MEMORANDUM

Date: June 18, 2018

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

Re: **June 19, 2018 Board of Supervisors Meeting Agenda Item No. 16– Real Estate Purchase and Sales Agreement to acquire Land from the Sahuarita Unified School District**

Supervisor Miller's staff has inquired about the history of arriving at the purchase price for the subject land acquisition on the June 19, 2018 Board of Supervisors' agenda. The attached memorandum from Neil Konigsberg, Real Property Manager, indicates that two independent appraisals were done; one by the Pima County and another by the Sahuarita Unified School District. The County appraisal was done by AM Valuation Services. Sahuarita Unified School District used Valbridge Property Advisors. Both appraisals were done to the Uniform Standards of Professional Appraisal Practices and are considered accurate, relevant and reasonable.

The opined values of the appraisals varied by 18.75 percent, with the County appraisal being $560,000 or $4.00 per square foot, and the Sahuarita School District appraisal being $675,000 or $4.75 per square foot. The negotiated purchase price of $617,500 is halfway between the two appraisals, which is a reasonable negotiated value given the two differing but valid appraisals.

I recommend the the Board approve purchase of the property at the proposed price of $617,500.

CHH/mp

Attachments

c: Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Neil Konigsberg, Manager, Real Property Services

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PIMA COUNTY

MEMORANDUM

PUBLIC WORKS-REAL PROPERTY SERVICES

Date: June 14, 2018

To: **C.H. Huckelberry**
County Administrator

From: **Neil J. Konigsberg, Manager**
Real Property Services/PWA

RE: **Valuation of Sahuarita School District Property; Acq-0694**

Chuck: The property to be acquired from the Sahuarita School District (the "District") for a new library was appraised by two independent appraisers. The appraisal for the County was done by AM Valuation Services. The appraisal for the District was prepared by Valbridge Property appraisers. The two appraisals are summarized in the attached memorandum from Jeffrey Teplitsky, the County's Appraisal Supervisor.

Both appraisals conform to USPAP standards, and the differential between the two appraisals of 18.75 percent is reasonable given the market data used by the two appraisers. The proposed purchase price of $617,500 is halfway in between the two appraisals (675,000 + 560,000/2).

PIMA COUNTY

MEMORANDUM

PUBLIC WORKS-REAL PROPERTY SERVICES

Date: May 23, 2018

To: Neil Konigsberg
Manager, Real Property Services

From: Jeff Teplitsky
Appraisal Supervisor

RE: Comparison of Sahuarita School District Library Site Appraisals

- Pima County Appraisal – AM Valuation Services
- Sahuarita School District Appraisal – Valbridge Property Advisors

AM Valuation

Appraised Value:	**$560,000**
Date of Value:	**September 11, 2017**
Property Size:	**3.227 acres (140,568 square feet)**
Value Estimate/Square Foot:	**$4.00/sf**

Comparable Sales: Appraisal utilizes five comparable sales to estimate the fee simple market value of the subject property. Comparable sales reflect range of price from $3.07 to $5.30 per square foot before adjustments. After adjustments the comparable sales reflect a range of price from $3.37 to $5.06 per square foot. Appraiser opines a value of $4.00 per square foot.

Valbridge Property Advisors

Appraised Value:	**$675,000**
Date of Value:	**February 3, 2018**
Property Size:	**3.227 acres (140,568 square feet)**
Value Estimate/Square Foot:	**$4.75/sf**

Comparable Sales: Appraisal utilizes six comparable sales to estimate the fee simple market value of the subject property. Comparable sales reflect range of price from $3.99 to $6.52 per square foot before adjustments. After adjustments the comparable sales reflect a range of price from $4.55 to $4.81 per square foot. Appraiser opines a value of $4.75 per square foot.

Conclusion: The two appraisal are concluded to be reasonable in terms of appraisal process meeting the USPAP standards. Each appraisal is considered supportable, accurate, adequate, relevant and reasonable as presented.

The differential between the two appraisals is 18.75 percent which is reasonable given the different comparable market data that was used in each appraisal.