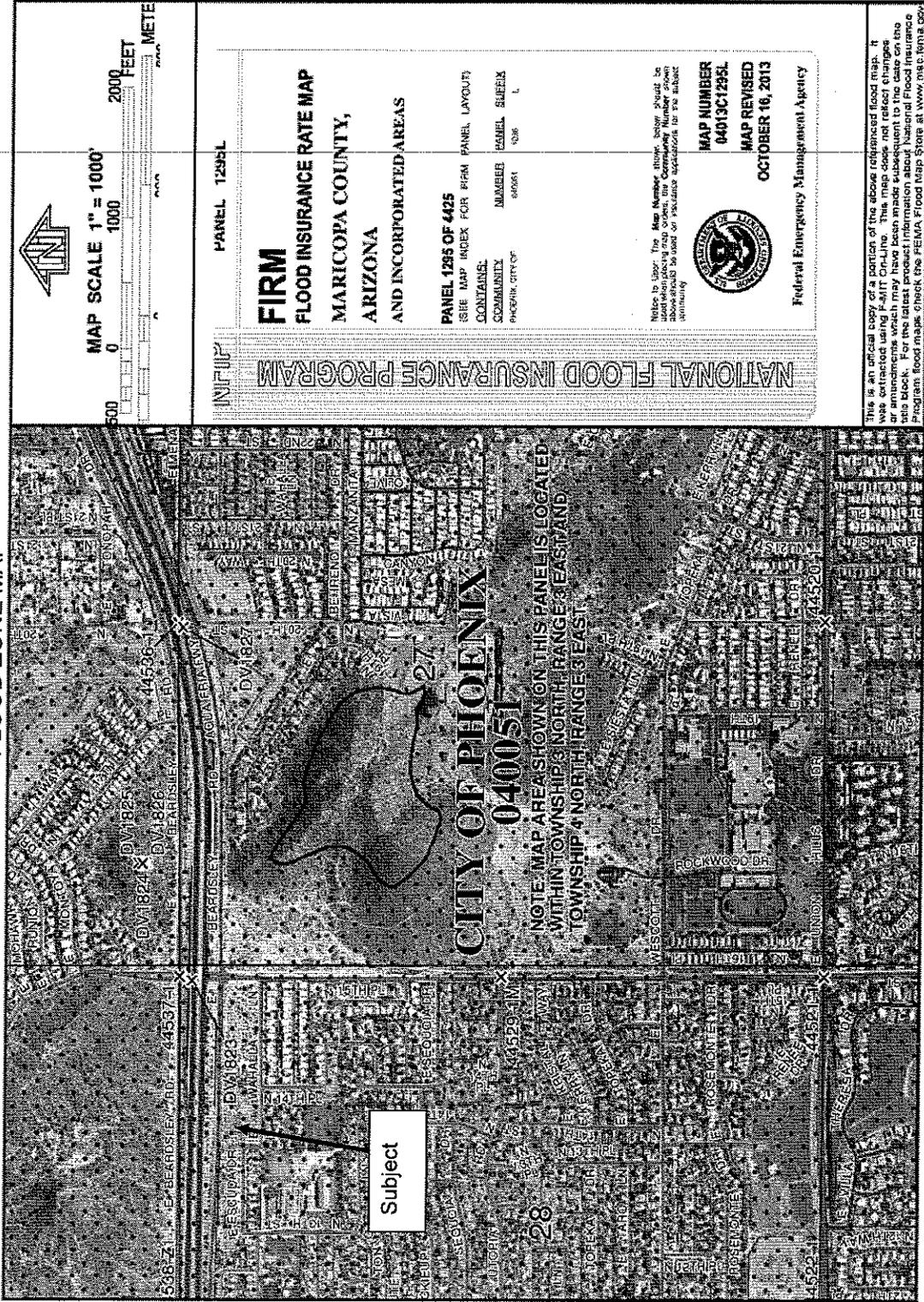




### Arizona Surface Management Responsibility



FLOOD ZONE MAP



**MAP SCALE 1" = 1000'**

0 1000 2000 FEET

0 1000 2000 METERS

**FIRM**  
**FLOOD INSURANCE RATE MAP**  
**MARICOPA COUNTY,**  
**ARIZONA**  
**AND INCORPORATED AREAS**

**PANEL 1295L**

**PANEL 1295 OF 4425**  
SEE MAP INDEX FOR FIRM PANEL LAYOUT

**CONTAINS:** MEMBER SHEET 40061 L  
**COMMUNITY:** PHOENIX CITY OF

**MAP NUMBER 04013C1295L**  
**MAP REVISED OCTOBER 16, 2013**

**Federal Emergency Management Agency**

**NATIONAL FLOOD INSURANCE PROGRAM**

Notes to User: The Map Number above, below, should be used when placing map orders; the Community Number shown above should be used on insurance applications for the subject property.

This is an official copy of a portion of the above referenced flood map. It was extracted using F-5117 On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the said block. For the latest product information about National Flood Insurance Program flood maps, check the FEMA Flood Maps State at www.nsc.fema.gov.





### Title Report Documents

## Arizona Department of Transportation Environmental Planning Group Disposal Checklist

Disposal Number: L-M-486
Disposal Name: Parcels # 7-4108A and 7-4110A
Disposal Address: Parcel is located at 14 Street and Wahalla Lane in Phoenix.

#### Clearance



Prepared By: \_\_\_\_\_ Date: 2/4/08  
Angela Roach  
Hazardous Materials Planner

Approved By:  \_\_\_\_\_ Date: 2-4-08  
Thor Anderson  
Manager

TA:alr



**I. PROJECT DESCRIPTION**

- A. The Arizona Department of Transportation (ADOT) proposes to dispose of property L-M-486. This is also referred to as ADOT Parcels # 7-4108A and 7-4110A.
- B. Location: The parcel is located at 14<sup>th</sup> Street and Wahalla Lane in Phoenix. This is near the southwest corner of 16<sup>th</sup> Street and SR 101.
- C. Purpose: The property will be sold in accordance with State law.

**II. IMPACT EVALUATION**

**A. Natural Environment**

This disposal property was acquired for the construction of SR 101.

**Land Use Characteristics**

	Current Condition	Former Use	Surrounding Area
Vacant	X	X	<input type="checkbox"/>
Residential	<input type="checkbox"/>	<input type="checkbox"/>	X
Commercial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Industrial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Agricultural	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Natural	<input type="checkbox"/>	X	<input type="checkbox"/>

**Endangered Species Act Listed Species**

	Yes	No	If Yes, List Species.	Comments.
Critical Habitat	<input type="checkbox"/>	X		
Suitable Habitat	<input type="checkbox"/>	X		

The disposal property is located in an area designated Zone X according to the FEMA Flood Insurance Rate Map.

**B. Physical/Construction**

This type of action does not require any construction-related activities. No construction-related impacts will result from this disposal activity.

A PISA was performed by the ADOT Environmental Planning Group. No further hazardous materials investigation is recommended.

Due to the lack of construction-related activities and impacts, this project is exempt from air quality conformity regulations.

The Arizona Department of Transportation's Noise Abatement Policy was written to conform to the federal policy and guidelines as stated in Title 23 of the Code of Federal Regulations Part 772. No analysis of traffic noise impacts is required for this project as it does not significantly alter the horizontal or vertical alignment of the existing highway nor does it increase capacity of transportation facilities.

### C. Socioeconomic

Title VI of the Civil Rights Act of 1964 and related statutes assure that individuals are not excluded from participation in, denied the benefit of, or subject to discrimination on the basis of Race, Color, National Origin, Age, Sex, and Disability. Executive Order 12898 on Environmental Justice directs that programs, policies and activities not have a disproportionately high and adverse human health and environmental effect on minority and low-income populations. This disposal project will not result in new impacts on the surrounding area. Sale of this property will not result in any residential or business relocation. This disposal will not have a disproportionately high or adverse impact on minority or low-income communities.

### D. Cultural Resources

This disposal project will have no effect on historic properties. No significant historic properties were identified for the site in a cultural resources survey. We have discussed these types of projects with the State Historic Preservation Office, and they agree that our in-house reviews are adequate to address this type of situation.

## III. PUBLIC INVOLVEMENT

This disposal action does not require a public involvement plan.

## IV. ACTION REQUIRED

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

RESOLUTIONS FOR DISPOSAL L-M-485

1. RESOLUTION ADOPTING STATE ROUTE PLAN, Resolution No. 83-03-A-11 dated February 18, 1983, recorded March 1, 1983 in Document No. 83-073039 recommending the establishment as a state route and the adoption and approval of the State Rout Plan for the OUTER LOOP, junction I-17—Scottsdale Road Section, State Route 117, Project AZ-600-1-201, Engineering District I, Maricopa County, State of Arizona.
2. AMEND RESOLUTION ADOPTING STATE ROUTE PLAN, Resolution No. 83-04-A-18, dated March 18, 1983, recorded March 30, 1983 in Document No. 83-113905 recommending the amendment of Resolution No. 83-03-A-11, dated February 18, 1983, which approved and adopted the State Route Plan for the portion of the OUTER LOOP, Scottsdale Road-1-17 Section, state Route 117, Project 600-1-201, Engineering District I, Maricopa County, State of Arizona.
3. RESOLUTION FOR ADVANCE ACQUISITION, Resolution No. 83-13-A-52 dated September 16, 1983, recorded October 7, 1983 in Document No. 83-407129 recommending the advance acquisition of real property located within the corridor established for the above-referenced project in Maricopa County, State of Arizona.
4. RESOLUTION TO REDESIGNATE, Resolution No. 87-11-A-105 dated December 18, 1987, recorded January 14, 1988 in Document No. 88-017431 recommending the redesignation of the state routes and corridors referred to therein.
5. RESOLUTION OF ESTABLISHMENT, Resolution No. 97-11-A-064 dated November 21, 1997, recorded December 24, 1997 in Document No. 97-0901706 recommending the establishment of a portion of the State Route Preliminary Transportation Corridor of the Pima Freeway, State Route 101 Loop, as a State Highway.

REQUIREMENTS FOR DISPOSAL L-M-486

1. Parcel No. 7-4108-A repurchase rights do not apply due to the date of acquisition being April 27, 1994.
2. Parcel No. 7-4110-A repurchase rights do not apply due to the date of acquisition being April 27, 1994.

SCHEDULE B - SECTION I  
REQUIREMENTS

The following requirements must be met:

1. Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
2. Pay us the premiums, fees and charges for the policy.
3. Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.

NOTE: Pursuant to Arizona Revised Statutes 11-480, effective January 1, 1991, the County Recorder may not accept documents for recording that does not; (a) Contain print at least ten-point type (pica) or larger, (b) Have margins of at least one-half inch along the left and right sides, one-half inch across the bottom and at least two inches on top for recording and return address information, and (c) Each instrument shall be no larger than 8-1/2 inches in width and 14 inches in length.

4. You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.

- A. Proper disposition of Real Estate Taxes on land being insured herein.  
NOTE: SEE TAX SHEET ATTACHED

The right is reserved to make additional exceptions and/or requirements upon examination of all documents submitted in satisfaction of Requirement No. A.

- B. Furnish names of parties to be insured. The right is reserved to make additional exceptions or requirements upon examination of names submitted.
- C. Record Deed from STATE OF ARIZONA BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION to .

TICOR TITLE INSURANCE COMPANY

SCHEDULE B - SECTION II

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EXCEPTIONS

Part Two

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

1. 2008 taxes, a lien, but not yet due and payable.
2. Easement for ingress and egress, and rights incident thereto as set forth in Docket 2030, Page 17.
3. Easement for roadway and public utilities, and rights incident thereto as set forth in Docket 4840, Page 216 and in Document No. 87643658.
4. Easement for existing utilities, and rights incident thereto as set forth in Document No. \_\_\_\_\_

TICOR TITLE INSURANCE COMPANY

SCHEDULE B - SECTION II

EXCEPTIONS

In addition to the conditions and/or exclusions, you are not insured against loss or damage (and the Company will not pay costs, attorney's fees or expenses) that arise by reason of:

NOTE: Part One of Schedule B Section II will be eliminated from any ALTA Extended Coverage Policy, ALTA Plain Language Policy, ALTA Homeowner's Policy, ALTA Expanded Coverage Residential Loan Policy and any short form versions thereof. However, the same or similar exceptions may be made in Schedule B of those policies in conformity with Schedule B, Section II Part Two, of this Commitment

Part One:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

ARIZONA DEPARTMENT OF TRANSPORTATION

RIGHT OF WAY GROUP

RIGHT OF WAY DISPOSAL REPORT

Project: SR# 200-1-705/101, MA 0240M0932/21R

Section: I-17-CAVECREEK RD

Excess Land: L-M-486

Parcel No: 7-4108; 7-4110

The undersigned has examined the title to the property described in EXHIBIT "A" and the FEE owner is:  
STATE OF ARIZONA by and through its Department of Transportation

Owner Address:  
205 S. 17<sup>th</sup> Ave, Mail Drop 612E, Phoenix, Arizona 85007

The undersigned has examined the title to the property described in EXHIBIT "A" and the Easement owner is:

Not Applicable

Owner Address:  
Not Applicable

Please see the attached forms containing existing information and the requirements required for this parcel to be disposed of:

SEE ATTACHED FORMS

SCHEDULE A-1:

SEE EXHIBIT "A" ATTACHED

REMARKS:

ADOT records only searched  
Schedule B items not searched at this time

Search Date: April 13, 2018

Examiner: Shirley Sealey

Reviewer:

Assessor's %: N/A

County: Maricopa

No Change from Security Title Agency In #150837214

SECURITY TITLE AGENCY, INC.  
3636 North Central Avenue, 3rd Floor  
Phoenix, AZ 85012  
Phone: (602) 230-6271 FAX: (602) 230-6256

on behalf of  
TICOR TITLE INSURANCE COMPANY

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COMMITMENT FOR TITLE INSURANCE

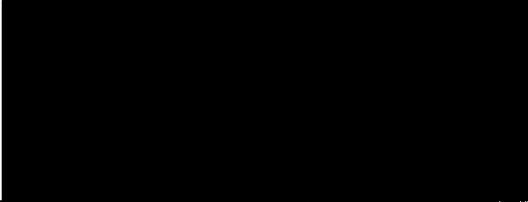
SCHEDULE A

Escrow Officer: Karen Roswell  
Title Officer: Diane Boardman/RB  
Address Reference: 14th Street, Phoenix, AZ 85024

Order Number: 150837314

1. Commitment Date: January 31, 2008, at 7:50 AM
2. Policy (or Policies) to be issued:
  - e) ALTA Owner's Policy (8/17/06) (Standard Coverage) Amount: \$  
Proposed Insured:
3. A Fee interest in Parcel(s) 1 and Parcel 2, Tract No. 1 and an Easement interest in Parcel(s) Parcel 2, Tract No. 2 of the land described in this Commitment is owned, at the Commitment Date, by STATE OF ARIZONA BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION.
4. The Land referred to in the Commitment is situated in the County of Maricopa, State of Arizona, and is described as follows:  
  
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

CONTRACT NO: PROJECT NO: RBA 600-1-705  
PARCEL NO: L-M-486 TAX PARCEL NO: 213-23-007B and 213-23-010B



## EDUCATION

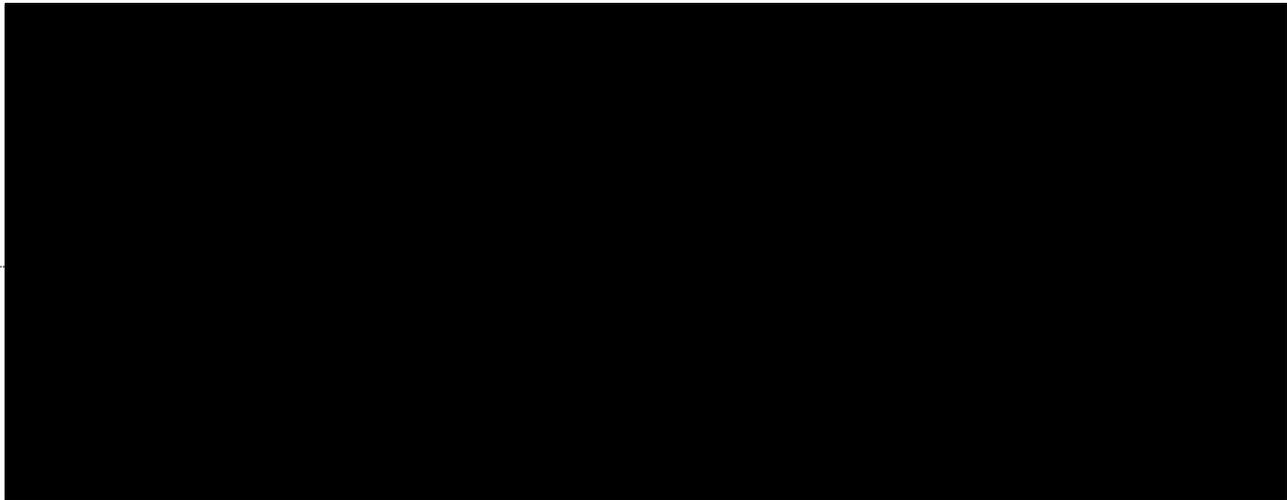
### Academic

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

Valuation

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**Appraisal Courses and Examinations:**

- Standards of Professional Practice; A, B
- Standards of Professional Practice, C
- Investment Analysis Highest and Best Use, and Market Analysis
- Valuation Analysis and Report Writing
- Case Studies in Real Estate Valuation
- Income Approach to Value and Capitalization
- Basic Principles, Methods 1A
- Commercial Appraisal; Lender Requirements
- Americans with Disabilities Act
- Due Diligence/Environmental Checklist
- Residential Appraisal Techniques
- FEMA Flood Hazard
- Arizona Appraisal Law
- Construction and Engineering Awareness
- Reviewing Appraisals
- Small Residential Income Property Appraisal
- Hazardous Materials
- Litigation Valuation
- Appraiser as Expert Witness
- Partial Interest Valuation; Undivided
- Land Valuation Assignments



commercial properties.

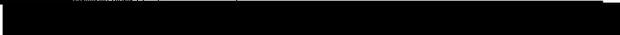
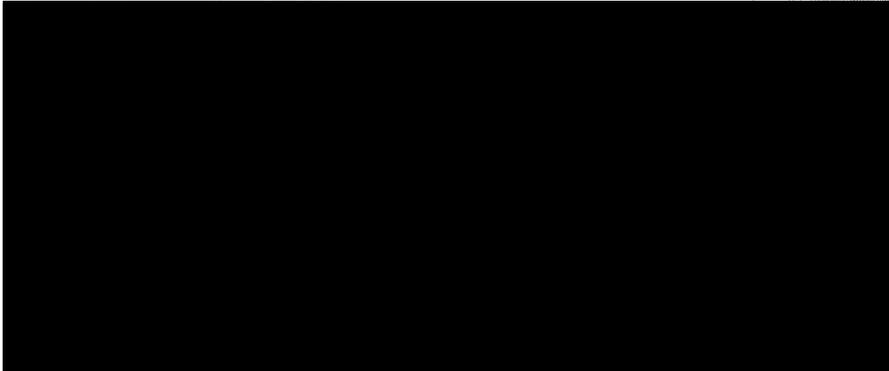
**PROPERTIES**

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

**COMPUTERS**



**PROFESSIONAL AFFILIATIONS**



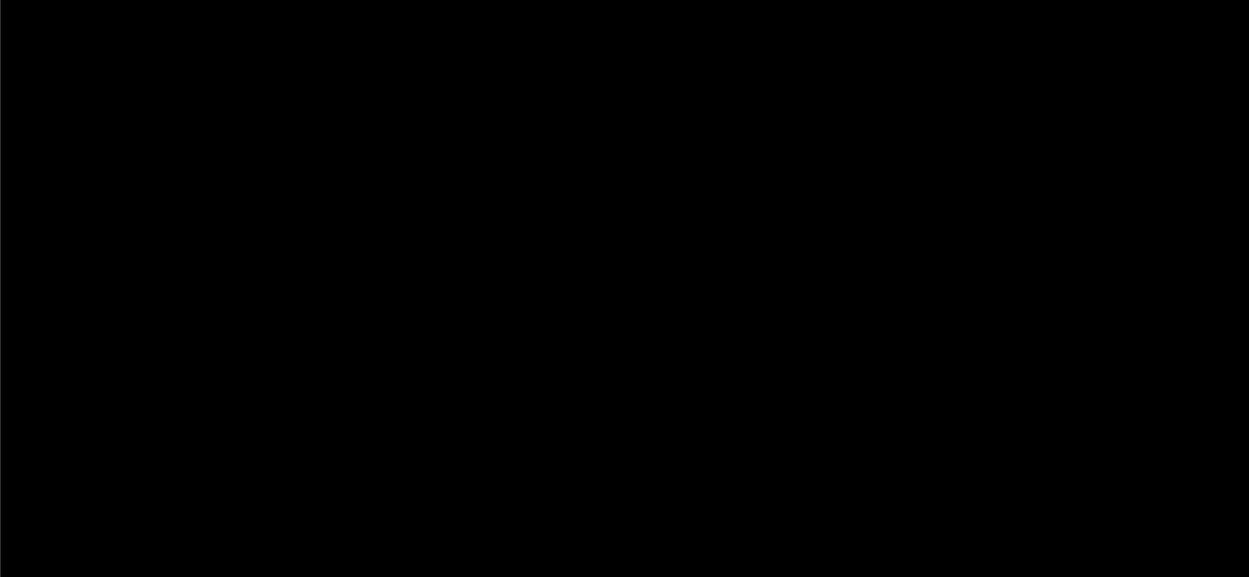
**GEOGRAPHIC WORK/MARKET EXPERIENCE**

A large black rectangular redaction box covering the content of the 'GEOGRAPHIC WORK/MARKET EXPERIENCE' section.

**EXPERT WITNESS EXPERIENCE**

A large black rectangular redaction box covering the content of the 'EXPERT WITNESS EXPERIENCE' section.

**SPECIAL PROJECTS**

A large black rectangular redaction box covering the content of the 'SPECIAL PROJECTS' section.