



*A MARKET VALUE APPRAISAL  
60.60 ACRES OF VACANT LAND  
ARROYO VISTA BOULEVARD, NW  
ALBUQUERQUE, NEW MEXICO*

A Market Value Appraisal In An Appraisal Report  
Vacant Land Zoned For Planned Community Use  
“As Is” As Of January 20, 2022

Prepared For  
Ms. Amanda J. Velarde, MBA  
Director of Real Estate  
Albuquerque Public Schools  
915 Locust Street, SE  
Albuquerque, New Mexico 87106

Prepared By  
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# Godfrey Appraisal Services

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January 25, 2022

Ms. Amanda J. Velarde, MBA  
Director of Real Estate  
Albuquerque Public Schools  
915 Locust Street, SE  
Albuquerque, New Mexico 87106

Dear Ms. Velarde:

In accordance with our agreement, I have made an investigation, study and appraisal of approximately 60.60 acres of vacant land located on the north side of Arroyo Vista Boulevard, west of Tierra Pintada Street, in the northwest quadrant of Albuquerque, Bernalillo County, New Mexico. The purpose of the appraisal was to estimate the market value of a *fee simple title* to the property, as described in the following report, considering the property in "as is" condition, as of January 20, 2022, the date of my last inspection. At your request, the appraisal has been prepared using all applicable approaches to market value, and is hereby presented in an Appraisal Report (using a Summary format).

The following report contains a legal and physical description of the property, and includes maps, plats, and photographs to help visualize the appraised property. Valuation is based on a classical sales comparison approach to market value. Based on the following report, subject to the underlying assumptions, limiting conditions, and term definitions, contained therein, I conclude that

***FOUR MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS***

represents the market value of a *fee simple title* to the property, as described in the following report, considering the property in "as is" condition, as of January 20, 2022. Exposure time is estimated at up to 12 months of active professional marketing.

Respectfully,

Bryan E. Godfrey, MAI, State Certified General Appraiser G-192



## *APPRAISAL CONCLUSION SUMMARY*

### *GENERAL INFORMATION*

Purpose Of The Appraisal	Market Value Estimate
Type Of Appraisal	Appraisal Using The Sales Comparison Approach
Type Of Report	Appraisal Report (Summary Format)
Property Type	Vacant Land
Property Location	Arroyo Vista Boulevard, NW Albuquerque, New Mexico
Value Estimated	"As Is" On Date Of Inspection
Rights Appraised	Fee Simple Title
Hypothetical Conditions	None
Extraordinary Assumptions	None
Date Of Appraisal Report	January 25, 2022
Date Of Property Valuation	"As Is" On January 20, 2022

### *PROPERTY INFORMATION*

Site Zoning	PC For Planned Community Use
Site Area	Approximately 60.60 Acres
Improvements	None
Easements	Utility & Drainage Easements
Highest & Best Use	Residential Development
Potential Environmental Hazards	None Known

### *VALUATION INFORMATION*

Depreciated Cost Approach	Not Used
Sales Comparison Approach	\$4,350,000
Income Capitalization Approach	Not Used

*Value Conclusion* ***\$4,350,000***



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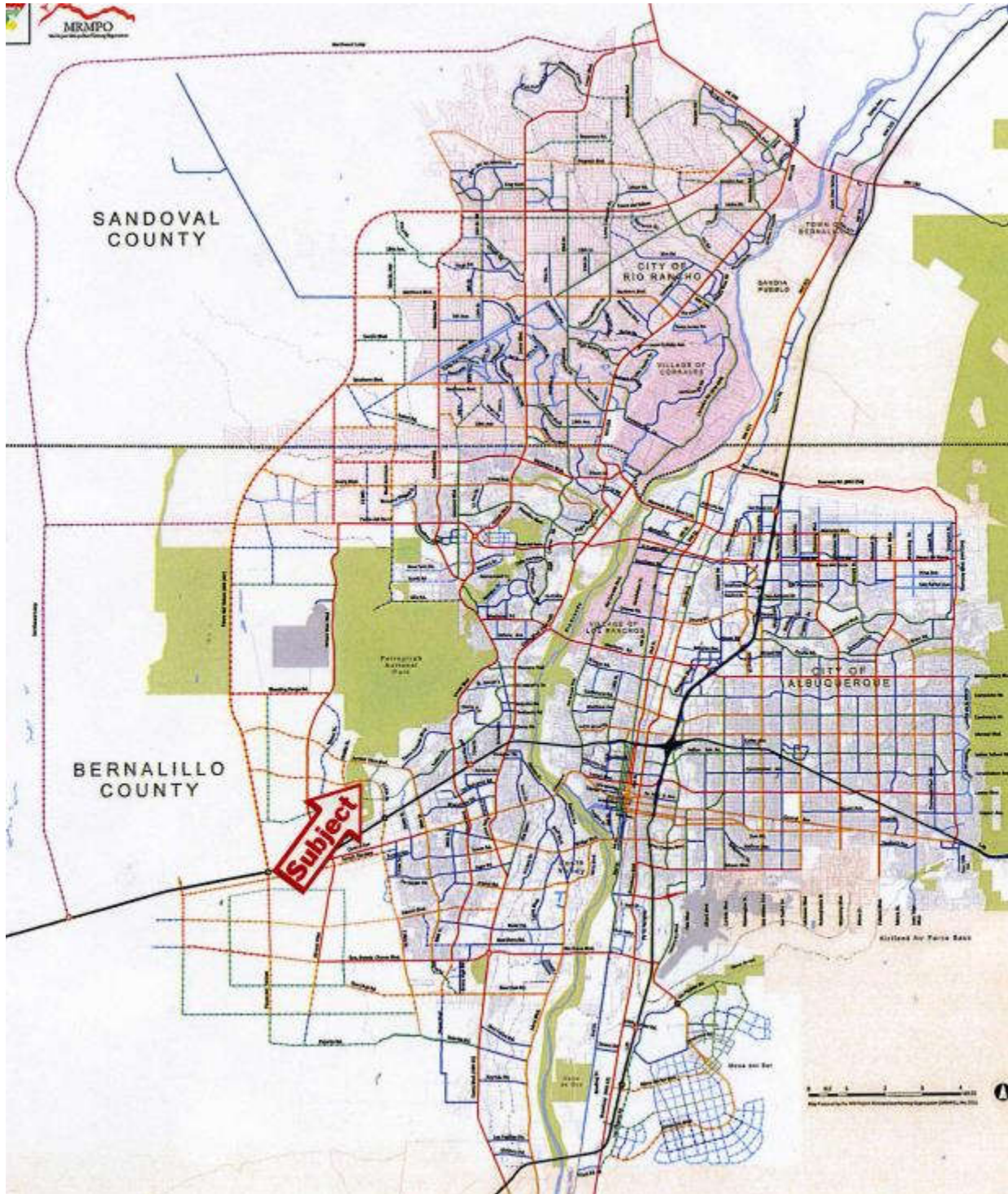
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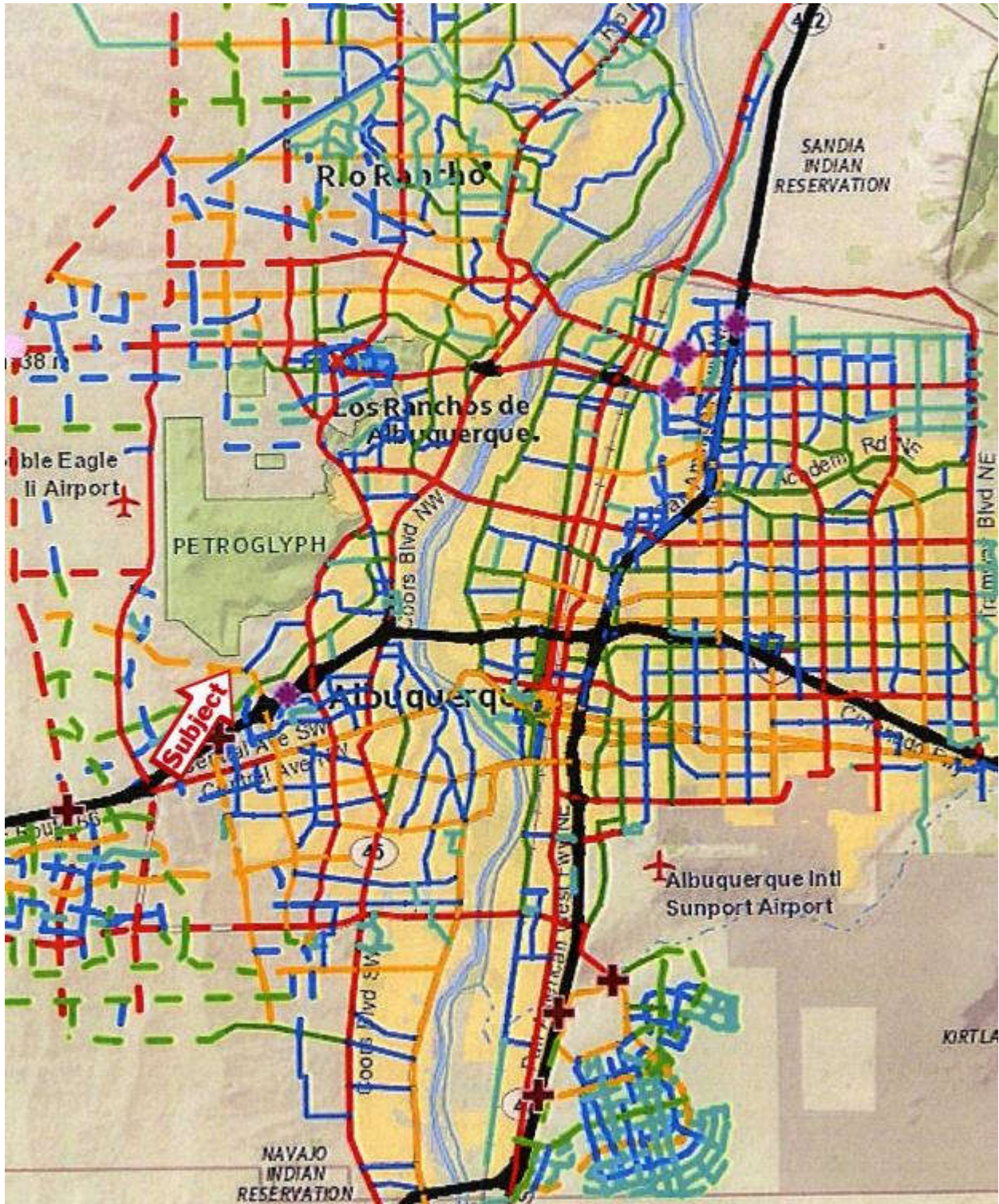
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**ALBUQUERQUE CITY MAP**



**MAJOR ARTERIAL MAP**





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**2020 NEIGHBORHOOD AERIAL VIEW**





**2020 AERIAL ENLARGEMENT**



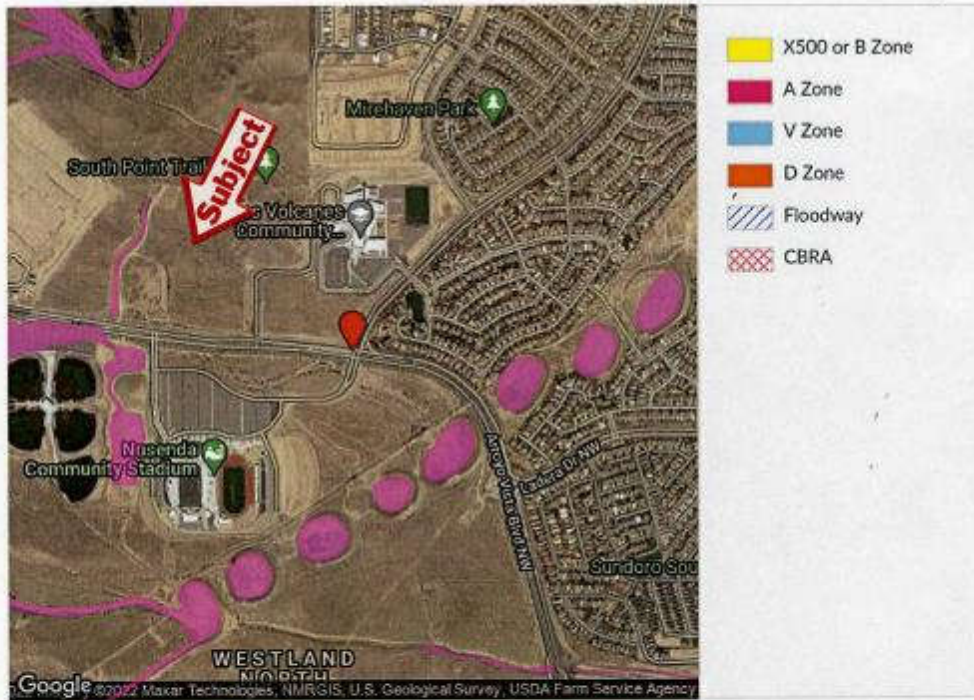
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**FEMA FLOOD MAP**

**Flood Zone Determination Report**

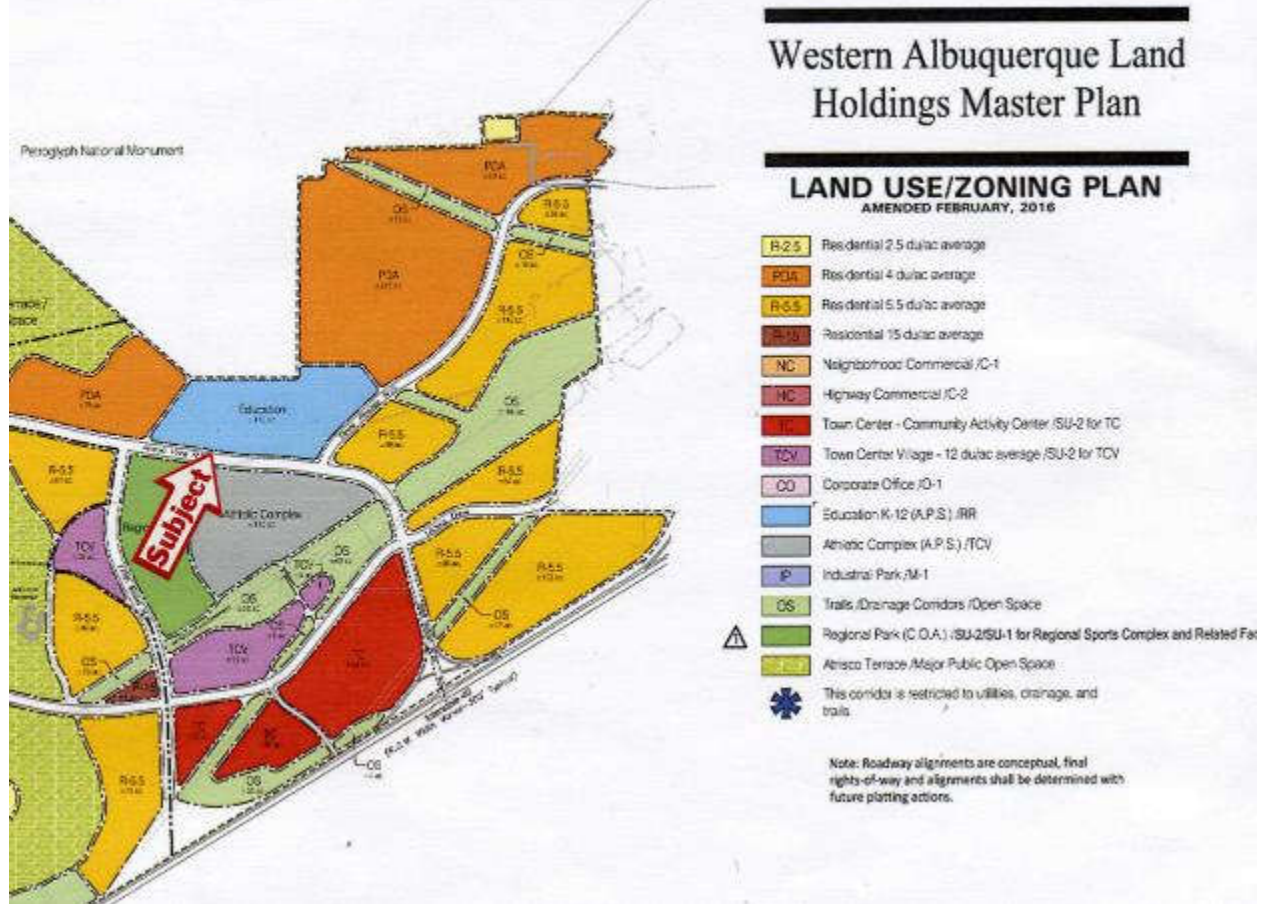
Flood Zone Determination: **OUT**

COMMUNITY	350002	PANEL	0307H
PANEL DATE	August 16, 2012	MAP NUMBER	35001C0307H

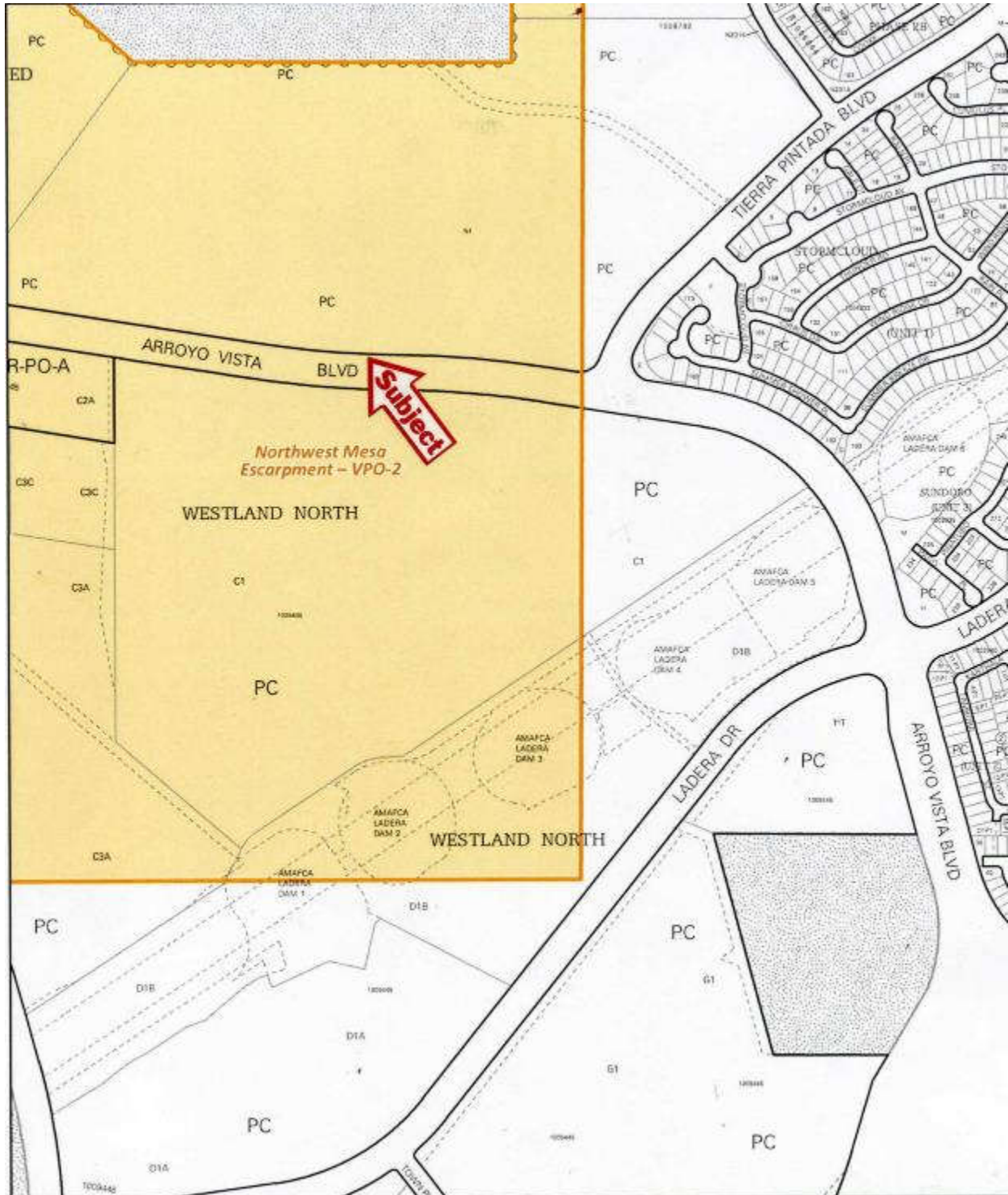


**SECTOR PLAN ZONING MAP – REPLACED BY IDO ZONING**

**APPENDIX A: Western Albuquerque Land Holdings Sector Plan**



**ZONE ATLAS MAP**

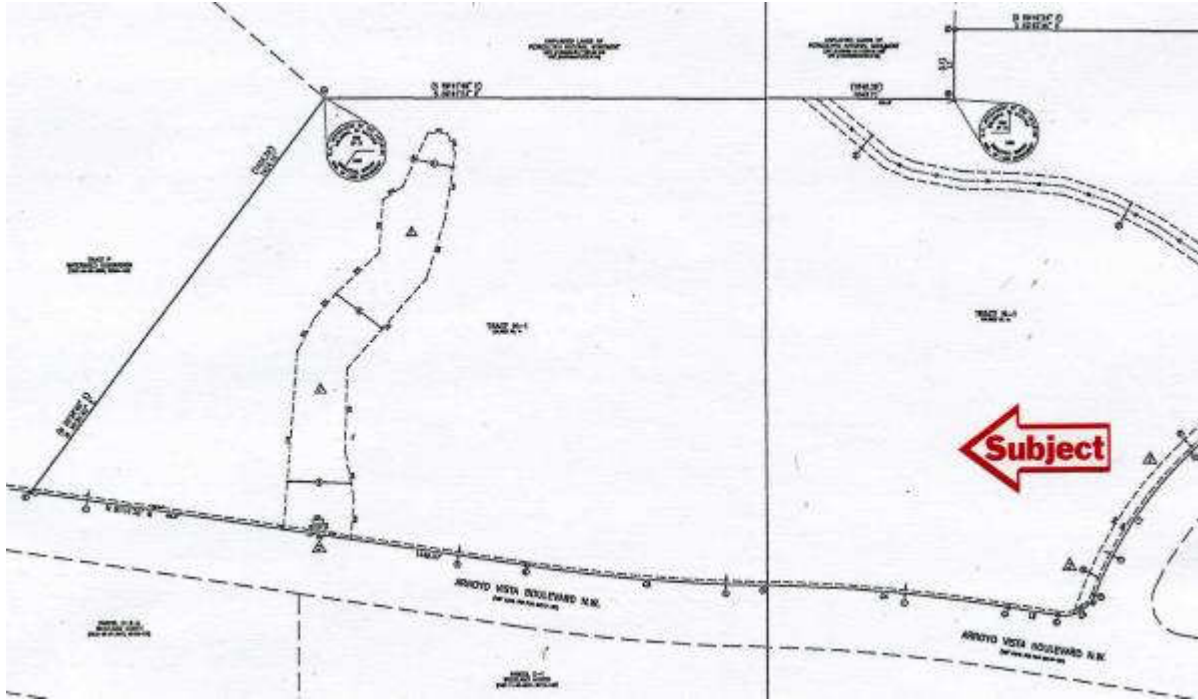


**AREA TOPOGRAPHY MAP**



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**SURVEY OF TRACT N-1**





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**SUBJECT PARCEL AS OUTLINED BY OWNER**





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***SITE VIEWS LOOKING NORTHWEST & NORTHEAST FROM ARROYO VISTA***



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***SITE VIEWS LOOKING NORTHWEST & NORTHEAST AT SITE'S CENTER***



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*Identification Of The Subject Property*

The subject of this appraisal is a parcel of unimproved land located in a west-central position within the city of Albuquerque, in Bernalillo County, New Mexico. Broadly, the subject's location is identified as being in the northwest quadrant of Interstate 40 and 98th Street, the northern extension of which is known as Arroyo Vista Boulevard. Landmarks or prominent improvements in this region of the city are few, but include portions of the Petroglyphs National Monument (volcanic escarpment along parts of the west mesa) and prominent sports facilities consisting of a high school football stadium and adjacent track and field facilities (known as Nusenda Community Stadium) and multiple baseball fields (known as Jennifer Riordan Spark Kindness Sports Complex) located on the south side of Arroyo Vista Boulevard. These freeway, arterial and landmark/property references help to identify the subject's general location within the city.

More specifically, the subject site is located along the north side of Arroyo Vista Boulevard, a short distance west of Tierra Pintada Street. This location places the site immediately north of the sporting facilities identified in the prior paragraph. Apart from the sporting facilities, development in the area is dominated by single-family residential uses, and some supporting improvements. Residential development is dense and nearly 100% built-out in areas east of Arroyo Vista Boulevard up to Tierra Pintada Street, and large areas on the west side of Tierra Pintada Street have also been heavily developed. Supporting improvements like schools and parks are found within the developed sections of the area.

As vacant land, the subject property is not formally named. Prior planning documents identify the land as part of a larger planned "education" project that was possibly to include multiple public schools. To date, only one school has been developed and remaining parts of the land have been considered for alternate uses or disposition. Nonetheless, the land remains under the ownership of Albuquerque Public Schools.

*Legal Description*

The subject land is not precisely defined, but the following legal described provides relevant information.

*The western 60.60 acres of Tract N-1, Watershed Subdivision, As The Same Is Shown And Designated On The Plat Entitled "Correction Plat Of Tracts N-1 And N-2, Watershed Subdivision (A Replat Of Tract N, Watershed Subdivision), Albuquerque, Bernalillo County, New Mexico, April 2011", Filed In The Office Of The County Clerk Of Bernalillo County, New Mexico On May 9, 2012 In Plat Book 2012-C, Page 58.)*

My client provided this legal description or information that led to development of this legal description. This legal description was correlated with recorded plats, property tax records and documents provided by my client. This legal description is accepted as accurate, forming the basis for this appraisal. Any change to this legal description could render this appraisal invalid or make it subject to revision.

*Purpose Of The Appraisal*

The purpose of this appraisal is to estimate the market value of a fee simple title to the subject property, as it is described herein, considering the property to be in "as is" physical condition, as of January 20, 2022, the date of my last off-site inspection of the subject site.

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Within this report, the objective is to present sufficient facts, reasoning and conclusions to support the final estimate of market value on which my client may base decisions as to the most probable price obtainable for the property in an open market transaction. Underlying assumptions, limiting conditions and term definitions governing this report are presented in the addendum and should be referenced. My client did not provide an independent letter of authorization, so there are no supplemental appraisal guidelines, requirements or term definitions to address.

*Client And Intended User Identification*

My initial proposal was provided to, and my assignment was received from, a representative of Albuquerque Public Schools. Therefore, Albuquerque Public Schools is hereby identified as the ***sole and exclusive*** client and intended user for whom this appraisal was prepared and is the entity that may place reliance on it. I know of no other and anticipate no other intended user. I assume no responsibility for use of this appraisal by other than the client and intended user identified herein. Possession of a copy of this report does not infer client or intended user status to the possessor. This stated, I am aware that my client may choose to provide a copy of this appraisal to other parties. This possibility does not require that other parties be identified as intended users.

*Intended Use Of The Appraisal*

Based on discussions with my client, the intended use of the appraisal is as an independent estimate of the market value of a fee simple title to the property described herein that my client may use as an asset management tool related to possible disposition of the subject property. I assume no responsibility for any unintended or unauthorized use of this appraisal report.

*Scope Of Work*

As of July 1, 2006, changes in the Uniform Standards of Professional Appraisal Practice (USPAP) effectively eliminated the terms “Complete” or “Limited” when referring to the development of an appraisal. While these terms can still be used to convey a common understanding of the type of process employed in developing an appraisal, the terms have no formal meaning in relation to appraisal standards (USPAP). Nonetheless, for purposes of simple reference, this appraisal was developed in a way consistent with the general understanding of a Complete Appraisal in that it employs all applicable approaches to estimating market value of the subject site.

The Scope Of Work for this appraisal included generic processes like a periodic gathering of relevant data on the City of Albuquerque; information such as population, employment, and other economic data. Similarly, some of the most prominent sectors of the local real estate market are periodically analyzed for trends related to construction activity, occupancy, sales and rental rate movement. More specifically, the neighborhood in which the subject property is located has been surveyed and both historic development patterns and emerging trends are noted. I have gathered information from governmental agencies related to legal descriptions, recorded plats, legal use information, property tax data, etc., and assembled other factual data from a variety of sources. I have obtained the available property plat or survey documents and made an off-site inspection of the property to serve as the basis for the physical description, analyses, and value estimate presented herein.

For purposes of valuing the subject property, I have made off-site inspections of the property and participated in discussions with the property owner’s representative to try and develop a reliable working knowledge of the site and its physical and functional attributes. I have researched recorded transactions in the subject area and of

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the same property type in expanded areas, researched sales and listing data, and researched the broad economic data related to residential real estate in Albuquerque. All of these data have been analyzed and reconciled in the process of developing the market value estimate for the site. Analyses included considering the subject's physical and functional features, analysis of market data and comparisons of market data to the subject for selection of the most applicable indicators of market value for the subject.

I have not knowingly excluded any pertinent data in the development of the appraisal. However, New Mexico is a non-disclosure state, and parties to sales and leases cannot be compelled to provide information on real estate transactions. Therefore, it is possible that there is pertinent data that has not been included in this appraisal because of non-disclosure issues. It is also possible that data provided to me and relied upon in this appraisal is inaccurate. I have attempted to obtain information from knowledgeable and reliable parties, but I assume no responsibility for the accuracy of such data. I have not knowingly excluded any pertinent steps in the development of this appraisal.

My client has requested the appraisal be presented in an Appraisal Report. As of January 1, 2014, the term "Summary Report" was formally retired by the Appraisal Foundation. However, the term Summary Report may still be used to refer to a style of reporting that appraisal consumers have utilized for many years. Therefore, this Appraisal Report follows what is commonly known as a Summary Report format with regard to the presentation of narratives and market data. The report type does not impact the appraisal process. I have attempted to develop this Appraisal and report in a fashion that satisfies all applicable appraisal standards and my client's expectations.

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Albuquerque City Data

Traditionally, Albuquerque’s single largest source of employment had been various branches of Federal, State and local government. A high percentage of this employment was in defense related jobs at Kirtland Air Force Base, Sandia National Laboratories and the many private contract firms involved in research, development, testing, and the like. Kirtland Air Force Base escaped cuts by B.R.A.C in 1995 and 2005, but government employment has represented less of the city’s total employment picture over time.

Entering 2020, the top employment categories for the Albuquerque metro area were as follows.

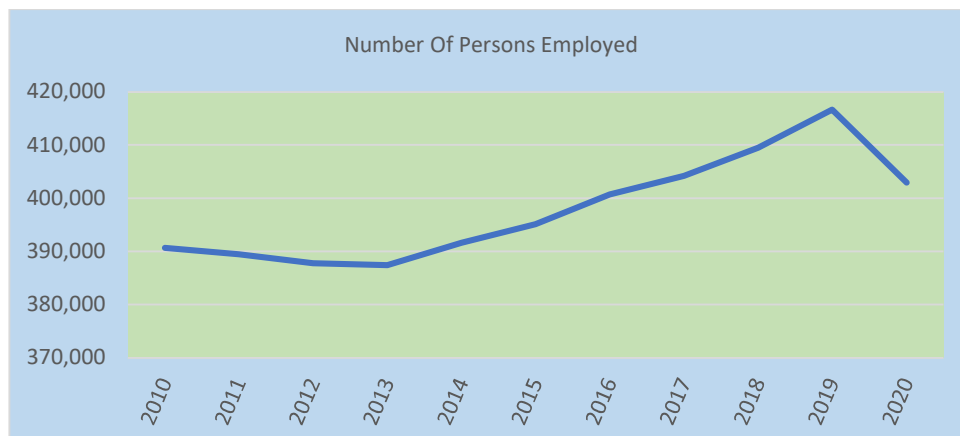
TOP EMPLOYMENT CATEGORIES

TYPE OF EMPLOYMENT	% JOBS
Government (Federal/State/Local)	20.1%
Education & Healthcare	17.0%
Trade (Retail)/Transportation/Utilities	15.8%
Business & Professional	15.8%
Leisure/Hospitality	10.9%

These top five categories account for some 80% of the metro area’s employment. Although relative percentages change slightly from year to year, these categories have remained constant and in essentially the same position for many years. The following chart shows Albuquerque metro area employment levels on a quarterly and annual basis.

ALBUQUERQUE METRO AREA EMPLOYMENT

YEAR	LABOR FORCE	EMPLOYED	UNEMPLOYED	% UNEMP
2011	421,066	389,437	31,629	7.5%
2012	417,517	387,764	29,753	7.1%
2013	415,693	387,442	28,251	6.8%
2014	418,887	391,613	27,274	6.5%
2015	420,836	395,115	25,721	6.1%
2016	426,231	400,675	25,556	6.0%
2017	427,423	404,197	23,226	5.4%
2018	429,405	409,511	19,894	4.6%
2019	436,747	416,701	20,046	4.6%
2020	434,669	402,897	31,772	7.3%



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As the local/national recession set in, job losses started in 2008 and continued through 2012. Comparing the peak employment from 2007 with that of 2012 shows the metro area lost more than 27,000 jobs. Employment growth resumed in 2014 and continued at a modest to moderate pace through 2019, adding almost 30,000 jobs. The COVID19 pandemic and the response by the federal and state government resulted in significant job losses in 2020. With roughly 14,000 jobs lost, this health crisis erased almost half of the jobs created between 2014 and 2019. Despite the ongoing pandemic, there was considerable job recovery that took place in 2021. However, some reluctance to return to the workplace persisted, and a significant labor shortage impacted a more complete recovery.

There are some positive factors taking shape in the market that could be a boost to future employment. The most significant positive factors was Netflix acquiring over 168 acres of land adjacent to their existing studios and plan to expand their operations and add to their existing employment figures. One promising opportunity, the Orion Project, a scientific endeavor for worldwide aerial mapping, was abandoned in late 2021 as financial troubles of made it impossible for the company to move forward with what had been proposed as massive levels of construction and employment.

The city’s top employers provide a very wide variety of employment types. In the main, however, expansion has been heavily related to various types of ‘clean industry’. Examples include manufacturers of computers, microchips, and aircraft systems; technology testing centers, research and development firms, data processing centers; insurance companies, health care companies, reservation centers for hotel and airline companies, and banking, utility and communication companies. Close association of the Albuquerque area with military defense research and development is reflected in a high percentage of business with government related work, much of which is directly related to the D.O.D. and the D.O.E.

ALBUQUERQUE AREA MAJOR EMPLOYERS – 2016

#	EMPLOYER	# EMP	DESCRIPTION
1	Albuquerque Public Schools	14,810	Educational Institution
2	Kirtland Air Force Base	10,125	Government (And Civilian)
3	Sandia National Laboratories	8,400	Research & Development
4	Presbyterian	7,310	Hospital & HMO
5	City of Albuquerque	6,940	Government
6	UNM Hospital	6,021	Hospital
7	State of New Mexico	4,950	Government
8	University of New Mexico	4,210	Educational Institution
9	Lovelace	4,000	Hospital/Medical Services
10	Bernalillo County	2,648	Government

The prior chart of metro Albuquerque’s largest employers was published in 2016. In recent years, many companies moved to keep employee totals secret for security purposes. While the specific employee levels likely change with some regularity, the employment categories and even specific employers likely remain unchanged.

Residential construction and price levels are often good indicators of economic conditions. The following chart shows the area’s single-family residential development trend based on building permits, and changes in the average price of all homes sold via the Albuquerque Board of Realtors’ multiple listing service.

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SINGLE-FAMILY RESIDENTIAL PERMITS & HOME SALES

YEAR	PERMITS	% CHANGE	SOLDS	% CHANGE	AVG. PRICE	% CHANGE
2012	903	+17.73%	8,387	+13.75%	\$204,513	+1.66%
2013	849	-5.98%	9,741	+16.14%	\$210,488	+2.92%
2014	935	+10.13%	9,450	-5.99%	\$212,990	+1.19%
2015	984	+5.24%	10,928	+15.64%	\$215,331	+1.10%
2016	884	-10.16%	11,764	+7.65%	\$224,230	+4.13%
2017	987	+11.65%	12,620	+7.28%	\$235,206	+4.89%
2018	954	-3.34%	13,303	+5.41%	\$241,511	+2.68%
2019	875	-8.28%	13,630	+2.46%	\$260,751	+7.97%
2020	902	+3.09%	14,491	+6.32%	\$286,314	+9.80%
2021	822	-8.87%	14,989	+3.44%	\$336,528	+17.1%

As the effects of the 2007/2008 crises in financial and real estate markets (the Great Recession) waned, the local housing market started recovering in 2010. Building permits rebounded strongly in 2010, 2011 and 2012. Since 2012, permits have bounced up and down, typically within a range of 885 to 985 permits per year. Since 2011, sales of existing homes increased each year, except for a slight dip in 2014. Average sales prices have increased each year since 2011, rising from about \$204,500 in 2012 to about \$336,500 in 2021, an increase of 65%. There were expectations that the pandemic that encompassed almost all of 2020 and 2021 would hurt home sales and/or prices, but the market was buoyed by very low interest rates that home buyers could not resist, and 2020 and 2021 saw the largest increases in average home prices in more than a decade.

Entering 2022, signs are generally positive for residential markets. Low interest rates appear to be keeping demand high. Existing inventories remain low, which contributes to the rise in home prices, and high construction costs drive up the cost of new homes. As the pandemic eases with the broader distribution of vaccines, a rebound in employment should continue to support the housing market. There is also some anecdotal evidence that suggests persons expecting to work partly or fully from home plan to upgrade their housing environment to accommodate a work space within the home, a factor that some say will further support home building and home sale activity.

Entering 2022, the multi-family residential sector appears strong. In the early years of the real estate and financial market crises, apartments suffered elevated vacancy, high turn-over and flat rent rates. In late 2010, the apartment market appeared to be gaining pricing power and apartments appeared to regain appeal as investment properties. The crisis in single-family residential market forced many people to return to the apartment market and some are unlikely to go back to home ownership for many years.

MULTI-FAMILY CONSTRUCTION PERMITS & VALUES

YEAR	# UNITS	% CHANGE	PERMIT VALUE	% CHANGE
2012	741	+190.59%	\$60,597,624	+120.66%
2013	933	+25.91%	\$79,798,349	+31.69%
2014	530	-43.19%	\$31,444,458	-60.60%
2015	95	-82.08%	\$5,545,131	-82.37%
2016	926	+874.74%	N/A	N/A
2017	358	-61.34%	N/A	N/A
2018	214	-40.22%	N/A	N/A
2019	601	+180.84%	N/A	N/A
2020	405	-32.61%	N/A	N/A
2021 Q3	732	N/A	N/A	N/A

Development of just over than 550 units per year (10-year average) lags the level of construction that the city



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can support. As a result, the apartment market has seen consistently high occupancy and concurrent rental rate growth for several years. New construction appears to be ramping up, with plans announced that should result in much higher than average level of permitting and construction in the near-term. Still, the level of new construction is not likely to result in overbuilding or any negative impact on overall occupancy.

Notable in some of the recent apartment construction is the placement of projects in close proximity to concentrated work centers, such as hospitals, and in transportation corridors, such as along Central Avenue on the south side of the city, and in primary office districts, such as Journal Center. These properties have what appear to be locations that will have immediate appeal to nearby workplaces.

Starting in middle 1990s, commercial properties also pulled out of a long “down” period. Nonetheless, there are still problem areas within the commercial sectors. For offices, it is the downtown business district that still suffers with high vacancies and stagnant rental rates. For retail properties, it is the older, smaller, unanchored strip centers that struggle to compete with new shopping centers. Industrial markets have performed best and most consistently in recent years, but the rental market was strained by a significant movement from a rental basis to ownership basis that was facilitated by low interest rates.

COMMERCIAL CONSTRUCTION PERMITS & VALUES

YEAR	# PERMITS	% CHANGE	PERMIT VALUE	% CHANGE
2011	35	-5.41%	\$47,609,373	+8.99%
2012	35	N/C	\$55,133,473	+15.80%
2013	73	+108.57%	\$64,533,897	+17.05%
2014	99	+35.62%	\$97,356,839	+50.86%
2015	89	-10.10%	\$132,430,901	+36.03%
2016	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A

The biggest news in the retail market in many years was the 2006 opening of “Abq Uptown”, a lifestyle center in the northeast quadrant of Albuquerque. The center was built on land adjacent to the Coronado and Winrock Malls, two of the three regional malls in the city. Though offering only about 225,000 square feet of space, the center re-introduced an open-air shopping environment to Albuquerque with a number of high-end retailers and restaurants. The center has proved successful, so much so that modest expansion was undertaken in 2012 and again in 2013. The strength of Abq Uptown and the immediate market spurred the construction on a huge new Target store opposite Abq Uptown. This multi-level Target sells groceries and a full line of retail products. The resumption of redevelopment efforts of Winrock Mall began in 2012, with those efforts accelerating significantly in 2015 through 2017, and slowing in 2018 as redevelopment neared completion.

The Winrock Mall redevelopment is currently the largest project of its type in the city. The project has progressed from the outer edges toward the center in that pad sits on the perimeter of the Winrock mall site have been progressively developed over the past few years with a new multi-screen movie theater and several national-chain restaurants. A huge underground parking garage was being built in 2015/2016, and surface level retail stores were built atop the garage in 2016. Construction of retail stores continue elsewhere on the Winrock campus in 2017. Several national-chain retainers new to the Albuquerque marketplace have located at Winrock, including DSW, Nordstrom Rack, and others. Development continued into 2018, with openings happening as progress continued. Future work will include extensive pedestrian areas, including a park.

Though on a far smaller scale, retail development has continued throughout the city. Projects have tended to

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be small in-line centers that sometimes incorporate a freestanding restaurant. These improvements have mostly been seen in the northeast and northwest quadrants of the city. Following a lengthy period of almost no new retail development, even these smaller projects are positive signs of a firming market. The following chart shows the results of surveys performed by the local offices of Colliers International and CBRE (2016).

RETAIL MARKET VACANCY HISTORY

LOCATION	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q3 '21
<b>Cottonwood</b>	9.9%	7.3%	5.6%	3.6%	3.0%	4.3%	8.1%	11.3%	10.6%	7.9%	8.0%
<b>Downtown</b>	16.5%	17.4%	16.0%	17.9%	25.8%	24.1%	8.0%	15.2%	13.6%	12.9%	9.3%
<b>Far Northeast</b>	7.9%	6.3%	8.0%	5.8%	5.9%	9.7%	7.7%	7.8%	7.6%	8.5%	7.3%
<b>North I-25</b>	6.5%	6.7%	6.3%	2.4%	4.9%	12.1%	11.0%	8.18%	6.7%	5.9%	6.5%
<b>North Valley</b>	9.0%	9.0%	8.5%	8.4%	9.1%	9.3%	7.2%	4.28%	3.0%	3.0%	3.8%
<b>Northeast</b>	15.2%	12.8%	11.6%	9.2%	6.7%	10.0%	6.7%	5.30%	5.6%	6.1%	4.3%
<b>Northwest</b>	6.5%	6.5%	5.5%	4.0%	3.5%	11.4%	7.3%	6.0%	6.1%	7.2%	4.9%
<b>Rio Rancho</b>	6.5%	4.3%	3.8%	5.8%	1.7%	13.1%	10.8%	9.72%	3.6%	6.3%	6.4%
<b>Southeast</b>	7.8%	6.5%	7.8%	8.7%	6.7%	19.1%	11.6%	9.8%	8.6%	7.1%	5.9%
<b>Southwest</b>	10.2%	9.9%	8.5%	15.5%	16.2%	13.1%	9.9%	8.6%	8.7%	10.1%	8.9%
<b>University</b>	6.5%	5.3%	4.1%	4.4%	4.5%	5.0%	4.2%	2.9%	7.4%	4.5%	4.4%
<b>Uptown</b>	10.4%	10.5%	8.8%	8.0%	7.6%	23.8%	2.4%	3.4%	1.2%	1.8%	1.8%
<b>TOTALS</b>	<b>9.4%</b>	<b>8.1%</b>	<b>7.6%</b>	<b>6.6%</b>	<b>6.1%</b>	<b>11.9%</b>	<b>8.1%</b>	<b>7.7%</b>	<b>6.8%</b>	<b>6.6%</b>	<b>5.9%</b>

The Great Recession continued to impact retail property through 2011, but conditions started to improve thereafter. Vacancy rates steadily declined through 2015 before spiking a bit in 2016. The vacancy rate has fallen in each successive year, ending 2020 at 6.5%. The 10 and five-year averages for vacancy in the retail market stand at 7.9% and 8.2%, indicating rather stable performance in recent years. Based on the prior chart, and assuming early 2021 data holds, I think it is reasonable to say the retail market typically operates with a 6% to 8% vacancy rate, though some sub-markets have notable higher and lower vacancy rates.

While there has not been any significant construction in recent years, there has been some shifts in occupancy characteristics. As conventional malls have struggled, former department store spaces have been leased to retailers, such as Michaels, that previously avoided a mall setting, or have been leased to recreation venues that offer everything from game rooms, to trampoline parks, to bowling alleys. As freestanding stores suffered retail tenant losses, they sought new types of tenants. Large national-chain gyms because users of former big-box retail stores, but the COVID19 pandemic hit the fitness industry hard, forcing lengthy closures of gyms and related operations. Despite masks still required for indoor recreational facilities, it appears that this class of use is rebounding and reaching acceptable levels of use.

Office occupancy continues to be negatively impacted by nation-wide economic conditions/trends and some associated corporate downsizing. Most sub-markets recovered very well in the middle 1990s, with occupancy returning to almost 95% by the end of the decade. Additional corporate departures in the late 1990s were accompanied by a trend of private companies and government agencies leaving buildings in which they previously leased space in favor of freestanding buildings built for owner-occupancy or as specific responses to government requests for purpose-built buildings. The trend away from renting in favor of owning was not limited to major corporate or government tenants. The long-term availability of low interest rates induced significant numbers of small space users to leave rental space in favor of owner-occupied space, primarily small condominium units. As a result, the local office market has been struggling through one of its worst periods of prolonged high vacancy. The following chart shows the results of surveys performed by the local office of Colliers International and CBRE (2016).

OFFICE MARKET VACANCY HISTORY

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LOCATION	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q3 '21
<b>Airport</b>	11.8%	15.8%	15.2%	36.6%	36.3%	45.6%	40.2%	38.6%	36.2%	19.9%	5.5%
<b>Downtown</b>	21.1%	21.7%	29.6%	24.9%	22.3%	31.7%	25.3%	23.8%	18.2%	19.3%	18.4%
<b>Far Northeast</b>	14.8%	12.1%	11.6%	11.4%	11.4%	11.6%	13.3%	12.7%	10.2%	9.3%	10.0%
<b>Mesa Del Sol</b>	15.4%	16.1%	16.1%	16.1%	16.1%	26.8%	23.7%	23.7%	23.7%	23.7%	10.2%
<b>North I-25</b>	20.9%	18.5%	14.2%	14.6%	17.6%	14.1%	12.5%	11.0%	10.2%	9.2%	11.2%
<b>Northeast</b>	15.4%	19.3%	19.2%	18.6%	14.4%	24.7%	7.8%	7.1%	4.7%	5.2%	2.3%
<b>Rio Rancho</b>	11.9%	11.7%	11.5%	11.1%	5.8%	26.0%	11.7%	9.0%	15.6%	16.3%	21.3%
<b>Southeast</b>	23.4%	24.0%	23.2%	18.8%	17.4%	10.4%	17.1%	14.5%	13.0%	21.6%	11.1%
<b>University</b>	14.3%	12.5%	11.2%	23.3%	19.9%	32.9%	15.4%	14.4%	9.4%	8.3%	10.5%
<b>Uptown</b>	19.6%	22.3%	21.0%	20.6%	18.6%	20.4%	18.0%	17.5%	15.9%	17.7%	15.3%
<b>West Mesa</b>	30.0%	33.9%	32.0%	35.5%	33.9%	19.1%	27.1%	20.3%	48.9%	48.2%	47.5%
<b>TOTALS</b>	<b>18.5%</b>	<b>18.9%</b>	<b>19.3%</b>	<b>20.9%</b>	<b>19.9%</b>	<b>22.8%</b>	<b>18.8%</b>	<b>17.3%</b>	<b>16.4%</b>	<b>15.9%</b>	<b>14.0%</b>

It is noted that inclusion of sub-lease space would lead to increases in this accounting. These figures have been impacted by some new construction in emerging sub-markets and/or conversions of defunct industrial or retail shells into large office spaces, but new construction has been insufficient to cause these current conditions. Unlike in previous periods of high vacancy, over-building is not to blame. Rather, conditions can be traced to real estate and financial markets that collapsed in 2008 leading to the Great Recession. Albuquerque lost a large number of jobs and job growth was slow to return to the market. Nonetheless, the market has moved off of the peak vacancy rates of nominally 20% to 23% from 2014 through 2016. Vacancy has declined every year since 2016, with the year-end 2020 vacancy rate standing at 15.9%. The 10 and five-year vacancy rates at 18.9% and 18.2% indicate reasonably stable conditions in recent years. Early data from 2021 indicates the downward trend is continuing. A huge component of absorption has been government acquisitions of building that have taken not less than 750,000 square feet of space off the market over the past couple of years.

The city's central business district (Downtown sub-market) is one of the largest and one of the most distressed sub-markets, with vacancy rates in excess of 35% from 2014 through 2019. The notable drop in vacancy in 2020 is mostly the result of the sale of some chronically vacant buildings, one transitioning to a government office and the other slated to have roughly half its rentable area converted to residential space. While several other office sub-markets also reflect high vacancy rates, most are much smaller sub-markets, so the high percentages do not necessarily translate to large amounts of square footage.

The COVID19 pandemic was especially hard on office space, and is expected to remain so. Many government offices have been all but vacant since the first quarter of 2020, as employees were sent to work from home. This also took place in many private offices, partly as a result of shut down orders from local government, and partly as a result of employers striving to keep employees health by having them work from home. Throughout 2020 and continuing in 2021, companies and employees learned how to conduct business remotely, as conventional work and even necessary conferences moved on-line. While some employers/employees are clearly anxious to return to a pre-pandemic work environment, others have seen the benefit of full or partial remote work, allowing employers to reduce their office footprint and related costs, and allowing employees freedom from commutes. As it becomes possible for employees to return to a work environment, it may be that some companies will require more space to accommodate greater social distancing. It is also likely that some companies will retain partial or full work-from-home conditions and be able to reduce their office footprint. As of now, most expect professional and medical offices to face challenges as they try to retain or regain tenants.

Industrial markets were better able to maintain their health, as compared to retail and office markets, during and after the real estate and financial market's collapse and the linger effects of the Great Recession. Vacancy did increase in the 2009 through 2012 timeframe but has steadily declined in the years since. The following chart shows the results of surveys performed by the local offices of Colliers International and CBRE (2016).

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INDUSTRIAL MARKET VACANCY HISTORY

LOCATION	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q3 '21
<b>Airport</b>	18.9%	17.3%	15.1%	12.3%	11.5%	6.3%	2.1%	3.6%	3.0%	1.3%	2.5%
<b>Downtown</b>	12.3%	14.9%	14.2%	15.5%	12.7%	13.4%	3.8%	3.3%	3.0%	1.2%	1.1%
<b>Far Northeast</b>	0.9%	1.9%	0%	0%	0%	0%	1.0%	0.0%	2.0%	0.0%	0.0%
<b>Mesa Del Sol</b>	1.0%	31.9%	31.9%	2.4%	2.4%	0.5%	5.6%	0.0%	0.0%	0.0%	0.0%
<b>North I-25</b>	9.6%	8.3%	7.7%	6.0%	5.3%	7.7%	6.1%	4.2%	2.8%	2.0%	1.4%
<b>North Valley</b>	15.4%	17.5%	17.9%	5.4%	7.3%	7.3%	6.3%	2.6%	1.5%	0.0%	0.0%
<b>Northeast</b>	15.9%	12.9%	13.7%	11.7%	10.6%	1.1%	1.2%	1.5%	1.5%	2.3%	2.4%
<b>Northwest</b>	12.8%	10.3%	3.5%	2.4%	3.5%	6.9%	6.5%	5.2%	4.5%	2.8%	0.8%
<b>Rio Rancho</b>	4.6%	4.1%	4.4%	1.6%	2.2%	1.8%	2.1%	2.3%	1.8%	2.4%	0.9%
<b>Southeast</b>	11.4%	12.9%	11.3%	11.1%	11.0%	9.4%	2.5%	3.2%	2.5%	3.1%	11.4%
<b>Southwest</b>	19.1%	17.9%	19.0%	17.0%	15.3%	5.8%	5.8%	5.0%	5.3%	2.7%	1.6%
<b>University</b>	12.4%	17.2%	24.1%	24.1%	24.1%	0%	3.5%	11.2%	7.7%	2.3%	0.0%
<b>TOTALS</b>	<b>10.3%</b>	<b>10.3%</b>	<b>9.3%</b>	<b>6.9%</b>	<b>6.4%</b>	<b>6.8%</b>	<b>5.0%</b>	<b>3.8%</b>	<b>2.9%</b>	<b>2.5%</b>	<b>1.9%</b>

The 10 and five-year averages for vacancy are 6.4% and 4.2%, reflecting a continuing tightening of the market. Despite the progressive tightening of the market, there has been comparatively little new construction in recent years, clearly not enough to stabilize or reverse the vacancy rate trend. I also note that some large industrial buildings that had been competing in the for rent or sale market have recently sold, a factor that will likely further tighten market conditions. Early data from 2021 shows the downward trend in vacancy continuing. Though high construction costs have curtailed new building, I am aware of several hundred thousand square feet of space in the planning and pre-leasing stages. It is like that such space will be very quickly absorbed.

Perhaps the most notable change in the local industrial market was the move to Albuquerque my Amazon. Amazon has acquired land on the western edge of the city and quickly constructed a five-story distribution center with roughly 2,500,000 square feet. An adjacent building was soon added, bringing the total area utilized to more than 3,000,000 square feet. Amazon still needs additional support building, both on and off-site, and they are seeking to rent or build space near the Albuquerque International Airport.

### City Data Summary And Conclusions

Overall, economic conditions in the Albuquerque area were generally good and improving in the second half of the 2010s, with retail and industrial markets performing best, and the office market showing incremental improvement. Residential markets performed especially well, with new permits, existing home sales, and average home prices all increasing. Population was growing, as was employment. The COVID19 pandemic proved to be a major event for the local economy, and the entire world, in 2020. The pandemic stretched through 2020, 2021 and it remains present entering 2022. While lost jobs was the most obvious effect of the pandemic, the full impact of the pandemic was largely masked by government interventions like direct stimulus payments, enhanced unemployment benefits, and preclusions on evictions and foreclosures. With these forms of government support waning entering 2022, it remains to be seen how the broader economy and real estate markets will respond. At present, the national and local economy is dealing with the Omicron variant surge and an over-stressed healthcare system, and is suffering from labor shortages, significant supply-chain issues, and the highest rates of inflation in decades.

The impact of these individual features of the economy on the subject, or any individual property, is subtle. But, all signs point to a recent past of improving occupancy and performance across all segments of the real estate markets. Through the end of 2021, the true impact of the COVID19 pandemic has been masked, and

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most segments of the market have sustained themselves. Clearly, some segments of the market have been hit harder than other, and some segments have actually flourished. Some sectors are trying hard to figure out how to move forward in an environment that still includes public health concerns/restrictions, and others are experiencing high demand for the very same reasons. Thus, the economy is impacting different segments of the market differently, and even properties within various segments of the market are being impacted in different ways.

*Subject Neighborhood*

Exhibits in the preface show that the subject property is situated on the western fringe of the west-central region of the metro area's concentrated development. The broad area is most commonly known as the "West Mesa", with some sub-areas associated with the names of large subdivisions, geographical features, and the like.

Maps in the preface show the relationship of this neighborhood to prominent developments in the city and the arterial network that is in place and/or planned for Albuquerque. Subsequent prefacing maps begin to focus more closely on the immediate subject area. Neighborhood street maps, aerial photos, and zone atlas maps depict the immediate street and freeway network serving this area, the degree and types of development present within the neighborhood and the designated (zoned) uses for available lands.

For purposes of focusing this discussion on the area most pertinent to the subject property, neighborhood borders have been identified. To the south, Interstate 40 represents a logical and significant physical border. To the east, Unser Boulevard is a main north/south arterial that serves as a logical border. North and west boundaries are defined by topography, with portions of the Petroglyph National Monument and generally rugged and sloped lands creating barriers to land development.

**Existing Development**

As access opportunities have generally moved from east to west, the earliest development in the subject neighborhood took place along and west of the Unser Boulevard Corridor. Starting in the middle to late 1990s, development of subdivisions moved rapidly through the middle 2000s, with the areas closest to I-40 experiencing the most consistent build-out. The real estate and financial market collapse in 2007/2008 brought almost all construction to a halt, leaving hundreds of developed lots within subdivisions languishing for extended periods of time. As markets recovered, the existing inventory of lots was gradually consumed as the existing subdivisions moved to full build-out. In the middle 2010s, the dwindling supply of lots led to development of new subdivisions along the west side of Tierra Pintada Street.

The Mirehaven subdivisions proved to be extremely popular, and the subdivisions have experienced steady development and build-out with new homes. As of this writing, these subdivisions appear to be at or very nearly at 100% built-out. The popularity of the Mirehaven subdivisions prompted additional new development, with a large parcel of land west of Tierra Pintada being bought for a new subdivision. The "Inspiration" subdivisions groundwork began in late 2019 and home construction followed in 2020 and 2021. As of this writing, home building continues in the Inspiration subdivisions, and lot inventory can be expected to last at least another two years (at current building rates).

Throughout the residential subdivisions, east and west of Arroyo Vista Boulevard, there are typical residential support elements, including parks, public schools and some public infrastructure. The most prominent such development is the football stadium and adjacent track and field facility on the south side of Arroyo Vista Boulevard, west of Tierra Pintada Street. Albuquerque Public Schools acquired some 300 acres on the north

and south sides of Arroyo Vista Boulevard, with the southern land designated for a football stadium to be used by multiple public high schools. Construction of the stadium and adjacent field started in early 2012 and the facilities were functioning in 2013. Subsequently, the City of Albuquerque acquired land west of the stadium and eventually constructed five high-quality baseball fields. These facilities are obviously used on a seasonal basis and only at certain times of day.

With the defined neighborhood, commercial development has been limited to the Unser Boulevard Corridor. This is not unusual, because as the number of rooftops thins, the ability to support commercial development is greatly diminished. Land at the southeast corner of Unser Boulevard and Ladera Drive is improved with various retail-commercial improvements, including a Wal-Mart grocery store, a small strip retail building, a couple of fast-food restaurants and a gas station/convenience store. Land opposite these properties to the north is improved with a self-storage facility. Slightly farther north, at Unser Boulevard and Tierra Pintada Street, a mixed-use development on the east side of Unser Boulevard exhibits a Walgreens, a strip retail building, a fast-food restaurant and a couple of bar/restaurant properties. East of the Unser Boulevard frontage, there is a small office building complex, and farther east are assorted industrial-class buildings. While properties along Unser Boulevard have been mostly well sustained, absorption of land and utilization of office and industrial buildings has been a very drawn-out process, and many sites remain unimproved.

### **Neighborhood Access**

Considering the fact that this neighborhood is on the very far west periphery of Albuquerque, it enjoys quite good access via surface streets, and has good freeway access. Evidencing the importance of such access, development is heaviest where access came first.

Interstate 40 is the primary east/west route serving the subject neighborhood. Interstate 40 stretches the entire east/west distance of Albuquerque, and far beyond. In the defined subject neighborhood, I-40 interchanges with Unser Boulevard and 98<sup>th</sup> Street, making it a very useful route to move traffic in and out of the defined neighborhood.

North of I-40, east/west access is concentrated on Ladera Drive. Ladera Drive has a relatively short run, extending west from Coors Boulevard in a winding pattern to and through the east side of the subject neighborhood, ending at 98<sup>th</sup> Street. Aside from passing along the south side of the Ladera Golf Course, Ladera Drive passes through residential neighborhoods, primarily as a four-lane divided boulevard. Ladera Drive intersects with Unser Boulevard and 98<sup>th</sup> Street, the main north/south arterials west of Coors Boulevard, and arterials that interchange with I-40.

As of the middle of 2013, Tierra Pintada Street became a functional east/west roadway between 98<sup>th</sup> Street and Unser Boulevard. Though it covers a short distance, this is an important functional link for the north side of the subject neighborhood. Ladera Drive and Tierra Pintada intersect Arroyo Vista Boulevard at signalized intersections.

North/south access in the neighborhood is limited to two streets, Unser Boulevard and 98<sup>th</sup> Street. Development of these arterials was very haphazard. The southern extension of 98<sup>th</sup> Street from I-40 was developed first, followed by Unser Boulevard north of I-40. Completion of Unser Boulevard south of I-40 took many years and was done in many phases, but was eventually completed as far south as Central Avenue, then beyond. Starting in 2011, the extension of 98<sup>th</sup> Street, then becoming known as Arroyo Vista Boulevard, north of I-40 began concurrent with the beginning of development of the APS stadium project. With the exception of the northern extension of 98<sup>th</sup> Street, all other segments of the main arterials provide continuous linkage into neighborhoods north or south of the subject neighborhood and they form an effective surface street network.

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Obviously, freeway access to this area is very good. Interstate 40 has full interchanges with Unser Boulevard and 98<sup>th</sup> Street. This freeway access makes the downtown central business district very readily accessible via a six to seven mile commute. About seven miles east of the subject neighborhood, I-40 interchanges with I-25, so major east/west and north/south interstate routes are readily accessible. As subsequent traffic count data will show, the western edge of the city is heavily dependent on I-40 for access.

AVERAGE DAILY TRAFFIC COUNTS

LOCATION	2010	2015	2016	2017	2018	2019	2020
Ladera/W Unser	6,500	6,900	7,000	7,200	7,300	8,800	7,000
Ladera/E 98 <sup>th</sup> St.	6,000	7,900	8,000	7,800	6,900	7,200	5,700
Tierra Pintada/W Unser	0	4,700	4,700	7,100	7,200	7,400	6,800
98 <sup>th</sup> St./N I-40	6,300	9,000	9,100	9,300	23,400	24,100	8,200
<b>SUB-TOTAL</b>	<b>18,800</b>	<b>28,500</b>	<b>28,800</b>	<b>31,400</b>	<b>44,800</b>	<b>47,500</b>	<b>27,700</b>
I-40/E 98 <sup>th</sup> Street	60,800	55,300	56,400	62,900	67,400	68,500	51,000
I-40/W 98 <sup>th</sup> Street	34,900	32,900	32,500	35,400	38,200	39,500	28,900
<b>SUB-TOTAL</b>	<b>95,700</b>	<b>88,200</b>	<b>88,900</b>	<b>98,300</b>	<b>105,600</b>	<b>108,000</b>	<b>79,900</b>

This chart shows moderate to good growth in traffic in most locations. Traffic counts reported for 98<sup>th</sup> Street just north of I-40 in 2018 and 2019 appear to be anomalies, as they bear no correlation to earlier or subsequent counts. All traffic counts dropped off in 2020, the first year of the COVID19 pandemic. In much of 2020, there were strict government shutdowns, extensive closures or reduction in operations of private companies, and broad based “stay at home” orders issues by the NM Governor. As vaccinations rolled out in 2021, more normal traffic patterns have returned, but actual counts will not be available for several months.

Overall, the street, and particularly the freeway network, serving the neighborhood is considered good, and clearly the best of any west mesa neighborhood. Since this area has historically had few internal employment opportunities, the ease with which residents can go to/from work centers in other parts of the city is considered very important for the area.

**Neighborhood Growth**

Recent neighborhood growth is almost exclusively residential growth taking the form of the final stages of build-out in establish subdivisions (Mirehaven subdivisions), and the early stages of construction in newly developed subdivisions (Inspiration subdivisions).

Institutional development has taken the form of the baseball field complex in 2017, and the construction of the Tres Volcanes Community Collaborative school in 2018. These facilities were built on the south and north sides of Arroyo Vista Boulevard, respectively.

The newest commercial developments were a Burger King restaurant and a self-storage facility built in the southeast and northeast quadrants of Unser Boulevard and Ladera Drive in 2018. Also in 2018, a strip retail building and adjacent bar/restaurant was built at Unser Boulevard and La Morada Place, and an RV storage facility with covered parking areas was built east of Unser Boulevard along the north side of La Mirada Place. North of the RV storage facility, land was put to use as a small solar farm.

**Summary**

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Overall, the subject neighborhood is considered to be a peripheral residential neighborhood comprised of mostly modern era site-built homes, supporting improvements in the form of public parks and schools, and a modest base of retail, restaurant, office, and light-industrial development. Unique to this neighborhood are prominent sports facilities consisting of five baseball fields, a modern football stadium, and a track and field facility. As the local market recovered from the Great Recession, hundreds of existing residential lots were built on and eventually new subdivisions were developed. New subdivisions have been well received and continue to attract home buyers, even in the era of COVID19. All aspects of the neighborhood benefit from its proximity to Interstate 40, which serves as the primary traffic mover for the neighborhood. Traffic counts dipped concurrent with the onset of the COVID19 pandemic, but have rebounded to a large degree, though statistics are not yet available to quantify the rebound. Overall, I rate the neighborhood as well positioned to enjoy continued residential development, with the potential for small amounts of complimentary uses.

*Specific Subject Location*

The subject site is situated on the north side of Arroyo Vista Boulevard, a short distance west of Tierra Pintada Street. This location gives the site frontage along a six-lane boulevard in proximity to school, sport and residential improvements.

Specifically, the subject abuts a public-school campus to the east, the developing Inspiration subdivisions to the west, and unimproved land to the north. The subject stands across from the various sports facilities previously mentioned on the south side of Arroyo Vista Boulevard. Beyond the abutting and adjacent uses, the subject is close to extensive residential subdivisions and undeveloped land.

Access to the site is good. Arroyo Vista Boulevard extends north from I-40, then veers west, becoming an east/west route. The street may eventually connect to Atrisco Vista Boulevard to the west, but that passage will be through sloped and rugged topography. Arroyo Vista Boulevard intersects with Ladera Drive and Tierra Pintada Street, both of which extend east to Unser Boulevard. Thus, a good network of surface street and I-24 serve the subject's immediate area.

Growth in the immediate area consists of the baseball fields and the public school built in 2018, the on-going final build-out of the Mirehaven subdivisions, and the early stages of home building within the Inspiration subdivisions.

Overall, I think the subject's immediate location is good within the defined neighborhood. The site is easily accessible and is surrounded by new residential, educational and sporting facilities.



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Subject Site Description

Copies of the recorded plat and property outline diagram from my client are presented in the preface for the reader's reference.

**Location:** The north side of Arroyo Vista Boulevard, west of Tierra Pintada Street.

**Size:** Based on the recorded plat, the subject site is a part of a larger 110-acre parcel. The site diagram provided by my client indicates the subject site is the western 60.60 acres of the larger parcel.

**Shape:** The site has semi-rectangular, but irregular, oblong shape. Pertinent dimensions include upwards of 1,500' of frontage along Arroyo Vista Boulevard and site depth of approximately 1,425' along the west property line. Though the site's shape is irregular, there are no overly acute angles or other aspects of the shape that diminish site utility. Based on the overall size of the site, I think the irregularities of its shape are readily absorbed and are not detrimental to the utility of the site,

**Topography:** Observation of the site and reference to topographical maps shows the site incorporates a downward slope from northwest to southeast. The subject site is in an essentially natural state. I have used the Google Earth elevation tool and consulted topographic maps available to me. These are not highly precise methods of identifying the subject's exact topographic features, but they are accurate enough to indicate the subject has a mostly mild downward slope from northwest to southeast, with elevation falling about 60' over the east/west width of the site. My assessment is that, overall, the site has less than a 5 degree slope.

Without doubt, closer examination of the site will reveal areas of steeper slope, as any 60+ acre site will have internal contour and undulations. Nonetheless, for a site of 60+ acres, I consider the topography to be mildly to moderately sloped, but largely free of extreme slopes or other topographic features.

**Flood Zone:** My reading of the FEMA flood map panel #35001C-0307H (from December 2012) shows most of the site is in a Zone "X" (not shaded), defined as "areas determined to be outside 500-year floodplain". A slender arroyo and established drainage path runs north/south through the western part of the site, leading to existing drainage culverts that pass under Arroyo Vista Boulevard to deposit water in retention bays on land owned by the City of Albuquerque. This arroyo alignment is in a Zone "A", defined as "areas subject to inundation by the 1-percent-annual-chance flood event generally determined using approximate methodologies. Because detailed hydraulic analyses have not been performed, no Base Flood Elevations (BFEs) or flood depths are shown. Mandatory flood insurance purchase requirements and floodplain management standards apply." This minor encumbrance is not considered detrimental to site utility.

**Soil:** Absent current or past soil bearing or composition data, this appraisal is predicated on the underlying assumption that the subject site, with customary preparation, is sufficiently stable to support any legal and reasonably probable future improvements. Discovery of any adverse soil conditions could make this appraisal invalid or subject to revision.

**Environmental:** Absent a current Phase I report or other environmental study, this appraisal is predicated on the underlying assumption that there are no above or below ground conditions or contaminants that could negatively impact the value of the land. Discovery of any adverse environmental conditions could make this appraisal invalid or subject to revision.

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**Zoning:** From the early 2000 through the middle of 2018, the subject land was part of the Western Albuquerque Land Holding Sector Development Plan (fka the Westland Sector Development Plan). Under said plan, last revised in 2016, the subject site was identified for “education” use, which is consistent with its ownership by Albuquerque Public Schools. In 2018, the City completely revamped its zoning ordinance, implementing the IDO plan. Under said plan, the subject land, and most surrounding land, is zoned PC for “planned community”. This zoning is only applied to large land areas that may have unique planning needs or opportunities. The zoning allows almost any type of land use, subject to specific use standards that apply to varying uses. Among the legally permissible uses is single-family residential development.

The subject site is impacted by the Northwest Mesa Escarpment Plan. The plan’s main focus is on lands proximate to the volcanic escarpment that exists along parts of the west mesa; lands immediately above and below the escarpment that runs for several miles in northwest Albuquerque. The plan establishes conservation areas, impact areas and view areas. That part of the subject site impacted by the plan is within the “view area”, which the IDO defines as VPO-2. One of the key aspects of the VPO is that no building height can exceed 15’ (or possibly 19’ if a variance is granted). While this height limitation is unlikely to impact single-family home construction, it could be a limiting factor on non-residential development options.

Pertinent sections of the zoning ordinance related to PC zoning and the visual protection overlay (VPO) are reprinted in the addendum for the reader’s reference.

**Utilities:** All standard public/private utilities are found at the edges of the site and are available for extension into the site boundaries. The Albuquerque Bernalillo County Water Utility Authority provides water/sewer/refuse services, and gas, electricity and telecommunication services are provided by private carriers. Services come to the site in standard overhead or underground easements.

**Easements:** The recorded plat shows a 10’ wide public utility easement along the south property line paralleling Arroyo Vista Boulevard. Other easements shown on the plat were temporary or have been otherwise abandoned. Portions of a survey document provided by my client indicate a drainage easement in favor of AMAFCA (granted 2012) runs north/south though the western part of the site, aligning with drainage culverts that pass under Arroyo Vista Boulevard to ponding areas to the south. Absent a detailed title report on the property, this appraisal is predicated on the underlying assumption that there are no unknown detrimental easements impacting the subject site.

**Access:** Legal access to the site is possible from Arroyo Vista Boulevard. Given the length of frontage the site has along said arterial, multiple driveway cuts would almost certainly be approved. Indirect access is possible from abutting land to the east that is under common ownership. Such access might not survive transfer of the subject site to other ownership.

**Streets:** Adjacent to the site, Arroyo Vista Boulevard is a paved, six-lane, median-divided boulevard with bordering concrete curb, gutter and sidewalks. There are openings in the center medians to allow for cross-traffic access, and some such openings are found in front of the subject site, indicating access to/from eastbound Arroyo Vista Boulevard is possible. Arroyo Vista Boulevard currently dead ends a short distance west of the subject site. The street is scheduled to eventually be extended west to Atrisco Vista Boulevard, but such an extension is not likely to happen soon.

**Summary:** Overall, I consider the site to be well suited to development in accordance with underlying zoning, which allows a variety of possible uses, and it is especially well suited for continuation of the single-family residential development seen on abutting land to the west and adjacent land to the northeast. The site exhibits

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mostly mildly sloped topography with a very small flood plain encumbrance that links to existing drainage control infrastructure. The site has extensive street frontage and all standard municipal utility services are immediately available. Aside from inconsequential shape and flood plain issues, I am unaware of any impediments to the use or development of the subject site.

Assessed Value & Property Taxes

The subject is assessed as a part of a larger site, parts of which are improved. The larger parcel is assessed under a single Uniform Property Code number in the name of Albuquerque Public Schools. The following chart shows the assessed market value, the taxable value, and actual taxes for the larger parcel, land only.

UPC #1-008-058-202-441-20201

YEAR	2019	2020	2021
ASSESSED	\$258,500	\$1,916,600	\$1,916,600
TAXABLE	\$86,158	\$638,803	\$638,803
TAXES	\$0	\$0	\$0

The current assessment of \$1,916,600 for 110 acres indicates assessed value of \$17,424 per acre. Assuming a pro-rata allocation to the subject's 60.60 acres, the subject's assessment would be about \$1,056,000. While an offer to purchase and my analysis indicate the assessed market value is far below actual market value, the relative assessment is meaningless because the ownership entity is exempt from ad valorem taxes. If the property were not tax exempt, the current tax rate would indicate a tax burden of \$38,500 per year (approximately). However, a non-exempt owner would be cautioned that a more accurate assessment would likely result in significantly higher taxes.

Prior Sales Of The Subject Property

Investigation of the property revealed that there have been no arms-length transactions of the subject property within the three years leading up to the effective date of this appraisal. The current owner acquired approximately 300 acres, that included the subject site, over a decade ago and there have been no subsequent sales. Therefore, this appraisal has not been influenced by any recent sale(s) of the subject property.

The sale document by which the current owner acquired title granted the seller a "first right of refusal" if the buyer entered into an agreement to sell any or all of the property. The first right of refusal was valid for 10 years. The re-purchase price, if planned infrastructure was complete, was to be the lesser of \$70,000 per acre, or appraised value. The 10-year period expired in early December of 2021.

To the best of my knowledge, the subject site is not now, nor has it recently been, listed on the open market for sale. Nonetheless, in October of 2020, Pulte Homes of New Mexico, Inc. provided the owner with a letter of intent to purchase approximately 65 acres of Tract N-1, the apparent "remainder" of the tract following the owner's construction of a school campus on approximately 45 acres of Tract N-1. The price offered was \$70,000 per acre for the land in "as is" condition. To the best of my knowledge, the L.O.I. did not progress to a purchase agreement, but my client, the landowner, confirmed to me just prior to completion of this assignment that the prospective buyer remains very interested in acquiring the subject land.

My client also confirmed to me that the City of Albuquerque has expressed an interest in acquiring the subject site, though there has been no letter of intent or other formal correspondence to memorialize the City's interest or what price the City would be willing to pay for the site.

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Market Overview

Residential real estate in the metro area had been enjoying very favorable conditions in the middle to late 2010s. The onset of the COVID19 pandemic was a major shock to the economy and most expected it to have a detrimental impact on housing. The opposite turned out to be true, as demand for housing remained strong throughout 2020 and 2021. The following statistics are focused on the Albuquerque metro area.

**Building Permits**

Building permits provide relevant insight into market conditions. The following data reflects the Albuquerque metro area, the dominant components of which are Albuquerque and Rio Rancho.

ALBUQUERQUE METRO SFR PERMITS

YEAR	PERMITS	% CHANGE
2012	1,428	+20.8%
2013	1,457	2.03%
2014	1,576	8.17%
2015	1,645	4.38%
2016	1,632	-0.79%
2017	1,732	6.13%
2018	1,736	0.23%
2019	1,654	-4.72%
2020	2,057	24.37%
2021	2,058	N/C

Permits in the early 2010s were in the middle 1,400s. After a notable rise in 2014, permits bounced within a range of 1,576 to 1,736 from 2015 through 2019. Market pressure finally showed itself in 2020, with permits rising to 2,057, despite the COVID19 pandemic. 2021, the second year of the pandemic, showed that 2020 was not a fluke, as the total number of permits issued in the metro area was essentially unchanged. As will be seen, the increase in permits did not inhibit activity in other aspects of the residential market.

**Existing Home Sales**

The volume of home sales was next to experience changing market conditions.

ALBUQUERQUE METRO SFR SALES

YEAR	SOLDS	% CHANGE
2012	8,387	+13.75%
2013	9,741	+16.14%
2014	9,450	-5.99%
2015	10,928	+15.64%
2016	11,764	+7.65%
2017	12,620	+7.28%
2018	13,303	+5.41%
2019	13,630	+2.46%
2020	14,491	+6.32%
2021*	14,989	+3.44%

\* Projected

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Coming out of the Great Recession, existing home sales have been on a consistent upward trajectory, with the sole exception over the past decade being a modest setback in 2014. That setback was following by two years of very strong gains. Year-end 2021 data is not finalized yet, but preliminary data indicates the increase in existing home sales continued through 2021, with a gain in excess of three percent indicated.

Home prices can sometimes lag other market activity, but they have performed in step with other indicators in recent years.

ALBUQUERQUE METRO SFR AVG PRICES

YEAR	AVG. PRICE	% CHANGE
2012	\$204,513	+1.66%
2013	\$210,488	+2.92%
2014	\$212,990	+1.19%
2015	\$215,331	+1.10%
2016	\$224,230	+4.13%
2017	\$235,206	+4.89%
2018	\$241,511	+2.68%
2019	\$260,751	+7.97%
2020	\$286,314	+9.80%
2021*	\$336,528	+17.54%

\* Projected

From 2012 through 2018, average home price increased every year at rates from just over 1% per year to almost 5% per year. In 2019, average price increased by 8%, and despite the pandemic, average price in 2020 and 2021 increased by 10% and 17%, respectively. In the past three years, average price rose from \$245,511 to \$336,528, an increase of \$91,000, or 37%. Recent rates of increase may well be unsustainable, and it will be some time before enough data is available to indicate whether or not the market can hold these increases.

**Subject Sub-Market**

The immediate subject area has two active subdivisions in varying stages of development and build-out. The Mirehaven subdivision is east/northeast of the subject and has been one of the city’s most popular subdivision over the past several years. Permits have slowed as the project started approaching full build-out, but this should not be interpreted as a sign of diminished appeal or demand. The other subdivisions are the “Inspiration” subdivisions, located west of the subject site. Started in late 2019, the volume of permits issued as of this writing has not risen to a level of capture by published statistics, but observation of aerial photographs indicates that there have a large number of permits issued in 2020 and 2021

AREA PERMIT ACTIVITY

SUBDIVISIONS	2017	2018	2019	2020	2021
Mirehaven	120	172	115	86	86
Inspiration	N/A	N/A	N/A	35*	35*

Appraiser Estimate

Lands immediate east and west of the subject site have been in active subdivision development for anywhere from two to seven years. While Mirehaven subdivisions are almost completely built-out, the Inspiration subdivisions are still in the early stages of build-out. Both projects evidence good levels of demand and together provide good evidence to indicate that housing demand will remain strong in the subject area.

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Highest And Best Use

Prime concerns within a highest and best use study are the legal, physically possible, and economically feasible (profitable) use of land and/or improvements. These elements have been examined as they apply to the subject site, which is presently vacant.

I conclude that the highest and best use of the subject land is for residential development. Factors leading to this conclusion include the following. First, the land's underlying zoning is "PC" for planned community, which allows residential or commercial use, or recreational use (rarely an economic use). Thus, residential use is a legal use of the land. Second, with what appears to be not much more than ordinary site work for a 60+ acre site, the land is physically capable of supporting residential development. Third, it is extremely unlikely that, given the subject's location, there would be demand for anything approaching 60+ acres of commercial land, and lands with similar locations on the periphery of the metro area have an extremely poor record for supporting even far smaller commercial developments. On the other hand, simple observation of nearby development, and development along all edges of the city, shows that residential uses readily consume sites of this size, or more. While I consider it possible that out of a 60+ acre development there might arise need for some neighborhood-scale commercial use, the dominant economic use of the subject site is viewed as being overwhelmingly for residential use. With legal, physically possible, and economic considerations indicating residential use, the final consideration is economic feasibility.

The residential real estate market has been in generally good condition for many years, with both the volume of existing home sales increasing, and the average price of existing home increasing, especially in 2020 and 2021. This is combined with mostly stable demand for new homes, as evidenced by building permits, that increased significantly in 2020 and held said gain throughout 2021. These indicators, along with improving employment and sustained favorable interest rates, appears to have the housing market set for continued growth. The only material headwind the housing market faces is construction costs that has risen rapidly over the past two years and related labor and supply-chain issues that collectively drive costs up, potentially slowing residential demand.

Though the 2011 seller of the larger parcel of which the subject is a part did not seek to reacquire land the buyer had not used and might consider selling, I do not view this as an indictment of the land's appeal. Said seller remains in control of 50,000+ acres of land and reacquisition of the subject's 60 acres may not provide any material benefit. Alternatively, a prominent home building entity that has extensive experience in the subject area has issued a letter of intent to buy, and has confirmed continuing interest with the current owner. As a result, I think that there is good evidence to indicate that were the subject land to be made available on the open market, there would be good interest in acquisition and near-term development of the land.

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Appraisal Procedure

Standard approaches to estimating market value include the depreciated cost approach, the sales comparison approach, and income capitalization approach. While the three approaches may use some common data, the analysis of data is different for each and each approach focuses on a different attribute of property value. Since any analysis can include certain variables, the appraisal process may develop low, high and most probable indications from each study used. A final review of the approaches, in light of each other, is the basis for the final estimate of fair market value.

The depreciated cost approach considers the property from a developer's standpoint. Thus, all aspects of land acquisition, planning costs, construction costs, and financing charges must be considered, as well as the developer's incentive. When "new" cost is estimated, deductions, if appropriate, may be made for areas where the property suffers from depreciation, be it physical, functional, or economic.

The sales comparison approach is essentially a comparison-shopping study that reflects common buyers and sellers. This approach considers the property as an item to be bought or sold like other goods. Common denominators like price per square foot or net/gross income multipliers are used as units of comparison extracted from the sale properties and applied to the subject property. The approach pays particular attention to aspects of quality, condition, size, and potential.

Finally, the capitalization of revenue, usually net revenue, is the basis for the income capitalization approach, which considers real estate as an investment. Prime concerns are the quantity and quality of income that the property can be expected to produce, subject to the anticipated expenses of operating the property. Capitalization of the net income is based on required and desired capital returns.

Applicable Approaches

Because the subject of this valuation analysis is vacant land, certain of the classical approaches to value are not applicable. Since land cannot be reproduced, a depreciation cost approach for the subject property is not relevant and is not used. Although vacant land is sometimes made subject to a lease, this is not common for parcels with the subject's size and orientation. Given that the subject property is not encumbered by a lease, and that none of the relevant transactions found in the subject marketplace were ground leases, I conclude that the income capitalization approach is not applicable because of a lack of land leases in the subject's class of land. Thus, the income capitalization approach is not used in this appraisal. Land value is best estimated through a sales comparison approach, and this is the approach market participants rely on most heavily. This is the sole property valuation approach used in this appraisal.

Sales Comparison Approach

The market value of vacant land is best estimated through a sales comparison process. This process involves analysis of sales of similar lands that have sold within a reasonably proximate period of time. Unit values like price per square foot or price per acre are taken from the sales as indicators for the subject property's market value. If there are significant differences between the sales and subject, and if the market's reaction to the differences can be isolated and demonstrated, then adjustments to the sales can be made. If sound, the adjustments make a sale, or rather its indication of value, more applicable to the subject. Where limited data is available, or adequate support for adjustments cannot be developed, sales may be used in a "raw" form, sometime subject to qualitative (subjective) adjustments.

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**Sales Selection**

The selection of sales applicable to the subject was focused on sales of sites with similar physical attributes, namely site size. While it is most desirable to reference land sales in close proximity to a subject parcel, the shallow market for large land parcels mandates the extension of the search area to a much broader geographic area. For the same reason, I considered sales with slightly older dates of sale, but have been able to restrict the timeframe considered to approximately four-year prior to the effective date of appraisal. Given the constraints on sales of large land parcels, I consider the sales used herein to be the best available for assessing the market value of the subject property.

In keeping with a Summary Report format, the sales are not discussed in individual narratives. Pertinent sales data will be charted for easy reference and analysis, with additional sale details, location maps and aerial photos presented in the addendum.

**Comparable Sales Presentation**

Pertinent data from the sales is presented in the following chart.

COMPARABLE SALE SUMMARY – BY DATE OF SALE

#	ADDRESS	DATE	SIZE	SITE	ZONE	DENSITY	TOPO	SOIL	ROAD	UTIL	\$/SF
1	98 <sup>th</sup> /Colobel	10/26/2016	22.63	Corner	R-LT	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.03
2	Tierra Pintada	04/07/2017	21.40	Interior	R-LT	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.58
3	Universe	06/19/2017	34.84	Interior	SU-2	Low-Mod	Mild	Rocky	Paved	W/S/G/E	\$0.66
4	98 <sup>th</sup> /Colobel	10/26/2017	17.10	Corner	R-LT	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.03
5	27 <sup>th</sup> Street	03/15/2018	46.79	Corner	R-4	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.24
6	Gibson/Barbados	05/31/2019	11.00	Corner	PD	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.02
7	Arroyo Vista/118 <sup>th</sup>	06/14/2019	88.68	Interior	PC	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.42
8	Woodmont	09/17/2019	97.58	Interior	R-ML	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.18
9	Blake	09/27/2021	22.36	Interior	A-1	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$0.81

The sales are studied for possible adjustments.

**Analysis . . . Conditions Of Sale**

The first consideration is “conditions of sale”, which refers to the conditions under which a sale took place. That is, was the seller under some form of distress, or were there unusual financing considerations, etc. It is important to distinguish between sales that take place in a distressed market, versus a sale that is independently distressed. To the best of my knowledge, none of the sales were impacted by atypical conditions of sale that warrant adjustment.

**Expenditures After Sale**

It is sometimes the case that a buyer of property needs to spend funds immediately. Examples including needing to demolish defunct improvements to realize a vacant site. Such expenses effectively increase the cost of the “vacant land” acquisition. To the best of my knowledge, none of the sales were impacted by requisite expenditures after the sale that need to be accounted for in the acquisition price.

While none of the sales required immediate expenditures, Sale #2 included elements that limited development costs for the buyer. In the case of Sale #2, the site had an approved and recorded plat, and the land had been



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graded for streets and individual lots. As with many incomplete subdivisions, the property sat idle for years while local residential markets recovered enough to support new home construction. Despite the wait, this property offered amenities and completed work that the other sales did not. Absent any other considerations, comparing Sale #2 to the other sales suggests the plat and existing groundwork contributed \$0.16 to \$0.56 per square foot, with better support for the upper end of the range. Based on these indications, I will use a -\$0.50 per square foot adjustment for the existing plat and groundwork associated with Sale #2. The adjusted unit price is \$1.08 per square foot.

**Market Conditions – Date Of Sale (Time)**

The sales span a period of about five years from first to the last, plus another few months to the effective date of appraisal. Over such a period, it is possible for market conditions to change in a way that requires an adjustment for date of sale. Unfortunately, the state of the local residential land market and the scarcity of sales of large tracts of land suggests any such change in market conditions, if it exists, could be small.

COMPARABLE SALE SUMMARY – BY DATE OF SALE

#	ADDRESS	DATE	SIZE	SITE	ZONE	DENSITY	TOPO	SOIL	ROAD	UTIL	\$/SF
1	98 <sup>th</sup> /Colobel	10/26/2016	22.63	Corner	R-LT	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.03
2	Tierra Pintada	04/07/2017	21.40	Interior	R-LT	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.08
3	Universe	06/19/2017	34.84	Interior	SU-2	Low-Mod	Mild	Rocky	Paved	W/S/G/E	\$0.66
4	98 <sup>th</sup> /Colobel	10/26/2017	17.10	Corner	R-LT	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.03
5	27 <sup>th</sup> Street	03/15/2018	46.79	Corner	R-4	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.24
6	Gibson/Barbados	05/31/2019	11.00	Corner	PD	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.02
7	Arroyo Vista/118 <sup>th</sup>	06/14/2019	88.68	Interior	PC	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.42
8	Woodmont	09/17/2019	97.58	Interior	R-ML	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.18
9	Blake	09/27/2021	22.36	Interior	A-1	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$0.81

Following the adjustment to Sale #2, the bulk of the sales from 2016 and 2017 show unit prices from \$1.03 to \$1.08 per square foot. The more recent sales in 2018 and 2019 are typically at higher unit prices of \$1.18 to \$1.42 per square foot. The simple mean of sales from 2016 and 2017 is \$0.95 per square foot and the simple mean of sales from 2018 and 2019 is \$1.22 per square foot. Comparison suggests sales from 2016 and 2017 be adjusted by 28%. I have also considered the mean of 2016 and 2017 sales excluding Sale #3, and the mean of 2018 and 2019 sales excluding Sale #6. These means, \$1.05 and \$1.28, suggest appreciation of 22%. Based on these indications, an upward adjustment to 2016 and 2017 sales is deemed reasonable.

I have considered secondary data.

Although the volume of home sales and associated average and median prices have improved in recent years, there is of yet no direct evidence that land values have been impacted.

EXISTING DETACHED SINGLE-FAMILY SALES

ELEMENT	2016	2017	2018	2019	2020	2021*
Total Sales	10,735	11,477	11,975	12,457	13,488	13,508
Avg. Price	\$224,230	\$235,406	\$241,511	\$260,751	\$286,314	\$336,528
Med. Price	\$189,755	\$196,900	\$205,000	\$224,000	\$247,500	\$290,000

\* Preliminary Year-End Data

This chart shows steadily increasing sales volume accompanied by increasing average and median pricing. The increase between average prices in 2016/2017 and 2018/2019 is not as much as is indicated by the land sales

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referenced above, but does show increased demand and higher prices. The change from average prices of 2018/2019 and 2020/2021 is significant, and this implies the strong potential for increasing land values.

Home building permits tell a somewhat different story.

ALBUQUERQUE METRO SFR PERMITS

YEAR	PERMITS	% CHANGE
2016	1,632	-0.79%
2017	1,732	6.13%
2018	1,736	0.23%
2019	1,654	-4.72%
2020	2,057	24.37%
2021	2,058	N/C

Mostly stable building permits for the metro area increased significantly in 2020, and held stable in 2021. Consistent with rising home prices in 2020 and 2021, this data seems supporting of increased demand in the market, which could support increasing land prices.

Increasing permits for new homes, an increasing volume of existing home sales, and increasing prices of existing homes in 2020 and 2021 all seems supportive of appreciation that could influence land prices. This stated, there is another factor to be considered. While the pandemic seems to have fueled demand for housing and significant increases in the cost thereof, it has also helped bring about a significant labor short and supply-chain issues that have significantly increased costs of construction. Data from local contractors and from companies like Marshall & Swift indicates 16% to 25% increase in construction costs over the past 12 to 24 months. Increased construction costs are, in my opinion, an offset to the increases seen in housing demand and average prices of existing homes. Based on this, I conclude that no additional time adjustment is applicable to the land sales considered herein.

Therefore, comparing land sales from 2016/2017 to sales from 2018/2019 shows market appreciation. Secondary data in the form of residential building permits and the sales and pricing of existing homes also supports market appreciation. Based on these indications, I estimate appreciation of 22% from 2016/2017 to 2018/2019, plus 8% from 2018/2019 to the effective date of appraisal. In application, 2016/2017 sales will be adjusted up by 30% and 2018/2019 sales by 8%. I have no data to support an adjustment to the sole sale from 2021.

COMPARABLE SALE SUMMARY – ADJUSTED FOR DATE OF SALE

#	ADDRESS	DATE	SIZE	SITE	ZONE	DENSITY	TOPO	SOIL	ROAD	UTIL	\$/SF
1	98 <sup>th</sup> /Colobel	10/26/2016	22.63	Corner	R-LT	Low-Mod	Mild	Sandy	Paved	W/S/G/E	<b>\$1.34</b>
2	Tierra Pintada	04/07/2017	21.40	Interior	R-LT	Low-Mod	Mild	Sandy	Paved	W/S/G/E	<b>\$1.40</b>
3	Universe	06/19/2017	34.84	Interior	SU-2	Low-Mod	Mild	Rocky	Paved	W/S/G/E	<b>\$0.86</b>
4	98 <sup>th</sup> /Colobel	10/26/2017	17.10	Corner	R-LT	Low-Mod	Mild	Sandy	Paved	W/S/G/E	<b>\$1.34</b>
5	27 <sup>th</sup> Street	03/15/2018	46.79	Corner	R-4	Low-Mod	Mild	Sandy	Paved	W/S/G/E	<b>\$1.34</b>
6	Gibson/Barbados	05/31/2019	11.00	Corner	PD	Low-Mod	Mild	Sandy	Paved	W/S/G/E	<b>\$1.10</b>
7	Arroyo Vista/118 <sup>th</sup>	06/14/2019	88.68	Interior	PC	Low-Mod	Mild	Sandy	Paved	W/S/G/E	<b>\$1.53</b>
8	Woodmont	09/17/2019	97.58	Interior	R-ML	Low-Mod	Mild	Sandy	Paved	W/S/G/E	<b>\$1.27</b>
9	Blake	09/27/2021	22.36	Interior	A-1	Low-Mod	Mild	Sandy	Paved	W/S/G/E	<b>\$0.81</b>

Adjusted unit prices are used for subsequent analyses.

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**Topography & Soil**

All of the sale sites have level to mildly sloped topography, as does the subject property, with the exception of one spot on the site. Most of the sales have soil conditions believed to be typical of the greater metro area. However, Sale #3 is located in an area where considerable volcanic rock is known to be present below the topsoil.

COMPARABLE SALE SUMMARY – BY TOPOGRAPHY/SOIL

#	ADDRESS	DATE	SIZE	SITE	ZONE	DENSITY	TOPO	SOIL	ROAD	UTIL	\$/SF
3	Universe	06/19/2017	34.84	Interior	SU-2	Low-Mod	Mild	Rocky	Paved	W/S/G/E	\$0.86
9	Blake	09/27/2021	22.36	Interior	A-1	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$0.81
6	Gibson/Barbados	05/31/2019	11.00	Corner	PD	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.10
8	Woodmont	09/17/2019	97.58	Interior	R-ML	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.27
1	98 <sup>th</sup> /Colobel	10/26/2016	22.63	Corner	R-LT	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.34
4	98 <sup>th</sup> /Colobel	10/26/2017	17.10	Corner	R-LT	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.34
5	27 <sup>th</sup> Street	03/15/2018	46.79	Corner	R-4	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.34
2	Tierra Pintada	04/07/2017	21.40	Interior	R-LT	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.40
7	Arroyo Vista/118 <sup>th</sup>	06/14/2019	88.68	Interior	PC	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.53

Based on the prior chart, the site known to have rocky conditions brought considerably less than the other sales, most of which have direct or adjusted unit prices from \$1.27 to \$1.40 per square foot. Comparing Sale #3 to this grouping of sales suggest an upward adjustment from 48% to 63% for soil conditions. Based on these indications, a 55% adjustment will be used, resulting in an adjusted unit price of \$1.33 per square foot.

**Road & Utility Infrastructure**

Road and utility infrastructure is influential, because costs of extending roads and utilities can add substantially to the cost of raw land. To the best of my knowledge, all of the sales sites were served by paved roads and had standard municipal utility serves along their perimeter or in immediate proximity. Therefore, I find no basis for an adjustment for road and utility infrastructure.

**Site Size**

The sale sites range from about 11 to 98 acres in size. It is often the case that large sites bring lower unit prices than otherwise similar small sites, reflective the influence of economy of scale. The following charts show the sales sorted by size.

COMPARABLE SALE SUMMARY – BY SITE SIZE

#	ADDRESS	DATE	SIZE	SITE	ZONE	DENSITY	TOPO	SOIL	ROAD	UTIL	\$/SF
6	Gibson/Barbados	05/31/2019	11.00	Corner	PD	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.10
4	98 <sup>th</sup> /Colobel	10/26/2017	17.10	Corner	R-LT	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.34
2	Tierra Pintada	04/07/2017	21.40	Interior	R-LT	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.40
9	Blake	09/27/2021	22.36	Interior	A-1	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$0.81
1	98 <sup>th</sup> /Colobel	10/26/2016	22.63	Corner	R-LT	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.34
3	Universe	06/19/2017	34.84	Interior	SU-2	Low-Mod	Mild	Rocky	Paved	W/S/G/E	\$1.33
5	27 <sup>th</sup> Street	03/15/2018	46.79	Corner	R-4	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.34
7	Arroyo Vista/118 <sup>th</sup>	06/14/2019	88.68	Interior	PC	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.53
8	Woodmont	09/17/2019	97.58	Interior	R-ML	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.27

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Sales from 11 to 98 acres in size are seen to have mostly similar unit prices, suggesting relative size within this range is not influential on pricing. The exception is the smallest sale, which in atypical fashion brought the lowest unit price. In some ways this is not overly surprising, as development of subdivision improvements is a significant undertaking and an ability to amortize some costs over a larger piece of land can make a larger site more cost effective to develop, and thus worth more in its raw condition. Comparing the \$1.10 indication from Sale #6 to the simple mean of all other sales (\$1.36), indicates a 24% size adjustment would be reasonable. In application, I will use a rounded 25% adjustment, bringing Sale #6 to \$1.38 per square foot.

**Development Density**

Development density can obviously influence land values. If a developer can only built one house per acre, it stands to reason that the land would command less than land that could support six homes per acre. All of the sale properties have zoning that allows low to moderate density. The differences between the zonings are not sufficient to observe/extract an adjustment related to development density.

**Location**

Location can be influential on real estate values. For residential properties, accessibility, proximity to retail services, proximity to work-centers, proximity to schools are prime concerns. The sales are re-tabulated by adjusted price per square foot for purposes of this assessment.

COMPARABLE SALE SUMMARY – BY LOCATION

#	ADDRESS	DATE	SIZE	SITE	ZONE	DENSITY	TOPO	SOIL	ROAD	UTIL	\$/SF
9	Blake	09/27/2021	22.36	Interior	A-1	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$0.81
8	Woodmont	09/17/2019	97.58	Interior	R-ML	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.27
3	Universe	06/19/2017	34.84	Interior	SU-2	Low-Mod	Mild	Rocky	Paved	W/S/G/E	\$1.33
4	98 <sup>th</sup> /Colobel	10/26/2017	17.10	Corner	R-LT	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.34
1	98 <sup>th</sup> /Colobel	10/26/2016	22.63	Corner	R-LT	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.34
5	27 <sup>th</sup> Street	03/15/2018	46.79	Corner	R-4	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.34
6	Gibson/Barbados	05/31/2019	11.00	Corner	PD	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.38
2	Tierra Pintada	04/07/2017	21.40	Interior	R-LT	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.40
7	Arroyo Vista/118 <sup>th</sup>	06/14/2019	88.68	Interior	PC	Low-Mod	Mild	Sandy	Paved	W/S/G/E	\$1.53

Sales shows a range of unit prices from \$0.81 to \$1.53 per square foot, with eight of the nine sales indicating \$1.27 to \$1.53 per square foot. With the exception of Sale #9, the land sales are all located in “newer” and/or still emerging neighborhoods. Sale #9, on the other hand, is located in an area of mostly older homes and considerable mobile home park development and modular home subdivisions. The impact of the ages and types of development surrounding Sale #9 appear highly influential. Comparing the unit price from Sale #9 to that of the other sales indicates a location adjustment from 57% to 89%. Based on the mean of the other eight sales, an adjustment of 70% is considered most applicable. A 70% location adjustment brings the indication from Sale #9 to \$1.38 per square foot.

**Application Of Adjustments**

Based on analysis of the relevant market data, I conclude that there is adequate support for some adjustments. The following chart shows the sales with all adjustments applied, sorted by price per square foot.

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COMPARABLE SALE SUMMARY – BY ADJUSTED LOT PRICE

#	ADDRESS	\$/SF	\$/SF	\$/SF	DATE	SIZE	DENSITY	TOPO	SOIL	RD/UTIL	LOCATION	\$/SF
8	Woodmont	\$1.18			+\$0.09							\$1.27
3	Universe	\$0.66			+\$0.20				+\$0.47			\$1.33
4	98 <sup>th</sup> /Colobel	\$1.03			+\$0.31							\$1.34
1	98 <sup>th</sup> /Colobel	\$1.03			+\$0.31							\$1.34
5	27 <sup>th</sup> Street	\$1.24			+\$0.10							\$1.34
6	Gibson/Barbados	\$1.02			+\$0.08	+\$0.28						\$1.38
9	Blake	\$0.81									+\$0.57	\$1.38
2	Tierra Pintada	\$1.58		-\$0.50	+\$0.32							\$1.40
7	Arroyo Vista/118 <sup>th</sup>	\$1.42			+\$0.11							\$1.53

After quantitative adjustments, the sales indicate a range of \$1.27 to \$1.53 per square foot, with nine sales yielding a simple mean of \$1.37 per square foot. With seven of the nine sales showing \$1.33 to \$1.40 per square foot, the mean is a potentially reliable conclusion. This stated, the subject site abuts Sale #7 and Sale #7 is deemed to be the single best comparable sale. Though the indicated conclusion is above the simple mean of the sales, the comparability of Sale #7 overrides reliance on the mean and leads me to a preliminary conclusion of \$1.53 per square foot.

This preliminary conclusion is subject to reconsideration of infrastructure. Sale #7 had street and utility improvements expended to its southeast corner. To develop the land, the owner was required to extend the street and utility services the full length of the site’s south property line fronting Arroyo Vista Boulevard (a distance of about 2,100 lineal feet). I have estimated extension costs at \$150 to \$200 per lineal foot, or \$315,000 to \$420,000, and reconciled to \$400,000. This equates to about \$4,500 per acre, or about \$0.10 per square foot. Because the subject has full road and utility infrastructure in place, I think an adjustment of \$.010 per square foot is applicable. The subject site also benefits from some drainage control infrastructure, and because of this I have rounded the \$1.63 per square foot indication to \$1.65 per square foot as my final estimate. The estimate of \$1.65 per square foot equates to \$71,874 per acre.

The final consideration is the October 2020 offer to purchase the subject site. The offer was extended by a prominent home developer, one heavily engaged in development in the subject area. The offer was made in the amount of \$70,000 per acre for approximately 65 acres. The purpose of an appraisal is not to confirm or negate an offer or even a pending sale, but the offer made slightly more than one year ago from a buyer intimately familiar with the subject market is highly relevant. While this offer is not sufficient evidence for me to alter my estimate of land value, I do consider it entirely supportive of my independent estimate.

Market Value Conclusion

The prior analyses indicate a unit value of \$1.65 per square foot, or \$71,900 per acre (rounded), is applicable to the subject site.

Estimated Unit Value	\$	71,900
<u>Subject Site Area</u>	<u>X</u>	<u>60.60</u>
Indicated Site Value	\$	4,357,140

Incidental rounding of a figure of this magnitude is to \$4,350,000.

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Therefore, based on the best available sales, my inspection of the subject property, and analysis of pertinent data, I estimate the market value of property, as described herein, to be \$4,350,000, in “as is” physical condition, as of January 20, 2022.

*Exposure Time*

Exposure time is the theoretical time a property would have had to be exposed to the market, prior to the date of appraisal, to realize a sale at or near the appraised value. Estimating exposure time is made difficult by several factors. The motivations of buyers and sellers can be very strong or just passing. Listing prices can be set excessively high and discourage all inquiries. And conditions impacting the overall market or certain sub-markets can be very influential. The ability of any or all of these elements to change quickly is also a factor.

The marketing efforts of listing agents or sellers are also a large variable. For example, properties are often not listed by a real estate brokerage firm. Such sale-by-owner attempts usually do not access avenues of marketing and exposure readily available to the professional salesperson. Further, such properties are often not well identified by signs, and often do not have responses ready for inquiries. Various examples indicate that marketing effort(s) are a critical variable in real estate, and that with such marketing efforts in the marketplace, exposure time is, essentially, impossible to estimate. That is, examination of properties that are not being reasonably marketed is meaningless.

Overall, my analysis of the subject property and market suggest an exposure period of not less than six months, and probably not more than 12 months, with proper professional marketing. This estimate of exposure time assumes that if the property had been placed on the market for sale, that it would have been listed with a qualified commercial broker, that it would have been actively marketed through all reasonably available sources, that the asking price would not have been inflated, and that the seller would have responded promptly to all offers made on the property. Failure to properly expose the property would conflict with estimates of value and exposure time expressed within this report and may render them invalid.

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Certification

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

- the statements of fact contained in this report are true and correct;
- the report analyses, opinions, and conclusions are limited only by the reported assumptions, extraordinary assumptions, limiting conditions and hypothetical conditions, and are my personal, unbiased professional analyses, opinions and conclusions;
- I have performed no services (appraisal or otherwise) regarding the subject property within the three-year period immediately preceding acceptance this assignment;
- I have no present or prospective interest in the property appraised that is the subject of this report and no personal interest with respect to the parties involved;
- I have no bias with respect to the property appraised that is the subject of this report or to the parties involved with this assignment;
- the engagement of this assignment was not based on or contingent upon developing or reporting a requested minimum valuation, a specific valuation, approval of a loan, the occurrence of any subsequent event, or any other predetermined result;
- the compensation for completing this assignment was not based on or contingent upon developing or of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, of 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 conformance with the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute;
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformance with 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;
- as of the date of this report, Bryan E. Godfrey, MAI has completed the requirements under the continuing education program of the Appraisal Institute;
- my contractual agreement with my client does not authorize the out of context quoting from or partial reprinting of this appraisal report, nor does it permit all or any part of this appraisal report to be disseminated to the general public by the use of media for public communication without my written consent;
- Bryan E. Godfrey, MAI has made a personal inspection of the appraised property;
- no one provided significant professional appraisal assistance to me in preparing this report.

This certification is prepared specifically for the appraisal of nominally 60 acres of land on Arroyo Vista Boulevard, west of Tierra Pintada Street, in the northwest quadrant of Albuquerque, in Bernalillo County, New Mexico.

Respectfully submitted,



Bryan E. Godfrey, MAI, State Certified General Appraiser #G-192

**UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS**

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Opinions of value and/or other conclusions contained in this appraisal report are based on the following basic assumptions and limiting conditions.

1. This report is based in part upon information carefully selected from a variety of sources, including public records and other sources deemed to be reliable. While a reasonable effort has been made to verify such information, the appraiser for its accuracy assumes no responsibility.
2. Legal descriptions of the property were furnished by my Client, or were obtained from public records, and are assumed to be accurate. Plans, sketches, aerial photography, and the like included in this report are intended only to assist the reader in visualizing the property and are not to be construed as engineering drawings or surveys unless so identified.
3. Property proposed for construction has been examined to the extent possible. Available plans and specifications have been examined and conclusions based on such examination reported herein. I assume no responsibility for the quantity or quality of such material provided to me and I restrict my analyses and conclusions to information so obtained.
4. The appraiser assumes no responsibility for matters legal in nature, nor does the appraiser render any opinion as to the property title, which is assumed to be marketable. Unless otherwise stated within the report, any and all liens and encumbrances have been disregarded and the property appraised as though free and clear under responsible ownership and competent management.
5. I assume that all applicable zoning and use regulations and restrictions have been complied with unless non-conformity has been stated, defined, and considered in this report.
6. I assume that all required licenses, consents, or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value opinion contained within this report is based.
7. I assume that the utilization of the land and improvements of the subject is within the boundaries or property lines described and that there is no encroachment or trespass unless otherwise noted within the report.
8. I assume that there is full compliance with applicable federal, state, and local environmental regulations and laws unless non-compliance is stated, defined, and considered in this report.
9. No soil borings or analyses have been made of the subject. I assume that soil conditions are adequate to support standard construction consistent with the highest and best use as stated in this report, and that there are no surface or sub-surface conditions or contaminants present that would materially impact value.
10. No responsibility is assumed for engineering matters, mechanical or structural. Good mechanical and structural condition is assumed to exist.
11. I did not observe, during inspection of the subject, any materials considered to be hazardous including, but not limited to, asbestos, urea formaldehyde foam insulation, and aluminum wiring. However, no guarantees against the presence of such hazardous materials are implied by this report.



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12. No environmental impact studies were either requested or conducted in conjunction with this appraisal and the appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions bases on any subsequent environmental impact studies, research, or investigation.

13. This appraisal report was prepared for the confidential use of the Client for the purpose specified and must not be used in any other manner. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used by anyone but the Client and Intended User(s), for any purpose, without the written consent of the Client and the Appraiser, and in any event, only with the proper qualification.

14. The appraiser is not required to provide further consultation nor to appear or give testimony before any Court or Tribunal with reference to this report and/or the property in question unless previous arrangements have been made therefore.

15. This appraisal report and/or valuations stated herein shall not be relied upon or utilized in any matters pertaining to any syndication, or any State or Federal Securities and Exchange Commission registrations.

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

Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which the appraiser is connected or reference to the Appraisal Institute or the MAI designation) shall be disseminated to the public through advertising media, any public relations media, news media, sales media or any other public means of communication without the prior written consent of the appraiser(s).

**COMMON DEFINITIONS AND RESTRICTIONS**

**Market Value** . . . “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 interest;
- 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 paid for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

(Source: Financial Institutions Recovery, Reform, and Enforcement Act of 1989 (FIRREA), Title 12 CFR, Part 34.42(g))

**“As Is” Market Value** . . . “The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal’s effective date.”

(Source: Interagency Appraisal & Evaluation Guidelines, Department of Treasury, 2010)

**Prospective Opinion Of Value** . . . “A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.”

**Fee Simple Title** . . . “Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.”

**Leased Fee Estate** . . . “An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; usually consists of the right to receive rent and the right to repossession at the termination of the lease.”

**Leasehold Estate** . . . “The right to use and occupy real estate for a stated term and under certain conditions; conveyed by a lease.”

**Highest And Best Use** . . . “The reasonable and probable use that supports the highest present value of land or improved property, as defined, as of the date of appraisal.”

**Cash Equivalent** . . . “A price expressed in terms of cash, as distinguished from a price which is expressed all or partly in terms of the face amounts of notes or other securities which cannot be sold at face.”

(Source: The Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, 1984 & 2010)

**QUALIFICATIONS OF BRYAN E. GODFREY, MAI  
REAL ESTATE APPRAISER**

**BASIC EDUCATION**

Highland High School, Albuquerque, Graduated 1977  
University of New Mexico, Albuquerque, B.A. 1983

**RECENT SPECIALIZED EDUCATION**

Evaluating Commercial Construction, September 2012  
Practical Linear Regression, October 2012  
Regression Analysis, April 2014  
Business Practices & Ethics, January 2016  
Uniform Standards OF Professional Appraisal Practice (Update), January 2016  
Eminent Domain & Condemnation, April 2016  
Supporting The Work File, April 2016  
Uniform Appraisal Standards For Federal Land Acquisition (Yellow Book), July 2017  
Uniform Standards OF Professional Appraisal Practice (Update), April 2018  
How Tenants Create Or Destroy Value, November 2019  
Uniform Standards OF Professional Appraisal Practice (Update), January 2020  
Eminent Domain & Condemnation, April 2020  
Comparative Analysis, April 2020  
Uniform Standards OF Professional Appraisal Practice (Update), January 2022

**PROFESSIONAL EXPERIENCE**

Real Estate Appraiser, Godfrey Appraisal Services, Inc., since 1976  
Appraisal Witness Before Albuquerque City Zoning Commission  
Appraisal Expert Witness Before NM District Court

**SAMPLE CLIENTELE**

State of New Mexico  
Cities of Albuquerque & Rio Rancho  
Counties of Bernalillo & Sandoval  
Native American Pueblos  
Attorneys At Law  
Real Estate Investment Trusts  
Banks, Mortgage Companies, and Savings And Loans  
Private Lending-Investment Institutions  
Insurance Companies  
Private Individuals and Corporations

**PROFESSIONAL MEMBERSHIPS**

The Appraisal Institute [MAI #8030], 1988  
State Of New Mexico, Certified Real Estate Appraiser [#00192-G]

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**LAND SALE #1**

DB #: 1 ID #: 13464C City: ABQ Doc: SWD Rec #: 16-101315  
Street Name: 98TH/COLOBEL Quad: SW Zoning Map: N 9  
Subdivision: LD SALAZAR FAMILY Block: TRACT Lot: A1B1  
Seller: SALAZAR FAMI Buyer: LGI HOMES Date: 10/26/16  
Square Feet: 1,077,248 Acres: 24.73 End Use: LOTS  
Zoning: R-LT Site: COR Imp: CP Util: WSGE Topo: LEVEL  
Sale Price: \$ 1,008,295 DOM: Pr/Sft: \$ 0.94 Pr/Ac: \$ 40,772  
Downpayment: 100% Rate: Term: Special:  
Comments: FIRST PHASE OF 2 PHASE SALE. NEXT AT \$45k/ACRE. AREA NET  
OF PERIMETER STREETS IS 22.63 ACRES = \$1.03 PER SQUARE FOOT.



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**LAND SALE #2**

DB #: 2263 ID #: 13477C City: ABQ Doc: SWD Rec #: 17- 33461  
Street Name: TIERRA PINTADA Quad: NW Zoning Map: H 9  
Subdivision: STORMCLOUD Block: TRACT Lot: A  
Seller: W.A.L.H. Buyer: EIGHT GRADYS Date: 04/07/17  
Square Feet: 932,345 Acres: 21.40 End Use: LOTS  
Zoning: R-LT Site: INT Imp: CSP Util: WSGE Topo: LEVEL  
Sale Price: \$ 1,470,000 DOM: Pr/Sft: \$ 1.58 Pr/Ac: \$ 68,680  
Downpayment: 100% Rate: Term: Special:  
Comments: SALE INCLUDED APPROVED PLAT.



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**LAND SALE #3**

DB #: 2264 ID #: 13478C City: ABQ Doc: SWD Rec #: 17- 58420  
Street Name: UNIVERSE Quad: NW Zoning Map: C10  
Subdivision: THE TRAILS Block: TRACTS Lot: 1-4  
Seller: CML-NM ONE Buyer: TRAILS UNIV. Date: 06/19/17  
Square Feet: 1,517,630 Acres: 34.84 End Use: LOTS  
Zoning: SU-2 Site: INT Imp: P Util: WSGE Topo: LEVEL  
Sale Price: \$ 1,000,000 DOM: Pr/Sft: \$ 0.66 Pr/Ac: \$ 28,703  
Downpayment: 100% Rate: Term: Special:  
Comments: LAND IN AREA WHERE VOLCANIC ROCK IS PRESENT.



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**LAND SALE #4**

DB #: 2338 ID #: 13552C City: ABQ Doc: SWD Rec #: 17-102760  
Street Name: 98TH/COLOBEL Quad: SW Zoning Map: N 9  
Subdivision: DESERT SANDS Block: TRACTA Lot: UNIT 1  
Seller: SALAZAR FMLY Buyer: LGI HOMES Date: 10/26/17  
Square Feet: 744,715 Acres: 17.10 End Use: LOTS  
Zoning: R-LT Site: COR Imp: CSP Util: WSGE Topo: LEVEL  
Sale Price: \$ 769,334 DOM: Pr/Sft: \$ 1.03 Pr/Ac: \$ 45,000  
Downpayment: 100% Rate: Term: Special:  
Comments: 2ND PT OF 2 PT SALE, LAND PRICED AT \$45,000/AC.



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**LAND SALE #5**

DB #: 2353 ID #: 13567C City: ABQ Doc: DED Rec #: 18- 5724  
Street Name: PASEO DEL VOLCAN Quad: RR Zoning Map: X  
Subdivision: PASEO GATEWAY U-17 Block: PAR-A Lot: TR-15  
Seller: STATE OF NM Buyer: CLEVELAND HE Date: 03/15/18  
Square Feet: 2,038,000 Acres: 46.79 End Use: LOTS  
Zoning: R-4 Site: COR Imp: P Util: WSGE Topo: LEVEL  
Sale Price: \$ 2,525,000 DOM: Pr/Sft: \$ 1.24 Pr/Ac: \$ 53,969  
Downpayment: 100% Rate: Term: Special:  
Comments: MINOR ROAD AND UTILITY EXTENSIONS MY BE NEEDED.

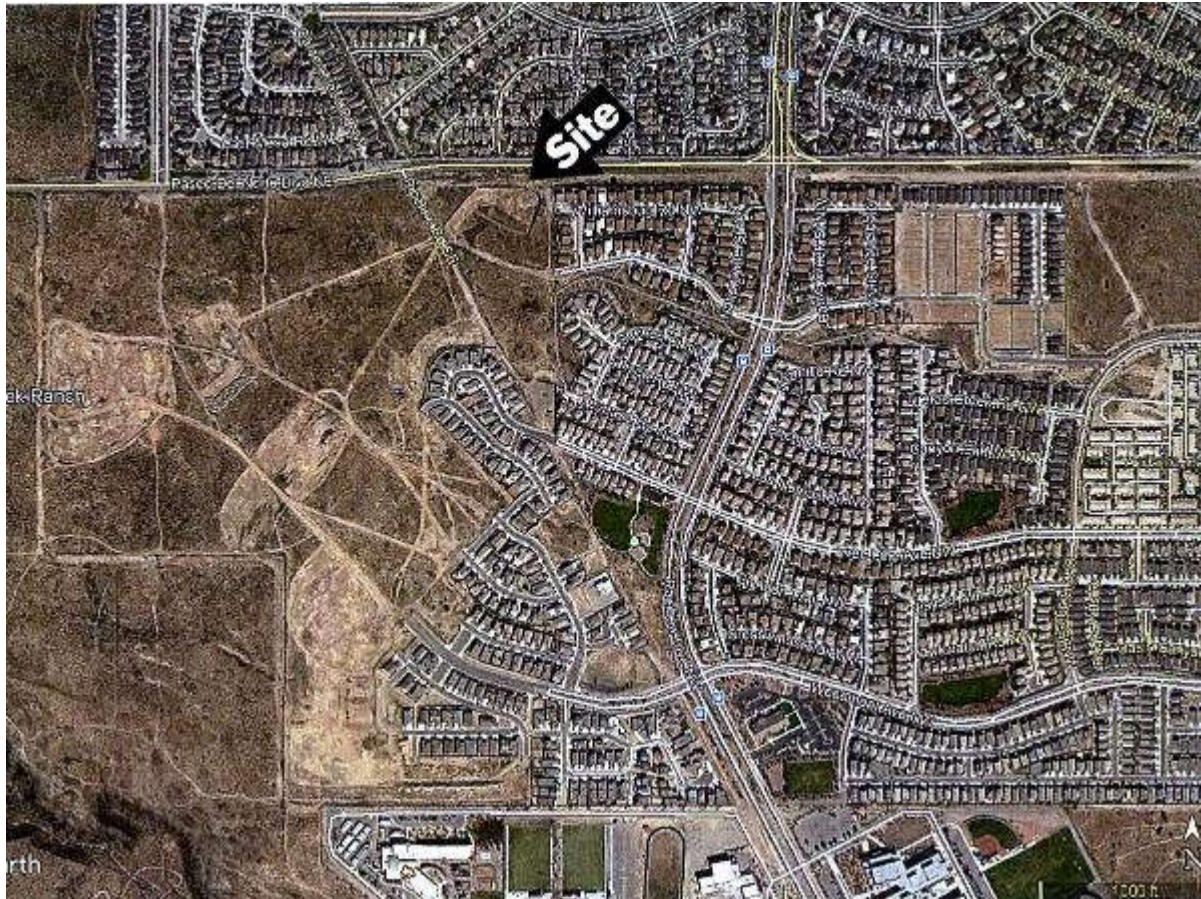




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**LAND SALE #6**

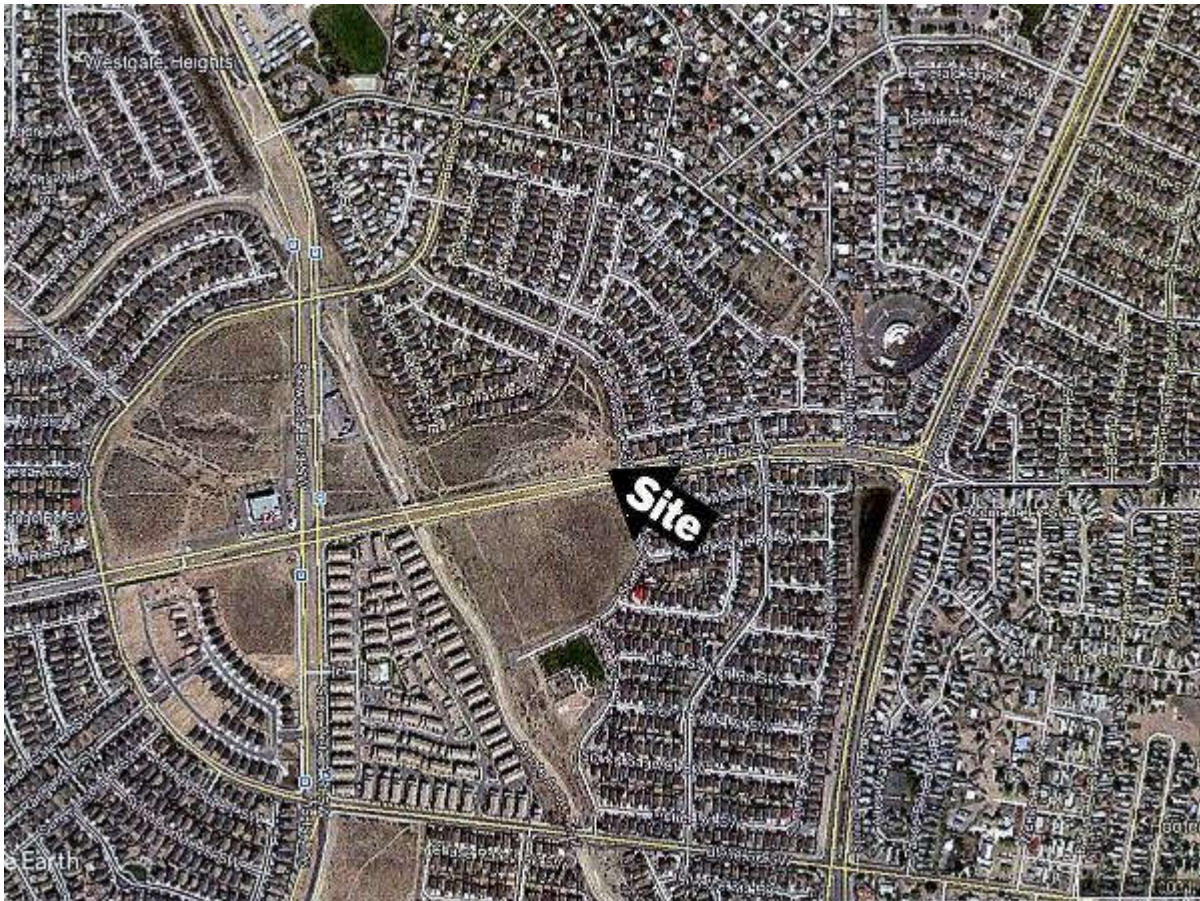
DB #: 6 ID #: 13861C City: ABQ Doc: DED Rec #: 18- 66402  
Street Name: WOODMONT Quad: NW Zoning Map: C 8+  
Subdivision: THE TRAILS U-3A Block: TRACT Lot: 2  
Seller: LEHMAN, N Buyer: PV TRAILS LL Date: 07/26/18  
Square Feet: 4,250,585 Acres: 97.58 End Use:  
Zoning: R-ML+ Site: INT Imp: P Util: Topo: UNEVE  
Sale Price: \$ 5,000,000 DOM: Pr/Sft: \$ 1.18 Pr/Ac: \$ 51,240  
Downpayment: 100% Rate: Term: Special: AUCTION  
Comments: PAVING & UTILITIES NEARBY. SOLD AT AUCTION.



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**LAND SALE #7**

DB #: 7 ID #: 13793C City: ABQ Doc: WD Rec #: 19- 45667  
Street Name: GIBSON/BARBADOS Quad: SW Zoning Map: M 9  
Subdivision: EL RANCHO GRANDE 1 Block: TRACT Lot: 12-B-1  
Seller: SOUTH BAY IN Buyer: SOLARE COLLE Date: 05/31/19  
Square Feet: 479,125 Acres: 11.00 End Use: SCHOOL  
Zoning: PD Site: INT Imp: CSP Util: WSGE Topo: LEVEL  
Sale Price: \$ 490,000 DOM: 439 Pr/Sft: \$ 1.02 Pr/Ac: \$ 44,549  
Downpayment: 100% Rate: Term: Special:  
Comments: BUYER WILL USE PART OF SITE FOR CHARTER SCHOOL.



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**LAND SALE #8**

DB #: 8 ID #: 13783^ City: ABQ Doc: SWD Rec #: 19- 49672  
Street Name: ARROYA VISTA @ 118 Quad: NW Zoning Map: J 7B  
Subdivision: INSPIRATION Block: TRACTS Lot: A & B  
Seller: WALH Buyer: PULTE HOMES Date: 06/14/19  
Square Feet: 3,862,944 Acres: 88.68 End Use: SUBDV  
Zoning: PC Site: INT Imp: P Util: WSGE Topo: IRREG  
Sale Price: \$ 5,489,700 DOM: Pr/Sft: \$ 1.42 Pr/Ac: \$ 61,904  
Downpayment: 100% Rate: Term: Special:  
Comments: WATER/SEWER @ SITE. BUYER PAYS FOR EXTENSIONS/DEVELOPME



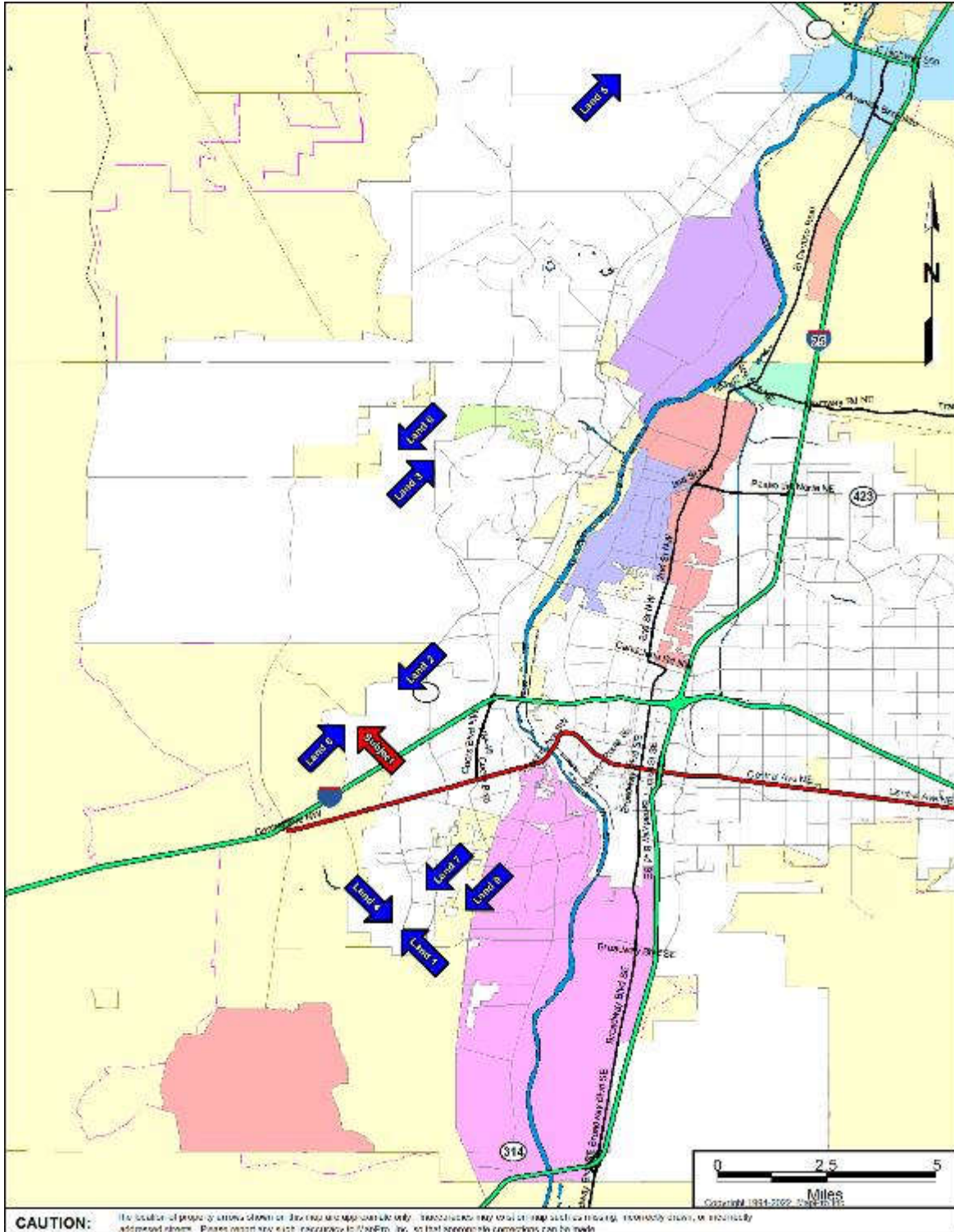
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**LAND SALE #8**

DB #: 2945 ID #: 14159C City: ABQ Doc: WD Rec #: 21-115100  
Street Name: BLAKE Quad: SW Zoning Map: N10  
Subdivision: MRCGD #47 Block: TRACT Lot: 3A1A1  
Seller: MACGILLIVARY Buyer: SUNSHINE PRO Date: 09/27/21  
Square Feet: 974,036 Acres: 22.36 End Use: LOTS  
Zoning: A-1 Site: INT Imp: P Util: WSGE Topo: LEVEL  
Sale Price: \$ 790,000 DOM: Pr/Sft: \$ 0.81 Pr/Ac: \$ 35,330  
Downpayment: 100% Rate: Term: Special: ADJACENT  
Comments: BUYER OWNS ADJ PROP. WILL DO MODULAR HOME SUBDIVISION.



COMPARABLE LAND SALES LOCATION MAP



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***ITEMS TO FOLLOW THIS PAGE***

- Zoning Data

**2-6(B) PLANNED COMMUNITY ZONE DISTRICT (PC)**

**2-6(B)(1) Purpose**

The purpose of the PC zone district is to accommodate innovative, very large-scale residential or mixed-use communities that cannot be accommodated through the use of other base zone districts, provided that those projects are consistent with the ABC Comp Plan, as amended, and include significant public benefits that would not otherwise be required of the applicant. Because of their size, projects in this zone district will include construction of new and expanded transportation networks and infrastructure. This growth may require additional analysis and resulting measures to mitigate impact on the surrounding community. This zone district is applied on a case-by-case basis to reflect a new or existing negotiated agreement with the applicant. Allowable uses are negotiated on a case-by-case basis but may not include any use that is not included in Table 4-2-1.

**2-6(B)(2) Dimensional and Other Standards**

<b>Table 2-6-2: Other Applicable IDO Sections</b>	
Overlay Zones	Part 14-16-3
Allowable Uses	As negotiated from among those listed in Section 14-16-4-2
Use-specific Standards	Section 14-16-4-3 unless varied in the PC approval process
Dimensional Standards Tables and Exceptions	As applicable to the most similar use or district as shown in Section 14-16-5-1, unless different standards are approved in the PC approval process
Site Design and Sensitive Lands	Section 14-16-5-2 unless varied in the PC approval process
Access and Connectivity	Section 14-16-5-3 unless varied in the PC approval process
Parking and Loading	Section 14-16-5-5 unless varied in the PC approval process
Landscaping, Buffering, and Screening	Section 14-16-5-6 unless varied in the PC approval process
Walls and Fences	Section 14-16-5-7 unless varied in the PC approval process
Outdoor Lighting	Section 14-16-5-8 unless varied in the PC approval process
Neighborhood Edges	Section 14-16-5-9 unless varied in the PC approval process
Solar Access	Section 14-16-5-10 unless varied in the PC approval process
Building Design	Section 14-16-5-11 unless varied in the PC approval process
Signs	Section 14-16-5-12 unless varied in the PC approval process
Operation and Maintenance	Section 14-16-5-13 unless varied in the PC approval process

**2-6(B)(3) Eligibility for Rezoning**

- 2-6(B)(3)(a) Each PC zone district must contain at least 100 contiguous acres of land or more than 500 single-family, two-family, or townhouse dwelling units. Each proposed development meeting or exceeding these thresholds, considering all proposed phases of development, shall be required to obtain approval through the PC zone district process in Subsection 14-16-6-7(G)(1) (Zoning Map Amendment – Council).
- 2-6(B)(3)(b) Rezoning to a PC zone district requires the preparation of a Framework Plan that furthers and implements applicable goals and policies of the ABC Comp Plan and complies with all applicable requirements of the DPM.

1. The Framework Plan shall indicate proposed zoning on platted lots or lots proposed to be platted or general proposed land uses and development densities/intensities for subsequent phases where platting is yet to be decided.
2. The Framework Plan shall indicate general circulation and mobility routes for various travel modes and general locations of open space.
3. The Framework Plan shall be submitted, reviewed, and decided at the same time and via the same process as the rezoning to the PC zone district, as described in Subsection 14-16-6-7(G)(1) (Zoning Map Amendment – Council). All later permits and approvals for the property under this IDO shall be consistent with the approved Framework Plan, as amended.

2-6(B)(3)(c) The City Council may require a Development Agreement to outline the phasing of development, to assign financial, operations, and management responsibilities over time via infrastructure/service agreements, to identify any public incentives or agreements between the City and the applicant/developer, and to address any other items deemed appropriate to ensure an efficient, self-sufficient community and to prevent net expense to the City.

**2-6(B)(4) Allowable Uses**

2-6(B)(4)(a) A PC zone may contain any of the uses listed in Table 4-2-1, except those that require NR-SU zoning, for all or part of the PC zone district, provided that those uses do not create significant adverse impacts on nearby existing neighborhoods, City parks or trails, or Major Public Open Space.

2-6(B)(4)(b) All allowable uses in the PC zone district are subject to the applicable Use-specific Standards listed for that use in Section 14-16-4-3 unless modified by the Framework Plan associated with the PC zone district approval.

**2-6(B)(5) Development and Form Standards**

**2-6(B)(5)(a) General**

1. All development in the PC zone district is subject to the provisions of Part 14-16-5 (Development Standards) for the type of use or structures in the approved Planned Community, unless those standards are modified by the Framework Plan associated with the PC zone district approval.
2. Subsection 14-16-1-10(A)(2) (Prior Approvals) applies to all properties that converted from a Special Use zone to the PC zone district through the adoption of this IDO.

**2-6(B)(5)(b) Avoidance of Sensitive Lands**

1. Each Planned Community shall be organized to protect or enhance the following types of natural resources and features, by including such areas in common landscaped areas or



dedicated open space or by mitigating the impacts of construction on these features to the maximum extent feasible.

- a. Drainage channels, arroyos, and streams (in addition to floodplains).
  - b. Historic or archeological sites designated as significant by the state.
  - c. Significant views of the Sandia Mountains or Petroglyph National Monument from high points or public places.
  - d. Riparian wildlife habitat areas and corridors designated as significant by the state.
  - e. Natural or geologic hazard areas or soil conditions, such as unstable or potentially unstable slopes, faulting, landslides, rock falls, or expansive soils.
2. Lands that show evidence of slope instability, landslides, avalanche, flooding, or other natural or manmade hazards shall not be included in platted lots.
  3. New structures intended for human occupancy shall not be located within 100 feet of any perennial stream, public lake, reservoir, or element of a public water supply system unless the City Engineer determines that a smaller setback would adequately protect water quality and wildlife habitat.
  4. Natural features to be protected shall be identified in a site analysis as part of a Framework Plan or with any Site Plan or plat when a Framework Plan is not required.

**2-6(B)(5)(c) Adequate Water Supply**

An application for a Planned Community shall not be processed unless accompanied by written documentation from the Albuquerque Bernalillo County Water Utility Authority (ABCWUA) that adequate water is available to serve the development, based on known water supplies owned or controlled by the ABCWUA or the applicant, without creating adverse impacts on the cost, quality, or availability of water for existing residents of the city and the area served by the ABCWUA.

**2-6(B)(5)(d) Mix of Uses and Housing Types**

1. Each phase of a Planned Community shall include at least 10 percent of the land area for non-residential uses.
2. No phase of a Planned Community may develop more than 80 percent of the land area designated for residential or mixed-use development as single-family detached dwellings.
3. Parks shall be provided at a rate of 2 acres of park land for every 500 dwelling units designated NR-PO-C, which requires parks to be built to City standards and designed as acceptable to Parks and Recreation Department, or NR-PO-A and dedicated to the City.

4. Major Public Open Space, open space, and trails shall be provided consistent with the Facility Plan for Major Public Open Space, the Facility Plan for Arroyos, and the Bikeways and Trails Facility Plan. Any Major Public Open Space dedications must be acceptable to and are subject to approval by the Open Space Division of the City Parks and Recreation Department.
5. Any treatment for a major arroyo shall be designed per the standards in the Facility Plan for Arroyos.

**2-6(B)(5)(e) Creation of Distinct Neighborhoods**

No area of the Planned Community in which more than 70 percent of the lots are occupied by a Household Living use as shown in Table 4-2-1 shall contain more than 100 contiguous acres unless it is separated from other adjacent residential development areas by a significant natural or man-made feature, including any of the following:

1. Clearly visible bluffs, rock outcroppings, or landforms designated as open space.
2. Major drainages, arroyos, or designated open spaces at least 100 feet in width.
3. An arterial street.
4. A collector street with a median at least 14 feet in width.
5. Non-residential uses allowed per Table 4-2-1.

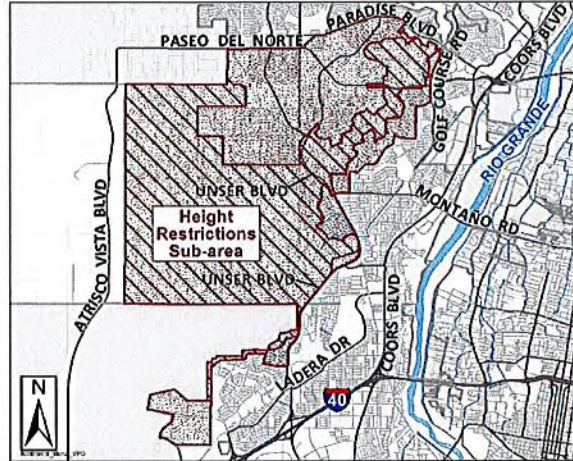
**2-6(B)(6) Provisions for Specific Areas**

Provisions and regulations applicable to each approved PC zone district are specified in Framework Plans and associated Site Plans, on file at the City Planning Department.

**3-6(E) NORTHWEST MESA ESCARPMENT – VPO-2**

**3-6(E)(1) Applicability**

The VPO-2 standards apply in the following mapped area. Where the VPO-2 boundary crosses a lot line, the entire lot is subject to these standards.



**3-6(E)(2) Protected Views**

Views protected by this VPO-2 are looking to and from the Petroglyph National Monument, Volcanic Escarpment, and Volcano Mesa.

**3-6(E)(3) Structure Height**

The following standards apply in the Height Restrictions Sub-area shown in the map above.

- 3-6(E)(3)(a) Structure height shall not exceed 15 feet, as measured from natural grade.
- 3-6(E)(3)(b) For properties with undulating terrain that would require fill as part of site grading, the resulting building shall not be taller than the tallest abutting building located within the Height Restriction sub-area and shall not block views to or from the escarpment, as shown in view plane exhibits.
- 3-6(E)(3)(c) Additional height may be requested through a Variance – EPC pursuant to Subsection 14-16-6-6(M).
  - 1. No structure shall exceed 19 feet in height from the finished grade, inclusive of any Variance granted.
  - 2. When a Variance is requested for structure height, the visual impact of additional structure height on views to and from the escarpment shall be minimized through at least 1 of the following techniques:
    - a. Height/Slope  
An increase in height in response to slope to produce a stepped-down effect and a smooth transition in scale. For example, 1 foot of additional structure height may be granted for every 3 feet to 4 feet of drop in ground elevation from a base elevation established at the

escarpment face (i.e. where the 9 percent slope line begins). Buildings may also be depressed below the natural grade.

b. View Corridors

Two-story construction that is located and designed so that massing maintains views to the escarpment at the perimeter of the site, or at the nearest public road (whichever offers the predominant public views) and views from the escarpment – primarily from public trails and access points. The intent is to preserve the maximum amount of unobstructed lateral views to the base of the escarpment. If the site is located above the escarpment, the views will be to the top of the escarpment.

c. Height/Slope/Setback

Structures set back from major public views (i.e. views from the site perimeter, nearest public road, public trails, or access points along the escarpment; views to the east, west, south, and north property lines; or views to the escarpment) so that building height increases in proportion to the size of the setback and the slope without increasing the visual impact from a particular vantage point.

**3-6(E)(4) Colors**

The exterior surfaces of structures, including but not limited to mechanical devices, roof vents, and screening materials, shall be colors with light reflective value (LRV) ranging from 20 percent to 50 percent. This middle range of reflectance is intended to avoid very light and very dark colors.

3-6(E)(4)(a) Colors include the yellow ochers, browns, dull reds, and grey-greens existing on the Northwest Mesa and escarpment, exclusive of the basalt.

3-6(E)(4)(b) Trim materials on façades constituting less than 20 percent of the façade's opaque surface may be any color.

**3-6(E)(5) Reflectivity**

Reflective or mirrored glass is prohibited.

**3-6(E)(6) Roof-mounted Equipment**

No exposed roof-mounted heating, ventilation, and air conditioning equipment shall be allowed. Any such equipment shall be fully screened from view from the nearest public streets and from the escarpment.

**3-6(E)(7) Cross-references**

3-6(E)(7)(a) Subsection 14-16-6-4(O)(2)(e) (Deviations to Overlay Standards Not Allowed).

3-6(E)(7)(b) Subsection 14-16-6-6(M) (Variance – EPC).