



MEMORANDUM

Date: February 21, 2018

To: Amber Mathewson, Director
Library District

From: C.H. Huckelberry
County Administrator

Neil Konigsberg, Manager
Real Property Services

Re: **Appraisal Review Summary for the Proposed Sahuarita School District Site for a New Regional Library in the Town of Sahuarita**

The attached appraisal is approved for an offer of purchase to be made to the Sahuarita Unified School District (SUSD). Please proceed to develop a draft purchase contract for this property.

As you know, two sites are in contention, 1) the SUSD property and 2) The property near the Town's Governmental Center. Both sites have pros and cons; however, given our schedule of trying to design and be under construction for a new regional library before the existing lease expires, we need to be able to proceed. Developing a contract for purchase does not preclude the County from selecting the other site. However, if we have a contract for purchase in hand, we can proceed immediately with the purchase of the property if this site is selected.

Please prepare an appropriate and negotiated purchase contract for the SUSD property. Do not place it on the Board of Supervisors agenda for approval until final site selection for the two competing library sites has been completed, anticipated for April 2018.

CHH/mp

Attachment

c: The Honorable Ramon Valadez, District 2 Member, Pima County Board of Supervisors
Jan Leshner, Chief Deputy County Administrator

PIMA COUNTY TECHNICAL APPRAISAL REVIEW SUMMARY

T / R / Sec	17S/13E/11
Owner:	Sahuarita School Dist.
Effective Date of Review and Date of Review Report	February 16, 2018

IDENTIFICATION OF THE REVIEW APPRAISER'S CLIENT/ INTENDED USE/INTENDED USERS/PURPOSE

Reviewer's Client	Pima County Real Property Services.
Intended Use	To determine the adequacy, completeness, accuracy, relevance, and reasonableness of the report under review, and to ascertain the compliance of said report to applicable regulatory guidelines.
Other Intended Users	All assigns and designees of Pima County and Pima County Real Property Services.
Purpose of Review	The purpose of the review is to assist Pima County, Pima County Public Services, and it's designees in the decision process related to the acquisition, disposition, leasing, or other transfers of real property or real property interests.
Work Under Review	An appraisal report of the property described below, to determine the fee simple or easement interest thereof.
Effective Date of Reviewer's Opinions and Conclusions	For the purposes of this review, the date of review report and the effective date of the reviewer's opinion and conclusions are the same.

ASSIGNMENT CONDITIONS

Assignment Conditions Connected to the Review or Found in Original Report (see also Limiting Conditions):

Technical Review Definition: Performed by an appraiser in accordance with Standard 3 of the Uniform Standards to form an opinion as to whether the analyses, opinions, and conclusions of the report under review are appropriate and reasonable. .

Extraordinary Assumptions & Hypothetical Conditions:

1. The reviewer's conclusion is based on the extraordinary assumption that the property characteristics exist as described in the appraisal report. It is also assumed that the data in the report is factual and accurate.
2. The reviewer reserves the right to consider any new or additional information or data that may subsequently become available.
3. Unless otherwise stated all hypothetical conditions, extraordinary assumptions and limiting conditions contained in the report that is the subject of this review are assumed as being relevant, correct, appropriate, and are thus also applicable to this review.
 - No hypothetical conditions are being applied.
 - No extraordinary assumptions are being invoked.

REVIEWER APPRAISER'S SCOPE OF WORK

Extent/Scope of Review Process:

Scope of work is identified by USPAP as the "amount and type of information researched and the analysis applied in an assignment." According to the scope of work rule as defined by USPAP, "For each appraisal, appraisal review and appraisal consulting assignment, an appraiser must:

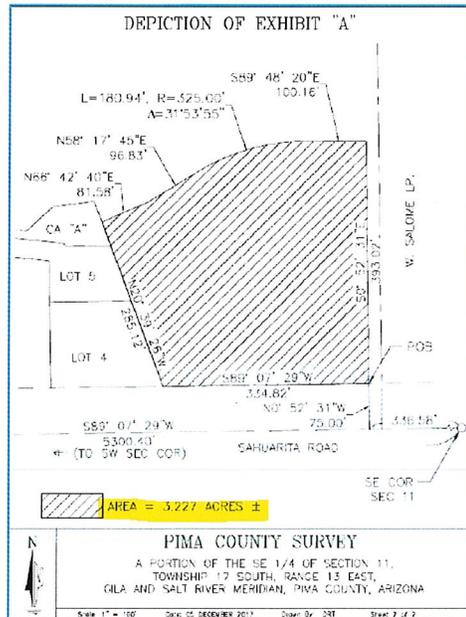
1. identify the problem to be solved;
2. determine and perform the scope of work necessary to develop credible assignment results; and
3. disclose the scope of work in the report

In completing this review above the appraiser has performed the following:

- Reviewed the mathematical calculations of the data presented within the body of the report.
- Reviewed entire report as presented but not the work-file.
- Analyzed the reasoning utilized in arriving at the value conclusion.
- Inspection of exterior only as this is a vacant land appraisal.
- The reviewer will concur, concur with reservation or disagree with provision of an alternative.
- Review is based on a combination of the reviewer's own research in addition to data contained in the report.
- Read report for credibility and conformance to USPAP.
- Checked all exhibits for uniformity and accuracy.

In completing this review the appraiser asserts competency in one or more of the following based on the Scope of Work provided:

- Specific type of property or asset
- Market
- Geographic Area
- Intended Use
- Specific laws and regulations when applicable
- Analytical method



IDENTIFICATION OF THE APPRAISER'S CLIENT/INTENDED USE/INTENDED USERS/PURPOSE

Appraiser's Client	Pima County Real Property Services.
Intended Use	To assist Pima County in internal real property decisions related to acquisition, disposition, leasing or other transfers of real property or real property interests.
Other Intended Users	Pima County Real Property Services and all assigns and designees thereof.
Purpose of Appraisal	The purpose of the appraisal is to assist Pima County, Pima County Public Services, and its designees in the decision process related to the acquisition, disposition, leasing, or other transfers of real property or real property interests.
Type of Value	Value based on fee simple interest and market derived.
Effective Date of Value	February 3, 2018
Date of Report	February 6, 2018
Assignment Conditions of Original Report.	See comment section above regarding specific hypothetical conditions and extraordinary assumptions pertaining to the original report.

PROPERTY CHARACTERISTICS

Pima County Project: Sahuarita School District – Community Library		Pima County Project # (if known): ACQ - 0694		Pima Co Acquisition Agent: Laura Gilbreath	
Property Owner: Sahuarita Unified School District		Current Occupant: Vacant Land		Appraiser: Michael Naifeh, MAI, CRE	
				3 Year Service History Provided: Yes	
Location of Property Appraised: Northwest corner of Sahuarita Road and Salome Loop, in Sahuarita AZ			Site Improvements: None – vacant land only.		
Tax Code #: 303-33-008A			Municipal Zoning/Comprehensive Plan: RH – 1 residence per 4.13 acres.		
Current Use of Property: Ball-field for Sahuarita School District.			Highest and Best Use Concluded by Appraiser: page 32 of report. Rezone to commercial development or continued schools facilities use. A library is a consistent and complimentary use.		
Larger Parcel Size: 3.227 acres approximately.			Area(s) to be Acquired, Leased, Sold, Exchanged: Anticipate full acquisition of the site.		
Building Improvement Size: N/A.			Year Built: N/A		
Access/Paving: Asphalt directly from Sahaurita Road.	Sewer: Town of Sahuarita Wastewater	Water: Sahuarita Water Company	Gas: Southwest Gas Corporation In Area	Electric: TRICO Electric Co-Op.	
Appraisal Methodology: Sales comparison is approach to value considered in the report. Cost and Income Approaches not necessary to develop a credible opinion of value.					
Comparable Sales Price Range, Unadjusted and Adjusted: valued presented on a per square foot basis. Pre adjusted range indicates a low of \$3.99 to a high of \$6.52. After the adjustment process the range narrowed to a low of \$4.55 to a high of \$4.81. A final estimate of \$4.75 was deemed appropriate and applied to the overall site; \$4.75/sf times 140,568 sq. ft. = \$667,698 rounded up to \$675,000 – appraiser rounds to the nearest \$25,000.					

APPRAISER'S ANALYSIS, AND OPINIONS

Work Element	Adequate/Included	Inadequate/Not Included	N/A	Comment
Client	X			
Intended Use	X			
Intended Users	X			
Type of Value	X			
Effective Date of Value	X			
Physical Characteristics	X			
Assignment Conditions	X			

Work Element	Adequate/Included	Inadequate/Not Included	N/A	Comment
Scope of Work	X			

Work Element	Adequate/Included	Inadequate/Not Included	N/A	Comment
Market Area Data	X			
Subject Property Data	X			
Comparable Property Data	X			Selection priorities met regarding location, site attributes, functionality, size, and unique characteristics

Work Element	Adequate/Included	Inadequate/Not Included	N/A	Comment
Market Analysis	X			
Highest and Best Use Analysis	X			

Work Element	Adequate/Included	Inadequate/Not Included	N/A	Comment
Land Valuation	X			

Work Element	Adequate/Included	Inadequate/Not Included	N/A	Comment
Sales Comparison Approach	X			
Cost Approach			X	
Income Approach			X	

Work Element	Adequate/Included	Inadequate/Not Included	N/A	Comment
Reconciliation of Value Indications and Value Opinion			X	

REVIEW APPRAISER'S RESEARCH AND ANALYSIS

Work Element	Comprehensive		Thorough		Comments	Page Reference
	Yes	No	Yes	No		
Completeness	X		X		Report appears to be complete and thorough.	

Work Element	Conformity		Correctness		Provable		Comments	Page Reference
	Yes	No	Yes	No	Yes	No		
Accuracy	X		X		X		Elements regarding accuracy are satisfied.	

Work Element	Minimum		Acceptable		Comments	Page Reference
	Yes	No	Yes	No		
Adequacy	X		X		Report meets minimum requirements and is acceptable	44 – see comments below.

Work Element	Connected		Applicable		Useful		Significant		Comments	Page Reference
	Yes	No	Yes	No	Yes	No	Yes	No		
Relevant	X		X		X		X		Report categories are relevant	

Work Element	Common Sense		Rational		Fair		Acceptable		Comments	Page Reference
	Yes	No	Yes	No	Yes	No	Yes	No		
Reasonableness	X		X		X		X		Report appears reasonable	

REVIEW APPRAISER'S RESEARCH AND ANALYSES COMMENTS

From report – page 44.

Summary of Adjustments

Based on the preceding analysis, we have summarized adjustments to the sale comparables on the following adjustment grid. These adjustments are based on our market research, best judgment, and experience in the appraisal of similar properties.

The unadjusted sale prices for comparable Sales 1 through 6 ranged from \$3.99 to \$6.52/S.F. After adjustments, the range of indicated values is \$4.55 to \$4.81/S.F. with an average of \$4.73/S.F. The sales have a narrow adjusted range and support a value opinion of \$4.75/S.F. Multiplying the subject 140,568 S.F. by \$4.75/S.F. yields a total value conclusion of \$667,698, rounded to \$675,000, the nearest \$25,000.

Appraisal appears to conform to standards and appropriate methodology. Anticipate full acquisition of the site as a potential site for a community library. It is valued at 100% of full fee market. The final value estimate of \$4.75 per square foot is within the range of both pre and post adjusted values. Sales 3 and 6 appear to have had the least net adjustment at -5%. Sales 1 and 2 have the most net adjustment at plus 25% and minus 25% respectively. Typically, sales that have fewer and/or less dramatic adjustments are more reliable indicators of potential value than those that require more numerous adjustments. Looking at only sales 3-6 presents an adjusted range of \$4.55/sf to \$4.79/sf. The final value still falls within this more restricted range. Narrative discussion regarding the sales summary ie, which comparables were more or less influential would have been helpful. Regardless, the value is reasonable and supported by the adjustments presented in the grid found on page 45.

APPRAISER'S CONCLUSIONS

Larger Parcel Value Conclusion	\$675,000.
Property Rights Acquired	Anticipate full acquisition of fee simple interest.
Temporary Construction Easement	\$N/A
Improvements-Yard	\$N/A
Severance Damages	\$0.00
Total Compensation:	\$675,000

<p>Are the opinions and analyses appropriate within the context of the requirements applicable to that work:</p> <p>The work under review is appropriate under the applicable requirements.</p>	<p>Are the opinions and conclusions are credible within the context of the requirements applicable to that work:</p> <p>The work under review is credible within the context of the original requirements applicable to that work.</p>	<p>Reasons for disagreement: N/A</p>
--	---	---

REVIEW OF APPRAISER'S REPORT

<p>The report is appropriate and not misleading within the context of the requirements applicable to that work.</p>	<p>Reasons for disagreement: None</p>
---	---------------------------------------

DEVELOPMENT OF REVIEWER'S OWN OPINION OF VALUE IF NECESSARY AND WITHIN REVIEWER'S SCOPE OF WORK

<p>Reviewer's Own Opinion Necessary? No separate opinion is necessary.</p>
--

SUMMARY OF REVIEW APPRAISER'S REPORT

<p>Concurrence: <input checked="" type="checkbox"/> I agree with the value conclusion in the appraisal report under review.</p>	
<p>Concurrence with reservation: <input type="checkbox"/> I agree with the value conclusion in the appraisal report under review, based on the extraordinary assumption that, for example, the property description in the report under review is accurate.</p>	
<p>Disagreement: <input type="checkbox"/> I disagree with the value conclusion in the appraisal report under review.</p>	
<p>Disagreement and provision of an alternative: <input type="checkbox"/> Reviewer may disagree with value conclusion of the appraisal report under review and provide an alternative value opinion presented as either a single number, a range of numbers, or a relationship to a benchmark amount.</p>	
<p>Appraised value by review: \$675,000</p>	<p>Effective Date of Review: February 16, 2018</p>

CERTIFICATION

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

- ✓ The statements of facts contained in this report are true and correct.
- ✓ The reported analysis, 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 the work under review and no personal interest with respect to the parties involved.
- ✓ I have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.
- ✓ I have no bias with respect to the property that is the subject of the work under review or to the parties involved with this assignment.
- ✓ My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ✓ My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
- ✓ My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
- ✓ 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 () have not (X) made a personal inspection of the subject property of the work under review.
- ✓ No one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person signing this certification.
- ✓ The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
- ✓ The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- ✓ As of the date of this report, I, Jeffrey D. Swango, SRA, AI-RRS, SRWA have completed the continuing education program for Designated Members of the Appraisal Institute.

Signed: _____


Jeffrey D. Swango, SRA, AI-RRS, SRWA, R/W-AC, R/W-NAC
AZ Certified General Real Estate Appraiser: 31133
Pima County Real Property Services
Senior Real Property Appraiser

Date of Review Report: 2/16/18

LIMITING CONDITIONS

- ✓ Possession of this review does not carry with it the right of publication.
- ✓ This review is intended for the internal use of Pima County. This review shall not be disseminated through advertising, public relations, news, sales, or other media. However, the contents of the review can be acquired by a member of the public upon request if the purpose is not –for- profit.
- ✓ This review constitutes a limited assignment and should not be construed as an appraisal of the subject property.
- ✓ The analyses, opinions, and conclusions in this review report are based solely on the data, analyses, and conclusions contained in the appraisal report under review. It is assumed that the data is representative of existing market data. No attempt, unless otherwise stated, has been made to obtain additional market data for this review.
- ✓ Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the reviewer become aware of such during the review. The reviewer, however, is not qualified to test such substances or conditions.

If the presence of such substances, such as asbestos, Urea-Formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

- ✓ *Americans with Disabilities Act of 1990.* The ADA became effective on January 26, 1992. We 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 on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA.

- ✓ All analyses and conclusions expressed by the reviewer are limited by the scope of the review process as defined herein.

REVIEW SUMMARY SHEET:

County Project:	Sahuarita School District – Community Library
County Project No:	NA
RPS File No:	Acq – 0694
Appraiser	Michael Naifeh, MAI, CRE
Subject Property Owner:	Sahuarita School District
Subject Property Address:	NWC Sahuarita Road / Salome Loop
T/R/S	17S / 13E / 11
Parcel Nos:	303-33-008A
Larger Parcel Size:	3.227 Acres
Effective Date of Value:	February 3, 2018
Date of Review:	February 16, 2018
Appraisal Type:	Summary narrative
Acquisition Type:	Anticipate full acquisition.
Acquisition Area:	3.227 acres.
Acquisition Amount:	\$675,000
Percentage of Market Value:	100% of Market Value.
Acquisition Amount:	$\$4.75 / \text{SF} \times 140,569 \text{ SF} = \$667,699$ rounded up to \$675,000.
Market Value of Subject Property	\$4.75 per square foot. \$675,000
Easement Area Acquired:	\$N/A
Improvements:	None
Market Value Remainder BEFORE:	\$N/A
Market Value Remainder AFTER:	\$N/A
Severance Damages:	\$0.00
Opinion of Just Compensation:	\$675,000