# City of Las Cruces®
PEOPLE HELPING PEOPLE

## Council Action and Executive Summary

**Item #** 14 **Ordinance/Resolution#** 2703

**For Meeting of** January 6, 2014 (Ordinance First Reading Date)

**For Meeting of** January 21, 2014 (Adoption Date)

**Please check box that applies to this item:**

☐ QUASI JUDICIAL ☒ LEGISLATIVE ☐ ADMINISTRATIVE

**TITLE:** AN ORDINANCE SUPPORTING AN ECONOMIC DEVELOPMENT PROJECT IN ACCORDANCE WITH THE CITY OF LAS CRUCES LOCAL ECONOMIC DEVELOPMENT PLAN 2013, AUTHORIZING AN ECONOMIC DEVELOPMENT PROJECT PARTICIPATION AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND LA CLINICA DE FAMILIA.

**PURPOSE(S) OF ACTION:**

To support and authorize an economic development project participation agreement.

| COUNCIL DISTRICT: ALL | | |
|---|---|---|
| **Drafter/Staff Contact:** Elizabeth Vega | **Department/Section:** Finance/Grants | **Phone:** 575-541-2717 |
| **City Manager Signature:** | | |

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

The City of Las Cruces has adopted a Local Economic Development Plan. Having a Local Plan allows the City to implement the New Mexico Local Economic Development Act. That Act is a voter-approved amendment to the anti-donation clause of the New Mexico constitution and authorizes local governments to use public resources for economic development purposes. The City may provide incentives in the form of municipally-owned resources, municipal services, job training assistance and/or financial incentives. Neither the state statute nor the local plan provides any funding. Funding for any incentives must come from current revenues and resources. One of the resources at the City's disposal is the property and building located at 575 S Alameda, the former City Office Center.

In considering how to utilize its available incentives, the City must consider the requestor's financial strength, management capability, and commitment to the community. Along with the strength of the entity, the City must also consider the feasibility of the proposed economic development project, and how the City will benefit from the project.

La Clinica de Familia (LCDF) is an established medical provider within the Las Cruces community. They have submitted an economic development project application and a Project

(Continue on additional sheets as required)

Participation Agreement has been drafted that outlines the details of the City's incentives that will be given and what LCDF will provide in return.

Over the course of the three year project, LCDF will create at least fifty-five new jobs. They will also significantly renovate the building to fit the needs of creating a centrally-located health clinic. The City will convey the land and property to LCDF for that purpose. In order to secure the City's contribution to the project, LCDF will maintain a standby letter of credit from a commercial bank in the amount of $1,065,000, the current appraised value of the land and building. The standby letter of credit will be held in escrow, and the City may exercise its right to recover under the said letter of credit in the event that the City becomes entitled to recover a portion of the City's contribution to the Project by failure of LCDF to meet measurable Project goals as described in the Project Participation Agreement.

The milestones and measurable goals will be reviewed by the City's Economic Development Office with the support of other City Departments as deemed necessary to ensure the Project's mission is met and the City's contributions are secure.

**SUPPORT INFORMATION:**

1. Ordinance.
2. Exhibit "A", Project Participation Agreement.
3. Attachment "A", City Appraisal, 575 S Alameda.

**SOURCE OF FUNDING:**

| | | | |
|---|---|---|---|
| **Is this action already budgeted?** | | | |
| | Yes | ☐ | See fund summary below |
| | No | ☐ | If No, then check one below: |
| **N/A** | *Budget Adjustment Attached* | ☐ | Expense reallocated from: _____ |
| | | ☐ | Proposed funding is from a new revenue source (i.e. grant; see details below) |
| | | ☐ | Proposed funding is from fund balance in the _____ Fund. |
| **Does this action create any revenue?** | | | |
| | Yes | ☒ | Funds will be deposited into this fund: _____in the amount of _____ for FY 20__. |
| **N/A** | No | ☐ | There is no new revenue generated by this action. |

**BUDGET NARRATIVE**

| |
|---|
| N/A |

(Continue on additional sheets as required)

**FUND EXPENDITURE SUMMARY:**

| Fund Name(s) | Account Number(s) | Expenditure Proposed | Available Budgeted Funds in Current FY | Remaining Funds | Purpose for Remaining Funds |
|---|---|---|---|---|---|
| | | | | | |

**OPTIONS / ALTERNATIVES:**

1. Vote "Yes"; this will authorize the Project Participation Agreement between the City of Las Cruces and La Clinica de Familia.
2. Vote "No"; this will not allow the conveyance of land and property to La Clinica de Familia.
3. Vote to "Amend"; this will require direction from Council to City Staff.
4. Vote to "Table"; this could affect the timeline set forth in the Project Participation Agreement.

**REFERENCE INFORMATION:**

1. Ordinance 2697, Las Cruces Local Economic Development Plan 2013.

(Continue on additional sheets as required)

**COUNCIL BILL NO.** 14-018
**ORDINANCE NO.** 2703

**AN ORDINANCE SUPPORTING AN ECONOMIC DEVELOPMENT PROJECT IN ACCORDANCE WITH THE CITY OF LAS CRUCES LOCAL ECONOMIC DEVELOPMENT PLAN 2013, AUTHORIZING AN ECONOMIC DEVELOPMENT PROJECT PARTICIPATION AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND LA CLINICA DE FAMILIA.**

The City Council is informed that:

**WHEREAS,** the City of Las Cruces, New Mexico, a municipal corporation, is the owner of the building and land situated at 575 S Alameda Street, formerly the City Office Center; and

**WHEREAS,** the City of Las Cruces adopted the Las Cruces Local Economic Development Plan 2013 by Ordinance No. 2697 to allow the City to offer land and structures as an incentive to individual business to create jobs; and

**WHEREAS,** La Clinica de Familia ("LCDF") is a qualifying entity under the Local Economic Development Act and is interested in partnering with the City in creating a medical complex in the central part of Las Cruces; and

**WHEREAS,** LCDF is subject to clawback provisions outlined in Exhibit "A", the Economic Development Project Participation Agreement; and

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

**(I)**

**THAT** the Economic Development Project Participation Agreement attached hereto as Exhibit "A", is hereby approved.

**(II)**

**THAT** the City of Las Cruces shall convey the land and property located at 575 S Alameda to La Clinica de Familia in accordance with the previously-referenced Economic Development Project Participation Agreement.

**(III)**

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

**DONE AND APPROVED** this _____ day of _____ 2014.

APPROVED:

_____
Mayor

ATTEST:

_____
City Clerk

(SEAL)

VOTE:
Mayor Miyagishima: ____
Councillor Silva: ____
Councillor Smith: ____
Councillor Pedroza: ____
Councillor Small: ____
Councillor Sorg: ____
Councillor Levatino: ____

Moved by: _____

Seconded by: _____

APPROVED AS TO FORM:

_____
Deputy City Attorney

# ECONOMIC DEVELOPMENT PROJECT PARTICIPATION AGREEMENT LA CLINICA DE FAMILIA LAS CRUCES CENTRAL COMMUNITY HEALTH CENTER

**THIS AGREEMENT** is made and entered into the ____ day of _____, 2014, by and between **La Clinica de Familia, LLC**, a New Mexico limited liability company, whose address is 385 Calle de Alegra, Bldg. A, Las Cruces, New Mexico 88005 and **The City of Las Cruces**, a New Mexico municipal corporation, whose address is P.O. Box 20000, Las Cruces, New Mexico 88004-9002.

**WHEREAS**, La Clinica de Familia, LLC ("LCDF") provides health and dental services in Las Cruces and Doña Ana County, New Mexico, and is a Qualifying Entity under the Local Economic Development Act (Chapter 5, Article 10, NMSA 1978, as amended) and the Las Cruces Local Economic Development Plan 2013; and

**WHEREAS**, LCDF anticipates a significant increase in the demand for its services as a consequence of federal regulations and programs such as Medicaid under the Affordable Care Act, which will require LCDF to obtain additional space and hire many additional health care and support workers; and

**WHEREAS**, the former hospital facility and former municipal office center located at the intersection of W. Lohman Ave. and S. Alameda Blvd. (575 S. Alameda Blvd.; the "Old City Office Center"), presently owned by the City of Las Cruces (the "City"), is well located to serve as a health clinic for LCDF's purposes but will require extensive rehabilitation and remodeling to meet LCDF's needs; and

**WHEREAS**, in the rehabilitation and reuse of the Old City Office Center by LCDF, in addition to providing health care benefits to the community, will also provide significant economic benefits to the City of Las Cruces as hereinafter set forth; and

**WHEREAS**, the City is willing to enter into this agreement and convey the Old City Office Center to LCDF as the City's contribution to LCDF's economic development project for the Old City Office Center in accordance with the City's Local Economic Development Plan 2013 as adopted by City Ordinance No. 2697 on October 21, 2013 and as subsequently amended, and pursuant to the terms of this Project Participation Agreement ("Agreement").

**NOW, THEREFORE,** the parties hereto agree as follows:

1. **Project Goals:** The goals of the Economic Development Project described in this Agreement (the "Project") are (a) to provide a modern, fully up-to-date facility for the provision of medical care, mental health care, and dental care in the central part of Las Cruces, and (b) to enhance the Las Cruces economy by creating a minimum of at least 55 new jobs during the first two years after the facility is ready, and additional jobs during further expansion thereafter.

2. **Project Location:** The Project location is the real property at 575 S. Alameda Blvd., Las Cruces (southeast corner of W. Lohman Ave. and S. Alameda Blvd.), including the

present building located thereon which will be renovated by LCDF as part of the Project. The first phase of renovation, included in the Project, is expected to make approximately 22,000 square feet available for LCDF providers, and improve the external appearance and functionality of the building.

3. **City Contributions:** In order to achieve the goals of this Agreement, the City will promptly convey the Project property to LCDF by warranty deed following the execution of this Agreement, at no direct cost to LCDF. The Project property is appraised at $1,065,000 in its present condition, which sum is recognized as the City's contribution to the Project.

4. **LCDF Contributions:** In order to achieve the goals of this Agreement, LCDF upon acquiring the Project property from the City will promptly commence the rehabilitation of the property and its remodeling and renovation to meet the needs of LCDF and its clients. Rehabilitation, remodeling and renovation in the first phase will include asbestos abatement and remodeling of about 22,000 square feet of the building interior to provide examination and treatment rooms, office space, nursing stations, and other facilities for the provision of physical and mental health services, including an urgent care clinic, and dental care. Phase I renovation and remodeling is expected to cost about $1,837,000 plus applicable gross receipts taxes, and be completed by about August 2015. Recruitment of new personnel will be undertaken in time to bring them on board as soon as reasonably possible after the facility is ready for occupancy. For purposes of this Agreement, within two (2) years after the completion of Phase I, LCDF commits to have hired a **minimum** of 55 new full-time employees, of which at least 13 positions will be high-salaried medical professionals (salaries greater than 120% of the New Mexico Department of Labor's average salary figure for Doña Ana County) and an additional 6 positions will be at least mid-range salaries (between 80% and 120% of the NMDOL average salary figure). The 55 new full-time employees will be in addition to the current workforce employed by LCDF in Las Cruces and Dona Ana County. To the extent possible, positions will be filled by Doña Ana County residents. However, some medical professional positions will require a nationwide search to find persons with the desired qualifications and experience who are willing to relocate to Doña Ana County.

5. **Property Development:** LCDF represents and warrants that the Project property will be used by LCDF solely for purposes related to the provision of health and dental care and closely related purposes, including but not necessarily limited to medical residency programs and other educational programs. The property will be developed in accordance with all applicable zoning and land use ordinances and regulations of the City.

6. **Timeline and Measurable Goals:** The Project includes Phase I of the building reconstruction, renovation and remodeling, and the employment of the medical professionals and support personnel to staff the new clinic during its first two years of operation. LCDF commits to meeting the measurable goals shown in the following table within the time frames indicated, and failure to meet any of these goals, unless due to force majeure or conditions beyond the control of LCDF, may be deemed a default of LCDF's obligations under this Agreement, and the City shall be entitled to recover proportional compensation for a portion of its contribution to the Project as provided in Section 7 below. In the event any date set forth in the following table falls

on a Saturday, Sunday or legal holiday, the action will be deemed timely if completed by close of business on the next day thereafter that is not a Saturday, Sunday or legal holiday.

| Event | Contingency | Date Assuming Conveyance on January 31, 2014 |
|---|---|---|
| Conveyance of property to LCDF | -- | January 31, 2014 |
| Asbestos Abatement Complete | 60 days after conveyance | April 1, 2014 |
| Construction Drawings Complete | 105 days after conveyance | May 16, 2014 |
| Approvals Obtained | 150 days after conveyance | June 30, 2014 |
| **First Measurable Goal: Construction Complete** | 545 days after conveyance | **Not later than August 31, 2015** |
| | | **Date Assuming Construction Complete on July 30, 2015** |
| **Second Measurable Goal: 15 New Positions Filled** | **180 days after construction complete** | **January 26, 2016** |
| **Third Measurable Goal: 30 New Positions Filled** | **360 days after construction complete** | **July 24, 2016** |
| **Fourth Measurable Goal: 45 New Positions Filled** | **540 days after construction complete** | **January 20, 2017** |
| **Fifth Measurable Goal: 55 New Positions Filled** | **720 days after construction complete** | **July 19, 2017** |
| | | |

7. **Security to Ensure Performance by LCDF:** To protect the City's contribution and ensure performance of LCDF's obligations under this Agreement, at the time the City transfers the Project property to LCDF, LCDF will simultaneously provide the City a standby letter of credit from a commercial bank in the amount of $1,065,000, in a form satisfactory to the City, and shall also grant the City a lien, but not necessarily a first lien, on the Project property, which lien shall also be in the amount of $1,065,000. The standby letter of credit will be held in escrow, and the City may exercise its right to recover under the said letter of credit in the event that the City becomes entitled to recover a portion of the City's contribution to the Project by failure of LCDF to meet measurable Project goals as described in this Agreement, until fully released as described below.

The standby letter of credit and lien shall be released incrementally by the City upon LCDF's partial completion of its obligations under this Agreement, in accordance with the milestones set out in the following table:

| Milestone | City Release |
|---|---|
| First Measurable Goal (Phase I Construction Complete) | 30% of lien and letter of credit |
| Second Measurable Goal (15 New Positions Filled) | Additional 15% of lien and letter of credit (total 45%) |
| Third Measurable Goal (30 New Positions Filled) | Additional 20% of lien and |

| | |
|---|---|
| | letter of credit (total 65%) |
| Fourth Measurable Goal (45 New Positions Filled) | Additional 20% of lien and letter of credit (total 85%) |
| Fifth Measurable Goal (55 New Positions Filled) | Remainder of lien and letter of credit (100% release) |
| | |

The parties recognize and agree that LCDF will secure a construction loan for the rehabilitation, reconstruction and remodeling of the Project, and that such loan shall have a lien on the Project property that may be prior and senior to the lien of the City thereon.

In the event of a material failure by LCDF to meet its commitments under this Agreement within two (2) years after the Phase I rehabilitation and reconstruction is completed, the City may recover from LCDF that portion of the City's $1,065,000 contribution that is proportional to the failure of LCDF to complete its obligations under this Agreement, taking into account the amounts actually expended and the new employees actually hired by LCDF. For purposes of this Agreement, the parties agree and stipulate that thirty percent (30%) of LCDF's commitment shall consist of the completion of the Phase I rehabilitation and remodeling of the property, and seventy percent (70%) of LCDF's commitment shall consist of timely employing the newly hired employees as described in the foregoing enumeration of Measurable Goals. However, the City's proportional recovery of its contribution, if any, shall be determined based on the extent of completion of all Measurable Goals as of the date that is two (2) years after completion of the Phase I construction.

8. **Performance Review:** Within 30 days of the conveyance of the property, LCDF will submit a letter report listing its current employees, the position they currently occupy, and any unfilled vacancies. LCDF will then submit a letter report to the City Manager promptly following completion of the Phase I construction (First Measurable Goal), which will include the date that the construction was complete and the project was accepted by LCDF. The letter report will also list the dates for completion of each subsequent Measurable Goal, based on the timetable set forth in this Agreement. Thereafter, within ten (10) days following the date for completion of each Measurable Goal, LCDF will submit to the City Manager a letter report advising the City of the number of new positions filled as of the Measurable Goal date, the name of the employee and the salary range of those positions, and including such other information regarding the filling of the new positions as may seem appropriate to LCDF or as may be reasonably requested by the City. In addition, whenever each Measurable Goal has been met, LCDF will submit to the City Manager a report with documentation showing that the Measurable Goal has been met, with a request for release of the appopriate portion of the City's lien and LCDF's standy letter of credit provided to the City. If the City concurs that the Measurable Goal has been met, the City will within ten (10) business days after receiving the report release the appropriate portion of the City's lien and the standby letter of credit. If the City does not concur that the Measurable Goal has been met, the City will promptly contact LCDF so that the parties may address and resolve the disagreement.

In the event LCDF fails to meet any Measurable Goal, then on the request of the City officers of the parties will meet to discuss the matter and determine whether any remedial action

may be appropriate to ensure that future goals are met. However, no remedial action shall be implemented except on the mutual agreement of LCDF and the City.

9. **Cost and Fees**

a) LCDF will be solely responsible for all development costs including but not limited to development fees, permits, applications, utility extensions and utility hook-up fees.

b) 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.

**DONE** and approved on the date first written above.

CITY OF LAS CRUCES

By: _____
Ken Miyagishima, Mayor

ATTEST:

_____
City Clerk

LA CLINICA DE FAMILIA

By: _____
Name, Title

APPROVED BY:

_____
City Attorney

# APPRAISAL OF
# 575 S. ALAMEDA BLVD.
# LAS CRUCES CITY OFFICES BUILDING
# LAS CRUCES, NEW MEXICO 88005

**OCTOBER 10, 2013**

**FOR**
**CITY OF LAS CRUCES**
**MR. BILL HAMM**
**LAND MANAGER**
**PO BOX 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:** 575 S. Alameda Blvd., 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 asset management.

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

**EFFECTIVE DATE OF VALUE:** October 10, 2013.

**DATE OF REPORT:** November 20, 2013.

**MARKET VALUE ESTIMATE:** **$1,065,000.00**

This value is subject to the cost and time to bring the subject property into compliance with applicable building codes and ADA requirements as determined by the City of Las Cruces and its associates.

**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 to three years.

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



**Hansen Real Estate Appraisals, Inc.** 545 S. Melendres, Suite D
Las Cruces, NM 88005 / (575) 526-2549

**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. Due to the age of the subject property the Cost Approach was not deemed useful in the value estimate process. The value being sought and the real estate interest being appraised is set forth in the Purpose of the Appraisal.
This value is subject to the cost and time to bring the subject property into compliance with applicable building codes and ADA requirements as determined by the City of Las Cruces and its associates.

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.

**IDENTIFICATION OF THE APPRAISED PROPERTY:**

Type of Property: Commercial office building.

Location: 575 S. Alameda Blvd., City of Las Cruces, Doña Ana County, NM.

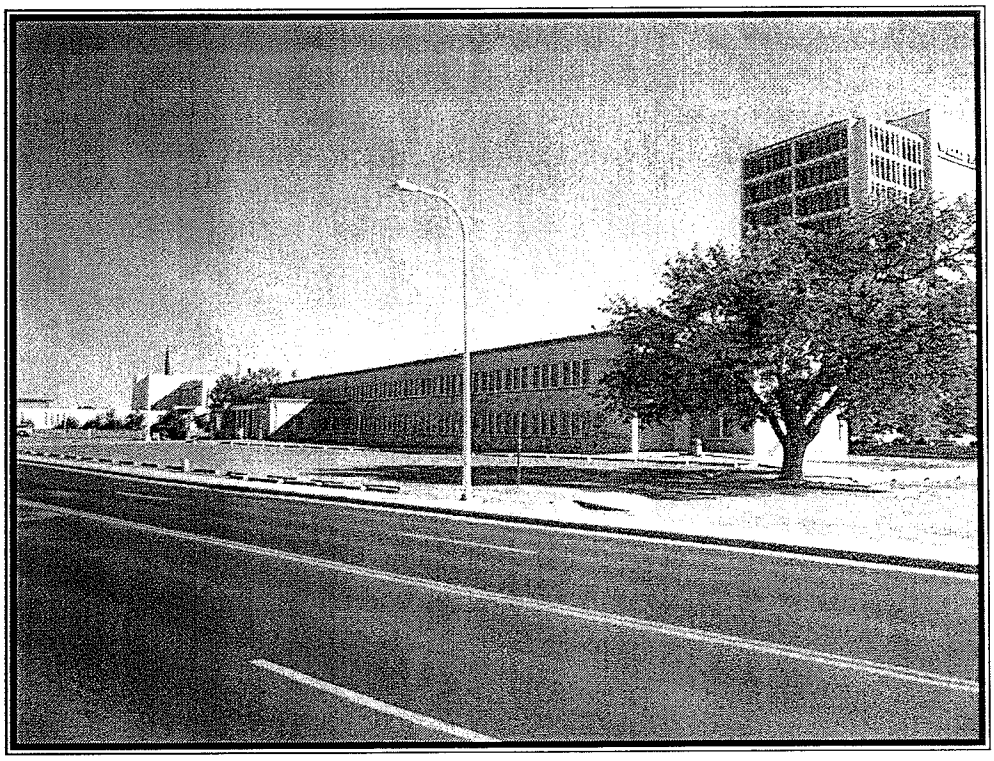
Legal Description: Subject to a current metes and bounds description.

Doña Ana County Assessor Parcel No. 02-05964

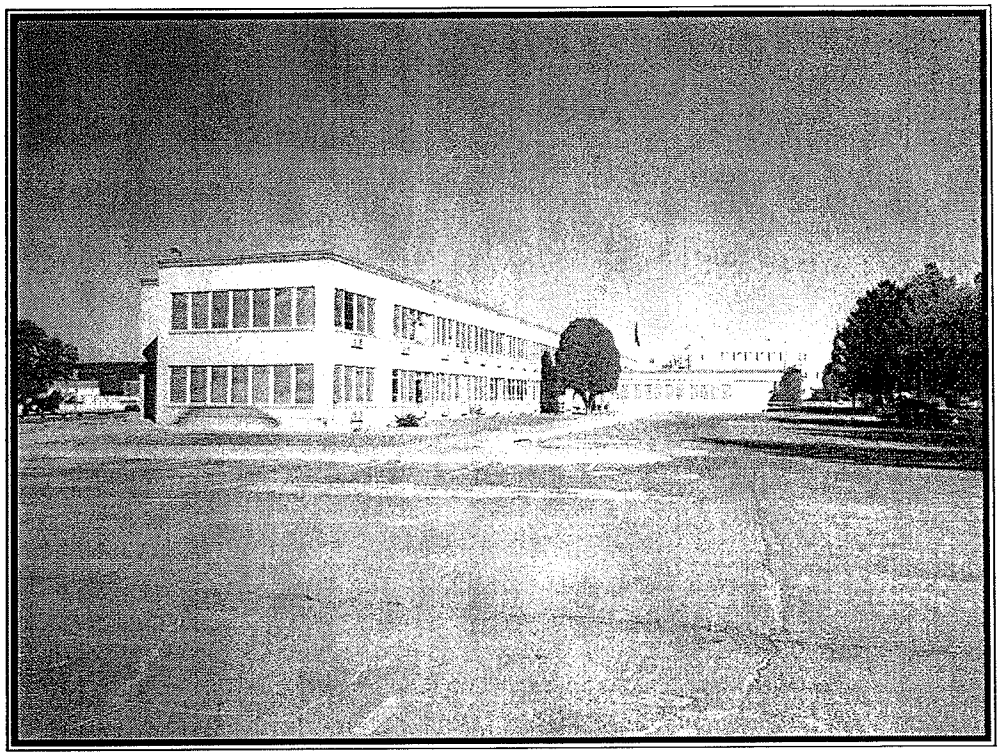
Owner of Record: City of Las Cruces

Assessed Value:

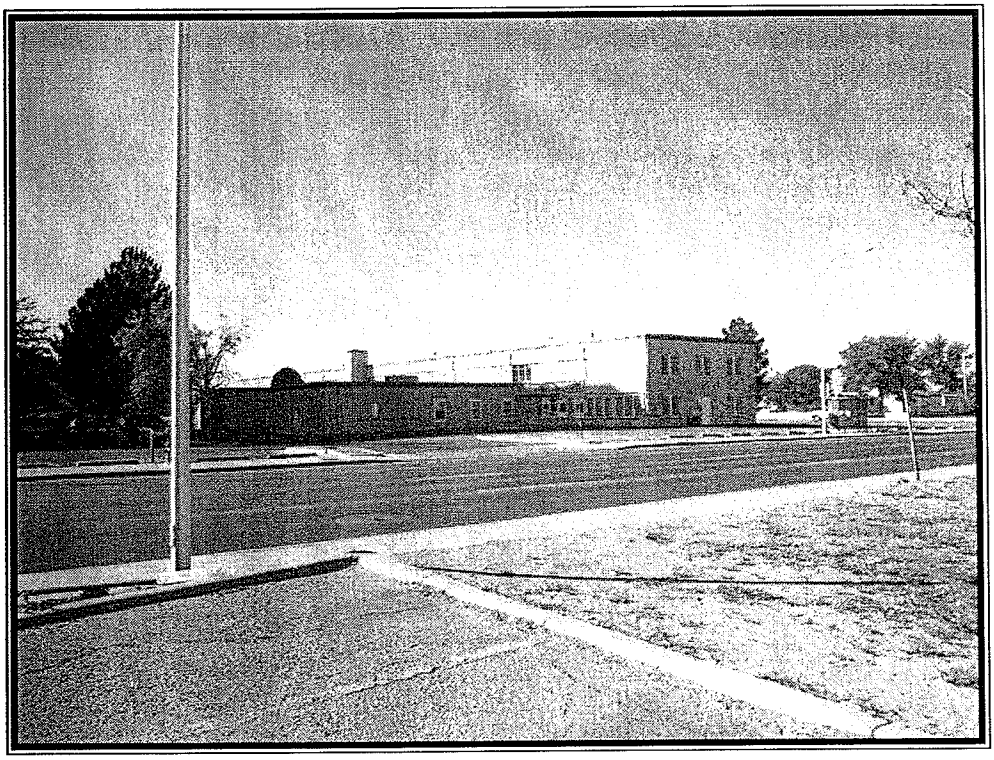
| | |
|---|---|
| Building: | $ 856,500 |
| Land: | 486,100 |
| Total: | $1,342,600 |



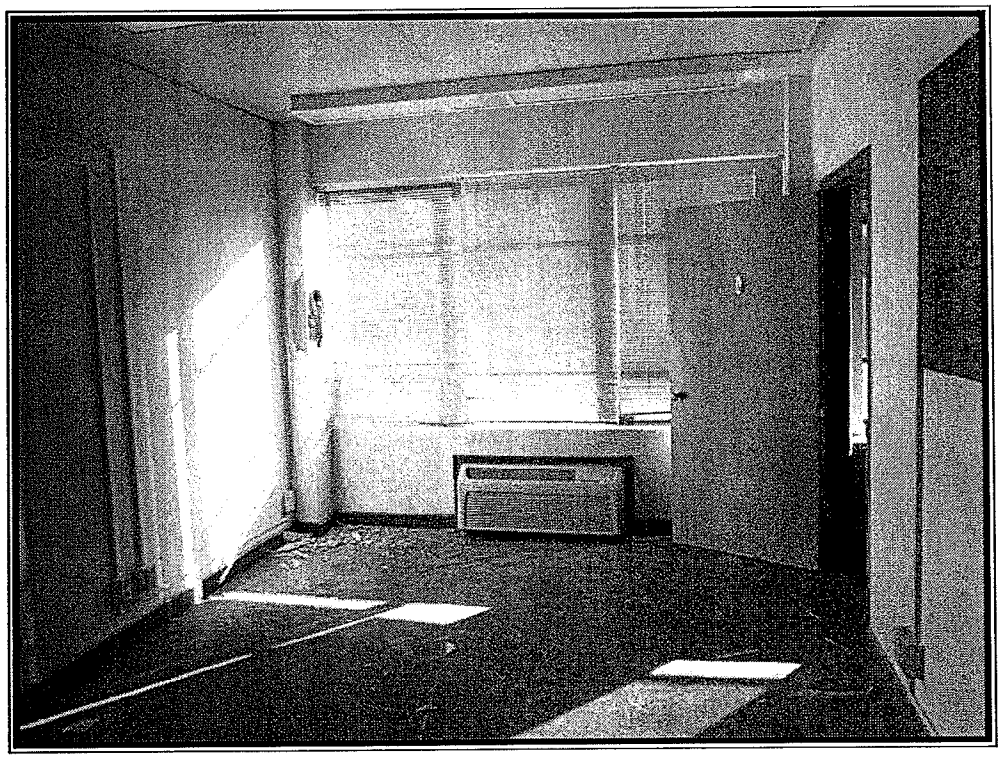
Front View of Subject Property



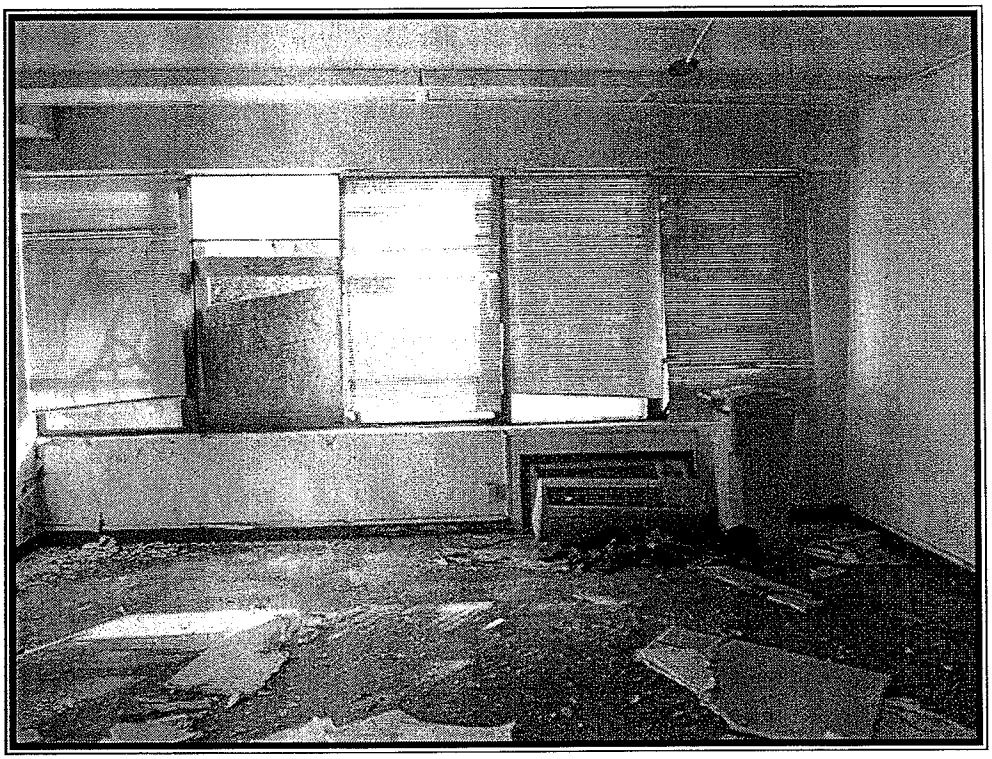
Rear View of Subject Property



North Side View of Subject Property

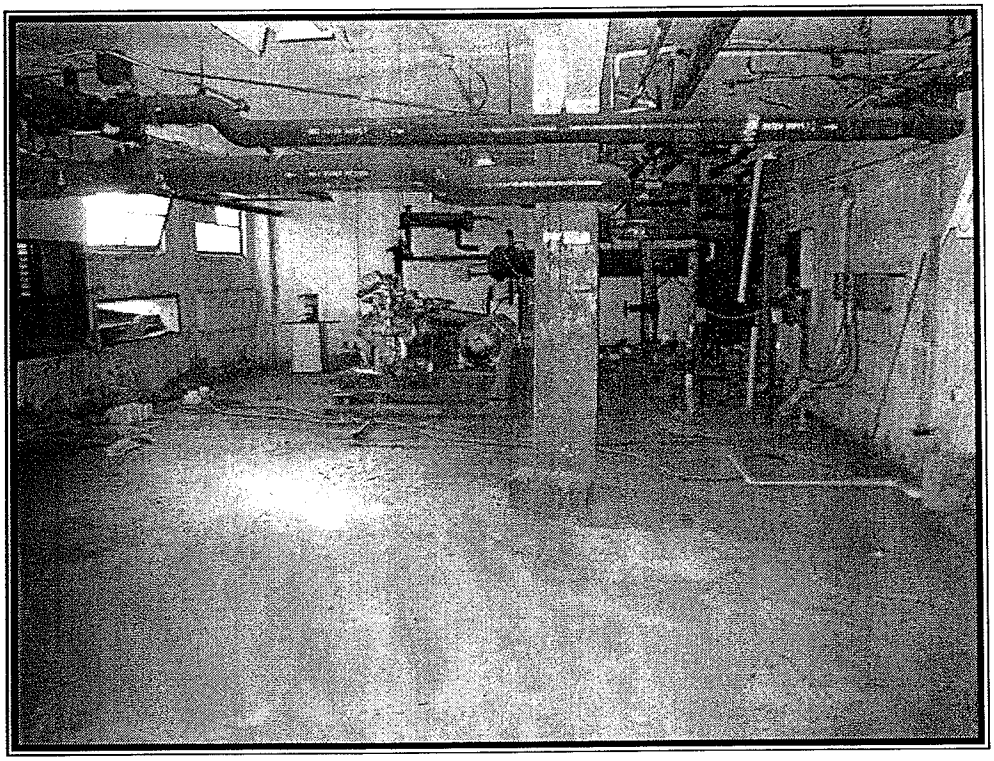


Typical Office View With Damaged Wall

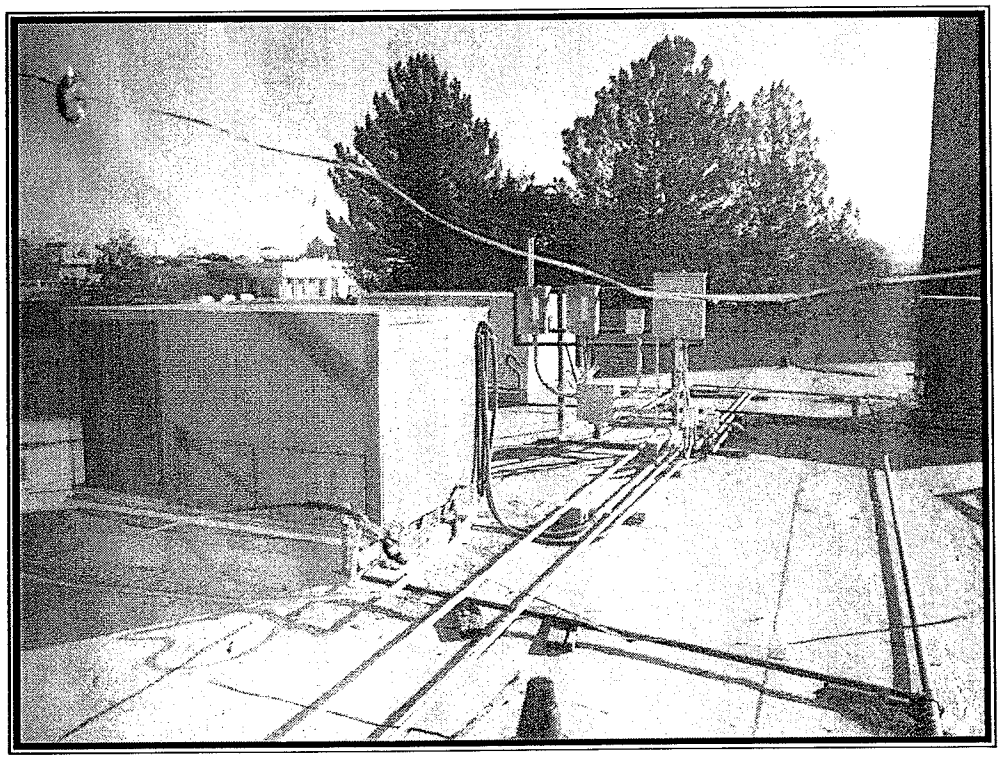


View of Damaged Office

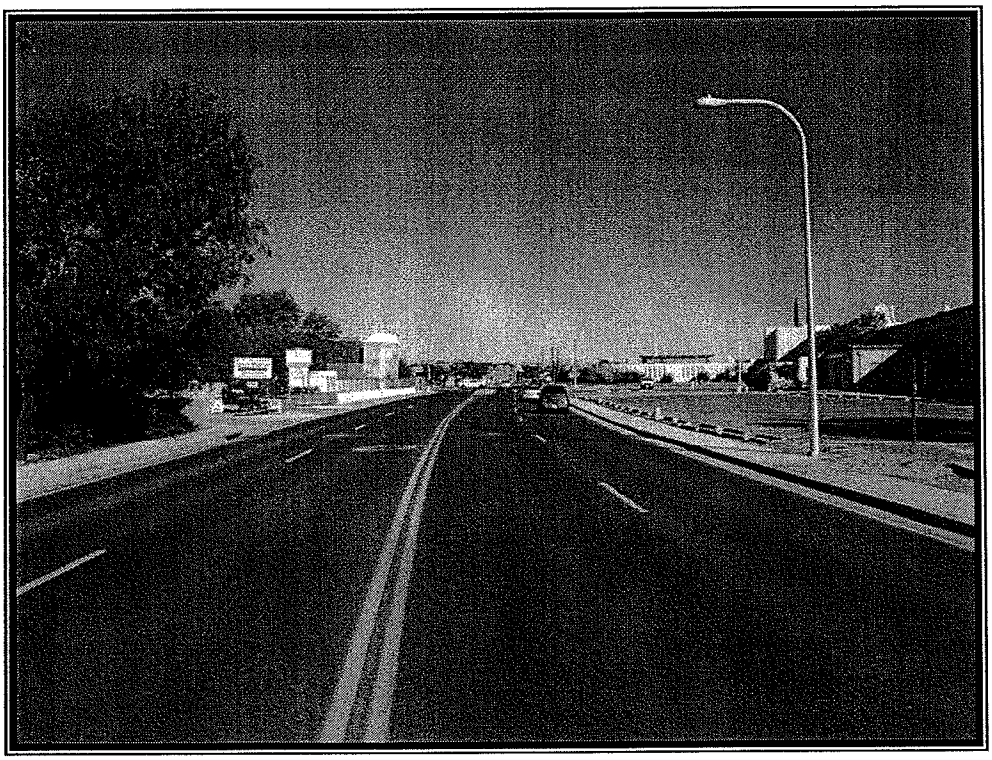
View of Graffiti



View of Basement Boiler Room



Typical View of Roof and HVAC



Street Scene Looking North Along Alameda Boulevard

**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 2010.

| Year | Las Cruces | Doña Ana County |
|---|---|---|
| 1950 | 12,325 | 39,557 |
| 1960 | 29,367 | 59,948 |
| 1970 | 37,857 | 69,773 |
| 1980 | 45,086 | 96,340 |
| 1990 | 62,126 | 135,510 |
| 2000 | 73,539 | 174,682 |
| 2010 | 97,618 | 209,233 |

Source: US Census Bureau.

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% |
| 2010 | 18,552 | 2.2% |
| 2012 | 17,651 | -4.8% |
| 2013 | 16,765 | -5.0% |

In addition to the main campus enrollment the Doña Ana Community College enrollment was 8,837 for 2013.

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 92,490, with 6.8% unemployment rate in June 2012. This is slightly higher than the 6.5% rate reported for the State Of New Mexico. Of the 68,400 nonagricultural employment in June 2012 only 9.8% 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 $29,694 in 2010 as compared to $34,575 for the State of New Mexico. Median Household Income was $43,800 in 2010.

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.

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 school 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 twelve 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 |
|---|---|---|---|---|---|---|
| 2001 | 330 | $40.7 | 6 | $9.6 | 36 | $44.1 |
| 2002 | 530 | $73.6 | 7 | $11.8 | 38 | $24.4 |
| 2003 | 796 | $115.3 | 5 | $18.0 | 39 | $25.0 |
| 2004 | 842 | $129.0 | 7 | $14.4 | 57 | $35.7 |
| 2005 | 1,529 | $224.2 | 15 | $20.4 | 41 | $26.9 |
| 2006 | 1,535 | $214.6 | 18 | $34.2 | 45 | $46.8 |
| 2007 | 985 | $118.5 | 13 | $3.8 | 36 | $29.7 |
| 2008 | 632 | $84.6 | 5 | $2.3 | 48 | $56.1 |
| 2009 | 628 | $105.4 | 5 | $14.3 | 28 | $24.5 |
| 2010 | 576 | $101.1 | 5 | $11.9 | 24 | $10.5 |
| 2011 | 439 | $80.6 | 2 | $1.2 | 23 | $25.7 |
| 2012 | 415 | $76.3 | 6 | $29.3 | 22 | $25.6 |

Source: City of Las Cruces

In addition the city issued 108 mobile home permits in 2011. 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 366 units in 2012. The County issued 132 new single-family building permits in 2012 up from 120 in 2011 for a total valuation of $29,732,650 o r $225,247 per housing unit. The City average value per home unit was $183,910 for 2012 up from $183,600 in 2011. The county also issued 34 new commercial permits for $15,868,222.

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.

Housing:

Census data reports the total housing units in Doña Ana County for 2010 as 81,492. This represents a 25% increase since year 2000 which reported 65,210 total units. Owner occupied housing represents 64.2% while renters occupy 35.8%. Average household size is 2.79, owner occupied, and 2.56 renter occupied.

Summary and Conclusion:

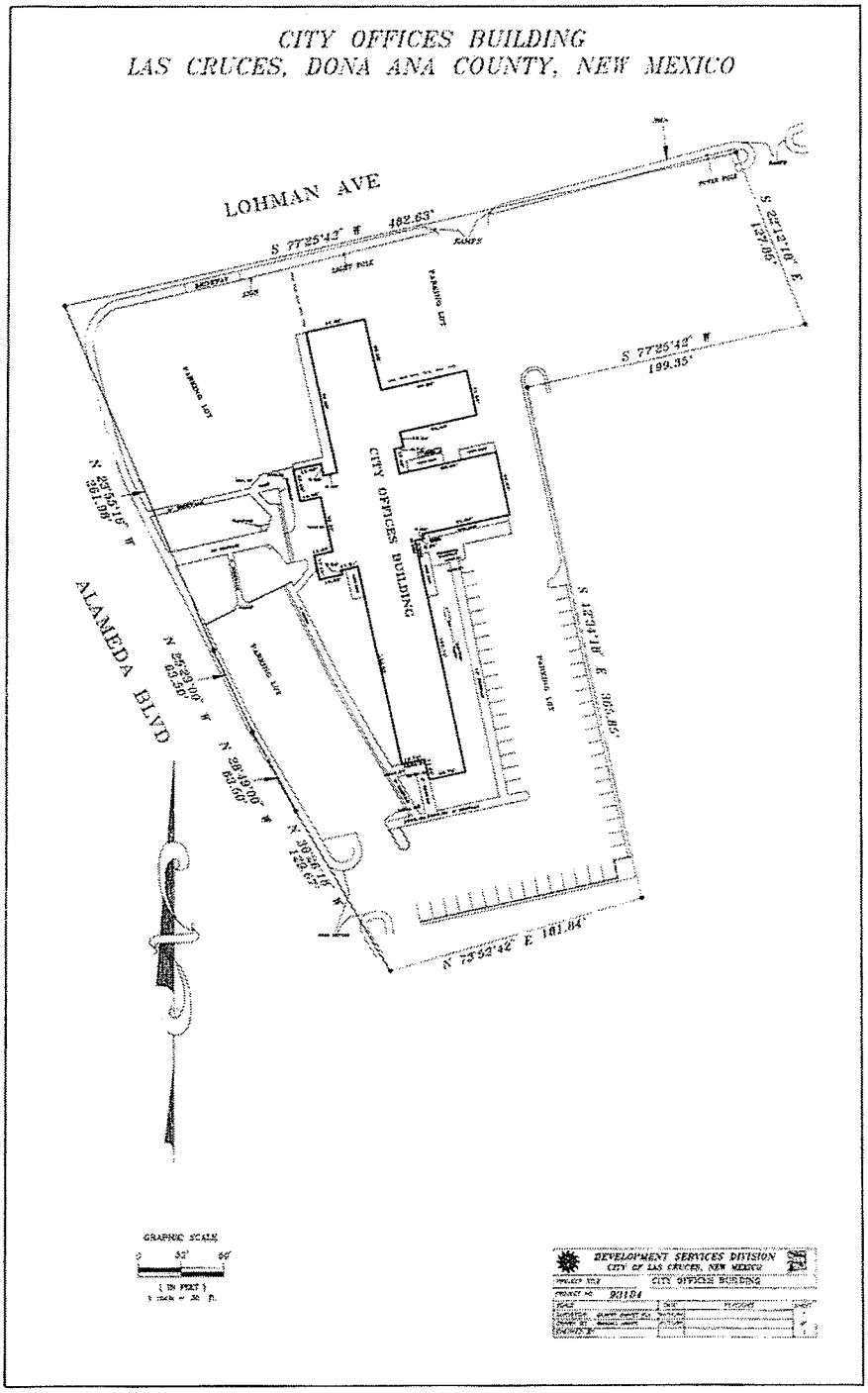
The prospect for overall economic growth in the area is good due to the stability of the federal and state facilities, the established agribusiness, and the role Las Cruces serves as the trade center for this portion of the state. The opening of a new US-Mexico port of entry in southern Doña Ana County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

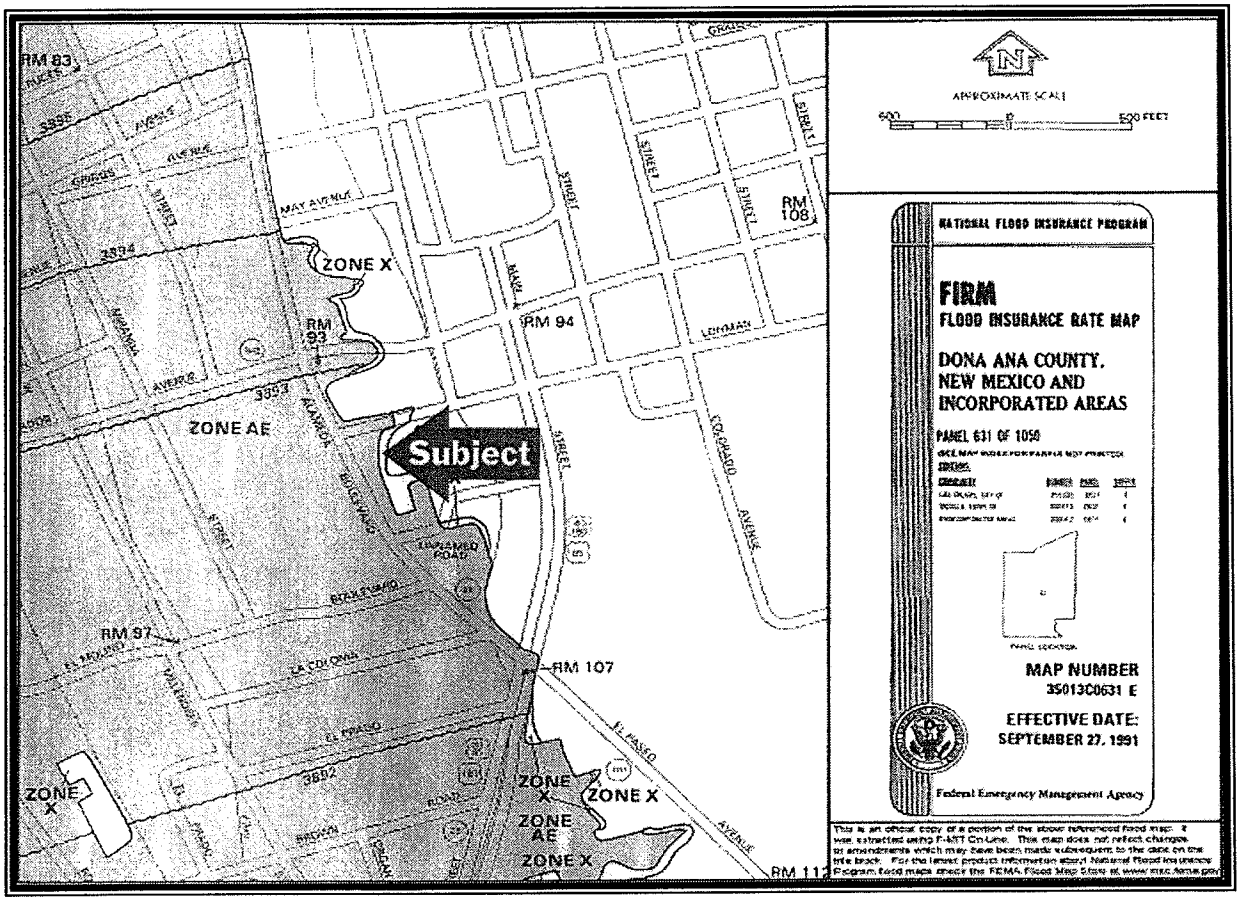
**NEIGHBORHOOD DESCRIPTION:**

| | |
|---|---|
| Predominant Use: | Commercial along Downtown Mall area including institutional uses for City, State and Federal Government. |
| Built Up: | 90% |
| Trends: | The downtown renewal project is in the process of re-opening Main Street. A new City Hall and Federal Courthouse are under construction. Several older buildings are being renovated including new restaurants. |
| Conformity: | Average. |
| Special Amenities: | None. |
| Objectionable Influences: | None. |

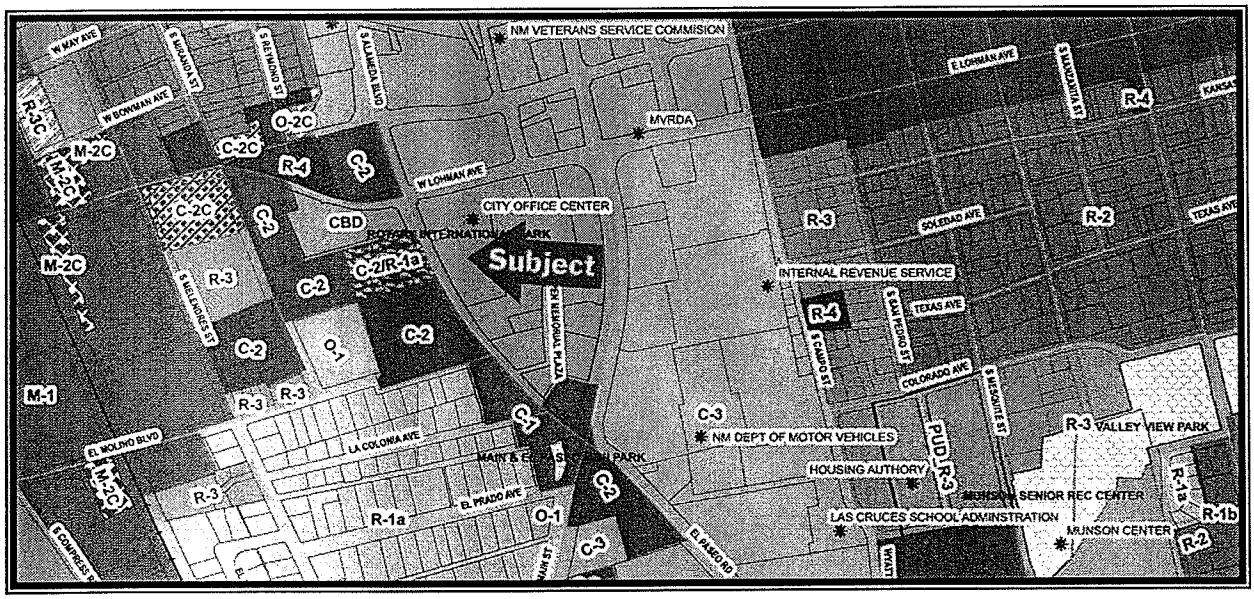
**SITE DESCRIPTION:**

| | |
|---|---|
| Size and shape: | 3.41 acres or 148,520 square feet. |
| Topography: | Level, corner site. |
| Drainage: | Appears adequate. The subject is partially located in a FEMA special flood hazard area. The property is identified as being in a Zone AE area on FIRM number 35013C0631 E, effective September 27, 1991. The Zone AE is an area determined to be within the 100-year flood plain. The new Preliminary Digital Flood Insurance Rate Map shows the subject to be just outside the designated flood hazard area. |
| 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 Alameda Blvd. and Lohman. |
| Streets: | Paved with concrete curb and gutter, and street lights. |
| Utilities: | All public. |
| Legal Limitations to Use: | The site is zoned "CBD" Central Business District 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. Your attention is invited to the copy of the current zoning regulations included in the addenda. |
| Site Improvements: | Asphalt parking, landscaped front. |
| Encroachments or Easements: | No adverse noted. |
| Special Amenities: | Good access and location. |
| Adverse Influences: | None. |


CITY OFFICES BUILDING
LAS CRUCES, DONA ANA COUNTY, NEW MEXICO
LOHMAN AVE
ALAMEDA BLVD
CITY OFFICES BUILDING
S 77°25'42" W 482.63'
S 77°25'42" W 199.35'
N 73°52'42" E 181.84'
GRAPHIC SCALE
DEVELOPMENT SERVICES DIVISION
CITY OF LAS CRUCES, NEW MEXICO
CITY OFFICES BUILDING



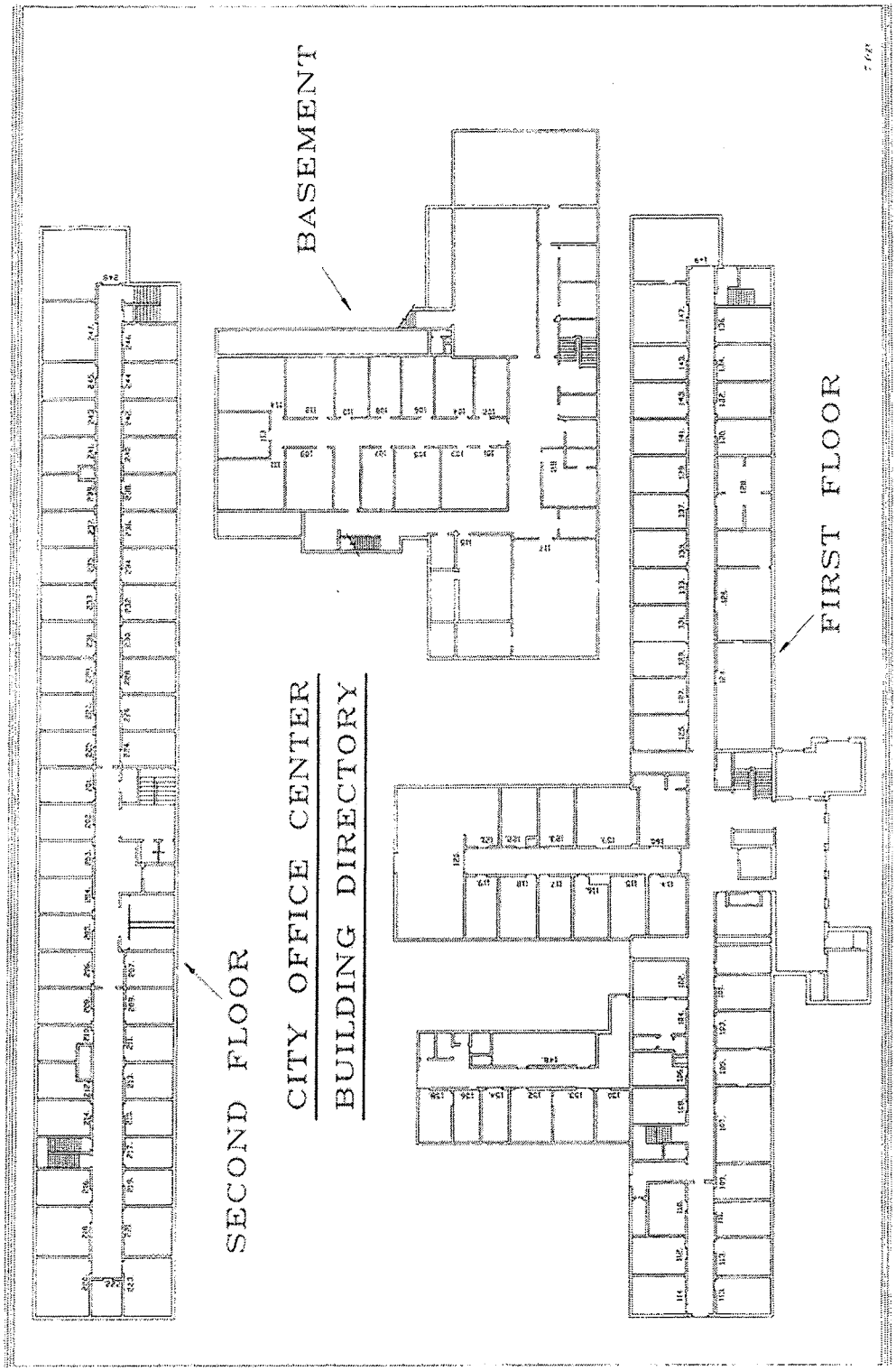

**FLOOD MAP**




**ZONING MAP**

**DESCRIPTION OF IMPROVEMENTS:**

| | |
|---|---|
| Building Type: | Two-story commercial office building with partial basement. The building was originally designed as a community hospital and later changed to an office building. |
| Size: | Ground Floor 19,880 SF<br>Second Level 13,199 SF<br>Basement 9,906 SF<br>Total 42,985 SF |
| Foundation and floor: | Reinforced concrete. |
| Floor Cover: | Carpet, vinyl tile and ceramic tile. |
| Exterior Wall: | Masonry/stucco. |
| Interior Construction: | Drywall. |
| Plumbing: | Minimally adequate restrooms on each level. |
| Electrical: | Adequate service, outlets and fixtures. Most of the wiring is routed in exposed conduits. |
| Heating and cooling: | Some areas have central heat and refrigerated cooling. The majority of offices have individual through wall heat pumps. |
| Roof: | Flat, built up roof. |
| Windows: | Single glazed, steel cased. |
| Insulation: | Assumed in ceiling. |
| Age/Condition: | According to the assessor's records, the improvements were built in 1951. The building is approaching the end of its economic life. Areas on the south end of the basement which housed boilers are no longer being used. The building has been vandalized and is in need of interior wall repair, paint and floor coverings. |
| Remaining Economic Life: | 10 to 20 years. |
| General Quality: | Fair to average. |


BASEMENT
FIRST FLOOR
SECOND FLOOR
CITY OFFICE CENTER
BUILDING DIRECTORY

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

Commercial building site.

**HIGHEST AND BEST USE AS IMPROVED:**

Continue present use. It is likely that the vacant land value will exceed the value of the property "as improved" in the foreseeable future at which time the present use will terminate and the improvements will be removed for new construction. When the land value reaches approximately $7.00 per square foot plus cost of demolition would indicate that the time has come to change use. There are many areas of the City where commercial land is selling for $10.00 to $15.00 per square foot.

# THE VALUE OF THE SITE

## 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 |
|---|---|---|---|---|---|---|
| Database ID# | 309 | 345 | 347 | 379 | 415 | 278 |
| Address | 390 S. Alameda | 1480 W. Picacho | W. Amador | 108-130 W. Madrid | Westgate Court | SWC Alameda & Lohman |
| Sale Price | $215,000 | $177,500 | $489,390 | $220,000 | $225,000 | $400,000 |
| Size | 35,850 SF | 26,400 SF | 93,218 SF | 36,155 SF | 39,727 SF | 76,626 SF |
| Price/SF | $6.00 | $6.72 | $5.25 | $6.08 | $5.66 | $5.22 |
| 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 | $6.00 | $6.72 | $5.25 | $6.08 | $5.66 | $5.22 |
| 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 | $6.00 | $6.72 | $5.25 | $6.08 | $5.66 | $5.22 |
| Date of Sale | Apr-09 | Jul-10 | Oct-10 | Dec-11 | Jul-12 | Jul-08 |
| Date Adjustment | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Adjusted Price | $6.00 | $6.72 | $5.25 | $6.08 | $5.66 | $5.22 |
| Adjustments: | | | | | | |
| Legal Use | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Physical | 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 |
| Size | 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 |
| Access | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subject Rating | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Adj. Value/SF | $6.00 | $6.72 | $5.25 | $6.08 | $5.66 | $5.22 |

Indicated Value for the Land Component/SF is: $6.00

Estimated Market Value for the Land Component is:

148,520 SF X $6.00 = $891,120

SAY $890,000.00

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 five or so years. Therefore no adjustment was made for date of sale.

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. Therefore no adjustments were made.

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 affect 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.

## LAND SALE NO. 1

**Property Identification**

| | |
|---|---|
| **Record ID** | 309 |
| **Property Name** | Western Heritage Bank |
| **Address** | 390 South Alameda, Las Cruces, Doña Ana County, New Mexico |
| **Location** | At the corner of West Amador Avenue |
| **Tax ID** | 02-05860 |
| **Legal Description** | Tracts 9A-68A1A and 9A-68A1B, S18, T23S, R2E |

**Sale Data**

| | |
|---|---|
| **Grantor** | Josephine Green Bush |
| **Grantee** | Western Heritage Bank |
| **Sale Date** | April 15, 2009 |
| **Deed Book/Page** | 0910053 |
| **Property Rights** | Fee Simple |
| **Marketing Time** | 30 Days |
| **Conditions of Sale** | Arms Length |
| **Financing** | Cash to seller |
| **Verification** | JoAnn Miller - Western Heritage Bank, 541-0058, April 14, 2009; Other sources: Hansen Appraisal - 2/20/09; Confirmed by Scott Eschenbrenner |
| **Sale Price** | $215,100 Based on $6.00 psf |

**Land Data**

| | |
|---|---|
| **Zoning** | CBD, Central Business District |
| **Topography** | Level |
| **Utilities** | All City Services |
| **Shape** | Irregular |
| **Flood Info** | Zone AE - Panel 631 |
| **Perimeter** | 788' |
| **Total Frontage** | 390" |
| **Main Frontage** | 189' |

**Land Size Information**

| | |
|---|---|
| **Gross Land Size** | 0.823 Acres or 35,850 SF |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross Acre** | $261,361 |
| **Sale Price/Gross SF** | $6.00 |

**Remarks**

There is a dirt irrigation ditch along the western boundary that maybe an easement even though there are no water rights. It does not appear that anyone has used this ditch in a very long time. The property is situated at the northwest corner of Amador and Alameda at a lighted intersection.

## LAND SALE NO. 2

**Property Identification**

| | |
|---|---|
| **Record ID** | 345 |
| **Address** | 1480 West Picacho Avenue, Las Cruces, Doña Ana County, New Mexico |
| **Location** | Just west of Valley on the north side of the road |
| **Tax ID** | 02-02045 |
| **Legal Description** | Tract 49-B-1 of Property Map No. 9 |

**Sale Data**

| | |
|---|---|
| **Grantor** | Jesus E. and Taide Portillo |
| **Grantee** | Three Amigos at Picacho, LLC |
| **Sale Date** | July 27, 2010 |
| **Deed Book/Page** | 1021549 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | Arms Length |
| **Financing** | Cash to seller |
| **Verification** | Jacob Garland - Broker, August 11, 2010; Confirmed by Scott Eschenbrenner |
| **Sale Price** | $177,500 |

**Land Data**

| | |
|---|---|
| **Zoning** | C-2 General Commercial |
| **Topography** | Level |
| **Utilities** | All City Services |
| **Shape** | Irregular |
| **Perimeter** | 735' |
| **Total Frontage** | 75' |
| **Main Frontage** | 75' |

**Land Size Information**

| | |
|---|---|
| **Gross Land Size** | 0.606 Acres or 26,400 SF |
| **Front Footage** | 75 ft Picacho Avenue |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross Acre** | $292,875 |
| **Sale Price/Gross SF** | $6.72 |

**Remarks**

The property is improved with a former A&W Restaurant that closed several years ago and has been recently operated as a used car lot. The property was purchased by the adjacent property owner who owns a large vacant land tract at the corner of Picacho and Valley. The improvements will be demolished by the seller at an estimated costs of $20,000, which has been included in the purchase price.

## LAND SALE NO. 3

**Property Identification**

| | |
|---|---|
| **Record ID** | 347 |
| **Address** | W. Amador and Compress, Las Cruces, Doña Ana County, New Mexico |
| **Tax ID** | 02-29316 |
| **Legal Description** | Pt of Lot 1, Santa Fe Mining Subd. |

**Sale Data**

| | |
|---|---|
| **Grantor** | APM, LLC |
| **Grantee** | Brewer Oil Co., Inc. |
| **Sale Date** | October 14, 2010 |
| **Deed Book/Page** | 1028696 |
| **Recorded Plat** | 20/109-110 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | Arms Length |
| **Financing** | Cash to Seller |
| **Sale History** | Sold previously for $373,030 on 11/22/2005 |
| **User 4** | Sold previously for $187,308 on 3/28/2003 |
| **Verification** | Other sources: Deed; Confirmed by Scott Eschenbrenner |
| **Sale Price** | $489,390 |

**Land Data**

| | |
|---|---|
| **Zoning** | M-2 Heavy Manufacturing |
| **Topography** | Level, corner lot |
| **Utilities** | All city services |
| **Shape** | Rectangular |
| **Perimeter** | P = 1,362.78' |
| **Total Frontage** | TF = 699.9' |
| **Main Frontage** | F = 488' |

**Land Size Information**

| | |
|---|---|
| **Gross Land Size** | 2.140 Acres or 93,218 SF |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross Acre** | $228,687 |
| **Sale Price/Gross SF** | $5.25 |

**Remarks**

Tract sold in November 2005 for $4.00/SF.

## LAND SALE NO. 4

**Property Identification**

| | |
|---|---|
| **Record ID** | 379 |
| **Address** | 108 to 130 West Madrid, Las Cruces, Doña Ana County, New Mexico |
| **Location** | Just west of North Main Street |
| **Tax ID** | 02-04133; 02-04167; 02-04191 |
| **Legal Description** | PT Gonzales Tract 1, 2 and # |

**Sale Data**

| | |
|---|---|
| **Grantor** | 1732, LLC |
| **Grantee** | A & E Land, LLC |
| **Sale Date** | December 28, 2011 |
| **Deed Book/Page** | 1129816 |
| **Property Rights** | Fee Simple |
| **Conditions of Sale** | Arms Length |
| **Financing** | Cash to seller |
| **Verification** | John Wright - Seller, February 27, 2012; Confirmed by Scott Eschenbrenner |
| **Sale Price** | $220,000 |

**Land Data**

| | |
|---|---|
| **Zoning** | C-2 General Commercial |
| **Topography** | Level |
| **Utilities** | All City Services |
| **Shape** | Irregular |

**Land Size Information**

| | |
|---|---|
| **Gross Land Size** | 0.830 Acres or 36,155 SF |
| **Front Footage** | 240 ft Madrid |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross Acre** | $265,060 |
| **Sale Price/Gross SF** | $6.08 |

**Remarks**

This sale consists of three separate parcels that were all improved. The buildings ranged in age from 1930 to 1970 and all had reached the end of their economic life. The seller reported that the property was sold for land value and the buyer plans to demo the buildings for a planned day care center for the elderly. The purchaser will be responsible for the demolition costs and a figure was not made available. Therefore, the reported price should be adjusted upward for demo costs but without an estimate it is difficult to determine the adjustment.

## LAND SALE NO. 5

**Property Identification**

| | |
|---|---|
| **Record ID** | 415 |
| **Property Type** | Industrial |
| **Address** | Westgate Court, Las Cruces, Doña Ana County, New Mexico |
| **Tax ID** | 02-18451 |
| **Legal Description** | Lot 2, Block 1, Westgate Business Park Unit 1 |

**Sale Data**

| | |
|---|---|
| **Grantor** | Burn Construction Co. |
| **Grantee** | Central Park West NY LLC |
| **Sale Date** | July 18, 2012 |
| **Deed Book/Page** | 1217374 |
| **Property Rights** | Fee simple |
| **Conditions of Sale** | Arms length |
| **Financing** | Cash to seller |
| **Verification** | Rachel Bustos, Burn Const.; Confirmed by Harry Hansen |
| **Sale Price** | $225,000 |

**Land Data**

| | |
|---|---|
| **Zoning** | M-2 Heavy Manufacturing |
| **Topography** | Level |
| **Utilities** | All public |
| **Shape** | Irregular |
| **Flood Info** | In AE flood zone |

**Land Size Information**

| | |
|---|---|
| **Gross Land Size** | 0.912 Acres or 39,727 SF |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross Acre** | $246,711 |
| **Sale Price/Gross SF** | $5.66 |

**Remarks**

Purchased for nite club use.

## LAND SALE NO. 6

**Property Identification**

| | |
|---|---|
| **Record ID** | 278 |
| **Property Type** | Commercial |
| **Address** | SWC Alameda & Lohman Avenue, Las Cruces, Doña Ana County, New Mexico |
| **Tax ID** | 02-05869 |
| **Legal Description** | USRS Tract 9A70B1 and parts of 9A-69B5, 9A-70A1, 9A-70AC & 9A70 |

**Sale Data**

| | |
|---|---|
| **Grantor** | State of New Mexico |
| **Grantee** | City of Las Cruces |
| **Sale Date** | July 25, 2008 |
| **Deed Book/Page** | 0821333 |
| **Property Rights** | Fee simple |
| **Conditions of Sale** | Arms length |
| **Financing** | Cash |
| **Sale History** | Sold Dec 2002 for $4.00/sf |
| **Verification** | Bill Hamm, Las Cruces Land Manager; Other sources: Appraisal Files; Confirmed by Harry Hansen |
| **Sale Price** | $400,000 |

**Land Data**

| | |
|---|---|
| **Zoning** | C-2 General Commercial |
| **Topography** | Level |
| **Utilities** | All public |
| **Shape** | Irregular |
| **Flood Info** | Located in a designated flood area. |

**Land Size Information**

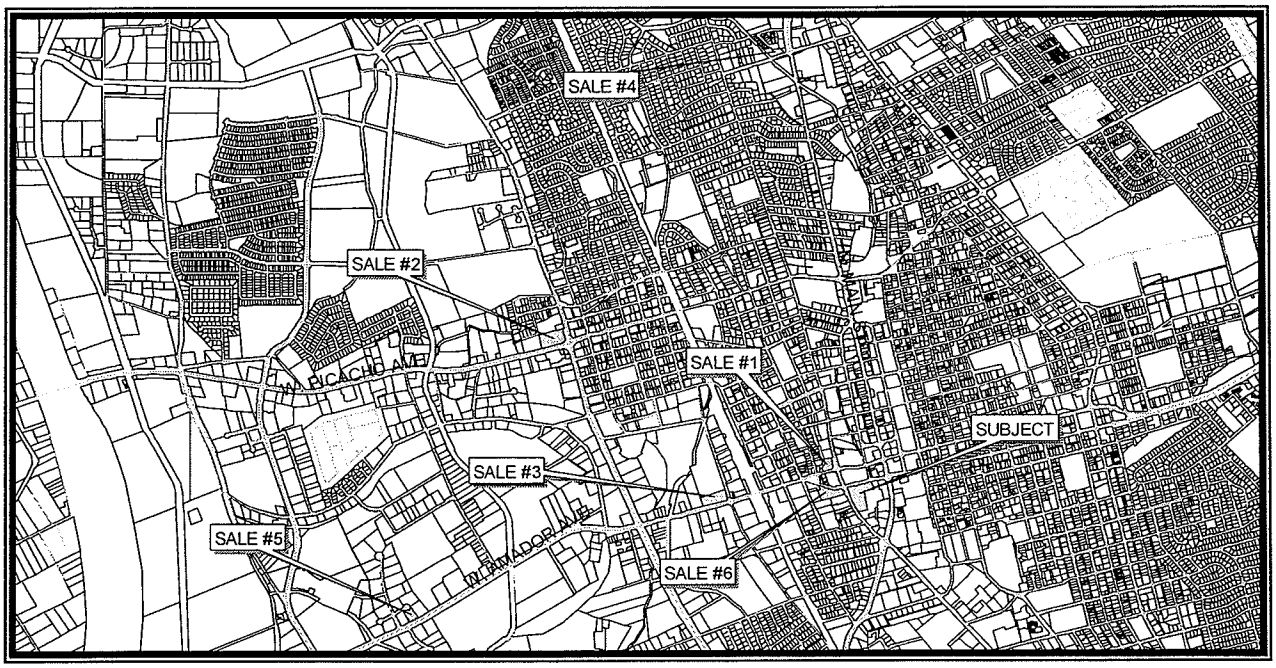
| | |
|---|---|
| **Gross Land Size** | 1.759 Acres or 76,626 SF |
| **Front Footage** | 375 ft Lohman; 86 ft Alameda |

**Indicators**

| | |
|---|---|
| **Sale Price/Gross Acre** | $227,389 |
| **Sale Price/Gross SF** | $5.22 |

**Remarks**

Site to be used for City Bus central station.




**COMPARABLE LAND SALES MAP**

# THE SALES COMPARISON APPROACH TO VALUE

## 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 |
|---|---|---|---|---|---|---|
| Data Base ID# | 339 | 336 | 229 | 426 | 411 | 439 |
| Address | 506 S. Main | 510 S. Main | 251 W. Amador | 1065 S. Main | 1390 N. Main | 125 N. Main |
| Sale Price | $3,000,000 | $320,000 | $1,000,000 | $1,000,000 | $500,000 | $250,000 |
| 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 | $3,000,000 | $320,000 | $1,000,000 | $1,000,000 | $500,000 | $250,000 |
| 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 | $3,000,000 | $320,000 | $1,000,000 | $1,000,000 | $500,000 | $250,000 |
| Date of Sale | Aug-12 | Feb-09 | Mar-06 | Nov-11 | Oct-11 | Jun-11 |
| Date Adjustment | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Adjusted Price | $3,000,000 | $320,000 | $1,000,000 | $1,000,000 | $500,000 | $250,000 |
| Building Size | 110,057 SF | 10,774 SF | 53,541 SF | 20,700 SF | 12,000 SF | 8,127 SF |
| Value/SF | $27.26 | $29.70 | $18.68 | $48.31 | $41.67 | $30.76 |
| Adjustments: | | | | | | |
| Quality | 0.00 | 0.00 | 0.00 | -0.20 | -0.20 | 0.00 |
| Age/Condition | -0.20 | -0.20 | 0.00 | -0.20 | -0.20 | -0.10 |
| Size | 0.10 | 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 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subject Rating | 0.90 | 0.80 | 1.00 | 0.60 | 0.60 | 0.90 |
| Adj. Value/SF | $24.53 | $23.76 | $18.68 | $28.99 | $25.00 | $27.68 |
| Subject Size | 42,985 SF | 42,985 SF | 42,985 SF | 42,985 SF | 42,985 SF | 42,985 SF |
| Total | $1,054,422 | $1,021,324 | $802,960 | $1,246,135 | $1,074,625 | $1,189,825 |

Indicated Value By Sales Comparison Approach: $1,065,000.00

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 downtown Las Cruces area indicates no discernable or justifiable change over the past five or so years. Therefore no adjustment for sale date was made.

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 40 to 50 years and is in fair condition needing redecorating. All sales 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 except Comparable Sale #1 which is much larger and therefore adjusted.

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, attractive easy care landscaping and engineered drainage system.

The indicated range of value is substantial and is $802,960 to $1,246,135. The mean or average value indicated is $1,065,000 and the median value is also $1,065,000. I conclude a value of $1,065,000 is supportable and justified based upon the sales available.