

City of Las Cruces®

PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 9 Ordinance/Resolution# 10-093 Council District: 5

For Meeting of September 21, 2009
(Adoption Date)

TITLE:

A RESOLUTION APPROVING THE PURCHASE OF PROPERTY OWNED BY PATRICIA BROOKS LOCATED AT 6140 JEFFERSON LANE, IN THE AMOUNT OF ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) AS PART OF THE JEFFERSON LANE RECONSTRUCTION PHASE II PROJECT.

PURPOSE(S) OF ACTION: Acquire a 0.500-acre parcel of land and residence for roadway expansion and improvements for Jefferson Lane and Montezuma Road.

Name of Drafter: Catherine Duarte <i>CD</i>		Department: Public Works		Phone: (575) 528-3121	
Department Public Works	Signature <i>[Signature]</i>	Phone 3333	Department Budget	Signature <i>[Signature]</i>	Phone 2300
Community Development	Signature <i>[Signature]</i>	Phone 3043	Assistant City Manager	Signature <i>[Signature]</i>	Phone 2271
Legal	Signature <i>[Signature]</i>	Phone 2128	City Manager	Signature <i>[Signature]</i>	Phone 2076

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

This Resolution authorizes the purchase of the property located at 6140 Jefferson Road owned by Patricia Brooks, for right-of-way necessary as part of the Jefferson Lane Reconstruction Phase II Project. The project will consist of widening the existing road, and will provide installation of utilities, pavement, street lights and bases, sidewalks, drive pads, and curb and gutter. In addition, the project will provide improvements required to meet the Americans with Disabilities Act standards and improve safety and aesthetics and will include ADA upgrades for sidewalks, drive pads, curb ramps, and curb and gutter along Jefferson Lane.

With the adoption of the 2006-2010 Consolidated Plan, and Resolution #09-259 on May 4, 2009, City staff contacted all property owners along Jefferson Lane and requested a dedication of twenty (20) to twenty-five (25) feet of their property for the improvement of the roadway. Upon the widening of Jefferson Lane, the manufactured home located at 6140 Jefferson Lane will be approximately seven (7) feet away from the proposed roadway. The City will also need twenty-five (25) feet along the east boundary for dedication of Montezuma Road for future widening and road improvements.

The New Mexico Environment Department currently requires a minimum of $\frac{3}{4}$ of an acre for septic systems. The property contains $\frac{1}{2}$ acre and, as such, is already a legal, nonconforming use. With the dedication of the right-of-way, the nonconforming situation is made worse and, the property would not meet the front or side setback requirements. Since it is anticipated city sewer service will not be available to this area for several years, the appraiser has concluded that the property has suffered a loss in value to the extent that it has a negligible remaining economic value to the owner. As such, it is reasonable for the City of acquire the entire property and compensate the owner accordingly.

The City Council committed to providing funding for street improvements on the City's East Mesa under the Community Development Block Grant (CDBG) Program. This action included potential property acquisition to complete the road, in addition to the necessary base-course and subgrade improvements. As a displaced homeowner, Ms. Brooks qualifies for assistance under the Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act of 1970, as amended. Under the URA, Ms. Brooks will have the right to receive just compensation, not less than the fair market value of her property. Ms. Brooks is also eligible for relocation assistance, which includes advisory services, including referrals to replacement housing, and at least ninety (90) days advance written notice of the date she would be required to move. Ms. Brooks would also receive a payment for moving expenses and may be eligible for financial assistance to help rent or buy a replacement house. Ms. Brooks has already found a replacement house located at 6637 Prairie Dog Road, which she plans to purchase upon the sale of her current home on Jefferson Lane.

City staff ordered an appraisal on the property. On May 26, 2009 the appraisal was completed by Mesilla Valley Appraisal Services. The appraised value of the property is \$100,000.00. City staff reviewed the appraisal and concludes that the appraisal is fair and comprehensive and that \$100,000.00 is a reasonable estimate of the market value of the property.

City staff contacted the property owner to sign a Real Estate Purchase Agreement to purchase the property in the amount of \$100,000.00, subject to City Council approval. The property owner accepted the City's offer and signed the Real Estate Purchase Agreement, and requested that the City expedite the process, so she would not lose the opportunity to be able to purchase the property located at 6637 Prairie Dog Road. Associated closing costs, as referenced on the attached Purchase Agreement, have been authorized for payment by Resolution 09-259.

Purchasing the Brook's property, will provide sufficient area for additional right-of-way for Jefferson Lane and for Montezuma Road. The City sewer will not be available in this area for approximately two (2) to five (5) years. Upon availability of City sewer, this property can be marketed for future affordable housing.

SUPPORT INFORMATION:

Fund Name / Account Number	Amount of Expenditure	Budget Amount
Jefferson Roadway Improvements 2000-20184240-853100-70M70	\$ 100,000.00	\$100,000.00

1. Exhibit "1" – Purchase Agreement.
2. Attachment "A" – Appraisal Certifications from Mesilla Valley Appraisal Services.
3. Attachment "B" – Vicinity Map.
4. Attachment "C" – Resolution 09-259.

OPTIONS / ALTERNATIVES:

1. Vote "Yes" and approve the Resolution. This action will allow the City to purchase the property located at 6140 Jefferson Lane from Patricia Brooks for \$100,000.00. This will allow the Jefferson Lane Reconstruction Phase II Project to proceed as scheduled.
2. Vote "No" and deny the Resolution. This action will not allow the City to purchase the property located at 6140 Jefferson Lane from Patricia Brooks, and require City Staff to seek an alternative course of action to acquire the right-of-way for Jefferson Lane and Montezuma Road. This action will not allow the Jefferson Lane Reconstruction Phase II Project to proceed as scheduled. Ms. Brooks would continue ownership of her parcel.
3. Vote to Table the Resolution for consideration at a later date.
4. Modify the terms of the agreement and instruct staff to seek alternative direction.

RESOLUTION NO. 10-093

A RESOLUTION APPROVING THE PURCHASE OF PROPERTY OWNED BY PATRICIA BROOKS LOCATED AT 6140 JEFFERSON LANE, IN THE AMOUNT OF ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) AS PART OF THE JEFFERSON LANE RECONSTRUCTION PHASE II PROJECT.

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

WHEREAS, the City of Las Cruces needs to acquire the property located at 6140 Jefferson Lane owned by Patricia Brooks for right-of-way necessary as part of the Jefferson Lane Reconstruction Phase II Project; and

WHEREAS, the Jefferson Lane improvements will consist of widening the roadway, along with installation of utilities, pavement, street lights and bases, sidewalks, drive pads, and curb and gutter to meet the requirements of the Americans with Disabilities Act; and

WHEREAS, City staff contacted all property owners along Jefferson Lane and requested dedication of twenty (20) to twenty-five (25) feet of property for the improvements of the roadway, and

WHEREAS, the widening of Jefferson Lane and Montezuma Road will impact the size of subject property and create a nonconforming area for the septic, front, and side set back requirements. The owner would be left with an uneconomic remnant parcel, a parcel of real property with little or no value to the owner, making it necessary to purchase the entire property; and

WHEREAS, with the adoption of the 2006-2010 Consolidated Plan, and Resolution #09-259 on May 4, 2009, the City Council committed to providing funding for street improvements on the City's East Mesa under the Community Development Block Grant (CDBG) Program; and

Resolution No. 10-093

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WHEREAS, this action included potential property acquisition to complete the road improvement project, in addition to the necessary base-course and subgrade improvements; and

WHEREAS, Ms. Brooks qualifies for assistance under the Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act of 1970, amended. Under the URA, Ms. Brooks will have the right to receive just compensation, not less than the fair market value of her property; and

WHEREAS, on May 26, 2009, the appraisal was completed by Mesilla Valley Appraisal Services. The appraised value of the property is \$100,000.00. City staff reviewed the appraisal and concludes that the appraisal is fair and comprehensive and that \$100,000.00 is a reasonable estimate of the market value of the property; and

WHEREAS, City staff contacted the property owner to sign the Real Estate Purchase Agreement to purchase the property for \$100,000.00, and associated closing costs approved by Resolution 09-259, subject to City Council approval; and

WHEREAS, the property owner accepted the City's offer and signed the agreement, and requested that the City expedite the process, so she would not lose the opportunity to purchase a property located at 6637 Prairie Dog Road ; and

WHEREAS, by purchasing the Brook's property, the City would have sufficient area for additional right-of-way for Jefferson Lane and Montezuma Road. City sewer will not be available in this area for approximately two (2) to five (5) years. Upon availability of City sewer, this property can be marketed for future housing.

Resolution No. 10-093

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NOW, THEREFORE, be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the City of Las Cruces hereby authorizes City Staff to purchase the property for right-of-way for the Montezuma Road and Jefferson Lane Improvement Project, in the amount of \$100,000.00 as described on Exhibit "1", which is attached hereto and made a part of this Resolution.

(II)

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

DONE AND APPROVED this _____ day of _____, 2009.

APPROVED:

Mayor

(SEAL)

ATTEST:

CITY CLERK

VOTE:

Mayor Miyagishima:	_____
Councillor Silva:	_____
Councillor Connor:	_____
Councillor Archuleta:	_____
Councillor Small:	_____
Councillor Jones:	_____
Councillor Thomas:	_____

Moved by: _____

Seconded by: _____

APPROVED AS TO FORM:



City Attorney

AGREEMENT FOR PURCHASE OF REAL ESTATE

THIS AGREEMENT, is entered into this 24th day of August 2009, between PATRICIA BROOKS, a single woman, (hereafter called the Seller), 6140 Jefferson, Las Cruces, NM 88011 and the CITY OF LAS CRUCES, a New Mexico Municipal Corporation, P.O. Box 20000, Las Cruces, NM 88004 (hereafter called the City).

The Seller, in consideration of the mutual covenants herein contained, agree to sell and convey, and the City agrees to purchase parcel of land as described, with all buildings and improvements thereon, in any, and all rights, hereditaments, easements and appurtenances thereunto belonging, located in the County of Dona Ana, State of New Mexico more particularly described as follows:

A tract of land situated North of Las Cruces, Dona Ana County, New Mexico, being part of the E1/2, SE1/4, SE1/4, NW1/4 of Section 24, T.22S. R.2E., N.M.P.M. of U.S.G.L.O. Surveys and being more particularly described as shown on Exhibit "A" attached hereto and made a part hereof, Dona Ana County, New Mexico (hereinafter called the Property).

TERMS AND CONDITIONS

1. **Purchase Price.**

The purchase price for the Property shall be One Hundred Thousand Dollars and No Cents (\$100,000.00), payable in cash or equivalent at closing of the Property.

2. **Closing Date.**

Closing for the sale of the Property shall occur on a mutually agreeable date, at least (60) days after the adoption of the resolution authorizing the purchase by the City. The Parties may extend the Closing Date by mutual agreement, not to exceed 365 days following the date of the resolution.

3. **Review of Title and patent Reservations.**

- a) As soon as reasonably possible following the execution of this Agreement, the City shall obtain 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, easement, rights of way, assessments, liens and other matters of record. City shall have ten (10) days, from receipt of the Commitment and copies of said exceptions, within which to notify the Seller of the City's disapproval of any exceptions shown in the Commitment.
- b) The Seller shall have until the date of closing to eliminate any disapproved exception(s) or reservations, except patent reservations(s) from the policy of title insurance to be issued in favor of the City, and if not eliminated, unless the City then elects to waive its disapproval. Failure of the City to disapprove any

Real Estate Purchase Agreement / Brooks Property / Page 2

exception(s) or patent reservations(s) within the aforementioned time limit shall be deemed an approval of such exception or patent reservation. The policy of title insurance shall be a standard coverage policy in the amount of the total purchase price and shall be paid for by the City.

- c) In the event this contingency or any other contingency to this Agreement has not been eliminated or satisfied within the time limits and pursuant to the provisions herein, and unless the City elects to waive the specific contingency by written notice to the Seller, this Agreement shall be deemed null and void, the earnest money deposit shall be returned to the City, and neither party shall have any rights or liabilities under this Agreement.
- d) At closing, the Seller shall execute and deliver a Warranty Deed conveying the Property to the City 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 City and eliminated by the Sellers pursuant to this Agreement. The place of closing shall be mutually agreed upon by the parties.

4. Costs and Fees.

- a) The closing costs shall all be paid by the City including Title Insurance, Title Commitment, Title Closing Fee, Recording Fees, except for pro-rata taxes to the date of closing which shall be paid by the Seller.
- b) If either is found by a court to have breached this Agreement, the other party may recover reasonable attorney's fees and cost of litigation. Prior to the initiation of any litigation, however, the parties have the contractual duty to, in good faith, attempt to resolve any controversy hereunder at the least possible expense.

5. Compliance with Ordinances.

The City states that it has complied with the requirements of City Ordinance and has authorization to purchase the Property.

6. Governing Laws.

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

7. Risk of Loss

All risk of loss or damage to the Property will pass from the Seller to the City at closing. In the event that material loss or damage, or material adverse change occurs prior to closing, City may, without liability, refuse to accept the conveyance of title, and terminate this Purchase Agreement. Possession of the Property will be released to the City 30 days from the day of closing to allow the seller sufficient time to re-locate. It

Real Estate Purchase Agreement / Brooks Property / Page 3

is the responsibility of the Seller to provide Homeowners Insurance coverage for the extended 30-day period or until the property is formally released to the City.

8. 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.

9. Termination

This agreement shall be terminated on the closing date for sale of the Property.

10. Notice.

All notices given pursuant to or in connection with this Agreement shall be made in writing and posted by certified mail, postage prepaid, to the City of Las Cruces, ATTN: Catherine Duarte, Senior Real Estate Services Specialist / Land Management Department, P.O. Box 20000, Las Cruces, NM 88004 and to Seller, Patricia Brooks, 6140 Jefferson, Las Cruces, NM 88011 or to such address as requested by either party.

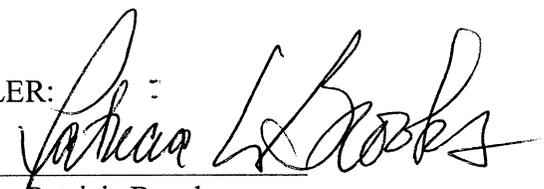
Notice shall be deemed to be received on the fifth day following posting.

Done and approved on the date first written above,

CITY OF LAS CRUCES

By: _____
Ken Miyagishima, Mayor

SELLER:

By: 
Patricia Brooks

Telephone No:

382-6961

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

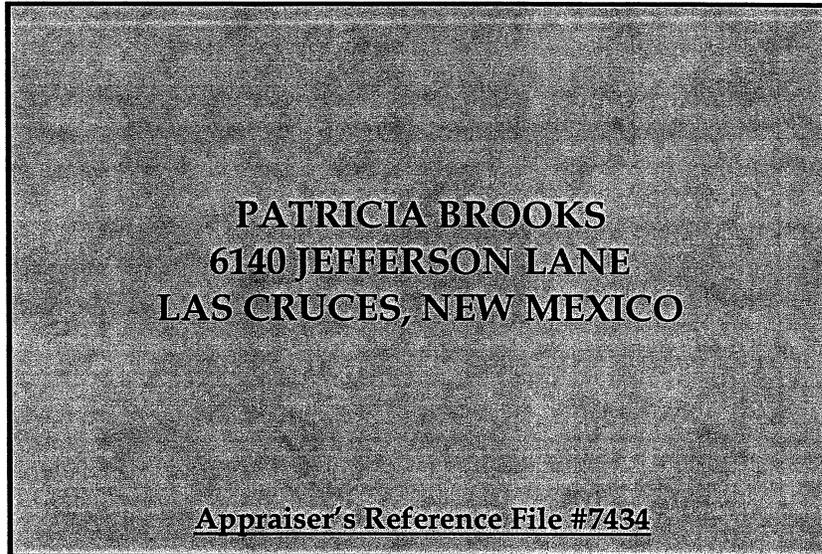
Exhibit "A"

A tract of land situate North of Las Cruces, Dona Ana County, New Mexico, being part of the E1/2 SE1/4 SE1.4 NW1/4 of Section 24, T.22S., R2E., N.M.P.M. of the U.S.G.L.O. Surveys and being more particularly described as follows, to wit:

Beginning at a ½" iron rod found on the North line of a 25 foot wide road and utility easement (a.k.a. Jefferson Lane) for the Northwest corner of the tract herein described, whence the W1/4 corner of Section 24, T.22S., R.2E., N.M.P.M. of the U.S.G.L.O. Surveys bears the following two courses and distances, S.89 deg. 41' 00"E., 167.05 feet; Thence S. 27 deg. 34' 34" W., 750.13 feet; Thence from the point of beginning and along the North line of said 25 foot wide road and utility easement N. 89 deg. 41' 00" E., 142.00 feet to a ½" iron rod found on the East line of a 15 foot wide road and utility easement (a.k.a. Montezuma Avenue) for the Northeast corner of this tract; Thence along the East line of said 15 foot wide road and utility easement, S. 00 deg. 22' 30" E., 153.00 feet to a ½" iron rod found for the Southeast corner of this tract; Thence leaving the East line of said 15 foot wide road and utility easement. S. 89deg.41'00"W. 142.00 feet to a ½ iron rod found for the Southwest corner of this tract; Thence N.00 deg. 22'30"W., 153.00 feet to the point of beginning, containing 0.500 acre of land, more or less.

Subject to a 25 foot wide road and utility easement South of and parallel to the North boundary line and a 15 foot wide and utility easement West of and parallel to the East boundary line.

**SUMMARY APPRAISAL REPORT
OF**



PREPARED FOR:

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

CURRENT DATE OF VALUATION

MAY 6, 2009

MESILLA VALLEY APPRAISAL SERVICES

REAL ESTATE APPRAISALS & COUNSELING

W. SCOTT ESCHENBRENNER, MAI
SUITE D
State Certified - New Mexico
88005
General Certificate #1180
2812
526-1872

545 SOUTH MELENDRES ST.,
LAS CRUCES, NEW MEXICO
(575) / 523-
FAX (575) /

May 26, 2009

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

Reference: File No. 7434
Property Owned by Patricia Brooks
6140 Jefferson Lane, Las Cruces, New Mexico

Dear Mr. Hamm:

Pursuant to your request for a complete, summary appraisal report of the fee simple rights of ownership of the property located at 6140 Jefferson Lane, City of Las Cruces, Doña Ana County, New Mexico, I submit the attached appraisal report.

I have formed the opinion that, as of May 6, 2009, the estimated market value of the subject real property and the estimated total compensation for the acquisition, as defined in the report, is as follows:

ONE HUNDRED THOUSAND DOLLARS

(\$100,000)

Market Value as used in this report is defined as 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 are the consummation of a sale as of a specified date and the passing of title from seller to buyer.

Mr. Bill Hamm
May 26, 2009
Page 2

My appraisal is based on estimates, assumptions and other information developed from research of the market, knowledge of the industry, and information that were provided.

I, the undersigned, do hereby certify that to the best of my knowledge and belief, the facts and data used herein are true and I have personally inspected the subject property, and that I have no interest present or current therein.

Respectfully submitted,

Scott

Eschenbrenner

Digitally signed by Scott Eschenbrenner
DN: cn=Scott Eschenbrenner, o=Mesilla
Valley Appraisal Services, ou,
email=sbrenner@zianet.com, c=US
Date: 2009.05.27 13:24:23 -0600

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

THIS LETTER MUST REMAIN ATTACHED TO THE REPORT, WHICH IS 40 PAGES PLUS RELATED ADDENDA, IN ORDER FOR THE VALUE OPINION SET FORTH TO BE CONSIDERED VALID.

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Executive Summary

Current Date of the Appraisal:	May 6, 2009
Date of Report:	May 26, 2009
Appraiser's File Reference:	#7434
Address:	6140 Jefferson Lane, Las Cruces, NM
Parcel ID#:	02-19330
Legal Description:	The E ½ SE ¼ SE ¼ NW ¼ of Section 24, Township 22 South, Range 2 East
Land Size:	0.500 Acres or 21,780 Square Feet
Improvements:	26' x 48' Crestridge Manufactured Home built in 1996
Highest & Best Use:	Single Family Residential Lot

ESTIMATED CURRENT VALUE	
INDICATED MARKET VALUE - COST APPROACH	\$87,000
INDICATED MARKET VALUE - SALES COMPARISON APPROACH	\$103,500
FINAL CONCLUDED MARKET VALUE	\$100,000

** Subject to the Extraordinary Assumptions and Limiting Conditions as noted on Page 7 of this report.*

Assumptions and Limiting Conditions

This complete, summary appraisal is subject to the following assumptions and limiting conditions when applicable.

The legal description is assumed to be correct.

The sketches in this report are included to assist the reader in visualizing the property. I have made no survey of the property and assume no responsibility in connection with such matters.

There is no assumption of responsibility for matters legal in character nor any rendition of opinion as to title, which is assumed to be good. The property is appraised as though free and clear under responsible ownership.

I believe to be reliable, the information identified in this report as being furnished by others, but I assume no responsibility for its accuracy.

Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by anyone but the applicant without the previous written consent of the appraiser or the applicant and in any event, only with proper identification.

I am not required to give testimony or attendance in court by reason of this appraisal without prior agreement mutually agreeable to both the appraiser and the client.

Allocations between land and improvements, where applicable in the report, apply only under the program of development stated. Such allocations may not be used in connection with any other appraisal and are invalid if so used.

Where the value of the various components of the property are shown separately, the value of each is segregated only as an aid to better estimating the value of the whole; the independent value of the various components may, or may not, be the market value of the component.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl's, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to my attention nor did I become aware of such during the inspection. I have no knowledge of the existence of such materials on or in the property unless otherwise stated. However, I am not qualified to test such substances or conditions. The presence of such hazardous substances may affect the value of the property. The value estimated is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, 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 he is connected, or any reference to the Appraisal Institute or to the MAI designation.

I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA (The Americans with Disabilities Act), which become effective January 26, 1992. 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 non-compliance with the requirements of ADA in estimating the value of the property.

Market data as used in this appraisal was obtained from sources believed to be reliable; however, I assume no responsibility for their accuracy.

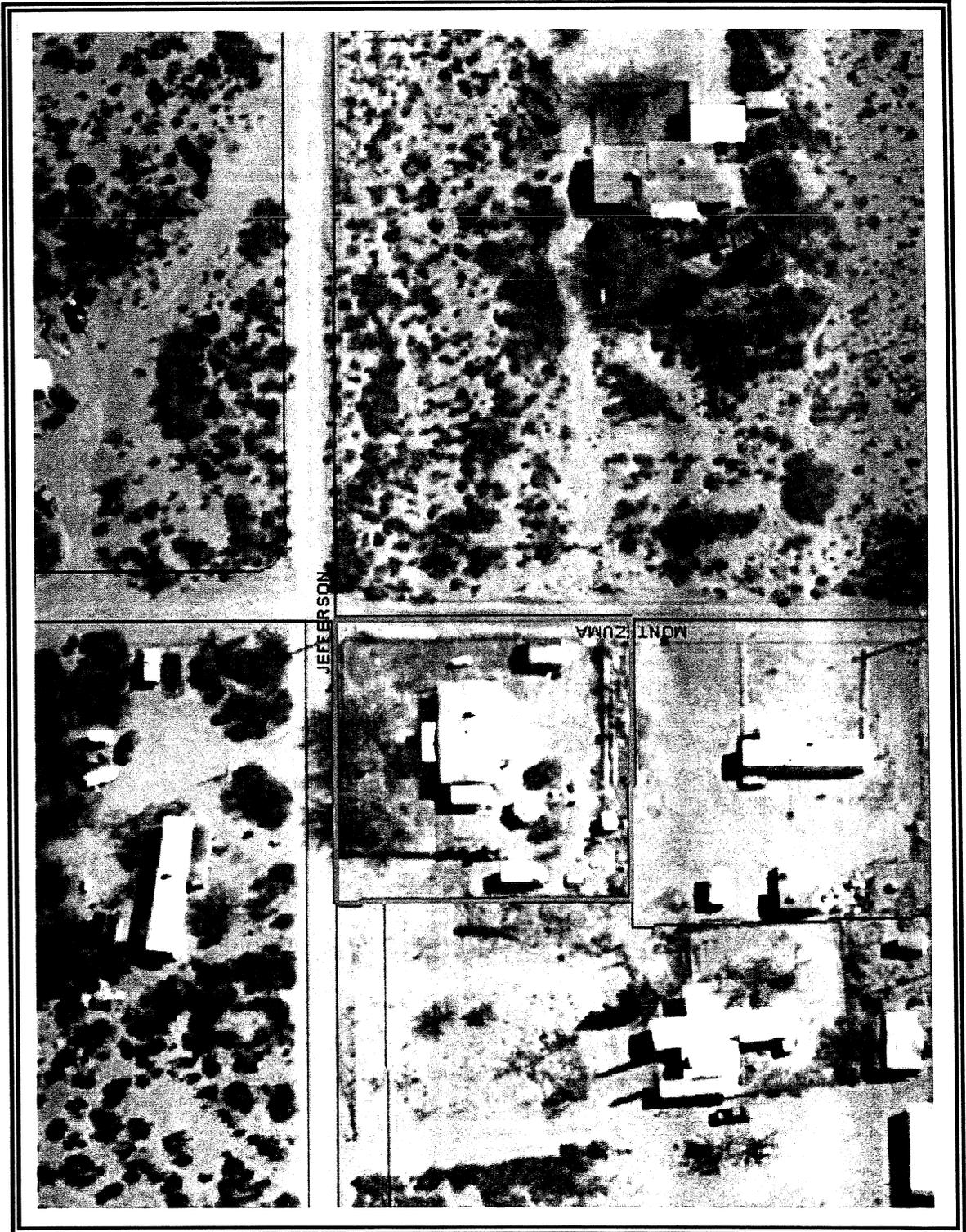
My appraisal is made subject to any Extraordinary Assumptions and Limiting Conditions that may become evident subsequent to engagement.

Extraordinary Assumptions and Limiting Conditions

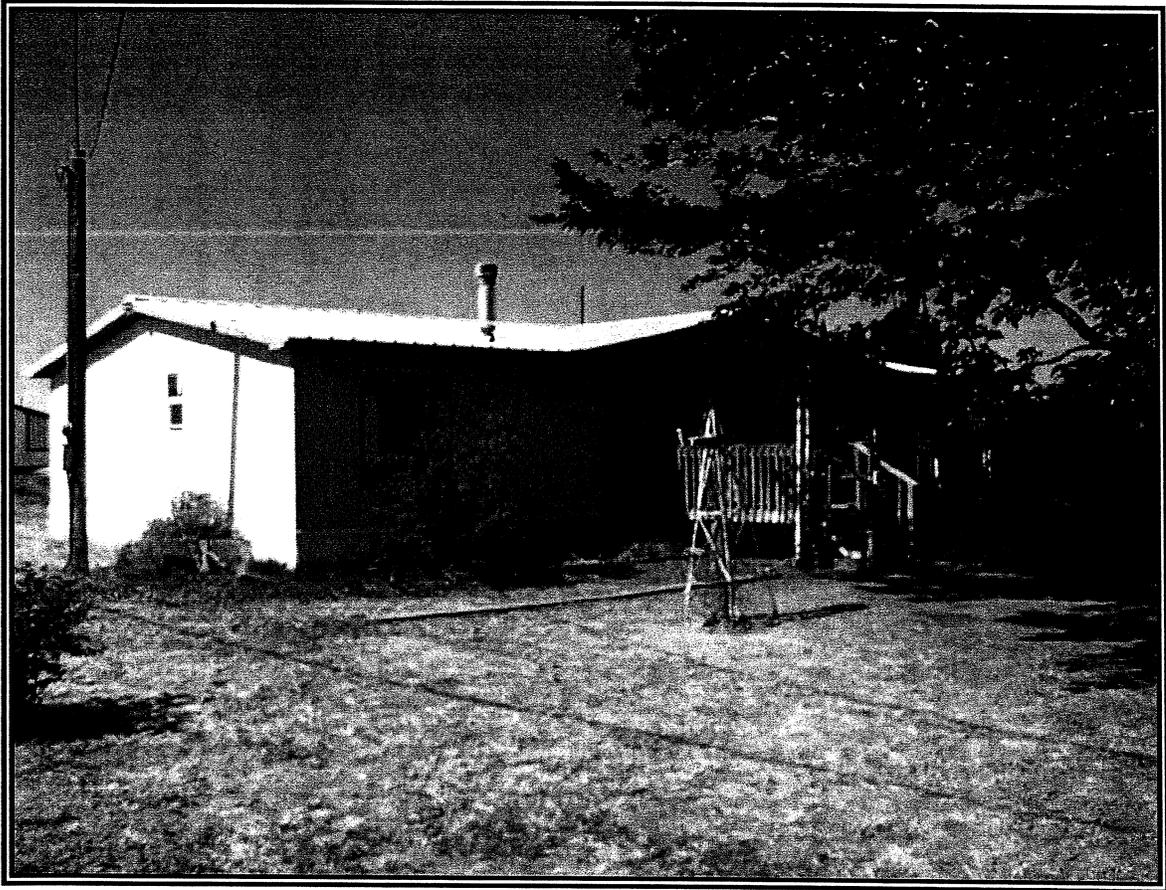
This complete, summary appraisal is subject to the following extraordinary assumptions and limiting conditions.

I have not been provided with a current environmental report for the subject. I am not an expert in such matters and the reader is advised to obtain professional assistance in such matters. My appraisal assumes and is made subject to the land and improvements not being contaminated by any hazardous substances.

AERIAL PHOTOGRAPH

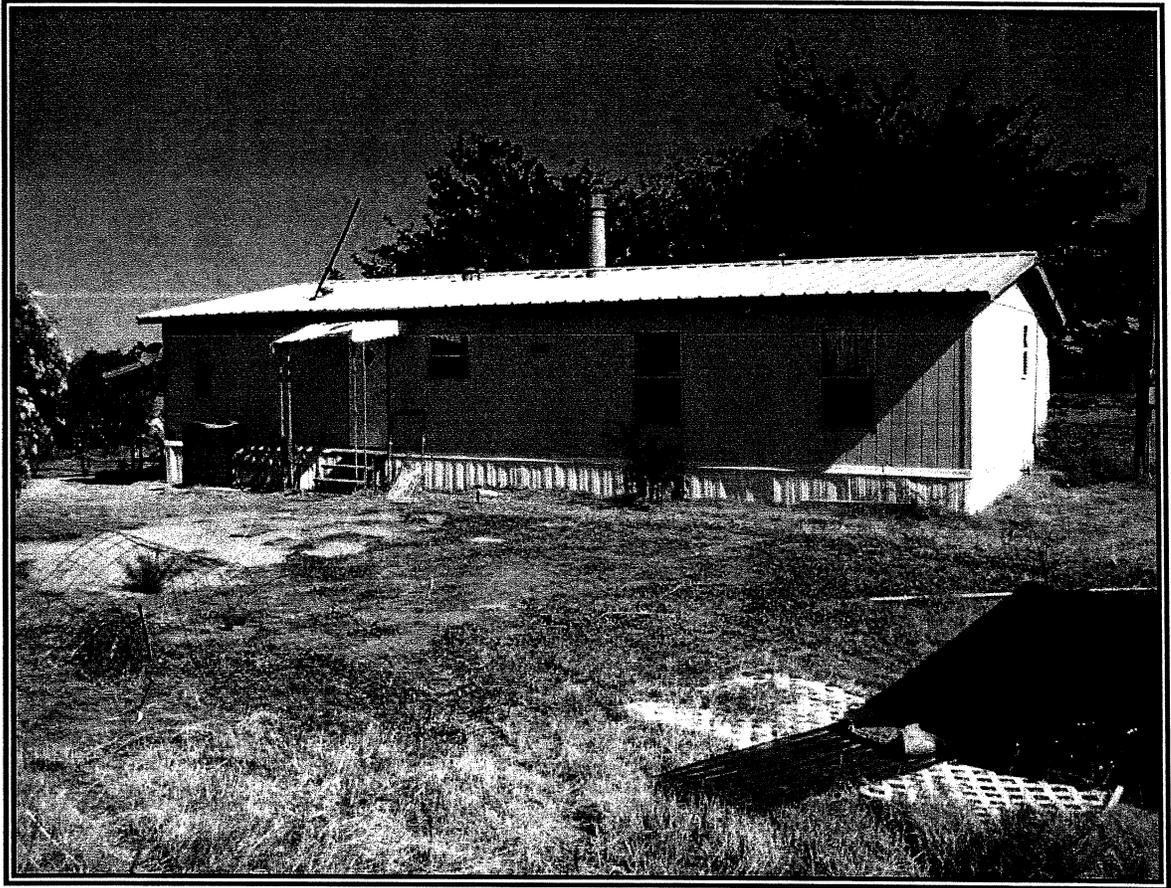


Subject Photographs



View #1

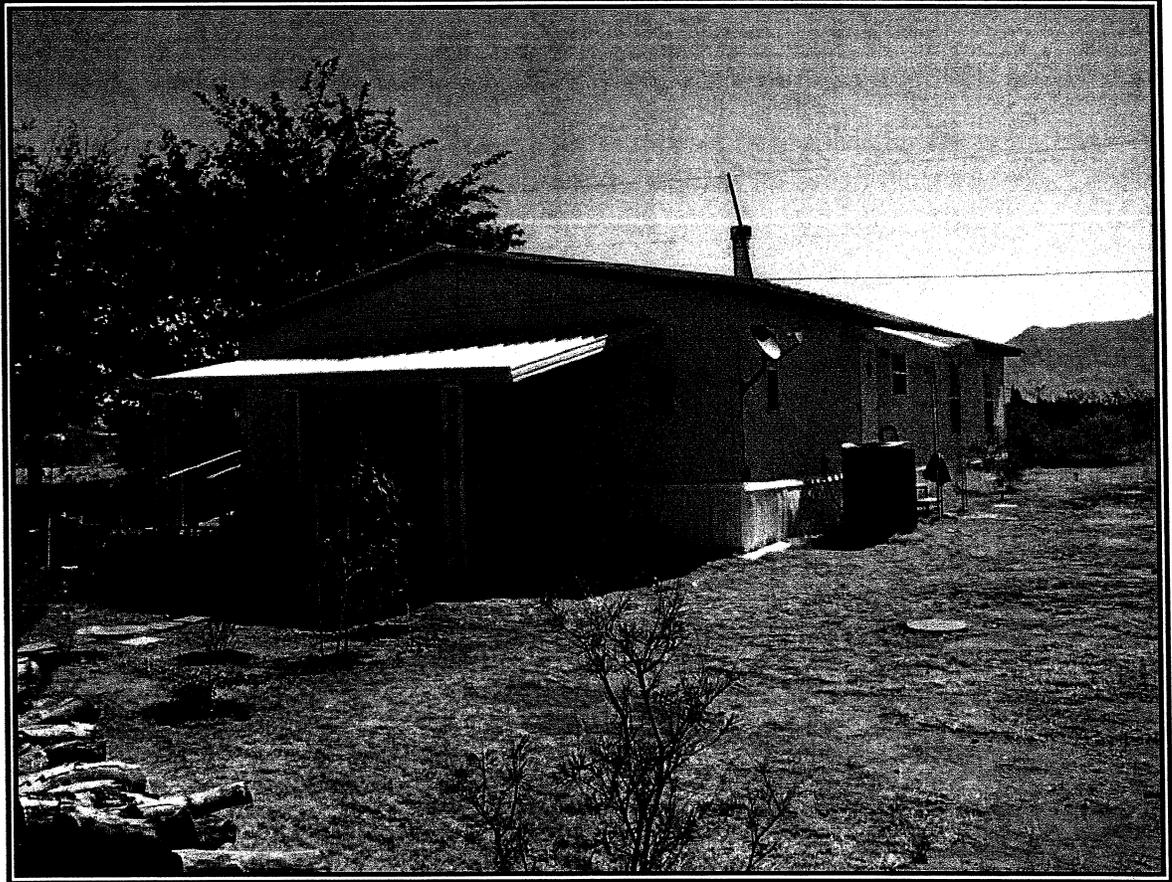
View of the northeast corner of the 1996 Crestridge manufactured home facing southwest.
Picture taken by W. Scott Eschenbrenner, MAI on May 6, 2009 - Approximately 10:30 AM.



View #2

View of the southern portion of the 1996 Crestridge manufactured home facing northwest and taken from the southeastern portion of the site.

Picture taken by W. Scott Eschenbrenner, MAI on May 6, 2009 - Approximately 10:30 AM.



View #3

View of the southern and eastern portion of the 1996 Crestridge manufactured home facing east
and taken from the western portion of the site.

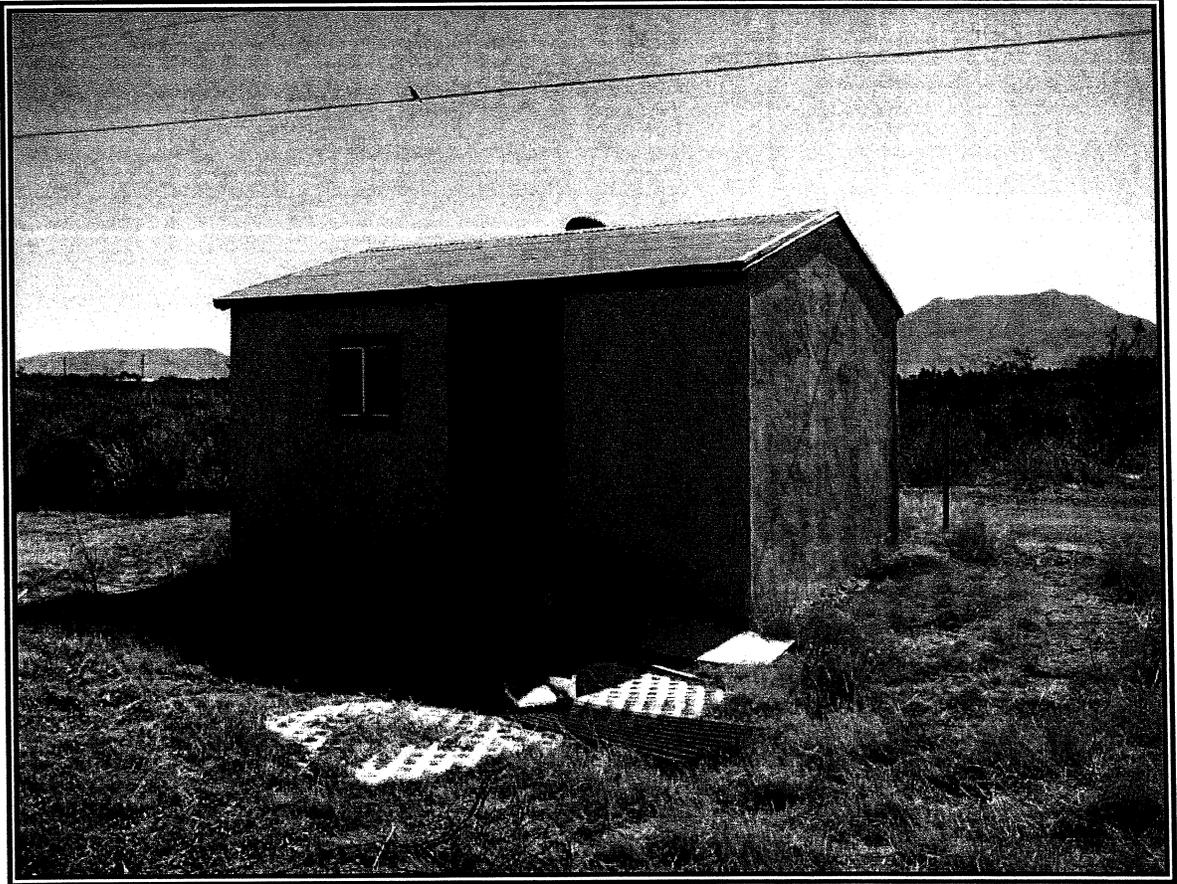
Picture taken by W. Scott Eschenbrenner, MAI on May 6, 2009 - Approximately 10:30 AM.



View #4

View of the northern and western portion of the 1996 Crestridge manufactured home facing southeast and taken from the northern portion of the site.

Picture taken by W. Scott Eschenbrenner, MAI on May 6, 2009 - Approximately 10:30 AM.



View #5

View of the storage building facing east and taken from the rear yard.
Picture taken by W. Scott Eschenbrenner, MAI on January 24, 2007 - Approximately 11:00 AM.



View #6

View of the Coy Pond situated in the front yard.

Picture taken by W. Scott Eschenbrenner, MAI on May 6, 2009 – Approximately 10:30 AM.

Summary Appraisal Report Format

This is a Summary Appraisal Report, 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 Summary Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop my opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in my files. 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 is not responsible for unauthorized use of this report.

Identification of the Property

The subject consists of a 0.500 acre tract of land situated at the southwest corner of Jefferson Lane and Montezuma Avenue. The properties physical address is 6140 Jefferson Lane, City of Las Cruces, Doña Ana County, New Mexico. This parcel is further identified as Doña Ana County Parcel Identification Number 02-19330. The property is improved with a 28' x 48'- 1996 Crestridge Manufactured Home that is permanently attached to the land.

Legal Description

The subject is legally described as the E ½ of the SE ¼ of the SE ¼ of the NW ¼ of Section 24, Township 22 South, Range 2 East, NMPM of the USGLO Surveys, City of Las Cruces, Doña Ana County, New Mexico. A plat of survey and metes and bounds description for the taking are included in the Site Description section of this report.

History of the Property

City records indicate that the subject property is currently under the ownership of Patricia Brooks. The subject property was acquired on May 7, 2007 from Charles Tidwell. According to the Warranty Deed filed in Book 812, Page 898 the subject property was purchased for \$78,000. The property was listed for sale at \$82,000 and was on the market for 84 days. To the best of my knowledge, there are no pending contracts and the property is not offered on the market for sale as of the appraisal date.

Purpose of the Appraisal

The purpose of this appraisal is to estimate market value of the subject property in accordance with the definition of market value presented on the following page. It is my understanding that the appraisal report will be used for determining just compensation to the property owner for a relocation of the property owner due to a road expansion project on Jefferson Lane. The taking will be used for widening of Jefferson Lane to be constructed by The City of Las Cruces. The assignment involves a total acquisition and the estimate of market value for the whole property will be considered. Market value for this parcel will be established for just compensation to the property owner.

Summary of the Appraisal Problem

The purpose of this section is to discuss specific appraisal problems, if any, which were encountered by the appraiser and that will be discussed in the body of the appraisal report. The City of Las Cruces has proposed paving Jefferson Lane from Porter Drive east to Davis Road and will also install concrete curb, gutter and sidewalks. Sewer will not be installed in this thoroughfare. The subject property is currently served by a septic tank for its sewer needs. Several years ago septic systems were allowed on smaller sites but due to ground water contamination issues the New Mexico Environment Department now requires a minimum of $\frac{3}{4}$ of an acre for septic systems. The property is already a legal, non-conforming use as the property contains less than the minimum $\frac{3}{4}$ acre requirement. With the acquisition of the right-of-way, the non-conforming situation is worse and it is doubtful that the City can resolve the state's requirements.

According to Sara Hernandez, Regional Relocation Specialist for HUD, if you have a situation that only requires a partial take, but leaves the remainder unusable or of little value then the City must offer to acquire the whole property and also pay for relocation in addition to fair market value for the entirety since it would be a displacement that appears involuntary. Since it is unknown when city sewer service will become available to this area it appears reasonable for the City to acquire the entire property and compensate the owner accordingly.

This taking will reduce the size of the subject parcel below the minimum area required by its current REM (Residential Estate Mobile) zoning classification. This zoning designation is intended as a low-density residential district with a minimum lot area of 0.500 acres. The taking will reduce the size of the subject parcel below the minimum 0.500 acre lot area requirement. Typically, the City of Las Cruces Community Development will consider this as a case of a hardship and that the department will issue a non-conforming use certificate that will run with the land.

Property Rights Appraised

The unencumbered fee simple rights of ownership of the real estate have been appraised. The *Dictionary of Real Estate Appraisal*, Third Edition, copyright 1993, page 140 defines *fee simple estate* as, "absolute ownership unencumbered by any other interest or estate: subject only to limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Effective Date of Appraisal

The subject has been appraised as of May 6, 2009, the effective date of the appraisal, which, coincides with the date of my physical inspection. The date of the appraisal report is as of May 26, 2009.

Definition of Market Value

Market Value, as used in this report, is defined as:

Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after reasonable exposure time on the open market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.¹

Appraisal Development and Reporting Process

In preparing this appraisal, the appraiser:

- 1) Inspected the subject property and neighborhood;
- 2) Gathered information on comparable land sales during the past 5-years and listings through local real estate professionals and County Assessors office.
- 3) Confirmed and analyzed the data and applied the Sales Comparison Approach to arrive at an indication of land value.

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

Summary of Area and Neighborhood Data

The City of Las Cruces is the second largest city in New Mexico and is located in Doña Ana County, in the south central portion of New Mexico. The City of Las Cruces is located approximately 40 miles north of El Paso, Texas, and 225 miles south of Albuquerque in a region commonly referred to as the Sun Belt. At an altitude of 3,896 feet above sea level, the city is bordered on the east by the Organ Mountains, to the north by the Caballo Mountains, and the west by the Rio Grande River.

Las Cruces is the second largest city in the State of New Mexico and the largest city in the southern part of New Mexico. The economy is experiencing a steady growth, and is expected to continue for the foreseeable future. The population is increasing significantly faster than the national average and is currently estimated at 3% per year. Expansion is almost assured due to the availability of raw land, a favorable climate, and an increasing work force. All of these conditions combine to create a favorable business climate and attract new residents. In particular, Las Cruces has become a popular retirement city and is considered one of the top ten places in the nation to retire. This trend will continue the need for growth of community services and increasing employment opportunities in that sector.

¹ *Uniform Appraisal Standards for Federal Land Acquisitions, Washington, D.C. 2000 (Page 30).*

Neighborhood Discussion:

The subject neighborhood is generally located in the northeastern portion of Las Cruces and between Porter Road to the west and the Organ Mountains to the east. The neighborhood is generally bounded by BLM land to the south and Highway 70 (aka - Bataan Memorial Highway) to the north.

Access within the neighborhood is considered good via Bataan Memorial Highway, which runs in an east-west direction and is considered the main thoroughfare through the neighborhood. Porter Road and Dunn Drive are the two main north/south thoroughfares that provide access through the subject neighborhood. The remaining roads are residential in nature and are asphalt-paved or graded dirt thoroughfares.

The area is generally gently sloping mesa land. General soil classification is Bluepoint Association. A deep, gently undulating to moderately rolling, well drained soil, which does not appear to pose any problems from a structural standpoint nor from settlement or additional costs incurred for foundations.

This area is built up approximately 35% primarily with newer homes built in new subdivisions and homes on suburban homesites. Older homes in the area range from 20 to 30 years. There is little commercial development other than the intense commercial improvements located on Bataan Memorial Highway. Telephone and electricity are available to most of the area. Water is, for the most part, supplied by the City of Las Cruces and private water companies. There is no public sewer system in this immediate area with sewer being handled by private septic systems. Primary shopping is located to the west of the subject on North Main Street. There is one elementary school just north of the neighborhood and all other schools are adjacent to the neighborhood in the Las Cruces Public School district. Busing is provided where necessary.

Zoning and police protection in the immediate area is controlled by the City of Las Cruces. Fire protection is also provided by the City of Las Cruces. Due to the restrictive city regulations there are no apparent hazards or nuisances in this area.

In summary, a review of the foregoing indicates that the residential area has been rapidly expanding through 2006 until the national slow down in the residential sector struck Las Cruces and is expected to remain in this condition for the foreseeable future. Commercial development in the neighborhood is steady on North Main Street with stable growth. The long range forecast for the area is for slow steady upward growth. As the City continues to develop and grow, it is believed that these outlying areas will continue to develop with residential and commercial growth over the next several years.

Site Description

Size, Shape and Topography

The gross land area for the subject is 0.500 acres and is a rectangular shaped parcel. The subject has 142 feet of road frontage on Jefferson Lane and 153 feet of frontage on Montezuma Avenue. Both of these roads are dirt and in fair condition. The topography of the site is basically level.

Hazardous Materials and other Soil Conditions

No engineering report regarding soil and sub-soil conditions was provided. No hazardous materials study was available, nor has an abstract of title been provided to indicate any prior uses of the land. I am not aware of any reason to suspect that there are hazardous materials on or under the land surface; however, if it is subsequently found that there has been contamination of the soil by any such substances, the value estimate of this report may become invalid.

The following comments are based on my inspection of the site and surrounding properties, and are provided to help the reader visualize the property. I do not, nor am I qualified to offer an opinion regarding the stability or suitability of the soil for construction. No obvious problems were noticed within the subject site.

Utilities

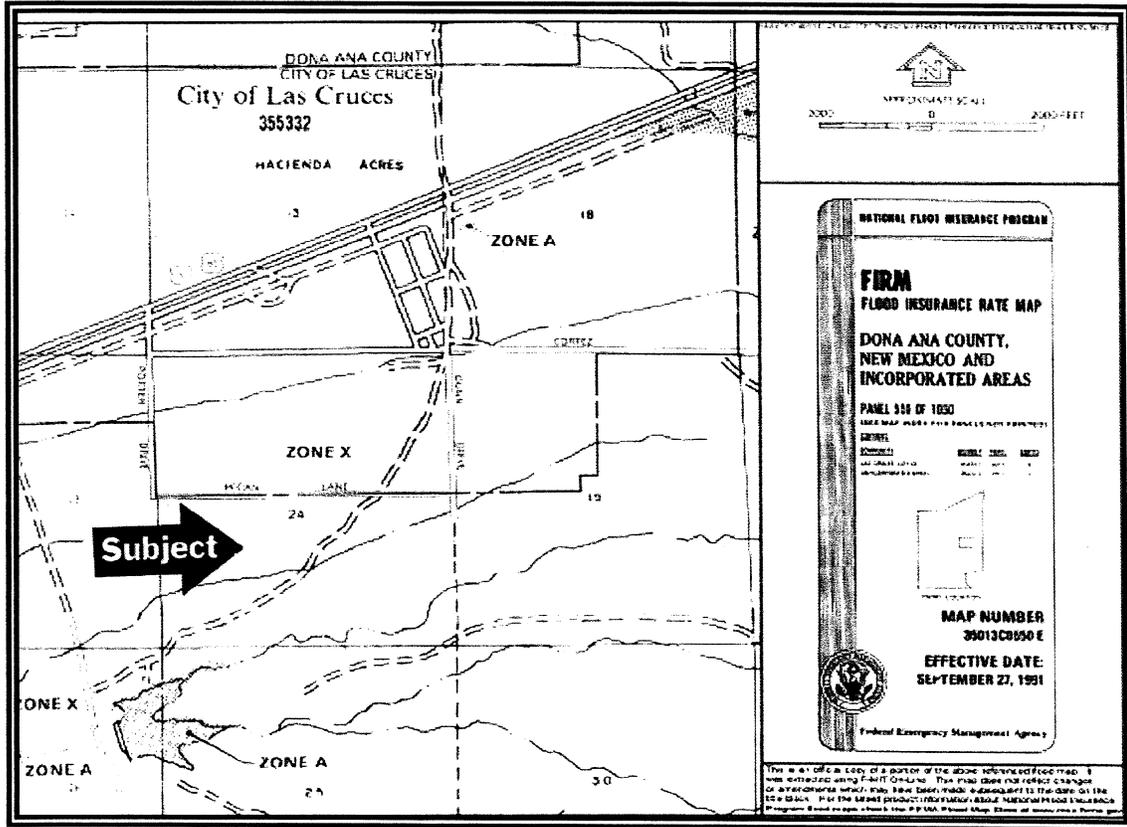
The utilities that are available to the site include electricity, domestic water and telephone along the street frontage. Sewer service is provided by on-site septic systems that are privately maintained. Due to the small size of the site (less than $\frac{3}{4}$ acre) the septic system is a legal non-conforming use. Water service is provided by Jornada Water Company. Natural gas is supplied by local distributors who fill propane cylinders that are privately owned or leased. Upon completion of the Jefferson Lane Improvement Project, the paved thoroughfare will have natural gas, water, and sewer lines. However, the sewer lines will not be connected to the system until a 1 $\frac{1}{2}$ mile of sewer line is connected to the existing system to the west of the subject.

Easements and Encroachments

A physical inspection of the subject did not reveal any utility easements that are considered negative to the development of the site. The warranty deed does refer to a 25' road and utility easement along the northern property boundary and a 15' wide road and utility easement along the eastern property boundary. None of these easements are considered adverse.

Flood Hazard

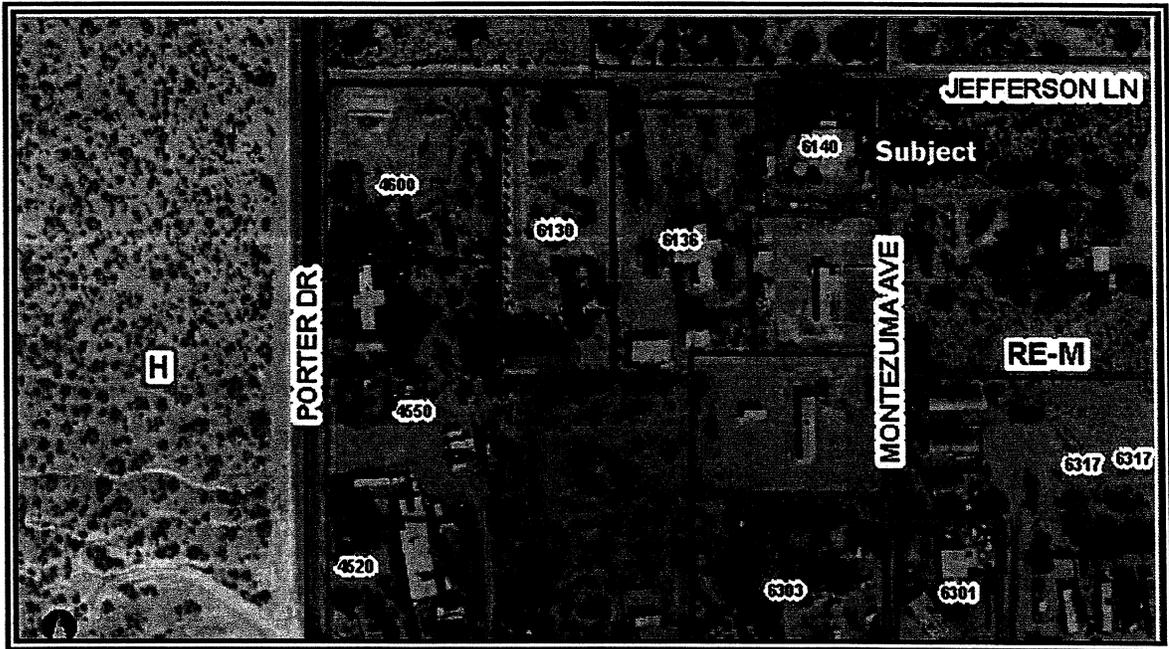
The National Flood Insurance Program map that covers the subject site is designated as Community Panel Numbers 35013-C0550 E, also referred to as Panel 550 of 1050 for Doña Ana County. The effective date of the panel is September 27, 1991, and it is the most recent map for this area of which I am aware. The site is classified as Zone X. Flood zone X is defined as an area of minimal flooding. The site does not appear to have any other drainage problem with respect to development.



Zoning

The subject property is zoned "REM", Residential Estate Mobile District. The REM District is intended as a low-density residential district of single-family site-built/manufactured housing or mobile homes on large lots specifically designed for farming and/or the raising and keeping of animals in a rural atmosphere. Limited commercial activity is permitted. The maximum density of the district is two dwelling units per acre. The following are the minimum development guidelines for this district.

Front Yard	25 feet
Side Yards	15 feet
Rear Yards	15 feet
Lot Width and Areas	At least 100' wide and ½ acre total
Building Heights	Not to exceed 2 ½ stories or 35' in height



Assessment and Real Estate Taxes

The subject property is identified as parcel number #02-19330 by Doña Ana County. The current assessed value for the subject parcel is \$75,600. The property taxes for 2008 were \$633.20, which are current.

Improvement Description

The subject improvement consists of a 28' x 48' double wide manufactured home built by Crestridge Homes. The model is not available; however, the serial number is #CRHTX5530AB. The home has three bedrooms and two full baths. There is a kitchen area and adjacent dining room all next to the living room. The kitchen has a new gas/electric range and oven and no garbage disposal. The master bathroom has a shower and the garden style tub has been removed to provide additional space for the walk in shower. This unit was built in 1996 and is in average condition. The exterior walls are vinyl siding as well as the skirting. The roof is gable with metal R-panels that were added in 2007 and in good condition. The heating is gas forced air and the cooling is a new Carrier Heat Pump system with a ground mounted condensing unit. Site improvements consist of both chain link fence and net wire with "T" posts around the perimeter of the site. There is a 16' x 12' storage building that is stucco covered with a roll composition shingle roof. The property owners have built a Coy Pond with recirculation pump as noted on the subject photo. The site has been extensively landscaped with mature Mexican elders, Afghan Pines, Apricot Trees, Desert Willows, Texas Sage, Oleander bushes, three mature Mulberry trees, along with numerous shrubs, plant and flowers. The entire site is irrigated with an automatic system. Attached to the west end of the home is a 10' x 20' covered patio and on the north side of the house at the entrance to the home is an elevated 9' x 16' wood deck.

Highest and Best Use

The highest and best use of land is defined as "The reasonable probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." (The Appraisal of Real Estate, Tenth Edition, 1992.) In order to estimate highest and best use, there are essentially four stages of analysis. These are as follows:

- 1) Possible Uses of the Site -- what uses are physically possible, given the size, shape and topography of the site.
- 2) Permissible Uses of the Site -- among the physically possible uses, what uses are legally allowed given the zoning, easements, and/or deed restrictions.
- 3) Financially Feasible Uses of the Site -- among the uses, which are physically possible, and legally permissible, what uses would provide a reasonable residual net return to the land.
- 4) Most Productive Use of the Site -- among the financially feasible uses, which use would result in the greatest net return to the land.

Two tests of highest and best use must be considered. These include the highest and best use of the site as if vacant and the highest and best use of the site as improved.

Highest and Best Use as Vacant

Possible Uses

In my opinion, there are few physical constraints to the subject parcel. Access is good with frontage on Jefferson Lane and Montezuma Avenue. Only domestic water, phone and electric are available to the site with propane and septic systems to handle the remaining needs for residential development. The topography is basically level and does not require any additional site work. The only draw back to the site as vacant is the smaller size, which would not currently allow a new septic system as the parcel is smaller than the required $\frac{3}{4}$ acres by the State Environmental Office. The site does currently have a septic system and is basically grandfathered as the $\frac{1}{2}$ acre size was allowed at the time of development.

Legally Permissible Uses

The subject is situated inside the City Limits is zoned "REM" zoning classification, which allows for low density site-built or manufactured housing development. The subject is a nonconforming use based on the sewer issue.

Financially Feasible Uses

Considering the location of the subject in the eastern portion of the City and large amount of residential development in the area, single-family development is considered to be financially feasible uses of this parcel. The subject property is surrounded by residential development that is situated on $\frac{1}{2}$ to 5 acre tracts. All of these parcels are also zoned REM similar to the subject and are low density.

Most Productive Use

Based on recent lot sales activity, the prices being paid per lot for sites suitable for residential development have remained stable. No other residential uses are commanding as high a price.

Therefore in my opinion the highest and best use of subject parcels is for site built single-family residence in accordance with the current zoning guidelines.

The Valuation Process

All three standard valuation procedures, the Cost Approach, Sales Comparison Approach and the Income Approach were considered in this report in the valuation of the fee simple market value. In developing the value estimates, I have relied primarily on the Cost and Sales Comparison Approaches since they are the most orthodox for appraising a single-family residential property.

The Cost Approach to Value provides a lower indication of fee simple value than the Sales Comparison Approach and is considered a less reliable approach due to the lack of cost comparables and difficulty in estimating depreciation. The Sales Comparison Approach to Value provides a higher fee simple indication of fee simple value and is considered a reliable approach to value and is given substantial weight. The Direct Capitalization Method has not been utilized in the appraisal due to the lack of rent comparables, sales of income producing single-family residence and difficulty to deriving an overall capitalization rate.

Cost Approach to Value

Introduction

The cost approach to value is an appraisal technique that can be used in the valuation of any improved property. It gives an indication of value by summation of the estimate of land value and the estimate of depreciated replacement cost of the improvements. First, the current market value of the underlying land is estimated, usually by direct comparison to recent sales of similar land. Next, the current replacement cost of the improvements is estimated. Replacement costs is the estimated costs to construct, at current prices as of the effective date, a building with utility equivalent to the building being appraised, using modern materials and current standards, design and layout. Estimated accrued depreciation applicable to the improvements must then be deducted to obtain an indication of the contributory improvement value. When this estimate is added to the land value estimate, the result is an indication of fee simple market value by The Cost Approach.

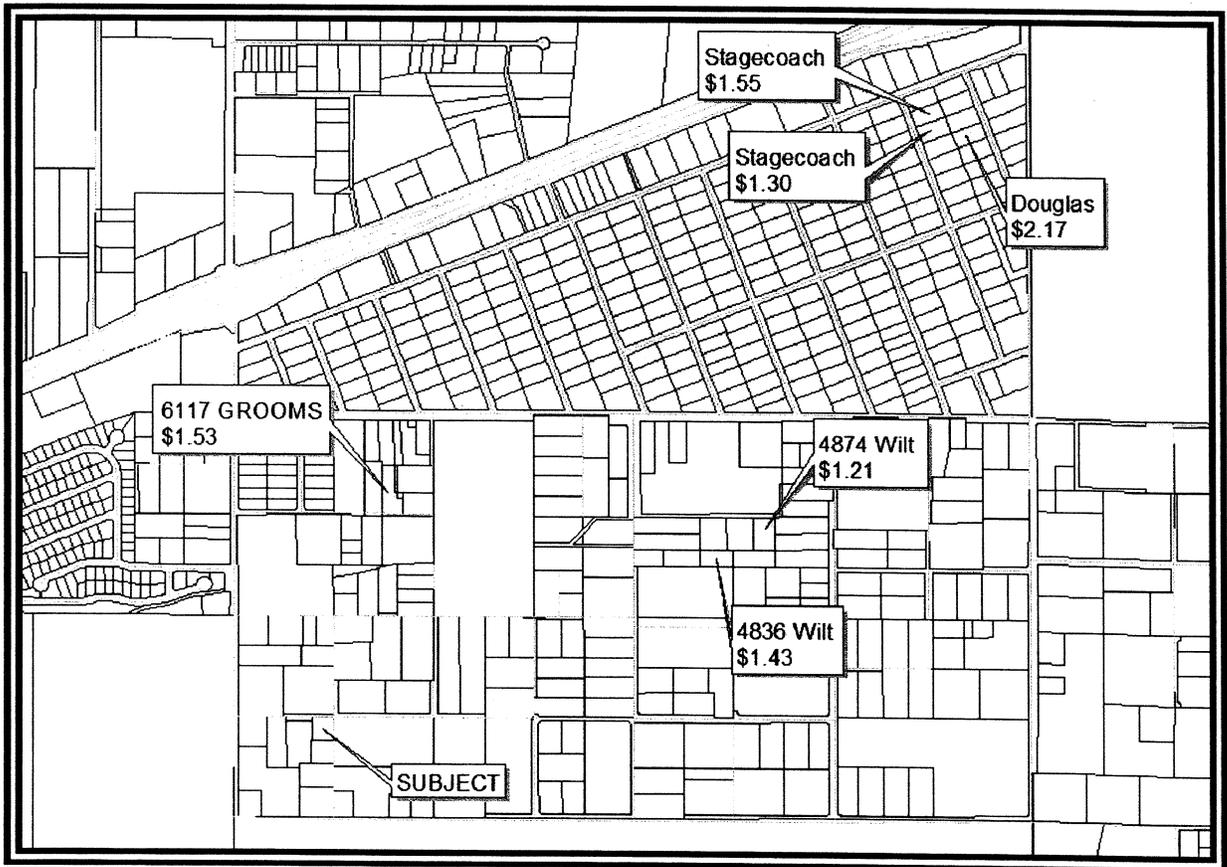
Land Value Estimate

A direct comparison method has been used to estimate market value of the ½ acre parcel. Recent sales of comparable land have been analyzed and compared to the subject property. A price-per-square foot unit of comparison is used. After adjustments for price-related differences, comparable land sales yield indications of subject land value. Correlation of the various value indications results in a market-supported estimate of subject land value.

A search was conducted for recent sales of residential lots located throughout the subject neighborhood. The search provided several lot sales and listings. The comparables are considered a good sample of data that is representative of the prices paid by purchasers of residentially zoned sites within the market area. A tabulation of the comparables is presented with a map on the following page showing the location of the comparables in relation to the subject site. Detailed Comparable Data Sheets are maintained in the appraisers file. The adjustments are detailed in the Land Sales Adjustment Grid. The correlation follows the Grids.

Identification of Comparable Land Sales

SUMMARY OF LAND SALES					
Comp Number	Location	Date of Sale	Size Sq.Ft.	Price/ Sq.Ft.	Price Per Lot
1	Stagecoach Lane	12/5/08	23,087	\$1.52	\$35,000
2	6117 Grooms Road	9/29/08	32,670	\$1.16	\$38,000*
3	Stagecoach Lane	6/16/08	23,087	\$1.30	\$30,000
4	4874 Wilt Avenue	Listing	31,355	\$1.21	\$38,000
5	4836 Wilt Avenue	Listing	24,245	\$1.44	\$35,000
6	Douglas Avenue	Listing	23,277	\$2.15	\$50,000
Subject	6140 Jefferson Lane		21,780		



COMPARABLE LOT SALES MAP

Discussion of Adjustments to Comparable Sales

Financing Terms - The site is being valued on a cash-equivalent basis. As a result, the comparables may require adjustments for favorable or creative financing. Downward adjustments for financing terms are generally indicated whenever there is seller financing at below-market interest rates. All of the comparables sold for cash or on cash equivalent terms. Therefore, no adjustments were required for this category.

Buyer or Seller Motivation - These adjustments are made whenever discussions with the parties involved (or other evidence) reveal that there may have been a particularly strong motivation to buy or sell. Examples of strong purchase motivation may include assemblage purchases and purchases by adjacent property owners. Examples of strong sale motivation may include foreclosure sales, partnership dissolution, etc. In addition, this category is also used to adjust a listing to more appropriately reflect a possible selling price. I have analyzed the comparable sales and it appears that none of the sales will require an adjustment for motivation.

Market Conditions - These adjustments are necessary to allow for the change in market conditions brought about by inflation, deflation, fluctuations in supply and demand, or other factors. Paired sale analysis of several land sales indicates a broad range of appreciation factors. The first set of sales is Comparable Sale #1 and #3, which sold almost six months apart and indicated a 35% appreciation factor. The second set of lot sales indicates a negative 15.5% annual depreciation factor. These were two lots adjacent to each other on Moongate Road that both contain one acre of land and sold 155 days apart. The two sales occurred in October 2008 and March of 2009. There is a general sense that residential lot prices have dropped since their height in 2006; however, the amount of depreciation is difficult to estimate. Based on the evidence provided by this paired sale analysis and conversations with active brokers, property owners, investors and local assessor's office, I have concluded that there has been no land appreciation since 2007 and the sales selected to compare to the subject have occurred in the last year and are considered reflective of current market activity.

Location & Neighborhood of Comparables - Location differences primarily relate to variations with respect to the proximity of major arterioles, site access, view and surrounding improvements. If the comparable is judged to have a superior location to the subject, the comparable is adjusted downward. If the comparable is inferior, it is adjusted upward.

Topography Features - This adjustment allows for differences in topography and additional site development work required prior to residential construction. The subject property and the comparable land sales are all level and suitable for residential development. I have elected not to adjust the sales for topography.

Relative Overall Size - Generally, smaller sites tend to sell for more per square foot than otherwise comparable, but larger sites. These differences can be explained by the principle of economies of scale and the larger market for small parcels than larger parcels. Comparable Sale #2 and #4 are similar in location and both contain approximately $\frac{3}{4}$ acre of land. Both of these comparables represent the lower end of the price per square foot range. When comparing these two sales to remaining comparables it appears that the difference in the price is approximately 15% for a sale with approximately $\frac{3}{4}$ acre in land versus a smaller $\frac{1}{2}$ acre parcel. I have applied a 15% adjustment to Comparable Sale #2 for the larger land area.

A summary of the comparables and the adjustments made in comparison to the subject parcel is presented on the following page in the Land Sales Adjustment Grid.

Sale No.	1	2	3
Sale Price/ Sq.Ft.	\$1.52	\$1.16	\$1.30
Size - Square Feet	23,087	32,670	23,087
Sale Date	Dec-08	Sep-08	Jun-08
Rights Conveyed	Fee	Fee	Fee
Adj. Conditions of Sale			
Financing Terms	Market	Market	Market
Adjustment			
Buyer/ Seller Motivatic	Normal	Normal	Normal
Adjustment			
Market Conditions (Tim	0.00%	0.00%	0.00%
Tot. Time Adj.	0.00%	0.00%	0.00%
Adj. Value	\$1.52	\$1.16	\$1.30
Location:			
% Adj.	0%	0%	0%
\$ Adj.	\$0.00	\$0.00	\$0.00
Adj. Value	\$1.52	\$1.16	\$1.30
Size:			
% Adj.	0%	15%	0%
\$ Adj.	\$0.00	\$0.17	\$0.00
Adj. Value	\$1.52	\$1.33	\$1.30
Topography:			
% Adj.	0%	0%	0%
\$ Adj.	\$0.00	\$0.00	\$0.00
Adj. Value	\$1.52	\$1.33	\$1.30

Reconciliation and Final Estimate of Land Value

The three comparables used provided a relatively close range of value after adjustments (from \$1.30 to \$1.52/SF). The mean value indication is \$1.38 per square foot. I have also included three current listings from the neighborhood, which indicated a range from \$1.21 to \$2.15 per square foot. Other than Comparable Sale #6, which is well outside of the range, the remaining two listings tend to support the recently sold parcels. Based primarily on the indication provided by Comparable Sale #1 through #3 along with median value indication, I have concluded a land value of **\$1.50 per square foot** due to the smaller size of the subject parcel. The market value indication for the subject is \$32,670. The comparables indicated sales prices per lot from \$30,000 to \$38,000. The market value indication represents the lower end of the value range but is warranted due to the subject's smaller parcel size.

Replacement Cost Estimates

Replacement costs for the subject improvements have been estimated by indications from the NADA Appraisal Guidelines, Inc., a nationally known data service. The cost estimate is derived through

estimates of the base structure value with adjustments for location, condition and additional features in order to derive the Total Adjusted Retail Value of the Home. The replacement cost estimate is summarized on the following grid.

N.A.D.A. VALUE REPORT

Date: 5/20/2009 Edition: May to August 2009

Identifying Information About Home:		
State Located:	<u>NM</u>	Year Manufactured: <u>1996</u>
Manufacturer:	<u>Crestridge</u>	
Model #:	<u>4805</u>	
Size of Home	<u>28'</u> x <u>48'</u>	
Serial No:	<u>CRHTX 5530 AB</u>	
Information gathered from each section of guidebook:		
Region:	<u>Mountain</u>	
Gray Page No:	<u>132</u>	
Part 1/Page No:	<u>124</u>	
Part 2/Page No:	<u>319</u>	
Value Conclusion:		
Part 2 Chart Value:	Page <u>319</u>	\$16,678
State Adjustment:	1.02%	\$17,012
Condition Adjustment:	1.00%	\$17,012
Additional Features:		
	Residential Grade Doors	\$346
	Storm Windows	\$578
	Ceiling Fans	\$695
	Roofing	\$6,586
	Siding	\$1,434
	Vaulted Ceiling	\$263
	Appliances	\$700
	Tankless Water Heater	\$1,375
	Central HVAC	\$6,800
	Porch & Steps	\$3,539
	Skirting	\$692
	Storage Building	\$2,370
	Septic System	\$3,500
	Utility Hook-ups	\$700
	Site Preparation	\$1,200
	Landscaping	\$5,000
	Fencing/Gates	\$1,500
Total Additional Features:		<u>\$37,278</u>
Total Adjusted Value of Home:		<u>\$54,290</u>

Accrued Depreciation Estimates

Depreciation is a loss in value from any cause. It is usually classified into five categories -- physical deterioration curable, physical deterioration incurable, functional obsolescence curable, functional obsolescence incurable, and external obsolescence. The estimate provided by NADA takes into account current accrued depreciation. A summary of the Cost Approach is presented below.

Summary of the Cost Approach

Total Reproduction Cost Estimate:	\$54,290
Add Subject Land Value	<u>32,670</u>
Indication By Cost Approach	\$86,960
Rounded To:	\$87,000

Sales Comparison Approach

Introduction

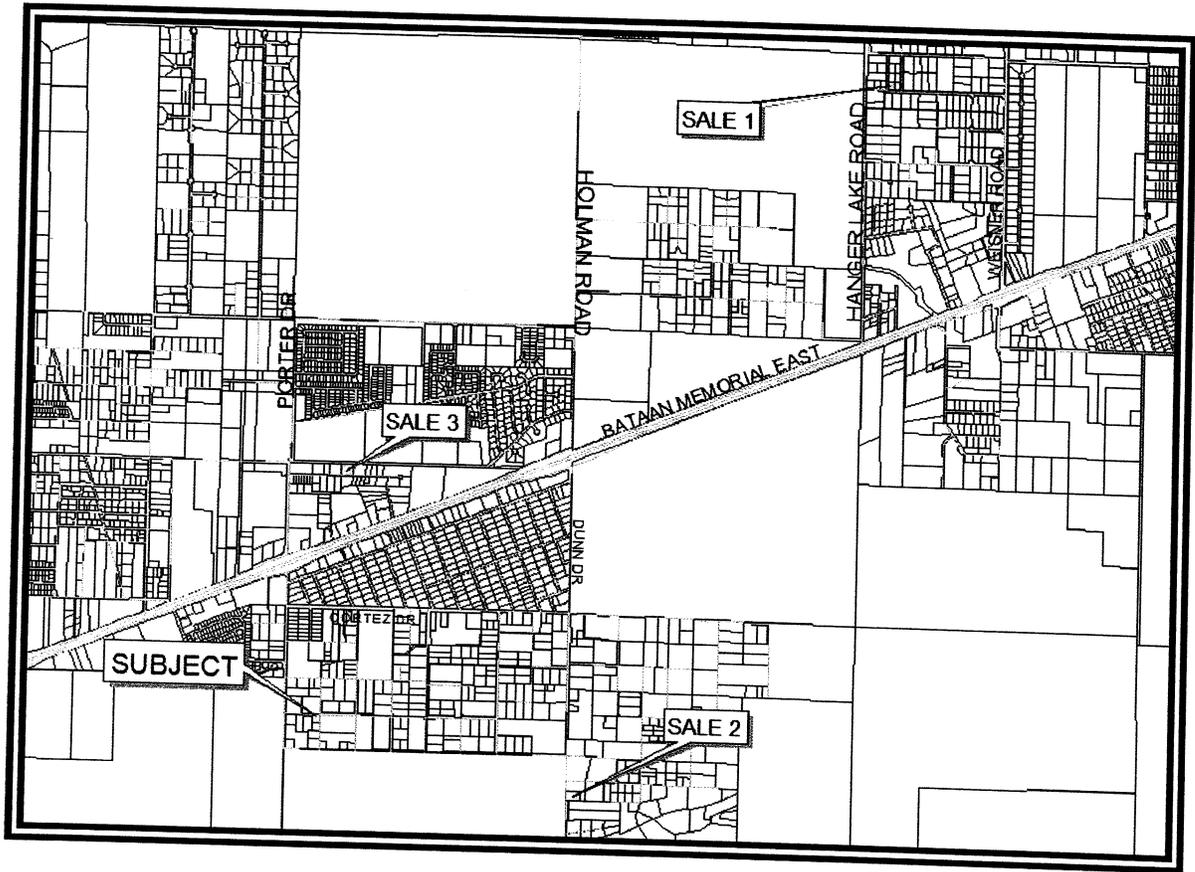
The Sales Comparison Approach to Value is developed by direct comparison methods using sales of Manufactured Homes on similar size parcels as a guide. Sales of comparable whole properties in the open market represent the actions of property users and investors, and are convincing evidence of value when the properties are highly similar to the subject.

The heterogeneous nature of real estate and the wide variation in the market necessitates adjustments to the sales and offerings in order to compare them properly with the property being appraised. When possible, the preferred method of adjustment is paired sales analysis, whereby sets of sales are paired, and adjustments are derived based on the difference in the sales price. However, for this method to be reliable, all attributes of the properties must be similar except for one. When paired sales analysis cannot be performed, the sales can be compared to the subject property on a qualitative basis.

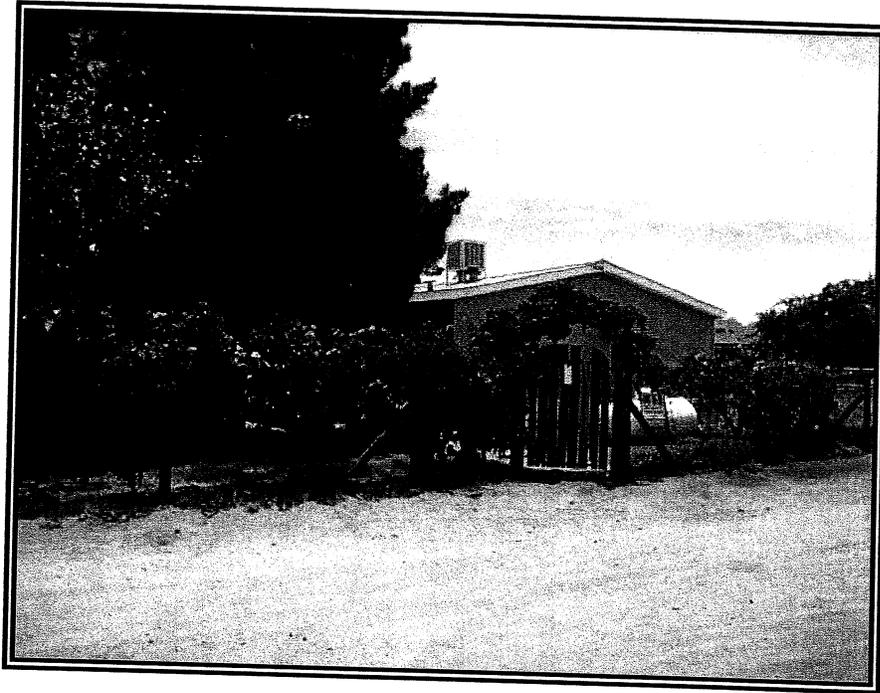
I have analyzed the comparable sales on a price per square foot unit of comparison, which is consistent with the local market. I have selected the three most comparable sales to analyze in order to estimate the value of the subject property via the Sale Comparison Approach. These sales were selected since they were considered to be the most similar to the subject property in size and design.

The sales are tabulated below. The adjustments are outlined in a Market Sales Adjustment Grid. Correlation of value follows the Grid.

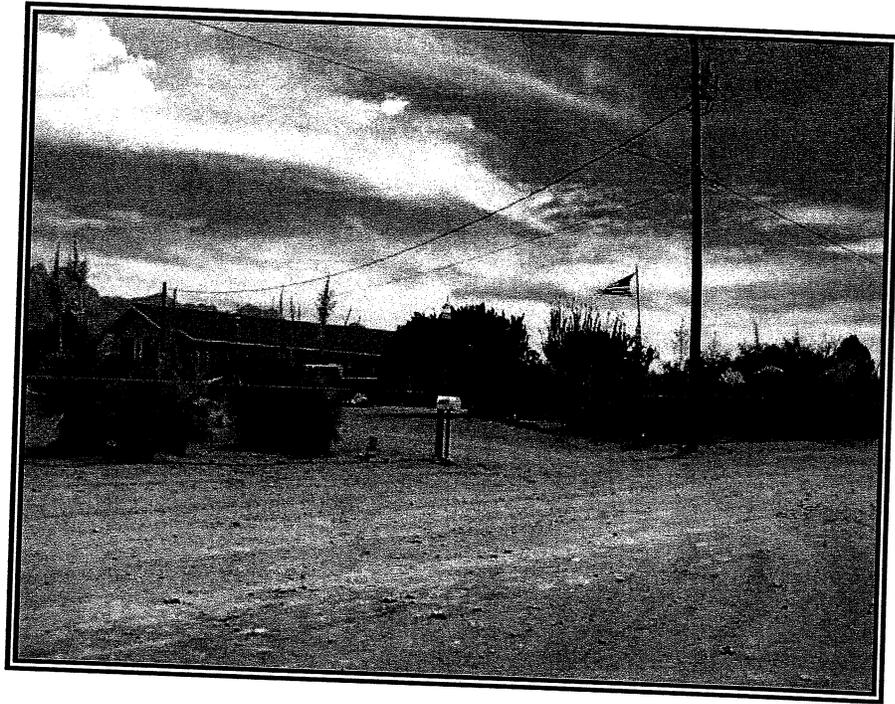
	Subject	Sale 1	Sale 2	Sale 3
MLS#		807297	803667	802007
Address:	6140 Jefferson Lane	6450 Sexton Lane	4600 Dunn Drive	6199 Payan Road
City, State	Las Cruces, NM	Las Cruces, NM	Las Cruces, NM	Las Cruces, NM
Grantor	Tidwell	Lucero/DeBlieck	Coca	Jonas
Grantee	Brooks	Unavailable	McIntire	Montes
Sale Date	5/8/07	5/15/09	10/24/08	4/30/08
Sale Price	\$78,000	\$77,900	\$119,500	\$90,000
Price/SF	\$58.04	\$69.55	\$75.44	\$62.50
Improved Area (SF)	1,344	1,120	1,584	1,440
Land Size (Acres)	0.50 Acres	0.50 Acres	1.56 Acres	0.92 Acres
Bed/Baths	3 Bed/1.75 Bath	3 Bed/2 Bath	3 Bed/ 2 Bath	3 Bed/1.75 Bath
Year Built	1996	1988	1973	1978
Condition	Average	Average	Good	Average
Car Storage	None	None	1 Car Garage & 1 Car Carport	2 Car Garage
Out Buildings	200 SF Shop	Yes	Yes	Yes
Heating & Cooling	Heat Pump/Refrig.	GFAU/Evap	GFAU & Evap	GFAU & Evap
Landscaping	Above Average	Average	Average	Average
Fencing	Chain Link	Chain Link	Chain Link	None
Days on the Market	84	46	99	173



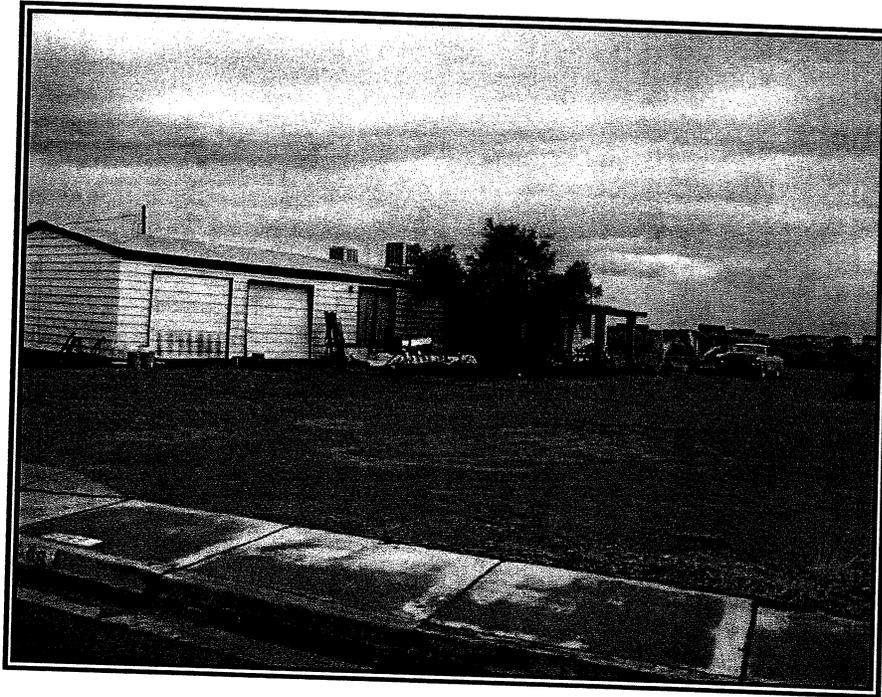
IMPROVED COMPARABLE SALES MAP



Improved Sale No. 1 consists of a 1,120 square foot residence located northeast of the subject approximately three miles and is located at 6450 Sexton Lane. The manufactured home was constructed in 1988 and is in average condition. The house is situated on .5009 acres of land and represents a corner parcel. This sale required an upward adjustment for its older age, smaller improvement size, inferior landscaping and lack of refrigerated air conditioning.



Improved Sale No. 2 consists of a 1,584 square foot manufactured home located east of the subject approximately one mile and is located at 4600 Dunn Drive. The house was manufactured in 1973 and has had the exterior walls covered with particle board and stucco along with a new roof covering the existing roof. The property is in average condition with a similar effective age. The house is situated on 1.56 acres of land with extensive landscaping. There is a one car garage, one car carport and an RV carport. The site is enclosed with a chain link fence. This sale required a downward adjustment for its larger land area, larger improved area and for its parking facilities. The sale was adjusted upward for its lack of refrigerated air conditioning.



Improved Sale No. 3 consists of a 1,440 square foot residence also located north of the subject at 6199 Payan Road. The house was constructed in 1978 and is in fair condition. The house is situated on 0.92 acres of land with inferior landscaping. There is an attached two car garage and a small storage building. This sale required a downward adjustment for its larger size, larger acreage and two car garage. The sale was adjusted upward for its inferior condition, older effective age, inferior landscaping and lack of refrigerated air conditioning.

Quantitative Analysis

The comparable sales have not been adjusted for market conditions as evidenced by the recent slow down in the residential market. All of the sales occurred within a 12 month period and were on the market for less than six months indicating a stable market. It is my opinion that the slow down in the economy and residential real estate sales indicated that values have remained flat since the start of 2008. Additional characteristics considered to have an impact on value include location, quality of construction, condition, and improvement size. I have utilized a Quantitative Analysis Grid to help determine each sale's overall comparability to the subject, and to assist in further defining a range of value for the subject.

Sales Comparison Approach To Value					
Sale #	Subject Property	1		2	3
	6140 Jefferson	6450 Sexton	4600 Dunn	6199 Payan	
Sale Price	\$78,000.00	\$77,900	\$119,500	\$90,000	
Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	
Financing Terms	Cash	Market	Market	Market	
Terms Adj.	1.00	1.00	1.00	1.00	
Adjusted Price	\$78,000	\$77,900	\$119,500	\$90,000	
Conditions of Sale	Arms Length	Arms Length	Arms Length	Arms Length	
Conditions Adj.	1.00	1.00	1.00	1.00	
Adjusted Price	\$78,000	\$77,900	\$119,500	\$90,000	
Date of Sale	May-07	5/15/2009	11/5/2008	4/30/2008	
Date Adj.	1.00	1.00	1.00	1.00	
Adjusted Price	\$78,000	\$77,900	\$119,500	\$90,000	
Adjustments:					
Quality	Avg	Average	Average	Fair	
Adjustment	0	0	0	0	\$4,500
Age/ Condition	1996/E10; Avg	1988/E20; Avg	1973/E10; Avg	1978/E20; Avg	
Adjustment	0	\$11,685	\$0	\$0	\$13,500
Size	1,344	1,120	1,584	1,440	
Adjustment		\$6,720	\$0	\$0	-\$2,880
Site	0.50 Acres	0.50 Acres	1.56 Acres	0.92 Acres	
Adjustment			-\$7,200		
Site Improvements	200 SF Shop	Workshop	Garage/Carport	2 Car Garage	
Adjustment			-\$11,500		-\$7,500
Heating & Cooling	Package HVAC	Evap/GFAU	Evap/GFAU	Evap/GFAU	
Adjustment			-\$5,000		-\$3,000
Other	Landscaping		Landscaping	Landscaping	
Adjustment		\$6,800	\$6,800	\$6,800	\$6,800
		\$2,500	\$0	\$0	\$2,500
Total Adjustment		\$27,705	-\$16,900		\$13,920
Indicated Value		\$105,605	\$102,600	\$103,920	
		\$94	\$65	\$72	

Correlation and Summary of Sales Comparison Approach

The three comparables presented above provide a range of value indications from \$102,600 to a high of \$105,605. The mean value indication is \$104,042. The best comparable is considered to be Comparable Sale #2 and #3, since they required the least amount of adjustments. These comparables represent the lower end of the range. Based on the mean value indication, I have concluded a market value estimate of \$103,500 for the subject property. A fee simple value is concluded as follows.

INDICATION BY SALES COMPARISON APPROACH

\$103,500

Reconciliation and Final Value Estimate

<u>Cost Approach:</u>	\$87,000
<u>Sales Comparison Approach:</u>	\$103,500

The Cost Approach is reasonably well supported by available market data. The land value estimate developed in this approach is based on the analysis of three comparable sales. The land value estimate is considered adequately supported by market data. The cost estimates are supported by indications from NADA and was adjusted for regional location, condition and additional features. This estimated replacement cost also takes into account the accrued depreciation. While the value indication provided by the Cost Approach is considered adequately supported by available market data, it is primarily developed to support the value conclusion from the Sales Comparison Approach due to the difficulty in estimating depreciation.

The Sales Comparison Approach was considered and appears to provide a reliable indication of value. These three sales provided a close range of prices paid for these types of properties. Consequently, the comparables required moderate adjustments to account for price differences. These adjustments are sometimes difficult to quantify thereby compromising the overall reliability of the value indications. However, due to the close value indications of these three sales and the lack of substantial adjustments for comparison, I am of the opinion that the Sales Comparison Approach does provide a highly reliable approach to value.

In conclusion, assuming a reasonable exposure time of one year for the subject property, the market value of the subject, as of May 6, 2009 was:

ONE HUNDRED THOUSAND DOLLARS

(\$100,000)

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 is my personal, unbiased professional analyses, opinions, and conclusions,

I have no present or current 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 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 analyses, opinions, and conclusion were developed, and this report was prepared, in conformity with the *Uniform Standards for Federal Land Acquisitions*,

the appraisal was made and the appraisal report prepared in conformity with the Appraisal Foundation's *Uniform Standards of Professional Appraisal Practice*, except to the extent that the *Uniform Appraisal Standards for Federal Land Acquisitions* required invocation of USPAP's Jurisdictional Exception Rule, as described in the Section D-1 of the *Uniform Appraisal Standards for Federal Land Acquisitions*,

I have made a personal inspection of the property,

no one provided significant professional assistance to the person signing this report,

I have formed the opinion that, as of May 6, 2009, the estimated market value of the whole property as defined in the report, is:

THE VALUE OF THE WHOLE PARCEL \$100,000

Scott
Eschenbrenner

Digitally signed by Scott Eschenbrenner
DN: cn=Scott Eschenbrenner, o=Mesilla
Valley Appraisal Services, ou,
email=bschrenner@mesillanet.com, c=US
Date: 2009.05.27 13:25:10 -0600

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

**QUALIFICATIONS OF THE APPRAISER
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 & Co. 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 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 Rail Road, 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.



REAL ESTATE APPRAISERS BOARD
PO Box 25101 Santa Fe, NM 87504 (505) 476-4611

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: 04/30/2010

THIS LICENSE MUST BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS

ADDENDA

Vicinity Map

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Attachment "B"

RESOLUTION NO. 09-259

A RESOLUTION APPROVING THE 2009 ACTION PLAN AS PART OF THE 2006-2010 CONSOLIDATED PLAN FOR THE CITY OF LAS CRUCES. THE RESOLUTION AUTHORIZES THE CITY STAFF TO SUBMIT THE 2009 ACTION PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND AUTHORIZES THE ACTION PLAN TO BE INCORPORATED INTO THE CITY'S BUDGET FOR FY 2009/2010.

The City Council is informed that:

WHEREAS, the City of Las Cruces is an Entitlement community as defined by the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Programs, and

WHEREAS, Entitlement communities are required to develop, adopt, and implement a Consolidated Plan every three to five years to address the City's housing and community development needs in order to continue to receive the CDBG and HOME funding, and

WHEREAS, for the 2009 Action Plan, the City will receive entitlement and program income for both the CDBG and HOME Programs from HUD in the amount of \$1,608,000.00 to address the City's affordable housing and community development needs for its low- and moderate-income areas and residents.

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

(I)

THAT the 2009 Action Plan and all necessary support documentation, as shown in Exhibit "A," attached hereto and made part of this Resolution, is hereby approved and adopted.

(II)

THAT Staff is hereby authorized to secure necessary signatures and transmit the 2009 Action Plan to the U.S. Department of Housing and Urban Development on the City's behalf.

(III)

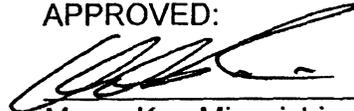
THAT the 2009 Action Plan is hereby authorized to be incorporated into the City's FY 2009/10 budget, once developed.

(IV)

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

DONE AND APPROVED this 4th day of May, 2009.

APPROVED:



Mayor Ken Miyagishima

ATTEST:



City Clerk
(SEAL)

Moved by: Connor _____

Seconded by: Jones _____

APPROVED AS TO FORM:



City Attorney

VOTE:

Mayor Miyagishima:	<u>Aye</u>
Councillor Silva:	<u>Aye</u>
Councillor Connor:	<u>Aye</u>
Councillor Archuleta:	<u>Aye</u>
Councillor Small:	<u>Aye</u>
Councillor Jones:	<u>Aye</u>
Councillor Thomas:	<u>Aye</u>

**U.S. Department of Housing Urban Development
CPD Consolidated Plan
2009 Action Plan Listing of Proposed Projects**

Participating Jurisdiction:

City of Las Cruces, NM

Project ID/Local ID:	2009-09	HUD Matrix Code:	03K	Help the Homeless?	N	
Project Title:	Street Imp. - Jefferson Road	Title:	Street Improvements	Help those with HIV/AIDS?	N	
Project Priority:	High	Eligibility Citation:	570.201 (c)			
		Accomplishments:	People - (Code 01)			
		Acc. Enumerated	200			
Provide for street improvements on the City's east mesa		Performance Measurements:	#	Title		
Project Objective:	Completion of a portion of the last phase of Jefferson Road between Wilt Ave and Porter Drive	Proposed Objective:	1	Create Suitable Living Environments		
Project Description:	To provide for street improvements in the special survey areas on the City's east mesa, specifically Jefferson Road between Wilt and Porter. This includes potential property acquisition to complete the road, in addition to the necessary base course and subgrade improvements. Other improvements will include curb and gutter and sidewalks. Currently, this roadway is an unpaved dirt road. The City's Utilities Department will provide necessary utilities using their own funds.	Proposed Outcome:	1	Availability/Accessibility		
		Benefit Determination (CDBG)		570.208 (a)(1)(i)		
		Project Requirements (HOME)		N/A		
		Continuing Proj? Yes or No:	N	If Yes, Yrs?	N/A	
Start Date:	1-Jul-09	Completion Date:	30-Jun-10	CHDO - Yes/No:	No	
Sub-recipient:	City of Las Cruces	Location/Address:	Jefferson Road, between Wilt and Porter			
Consolidated Plan:	2006-2010	Prog Year:	2009	Strategic Plan Goal:	Goal E/Obj E1 - Street improvements in neede	
PY:	Act #:	CDBG	HOME	AMENDMENT	TOTAL	
2006	----	\$0.00	\$0.00	\$0.00	\$0.00	
2007	----	\$0.00	\$0.00	\$0.00	\$0.00	
2008	----	\$0.00	\$0.00	\$0.00	\$0.00	
2009	09	\$377,340.00	\$0.00	\$0.00	\$377,340.00	
2010		\$0.00	\$0.00	\$0.00	\$0.00	
TOTAL		\$377,340.00	\$0.00	\$0.00	\$377,340.00	
Year	Project #	Activity #	Project Description	Action Plan - Amendment #	Sub-recipient	Dollar Reduction
				N/A		