



COMMERCIAL APPRAISAL, INC.

**Summary Appraisal Report**

Two Acres of Vacant Land  
West Side of Unser Boulevard, North of Central Avenue NW  
Albuquerque, New Mexico

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**Prepared by:**

Gareth N. Burman, MAI  
Meg Randall

**Prepared For:**

Mr. James McNeely  
Review Appraiser  
City of Albuquerque  
One Civic Plaza  
P. O. Box 2248  
Albuquerque, New Mexico 87103

Effective Date of Appraisal: July 11, 2008

Date of the Report: July 15, 2008



Commercial Appraisal, Inc.

July 15, 2008

Mr. James McNeely  
Review Appraiser  
City of Albuquerque  
One Civic Plaza  
P. O. Box 2248  
Albuquerque, New Mexico 87103

Re: Two acres of vacant land on the west side of Unser Boulevard north of Central Avenue NW,  
Albuquerque, New Mexico.

Dear Mr. McNeely:

We have completed an appraisal of the above referenced land and submit the accompanying report of our findings and conclusions. It is our understanding that the appraisal will be used for possible sale purposes. Our opinion of value is:

Effective Date

July 11, 2008

Market Value

\$740,000

The body of the report provides you with the method of study as well as the extraordinary assumptions, general assumptions and limitations placed on the work product by the undersigned. Please read these carefully so you may understand the conclusions clearly. In preparing this report, our conduct has been governed by the Uniform Standards of Professional Appraisal Practice and the Standards and Code of Ethics of the Appraisal Institute.

We appreciate this opportunity to provide appraisal services to you, and questions from authorized users of the report are welcome.

Sincerely:

COMMERCIAL APPRAISAL, INC.

A handwritten signature in black ink, appearing to read 'G. Burman'.

Gareth N. Burman, MAI  
NM State Certified Appraiser #0238-G

A handwritten signature in black ink, appearing to read 'Meg Randall'.

Meg Randall  
NM State Appraiser #02607-A

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## Summary of Important Facts and Conclusions

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PROPERTY IDENTIFICATION:	TWO ACRES OF VACANT LAND.
LOCATION:	WEST SIDE OF UNSER BOULEVARD, NORTH OF CENTRAL AVENUE NW, ALBUQUERQUE, NEW MEXICO.
LEGAL DESCRIPTION:	NORTHERLY TWO ACRES OF TRACT B-4, HUBBELL HEIGHTS, AND TRACT C-42, UNIT 4, TOWN OF ATRISCO GRANT, CITY OF ALBUQUERQUE, BERNALILLO COUNTY, NEW MEXICO.
INTENDED USER:	CITY OF ALBUQUERQUE
INTENDED USE:	POSSIBLE SALE PURPOSES
EXTRAORDINARY ASSUMPTION:	PROPERTY COMPRISES THE NORTHERLY TWO ACRES OF THE CITY'S EXISTING OWNERSHIP.
SITE AREA:	2 ACRES (87,120 SQUARE FEET)
FLOOD ZONE:	ZONE X (OUTSIDE THE 500-YEAR FLOOD ZONE).
OWNERSHIP:	CITY OF ALBUQUERQUE
INTEREST VALUED:	FEE SIMPLE
ZONING:	SU-2 IP
2007 PROPERTY TAXES:	N/A
HIGHEST AND BEST USE:	SPECULATIVE
EFFECTIVE DATE:	JULY 11, 2008
MARKET VALUE OPINION:	\$740,000

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## ***Preface***

**Subject Photographs**  
**West Side of Unser Boulevard, North of Central Avenue NW, Albuquerque, NM**



View of subject looking northeast from southwest corner.



Street scene looking north along Unser Boulevard. Subject is on the left.

**Subject Photographs**  
**West Side of Unser Boulevard, North of Central Avenue NW, Albuquerque, NM**

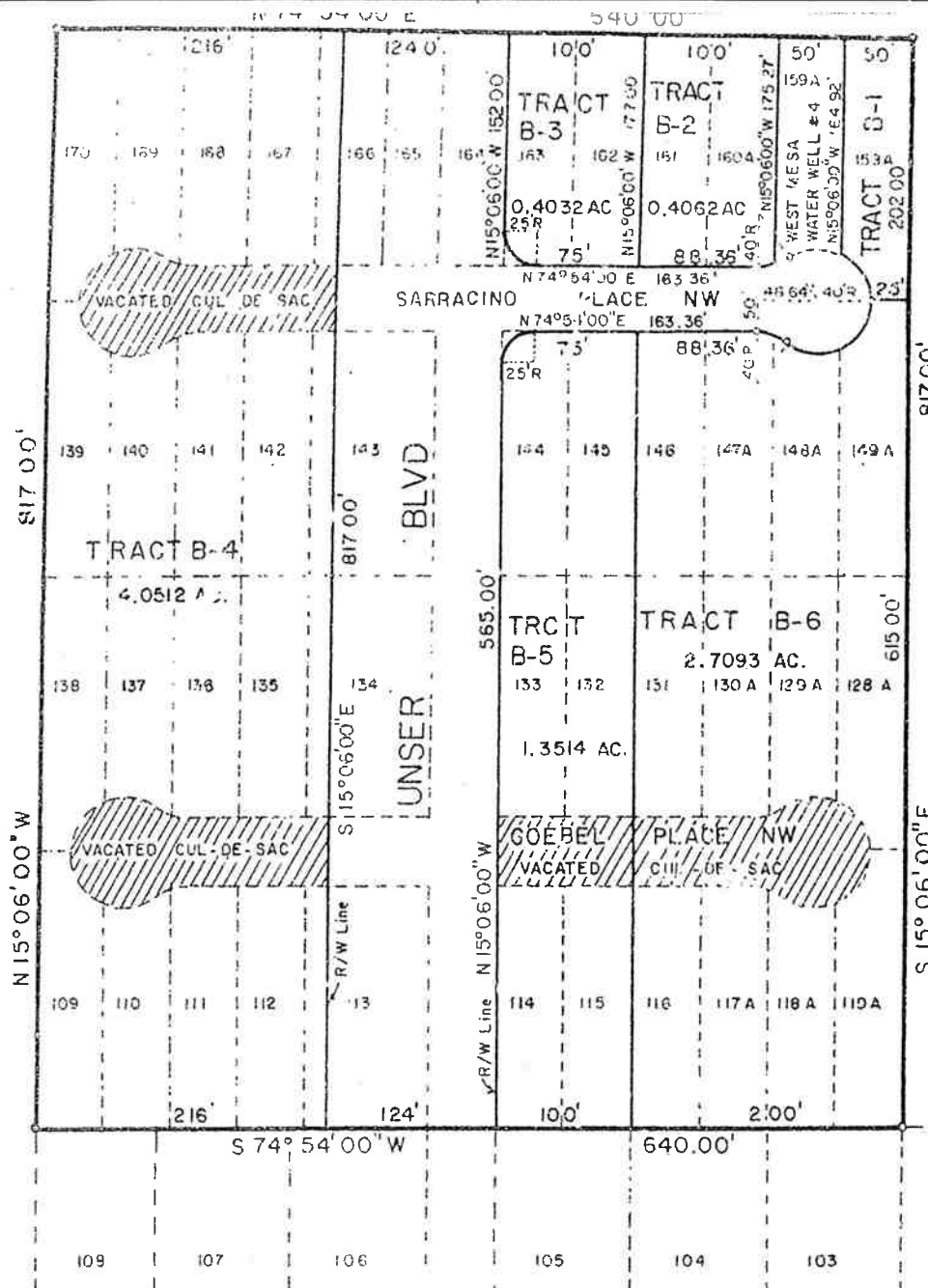


Street scene looking south along Unser Boulevard. Subject is on the right.



View looking west along northern property perimeter. Subject is on the left.





TRACT A, REPLAT OF HUBBELL HEIGHTS

NOTE: Bearings on HUBBELL HEIGHTS

Zone Atlas

City of Albuquerque  
TRACTS B-1, B-2, &  
the Water Resource

SUMMARY PLAT OF  
LOTS 109 TO 116, 131 TO 146, & 161 TO 170  
HUBBELL HEIGHTS  
AND  
LOTS 117A, 118A, 119A, 128A, 129A, 130A  
147A, 148A, 149A, 158A, 159A, 160A  
REPLAT OF HUBBELL HEIGHTS  
ALBUQUERQUE, NEW MEXICO

REVEYOR'S CERTIFICATE

APPROVED AND ACCEPTED

302 *[Signature]*  
A. M. A. F. C. A.

*[Signature]*  
PARKS & RECREATION

*[Signature]*  
TRAFFIC ENGINEER

Plat of Tract B-4, Hubbell Heights



## ***Introduction***

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## **Property Identification and Ownership**

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### **Identification of the Property**

The subject is two acres (87,120 square feet) of vacant land located on Albuquerque's Southwest Mesa. More specifically, the property comprises the northern portion of the City of Albuquerque's Rapid Ride terminus located at the northwest corner of Central Avenue and Unser Boulevard NW.

A more complete description of the land is presented in later sections of this report. Various maps and photographs are included to assist the reader in visualizing the property being appraised.

### **Legal Description**

The subject property is the northerly two acres of the property legally described as Town of Atrisco Grant, Unit 4, Tract C-42, and Tract B-4, Hubbell Heights, City of Albuquerque, County of Bernalillo, State of New Mexico.

### **History of the Property**

The owner of record is the City of Albuquerque. The property is the northerly (two acres) portion of the City of Albuquerque's Rapid Ride Facility. In 2004, the City purchased a 5.04-acre tract that is the hard corner of Central Avenue and Unser Boulevard NW (Tract B-4, Hubbell Heights). In 2006, a 4.91-acre tract adjacent to the west (Tract C-42, Town of Atrisco Grant Unit 4) was also acquired. Because the sellers had concerns about potential liability for environmental contamination, the 2006 transaction was through an intermediary (broker) who took title to the land, then transferred the site to the City in a simultaneous closing. The property is not currently under contract or listed for sale. A check of public records at the Bernalillo County Clerk's Office indicated no sale of Tract C-42 within the three years prior to the 2006 sale.

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## Analysis and Reporting Parameters

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### Intended Use of this Report

This appraisal has been prepared for our client, the City of Albuquerque. The report is not intended for any other user.

### Intended User of this Report

The City intends to use this report for possible sale purposes. This report is not intended for any other use.

### Property Rights Appraised

The fee simple rights of ownership of the subject property have been appraised. The fee simple estate is defined by *the Dictionary of Real Estate Appraisal, Fourth Edition* published in 2002 by the Appraisal Institute 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."

### Effective Date of Appraisal

The effective date of the appraisal is July 11, 2008.

### Definition of Market Value

Market value means 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 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 Part 34 [Docket No. 90-16], Real Estate Appraisals, Final Rule effective August 24, 1990.



COMMERCIAL APPRAISAL, INC.

## Scope of the Assignment

The scope of research included a personal inspection of the subject property and market area, and an investigation of market conditions for commercial land in the Albuquerque area, with emphasis on sales of vacant land in neighborhoods that are similar to the subject. Information from our company files, recorded documents, confirmations from property owners and real estate brokers has been used.

This appraisal conforms to the Uniform Standards of Professional Appraisal Practice. The Sales Comparison Approach was developed to conclude an opinion of market value. The Cost Approach was not developed since the land is not improved. The Income Approach was not developed because there is very little market data concerning rental rates of similar vacant land. This type of land is seldom leased.

Information regarding Albuquerque and the market area was assembled from Bernalillo County, the City of Albuquerque, the University of New Mexico, and our inspection of the surrounding area. Zoning and tax data were supplied by the County Assessor's Office.

As instructed by our client, it is assumed that the subject property comprises the northerly two acres of the Rapid Ride facility at the northwest corner of Central Avenue and Unser Boulevard NW.

In developing this report, Gareth N. Burman and Meg Randall inspected the appraised property on July 11, 2008. Photographs were taken, some of which are in the *Preface*.

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## **Assumptions and Limiting Conditions**

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### **Extraordinary Assumption**

1. It is assumed that the subject property comprises the northern two acres of the City of Albuquerque's ownership at the northwest corner of Central Avenue and Unser Boulevard NW.
2. Since the subject property is not separately platted, we have developed our own legal description based on instructions from the City of Albuquerque. This is assumed to be correct.

### **General Underlying Assumptions**

1. No survey of the property has been made by the appraisers; no responsibility is assumed in connection with such matters.
2. No responsibility is assumed for the accuracy of diagrams, sketches, or maps included in this report. These are provided solely for the purpose of assisting the reader in visualizing the property being appraised.
4. No responsibility is assumed for matters of a legal nature affecting title to the property nor are opinions concerning titles rendered. The title is assumed to be good and merchantable.
5. 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 appraisers.
6. All mortgages, liens, encumbrances, leases and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
7. It is assumed that there are no hidden or unapparent conditions of the property or subsoil which would render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover such factors.
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 the property conforms to all applicable zoning and use regulations and restrictions, unless a non-conformity has been identified, described, and considered in the appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any uses on which the value estimate contained in this report is based.
11. 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 appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of hazardous materials may affect the value of the property. Our 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 urged to retain an expert in this field, if desired.

### General Limiting Conditions

1. The appraisers will not be required to give testimony or appear in court because of having made this appraisal, or with 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 appraisers and in any event only with proper written qualification and only in its entirety.
3. Neither all nor any part of the contents of this report or copy thereof (especially any conclusions as to value, the identity of the appraisers, firm or professional organization with which the appraisers are 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 appraisers.

***Descriptions***



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## Metropolitan Area Description

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The Albuquerque Metropolitan Statistical Area (MSA) is the geographic and economic center of New Mexico, and the largest metroplex in New Mexico. The Albuquerque MSA also serves as a regional center for most of the state as well as portions of Colorado and Arizona. Nearly half of all economic activity in the state occurs in the Albuquerque MSA, which is formed by four counties – Bernalillo, Sandoval, Torrance, and Valencia. The most important regional elements of the MSA's economy include retail, financial and medical services, transportation, and higher education. The MSA population as of 2006 is estimated at roughly 800,000 residents according to the University of New Mexico Bureau of Business and Economic Research. This number represents approximately 40 percent of the state's total population of just over 1.8 million. The Bureau of Business and Economic Research at the University of New Mexico estimates that the Albuquerque MSA population will grow by 1.8 percent per annum during the period from 2000 to 2010, and that it will exceed the one million mark by the year 2021.

Geographically, Albuquerque is relatively isolated. Denver is 440 miles to the north, El Paso and the Mexican border are 300 miles to the south, Phoenix is 450 miles southwest, and Dallas is 650 miles to the east. Interstate highways serving the city are I-40 (east/west) and I-25 (north/south). National and regional carriers serve the Albuquerque International Airport. Amtrak and the Burlington railroads provide rail service. While the good transportation systems minimize the geographic distances, isolation has historically been a drawback in attracting industry to the city.

Situated in the Rio Grande Valley, the Albuquerque MSA is bordered on the east by the Sandia and Manzano Mountains, and on the west by rolling desert referred to locally as mesa land. The mile high elevation within the protected valley provides the city with a mild and dry four-season climate. Because of its desert environment, the quality and quantity of groundwater reserves are of great importance to Albuquerque's future. The City of Albuquerque reportedly holds water rights adequate to support the current population, which implies that future growth will be inhibited unless new sources of supply are purchased or otherwise developed. The City is currently constructing a \$290 million facility to use treated water from the Rio Grande to replenish the aquifer or use directly.

### Economy

The pace of economic growth throughout the Albuquerque MSA has slowed since the dramatic levels achieved during 2005 and 2006. In May 2006, *Forbes Magazine* named Albuquerque the number one metropolitan area for business and careers, citing the lowest business costs in the country (24% below the national average), an educated population, and rising household incomes as some of the criteria. The June 2006 issue of *Kiplinger's Personal Finance Magazine* ranked Albuquerque as the third best city in which to live in terms of cost of living, housing costs, quality of life and other criteria. A survey published in the September 2007 issue of the *Washington Business Journal* ranked Albuquerque 25<sup>th</sup> among America's hottest job markets.

Despite the slower economic growth in 2007, activity in Albuquerque remains stronger than the national economy. According to a September 2007 article in the *Albuquerque Journal*, downturns in the manufacturing and construction sectors, along with decreasing residential construction, have resulted in a lower rate of economic growth when compared with 2006. Several large commercial and government construction projects, such as the University of New Mexico Hospital addition, major Kirtland Air Force Base projects, and major highway projects, have been completed, and firms such as Intel and Advent Solar recently announced layoffs. Despite the cooling economy, *Forbes Magazine*

ranked Albuquerque number 13 in its January 2008 list of *Best Cities for Jobs in 2008*. According to the article, the rankings are based on median income, unemployment, income growth, cost of living and job growth statistics. Despite the slowing economy, conditions throughout the Albuquerque MSA are generally considered stable.

Distinguishing characteristics of the city's economy are: 1) its position as a statewide hub for finance, trade, transportation and services; 2) semi-conductor manufacturing, distribution, back room office operations, emerging technologies, small aircraft research, development and manufacturing, and the film industry; 3) an in-migration of new service businesses; and 4) a significant element of military and federal employment at Kirtland AFB and Sandia National Laboratories.

Albuquerque is also a registered U.S. Port of Entry with its own customs facility, enabling freight cargo to be shipped directly and duty paid locally. In addition, Albuquerque has a designated 70-acre Foreign Trade Zone, which allows for the storage or manufacture of goods in the zone by foreign or domestic businesses, without U.S. customs duty being imposed. Nine air cargo companies serve the Albuquerque area, providing access to overnight and second-day package delivery service.

The Albuquerque MSA has experienced manufacturing growth in lasers, solar energy, biotechnology and nanotechnology. EMCORE, a manufacturer of photovoltaic panels for solar power applications, broke ground in November 2006 for a 20,000-square-foot addition to its manufacturing operations in the Sandia Science & Technology Park, and also announced the relocation of its corporate headquarters to the park. The new facility is expected to create 100 new jobs. The companies in the tech park conduct research and development for nearby Sandia National Laboratories. In June 2006, GE Fanuc Embedded Systems (part of a joint venture between General Electric Co. and Fanuc Ltd. of Japan) selected Albuquerque as the location for its headquarters. The company produces manufacturing hardware and software.

Despite the recent growth, there are recent indications of a slow-down in the manufacturing sector. Intel laid off 1,000 to 1,500 jobs during the summer of 2007. However, a January 2008 article in the *Albuquerque Journal* reported that Intel is anticipating upgrades at the Rio Rancho plant that are part of an \$8.5 billion companywide effort. Shipment of new product is anticipated in the last quarter of 2008. In September 2007, Advent Solar, Inc., a leading manufacturer of solar cells and modules, announced layoffs at its manufacturing headquarters in the new Mesa Del Sol planned community. The company cited a transition to new technology as the reason for layoffs, with an expectation to begin rehiring during the first quarter of 2009. Schott Solar broke ground in March 2008 on a \$100 million, 200,000-square-foot plant at Mesa del Sol that will initially employ about 350 people. The German manufacturer of solar technology will produce solar panels and solar thermal receivers at the Albuquerque plant, which will be operational by 2009. Eventually the company plans to expand the plant to 800,000 square feet and employ as many as 1,500, according to a March 2008 article in the *Albuquerque Journal*.

The film industry has become a significant contributor to the Albuquerque MSA economy. Albuquerque was named one of the top ten movie-making cities in MovieMaker magazine's Winter 2007 edition. In January 2007, Pacifica Ventures, owner of Culver Studios in Culver City, California, opened Albuquerque Studios. The facility is a \$74 million state-of-the-art motion picture and television production facility and includes eight sound stages with a combined total of 168,000 square feet. Set on 28 acres at Mesa Del Sol, just minutes away from Albuquerque International Sunport in New Mexico, the studio also offers full production support facilities, including 78,000 square feet of film production offices, 70,000 square feet of mill, storage and construction space, and a vast back lot. Sony Pictures Imageworks is due to break ground on an animation studio at Mesa del Sol just north of the Albuquerque Studios lot in the next few months. Employment is anticipated at around 100 jobs

initially, in digital media, animation and visual effects, eventually expanding to 300 employees. The Imageworks Albuquerque facility is expected to encompass about 50,000 square feet in the first phase, to be followed by a 15,000-square-foot building and a 35,000-square-foot building over the next two years, according to a May 2008 article in the *New Mexico Business Weekly*. The University of New Mexico Foundation is establishing the Mesa del Sol Endowed Professorship in Film and Digital Media. The professorship was started with a \$750,000 endowment from Forest City Covington, NM, LLC, the master developer of Mesa del Sol. One of the largest independent film companies in the world, Lionsgate Entertainment, recently announced plans to build a \$15 million studio in Rio Rancho, north of the planned City Centre. The company's proposal states that it will create 385 full-time and 1,500 part-time jobs.

Eclipse Aviation, manufacturer of the revolutionary Eclipse 500 very light jet, delivered its first customer aircraft in January 2007. As of April 2007, Eclipse received FAA production certification and had over 60 jets on the production line at its Albuquerque manufacturing facility. A May 2007 article in the *Albuquerque Journal* reported that an Eastern European aviation company placed an order for 120 Eclipse 500 jets with an option for 80 more. However, a September 2007 article in the *New Mexico Business Weekly* reported that Eclipse had delivered only 30 planes to customers as of June 2007. Despite the company's 2007 production goal of 500 planes, there have been issues with production and supplier problems. As of October 2007, Eclipse laid off about 100 employees, claiming issues with suppliers causing complications with production rates. According to the *Albuquerque Tribune* article, most of the employees laid off were temporary hires and hiring will increase again once production increases. A January 2008 article in the *Albuquerque Journal* reported that Eclipse Aviation secured a \$100 million investment from a Dutch technology and investment firm, and that plans remain in place to break ground for the company's move from the Albuquerque Sunport to a larger plant on the city's West Side. Eclipse Aviation is in the business of designing, certifying and producing modern, affordable jet aircraft that have revolutionized the transportation market.

Call centers are also contributing to the Albuquerque MSA economy. In 2006, Lockheed Martin Information Technology opened a new immigration-information call center in downtown Albuquerque. Verizon Wireless Customer Service Center on Albuquerque's west side is increasing its employment by about 300 jobs as of August 2007.

A June 2008 article in the *Albuquerque Journal* reported that the Hewlett-Packard Company will open a customer service and technical support center in Rio Rancho that is expected to employ 1,300 people by 2012. The new center is to open in mid-2009 and initially will have several hundred workers. The payroll ultimately could reach \$50-\$60 million a year.

Fidelity Investments, a large national brokerage firm that provides retirement services, estate planning, wealth management, life insurance and other investment products, announced that it will open an office at Mesa del Sol in Albuquerque with 1,200 high-paying jobs. The company plans to open the new 200,000-square-foot office in December 2008.

The City of Rio Rancho in Sandoval County (northwest of Albuquerque) has also experienced a surge in economic growth in recent years. The plan for Rio Rancho's City Center was designed around the location of the new Santa Ana Star Center and City Hall. The plan calls for the remaining 100 +/- acres of property to become a mixed-use development comprised of upscale retail, dining, entertainment, and office projects. The Santa Ana Star Center opened in October 2006 and is a 6,500-fixed-seat, multi-purpose events center with the capacity to expand to 8,500 for concerts and staged entertainment. Rio Rancho's new City Hall opened in August 2007 and houses the vast majority of the City's administrative offices, comprising 60,000 square feet of space. The latest addition to City Center is a 77,000 square foot office and retail building of which the City of Rio Rancho will occupy

10,000 square feet. The building is expected to be complete within 6-9 months of it being 60 percent leased. Major road improvement and widening projects (in excess of \$12 million) are currently underway in Rio Rancho.

Overall, the Albuquerque MSA economy is showing moderate growth compared to exceptional growth in recent years. The area will continue to benefit from its size and location as the center of distribution of goods and services for the region. This feature insulates the local economy and provides a base upon which the area can grow. In the short to intermediate run, the Albuquerque MSA economy is expected to grow, but at a slower rate than in recent years.

### Employment

As of May 2008, the unemployment rate for the Albuquerque MSA was 3.8% (seasonally adjusted), which is up from April's rate of 3.5%. It is the same as the State of New Mexico rate, but considerably less than the national unemployment rate of 5.5%.

Payroll employment rose by 1,700 or 0.4% over the month, with expansions in seven of the 12 major industry divisions. The goods-producing sector grew 1% with the addition of 500 new jobs—300 in construction and 200 in manufacturing. The services-providing sector added 1,200 jobs in May for growth of 0.3%. An increase of 600 jobs in the leisure/hospitality sector was largely seasonal as businesses geared up for the summer influx of tourists. Retail trade gained 400 jobs and information added 200. Professional/business services and educational/health services each grew by 100 jobs, while government employment dipped by 200 as state-run colleges headed into the semester break. Employment in wholesale trade, financial activities and miscellaneous other services remained unchanged from April levels.

Albuquerque MSA Annual Labor Statistics									
	2008*	2007	2006	2005	2004	2003	2002	2001	2000
Total Nonagricultural Employment*	399,700	395,600	391,500	377,900	370,200	363,100	361,700	362,200	357,400
Net Change	+1.04%	+1.05%	+3.6%	+2.08%	+1.96%	+.39%	-.14%	+1.34%	
Unemployment Rate (seasonally adjusted)	3.8%	3.5%	3.5%	4.5%	5.2%	5.7%	4.8%	4.4%	3.5%
Unemployment Rate (unadjusted)	3.7%	3.1%	3.2%	4.0%	4.7%	5.0%	4.3%	4.3%	3.2%
Source: New Mexico Department of Labor, Economic Research & Analysis – Labor Market Review. *Not seasonally adjusted. *As of May.									

### Population

As summarized below, total population of the greater metropolitan area (Bernalillo, Sandoval, Valencia and Tarrant Counties) was estimated to be about 740,714 based on the 2000 Census data, indicating a growth rate of over 2% per year since 1990. The 2007 population estimate developed by the University of New Mexico Bureau of Business and Economic Research for the greater metropolitan area is 835,120. Based on projections by UNM-BBER, the MSA population is expected to reach the 1 million mark by 2021, at the latest.

Albuquerque MSA Population Projections 2000-2025									
	2000	2005	% change	2010	% change	2015	% change	2025	% change
Bernalillo County	556,678	613,521	10.21%	631,839	2.99%	666,114	5.42%	729,750	9.55%
Sandoval County	89,908	106,908	18.91%	126,294	18.13%	144,377	14.32%	179,998	24.67%
Valencia County	66,152	71,625	8.27%	86,708	21.06%	97,330	12.25%	118,593	21.85%
Torrance County	16,911	17,523	3.62%	21,690	23.78%	23,475	8.23%	26,318	12.11%
Regional Totals	731,649	811,582	10.93%	846,851	4.35%	909,836	7.44%	1,030,366	13.25%
Albuquerque & West, South & Southwest Portions of Bernalillo County	533,280	571,827	7.23%	605,272	5.85%	637,844	5.38%	653,650	2.48%
E. Mtn. (Bernalillo, Sandoval, S. Santa Fe Counties), Edgewood, & Moriarty	34,710	40,913	17.87%	47,110	15.15%	51,767	9.89%	62,569	20.87%
Rio Rancho & Southern Sandoval County	61,692	75,035	21.63%	90,119	20.10%	102,684	13.94%	145,526	41.72%
Bosque Farms, Las Lunas, Belen, & Central Valencia County	65,187	74,016	13.54%	83,930	13.39%	94,254	12.30%	114,932	21.94%
Source: US Bureau of Census, University of New Mexico, Bureau of Business and Economic Research (UNM-BBER), and Mid-Region Council of Governments (MRCOG). County forecasts produced by UNM-BBER. Area projections based on MRCOG socioeconomic forecasts (1/03).									

### Real Estate

Most segments of the real estate market have been very active over the past two years. As reported in the *Albuquerque Journal* in April 2008, building permits for the construction of new homes in the Albuquerque metro area declined more than 40% in March 2008, when compared to March 2007. The average number of permits issued in the Albuquerque metro for the year ending March 2008 dropped 35% from the same period last year (from 457 to 297). Average permits between the year ending March 2008 and the same period two years ago dropped about 62%, from 779 to 297. The slowdown locally and nationally is partly due to decreased demand as a result of rising interest rates and tighter lending practices. According to the Albuquerque Metropolitan Board of Realtors, new listings continue to trend upward, up 8.37% from April (1,805 listings) to May 2008 (1,956 listings). Closed sales, although down from 2007, increased by 5.15% from April (641) to May 2008 (674) and the supply/demand ratio also continues to decline, from 6.77 in April 2008 to 5.83 in May 2008. The conclusion is that the housing market in Albuquerque is stable and is not experiencing the severe declines observed in many parts of the country.

It is worth noting that the City of Albuquerque approved the implementation of impact fees on new commercial and residential buildings. The fees were implemented gradually, beginning at 34% of their full cost until January 1, 2006. On January 1, 2006, impact fees were assessed at 67% of their full cost and at 100% on January 1, 2007. These fees represent a significant cost and one that is passed through to the consumer.

The commercial real estate market in Albuquerque continues to be reasonably active. The office market comprises over 12.5 million square feet, and the citywide vacancy rate in the office market was 11.0% at the end of the 1<sup>st</sup> quarter 2008. The Albuquerque Metro area is still viewed as a logical choice for growth options, with 117,774 square feet of retail space absorbed during the 1<sup>st</sup> quarter 2008 and a vacancy rate of 8.1%, according to Grubb & Ellis. According to an article in the *Albuquerque Journal* in January 2008, there are still national companies interesting in entering or expanding in the Albuquerque market. During the 1<sup>st</sup> quarter 2008, the rise in vacancy in the Albuquerque industrial market can be attributed to new construction coming on line without tenants. Only 25% of the 165,000

square feet of new space was occupied upon delivery. According to Grubb & Ellis, the industrial vacancy rate was 6.4% as of the end of the 1<sup>st</sup> quarter 2008, up slightly from the end of 2007.

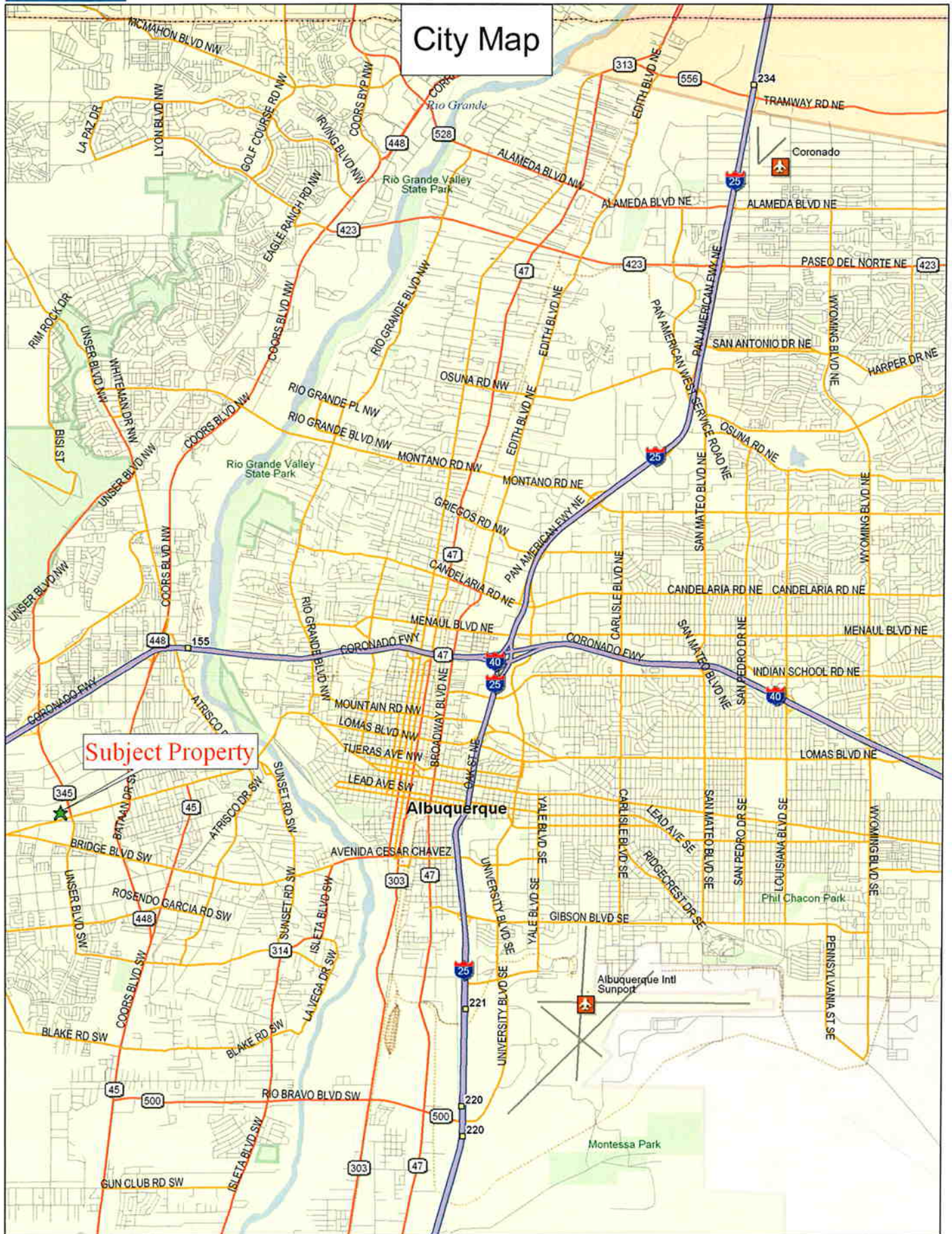
Hotel/motel development has been very active over the past decade, particularly in the limited service category with a significant increase in the number of motel rooms. Overall occupancies vary from 60% to 67% depending on which survey is relied on. Although an August 2006 article in the Albuquerque Journal reported on possible overbuilding and an associated moratorium on hotel/motel construction, a more recent September 2007 article in the *Albuquerque Journal* reported that several extended-stay hotels are underway or in the planning stages in the Sunport area. The article stated that airports are a feeder for the hospitality industry, and the passenger count at the Albuquerque International Sunport was up from 2006 by 4.2% as of July 2007. In addition, many of Albuquerque's hotel properties are in the process of renovating, according to a June 2008 article in the *New Mexico Business Weekly*. All of Downtown Albuquerque's full-service hotels are included, as well as others in various submarkets throughout the MSA. The cost of renovation ranges from \$4.5 million to over \$30 million. According to the article, the investment in upgrades and renovations will boost competitiveness in attracting groups and conferences.

### Outlook

The overall outlook for the local economy in the near term remains positive in spite of the slowdown. The rapidly developing motion picture and sound recording component of the information industry is expected to be an important source of future job growth. The leisure and hospitality industries also continue an upward trend that began in 2005. In addition, the Albuquerque MSA is becoming home to other industries as well, such as small aircraft manufacture, high-tech and renewable energy.

Albuquerque MSA is currently experiencing moderate levels of economic activity. Job creation continues to occur, and the local economy is expected to grow in the near term, with strength coming from information, healthcare, hospitality, and government.







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## Market Area Description

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The subject property is situated in the north central portion of Albuquerque's Southwest sub-market. The boundaries of the Southwest sub-market are generally defined as areas south of Interstate 40 and west of the Rio Grande (river), extending west to the municipal limits.

Land uses in the market area include a variety of low-cost to average quality single-family (aged and new construction) and multifamily developments, commercial development along the major arterials of Coors Boulevard and Central Avenue, and industrial warehouses in the north central portion of market area.

### Development Patterns

Central Avenue, which traverses the northern portion of the market area in an east-west direction, was formerly the main thoroughfare of Albuquerque. Prior to construction of the interstate highways in the 1960s, Central Avenue (Old Route 66) carried interstate travelers through the city and was an important commercial strip. Central Avenue extends from the Sandia Mountains to the east, through the Downtown District (located roughly one and one-quarter miles east of the market area) to Paseo del Vulcan to the west. On the west side of the river, development primarily caters to automobile traffic. Uses are predominantly auto-related services, motels, restaurants and a few offices and retail stores. Interspersed among the commercial uses are some apartments, mobile home lots, and several vacant tracts. Although many structures are old in a state of disrepair, new commercial development is taking place likely in response to new housing development. Because of its historical significance as Route 66, the City government has taken an interest in redeveloping Central Avenue. In 1987, the City adopted the West Route 66 Sector Development Plan, which addressed a seven-mile section of Central Avenue west of the Rio Grande. The plan established zoning and design guidelines for both sides of Central and proposed improvements to the roadway.

### Residential Development

Residential development in the subject market area varies from mature housing along the river to new construction south of Central around 98<sup>th</sup> Street and Unser Boulevard. The long established residential area along the river, a semi-rural area known as the South Valley, includes some of the first residential development in the City. The South Valley is characterized by long-established, low-density land uses—primarily residential with small-scale neighborhood commercial along the arterials. Historically, area demographics have suggested relatively low-income population compared to other suburban areas. In addition, population growth has historically been slow, with actual declines in some years.

However, these demographics have changed in the past decade with the proliferation of new affordable residential development, largely situated some two to three miles west of the river in the market area commonly referred to as the Southwest Mesa. This area is above the escarpment from the river, and until recently, included pockets of well established residential subdivisions and mobile home parks. Since 1998, the area south of Central Avenue between Unser Boulevard and 98<sup>th</sup> Street has been one of the most rapidly growing in terms of new single-family housing. The City extended utility trunk lines to the area, and, due to the ample supply of vacant land, single-family residential development took off. For example, since the mid-1990s, the citywide market share of single-family building permits for Southwest Albuquerque increased from approximately 1% to around 20%. The building permits for

the last six years for the Albuquerque Metropolitan area and the subject market area, as reported by DataTraq, are shown on the following chart:

Residential New Housing Permit Activity				
Year (End)	Albq MSA	SW Market	SW Mkt %	Δ %
	Permits	Area		
2002	5,937	1,080	18%	--
2003	6,860	1,204	18%	11%
2004	7,444	1,525	20%	27%
2005	8,669	1,424	16%	-7%
2006	6,675	1,232	18%	-13%
2007	4,216	796	19%	-35%

The exceptional growth was “jump started” by several notable utility trunk line and street extensions. With a focus on entry-level housing, the Southwest Mesa has increasingly captured market share from Rio Rancho, Los Lunas and Valencia County. In 2004, Anderson Hills (429 acres) started development and land speculation has been rampant. In some cases, land prices doubled in less than two years. Most of the major builders, D.R. Horton, Centex, Raylee/Vantage and Artistic Homes have major projects here, although lot development and house building slowed in 2007.

### Commercial Development

Historically, commercial development in the area has mainly been limited to those smaller establishments along Central Avenue, with area residents obliged to commute to other areas of the City for shopping. Recently, however, in response to the high demand from existing residents and new residential construction, the market area has been targeted for larger scale commercial development. In the early 2000s, the focus of this commercial activity was the intersection of Coors Boulevard and Central Avenue, in the northeastern portion of the subject market area. In addition to an existing neighborhood shopping center and two supermarkets, a shopping center including a 142,500 square foot Super Kmart box retail store was planned for the southwest corner of this intersection. Included in this development was a shopping center with seven pad sites. Construction on the Super Kmart started at the end of 2001. The building shell was constructed, and, at that time, Kmart declared bankruptcy and construction stopped. The shell sat vacant until it was recently converted to call center space for Verizon Wireless.

In a study (SW Albuquerque Retail Study) prepared by the Gibbs Planning Group for the City of Albuquerque dated January 2006, the subject market area is identified as having a substantial shortage of retailers and shopping centers. The study estimated that there is approximately 400,000 square feet of existing retail in the market area, and it was found that the area can support approximately 1,500,000 square feet of retail/commercial development by the year 2020. Notable near term development in the market area include the following:

- A 45,000 square foot Wal-Mart Neighborhood Market opened in 2006 at Sage Road and 98<sup>th</sup> Street, and is surrounded by 22,400 square feet of retail shop space.
- Presbyterian Hospital purchased a 39-acre site in April 2006 for a future hospital at the southwest Unser Boulevard and Interstate 40.

- A new shopping center is partially leased on a 9.5-acre site at 98<sup>th</sup> Street and Central Avenue. A strip retail development (with an AutoZone and a Diamond Shamrock station) is complete across 98<sup>th</sup> Street at the northwest corner of the intersection.
- Reportedly, there are plans for a big-box retail development on approximately 50 acres at the southwest corner of Unser Boulevard and Central Avenue. The plan for the development includes a Lowe's Home Improvement Store, a CVS Pharmacy and Defined Fitness. In conjunction with this development, the master development plan comprises 50 acres of associated commercial and residential development.
- A 79,000-square-foot Pro's Ranch Market opened in July 2008 in the former Atrisco Plaza at Central Avenue and Atrisco NW. The neighborhood market specializes in serving the Hispanic sector. Pro's bought Atrisco Plaza in 2006 and undertook an extensive property renovation. It is estimated that the store will employ at least 300 individuals.
- A 56-acre retail development is in the planning stages in the southeast quadrant of I-40 and Unser Boulevard. The 550,000-square-foot center, Unser Towne Crossing, reportedly will be anchored by Target and other major retailers, and will comprise additional retail space. The site development plan for building permit was approved by the City of Albuquerque Planning Department in May 2008.

Clearly, based on the large amount of new housing and the reported need by area residents, the subject market area is expected to witness marked increases in commercial development in the near term.

### Industrial Development

Industrial development in the market area began in the early 1970s. Westland Development Company, the major West Side landowner, developed the immediate subject market area with plans for an airport and a regional mall in Atrisco Business Park, which is located west of Coors Boulevard between Interstate 40 and Central Avenue (the immediate subject market area). However, problems with development plans and infighting within Westland, as well as difficulties providing clear title, paralyzed business activity. Though the 1970s and 1980s, the area had limited market appeal and attracted few industrial users. In the early 1990s, the market area increased in market appeal primarily due to improvements in drainage and flood plain mitigation. Also land prices other industrial areas of the City, for example the North I-25 Corridor, were becoming more expensive. Bulk land purchases by industrial park developers helped spur development in the market area for industrial development. Since the mid 1990s, the market area has seen industrial development by Coca Cola Bottling Company, Western Glass, Zanios Foods, Iron Mountain Records Storage and Cardinal Distribution. Although most of the industrial buildings in the market area are owner-user facilities, there are several large multi-tenant office warehouse buildings built by Brunacini Investment and Development. Brunacini is the developer of the Meridian Business Park on approximately 260 acres within the immediate market area. In addition, the Bell Group acquired the former 180,000 square foot Martin Marrietta manufacturing facility northwest of the subject.

### Traffic and Transportation

Major arterials providing access to the neighborhood and linkages to other parts of the metro area include Interstate 40, Coors and Old Coors Boulevards, Central Avenue, Unser Boulevard, 98<sup>th</sup> Street, Bridge Boulevard, Rio Bravo Boulevard and Isleta Boulevard. The northern section of the market area

(including the subject property) has good access to Interstate 40 via interchanges at Coors Boulevard, 98<sup>th</sup> Street and Unser Boulevard. The Unser/I-40 interchange is approximately ½ mile north of the subject property.

The major north/south arterials in the subject market area include Coors and Old Coors Boulevard, 98<sup>th</sup> Street and Isleta Boulevard. Coors Boulevard is West Side Albuquerque's major, limited access north/south transportation route linking Southwest Albuquerque to Northwest Albuquerque, and providing access to City of Rio Rancho to the north. Coors Boulevard has four to six traffic lanes, and has a traffic light controlled intersection at Bluewater Road, three-quarters of a mile east of the subject. Similar to Coors, Unser Boulevard, is major arterial that provides limited access north/south through the portions of the Southwest and Northwest Mesa areas of Albuquerque. Although it is planned as a major thoroughfare that will eventually be extended north to Rio Rancho, development of the arterial had, until recently, been held up due to problems pertaining to the extension of Paseo Del Norte through the Petroglyph National Monument in Northwest Albuquerque. Recently, Unser was improved up the escarpment near Montano Road. At the subject, Unser Boulevard (south to Blake Road) is identified as a Limited Access Roadway on the Long Range Roadway System planning map.

98<sup>th</sup> Street extends along the western perimeter of the market area, and provides access mainly to residential areas south of Interstate 40. Isleta Boulevard begins at Bridge Boulevard and extends south through the South Valley. Both Coors Boulevard and Isleta Boulevard interchange with Interstate 25 roughly nine miles south of the subject property, and eventually provide access to community of Belen to the south.

The major east/west arterials in the market area include Interstate 40, Central Avenue, Bridge Boulevard, and Rio Bravo Boulevard. As mentioned, Central Avenue is a portion of Old Route 66. It is a major east/west arterial for the market area, and has a bridge link over the Rio Grande. Ultimately, however, under the West Route 66 Sector Development Plan, the design for Central Avenue is recommended to be an urban section with curb, gutter and sidewalk. It will include a six-lane divided roadway from the river to Unser Boulevard, and a four-lane divided roadway west of Unser. Bridge Boulevard links with Central Avenue to the west, and provides bridge access to eastern portions of the City. Rio Bravo Boulevard connects with Coors Boulevard over the Rio Grande to the east, where it interchanges with Interstate 25.

A modern streetcar system is in the planning stages which could eventually tie in with the City of Albuquerque transit system, the Rapid Ride bus system and the new Rail Runner station downtown. According to the City's website, the first phase will run along Central Avenue between the BioPark and Nob Hill connecting Old Town, Downtown, Edo, and UNM. The State of New Mexico proposes to include a route that will run from Central Avenue/Alvarado Transportation Center to the Albuquerque Sunport. The exact timeframe and sources of funding for this project have not been announced.

### Summary and Conclusions

Land uses in the market area are primarily a mixture of residential, industrial and limited commercial. The residential development comprises a variety of low-cost to average quality single family, including both older houses and new construction. Semi-rural residential establishments are primarily situated along the Rio Grande in the area commonly referred to as the South Valley. Most of the new single-family construction has occurred in the area known as the Southwest Mesa, south and southwest of the subject property from 98<sup>th</sup> Street extending west to the municipal boundary and south to Dennis Chavez

Boulevard. This area represents one of the highest growth areas in the City in recent years in terms of single-family residential construction.

As commercial development in the market area has mainly been limited to smaller establishments along Central Avenue and area residents have had to commute to other areas of the City for shopping, the market area has increasingly become of interest to commercial developers, especially given the increase in new home construction. There are new commercial developments underway and in the planning stages, including a 56-acre retail center anchored by Target in the southeast quadrant of Unser and I-40, a retail center at 98<sup>th</sup> Street and Central Avenue, and preliminary plans for a big-box development at the southwest quadrant of Unser Boulevard and Central Avenue.

Transportation systems in the market area are considered adequate to good, and access to Interstate 40 is excellent from the northern portions of the market area.



**Market Area Map**

The map displays the Albuquerque, NM area, centered on the Rio Grande. Major highways shown include I-40 (Coronado Fwy), I-25 (Pam American West Fwy), US-40 (Montano Rd NW), US-47 (Edith Blvd NE), and US-303 (Avenida Cesar Chavez). The Rio Grande flows through the center of the map, with Rio Grande Valley State Park and Rio Grande Park located along its banks. A red star marks the 'Subject Property' location, situated near the intersection of US-40 and US-303, south of the Coronado Fwy. The map also shows various local streets, including Unser Blvd NW, Coors Blvd NW, Atrisco Dr NW, Sunset Rd SW, and Blake Rd SW. Other landmarks include La Mariposa Linear Park and the Albuquerque area.

Subject Property

Albuquerque

Scale 1 : 62,500

$$1'' = 5,208.3 \text{ ft}$$

Data Zoom 11-6

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## **Site Description**

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The site is located on the west side of Unser Boulevard about 815 feet north of Central Avenue. For a visual illustration of the site, reference the exhibits in the Preface section of this report.

### **Size and Shape**

The subject site comprises approximately two acres (87,120 square feet) with a rectangular shape, measuring about 432 feet wide by 202 feet long.

### **Topography and Drainage**

The subject is a mostly level tract, and topography and drainage are not limitations to development.

### **Flood Zone**

According to the FEMA flood zone map (Community Panel Number 35001C0328E) dated November 19, 2003, the tract is in Zone X. This zone encompasses areas determined to be outside the 500-year flood-plain. A copy of the pertinent section of the flood map is included in the Addenda section.

### **Soil and Subsoil Conditions**

No report of soil and subsoil conditions was made available for this appraisal. The soils are believed to be typical for the area and we have no reason to suspect that they are unstable. We have assumed that the soil and subsoil of the site do not pose any limitation on development or would substantially increase development costs.

### **Environmental Conditions**

An environmental report was not made available to the appraisers. If a subsequent survey reveals the presence of hazardous materials or environmental issues, we reserve the right to amend our valuation accordingly.

### **Utilities, Services and Offsite Improvements**

Electricity, natural gas, sewer (both sanitary and storm), and telephone are available to the site. According to Mr. Anthony Montoya, Jr. with the Albuquerque/Bernalillo County Water Utility Authority, there is an 18" water transmission line and a 6" water distribution main in the north side of Central Avenue, and a 12" sanitary sewer interceptor. There are overhead power lines, and storm and sanitary sewer lines, in the utility easement running along the northern property perimeter. The area is served by city police, fire, public transportation, and refuse removal services. Unser Boulevard in that area is a four-lane paved arterial with a median, curbs and gutters.



### Easements and Encroachments

The plat for Tract C-42, Unit 4, Town of Atrisco, which comprises the western portion of the subject site, is old and illegible. No easements are indicated on the plat of record for Tract B-4, Hubbell Heights (the eastern portion of the site). As mentioned previously, there are overhead power lines, and storm and sanitary sewer lines, in the utility easement running along the northern property perimeter. No encroachments were noted.

### Access

Access to the site is via a curb cut from Unser Boulevard along the eastern property perimeter. There is a median cut in Unser Boulevard that allows access to the subject from both directions. The average daily traffic count along Unser Boulevard at the subject is 20,200 vehicles (*Source: Mid-Region Council of Governments 2007 Traffic Flow Map*).

### Nearby Land Uses

The land is surrounded by vacant land to the north and west. Immediately to the south is the City of Albuquerque's Rapid Ride Park-and-Ride facility. Vacant land and Mike's Car Wash (nine-bay, self-service) is situated to the southwest. Across Central Avenue to the south is vacant land that is slated for retail development. Further north is commercial and light industrial. There is a single-family residential subdivision west of the subject. Across Unser to the east is light industrial and vacant land. Commercial retail development in the area is concentrated at the intersections of 98<sup>th</sup> and Central (less than two miles to the west) and Coors and Central (less than two miles to the east). The average daily traffic count along Unser Boulevard at the subject is 20,200 vehicles.

### Conclusions Regarding the Site

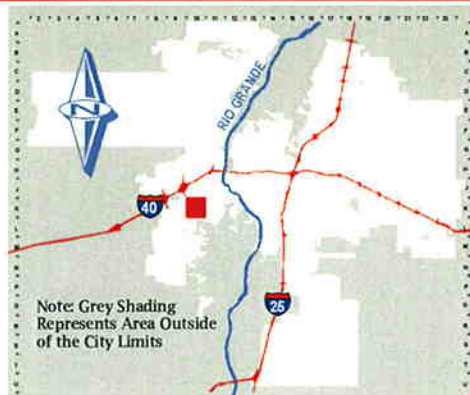
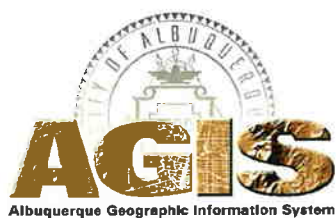
The subject site contains approximately two acres with a rectangular shape. Access to the site is via a curb cut from Unser Boulevard along the eastern property perimeter. The topography is generally level and all utilities are available. Surrounding land uses are a combination of commercial, light industrial, institutional, single-family residential and vacant land, with commercial retail establishments at the intersections of 98<sup>th</sup> and Central (less than two miles to the west) and Coors and Central (less than two miles to the east).

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## Zoning









The subject lot is zoned SU-2 for Industrial Park which allows industrial uses and some office, institutional and commercial uses including some retail sales and services. The tract is within the boundaries of the West Route 66 Sector Development Plan and development within the SU-2 zone may only occur in conformance with an approved site development plan. According to the West Route 66 Sector Development Plan, the uses allowed in the SU-2 IP zone are generally industrial in nature while allowing a mixture of office and limited commercial uses.

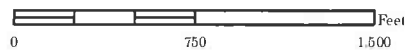


Zone Atlas Page:

## K-10-Z

## Selected Symbols

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



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## Assessment and Real Estate Taxes

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The subject land is owned by the City of Albuquerque and therefore not taxed. The subject is assessed in combination with City-owned property identified by Bernalillo County by the Uniform Property Code Numbers 1-010-057-095-221-31320 and 1-010-057-078-205-31318. Information on 2008 assessments has been gathered from the Bernalillo County Assessor's Office website and is shown below.

Uniform Property Code	2008 Land Value Assessment
1-010-057-095-221-31320	\$ 793,900
1-010-057-078-205-31318	\$ 966,400
Total	\$ 1,760,300

With regard to Tract C-42, although the Bernalillo County records show the City of Albuquerque as the owner of record, the 2007 tax bill is under the name of the previous owner (Harriet Shalit Abrams, et al.) and reflects an amount due of \$15,075.96 for 2007.

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## Highest and Best Use

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The highest and best use of land is defined as "The reasonably probable and legal use of vacant land or an improved property that is legally permissible, physically possible, appropriately supported, financially feasible, and that results in the highest value." (*The Appraisal of Real Estate, Thirteenth Edition*, 2008). To develop an opinion of highest and best use, there are four steps of analysis, which are:

- 1) Possible Uses of the Site -- what uses are physically possible, given the size, shape and topography of the site.
- 2) Permissible Uses of the Site -- among the physically possible uses, what uses are legally allowed given the zoning, easements, and/or deed restrictions.
- 3) Financially Feasible Uses of the Site -- among the uses which are physically possible and legally permissible, what uses would provide a reasonable residual net return to the land.
- 4) Most Productive Use of the Site -- among the financially feasible uses, which use would result in the greatest net return to the land.

### Highest and Best Use

#### Possible Uses

The subject property comprises approximately two acres north of the City of Albuquerque's Rapid Ride facility located at the northwest corner of Central Avenue and Unser Boulevard NW. The site has a rectangular shape, with a width of about 432 feet and a length of about 202 feet. Vehicular ingress and egress onto the site is from Unser Boulevard along the eastern property boundary. There is a median cut in Unser which allows access to the site from both directions. All utilities are proximate, and the site is essentially level. Under this scenario, many uses are possible.

#### Legally Permissible Uses

The site is zoned SU-2 for Industrial Park which provides suitable sites for industrial uses and some commercial uses. The tract is within the boundaries of the Route 66 Sector Development Plan and development within the SU-2 zone may only occur in conformance with an approved site development plan. The legally permissible uses, for the subject site, are therefore those specifically permitted by the SU-2/Industrial Park zoning subject to an approved site development plan.

#### Feasible/Productive Uses

Nearby land uses include the Rapid Ride bus terminus to the south, vacant land to the north, vacant land and a car wash on land to the southwest, light industrial uses to the north, and a single-family residential subdivision to the west. There are large planned retail and institutional developments in the immediate area, including a Presbyterian Hospital in the southwest quadrant of Unser and I-40, a 56-acre retail development in the southeast quadrant of Unser and I-40, and another large retail development at the southwest corner of Unser and Central Avenue. Because of traffic count, access and visibility to Unser, the site is suited for commercial or retail development. However, an owner would probably wait until significant planned developments (such as the major retail developments at



the southwest corner of Unser and Central, and in the southeast quadrant of Unser and I-40) in the area are either under construction or completed. As a result, our conclusion of highest and best use is a speculative for the near-term, with future development as a commercial use.

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## ***Valuation***



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## Sales Comparison Approach

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The Sales Comparison Approach is based on the premise that a buyer will pay no more for a property than the cost of acquiring an equally desirable substitute. In this approach a direct comparison is made between the subject tract 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.

Factors affecting value - including financing terms, conditions of sale, market conditions, location, access, frontage and corner, depth and shape, size and on- and off-site costs - are considered in this analysis. Differences in topography are not significant since all the sales are relatively level tracts. The unit of comparison used is price per square foot, which is typical of the market for parcels of this size.

Although not appropriate to include in the analysis due primarily to the size of the parcels, there are two transactions in the immediate market area that warrant discussion due to proximity and use. One is the October 2007 sale of the southwest corner of Central Avenue and Unser Boulevard, located south of the subject across Central Avenue. This property had previously sold on April 2006 for a price of \$5.00 per square foot. The sale/re-sale indicates the significant increase in demand for major corners as investors now anticipate considerable upward shifts in land prices since residential growth has exploded on the southwest mesa. According to the broker, Mr. Jack Dettweiler, Sale 3 represents the purchase by one of the partners for the Lowe's development to secure the site, pending the completion of due diligence by the master developer. The plan reportedly involves a Lowe's Home Improvement Store, a CVS Pharmacy, Defined Fitness and related retail development. Mr. Dettweiler reported that the master plan for development comprises the entire- 50 acres bound by Central Avenue on the north, Unser Boulevard on the east, Bridge Boulevard on the south, and 86<sup>th</sup> Street on the west. He also reported that 36 acres adjacent to the west are currently under contract. The 36 acres comprise seven smaller parcels ranging in size from about 1 acre to about 13 acres, with list prices of \$8/SF for the 1-acre frontage parcels, \$5/SF for 5-acre parcels, and \$4.50/SF for the rear largest parcel. Mr. Dettweiler said that the average contract price is \$5.50/SF.

The other transaction is the sale of 39.34 acres situated in the southwest quadrant of I-40 and Unser Boulevard, about four blocks north of the subject. In April 2006, Presbyterian Healthcare Services purchased the land for a future hospital. The sale price was \$6.85/SF.

The City's existing ownership at the northwest corner of Central Avenue and Unser NW comprises two parcels, one of which was acquired in 2004 and the other in 2006. These parcels were acquired by the City of Albuquerque for the west terminus of the Rapid Ride bus service. The oblong tract (5.04 acres) that included the corner, with roughly 216 feet on Central and 1,017 feet on Unser, sold in November 2004 for \$6.15 per square foot. The 4.91-acre interior parcel (approximately 210 feet by 1,017 feet), sold in January 2006 for \$3.70 per square foot. This tract was unimproved. We have not used these sales as comparables because they are older sales and in particular because market conditions have changed in this time frame. The average sale price for both tracts was \$4.94/SF. In comparison to the subject, this sale would require a significant upward adjustment for changes in market conditions.

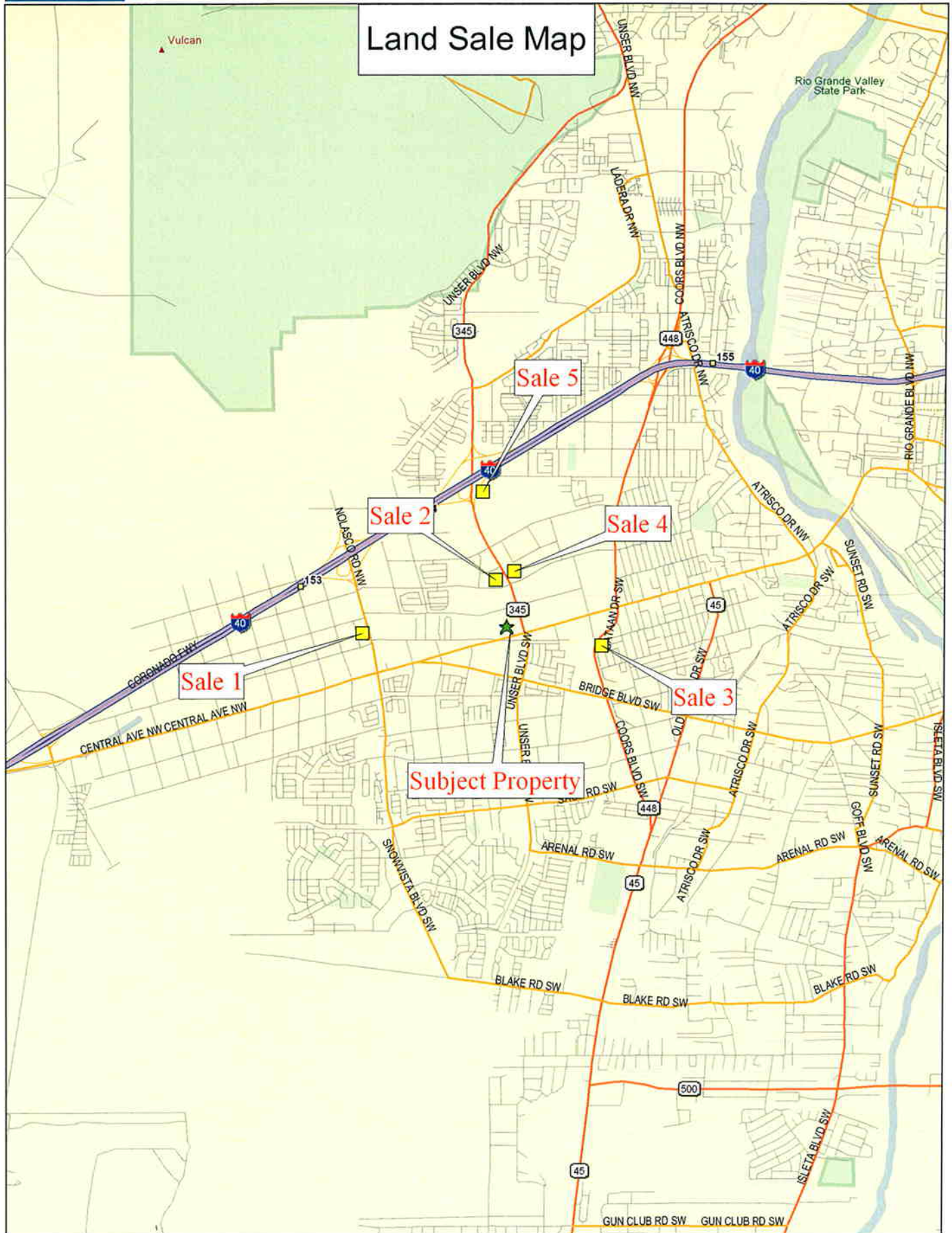
The table below summarizes five comparable sales that have taken place in the Southwest Mesa market area. All five sales were fee simple transactions that sold for cash or on a cash-equivalent basis. Other variances are discussed on an individual basis. Sale detail sheets are included in the *Addenda* of this report.

# SALES COMPARISON APPROACH

Comparable Land Sales						
Sale No.	Subject	1	2	3	4	5
	W/s Unser Blvd. NW N/o Central	W/s 98th St N/o Volcano Rd NW	SW/c Unser Blvd. & Los Volcanes NW	SW/c Coors Blvd. & Bataan Dr. SW	E/s Unser Blvd. NW N/o Bluewater Rd.	SE/q Unser Blvd. & I-40
Date of Sale	N/A	03/08	11/07	12/06	12/06	01/08
Size (Acre)	2.00	4.00	4.99	1.38	4.05	8.86
Size (SF)	87,120	174,300	217,330	59,969	176,243	385,876
Traffic Count	20,200	27,300	31,400	36,400	31,400	40,000
Zoning	SU-2 IP	SU-2 for C-2	IP	O-1	IP	SU-1 IP
Sale Price		\$1,533,840	\$2,317,905	\$420,000	\$1,367,783	\$2,894,062
Price/SF		\$8.80	\$10.67	\$7.00	\$7.76	\$7.50

A location map, photos and a discussion of the sales used in this analysis are included on the following pages.





## Land Sale Comparable Photographs



Land Sale 1



Land Sale 2



## Land Sale Comparable Photographs



Land Sale 3



Land Sale 4

## Land Sale Comparable Photographs



Land Sale 5

### Discussion of Comparable Land Sales

**Sale 1 (\$8.80/SF)** – This four-acre site is located on the west side of 98<sup>th</sup> Street, north of Volcano Road. It sold in March 2008 for a strip retail development for \$8.80/SF, according to the broker (Robert Grebe). It sold previously in October 2006 for \$5.00/SF for speculation. The site is nearly square, has level topography, and about 415 feet of frontage on 98<sup>th</sup> Street. The site is zoned SU-2 for permissive C-2 uses excluding package liquor sales.

**Sale 2 (\$10.67/SF)** – This 4.99-acre site is located about two blocks north of the subject, at the southwest corner of Unser and Los Volcanes. The site sold in November 2007 for future retail development. The site is at a signalized intersection, providing access from both directions. It has level topography and City utilities. It is rectangular with frontage on three sides, and over 700 feet along Unser. The site currently remains undeveloped.

**Sale 3 (\$7.00/SF)** – This site is located about two miles east of the subject at the northwest corner of Churchill and Bataan Drive SW. It sold on a real estate contract in December 2006 for speculation. This 1.38-acre site is located within the City of Albuquerque and is zoned O-1. It has undulating topography and is below grade of Bataan Drive on the east side, and slightly above grade of Coors Boulevard on the west side. Access from north-bound Coors is right-in/right-out, and access is otherwise circuitous (from Central Avenue via residential feeder streets). Any potential benefit to Sale 3 from the high commuter traffic count along Coors is offset by access issues.

**Sale 4 (\$7.76/SF)** – This 4.05-acre site is located about three blocks north of the subject on the east side of Unser Boulevard. It sold in December 2006 for a future hotel/motel development. It is L-shaped with level topography and IP zoning. It has frontage along Unser on the west side and Silver Creek on the east side.

**Sale 5 (\$7.50/SF)** – This 8.86-acre site is located in the southeast quadrant of Unser and I-40 with good visibility from the freeway and access ramp. It was purchased in January 2008 by Inland Kentworth for a future truck distributorship/showroom. The site has an irregular shape and will require off-site costs for road improvements. It is zoned SU-1 IP.

### Adjustments to Sale Prices

We have performed a quantitative analysis. Although we recognize the lack of paired sales with which to support the level of adjustments, the individual adjustments are fairly modest, but appropriate. Although zoning was considered, all of the sales require some sort of planning approval and are considered similar in terms of zoning. In addition, based upon the City's on-line AGIS mapping system, the subject property and most of the sales (except Sales 1 and 3) lie within the boundaries of the West Central Metropolitan Redevelopment Area and are therefore not subject to impact fees. However, there is no basis upon which to determine a quantitative adjustment, especially with uncertainty regarding the highest and best use of a given property. Therefore, no adjustments have been made in this regard. In comparison to the subject, the following price-related differences are considered:

- Conditions of Sale (buyer or seller motivation);
- Financing Terms;
- Market Conditions (changes with passage of time);
- Location & Access;
- Frontage & Corner;

- Depth & Shape;
- Size;
- On- and Off-Site Costs.

#### **Conditions of Sale**

All five sales are arm's-length transactions.

#### **Financing Terms**

All five sales sold on cash equivalent terms. No adjustments are required.

#### **Market Conditions**

All five sales occurred within the past two years. The price spike between the sale/resale of Sale 1 more likely reflects locational changes caused by new development in the area (e.g. new retail strip centers at the northeast and northwest corners of 98<sup>th</sup> Street and Central NW) rather than a change in market conditions over time. Since 2006, marketing times have become extended and no adjustment is made for changing market conditions.

#### **Location & Access**

The subject has an Unser Boulevard location just north of West Central Avenue with two-way access from Unser Boulevard. Sale 3 has an inferior location with circuitous access. This sale has been adjusted upward by 15%. Sales 1, 2 and 5 have superior locations with higher traffic volume and more recent development activity. They have been adjusted downward by 5%, 10% and 10%, respectively. Sale 4 is similar in terms of location and has not been adjusted.

#### **Frontage & Corner**

The subject has about 200 feet of frontage along the west side of Unser Boulevard. Sale 2 has two hard corners and is adjusted downward by 10%. Sale 5 is a hard corner and is adjusted downward by 5%. Sales 1, 2, 3 and 6 are similar in terms of frontage and are not adjusted.

#### **Depth & Shape**

The subject has a rectangular shape. Sales 4 and 5 have irregular shapes and are inferior. These sales have been adjusted upward by 5%. Sales 1, 2 and 3 are similar in terms of shape and have not been adjusted.

#### **Size**

Typically there is an inverse relationship between size and per unit price. No definite trend in pricing is discernable among the sales that range in size from one to five acres. Therefore, Sales 1, 2, 3, 4, 6 and 7 are considered similar in size and are not adjusted. Sale 5 is larger and has been adjusted upward by 5%.



### On- and Off-Site Costs

The subject requires little to no on- or off-site costs to develop. Sales 1, 3, 4 and 5 are inferior to the subject in terms of on- and off-site costs and have been adjusted upward by 5%, 5%, 10% and 10%, respectively. Sale 2 is similar and requires no adjustment.

The sales and adjustments are summarized as follows:

Quantitative Adjustment Grid						
Sale No.	Subject	1	2	3	4	5
	W/s Unser Blvd. N/o Central Ave. NW	W/s 98th St N/o Volcano Rd NW	SW/c Unser Blvd. & Los Volcanes NW	SW/c Coors Blvd. & Bataan Dr. SW	E/s Unser Blvd. NW N/o Bluewater Rd.	SE/q Unser Blvd. & I-40
Location						
Date of Sale	N/A	03/08	11/07	12/06	12/06	01/08
Size (Acre)	2.00	4.00	4.99	1.38	4.05	8.86
Size (SF)	87,120	174,300	217,330	60,113	176,243	385,876
Traffic Count	20,200	27,300	31,400	36,400	31,400	40,000
Zoning	SU-2 IP	SU-2 for C-2	IP	O-1	IP	SU-1 IP
Sale Price		\$1,533,840	\$2,317,905	\$420,000	\$1,367,783	\$2,894,062
Price/SF		\$8.80	\$10.67	\$7.00	\$7.76	\$7.50
Adjustments:						
Location & Access		Superior	Superior	Inferior	Similar	Superior
		-5%	-10%	15%	0%	-10%
Frontage/Corner		Similar	Superior	Similar	Similar	Superior
		0%	-10%	0%	0%	-5%
Depth & Shape		Similar	Similar	Similar	Inferior	Inferior
		0%	0%	0%	5%	5%
Size		Similar	Similar	Similar	Similar	Larger
		0%	0%	0%	0%	5%
On- Off-Site Costs		Inferior	Similar	Inferior	Inferior	Inferior
		5%	0%	5%	10%	10%
Total Adjustment		0%	-20%	20%	15%	5%
Adj. Sale Price/SF		\$8.80	\$8.53	\$8.40	\$8.92	\$7.87

The sales represent a range of adjusted values from \$7.87/SF (Sale 5) to \$8.92/SF (Sale 1). Other than the low indication (Sale 5) which has been adjusted the most, the remaining sales indicate a relatively narrow bracket from \$8.00/SF to \$8.92/SF. Based on the indications of the four remaining sales, we have concluded a subject market value of \$8.50 per square foot.

$$87,120 \text{ SF} \times \$8.50/\text{SF} = \$740,520$$

Rounded To \$740,000

### Estimate Of Exposure Time

Exposure time is a retrospective estimate based upon an analysis of past events assuming a competitive and open market. In our opinion, the reasonable exposure time for the subject property at our market value estimate would have one year or less.



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## Certification

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We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective interest in the properties that are the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the properties that are the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment is not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of predetermined values or direction in values that favor the cause of the client, the amount of the value opinions, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Gareth N. Burman and Meg Randall made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- As of the date of this report, Gareth N. Burman, MAI has completed the continuing education program of the Appraisal Institute.

Our opinion of market value is as follows:

Effective Date

July 11, 2008

Opinion of Market Value

\$740,000

We appreciate this opportunity to provide appraisal services to you and welcome any questions from authorized users of the report.

COMMERCIAL APPRAISAL, INC.



Gareth N. Burman, MAI  
NM State Certified Appraiser #0238-G



Meg Randall  
NM State Appraiser #02607-A



COMMERCIAL APPRAISAL, INC.

***Addenda***

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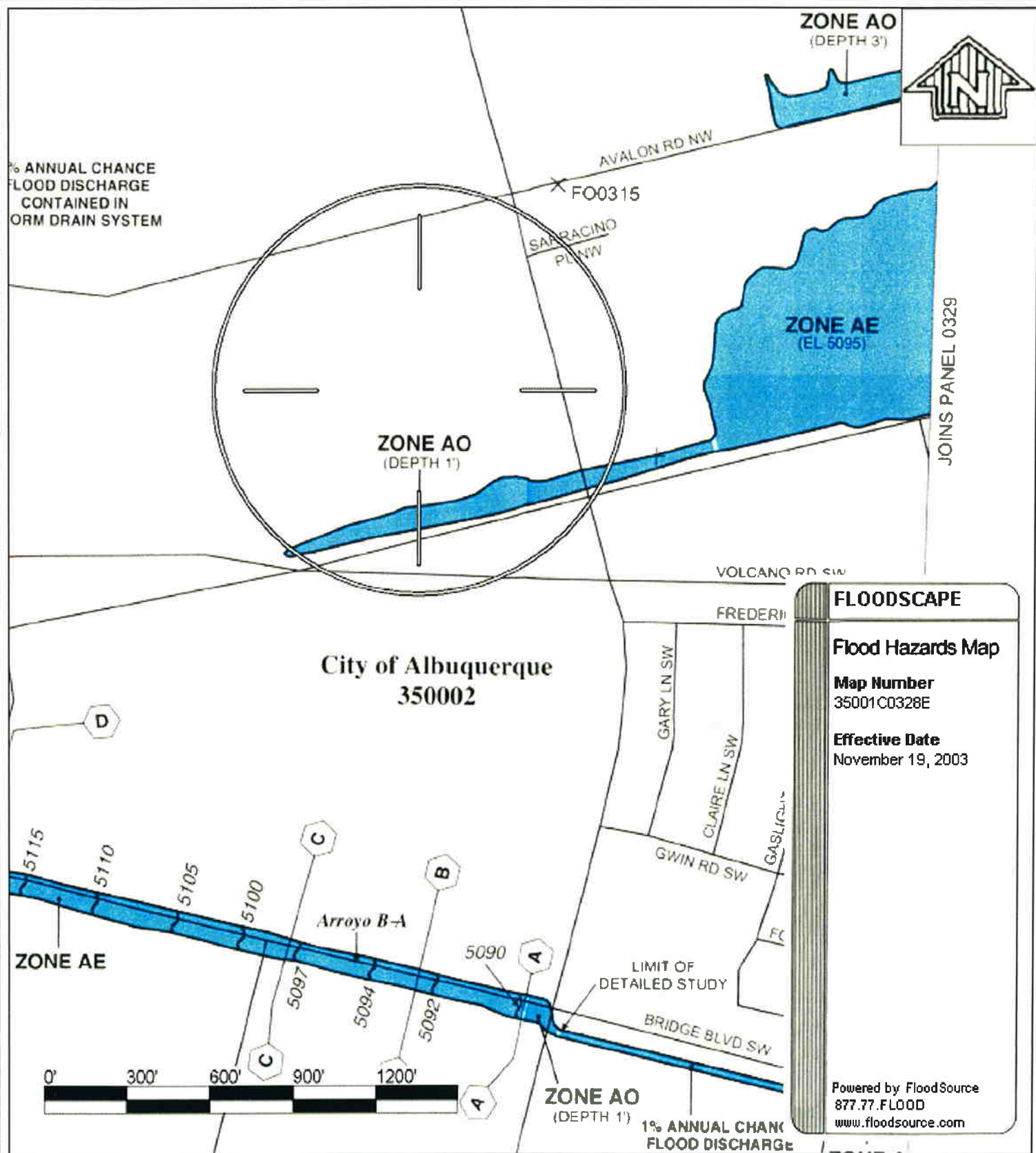
# InterFlood



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Prepared for:  
Commercial Appraisal Inc

Land



## FLOODSCAPE

### Flood Hazards Map

Map Number  
35001C0328E

Effective Date  
November 19, 2003

Powered by FloodSource  
877.77.FLOOD  
www.floodsource.com

## Land Sale 1

**Name:** Commercial Vacant Land

**Address** W/s Nolasco Rd/98th St NW N/o Volcano S/o I-40, Albuquerque, New Mexico 87121

**Legal Description** Town of Atrisco, metes and bounds (aka Town of Atrisco, West of Westland, Unit A, Row 2, middle portion of Tracts 1, 2)

**Map #:** K09 **Zoning:** SU-2 for permissive C-2 uses excl. pkg. Li **Parcel #:** 1-009-057-022-156-3-06-06\*

### SALE INFORMATION

<b>Grantor:</b>	Gorham, Mark L and Ingrid G, trustees (50%)/ Lubin, Leslie J, trustee (50%)
<b>Grantee:</b>	Lee Properties Inc
<b>Sale Date:</b>	03-12-2008
<b>Document #:</b>	8029445
<b>Rights Conveyed:</b>	Fee Simple
<b>Sale Conditions:</b>	Arm's Length

<b>Sale Price:</b>	\$1,533,840
<b>Adjusted Price:</b>	\$1,533,840
<b>Price Per SF GA:</b>	\$8.80

**Terms:** Cash to Seller

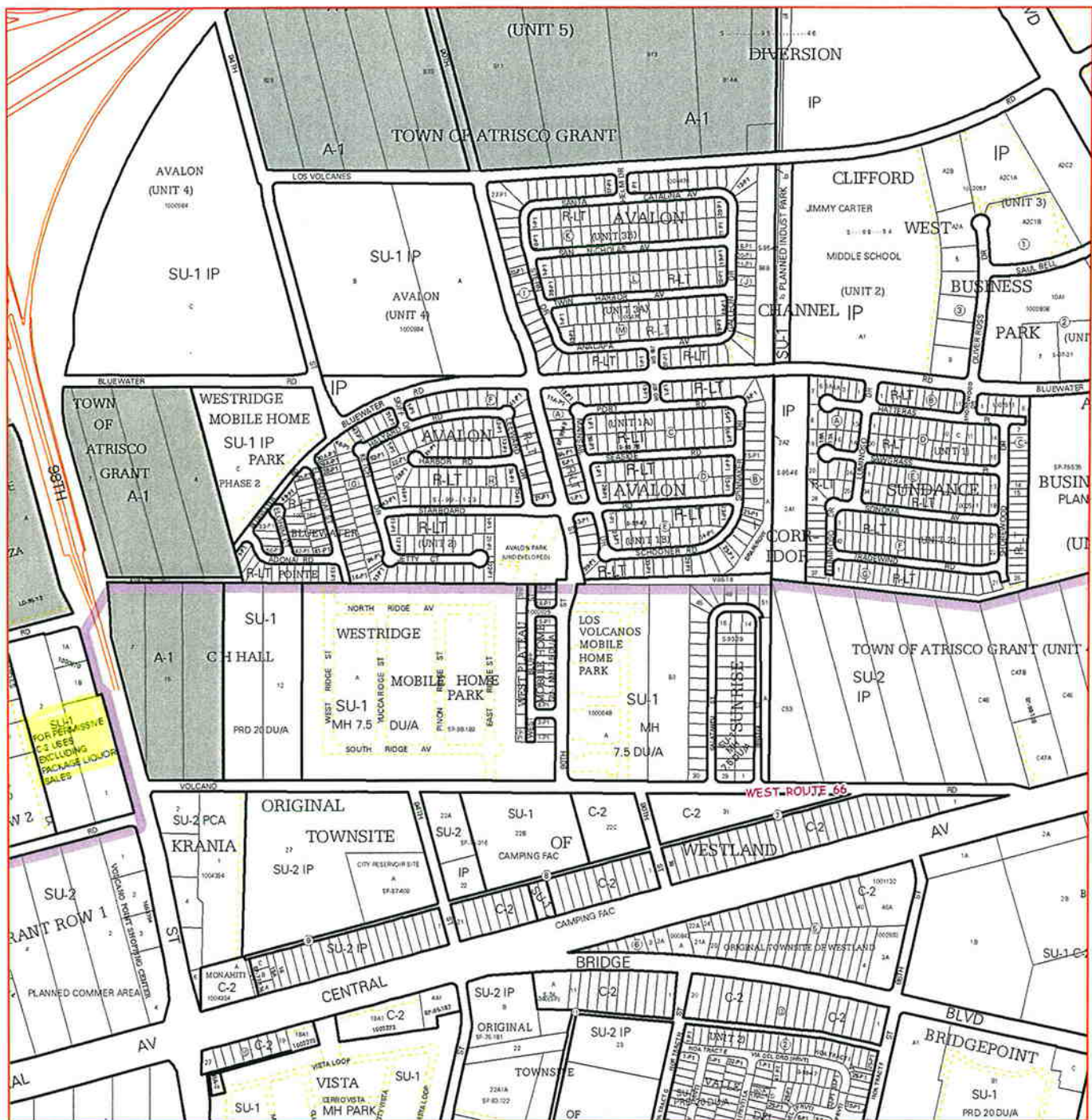
### SITE CHARACTERISTICS

<b>Gross Area (SF):</b>	174,300 SF	<b>Gross Area (Acres):</b>	4.00 Acres
<b>Frontage Feet:</b>	415 SF	<b>Access:</b>	Major arterial
<b>Shape:</b>	Almost square	<b>Traffic Count:</b>	27,300 Avg Per Day
<b>Topography:</b>	Fairly Level	<b>Utilities:</b>	All City Utilities
<b>Proposed Use:</b>		<b>Highest &amp; Best Use:</b>	XXXXXORCI
<b>Frontage Description</b>	998th St. NW		
<b>Land Type:</b>			
<b>Units Actual/Planned</b>		<b>Units Allowed:</b>	
<b>Density:</b>			
<b>Comments:</b>			

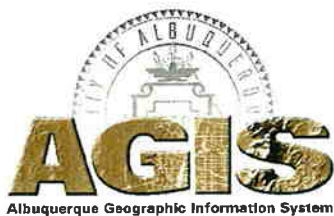
### REMARKS

Purchased for future strip retail development. Site has frontage along 98th Street, south of I-40, with high traffic count. Development will benefit from other nearby recent retail development at northwest and northeast corners of 98th St. & Central Ave. Site may require on-site costs related to sloping topography and off-site infrastructure costs for a street on the west side.





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



Map amended through: 6/13/2008



Zone Atlas Page:

**K-09-Z**

Selected Symbols

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

0 750 1,500 Feet

## Land Sale 2

**Name:** Commercial Vacant Land

**Address** SW/c Unser Blvd. & Los Volcanes, Albuquerque, New Mexico 87121

**Legal Description** Tract A-2-C-2, Clifford West Business Park, Unit 3

**Map #:** K10 **Zoning:** IP

**Parcel #:** 1-009-057-528-430-12108

### SALE INFORMATION

**Grantor:** I-40 Gateway West, LLC

**Grantee:** Eagle Investments, Inc.

**Sale Date:** 11-05-2007

**Document #:**

**Rights Conveyed:** Fee Simple

**Sale Conditions:** Arm's Length

**Sale Price:** \$2,317,905

**Adjusted Price:** \$2,317,905

**Price Per SF GA:** \$10.67

**Terms:** Cash to Seller

### SITE CHARACTERISTICS

**Gross Area (SF):** 217,330 SF

**Gross Area (Acres):** 4.99 Acres

**Frontage Feet:** 1,010 SF

**Access:** Paved Arterials

**Shape:** Long narrow rectangle

**Traffic Count:** 31,400 Avg Per Day

**Topography:** Fairly Level

**Utilities:** All City Utilities

**Proposed Use:**

**Highest & Best Use:**

**Frontage Description** Unser, Los Volcanes and Saul Bell

**Land Type:**

**Units Actual/Planned**

**Units Allowed:**

**Density:**

**Comments:**

### REMARKS

Rectangular parcel with frontage on three sides, including over 700' along Unser. Purchased for retail development; 1031 exchange.





### Land Sale 3

**Name:** Commercial Vacant Land

**Address** SW/c Coors Blvd & Bataan Dr SW just S/o Central N/o Bridge, Albuquerque, New Mexico 87121

**Legal Description** Town of Atrisco, Unit 6, Sly portion of Tract 63

**Map #:** K10 **Zoning:** O-1

**Parcel #:** 1-010-057-505-167-4-15-04

#### SALE INFORMATION

**Grantor:** Acre Partners (Trevor Hatchell/ Mike Schiffer)  
**Grantee:** AACA Financial Inc (Hamid Sharif)  
**Sale Date:** 12-04-2006  
**Document #:** 6184755  
**Rights Conveyed:** Fee Simple  
**Sale Conditions:** Arm's Length

**Sale Price:** \$420,000  
**Adjusted Price:** \$420,000  
**Price Per SF GA:** \$7.00

**Terms:** Real Estate Contract - \$31,000 down, assumption of \$99,683.78 existing REC at 7%, and \$289,316.22 at 7% for 10 years.

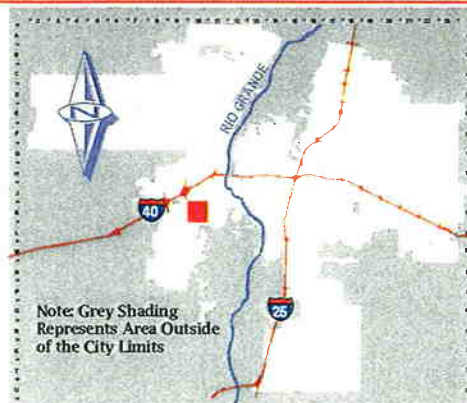
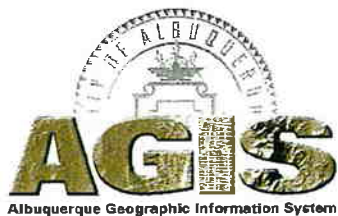
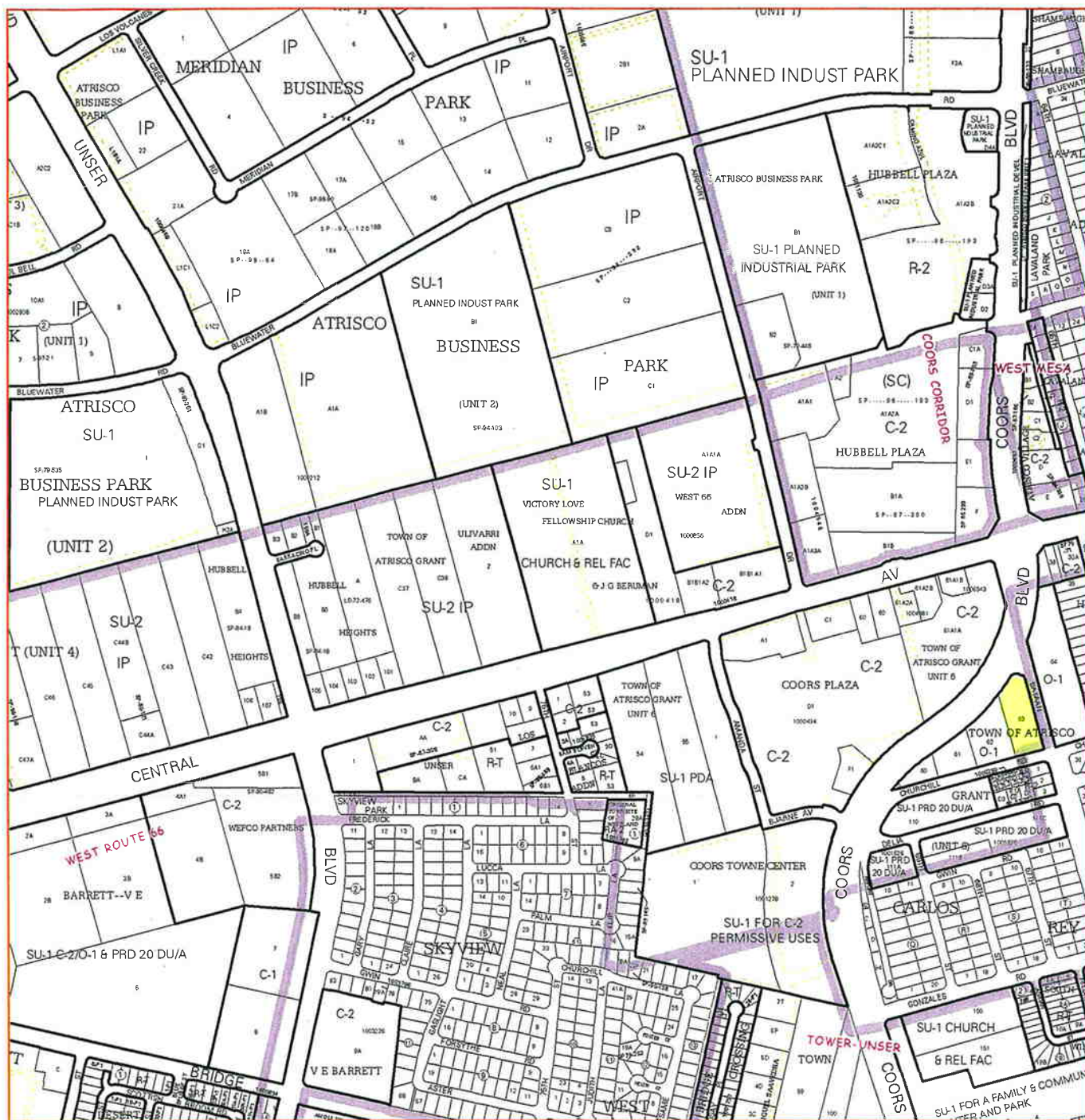
#### SITE CHARACTERISTICS

<b>Gross Area (SF):</b>	59,969 SF	<b>Gross Area (Acres):</b>	1.38 Acres
<b>Frontage Feet:</b>	735 SF	<b>Access:</b>	Paved Arterials
<b>Shape:</b>	Mostly rectangular	<b>Traffic Count:</b>	36,400 Avg Per Day
<b>Topography:</b>	Undulating	<b>Utilities:</b>	All City Utilities
<b>Proposed Use:</b>		<b>Highest &amp; Best Use:</b>	XXXXAORCI
<b>Frontage Description</b>	Coors (160 feet), Bataan (420 feet) and Churchill (155 feet)		
<b>Land Type:</b>		<b>Units Allowed:</b>	
<b>Units Actual/Planned</b>			
<b>Density:</b>			
<b>Comments:</b>			

#### REMARKS

Mr. Sharif said that he bought this land for speculation. Access to the site from Coors is limited to north-bound traffic only, with a right-in/right-out turn only, located at a sharp curve in Coors. Access via Bataan is circuitous via Central Avenue. The site has undulating topography and is slightly above grade of Bataan and slightly below grade of Coors.





Zone Atlas Page:

## K-10-Z

## Selected Symbols

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

## Land Sale 4

**Name:** Commercial Vacant Land

**Address** E/s Unser Blvd NW W/s Silver Creek N/o Central S/o I-40, Albuquerque, New Mexico 87121

**Legal Description** Meridian Business Park, Tract L-1-B-1-A; Lot 21-A

**Map #:** K10 **Zoning:** IP

**Parcel #:** 1-010-057-060-433-2-01-10\*

### SALE INFORMATION

**Grantor:** The Grayland Corp (Jack J Clifford) et al etc

**Grantee:** MJ Hospitality L L C

**Sale Date:** 12-22-2006

**Document #:** 6192803

**Rights Conveyed:** Fee Simple

**Sale Conditions:** Arm's Length

**Sale Price:** \$1,367,783

**Adjusted Price:** \$1,367,783

**Price Per SF GA:** \$7.76

**Terms:** Cash to Seller

### SITE CHARACTERISTICS

**Gross Area (SF):** 176,243 SF

**Gross Area (Acres):** 4.05 Acres

**Frontage Feet:** 950 SF

**Access:** Paved Arterial

**Shape:** L-shaped

**Traffic Count:** 31,400 Avg Per Day

**Topography:** Fairly Level

**Utilities:** All City Utilities

**Proposed Use:** Hotel/Motel

**Highest & Best Use:** XXXXXXXCI

**Frontage Description** Unser Blvd. NW (about 650 feet) and Silver Creek Rd. NW (about 300 feet)

**Land Type:**

**Units Actual/Planned**

**Units Allowed:**

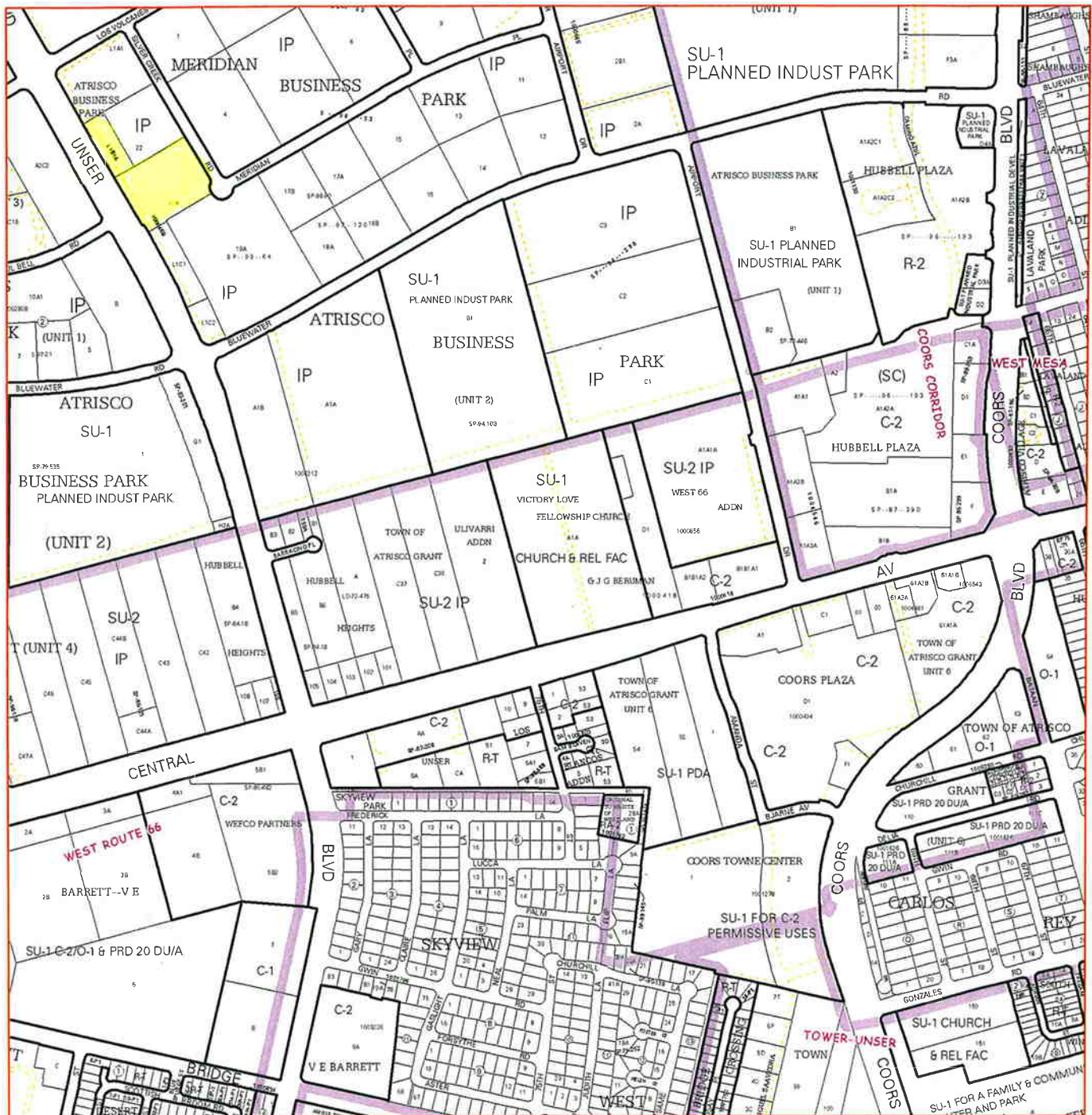
**Density:**

**Comments:**

### REMARKS

Buyers plan to develop a hotel/motel. Timing is dependent upon owners completing another hotel/motel property in Gallup, NM prior to beginning work on this property. Meridian is stubbed out at Unser but will require extension. Site has undulating topography.





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



Map amended through: 6/13/2008



Zone Atlas Page:

**K-10-Z**

Selected Symbols

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



## Land Sale 5

**Name:** Commercial Vacant Land

**Address** N/s Fortuna Rd NW S/s I-40 W/o Coors, Albuquerque, New Mexico 87121

**Legal Description** Town of Atrisco, Airport Unit, Tract 185A-1, portion of Tracts 182 - 184

**Map #:** J10 **Zoning:** SU-1 IP

**Parcel #:** 1-010-058-062-270-2-02-02\*

### SALE INFORMATION

**Grantor:** The Grayland Corp (Jack J Clifford) etc et al

**Grantee:** Inland (US Investments) Inc [Les Ziegler, Burnaby, BC, Canada]

**Sale Date:** 01-04-2008

**Document #:** 8003685

**Rights Conveyed:** Fee Simple

**Sale Conditions:** Arm's Length

**Sale Price:** \$2,894,062

**Adjusted Price:** \$2,894,062

**Price Per SF GA:** \$7.50

**Terms:** Cash to Seller

### SITE CHARACTERISTICS

**Gross Area (SF):** 385,876 SF

**Gross Area (Acres):** 8.86 Acres

**Frontage Feet:**

**Access:**

**Shape:**

**Traffic Count:**

**Topography:**

**Utilities:**

**Proposed Use:**

**Highest & Best Use:** XXXXXOXCI

**Frontage Description**

**Land Type:**

**Units Actual/Planned**

**Units Allowed:**

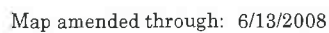
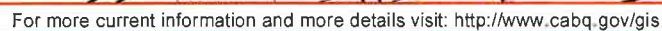
**Density:**

**Comments:**

### REMARKS

Future site of an Inland Kenworth truck distributorship/showroom in southeast quadrant of Unser & I-40. Development will require off-site costs for road improvements. Good visibility from I-40.







## **Qualifications of Gareth N. Burman, MAI, MRICS**

### **Education**

Bachelor of Science in Estate Management, Polytechnic of the South Bank, London, England, 1976. Specialized real estate appraisal courses are summarized on the following page.

### **Professional Memberships**

Member of the Appraisal Institute — MAI — Certificate No. 7203, issued September 1985. Served in several officer positions within the West Texas-New Mexico chapter of the former American Institute of Real Estate Appraisers, including Chairman of the Guidance and Admissions Committees. Served as President of the Rio Grande Chapter of the Appraisal Institute during 1994.

Member of the Royal Institution of Chartered Surveyors, Great Britain – MRICS – diploma obtained December 1977.

### **Professional Licenses**

New Mexico Real Estate Appraisers Board — General Certificate No. 00238-G issued 05/12/92.

Texas Appraiser Licensing and Certification Board — State Certified General Real Estate Appraiser No. TX-1323822-G issued 10/06/92.

### **Experience**

- 10/94 - Present A principal and analyst with Commercial Appraisal, Inc., Albuquerque New Mexico. Commercial Appraisal, Inc., is the result of a merger of three Albuquerque appraisal firms. Sole owner since July 2001.
- 08/91 - 10/94 A principal and analyst with Payne, Burman & Pearsall, P.C., Albuquerque, New Mexico; providing appraisal and consulting services on commercial property throughout New Mexico and the Southwest.
- 04/79 - 08/91 Appraiser/analyst with Appraisal Associates of El Paso, an independent firm offering narrative real estate appraisals and consulting services primarily in West Texas and New Mexico. Specializing in office building, shopping center, apartment complex, industrial property and land development assignments.
- 06/78 - 12/78 Valuer for the Valuation Office, City of London, London, England. Specialized in valuations of large commercial buildings and banking halls.
- 08/76 - 06/78 Employed as a Valuer by the District Valuer's Office, Tower Hamlets, London, England. Concerned primarily with the valuation of commercial, industrial, and residential properties.
- 07/74 - 08/75 Valuation Officer for the Greater London Council. Completed one year of industrial training as part of the degree program.

## **Qualifications of Gareth N. Burman, MAI, MRICS *continued***

### **Teaching Experience**

Instructed Course 3408, Real Estate Appraisal I, at the University of Texas, El Paso; Marketing Department, Spring semester, 1991.

### **Appraisal Institute Courses:**

Successfully completed the following intensive-study courses, and/or examinations sponsored by the American Institute of Real Estate Appraisers:

07/81, Santa Fe, NM Course 2-3, "Standards of Professional Practice"  
07/82, Boulder, Co Course 1B-2, "Capitalization Theory & Techniques, Part II"  
07/82, Boulder, Co Course 1B-3, "Capitalization Theory & Techniques, Part III"  
09/82, El Paso, TX Examination 1A-1, "Real Estate Appraisal Principles"  
09/82, El Paso, TX Examination 1A-2, "Basic Valuation Procedures"  
09/82, El Paso, TX Examination 1B-1, "Capitalization Theory & Techniques, Part I"  
06/83, San Diego, CA Course 2-1, "Case Studies in Real Estate Valuation"  
03/84, Arlington, TX Course 2-2, "Valuation Analysis and Report Writing"  
03/84, Arlington, TX Course 2-2, "Real Estate Investment Analysis"  
02/85, Houston, TX Comprehensive Examination -- an eight-hour examination conducted by the American Institute of Real Estate Appraisers testing knowledge and abilities in all areas of real estate appraising.

### **Seminars:**

To keep abreast of the latest appraisal techniques and maintain current certification under the Appraisal Institute's program of continuing education, I have attended about 50, one or two-day appraisal seminars between April 1980 and October 2002.

### **Other Education:**

Real Estate Investment Analysis II, Real Estate 3450 - University of Texas, El Paso - Fall 1987 - three credit hours.

*Client list available upon request.*

## **Qualifications of Meg Randall**

State of New Mexico Real Estate Appraiser Registration No. 02607-A

### **Education**

Bachelor of Science, Biology, University of New Mexico, 1995

Masters in Public Administration, University of New Mexico, 2000

### **Professional Memberships**

Appraisal Institute Affiliate Member (#483926)

### **Experience**

- 04/2006 – Present      **Commercial Real Estate Appraiser, Commercial Appraisal, Inc. – Albuquerque, New Mexico:** Assist with preparation of full narrative valuations of commercial real estate. The work includes detailed description of the properties involved, market research and analysis, feasibility and highest and best use studies, and analysis of 1) comparable market transactions, 2) development costs, and 3) actual and potential income and expenses, including cash flow analysis. Clients include financial institutions, property developers and government institutions.
- 03/2004 – 04/2006      **Environmental Services Supervisor, City of Albuquerque Environmental Health Department, Albuquerque, New Mexico:** Supervised a staff of seven professionals working in the areas of groundwater and landfill monitoring and remediation, and household hazardous waste collection and disposal. Specific activities of the division include landfill monitoring, characterization and remediation; regional groundwater monitoring network; and safety review of development activities near former landfills.
- 05/2003-03/2004      **Redevelopment Project Manager/Brownfield Coordinator, City of Albuquerque Planning Department, Albuquerque, New Mexico:** Served as project manager for the historic Albuquerque High School multi-million dollar redevelopment project. Work included ongoing budgetary oversight, financial analysis and monitoring, construction and design monitoring and coordination. This position also involved the administration of several federal grants.
- 04/2003-06/2002      **Environmental, Health and Safety Specialist, GE Aircraft Engines, Albuquerque, New Mexico:** Managed activities and provided leadership to programs that ensured company compliance with environmental regulations. This position required thorough knowledge of environmental regulations, industrial hygiene, chemical toxicology, and exposure assessment methodologies. Conducted training and education programs related to industrial hygiene and toxicology in a manufacturing environment.

- 01/2000-05/2002      **Redevelopment Project Manager/Brownfield Coordinator, City of Albuquerque, Albuquerque, New Mexico. (see above)**
- 05/1993-12/1999      **Staff Scientist, AGRA Earth & Environmental, Inc., Albuquerque, New Mexico:** Conducted site and property assessments, research and data collection and validation, and performed quality control and assurance activities. Member of the human health and ecological risk assessment team on the U.S. Department of Energy Uranium Mill Tailings Remedial Action (UMTRA) Project, developing human health and ecological risk assessments. Also managed a large-scale equipment inventory project for the NMED Underground Storage Tank Bureau (currently the Petroleum Storage Tank Bureau), which involved a review of the Bureau's financial records, statewide site reconnaissance, database development and maintenance, and communication with stakeholders.

#### **Courses/Examinations**

- 03/2008      Appraisal Institute's General Income Approach Part II
- 02/2008      Appraisal Institute's General Income Approach Part I
- 10/2007      Appraisal Institute's Business Practices and Ethics
- 02/2007      Successful completion of the Appraisal Institute's Basic Appraisal Procedures Exam
- 06/2006      Successful completion of the Appraisal Institute's Basic Appraisal Principles Exam
- 03/2006      15-Hour Uniform Standards of Professional Appraisal Practice
- 01/2006-05/2006      Foundations of Real Estate Appraisal, Uniform Standards of Professional Appraisal Practice, and Appraising the Single-Family Residence, University of New Mexico Continuing Education, Albuquerque, New Mexico