

Mayor Timothy M. Keller

**CITY OF ALBUQUERQUE**  
**Albuquerque, New Mexico**  
**Office of the Mayor**

**INTER-OFFICE MEMORANDUM**

September 26, 2022

**TO:** Isaac Benton, President, City Council

**FROM:** Timothy M. Keller, Mayor

A handwritten signature in black ink, appearing to be 'TK', is written next to the name Timothy M. Keller.

**SUBJECT:** Declaring S'LY 280 FT OF TRACT 434 ATRISCO GRANT UNIT 3  
CONT 1.31 AC and S'LY PORTION OF TRACT 433 ATRISCO  
GRANT UNIT 3 CONT 0.4879 Not-Essential for Municipal Purposes

The Department of Municipal Development has requested that the above-referenced property be sold.

The Department of Municipal Developments purchased the property in 1996 by Public Works for a Leavitt Water Reservoir Site. The property contains approximately 1.7979 acres or 78,317 sq. ft. and is no longer needed as a Leavitt Water Reservoir Site. The property is zoned R-1. As the department no longer needs it, it is a drain on City resources. If declared not essential for municipal purposes, the property will be sold, and the remaining proceeds will go back into the Department of Municipal Development's funds.

The property was offered to all City departments, and no other department expressed interest or identified a municipal purpose for the property.

Jim Foley established the estimated market value of the property, MAI, SRA, General Certified Appraisal, appraised the property on April 15, 2018, and the appraised value is Seventy Thousand Dollars (\$70,000).

The Real Property Review Board met on August 2, 2018, and recommended the above-referenced property be declared not essential for municipal purposes.

Declaring S'LY 280 FT OF TRACT 434 ATRISCO GRANT UNIT 3 CONT 1.31 AC and  
S'LY PORTION OF TRACT 433 ATRISCO GRANT UNIT 3 CONT 0.4879  
located and 90<sup>th</sup> and San Ygnacio  
Not-Essential for Municipal Purposes

Pursuant to §5-2-2, City Council may determine property over \$10,000 in value as not essential for municipal purposes. Therefore, it is requested that Council declare the property not essential for municipal purpose.

Approved:

Approved as to Legal Form:

DS  
*Lk*

DocuSigned by:  
*Lk* 9/29/2022 | 9:43 AM MDT  
82029FD78E049F...  
Lawrence Rael Date  
Chief Administrative Officer

DocuSigned by:  
*Lauren Keefe* 9/27/2022 | 5:36 PM MDT  
1A21D96D32C74EE...  
Lauren Keefe Date  
City Attorney

Recommended:

DS  
*Md*

DocuSigned by:  
*Pat Montoya* 9/27/2022 | 4:02 PM PDT  
1E993402F75A44F...  
Patrick Montoya Date  
Director of Municipal Development

## **Cover Analysis**

### **1. What is it?**

A request for declaring S'yly 280 Ft of Tract 434 Atrisco Grant Unit 3 Cont 1.31 Acres and S'yly Portion of Tract 433 Atrisco Grant Unit 3 Cont 0.4879 acres not essential for municipal purposes.

### **2. What will this piece of legislation do?**

Declaring the Property not essential will allow the property to be sold. This will generate revenue for the Department of Municipal Development and generate Property Tax Revenue for the County of Bernalillo.

### **3. Why is this project needed?**

The Property must be declared not essential for municipal purposes in accordance with City ordinances before conveyance.

### **4. How much will it cost and what is the funding source?**

Declaring the property not-essential will not incur any cost to the City's General Fund.

### **5. Is there a revenue source associated with this contract? If so, what level of income is projected?**

After expenses related to the sale of the Property, the remaining proceeds will go to the Department of Municipal Development.

### **6. What will happen if the project is not approved?**

City will retain ownership, liability and expense of maintenances of the Property and no revenue will be generated for the Department of Municipal Development and no property tax revenue will be generated for the County of Bernalillo.

### **7. Is this service already provided by another entity?**

This is not a service contract.



**REAL PROPERTY NOT ESSENTIAL FOR MUNICIPAL PURPOSE  
ANALYSIS AND RECOMMENDATION PURSUANT TO ORDINANCE §5-2-2 AND §5-2-3**

Property Address: 90<sup>th</sup> and San Ygnacio Rd  
 UPC #: 100905635508942523  
 Legal Description: S'LY 280 FT OF TRACT 434 ATRISCO GRANT UNIT 3 CONT 1.31 AC  
 S'LY PORTION OF TRACT 433 ATRISCO GRANT UNIT 3 CONT 0.4879

Property has has not been utilized for a municipal purpose.

Current Zoning Designation: Planned Development

Current Use / Allowable Use(s): Property is currently vacant and undeveloped. The existing zoning allowable uses are negotiated on a case-by-case basis.

Surrounding Zoning and Uses	Zoning	Land Use
North	R-1	Single Family Residential
South	Un-zoned land	Public-right-of-way, San Ygnacio Rd
East	R-1	Single Family Residential
West	Un-zoned land	Public-right-of-way, 90 <sup>th</sup> Street

Comprehensive Plan: Area of consistency

\_\_\_\_\_  
 Jacobo Martinez, Code Compliance Manager

\_\_\_\_\_  
 Date

7/24/18

Pursuant to §5-2-2, the Administrative Real Property Review Board has analyzed the subject property, in relation to the Albuquerque/Bernalillo County Comprehensive Plan and related master plans and has voted to:

RECOMMEND TO DECLARE THE PROPERTY NON-ESSENTIAL FOR MUNICIPAL PURPOSES

Pursuant to §5-2-3, the Planning Department has reviewed the zoning of the subject property to determine the appropriateness of the zoning in terms of the City's master plan, in particular the master plan documents which comprise the Albuquerque/Bernalillo County Comprehensive Plan, and has determined:

THE PROPERTY IS APPROPRIATELY ZONED – *No further action required.*

THE PROPERTY IS NOT APPROPRIATELY ZONED

*The Planning Department shall initiate a zone change for a more appropriate zoning designation.*

\_\_\_\_\_  
 David S. Campbell, Planning Director

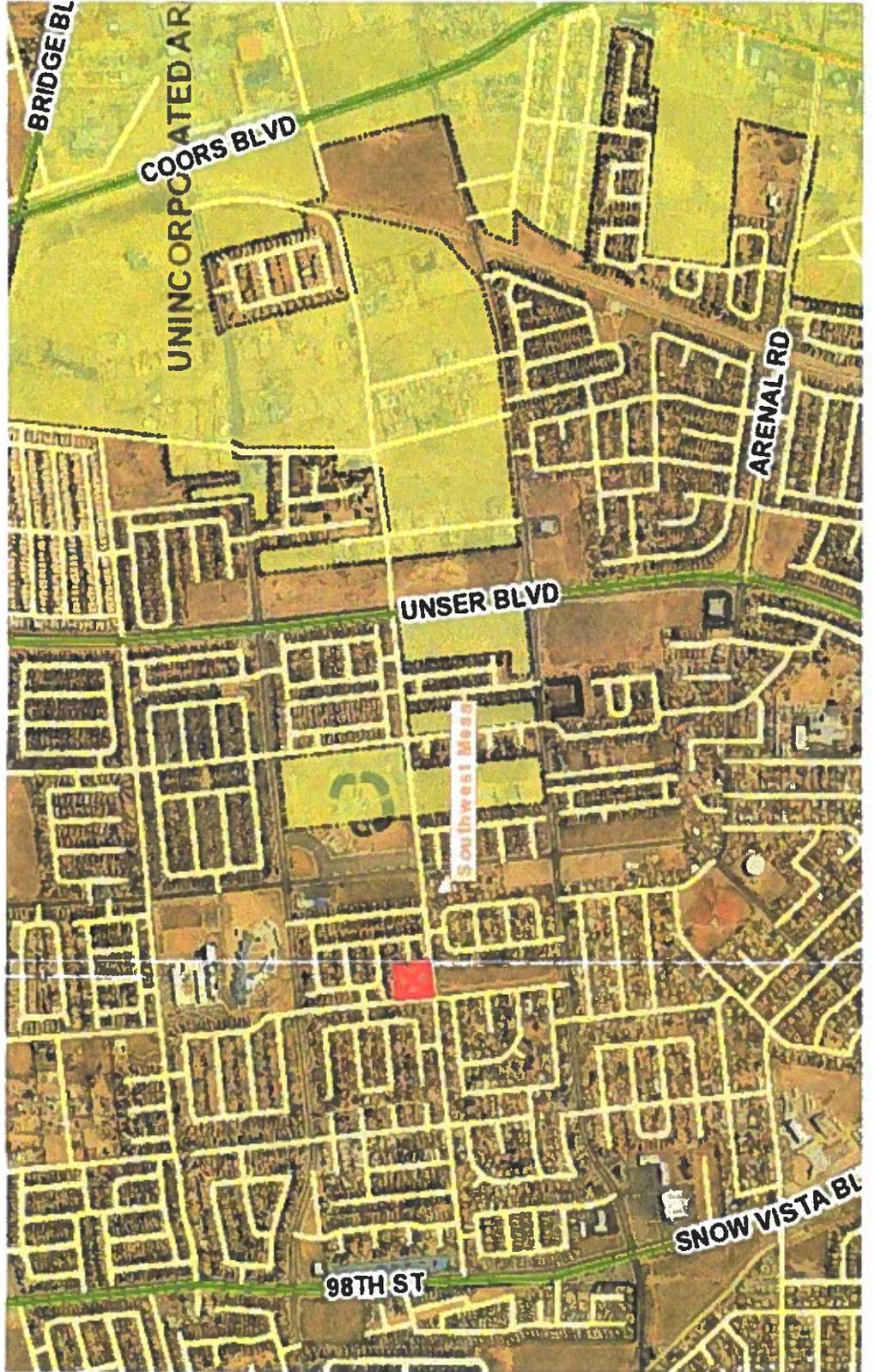
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 Date

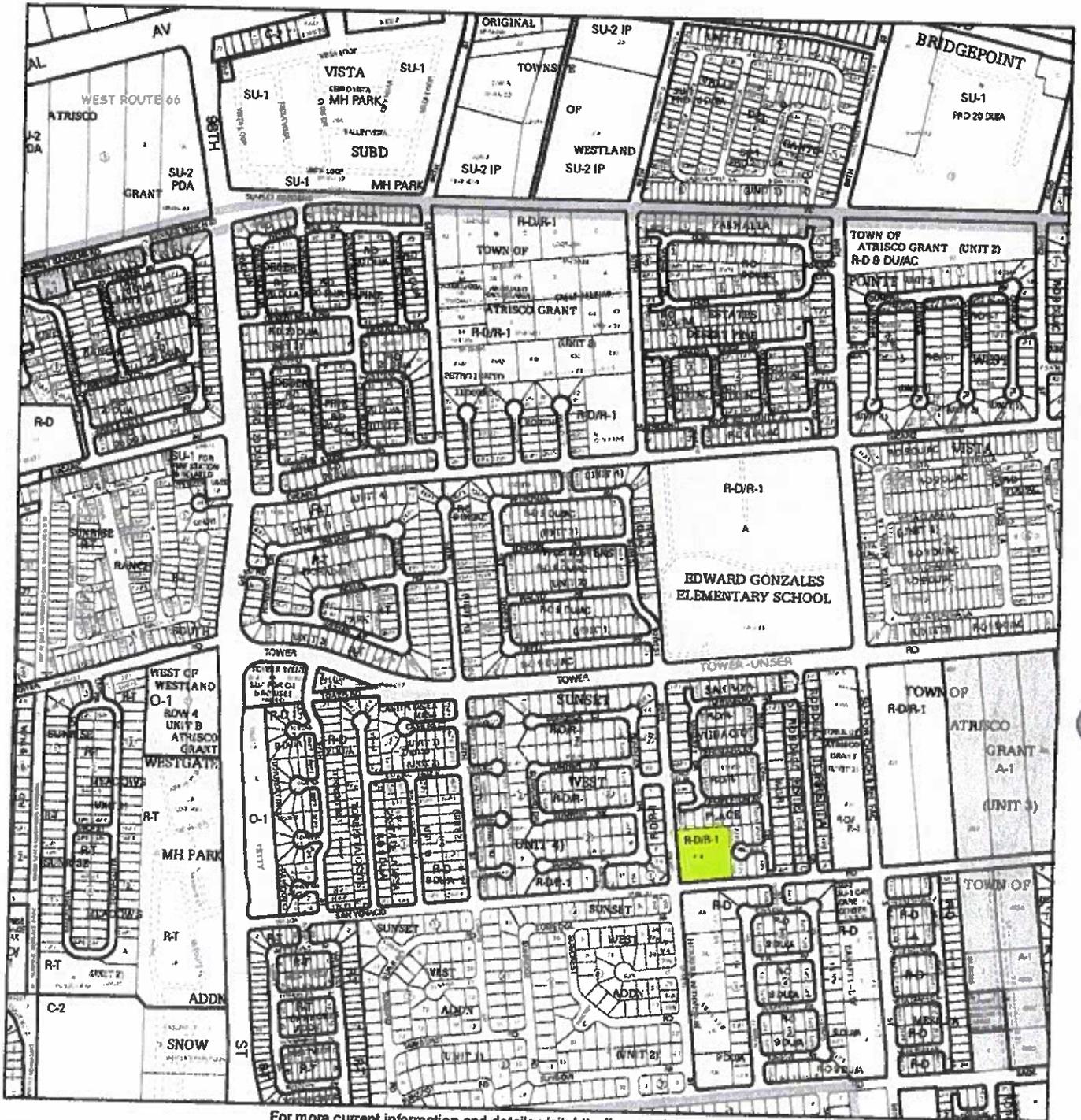
8/2/18



San Ygnacio Rd SW

Albuquerque, NM 87121





For more current information and details visit: <http://www.cabq.gov/gis>

Map amended through: 1/28/2016

Note: Gray Shading Represents Area Outside of the City Limits

Zone Atlas Page:  
**L-09-Z**

Selected Symbols

SECTOR PLANS	Escarpment
Design Overlay Zones	2 Mile Airport Zone
City Historic Zones	Airport Noise Contours
H-1 Buffer Zone	Wall Overlay Zone
Petroglyph Mon.	

0 750 1,500 Feet



# City of Albuquerque Property Fact Sheet

Report Generated by City of Albuquerque Real Property Division: 7/24/2018 2:54:33 PM

**Property ID:** 100905635508942523  
**Zone Atlas Page:** L9 **City Council District:** 3  
**Address:** 0 San Ygnacio, Albuquerque, 87121  
**Legal Description:** S'LY 280 FT OF TRACT 434 ATRISCO GRANT UNIT 3 CONT 1.31 AC  
**Acreage:** 1.31 **Sq. Feet:** 57063.6  
**Department:** Municipal Development  
**Zoning:**  
**Acquisition Price:** \$25,190.00 **Sale Price:**  
**Property Status:** City Owned **Surplus:**

## Property Map:



*Disclaimer: The City of Albuquerque provides these data for reference and informational purposes only, the data are not intended for legal purposes.*





# City of Albuquerque

## Municipal Development Department

Tim Keller, Mayor

Memo

March 16, 2022

**To:** Sarita Nair, Chief Administrative Officer

**From:** Patrick Montoya, Director, Municipal Development Department

**Subject:** Request to Surplus Property S'LY 280 ft of Tract 434 Atrisco Grant Unit 3 Cont. 1.31 AC and S'LY Portion of Tract 433 Atrisco Grant Unit 3 Cont. 0.4879, Located at 90<sup>th</sup> and San Ygnacio

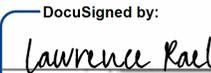
Department of Municipal Development is requesting that the above referenced property be sold. The property described above is located at 90<sup>th</sup> and San Ygnacio, and was purchased in 1996 by Public Works for a Leavitt Water Reservoir Site. The property contains approximately 1.7979 acres or 78,317 sq. ft. An appraisal has been done on the property and the determined value of the property is \$70,000. Department of Municipal Development is requesting it be declared surplus property and advertised for sale, as there is no longer a use for it. The property is currently zoned R-1.

Per Ordinance §5-2-2 (C), Real Property owned by the City and having a value of more than \$10,000, must be declared Not Essential for Municipal Purposes by the City Council.

Per Ordinance § 5-2-2 (B), For Real Property owned by the City and having a value of not more than \$10,000, the determination that the real property is not essential for a municipal purpose shall be made by the Mayor.

If the request meets your approval to proceed with the process to declare the property Not-Essential for Municipal purposes, please acknowledge your recommendation and we will forward to Real Property for processing.

Recommended:

DocuSigned by:  
  
Lawrence Rael, Chief Operations Officer

Approved for Proceeding With Surplus Process:

DocuSigned by:  
  
Sarita Nair, Chief Administrative Officer

Attachments: City location maps  
Zoning maps



## CABQ Surplus Properties 2018

**UPC: 100905635508942523**

**Address: San Ygnacio Rd SW**

**Legal: S'ly portion of Trs 433 &  
434 Atrisco Grant Unit 3 cont.  
1.79ac.**

**Lot Size: 1.79 acres**

**Zoning: R-D, R-1**

**Dept: DMD**





# City of Albuquerque Property Fact Sheet

Report Generated by City of Albuquerque Real Property Division: 7/24/2018 2:55:16 PM

**Property ID:** 100905637009142522  
**Zone Atlas Page:** L9 **City Council District:** 3  
**Address:** 0 San Ygnacio, Albuquerque, 87121  
**Legal Description:** S'LY PORTION OF TRACT 433 ATRISCO GRANT UNIT 3 CONT 0.4879 AC  
**Acreage:** 0.4879 **Sq. Feet:** 21252.924  
**Department:** Municipal Development  
**Zoning:**  
**Acquisition Price:** \$25,190.00 **Sale Price:**  
**Property Status:** City Owned **Surplus:**

## Property Map:



*Disclaimer: The City of Albuquerque provides these data for reference and informational purposes only, the data are not intended for legal purposes.*



# City of Albuquerque Property Fact Sheet

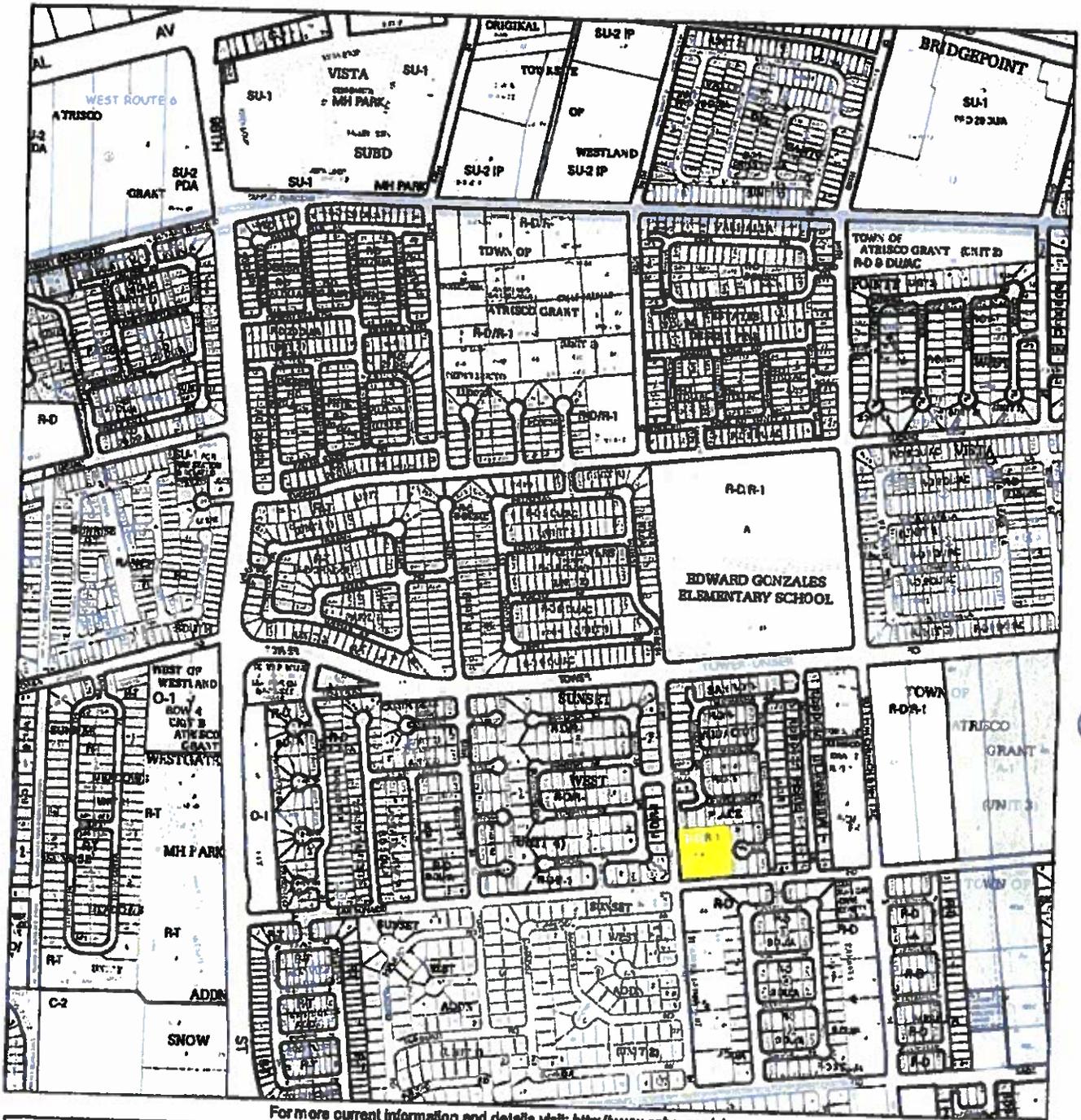
Report Generated by City of Albuquerque Real Property Division: 7/24/2018 2:54:33 PM

**Property ID:** 100905635508942523  
**Zone Atlas Page:** L9 **City Council District:** 3  
**Address:** 0 San Ygnacio, Albuquerque, 87121  
**Legal Description:** S'LY 280 FT OF TRACT 434 ATRISCO GRANT UNIT 3 CONT 1.31 AC  
**Acreage:** 1.31 **Sq. Feet:** 57063.6  
**Department:** Municipal Development  
**Zoning:**  
**Acquisition Price:** \$25,190.00 **Sale Price:**  
**Property Status:** City Owned **Surplus:**

## Property Map:



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For more current information and details visit: <http://www.cabq.gov/gis>

Map amended through: 1/28/2016

Zone Atlas Page  
**L-09-Z**

Selected Symbols

SECTOR PLANS	Escarpment
Design Overlay Zones	2 Mile Airport Zone
City Historic Zones	Airport Noise Contours
H-1 Buffer Zone	Wall Overlay Zone
Petroglyph Mon.	

750 1,000 Feet

**ADMINISTRATIVE REAL PROPERTY REVIEW BOARD MINUTES**

August 2, 2018 1:30pm

**BOARD MEMBERS:**

Esteban Aguilar, Jr., City Attorney, Legal Department  
Don Britt, Real Property Manager,  
David Campbell, Planning Director  
Sanjay Bhakta, Director, Department of Finance

**OTHERS ATTENDING:**

Brandi Salazar, Real Property Agent II  
Patrick Montoya, Director Department of Municipal Development  
Kathy Ahghar, Assistant City Attorney

The Administrative Real Property Review Board met on August 1, 2018 to recommend a parcel of City owned property to be declared not-essential for municipal purposes.

S'LY 280 FT OF TRACT 434 ATRISCO GRANT UNIT 3 CONT 1.31 AC

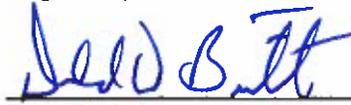
S'LY PORTION OF TRACT 433 ATRISCO GRANT UNIT 3 CONT 0.4879

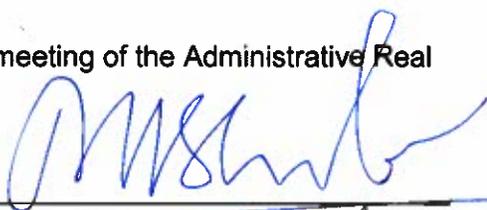
The Department of Municipal Development wishes to declare this property not-essential for municipal purposes.

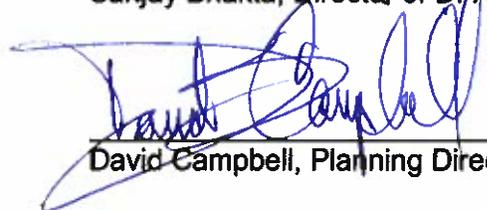
A MOTION WAS DULY MADE BY Don Britt, SECONDED BY David Campbell AND PASSED BY THE ADMINISTRATIVE REAL PROPERTY REVIEW BOARD BY A VOTE OF 4 FOR AND 0 AGAINST TO DECLARE THE PROPERTY NOT-ESSENTIAL FOR MUNICIPAL PURPOSES.

The above actions were taken at the August 2, 2018 meeting of the Administrative Real Property Review Board.

  
\_\_\_\_\_  
Esteban Aguilar, Jr., City Attorney  
Legal Department

  
\_\_\_\_\_  
Don Britt  
Real Property Manager

  
\_\_\_\_\_  
Sanjay Bhakta, Director of DFAS

  
\_\_\_\_\_  
David Campbell, Planning Director

**FACT SHEET**

Zone Atlas Page L-09-Z

**Legal:** S'LY 280 FT OF TRACT 434 ATRISCO GRANT UNIT 3 CONT  
1.31 AC

S'LY PORTION OF TRACT 433 ATRISCO GRANT UNIT 3  
CONT 0.4879

**Improvements:** A Vacant Site

**Owned by:** Department of Municipal Development

**Location:** 90<sup>th</sup> and San Ygnacio

**Intention:** Department of Municipal Development has requested this property  
be declared not-essential for municipal purposes.

**Appraised Value:** \$70,000 (1.7979 acres/78,317 sq. ft.)



## CABQ Surplus Properties 2018

**UPC:** 100905635508942523

**Address:** San Ygnacio Rd SW

**Legal:** S'ly portion of Trs 433 &  
434 Atrisco Grant Unit 3 cont.  
1.79ac.

**Lot Size:** 1.79 acres

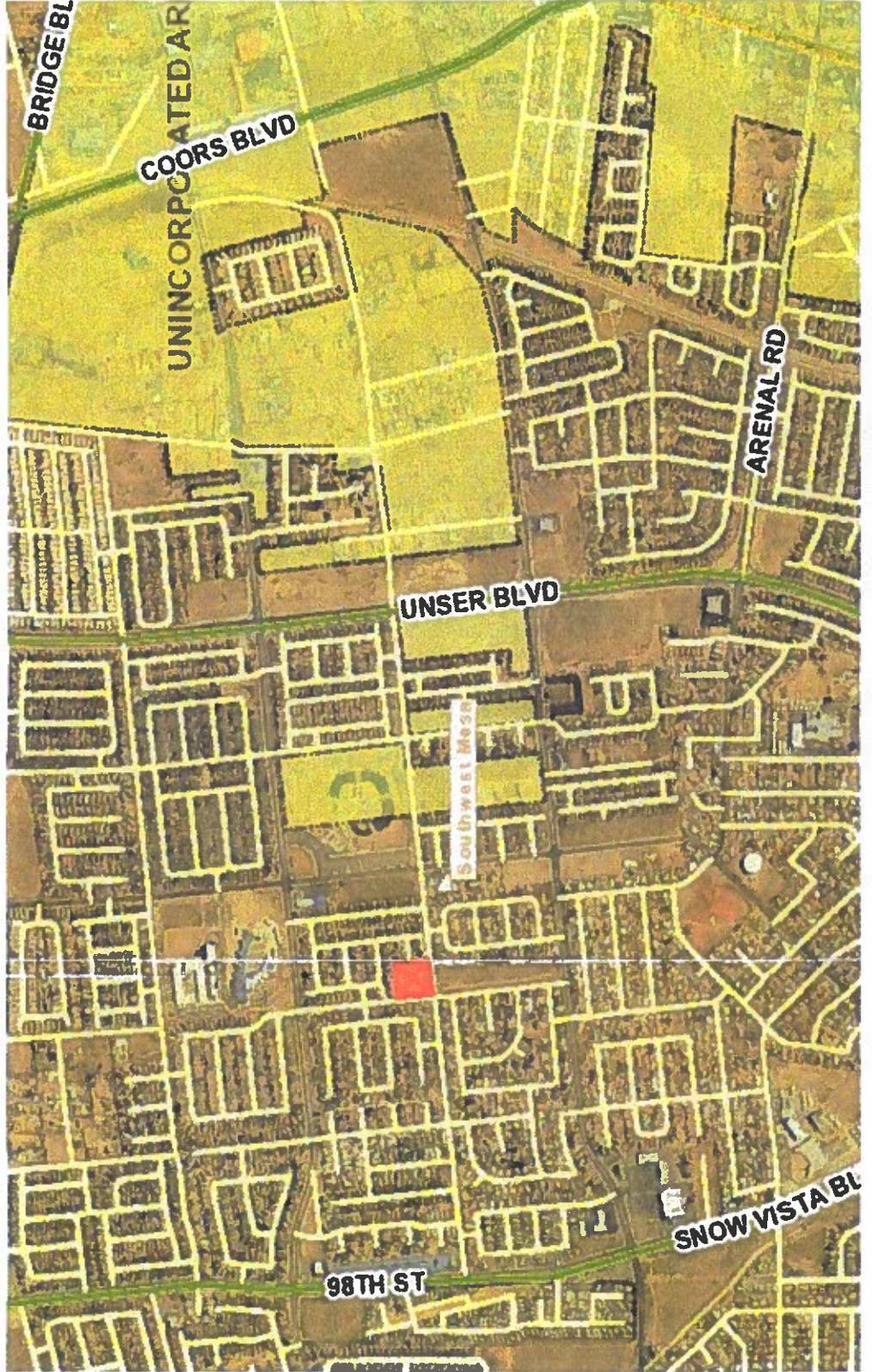
**Zoning:** R-D, R-1

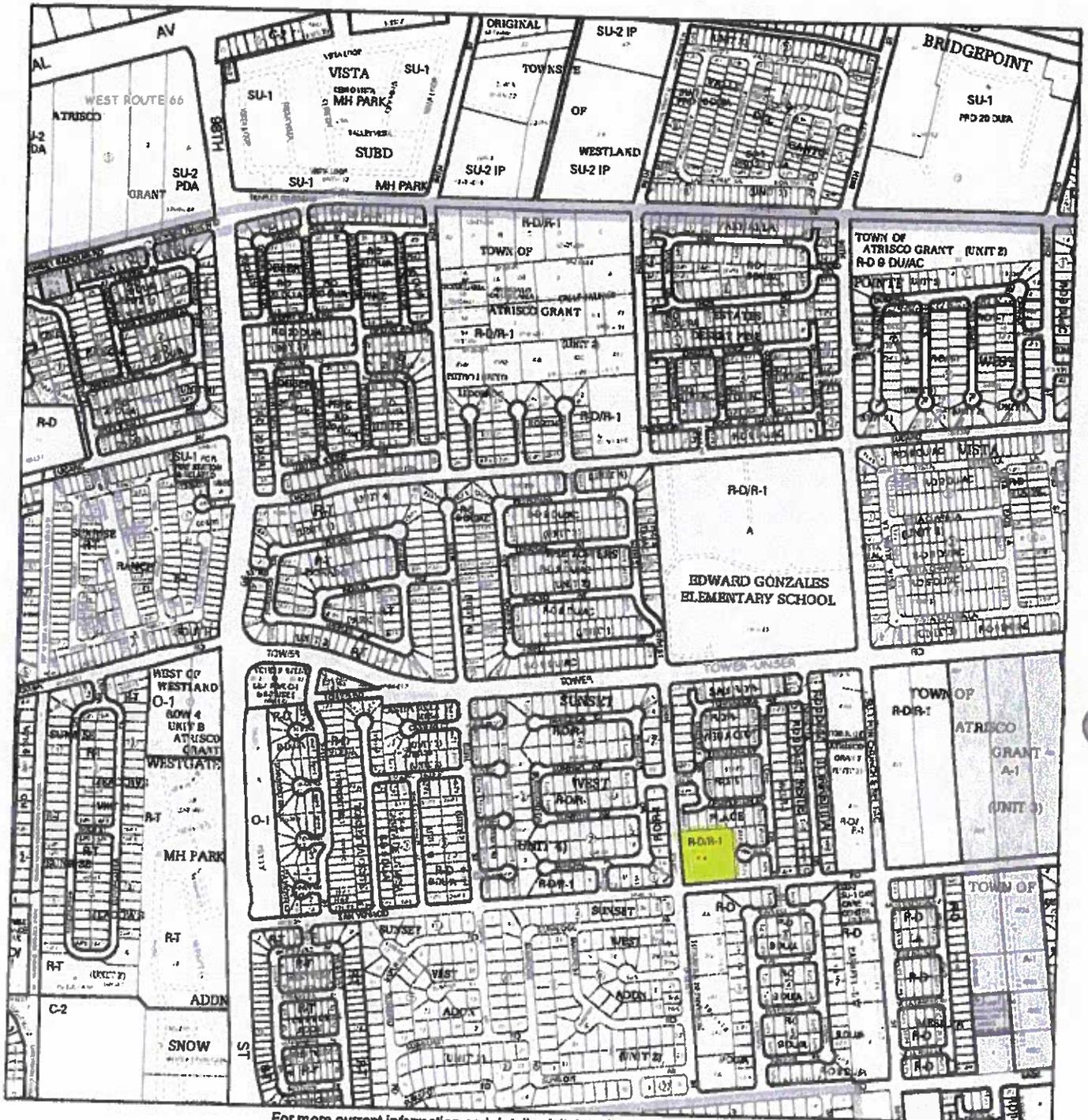
**Dept:** DMD



San Ygnacio Rd SW

Albuquerque, NM 87121





For more current information and details visit: <http://www.cabq.gov/gis>

Map amended through: 1/28/2016

Note: Gray Shading Represents Area Outside of the City Limits

Zone Atlas Page:  
**L-09-Z**

Selected Symbols

SECTOR PLANS	Escarpment
Design Overlay Zones	2 Mile Airport Zone
City Historic Zones	Airport Noise Contours
H-1 Buffer Zone	Wall Overlay Zone
Petroglyph Mon.	

**APPRAISAL REPORT  
1.7979-Acre Vacant Land Tract  
NE/c San Ygnacio Rd. & 90<sup>th</sup> St., SW  
Albuquerque, NM 87121**

**Prepared for  
Mr. James McNeely, Review Appraiser  
City of Albuquerque, Real Property Division  
P.O. Box 1293  
Albuquerque, New Mexico 87103**

**Prepared by  
SHIPMAN/FOLEY & ASSOCIATES, INC.  
2420 Midtown Place NE, Suite A  
Albuquerque, New Mexico 87107  
File No. 18001**

**Effective Date of Appraisal  
April 15, 2018**

***Shipman/Foley & Associates, Inc.***

---

*Real Estate Appraisers & Consultants  
2420 Midtown Place NE • Suite A  
Albuquerque, New Mexico 87107  
Phone: (505) 294-4046  
Fax: (505) 343-0330*

May 9, 2018

Mr. James McNeely, Review Appraiser  
City of Albuquerque, Real Property Division  
P.O. Box 1293  
Albuquerque, New Mexico 87103

RE: Appraisal Report  
1.7979-Acre Tract of Vacant Land  
NE/c San Ygnacio Rd. & 90<sup>th</sup> St., SW  
Albuquerque, New Mexico 87121

Dear Mr. McNeely:

Per your request, I am transmitting an appraisal report on the above referenced property. The accompanying report presents the results of my research regarding the subject property and the market in which it competes. The subject property is composed to two adjacent lots, which are zoned for residential use in keeping with the surrounding area. The purpose of the appraisal is to provide an opinion of the current "as-is" market value of the fee simple interest in the property. The effective date of appraisal is April 15, 2018, the date of my most recent property inspection. It is my understanding this appraisal will be used to assist the city in asset management decisions.

This appraisal is subject to the assumptions, limiting conditions and hypothetical conditions contained in the report. Please read these assumptions, limitations and conditions so you may clearly understand the conclusions. The appraisal makes no attempt to value any partial interest in the property. My analysis indicates the following opinion of market value as of April 15, 2018.

SEVENTY THOUSAND DOLLARS  
\$ 70,000

The Uniform Standards of Professional Appraisal Practice (USPAP) and the Standards and Code of Ethics of the Appraisal Institute have governed my conduct in the preparation of this appraisal. This appraisal is reported in an appraisal report format. This opportunity to provide appraisal services to City of Albuquerque is appreciated, and questions from authorized users are welcomed.

SHIPMAN/FOLEY & ASSOCIATES, INC.



JIM FOLEY, MAI, SRA  
NM GENERAL LICENSE #291-G

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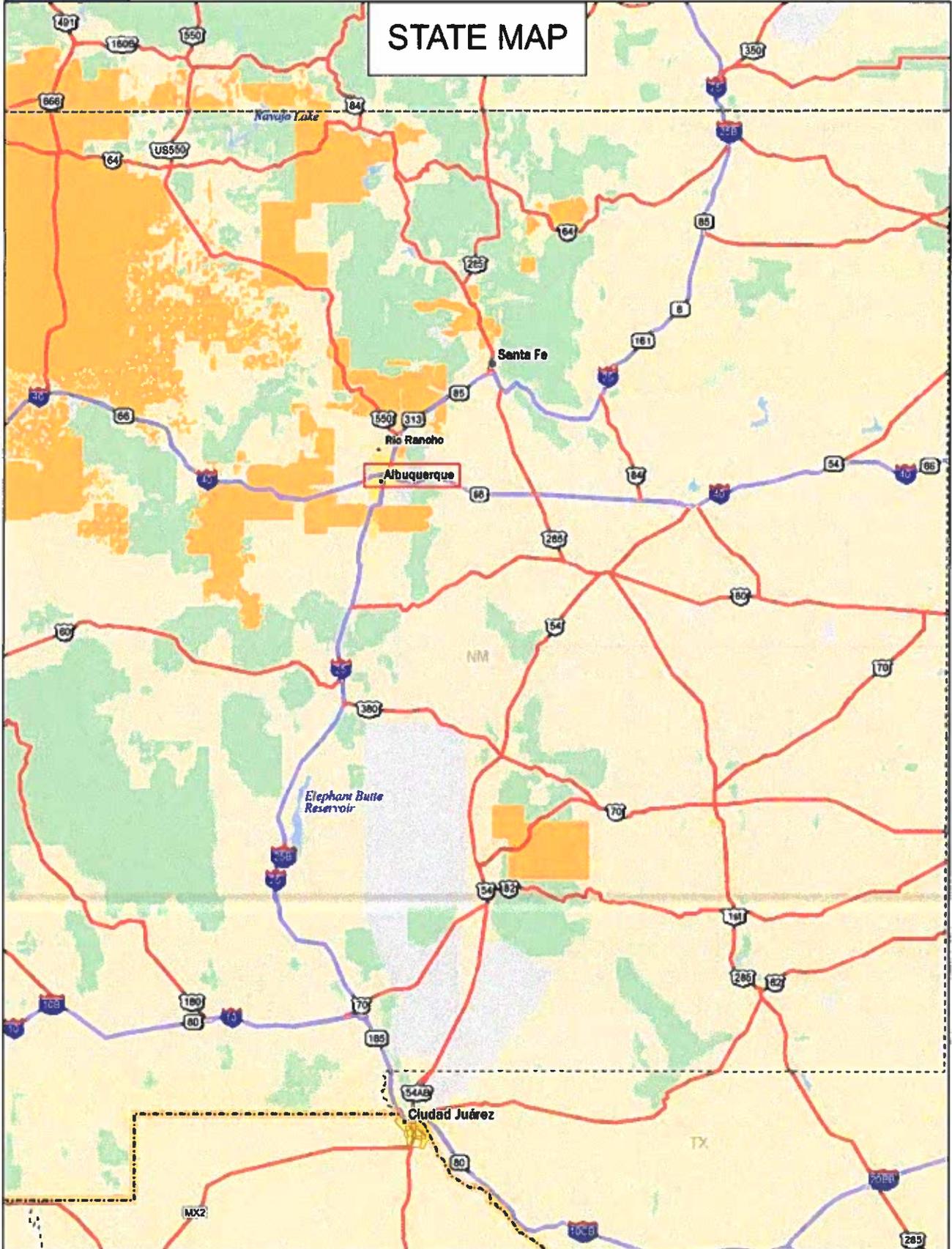
**SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS**

PROPERTY TYPE	Vacant Land
LOCATION	NE/c San Ygnacio Rd. & 90 <sup>th</sup> St., SW Albuquerque, New Mexico 87121 Zone Atlas Page L-9
LEGAL DESCRIPTION	S'y portion of Tract 433, Town of Atrisco Grant, Unit 3 S'y 280 ft. of Tract 434, Town of Atrisco Grand, Unit 3
OWNERSHIP	City of Albuquerque
EFFECTIVE DATE OF APPRAISAL	April 15, 2018
INTEREST UNDER APPRAISAL	Fee Simple Estate
SITE AREA	1.7979 acres or 78,317 square feet
ZONING	R-D/R-1 Residential Development
HIGHEST AND BEST USE	Hold for Future Residential Subdivision
OPINION OF MARKET VALUE	\$70,000
EXPOSURE TIME	Up to two years

***Preface***

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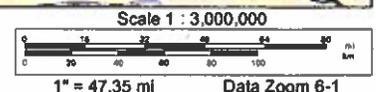
# STATE MAP



Data use subject to license.

© DeLorme. DeLorme Street Atlas USA® 2012.

www.delorme.com



# CITY MAP



Data use subject to license.

© DeLorme. DeLorme Street Atlas USA® 2012.

www.delorme.com



Scale 1 : 137,500



1" = 2.17 mi

Data Zoom 10-5

# National Flood Hazard Layer FIRMette



## Legend

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

- SPECIAL FLOOD HAZARD AREAS**
  - Without Base Flood Elevation (BFE) Zone A, V, A-99
  - With BFE or Depth
  - Regulatory Floodway Zone AE, AO, AH, VE, AR
- OTHER AREAS OF FLOOD HAZARD**
  - 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
  - Future Conditions 1% Annual Chance Flood Hazard Zone X
  - Area with Reduced Flood Risk due to Levee. See Notes. Zone X
  - Area with Flood Risk due to Levee Zone D
- OTHER AREAS**
  - NO SCREEN Area of Minimal Flood Hazard Zone X
  - Effective LOMRIs
  - Area of Undetermined Flood Hazard Zone D
- GENERAL STRUCTURES**
  - Channel, Culvert, or Storm Sewer
  - Levee, Dike, or Floodwall
- OTHER FEATURES**
  - Cross Sections with 1% Annual Chance Water Surface Elevation
  - Coastal Transect
  - Base Flood Elevation Line (BFE)
  - Limit of Study
  - Jurisdiction Boundary
  - Coastal Transect Baseline
  - Profile Baseline
  - Hydrographic Feature
- MAP PANELS**
  - Digital Data Available
  - No Digital Data Available
  - Unmapped

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

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 6/7/2018 at 11:44:23 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

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

0 250 500 1,000 1,500 2,000 Feet 1:6,000 36°32'54\"/>

BROADER AERIAL



CLOSE-IN AERIAL



## SUBJECT PROPERTY PHOTOGRAPHS



View Looking Northeast from Intersection



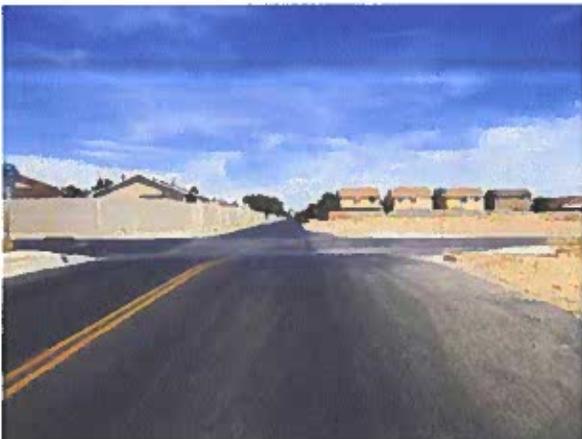
View Looking Northwest from San Ygnacio Rd.



San Ygnacio Rd. Looking West



San Ygnacio Rd. Looking East



90<sup>th</sup> St. Looking North



90<sup>th</sup> St. Looking South

## ***Introduction***

---

***OVERVIEW OF SUBJECT PROPERTY***

The subject property is a 1.7979-acre tract of vacant residential land located at the northeast corner of San Ygnacio Road and 90<sup>th</sup> Street in the southwest quadrant of the city. The tract is zoned R-D/R-1 and is situated within the borders of the *Towner/Unser Sector Development Plan*, which guides land use and development in the immediate area. The surrounding neighborhood is residential in character and all utilities are available for immediate development.

New residential construction in the Southwest Mesa submarket had fallen off dramatically since the mid-2000s. As such, demand for vacant residential tract land suitable for subdivision into single family lots has been anemic. Given this assumption, the profile of the buyer would be an investor.

***PURPOSE OF APPRAISAL***

The purpose of this appraisal is to provide an opinion of the current "as-is" market value of the fee simple interest in the subject.

***EFFECTIVE DATE OF APPRAISAL***

The effective date of this appraisal is April 15, 2018, the date of my most recent property inspection. The date of this report is May 9, 2018.

***PROPERTY RIGHTS APPRAISED***

The property rights appraised are identified as the fee simple estate. *The Dictionary of Real Estate Appraisal*, Sixth Edition, published by the Appraisal Institute in 2015, defines fee simple estate 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."

***DEFINITION OF MARKET VALUE & VALUE IN USE***

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and each acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

[Source: Department of the Treasury, Office of the Comptroller of the Currency, 12 CFR 34.42(f), [Docket No. 90-16], Real Estate Appraisals, Final rule, August 24, 1990.]

***INTENDED USE AND INTENDED USER OF REPORT***

My client, the City of Albuquerque, is the only intended user of this report. This appraisal may not be used by any entity other than the client without written approval. It is my understanding this report will be used to assist the city in asset management decisions.

***OWNERSHIP AND HISTORY***

A title report has not been made available. My search of public records indicates that the fee simple interest is currently vested in the City of Albuquerque, and this ownership has been in place for many years. The portion of the subject within Tract 434, Town of Atrisco Grant, Unit 3 was acquired on November 11, 1996 as recorded by Warranty Deed, Document No. 1996/127038. I was not able to locate a vesting deed for that portion of the subject within Tract 433, Town of Atrisco Grant, Unit 3. County assessor records show the ownership to be vested in the City of Albuquerque. To my knowledge, the subject is not currently listed for sale or under contract for purchase. This appraisal is subject to a current title search.

***LEGAL DESCRIPTION***

Neither a current survey nor a title report has been provided. The legal description of the land is shown on assessor records as the Southerly Portion of Tract 433, Town of Atrisco Grant, Unit 3; and the Southerly 280 feet of Tract 434, Town of Atrisco Grant, Unit 3.

***SCOPE OF THE APPRAISAL***

This assignment calls for an opinion of the market value of the fee simple interest in the subject property. In developing the appraisal, I personally inspected the property, investigated the subject trade area, and researched applicable sales and related market data in order to derive a reliable opinion of value. General area developers, real estate brokers, leasing agents, and appraisers were contacted for supply/demand relationships, comparable sales and rental data, listings, marketing times, and absorption and occupancy rates. Data sources include MLS, CARNM, Costar and an inhouse database. Additionally, public records were searched for applicable information and personnel from the city of Albuquerque and/or Bernalillo County were interviewed for pertinent data relating to the appraised property and immediate and surrounding areas. New Mexico is a non-disclosure state where real estate price, income, and expense information is confidential and not available from public sources. The comparable data used in this report were obtained and confirmed by our office personnel in a standard and accepted appraisal manner. Data were then analyzed by accepted appraisal methods as described in the *Valuation Section* and an opinion of value was concluded.

***REPORT TYPE***

This appraisal is reported in an "Appraisal Report" format, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice (2018-2019). The report is meant to contain sufficient information to enable the client and any named intended user(s) of the appraisal to understand the report properly. At times the report is very detailed and at other times it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in the report. The appraiser is not responsible for unauthorized use of this report.

***EXTRAORDINARY ASSUMPTIONS***

1. There are no extraordinary assumptions associated with this report.

***HYPOTHETICAL CONDITIONS***

1. There are no hypothetical conditions associated with this report.

***GENERAL UNDERLYING ASSUMPTIONS***

1. The legal description used in this report is assumed to be correct.
2. No survey of the property has been made by the appraiser; no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
3. No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.
4. Information furnished by others is assumed to be true, correct, and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser.
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property is appraised as though the title is free and clear, and under responsible ownership and competent management.
6. It is assumed there are no hidden or unapparent conditions of the property, including soils and subsoils, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover them.
7. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. However, the appraiser is not qualified to detect such substances, and no opinion regarding such matters is implied beyond specific statements contained within the text. The presence of substances such as asbestos, PCBs, urea-formaldehyde foam insulation, radon gas or other potentially hazardous materials may affect the value of the property. The value estimates are predicated on the assumption that there is no material on or in the property that 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. The client is encouraged to retain an expert in this field, if such factors are critical to their purposes.
8. It is assumed that all applicable federal, state, and local environmental regulations and laws have been complied with unless otherwise stated, defined and considered in the appraisal report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.
10. It is assumed the utilization of the land and improvements is within the boundaries or property lines of the property described, and there is no encroachment or trespass unless otherwise stated in the report.

11. Adequate legal ingress and egress to the subject property is assumed. It is assumed that a sale of the property for a typical use would not be inhibited by any unknown easements, covenants, conditions or restrictions. The appraiser is not aware of any easements or any other agreement or restriction impacting the subject property, other than those discussed in the body of the report.

***GENERAL LIMITING CONDITIONS***

1. The appraiser will not be required to give testimony or appear in court as a result of having prepared this appraisal, or in any reference to the property in question, unless arrangements have been previously made.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser and in any event only with proper written qualification and only in its entirety.
3. Any allocation of the total value estimated in this report between the land and improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any appraisal and are invalid if so used.
4. Neither all nor any part of the contents of this report or copy thereof (especially any conclusions as to value, the identity of the appraiser, firm or professional organization with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.

***Description & Analysis***

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**METROPOLITAN AREA PROFILE**

## CITY OF ALBUQUERQUE

*Population*

The city of Albuquerque is located in Bernalillo County, New Mexico and is the largest city in the state. In January 1994, the Albuquerque Metropolitan Statistical Area (MSA) was revised to include Bernalillo, Sandoval, Valencia, and Torrance Counties. Prior to this time the MSA included only Bernalillo County. The following table presents U.S. Bureau of the Census information for the state and local region and BBER (Bureau of Business and Economic Research, UNM) projections.

POPULATION ESTIMATES AND PROJECTIONS

	2000	2010	2015	2020	2025	2030	2035	2040
New Mexico	1,820,861	2,059,179	2,208,450	2,351,724	2,487,227	2,613,332	2,727,118	2,827,692
Albuquerque MSA	731,717	887,077	N/A	N/A	N/A	N/A	N/A	N/A
Bernalillo	557,167	662,564	721,153	780,244	835,325	886,564	932,091	970,371
Sandoval	91,246	131,561	154,048	176,276	198,950	221,644	243,897	265,607
Valencia	66,358	76,769	82,644	88,380	93,726	98,589	102,949	106,830
Torrance	16,946	16,911	16,927	17,589	18,266	18,865	19,344	19,801
4-County Total	731,717	890,805	974,772	1,062,489	1,146,267	1,225,662	1,298,281	1,362,609

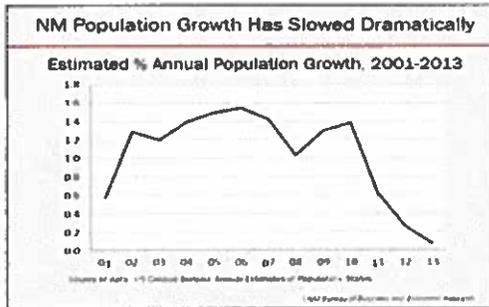
Census data for 2010 showed the New Mexico population at 2,059,179, an increase of 13.1 percent from 2000 (1.24%/yr. compound). This rate of growth outpaced the nation as a whole, which saw a 9.7 percent increase. The state growth rate slowed from the prior decade's (1990 – 2000) growth rate of 20.1 percent. In 2015, the population was estimated at 2,085,109, a 1.25 percent increase over the 2010 population (0.25%/yr.).

The population within the Albuquerque MSA as of April 1, 2010 was 887,077, which was an increase of 21.2 percent (1.94%/yr.) over the 2000 count. For Bernalillo County, the 2010 population was 662,564, an increase of 18.9 percent (1.75%/yr.). For Sandoval County, the 2010 population was 131,561, an increase of 44.2 percent (3.73%/yr.), Valencia County had a 2010 population of 76,569, an increase of 15.39 percent (1.44%/yr.), and Torrance County had a slight decline to 16,383 (-0.02%). The fastest growing area was Sandoval County, which is home to the city of Rio Rancho, a bedroom community adjacent to Albuquerque and the fastest growing city in the state. In 2000, the city of Albuquerque's population was 448,607 and grew 16.2 percent to 545,852 in 2010 (1.98%/yr.). In 2000, the city of Rio Rancho's population was 51,765 and grew 69.07 percent to 87,521 in 2010 (5.39%/yr.).

The projections in the table above are revised 2012 projections, and the revised estimates show far less growth than was anticipated in prior 2005 projections. As an example, the former projection for Bernalillo County population in 2025 was 993,850 and is now 835,325 – a downward variance of 15.95 percent. The revised figures appear to reflect consideration of the effects of the Great Recession.

Census Bureau data showed the 2013 New Mexico population at 2,085,287 or a 1.27 percent increase since 2010. At 0.42 percent per year compounded, the rate of increase is less than half of one percent and well below the 1.24 percent per year increase from 2000 to 2010. The increase is due to a *natural increase* – births outpacing deaths by 27,475. On a *net migration* basis, there was a net out-migration of

1,069. New Mexico continued to lose population through 2015 (2,085,109). The trend has reversed as the 2017 Census figure is 2,088,070, but overall growth remains very slow (0.20%/yr. since 2010).



Recent Census Bureau estimates show the population for the MSA at 889,649 (July 2010) and 907,301 (July 2015). The increase was 17,652 (1.98%) or 0.39 percent per year compounded over the four-year period. As of July 2017, the population was 909,906. Since 2010, the MSA rate of growth has been 0.36 percent per year, which higher than the state but lower than the MSA rate 1.94 percent per year increase from 2000 to 2010.

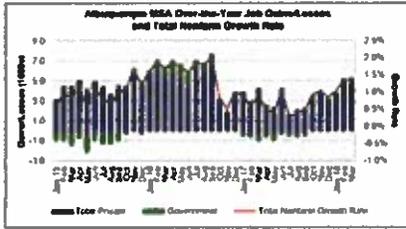
**Employment**

The New Mexico Department of Labor shows the following average annual civilian employment for key jurisdictions for the period from 2006 through 2016. Figures in the following table represent the average monthly amount during the year.

AVERAGE ANNUAL CIVILIAN EMPLOYMENT										
Jurisdiction	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Employment</b>										
New Mexico	898,988	902,411	869,491	860,154	860,305	861,617	859,294	860,396	863,441	864,912
Albuquerque MSA	389,243	388,753	372,776	390,672	389,467	387,707	387,160	387,526	390,238	396,546
Bernalillo County	301,166	299,763	286,763	301,350	300,414	299,198	298,799	298,911	300,644	305,434
Abq. MSA % of NM	43.3%	43.1%	42.9%	45.4%	45.3%	45.0%	45.1%	45.0%	45.2%	45.8%
Bern. Co. % Abq. MSA	77.4%	77.1%	76.9%	77.1%	77.1%	77.2%	77.2%	77.1%	77.0%	77.0%
<b>Unemployment</b>										
New Mexico	3.8%	4.5%	7.5%	8.1%	7.5%	7.1%	7.0%	6.7%	6.6%	6.7%
Albuquerque MSA	3.7%	4.6%	7.8%	8.0%	7.5%	7.1%	6.8%	6.6%	6.2%	6.1%
Bernalillo County	3.6%	4.4%	7.5%	7.7%	7.2%	6.8%	6.5%	6.3%	5.9%	5.8%

From 2000 through 2007, civilian employment in New Mexico increased at an annual rate of 1.64 percent (straight-line). Over the same period, the Albuquerque MSA grew at a 1.47 percent average annual rate, and in Bernalillo County, the annual average rate was 1.31 percent. All three jurisdictions reached unemployment lows in 2007 with the state at 3.8 percent, the MSA at 3.7 percent and the county at 3.6 percent. The 2008 recession impacted all three jurisdictions and by 2010, unemployment in the state rose to 8.1 percent, the MSA rose to 8.0 and the county rose to 7.7 percent. The unemployment rate in all three jurisdictions has steadily fallen (5.9 to 6.6 percent in 2015) since 2010. However, the actual number employed in all three jurisdictions remains less than in 2007. The falling unemployment rate is primarily due to the shrinking labor force in all three jurisdictions.

In March 2018, seasonally adjusted unemployment in the MSA was 4.9 percent, down from 5.1 percent in February and down from 5.9 percent a year ago. Year-over-year, not seasonally adjusted total nonfarm payroll employment in the MSA grew by 1.4 percent or 5,300 jobs (397,400). Total private sector growth



was 4,600 jobs (+1.5%) while the public sector increased by 700 jobs (+0.8%). Nine industries posted job gains, and one reported a loss. Within the private sector, Professional & Business Services led all sectors (+2,200) followed by Mining, Logging & Construction (+1,500) and Financial Activities (+800). The lone year-over-year loss was in Education and Health Services (-800 each). The Service-Providing category added 3,600 jobs (year over year), Goods-Producing added 1,700 jobs and Government added 700 jobs.

**Income**

The following table summarizes per capita personal income in the United States, State of New Mexico and the Albuquerque MSA. The data is supplied by the U.S. Bureau of Economic Analysis (BEA).

**PER CAPITA PERSONAL INCOME**

	2008	2009	2010	2011	2012	2013	2014	2015	2016
United States	\$41,052	\$39,366	\$40,276	\$42,469	\$44,263	\$44,453	\$46,459	\$48,403	\$49,213
New Mexico	\$33,447	\$32,523	\$33,109	\$34,717	\$35,427	\$34,752	\$36,770	\$37,973	\$38,474
Albuquerque MSA	\$35,195	\$34,218	\$34,097	\$35,547	\$35,678	\$35,006	\$37,006	\$38,643	\$39,665

The data show a steady gain for both the nation, state and the MSA through 2008. All three suffered retractions in 2009 reflecting the financial crisis and recession. The MSA is shown to continually outperform the state in the income category, but income was nearly identical in 2014. Both the state and the MSA underperform the nation.

**Gross Receipts from Retail Trade**

The following table shows gross receipt taxes collected by the city of Albuquerque since 2005.

**GROSS RECEIPTS TAXES FROM RETAIL TRADE — CITY OF ALBUQUERQUE**

Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Totals	Δ
2005	\$60,430,558	\$63,952,773	\$61,672,005	\$75,646,934	\$261,702,270	
2006	\$64,318,814	\$68,088,055	\$68,837,651	\$78,186,935	\$279,431,455	6.77%
2007	\$68,356,122	\$79,825,907	\$71,816,592	\$83,931,567	\$303,930,188	8.77%
2008	\$71,233,855	\$78,129,199	\$74,061,626	\$63,400,111	\$286,824,791	-5.63%
2009	\$63,388,854	\$66,930,497	\$64,750,736	\$73,875,049	\$268,945,136	-6.23%
2010	\$59,549,063	\$63,763,631	\$65,718,102	\$74,402,855	\$263,433,651	-2.05%
2011	\$62,902,480	\$69,155,814	\$67,857,126	\$73,577,716	\$273,493,136	3.82%
2012	\$66,439,829	\$67,954,691	\$70,197,325	\$68,766,735	\$273,353,580	-0.05%
2013	\$66,273,922	\$66,881,108	\$69,569,658	\$74,864,656	\$277,589,344	1.55%
2014	\$65,781,127	\$61,961,352	\$68,965,065	\$78,841,561	\$275,549,105	-0.73%
2015	\$63,734,291	\$70,595,949	\$72,401,645	\$77,033,275	\$283,765,160	2.98%
2016	\$69,864,359	\$74,739,822	\$48,191,391	\$81,400,471	\$274,196,043	-3.37%
2017	\$71,476,083	\$71,190,711	\$75,311,548	\$75,311,518	N/A	N/A

Source: NM Taxation & Revenue

Due to strong economic conditions, gross receipt taxes increased steadily from 2005 through the first three quarters of 2008. From 2008 through 2014, gross receipt taxes declined each year except in 2011 and 2013. Since that time, gross receipt tax collections have been relatively stable, with an uptick through the first three quarters of 2017.

**Real Estate Markets**

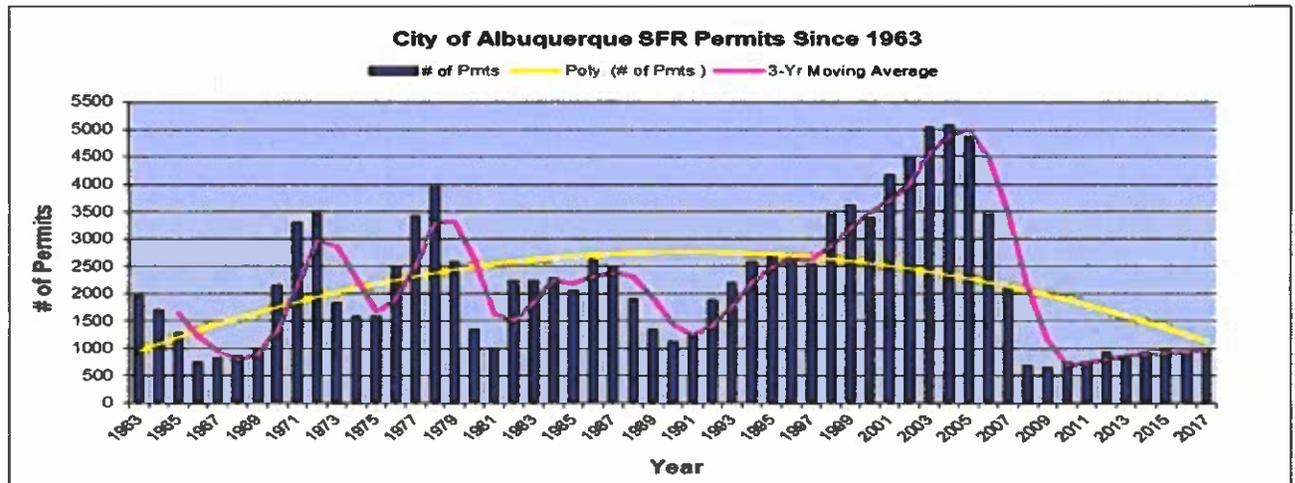
**Residential**

The following table provides historic single family and multifamily residential permit data within the city of Albuquerque followed by a graph of the long-term history dating back to 1963.

**NEW RESIDENTIAL PERMITS — CITY OF ALBUQUERQUE**

<i>Year</i>	<i>SF Units</i>	<i>% Change</i>	<i>MF Units</i>	<i>% Change</i>
1995	2,674	3.8%	1,801	(1.2%)
1996	2,645	(1.1%)	1,013	(43.8%)
1997	2,525	(4.5%)	1,061	57.8%
1998	3,449	36.6%	367	(65.4%)
1999	3,602	4.4%	390	6.3%
2000	3,373	(6.4%)	210	(46.2%)
2001	4,158	23.3%	792	277.1%
2002	4,491	8.0%	1,212	53.0%
2003	5,041	12.2%	720	(40.6%)
2004	5,071	0.6%	462	(35.8%)
2005	4,851	(4.3%)	470	1.7%
2006	3,440	(29.1%)	389	(17.2%)
2007	2,158	(37.3%)	1,083	178.4%
2008	682	(68.4%)	638	(41.1%)
2009	654	(4.1%)	198	(69.0%)
2010	749	14.5%	168	(15.2%)
2011	767	1.0%	278	65.5%
2012	929	21.1%	350	25.9%
2013	858	(7.64%)	945	170.0%
2014	935	8.97%	898	(5.0%)
2015	984	5.24%	449	(50.0%)
2016	884	(10.2%)	567	26.3%
2017	987	11.7%	N/A	N/A

Source: City of Albuquerque Planning Department, HBACNM & DataTraQ – SFR on Calendar Year Basis – Multifamily on Fiscal Year Basis

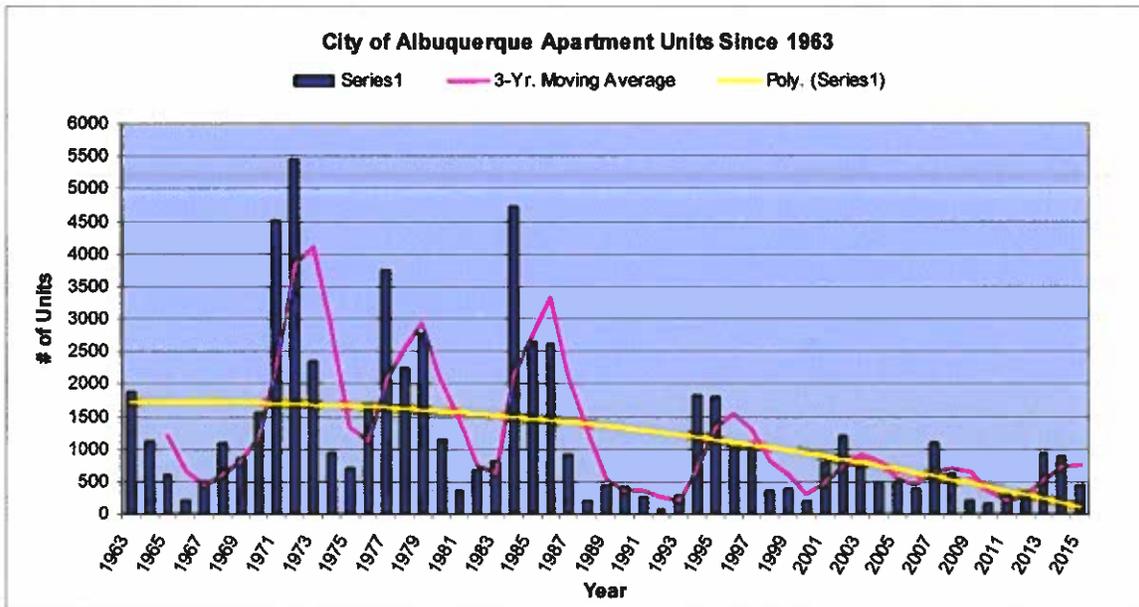


Single-family permits issuance was very strong for eight consecutive years from 1998 through 2005. In 2006, permits fell 29.1 percent and in 2007, they fell an additional 37.3 percent. In 2008, permits fell to 682, a 68.4 percent decrease compared to 2007. Annual single family residential permitting in 2008 was only 13.5 percent of the peak in 2003 and 2004. This was the first time in 27 years (1981) that city single family permits had fallen below the 1,000 level. Single family permits within the MSA did not fare any better, ending 2008 with 1,954, a 53.7 percent decline from 2007, and only 20.7 percent of peak year 2005's 9,445 permits. In 2011 MSA permitting reached its low point at 1,192, an 87.4 percent decline from peak year 2005.

Permit growth has been basically flat over the last six years. The 2017 volume remains less than half the long-term 54-year average of 2,184, and it has not reached the 1,000 mark since 2007. Through Q2 of 2018 there have been 243 permits issued in the city compared to 233 in through Q2 of 2017. At the metro level, MSA annual permits in 2017 were 1,732 (1,632 in 2016), which was far below the long-term 26-year average of 3,933. Through Q2 of 2018 there have been 465 permits issued in the metro area compared to 426 in 2017.

**Multifamily**

With 1,083 multifamily permits issued in 2007, there was an increase of 178.4 percent over 2006. In 2008 however, multifamily permits declined 41.1 percent to 638, and declined again in 2009 by 69.0 percent to 198 units. Multifamily permits bottomed out in 2009 and 2010. Many of the projects over the few years have been subsidized or tax credit projects. Without the assistance, rents usually could not justify the cost of new construction. But rents have improved steadily the last few years, and in 2013 there were 945 new units permitted, which was nearly three times as many as in 2012 and the highest volume since 2007. Volume moderated in 2015 at 449. Although there has been improvement, apartment unit permits have not reached the 1,000 level since 2002 and remain well below the long-term 54-year average of 1,188.



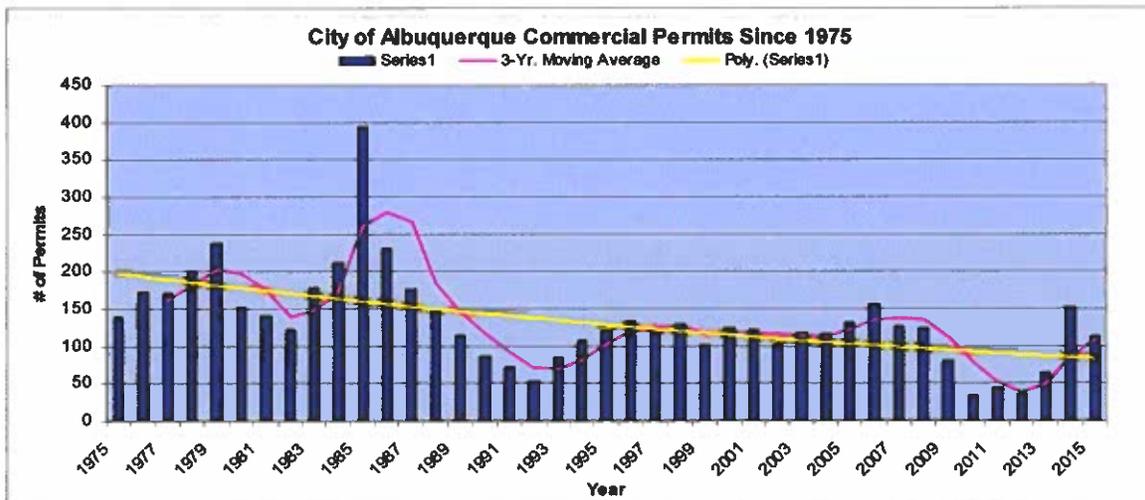
**Commercial**

Historical permits for the city of Albuquerque are shown in the following table.

**COMMERCIAL PERMITS & VALUE—CITY OF ALBUQUERQUE**

<i>Year</i>	<i>Permits</i>	<i>% Change</i>	<i>Value</i>
1986	231	(41.4%)	\$90,746,083
1987	176	(23.8%)	\$88,993,329
1988	147	(16.5%)	\$92,021,983
1989	115	(21.8%)	\$114,529,492
1990	87	(24.4%)	\$57,556,239
1991	72	(17.2%)	\$53,097,778
1992	53	(26.4%)	\$37,500,195
1993	84	58.5%	\$59,082,184
1994	106	26.2%	\$70,568,139
1995	120	13.2%	\$143,204,347
1996	133	10.8%	\$114,345,530
1997	119	(10.5%)	\$118,174,223
1998	129	8.4%	\$113,526,149
1999	102	(20.9%)	\$88,001,238
2000	123	20.6%	\$133,839,520
2001	121	(1.6%)	\$113,707,767
2002	102	(15.7%)	\$91,737,800
2003	118	15.7%	\$95,467,862
2004	117	(0.8%)	\$117,591,103
2005	131	12.0%	\$113,672,827
2006	156	19.1%	\$213,525,989
2007	125	(19.9%)	\$206,558,035
2008	124	(0.8%)	\$220,788,429
2009	81	(34.7%)	\$103,040,438
2010	34	(58.0%)	\$26,197,123
2011	45	32.4%	\$65,940,484
2012	36	(20.0%)	\$46,257,090
2013	63	75.0%	\$78,523,292
2014	152	141.3%	\$103,214,914
2015	112	(26.1%)	\$116,776,561
2016	88	(21.4%)	\$119,913,663

Source: City of Albuquerque Planning Department – Fiscal Year Basis



After an all-time high in 1985 of 394 permits, in response to a soft oversupplied market, commercial permits continually declined from 1985 through 1992. The trend was reversed beginning in 1993 when the number of permits increased by 58.5 percent. From 1994 through 2008 permits exceeded the 100 level for 15 straight years. Permits were below the 100 level from 2009 through 2013. In 2014, permit volume jumped 141.3 percent with 152 new permits. Annual volume declined in 2015 and 2016.

*Summary*

Population is forecast to grow over the next few decades in New Mexico and the Albuquerque MSA, although at rates far less than were forecast in the mid-2000s. The state and the MSA lag the region in job growth, which has once again turned positive but at a very low level. New Mexico and Albuquerque remain vulnerable, as both are heavily dependent on federal revenues. MSA single-family permitting grew consistently from 2000 through 2005 setting new records. Growth that was experienced vastly exceeded forecasts by BBER for the period. The strong housing market appeared inconsistent with local employment and income growth. The housing market was driven by low interest rates, lax lending policies and an increase in speculative housing demand. The trend was not sustainable, and permit volume began a steady decline in 2006. From 2008 through 2011, the volume was the lowest it's been in over 20 years. Single family permitting has bounced around the last few years below the 1,000 level and well below the long-term average. Multifamily construction showed significant improvement in 2013 and 2014 but has moderated in recent years. Although still below the long-term average, commercial permits improved in 2014 and 2015 but has moderated in recent years.

*Conclusions*

In 2009, the nation officially emerged from the recession that began in December 2007. While the recovery is reasonably well established nationally, local economic recovery continues to lag the nation. The real estate market and MSA employment growth have improved over the last year but are still not robust. Longer term conditions depend on future events that are difficult to predict. After the financial crisis, the Fed kept its key interest rate near zero to prop up the economy. With its quantitative easing program ending, the Fed has now begun to gradually hike rates. The Fed is finally moving toward the end of its 9-year-old economic stimulus, which began in the depths of the financial crisis, as it plans to start unloading much of its \$4.5 trillion in bond holdings that built up after the Great Recession.

New Mexico and Albuquerque continue in their struggle to recover from the Great Recession. The state remains next to the last in job growth within the 10-state region. After having the highest unemployment rate of any state in the nation for several months, New Mexico has improved to the third highest in the nation. The bright spot for the state has been the rebound of the oil and gas industry.

In June of 2014, Brookings noted that Albuquerque was one of the few and maybe one of the only big metros to be in the midst of a double-dip recession. In July of 2015, Brookings ranked Albuquerque 99<sup>th</sup> out of the 100 largest metro areas for overall economic performance (changes in jobs, unemployment, output (gross product) and house prices). Job growth in the MSA has improved somewhat, but overall, the MSA economy and the real estate market remain sluggish. In the near-term, until meaningful job growth can be sustained, there is little reason to expect that things will change in any significant way.

**TRADE AREA DESCRIPTION**

*General Neighborhood Profile*

In April of 2000, the City of Albuquerque Planning Department published *Urban Growth Projections, 1999–2010, Employment, Population, and Housing*. The report was prepared by the University of New Mexico's Bureau of Business and Economic Research (BBER). The study area includes the broader metropolitan area, which is divided into 25 smaller Planning Information Areas (PIA). The subject is located in PIA 9. BBER notes that the fastest growing population areas include PIA 9 (Southwest Mesa), which is the location of the subject tract. PIA 9 is bordered by West Central and I-40 on the north, the Isleta Reservation on the south, South Coors on the east, and roughly the top of the mesa to the west. Most of the area is in unincorporated Bernalillo County. Although the projections were only to 2010, the descriptions provide a good historic picture of the various characteristics of each area. BBER describes historic activity in PIA 9 as:

PIA 9 employment was only 2,286 in 1998. Three sectors dominate employment: retail, government, and construction. PIA 9 is mostly residential (Westgate Heights), with a small number of construction firms along West Central and South Coors. Most of the population resides in Westgate Heights, an area that offers less expensive housing. Population in 1998 is estimated at 28,773 in PIA 9; recent population growth has been well above the study area average. Most of the housing is single family with few apartments. Beginning in 1995 there has been a strong increase in construction of entry level, affordable single family homes in PIA 9. The housing stock was 4,654 in 1990 and grew to 7,184 in 1998.

*PIA 9 Historic Population*

The BBER study (page 59) provides historic census data for PIA 9, that shows area population increased from 3.4 percent of the metropolitan study area in 1980 (14,698) to 4.8 percent in 1998 (28,773). For the eight years from July 1, 1990, through July 1, 1998, average natural increase (births minus deaths) in PIA 9 was 400 persons per year (40% of the population increase). Net migration into the area accounted for an average of 594 persons per year (60% of the population increase). Total population increase averaged 994 persons per year during the period, or a 4 percent compound annual growth rate (compared to 1.5 percent for Albuquerque and 1.8 percent for the overall study area). From 1995 through 1998, PIA 9 reached a compound average annual rate of growth of 6.8 percent. It was noted (page 104) that "since 1995, local homebuilders have strategically targeted the entry-level home buyer in the study area. Within PIA 9 these homebuilders have found lower cost land with available physical infrastructure."

*PIA 9 Housing Projection*

BBER projected continuing single-family building permit activity in PIA 9 (Southwest Mesa) at about the level experienced in years preceding its forecast. It also projected more multifamily residential activity for PIA 9. No mobile homes were included in the BBER housing projections for the area. For the period from 2000 through 2005 BBER projected a total of 2,910 single-family houses being built in the area. As previous analysis shows, there were 7,187 permits actually issued in the Southwest Area during that period, or about 2.5 times the projected level.

*Planning Documents Guiding the Area*

The subject property lies within an area designated as Developing Urban in the *Albuquerque/Bernalillo County Comprehensive Plan*.

*The DEVELOPING URBAN category includes master planned and uncommitted areas which have adequate resource capabilities for urbanization. A full range of services would be extended to these areas in an orderly manner. Development is subject to the Policies Plan and other pertinent guidelines. Overall densities within the area would be moderate (five dwelling units per acre) and should include clustered developments. The emphasis is*

*on planning goals for large areas or "sectors" so as to provide varieties of housing type and other land uses along with appropriate open space. Zoning will normally be based on area or sector plans initially prepared by the Planning Division or a Developer, and subsequently, approved by the appropriate jurisdiction. The sector development plans will be used to maximize comprehensive planning goals.*

The subject is also within the borders of the *West Side Strategic Plan (WSSP)*. Adopted by the City Council in March of 1997 and amended in 2002, the *West Side Strategic Plan* seeks to establish a framework for development of the west side. Bernalillo County adopted the plan in April 1998 with a number of recommended revisions, including giving precedence to the *Southwest Area Plan* in the area that it governs. The subject is also within the boundaries of the *Southwest Area Plan (1988)* and the *Tower-Unser Sector Development Plan (1989)*.

#### *Access and Linkage*

The subject is situated at the northeast corner of San Ygnacio Road and 90<sup>th</sup> Street in the Southwest quadrant of the city. To the east, Unser and Coors Boulevards are the main major north/south arterials through the trade area. They are classified as principal arterials, and both span most of the entire west side of the city. To the west, 98<sup>th</sup> Street is the main major north/south arterial through the trade area. It is also classified as a principal arterial. To the north it terminates just north of I-40 at the Petroglyphs and to the south it joins with Unser Boulevard terminating at Dennis Chavez Boulevard (Rio Bravo). All three streets have interchanges with I-40 about 2.0 miles north of the subject.

To the north, the main east/west arterials through the trade area are Central Avenue and Bridge Boulevard. Central Avenue spans the entire city. Bridge Boulevard extends southeasterly off Central Avenue just east of 98<sup>th</sup> Street and extends to I-25. Just south of the subject Sage Road extends east to Coors Boulevard and to the west, it terminates at 114<sup>th</sup> Street. West of 98<sup>th</sup> Street, it changes its name to DeVargas Road. It is classified as an urban collector street from 98<sup>th</sup> Street on the west, to Old Coors Drive on the east. To the south Dennis Chavez Boulevard/Rio Bravo Boulevard is the main arterial through the trade area. Central Avenue, Bridge Boulevard and Dennis Chavez Boulevard/Rio Bravo Boulevard all link to I-25 about 5.5 miles to the east.

San Ygnacio Road is a local street that extends from 98<sup>th</sup> Street on the west to Old Coors Drive on the east. 90<sup>th</sup> Street is also a local street extending from Tower Road on the north to Sage Road on the south.

#### *Commercial & Residential Development*

The immediate area is predominantly residential in character. Commercial improvements are along Central Avenue to the north and to a lesser extent along 98<sup>th</sup> Street to the west and Unser Boulevard to the east. The main cluster of major commercial development is located at the intersection of Central Avenue and Coors Boulevard about 2.25 miles northeast; at Central Avenue and 98<sup>th</sup> Street about 1.5 miles northwest; and at Coors Boulevard and Rio Bravo Boulevard about 4.0 miles southeast.

Demographic Data



Market Profile

9101-9199 San Ygnacio Rd SW  
 9101-9199 San Ygnacio Rd SW, Albuquerque, New Mexico, 87121  
 Rings: 0.5, 1, 3 mile radii

Prepared by Esri  
 Telephone: 353.06369  
 Email: info@esri.com

	0.5 miles	1 mile	3 miles
<b>Population Summary</b>			
2000 Total Population	3,307	11,707	55,790
2010 Total Population	6,466	25,273	95,819
2017 Total Population	6,497	25,241	100,283
2017 Group Quarters	0	0	61
2022 Total Population	6,509	25,337	103,044
2017-2022 Annual Rate	0.04%	0.08%	0.54%
2017 Total Daytime Population	4,069	15,591	68,895
Workers	248	1,208	10,660
Residents	3,821	14,383	58,235
<b>Household Summary</b>			
2000 Households	985	3,592	17,916
2000 Average Household Size	3.34	3.25	3.11
2010 Households	1,924	7,561	30,107
2010 Average Household Size	3.36	3.34	3.18
2017 Households	1,900	7,442	31,154
2017 Average Household Size	3.42	3.39	3.22
2022 Households	1,893	7,431	31,886
2022 Average Household Size	3.44	3.41	3.23
2017-2022 Annual Rate	-0.07%	-0.03%	0.47%
2010 Families	1,561	6,094	23,097
2010 Average Family Size	3.64	3.63	3.57
2017 Families	1,522	5,915	23,506
2017 Average Family Size	3.73	3.71	3.64
2022 Families	1,508	5,869	23,874
2022 Average Family Size	3.76	3.74	3.67
2017-2022 Annual Rate	-0.18%	-0.16%	0.31%
<b>Housing Unit Summary</b>			
2000 Housing Units	1,072	3,858	19,295
Owner Occupied Housing Units	76.7%	78.6%	72.2%
Renter Occupied Housing Units	15.2%	14.5%	20.6%
Vacant Housing Units	8.1%	6.9%	7.1%
2010 Housing Units	1,998	7,903	31,982
Owner Occupied Housing Units	77.2%	78.0%	70.8%
Renter Occupied Housing Units	19.1%	17.7%	23.3%
Vacant Housing Units	3.7%	4.3%	5.9%
2017 Housing Units	1,998	7,911	33,209
Owner Occupied Housing Units	75.4%	75.9%	69.9%
Renter Occupied Housing Units	19.7%	18.1%	23.9%
Vacant Housing Units	4.9%	5.9%	6.2%
2022 Housing Units	2,001	7,957	34,121
Owner Occupied Housing Units	75.4%	75.6%	69.8%
Renter Occupied Housing Units	19.2%	17.8%	23.6%
Vacant Housing Units	5.4%	6.6%	6.6%
<b>Median Household Income</b>			
2017	\$43,511	\$44,033	\$43,056
2022	\$44,797	\$45,184	\$45,623
<b>Median Home Value</b>			
2017	\$135,351	\$136,104	\$143,332
2022	\$141,373	\$141,578	\$151,605
<b>Per Capita Income</b>			
2017	\$15,288	\$15,288	\$16,781
2022	\$16,528	\$16,507	\$18,662
<b>Median Age</b>			
2010	27.8	27.6	28.7
2017	29.6	29.3	30.2
2022	30.0	29.7	30.7

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022 Esri converted Census 2000 data into 2010 geography.

The chart above is taken from *The Site To Do Business*, and the data is from the U.S. Bureau of the Census with forecasts by Esri. The data is for the 0.5, 1.0 and 2.0-mile rings surrounding the subject. The

2017 population within the 0.5-mile ring is 6,497, which is only 31 people more than in 2010. This is in sharp contrast to the 2000 to 2010 period when the population nearly doubled from 3,307 to 6,466. The forecast is for flat growth as the 2022 population is forecast to be 6,509, just 12 people more than in 2017. (0.03%). For households and families, the picture is similar. In 2017, there were 1,998 housing units in the 0.5-mile ring, which was unchanged from 2010. This is also in sharp contrast to the 2000 to 2010 period when the number of housing units nearly doubled from 1,072 to 1,998. By 2022, the forecast is for only three new housing units or less than one per year. In 2017, owner-occupied housing units in the 0.5-mile ring account for 75.4 percent of the total housing stock which is more than the ratio in the broader MSA of 61.4 percent.

The *Business Summary* report from Esri for the same geographic area shows that in the 1.0-mile ring, there are 227 businesses with 1,474 employees and a residential population of 25,241. The employee to residential population ratio is 0.06:1, which is 13 percent of the MSA average (0.46:1) and demonstrates the predominant residential orientation of the trade area.

The report also segregates business and employees by SIC code. In 2017, within the 1.0-mile ring, the largest group of employees is in the Services category with 38.7 percent of the total, followed by Retail Trade at 25.1 percent, Construction at 21.9 percent and Education, Institutions and Libraries 19.5 (reflects nearby elementary school).

*Comparative Demographics*

The following chart compares the immediate area demographics (0.5-mile ring) with the city and the broader MSA.

<i>2017</i>	<i>Subject Area</i>	<i>City of Albuquerque</i>	<i>MSA</i>
Average Household Size	3.24	2.42	2.54
Median Household Income	\$43,511	\$48,855	\$50,294
Per Capita Income	\$15,288	\$27,148	\$26,649
Median Home Value	\$135,351	\$196,428	\$192,651
Median Age	27.8	36.5	37.5

The immediate area has a higher household size than the city and the MSA. With respect to income (particularly per capita) and age, the immediate area is younger with less income. Median Home Values are also lower than in the city or MSA.

*Summary*

The subject is located in the Southwest Mesa sector of the city. This location is predominantly residential with commercial services found from 2.0 to 4.0 miles away. Growth in the area has slowed dramatically since the mid-2000s, and the forecast is for very slow growth through 2022. There is an oversupply of vacant residential and commercial land in this trade area.

***SITE DESCRIPTION***

The subject is located at the northeast corner of San Ygnacio Road and 90<sup>th</sup> Street within the southwest quadrant of the city. The city of Albuquerque provides police and fire protection, and there is public bus transportation available along Tower Road to the north, Unser Boulevard to the east and 98<sup>th</sup> Street to the west. The site is located in Census Tract 47.39 and can be found on Zone Atlas Page L-9.

***Size and Shape***

I have not been provided with a plat or survey of the subject property. County assessor records show the combined acreage at 1.7979 acres or 78,317 square feet. The tract's shape is nearly square with about 275 feet of frontage along the east side of 90<sup>th</sup> Street and the north side of San Ygnacio Road. This appraisal is subject to a current survey.



***Topography***

In the immediate area, the overall grade slopes gently from north to south and west to east. The subject has a gentle slope from north to south and is nearly level from west to east. Google Earth shows the elevation to be about 5,125 feet. Overall topography is not a limitation to development.

***Utilities***

All utilities are available to the site. Area utilities include natural gas provided by New Mexico Gas Company and electricity provided by Public Service Company of New Mexico (PNM). Water and sewer are

provided by the city of Albuquerque/Bernalillo County Water Utility Authority, telephone is provided by CenturyLink, and cable by Comcast.

***Easements and Encroachments***

Neither a current title report nor survey has been made available. Standard public utility easements are assumed, and I know of no easements or encroachments that encumber the subject site. This appraisal is subject to a current survey and/or title policy.

***Soil and Subsoil Conditions***

No engineering reports regarding soils and subsoils were made available. I have no reason to suspect any physical limitations associated with this location.

***Flood Zone and Drainage***

The subject's immediate neighborhood is included on Community Panel Number 35001C0328J of the Flood Insurance Rate Map for Bernalillo County from the National Flood Insurance Program. The map is dated November 1, 2016. The site is located in unshaded Flood Zone X, which is outside the 0.2% annual chance of flood. A copy of this map is also included in the *Preface*.

***Hazardous Materials***

A current Phase I ESA (Environmental Site Assessment) has not been made available. I assume a prudent purchaser would have a current Phase I ESA prepared. I am aware of no contamination involving the subject, and this appraisal assumes none to encumber the site. If contamination is subsequently found to exist on the subject, this estimate of market value may become invalid.

***Access and Offsite Improvements***

Direct access to the subject is not yet established. It is most likely that access will be from 90<sup>th</sup> Street. Curb/gutter and sidewalks are in place along San Ygnacio Road. Offsite improvements needed for development include curb/gutter and sidewalk along 90<sup>th</sup> Street, as well as about 7 to 10 feet of paving.

***Site Improvements***

The site is undeveloped vacant land. There is perimeter block wall fencing along the north and east sides of the tract.

***Surrounding Land Uses***

The subject is surrounded by single family residential subdivisions that are completely built out. Directly south of the subject across San Ygnacio Road is a vacant land tract that extends south to Sage Road. The majority of the housing was constructed between 1995 and 2005.

***Conclusions Regarding the Site***

The subject is situated on the northeast corner of 90<sup>th</sup> Street and San Ygnacio Road. It is nearly square in shape and all utilities are available for immediate development. The tract is not in the flood plain and is nearly level. Some offsite work along the east side of 90<sup>th</sup> Street will be required for development. The surrounding area land use is single family residential.

**ZONING**

The subject site is within the city of Albuquerque and the Albuquerque Zoning Code controls its use. The subject further guided by the *Towner/Unser Sector Development Plan*. The site is zoned R-D/R-1. The R-D zone is a residential zone that permits a mixture of dwelling unit types and incidental related commercial activities. The R-1 zone provides suitable sites for houses and uses incidental thereto. For subdivisions platted after February 1, 1981, the minimum lot size in R-1 is 5,000 square feet, and the minimum lot width is 50 feet. There are also setback requirements, height restrictions and parking requirements.

**ASSESSED VALUE AND PROPERTY TAXES**

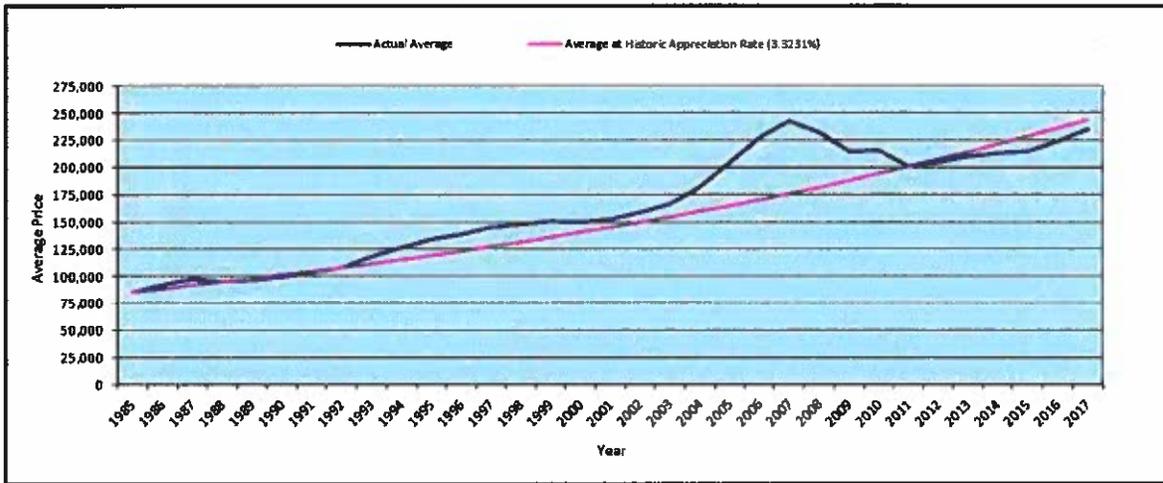
Property taxes are assessed and administered by Bernalillo County, New Mexico. By state mandate, assessed value is based upon the estimated market value with taxable value computed at one third of the assessed (market) value. The property tax is determined by application of a mill levy, which is reconfigured annually by the Department of Finance and Administration based upon budget requests of the various agencies supported by the property tax revenue. The assessment base is one-third of the estimated market value. Due to the statutory exemption accorded public ownership, property taxes are not levied on the subject property. The subject is assessed as two parcels with two separate UPC numbers. The larger tract's (434) UPC No. is 1-009-056-355-089-42523, and the smaller (433) is 1-009-056-370-091-42522. The combined assessed value is \$91,900.

**HIGHEST AND BEST USE ANALYSIS**

**MARKET ANALYSIS**

The following table shows a broad picture of the resale housing market for the greater Albuquerque area housing market. The blue line shows the actual average home price for each year since 1985. The straight-line rate of change in average home price from 1985 through 2016 was 3.3231 percent. The magenta line applies this long-term average appreciation rate to each year beginning in 1986.

**GREATER ALBUQUERQUE AREA HOUSING PRICE TRENDS**

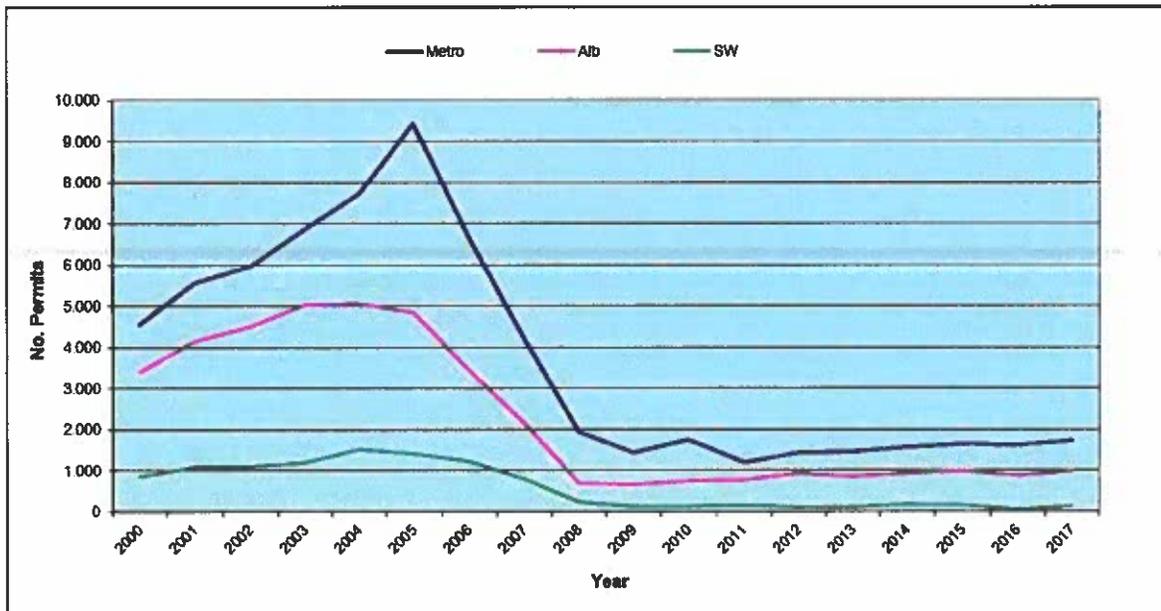


From 1985 through 1993, the historic appreciation and the actual annual average were in sync. Beginning in 1994, the actual market average began to exceed the historic average and did so through 2000. Beginning in 2004, the housing bubble began, and it peaked in 2007 when the spread between the two indications was \$47,947 or 24.6 percent. With the beginning of the Great Recession, actual annual averages began to fall, and the two indications began to reconnect in 2010. In 2011, the actual annual average dipped below the historic average for the first time since 1993, and it has remained below the historic average for the last six years. Since 2015, the gap has been narrowing.

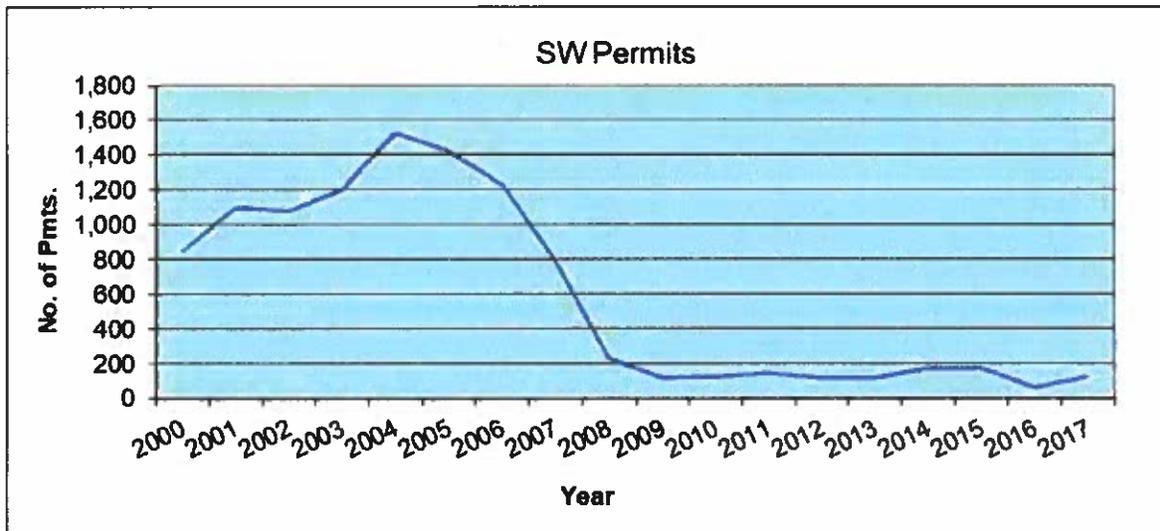
The table and chart on the following page show single family building permit trends since 2000. The data shows the number of permits for the metro area, the city of Albuquerque and its capture rate, and the southwest submarket and its capture rate. In previous analysis, the permitting history of the city of Albuquerque was shown. Although improving, the current volume was noted to be a fraction of previous peak years and the long-term average. The same is true at the metro level and in the submarket.

**SOUTHWEST AREA VS. METRO AREA & COA SINGLE FAMILY PERMITS**

<i>Year</i>	<i>Metro Area</i>	<i>Alb.</i>	<i>% Alb.</i>	<i>SW</i>	<i>% SW</i>
2000	4,552	3,373	74.1%	854	18.76%
2001	5,576	4,158	74.6%	1,100	19.73%
2002	5,960	4,491	75.4%	1,080	18.12%
2003	6,879	5,041	73.3%	1,204	17.50%
2004	7,719	5,071	65.7%	1,525	19.76%
2005	9,445	4,851	51.4%	1,424	15.08%
2006	6,675	3,440	51.5%	1,232	18.46%
2007	4,216	2,158	51.2%	796	18.88%
2008	1,954	682	34.9%	228	11.67%
2009	1,440	654	45.4%	121	8.40%
2010	1,760	749	42.6%	125	7.10%
2011	1,192	767	64.3%	145	12.16%
2012	1,428	929	65.1%	118	8.26%
2013	1,457	858	58.9%	116	7.96%
2014	1,576	935	59.3%	172	10.91%
2015	1,645	984	59.8%	171	10.40%
2016	1,632	884	54.2%	61	3.74%
2017	1,732	987	57.0%	129	7.45%



The graph shows the dramatic decline in permit volume beginning in 2005. The following graph isolates the Southwest submarket.



Until 1995, the Southwest Area’s market capture rate was less than 1 percent of the metro total. In 1995, it jumped to 10.3 percent. From 1998 through 2007, it consistently ranged from about 16 to 20 percent. The peak year for the Southwest Area was in 2004 with 1,525 permits for a capture rate of 19.8 percent of total metro area permits. In 2005, permitting remained strong with 1,424 permits issued. Southwest Area permits kept above the 1,000 level in 2006 with 1,232 permits, but a decline was recorded for the second straight year with permitting off 6.6 percent from 2005 and off 19.2 percent from 2004 (peak year). In 2007 the submarket declined an additional 35.4 percent with volume at about half the level of peak year 2004. In 2008 the submarket further declined 71.4 percent from the prior year, and in 2009, the volume declined an additional 46.9 percent. The average volume in the submarket from 2009 through 2015 was 138, which was just 9.0 percent of peak-year 2004 (1,525). Over the same period, the average capture rate was 9.0 percent, which is about half the capture rate in 2004. The submarket’s dominant builder has historically been DR Horton, the metro area’s largest volume builder. In 2014, LGI Homes (new to the city) had the highest volume at 47 permits, while DR Horton and Galway Construction (formerly Longford Homes) each had 32 permits. These three builders accounted for 65 percent of the volume of the entire submarket in 2014 and 78 percent of all permits in 2015. Permit volume plummeted in 2016, primarily because two of these builders (Longford and Galway) exhausted their inventory of vacant lots. DR Horton captured about 50 percent of all 2016 permits in the submarket. Volume increased in 2017 with LGI leading all builders with 83 permits or 64 percent of the volume.

**Conceptual Definition**

Highest and best use of a property is defined by *The Dictionary of Real Estate Appraisal*, Sixth Edition (Appraisal Institute, 2015), as "the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest present value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability." Alternatively, the highest and best use is the most profitable likely use to which a property can be put.

*As Vacant*

The subject tract contains 1.797± acres or 78,317± square feet. It is nearly square in shape, all utilities are available, and it is not within the floodplain. The site is slightly above street grade, is level and has 275± feet of frontage along 90<sup>th</sup> Street and San Ygnacio Road. It is zoned R-D/R-1 under the *Towner-Unser SDP*. Lots in this zoning must contain a minimum of 5,000 square feet and have a minimum lot width of 50 feet. The most probable development design would be to have a cul-de-sac cut into the tract along 90<sup>th</sup> Street in the middle of the frontage. 50-foot lots would face the cul-de-sac, and the tract could yield 10 lots. In addition to onsite development costs, offsite improvements are needed including, but not limited to, curb/gutter/sidewalk and partial street paving along the 90<sup>th</sup> Street frontage.

The chief drawback to the subject is its relatively small size for residential tract land. It is difficult to efficiently spread the fixed costs of development over small tracts (i.e., fewer lots). R-D zoning does permit higher density development. The sector plans show higher density zoning (9 dua & 20 dua), but a zone change would be required, and it is not clear if such a request would be granted. Commercial use is not likely, as there is insufficient traffic volume to attract such use. The exception may be for a day care center, but again, a zone change would be required, and it is not clear if such a request would be granted. There is also an oversupply of vacant residential and commercial land in the trade area. Given these conditions, the highest and best use of the site as vacant is for speculative holding with the most probable future use being subdivision into single family residential lots.

***Valuation***

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**VALUATION PROCESS**

The appraisal problem is to estimate the market value of the fee simple interest in the subject. The three standard valuation procedures in the appraisal process are the income capitalization approach, sales comparison approach and cost approach.

The cost approach is based on the premise that a buyer will not pay more for a property than it would cost to acquire the land and create an equally desirable substitute property. This approach combines an estimate of market value for the vacant land with the estimated cost of replacing or reproducing the improvements, less deductions for accrued depreciation. It is most reliable when estimating the value of new or nearly new improvements, which are consistent with best use of the land and current market standards.

The sales comparison approach estimates the subject's value by comparing it with similar properties that have sold. This analysis is most useful when the subject property is part of a uniform market in which recent sales are available. The individual value indications from the sales are adjusted to reflect the physical characteristics of the subject. The most similar comparables are normally given the greatest consideration in the final conclusion. Typical units of comparison for the approach are physical, such as price per square foot and price per unit. Financial ratios such as gross income multipliers also may be derived from the sales.

The income capitalization approach converts projected future cash flows for an income producing property into an estimate of its present value. The primary elements of the cash flow are net operating income and sale of the property at the end of the investment period (reversion). While capitalization factors are sometimes applied to an estimate of annual gross income (typically a gross income multiplier), it is more common for net income to be considered in this approach.

With respect to this assignment, the subject is valued as a vacant tract of residential land. Property rights appraised are the fee simple interest. As such, the cost approach is not applicable. Since the subject is not leased, the income capitalization approach is not applicable. For vacant land, the primary approach and the approach that will be utilized in the valuation is the sales comparison approach, as this best reflects the actions of actual buyers and sellers in the marketplace. For a tract like the subject, the most common unit of comparison used in the market is price per square foot.

**SALES COMPARISON APPROACH**

In the sales comparison approach, a direct comparison is made between the appraised property and similar properties that have sold. This valuation method measures the actions of typically informed buyers and sellers through direct observation of prices paid in the market for properties that are reasonably similar in terms of probable use and development potential. Factors affecting value including property rights, financing terms, conditions of sale, market conditions, location, and various physical characteristics are considered in the approach.

My search for comparable vacant residential tract land focused on the Southwest Mesa submarket. As has been shown throughout this report, there has been a dramatic decline in single family housing construction in the area for several years. As a result, the demand for vacant tract land has been all but nonexistent. Therefore, comparables are extremely limited. Three comparison sales were identified, inspected and confirmed. Details are summarized in the following table. Detail sheets and a location map are included in the *Addenda*. The most common unit of comparison for this type of property is price per square foot.

SUMMARY OF VACANT LAND SALES

No	Location	Sale Date	Size (Ac)	Price/SF	Utilities	Zoning	End Use
1	S/s Sage Rd., W/o Coors Blvd., SW	Aug-17	7.48	\$0.96	W/SG/E	A-1	Spec/Residential
2	SE/c Tower Rd. & Stinson St., SW	Jan-15	5.40	\$0.96	W/SG/E	A-1	Spec/Residential
3	SE/c Sage Rd. & 86th St., SW	May-14	4.94	\$0.81	W/SG/E	R-D/R-1	Spec/Residential

**ANALYSIS**

Prior to any analysis, the sales establish a unit price range of \$0.81 to \$0.96 per square foot. The mean is \$0.91 per square foot, and the median and mode are \$0.96 per square foot. With respect to tract size the range is 4.94 acres to 7.48 acres, with a mean of 5.94 acres, a median of 5.40 acres and there is no mode.

***Property Rights***

The adjustment for property rights conveyed takes into account differences in the legal estate between the subject property and the comparable sales. All comparison sales reflect transfer of the fee simple estate. Thus, no adjustment is needed for property rights conveyed.

***Financing***

Adjustment for financing terms seeks to convert the transaction price of the comparison sale into cash equivalency. All sales were cash or cash to seller except Sale 1, which was seller financed. Although the terms appear somewhat favorable to the buyer, I have not made a specific adjustment to this sale for financing. Rather, I will consider it in the final reconciliation. Overall, no adjustments for financing are applied.

*Conditions of Sale*

Adjustment for condition of sale is made when a transaction is not arm's-length. None of the sales were bank owned or short sales, and all were reported to be arm's-length transactions. Therefore, no adjustments for conditions of sale are necessary.

*Market Conditions*

Market conditions or time adjustments reflect price change over time. The sales span a time-frame of just under four years. Given the flat market conditions noted in the *Market Analysis*, I consider all the sales current, and no adjustment are applied for market conditions.

*Location & Utilities & Zoning*

All the comparison sales are in the near Southwest Mesa submarket of the city, west of Coors Boulevard and east of 98<sup>th</sup> Street. Unlike the subject which is situated within the city limits, all of the comparables are located within unincorporated Bernalillo County, just outside the city limits. However, it is no longer a requirement that properties outside the city limits be annexed into the city in order to receive water and sewer service. Thus, the distinctions in locations are minimal. Like the subject, all utilities are available to the comparables. Sale 3 has the same zoning as the subject. Since A-1 zoning permits only one house per acre, some effort will need to be applied to obtain higher density entitlements for Sales 1 and 2.

*Tract Size & Offsite Costs*

Generally, as tract size increases, unit price decreases. However, for tract residential land, this is sometimes not the case. The reason is that there is less land (i.e., fewer lots) over which to spread the fixed costs of development. The comparables are considered to be in the small tract category, but all are considered superior to the subject, as they offer more land over which the fixed costs of development can be spread.

The subject has a measure of offsite costs associated with future development including curb/gutter/sidewalk and a paving strip along the east side of 90<sup>th</sup> Street. This is also the case for all of the comparable sales.

*Conclusion of Market Value*

Drawbacks to the subject include its smaller size and needed offsite improvements. Given the specifics of the subject property and all the data, my conclusion of the current "as-is" market value of the fee simple interest in the subject property \$0.90 per square foot or \$70,000 rounded (78,317 sf x \$0.90/sf. = \$70,485).

FINAL CONCLUSION OF "AS-IS" MARKET VALUE  
AS OF APRIL 15, 2018  
\$70,000

*Exposure Time*

Exposure time is the time the property would have been offered on the market prior to the hypothetical sale of the property at the appraised value. It is always presumed to occur prior to the effective date of appraisal and assume professional marketing. For the most part, the exposure time of the comparable sales was lengthy, in most cases one to two years. The exposure time associated with my value opinion is up to two years and assumes professional marketing.

***Certification***

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**CERTIFICATION**

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

- The statements of fact contained in this report are true and correct.
- The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- This appraisal assignment was not based on a requested minimum valuation or a specified valuation.
- Jim Foley has made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the persons signing this report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal 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, Jim Foley has completed the requirements of the continuing education program of the Appraisal Institute.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment



Jim Foley, MAI, SRA

***Addenda***

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## QUALIFICATIONS OF JIM FOLEY, MAI, SRA

### ***Membership, Certification, and Affiliations***

Appraisal Institute — MAI Designation, October 1996, #11103  
Appraisal Institute — SRA Designation, September 1992  
State of New Mexico - New Mexico Real Estate Appraiser - General Certificate No. 00291-G  
President of the Rio Grande Chapter of the Appraisal Institute - 1996  
Board of Directors, Rio Grande Chapter of the Appraisal Institute - 1994 through 1997

### ***Contact Information***

2420 Midtown Place NE, Suite A, Albuquerque, New Mexico 87107  
Phone (505) 294-4046 Fax (505) 343-0330 Mobile (505) 239-7358  
Email: foleyjim1949@gmail.com

### ***Work Experience***

January 1985 to Present	Shipman/Foley & Associates, Inc. 2420 Midtown Place NE, Suite A, Albuquerque, New Mexico 87107 Position: President Work Description: A variety of single and multifamily residential properties; Commercial assignments including apartment complexes; office buildings; retail centers, industrial properties; vacant land; residential, commercial, and industrial subdivisions, condemnation projects, appraisal reviews, and consulting assignments.
October 1994 to August 1996	Commercial Appraisal, Inc. 12836 Lomas Boulevard NE, Suite G, Albuquerque, New Mexico 87112 Position: Senior Staff Appraiser
January 1984 to December 1984	J. A. Gilliam, MAI & Associates 3709 Valerie NE, Albuquerque, New Mexico 87111 Position: Staff Appraiser

### ***Education***

1978 Bachelor of University Studies, University of New Mexico

### ***Appraisal Institute Courses and Seminars***

Mr. Foley has completed all requisite courses necessary for the SRA and MAI designations from the Appraisal Institute. He has also attended a wide variety of seminars and national symposiums and is current with respect to the Appraisal Institute's continuing education program.

### ***Clients***

Mr. Foley has performed appraisal assignments for a broad diversity of clientele including national and local banks, mortgage companies and brokers, life insurance and pension management companies, Federal, State, County, and municipal agencies, FDIC, General Services Administration, trust departments, attorneys, and private individuals. He has also provided consulting and appraisal review services.

### ***Expert Witness***

United States Bankruptcy Court, District of New Mexico  
District Court of Bernalillo County, New Mexico  
District Court of Sandoval County, New Mexico

*State of New Mexico*

**REAL ESTATE APPRAISERS BOARD**

PO Box 25101 Santa Fe, NM 87505 (505) 476-4622



This is to certify that  
**Jim H Foley #291-G**

Having complied with the provisions of the New Mexico Real Estate Appraisers Act is hereby granted a license to practice as a

***General Certified Appraiser***

***This appraiser is eligible to perform in Federally Related Transactions***

**Issue Date: 12/01/1990    Date Expires: 04/30/2020**

**THIS LICENSE MUST BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS**

**VACANT LAND SALE 1**

LOCATION: SE & SW/c Sage Road & 75<sup>th</sup> St., SW  
LEGAL DESCRIPTION: Lots 2-5, Blk 8; Lots 1-4, Blk 7, Southwestern Skies (B2/179) & 4.92-acre unplatted tract.

GRANTOR: Southwestern Skies, LLC  
GRANTEE: Fernando & Norma P. Aragon  
DOCUMENT/REFERENCE: REC / 17-075382

DATE OF SALE: August 2, 2017  
SALE PRICE: \$312,000  
SALE PRICE/SF: \$0.96

SITE AREA: 325,829 sf or 7.48 ac  
ZONING: A-1  
ZONE ATLAS PAGE: L-10  
TOPOGRAPHY: Gently sloping  
UTILITIES: All available  
CONFIRMATION: Jon Davidson, Broker  
TERMS OF SALE: \$31,200 cash down, balance seller financed @ 6.5% with 5-year call.

COMMENTS: Site is zoned County A-1 and is located adjacent to the *Towner/Unser SDP*. This sale was a flip as buyer had purchased the land a short time before for \$217,500 or \$0.67/sf. The buyer hoped to obtain entitlements for a mobile home park. Offsites will include curb/gutter/sidewalk and half-street width of paving on two to three sides. Density in surrounding area is a mix of urban and one-acre lots. Property was on the market 1.97 years prior to flip.



**VACANT LAND SALE 2**

LOCATION: SW/c Towner Rd. & Stinson St., SW  
LEGAL DESCRIPTION: Tract 350, Town of Atrisco Grant, Unit 3

GRANTOR: Donaciano C. Jaramillo, Trust  
GRANTEE: Javier Rojo  
DOCUMENT/REFERENCE: REC / 15-002601

DATE OF SALE: January 13, 2015  
SALE PRICE: \$225,000  
SALE PRICE/SF: \$0.96

SITE AREA: 235,224 sf or 5.4 ac  
ZONING: A-1  
ZONE ATLAS PAGE: L-10  
TOPOGRAPHY: Gently sloping  
UTILITIES: All available  
CONFIRMATION: Elaine Ramos, Broker  
TERMS OF SALE: \$49,500 cash down, balance seller financed @ 6.5% with 5-year call.

COMMENTS: Site is zoned County A-1, and *Towner/Unser SDP* recommends R-D/R-1 zoning. Offsites will include curb/gutter/sidewalk and half-street width of paving on three sides. Three bordering streets have half-street width paving. Density in surrounding area is a mix of urban and one-acre lots. Property was on the **market 221** from last price revision.



**VACANT LAND SALE 3**

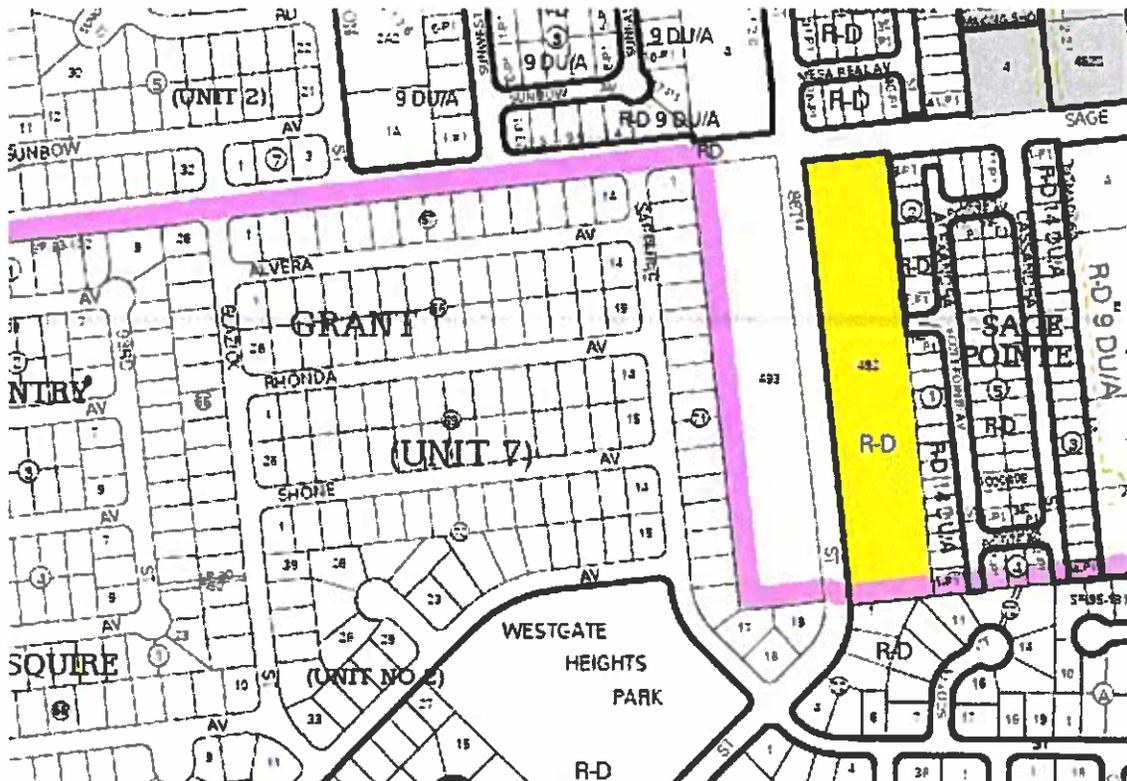
LOCATION: SW/c Sage Rd. & 86<sup>th</sup> St., SW  
LEGAL DESCRIPTION: Tract 492, Town of Atrisco Grant, Unit 7

GRANTOR: Joe Duran, PR  
GRANTEE: S. M. & Rizwana Quraishi  
DOCUMENT/REFERENCE: WD / 14-041396

DATE OF SALE: May 23, 2014  
SALE PRICE: \$175,000  
SALE PRICE/SF: \$0.81

SITE AREA: 215,186 sf or 4.9400 ac  
ZONING: R-D/R-1  
ZONE ATLAS PAGE: M-9  
TOPOGRAPHY: Gently sloping  
UTILITIES: All available  
CONFIRMATION: Rich Diller, Broker  
TERMS OF SALE: Cash

COMMENTS: *Towner/Unser* SDP recommends R-D/R-1 density. Both bordering streets are fully improved. Property was on the market 1.6 years and was listed at \$395,000 or \$1.84/sf. Purchased for speculation or eventual residential development.



# COMPARABLE SALES MAP

