

302
City of Las Cruces[®]
 PEOPLE HELPING PEOPLE

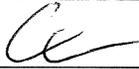
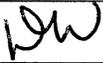
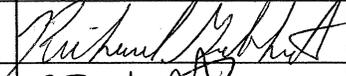
Council Action and Executive Summary

Item # 15 Ordinance/Resolution# 2557 Council District: 4

For Meeting of January 19, 2010
 (Adoption Date)

TITLE: AN ORDINANCE AUTHORIZING A REAL ESTATE PURCHASE AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND TRANSWORLD NETWORK CORPORATION, FOR THE SALE OF 1.0 ACRES OF MUNICIPALLY OWNED LAND IN THE WEST MESA INDUSTRIAL PARK FOR THE PURCHASE PRICE OF THIRTY THOUSAND DOLLARS (\$30,000.00) IN ACCORDANCE WITH PROVISIONS OF SECTION 3-54-1, NMSA, 1978, AS AMENDED.

PURPOSE(S) OF ACTION: Sell an undeveloped site in the West Mesa Industrial Park to TransWorld Network Corporation.

Name of Drafter: Christine Logan 		Department: Community Development		Phone: 541-2286	
Department	Signature	Phone	Department	Signature	Phone
Community Development		528-3067	Budget		541-2281
			Assistant City Manager		541-2271
Legal		541-2128	City Manager		541-2076

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

When the City acquired the lands that have become the West Mesa Industrial Park in the 1980's, there were radio transmission sites in place in the northeast quadrant. Over the years additional radio sites have developed in that area and the city itself has taken over one of the sites for use by our radio department. TransWorld Network Corporation requested to co-locate facilities on the City site but staff review revealed that there would be security and maintenance concerns related to making a public site available to a private entity. Since there is no opportunity to co-locate, TransWorld Network Corporation has made an offer to purchase vacant land across the road from the City site to establish a radio facility of their own.

An appraisal of various industrial park parcels was completed on April 9, 2009 and is attached. The value of the three existing radio sites (identified as parcels 11, 12, and 13) was estimated at \$30,000 per acre. This property is substantially the same as the adjoining sites and so the value estimate has been used to determine the sale value.

A survey and subdivision plat has been initiated to separate this 1 acre parcel from the surrounding land. The sale is subject to completion of the subdivision but closing must occur no later than 30 days after a plat has been accepted and recorded. Staff estimates that it

(Continued on Page 2)

could take 3 to 4 months to complete that process. If this sale is approved, TransWorld Network would be able to access the site for planning and design purposes but could not initiate construction until the title to the land has been transferred.

The Ordinance has been prepared in accordance with 3-54-1 et. Seq., NMSA 1978, as amended. The closing for the sale will not occur until 45 days after the adoption of the Ordinance. This Ordinance has been published prior to its adoption and will be published at least once after its adoption.

Proceeds from this land sale will be deposited into the West Mesa Industrial Park Fund.

SUPPORT INFORMATION:

Fund Name / Account Number	Amount of Expenditure	Budget Amount
NA	N/A	N/A

1. Ordinance
2. Real Estate Purchase Agreement (Exhibit "A")
3. Property Appraisal
4. Vicinity Map

OPTIONS / ALTERNATIVES:

1. Vote YES on the Ordinance to approve the Real Estate Purchase Agreement and sell 0.9 acres of land within the West Mesa Industrial Park to TransWorld Network Corporation for one thirty thousand dollars (\$30,000.00).
2. Vote NO on the Ordinance to reject the Real Estate Purchase and the City will retain ownership of the land.
3. Modify the terms of the agreement and then adopt the proposal.
4. Table the proposal and/or instruct staff to seek alternative direction.

COUNCIL BILL NO. 10-028
ORDINANCE NO. 2557

AN ORDINANCE AUTHORIZING A REAL ESTATE PURCHASE AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND TRANSWORLD NETWORK CORPORATION, FOR THE SALE OF 1.0 ACRES OF MUNICIPALLY OWNED LAND IN THE WEST MESA INDUSTRIAL PARK FOR THE PURCHASE PRICE OF THIRTY THOUSAND DOLLARS (\$30,000.00) IN ACCORDANCE WITH PROVISIONS OF SECTION 3-54-1, NMSA, 1978, AS AMENDED.

The City Council of the City of Las Cruces is informed that:

WHEREAS the City of Las Cruces, New Mexico, a municipal corporation, is the owner of one acre of land situated within the West Mesa Industrial Park; and

WHEREAS this land has been acquired by the City of Las Cruces for the purpose of industrial and economic development and several radio sites are located in the area; and

WHEREAS TransWorld Network is interested in purchasing land within the West Mesa Industrial Park in order to locate and expand their communication network.

NOW, THEREFORE, Be it ordained by the Governing Body of the City of Las Cruces:

(I)

THAT the sale of 1.0 acres of West Mesa Industrial Park land for Thirty Thousand dollars, subject to the conditions and terms in Exhibit "A" Real Estate Purchase Agreement, which is attached hereto and made a part of this ordinance, is hereby approved.

(II)

THAT this Ordinance has been published prior to its adoption and shall be published at least once after adoption, pursuant to Las Cruces Municipal Code Section 2-1312 and NMSA 1978, Section 3-54-1 as amended.

(III)

THAT the effective day of this Ordinance shall be forty-five (45) days after its adoption by the governing body of the City of Las Cruces.

(IV)

THAT the proceeds of the sale shall be deposited in the West Mesa Industrial Park Fund.

(V)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this _____ day of _____, 2010.

(SEAL)

APPROVED:

Mayor Ken Miyagishima

ATTEST:

City Clerk

VOTE:
Mayor Miyagishima: _____
Councillor Silva: _____
Councillor Connor: _____
Councillor Pedrosa: _____
Councillor Small: _____
Councillor Sorg: _____
Councillor Thomas: _____

Moved by: _____

Seconded by: _____

APPROVED AS TO FORM:



City Attorney

REAL ESTATE PURCHASE AGREEMENT

THIS AGREEMENT, entered into this _____ day of _____, 2010 between TransWorld Network Corporation whose address is 6800 N Dale Mabry Hwy, Suite 100, Tampa Florida 33614 (hereafter "Purchaser"); and the City of Las Cruces, a New Mexico municipal corporation (hereafter "City").

The City, in consideration of the mutual covenants herein contained, agrees to sell and convey, and Purchaser agrees to purchase a 1.0 acre tract of land being located immediately north of Parcel A of West Mesa Industrial Park North East and as depicted on Attachment A, which is made a part hereof, with all improvements thereon, and all rights, hereditaments, easements and appurtenances thereunto belonging.

TERMS AND CONDITIONS:

1. Purchase Price.

The purchase price for the Property shall be Thirty Thousand (\$30,000.00) Dollars, payable as follows:

- a) \$ 5,000.00 as an earnest money deposit which Purchaser agrees to deliver to the City at the time an offer is submitted to the City Council. Said deposit shall be deposited to the City and become non refundable at such time as this Agreement is executed by City; and
- b) Remainder in cash or equivalent at closing.

2. Closing Date.

Closing for the sale of the Property shall occur on a mutually agreeable date at least forty-five (45) days after the adoption of the ordinance authorizing the purchase by the City, unless a referendum election is held pursuant to 3-54-1. NMSA, 1978, as amended. The parties may extend the Closing Date by mutual agreement, not to exceed 30 days following the recordation and an approved subdivision plat creating the subject parcel.

3. Review of Title and Patent Reservations.

- a) As soon as reasonably possible following the execution of this agreement, the City shall furnish Purchaser a commitment of owner's policy of title insurance ("Commitment") for the Property. Purchaser shall have fifteen (15) days from receipt of the Commitment within which to notify the City of Purchaser's disapproval of any exceptions shown in the Report.
- b) The City shall have until the date for closing to eliminate any disapproved exception(s) or reservations, except patent reservations(s) from the policy of title insurance to be issued in favor of Purchaser, and if not eliminated, then the earnest money deposit shall be refunded, unless Purchaser then elects to waive his prior disapproval. Failure of Purchaser to disapprove any exception(s) or patent reservation(s) within the aforementioned time limit shall be deemed an approval of such exception or patent reservation. The policy of title insurance shall be a standard coverage policy in the amount of the total purchase price.
- c) In the event this contingency or any other contingency to this contract has not been eliminated or satisfied within the time limits and pursuant to the provisions herein, and unless Purchaser elects to waive the specific contingency by written notice to the City, this Agreement shall be deemed null and void, the earnest money deposit shall be returned to the Purchaser, and neither party shall have any rights or liabilities under this Agreement.

Exhibit A

d) At closing, the City shall execute and deliver a Warranty Deed conveying the Property to the Purchaser and/or his assigns, in fee simple, subject to all patent reservations and to all other existing liens, encumbrances and other exceptions of record except those exceptions and reservations which are disapproved by Purchaser and eliminated by the City pursuant to this Agreement. The place of closing shall be mutually agreed by the parties.

4. Costs and Fees.

a) The closing costs shall be paid as follows: any loan fees shall be paid by the Purchaser; the Commitment of Title Insurance and the Title Policy Premium shall be paid by the City; and all other closing costs will be split equally between the City and Purchaser.

b) Purchaser shall be solely responsible for all development costs including but not limited to development fees, permits, applications, utility extensions, service and utility hook-up fees.

c) If either is found by a court to have breached this agreement, the other party may recover reasonable attorney's fees and cost of litigation. Prior to the institution of any litigation, however, the parties have the contractual duty to in good faith attempt to resolve any controversy hereunder at the least possible expense.

5. Compliance with Statutes.

The City states that it has complied with the requirements of New Mexico Statutes and the Las Cruces Municipal Code and has authorization to sell the property.

6. Governing Laws.

This agreement shall be subject to the laws of the State of New Mexico.

7. State Permits and Licenses.

Purchaser agrees that City has no responsibility for Purchaser to make application and obtain any Federal, State, or local permits and/or licenses.

8. Default and Remedy.

a) Default by City. If City defaults in the performance of this Agreement solely as a result of the passage of a negative recall referendum on the real estate sale pursuant to 3-54-1 NMSA 1978, as amended, this agreement is terminated.

b) Default by Purchaser. If Purchaser defaults in the performance of this Agreement by failure to complete the purchase, the City may seek specific performance of this Agreement or any other remedy for such breach.

9. Risk of Loss.

All risk of loss or damage to the Property will pass from the City to Purchaser at closing. In the event that material loss or damage, or material adverse change occurs prior to closing, Purchaser may, without liability, refuse to accept the conveyance of title. Possession of the Property will be released to Purchaser at closing.

10. Counterparts.

This Agreement may be executed in one or more identical counterparts, and all counterparts so executed shall constitute one agreement which shall be binding on all of the parties.

Exhibit A

11. Successors and Assigns.

This Agreement shall inure to the benefit of and be binding upon the parties to this Agreement and their respective successors and assigns.

12. Termination.

This agreement shall be terminated on the closing date for sale of property, unless either party ends the agreement prior to that date per the provisions of this Agreement.

13. Notice.

All notices given pursuant to or in connection with this Agreement shall be made in writing and posted by certified mail, postage prepaid, to the City of Las Cruces, ATTN: Economic Development, P .0. Box 20000, Las Cruces, NM 88004; and to TransWorld Network Corporation, 6800 N Dale Mabry Hwy, Suite 100, Tampa Florida 33614 or to such other address as requested by either party. Notice shall be deemed to be received on the fifth day following posting.

Done and approved on the date first written above,

THE CITY OF LAS CRUCES

TRANSWORLD NETWORK CORPORATION

Mayor

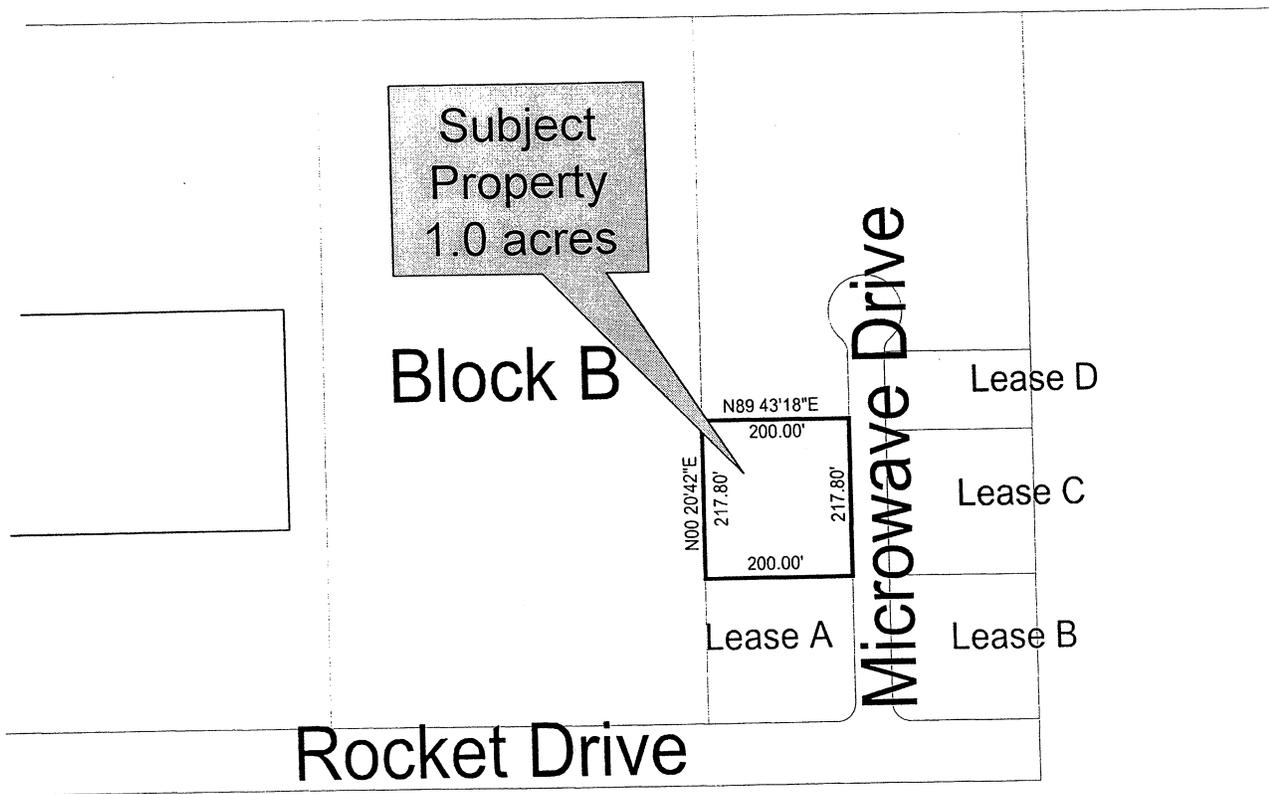
Title:

APPROVED AS TO FORM:

City Attorney

Exhibit A

Attachment A
Depiction of Subject Property



**COMPLETE SUMMARY
APPRAISAL REPORT**

**PREPARED FOR:
CHRISTINE LOGAN
ECONOMIC DEVELOPER
CITY OF LAS CRUCES
PO BOX 2000
LAS CRUCES, NEW MEXICO 88004**

**APPRAISAL FILE #7427
32 PARCELS OF LAND IN THE
WEST MESA INDUSTRIAL PARK
LAS CRUCES, NEW MEXICO**

**PREPARED BY:
W. SCOTT ESCHENBRENNER, MAI
MESILLA VALLEY APPRAISAL SERVICES**

DATE OF VALUE:

APRIL 9, 2009

DATE OF REPORT:

APRIL 16, 2009

MESILLA VALLEY APPRAISAL SERVICES

REAL ESTATE APPRAISALS & COUNSELING

W. SCOTT ESCHENBRENNER, MAI
State Certified - New Mexico
General Certificate #1180

545 SOUTH MELENDRES, SUITE D
LAS CRUCES, NEW MEXICO 88005
(575) / 523-2812
FAX (575) / 528-1872

April 16, 2009

Christine Logan
Economic Development Director
City of Las Cruces
PO Box 20000
Las Cruces, NM 88004

Reference: File No. 7427
32 Parcels of Land in the
West Mesa Industrial Park
Las Cruces, NM

Dear Ms. Logan:

In accordance with your request, Mesilla Valley Appraisal Services, in coordination with the City of Las Cruces as prepared an appraisal of the market value of the fee simple estate in the above-referenced real property. The intended use of the appraisal is for counseling purposes. The intended user of the appraisal is City of Las Cruces. The effective date of this appraisal is April 9, 2009 with the estimate of market value reflecting market conditions as of that date.

Mesilla Valley Appraisal Services analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. In addition, this report conforms to the requirements of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA). The value estimate is based in large part upon the descriptions, data, and analyses on file in my office, as well as the General Assumptions, General Limiting Conditions, and Special Assumptions and Limiting Conditions as found in the Addendum of this report.

Based on research and analysis contained in this report, it is concluded that the "as is" market value of the fee simple interest in the subject property, as of April 9, 2009, is as follows:

Parcel #	Parcel ID#	Size - Acre	Indicated Value - Acre	Market Value
1	02-39841	3.800	\$30,000	\$115,000
2	02-37906	3.700	\$30,000	\$110,000
3	02-27108/02-37908	147.000	\$15,000	\$2,205,000
4	02-22306	28.700	\$25,000	\$720,000
5	02-22308	3.000	\$30,000	\$90,000
6	02-35586	3.000	\$30,000	\$90,000
7	02-35587	3.000	\$30,000	\$90,000

MARKET AREA DESCRIPTION

Appraisal File:	#7427
Property Name:	West Mesa Industrial Park
City/State/Zip:	Las Cruces, NM
Legal Description	32 Parcels in the West Mesa Industrial Park
Assessor's Parcel No.:	Various
Property Type:	Industrial Land Parcels & Undeveloped Acreage
Land Size (SF or Acres)	Various
Date of Inspection:	April 9, 2009
Date of "As Is" Value (Effective Date):	April 9, 2009
Real Property Interest Appraised:	Fee Simple
Purpose of Appraisal:	Estimated Market Value
Intended Use of Appraisal:	Consulting Purposes
Client Name:	City of Las Cruces
Current Owner:	City of Las Cruces
Did subject property sell in the past three years?	No
Is there an option on or pending sale of the subject property?	No
Is the subject property currently listed for sale?	Yes
Marketing and Exposure Time:	12 Months or less for each Parcel
Compiled by: W. Scott Eschenbrenner, MAI	

The preceding table provides a summary of the appraisal performed by Mesilla Valley Appraisal Services on the subject property. The table indicates my final opinion of value, as of the date specified, and based on the approaches identified. Additional details appear elsewhere in this report, and its Inclusive Addendum. Data that supports the valuation opinion are taken from sources deemed reliable, but I make no representation as to the accuracy of third party data.

Sales History

The property is currently under the ownership of the City of Las Cruces and has been under the same ownership for more than five years.

According to *The Appraisal of Real Estate, Tenth Edition*, social, economic, governmental and environmental forces influence property values in the vicinity of a subject property, which, in turn, affect the value of the subject property itself. The area of influence is the area within which the forces affect all surrounding properties in the same way they affect the property being appraised. The area of influence is commonly called a neighborhood, which is defined as a group of complimentary land uses.

The subject neighborhood is referred to as the West Mesa Industrial Park and is located eight miles west of downtown Las Cruces and immediately south of the Las Cruces International Airport. The industrial park is situated in 1,820 acres located on both sides of Interstate 10. The City has sold 590 acres to date of which 250 acres are currently developed. Development ready parcels within the Park are being offered at \$33,000 to \$46,200 an acre while raw land is offered at \$15,000 to \$25,000 per acre. The city has a variety of incentives available to companies that will benefit the local economy.

The park has been developed out over several years by the City of Las Cruces with intention of attracting industries, warehousing and manufacturing business that will expand and diversify the local economic base and provide new jobs for the community. This development draws on its favorable proximity to local high technology resources such as New Mexico State University (NMSU), White Sands Missile Range (WSMR), National Aeronautics Space Administration's Johnson Space Center (NASA) and White Sands Test Facility.

The industrial park features wide thoroughfares and industrial quality streets with underground utilities and infrastructure in place. Building and site design features masonry buildings in most areas with wide setbacks creating an open environment. Each site features appropriate landscaping refinements and design parameters.

Utility providers in the area include City of Las Cruces who provides water, natural gas, waste water system and solid waste transfer. El Paso Electric Company (EPEC) provides all of the electrical needs for the area and telephone is provided through Qwest. The water service for the park features all water mains in the park at a minimum of 12" with high pressure flow in excess of 2,000 gpm. Fire hydrants to meet code serve each site.

Natural gas is provided by Rio Grande Natural Gas Association, which is operated and maintained under contract by the City of Las Cruces. All parcels are served by a minimum of 4" poly gas mains with minimum line pressure exceeding 50 psi. The feeder main to the Park is an 8" steel high pressure line connected to a 31" interstate pipeline.

Electric power service is provided by EPEC, with excess capacity of 1 MW available for new industry. The system was built new in 1997 and can be expanded as necessary to meet the needs of the Park and surrounding areas.

The City operates a waste water treatment system which serves the industrial park areas south of Interstate 10. Waste water mains were constructed in 1998 to serve most sites with gravity flow main sizes ranging from 8" minimum to 18". The system is served by a 400,000 gpd treatment plant in the southeast corner of the Park. Industries north of the Interstate are served by on-site systems.

Recent Developments - Sapphire Energy purchased 10 acres of land from the City in August of 2008 and work began on the site in November. The company will grow algae to produce a renewable source of fuel for gasoline and jet fuel. It is constructing a research and development

facility with five buildings and potentially thousands of feet of algae ponds in the industrial park. As part of an incentive package with the City, if Sapphire Energy creates 30 jobs at 120 percent of the average salary for the area and invests \$8 million in the industrial park, the City will convey 90 acres surrounding the original site to the company with a value of \$1.35 million at no additional cost.

DMS Realty (Premier Distributing Company) is an Albuquerque based distributor of Anheuser-Busch products and they plan on building a distribution facility on Alliance Drive. They purchased the land in December of 2008 and are in the final design phase of development.

The Marvin Group is building a manufacturing facility on 15 acres at Venture Boulevard and Advancement Avenue. They will be a supplier of construction materials such as rebar and construction is underway.

Barker Produce has broken ground on an onion peeling plant that will be situated on 18 acres of land on Alliance Drive and Advancement Avenue.

A significant expansion is also taking place at the F&A Dairy plant. They will expand their facility by 40,000 square feet for a total of 190,000 square feet, which will enable the plant to double its cheese processing capability. The workforce will increase from 100 to 140 employees. The \$15 million project will include a system to deal with the 300,000 gallons of "cow water" the company will produce every day. This is a by product of milk when it is converted to cheese. F&A Dairy has leased nearby land from the New Mexico State Land Office where the water will be used to irrigate crops.

In December of 2008, Rea Magnet Wire Company announced it will suspend production at its 200,000 square foot Las Cruces plant and lay off 75 workers. The company is producer of wire products and said it will consolidate its magnet wire manufacturing to facilities in Indiana and Mexico. This news was preceded by the closure of Parkview Metal Products closing in 2007. They performed precision metal fabrication and metal stamping and employed over 80 personnel.

The only additional activity in the Park is north of Interstate 10. The Las Cruces City Council has unanimously adopted a resolution identifying 182 acres of undeveloped land just south of Las Cruces International Airport for a commercial aerospace business and research park.

Initially, most of the land was projected to be used for aerospace research and development. In October 2009, Rocket Racing League announced intentions to build an aerospace park on 171.35 acres just south of Las Cruces International Airport. They have an option on Parcel 02-27108 and 02-37908 that expires in April of 2010. Price of the land will be determined by two appraisals upon execution of the option.

Granger Whiteslaw, chief executive officer of Rocket Racing League, said that his company still has every intention to make Las Cruces its international headquarters. However, he and other league officials are waiting to see if the New Mexico Legislature will approve \$3 million in state funding that would be used by the league to build and develop an aerospace research park next to the airport. It appears that this funding is in serious doubt due to the slow down in the economy and the State's desire to save money.

PROPERTY DESCRIPTION

Property Name:	West Mesa Industrial Park	State:	New Mexico
Street Address:	Various	Zip Code:	
City:	Las Cruces	Assessor's Parcel No.:	See Below
County:	Dofia Ana		
See Below			
Site Size (Acres):	See Chart Below	Zoning:	WMIP - See Addenda
Corner Lot:	Various Parcels	Site Shape:	Various Shaped Lots
Topography:	Basically Level and Graded		
Paved Street:	Asphalt	Flood Zone:	No
Curb & Gutters:	Concrete Curbs	Zone Code:	Zone X
Electric:	El Paso Electric Company	Map No.:	35013C-1075
Gas:	City of Las Cruces	Panel Date:	April 4, 2007
Lighting:	City of Las Cruces		
Sewer:	City of Las Cruces		
Sidewalks:	None		
Storm/Drain:	On-Site Ponding		
Water:	City of Las Cruces		
Underground Utilities:	Yes		
Compiled by: W. Scott Eschenbrenner, MAI			

Site Description Comments

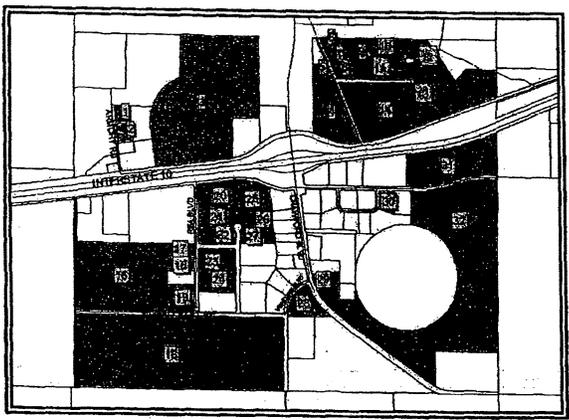
The subject consists of 32 subdivided lots in the West Mesa Industrial Park located adjacent to the Las Cruces International Airport and bisected by Interstate 10 approximately eight miles west of downtown Las Cruces. Situated on the following page is a map showing the location of the subject parcels and their identification numbers. The chart after the map shows the parcel numbers, lot sizes, physical address, zoning, assessed value and parcel ID numbers.

Parcel #	Parcel ID#	Size -Acre	Indicated Value - Acre	Market Value
8	02-35588	3.000	\$30,000	\$90,000
9	02-36839	17.000	\$25,000	\$425,000
10	02-36840	11.500	\$25,000	\$290,000
11	02-36842	1.000	\$30,000	\$30,000
12	02-36844	1.000	\$30,000	\$30,000
13	02-36843	1.000	\$30,000	\$30,000
14	02-36841	112.000	\$15,000	\$1,680,000
15	02-38984	86.000	\$17,500	\$1,505,000
16	02-38983	119.000	\$17,500	\$2,085,000
17	02-38980	4.300	\$40,000	\$170,000
18	02-38981	4.300	\$40,000	\$170,000
19	02-34315	10.000	\$40,000	\$400,000
20	02-40352	15.300	\$44,000	\$675,000
21	02-40354	8.800	\$40,000	\$350,000
22	02-40356	8.700	\$40,000	\$350,000
23	02-38979	10.800	\$40,000	\$430,000
24	02-38978	11.800	\$40,000	\$470,000
25	02-40353	12.700	\$44,000	\$560,000
26	02-40355	7.800	\$36,000	\$280,000
27	02-40357	7.100	\$36,000	\$255,000
28	02-38974	10.000	\$40,000	\$400,000
29	02-39087	5.500	\$40,000	\$220,000
30	02-35595	4.500	\$40,000	\$180,000
31	02-39088	45.000	\$17,500	\$790,000
32	02-39088	55.000	\$15,000	\$825,000

Respectfully submitted,



W. Scott Eschenbrenner, MAI
 Certified General Real Estate Appraiser
 State of New Mexico No. 1180G



PARCEL LOCATION MAP

WEST MESA INDUSTRIAL PARK

Parcel #	Parcel ID#	Total		Location	Sewer	Developed	Assessed Value/Acre
		Lot Size					
1	02-39841	3,800	Armory Road	NO	Yes	30,000	
2	02-37906	3,700	260 Armory Road	NO	Yes	30,000	
3	02-27108	90,000	North Frontage Road	NO	No	5,000	
3	02-37908	66,290	North Frontage Road	NO	No	16,000	
4	02-22308	28,700	Harry Burrel Boulevard	NO	Yes	2,000	
5	02-22308	3,000	Harry Burrel Boulevard	NO	Yes	200	
6	02-35588	3,000	Harry Burrel Boulevard	NO	Yes	200	
7	02-35587	3,000	Harry Burrel Boulevard	NO	Yes	200	
8	02-35588	3,000	Harry Burrel Boulevard	NO	Yes	200	
9	02-36839	17,000	Rocket Drive	NO	Yes	18,000	
10	02-36840	11,500	Rocket Drive	NO	Yes	18,000	
11	02-36842	1,000	Microwave Drive	NO	Yes	35,000	
12	02-36844	1,000	Microwave Drive	NO	Yes	35,000	
13	02-36843	1,000	Microwave Drive	NO	Yes	35,000	
14	02-36841	112,000	Harry Burrel & N. Frontage	NO	No	6,000	
15	02-39884	86,000	Advancement Avenue	YES	No	15,000	
16	02-39883	119,000	Advancement Avenue	YES	No	20,000	
17	02-38980	4,300	Rea Boulevard	YES	Yes	30,000	
18	02-38981	4,300	Rea Boulevard	YES	Yes	30,000	
19	02-34315	10,000	Rea & Advancement	YES	Yes	25,000	
20	02-40352	15,300	Robert Larson & Rea	YES	Yes	45,500	
21	02-40354	8,800	Rea Boulevard	YES	Yes	38,000	
22	02-40356	6,700	Rea Boulevard	YES	Yes	39,000	
23	02-38979	10,800	Rea Boulevard	YES	Yes	20,000	
24	02-38978	11,800	Rea Boulevard	YES	Yes	20,000	
25	02-40353	12,700	Robert Larson Boulevard	YES	Yes	45,500	
26	02-40355	7,800	Alliance Drive	YES	Yes	36,000	
27	02-40357	7,100	Alliance Drive	YES	Yes	38,000	
28	02-38974	10,000	Venture Boulevard	YES	Yes	20,000	
29	02-39087	5,500	Crawford Boulevard	YES	Yes	30,000	
30	02-35585	4,500	Mountain Vista & Trigg	YES	Yes	20,000	
31	02-39088	45,000	Mountain Vista Parkway	YES	No	20,000	
32	02-39088	55,000	Mountain Vista Parkway	YES	No	20,000	

TAXES

The current assessed value for the subject land range from \$200 per acre to as high as \$45,500 per acre and vary based on location and parcel size. The parcels are all owned by the City of Las Cruces; therefore, real estate taxes are not collected for the subject parcels.

HIGHEST AND BEST USE (Premise of Value)

All of the subject parcels are situated in the West Mesa Industrial Park in the Overlay Zone District. The purposes of the Zone are to provide clean industry and employment for the City of Las Cruces and its residents, and develop, maintain and enhance existing commercial and industrial uses. I am of the opinion that the highest and best use based on the existing zoning and development guidelines is for a mixed use industrial development due to its proximity to

Interstate 10, Las Cruces International Airport and isolated location away from residential developments.

APPRAISAL METHODOLOGY

The appraisal methodology is the orderly program used to arrive at an opinion of value. The first step is identification of the real estate, date of value, property rights appraised, and type of value. Second, analyses of the area, site, and highest and best use are conducted. Finally, one or more of the three basic approaches used in concluding a market value are applied.

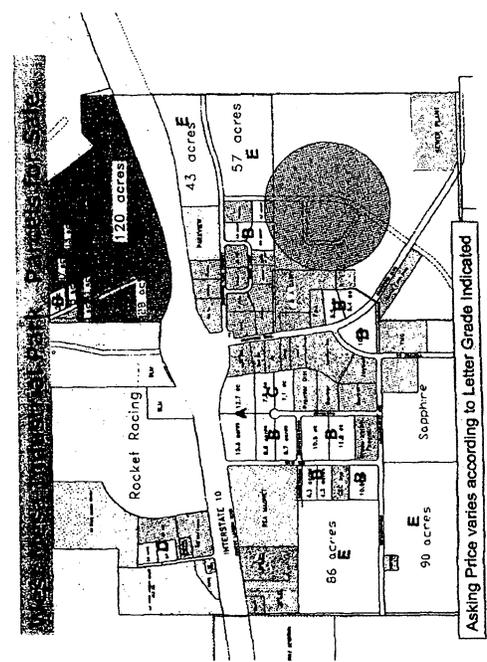
This appraisal relies on one approach to value in arriving at an estimate of market value. In the subject property's case I have utilized the Sales Comparison Approach. The Summary Report is a concise presentation of the information considered.

SALES COMPARISON APPROACH

The Sales Comparison Approach draws heavily upon the principle of substitution. In essence, this principle states that a prudent purchaser will pay no more for a particular property than they would to acquire an equally desirable alternative. This approach consists of a comparison of the subject with other similar properties which have either recently sold or other properties currently being offered for sale. The comparison process involves making adjustments to the comparable properties on an item-by-item basis, with the factors considered including rights conveyed, financing, condition of sale, location, and size. The subject is always the benchmark, and adjustments are made to the sales price of the comparable property in order to arrive at an indication of value for the subject.

The City of Las Cruces maintains an asking price for all of the subject parcels. The current asking price was established in January of 2009 and has not seen an increase since January of 2008. The asking price is reviewed periodically (at least semi-annually), and is adjusted as necessary to reflect comparable private sector sales activity. There are five different asking prices based on the size of parcels, access to utilities and paved roads are the main variables. The following is a current pricing structure and a map follows showing the location of these parcels.

Parcel	Price Per Acre
A	\$46,200
B	\$39,600
C	\$36,300
D	\$33,000
E	\$15,000 to \$25,000



Asking Price varies according to Letter Grade indicated

The City has typically priced these lots below sales of light industrial parcels in the City as an incentive to create and attract new industry to the area. This below market pricing has been successful in spurring economic development for the City. Recent sales of industrial parcels in the city have been in the \$3 to \$4 per square foot range, which is 20% of the most recent sales transactions from WMIP. As a result of the lower prices development activity has increased at the Park since 2006 with 19 land sales that account for 132 acres of land or \$3,652,039 in gross

sales. This equates to an average price per acre at \$27,661. Lot sales activity in 2008 decreased to three parcels totaling 28.63 acres at an average price of \$28,353 per acre. This slow down tends to mirror the same situation in Las Cruces from commercial land sales activity. This slow down in 2008 has led the City to stop the annual price increases and they have held prices steady since January 2008.

The following are land sales activity for light industrial use parcels in the City of Las Cruces since 2007.

Sale #	Location	Sales Date	Acres	Price/Acre
178	1430 Portland	2/07	2.140	\$126,168
213	1001 Portland	3/07	2.790	\$152,330
221	2340 Westgate	5/07	1.459	\$171,350
227	1360 Valley	7/07	1.398	\$157,345
231	5390 Del Rey	8/07	2.027	\$96,704
245	2800 N. Motel	8/07	2.784	\$114,943
256	1600 W. Picacho	10/07	3.138	\$151,370
255	W. Amador	11/07	4.828	\$201,960
274	375 N. Valley	9/08	3.103	\$225,588
284	W. Amador	9/08	2.922	\$232,175
292	5430 Del Rey	12/08	4.317	\$99,042
			30.906	\$156,741

As is apparent, the land sales are considerably higher closer in to the City and although the Park is only eight miles from downtown Las Cruces, the average price per acre is over 5X higher in the City. Until prices in the WMIP increase to levels in the City, the prices at WMIP will continue to set the value as a buyer is not willing to pay more than the listing price or the price of recent land sales transactions. The volume of land sales activity has slowed significantly in 2008 as is evidenced by only three sales in the Park and only three sales in the City. It is reasonable to assume that current market conditions are flat with no indication that a price increase is warranted to the current listing prices. Additionally, according to Christine Logan, Economic Development Director for the WMIP, there are no current offers or parcels under contract at this time.

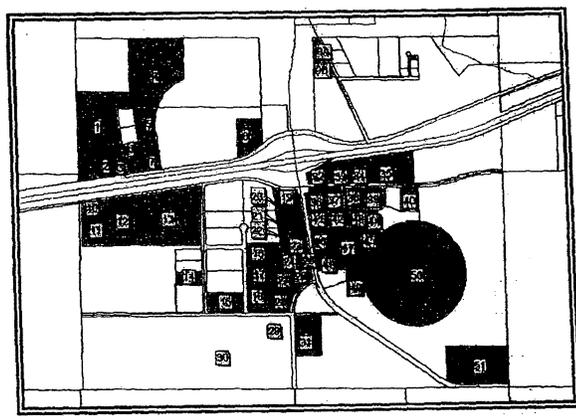
The client has also requested that I analyze sales data from Santa Teresa Industrial Park, which is located south of the subject along the US and Mexico border. I have collected a few land sales and two which are under contract, which has the infrastructure in place. Typically, these sales indicate a range from \$2.00 to \$2.50 per square foot. This price is also considerably higher than the subject. This is due in part to Santa Teresa's proximity to border crossing and El Paso, Texas, which has a much larger labor force for employment. This area is also served with rail service and also has an airport in the area. It is my opinion that this Santa Teresa market is completely separate from the Las Cruces industrial market and that there can be no direct comparison to the subject parcels.

I have analyzed the 32 parcels of land in order to determine how to compare the subject parcels to the comparable sales. It becomes apparent that there are basically three categories of parcels. Six of the parcels contain over 45 acres of land and will be compared to large land sales. Parcels that are situated north of Interstate 10 (I-10) do not have sewer service and are considered partially developed. There are nine tracts that contain less than 3.8 acres and are three tracts that contain between 11.5 to 28.7 acres that will be analyzed separately. There are 14 tracts of land south of I-10 that are completely developed and contain 4.3 to 15.3 acres of land. I will compare these parcels to similar sales from within the WMIP.

I have provided comparable sales for each parcel type in my "as is" market value estimate. The sales were analyzed on a price per acre basis. In analyzing the sales, I have first considered such characteristics including property rights transferred, financing terms, conditions of sale, and market conditions. After these four cumulative adjustments were made, other factors such as location, size, shape, topography, and utility of the property were considered.

The following is a chart showing the sales transaction history at the WMIP with a map showing the parcel location, property owner, parcel ID, sales price if recent, parcel size and price per acre.

Parcel #	Year	Property Owner	Parcel ID	Year	Improvement Size	Sales Price	Price/Acre	ID	Date
1	43,000	Ameyo Bland	22521	1989/1998	57,312	\$0	\$0		1/17/00
2	4,690	Michael Plans	22229			\$0	\$0		8/1/03
3	1,371	Las Cruces Brewing	22972			\$0	\$0		8/15/08
4	69,800	Ameyo Bland	27767			\$0	\$0		3/22/05
5	10,091	NM Dairy Transportation	38846			Excluded	\$0		9/6/07
6	2,399	Stearns	22390	1998	14,376		\$0		1/14/05
7	11,271	Clayton Christoff	27923			\$281,500	\$25,000	304	6/6/07
8	10,309	USA	22291			\$0	\$0		1/17/05
9	3,164	Michael O'Donnell	35584			\$73,000	\$23,040	166	1/17/05
10	16,500	James Manning	22335			\$0	\$0		3/24/02
11	3,000	El Paso Electric Co.	27788			\$0	\$0		5/17/05
12	16,418	MSI Public Lands	27821			\$0	\$0		1/17/05
13	15,000	State of New Mexico	25255			\$0	\$0		1/17/05
14	50,000	City of Las Cruces (Ray Mottel Way)	25762	1994	181,132	\$750,000	\$15,000	37	9/16/01
15	5,000	Deena Manzoni	34942			\$150,000	\$30,000	111	8/16/05
16	10,000	Fernando Hernandez	47328	2005	64,800	\$200,000	\$20,000	165	6/1/05
17	11,226	ONS Realty, LLC	43320			\$487,611	\$30,300	306	10/22/08
18	7,400	Larry Balfour	46329			\$254,199	\$34,350	306	10/22/08
19	10,620	Larry Balfour	39771			\$283,054	\$26,700	265	9/26/07
20	7,000	Market Corp.	22228	1980	5,016	\$4	\$0		1/17/08
21	3,818	Mike Pagan	24117	1995	2,842	\$4	\$0		2/17/08
22	3,000	Dorcas Investments	32888	1997	1,958	\$0	\$0		1/24/03
23	5,000	Deak Rental LLC	24508	1995/1998	13,500	\$0	\$0		4/27/05
24	3,300	Pro Build Real Estate	27718			\$82,524	\$25,000	30	7/15/00
25	2,800	Pro Build Real Estate	27717	2002	23,107	\$77,000	\$27,500	30	7/15/00
26	5,800	Pro Build Real Estate	28480			\$70,000	\$12,000	27	8/16/05
27	1,600	Pro Build Real Estate	27923			\$70,000	\$18,000	31	8/16/05
28	6,650	Contractors Leases LLC	38875			\$181,600	\$27,300	301	9/25/07
29	10,800	Sagebrush Energy Inc.	47905			\$150,600	\$15,000	301	10/23/08
30	10,800	City of Las Cruces	40951			\$0	\$0		5/15/05
31	15,000	3263 Manufacturing, LLC	30043			\$375,000	\$25,000	267	8/16/07
32	6,000	FDIC, LLC	35601			\$150,000	\$25,000	104	7/18/05
33	5,700	Ernest Hepler - Skyline Inc.	35599			\$176,176	\$30,910	165	6/2/07
34	14,500	Ernest Hepler - Skyline Inc.	35598			\$180,130	\$30,427	225	6/2/07
35	10,000	City of Las Cruces (Pueblo Market)	22514	1989	107,678	\$200,000	\$18,000	38	7/16/01
36	6,000	Matthew Burt	35591			\$160,000	\$26,667	273	6/2/07
37	12,788	West Texas Development	35582			\$143,700	\$30,013	224	6/2/07
38	4,740	Das & Jeff Storage	35583	2008	6,264	\$142,299	\$30,000	224	6/2/07
39	4,750	James Rat	35584			\$0	\$0		9/16/01
40	4,650	Pueblo Cattle, LLC	37133			\$0	\$0		9/16/01
41	3,460	Leonor Rodriguez	35596			\$107,000	\$30,000	222	6/16/07
42	5,970	Leonor Rodriguez	35607			\$178,100	\$30,000	222	6/16/07
43	4,000	Robert Williamson	36008	2007	1,568	\$160,000	\$20,000	139	7/10/05
44	6,330	Commissioner of Public Lands	27850			\$0	\$0		6/16/01
45	6,378	F&A Dairy	22941			\$27,000	\$20,000	160	3/10/01
46	4,278	F&A Dairy	27781			\$21,000	\$20,000	160	3/10/01
47	18,618	City of Las Cruces (F&A Dairy)	32953	10/26/2004	121,830	\$0	\$0		9/16/01
48	6,048	F&A Dairy	22928			\$18,000	\$30,000	265	9/26/07
49	4,400	F&A Dairy	27928			\$0	\$0		8/16/01
50	128,148	City of Las Cruces (F&A Dairy)	34501			\$0	\$0		3/14/04
51	33,730	City of Las Cruces	26281			\$0	\$0		8/16/01
						698,272			



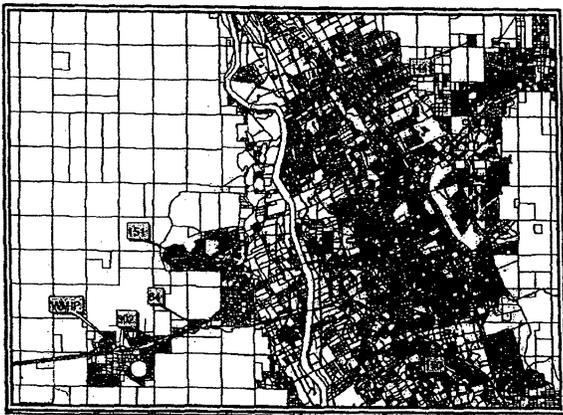
SOLD PARCEL LOCATION MAP

Large Undeveloped Land Parcel Analysis:

The following sales were used to compare to the first six parcels that are referred to as Parcel 3, 14, 15, 16, 31 and 32. These are the large parcels with Parcel 3 and 14 situated north of I-10 and without sewer service. The remaining sales are situated south of I-10 and have all city services. These sales are detailed in the following table, followed by an analysis and my estimate of value. The sales were selected as they were the most recent comparables that represent large development parcels that are the most comparable to the subject parcels.

Parcel ID	Address	City, State	Grantor	Grantee	Sale Date	Sale Price	Price/Acre	Parcel Size	Location	Corner Features	Depth & Shape	Topography	Zoning
Subject	Large Land Parcels WMIP	Las Cruces, NM	Las Cruces, NM	Las Cruces, NM				45 to 147 Acres	Mid-Block Location	Irregular	County Sloping	Industrial	
144	Sonoma Ranch and Pecos Hills	Las Cruces, NM	Las Cruces, NM	Las Cruces, NM	8/29/08	\$1,300,000	\$29,000	45 Acres	Mid-Block Location	Owner Location	Irregular	County Sloping	Mixed Use
151	Pecos Hills	Las Cruces, NM	Burke	Burke	8/21/07	\$2,715,453	\$27,000	257 Acres	Interior	Mid-Block Location	Irregular	Level	Residential
130	Stem Drive	Las Cruces, NM	Bass	Bass	4/5/07	\$1,265,714	\$27,000	52 Acres	Superior	Mid-Block Location	Irregular	County Sloping	Residential
84	Jacobshill Exchange	Las Cruces, NM	Roberts	Roberts	1/12/08	\$862,500	\$16,600	52 Acres	Similar	Mid-Block Location	Irregular	County Sloping	Industrial - Mixed Use
302	Mountain Vista Parkway	Las Cruces, NM	Fletcher Farms	Fletcher Farms	Under Contract	\$3,000,000	\$57,700	52 Acres	Similar	Mid-Block Location with I-10 Frontage	Irregular	County Sloping	ETZ - Commercial

Compiled by: W. Scott Eckenroth, MAI



Discussion of Improved Comparable Sales

The preceding comparables indicate an unadjusted price range of \$10,542 to \$33,000 per acre. The sales were not adjusted for time, as it appears that this segment of the market has weakened since its height in the summer of 2006. Therefore, the search for sales data was limited to those transactions that have occurred since 2006. These sales are representative of the recent activity and will not be adjusted for market conditions. There are six subject parcels that range in size from 45 to 147 acres with the average size being 94 acres. I have used this size as the typical subject parcel size. These comparable sales have been compared to a parcel that is a mid-block location with typical frontage and depth ratios. Adjustments have been made to the subject parcels that have I-10 exposure, inferior shape or lack of utilities. A description of each comparable sale property is as follows.

I have utilized a Quantitative Analysis Grid to help determine each sale's overall comparability to the subject, and to assist in further defining a range of value for the subject.

Sale No.	302	144	151	150	84
Sale Price/Acre	\$33,000	\$23,302	\$10,542	\$27,024	\$16,397
Size - Acre	100.00	56.00	237.00	59.00	52.60
Sale Date	Apr-09	Aug-08	Aug-07	Apr-07	Jan-06
Rights Conveyed	Fee	Fee	Fee	Fee	Fee
Adj. Conditions of Sale					
Financing Terms Adjustment	Market	Market	Market	Market	Market
Buyer/Seller Motivation Adjustment	Normal	Normal	Normal	Normal	Normal
Market Conditions (Time):	0.00%	0.00%	0.00%	0.00%	0.00%
Tot. Time Adj.	0.00%	0.00%	0.00%	0.00%	0.00%
Adj. Value	\$33,000	\$23,302	\$10,542	\$27,024	\$16,397
Location:					
% Adj.	0%	-25%	25%	-25%	0%
\$ Adj.	\$0	(\$5,826)	\$2,656	(\$6,756)	\$0
Adj. Value	\$33,000	\$17,477	\$13,178	\$20,268	\$16,397
Size:					
% Adj.	0%	-4%	17%	-9%	-4%
\$ Adj.	\$0	(\$1,864)	\$1,792	(\$2,432)	(\$1,312)
Adj. Value	\$33,000	\$15,612	\$14,970	\$17,836	\$15,085
Utilities:					
% Adj.	0%	0%	0%	0%	0%
\$ Adj.	\$0	\$0	\$0	\$0	\$0
Adj. Value	\$33,000	\$15,612	\$14,970	\$17,836	\$15,085
Other Features:					
% Adj.	0%	0%	0%	0%	0%
\$ Adj.	\$0	\$0	\$0	\$0	\$0
Adj. Value	\$33,000	\$15,612	\$14,970	\$17,836	\$15,085

Price Per Square Foot Conclusion

The five comparables provide a range of adjusted value indications from a low of \$14,970 to \$33,000 per acre. This wide range of values is due to Comparable Sale #302, which is a parcel that is adjacent to the subject that is under contract to the US Government who has indicated a specific need to be in this immediate vicinity. The remaining four sales represent a very close range from \$14,970 to \$17,836 per acre. There were no sales from the immediate vicinity; however, the comparables selected are representative of the subject property. The narrow range tends to lend credence to the final value conclusion and the sales did not require any substantial adjustments. After considering the four remaining comparable sales, I have concluded a market value estimate towards the lower end of the range for Parcel 3, 14, and 32 or \$15,000 per acre due to the lack of sewer service.

Parcel 15 and 16 are both located on Advancement Avenue with all utilities located adjacent to the two parcels. Parcel 31 has significant frontage on I-10 with superior exposure but no sewer. Therefore, I have considered the upper end of the range to acknowledge to availability of sewer service to these two large land parcels or the superior I-10 frontage.

The following chart is my estimate of value for these six parcels.

Parcel #	Parcel ID#	Size -Acre	Indicated Value/Acre	Market Value (Rounded)
3	02-27108/37908	147	\$15,000	\$2,205,000
14	02-38841	112	\$15,000	\$1,680,000
15	02-38984	86	\$17,500	\$1,505,000
16	02-38983	119	\$17,500	\$2,085,000
31	02-39088	45	\$17,500	\$790,000
32	02-39088	65	\$15,000	\$825,000

Smaller Undeveloped Land Parcels - North of Interstate 10:

The following sales will be used to compare to the parcels that are situated north of Interstate 10 and have all city services except sewer. The parcels are referred to as Parcel 1, 2 and 4 through 13. These parcels range in size from one acre to 28.7 acres and do not have the higher quality roads. There have only been two land sales north of the Interstate since 2006. Both of these parcels sold for \$25,000 per acre while the sales south of the interstate were selling for \$25,000 to \$36,000 per acre with sewer service.

WEST MESA INDUSTRIAL PARK - SOLD PARCELS NORTH OF I-10

Parcel #	Total Lot Size	Property Owner	Parcel ID	Sales Price	Price/Acre	ID #	Date Sold
7	11.270	Clarence Crawford	02-37907	\$281,500	\$25,000	304	6/5/07
9	3.160	Michael O'Donnell	02-35584	\$79,000	\$25,000	155	8/17/08

When analyzing the 12 parcels of land it is my opinion that some adjustment for size and location is warranted. I am of the opinion that parcels with less than three acres should be adjusted upward by 10% for their smaller size and that parcels with more than 10 acres should be adjusted downward by 10% for their larger size. It is apparent that the sales north of I-10 sold for \$25,000 per acre almost two years ago and that there has been some appreciation through 2007. I have adjusted these two sales upward by 10% for time to acknowledge the increase in value in 2006 and 2007. Based on this analysis, I am of the opinion that the typical parcel that contains between three to 10 acres would have an indicated market value of \$27,500 per acre. Parcels with three acres or less would have indicated value of \$30,000 per acre while parcels with more than 10 acres would have an indicated market value of \$25,000 per acre. The following chart is my estimate of value for these 12 parcels.

Parcel #	Parcel ID#	Size -Acre	Indicated Value/Acre	Market Value (Rounded)
1	02-38841	3.8	\$30,000	\$115,000
2	02-37906	3.7	\$30,000	\$110,000
4	02-22306	28.7	\$25,000	\$720,000
5	02-22308	3.0	\$30,000	\$90,000
6	02-35588	3.0	\$30,000	\$90,000
7	02-35587	3.0	\$30,000	\$90,000
8	02-35588	3.0	\$30,000	\$90,000
9	02-38839	17.0	\$25,000	\$425,000
10	02-38840	11.5	\$25,000	\$280,000
11	02-38842	1.0	\$30,000	\$30,000
12	02-38844	1.0	\$30,000	\$30,000
13	02-38843	1.0	\$30,000	\$30,000

Smaller Undeveloped Land Parcels - South of Interstate 10:

The following sales will be used to compare to the parcels that are situated south of Interstate 10 and have all city services including sewer service and good quality roads. The parcels are referred to as Parcel 17 through 30. These parcels range in size from 4.3 acres to 15.3 acres. The sales selected have occurred since 2007 as they were the most recent comparables that represent small fully developed parcels. There have been 15 land sales south of the Interstate. Please see the following chart for those sales.

WEST MESA INDUSTRIAL PARK - SOLD PARCELS SOUTH OF I-10

Sold Parcel #	Total Lot Size	Property Owner	Parcel ID	Sales Price	Price/Acre	ID #	Date Sold
14	5.000	Dennis Muncrief	02-34842	\$125,000	\$25,000	115	5/15/06
16	11.230	DMS Realty, LLC	02-40358	\$407,649	\$36,300	305	12/22/08
17	7.400	Larry Barker	02-40359	\$254,100	\$34,339	306	10/29/08
18	10.820	Larry Barker	02-38977	\$292,050	\$27,500	268	9/28/07
28	6.650	Contractors Leasing LLC	02-38976	\$181,500	\$27,293	307	9/26/07
29	10.000	Sapphire Energy Inc.	02-40906	\$150,000	\$15,000	308	10/29/08
31	15.000	TMG Manufacturing, LLC	02-30043	\$375,000	\$25,000	267	8/10/07
32	6.000	RDC, LLC	02-35801	\$150,000	\$25,000	104	7/12/06
33	5.780	Esmail Hajdari - Skyblue Inv.	02-35802	\$175,870	\$30,427	225	6/27/07
34	5.920	Esmail Hajdari - Skyblue Inv.	02-35590	\$180,130	\$30,427	225	6/27/07
35	6.000	Matthew Hcard	02-35591	\$150,000	\$25,000	223	6/22/07
37	4.788	West Texas Development	02-35592	\$143,700	\$30,013	224	6/26/07
38	4.740	Don & Jeff Billings	02-35593	\$142,200	\$30,000	214	4/6/07
41	3.480	Leonard Besinger	02-35596	\$103,800	\$30,000	222	6/21/07
42	5.870	Leonard Besinger	02-35597	\$178,100	\$30,000	222	6/21/07
43	4.000	Skiny Williamson	02-35598	\$100,000	\$25,000	139	7/11/06
48	5.040	F&A Dairy	02-39086	\$181,440	\$36,000	265	9/24/07
				117,698	\$3,291,539	\$27,990	

The sales occurred between May of 2006 to December of 2008 with no sales in 2009. The sales range in price from \$15,000 to \$36,300 per acre. The low end of the range is represented by Parcel 29, which sold below market due to economic incentives offered to the purchaser. After eliminating Parcel 29 the range is much closer from \$25,000 to \$36,300 per acre. The sales range in size from four acres to 15 acres. The largest and smallest sale both sold for \$25,000 per acre indicating no adjustment for size.

When analyzing the 14 subject parcels it is my opinion that the only adjustment required is for location within the park due to frontage, corner features or exposure to Interstate 10. The subject parcels are listed for sale at three different prices based on location. Parcel 20 and 25, which have exposure to Interstate 10 are priced at \$46,200 per acre. Parcel 26 and 27, which are situated on Alliance Drive are priced at \$36,300. The remaining 10 parcels are all listed at the same price or \$39,600 per acre.

There were only two sales in 2008 and these two parcels were also situated on Alliance Drive. Parcel 16, which is the most recent sale was purchased for the asking price of \$36,300 and 25, while Parcel 17 sold only slightly lower at \$34,339 per acre primarily due to the fact that the same purchaser had purchased an adjacent parcel the year prior and some credit was given. Taking note of the fact that the City is typically selling parcels at their asking price with only

minor adjustments made for price due to economic incentives. I am of the opinion that Parcel 26 and 27, which are both located on Alliance Drive indicate a market value of \$36,000 per acre and that this is basis for establishing value on the remaining subject parcels.

Parcel 20 and 25 are both situated on the Interstate 10 frontage road and provide additional exposure to interstate traffic. Parcels with superior visibility and favorable access will typically bring a premium; however, the sales activity in the WMIP does not support an adjustment. The City has the two parcels listed for sale at \$46,200 per acre, which is 22% higher than the established price for parcels on Alliance Drive. This appears slightly higher than market derived adjustments experienced in Las Cruces. Therefore, I am of the opinion that Parcel 20 and 25 would have a slightly lower market value of \$44,000 per acre.

The remaining 10 parcels are all similar in size, access and exposure. These 10 parcels are all situated on major thoroughfares within the WMIP and have equal exposure, frontage and access. As mentioned previously, Parcel 26 and 27 have an indicated market value of \$36,000 per acre but are considered slightly inferior due to secondary access within WMIP. The City has these 10 remaining parcels listed for sale at \$39,600 per acre, which is a 10% premium over the parcels on Alliance Drive. This premium appears reasonable and I am of the opinion that the market value of Parcel 17, 18, 19, 21 through 24 and 28 through 30 is \$40,000 per acre.

The following chart is my estimate of value for these 14 parcels.

Parcel #	Parcel ID#	Size -Acre	Indicated Value/Acre	Market Value (Rounded)
17	02-38980	4.3	\$40,000	\$170,000
18	02-38981	4.3	\$40,000	\$170,000
19	02-34315	10.0	\$40,000	\$400,000
20	02-40352	15.3	\$44,000	\$675,000
21	02-40354	8.8	\$40,000	\$350,000
22	02-40356	8.7	\$40,000	\$350,000
23	02-38979	10.8	\$40,000	\$430,000
24	02-38978	11.8	\$40,000	\$470,000
25	02-40353	12.7	\$44,000	\$560,000
26	02-40355	7.8	\$36,000	\$280,000
27	02-40357	7.1	\$36,000	\$255,000
28	02-38974	10.0	\$40,000	\$400,000
29	02-39087	5.5	\$40,000	\$220,000
30	02-35395	4.5	\$40,000	\$180,000

Reliability

While every effort has been made to produce a credible value estimate, certain factors limit the reliability of the result. The scope of this assignment was limited to an application of the Sales Comparison Approach. Only a limited market analysis was made and no in-depth analysis of highest and best use was conducted.

These factors are not considered to have a significant negative impact on the reliability of the valuation. Sufficient data, diligence, and analysis are combined in this appraisal to produce a reasonably reliable value conclusion, which will serve the needs of the client.

CERTIFICATION OF THE APPRAISER

The undersigned of this appraisal report, by his signature on this report, certifies that to the best of his knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are the undersigned's personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. The undersigned has no present or prospective interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
4. The undersigned has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The undersigned's compensation for completing this assignment is not contingent upon the development or reporting 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, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
6. The undersigned's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
7. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
8. The undersigned made a physical inspection of the subject property.
9. No one provided significant professional assistance to the person signing this report.
10. The undersigned has extensive experience in the appraisal of similar property types.
11. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

By:


 W. Scott Eschenbrenner, MAI
 Certified Commercial Real Estate Appraiser
 State of New Mexico No. 1180-G

Vicinity Map

