

# City of Las Cruces<sup>®</sup>

PEOPLE HELPING PEOPLE

## Council Action and Executive Summary

Item # 8 Ordinance/Resolution# 2620

For Meeting of June 6, 2011  
(Ordinance First Reading Date)

For Meeting of June 20, 2011  
(Adoption Date)

**TITLE:** AN ORDINANCE AUTHORIZING A REAL ESTATE PURCHASE AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND NORM FRISTOE AND/OR ASSIGNS, FOR THE SALE OF 0.75 ACRES OF MUNICIPALLY OWNED LAND AT 2305 E NEVADA AVENUE IN THE ENTRADA DEL SOL INDUSTRIAL PARK FOR THE PURCHASE PRICE OF TWO HUNDRED AND TEN THOUSAND DOLLARS (\$210,000.00) IN ACCORDANCE WITH PROVISIONS OF SECTION 3-54-1, NMSA, 1978, AS AMENDED.

**PURPOSE(S) OF ACTION:**

Sell City land.

<b>COUNCIL DISTRICT: 3</b>		
<b><u>Drafter/Staff Contact:</u></b> Christine Logan <i>CL</i>	<b><u>Department/Section:</u></b> Community Development	<b><u>Phone:</u></b> 541-2286
<b><u>City Manager Signature:</u></b>	<i>[Signature]</i>	

**BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:**

This Ordinance authorizes the sale of 0.75 acres real property in the Entrada Del Sol Industrial Park to Norm Fristoe and/or assigns for \$210,000.

In 1948 the City acquired approximately 30 acres of land. Through the 1960's and 70's the land was developed using EDA grants to become the Entrada Del Sol Industrial Park. As a part of the development of the Industrial Park, a 0.75 acre tract of land was leased to Goodwill Industries of Southern New Mexico in 1968 and they built the existing 6,000 square foot building on the site in 1970. The lease was assigned to Good Start Industries in 2004 and Good Start operated the facility until January 2011 at which time they disincorporated and terminated the lease. Upon termination, all improvements became the property and responsibility of the City.

City staff secured the building and has been maintaining the site to prevent accumulation of excessive weeds or debris. The site was marketed for sale with information distributed through MVEDA and the local commercial real estate community. On April 7, 2011 a purchase offer was received from Norm Fristoe.

Norm Fristoe is and has been involved in several local commercial and industrial projects, most recently a zone change and remodel project at the Walnut Professional Plaza. The purchase of this City property is as a member/owner of SASD Supply, LLC, an industrial supply and brokerage serving the greater Las Cruces area (Deming, Hatch, El Paso, Silver City). The company was formed in 2008 and currently employs 2 people. SASD Supply would use the property to locate the expanding company that would eventually employ 8 to 10 people.

The property was marketed at \$290,000 based on an appraisal completed in February 2011. The proposed purchase price is \$210,000. A memo providing further information is attached. State statutes and the Municipal Code allow the City to sell land at below appraised value and doing so does not set a precedent that would interfere with the sale price for any other City owned land.

As required by the Municipal Code, two property appraisals are attached. A February 2010 appraisal of the property estimated the land value at \$290,000. A second, independent appraisal was ordered when the offer was received and will be made available to the public as an attachment to this summary prior to City Council consideration of adoption.

No City infrastructure improvements are required as a part of this sale. The City would be responsible for paying a 6% real estate commission as a part of this land sale agreement as authorized by Resolution 02-125. Steinborn TCN represents the buyer. The real estate company will be responsible for coordinating the sale process and the \$12,600 commission payment will be funded from the proceeds of the land sale. Closing costs will also be funded from the proceeds resulting in net proceeds to the City of approximately \$196,500.

The Ordinance has been prepared in accordance with 3-54-1 et. Seq., NMSA 1978, as amended. The closing date for the sale will not occur until 45 days after the adoption of the Ordinance and would occur no later than 90 days after adoption (between August 4th and September 18th, 2011). 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 General Fund.

**SUPPORT INFORMATION:**

1. Ordinance.
2. Exhibit "A", Real Estate Purchase Agreement.
3. Attachment "A", Property Appraisals.
4. Attachment "B", Memo detailing negotiated purchase price.
5. Attachment "C", Vicinity Map.

**SOURCE OF FUNDING:**

Is this action already budgeted?  N/A			
	Yes	<input type="checkbox"/>	See fund summary below
	No	<input type="checkbox"/>	If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from:
		<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)
		<input type="checkbox"/>	Proposed funding is from fund balance in the _____ Fund.
Does this action create any revenue?			
	Yes	<input checked="" type="checkbox"/>	Funds will be deposited into this fund: General Fund 1000-590020 in the amount of \$196,500 for FY12.
	No	<input type="checkbox"/>	There is no new revenue generated by this action.

**BUDGET NARRATIVE**

N/A
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**FUND EXPENDITURE SUMMARY:**

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
N/A	N/A	N/A	N/A	N/A	N/A

**OPTIONS / ALTERNATIVES:**

1. Vote "Yes"; this will approve the Ordinance and allow the sale of property to Norm Fristoe and/or assigns for \$210,000.
2. Vote "No"; this will disapprove the Ordinance. The City would continue to market the property for sale.
3. Vote to "Amend"; this could modify the Ordinance based on direction provided by the City Council. It may or may not require acceptance by Mr. Fristoe.
4. Vote to "Table"; this could allow the Council to table/postpone the Ordinance and direct staff accordingly.

**REFERENCE INFORMATION:**

The resolution(s) and/or ordinances(s) listed below are only for reference and are not included as attachments or exhibits.

1. N/A

COUNCIL BILL NO. 11-040  
ORDINANCE NO. 2620

**AN ORDINANCE AUTHORIZING A REAL ESTATE PURCHASE AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND NORM FRISTOE AND/OR ASSIGNS, FOR THE SALE OF 0.75 ACRES OF MUNICIPALLY OWNED LAND AT 2305 E NEVADA AVENUE IN THE ENTRADA DEL SOL INDUSTRIAL PARK FOR THE PURCHASE PRICE OF TWO HUNDRED AND TEN THOUSAND DOLLARS (\$210,000.00) 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 a 0.75 acre tract of land situated at 2305 E Nevada Avenue within the Entrada Del Sol Industrial Park; and

**WHEREAS**, this land was acquired by the City of Las Cruces for the purpose of industrial and economic development, has recently been vacated; and

**WHEREAS**, Norm Fristoe has made an offer to purchase the land.

**NOW, THEREFORE**, Be it ordained by the governing body of the City of Las Cruces:

**(I)**

**THAT** the sale of 0.75 acres of municipal land for \$210,000, 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 General 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 \_\_\_\_\_, 2011.

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

(SEAL)

VOTE:

Mayor Miyagishima:	_____
Councillor Silva:	_____
Councillor Connor:	_____
Councillor Pedroza:	_____
Councillor Small:	_____
Councillor Sorg:	_____
Councillor Thomas:	_____

Moved by: \_\_\_\_\_

Seconded by: \_\_\_\_\_

APPROVED AS TO FORM:

  
City Attorney

**Exhibit "A"**  
**REAL ESTATE PURCHASE AGREEMENT**

THIS AGREEMENT, entered into this 25<sup>th</sup> day of May, 2011 between Norm Fristoe and/or assigns, whose address is 780 S Walnut, Building #6/Las Cruces NM 88001 (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 Lot 6 of Entrada Del Sol Industrial Park (being a 0.75 acre tract of land located at 2305 E Nevada Avenue in Las Cruces NM) with all improvements thereon, and all rights, easements and appurtenances thereunto belonging.

**TERMS AND CONDITIONS:**

**Purchase Price**

The purchase price for the Property shall be Two Hundred and Ten Thousand Dollars (\$210,000.00), payable as follows:

- a) \$ 5,000.00 as an earnest money deposit which Purchaser agrees to deposit with a mutually agreed upon Title Company at such time as a Real Estate Purchase Agreement covering the Property is executed by Purchaser and City
- b) remainder in cash or equivalent at closing.

**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) and not more than ninety (90) days following the date of the ordinance.

**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 together with full copies of all exceptions set forth therein, including but not limited to covenants, conditions, restrictions, reservations, easements, rights of way, assessments, liens and other matters of record. Purchaser shall have fifteen (15) days from receipt of the Commitment and copies of said exceptions 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 and shall be paid for by Purchaser.

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.

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.

#### **Costs and Fees**

a) The closing costs shall be paid as follows: any loan and/or surveying fees shall be paid by the Purchaser; the Commitment of Title Insurance, Title Policy Premium, Phase I environmental assessment and a real estate commission 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 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.

#### **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.

#### **Governing Laws**

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

#### **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.

#### **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.

#### **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.

#### **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.

**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.

**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.

**Notice**

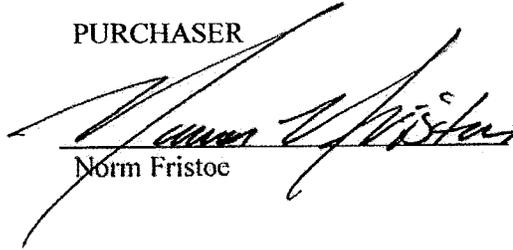
All notices given pursuant to or in connection with this Agreement shall be made in writing and posted by certified mail, postage prepaid, to the City of Las Cruces, ATTN: Land Manager, P.O. Box 20000, Las Cruces, NM 88004; and to Norm Fristoe, 780 S Walnut, Building #6, Las Cruces NM 88001 or to such 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

PURCHASER

\_\_\_\_\_  
Ken Miyagashima  
Mayor

  
\_\_\_\_\_  
Norm Fristoe

APPRAISAL OF  
2305 E. NEVADA AVENUE  
LAS CRUCES, NEW MEXICO 88001

FEBRUARY 18, 2011

FOR  
CHRISTINE LOGAN  
ECONOMIC DEVELOPMENT ADMINISTRATOR  
CITY OF LAS CRUCES  
PO DRAWER 20000  
LAS CRUCES, NM 88004

BY  
HARRY L. HANSEN, MAI, SRA  
HANSEN REAL ESTATE APPRAISALS, INC.  
545 S. MELENDRES, SUITE D  
LAS CRUCES, NM 88005

# SUMMARY APPRAISAL REPORT

**SUBJECT:** 2305 Nevada Avenue, Las Cruces, NM.

**PURPOSE OF THE APPRAISAL:**

The purpose of this appraisal is to estimate the market value, as defined, of the subject property, as of the effective date of the appraisal. The real estate interest being appraised is that of ownership in fee simple. The property is appraised as if free and clear, and as if without liens and encumbrances.

**INTENDED USE OF REPORT:**

This appraisal is intended to assist the client in sales price negotiations.

**CLIENT AND INTENDED USERS:** City of Las Cruces.

**EFFECTIVE DATE OF VALUE:** February 18, 2011.

**DATE OF REPORT:** February 18, 2011.

**MARKET VALUE ESTIMATE:** \$290,000.00

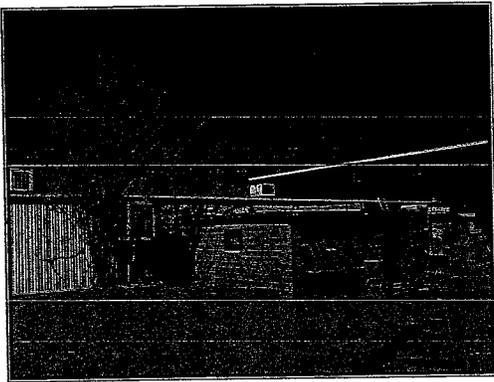
**RECENT OWNERSHIP HISTORY:**

To my knowledge the subject property is not currently under any agreement of sale or option and has not been sold within the past three years.

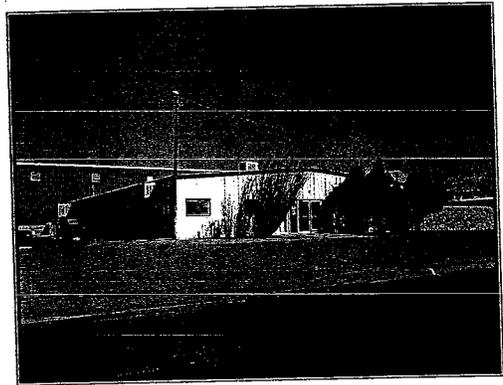
**REASONABLE EXPOSURE TIME:** One year.



**HARRY L. HANSEN, MAI, SRA**  
NM Certification #44-G



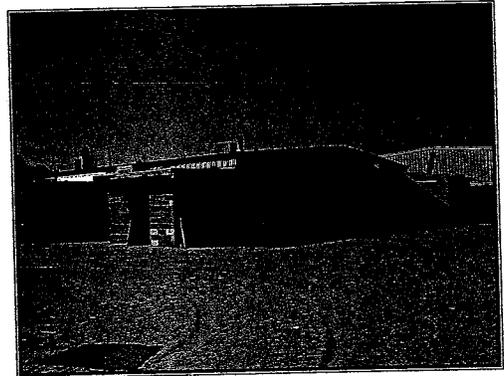
East Side View of Subject Property



Front View of Subject Property



Office View



Rear View of Subject Property

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**IDENTIFICATION OF THE APPRAISED PROPERTY:**

Type of Property: Warehouse.

Location: 2305 Nevada Avenue, City of Las Cruces, Doña Ana County, NM.

Legal Description: Lot 6 Entrada Del Sol, Industrial Park, City of Las Cruces, Doña Ana County, New Mexico.

Doña Ana County Assessor Parcel No. 02-13645

Owner of Record: City of Las Cruces

## Assessed Value:

Building:	\$59,000
Land:	97,500
Total:	\$156,500

Taxes due for 2010: N/A

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**DEFINITION OF MARKET VALUE:**

"Market Value" as defined in the Uniform Standards of Professional Appraisal Practice, by The Appraisal Foundation.

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

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and each acting in what he considers his 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 for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

**SCOPE OF WORK:**

Data used in this report was collected and confirmed from local sources only. This report does not use data from other cities, counties or states and no comparisons were made of the subject property or its environs with other market areas. The appraiser has inspected the interior and exterior of the subject property. The appraiser has inspected the exterior of all comparable sale properties. The Cost Approach, Sales Comparison Approach and Capitalized Income Approach to value have all been considered for use in this appraisal. If any of these approaches are not used in this appraisal, an explanation will be found within the body of this report. The value being sought and the real estate interest being appraised is set forth in the Purpose of the Appraisal.

This Summary Appraisal Report is a brief recapitulation of the appraiser's data, analyzes, and conclusions. Supporting documentation is retained in the appraiser's file.

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**Transportation:**

Rail service is provided by the Union Pacific-Southern Pacific and Burlington Northern-Santa Fe with daily freight trains. The city of Las Cruces operates a Federally Certified Airport located approximately 10 miles West of the city, where charter service is available. Commercial air service is available at the El Paso International Airport, approximately 50 miles South of Las Cruces. Local bus and taxi service is available. The entire South district is served by school bus transportation. Inter-city bus line serving the area include Greyhound Bus Lines. Las Cruces is located on the intersection of the east-west Interstate 10 and north-south Interstate 25. These highways bypass the city on the east and southwest with three exits on the east and two on the southwest.

**Construction Activity:**

Analysis of the building permits issued over the past ten years provides an accurate indication of the construction activity of the city. The following table provides this summary.

Year	Single Family Permits \$ Mill	Multi-Family Permits \$ Mil	Commercial Permits \$ Mill
2000	285	8	\$7.9
2001	330	6	\$9.6
2002	530	7	\$11.8
2003	796	5	\$18.0
2004	842	7	\$14.4
2005	1,529	15	\$20.4
2006	1,535	18	\$34.2
2007	985	13	\$3.8
2008	632	5	\$2.3
2009	628	5	\$14.3
2010	576	5	\$11.9

Source: City of Las Cruces

In addition the city issued 107 mobile home permits in 2010. Commercial development has occurred primarily between North Main Street and New Mexico State University along Telshor Boulevard, Roadrunner and Lohman Avenue. New industrial building continues in the Las Cruces West Mesa Industrial Park located adjacent to the Las Cruces Airport. A large portion of the new residential subdivisions is located on the East side of the Las Cruces area. There is a regional shopping mall next to the Interstate 25 access in the east-central part of the city. Commercial permit valuation for 2008 reached an all time record high. The multi-family projects added 175 units in 2010. The County issued 158 new single-family building permits in 2010 down from 170 in 2009 for a total valuation of \$39,169,500 or \$247,908 per housing unit. The city average value per home unit was \$175,515 for 2010 up from \$167,928 in 2009. The county also issued 13 new commercial permits for \$3,237,851.

There has been an overbuilding of homes and the market is in an inventory adjustment period which will likely take one to two years to reach normal levels. Realtors in the area indicate that there is still a strong demand for homes but many deals are subject to buyers selling their homes in other parts of the country.

**Economic Base:**

For the Doña Ana County Area, the main employment activities include agriculture and the area's largest employer, state and federal government. New Mexico State University located in Las Cruces has been an important factor attributing to area growth. According to the university registrar, the main campus fall semester enrollment for selected years is as follows:

Year	Fall Enrollment	Annual Percentage Change
1965	3,987	
1970	8,155	15.4%
1980	12,347	4.2%
1990	14,809	1.8%
2000	14,958	.1%
2005	16,072	1.4%
2008	17,198	2.3%
2009	18,497	7.6%

In addition to the main campus enrollment the Doña Ana Community College enrollment was 8,796 for 2009.

The NASA and White Sands Missile Range are two important government projects employing many community residents under civil service, contract, and armed forces categories. According to the New Mexico Department of Workforce Solutions, the Doña Ana County civilian labor force was reported as 94,767, with 7.9% unemployment rate in November 2010. This is slightly lower than the 8.2% rate reported for the State of New Mexico. Of the 70,600 nonagricultural employment in November 2010 only 9.2% is involved in the production of goods. Total government employment of 21,800 comprises approximately 32% of the nonagricultural workforce. Doña Ana County Per Capita Income was \$17,984 in 2001 as compared to \$24,085 for the State of New Mexico. Median Household Income was \$30,740 in 2004.

**Government and Municipal Service:**

Las Cruces has a City Council, City Manager type of government with a Mayor elected at large. The city has a Municipal Planning Commission, Industrial Development Board and Municipal Zoning Commission. Municipal services include: law enforcement, fire department, water and sewer service, trash collection and natural gas service. Electric power is provided by the El Paso Electric Company and telephone service, provided by Qwest Communications is available to all parts of the community.

**LOCATION DESCRIPTION:**

**Geographic Influences:**

Las Cruces, the county seat and major population center of Doña Ana County, in south-central New Mexico, is located in the Rio Grande Valley about 45 miles North of El Paso, Texas and Juarez, Mexico. Doña Ana County contains approximately 3,804 square miles. The wide level valley provides excellent farmland for the irrigated agricultural crops grown in the area. The valley is bound on the West by rolling desert and on the East by the Organ Mountains, with peaks above 8,500 feet. The elevation of the city is 3,800 feet.

The area has an arid continental climate characterized by moderately warm summers, mild winters and low rainfall. Average precipitation is approximately eight inches per year. Summer temperatures generally range 30 degrees bringing appreciable cooling at night. Daytime winter temperatures generally range between 50 and 60 degrees in the coldest months and night temperatures very rarely fall below zero. Humidity is low. Winds are usually light from the West except during late winter and spring. Las Cruces has an average growing season of 201 days, from April 10 to October 28. The area normally experiences from 75 to 80 percent of the sunshine possible each day.

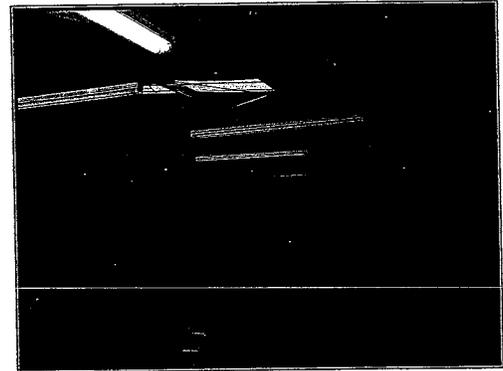
**Population:**

The population of Las Cruces and Doña Ana County has increased as indicated below, according to the Las Cruces Community Profile, United States Census Bureau, and the Las Cruces Chamber of Commerce. The population of the City of Las Cruces has increased approximately 18.4% over the past decade while the entire county has increased 29%. At this rate, the population of Doña Ana County is estimated to be 225,500 by the year 2,010. This continued growth should provide a stable demand for all types of real estate in the foreseeable future.

The following table details the population growth in the City of Las Cruces and Doña Ana County from 1950 to 2000.

Year	Las Cruces	Doña Ana County
1950	12,325	39,557
1960	29,367	59,948
1970	37,857	69,773
1980	45,085	96,340
1990	62,126	135,510
1994	71,045	155,466
2000	73,539	174,682
2004	79,524*	186,095
2010		215,828*

\*US Census Bureau estimates.



Interior View of Subject Property



Street Scene Looking Easterly Along Nevada Avenue

**SITE DESCRIPTION:**

**Size and shape:** .7484 acres or 32,600 square feet.

**Topography:** Level, inside site.

**Drainage:** Appears adequate. The subject is not located in a FEMA special flood hazard area. The property is identified as being in a Zone X area on FIRM number 35013C0632 F, effective September 6, 1995. The Zone X is an area determined to be outside the 500-year flood plain.

**Environmental Concerns:** There was no apparent evidence that the property is affected by the existence of hazardous substances or detrimental environmental conditions.

**Access:** Good paved access on Nevada.

**Streets:** Paved with concrete curb and gutter, and street lights.

**Utilities:** All public.

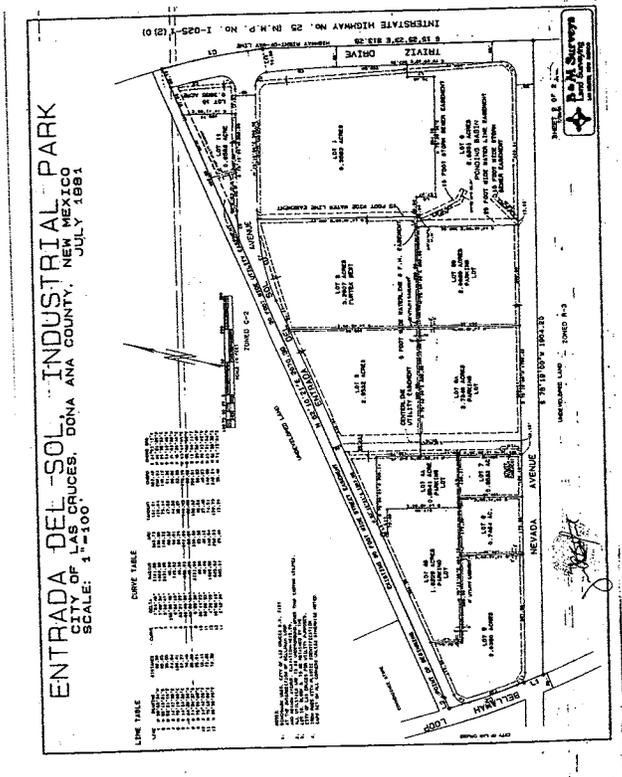
**Legal Limitations to Use:** The site is zoned "M-1" Light Industrial and is restricted to uses consistent with the provisions of this zone as enforced by the City of Las Cruces. The subject property is in conformity with the present zoning. There are no apparent adverse easements, restrictions or encroachments affecting use, however the appraiser did not have a current survey available to observe the location of improvements compared with property lines and public easements. Your attention is invited to the copy of the current zoning regulations included in the addenda.

**Site Improvements:** Asphalt parking and fence.

**Encroachments or Easements:** No adverse noted.

**Special Amenities:** Good access and location.

**Adverse Influences:** None.



**NEIGHBORHOOD DESCRIPTION:**

**Predominant Use:** Commercial along major streets. Some industrial uses and residential remainder.

**Built Up:** 95%

**Trends:** Development of infill lots.

**Conformity:** Average.

**Special Amenities:** None.

**Objectionable Influences:** None.

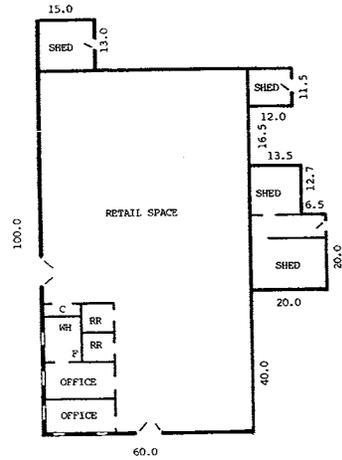
**Housing:**

Census data reports the total housing units in Doña Ana County for 2000 as 65,210. This represents a 33% increase since year 1990 which reported 49,148 total units. Owner occupied housing represents 67.5% while renters occupy 32.5%. Average household size is 2.98, owner occupied, and 2.58 renter occupied.

**Summary and Conclusion:**

The prospect for overall economic growth in the area is good due to the stability of the federal and state facilities, the established agribusiness, and the role Las Cruces serves as the trade center for this portion of the state. The opening of a new US-Mexico port of entry in southern Doña Ana County together with the Free Trade agreement should also have a positive economic impact on this area over the next 20 years.

**THE VALUE OF THE SITE**

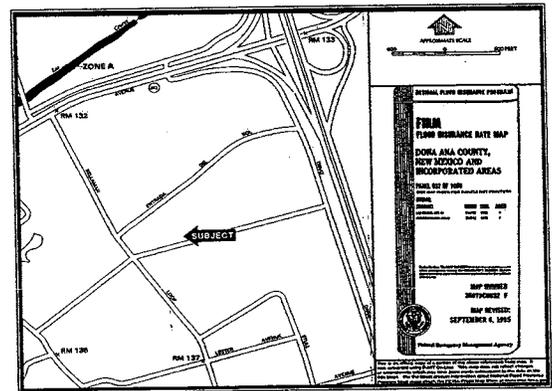


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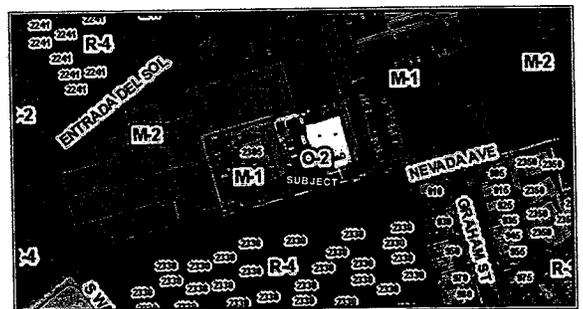
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**DESCRIPTION OF IMPROVEMENTS:**

- Building Type: Single-story industrial storage building.
- Size: 6,000 square feet in main metal building. 904 SF of attached concrete block sheds.
- Foundation and floor: Reinforced concrete.
- Floor Cover: Vinyl tile in office areas.
- Exterior Wall: Metal.
- Interior Construction: Drywall.
- Plumbing: Two restrooms and sink.
- Electrical: Adequate service, outlets and fixtures.
- Heating and cooling: Central forced air gas fired furnace for offices, gas space heaters for warehouse area. Evaporative coolers.
- Roof: Metal roof over metal trusses.
- Windows: Aluminum front and offices.
- Insulation: Vinyl clad.
- Age/Condition: According to the assessor's records, the improvements were built in 1970. The observed effective age is estimated as 30 years.
- Remaining Economic Life: 30 years.
- General Quality: Average.



FLOOD MAP



ZONING MAP

**HIGHEST AND BEST USE AS IF VACANT:**

Industrial or commercial building site.

**HIGHEST AND BEST USE AS IMPROVED:**

Continue present use.

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**SITE VALUE BY DIRECT SALES COMPARISON:**

The value of the site is estimated by direct comparison of the subject property with sales or offers of properties with similar characteristics. Analysis of these property sales and comparison of their value influencing qualities to those of the subject produces the indications of value for the subject land as shown in the following table.

Sale Number	1	2	3	4	5	6	7
Database ID#	335	294	227	221	217	213	206
Address	1915 S. Valley	971 Sand Castle	1360 S. Valley	2340 Westgate Ct	1745 Marquess	1001 Parkhill	700 W. Palms
Sale Price	\$180,926	\$171,500	\$220,000	\$250,000	\$215,000	\$425,000	\$185,130
Size	45,000 SF	40,942 SF	60,906 SF	63,554 SF	51,836 SF	121,532 SF	43,560 SF
Price/SF	\$4.02	\$4.19	\$3.61	\$3.93	\$4.15	\$3.50	\$4.25
Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing Terms	Market	Market	Market	Market	Market	Market	Market
Terms Adjustment	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Adjusted Price	\$4.02	\$4.19	\$3.61	\$3.93	\$4.15	\$3.50	\$4.25
Conditions of Sale	Arms Length	Arms Length	Arms Length	Arms Length	Arms Length	Arms Length	Arms Length
Conditions Adjustment	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Adjusted Price	\$4.02	\$4.19	\$3.61	\$3.93	\$4.15	\$3.50	\$4.25
Date of Sale	Nov-08	Jul-08	Jul-07	May-07	May-07	Mar-07	May-07
Date Adjustment	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Adjusted Price	\$4.02	\$4.19	\$3.61	\$3.93	\$4.15	\$3.50	\$4.25
Adjustments:							
Legal Use	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Physical	0.00	0.00	0.00	0.00	0.05	0.00	0.00
Location	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Size	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Utilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Access	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subject Rating	1.00	1.00	1.00	1.00	1.05	1.00	1.00
Adj. Value/SF	\$4.02	\$4.19	\$3.61	\$3.93	\$4.36	\$3.50	\$4.25

Indicated Value for the Land Component/SF is: \$4.00

Estimated Market Value for the Land Component is: 32,600 SF X \$4.00 = \$130,400

Indicators

Sale Price/Gross Acre \$175,136  
 Sale Price/Gross SF \$4.02

Remarks

The property was improved with a mobile home sales lot, which closed a few years prior. There were no improvements to the site. The property was most recently acquired from the adjacent property owner through an unsolicited letter to the owner who at the time was in default on owner financed note. The owner essentially walked away from the debt and any equity with the purchaser acquiring the note and making the payments current. The purchase price to the new owner was slightly less than the original purchase price indicating no appreciation. Although the seller was under duress to sell the property was also acquired from the adjacent property owner who can be considered motivated to expand.

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Legal Use - The difference in permitted uses and density of use for the subject and the sales is important in considering comparability. Generally properties with the same zoning are considered equal unless there is a protective covenant or other encumbrance restricting use. Properties with different zoning but the same general highest and best use are also considered similar. When differences in zoning or other limitations to use affect the reasons for purchasing a property or its density of use, then an adjustment is made. All sales were considered to be comparable to the subject in terms of legal use.

Physical Characteristics - The physical characteristics of the site including shape, topography, drainage, frontage, and soil conditions are important in considering the comparability of properties. All sales were deemed similar to the subject in terms of general physical characteristics except sale #5 which required some fill.

Location - Nothing affecting real estate value is more significant than the location of the property. Whenever possible, sales are used that have similar location and neighborhood characteristics. The appraiser attempts to conclude whether the market recognizes that a property is superior, similar or inferior to another in terms of location characteristics.

Size - The relative size of a sale tract as compared to the subject may have an effect on the value. Typically, all other things being similar, a larger tract will sell for less per unit of sale, i.e. square foot or acre, than a smaller tract. Particularly if a tract is likely to be divided one or more times prior to its final use it will sell for less than a similar tract at a size typical of final highest and best use.

Utilities - The availability of supporting utilities is very important in analyzing the comparability of sales to the subject. Most land tracts require basic support utilities such as electricity, water, sewage treatment, and telephone prior to being utilized for any type of high-density use including residential. Adjustment must be made to account for the lack of a necessary utility and/or the cost of extending or providing it.

Access - The ease of access and amount of exposure can be a very important criteria affecting the value of real property. Particularly for commercial real estate, ease of access and good traffic exposure are often the most important characteristics.

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Property Identification

Record ID 335  
 Property Name Action Rental  
 Address 1915 South Valley Drive, Las Cruces, Doña Ana County, New Mexico adjacent to Action Rental  
 Location adjacent to Action Rental  
 Tax ID 02-07582  
 Legal Description USRS Tract 11C-39B3, Sec 19 & 30, T23S, R2E

Sale Data

Grantor Palma Enterprises, Inc.  
 Grantee Muench Family Investments, LLC  
 Sale Date November 14, 2008  
 Deed Book/Page 0831078  
 Property Rights Fee Simple  
 Conditions of Sale Seller was under duress to sell and buyer was motivated.  
 Financing Assumed owner financing  
 Sale History Sold 9/12/2005 for \$136,000 (Sale #585), Sold 3/6/  
 Verification Settlement Statement; Joseph Muench - Action Rental, 524-8616, March 19, 2010; Confirmed by Scott Eschenbrenner

Sale Price \$180,926

Land Data

Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All city services except sewer - septic tank required.  
 Dimensions 150' x 300'  
 Shape Rectangular  
 Landscaping None  
 Fencing Rock wall at the rear of property  
 Perimeter P = 900'  
 Total Frontage TF = 150'  
 Main Frontage MF = 150'

Land Size Information

Gross Land Size 1.033 Acres or 45,000 SF  
 Front Footage 150 ft South Valley Drive

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Discussion of Sales: The sales analyzed in this appraisal are similar in many respects to the subject and different in some characteristics. The various adjustment categories are as follows:

1. Terms of Financing.
2. Conditions of Sale.
3. Date of Sale (Market Conditions).
4. Legal Use (Zoning, Covenants).
5. Physical Characteristics.
6. Location.
7. Relative size of site.
8. Availability of supporting utilities.
9. Quality of access and exposure.

The adjustment criteria and the comparability of the subject and the comparables are discussed below.

Terms of Financing - The subject property is being appraised on a cash equivalent basis. Therefore if any of the sales were made under either favorable or unfavorable terms, an adjustment may be called for. An example of favorable buyer terms would be below market interest rates, a very small or no down payment or excessive discount points paid by the seller on behalf of the buyer. A downward price adjustment is usually indicated for favorable terms of sales. All sales analyzed were sold for cash or its market equivalent and therefore no adjustment was considered justified for terms of sale.

Conditions of Sale - This adjustment is made whenever there is evidence that the sale was not "arms length". That is to say either the buyer or seller was under other than typical motivation to buy or sell. No such conditions were indicated during confirmation of these sales. Therefore no adjustments were made.

Date of Sale - This adjustment is made to account for increases or decreases in property value over time due to differences in market conditions, supply and demand, etc. Paired sales analysis for this type of property in the Las Cruces area indicates a stable price level over the past few years. Therefore no adjustment for date of sale was deemed justified.

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LAND SALE NO. 5

Property Identification

Record ID 217  
 Address 1745 Marquess Street, Las Cruces, Doña Ana County, New Mexico  
 Tax ID 02-07387  
 Legal Description Lot 14, Barker Center Unit 1

Sale Data

Grantor Kevin B. and Rebecca D. Horner  
 Grantee Elpidio and Rosalina Quezada  
 Sale Date May 9, 2007  
 Deed Book/Page 812/1833  
 Recorded Plat 12/136-137  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Cash to seller  
 Verification Kevin Horner - Seller

Sale Price

\$215,000

Land Data

Zoning M-1 Light Manufacturing  
 Topography Basically Level  
 Utilities All City Services  
 Shape Irregular

Land Size Information

Gross Land Size 1.190 Acres or 51,836 SF  
 Front Footage Marquess Street

Indicators

Sale Price/Gross Acre \$180,672  
 Sale Price/Gross SF \$4.15

Remarks

The property is situated on Marquess Street across from the BLM administration offices. The site will require some additional fill due to the flood zone status.

LAND SALE NO. 4

Property Identification

Record ID 221  
 Address 2340 Westgate Court, Las Cruces, Doña Ana County, New Mexico  
 Tax ID 02-18469

Sale Data

Grantor Ewing Irrigation Products, Inc.  
 Grantee Randy & Cindy Farmer  
 Sale Date May 1, 2007  
 Deed Book/Page 812/1448  
 Recorded Plat 14/190-191  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Cash to Seller

Sale Price

\$250,000

Land Data

Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All city services  
 Shape Irregular  
 Flood Info Not located in flood hazard area

Land Size Information

Gross Land Size 1.459 Acres or 63,554 SF

Indicators

Sale Price/Gross Acre \$171,350  
 Sale Price/Gross SF \$3.93

LAND SALE NO. 3

Property Identification

Record ID 227  
 Address 1360 Valley Dr, Las Cruces, Doña Ana County, New Mexico  
 Tax ID 02-32347

Sale Data

Grantor Walter & Shirley Ann Lewis  
 Grantee G & N Ventures LLC  
 Sale Date July 26, 2007  
 Deed Book/Page 0725949  
 Recorded Plat 20/758  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Cash to Seller  
 Verification Other sources: MLS #776600

Sale Price

\$220,000

Land Data

Zoning C-2 General Commercial  
 Topography Level at street grade  
 Utilities All city services  
 Shape Irregular  
 Flood Info Not located in flood hazard area

Land Size Information

Gross Land Size 1.398 Acres or 60,906 SF

Indicators

Sale Price/Gross Acre \$157,345  
 Sale Price/Gross SF \$3.61

Remarks

Property is located at the entrance of Tashiro Road.

LAND SALE NO. 2

Property Identification

Record ID 294  
 Property Type Industrial  
 Address 971 Sand Castle, Las Cruces, Doña Ana County, New Mexico  
 Tax ID 02-27770  
 Legal Description Lot 4, Sandhill Center Subdivision No. 3

Sale Data

Grantor WDC Properties, LLC  
 Grantee David & Juliana Garcia  
 Sale Date July 15, 2008  
 Deed Book/Page 0820091  
 Recorded Plat 19/432-433  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Cash to seller  
 Verification Fritz Lawrence - Seller, 522-8762, February 16, 2009; Confirmed by Scott Eschenbrenner

Sale Price

\$171,500

Land Data

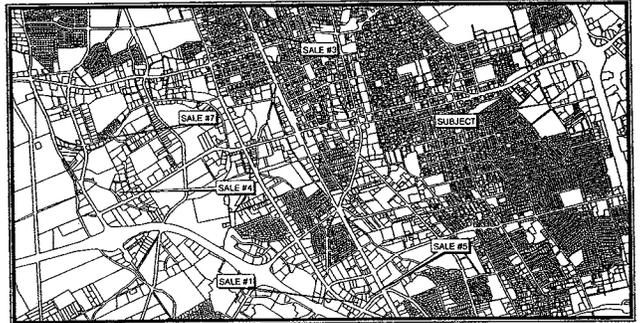
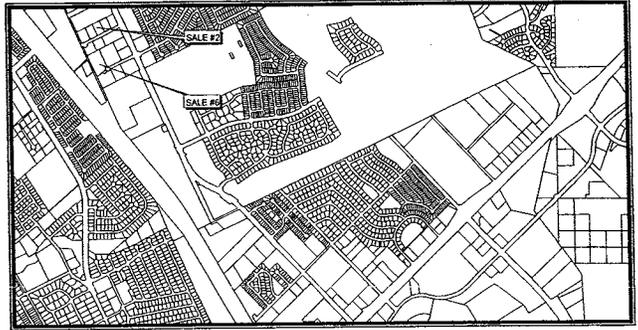
Zoning M-1 Light Manufacturing  
 Topography Basically Level  
 Utilities All City Services  
 Shape Rectangular  
 Flood Info Zone X - Panel 518  
 Perimeter P = 830'  
 Total Frontage TF = 165'  
 Main Frontage MF = 165'

Land Size Information

Gross Land Size 0.940 Acres or 40,942 SF  
 Front Footage 165 ft Sand Castle

Indicators

Sale Price/Gross Acre \$182,466  
 Sale Price/Gross SF \$4.19



COMPARABLE LAND SALES MAP

THE SALES COMPARISON APPROACH TO VALUE

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## LAND SALE NO. 7

Property Identification

Record ID 206  
 Property Name Pro Plumbing  
 Address 700 West Palms, Las Cruces, Doña Ana County,  
 New Mexico  
 Tax ID 02-28355  
 Legal Description Lot 1, Palms Centre Subdivision No. 13

Sale Data

Grantor Foster Sales Company  
 Grantee Pro Plumbing Heating & Cooling  
 Sale Date May 16, 2007  
 Deed Book/Page 814/1306  
 Recorded Plat 19/654  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Cash to seller  
 Verification Confidential

Sale Price \$185,130

Land Data

Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All City Services  
 Shape Rectangle

Land Size Information

Gross Land Size 1.000 Acres or 43,560 SF

Indicators

Sale Price/Gross Acre \$185,130  
 Sale Price/Gross SF \$4.25

Remarks

Purchased by the adjacent property owner. The parcel is at the corner of West Palms and West Hadley Avenue.

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## LAND SALE NO. 6

Property Identification

Record ID 213  
 Property Name Sandhill Center  
 Address 1001 Parkhill Drive, Las Cruces, Doña Ana  
 County, New Mexico 88012  
 Tax ID 02-32490  
 Legal Description Lot 1, Sandhill Center Subd No. 10

Sale Data

Grantor John N. & Mary C. Rinne  
 Grantee Oak Mountain Properties, LLC  
 Sale Date March 29, 2007  
 Deed Book/Page 802/704  
 Recorded Plat 21/112  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Cash to Seller  
 Sale History Sold in 2005 for \$2.01/SF  
 Verification John Rinne, grantor to Ken Odenheim; Confirmed  
 by Harry Hansen

Sale Price \$425,000

Land Data

Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All public services available  
 Flood Info Zone X panel 516F 9/95

Land Size Information

Gross Land Size 2.790 Acres or 121,532 SF

Indicators

Sale Price/Gross Acre \$152,330  
 Sale Price/Gross SF \$3.50

Remarks

North on Del Rey off Highway 70 past Keytronics.

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**SALES COMPARISON APPROACH TO VALUE:**

Analysis of improved property sales provides an indication of the market value for the subject property. This approach consists of analyzing improved sales on a unit of comparison basis. This analysis is presented in the following table.

Sale Number	1	2	3	4	5	6
Database ID#	421	414	408	401	393	242
Address	5350 W. Picacho	350 Archuleta	301 N. 17 <sup>th</sup>	200 S Crawford	8861 Trigg Loop	935 San Francisco
Sale Price	\$285,800	\$680,000	\$220,000	\$365,000	\$491,000	\$230,000
Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing Terms	Market	Market	Market	Market	Market	Market
Terms Adjustment	1.00	1.00	1.00	1.00	1.00	1.00
Adjusted Price	\$285,800	\$680,000	\$220,000	\$365,000	\$491,000	\$230,000
Conditions of Sale	Arms Length	Arms Length	Arms Length	Arms Length	Arms Length	Arms Length
Conditions Adjustment	1.00	1.00	1.00	1.00	1.00	1.00
Adjusted Price	\$285,800	\$680,000	\$220,000	\$365,000	\$491,000	\$230,000
Date of Sale	Jan-11	Nov-10	Apr-10	Aug-10	Jun-09	Jun-07
Date Adjustment	1.00	1.00	1.00	1.00	1.00	1.00
Adjusted Price	\$285,800	\$680,000	\$220,000	\$365,000	\$491,000	\$230,000
Est. Site Value	<u>136,000</u>	<u>680,000</u>	<u>81,600</u>	<u>152,440</u>	<u>80,000</u>	<u>74,924</u>
Improvement Value	\$149,800	\$355,000	\$138,400	\$212,560	\$411,000	\$155,076
Building Size	3,625 SF	11,975 SF	5,200 SF	4,694 SF	7,500 SF	5,030 SF
Impr. Value/SF	\$41.32	\$29.65	\$26.62	\$45.28	\$54.80	\$30.83
Adjustments:						
Quality	0.00	0.00	0.00	-0.25	-0.20	-0.10
Age/Condition	-0.13	-0.11	-0.20	-0.20	-0.30	-0.20
Size	0.00	0.00	0.00	0.00	0.00	0.00
Location	0.00	0.00	0.00	0.00	0.00	0.00
Site Improvements	0.00	0.00	0.05	0.00	0.00	0.00
Subject Rating	0.87	0.89	0.85	0.55	0.50	0.70
Adj. Value/SF	\$35.95	\$26.39	\$22.63	\$24.90	\$27.40	\$21.58
Subject Size	6,000 SF	6,000 SF	6,000 SF	6,000 SF	6,000 SF	6,000 SF
Indicated Value	\$215,700	\$158,340	\$135,780	\$149,400	\$164,400	\$129,480
Site Value	<u>130,400</u>	<u>130,400</u>	<u>130,400</u>	<u>130,400</u>	<u>130,400</u>	<u>130,400</u>
Total	\$346,100	\$288,740	\$266,180	\$279,800	\$294,800	\$259,880

Indicated Value By Sales Comparison Approach: \$290,000.00

IMPROVED SALE NO. 1 (Cont.)

**Land Data**  
 Land Size 2.722 Acres or 118,570 SF  
 Zoning EC-2 & ER4  
 Topography Hilltop site  
 Utilities Private water/sewer. Public electric and natural gas  
 Shape Irregular  
 Landscaping Mature  
 Flood Info Not located in flood hazard area  
 Land Value \$136,000

**General Physical Data**  
 Building Name Warehouse  
 Building Type Single tenant  
 Gross SF 3,625  
 Construction Type Metal  
 Roof Type Metal  
 Foundation Concrete  
 Electrical Adequate  
 HVAC None  
 Stories 1  
 Year Built 1983  
 Condition Average

**General Physical Data**  
 Building Name Office  
 Building Type Single tenant  
 Gross SF 539  
 Construction Type Stucco  
 Roof Type Metal over metal trusses  
 Foundation Concrete  
 Electrical Adequate  
 HVAC Evap  
 Stories 1  
 Year Built 1983  
 Condition Average

Building Name	Construction Type	Summary for Multiple Buildings			Avg. Fl. Ht.
		Year Built	Gross Sq. Ft.	Net Sq. Ft.	
Warehouse	Metal	1983	3,625	1	
Office	Stucco	1983	539	1	
Gross SF	4,164				

**Quality of Construction** - This adjustment considers both the quality and extent of exterior and interior finishes, quality of materials and workmanship. Design and overall appeal of the building improvements is also considered here.

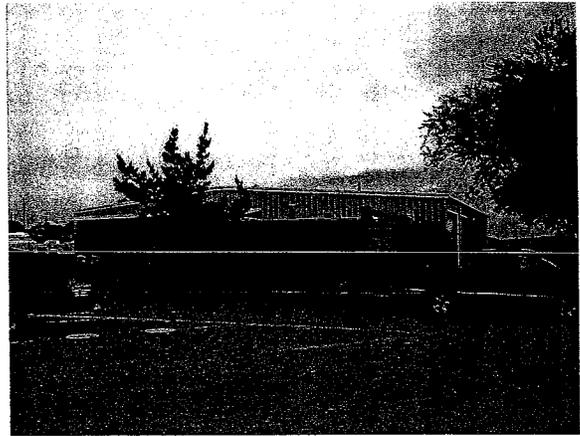
**Age/Condition** - The age and physical characteristics of the improvements are important in considering the comparability of properties. The subject property was estimated to have an effective age of 30 years and is in average condition. All sales were deemed similar to the subject in terms of general physical condition and were adjusted for differences in effective age.

**Relative Size of the Improvements** - Due to economies of scale, small projects typically cost more and sell for more per square foot than larger projects. All of the sales considered were deemed to be of similar size and scale as the subject. Therefore no adjustments for size were considered appropriate or justified.

**Location** - Nothing affecting real estate value is more significant than the location of the property. Whenever possible, sales are used that have similar location and neighborhood characteristics. The appraiser attempts to conclude whether the market recognizes that a property is superior, similar or inferior to another in terms of location characteristics.

**Site Improvements** - Site improvements include parking, landscaping, and provision for adequate drainage. The subject property has good asphalt parking and fence. The comparables are similar.

IMPROVED SALE NO. 1



**Property Identification**  
 Record ID 421  
 Property Type Light Industrial  
 Property Name Mesilla Valley Snacks  
 Address 5350 W. Picacho Ave, Las Cruces, Doña Ana County, New Mexico  
 Tax ID 03-02109  
 Legal Description Pt of Sec 20, T23S, R1E

**Sale Data**  
 Grantor Mark R. Woodman  
 Grantee Alfred H. & Hazel J. Coelho  
 Sale Date January 5, 2011  
 Deed Book/Page 1100627  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Cash to Seller  
 Verification Hansen File 6-5-2009; Other sources: MLS #812558; Confirmed by Scott Eschenbrenner  
 Sale Price \$285,800

**Discussion of Sales:** The sales analyzed in this appraisal are similar in many respects to the subject and different in some characteristics. The various adjustment categories are as follows:

1. Terms of Financing.
2. Conditions of Sale.
3. Date of Sale (Market Conditions).
4. Quality of Construction.
5. Age/Condition.
6. Relative Size of the Project.
7. Location Characteristics.
8. Site Improvements.

The adjustment criteria and the comparability of the subject and the comparables are discussed below.

**Terms of Financing** - The subject property is being appraised on a cash equivalent basis. Therefore if any of the sales were made under either favorable or unfavorable terms, an adjustment may be called for. An example of favorable buyer terms would be below market interest rates, a very small or no down payment or excessive discount points paid by the seller on behalf of the buyer. A downward price adjustment is usually indicated for favorable terms of sales. All sales analyzed were sold for cash or its market equivalent and therefore no adjustment was considered justified for terms of sale.

**Conditions of Sale** - This adjustment is made whenever there is evidence that the sale was not "arms length". That is to say either the buyer or seller was under other than typical motivation to buy or sell. No such conditions were indicated during confirmation of these sales. Therefore no adjustments were made.

**Date of Sale** - This adjustment is made to account for increases or decreases in property value over time due to differences in market conditions, supply and demand, etc. Paired sales analysis for this type of property in the Las Cruces area indicates a stable price level over the past few years. Therefore no adjustment for date of sale was deemed justified.

**Property Identification**

Record ID 408  
 Property Type Industrial  
 Address 301 N. 17<sup>th</sup> Street, Las Cruces, Doña Ana County, New Mexico  
 Tax ID 02-41218  
 Legal Description Lot 3, Glen Porter Subd.

**Sale Data**

Grantor Picacho Valley Group, LLC  
 Grantee Joseph D. Gomez & Brenda Bustamante  
 Sale Date April 15, 2010  
 Deed Book/Page 1009163  
 Recorded Plat 23/31-32  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Real Estate Contract; Maturity Date: April 15, 2030; Interest Rate: 7.50%; Mortgagee: Owner  
 Other sources: Bill Boling; Agent: Confirmed by Scott Eschenbrenner

**Verification**

Sale Price \$220,000

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**Land Data**

Land Size 1.620 Acres or 70,567 SF  
 Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All public  
 Shape Triangular  
 Landscaping None  
 Fencing Chain link  
 Land Value \$355,000

**General Physical Data**

Building Type Single tenant  
 Gross SF 21,530  
 Area Breakdown Office 4,875  
 Warehouse 7,100  
 Sheds 9,555  
 Construction Type Metal  
 Roof Type Metal  
 Foundation Concrete  
 Electrical Adequate  
 HVAC Central for offices  
 Stories 1  
 Year Built 1981  
 Condition Average

**Income Analysis**

Potential Gross Income \$42,000  
 Effective Gross Income \$42,000  
 Expenses \$4,270  
 Net Operating Income \$37,730

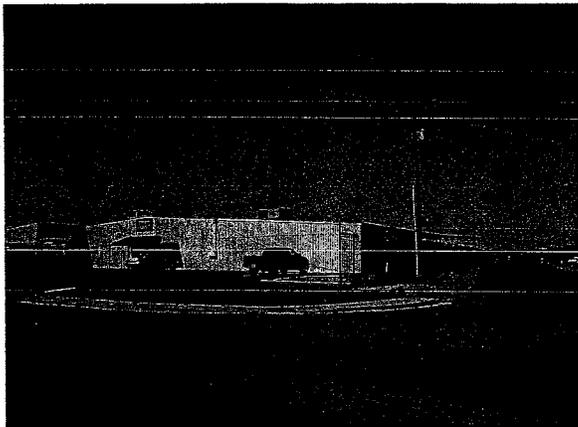
**Indicators**

Sale Price/Gross SF \$31.58  
 Bldg Price/Gross SF \$15.10  
 Floor Area Ratio 0.31  
 Land to Building Ratio 3.28:1  
 Occupancy at Sale L&P  
 Gross Income Multiplier 16.19  
 Eff. Gross Income Multiplier 16.19  
 Expenses/Sq. Ft. \$0.20  
 Overall or Cap Rate 5.55%  
 Net Operating Income/Sq. Ft. \$1.75

**Remarks**

Remarks Below market. Lease expired and grantee to take possession and occupy.

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**Property Identification**

Record ID 414  
 Property Type Commercial/warehouse  
 Address 350 Archuleta, Las Cruces, Doña Ana County, New Mexico  
 Location Amador & Archuleta  
 Tax ID 02-02157  
 Legal Description Part of USRS 9C-125

**Sale Data**

Grantor Vanland LLC  
 Grantee Airgas Southwest  
 Sale Date November 29, 2010  
 Deed Book/Page 1032426  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Verification Walt, First Valley Realty; Confirmed by Harry Hansen

Sale Price \$680,000

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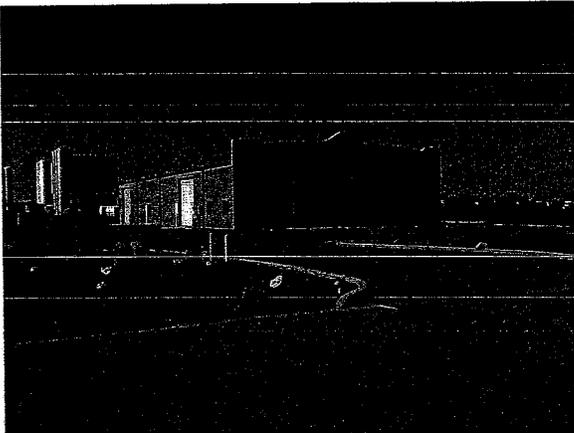
**Indicators**

Sale Price/Gross SF \$68.64  
 Bldg Price/Gross SF \$35.98  
 Floor Area Ratio 0.04  
 Land to Building Ratio 28.48:1

**Remarks**

Excellent commercial investment in a secure location. There is an onsite residence which consists of a converted mobile home permanently sited with metal roof and new exterior finish. The residence has one bath, two bedrooms and attached carport, which is currently leased. Property is fenced, and includes gated entry with security camera in place. Leased manufactured home and 52 space RV storage business provide additional income streams.

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**Property Identification**  
 Record ID 393  
 Property Type Light Industrial  
 Address 8861 Trigg Loop, Las Cruces, Doña Ana County, New Mexico  
 Location West Mesa Industrial Park  
 Tax ID 02-41128  
 Legal Description Lot 8A, West Mesa Industrial Park #22

**Sale Data**  
 Grantor Sidney and Mary Williamson  
 Grantee Kent-Land Ltd. RL LLP  
 Sale Date June 5, 2009  
 Deed Book/Page 0915533  
 Recorded Plat 22/708  
 Property Rights Fee Simple  
 Marketing Time 13 months  
 Conditions of Sale Arms Length  
 Financing Cash to seller  
 Verification Gil Jones - Broker; Confirmed by Scott Eschenbrenner  
 Sale Price \$491,000

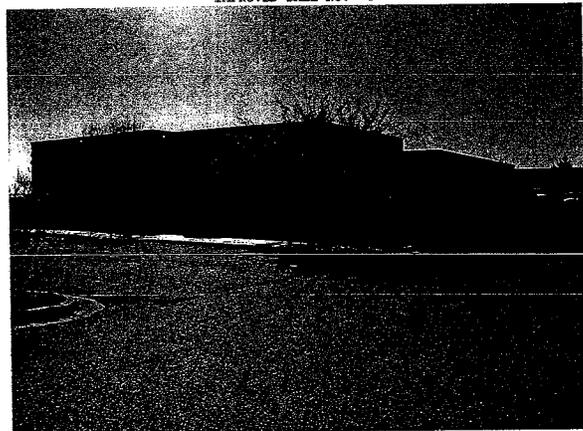
**Land Data**  
 Land Size 3.811 Acres or 165,998 SF  
 Front Footage 300 ft South Crawford Boulevard  
 Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All City Services  
 Shape Rectangular  
 Landscaping Average  
 Fencing Chain Link  
 Flood Info Zone X, Panel - 35013C-0625  
 Land Value \$40,000 per acre

**General Physical Data**  
 Building Type Single tenant  
 Gross SF 4,694  
 Area Breakdown Office 2,294 Built in 1995  
 Warehouse/Shop 2,400 Built in 1996  
 Construction Type Metal  
 Roof Type 4 ply mineral and pre-eng  
 Foundation Concrete  
 Electrical Typical  
 HVAC Package  
 Sprinklers None  
 Year Built 1995 Shop added in 1996  
 Condition Average

**Indicators**  
 Sale Price/Gross SF \$77.76  
 Bldg Price/Gross SF \$45.29  
 Floor Area Ratio 0.03  
 Land to Building Ratio 35.36:1

**Remarks**  
 The property was built as an office and shop facility for DynaCon Construction. There are two separate structures on the property and were built in 1995 and 1996. There is a 2,294 square foot office building that is wood framed and stucco construction. There is a 253 square foot office in addition to an 849 square foot carport. The covered front porch in addition to a reception room, five individual offices, file storage, kitchen and two restrooms. The finish-out is average to good with several built-in workstations, wood base boards, commercial grade carpet in average condition, ceramic tile, full service kitchen, sound insulation between the office walls and an electric fireplace in the back office. There is a 30' x 80' pre-engineered metal building that is divided equally into two spaces. The southern portion of the shop is insulated, heated and cooled with a single evaporative unit. The northern half of the building has no insulation or heating and cooling. This portion of the building is used for dry storage. There is an estimated 8,200 square feet of asphalt paving and approximately one acre of the site is fenced with 680 lineal feet of chain link. There is approximately 1,200 square feet of concrete paving. Overall, the property is in good condition with no deferred maintenance noted and good quality workmanship and materials.

This property sold under duress with the threat of foreclosure.



**Property Identification**  
 Record ID 401  
 Property Type Light Industrial  
 Property Name Renegade Construction  
 Address 200 South Crawford Boulevard, Las Cruces, Doña Ana County, New Mexico  
 Location West Mesa Industrial Park  
 Tax ID 02-24117  
 Legal Description Parcel 1, West Mesa Industrial Park Subdivision, Plat No. 4

**Sale Data**  
 Grantor Mike and Brenda Pogue  
 Grantee Renegade Construction, LLC  
 Sale Date August 9, 2010  
 Deed Book/Page 1022794  
 Recorded Plat 18/232-233  
 Property Rights Fee Simple  
 Conditions of Sale Sold under the threat of Foreclosure  
 Financing Cash to seller; Mortgage: Conventional  
 Sale History Property Appraised for \$430,000 on 11/24/09  
 Verification Kary Bulsterbaum - Broker, August 12, 2010; Other sources: Appraisal File #7472; Confirmed by Scott Eschenbrenner  
 Sale Price \$365,000

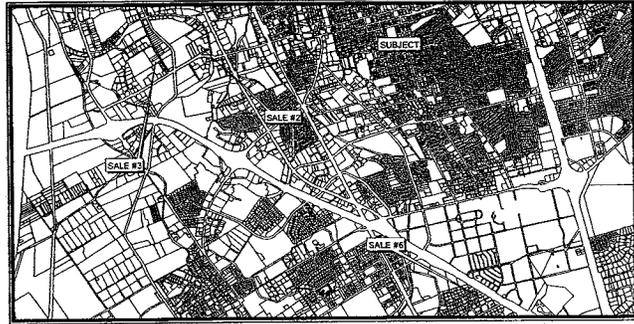
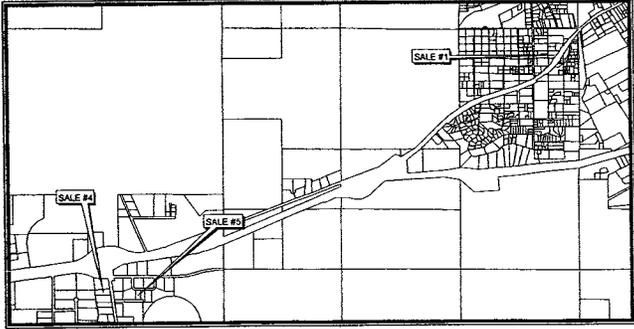
**Land Data**  
 Land Size 0.468 Acres or 20,400 SF  
 Zoning M-1 Light Manufacturing  
 Topography Level, at street grade  
 Utilities All city services  
 Shape Irregular  
 Landscaping None  
 Flood Info Located in flood zone AE; Panel 631E  
 Land Value \$81,600

**General Physical Data**  
 Building Type Single tenant  
 Gross SF 5,200  
 Construction Type Pre-engineered metal  
 Roof Type Metal  
 Foundation Concrete Slab  
 Electrical Typical  
 HVAC Bvap and GFAU  
 Floor Height 16'  
 Year Built 1996  
 Condition Average

**Income Analysis**  
 Potential Gross Income \$21,600  
 Effective Gross Income \$21,600  
 Expenses \$1,650  
 Net Operating Income \$19,950

**Indicators**  
 Sale Price/Gross SF \$42.31  
 Bldg Price/Gross SF \$26.62  
 Floor Area Ratio 0.25  
 Land to Building Ratio 3.92:1  
 Occupancy at Sale 100%  
 Gross Income Multiplier 10.19  
 Eff. Gross Income Multiplier 10.19  
 Expenses/Sq. Ft. \$0.32  
 Overall or Cap Rate 9.07%  
 Net Operating Income/Sq. Ft. \$3.84

**Remarks**  
 All units have 3 phase power with separate meters. Development consists of four duplex units with a total of 5,200 square feet per unit and 2,600 square feet for each space. There is a small fenced in area adjacent to the building.



COMPARABLE SALES MAP

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IMPROVED SALE NO. 6 (Cont.)

**Land Data**  
 Land Size 0.859 Acres or 37,435 SF  
 Zoning ETZ EV  
 Topography Level  
 Utilities All public  
 Landscaping None  
 Fencing Some Rock  
 Flood Info Not located in flood hazard area  
 Land Value \$74,924

**General Physical Data**  
 Building Name Top Notch Exteriors  
 Building Type Single tenant  
 Gross SF 5,030  
 Construction Type Pre-engineered metal  
 Roof Type Pre-engineered metal  
 Foundation Concrete Slab  
 Electrical Typical  
 HVAC Evap and GFAU  
 Year Built 1994  
 Condition Average

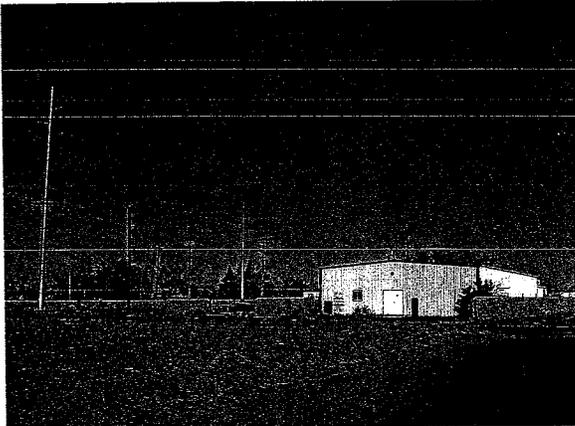
**Income Analysis**  
 Potential Gross Income \$21,600  
 Effective Gross Income \$21,600  
 Expenses \$3,152  
 Net Operating Income \$18,448

**Indicators**  
 Sale Price/Gross SF \$45.73  
 Bldg Price/Gross SF \$30.93  
 Floor Area Ratio 0.13  
 Land to Building Ratio 7.45:1  
 Occupancy at Sale 100%  
 Gross Income Multiplier 10.65  
 Eff. Gross Income Multiplier 10.65  
 Expenses/Sq. Ft. \$0.63  
 Overall or Cap Rate 8.02%  
 Net Operating Income/Sq. Ft. \$3.67

**Remarks**  
 Building is a combination of showroom, office and approximately 35% open, unfinished warehouse. The property is leased on a month to month basis for \$1,800/mo to Top Notch Exteriors. Owner pays taxes, insurance and structural maintenance. The property sold previously on April 1, 2004 for \$180,000 indicating a 8% annual appreciation factor.

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IMPROVED SALE NO. 6



**Property Identification**  
 Record ID 242  
 Property Type Commercial  
 Property Name Top Notch Exteriors  
 Address 935 San Francisco, Las Cruces, Doña Ana County, New Mexico  
 Location Half block west of Stern Dr., Tortugas  
 Tax ID 03-07495

**Sale Data**  
 Grantor Joe Moya  
 Grantee Grady Oxford  
 Sale Date June 13, 2007  
 Deed Book/Page 822/114  
 Property Rights Fee simple  
 Conditions of Sale Arms length  
 Financing Assumed a loan with Bank of the Rio Grande  
 Sale History Sold previously on 4/1/04 for \$180,000  
 Verification Grady Oxford - Purchaser, June 19, 2007; Confirmed by Scott Eschenbrenner

Sale Price \$230,000

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IMPROVED SALE NO. 5 (Cont.)

**Land Data**  
 Land Size 2.000 Acres or 87,120 SF  
 Front Footage 200 ft Trigg Loop  
 Zoning M-3 Light Manufacturing  
 Topography Level  
 Utilities All City Services  
 Shape Rectangular  
 Landscaping Average  
 Fencing None  
 Land Value \$80,000

**General Physical Data**  
 Building Type Single tenant  
 Gross SF 7,500  
 Area Breakdown Office 1,500  
 Warehouse 6,000  
 Construction Type Pre-engineered metal  
 Roof Type Metal  
 Foundation Concrete Slab  
 Electrical 480V Three Phase  
 HVAC Evaporative Air and GFAU  
 Sprinklers None  
 Floor Height 16'  
 Year Built 2007  
 Condition New

**Indicators**  
 Sale Price/Gross SF \$65.47  
 Bldg Price/Gross SF \$54.80  
 Floor Area Ratio 0.09  
 Land to Building Ratio 11.62:1

**Remarks**  
 Part of the conditions allowed the seller to use the back 3,000 feet of the building for two years. Approximately 3,000 square feet of space will be occupied by the seller \$1,500 per month. When the property was originally developed it consisted of four acres. Prior to the sale, the property was split in two and the seller retained two acres to the east. The two acres retained by the seller have no gas, electricity, or water, and the ability to hook up to waste water is unclear.

The property was built in 2007 and represents new construction with 1,500 square feet of office space and the balance is warehouse. The building is insulated with a 16 ceiling height and oversized Mastercool evaporative units. There are 2 14' x 14' overhead doors. The property is available for lease @ \$6.50 per square foot based on a triple net lease.

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**COST APPROACH TO VALUE:**

In the cost approach to value the appraiser estimates the amount of money required to produce an improved property of the same utility as the property being appraised. As an alternative to purchasing the subject property, an informed purchaser is assumed to consider purchasing a vacant tract of land and constructing improvements of the same utility. In the application of the cost approach, the current cost of reproducing the improvement is estimated and then accrued depreciation from all causes is deducted. To the depreciated value of the improvements is then added the value of the land in order to arrive at the indicated value of the property.

## Reproduction Cost New:

Main Building	6,000 SF	@	\$32.50	=	\$195,000
CB Additions	904 SF	@	\$20.00	=	<u>18,080</u>
Total				=	\$213,080
Less Accrued Depreciation:			30%	=	<u>63,924</u>
Depreciated Value of Building(s):				=	\$149,156
Other Improvements-Depreciated Value:					
Asphalt			\$15,800		
Fence			<u>3,000</u>		
Total Other Improvements:				=	18,800
Land Value as previously estimated by comparison to recent sales and current offerings of similar tracts of land:				=	<u>130,400</u>
Total:				=	\$298,356

Indicated Value By Cost Approach                      SAY    \$300,000.00

The estimate of reproduction cost new is based upon the use of the Calculator Cost Analysis of the "Marshall Valuation Service".

6. Capitalization Rate: Several methods are used to indicate an appropriate overall capitalization rate including band of investment, debt coverage ratio and comparable sales indicated rates.

Explanation of Capitalized Income Approach by Item

Band of Investment Method:

Mortgage	75%	X	9.304%	=	0.0698	
Equity	25%	X	8.00%	=	0.0200	
			Total =		0.0898	Say 9.00%

The band of investment method is used to select a supportable overall capitalization rate. The band of investment method weighs the requirements of the debt service typical for this type of property together with the equity dividend rate estimated to be necessary to attract equity capital to this type of investment. The 9.304% mortgage rate is the rate necessary to meet the debt service, (interest and principal reduction) on a loan amortized for 20 years at 7.0% interest rate. The 8% equity dividend rate is estimated based upon alternate long term securities rates and considering the other factors which lead to overall equity yield including equity build up through mortgage amortization and any property appreciation in the overall property value at the time of reversion.

In addition to the band of investment method, many loan underwriters are interested in the rates based upon a debt coverage ratio method. The debt coverage ratio is the ratio of NOI to debt service. The Appraisal Institute reports that the typical required debt coverage ratio for conventional loans less than \$5 million is 1.30. The overall rate may be estimated by the formula:

OAR = DCR X Mortgage Constant X Loan to Value Ratio

OAR = 1.30 X .09304 X .75

OAR = 9.07

Based upon the indications provided by this analysis I am concluding a rate of 9.0% to be a reasonable and supportable overall rate.

1. Gross Income: The subject's potential economic rent was based upon analysis of competitive and comparable rental properties in the subject's market area.
2. Vacancy and Credit Loss: This allowance provides for rental losses due to typical occupant turnover, lease negotiation period and possible losses due to nonpayment of rent. This allowance is estimated, based on analysis of similar properties in the area, and interviews with property managers at 8% of gross income or \$2,545.
3. Effective Gross Income: Gross income less vacancy and credit loss.
4. Owner's Expenses: Typical fixed and operating expenses were analyzed, estimated, and stabilized in order to derive the income attributable to the property. These expenses are discussed below.

Taxes:

Tax Agency	Assessment	Tax
Doña Ana Co.	\$156,500	\$1,705

Insurance: Owners of improved properties typically insure building improvements against losses from fire and other hazards, as well as personal liability. The property insurance is currently \$840 per year.

Improvement Maintenance: This cost estimate is based upon an orderly program of typical maintenance and repair of the property improvements to maintain them properly functioning at all times. This cost does not include any major remodeling or component replacement. This is an average annual cost over the projected term of ownership. This cost is estimated at \$600.

Management: This is the cost of the day-to-day operations of the property and includes administration, leasing, collection, and record keeping. This cost is estimated on an annual basis at 6% of effective gross income or \$1,756.

Replacement Reserve: An allowance must be made to provide for replacement of those components which are expected to wear out one or more times during the total economic life of the improvements. This cost annualized is estimated at \$200 per year.

Utilities and Services: This is the cost of providing those utilities and services to the property for which the landlord is responsible. The following table presents these services and the estimated annual cost.

None

5. Net Income Before Recapture: Effective gross income less owner's expenses.

CAPITALIZED INCOME APPROACH TO VALUE:

Analysis of comparable rental properties in the area as well as the subject rent schedule provides an indication of the gross income producing capabilities of the subject property. From this is deducted all the expenses incurred in producing this income to arrive at an indication of the net income before recapture. This net income before recapture when capitalized at the appropriate market rate provides an indication of the value by the capitalized income approach.

1. Gross Annual Income Estimate:					
Warehouse	6,000 SF	@	\$5.00	=	\$30,000
CB Sheds	904 SF	@	\$2.00	=	1,808
Total				=	\$31,808
2. Less Vacancy Loss:			8%	=	2,545
3. Effective Gross Income:				=	\$29,263
4. Less Annual Expenses:					
Taxes -			\$1,705		
Insurance -			840		
Maintenance -			600		
Management -			1,756		
Replacement Reserves -			200		
Utilities -			0		
Total -				=	5,101
5. Net Income Before Recapture:				=	\$24,162
6. Capitalization Rate: Band of Investment					
Mortgage	75%	X	9.304%	=	0.0698
Equity	25%	X	8.00%	=	0.0200
Total			Total =		0.0898
					Say 9.00%

\* Based upon 7.0% interest with 20 year amortization.

7. Capitalization Process:			
Value = Net Income/Cap Rate			
	\$24,162	=	\$268,469
	0.0900		
Indicated Value by the Income Approach		SRV	\$268,500.00

CAPITALIZED INCOME APPROACH TO VALUE

We reserve the right to alter statements, analysis, conclusion or any value estimate in the appraisal if there becomes known to us facts pertinent to the appraisal process, which were unknown to us, when the report was finished.

Acceptance of, and/or use of, this appraisal report by client or any third party constitutes acceptance of the above conditions. Appraiser liability extends only to stated client, not subsequent parties or users of any type, and the total liability of appraiser and firm is limited to the amount of the fee received by appraiser.

It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described and considered in this report.

It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in this report.

We assume that there are no hidden or unapparent conditions of the property, subsoil or structures, which would render it more or less valuable. We assume no responsibility for such conditions or for the engineering required to discover such factors.

The value estimated in this report is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions, which would affect the property negatively. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous materials and environmental conditions on or around the property that would negatively affect its value.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I have not made a specific compliance survey to determine if it is in conformity with the various detailed requirements of the 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 compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

The contract for appraisal, consultation or analytical service is fulfilled, and the total fee is payable upon completion of the report. The Appraiser(s) or those helping in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at an additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

Improvements proposed, if any, on or off-site, as well as any repairs required, are considered, for purposes of this appraisal, to be completed in a good and workmanlike manner according to information submitted and/or considered by the appraisers. In cases of proposed construction, the appraisal is subject to change upon inspection of property after construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed and operating at levels shown and projected.

The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report or the physical report itself. Amount or payment of the fee for services is not contingent on any result, approval amount or other estimates or statements.

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#### LIMITING CONDITIONS AND ASSUMPTIONS:

By this notice, all persons and firms reviewing, using or relying on this report in any manner bind themselves to accept these assumptions and limiting conditions. Do not use this report if you do not so accept. These conditions are a part of the appraisal report. They are prefaces to any certification, definition, fact or analysis, and are intended to establish as a matter of record that the appraiser's function is to provide a present market value indication for the subject property based upon the appraiser's observations as to the subject property and real estate market. This appraisal report is an economic study to estimate value as defined in it. It is not an engineering, construction, legal or architectural study nor survey and expertise in these areas, among others, are not implied.

The liability of Hansen Real Estate Appraisals, Inc. and employees and affiliated independent contractors is limited to the client only and to the fee received by appraiser (total per appraisal). Further, there is no accountability, obligation, or liability to any third party.

The legal description is assumed to be correct as used in this report as furnished by the client, his representative, or as derived by the appraiser.

We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. Unless otherwise stated, all existing liens and encumbrances have been disregarded. The property is appraised as though free and clear and under responsible ownership and competent management.

Any sketches in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility about such matters.

This appraisal is made on the premise that there are no other encumbrances limiting the use of the appraisal property than those herein reported.

The information contained in this report was gathered from seemingly reliable sources, but is in no sense guaranteed.

Possession of this report or any copy of it does not carry with it the right of publication, nor may it be used for other than its intended use. The physical reports remain the property of the appraiser for the use of the client, the fee being for the analytical services only. The client may distribute copies of this appraisal report in its entirety to such third parties as he may select; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the public by advertising media, public relations, news, sales or other media for public communication without the prior written consent of the appraiser.

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#### RECONCILIATION AND FINAL VALUE CONCLUSION:

All approaches to value are based upon market data. However, each approach deals with market data differently due to the assumptions or point of view upon which each analysis is based. Each of the property value indications was for the most part, developed independently, and the purpose of the reconciliation analysis is to reevaluate the strength of each approach compared with the others. The value indications developed by each approach are as follows:

Value by Sales Comparison Approach	\$290,000.00
Value by Cost Approach	\$300,000.00
Value by Income Approach	\$268,500.00
Final Value Estimate	\$290,000.00

That approach in which the appraiser has the most confidence is accordingly given the greatest consideration in the final value estimate. This implies a sufficient quantity of data, which reflects the attitudes of purchasers of this type of property, and maximum data reliability and comparability. The basic assumption underlying all approaches to market value is the principle of substitution, which essentially suggests that a prudent purchaser will not pay more for any particular property than the cost of acquiring a substitute in the open market, and that the purchaser is aware of and does consider alternate properties in the process of his ultimate selection.

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Professional Seminars Attended:

Appraisal of Non-Conforming Uses; 2000. Sponsored by Appraisal Institute, Albuquerque, NM.

Small Hotel/Motel Valuation; 1998. Sponsored by Appraisal Institute, Ruidoso, NM.

Eminent Domain & Condemnation Appraising; 1998. Sponsored by Appraisal Institute, Albuquerque, NM.

The Internet and Appraising; 1998. Sponsored by Appraisal Institute, Albuquerque, NM.

Water Rights in New Mexico; 1997. Sponsored by Appraisal Institute, Santa Fe, NM.

Valuation of Leased Fee Interests; 1997. Sponsored by Appraisal Institute, Albuquerque, NM.

Special Purpose Properties; 1996. Sponsored by Appraisal Institute, Albuquerque, NM.

The Appraiser as Expert Witness; 1996. Sponsored by Appraisal Institute, El Paso, TX.

Analyzing Operating Expenses; 1996. Sponsored by Appraisal Institute, Albuquerque, NM.

Standards of Professional Practice, Parts A & B (USPAP); 1995. Sponsored by Appraisal Institute, Albuquerque, NM.

Fair Lending and the Appraiser; 1995. Sponsored by Appraisal Institute, Las Cruces, NM.

Understanding Limited Appraisals and Reporting Options - General; 1995. Sponsored by Appraisal Institute, Albuquerque, NM.

Environmental Risk and the Real Estate Appraisal Process; 1994. Sponsored by Appraisal Institute, Ruidoso, NM.

5.0B Limited Scope Appraisals and the Uniform Standards of Professional Appraisal Practice; 1994. Sponsored by NAIIFA, El Paso, TX.

Feasibility Analysis and Highest and Best Use - Nonresidential Properties; 1994. Sponsored by Appraisal Institute, El Paso, TX.

Subdivision Analysis; 1994. Sponsored by Appraisal Institute, Albuquerque, NM.

Mock Trial; 1993. Sponsored by Appraisal Institute, El Paso, TX.

The Appraiser's Legal Liabilities; 1992. Sponsored by Appraisal Institute, Las Cruces, NM.

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Professional Seminars Attended:

Appraising in 2009. Sponsored by Appraisal Institute, Ruidoso, NM.

Appraisal Tools Tune-Up. Sponsored by Appraisal Institute, Ruidoso, NM.

Declining Markets & Sales Concessions; 2009. Sponsored by Appraisal Institute, El Paso, TX.

Attacking & Defending an Appraisal in Litigation; 2008. Sponsored by Appraisal Institute, El Paso, TX.

7-Hour National Standards of Professional Practice, (USPAP); 2008. Sponsored by American Society of Farm Managers and Rural Appraisers and Appraisal Institute, Ruidoso, NM.

Forecasting Revenues; 2007. Sponsored by Appraisal Institute, Santa Teresa, NM.

Evaluating Commercial Construction; 2006. Sponsored by Appraisal Institute, Santa Teresa, NM.

Evaluating Residential Construction; 2006. Sponsored by Appraisal Institute, Santa Teresa, NM.

Appraisal Consulting: A Solutions Approach for Professionals; 2006. Sponsored by Appraisal Institute, Albuquerque, NM.

FHA and the New Residential Appraisal Form; 2006. Sponsored by Appraisal Institute, El Paso, TX.

Rates and Ratios: Making Sense of GIM's, OARs, and DCF; 2004. Sponsored by Appraisal Institute, Albuquerque, NM.

Mathematically Modeling Real Estate Data; 2004. Sponsored by Appraisal Institute, El Paso, TX.

Analyzing Commercial Lease Clauses: Understanding Implications for Property Value and Marketability; 2003. Sponsored by Appraisal Institute, El Paso, TX.

Effective Appraisal Writing; 2002. Sponsored by Appraisal Institute, Ruidoso, NM.

Feasibility Analysis, Market Value and Investment Timing: Introducing the Impact of Option Value; 2002. Sponsored by Appraisal Institute, El Paso, TX.

The Road Less Traveled...Special Purpose Properties; 2001. Sponsored by Appraisal Institute, Ruidoso, NM.

Conservation Easements; 2001. Sponsored by American Society of Farm Managers and Rural Appraisers and Appraisal Institute, Albuquerque, NM.

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## HARRY L. HANSEN, MAI, SRA

Education:

New Mexico State University / M.S., Agricultural Economics - 1972.

Course 101, Society of Real Estate Appraisals, University of Texas at El Paso.

Course 1-B, American Institute of Real Estate Appraisers, Indiana Univ.

Affiliation/Professional Designations:

MAI, SRA; Member - Appraisal Institute; Currently certified under the Appraisal Institute Continuing Education Program.

Past President - Borderland Chapter of Society of Real Estate Appraisers, 1988-89.

Past President - El Paso/Las Cruces Chapter of Society of Real Estate Appraisers, 1982-83.

Currently Certified by the New Mexico Real Estate Appraisers Board - Certificate #00044-G.

Community Activity:

Member - Rotary Club of Las Cruces.

Member at Large - Board of Directors, Mesilla Valley Community of Hope.

Professional Experience:

Have been engaged in the appraisal of real estate since 1972. Appraisal assignments have been completed for governmental agencies, commercial banks, savings and loan associations, estates, builders and investors in the south-central New Mexico area. Currently approved in the State of New Mexico by BBVA Compass Bank, Bank of America, Bank of the Rio Grande, Bank of the Southwest, Bank 34, Citizens Bank of Las Cruces, Community First National Bank, First Federal Bank of New Mexico, First American Bank, First New Mexico Bank, First Savings Bank, Pioneer Bank, Wells Fargo, Western Heritage Bank. Appraisal assignments have included the valuation of residential, multi-family, commercial, rural, industrial and development property.

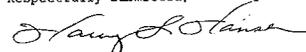
60

CERTIFICATION:

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

- \* The statements of fact contained in this report are true and correct.
- \* The reported analyzes, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyzes, opinions, and conclusions.
- \* I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- \* I have no bias with respect to the property that is the subject of this report or the parties involved with the assignment.
- \* My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- \* My 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 this appraisal.
- \* My analyzes, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice, the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- \* I have made a personal inspection of the property that is the subject of this report.
- \* No one provided significant professional assistance to the person signing this report.
- \* I certify that 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, I have completed the requirements of the continuing education program of the Appraisal Institute.

Respectfully submitted,



Harry L. Hansen, MAI, SRA  
NM Certification #44-G

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# Assessor's Parcel Search Results

[Return to Real Property Search](#)

[Return To Search Screen Code Abbreviations](#)

## Account Information

ACCOUNT#:	12903
NAME1:	CITY OF LAS CRUCES
NAME2 :	
ADDRESS:	PO BOX 20000
CITY:	LAS CRUCES
STATE:	NM
ZIP:	88004
FAMILY EXEMPTION:	
VETERAN EXEMPTION:	

## A D D E N D U M

## Parcel Information

The Assessor's Office can provide information about deeds posted to Assessor's parcel accounts. This information is provided as a courtesy to the public and is not intended to constitute legal advice. Individuals are encourage to contact an attorney, professional land surveyor or title company for information about legal descriptions. Copies of deeds can be obtained from the Doña Ana County Clerk's Office.

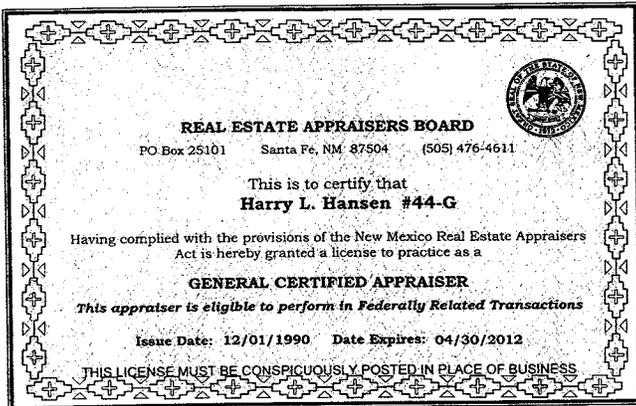
PARCEL	PROPERTY ADDRESS				
02-13645	2305 E NEVADA				
MAPCODE	FOLDER	SEC	TWP	RGE	
0214009135010255	18513	16	23S	2E	
SUBDIVISION			BLOCK	LOT	
334 - ENTRADA DEL SOL INDUSTRIAL PARK				LT 6	

## Land Information

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<http://www2.donaanacounty.org/pages/H16810.php?print=1>

2/15/2011



HARRY L. HANSEN, MAI, SRA

Professional Seminars Attended:

- Appraisal Regulations of the Federal Banking Agencies; 1992. Sponsored by Appraisal Institute, Albuquerque, NM.
- Appraising Troubled Properties; 1992. Sponsored by Appraisal Institute, El Paso, TX.
- Uniform Standards of Professional Appraisal Practice; 1990. Sponsored by NAIFA, El Paso, TX.
- New Fannie Mae Form 1025 - Small Residential Income Property Appraisal Report Form; 1990. Sponsored by SREA, Las Cruces, NM.
- The SREA Review Form; 1990. Sponsored by SREA, Las Vegas, NV.
- Equity Residual Techniques; 1990. Sponsored by SREA, Las Vegas, NV.
- State Regulation (Licensing & Certification); 1990. Sponsored by SREA, Las Vegas, NV.
- The new FNMA Guidelines/Two - Four Units; 1990. Sponsored by SREA, Las Vegas, NV.
- Professional Practice & the Society of Real Estate Appraisers; 1989. Sponsored by SREA, Albuquerque, NM.
- Litigation Valuation; 1989. Sponsored by AIREA, El Paso, TX.
- Mineral Rights; 1988. Sponsored by UNM, Las Cruces, NM.
- Water Rights; 1988. Sponsored by UNM, Las Cruces, NM.
- Real Estate and the New Federal Tax Law; 1988. Sponsored by UNM, Las Cruces, NM.
- Real Estate Risk Analysis; 1987. Sponsored by AIREA, El Paso, TX.
- Depreciation Analysis Seminar; 1987. Sponsored by SREA, Roswell, NM.
- Uniform Residential Appraisal Report; 1987. Sponsored by SREA, Las Cruces, NM.
- Federal Home Loan Bank Board, R-41B; 1986. Sponsored by AIREA, Albuquerque, NM.
- Appraising Apartments; 1979. Sponsored by SREA, El Paso, TX.

Funeral Home  
 Hotel/Motel  
 Institutional Office: Public, Private, Educational, Religious, & Philanthropic  
 Insurance  
 Laboratory  
 Legal Services  
 Mailing & Stenographic Services  
 Medical/Dental Office  
 Motion Picture Production  
 Research Organization, Commercial or Noncommercial  
 Pharmacy  
 Tax Preparation

**TRANSPORTATION, WHOLESALE TRADE, WAREHOUSING & BULK STORAGE LAND USES (See Section 38-33H)**

Distribution Centers  
 Freighthouse/Truck Terminal  
 Interstate Warehouse/Bulk Storage Facilities  
 Ministorage Units  
 Parking Facilities, Commercial (Garages & Private Parking Lots)  
 Railroad Terminal/Depot  
 Trucking Companies  
 Wholesale Trade, any product

**MANUFACTURING & RELATED LAND USES (See Section 38-33I)**

Apparel & Other Textile Products - Clothing  
 Body Shops & Vehicle Painting Establishments  
 Brooms, Brushes & Vacuums  
 Chemical & Allied Products  
 Construction Yard or Building(s), Temporary  
 Cottage Industry - Retail or Service  
 Crematorium  
 Dyeing & Engraving Establishments  
 Electrical & Electronic Equip. (Computers)  
 Extraction of Raw Materials  
 Fabricated Metal Products  
 Food & Kindred Products  
 Furniture & Fixtures  
 Frozen Food Lockers  
 Glass Cutting & Finishing  
 Jewelry, Silverware, & Plated Ware  
 Laboratories (Medical/Dental/R & D)  
 Leather Products  
 Lumber & Wood Products (Sawmill/Planing)  
 Machinery, except electrical  
 Manufactured Buildings  
 Metal Work & Machine Shop  
 Motion Picture Production Theater/Studio  
 Musical Instruments  
 Needles, Pins & Fasteners  
 Paper & Allied Products  
 Petroleum & Coal Products  
 Primary Metal Industries  
 Printing & Publishing  
 Retail Trade, Business Service Establishment or Offices, any type  
 Rubber & Plastic Products

IV-38

1/22/07

**M1/M2 - INDUSTRIAL STANDARD:** The M1/M2 district is intended to provide for industrial uses that consist of full-scale fabrication, manufacturing, packaging and processing of products that can be conducted in a generally clean, quiet, and safe environment with minimal negative impacts on the surrounding environment and uses.

**LAND USES ALLOWED**

**RESIDENTIAL-RELATED LAND USES (See Section 38-33B)**

Accessory Uses and Structures  
 Greenhouse (Non-Commercial), Garden Shed or Tool Shed  
 Recreational Court, Tennis, etc., Private

**AGRICULTURE & EQUESTRIAN LAND USES (See Section 38-33C)**

Brewery/Winery

**INSTITUTIONAL LAND USES (See Section 38-33D)**

Community Buildings - Uses  
 Detention Facility  
 Library/Museum

**RECREATIONAL LAND USES (See Section 38-33E)**

Racetrack, Mini, e.g., go-carts

**RETAIL LAND USES (See Section 38-33G)**

Auto/Truck Self-Service /Automated or Full Service Wash/Wax/Detailing  
 Bar, Pub, Tavern (No Dancing)  
 Café, Cafeteria, Coffee Shop, Restaurant, etc.  
 Cleaning & Maid Services  
 Clothing Store  
 Convenience Store  
 Delicatessen, Produce/Meat Market  
 Gas Station  
 Hardware Store  
 Health Care Clinic (Non-Hospital)  
 Laundry/Dry Cleaning Services  
 Plant Nursery  
 Radio/TV Studio/Station  
 Small Item Repair  
 Specialty Foods (Bakeries, Confectionaries, etc.)  
 Specialty Store (Books, Music, Toys, Sports Equip, Stationery, etc.)  
 Theater, Drive-in  
 Tire Sales/Repair  
 Upholstery Shop

**SERVICE LAND USES (See Section 38-33F)**

Accounting, Auditing & Bookkeeping  
 Architectural, Engineering, Planning & Surveying Services,  
 Art Studio  
 Bank, Bonding & Financial Institution/Facility (No Drive Thru)  
 Barber/Beauty/Hair Salon & Related Personal Care  
 Business Offices  
 Consulting  
 Counseling  
 Desktop Publishing & Graphic Design

IV-37

1/22/07

**Taxes**

BILLS PAID	Amount	BILLS UNPAID	Amount
199676287			N/A
199778172			N/A
199879771			N/A
199981480			N/A
200083509			N/A
200184697			N/A
2002490			N/A
200387846			N/A
200489563			N/A
200591875			N/A
200694940			N/A
200799010			N/A
2008102236			N/A
2009103169			N/A
2010103604			N/A

\*\* TAX REFLECTS ORIGINAL BILL AMOUNT ONLY ...NO PAYMENTS, PENALTY OR INTEREST FOR FURTHER DETAILS CONTACT THE TREASURER  
 Print this page.

LAND SIZE	VALUE METHOD	NUMBER LOTS	UNIT PRICE	LAND TYPE
0.75	PA	0	130000	CM

**Improvement**

**DISCLAIMER**

Square footage info. without building detail or value denotes new building not yet added to assessment record.

TYPE USE	TOT BLDG AREA	EXTERIOR WALL	QUALITY	YEAR BUILT
		FULL BATHS		HALF BATHS
		ATT GARAGE FIN		ATT GARAGE UNFIN
		OPEN PORCH		ENCLOSED PORCH
				DECK PORCH

**Commercial Improvements**

GROUND FLOOR AREA	EXTERIOR WALL	YEAR BUILT
6000	ML	1970

**Detached Structures**

STRUCTURE	MEASURE1	MEASURE2
AP	11400	0

**Valuation Information**

LAND VALUE	RES BLDG VALUE	NON-RES BLDG VALUE	FULL VALUE
97500	0	59000	156500

**Recording Information**

RECORDING INFORMATION
PLAT BK 13 PG 98-99

Harry Hansen

From: Christine Logan [clogan@las-cruces.org]
Sent: Tuesday, February 15, 2011 2:16 PM
To: Harry Hansen
Subject: RE: Appraisal of 2305 E Nevada

Please proceed. PO # 11202335 has been issued.

Thanks!

From: Harry Hansen [mailto:hansen@zianet.com]
Sent: Tuesday, February 15, 2011 10:03 AM
To: Christine Logan
Subject: RE: Appraisal of 2305 E Nevada

Hi Christine, I can do this in three weeks or less for \$2,500 plus tax. Thanks, Harry

From: Christine Logan [mailto:clogan@las-cruces.org]
Sent: Friday, February 11, 2011 4:58 PM
To: Harry Hansen
Cc: Hope Rodriguez
Subject: Appraisal of 2305 E Nevada

Harry,

I need an appraisal for 2305 E Nevada (county parcel 02-13645).

This is the former GoodStart donation center. It is currently vacant but I have the key and can let you to assess the facility.

I would like to market this property ASAP. I have attached my preliminary information sheet.

Please let me know if you can do this appraisal and if so, how quickly and what it would cost.

Thanks!

Christine Logan
City of Las Cruces Economic Development Administrator
(575) 541-2286 clogan@las-cruces.org

No virus found in this message.
Checked by AVG - www.avg.com
Version: 10.0.1204 / Virus Database: 1435/3445 - Release Date: 02/15/11

No virus found in this message.
Checked by AVG - www.avg.com
Version: 10.0.1204 / Virus Database: 1435/3445 - Release Date: 02/15/11

2/15/2011

MANUFACTURING & RELATED LAND USES (See Section 38-33I and Section 38-53)
Body Shops & Vehicle Painting Establishments
Construction Yard or Building(s), Temporary
Contractor's Yard (Building/Electrical/Mechanical/Roads/Utilities)
Cottage Industry - Retail or Service
Retail Trade, Business Service Establishment or Offices, any type
Vehicle Repair (Auto/Truck/Heavy Equipment/Motorcycle/Boat/Recreational Vehicle)
Wrecker Services
UTILITY LAND USES (See Section 38-33J, Section 38-53 and Section 38-59)
Antenna, Towers, Communication Structures, and Other Vertical Structures
Face Mount (Attached to Primary Use)
Public/Private Utility Installation

Art. IV, Sec. 38-32

Signs & Advertising
Stone, Glass & Clay Products
Storage Boxes
Textile Mill Products (Carpets, Rugs, Hosiery, Threads)
Tire Manufactures & Recyclers
Tobacco Manufacturing
Toys, & Sporting Goods, Dolls, Games
Transportation Equipment
Upholstery Shop (Vehicle & Furniture)
Writing Utensils (pens/pencils/inked ribbons)

Art. IV, Sec. 38-32

UTILITY LAND USES (See Section 38-33J)
Recycling Centers

LAND USES ALLOWED REQUIRING A SPECIAL USE PERMIT

AGRICULTURE & EQUESTRIAN LAND USES (See section 38-33C and Section 38-54)
Racetrack, Animal
Rodeo Arena
RECREATIONAL LAND USES (See section 38-33e and Section 38-54)
Amusement Park - Permanent
Archery Range - Outdoor
Firing Range - Outdoor
Racetrack, Auto/Truck
Sports Complex
RETAIL LAND USES (See Section 38-33G and Section 38-54)
Adult Book/Video Store & Entertainment Establishment
TRANSPORTATION, WHOLESALE TRADE, WAREHOUSING & BULK STORAGE LAND USES (See Section 38-33H and Section 38-54)
Airport, Privately or Publicly Owned
Helipor/Helipost
UTILITY LAND USES (See Section 38-33J, Section 38-54, and Section 38-59)
Antenna, Towers, Communication Structures, and Other Vertical Structures
Waste Transfer Stations/Sewage Treatment Plants

LAND USES ALLOWED WITH CONDITIONS

RESIDENTIAL LAND USES (See Section 38-33A and Section 38-53)
Detached, Site-Built, Single Family Dwelling Unit
Dwelling Use (Non primary)
Manufactured Dwelling Unit
RESIDENTIAL-RELATED LAND USES (See Section 38-33B and Section 38-53)
Home Occupation
Kitchen/Cattery (Private Residential)
Storage of recreational vehicles and motor vehicle appurtenances
Swimming Pool, Private
Temporary Uses
INSTITUTIONAL LAND USES (See Section 38-33D and Section 38-53)
Child Care or Preschool
School, College or University
School, Commercial, Trade or Technical
RECREATIONAL LAND USES (See Section 38-33E and Section 38-53)
Amusement Park (Temporary)
Archery Range - Indoor
Firing Range - Indoor
Park
Swimming Pool, Commercial or Public
RETAIL LAND USES (See Section 38-33G and Section 38-53)
Auto/Truck Repair & Service
Large Equipment Repair & Service (Non-Vehicular)
Large Equipment Repair & Service (Vehicular)
Petroleum/Propane Sales
TRANSPORTATION, WHOLESALE TRADE, WAREHOUSING & BULK STORAGE LAND USES (See Section 38-33H and Section 38-53)
Above Ground Storage Tanks for Flammable and Combustible Liquids and LP Gas
Storage of dismantled or wrecked vehicles & products
Storage/Display of merchandise for sale (except manufactured buildings, mobile homes & operable cars, trucks, motorcycles and RVs)
Storage outside of buildings of materials, equipment, and supplies not for sale
Storage, warehousing accessory to Office, Retail Service or Industry

Insert Second Appraisal

To be Delivered by or before June 8, 2011

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**SUMMARY  
APPRAISAL REPORT**

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

**APPRAISAL FILE #7560  
GOOD START DONATION CENTER  
2305 NEVADA AVENUE  
LAS CRUCES, NEW MEXICO 88001**

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

**DATE OF VALUE:**

**JUNE 6, 2011**

**DATE OF REPORT:**

**JUNE 7, 2011**

# MESILLA VALLEY APPRAISAL SERVICES

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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) / 526-1872

June 7, 2011

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

Subject: Appraisal File #7560  
 Good Start Donation Center,  
 2305 Nevada Avenue  
 Las Cruces, NM 88001

Dear Ms. Logan:

In accordance with your request, I have 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 possible asset disposal purposes. The effective date of this appraisal is June 6, 2011 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 June 6, 2011, is:

**TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS**

**(\$225,000)**

Respectfully submitted,




---

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

HIGHEST AND BEST USE (Premise of Value)

The highest and best use as though vacant is determined to be light industrial development. The highest and best use as improved is the current light industrial use.

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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, improvements, 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 Income Approach will also be utilized in order to support the value derived from the Sales Comparison Approach. The Cost Approach is only a reliable approach to value when the improvements represent new construction and there is recent land sales activity. 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, age/condition, 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.

I have examined a number of sales of similar properties located near the subject or in other similar locations within the subject neighborhood. I have provided five comparable sales for my market value estimate. The sales were analyzed on a price per square foot 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, quality, condition, and utility of the property were considered.

The sales range from \$31.58 to \$68.64 per square foot and are detailed in the following table, followed by an analysis and my estimate of value.

IMPROVEMENTS SUMMARY			
		Yes	No
Construction Type:	Class S, Average Quality	On Site	23-spaces
Rentable Area (SF):	6,000 SF	Paved	Asphalt
No. of Buildings:	1	Loading Dock	No
No. of Stories:	1	Adequate	✓
No. of Units:	1	Conforms to Zoning	✓
Year Built:	1970	Deferred Maintenance:	✓
Effective Age (As Is):	30	Construction Quality:	Average
Economic Life (Yrs):	60	Current Condition:	Fair to Average
Remaining Eco. Life (Yrs):	30		
Occ. % at Date of Value:	Vacant		
Ceiling:	Exposed Vinyl Insulation	Landscaping:	Minimal
Electrical:	Typical of industrial finish-out	Lighting:	Florescent Lights
ADA Accessible:	Yes	Interior Partitions:	Wood Studs and Sheetrock
Exterior Walls:	Pre-engineered metal panels and CMU	Public Lobby:	None
Floor Cover:	Vinyl tile in the office and concrete floor in warehouse	Roof Cover:	Pre-engineered metal panels with vinyl insulation
Floor-to-Ceiling Height:	10 foot eave height	Security:	None
Foundation:	4" Concrete Slab	Sprinklers:	None
Frame:	Metal Frame	Windows:	Double Pane in Aluminum Frame
HVAC:	Gas forced air in office, ceiling hung gas unit in warehouse, evaporative cooling	Doors:	Metal and Aluminum Frame

Compiled by: W. Scott Eschenbrenner, MAI

Improvement Summary Comments

The subject property was built in 1970 and is designed as a light industrial building with 700 square feet of office area and the balance used for warehousing. There are 904 square feet of attached cement block sheds attached to the subject that are in very poor condition. The building is a pre-engineered metal structure. The entire facility is heated and cooled by ceiling hung gas forced air units in the warehouse, central forced air units for the office and evaporative cooling units. The building is in fair to average condition with some deferred maintenance evident.

ZONING

The subject property is zoned M-1, Industrial District. This zoning district allows for commercial development. Based on a review of the zoning regulations, the subject appears to be a legal conforming use.

TAXES

According to the Doña Ana County Treasurers office, the property is assessed for \$153,000 and the taxes are not collected for the subject due to the City of Las Cruces ownership.

2305 Nevada Avenue

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2305 Nevada Avenue

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PROPERTY DESCRIPTION

LOCATION			
Property Name:	Good Start Donation Cntr	State:	New Mexico
Street Address:	2305 Nevada Avenue	Zip Code:	88005
City:	Las Cruces	Assessor's Parcel No.:	02-13645
County:	Doña Ana		
LEGAL DESCRIPTION			
Lot 6, Entrada Del Sol Subdivision			
SITE DESCRIPTION			
Site Size (SF):	0.75 Acres or 32,600 Square Feet	Zoning:	M-1, Manufacturing
Corner Lot:	No	Conforming:	Yes
Topography:	Gently Sloping	Site Shape:	Rectangular
Parking Spaces:	23 Spaces	Parking Lot Surface:	Asphalt
STREET/UTILITIES		ENVIRONMENTAL	
Paved Street:	Yes	Flood Zone:	Out
Curb & Gutters:	Yes	Zone Code:	Zone X
Electric:	Yes	Map No.:	35013C-0632F
Gas:	Yes	Panel Date:	September 6, 1995
Lighting:	Yes		
Sewer:	Yes		
Sidewalks:	Yes		
Storm/Drain:	Yes		
Water:	Yes		
Underground Utilities:	Yes		

Compiled by: W. Scott Eschenbrenner, MAI

Site Description Comments

According to a plat map the subject contains a gross land area of 32,600 square feet. The site is situated on Nevada Avenue with 173.30 feet of paved road frontage and 188.33 feet of depth. The topography is gently sloping and at street grade. I am not aware of any reason to suspect that there are hazardous materials on or under the land surface; however, if it is subsequently found that there has been contamination of the soil by any such substances, the value estimate of this report may become invalid. I am not nor am I qualified to offer an opinion regarding the stability or suitability of the soil for construction. No other obvious problems were noticed within the subject site. Soil tests were not available and as such I do not express an opinion as to the quality of the soil. However, based on the substantial development of the surrounding parcels, as well as the existing improvements, soil conditions appear to be adequate for commercial development.

The National Flood Insurance Program map, which covers the subject site, is designated as Community Panel Number 35013C-0632-F, also referred to as Panel 632 of 1050 for Doña Ana County. The effective date of the panel is September 6, 1995, and it is the most recent map for this area of which I am aware. The subject site is classified as Zone X, defined as an area outside the 100-year flood zone and flood insurance would not be required. There are no identifiable mineral deposits having commercial value existing on the subject site. All city services and utilities are available to the subject site. El Paso Electric provides electricity; Qwest provides telephone; natural gas, water, sewer, and trash are provided by the City of Las Cruces. Based on my physical inspection of the property, there does not appear to be any adverse easements or encroachments on the subject site that would have a negative impact.

2305 Nevada Avenue

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APPRAISAL SUMMARY	
Appraisal File:	#7560
Property Name:	Good Start Donation Center
Street Address:	2305 Nevada Avenue
City/State/Zip:	Las Cruces, NM 88005
Assessor's Parcel No.:	02-13645
Property Type:	Office/Warehouse Facility
Gross Building Area (SF):	6,000 Square Feet
Number of Units:	One
Land Size (SF or Acres):	0.75 Acres or 32,600 Square Feet
Date of Inspection:	June 6, 2011
Date of "As Is" Value (Effective Date):	June 7, 2011
Real Property Interest Appraised:	Fee Simple Estate
Purpose of Appraisal:	Estimate Market Value
Intended Use of Appraisal:	Asset Disposal
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?	Yes
Is the subject property currently listed for sale?	No
Approaches to Value	
Sales Comparison Approach:	\$225,000
Income Approach:	Not Developed
Cost Approach:	Not Developed
Final Opinion of Value:	\$225,000
Value Per SF	\$37.50
Marketing and Exposure Time:	12 Months or less

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 this same ownership for more than five years. The property is currently under contract to Norm Fristoe and the agreed to purchase price is \$210,000.

2305 Nevada Avenue

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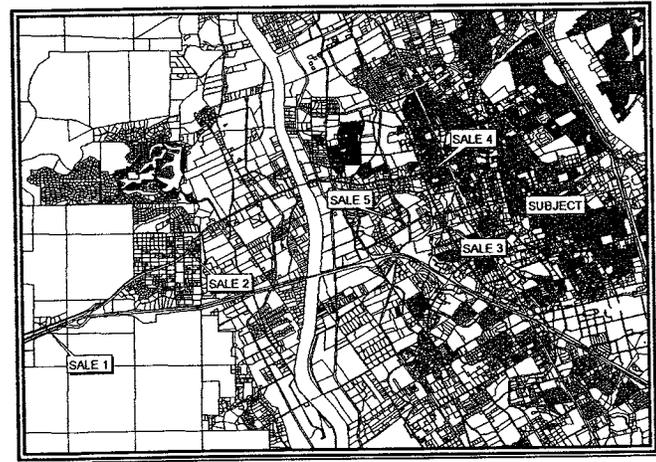
Improved Sale No. 4 sold in December of 2010 and consists of a 3,422 square foot shop facility that was occupied by Auto Electric for several years and is located at 1003 West Picacho Avenue. The building was originally constructed in 1940 and was in average condition. This comparable was smaller in size and older in construction.

Improved Sale No. 5 sold in April of 2010 and consist of a 5,200 square foot office and warehouse building at 301 North 17<sup>th</sup> Street. The building was constructed in 1996 and is in average condition. The price of this comparable property was adjusted upward for its inferior location and downward for its newer construction and superior interior finish-out.

**Qualitative Analysis**

The comparables exhibit an unadjusted range in unit value from \$31.58 to \$68.64 per square foot. Additional characteristics considered to have an impact on value include location, quality of construction, condition, and occupancy. 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.

MARKET SALES ADJUSTMENT GRID						
	SUBJECT PROPERTY	COMPARABLE #1	COMPARABLE #2	COMPARABLE #3	COMPARABLE #4	COMPARABLE #5
Property Identification						
Name of Office Building	Grand Start	A&M Tank & Steel	Mesilla Valley Snacks	Alphas Southwest	Memo Painting	Comer-Bell Building
Location of Building	2300 Nevada Ave	7900 Market Place	3500 W. Archuleta	1003 West Picacho	1003 W. Picacho	301 N. 17th
Physical Description						
SF of Land Area	23,600.00	162,844.00	118,570.00	30,967.00	14,000.00	20,420.00
SF of Gross Building Area	6,000.00	5,000.00	4,561.00	21,520.00	3,422.00	5,200.00
Date of Construction	1970	1996	1993	1981	1940	1996
Date of Major Renovation	None	None	None	None	None	None
Age from Effective App. (DOB)	36	10	20	30	70	10
Construction Rating (Code 1-9)	3	8	5	3	3	4
Building Rating (Code 1-9)	3	8	5	3	3	4
DATE OF TRANSACTION	May-11	Jan-11	Jan-10	Jan-10	Oct-10	Apr-10
CONTRACTED TRANSACTION PRICE	\$330,000.00	\$281,800.00	\$400,000.00	\$400,000.00	\$169,000.00	\$220,000.00
PRICE PER SF GROSS BUILDING AREA (Raw Square)		\$31.78	\$68.64	\$31.58	\$46.76	\$42.31
Adjustments For Sale Conditions						
Financing Terms of Comparable Sale	Normal	Normal	Normal	Normal	Normal	Normal
Adjustment	0%	0%	0%	0%	0%	0%
Terms of Sale/Financing	Normal	Normal	Normal	Normal	Normal	Normal
Adjustment	0%	0%	0%	0%	0%	0%
PRICE PER SF GBA (Normal Cash Equivalent)		\$31.78	\$68.64	\$31.58	\$46.76	\$42.31
Adjustments For Lease Conditions						
Terms of Leasehold Interest in Comp.	None	None	None	None	None	None
Adjustment	0%	0%	0%	0%	0%	0%
Lease from Subleased Occupancy	None	None	None	None	None	None
Adjustment	0%	0%	0%	0%	0%	0%
PRICE PER SF NLA (Free Simple, Cash Equivalent)		\$31.78	\$68.64	\$31.58	\$46.76	\$42.31
Adjustments For Market Conditions						
Time Since Comparable Transaction	1 Month	3 Months	6 Months	7 Months	13 Months	0%
Adjustment	0%	0%	0%	0%	0%	0%
PRICE PER SF NLA (Adjusted, Free Simple, CE)		\$31.78	\$68.64	\$31.58	\$46.76	\$42.31
Comparisons To Subject Property						
Location of Comp.	Inferior	Inferior	Similar	Similar	Inferior	Inferior
Adjustment	-10%	-10%	0%	0%	-10%	-10%
Age and Condition of Comp.	Superior	Superior	Superior	Similar	Superior	Superior
Adjustment	+30%	+30%	+15%	0%	+30%	+30%
Construction and Design of Comp.	Superior	Superior	Similar	Superior	Superior	Superior
Adjustment	+10%	+10%	0%	+10%	+10%	+10%
Finish-Out of Comp. Space	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment	0%	0%	0%	0%	0%	0%
Site of Comp. Bldg. Site	Inferior	Superior	Inferior	Superior	Similar	Similar
Adjustment	-10%	+10%	-10%	+10%	0%	0%
Land to Building Ratio of Comp.	Superior	Superior	Similar	Similar	Similar	Similar
Adjustment	+10%	+10%	0%	0%	0%	0%
Other Features of Comp.	Similar	Superior	Similar	Similar	Similar	Similar
Adjustment	0%	+10%	0%	0%	0%	0%
Comparable Adjustment	-3.5%	+3.5%	0%	+3.5%	-3.5%	-3.5%
INDICATIONS OF SUBJECT VALUE PER SF NLA		\$31.78	\$68.64	\$31.58	\$46.76	\$42.31



**Discussion of Improved Comparable Sales**

The preceding comparables indicate an unadjusted price range of \$31.58 to \$68.64 per square foot. A description of each comparable sale property is as follows.

**Improved Sale No. 1** sold in May of 2011 and consists of a 9,000 square foot office and warehouse facility located on the west mesa at 7900 Market Place. The building was designed for use as an industrial fabrication facility that was occupied by A&M Tank & Steel. This comparable did require an adjustment for its newer age, superior construction features, larger improvement area, higher land to building ratio and inferior location.

**Improved Sale No. 2** sold in January of 2011 and consists of a 4,164 square foot warehouse and office facility located at 5350 West Picacho Avenue. The building was designed for use as a warehouse and shop facility for Mesilla Valley Snacks and also included a leased manufactured home and 52 RV lease spaces. This comparable did require an adjustment for its slightly superior interior finish-out, newer age, superior construction, higher land to building ratio, smaller improvement area and additional income sources from the RV spaces.

**Improved Sale No. 3** sold in November of 2010 and consists of a 21,530 square foot office and shop facility that is now occupied by Airgas Southwest. The building is located at 350 Archuleta with frontage on West Amador. The building is superior in age and was adjusted downward for its larger improvement area.

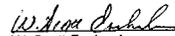
COMPARABLE IMPROVED SALES											
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5					
Address:	2305 Nevada Avenue	7900 Market Place	5350 West Picacho Avenue	350 Archuleta	1003 West Picacho	301 North 17 <sup>th</sup> Street					
City, State	Las Cruces, NM	Las Cruces, NM	Las Cruces, NM	Las Cruces, NM	Las Cruces, NM	Las Cruces, NM					
Grantor	City of Las Cruces	A&M Tank and Steel Fab Inc.	Woodman	Vaniand, LLC	Klett & Escobar	Picacho Valley Group					
Grantee		Gandara	Coelho	Airgas Southwest	Meratz Painting, Inc	Comer and Bickham					
Sale Date	5/11	5/11	1/11	11/10	12/10	4/10					
Sale Price	\$520,000	\$520,000	\$285,800	\$690,000	\$160,000	\$220,000					
Bldg. Area (SF)	9,000	9,000	4,164	21,530	3,422	5,200					
No. of Units	1	N/A	N/A	N/A	N/A	N/A					
Stores	1	1	1	1	1	1					
Year Built	1986	1986	1981	1981	1940	1986					
Condition	Fair to Average	Average	Average	Average	Average	Average					
Price/SF	\$57.78	\$57.78	\$68.64	\$31.58	\$46.76	\$42.31					
Price/Unit	N/A	N/A	N/A	N/A	N/A	N/A					
Land Size (SF)	32,600 SF	162,914 SF	118,570 SF	70,567 SF	14,000	20,400					
Land to Bldg Ratio	5.4:1	18:1	3.2:1	3.2:1	4.1:1	3.9:1					

**ADDENDUM**

The undersigned of this appraisal report, by his signature on this report, certify 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. In addition, this report conforms to the requirements of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA).
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 an exterior and interior 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.
12. I have not previously performed an appraisal of the subject property.

By:

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

2305 Nevada Avenue

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**Purpose, Intended Use And Scope Of The Appraisal**

The purpose of the appraisal is to form an opinion of the Market Value of the owner's marketable interests in the subject property. The intended use of the appraisal is to assist the client in establishing an opinion of Market Value for the subject property for possible asset disposition or such other purposes as noted in this report. In valuing this property, I have considered the actions of the market and have formed an opinion of value in consideration of current economic indicators and comparable properties.

The scope of the assignment was limited to the application of the Sales Comparison and Income Approach to value. No in-depth market analysis or analysis of highest and best use was conducted. It is my determination that this appraisal is not so limited as to result in a misleading or confusing report. It is understood that the client is aware of the limitations and lower level of reliability inherent in a limited appraisal. The intended use of the appraisal is for the client only or third party users as designated by the client. A discussion of the appraisal methodology and processes applied appears in the Addendum. It should also be noted that the value conclusion herein is subject to the assumptions and limiting conditions and certification presented in the Addendum.

**Marketing Period**

The marketing period for property such as the subject is variable depending on many factors such as the style and extent of market exposure, the asking price, the availability of financing and the extent of competitive offerings. For the purpose of this appraisal, it is assumed that a reasonable time is allowed for exposure in the open market prior to the specified date of value. Although the market period is variable, I am of the opinion that, properly promoted, the subject property could be sold within 12 months of the date first offered for sale on the open market.

**Property Rights Appraised**

The property rights valued in this report are defined as "fee simple estate". *The Dictionary of Real Estate Appraisal*, Third Edition, published by the Appraisal Institute, defines fee simple estate as:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."<sup>1</sup>

**Definition of Market Value**

For the purpose of this appraisal, "market value" is defined by the Uniform Standards of Professional Appraisal Practice (USPAP), as promulgated by the Appraisal Standards Board of the Appraisal Foundation and also defined in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) as follows:

<sup>1</sup> *The Dictionary of Real Estate Appraisal*, Third Edition, Appraisal Institute, 1993, p. 204.

2305 Nevada Avenue

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**COMPARABLE RENTAL SUMMARY**

Comp #	Location	Tenant Type	Building Size	Rental Rate/SF	Tenant Paid Expense
1	Coronado Office Warehouse Copper Loop	Office/Warehouse	67,500	\$5.88 Avg	Utilities
2	RSC Equipment Rental 708 West Palms	Office/Warehouse	9,000	\$5.69	Taxes, Ins., Utilities
3	Community Action Agency 2320 Westgate Court	Office/Warehouse	12,000	\$7.00	Taxes, Ins., Utilities
4	Rival Cheer & Tumbling 540 Compress	Warehouse	6,000	\$4.80	Utilities
5	Morrison Supply 291 South 17 <sup>th</sup> Street	Office/Warehouse	17,000	\$5.65	Taxes, Ins., Utilities
6	3206 S. Harrelson Kowalski Cabinets	Average	7,000	\$5.66	Utilities
7	Fed Ex Building 2270 Westgate Court	Office/Warehouse	9,344	\$5.25	Taxes, Ins., Utilities
8	New Mexico State University 1773 Buildtek Court	Warehouse	6,747	\$5.00	Taxes, Ins., Utilities
9	Precision Engineering 3100 South Harrison	Office/Warehouse	7,776	\$6.17	Utilities
10	American Document Storage 300 North 17 <sup>th</sup> Street	Warehouse	15,607	\$4.00	Taxes, Ins., Utilities
11	Western Enterprises 911 West Amador	Office / Warehouse	8,475	\$4.94	Taxes, Ins., Utilities

**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 limited appraisal to produce a reasonably reliable value conclusion, which will serve the needs of the client.

I am of the opinion that the current market value of the fee simple rights of ownership of the subject improvement as of June 6, 2011, is:

**TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS**  
**(\$225,000)**

2305 Nevada Avenue

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**Price Per Square Foot Conclusion**

The sales indicated an adjusted range from \$29.62 to \$44.62 per square foot. The median price is \$37.30 per square foot. The subject is under contract for \$35.00 per square foot and is supported by the sales. Based on the comparables analyzed, the subject is considered to have value toward the middle of the range indicated above due to its location, quality, construction, and occupancy. Thus, I have estimated a value of \$37.50 per square foot for the subject property or \$225,000 (6,000 SF x \$37.50 psf). The "as is" estimated market value of the subject property via the Sales Comparison Approach is:

**TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS**  
**\$225,000**

**Capital Budget Analysis**

	"As Complete" Value Estimate	\$225,000
+	Estimated Repair Amount	\$0
=	Projected "As Repaired" Value	\$225,000
x	Cap Rate	12.0%
=	Required NOI	\$27,000
+	Estimated Expenses	\$2,250
=	Required Effective Gross Income	\$29,250
+	Stabilized Market Occupancy Rate	7%
=	Required Potential Gross Income	\$31,452
+	Sq ft or # of Units	6,000 SF
=	Required Rental Rate	\$5.24 psf

**Discussion**

Previous appraisals in the subject neighborhood indicate that current rental rates range from \$4.00 to \$7.00 per square foot with the tenant paying for taxes, insurance and utilities. The property owner is responsible for management and structural maintenance. The structural maintenance expenses have been estimated at \$0.25 per square foot, management expenses are estimated at \$750 per year. The required rental rate of \$5.24 square foot represents the middle of the range. Located on the following page are some market rents that are considered comparable to the subject.

2305 Nevada Avenue

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## GENERAL LIMITING CONDITIONS

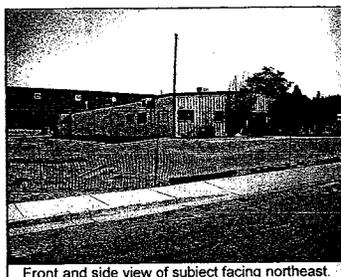
*This appraisal report has been made with, and is subject to, the following General Limiting Conditions:*

1. Unless previous arrangements have been made, the appraiser by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance at court.
2. Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's or firm's client, through advertising, solicitation materials, public relations, news, sales, or other media without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute or MAI designation. Further, the appraiser or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, client shall make such party aware of all the assumptions and limiting conditions of the assignment.
3. The value conclusion in the appraisal is subject to the prevailing market conditions as of the effective date of the appraisal. No responsibility is assumed for any change in value that might occur due to changes in market conditions subsequent to the effective date of the appraisal.
4. Acceptance of and/or use of this report constitutes acceptance of the preceding "General Assumptions," "Special Assumptions and Limiting Conditions," and "General Limiting Conditions."

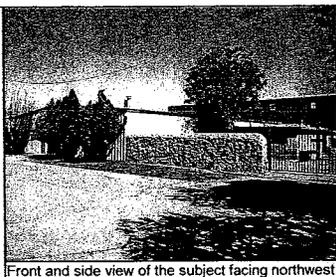
## SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS

*This appraisal report has been made with, and is subject to, the following Special Assumptions and Limiting Conditions:*

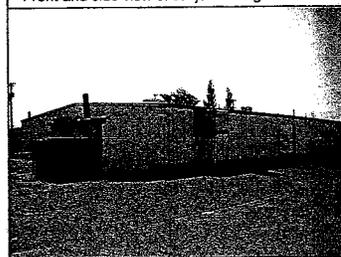
1. It is assumed that the information provided by the owner of the subject property is true and correct. However, no liability for errors contained in neither the submitted documents nor their verbal representations is accepted by Mesilla Valley Appraisal Services.
2. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I will not be responsible for conducting a specific compliance survey or analysis of this property to determine its conformity with the various requirements of the ADA. It is possible a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal the property is not in compliance with one or more of the requirements of the title. If so, non-conformance could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I will not be considering possible non-compliance with the requirements of ADA in estimating the value of the property.
3. I was not furnished with an environmental site assessment (21E) report and have appraised the subject with the assumption that it is not affected by any environmental hazards. Should it be determined that the site is affected by any environmental hazards I reserve the right to modify my overall value conclusion.



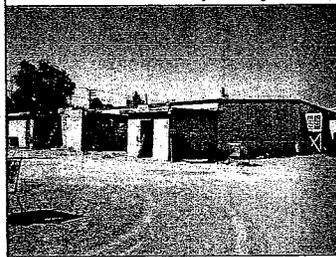
Front and side view of subject facing northeast.



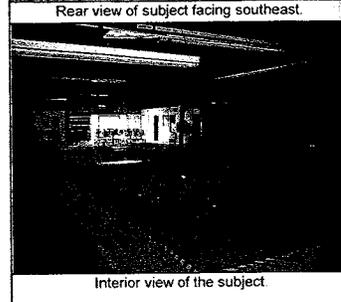
Front and side view of the subject facing northwest.



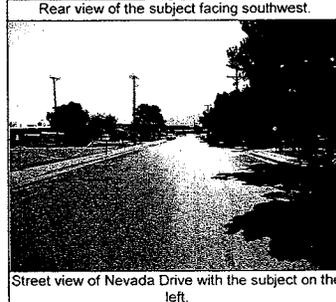
Rear view of subject facing southeast.



Rear view of the subject facing southwest.



Interior view of the subject.



Street view of Nevada Drive with the subject on the left.

## GENERAL ASSUMPTIONS

*This appraisal report has been made with, and is subject to, the following General Assumptions:*

1. The title to the property is good and marketable unless otherwise stated. The legal description of the subject property is assumed to be correct and no responsibility is assumed for legal matters nor is an opinion of title rendered.
2. The property appraised is free and clear of any and all liens or encumbrances, except as noted. It is assumed that the property is under competent management and responsible ownership.
3. Information furnished to me by outside sources is considered to be reliable; however, no responsibility is accepted for its validity or accuracy. I reserve the right to amend the value conclusion should the accuracy of the information change subsequent to delivery of this appraisal.
4. No survey of the property was made available. All engineering associated with the subject property is assumed to be correct. The sketches and illustrations presented in the report are only included to assist the reader in visualizing the subject property and no responsibility is assumed for the accuracy of the exhibits.
5. There are no hidden or unapparent conditions of the property, subsoil, or structure that would render it more or less valuable. No responsibility is accepted for such conditions or for arranging for engineering studies that may be required to discover them. It is assumed that the site and the structure is free and clear of all hazardous materials, or any other potential health risks unless otherwise stated and identified in the appraisal report. Hazardous materials are to include, but are not limited to, asbestos-containing materials, urea-formaldehyde insulation, PCP, and toxic waste. No potential environmental hazards were observed, unless otherwise stated in the appraisal, however I recommend the client obtain a professional evaluation of the site for any contaminants.
6. Full compliance with all applicable federal, state, and local environmental regulations and laws is assumed unless noncompliance is stated, defined, and considered in the appraisal report.
7. Unless nonconformity has been stated, defined, and considered in the appraisal report, it is assumed that all zoning and use regulations have been complied with.
8. All required licenses, certificates of occupancy, permits, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization are assumed to be in place, obtainable and/or renewable for any use on which the value estimate was predicated.
9. Unless otherwise noted in the report it is assumed that there are no encroachments or trespasses, either by or against the subject of this appraisal.

*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 for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Description of the Extent of the Process of Collecting, Confirming, and Reporting of Data

The scope of an appraisal report is a description of the process and extent of collecting, confirming, and reporting of data in relation to the appraisal problem. I collected data from a number of sources, including public officials, brokers, property owners and managers, as well as secondary sources such as data services.

Data was confirmed to the extent possible given the time constraints of the assignment. For comparable sales, attempts were made to contact a principal involved in the transaction, which was not always successful. In the case where a principal was not contacted, another person familiar with the transaction (broker, lawyer, property manager, etc.) was contacted. Finally, public information (deeds, tax assessor's records, etc.) was reviewed to further confirm sales. As this is a limited appraisal report, the actual data and analyses used in valuing the property are on file in my office.

This limited appraisal was conducted and prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) as formulated by the Appraisal Foundation, and conforms to the Code of Professional Ethics of the Appraisal Institute.

**Zoning** IMPROVED SALE NO. 1 (Cont.)  
**Topography** M-1 Light Manufacturing  
**Utilities** Gently sloping  
**Shape** Septic Tank, Private well water, propane  
**Landscaping** Irregular  
**Fencing** None  
**Flood Info** 8' Chain Link Fence surrounding the  
**Land Value** Zone X - Panel 650  
 \$149,500

**General Physical Data**

**Building Type** Single tenant  
**Gross SF** 9,000 60' x 180'  
**Construction Type** Pre-engineered metal  
**Roof Type** Metal  
**Foundation** Concrete Slab  
**Electrical** Typical of use.  
**Sprinklers** None  
**Floor Height** 24'  
**Year Built** 1996  
**Condition** Average

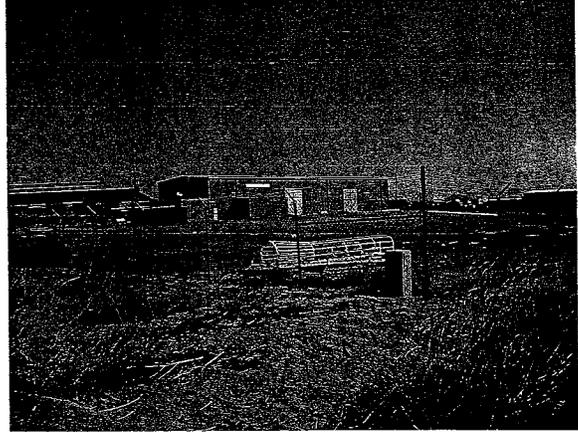
**Indicators**

**Sale Price/Gross SF** \$57.78  
**Bldg Price/Gross SF** \$41.16  
**Floor Area Ratio** 0.06  
**Land to Building Ratio** 18.10:1

**Remarks**

The property owner placed the property up for sale at public auction and had a reserve of \$500,000. The purchase price does not tend to indicate serious motivation on the part of the seller and does not appear to be a forced sale. The office area is 50' x 20' with 2 bathrooms and a break room. The eavs height is 24' and the interior of the building had a sprayed on insulation coating. There were also two 5-ton overhead cranes included in the sale and the site was enclosed by an 8' high chain link fence.

**IMPROVED SALE NO. 1**



**Property Identification**

**Record ID** 430  
**Property Type** Industrial  
**Property Name** Former A&M Tank and Steel  
**Address** 7900 Market Place Drive, Las Cruces, Dona Ana County, New Mexico  
**Location** west Mesa  
**Tax ID** 02-39570  
**Legal Description** Lot 4, Mesa Oeste Commerce Park

**Sale Data**

**Grantor** A&M Tank and Steel Fab Inc.  
**Grantee** Robert & Lydia Gandara  
**Sale Date** May 16, 2011  
**Deed Book/Page** 1111745  
**Recorded Plat** 18/66-67  
**Property Rights** Fee Simple  
**Conditions of Sale** Public Auction - see comments  
**Financing** \$50,000 cash; Interest Rate: 6.00%; Mortgage: Tom Adkins, 20 year term - 10 year balloon; Original Mortgage: \$470,000  
**Verification** Tom Adkins - Seller; Other sources: Lee Morris - Appraiser; Confirmed by Scott Eschenbrenner

**Sale Price** \$520,000

**Land Data**

**Land Size** 3.740 Acres or 162,914 SF  
**Front Footage** 385 ft North I-10 Frontage Road



**APPRAISER QUALIFICATIONS**  
**W. SCOTT ESCHENBRENNER, MAI**

**PROFESSIONAL EXPERIENCE:**

MAI, Designated Member of the Appraisal Institute - #11,814  
 State Certified General Real Estate Appraiser, New Mexico-1180

**EDUCATION BACKGROUND AND SPECIAL TRAINING:**

Graduate from Southwest Texas State University, 1986, with Bachelor of Science Degree in Business Administration with major in Finance - Real Estate.

Successfully completed the following real estate courses from the Appraisal Institute:

- Real Estate Appraisal Principles
- Residential Valuation
- Basic Valuation Procedures
- Capitalization Theory and Techniques - Part A & B
- Report Writing and Valuation Analysis
- Standard of Professional Practice, Parts A, B & C
- Advanced Applications
- Demonstration Appraisal Report
- General Comprehensive Exam

**EMPLOYMENT:**

May 1995 to Present, Owner, Mesilla Valley Appraisal Services in Las Cruces, New Mexico  
 January 1994 to May 1995: Appraiser, William Scott Burns & Wilkinson, Inc., in El Paso, TX.  
 October 1986 to December 1993: Appraiser, William Scott Burns & Company in El Paso, TX.  
 May 1985 to August 1985: Construction, JR Thurman Construction, El Paso, TX.  
 May 1981 to December 1984: Assist. Golf Professional, El Paso Country Club, El Paso, TX.

**REPRESENTATIVE CLIENTS:**

Community First National Bank, First Federal Savings, First National Bank in Alamogordo, Citizens Bank of Las Cruces, First National Bank in Las Cruces, Western Farm Bureau Mutual Insurance Company, First Interstate Bank of Denver, Alamogordo Federal Savings and Loan, Bank of the Rio Grande, Mesilla Valley Bank, and other Regional Lending Institutions, Gerald Champion Memorial Hospital, City of Las Cruces, City of Alamogordo, Allstate Insurance Company, Texas Highway Department, United States Corps of Engineers, El Paso Water Utilities, Southern Pacific Railroad, City of El Paso, Gencon Corporation.

**REPRESENTATIVE ASSIGNMENTS:** (Texas, & New Mexico)

- Single and Multifamily Complexes
- Professional Office Complexes
- Industrial Parks, Warehouses, Mini-Warehouse Facilities
- Vacant Land, Subdivision Analysis and Mobile Home Parks
- Farm & Ranch
- Shopping Centers
- Special Purpose: Post Office, Hotel, Automobile Dealership, Banking Facility, Restaurant, Convenience Stations, Medical Clinic, Church, and Easements.

IMPROVED SALE NO. 3 (Cont.)

Landscaping None  
 Fencing Chain link  
 Land Value \$355,000

**General Physical Data**  
 Building Type Single tenant  
 Gross SF 21,530  
 Area Breakdown Office 4,875  
 Warehouse 7,100  
 Sheds 9,555

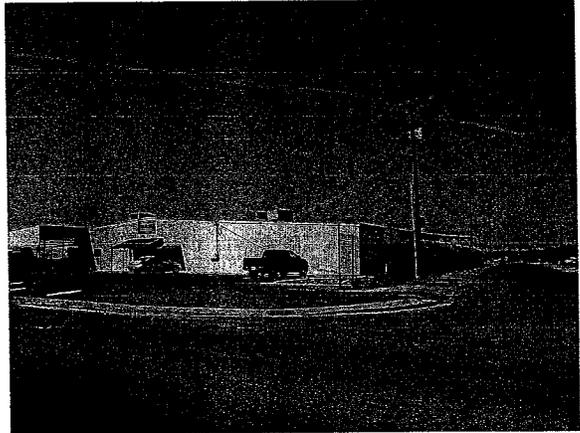
Construction Type Metal  
 Roof Type Metal  
 Foundation Concrete  
 Electrical Adequate  
 HVAC Central for offices  
 Stories 1  
 Year Built 1981  
 Condition Average

**Income Analysis**  
 Potential Gross Income \$42,000  
 Effective Gross Income \$42,000  
 Expenses \$4,270  
 Net Operating Income \$37,730

**Indicators**  
 Sale Price/Gross SF \$31.58  
 Bldg Price/Gross SF \$15.10  
 Floor Area Ratio 0.31  
 Land to Building Ratio 3.28:1  
 Occupancy at Sale L&P  
 Gross Income Multiplier 16.19  
 Eff. Gross Income Multiplier 16.19  
 Expenses/Sq. Ft. \$0.20  
 Overall or Cap Rate 5.55%  
 Net Operating Income/Sq. Ft. \$1.75

**Remarks**  
 Rents below market. Lease expired and grantee to take possession and occupy.

IMPROVED SALE NO. 3



**Property Identification**  
 Record ID 414  
 Property Type Commercial/warehouse  
 Address 350 Archuleta, Las Cruces, Dona Ana County, New Mexico  
 Location Amador & Archuleta  
 Tax ID 02-02157  
 Legal Description Part of USRS 9C-125

**Sale Data**  
 Grantor Vanland LLC  
 Grantee Airgas Southwest  
 Sale Date November 29, 2010  
 Deed Book/Page 1032426  
 Property Rights Fee Simple  
 Conditions of Sale Arms length  
 Financing Cash to seller  
 Verification Walt, First Valley Realty; Confirmed by Harry Hansen

Sale Price \$680,000

**Land Data**  
 Land Size 1.620 Acres or 70,567 SF  
 Zoning M-1 Light Manufacturing  
 Topography Level  
 Utilities All public  
 Shape Triangular

IMPROVED SALE NO. 2 (Cont.)

Shape Irregular  
 Landscaping Mature  
 Flood Info Not located in flood hazard area  
 Land Value \$136,000

**General Physical Data**  
 Building Name Warehouse  
 Building Type Single tenant  
 Gross SF 3,625  
 Construction Type Metal  
 Roof Type Metal  
 Foundation Concrete  
 Electrical Adequate  
 HVAC None  
 Stories 1  
 Year Built 1983  
 Condition Average

**General Physical Data**  
 Building Name Office  
 Building Type Single tenant  
 Gross SF 539  
 Construction Type Stucco  
 Roof Type Metal over metal trusses  
 Foundation Concrete  
 Electrical Adequate  
 HVAC Evap  
 Stories 1  
 Year Built 1983  
 Condition Average

Summary for Multiple Buildings						
Building Name	Construction Type	Year Built	Gross Sq. Ft.	Net Sq. Ft.	No. Stories	Avg. Ft. Ht.
Warehouse	Metal	1983	3,625		1	
Office	Stucco	1983	539		1	

Gross SF 4,164

**Indicators**  
 Sale Price/Gross SF \$68.64  
 Bldg Price/Gross SF \$35.98  
 Floor Area Ratio 0.04  
 Land to Building Ratio 28.48:1

**Remarks**  
 Excellent commercial investment in a secure location. There is an onsite residence which consists of a converted mobile home permanently sited with metal roof and new exterior finish. The residence has one bath, two bedrooms and attached carport, which is currently leased. Property is fenced, and includes gated entry with security camera in place. Leased manufactured home and 52 space RV storage business provide additional income streams.

IMPROVED SALE NO. 2



**Property Identification**  
 Record ID 421  
 Property Type Light Industrial  
 Property Name Mesilla Valley Snacks  
 Address 5350 W. Picacho Ave, Las Cruces, Dona Ana County, New Mexico  
 Tax ID 03-02109  
 Legal Description Pt of Sec 20, T23S, R1E

**Sale Data**  
 Grantor Mark R. Woodman  
 Grantee Alfred H. & Hazel J. Coelho  
 Sale Date January 5, 2011  
 Deed Book/Page 1100827  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Cash to Seller  
 Verification Hansen File 6-5-2009; Other sources: MLS #812558; Confirmed by Scott Eschenbrenner

Sale Price \$285,800

**Land Data**  
 Land Size 2.722 Acres or 118,570 SF  
 Zoning EC-2 & ER4  
 Topography Hilltop site  
 Utilities Private water/sewer. Public electric and natural gas

Shape Irregular  
 Landscaping None  
 Flood Info Located in flood zone AE; Panel 631E  
 Land Value \$81,600

**General Physical Data**

Building Type Single tenant  
 Gross SF 5,200  
 Construction Type Pre-engineered metal  
 Roof Type Metal  
 Foundation Concrete Slab  
 Electrical Typical  
 HVAC Evap and GFAU  
 Floor Height 16'  
 Year Built 1996  
 Condition Average

**Income Analysis**

Potential Gross Income \$21,600  
 Effective Gross Income \$21,600  
 Expenses \$1,650  
 Net Operating Income \$19,950

**Indicators**

Sale Price/Gross SF \$42.31  
 Bldg Price/Gross SF \$26.62  
 Floor Area Ratio 0.25  
 Land to Building Ratio 3.92:1  
 Occupancy at Sale 100%  
 Gross Income Multiplier 10.19  
 Eff. Gross Income Multiplier 10.19  
 Expenses/Sq. Ft. \$0.32  
 Overall or Cap Rate 9.07%  
 Net Operating Income/Sq. Ft. \$3.84

**Remarks**

All units have 3 phase power with separate meters. Development consists of 4 duplex units with a total of 5,200 square feet per unit and 2,600 square feet for each space. There is a small fenced in area adjacent to the building.

**IMPROVED SALE NO. 5 (Cont.)****IMPROVED SALE NO. 5****Property Identification**

Record ID 408  
 Property Type Industrial  
 Address 301 N. 17th Street, Las Cruces, Dona Ana County, New Mexico  
 Tax ID 02-41218  
 Legal Description Lot 3, Glen Porter Subd.

**Sale Data**

Grantor Picacho Valley Group, LLC  
 Grantee Joseph D. Gomez & Brenda Bustamante  
 Sale Date April 15, 2010  
 Deed Book/Page 1009163  
 Recorded Plat 23/31-32  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Real Estate Contract; Maturity Date: April 15, 2030; Interest Rate: 7.50%; Mortgagee: Owner Financed; Original Mortgage: \$200,000  
 Other sources: Bill Boling; Agent; Confirmed by Scott Eschenbrenner

**Verification**

Sale Price \$220,000

**Land Data**

Land Size 0.468 Acres or 20,400 SF  
 Zoning M-1 Light Manufacturing  
 Topography Level, at street grade  
 Utilities All city services

**General Physical Data**

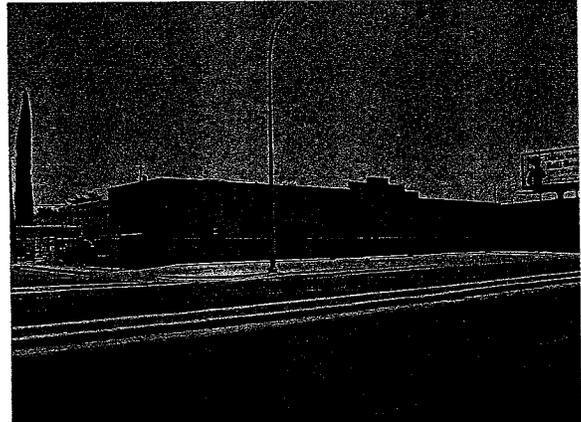
Building Type Single tenant  
 Gross SF 3,422  
 Construction Type Block  
 Roof Type Flat  
 Foundation Concrete  
 Electrical Adequate  
 HVAC Evap cooled., gas heat  
 Stories 1  
 Year Built 1940  
 Condition Average

**Indicators**

Sale Price/Gross SF \$46.76  
 Floor Area Ratio 0.24  
 Land to Building Ratio 4.09:1

**Remarks**

Property is located at the corner of Picacho and Third. Was previously Auto Electric.

**IMPROVED SALE NO. 4 (Cont.)****IMPROVED SALE NO. 4****Property Identification**

Record ID 417  
 Address 1003 W. Picacho, Las Cruces, Dona Ana County, New Mexico  
 Tax ID 02-02290  
 Legal Description Lots 1-4, Blk 15, Palmer's Subd.

**Sale Data**

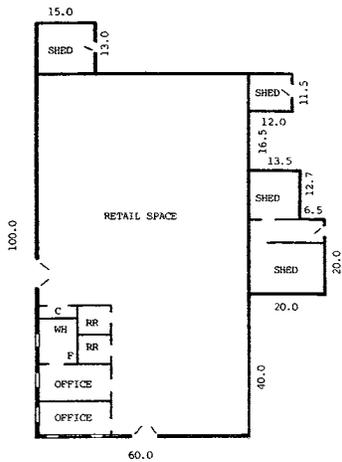
Grantor Klatt & Escobar Inc  
 Grantee Meraz Painting Inc.  
 Sale Date December 17, 2010  
 Deed Book/Page 1034929  
 Property Rights Fee Simple  
 Conditions of Sale Arms Length  
 Financing Cash to Seller  
 Verification Other sources: MLS #810843; Confirmed by Scott Eschenbrenner

**Sale Price**

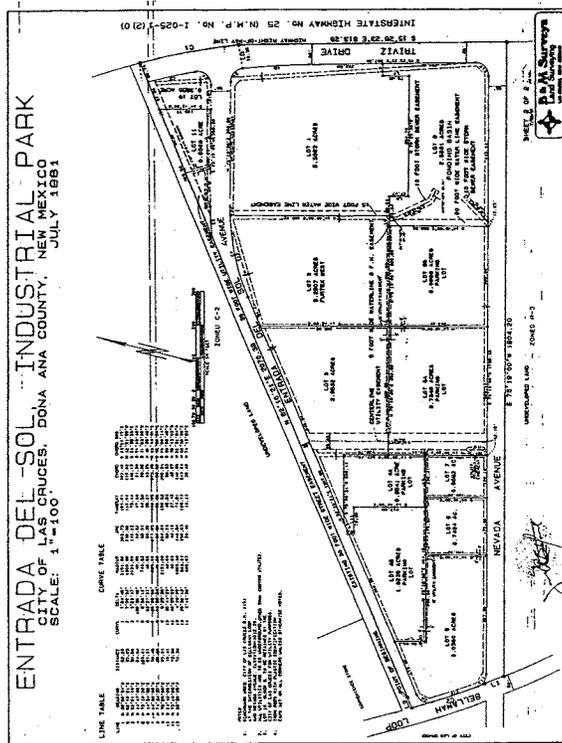
\$160,000

**Land Data**

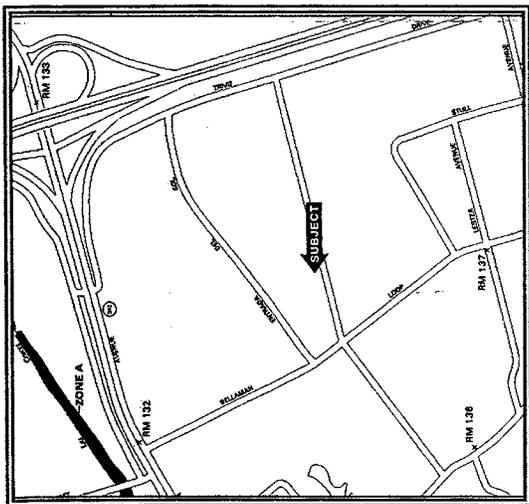
Land Size 0.321 Acres or 14,000 SF  
 Zoning C-2 General Commercial  
 Topography Level, corner lot  
 Utilities All city services  
 Shape Irregular  
 Landscaping None  
 Flood Info Not located in flood hazard area



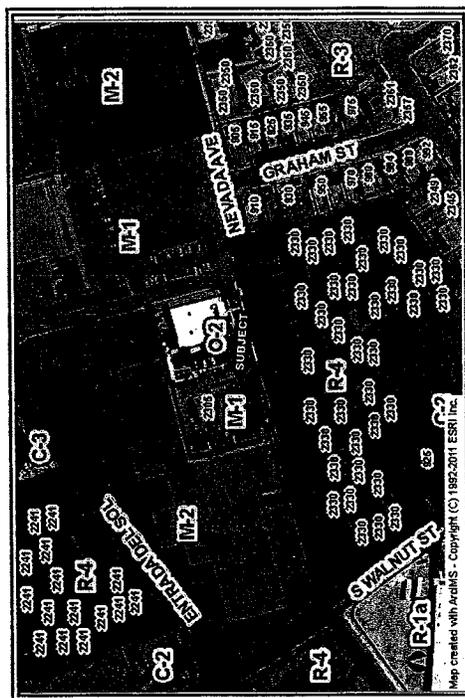
FLOOR PLAN



PLAT MAP



FLOOD ZONE MAP



ZONING MAP

Scott Eschenbrenner

From: Scott Eschenbrenner [brenner@zianet.com]  
 Sent: Friday, May 20, 2011 10:55 AM  
 To: 'Christine Logan'  
 Subject: RE: quote for restricted appraisal of GoodStart property delivered no later than June 10  
 Christine,

It looks like I can fit this appraisal in before your deadline of June 10. I can prepare a summary appraisal report on this property for \$3,000 plus tax (7.5625%). Let me know if this works for you and I will get a file started. Thanks,

Scott Eschenbrenner

From: Christine Logan [mailto:clogan@las-cruces.org]  
 Sent: Friday, May 20, 2011 8:34 AM  
 To: Scott Eschenbrenner; Hope Rodriguez  
 Subject: quote for restricted appraisal of GoodStart property delivered no later than June 10

Scott,  
 Bill Hamm asked for quotes for appraisal services for the Good Start donation center at 2305 Nevada Avenue but this is a more specific request because of the timeline.

I have a full Summary Appraisal that was completed by Harry Hansen in February. Now I have a purchase offer and need a second opinion to be included before the City Council considers the sale agreement.

Could you provide a restricted appraisal of the property by June 10 (3 weeks)? If so, at what cost?

Please let me know either way if you have time to complete this project so I can postpone consideration of the sale knowing it will take longer to get the second appraisal.

Christine Logan  
 City of Las Cruces Economic Development - Business Assistance  
 (575) 541-2286 clogan@las-cruces.org

No virus found in this message  
 Checked by AVG - www.avg.com  
 Version: 10.0.1375 / Virus Database: 1509/3647 - Release Date: 05/19/11

6/3/2011

**Improvement**

**DISCLAIMER**

Square footage info. without building detail or value denotes new building not yet added to assessment record.

TYPE USE	TOT BLDG AREA	EXTERIOR WALL	QUALITY	YEAR BUILT
BEDROOMS		FULL BATHS		HALF BATHS
ATT GARAGE FIN		ATT GARAGE UNFIN		
OPEN PORCH		ENCLOSED PORCH		DECK PORCH

**Commercial Improvements**

GROUND FLOOR AREA	EXTERIOR WALL	YEAR BUILT
6000	ML	1970

**Detached Structures**

STRUCTURE	MEASURE1	MEASURE2
AP	11400	0

**Valuation Information**

LAND VALUE	RES BLDG VALUE	NON-RES BLDG VALUE	FULL VALUE
97500	0	55500	153000

**Recording Information**

RECORDING INFORMATION
PLAT BK 13 PG 98-99

**Taxes**

BILLS PAID	Amount	BILLS UNPAID	Amount
199676287			N/A

199778172	N/A
199879771	N/A
199981480	N/A
200083509	N/A
200184697	N/A
2002490	N/A
200387846	N/A
200489563	N/A
200591875	N/A
200694940	N/A
200799010	N/A
2008102236	N/A
2009103169	N/A
2010103604	N/A

\*\* TAX REFLECTS ORIGINAL BILL AMOUNT ONLY ...NO PAYMENTS, PENALTY OR INTEREST FOR FURTHER DETAILS CONTACT THE TREASURER  
[Print this page.](#)

**Assessor's Parcel Search Results**

[Return to Real Property Search](#)

[Return To Search Screen Code Abbreviations](#)

**Account Information**

ACCOUNT#:	12903
NAME1:	CITY OF LAS CRUCES
NAME2:	
ADDRESS:	PO BOX 20300
CITY:	LAS CRUCES
STATE:	NM
ZIP:	88004
FAMILY EXEMPTION:	
VETERAN EXEMPTION:	

**Parcel Information**

The Assessor's Office can provide information about deeds posted to Assessor's parcel accounts. This information is provided as a courtesy to the public and is not intended to constitute legal advice. Individuals are encourage to contact an attorney, professional land surveyor or title company for information about legal descriptions. Copies of deeds can be obtained from the Doña Ana County Clerk's Office.

PARCEL	PROPERTY ADDRESS				
02-13645	2305 E NEVADA				
MAPCODE	FOLDER	SEC	TWP	RGE	
0214009135010255	18513	16	23S	2E	
SUBDIVISION			BLOCK	LOT	
334 - ENTRADA DEL SOL INDUSTRIAL PARK				LT 6	

**Land Information**

LAND SIZE	VALUE METHOD	NUMBER LOTS	UNIT PRICE	LAND TYPE
0.75	PA	0	130000	CM

Scott Eschenbrenner

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From: Christine Logan [clogan@las-cruces.org]  
Sent: Monday, May 23, 2011 11:28 AM  
To: Scott Eschenbrenner  
Subject: FW: PO for Scott  
The PO has been approved. Please proceed with the appraisal and deliver ASAP.  
Thanks!

---

From: Dianne Wax  
Sent: Monday, May 23, 2011 11:24 AM  
To: Christine Logan  
Subject: PO for Scott

PO # is 11203209

*Dianne M. Wax  
Executive Administrative Assistant  
Community Development - Director's Office  
City of Las Cruces  
P.O. Box 20000  
Las Cruces, N.M. 88004  
(Office) 575-528-3066  
(Fax) 575-528-3323  
(email) [dianne@las-cruces.org](mailto:dianne@las-cruces.org)*

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No virus found in this message.  
Checked by AVG - [www.avg.com](http://www.avg.com)  
Version: 10.0.1375 / Virus Database: 15093655 - Release Date: 05/23/11

**City of Las Cruces****Community Development  
Interoffice Memorandum**

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To: Brian Denmark, Assistant City Manager

From: Christine Logan, Economic Development Administrator *CL*

Subject: Negotiated sale price for property at 2305 Nevada Avenue

Date: May 18, 2011 M-11-112

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Good Start Industries terminated the lease for the donation center on Nevada Avenue effective January 31, 2011. City staff evaluated the property and determined that there is no City use for which the facility is suitable and so the property was made available for sale. An appraisal of the property was obtained on February 18, 2011. That appraisal estimated the value at \$290,000 and the marketing material was distributed indicating that value. Sale information was distributed through MVEDA and the local commercial real estate community.

On April 7, the City received an offer for the land at a purchase price of \$156,000 (the assessed value of the property). I could not recommend a sale at that price and subsequently negotiated a sale agreement at \$210,000 for the City Council to consider.

Appraisals are estimates based on comparisons to sales of similar properties and on cost estimate to create similar improvements on a vacant property. In this case the value of the land was estimated at \$130,400 (\$4 per square foot) and the improvements (walls and parking area) were valued at \$18,800. The buyers reasoning in support of a lower than appraised price is disagreement over the value of the existing building. This proposed sale allows that there is value to the building but that it adds only \$60,000 to the value of the site.

The 6,000 square foot metal building was built in 1970 and includes two office spaces and two restrooms. The foundation and the steel frame appear to be in good condition but the exterior is not and the utility systems in the building may need to be improved. Several small additions have been added to the building but are of very poor construction. The building is 41 years old and does not appear to have been well maintained. The February 2011 appraisal estimated that a similar new building would be worth \$213,000 but that this facility has depreciated 30% valuing it at \$149,156. An appraisal of the same property was conducted in November of 2000 and depreciated the building by 71%. A second current appraisal has been ordered and will be available prior to approval of this sale as an independent estimate.

Although the City might be able to get a higher value for the site if we keep it on the market longer, there is no guarantee of that. SASD Supply is a new but established company. The owner, Norm Fristoe has a track record of being involved in successful remodels and business enterprises in the community. Again, there is no guarantee but it is reasonable to believe that if this sale is approved the property will be put to constructive use quickly. There is a value to selling this property now at \$210,000 rather than holding on to it in hopes of getting a higher price soon.

There are expenses associated with the City holding on to the vacant building –the site is near a residential area and requires frequent monitoring and clean up to keep it from becoming a nuisance. A private purchase of the site would bring the property onto the tax rolls and allow SASD to locate there to invest in the property, create employment and generate additional tax revenue.

Section 2-1314 of the Las Cruces Municipal Code requires that when real property is sold for a value less than the lowest appraised value, a detailed written explanation of the difference be made available to the public. This memo serves as that public explanation.

Cc: David Weir, Community Development Director *DW*

# 2305 Nevada Ave Vicinity Map

