City of Las Cruces®
PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 13 **Ordinance/Resolution#** 2735

For Meeting of October 20, 2014 (Ordinance First Reading Date)

For Meeting of November 3, 2014 (Adoption Date)

Please check box that applies to this item:

☐ QUASI JUDICIAL ☒ LEGISLATIVE ☐ ADMINISTRATIVE

TITLE: AN ORDINANCE TO AUTHORIZE THE SALE OF CITY OWNED PROPERTY (LOT 5 & LOT 9) AT THE WEST MESA INDUSTRIAL PARK FOR AN ECONOMIC DEVELOPMENT PROJECT.

PURPOSE(S) OF ACTION:

To authorize the sale of City owned property.

COUNCIL DISTRICT: 4		
Drafter/Staff Contact: Gary Camarano	**Department/Section:** Administration/ Economic Development	**Phone:** 575.541.2286
City Manager Signature:		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

The West Mesa Industrial Park (WMIP) covers 1820 acres, of which 740 acres have been sold or leased to date, with 250 acres currently developed. The City currently has 1,100 acres of land available, with 23 City owned development ready lots (200 acres) for sale. The City is dedicated to bringing in industries, warehousing and manufacturing businesses that will expand and diversify the local economic base and provide new jobs for the community. The WMIP has been considered an "underutilized asset" and realizing its full potential is a high priority for the City.

Currently the City has negotiated the sale of Lot 5 (4.49 acres) and Lot 9 (8.11 acres) to RCR, Inc., for a location to house the operations of the New Mexico Shrimp Co. Inc., a project the City has identified as a "promising economic development project". Among the many incentives the City can employ to attract and assist a business to Las Cruces and the WMIP is land price concessions on City owned property. To facilitate this business locating at the WMIP the City has negotiated a price of $20,000.00/acre. This price is below the appraised valuation of $40,000.00/acre, but is consistent with the City's goal of attracting and locating promising economic development projects to the WMIP, and using land price concessions as an incentive for certain projects. No other incentives were requested by the company.

(Continue on additional sheets as required)

The West Mesa Industrial Park Strategic Planning Committee and City Manager have recommended the approval of this sale at this price ($20,000.00/acre).

The rationale of why this is considered a promising economic development project is contained in Attachment A.

SUPPORT INFORMATION:

1. Ordinance.
2. Exhibit "A", Survey Plat and Property Description.
3. Exhibit "B", Terms of Sale.
4. Exhibit "C", Appraisal Report # 1.
5. Exhibit "D", Appraisal Report # 2.
6. Attachment "A", Pricing Rationale.

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: 4504 in the amount of $44,929.00 for FY 2015.
	No	☐	There is no new revenue generated by this action.

BUDGET NARRATIVE

A down payment of 50% ($44,929.00) will be received at the signing of the purchase agreement and deposited into the West Mesa Industrial Park fund 4504 for FY 2015. The remaining $44,929.00 will be paid and deposited into the West Mesa Industrial Park fund 4504 over five years at 11.2% interest compounded annually for a total of $46,940.31.

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

(Continue on additional sheets as required)

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will authorize the sale of the property outlined to RCR, Inc., and assist in the location of a "promising economic development project" in the West Mesa Industrial Park.
2. Vote "No"; this will delay the project considerably and most likely cause the project to seek an alternate location, probably outside of the City of Las Cruces.
3. Vote to "Amend"; this could delay the project considerably and most likely cause the project to seek an alternate location, probably outside of the City of Las Cruces.
4. Vote to "Table"; this could delay the project considerably and most likely cause the project to seek an alternate location, probably outside of the City of Las Cruces.

REFERENCE INFORMATION:

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

1. N/A

(Continue on additional sheets as required)

COUNCIL BILL NO. 15-016
ORDINANCE NO. 2735

AN ORDINANCE TO AUTHORIZE THE SALE OF CITY OWNED PROPERTY (LOT 5 & LOT 9) AT THE WEST MESA INDUSTRIAL PARK FOR AN ECONOMIC DEVELOPMENT PROJECT.

The City Council is informed that:

WHEREAS, the City is dedicated to bringing in industries, warehousing and manufacturing businesses that will expand and diversify the local economic base and provide new jobs for the community; and

WHEREAS, the City has negotiated the sale of City owned property, Lot 5 (4.49 acres) and Lot 9 (8.11 acres), to RCR, Inc., for the purpose of locating and building a facility to house the New Mexico Shrimp Co. Inc., a project the City deems as a "promising economic development project"; and

WHEREAS, as an incentive to locate this facility at the West Mesa Industrial Park, the City has negotiated a sale price of $20,000.00/acre, a price below the appraised valuation of the property; and

WHEREAS, this land price incentive is consistent with City policy towards attracting new businesses to the West Mesa Industrial Park, and has been recommended by the West Mesa Industrial Park Strategic Planning Committee and by the City Manager.

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

(I)

THAT the land more particularly described in Exhibit "A," attached hereto and made part of this Ordinance, is authorized to be sold to RCR, Inc. at the price of $20,000.00/acre.

(II)

THAT the terms of the sale are approved as contained in Exhibit "B," attached hereto and made a part of this Ordinance.

(III)

THAT two appraisal reports for the property are attached hereto as Exhibit "C" and Exhibit "D" and are made a part of this Ordinance.

(IV)

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

DONE AND APPROVED this _____ day of _____, 20___.

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:

_____
City Attorney

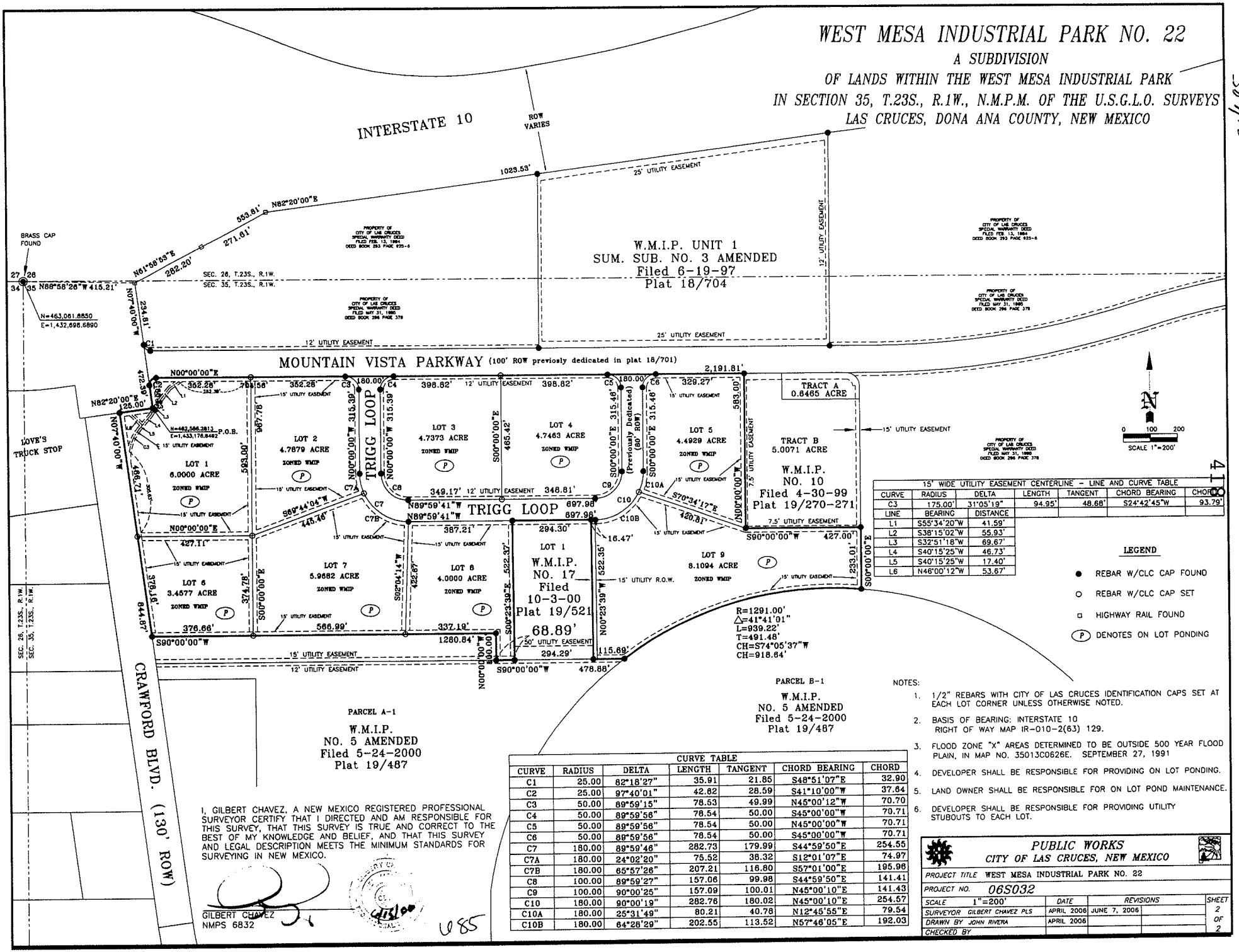
EXHIBIT A

SURVEY PLAT & PROPERTY DESCRIPTION

LOCATION	
Property Name:	West Mesa Industrial Park
Street Address:	Mountain Vista Parkway and Trigg Loop
City:	Las Cruces
County:	Dona Ana
State:	New Mexico
Zip Code:	88007
Assessor's Parcel No:	02-35595 & 02-35599
LEGAL DESCRIPTION	
Parcel 1 – Lot 5, West Mesa Industrial Park No. 22	
Parcel 2 – Lot 9, West Mesa Industrial Park No. 22	
SITE DESCRIPTION	
Site Size (Acres):	Parcel 1 – 4.49 Acres
	Parcel 2 – 8.11 Acres
Corner Lot:	Parcel 1 (Only)
Topography:	Basically Level
Zoning:	West Mesa Industrial Park
Site Shape:	Irregular
STREET/UTILITIES	
Paved Street:	Asphalt
Curb & Gutters:	Concrete Curbs
Electric:	EL Paso Electric Company
Gas:	City of Las Cruces
Lighting:	City of Las Cruces
Sewer:	City of Las Cruces
Sidewalks:	None
Storm/Drain:	On-Site Ponding
Water:	City of Las Cruces
Underground Utilities:	Yes
ENVIRONMENTAL	
Flood Zone:	No
Zone Code:	Zone X
Map No.:	35013C-1075
Panel Date:	April 4, 2007
PARCEL ID	
Parcel # 1 Parcel ID # 02-35595 4.49 Acres	Appraised Value $40,000.00
Parcel # 2 Parcel ID # 02-35599 8.11 Acres	Appraised Value $40,000.00

WEST MESA INDUSTRIAL PARK NO. 22

A SUBDIVISION
OF LANDS WITHIN THE WEST MESA INDUSTRIAL PARK
IN SECTION 35, T.23S., R.1W., N.M.P.M. OF THE U.S.G.L.O. SURVEYS
LAS CRUCES, DONA ANA COUNTY, NEW MEXICO



15' WIDE UTILITY EASEMENT CENTERLINE - LINE AND CURVE TABLE						
CURVE	RADIUS	DELTA	LENGTH	TANGENT	CHORD BEARING	CHORD
C3	175.00'	31°05'19"	94.95'	48.68'	S24°42'45"W	93.79'
LINE	BEARING	DISTANCE				
L1	S55°34'20"W	41.59'				
L2	S38°15'02"W	55.93'				
L3	S32°51'18"W	69.67'				
L4	S40°15'25"W	46.73'				
L5	S40°15'25"W	17.40'				
L6	N46°00'12"W	53.67'				

LEGEND

- ● REBAR W/CLC CAP FOUND
- ○ REBAR W/CLC CAP SET
- ▫ HIGHWAY RAIL FOUND
- (P) DENOTES ON LOT PONDING

NOTES:

1. 1/2" REBARS WITH CITY OF LAS CRUCES IDENTIFICATION CAPS SET AT EACH LOT CORNER UNLESS OTHERWISE NOTED.
2. BASIS OF BEARING: INTERSTATE 10 RIGHT OF WAY MAP IR-010-2(63) 129.
3. FLOOD ZONE "X" AREAS DETERMINED TO BE OUTSIDE 500 YEAR FLOOD PLAIN, IN MAP NO. 35013C0626E. SEPTEMBER 27, 1991
4. DEVELOPER SHALL BE RESPONSIBLE FOR PROVIDING ON LOT PONDING.
5. LAND OWNER SHALL BE RESPONSIBLE FOR ON LOT POND MAINTENANCE.
6. DEVELOPER SHALL BE RESPONSIBLE FOR PROVIDING UTILITY STUBOUTS TO EACH LOT.

CURVE TABLE						
CURVE	RADIUS	DELTA	LENGTH	TANGENT	CHORD BEARING	CHORD
C1	25.00	82°18'27"	35.91	21.85	S48°51'07"E	32.90
C2	25.00	97°40'01"	42.82	28.59	S41°10'00"W	37.64
C3	50.00	89°59'15"	78.53	49.99	N45°00'12"W	70.70
C4	50.00	89°59'56"	78.54	50.00	S45°00'00"W	70.71
C5	50.00	89°59'56"	78.54	50.00	N45°00'00"W	70.71
C6	50.00	89°59'56"	78.54	50.00	S45°00'00"W	70.71
C7	180.00	89°59'46"	282.73	179.99	S44°59'50"E	254.55
C7A	180.00	24°02'20"	75.52	38.32	S12°01'07"E	74.97
C7B	180.00	65°57'26"	207.21	116.80	S57°01'00"E	195.96
C8	100.00	89°59'27"	157.06	99.98	S44°59'50"E	141.41
C9	100.00	90°00'25"	157.09	100.01	N45°00'10"E	141.43
C10	180.00	90°00'19"	282.76	180.02	N45°00'10"E	254.57
C10A	180.00	25°31'49"	80.21	40.78	N12°45'55"E	79.54
C10B	180.00	64°28'29"	202.55	113.52	N57°46'05"E	192.03

I, GILBERT CHAVEZ, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND LEGAL DESCRIPTION MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

GILBERT CHAVEZ
NMPS 6832

PUBLIC WORKS
CITY OF LAS CRUCES, NEW MEXICO

PROJECT TITLE	WEST MESA INDUSTRIAL PARK NO. 22			
PROJECT NO.	06S032			
SCALE 1"=200'	DATE	REVISIONS		SHEET
SURVEYOR GILBERT CHAVEZ PLS	APRIL 2006	JUNE 7, 2006		2 OF 2
DRAWN BY JOHN RIVERA	APRIL 2006			
CHECKED BY				

41

S69/12

U85

EXHIBIT B

TERMS OF SALE

Real Estate Purchase Agreement

Right of First Refusal to Purchase Real Estate

REAL ESTATE PURCHASE AGREEMENT

THIS AGREEMENT is entered into this _____ between RN, Inc. whose address is 1930 Tapestry Circle, Las Cruces, New Mexico 88005 (hereafter "the Purchaser"), and the **City of Las Cruces**, a New Mexico municipal corporation, (hereafter "the City").

The City, in consideration of the mutual covenants herein contained, agrees to sell and convey, and Purchaser agrees to purchase, a 4.4929 acre tract of land being Lot 5, as shown on Exhibit 4,

with all improvements thereon, and all rights, hereditaments, easements and appurtenances thereunto belonging.

TERMS AND CONDITIONS:

1. Purchase Price.

The purchase price for the property shall be Eighty-Nine Thousand, Eight Hundred Fifty-Eight and no/100 Dollars ($89,858.00) payable as follows:

a. $10,000.00 as an earnest money deposit which Purchaser agrees to deliver to the City at the time an offer is submitted. Said deposit shall be credited to the City and become nonrefundable at such time as this Agreement is executed by the City; and

b. $34,929.00 at closing,

c. and the remainder as a $44,929.00 five (5) year note at ____% interest rate, with five (5) equal payments of $8,985.80 plus interest due on the anniversary of the closing.

2. Closing Date.

Closing for the sale of the property shall occur on a mutually agreeable date at least forty-five (45) days after the adoption of the ordinance authorizing the purchase by the City, unless a referendum election is held pursuant to NMSA 1978, Section 3-54-1, and as amended. The parties may extend the closing date by mutual agreement not to exceed 980 days following the date of the ordinance.

3. Development of Property.

Purchaser shall comply with the terms and conditions as stated in the West Mesa Industrial Park Protective Covenants and Design Standards (attached as Exhibit "B" *–note: is there an Exhibit "A"?*) and Zoning Overlay District for the West Mesa Industrial Park (LCMC 1997, Section 38-46). It is the City's intent in the sale of municipal property to encourage development and economic growth. The City retains the right to repurchase the property for the same price paid by the

Purchaser if development has not occurred within two (2) years of the closing date. Development is hereby defined as the construction of infrastructure, including but not limited to, pavement, utility lines, landscaping, buildings, and foundations, according to the City Design Standards Ordinance. Compliance with this section shall be based solely on the judgment of the City. The Purchaser must make a good faith effort to begin and continue development. Upon satisfactory compliance with the development responsibility of the Purchaser, at the Purchaser's request, the City will provide a certificate of compliance with this paragraph and a waiver of the right to repurchase. If the property is served by a sanitary sewer collection system, the Purchaser shall connect to and utilize said system as the sole method of disposal.

4. Review of Title and Patent Reservations.

a. As soon as reasonably possible following the execution of this agreement, the City shall furnish the 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. The Purchaser shall have fifteen (15) days from receipt of the Commitment and copies of said exceptions within which to notify the City of the Purchaser's disapproval of any exceptions shown in the report.

b. The City shall have until the closing date to eliminate any disapproved exception(s) or reservation(s), except patent reservation(s) from the policy of title insurance to be issued in favor of the Purchaser, and if not eliminated, then the earnest money deposit shall be refunded, unless the Purchaser then elects to waive his prior disapproval. Failure of the Purchaser to disapprove any exception(s) or patent reservation(s) within the aforementioned time limit shall be deemed an approval of such exception or patent reservation. The policy of title insurance shall be a standard coverage policy in the amount of the total purchase price.

c. In the event this contingency or any other contingency to this contract has not been eliminated or satisfied within the time limits and pursuant to the provisions herein, and unless purchaser elects to waive the specific contingency by written notice to the City, this agreement shall be deemed null and void, the earnest money deposit shall be returned to the Purchaser, and neither party shall have any rights or liabilities under this agreement.

d. At closing, the City shall execute and deliver a Warranty Deed conveying the property to the Purchaser and/or its 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 the Purchaser and eliminated by the City pursuant to this agreement. The place of closing shall be mutually agreed to by the parties.

5. Costs and Fees.

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

b. The Purchaser shall be solely responsible for all development costs including but not limited to development fees, permits, applications, utility extensions, service and utility hook-up fees. Underground, primary high voltage distribution power is available in rights of way. The Purchaser is responsible for securing power service as necessary to develop the property.

c. If either party is found by a court to have breached this agreement, the other party may recover reasonable attorney's fees and costs 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.

6. Compliance With Statutes.

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

7. Governing Laws.

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

8. State Permits and Licenses.

The Purchaser agrees that the City has no responsibility to the Purchaser to make applications to obtain any federal, state, or local permits and/or licenses.

9. Default and Remedy.

a. *Default and Remedy.* If the 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 NMSA 1978, Section 3-54-1, and as amended, this agreement is terminated.

b. *Default by the Purchaser.* If the 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.

10. Risk of Loss.

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

11. 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.

12. 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.

13. Termination.

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

14. Notice.

All notices given pursuant to this agreement shall be made in writing and posted by certified mail, postage prepaid to:

City of Las Cruces
Attn: Economic Development
P.O. Box 20000
Las Cruces, NM 88004

RCR, Inc.
Attn: Rodney L. Rance, Organizer
1930 Tapestry Circle
Las Cruces, NM 88005

City of Las Cruces
Attn: City Manager
PO Box 20000
Las Cruces, NM 88004

Notice shall be deemed to be received on the fifth (5th) day following posting.

Done and approved on the date first written above.

CITY OF LAS CRUCES

By: _____
Robert Garza, City Manager

RCR, Inc.

By: _____
Rodney L. Rance, Organizer

Approved as to form:

_____
City Attorney

RIGHT OF FIRST REFUSAL TO PURCHASE REAL ESTATE

This Right of First Refusal to Purchase Real Estate is made on this the ____ day of _____,20____ , by and between the City of Las Cruces, hereinafter referred to as the "SELLER" and RCR Inc. and its assigns, hereinafter referred to as the "PURCHASER".

WHEREAS, Purchaser desires to obtain a right of first refusal or first option to purchase certain real estate owned by Seller; and

WHEREAS, Seller agrees to grant Purchaser a right of first refusal or first option to purchase real estate pursuant to the terms of this agreement; and

NOW, FOR AND IN CONSIDERATION of $1000.00 (One Thousand dollars) and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

I.

GRANT OF FIRST OPTION: The Seller does hereby grant unto the Purchaser the exclusive and irrevocable right, during the term of this agreement, of first refusal and first option to purchase, upon the terms and conditions hereinafter set forth, Seller's property known as Lot 9 in the Las Cruces West Mesa Industrial Park, approximately 8.1094 acres situated in Dona Ana County, New Mexico, including without limitation the following described property together with all improvements located thereon:

See attached Exhibit "A"

II.

EXERCISE OF FIRST OPTION: This right of first refusal or first option to purchase may only be exercised by Purchaser within ten (10) days from notification by Seller that Seller desires to sell the subject property. Seller is obligated to provide such notice to Purchaser prior to selling the subject property to a third party.

III.

TERMS OF PURCHASE: In the event Seller elects to sell and Purchaser desires to exercise his first refusal rights granted under the terms of this agreement, the terms of purchase shall be as follows:

a) $162,188.00 (One Hundred Sixty Two thousand One Hundred and Eighty Eight dollars) cash payable at closing.

IV.

TITLE: Within fifteen (15) days after the Purchaser has exercised his or her right of first refusal, the Seller shall deliver to the Purchaser title policy certificate covering the property described in paragraph I above which shall reflect that marketable fee simple title to the subject property is vested in Seller and that same is insurable by a title insurance company licensed to do business in the State of New Mexico . Said Certificate shall be subject only to taxes for the current year, easements, and rights of way of record, and prior mineral reservations. Should said Certificate reflect any other exceptions to the title unacceptable to Purchaser, Purchaser shall notify the Seller in writing of any defects within fifteen (15) days (the title review period) and the Seller shall have a reasonable time (but not more than 30 days) in which to make the title good and marketable or insurable, and shall use due diligence in an effort to do so. If after using due diligence the Seller is unable to make the title acceptable to Purchaser within such reasonable time, it shall be the option of the Purchaser either to accept the title in its existing condition with no further obligation on the part of the Seller to correct any defect, or to cancel this Agreement. If title is acceptable to Purchaser, the closing shall occur within fifteen (15) days after expiration of the "title review period". At closing Seller shall convey title to Purchaser by Special Warranty Deed subject only to exceptions acceptable to Purchaser.

VI.

OPTION OR FIRST REFUSAL MONEY: Upon execution of this agreement, Purchaser has paid unto Seller the sum of $1000.00 (One Thousand dollars) as "First Refusal or Option Money". The Option Money shall not be deducted from the purchase price of the property and is paid to Seller as consideration for and to make this agreement valid.

VII.

TERM AND EXTENSION: The term of this agreement shall be two years from that date hereof. This agreement may be extended for an additional one year by Purchaser paying unto Seller, in cash, an additional sum of $1000.00 (One Thousand dollars) prior to the expiration of the initial term.

III.

EXPENSES OF SALE: All costs and expenses of the sale including attorney's fees, recording fees, and any and other costs attributable to the preparation of the

Special Warranty Deed, Title Certificate, and any other closing documents shall be paid by purchaser.

IX.

POSSESSION: Purchaser shall be entitled to possession of the property at closing.

X.

RIGHT OF ENTRY: Upon notification by Seller of his or her desire to sell and Purchaser's exercise of his or her first refusal, Purchaser shall be entitled to enter upon the property for the purpose of conducting soil tests, engineering studies, and surveys.

XI.

TAXES: Taxes shall be prorated as of the date of closing.

XII.

DEFAULT: This contract shall be binding upon and inure to the benefit of the heirs, administrators and assigns of the parties hereto and upon default in any of the terms of this Agreement the defaulting party agrees to pay all costs of Court and a reasonable attorney's fee.

XIII

GOVERNING LAW: This agreement shall be governed by the laws of the State of New Mexico.

IN WITNESS WHEREOF, the parties have executed this Agreement on this the _____ day of _____, 20____ .

_____
Robert Garza PE, City Manager
City of Las Cruces

_____
Approved as to form
City Attorney

_____
Rodney L Rance
On behalf of RCR. Inc.

EXHIBIT C

APPRAISAL REPORT # 1

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

APPRAISAL REPORT

PREPARED FOR:
MR. BILL R. HAMM
LAND MANAGER
CITY OF LAS CRUCES
PO BOX 20000
LAS CRUCES, NEW MEXICO 88004

APPRAISAL FILE #7732
WEST MESA INDUSTRIAL PARK
PARCEL 26 & 27
MOUNTAIN VISTA PARKWAY & TRIGG LOOP
LAS CRUCES, NEW MEXICO

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

DATE OF VALUE:

JULY 11, 2014

DATE OF REPORT:

JULY 14, 2014

MESILLA VALLEY APPRAISAL SERVICES

REAL ESTATE APPRAISALS & COUNSELING

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

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

July 14, 2014

Mr. Bill R. Hamm
City of Las Cruces
PO Box 20000
Las Cruces, NM 88004

Reference: File No. 7732
Parcel 26 & 27, West Mesa Industrial Park
New Mexico Shrimp Company
Las Cruces, NM

Dear Mr. Hamm:

In accordance with your request, Mesilla Valley Appraisal Services, in coordination with the City of Las Cruces has 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 sale of these two parcels to New Mexico Shrimp Company. The intended user of the appraisal is the City of Las Cruces. The effective date of this appraisal is July 11, 2014 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 Uniform Appraisal Standards for Federal Land Acquisitions. 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 July 11, 2014, is as follows:

Parcel #	Parcel ID#	Size - Acre	Indicated Value/Acre	Market Value
1	02-35595	4.49	$40,000	$180,000
2	02-35599	8.11	$40,000	$325,000

Respectfully submitted,

W. Scott Eschenbrenner, MAI
State Certified
NM-1180G

APPRAISAL SUMMARY	
Appraisal File:	#7732
Property Name:	West Mesa Industrial Park
City/State/Zip:	Las Cruces, NM 88007
Legal Description	Parcel 1: Lot 5, West Mesa Industrial Park No. 22 Parcel 2: Lot 9, West Mesa Industrial Park No. 22
Assessor's Parcel No.:	Parcel 1: 02-35595 Parcel 2: 02-35599
Property Type:	Industrial Land Parcels
Land Size (SF or Acres)	Parcel 1: 4.49 Acres Parcel 2: 8.11 Acres
Date of Inspection:	July 11, 2014
Date of "As Is" Value (Effective Date):	July 11, 2014
Real Property Interest Appraised:	Fee Simple
Purpose of Appraisal:	Estimate Market Value
Intended Use of Appraisal:	Acquisition
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?	Yes
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 the same ownership for more than three years. The two parcels of land are being considered by the New Mexico Shrimp Company for a proposed shrimp farming facility. Parcel 1 has been offered to New Mexico Shrimp Company for $20,000 per acre with a two year right of first refusal on Parcel 2 at the same price.

MARKET AREA DESCRIPTION

According to *The Appraisal of Real Estate, Thirteenth Edition*, social, economic, governmental and environmental forces influence property values in the vicinity of a subject property. As a result, they affect the value of that property. Market Area is defined in terms of the market for a specific category of real estate and thus is the area in which alternative, similar properties effectively compete with the subject property in the minds of probable, potential purchasers and users. Although physical boundaries may be drawn, the most important boundaries are those that identify factors influencing property values. The area of influence, commonly called a neighborhood, can be defined as a group of complementary land uses.

The subject neighborhood is referred to as the West Mesa Industrial Park (Park) and is located eight miles west of downtown Las Cruces and immediately south of the Las Cruces International Airport. The Park is situated in 1,820 acres located on both sides of Interstate 10. The City has sold approximately 740 acres to date of which 250 acres are currently developed. Development ready parcels within the Park are being offered at $30,000 to $45,000 an acre. The city has a variety of incentives available to companies that will benefit the local economy.

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

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

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

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

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

The City operates a waste water treatment system which serves the Park areas south of Interstate 10 and a recently completed sewer lift station to the north of Interstate 10 that will service the northwest quadrant of the Park. Waste water mains were constructed in 1998 to serve most sites with gravity flow main sizes ranging from 8" minimum to 18". The system is served by a 400,000 gallons per day treatment plant in the southeast corner of the Park.

Recent developments include Sapphire Energy who purchased 10 acres of land from the City in August of 2008 and work began on the site in November of that same year. The company grows algae to produce a renewable source of fuel for gasoline and jet fuel. It is constructing a research and development facility with five buildings and potentially thousands of feet of algae ponds in the Park. As part of an incentive package with the City, Sapphire Energy created 30 jobs at 120 percent of the average salary for the area and invested $6 million in the Park; the City has conveyed 90 acres surrounding the original site to the company at no additional cost.

DMS Realty (Premier Distributing Company) is an Albuquerque based distributor of Anheuser-Busch products and they recently opened a distribution facility on Alliance Drive. The Marvin Group has completed a manufacturing facility on 15 acres at Venture Boulevard and Advancement Avenue. They will be a supplier of construction materials such as rebar and construction is complete. Barker Produce recently completed construction on a 40,000 square foot industrial building but has chosen not to occupy the building. The property is currently listed for sale at $2,950,000 and the plant is situated on 18 acres of land on Alliance Drive and Advancement Avenue.

A significant expansion has recently been completed at the F&A Dairy plant. They have expanded their facility by 40,000 square feet for a total of 190,000 square feet, which has enabled the plant to double its cheese processing capability. The workforce will increase from 100 to 140 employees. The $15 million project includes a system to deal with the 300,000 gallons of "cow water" the company will produce every day. This is a byproduct of milk when it is converted to cheese. F&A Dairy has leased nearby land from the New Mexico State Land Office where the water will be used to irrigate crops. Also in 2012 the plant will add four 100 kilowatt solar units to help power the plant and lessen its reliance on long term energy costs.

In December of 2008, Rea Magnet Wire Company suspended production at its 200,000 square foot Las Cruces plant and had to lay off 75 workers. The company is a producer of wire products and said it will consolidate its magnet wire manufacturing to facilities in Indiana and Mexico. This news was preceded by the closure of Parkview Metal Products closing in 2007. They performed precision metal fabrication and metal stamping and employed over 80 personnel. Both of these buildings were re-leased in the summer of 2010 to Alaska Structures. Alaska Structures® (AKS) designs, engineers and delivers the highest quality fabric building systems for extreme environments. Since it was founded in 1975, over 45,000 AKS shelters ranging from 8' wide to 150' wide have been tested and proven in over 50 countries around the world, including more than 22,000 Alaska Military Shelters and 4,500 Alaska Environmental Control Units in Afghanistan and Iraq. In April of 2011, Alaska Structures completed the purchase of the Rea Magnet Wire facility and continues to lease the former Parkview Metals facility.

The City of Las Cruces negotiated with SunEdison for a solar electrical generating plant to locate on 156 acres in the Park. SunEdison, one of the largest solar energy providers in North America, has completed construction of the solar power generation facility at the City of Las Cruces West Mesa Industrial Park. The 12MW solar power project required 230 construction jobs for a six to nine month period. SunEdison has entered into a 30 year lease for the property at an annual cost of $500 per acre with an increase of $100 per acre every five years. The lease will generate as much as $3.4 million during the entire term of the lease or $1.94 million in present value terms.

PROPERTY DESCRIPTION

LOCATION			
Property Name:	West Mesa Industrial Park	State:	New Mexico
Street Address:	Mountain Vista Parkway and Trigg Loop	Zip Code:	88007
City:	Las Cruces	Assessor's Parcel No.:	02-35595 & 02-35599
County:	Doña Ana		
LEGAL DESCRIPTION			
Parcel 1 – Lot 5, West Mesa Industrial Park No. 22 Parcel 2 – Lot 9, West Mesa Industrial Park No. 22			
SITE DESCRIPTION			
Site Size (Acres):	Parcel 1 – 4.49 Acres Parcel 2 – 8.11 Acres	Zoning:	West Mesa Industrial Park
Corner Lot:	Parcel 1 (Only)	Site Shape:	Irregular
Topography:	Basically Level		
STREET/UTILITIES		**ENVIRONMENTAL**	
Paved Street:	Asphalt	Flood Zone:	No
Curb & Gutters:	Concrete Curbs	Zone Code:	Zone X
Electric:	El Paso Electric Company	Map No.:	35013C-1075
Gas:	City of Las Cruces	Panel Date:	April 4, 2007
Lighting:	City of Las Cruces		
Sewer:	City of Las Cruces		
Sidewalks:	None		
Storm/Drain:	On-Site Ponding		
Water:	City of Las Cruces		
Underground Utilities:	Yes		
Compiled by: W. Scott Eschenbrenner, MAI			

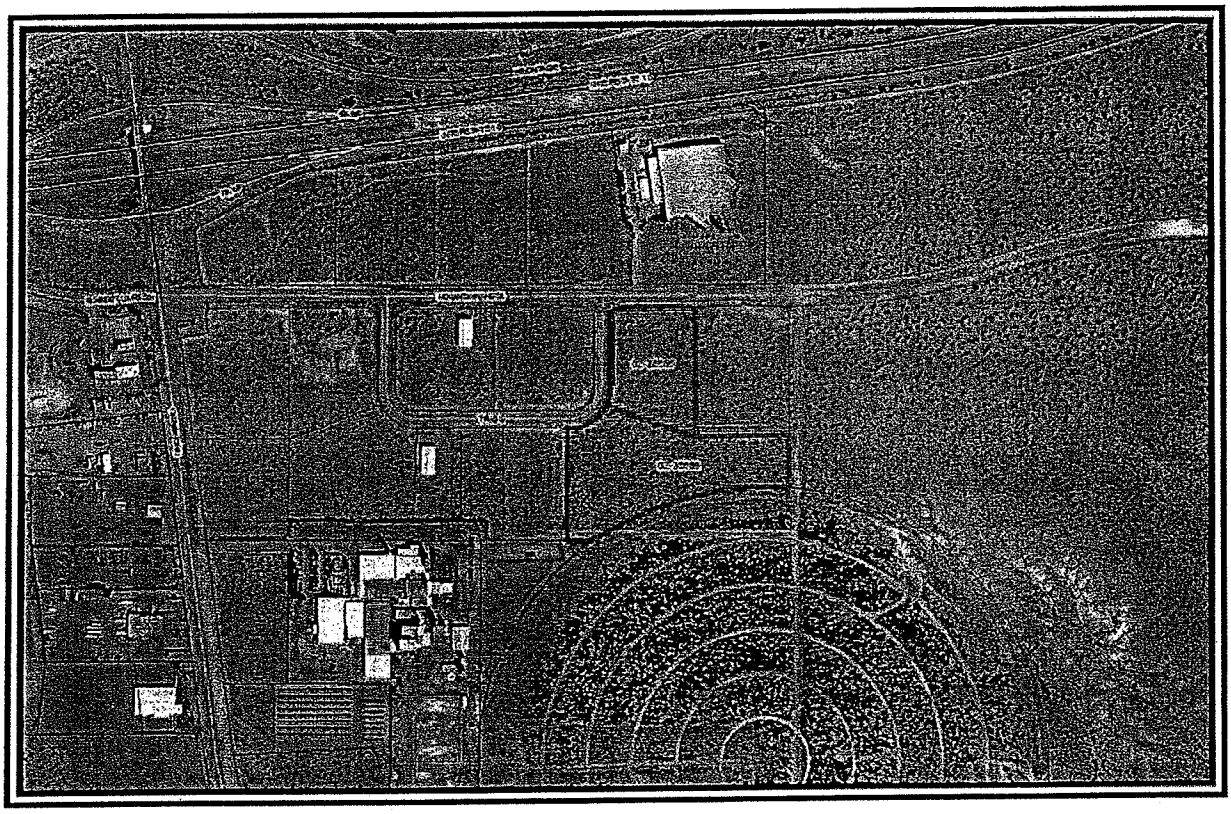
Site Description Comments

The subject consists of two tracts of land in the West Mesa Industrial Park located south of Interstate 10 approximately eight miles west of downtown Las Cruces. There is no evidence to support the fact that there are any hazardous, toxic and radiological wastes associated with the subject property. A physical inspection of the site did not reveal any illegal dumping or previous uses that would contribute to contamination. The property is and has remained as undeveloped desert land that is still in its natural condition. There are no improvements immediately adjacent to the subject property that lead me to believe that environmental contamination could have migrated to the subject parcels. The subject parcels are surrounded by utility easements that are either 25' in depth from a paved thoroughfare or 15' in depth from an abutting property line. The subject parcels do not exhibit any subsurface minerals rights or water rights that would create any additional commercial value or demand. Situated on the following page is a map showing the location of the subject parcels and their identification numbers. The following chart

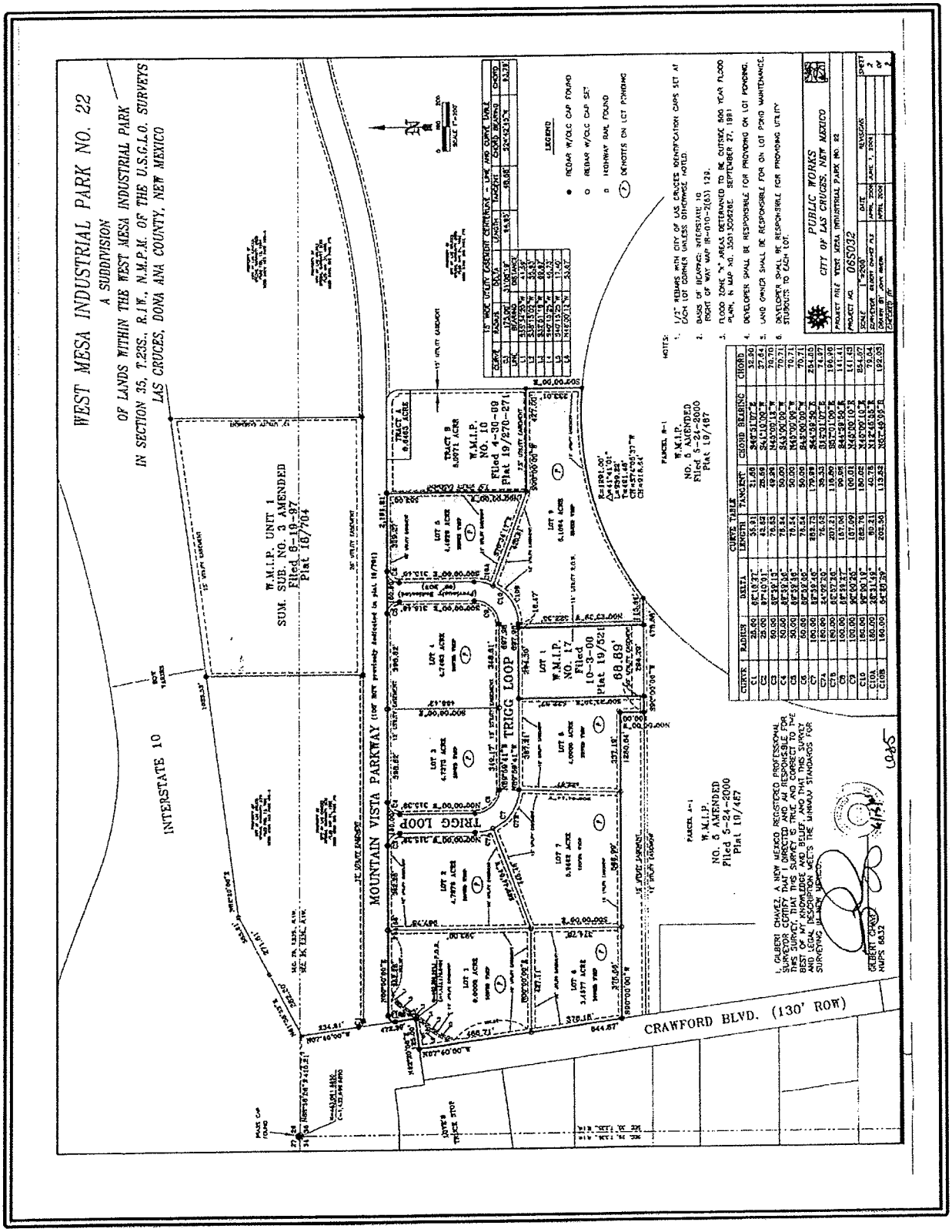
shows the parcel numbers, lot sizes, physical address, zoning, assessed value and parcel ID numbers for the two subject parcels.

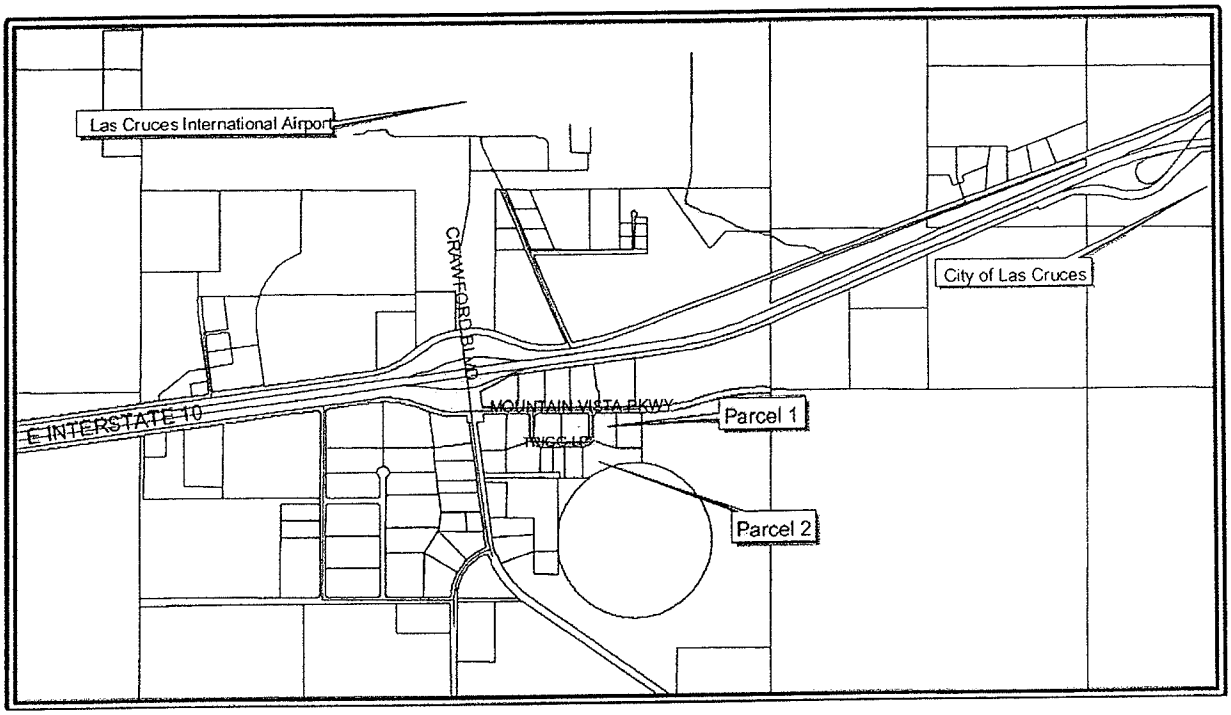
Total Lot Size	Location	Sewer	Developed	Assessed Value/Acre
4.110	8761 Mountain Vista Pkwy	Yes	Yes	20,000
8.110	8811 Trigg Loop	Yes	Yes	20,000

The current assessed value for the subject land is $20,000 per acre and vary based on location and parcel size. The parcels are all owned by the City of Las Cruces; therefore, real estate taxes are not collected for the subject parcels.



AERIAL PHOTOGRAPH


WEST MESA INDUSTRIAL PARK NO. 22
A SUBDIVISION
OF LANDS WITHIN THE WEST MESA INDUSTRIAL PARK
IN SECTION 35, T.23S., R.1W., N.M.P.M. OF THE U.S.G.L.O. SURVEYS
LAS CRUCES, DONA ANA COUNTY, NEW MEXICO
INTERSTATE 10
MOUNTAIN VISTA PARKWAY
TRIGG LOOP
CRAWFORD BLVD. (130' ROW)
W.M.I.P. UNIT 1
SUM. SUB. NO. 3 AMENDED
Filed 8-19-97
Plat 16/704
W.M.I.P.
NO. 10
Filed 4-30-99
Plat 19/270-271
W.M.I.P.
NO. 17
Filed
10-3-00
Plat 19/521
W.M.I.P.
NO. 5 AMENDED
Filed 5-24-2000
Plat 19/487
PUBLIC WORKS
CITY OF LAS CRUCES, NEW MEXICO
06S032



PARCEL LOCATION MAP

HIGHEST AND BEST USE (Premise of Value)

Possible Uses

In my opinion, there are few physical constraints to each parcel. They are large sized parcels with basically level topography and all of the utilities are available to the site. Access to the each parcel is considered good. Without any significant physical constraints, numerous uses are possible.

Legally Permissible Uses

Legal restrictions influencing the subject parcels are the restrictions of utility easements, deed restrictions, and zoning. The parcels are not encumbered by any utility easements that negatively impact the potential development of the site. To my knowledge, there are no deed restrictions that negatively impact the potential development. The current zoning accommodates light manufacturing facilities and other similar uses in the West Mesa Industrial Park area.

Financially Feasible Uses

Present economic and environmental conditions are the next considerations. Economic conditions refer mostly to the market in which the subject competes such as absorption of the different possible uses for the site within the subject market area. Physical and legal development of the subject site allows development of light industrial uses.

The immediate vicinity of the subject consists of several mixed-use commercial properties. The majority of the improvements are light industrial users, which include F&A Dairy (cheese processing), Sapphire Energy, Premier Distributing, Barker Produce, Dynacon Construction, Albuquerque Underground Construction, Triple D Supply (trucking), the former Striplin Truss plant, Alaska Structures (government contractor), and a cold storage warehouse facility. There is also a Love's Truck Stop in this park.

The West Mesa Industrial Park contains 1,820 acres and is located on Interstate 10, eight miles west of downtown Las Cruces and immediately south of the Las Cruces International Airport. The Industrial Park is a good location for light industry, general manufacturing, aviation related and technology-based industries serving Doña Ana County, El Paso, and the US/Mexico Boarder.

The City of Las Cruces currently has 1,100 acres of land available within the Industrial Park and is dedicated to bringing in industries, warehousing and manufacturing businesses that will expand and diversify the local economic base and provide new jobs for the community.

Improvements in this area are relatively new and have been built in the last 20 years with three new light industrial developments in the past four years. Based on information obtained through our in-house survey of warehouse space, the citywide occupancy rate has been stable with a current vacancy rate of 7%.

Historically, speculative construction of light industrial facilities has not proven successful in this industrial district and in my opinion owner-occupied development is a financially feasible use of the site. It is my opinion that the most financially feasible use for the subject site as vacant would be for owner/occupied light industrial development of the site based on the current zoning and location.

Industrial Building Facilities over 15,000 SF

Building Name/Owner	Address	Size SF	Year Built
Chisolm Properties	Various	49,700	Various
Lankford	Mesilla Park	119,185	1960's
Jaren Industries	6000 South Main	227,929	1965/1978
Border Foods	Pioneer Place	57,000	1980's
Valley Cold Storage	Watson Lane	18,274	1980's
Former Beverage Distributing	Watson Lane	17,500	1984
Mimco	Hickory	38,900	1999
Whitefield	875 Amador	40,000	1979
San Saba Pecan	1655 Amador	32,800	1974
ConAgra	1650 Amador	232,290	1968/2000
Lackey	1844 Amador	35,500	1988/1998
Coronado Warehouse	17th & Copper	67,500	1985
Rawson	Hadley & Buildtek	173,708	1990's
Goodpasture	17th	35,496	1982
American Document Svcs	300 17th Street	21,844	1980
Schafer Family Trust	4581 Picacho	25,000	1979
Walnut Business Park	Walnut	42,285	2004
Taylor Metro Scales	Entrada Del Sol	88,500	1982/1998
Rawson Builders Supply	Nevada	91,096	1981/2008
Young Pecan	Entrada Del Sol	81,887	1976/2008
EMI Technologies	2200 Telshor	31,450	1996
Call Center	2100 Summit	19,772	1996
Whitefield	875 Amador	40,000	1979
Convergys	Del Rey	44,848	1983
West Mesa Industrial Park	Various	608,372	Various
		2,240,836	

Large Industrial Facilities - Currently Vacant

Tenant/Owner	Address	Size SF	Year Vacated
Border Foods	451 Pioneer Place	47,000	1980
Multi-Plastics	South Valley	78,000	1950's & 1970's
Rawson	Hadley & Buildtex	39,000	1990's
		164,000	
% of Vacant Industrial Buildings		7%	

Maximally Productive Use

In my opinion, the maximally productive use of the site is light industrial. Based on the recent land sales activity, the prices being paid per acre for sites suitable for light industrial development have been stable with moderate increase in value. No other uses in outlying areas are commanding as high a price per acre. Therefore in my opinion the highest and best use of the subject parcel is for light industrial development in accordance with the M-1 zoning.

APPRAISAL METHODOLOGY

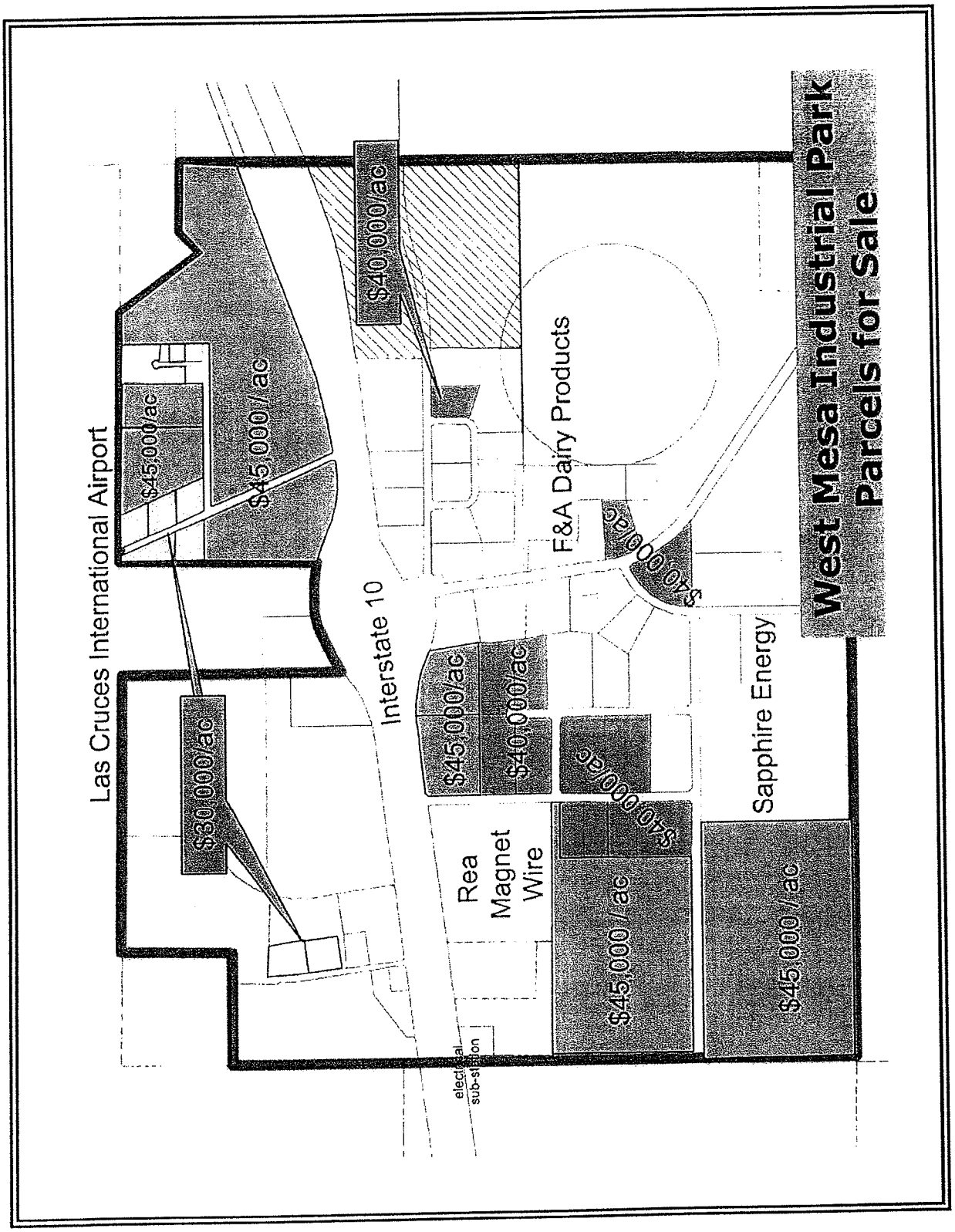
The appraisal methodology is the orderly program used to arrive at an opinion of value. The first step is identification of the real estate, date of value, property rights appraised, and type of value. Second, analyses of the area, site, and highest and best use are conducted. Finally, one or more of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

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

SALES COMPARISON APPROACH

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

The City of Las Cruces maintains an asking price for all of their parcels. The asking price is reviewed periodically (as least semi-annually), and is adjusted as necessary to reflect comparable private sector sales activity. There are three different asking prices based on the size of parcels, access to utilities and paved roads are the main variables. The following is a map showing the location of these parcels and the asking price.


West Mesa Industrial Park
Parcels for Sale
Las Cruces International Airport
$45,000/ac
$45,000/ac
$30,000/ac
$40,000/ac
Interstate 10
F&A Dairy Products
$40,000/ac
$45,000/ac
$40,000/ac
$40,000/ac
$45,000/ac
Rea
Magnet
Wire
Sapphire Energy
$45,000/ac
electrical
sub-station

The City has typically priced these lots below sales of light industrial parcels in the City as an incentive to create and attract new industry to the area. This below market pricing has been successful in spurring economic development for the City. Due to the national economic slow down, industrial parcels in the city have been slow to sale during the past two years. What few sales that have occurred are in the $2.50 to $4.00 per square foot range, which are four times the most recent sales transactions from WMIP.

As a result of the lower prices, development activity increased in the Park since 2006 with 26 arm's length land sales that account for 152 acres of land or $4,276,699 in gross sales. This equates to an average price per acre at $27,986. Lot sales activity in 2008 decreased to three parcels totaling 28.63 acres at an average price of $28,353 per acre. This slow down tends to mirror the same situation in Las Cruces for commercial land sales activity. This slow down in 2008 has led the City to stop the annual price increases and they have held prices steady since January 2008.

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

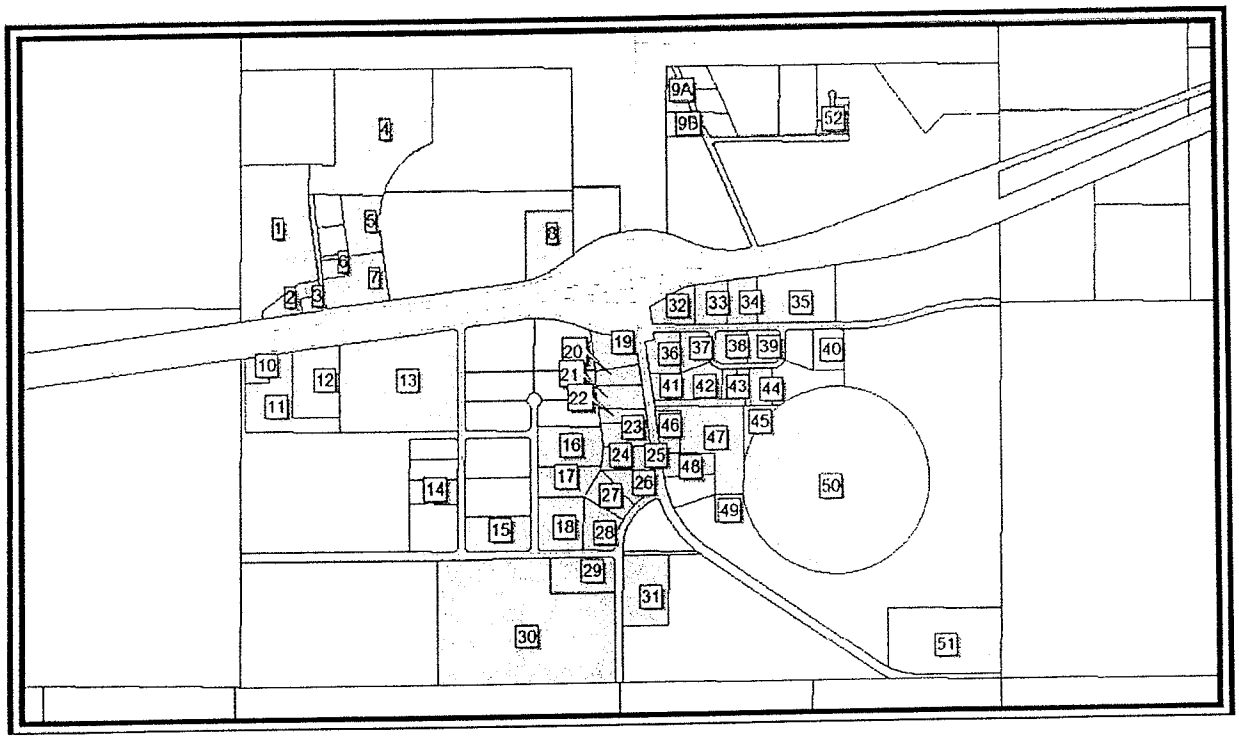
Sale #	Location	Sales Date	Acres	Price/Acre
178	1430 Portland	2/07	2.140	$126,168
213	1001 Portland	3/07	2.790	$152,330
221	2340 Westgate	5/07	1.459	$171,350
227	1360 Valley	7/07	1.398	$157,345
231	5390 Del Rey	8/07	2.027	$96,704
245	2800 N. Motel	8/07	2.784	$114,943
256	1600 W. Picacho	10/07	3.138	$151,370
255	W. Amador	11/07	4.828	$201,960
274	375 N. Valley	9/08	3.103	$225,588
284	W. Amador	9/08	2.922	$232,175
292	5430 Del Rey	12/08	4.317	$99,042
294	971 Sand Castle	7/08	0.940	$182,466
314	5430 Del Rey Blvd.	12/08	4.317	$99,042
310	2701 W. Amador	1/09	11.804	$130,680
329	Mars Avenue	12/09	2.500	$130,000
359	2340 Westgate Court	3/11	1.459	$152,460
372	1001 Parkhill Drive	3/11	2.790	$161,290
387	1735 Marquess	4/12	0.924	$173,162
386	Rountree Place	4/12	0.478	$115,063
396	2475 West Amador	5/12	2.780	$66,547
399	750 Brass Way	11/02	2.350	$98,010
420	Stern Drive	2/13	2.50	$120,000
449	Copper Loop	6/14	1.18	$125,424
			64.930	$142,744

As is apparent, the land sales are considerably higher closer to the City and although the Park is only eight miles from downtown Las Cruces, the average price per acre is over three times higher in the City. Until prices in the WMIP increase to levels in the City, the prices at WMIP will continue to set the value as a buyer is not willing to pay more than the listing price or the price of recent land sales transactions. The volume of land sales activity has slowed significantly in 2008 as is evidenced by only four sales in the Park and only 10 sales in the City. It is

reasonable to assume that current market conditions are flat with no indication that a price increase is warranted to the current listing price.

The sales were analyzed on a price per acre basis. In analyzing the sales, I have first considered such characteristics including property rights transferred, financing terms, conditions of sale, and market conditions. After these four cumulative adjustments were made, other factors such as location, size, shape, topography, and utility of the property were considered.

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



SOLD PARCEL LOCATION MAP

WEST MESA INDUSTRIAL PARK - SOLD PARCELS

Parcel #	Total Lot Size	Property Owner	Parcel ID	Year Built	Improvement Size	Sales Price	Price/ Acre	ID #	Date Sold
1	43.000	Armory Board	22523	1990/1995	57,312	$0	$0		11/21/90
2	6.000	Michael Flynn	22299			$54,100	$9,017		8/11/89
3	1.370	Las Cruces Brewing	22572			$0	$0		8/11/89
4	50.000	Armory Board	27107			$0	$0		9/22/99
5	10.080	NM Dept. Transportation	39840			Exchange	$0		9/6/07
6	2.390	Samson	22300	1990	14,375	$27,402	$11,465		3/14/90
7	11.270	Clarence Crawford	37907			$281,500	$25,000	304	6/5/07
8	16.360	USA	22293			$0	$0		
9	3.160	Michael O'Donnell	35584			$79,000	$25,000	155	8/17/06
9A	16.160	Jason Montoya	22308						12/9/02
10	3.000	El Paso Electric Co.	27784			$0	$0		5/17/00
11	16.470	NM Public Lands	27921			$0	$0		11/3/00
12	15.000	State of New Mexico	25525			$0	$0		9/11/96
13	50.000	City of Las Cruces (Ray Magnet Wire)	25752	1998	181,192	$750,000	$15,000	37	9/16/97
14	5.000	Dennis Muncrief	34842			$125,000	$25,000	115	5/15/06
15	10.000	Farmers Investment	27779	2000	64,800	$200,000	$20,000	165	6/6/00
16	11.230	DMS Realty, LLC	40358			$407,649	$36,300	305	12/22/08
17	7.400	Larry Barker	40359			$254,100	$34,338	306	10/29/08
18	10.620	Larry Barker	38977			$292,050	$27,500	266	9/28/07
19	7.020	Musket Corp.	22298	1990	5,015	$140,000	$20,000		11/17/89
20	3.810	Mike Pogue	24117	1995	2,242	$58,200	$15,316		2/27/95
21	5.000	Ducross Invesments	23689	1994	3,050	$79,000	$15,800		12/16/93
22	3.000	Doak Rental LLC	24507			$47,400	$15,800		5/15/95
23	5.000	Doak Rental LLC	24508	1995/1999	13,500	$79,500	$15,900		4/5/95
24	3.300	Pro Build Real Estate	27778			$82,538	$25,000	38	2/18/05
25	2.000	Pro Build Real Estate	27777	2002	23,707	$40,000	$20,000		7/13/00
26	5.000	Pro Build Real Estate	25460			$75,000	$15,000	93	8/18/05
27	5.000	Pro Build Real Estate	27922			$75,000	$15,000	93	8/18/05
28	6.650	Contractors Leasing LLC	38976			$181,500	$27,293	307	9/25/07
29	10.000	Sapphire Energy Inc.	40906			$150,000	$15,000	308	10/29/08
30	90.000	Sapphire Energy Inc.	40905			$0	$0		12/22/10
31	15.000	TMG Manufacturing, LLC	30043			$375,000	$25,000	267	8/10/07
32	6.000	RDC, LLC	35601			$150,000	$25,000	104	7/12/06
33	5.780	Esmail Haidari - Skyblue Inv.	35602			$175,870	$30,427	225	6/27/07
34	5.920	Esmail Haidari - Skyblue Inv.	35590			$180,130	$30,427	225	6/27/07
35	18.000	City of Las Cruces (Parkview Metals)	22514	1998	107,676	$297,000	$16,500	36	7/1/97
36	6.000	Matthew Ikard	35591			$150,000	$25,000	223	6/22/07
37	4.788	West Texas Development	35592			$143,700	$30,013	224	6/26/07
38	4.740	Don & Jeff Billings	35593	2008	6,250	$142,200	$30,000	214	4/6/07
39	4.750	James Rat	35594			$141,000	$30,000		9/14/94
40	5.650	Paradox Partners, LLC	37633			$141,250	$25,000		9/14/94
41	3.460	Leonard Besinger	35596			$103,800	$30,000	222	6/21/07
42	5.970	Leonard Besinger	35597			$179,100	$30,000	222	6/21/07
43	4.000	Sidney Williamson	35598	2007	7,560	$100,000	$25,000	139	7/11/06
44	3.530	Commissioner of Public Lands	27850			$0	$0		9/14/94
45	6.370	F&A Dairy	23941			$127,400	$20,000	160	3/1/00
46	4.370	F&A Dairy	27781			$87,400	$20,000	160	3/1/00
47	18.610	City of Las Cruces (F&A Dairy)	32853	95/96/99/04	121,693	$175,900	$9,452		9/14/94
48	5.200	F&A Dairy	39086			$187,200	$36,000	265	9/24/07
49	3.490	F&A Dairy	27520			$18,320	$5,249		9/14/94
50	120.140	City of Las Cruces (F&A Dairy)	24501			$0	$0		9/14/94
51	33.790	City of Las Cruces	26293			$0	$0		9/14/94
52	0.900	World Radio Network	36842			$27,000	$30,000	333	9/14/09
53	3.730	Sampson Equipment	37906			$111,900	$30,000	353	12/6/10
54	1.000	Transworld Network	41367			$30,000	$30,000	357	1/31/11
55	15.000	US Army Reserve Training Center	41404			$600,000	$40,000	354	12/2/11
56	4.788	Under Contract/Did Not Close	35592			$185,000	$38,638	400	12/31/12
	745.266				608,372				

Market conditions adjustments take into account market appreciation or depreciation. There has been only one new sale in the past 30 months, and it is reasonable to assume that the market is going through a state of uncertainty. With no new market sales it is difficult to determine the direction of the market. Market participant interviews indicate that the large raw land market has suffered and that investors are waiting for either desperate sellers or for the market to stabilize.

After considering the subject's competitive pricing structure relative to sales closer to Las Cruces, the national economic indicators and current listing data, I have come to the conclusion that parcels similar to the subject have remained steady and that there is no current indication from the market data that light industrial parcels in the WMIP such as the subject property have declined in value since 2007.

Smaller Undeveloped Land Parcels – South of Interstate 10:

The following sales will be used to compare to the parcels that are situated south of Interstate 10 and have all city services including sewer service and good quality roads. The sales selected have occurred since 2007 as they were the most recent comparables that represent small fully developed parcels. There have been 19 land sales south of the Interstate. Please see the following chart for those sales.

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

Sold Parcel #	Total Lot Size	Property Owner	Parcel ID	Sales Price	Price/ Acre	ID #	Date Sold
14	5.000	Dennis Muncrief	02-34842	$125,000	$25,000	115	5/15/06
16	11.230	DMS Realty, LLC	02-40358	$407,649	$36,300	305	12/22/08
17	7.400	Larry Barker	02-40359	$254,100	$34,338	306	10/29/08
18	10.620	Larry Barker	02-38977	$292,050	$27,500	266	9/28/07
28	6.650	Contractors Leasing LLC	02-38976	$181,500	$27,293	307	9/25/07
29	10.000	Sapphire Energy Inc.	02-40906	$150,000	$15,000	308	10/29/08
31	15.000	TMG Manufacturing, LLC	02-30043	$375,000	$25,000	267	8/10/07
32	6.000	RDC, LLC	02-35601	$150,000	$25,000	104	7/12/06
33	5.780	Esmail Haidari - Skyblue Inv.	02-35602	$175,870	$30,427	225	6/27/07
34	5.920	Esmail Haidari - Skyblue Inv.	02-35590	$180,130	$30,427	225	6/27/07
36	6.000	Matthew Ikard	02-35591	$150,000	$25,000	223	6/22/07
37	4.788	West Texas Development	02-35592	$143,700	$30,013	224	6/26/07
38	4.740	Don & Jeff Billings	02-35593	$142,200	$30,000	214	4/6/07
41	3.460	Leonard Besinger	02-35596	$103,800	$30,000	222	6/21/07
42	5.970	Leonard Besinger	02-35597	$179,100	$30,000	222	6/21/07
43	4.000	Sidney Williamson	02-35598	$100,000	$25,000	139	7/11/06
48	5.200	F&A Dairy	02-39086	$187,200	$36,000	265	9/24/07
55	15.000	US Army Reserve Training Center	02-34842 02-34315	$600,000	$40,000	354	12/2/11
37	4.788	Under Contract/Did Not Close	02-35592	$185,000	$38,639	400	12/31/12
	137.55			$3,918,949	$28,491		

The sales occurred between May of 2006 to December of 2012. The sales range in price from $15,000 to $40,000 per acre. The low end of the range is represented by Parcel 29, which sold below market due to economic incentives offered to the purchaser. After eliminating Parcel 29 the range is much closer from $25,000 to $40,000 per acre. The sales range in size from four acres to 15 acres. The largest and smallest sale both sold for $25,000 per acre indicating no adjustment for size. Parcel 37, which was scheduled to close at the end of 2013 but failed to because of financing issues. This parcel sold for $30,013 per acre in 2007 and was under contract for $38,639 per acre, which indicates a 6% annual appreciation over a 5 ½ year time frame. This rate of appreciation exceeds any re-sales from the regional market and may indicate

that the property sold below market in 2007. However, additional re-sales from the Park will be needed to verify if an appreciation trend exists for this market.

When analyzing the two subject parcels it is my opinion that the only adjustment required is for location within the park due to frontage, corner features or exposure to Interstate 10. The subject parcels are listed for sale at $40,000 per acre.

Currently listed for sale in the WMIP is Parcel 36, which sold to Mathew Ikard in June of 2007 for $150,000 or $25,000 per acre. This parcel is listed for sale at $87,120 per acre and has been on the market for several years. Parcel 37 is also listed for sale with 1st Valley Realty for $216,000 or $45,000 per acre and is owned by West Texas Development. This 4.8 acre parcel was purchased in June of 2007 for $30,000 per acre as well. Parcel 40 is also listed for sale by Steinborn Real Estate for $36,154 per acre and was purchased by Paradox Partners, LLC in 1994 for $25,000 per acre.

There have only been two recent transactions in the WMIP. The first parcel sold at the end of 2011 for $40,000 per acre and contains 15 acres to the United States Army (Parcel 55). Parcel 37 was scheduled to close by the end of 2013 and was under contract for $38,639 per acre. Taking note of the fact that the City is typically selling parcels at their asking price with only minor adjustments made for price due to economic incentives. The subject parcels are both situated on major thoroughfares within the WMIP and have equal exposure, frontage and access. As mentioned previously, the most recent transaction on Rea Boulevard to the west of the subject sold for $40,000 per acre range and is considered similar in location due to secondary access within WMIP. The City has these two parcels listed for sale at $40,000 per acre, which is similar to the last sale. This sale price appears reasonable and I am of the opinion that the market value of the two subject parcels is $40,000 per acre.

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

Parcel #	Parcel ID#	Size/Acre	Indicated Value/Acre	Market Value (Rounded)
1	02-35595	4.49	$40,000	$180,000
2	02-35599	8.11	$40,000	$325,000

Reliability

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

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

CERTIFICATION OF THE APPRAISER

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have not performed services, as an appraiser, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this 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 analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- 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 continuing education program of the Appraisal Institute.

By:

W. Scott Eschenbrenner, MAI
State Certified
NM-001180-G

ADDENDUM

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 acquisition purposes 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 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 summary 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*, Fourth 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."[1]

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:

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[1] *The Dictionary of Real Estate Appraisal*, Fourth Edition, Appraisal Institute, 2002, p. 113.

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 summary appraisal report, the actual data and analyses used in valuing the property are on file in my office.

A representative with the City of Las Cruces who is the property owner was invited to attend my inspection of the subject parcels on June 18, 2010 and they declined the offer.

This complete 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.

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 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 contaminates.

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.

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 author, 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

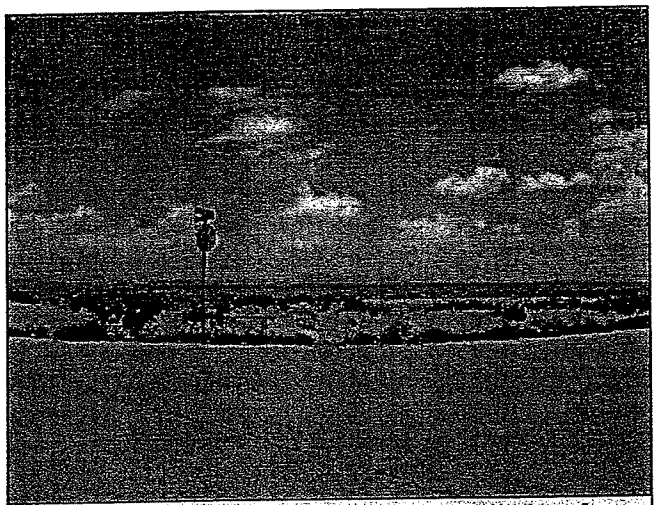
This appraisal report has been made with, and is subject to, the following Special Assumptions and Limiting Conditions:

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.

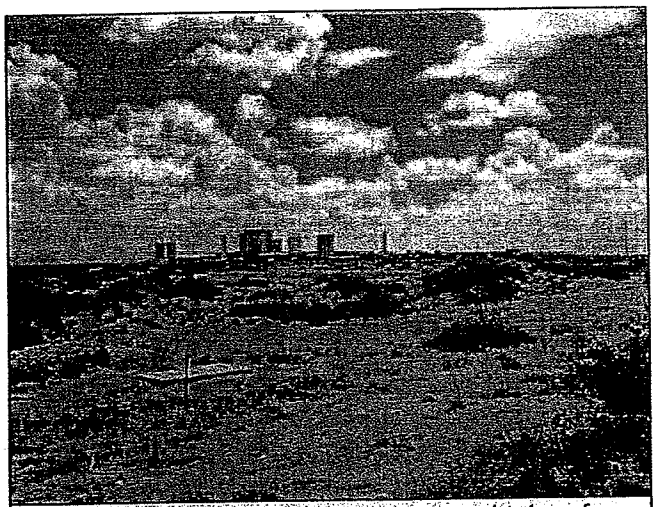
2. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I will not be responsible for conducting a specific compliance survey or analysis of this property to determine its conformity with the various requirements of the ADA. It is possible a compliance survey of the property, 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 determine that the site is affected by any environmental hazards I reserve the right to modify my overall value conclusion.

SUBJECT PHOTOGRAPHS



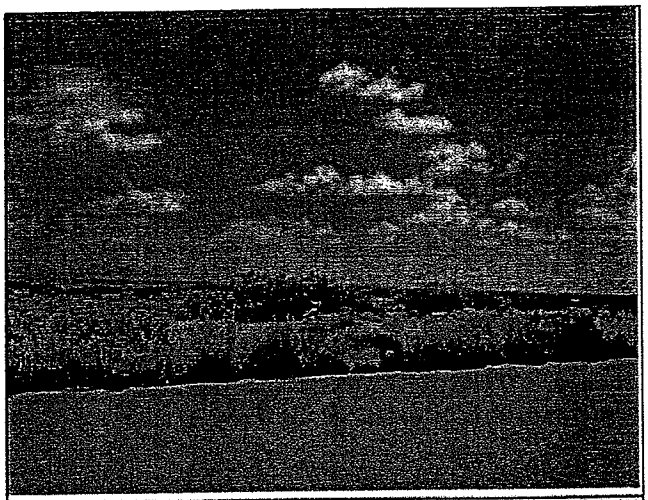
View of Parcel 1 facing southeast and taken from Mountain Vista Parkway and Trigg Loop.



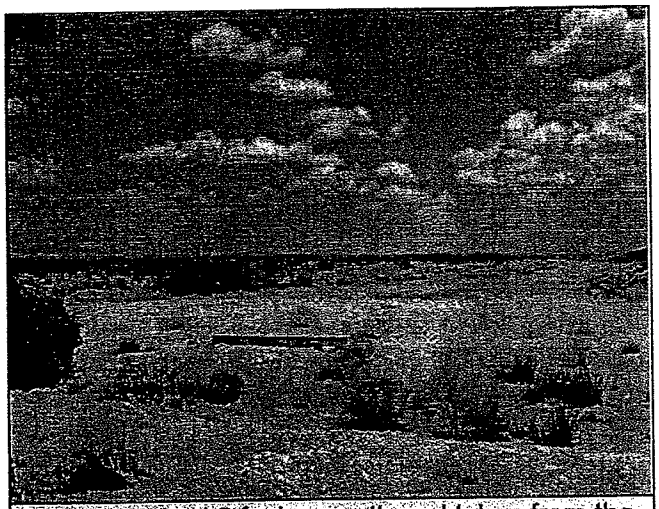
View of Parcel 1 facing southwest and taken from the northeastern property boundary.

View of Parcel 1 facing northeast and taken from the southwestern property boundary.

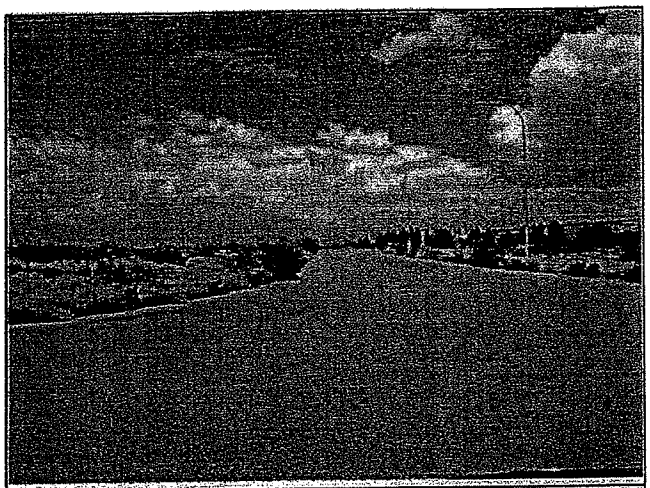
Street view of Mountain Vista Parkway facing east with Parcel 1 on the right.



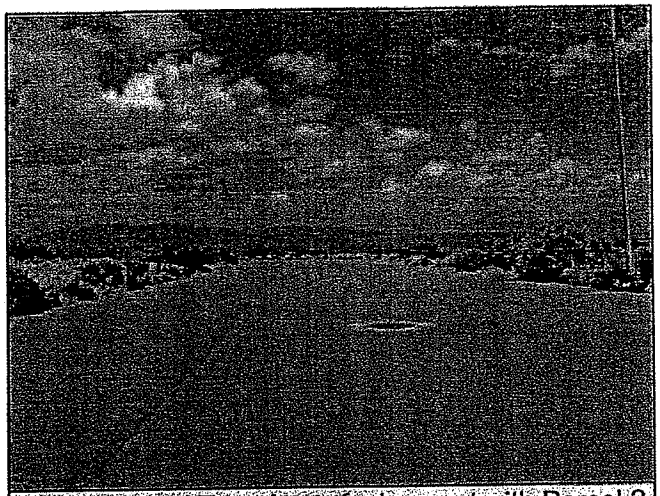
View of Parcel 2 facing southeast and taken from Trigg Loop.



View of Parcel 2 facing south and taken from the northwest corner of this parcel.



Street view of Trigg Loop facing north with Parcel 1 and 2 on the right.



Street view of Trigg Loop facing east with Parcel 2 on the right.

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.

State of New Mexico

REAL ESTATE APPRAISERS BOARD

PO Box 25101 Santa Fe, NM 87505 (505) 476-4622

This is to certify that

William S. Eschenbrenner#1180-G

Having complied with the provisions of the New Mexico Real Estate Appraisers Act is hereby granted a license to practice as a

General Certified Appraiser

This appraiser is eligible to perform in Federally Related Transactions

Issue Date: 05/11/1995 Date Expires: 04/30/2016

THIS LICENSE MUST BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS

Land Sale No. 1

Property Identification	
Record ID	115
Property Type	Industrial
Address	Rea Blvd., Las Cruces, Doña Ana County, New Mexico 88005
Location	West side of Rea Blvd. in the West Mesa industrial Park
Tax ID	02-34842
User 1	Tract 1, West Mesa Industrial Park No. 23
Sale Data	
Grantor	City of Las Cruces
Grantee	CS, Inc.
Sale Date	May 15, 2006
Deed Book/Page	712/582
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Sale History	Never sold
Verification	Confirmed by Harry Hansen
Sale Price	$125,000
Cash Equivalent	$125,000
Land Data	
Zoning	M-1 Light Manufacturing
Topography	Level
Utilities	All public available.
Shape	Generally rectangular
Landscaping	Native desert vegetation
Flood Info	Not located in flood hazard area
Land Size Information	
Gross Land Size	5.000 Acres or 217,800 SF
Indicators	
Sale Price/Gross Acre	$25,000
Sale Price/Gross SF	$0.57

Land Sale No. 2

Property Identification

Record ID	305
Property Type	Industrial
Address	350 Alliance Drive, Las Cruces, Doña Ana County, New Mexico 88005
Location	West Mesa Industrial Park
Tax ID	02-40358
User 1	Lot A-7, West Mesa Industrial Park No 26, Replat 1

Sale Data

Grantor	City of Las Cruces
Grantee	DMS Realty, LLC
Sale Date	December 22, 2008
Deed Book/Page	#0834119
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Sale History	Never sold
Verification	Confirmed by Harry Hansen
Sale Price	$407,649
Cash Equivalent	$407,649

Land Data

Zoning	M-1 Light Manufacturing
Topography	Level
Utilities	All public available.
Shape	Generally rectangular
Landscaping	Native desert vegetation
Flood Info	Not located in flood hazard area

Land Size Information

Gross Land Size	11.230 Acres or 489,179 SF

Indicators

Sale Price/Gross Acre	$36,300
Sale Price/Gross SF	$0.83

Remarks

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

Land Sale No. 3

Property Identification

Record ID	306
Property Type	Industrial
Address	350 Alliance Drive, Las Cruces, Doña Ana County, New Mexico 88005
Location	West Mesa Industrial Park
Tax ID	02-40359
User 1	Lot A-8 , West Mesa Industrial Park No 26

Sale Data

Grantor	City of Las Cruces
Grantee	Larry Barker
Sale Date	October 27, 2008
Deed Book/Page	#0829765
Recorded Plat	22/413-414
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Sale History	Never sold
Verification	Confirmed by Harry Hansen
Sale Price	$254,100
Cash Equivalent	$254,100

Land Data

Zoning	M-1 Light Manufacturing
Topography	Level
Utilities	All public available.
Shape	Generally rectangular
Landscaping	Native desert vegetation
Flood Info	Not located in flood hazard area

Land Size Information

Gross Land Size	7.400 Acres or 322,344 SF

Indicators

Sale Price/Gross Acre	$34,338
Sale Price/Gross SF	$0.79

Remarks

Property was purchased for an onion peeling plant. Ag related use.

Land Sale No. 4

Property Identification	
Record ID	266
Property Type	Industrial
Address	Advancement, Las Cruces, Doña Ana County, New Mexico 88005
Location	West Mesa Industrial Park
User 1	Lots 3, West Mesa Industrial Park No 26
Sale Data	
Grantor	City of Las Cruces
Grantee	Larry Barker
Sale Date	September 21, 2007
Deed Book/Page	#0733636
Recorded Plat	22/230-231
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Sale History	Never sold
Verification	Confirmed by Harry Hansen
Sale Price	$292,050
Cash Equivalent	$292,050
Land Data	
Zoning	M-1 Light Manufacturing
Topography	Level
Utilities	All public available.
Shape	Generally rectangular
Landscaping	Native desert vegetation
Flood Info	Not located in flood hazard area
Land Size Information	
Gross Land Size	10.620 Acres or 462,607 SF
Indicators	
Sale Price/Gross Acre	$27,500
Sale Price/Gross SF	$0.63

Land Sale No. 5

Property Identification

Record ID	307
Property Type	Industrial
Address	Advancement Avenue & Venture Boulevard, Las Cruces, Doña Ana County, New Mexico 88005
Location	West Mesa Industrial Park
Tax ID	02-38976
User 1	Lot 2, West Mesa Industrial Park No 26

Sale Data

Grantor	City of Las Cruces
Grantee	Contractors Leasing, LLC
Sale Date	September 25, 2007
Deed Book/Page	#0733111
Recorded Plat	22/230-231
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Sale History	Never sold
Verification	Confirmed by Harry Hansen
Sale Price	$181,500
Cash Equivalent	$181,500

Land Data

Zoning	M-1 Light Manufacturing
Topography	Level
Utilities	All public available.
Shape	Generally rectangular
Landscaping	Native desert vegetation
Flood Info	Not located in flood hazard area

Land Size Information

Gross Land Size	6.650 Acres or 289,674 SF

Indicators

Sale Price/Gross Acre	$27,293
Sale Price/Gross SF	$0.63

Remarks

Property purchased by the adjacent land owner who is a truss building plant the serves the regional construction industry.

Land Sale No. 6

Property Identification	
Record ID	308
Property Type	Industrial
Property Name	Sapphire Energy
Address	9035 Advancement Avenue, Las Cruces, Doña Ana County, New Mexico 88005
Location	West Mesa Industrial Park
Tax ID	02-40906
User 1	Tract B, West Mesa Industrial Park No 28
Sale Data	
Grantor	City of Las Cruces
Grantee	Sapphire Energy Inc.
Sale Date	October 29, 2008
Deed Book/Page	0829703
Recorded Plat	22/575-576
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Sale History	Never sold
Verification	Confirmed by Harry Hansen
Sale Price	$150,000
Cash Equivalent	$150,000
Land Data	
Zoning	M-1 Light Manufacturing
Topography	Level
Utilities	All public available.
Shape	Generally rectangular
Landscaping	Native desert vegetation
Flood Info	Not located in flood hazard area
Land Size Information	
Gross Land Size	10.000 Acres or 435,600 SF
Indicators	
Sale Price/Gross Acre	$15,000
Sale Price/Gross SF	$0.34

Land Sale No. 6 (Cont.)

Remarks

Sapphire Energy purchased 10 acres of land from the City in October of 2008 and work began on the site in November. The company will grow algae to produce a renewable source of fuel for gasoline and jet fuel. It is constructing a research and development facility with five buildings and potentially thousands of feet of algae ponds in the industrial park. As part of an incentive package with the City, if Sapphire Energy creates 30 jobs at 120 percent of the average salary for the area and invests $6 million in the industrial park, the City will convey 90 acres surrounding the original site to the company with a value of $1.35 million at no additional cost. The lower purchase price for the 10 acres is due to incentives for job creation under the local economic development act.

Land Sale No. 7

Property Identification	
Record ID	267
Property Type	Industrial
Address	SEC Venture & Advancement, Las Cruces, Doña Ana County, New Mexico 88005
Location	West Mesa Industrial Park
User 1	Lot A, West Mesa Industrial Park No 20
Sale Data	
Grantor	City of Las Cruces
Grantee	The Marvin Group
Sale Date	August 10, 2007
Deed Book/Page	#0727888
Recorded Plat	20/ Folio 316
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Sale History	Never sold
Verification	Confirmed by Harry Hansen
Sale Price	$375,000
Cash Equivalent	$375,000
Land Data	
Zoning	M-1 Light Manufacturing
Topography	Level
Utilities	All public available.
Shape	Generally rectangular
Landscaping	Native desert vegetation
Flood Info	Not located in flood hazard area
Land Size Information	
Gross Land Size	15.000 Acres or 653,400 SF
Indicators	
Sale Price/Gross Acre	$25,000
Sale Price/Gross SF	$0.57

Land Sale No. 8

Property Identification	
Record ID	104
Property Type	Industrial
Address	NEC Mountain Vista & Crawford Blvd., Las Cruces, Doña Ana County, New Mexico 88005
Location	West Mesa Industrial Park
Tax ID	02-35601
User 1	Lot 1, West Mesa Industrial Park No. 24
Sale Data	
Grantor	City of Las Cruces
Grantee	RDC, LLC
Sale Date	July 12, 2006
Deed Book/Page	728/542
Recorded Plat	21/672-673
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Sale History	Never sold
Verification	Confirmed by Harry Hansen
Sale Price	$150,000
Cash Equivalent	$150,000
Land Data	
Zoning	M-1 Light Manufacturing
Topography	Level
Utilities	All public available.
Shape	Generally rectangular
Landscaping	Native desert vegetation
Flood Info	Not located in flood hazard area
Land Size Information	
Gross Land Size	6.000 Acres or 261,360 SF
Indicators	
Sale Price/Gross Acre	$25,000
Sale Price/Gross SF	$0.57

Land Sale No. 9

Property Identification

Record ID	225
Property Type	Industrial
Address	Mountain Vista Parkway, Las Cruces, Doña Ana County, New Mexico 88005
Location	West Mesa Industrial Park
Tax ID	02-35602 & 02-35590
User 1	Lots 2 & 3, West Mesa Industrial Park No 24

Sale Data

Grantor	City of Las Cruces
Grantee	Skyblue Investments, LLC
Sale Date	June 27, 2007
Deed Book/Page	#0723877
Recorded Plat	21/672-673
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Sale History	Never sold
Verification	Confirmed by Harry Hansen
Sale Price	$356,000
Cash Equivalent	$356,000

Land Data

Zoning	M-1 Light Manufacturing
Topography	Level
Utilities	All public available.
Shape	Generally rectangular
Landscaping	Native desert vegetation
Flood Info	Not located in flood hazard area

Land Size Information

Gross Land Size	11.700 Acres or 509,652 SF

Indicators

Sale Price/Gross Acre	$30,427
Sale Price/Gross SF	$0.70

Remarks

Transferred 4 days later to Esmail Haidari

Land Sale No. 10

Property Identification	
Record ID	223
Property Type	Industrial
Address	Las Cruces, Doña Ana County, New Mexico 88005
Location	West Mesa Industrial Park
User 1	Lots 1, West Mesa Industrial Park No 22
Sale Data	
Grantor	City of Las Cruces
Grantee	Mathew Ikard
Sale Date	June 22, 2007
Deed Book/Page	#0722066
Recorded Plat	21/684-685
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Sale History	Never sold
Verification	Confirmed by Harry Hansen
Sale Price	$150,000
Cash Equivalent	$150,000
Land Data	
Zoning	M-1 Light Manufacturing
Topography	Level
Utilities	All public available.
Shape	Generally rectangular
Landscaping	Native desert vegetation
Flood Info	Not located in flood hazard area
Land Size Information	
Gross Land Size	6.000 Acres or 261,360 SF
Indicators	
Sale Price/Gross Acre	$25,000
Sale Price/Gross SF	$0.57

Land Sale No. 11

Property Identification	
Record ID	224
Property Type	Industrial
Address	Las Cruces, Doña Ana County, New Mexico 88005
Location	West Mesa Industrial Park
User 1	Lots 2, West Mesa Industrial Park No 22
Sale Data	
Grantor	City of Las Cruces
Grantee	West Texas Development, Ltd.
Sale Date	June 26, 2007
Deed Book/Page	#0723353
Recorded Plat	21/684-685
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Sale History	Never sold
Verification	Confirmed by Harry Hansen
Sale Price	$143,700
Cash Equivalent	$143,700
Land Data	
Zoning	M-1 Light Manufacturing
Topography	Level
Utilities	All public available.
Shape	Generally rectangular
Landscaping	Native desert vegetation
Flood Info	Not located in flood hazard area
Land Size Information	
Gross Land Size	4.788 Acres or 208,561 SF
Indicators	
Sale Price/Gross Acre	$30,013
Sale Price/Gross SF	$0.69

Land Sale No. 12

Property Identification	
Record ID	214
Property Type	Industrial
Property Name	Billings
Address	SEC Trigg Loop & Mountain Vista Parkway, Las Cruces, Doña Ana County, New Mexico 88005
Location	West Mesa Industrial Park
Tax ID	02-35593
User 1	Lot 3, West Mesa Industrial Park No 22
Sale Data	
Grantor	City of Las Cruces
Grantee	Don & Jeff Billings
Sale Date	April 06, 2007
Deed Book/Page	805/1068
Recorded Plat	21/684-685
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Sale History	Never sold
Verification	Confirmed by Harry Hansen
Sale Price	$142,200
Cash Equivalent	$142,200
Land Data	
Zoning	M-1 Light Manufacturing
Topography	Level
Utilities	All public available.
Shape	Generally rectangular
Landscaping	Native desert vegetation
Flood Info	Not located in flood hazard area
Land Size Information	
Gross Land Size	4.740 Acres or 206,474 SF
Indicators	
Sale Price/Gross Acre	$30,000
Sale Price/Gross SF	$0.69

Land Sale No. 13

Property Identification	
Record ID	222
Property Type	Industrial
Address	Crawford and Trigg Loop, Las Cruces, Doña Ana County, New Mexico 88005
Location	West Mesa Industrial Park
Tax ID	02-35596 & 02-35597
User 1	Lots 6 & 7, West Mesa Industrial Park No 22
Sale Data	
Grantor	City of Las Cruces
Grantee	Leonard Bessinger Jr.
Sale Date	June 21, 2007
Recorded Plat	21/684-685
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Sale History	Never sold
Verification	Christine Ochs, City of Las Cruces; Confirmed by Harry Hansen
Sale Price	$282,777
Cash Equivalent	$282,777
Land Data	
Zoning	M-1 Light Manufacturing
Topography	Level
Utilities	All public available.
Shape	Generally rectangular
Landscaping	Native desert vegetation
Flood Info	Not located in flood hazard area
Land Size Information	
Gross Land Size	9.426 Acres or 410,597 SF
Indicators	
Sale Price/Gross Acre	$30,000
Sale Price/Gross SF	$0.69

Land Sale No. 14

Property Identification	
Record ID	139
Property Type	Industrial
Property Name	Spirals By Design
Address	Trigg Loop, Las Cruces, Doña Ana County, New Mexico 88005
Location	West Mesa Industrial Park
Tax ID	02-35598
User 1	Lot 8, West Mesa Industrial Park No 22
Sale Data	
Grantor	City of Las Cruces
Grantee	Sidney Williamson
Sale Date	July 11, 2006
Deed Book/Page	727/607
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Sale History	Never sold
Verification	Confirmed by Harry Hansen
Sale Price	$100,000
Cash Equivalent	$100,000
Land Data	
Zoning	M-1 Light Manufacturing
Topography	Level
Utilities	All public available.
Shape	Generally rectangular
Landscaping	Native desert vegetation
Flood Info	Not located in flood hazard area
Land Size Information	
Gross Land Size	4.000 Acres or 174,240 SF
Indicators	
Sale Price/Gross Acre	$25,000
Sale Price/Gross SF	$0.57

Land Sale No. 15

Property Identification

Record ID	265
Property Type	Industrial
Address	Crawford Blvd., Las Cruces, Doña Ana County, New Mexico 88005
Location	West Mesa Industrial Park
Tax ID	02-39086
User 1	Lots 1, West Mesa Industrial Park No 27

Sale Data

Grantor	City of Las Cruces
Grantee	F & A Dairy Products, Inc.
Sale Date	September 24, 2007
Deed Book/Page	#0735939
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Sale History	Never sold
Verification	Confirmed by Harry Hansen
Sale Price	$187,200
Cash Equivalent	$187,200

Land Data

Zoning	M-1 Light Manufacturing
Topography	Level
Utilities	All public available.
Shape	Generally rectangular
Landscaping	Native desert vegetation
Flood Info	Not located in flood hazard area

Land Size Information

Gross Land Size	5.200 Acres or 226,512 SF

Indicators

Sale Price/Gross Acre	$36,000
Sale Price/Gross SF	$0.83

Remarks

Purchased for expansion of existing Cheese plant operation.

Land Sale No. 16

Property Identification	
Record ID	354
Property Name	US Army Reserve Training Center
Address	370 Rea Boulevard, Las Cruces, Doña Ana County, New Mexico
Location	West Mesa Industrial Park
Tax ID	02-41404
User 1	Tract 1-A, West Mesa Industrial Park No. 21 and 23
Sale Data	
Grantor	City of Las Cruces
Grantee	United States of America
Sale Date	December 02, 2011
Deed Book/Page	1127747
Recorded Plat	23/215
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Verification	Confirmed by Scott Eschenbrenner
Sale Price	$600,000
Cash Equivalent	$600,000
Land Data	
Zoning	West Mesa Industrial Park Overlay
Topography	Level
Utilities	All City Services
Shape	Rectangular
Land Size Information	
Gross Land Size	15.000 Acres or 653,400 SF
Front Footage	940 ft Rea Boulevard;610 ft Advancement Avenue
Indicators	
Sale Price/Gross Acre	$40,000
Sale Price/Gross SF	$0.92

Land Sale No. 16 (Cont.)

Remarks

The subject consists of two tracts of land in the West Mesa Industrial Park located south of the Las Cruces International Airport and bisected by Interstate 10 approximately eight miles west of downtown Las Cruces. There is no evidence to support the fact that there are any hazardous, toxic and radiological wastes associated with the subject property. A physical inspection of the site did not reveal any illegal dumping or previous uses that would contribute to contamination. The property is and has remained as undeveloped desert land that is still in its natural condition. There are no improvements immediately adjacent to the subject property that lead me to believe that environmental contamination could have migrated to the subject parcels. The subject parcels are both surrounded by utility easements that are either 25' in deep from a paved thoroughfare or 15' in depth from an abutting property line. The parcels do not exhibit any subsurface minerals rights or water rights that would create any additional commercial value or demand.

The property is under consideration by the United States Army for a future US Army Reserve Training Center. The property has been listed for sale by the City of Las Cruces for $40,000 per acre.

Land Sale No. 17

Property Identification

Record ID	400
Property Type	Industrial
Address	Las Cruces, Doña Ana County, New Mexico 88005
Location	West Mesa Industrial Park
Tax ID	02-35592
User 1	Lot 2, West Mesa Industrial Park No 22

Sale Data

Grantor	West Texas Development, Ltd.
Grantee	Sale did not close - see comments
Sale Date	December 31, 2012
Recorded Plat	21/684-685
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Sale History	Sold in 6/26/07 for $143,700
Verification	Kary Bulsterbaum - Broker; Confirmed by Scott Eschenbrenner
Sale Price	$185,000
Cash Equivalent	$185,000

Land Data

Zoning	M-1 Light Manufacturing
Topography	Level
Utilities	All public available.
Shape	Generally rectangular
Landscaping	Native desert vegetation
Flood Info	Not located in flood hazard area

Land Size Information

Gross Land Size	4.788 Acres or 208,561 SF

Indicators

Sale Price/Gross Acre	$38,639
Sale Price/Gross SF	$0.89

Remarks

The property previously sold in June 26, 2007 for $143,700 or $30,013 per acre. This indicates an annual appreciation factor of 6%. This is higher than what is typically been seen in Las Cruces during this time period. The sale did not get consummated due to the purchaser's difficulty in obtaining financing on this property and an adjacent warehouse facility. The financial strength of the borrower was good but they grew frustrated in dealing with a financial institution.

Doña Ana County

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Code Abbreviations

Account Information

Account	Name1	Name2	Address	City	State	Zip	Family Exemption	Veteran Exemption
64634	CITY OF LAS CRUCES		PO BOX 20000	LAS CRUCES	NM	88004		

Parcel Information

Parcel	Mapcode	Folder	Section/Township/Range
02-35595	02I3002138277060	31557	35-23S-1W

Property Address
8761 MOUNTAIN VISTA PKWY

Subdivision/Condo	Block	Lot
4409 - WEST MESA INDUSTRIAL PARK #22		LOT 5

Land Information

Valuation Method	Number Lots	Unit Price	Land Size	Land Type
PA	0	20000	4.49	V

Valuation Information

Land Value	Res Bldg Value	Non-Res Bldg Value	Full Value
89800	0	0	89800

Recording Information

Recording Information
BK 385 PGS 275-290
BK 385 PGS 259-274
I8508956
BK 293 PGS 925-926
BK 293 PG 160
US PATENT 30-82-0044

Taxes

BILLS PAID

Bill	Amount
200799279	
2008102510	
2009103446	
2010103898	
2011103787	
2012104282	
2013104967	

Doña Ana County

Printer-friendly version

Code Abbreviations

Account Information

Account	Name1	Name2	Address	City	State	Zip	Family Exemption	Veteran Exemption
64634	CITY OF LAS CRUCES		PO BOX 20000	LAS CRUCES	NM	88004		

Parcel Information

Parcel	Mapcode	Folder	Section/Township/Range
02-35599	02I3002138272109	31557	35-23S-1W

Property Address
8811 TRIGG LP

Subdivision/Condo	Block	Lot
4409 - WEST MESA INDUSTRIAL PARK #22		LOT 9

Land Information

Valuation Method	Number Lots	Unit Price	Land Size	Land Type
PA	0	20000	8.11	V

Valuation Information

Land Value	Res Bldg Value	Non-Res Bldg Value	Full Value
162200	0	0	162200

Recording Information

Recording Information
BK 385 PGS 275-290
BK 385 PGS 259-274
I8508956
BK 293 PGS 925-926
BK 293 PG 160
US PATENT 30-82-0044

Taxes

BILLS PAID

Bill	Amount
200799280	
2008102511	
2009103447	
2010103899	
2011103788	
2012104283	
2013104968	

EXHIBIT D

APPRAISAL REPORT # 2

PREPARED BY
BILL R. HAMM
LAND MANAGER
CITY OF LAS CRUCES

RESTRICTED APPRAISAL REPORT

This is a Restricted Appraisal Report of a complete appraisal which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Restricted appraisal Report. As such, it does not present discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's working file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser in not responsible for unauthorized use of this report.

CLIENT: City of Las Cruces

APPRAISER: Bill R. Hamm – Real Estate Manager, City of Las Cruces
Public Works Department
NM General Certified Appraiser #1300-G

SUBJECT: Appraisal of Two Tracts of Vacant Land, Legally Described as LOTS 5 and 9 WEST MESA INDUSTRIAL PARK #22, located at the Southeast Corner of Mountain Vista Parkway and Trigg Loop, West Mesa Industrial Park, Las Cruces, Dona Ana County, NM. LOTS 5 AND 9 contain 4.49 acres and 8.11 acres, respectively.

PURPOSE OF THE APPRAISAL:

The purpose of this appraisal is to estimate the market value 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 for the sole purpose of assisting the client in facilitating a real estate purchase agreement between the City of Las Cruces and New Mexico Shrimp Company for the subject property.

EFFECTIVE DATE OF VALUE: October 3, 2014

DATE OF REPORT: October 3, 2014

MARKET VALUE ESTIMATE: $40,000 per acre

RECENT OWNERSHIP HISTORY:

To my knowledge the subject property is pending Las Cruces City Council consideration for private party sale and has not been sold within the past three years. Property is current under contract for a reported $20,000 per acre.

ESTIMATED MARKETING TIME: One Year

INDICATED EXPOSURE TIME: One Year

APPRAISAL METHODOLOGY:

In preparing this appraisal, the appraiser inspected the subject site and gathered information from the subject's neighborhood and competitive neighborhoods in the Las Cruces market area on comparable land sales. As the subject is vacant land, I have utilized the Sales Comparison Approach to value. Comparable land sales were used in a direct sales comparison approach to estimate the value of the subject.

To develop the opinion of value, the appraiser performed a complete appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice. This means that no departures from Standard 1 were invoked.

HIGHEST AND BEST USE: **Industrial Development in accordance with the WMIP Overlay Zone**

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, is not implied.

The liability of the appraiser is limited to the client only. 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.

I assume no responsibility for matters legal in character, nor do I 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. A survey of the property has been prepared, but I 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 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. By inclusion of the contained certification, the appraiser hereby consents to this appraisal report being disseminated to the public by advertising media, public relations, news, sales or other media for public communication.

I assume that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. I 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 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. 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 appraiser. 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.

I 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 me 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 is limited to the amount of the fee received by appraiser.

CERTIFICATION:

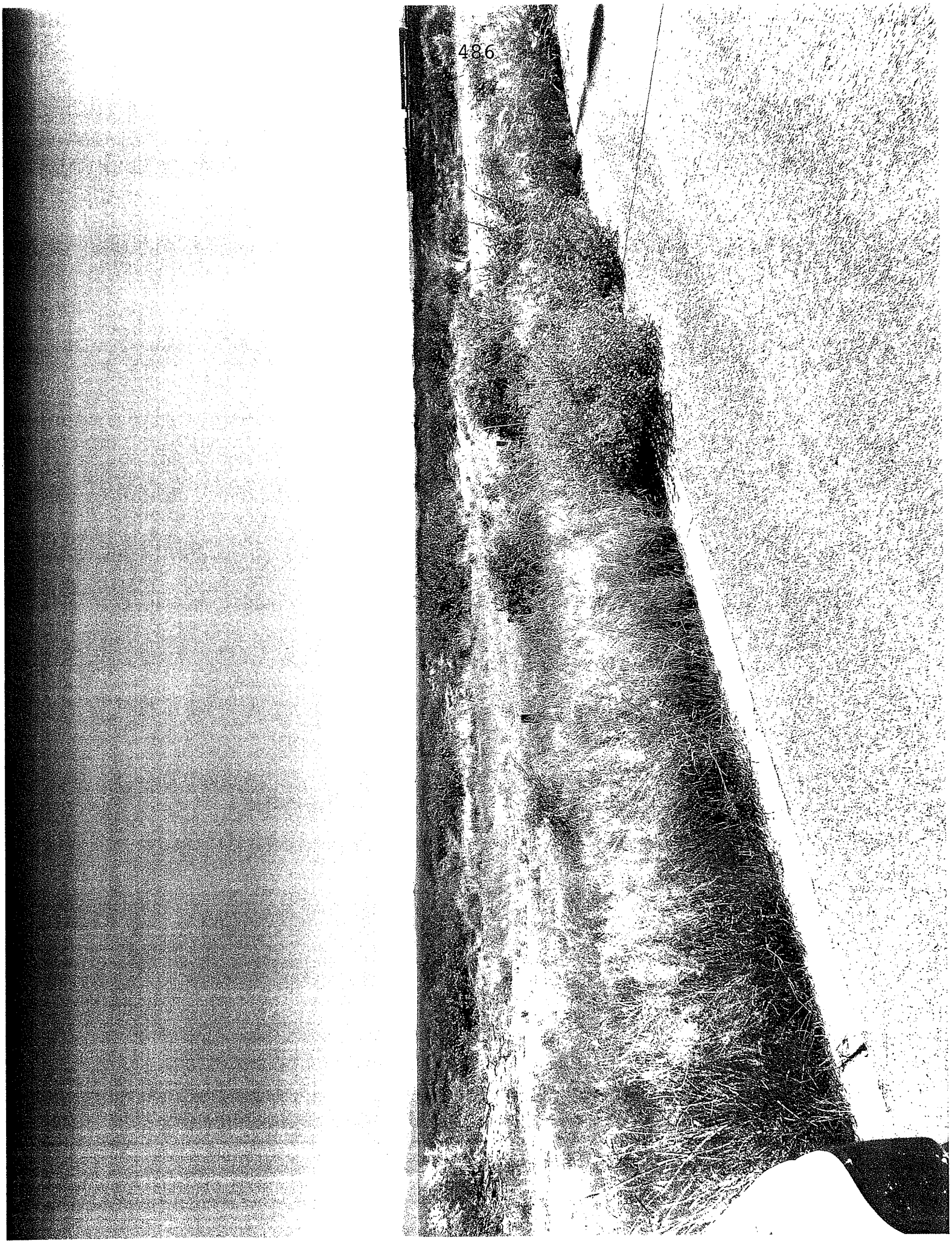
I certify that, to the best of my knowledge and belief:

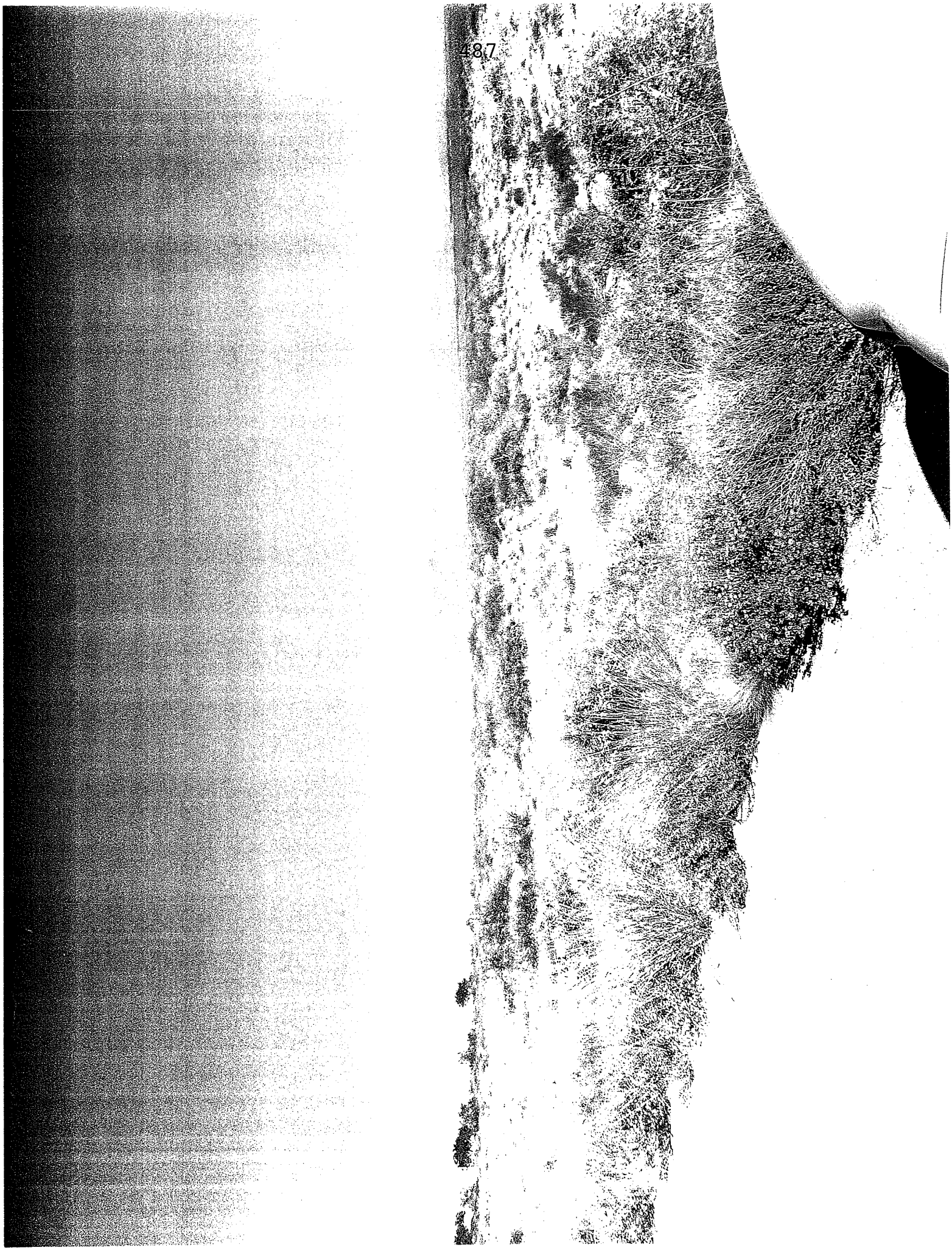
The statements of fact contained in this report are true and correct.
The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

- 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. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics.
- 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 certification.
- I have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment
- As of the date of this report, I have completed the requirements of the continuing education program of the State of New Mexico.

Respectfully submitted,

Bill R. Hamm NM #1300-G





ATTACHMENT A

PRICING RATIONALE

The RCR, Inc./New Mexico Shrimp Co., Inc. project offers unique opportunity for the City's economic development efforts, staff views this opportunity as a "promising economic development project" with numerous benefits to the City and community. Besides the obvious potential for job creation, there are other reasons the City considers this a "promising project" and has extended land price concessions to attract and locate this business at the West Mesa Industrial Park.

Staff has negotiated a price of $20,000.00/acre with RCR, Inc., and the West Mesa Strategic Planning Committee and City Manager recommend acceptance of this price.

This project:

1. Creates and provides jobs for Las Cruces and the region.
    - 10 initially, 25 with expansion
2. Local project – local investor, business concept generated by research from New Mexico State University (NMSU).
3. Addresses the issues of local food sourcing – "farm to table, farm to fork" initiatives.
4. Addresses overfishing of seas, and unfair labor practices aboard.
5. Provides high quality, safe product.
6. Reinforce the relationship between NMSU and the City of Las Cruces – identifies the City has a key supporter of helping to commercialize research from NMSU and keeping the resulting businesses in the region.
7. Help retain NMSU graduates in the region.
8. Help attract outside highly educated workers to the region.
9. Potential for future growth
    - Expand size
    - Add products
    - Export of growing system
10. Innovative business – growing shrimp in the desert – need I have to say more
11. Green project – closed system, judiciously using natural resources and conserving the environment, uses cotton seed (waste product) as feedstock
12. Sustainable business – triple bottom line
13. Fits one of the business types the City wants to recruit for the industrial park
    - Value added ag, food processing, innovative, sustainable
14. Increase activity in the West Mesa Industrial Park – activity creates more activity
    - Business has alternative site outside of Las Cruces
15. Potential to generate positive news about the City of Las Cruces, NMSU, the region, and economic development in the region

PUBLISHING INFO FOR CITY CLERKS OFFICE
FIRST READ October 20
ADOPTION November 3

Terms of Sale:
Proposed sale is for Lot 5 and Lot 9. The proposed sale for Lot 5 is Eighty-Nine Thousand, Eight Hundred Fifty-Eight Dollars ($89,858.00), with 50% (Forty Four Thousand, Nine Hundred Twenty-Nine Dollars - $44,929.00) payable in cash at closing, and the remainder as a $44,929.00 five (5) year note at 1.5% interest rate, with five (5) equal payments of $8,985.80 plus interest due on the anniversary of the closing.

The proposed sale of Lot 9 is a two year Right of First Refusal for a One Thousand Dollar ($1000.00) payment, and if exercised, a purchase price of One Hundred Sixty-Two Thousand, One Hundred and Eighty- Eight Dollars ($162,188.00) with 50% (Eighty-One Thousand, Ninety-Four Dollars - $88,094.00) payable at closing, and the remainder as a five year Eighty-One Thousand, Ninety-Four Dollar - $88,094.00) note at 1.5% interest rate, with five (5) equal payments of $17,618.80 plus interest due on the anniversary of the closing.

Appraised Value:
The property was appraised (two appraisals) in July 2014.

The appraisers concluded a value of Forty Thousand Dollars/acre ($40,000/acre) or One Hundred and Eighty Thousand Dollars ($180,000.00) for Lot 5.

The appraisers concluded a value of Forty Thousand Dollars/acre ($40,000/acre) or Three Hundred and Twenty-Five Thousand Dollars ($325,000.00) for Lot 9.

Schedule of Payments:
For Lot 5 - $44,929.00 payable in cash at closing, and the remainder as a $44,929.00 five (5) year note at 1.5% interest rate, with five (5) equal payments of $8,985.80 plus interest due on the anniversary of the closing.

For Lot 9 – A One Thousand Dollar ($1000.00) payment for a two year Right of First Refusal, and if exercised, One Hundred Sixty-Two Thousand, One Hundred and Eighty- Eight Dollars ($162,188.00) with 50% (Eighty-One Thousand, Ninety-Four Dollars - $88,094.00) payable at closing, and the remainder as a five year Eighty-One Thousand, Ninety-Four Dollars - $88,094.00) note at 1.5% interest rate, with five (5) equal payments of $17618.80 plus interest due on the anniversary of the closing.

Amount of Purchase price:
Proposed sale for Lot 5 is for $89,858.00.
Proposed sale for Lot 9 is for $162,188.00.

Purchaser of Property:

RCR, Inc., 1930 Tapestry Circle, Las Cruces, New Mexico 88005.

Purpose of Sale:
The City has received an offer and use agreement that is mutually beneficial. The current condition of the land is development ready. The City's objective is to sell this parcel to a business that will build a manufacturing facility (value added agriculture/food processing) and create jobs in the City of Las Cruces. Additionally the sale will reduce the City's inventory of unused acreage at the West Mesa Industrial Park.