



*A MARKET VALUE APPRAISAL  
NINE ACRES OF VACANT LAND  
ON HUNING RANCH LOOP ROAD  
IN LOS LUNAS, NEW MEXICO*

A Market Value Appraisal In An Appraisal Report  
A Nominal Nine-Acre Tract Of Vacant Land  
Considering A Fee Simple Title  
As Of August 12, 2019

Prepared For  
Ms. Nancy Schmierbach, General Partner  
Huning LLLP  
Post Office Box 178  
Los Lunas, New Mexico 87031

Prepared By  
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# Godfrey Appraisal Services

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August 22, 2019

Ms. Nancy Schmierbach, General Partner  
Huning LLLP  
Post Office Box 178  
Los Lunas, New Mexico 87031

Dear Ms. Schmierbach:

In accordance with our agreement, I have made an investigation, study and appraisal of a nominal nine-acre tract of vacant land located in the southwest quadrant of I-25 and NM 6, specifically located on the west side of Huning Ranch Loop Road, near its current termination, in the southwest quadrant of Los Lunas, in Valencia County, New Mexico. The site has no independent legal description as of the date of appraisal and the site analysis is based on a site diagram developed by the owner. The purpose of the appraisal was to estimate the market value of a fee simple title to the, considering it in "as is" condition, as of August 12, 2019, the date of my last site inspection. This appraisal is subject to the extraordinary assumptions outlined in the following report. As requested, an appraisal using the applicable approaches to value and market rent has been developed and is hereby presented in an Appraisal Report (Summary Form).

The following report contains a legal and physical description of the property, and includes maps, plats, and photographs to help visualize the appraised property. Valuation is based on a sales comparison approach to value. Based on the following report, subject to the underlying assumptions, limiting conditions, and term definitions, contained therein, I conclude that

***THREE HUNDRED NINETY-TWO THOUSAND FIVE HUNDRED DOLLARS***

represents the market value of a fee simple title to the, considering it in "as is" physical condition, as of August 12, 2019, subject to the extraordinary assumptions cited in this report. Exposure time associated with this market value estimate is estimated at up to 12 months, assuming active professional marketing.

Respectfully,

Bryan E. Godfrey, MAI, State Certified General Appraiser G-192



## ***APPRAISAL CONCLUSION SUMMARY***

### **GENERAL INFORMATION**

Purpose Of The Appraisal	Market Value Estimate
Type Of Appraisal	Appraisal Using The Sales Comparison Approach
Type Of Report	Appraisal Report (Summary Form)
Property Type	Vacant Residential-Class Land
Property Location	Huning Ranch Loop Road Los Lunas, Valencia County, New Mexico
Value/Rent Estimated	“As Is” On Date Of Inspection
Rights Appraised	Fee Simple Title
Hypothetical Conditions	None
Extraordinary Assumptions	Yes – See Report
Date Of Appraisal Report	August 22, 2019
Date Of Property Valuation	“As Is” On August 12, 2019

### **PROPERTY INFORMATION**

Site Zoning	Special Use (Residential/Commercial/Institutional Use) Huning Ranch Master Plan Medium-Density Residential
Site Size	9.00 Acres (Per Owner)
Improvements	None
Easements	None Known
Highest & Best Use	Future Residential Use/Development Current Speculative Holding
Potential Environmental Hazards	None Known

### **VALUATION INFORMATION**

Replacement Cost Approach	Not Used
Sales Comparison Approach	\$392,500
Income Capitalization Approach	Not Used
<b><i>Market Value Conclusion</i></b>	<b><i>\$392,500</i></b>



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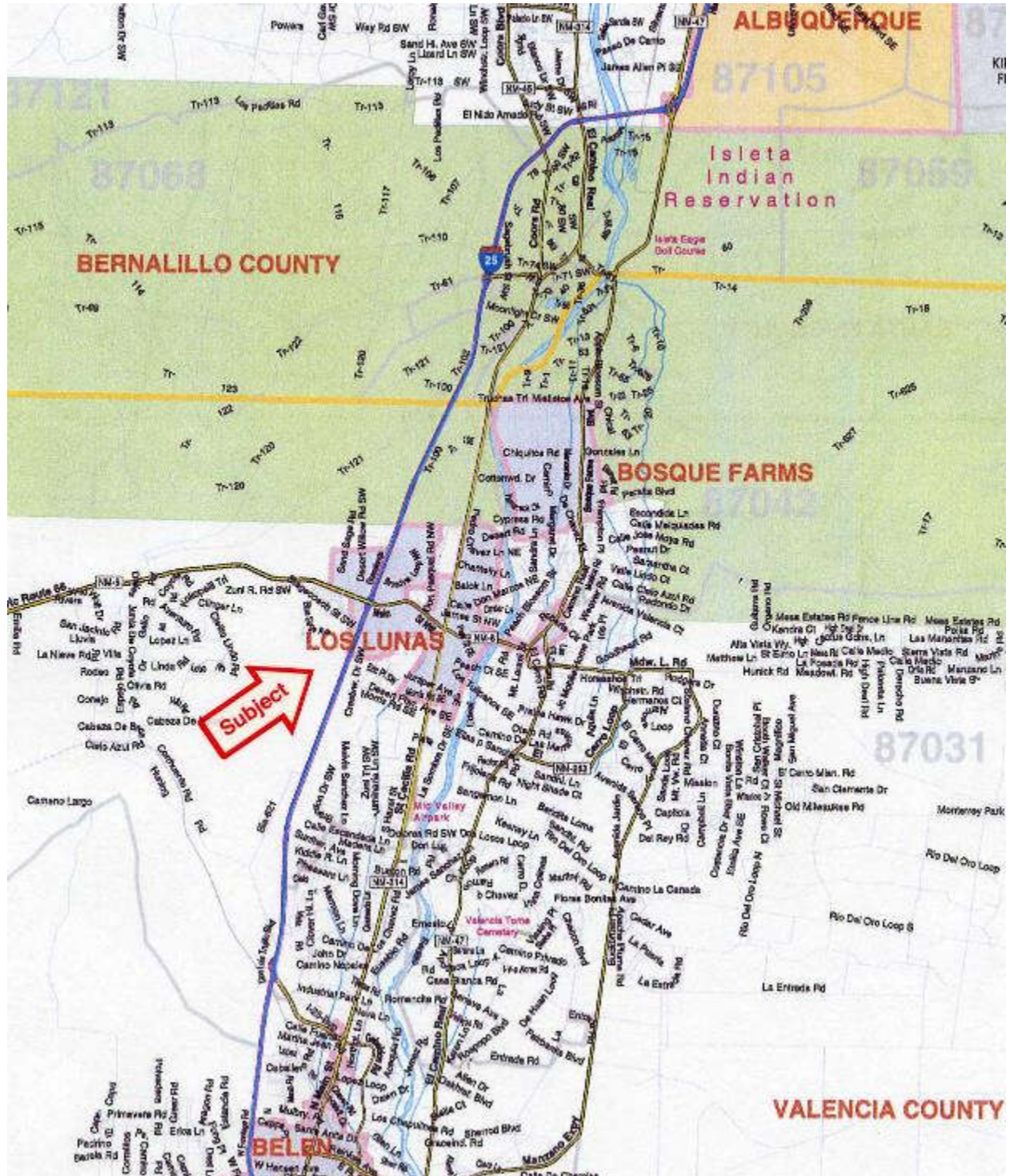
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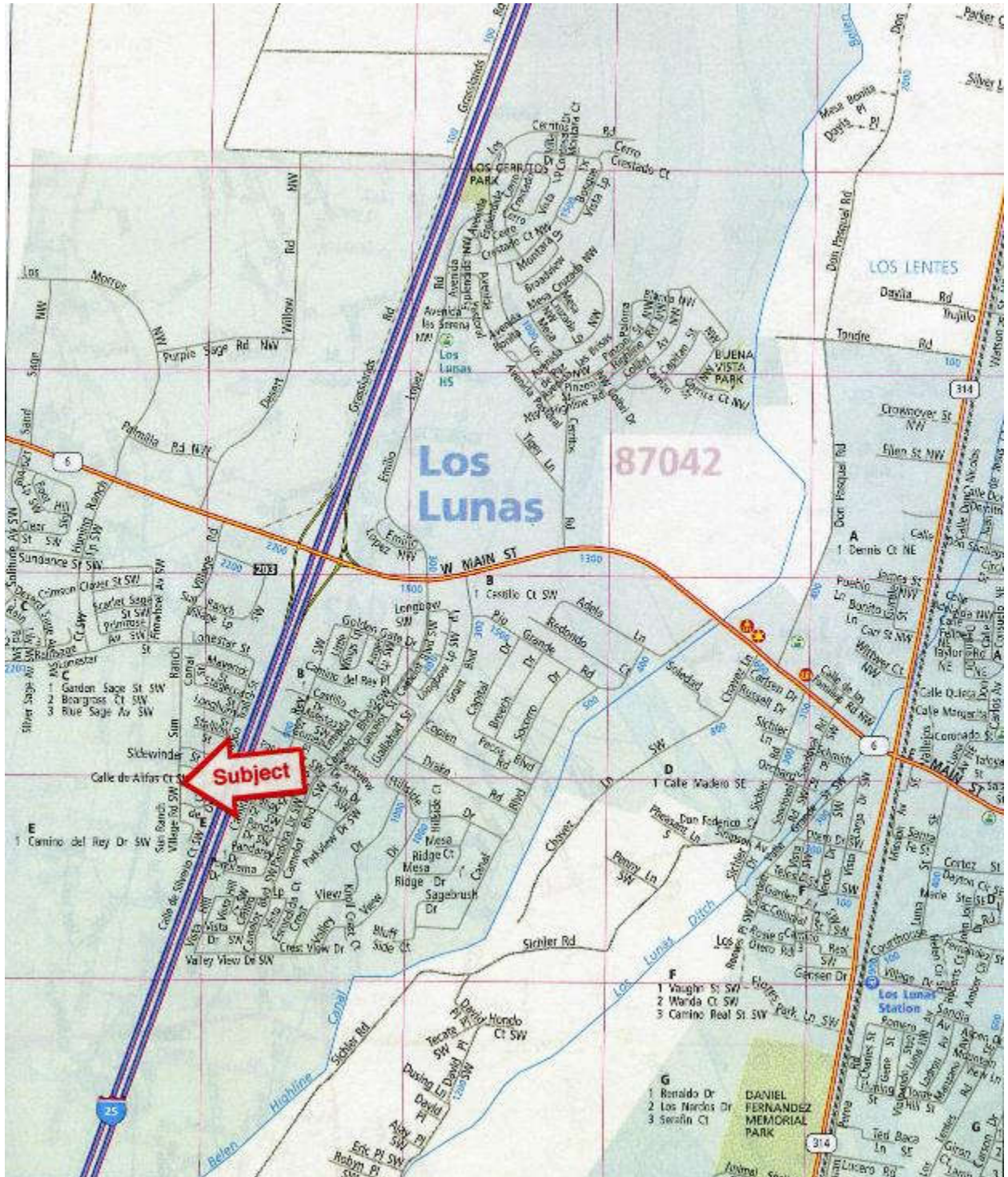
REGIONAL MAP





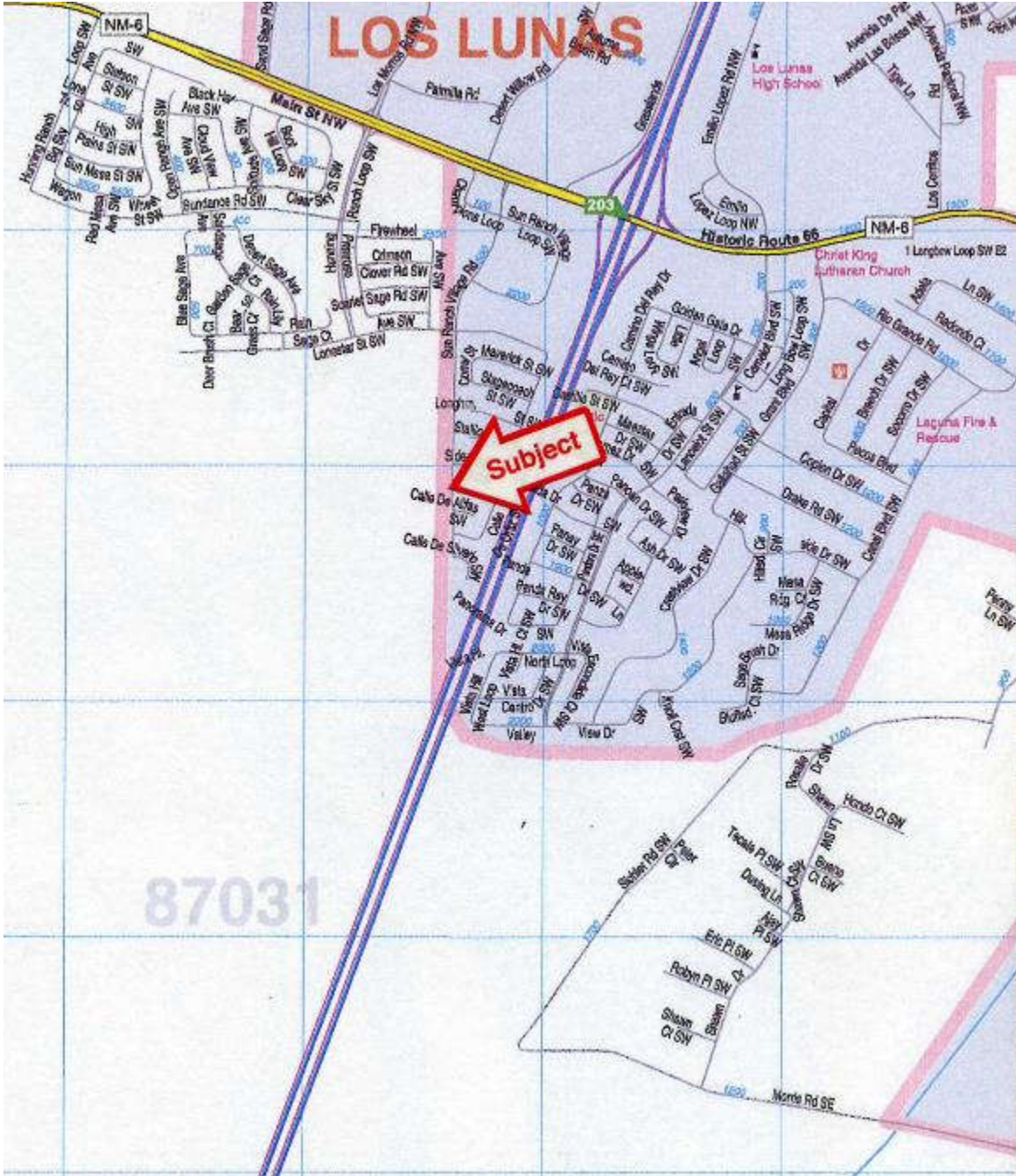
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LOS LUNAS MAP





**SUBJECT AREA STREET MAP**





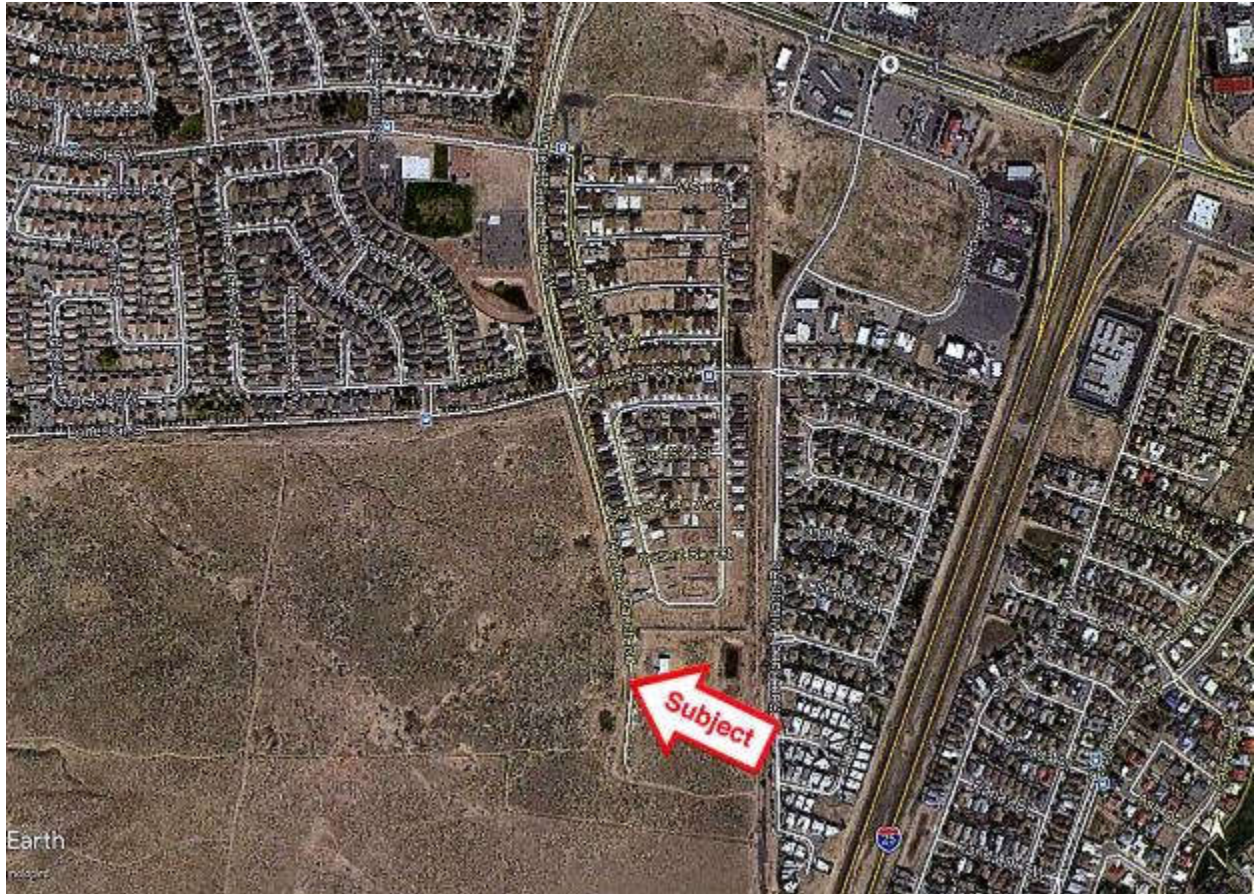
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*2018 LOS LUNAS AERIAL VIEW*





**2018 NEIGHBORHOOD AERIAL ENLARGEMENT**





**FLOOD MAP**

**Flood Zone Determination Report**

**Flood Zone Determination: OUT**

PANEL DATE

August 19, 2010

MAP NUMBER

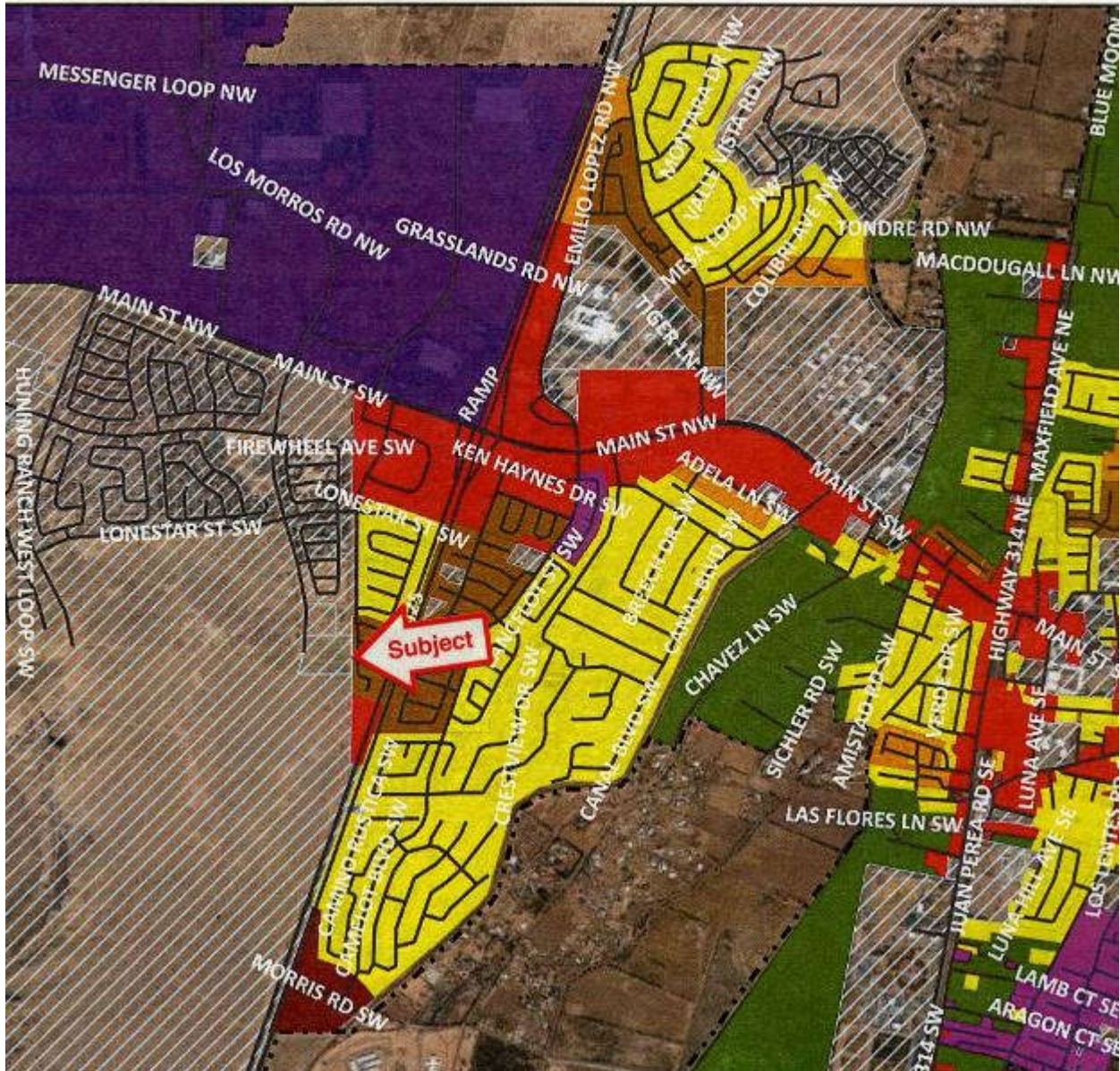
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ZONING MAP

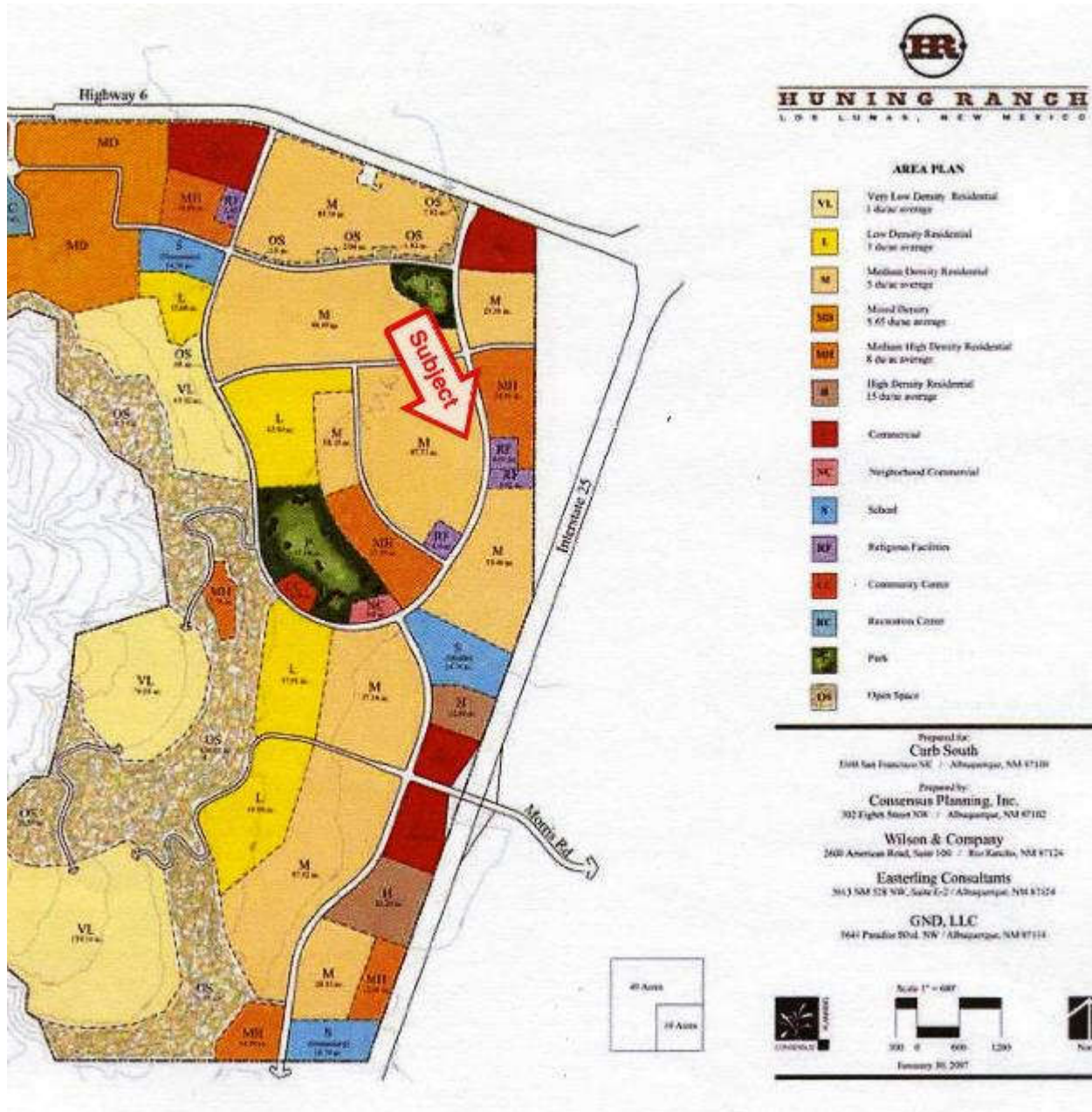
Zoning and Parcel Map





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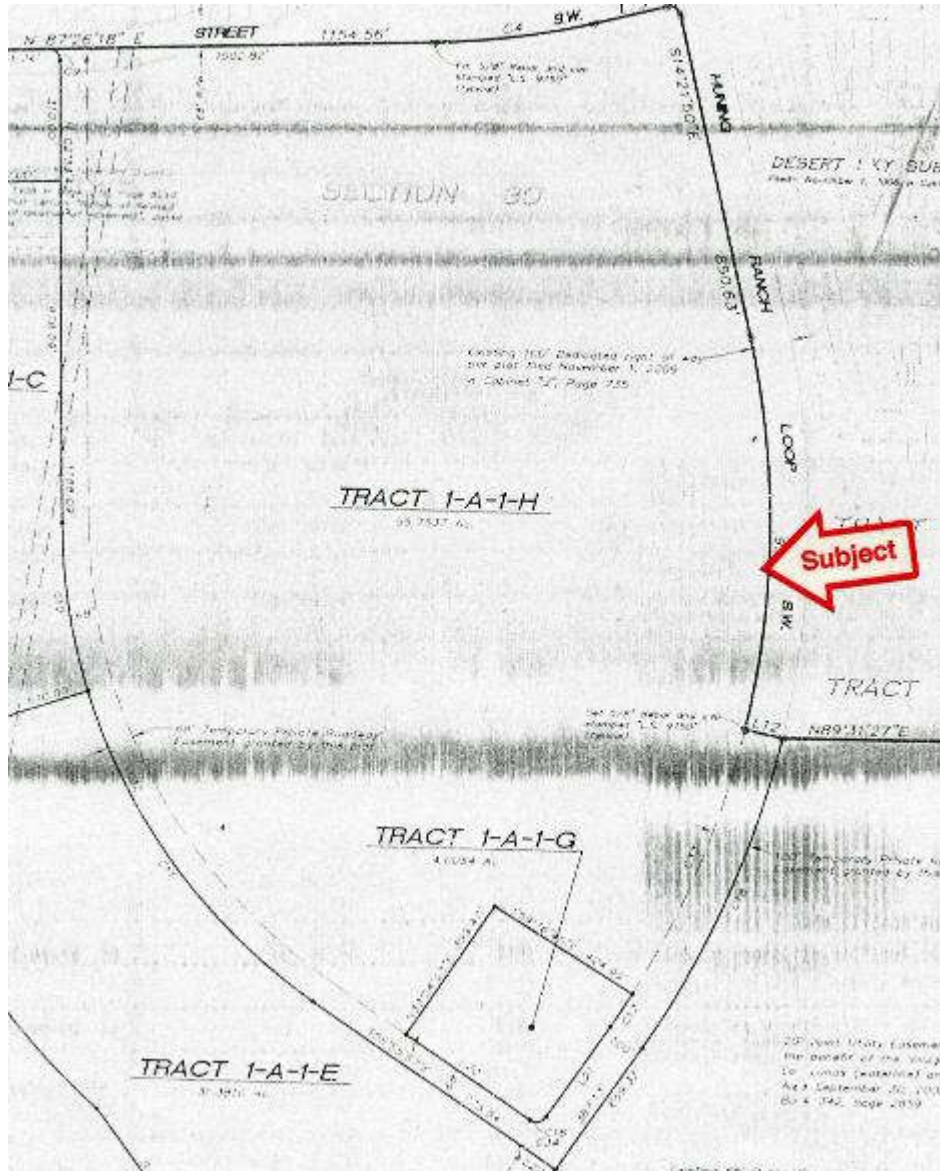
**MASTER PLAN ZONING MAP**





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**RECORDED SITE PLAT – MASTER PARCEL**



**SUBJECT SITE DIAGRAM**





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***SITE LOOKING NORTHWEST & SOUTHWEST FROM HUNING RANCH LOOP ROAD***



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*Identification Of The Property*

The subject of this appraisal is an unimproved parcel of land located on the western periphery of the Village of Los Lunas, in Valencia County, New Mexico. The subject property location is most easily referenced as being in the southwest quadrant of Interstate 25 interchange with NM 6. “Landmark” properties in the immediate area include a Wal-Mart SuperStore, Wal-Mart distribution facility, the Merillat Manufacturing (cabinet maker) plant (now closed), and the Facebook data center complex (existing and still being constructed), all of which are situated north of the subject property in the northwest quadrant of I-25 and NM 6. Together, these arterial and landmark references help to identify the subject property’s general location within Los Lunas.

More specifically, the subject site is located in the southwest quadrant of the I-25 interchange with NM 6, the sole I-25 interchange serving Los Lunas. The site is situated south of the retail commercial development that dominates the immediate southwest quadrant of the interchange, in an area dominated by single-family residential development and extensive vacant land zoned for the same use. The site fronts the west side of Huning Ranch Road just before it reaches its current termination. Though the area is dominated by residential land and improvements, the subject site is directly across from a small office building.

As vacant land, the subject site is not formally named. The land is a part of broader lands platted as Land of Huning Limited Partnership. The site is under the ownership of Huning Limited Partnership (per property tax records).

*Legal Description*

The subject site is currently part of a much larger platted parcel. I have been provided with a diagram of the site that serves as the physical description of the site, a description that could serve as the basis for future re-platting.

*A Nine-Acre Tract Of Land Located On The East Side Of Tract 1A1H, Land Of Huning Limited Partnership, As Shown On The Plat Entitled “Subdivision Plat Of Tracts 1A1A Thru 1A1I And Tracts 1D1 And 1D2, Lands Of Huning Limited Partnership, Situate Within The San Clemente Grant, In Projected Sections 30 And 31, Township 7 North Range 2 East, And Projected Sections 24, 25 And 36, Township 7 North, Range 1 East, N.M.P.M., Village Of Los Lunas, Valencia County, New Mexico”, Filed In The Office Of The County Clerk Of Valencia County New Mexico On January 9, 2007, In Plat Book J, Page 748.*

The description was provided by my client. The descriptions are accepted as accurate, forming the basis for this appraisal. Any change to the descriptions could render this appraisal invalid or subject to revision.

*Purpose Of The Appraisal*

The purpose of this appraisal is to provide an opinion of market value of the subject site, as it is described in this report, considering the land in “as is” condition as of August 12, 2019, the date of my last observation of the site from the abutting public right-of-way.

Within this report, the objective is to summarize the appraisal process and data considered in developing the final estimate of market value. Underlying assumptions, limiting conditions and term definitions are included in the addendum and should be read. My client did not issue an independent assignment letter for



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this appraisal, so there are no supplemental appraisal requirements, guidelines or term definitions to disclose.

*Extraordinary Assumptions*

One or more Extraordinary Assumption impacts this appraisal. As defined in the Uniform Standards of Professional Appraisal Practice (2018-2019 edition), an Extraordinary Assumption is “an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions”. That is, an Extraordinary Assumption presumes as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

It is an extraordinary assumption of this appraisal that:

the existing wet and dry utility infrastructure located in easements within the subject site or in the adjacent public right-of-way are capable of providing service to the subject site;

the nine-acre subject site size is net of any right-of-way associated with Huning Ranch Loop Road;

The reader is advised that use of extraordinary assumptions influences appraisal analyses and conclusions. Therefore, if any extraordinary assumption is eliminated or negated in any way, this appraisal could develop a different estimate of market value.

*Client & Intended User Identification*

My proposal was provided to, and my assignment was authorized by, Ms. Nancy Schmierbach of Huning LLLP, the entity that owns the subject site. Therefore, Huning LLLP is identified as the ***sole and exclusive*** client for whom this appraisal was prepared. My client disclosed the function of the appraisal and indicated that the appraisal may be provided to the University of New Mexico, the entity that may accept the subject site as a donation. Therefore, Huning LLLP and U.N.M. are identified as the intended users of this appraisal and the entities that may place reliance on it. I know of no other and anticipate no other intended users. Although I am aware of the possibility that the appraisal may be provided to state and federal government taxing authorities, this possibility does not require that they be named as intended users. I assume no responsibility for use of this appraisal by other than the client and intended users identified herein. Possession of a copy of this report does not infer client or intended user status to the possessor.

*Intended Use Of The Appraisal*

Based on discussions with my client, the intended use of this report is as an independent opinion of the market value of the subject site, as of the effective date of appraisal (August 12, 2019), that my client and intended users may use in an asset management capacity related to a proposed donation of the site to the University of New Mexico. I am not responsible for any unauthorized or unintended use of this appraisal.

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*Scope Of Work*

As of July 1, 2006, changes in the Uniform Standards of Professional Appraisal Practice (USPAP) effectively eliminated the terms “Complete” or “Limited” when referring to the development of an appraisal. While these terms can still be used to convey a common understanding of the type of process employed in developing an appraisal, the terms have no formal meaning in relation to appraisal standards (USPAP). Nonetheless, for purposes of simple reference, this appraisal was developed in a way consistent with the general understanding of a Complete Appraisal in that it employs all applicable approaches to estimating market value.

The Scope Of Work for this appraisal included generic processes like a periodic gathering of relevant data on the Village of Los Lunas and surrounding Valencia County area; information such as population, employment, and other economic data. Similarly, some of the most prominent sectors of the local real estate market are periodically analyzed for trends related to construction activity, occupancy, sales and rental rate movement. More specifically, the neighborhood in which the subject property is located has been surveyed and both historic development patterns and emerging trends are noted. I have gathered information from governmental agencies related to legal descriptions, recorded plats, legal use information, property tax data, etc., and assembled other factual data from a variety of sources. I have made a personal inspection of the property from the adjacent public right-of-way to serve as the basis for the physical description offered herein.

For purposes of valuing the subject property, I have inspected the property and engaged in discussions with one of the intended users to obtain a reliable working understanding of the property’s attributes, its physical condition, and functional utility. I have researched recorded transactions in the subject area and of the same property type in expanded areas, researched sales and listing data, and researched the broad economic data related to residential-class land in Los Lunas and the greater Albuquerque metro area. All of these data have been analyzed and reconciled in the process of developing the market value estimate for the subject. Analyses included considering the subject’s physical and functional features, analysis of market data and comparisons of market data to the subject for selection of the most applicable indicators of market value for the subject property.

I have not knowingly excluded any pertinent data in the development of this appraisal. However, New Mexico is a non-disclosure state, and parties to sales and leases cannot be compelled to provide information on real estate transactions. Therefore, it is possible that there is pertinent data that has not been included in this appraisal because of non-disclosure issues. It is also possible that data provided to me and relied upon in this appraisal is inaccurate. I have attempted to obtain information from knowledgeable and reliable parties, but I assume no responsibility for the accuracy of such data. I have not knowingly excluded any pertinent steps in the development of this appraisal.

My client has requested the appraisal be presented in an Appraisal Report. As of January 1, 2014, the term “Summary Report” was formally retired by the Appraisal Foundation. However, the term Summary Report may still be used to refer to a style of reporting that appraisal consumers have utilized for many years. Therefore, this Appraisal Report follows what is commonly known as a Summary Report format with regard to the presentation of narratives and market data. The report type does not impact the appraisal process. I have attempted to develop this appraisal and report in a fashion that satisfies all applicable appraisal standards and my client’s expectations.

In accordance with appraisal standards, I hereby advise the reader that I have not performed any services of any type related to the subject property within the three years leading up to my acceptance of this appraisal assignment.



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Valencia County Overview

Valencia County is on the south side of Bernalillo County and the Albuquerque metro area. Valencia County is largely dependent on Bernalillo County and the city of Albuquerque, but includes a few small towns that have modest to moderate levels of independence. Because the size of the cities in Valencia County is relatively small, there is little statistical data on the cities themselves. Thus, the following area discussion focuses on Valencia County, but includes city data to the extent possible.

**Population**

Valencia County population is concentrated in the Los Lunas area, but Los Lunas (central), Bosque Farms and Peralta (north), and Belen (south), seem to merge to form a loosely extended community.

COUNTY AND COMMUNITY POPULATION GROWTH

AREA/YEAR	1990	2000	'90-'00	2010	'00-'10
Valencia County	45,379	66,152	3.84%	76,569	1.47%
Los Lunas	6,013	10,034	5.25%	14,835	3.99%
Belen	6,547	6,901	0.53%	7,269	0.52%
Bosque Farms	3,791	3,981	0.49%	3,904	-0.20%
Peralta	N/A	N/A	N/A	3,660	N/A

The above are US Census figures for the years noted. Growth rates are indicated for 10-year intervals. The County's growth from 1990 to 2000 was impressive, at near 4% per year, compounded, but the Village of Los Lunas was the "star" of the area, with compound annual growth throughout the 1990s of 5.25%. Belen and Bosque Farms had very modest growth during the 1990s. Based on the 2010 census, Valencia County continued to grow, but at a much slower rate of 1.47% per year. Belen's growth rate was comparable to that of the 1990's (minimal), but Bosque Farms sustained a loss in population. Again, Los Lunas had the best growth, with a 3.99% annual growth rate over the past decade. (Because of the recent date of incorporation of Peralta, no statistical analysis is possible.) These statistics run well into the period of time when substantial slowing in residential markets appeared and started restricting the ease with which people could relocate to different communities. I note that more recent population projections indicate Los Lunas has grown very slightly, and Belen has shrunk very slightly.

A key component to the population growth and the spending growth is the number of new homes being built. Activity had been extremely strong for several years, but turned very negative in 2007. The following chart shows the permit activity from 2002 through 2011 (last year for published data).

VALENCIA CO PERMITS

YEAR	###	%CHG
2002	127	-21.12%
2003	122	-3.94%
2004	186	+52.46%
2005	220	+18.28%
2006	301	+36.82%
2007	251	-16.61%
2008	128	-49.00%
2009	99	-22.66%
2010	61	-38.38%
2011	10	-83.61%

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Permits in unincorporated parts of Valencia County peaked in 2006, about a year later than nearby Albuquerque. The decline in permits since then has largely mirrored, but been slightly more severe than that of other nearby communities. Available statistics through 2011 show a continuation of the serious slowdown in residential development. Reporting methodology for Valencia County changed in 2012, but if the county performed anything like its largest city, continued erosion was likely in 2012, with the possibility of slight recovery in subsequent years.

LOS LUNAS HOME PERMITS

YEAR	###	%CHANGE
2009	122	-23.27%
2010	94	-22.95%
2011	51	-45.74%
2012	31	-39.22%
2013	34	+9.68%
2014	76	+123.53%
2015	99	+30.26%
2016	76	-23.23%
2017	110	+44.74%
2018	107	-2.73%

Local home building surged in 2005, increasing over 350% from the prior year. New permits remained strong in 2006, but started showing a noticeable decline in the second half of 2007, and then fell significantly in 2008, 2009, 2010, 2011 and 2012. The 2012 permit count of 31 was barely 6% of the peak of 496 in 2005. A modest increase in 2013 was followed by a substantial increase in 2014 and another healthy increase in 2015. A slight retreat in 2016 was followed by impressive growth in 2017 and stability in 2018. It is notable that in three of the last four years, permits have ranged from 99 to 110.

As the largest community in Valencia County, the housing market in Los Lunas is an important indicator.

LOS LUNAS HOUSING DATA

YEAR	SOLDS	AVERAGE	MEDIAN
2011	137	\$145,021	\$140,000
2012	165	\$150,884	\$145,000
2013	194	\$153,955	\$155,000
2014	157	\$156,957	\$154,900
2015	197	\$164,251	\$155,000
2016	238	\$173,187	\$169,165
2017	259	\$184,265	\$178,500
2018	268	\$199,695	\$190,000

This chart shows that home sales volume in the central and western parts of Los Lunas have improved in recent years. The most notable increase occurred in 2016 when sales topped 200 for the first time in many years. Subsequent years have built on that increase, with total sales reaching 268 in 2018. Along with increasing sales volume, the average price in Los Lunas has been on a steady march upward, increasing every year for no less than seven straight years, effectively hitting \$200,000 in 2018. While median home price was reasonable stable from 2011 through 2015, there was a sizeable increase in 2016 and subsequent increases in 2017 and 2018. The median price is now just 5% below average price at \$190,000.



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10 to 20 commercial permits yearly have been customary for Valencia County, with most for building in Los Lunas. In recent years, prominent commercial and industrial projects surrounded the Interstate 25 interchange with NM 6. Commercial permits plunged in 2009 and 2010, with just three and two permits, respectively, in these years. Permits again hit double-digits in 2011 and in 2012, but plunged again in 2013 and 2014, with just three permits issued in each year. The permit count for later years is not available.

**Employment**

As would be expected in a market where there has been considerable population growth and new construction of homes and commercial properties, employment has been strong in Valencia County. The following chart shows recent employment data for Valencia County (no separate Los Lunas/Belen data).

VALENCIA COUNTY EMPLOYMENT

YEAR	LABOR FORCE	EMPLOYED	UNEMPLOYED	%UNEMP
2009	30,898	28,441	2,457	8.0%
2010	31,210	28,203	3,007	9.6%
2011	30,728	27,926	2,802	9.1%
2012	30,302	27,641	2,661	8.8%
2013	29,929	27,398	2,531	8.5%
2014	29,435	27,070	2,356	8.0%
2015	29,378	27,181	2,197	7.5%
2016	30,117	28,161	1,956	6.5%
2017	30,203	28,380	1,823	6.0%
2018	31,042	29,465	1,577	5.1%

Employment remained very steady in Valencia County in the middle 2000s. Although the long-term trend was higher, employment peaked in 2008 and fell for several years thereafter. The downward trend reversed itself in 2015, then in 2016 there was a fairly sizeable gain. A more modest increase in 2017 was followed by another large increase in 2018. It is likely that some of the recent improvement is attributable to the Facebook facility construction project. Unlike most construction projects, this is one that will have a relatively long run, with construction expected to continue into 2022, or slightly beyond.

MAJOR EMPLOYERS – VALENCIA COUNTY

EMPLOYER	PRODUCT/SERVICE	EMPLOYEES
Belen Public Schools	Education	740
Wal-Mart	Distribution Center	600
Wal-Mart	Super Center	500
Ambercare Home Health	Home Health Care	450
State Corrections	Prison Industry	400
BNSF Railroad	Transportation	350
Valencia County	Government	270

For security reasons, many companies and government agents will no longer provide specific employee counts. Thus, the figures above are based on data from a few years ago and may not be highly accurate as of 2019. Still, the data shows who the major employers are and what industries they represent.

A potential bright spot for future employment in Valencia County was a proposed hospital. The hospital has been a topic of debate for a decade, or more, with various communities in Valencia County making their cases

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for where the hospital should be located. Taxes have been collected to fund the hospital, and after several false starts, Valencia County signed a deal in late 2018 with Lovelace Hospital to build/operate a new hospital (location still undetermined). Almost before the ink dried on the agreement, Lovelace Hospital petitioned to be let out of the agreement and Valencia County consented. Therefore, as of the middle of 2019, there is no agreement with a hospital operator to build/operate a hospital, and no decision as to where it might eventually be built.

A lengthy, but temporary, bright spot for Valencia County employment has been, and will be for some time, the construction of multiple large data centers for Facebook. In the summer of 2016, Los Lunas was selected as the site for the company’s newest data center. Shortly after starting construction, Facebook announced that the facility would be triple the size of what was originally planned. Each center will be between 250,000 and 300,000 square feet and will create substantial construction employment during the construction process, which is expected to continue through 2022. However, the nature of a data center is that following construction, the daily operation of the facility requires comparatively few employees. Projections are that each finished facility will employ no more than 50 to 100 persons, suggesting total employment once operations begin will probably not exceed 300. Though the long-term employment count may be relatively low, the recognition of having Facebook in Los Lunas is considered a major gain. (In 2019, Facebook purchase roughly 450 acres of land adjacent to their Los Lunas site, but stated there were no immediate plans for use of the land.)

Consistent with a generally poor employment market in recent years, per capita income in Valencia County has remained very flat. In 2010 per capita income was reported at \$28,457 and it only rose to \$28,555 by 2014 (the most recent year for which data is available).

**Economy**

Another measure of economic health is gross receipts statistics. The following charts show retail gross receipts for the past several years for the county and certain communities therein.

RETAIL GROSS RECEIPTS – VALENCIA COUNTY

DATE	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTALS	% CHG
2009	\$124,562,582	\$129,720,612	\$124,457,682	\$131,072,454	<b>\$509,813,330</b>	<b>-0.47%</b>
2010	\$122,810,486	\$131,060,428	\$122,437,775	\$135,224,660	<b>\$511,533,349</b>	<b>0.34%</b>
2011	\$127,532,414	\$136,803,734	\$132,088,332	\$135,813,594	<b>\$532,238,074</b>	<b>4.05%</b>
2012	\$128,061,507	\$135,455,381	\$165,800,734	\$137,785,063	<b>\$567,102,685</b>	<b>6.55%</b>
2013	\$136,019,023	\$137,249,298	\$135,084,586	\$142,400,165	<b>\$550,753,072</b>	<b>-2.88%</b>
2014	\$135,313,387	\$130,548,931	\$143,537,123	\$150,699,988	<b>\$560,099,429</b>	<b>1.70%</b>
2015	\$105,088,528	\$219,500,131	\$143,537,123	\$140,285,017	<b>\$608,410,799</b>	<b>8.63%</b>
2016	\$144,616,879	\$136,188,797	\$89,686,242	\$142,623,351	<b>\$513,115,269</b>	<b>-15.66%</b>
2017	\$138,900,316	\$140,028,706	\$130,510,128	\$148,535,370	<b>\$557,974,520</b>	<b>8.74%</b>
2018	\$119,731,318	\$151,504,683	\$148,558,993	\$161,590,925	<b>\$581,385,919</b>	<b>4.20%</b>

As might be expected with the economic conditions that have existed for several years, the improvement in gross receipts collections in the middle 2000s were reversed subsequent years. After declining in 2009, gross receipts have been moving in a mostly positive direction, through there were another couple of years with negative growth. The 2018 total was the second highest of the decade, and I note that in six of the last 10 years, gross receipts have been between 532 and 581 million dollars, indicating relative stability.



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RETAIL GROSS RECEIPTS – LOS LUNAS ONLY

DATE	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTALS	% CHG
2009	\$74,523,784	\$78,061,612	\$75,337,697	\$82,116,639	\$310,039,732	0.33%
2010	\$75,960,381	\$81,893,717	\$77,961,516	\$87,909,639	\$323,725,253	4.41%
2011	\$82,104,891	\$87,549,869	\$85,977,677	\$89,132,612	\$344,765,049	6.50%
2012	\$80,971,313	\$86,948,130	\$87,361,076	\$89,516,164	\$344,796,683	0.01%
2013	\$90,213,085	\$86,485,330	\$87,103,016	\$91,593,377	\$355,394,808	3.07%
2014	\$85,499,516	\$80,789,102	\$94,635,943	\$95,611,796	\$356,536,357	0.32%
2015	\$80,789,102	\$136,165,434	\$94,635,943	\$88,837,492	\$400,427,971	12.31%
2016	\$90,179,178	\$86,644,526	\$56,557,919	\$90,426,050	\$323,807,673	-19.20%
2017	\$86,717,423	\$78,345,589	\$80,990,022	\$90,147,243	\$336,200,277	3.83%
2018	\$82,620,967	\$92,587,572	\$90,686,871	\$100,136,735	\$366,032,145	8.87%

The same general pattern in gross receipts was apparent in Los Lunas. Growth resumed slightly earlier (2009) and has been mostly very steady since then. A surge in 2015 was unsustainable and resulted in a sharp decline in 2016, but slow growth resumed thereafter. The 2018 report was the second highest if the decade, and for most of the past decade gross receipts have ranged from about 325 to 365 million dollars per year. Stability and slow growth are indicated by these data.

RETAIL GROSS RECEIPTS – BELEN ONLY

DATE	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTALS	% CHG
2010	\$29,772,697	\$31,091,619	\$30,633,858	\$32,042,070	\$123,540,244	-4.91%
2016	\$37,504,954	\$31,556,756	\$20,786,492	\$33,910,872	\$123,759,074	-18.20%
2012	\$30,881,669	\$31,220,172	\$30,667,240	\$32,458,425	\$125,227,506	-0.51%
2013	\$30,589,907	\$31,660,053	\$30,860,907	\$32,313,711	\$125,424,578	0.16%
2011	\$29,797,382	\$31,422,541	\$31,955,642	\$32,696,452	\$125,872,017	1.89%
2014	\$30,316,130	\$29,378,866	\$33,175,526	\$35,067,480	\$127,938,002	2.00%
2017	\$35,405,105	\$26,772,590	\$31,852,986	\$35,869,239	\$129,899,920	4.96%
2009	\$32,863,327	\$32,201,076	\$32,293,748	\$32,562,515	\$129,920,666	-6.38%
2015	\$29,378,866	\$55,124,236	\$33,175,526	\$33,624,616	\$151,303,244	18.26%
2018	\$32,669,180	\$40,727,418	\$39,332,213	\$42,708,723	\$155,437,534	19.67%

Belen's gross receipts have been volatile for the past decade. In eight of the last 10 years, gross receipts have been between 123 and 130 million. In the other two years, gross receipts spiked to 151 to 155 million. The highest figure was in 2018, but past history suggests this surge will not be sustained.

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RETAIL GROSS RECEIPTS – PERALTA ONLY

DATE	1 <sup>ST</sup> QTR	2 <sup>ND</sup> QTR	3 <sup>RD</sup> QTR	4 <sup>TH</sup> QTR	TOTALS	% CHG
2009	\$1,521,916	\$1,578,212	\$1,249,249	\$1,241,599	<b>\$5,590,976</b>	<b>4.98%</b>
2010	\$1,319,946	\$1,453,706	\$1,367,251	\$1,342,120	<b>\$5,483,023</b>	<b>-1.93%</b>
2011	\$1,355,457	\$1,381,766	\$1,456,199	\$1,399,660	<b>\$5,593,082</b>	<b>2.01%</b>
2012	\$1,462,337	\$1,487,397	\$1,381,558	\$1,457,420	<b>\$5,788,712</b>	<b>3.50%</b>
2013	\$1,503,166	\$1,538,342	\$1,363,578	\$4,015,011	<b>\$8,420,097</b>	<b>45.46%</b>
2014	\$3,663,777	\$2,809,160	\$2,299,655	\$3,023,273	<b>\$11,795,865</b>	<b>40.09%</b>
2015	\$2,809,160	\$4,391,890	\$2,293,655	\$3,001,136	<b>\$12,495,841</b>	<b>5.93%</b>
2016	\$3,008,747	\$2,378,777	\$1,815,807	\$2,298,808	<b>\$9,502,139</b>	<b>-23.95%</b>
2017	\$2,667,283	\$2,125,237	\$2,680,208	\$2,308,417	<b>\$9,781,145</b>	<b>2.94%</b>
2018	\$2,790,274	\$2,136,072	\$2,108,092	\$2,415,348	<b>\$9,449,786</b>	<b>-3.39%</b>

In Peralta, gross receipts took a sustained jump in 2013. They have been rather volatile since then, though they seem to have leveled out in the past three years.

### Summary

Overall, Valencia County is a region that has shown positive growth in population and employment in the recent past, at least until the emergence of the Great Recession. As in almost every community, the national recession and related crises in banking and equity markets had a negative impact on the county. In the latter 2000s, for the first time in years, housing development declined significantly, employment growth turned negative, and local economies experiencing reduced consumer spending. Employment remained a trouble spot until a large construction project provided a much-needed boost, one that is likely to be sustained for at least another three years. Economic data shows that despite reduced employment levels (until late), retail spending slowly improved over the past several years and now tops pre-recession levels, in most cases. This sign of improvement in the economy is supported by the fact that housing construction is showing strength, as are sales of existing homes and average/median home prices. Based on recent trends, the outlook for Valencia County is cautiously optimistic.

### Los Lunas Area

The Village of Los Lunas is located in central New Mexico, with about 24 miles separating downtown Albuquerque (to the north) and downtown Los Lunas. This distance somewhat overstates the practical distance between the two communities since the fringe unincorporated parts of the metropolitan area of Albuquerque are much nearer the adjacent towns of Bosque Farms, Peralta and Los Lunas where sprawling rural-residential development has few readily identifiable boundaries. Albuquerque and the Los Lunas, Peralta and Bosque Farms communities are separated only by the Isleta Indian Reservation, which is traversed by State Highways and Interstate Freeways.

Situated astride the Rio Grande, within the Rio Grande Valley, Los Lunas encompasses an area from just west of Interstate 25 to a mile or so east of State Road 47, along both sides of the Rio Grande, at an elevation of 4,850 feet msl. Los Lunas is the county seat of Valencia County, and related State and Federal agencies are located in the Village of Los Lunas. Various retailing, education, service, government, and agriculture businesses diversify the community. Land is still largely devoted to agricultural purposes, though arterial frontages are seeing ever-increasing amounts of retail-commercial development, and industrial parks have recently experienced a surge of development activity.



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Los Lunas has a mayor/council type government. The Village employs approximately 30 police officers, has a fire department approximating 20 firefighters (including salaried and volunteer firemen in three firefighting units), a planning and zoning commission, and major zoning regulations in place. Taxes in Valencia County remain lower than metropolitan areas to the north. Ad valorem taxes are by law based on 33.33% of market value. Mil levies vary annually. Gross receipts tax is 6.875% in Valencia County. Taxes are higher in Los Lunas, 8.3125%. Los Lunas educational facilities include 12 public schools with an enrollment near 8,000, over 2,000 of which are in high school. UNM has its Tome campus with enrollment approximating 1,000. Medical care is available through an Urgent Care Center, local family health care, and various local physicians (the nearest hospital is in Albuquerque). Public transportation services are available in Albuquerque (20+/- miles north) and Belen (10 miles south). Commuter train service from downtown Los Lunas provides linkage to Belen (south) and Albuquerque and Santa Fe (north).

The economic viability of Los Lunas remains tied to Albuquerque, since Los Lunas does not have a large internal employment base. However, Los Lunas is more than a bedroom community, having full governmental autonomy and a well-rounded mix of residential, commercial, industrial, health care and institutional facilities. Nevertheless, with Albuquerque overflowing its boundaries in passing the 600,000 SMSA population mark, Los Lunas has increased in popularity as a below-Albuquerque-cost market in which to live and own a home. Further, due to the ease of travel afforded by I-25 and Highway 47, the commute from Los Lunas to the downtown district of Albuquerque is equal or shorter in time than it is between many parts of the Albuquerque metropolitan area.

Most Los Lunas development lies well east of the I-25 interchange with NM 6, the primary route in/out of Los Lunas. I-25 has effectively supplanted US Highway 85 as the primary north-south way to, and through, Los Lunas, especially since 75-MPH speed limits were reinstated on the interstate highways. State Road 47 has, because of nearly continuous development between Los Lunas, Bosque Farms, the Isleta Reservation and Albuquerque, become the highway of choice for many locals driving between Belen and Los Lunas, and Los Lunas and Albuquerque. However, steady development in these communities has required an increasing number of traffic lights along Highway 47, which slows traffic movement. Though the historic development pattern has been almost exclusively rural-residential in areas well east of I-25, there has been a growing amount of commercial development in the eastern region of Los Lunas, and commercial development has become very prominent in the western region of Los Lunas.

In eastern Los Lunas, the focal point of much recent commercial development was near the Valencia “Y”, where NM 6 and State Road 47 merge their heavy traffic flows. Retail centers in this area include national chain grocery and retail stores, and numerous national chain restaurants, all of which have located in the immediate area. In the farthest northeastern reaches of Los Lunas, where the community merges into Peralta and Bosque Farms, Highway 47 is lined with a variety of strip retail-commercial uses. These uses are more heavily concentrated in Bosque Farms, and development there includes some national chains like McDonald’s, Sonic, Phillips 66, Family Dollar, and a few others. Local stores and businesses represent the bulk of commercial development in Bosque farms, and the totality of commercial development in Peralta.

In part because of a limited land supply, developers since the late 1990s increasingly focused on the far west side of Los Lunas as the prime commercial development area. The I-25 and NM 6 interchange is the focal point of this development area. Plans for up to 1,900 homes were gradually being realized in the northeast quadrant of I-25 and NM 6. This happened concurrently with relatively heavy residential growth in the southeast quadrant of the interchange, mostly in an in-fill capacity, but also with some new subdivision creation. New developments in the northwest and southwest quadrants continued the westward push, crossing over I-25 for both residential and commercial development in the middle 2000s.

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Sun Ranch Village, in the southwest quadrant of I-25 and NM 6, established a foothold for residential building about 15 years ago, and the large Huning Ranch project greatly extended the presence of modern subdivision development in the area. Starting along with the Sun Ranch Village project, new commercial improvements were built (offices, multi-screen theater, restaurants, motel, gas station), and new commercial improvements were subsequently added. Los Morros Business Park (northwest quadrant) initiated major industrial growth anchored by a Wal-Mart distribution center, which acquired a 110-acre site and built a distribution facility of approximately 700,000 square feet. Subsequently, Wal-Mart built a Super-Center retail outlet beside their distribution center. Pad sites in front of Wal-Mart were subsequently improved with strip retail and restaurant improvements. Los Morros Business Park continued to attract large and small industrial-class developments, the most prominent of which, until recently, was Merillat Manufacturing plant (cabinet manufacturer), which opened in 2007 but was subsequently idled by the housing market crash in 2008. The building subsequently sold to a group of local investors who hope to partition and lease the structure.

The northeast quadrant of the interchange also saw commercial development activity, with new car dealerships and other strip commercial uses. Slightly east of the interchange, a Home Depot store was built in the early 2000s, spawning numerous strip retail and restaurant projects. In 2009, a Lowe’s Home Improvement Center was built beside the Home Depot store, further expanding the national retail presence in the area. The area from I-25 to where the Home Depot and Lowe’s stores are situated along NM 6 became the favored location for new retail-commercial development, with several new restaurants and retail centers built over the past several years.

The brightest light in Los Lunas’s recent development has been, and will be for some time, the construction of multiple large data centers for Facebook. In the summer of 2016, Los Lunas was selected as the site for the company’s newest data center. Shortly after starting construction, Facebook announced that the facility would be triple the size of what was originally planned. Each data center will be between 250,000 and 300,000 square feet and will create substantial construction employment during the construction process, which is expected to continue through 2022. However, the nature of a data center is that following construction, the daily operation of the facility requires comparatively few employees. Projections are that each finished facility will employ no more than 50 to 100 persons, suggesting total employment once operations begin will probably not exceed 300. Though the long-term employment count may be relatively low, the recognition of having Facebook in Los Lunas is considered a major gain. (In 2019, Facebook purchase roughly 450 acres of land adjacent to their Los Lunas site, but stated there were no immediate plans for use of the land.)

The Great Recession thwarted the residential development plans that were once leading development in the northeast and southwest quadrants of I-25 and NM 6, and to a lesser degree in other parts of Los Lunas. The impact of the Great Recession still echoes in residential markets, as illustrated by the following chart of residential building permits in Los Lunas. (\* = 2019 permit data is through June.)

LOS LUNAS SFR PERMITS

YEAR	SFR PERMITS
2010	94
2011	51
2012	31
2013	34
2014	76
2015	99
2016	76
2017	110
2018	107
2019	*35



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The prior chart shows general improvement from 2012 through 2018, with reasonable stability from 2015 through 2018 with permits ranging from 76 to 110 each year, with 99 permits or more in three of the last four years. Unfortunately, through June of 2019, permit count is down over 40% in Los Lunas, with the count suggesting an annual total of perhaps 60 or fewer permits. If this comes to pass, it will be the lowest permit count since 2014. Based on this data, it appears that the process of residential development working off of existing lot inventory will likely continue for the foreseeable future, suggesting little to no demand for development of new subdivisions on currently raw land.

Overall, the Los Lunas area complex is almost physically tied to Albuquerque, but is more closely tied by economics. Being close to Albuquerque, the appeal of Los Lunas as a place to live or live and work, and the plans of residential and commercial developers provide a strong basis for projecting positive things for Los Lunas in the long term. Activity at the I-25 and NM 6 interchange, and at the intersection of NM 6 and State Road 47, provides the best evidence of modern commercial. Though at a pace far below that of the middle 2000s, development in the southwest quadrant of I-25 and NM 6 shows the continued emergence of modern residential subdivision development. And development in the northwest quadrant of the interchange shows the ability of Los Lunas to capture unique and prominent industrial growth. Predicting the future is impossible, but Los Lunas appears to be poised to benefit as the economy moves farther and farther past the Great Recession.

*The Subject Neighborhood*

The subject property is located on the western periphery of Los Lunas. It is somewhat difficult to assign realistic neighborhood boundaries. For practical purposes, I believe the neighborhood is best identified as the area surrounding the Interstate 25 interchange with NM 6.

Relative topography tends to isolate the subject neighborhood from most of the rest of Los Lunas. The larger part (central and eastern regions) of Los Lunas is a rural-agricultural village characterized by irrigable lands and low-density residential land uses along the Rio Grande. Elevations rise east and west of the heart of Los Lunas, and the subject neighborhood is one of the elevated areas. The western-most irrigation ditch in Los Lunas is roughly a mile east of I-25, and this serves as a definitive delineation between modern urban and rural-agricultural parts of the village.

Development in the southeast quadrant of Interstate 25 and NM 6 is dominated by single-family residences, but includes some multi-family improvements, too. Subdivisions closest to Interstate 25 tend to be newer than those farther to the east, but almost all homes in the area are modern, tract-style homes with modern construction materials and amenities. Early commercial development was also located in this quadrant. The south side of NM 6 was improved with motel, service station, scattered retail and office improvements that were positioned along NM 6 to lure traffic from I-25, or capture traffic between I-25 and the heart of Los Lunas.

Development in the northeast quadrant of Interstate 25 and NM 6 is mixed, and includes single-family residences, commercial improvements, and institutional uses. Development in this quadrant is generally newer than that to the south. Development began with placement of Los Lunas High School north of NM 6. Subsequently, single-family residential subdivisions were built north of the school. West of the school, fronting along the east right-of-way of Interstate 25, development of automobile dealerships and self-storage complexes has taken place. More recently, lands fronting the north side of NM 6 were improved with Home Depot and Lowe's stores, and a host of other modern commercial improvements followed. Collectively, the school, dealership and modern retail-commercial improvements serve as prominent institutional and commercial uses that tend to draw residents of Los Lunas to the area on a regular basis. Further, these improvements serve as prominent employment centers for Los Lunas.

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Development in the southwest quadrant of Interstate 25 and NM 6 is also mixed, and includes single-family residences, commercial improvements, and recreational improvements. Development in this quadrant is generally newer than that to the east. Development began with construction of single-family residential subdivisions a moderate distance south of NM 6, adjacent to I-25. Subsequently, commercial improvements were built in the immediate southwest quadrant of the interchange, including a multi-screen movie theater, national chain restaurants, professional offices and a service station and convenience store. Additional housing was also developed south of the initial subdivision project. As with those improvements built in the northeast quadrant of the interchange, many of the commercial improvements built in this area are the type that draw residents of Los Lunas to the area. Many are also the type to draw traffic from I-25. Again, these improvements serve as employment centers for Los Lunas.

Residential development in the southwest quadrant of the interchange was quite strong in the middle 2000s, as the Huning Ranch subdivisions extended west and south from the initial residential and commercial improvements close to the interchange. The Huning Ranch (master-planned) project covers approximately 2,200 acres of land that had been approved to support over 6,800 new homes. Development started in 2005 on the northern sections of this project and continued as a steady pace through 2007. The onset of the Great Recession in 2007/2008 brought residential development to a near total halt, and it has been a very slow process of recovery, with the level of recovery never matching the heights the market reached in the middle 2000s.

Development in the northwest quadrant of Interstate 25 and NM 6 is a mix of commercial and industrial property. Development was initiated in the middle 2000s with the construction of a Wal-Mart distribution warehouse north of NM 6 in the Los Morros Business Park. Subsequently, a Wal-Mart Super-Store was built in the immediate northwest quadrant of the interchange. As with development that followed the Home Depot and Lowe's stores, the Wal-Mart store served as an impetus for a new strip retail center, fast-food restaurants, a bank, and other commercial improvements. Other industrial users have located in the Los Morros Business Park, building several new warehouse and/or light manufacturing facilities, the most prominent of which was the Merillat Manufacturing plant (a prominent cabinet-making company). Unfortunately, with the downturn in residential building, the Merillat plant has been idled. A Chevrolet car dealership was one of the more recent addition to this area. Again, these improvements also serve as key employment centers for Los Lunas.

The most notable improvements to come to the subject area in many years are the multiple data center facilities being built by Facebook in the Los Morros Business Park. The original 2016 plan for a single data center soon bloomed into plans for three data centers and supporting infrastructure. The fact that Facebook acquired another 450 acres of land in 2019 suggests more construction is likely in the future, though no plans for the added land have been announced. Construction of the data centers is projected to extend into 2022, meaning construction jobs will remain plentiful for another few years. However, despite how large they are, data centers have small permanent staffing estimated at 50 to 100 persons for each. Even though Facebook may not be a large employer in the long-run, the name recognition created by Facebook is expected to be a long-term positive influence on the subject neighborhood and the whole of Los Lunas.

Obviously, the access amenities of the neighborhood have been key to its development. Interstate 25 provides direct and efficient linkage between Los Lunas and Albuquerque, and it enables Los Lunas to be a functional part of the larger Albuquerque metro area. As Albuquerque has grown and new development areas have been pushed to the perimeter of the city, areas farther removed from the city, but with good access amenities, have become targets for development tied to Albuquerque. Via I-25, downtown Albuquerque is barely 21 miles north of the Interstate 25 and NM 6 interchange, and the south side of Albuquerque is only about 16 miles away. Thus, typical drive-times between Los Lunas and south or central Albuquerque are barely 15 to 20 minutes.



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In the same way that I-25 links Los Lunas to Albuquerque, NM 6 links I-25 to the heart of Los Lunas. NM 6, aka Main Street, runs east/west through the heart of Los Lunas, reaching Highway 47 near the east side of Los Lunas, and extending west of the subject neighborhood to ranch lands and other distant towns. Although another link between Highway 47, which also provides north/south linkage between Belen, Los Lunas, Isleta and Albuquerque, has been discussed for years, as of late 2004, NM 6 remains the only road linking Los Lunas to Interstate 25 and areas to the west. I also note that NM 6 extends well west of I-25, eventually turning northwest and connecting to Interstate 40 many miles away.

AREA TRAFFIC COUNTS

LOCATION	2010	2011	2012	2013	2014	2015	2016	2017
I-25/N of SR 6	30,500	29,100	27,700	28,000	30,000	29,800	30,400	32,000
I-25/S of SR 6	21,600	20,000	19,300	19,000	19,500	21,300	22,000	22,000

This chart shows that traffic counts surrounding the Interstate 25 and NM 6 interchange have grown slightly over the long-term, but have not experienced any significant change. As population growth and economic recovery occur, I anticipate a continuation of the historic growth pattern.

Overall, the subject neighborhood is characterized as being on the western fringe of Los Lunas, sitting at an elevation that essentially precludes rural-agricultural development, which is the mainstay of the bulk of Los Lunas. This relative elevation and topography of the area, along with its location along Interstate 25, supports modern urban style development. The area around Interstate 25 and NM 6 experienced steady development of modern residential subdivisions, prominent commercial improvements like stores, restaurants and gas stations, unique improvements like a multi-screen theater and car dealerships, and prominent industrial development, most notably Facebook data centers. All quadrants of the interchange experienced residential and commercial growth in the middle 2000s, though said growth slowed in 2008. New construction since 2008 has been limited, with the NM 6 corridor east of I-25 experiencing the greatest level of development, and the Facebook facilities representing unique development that could not have been foreseen.

*Specific Subject Location*

The subject property is located at the southwest quadrant of Interstate 25 and NM 6, south of the greatest concentration of commercial and residential development, and immediately west of the southern-most extension of residential and commercial development. The site fronts the west side of Huning Ranch Loop Road, just short of its current termination.

This specific location is on the fringe of existing development, being directly across from an incomplete residential subdivision and a recently completed facility for a non-profit provider of various family services. Though the subject is across from these uses, the subject abuts extensive vacant lands to the north, west and south.

Despite being near the end of a road that currently dead-ends, access to the immediate area is surprisingly good. Huning Ranch Loop Road extends north from the subject location intersecting with numerous local streets for immediate area accessibility, and extends to NM 6 perhaps three-quarters of a mile to the north. NM 6 is the main east/west route through Los Lunas. NM 6 also interchanges with I-25 making freeway access readily available.

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Growth in the immediate area has been very limited, being mostly slow in-fill of single-family residences on existing lots. The exception is the recent completion of an institutional facility for a non-profit organization that provides family services in the local community. The new facility is a relatively small building on a rather large lot; the user hopes to be able to grow the building and expand services in the future.

Overall, the subject site's location is considered mostly typical of an interior site within a largely residential development area, but is distinguished by being on the western and southern fringes of development, surrounded by vast amounts of vacant land. Despite the quasi-isolated nature of the site's location, it fronts a paved road with good arterial linkage, has access to all standard municipal utility services, and is in an area where some recent growth has occurred.

Subject Site Description

A copy of the site diagram is presented in the preface for the reader's reference.

**Location:** The west side of Huning Ranch Loop Road, south of Sunset View Avenue.

**Size:** Based on the site diagram, the site area is 9.00 acres, or 392,040 square feet.

**Shape:** The site has an oblong rectangular shape. Pertinent dimensions include approximately 400' of frontage on Huning Ranch Loop Road, and site depth of between 900' and 1,000' along the north and south property lines. These dimensions yield a modest frontage to depth ratio, suggesting site improvements could potentially suffer from limited street visibility. Despite the site's low frontage to depth ratio, I consider the site's shape to be adequate and usable.

**Topography:** The site reflects the natural topography of an unimproved site. Generally, land in the immediate area slopes down from west to east, with the grade becoming progressively shallower to the east. There also appears to be a general downward slope from north to south. In addition to the general slopes, the site appears to incorporate countless minor undulations creating slight and short slopes in all directions. Overall, I rate the site's topography as mild to moderate, but not so sloped as to have a material impact on development potential or cost. This stated, the fact that the subject land is lower than undeveloped lands at higher elevations to the north and west indicates drainage control could be influential on site development and related costs.

**Flood Zone:** My reading of the FEMA flood map (panel #35061C-0220E (from August of 2010) shows the site in a Zone "X" (no shading), defined as an area outside the 500-year flood.

**Soil:** Absent current or past soil bearing or composition data, this appraisal is predicated on the underlying assumption that the site is sufficiently stable, without extraordinary preparation, to support any legal and reasonably probable future improvements. Discovery of any adverse soil conditions could make this Retrospective Appraisal invalid.

**Environmental:** Absent a Phase I or other environmental study, this appraisal is predicated on the underlying assumption that there are no above or below ground contaminants that could negatively impact the value of the property. Discovery of any adverse environmental condition could make this Retrospective Appraisal invalid.

**Zoning:** Under authority of the Village of Los Lunas, the subject site is part of a large land holding zoned SU for "special use". This zoning generally allows for a very wide variety of commercial and institutional uses, as well as planned residential development. The subject site is also within the area covered by the Huning Ranch

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Master Plan. The master plan designates the subject and surrounding lands for medium-density residential development. Given the date of the master plan and the market changes that have taken place since its passing, I consider it likely the master plan could be amended to allow most any reasonable use of the land. The applicable segment of the Huning Ranch Master Plan is reprinted in the addendum for the reader’s reference.

**Utilities:** All standard public/private utilities are available to the site with common final extensions. The Village of Los Lunas provides water and sewer services, and gas, electricity, and telecommunication services are provided by private carriers. Utilities come to the site in adjacent street rights-of-way or in easements along the edges of the site.

**Easements:** The site diagram shows no easements inside the projected property lines. If independently platted, it would not be unreasonable for there to be narrow utility easements along the property lines, especially the east property line adjacent to Huning Ranch Lop Road. Such easements are commonplace and rarely have any impact on site utility or value. Absent platting, a site survey or title report, this appraisal is predicated on the underlying assumption that there are no detrimental easements impacting the subject site.

**Access:** The site has legal access to Huning Ranch Loop Road subject to the normal process of driveway permit application and approval. Based on the site’s size, multiple driveways would likely be approved.

**Streets:** Adjacent to the site’s east side, Huning Ranch Loop Road is a paved two-way street with bordering concrete curb and gutter, and some sections of sidewalk. Based on observation of the street north of the subject, it appears that only the east half of what is planned as a four-lane divided street has been built. Therefore, it is possible that development of the subject site would require construction of, or a financial commitment to construct, the west half of the roadway at a future date.

**Summary:** Overall, the site is considered adequately suited to various residential, commercial and industrial uses allowed under the site’s SU (special use) zoning and the supplemental Huning Ranch Master Plan. I am unaware of any obvious impediments to development or use of the subject site.

Assessed Value & Property Taxes

The site considered herein is a small part of a much larger parcel of land. Said Parcel is identified by a single Account Number, and is assessed to Huning Limited Partnership, with tax notices sent to a Los Lunas, New Mexico address. The following charts show the property tax assessment, the taxable value, and the actual taxes for the 2018/2019 tax year, and projected data for the following year.

ACCOUNT NO. R220875

COMPONENT	2018/2019	2019/2020
Assessed Land	\$300	\$300
Assessed Improvements	N/A	N/A
<b>Total Assessed</b>	<b>\$300</b>	<b>\$300</b>
Taxable Value	\$100	\$100
<b>TAX DUE</b>	<b>\$4</b>	<b>\$4</b>

The assessed parcel is slightly more than 95 acres in size, meaning the assessed market value is nominally \$3 per acre, and taxes are nominally \$0.04 per acre. Assuming proportional allocation to all parts of the site, the subject nine acres would have an implied assessed value of about \$28, and a tax burden of about \$0.40 per year.



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Based on the estimate of market value developed in this appraisal, I conclude the current assessed value of the site is below its actual market value. The assessment is as low as it is because the land is assessed as agricultural land. Nonetheless, the reader is advised that a more accurate assessment, absent the agricultural use tag, could result in higher property taxes. This stated, there is no evidence to suggest any material increase in the assessed value or tax rate in the near future, as evidenced by the lack of any material change over the past three years, or more.

*Prior Sales Of The Subject Property*

My investigation of the subject property reveals no transactions within the three years leading up to the effective date of this appraisal. Therefore, this appraisal has not been influenced by any recent sales of the subject property. To the best of my knowledge, the subject (site) is not now, nor has it recently been, independently listed for sale on the open market. Therefore, there is no pertinent listing history to analyze.

*Highest And Best Use*

Within a highest and best use study, prime concerns are the legal, physically possible, reasonably probable and profitable use of land.

I conclude the highest and best use of the subject site is for future residential development, most probably an urban-style subdivision. Factors supporting this conclusion are the underlying zoning of the site, the physical attributes of the site that are conducive to residential use, the fact that almost all nearby development is of detached single-family residences in urban-style subdivisions, and that there is little else that can compete on an economic basis for medium-sized parcels of land well removed from arterial frontage or established commercial/institutional uses.

This stated, the demand for new residential lots in Los Lunas is not sufficient to spur acquisition and development of vacant land. Until most or all existing lot inventory is utilized, such demand is not likely to appear. Therefore, while the long-term highest and best use of the land is for residential development, the immediate highest and best use is a speculative holding use.

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*Appraisal Procedure*

Standard approaches to market value include the depreciated cost approach, the sales comparison (market) approach, and net income capitalization approach. While the three approaches may use some common data, the analysis of data is different for each, and each focuses on a different attribute of property value. Since any analysis can include certain variables, this report may develop low, high, and most probable indications from each study used. A final review of the approaches, in light of each other, is the basis for the final value estimate.

The depreciated cost approach considers the property from a/the developer's standpoint. Thus, all aspects of land acquisition, planning costs, construction costs, and financing costs must be considered, as well as the developer's incentive. When "new" cost is estimated, deductions, if appropriate, may be made for areas where the property suffers from depreciations, be it physical, functional, or economic.

The sales comparison approach is essentially a comparison-shopping study that reflects common buyers and sellers. This approach considers the property as an item to be bought or sold like other goods. Common denominators like price per square foot or net/gross income multipliers are used as units of comparison, developed from the sales and applied to the subject. The approach pays particular attention to aspects of quality, condition, size, and potential.

Finally, the capitalization of net revenue is the basis for the income approach, which considers real estate as an "investment". Prime concerns are the quantity and quality of income that a/the property can be expected to produce, subject to the anticipated expenses of operating the property. Capitalization of the net income is based on required and desired capital returns. Capitalization may take more than one form, with common applications being direct capitalization and a discounting of future cash flows.

*Applicable Approaches*

As a tract of vacant land, the subject is not reproducible, so the cost approach is not applicable. Though vacant land is sometimes leased, the subject is not the type of land that is customarily made subject to a lease. Thus, the income capitalization approach, while technically possible, is not considered a reliable indicator of value for the subject and it is excluded from this appraisal. The subject land is valued through the sales comparison approach. This is the approach that market participants consistently apply in assessing the value of vacant land.

*Sales Comparison Approach*

The market value of vacant land is best estimated through a sales comparison process. This process involves analysis of sales of similar lands that have sold within a reasonably proximate period of time. Unit values like price per square foot or price per acre are taken from the sales as indicators of market value for the subject property. If there are significant differences between the sales and subject property, and if the market's reaction to the differences can be isolated and demonstrated, then adjustments to the sales can be made. If sound, the adjustments make a sale, or its value indication, more applicable to the subject. Where limited data is available, or adequate support for quantitative adjustments cannot be demonstrated, sales must normally be used in a "raw" form, possibly subject to qualitative adjustments.

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**Sales Selection**

I concentrated my search for comparable sales of medium-sized sites in the subject’s immediate vicinity. Unfortunately, I found no recent transactions in the subject vicinity, so the search area was extended to the whole of Los Lunas. the volume of nearby sales is insufficient for a proper analysis. Therefore, I have expanded the search area to the broader Interstate 25 Corridor. Retaining a focus on medium-sized sites, I have identified five sales that I think are relevant as comparables and indicators of market value for the subject site.

In keeping with a Summary Report format, the comparable sales are not discussed in individual narratives. Pertinent sale details are tabulated for easy reference and analysis, with additional details/location maps presented in the addendum.

**Sales Presentation**

Pertinent data from the sale properties is presented in the following chart. (Sale #6 was pending as of the referenced date.)

SALE SUMMARY – BY SALE DATE

#	ADDRESS	DATE	SIZE	SITE	SHAPE	ZONED	AREA	STREET	\$/ACRE
1	NM 314 (Esmnt)	12/07/2017	5.59	Rear	Rectangular	R-2	West/North	Easement	\$44,723
2	Vaisa	12/21/2017	16.54	Interior	Irregular	R-1	East/Central	Tertiary	\$42,261
3	Sichler	06/28/2018	9.69	Interior	Irregular	A-1/R-1	West/Central	Tertiary	\$29,013
4	Romero Lane	04/22/2019	7.49	Interior	Triangular	RR2	East/South	Tertiary	\$16,696
5	Otero	04/26/2-19	6.00	Interior	Semi-Rec.	A-1	East/Central	Tertiary	\$37,500

The sales are analyzed for relevant adjustments.

**Analysis . . . Sale Conditions**

The first consideration in analyzing sales is whether or not there are “conditions of sale” unique to one sale that might influence the sale price. Such conditions could be some form of distress on the part of the seller, favorable financing by the seller, or some other factor that is atypical of the normal conditions of sale for real property. It is important to distinguish between sales in a distressed market from sales that are individually distressed. To the best of my knowledge, none of the sales was impacted by atypical conditions of sale that warrant an adjustment.

**Expenditures After Sale**

It is sometimes the case that a buyer faces immediate expenses after acquiring a site in order to make it usable. This could include building demolition, or the like. In such cases, it is reasonable to consider these expenses as part of the cost of acquiring a vacant site. To the best of my knowledge, none of the sales had expenditures after sale that need to be accounted for.

**Market Conditions . . . Date Of Sale (Time)**

The sales span about 15 months from the first to last, plus a few more months to the effective date of appraisal. Over such a time, about 18 months, it is not unreasonable to think that market conditions could



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have changed in a way that would warrant adjustment up or down based on sale date. But considering the relatively short time that has elapsed, market movement, if any, would likely be small. While there are no ideal opportunities for pair-sales testing for appreciation or depreciation, the dataset as a whole provides some insight into market conditions.

Referencing the prior chart, the reader will see that the two highest unit prices were derived from sales in December of 2017. All subsequent sales were at lower unit prices, with the two sales in April of 2019 showing widely divergent indications. The last sale at \$37,500 per acre was higher than the prior two, but lower than the first two sales. The overall indication from the sales is that market conditions might be very slightly weaker in 2018 and 2019 than in 2017. This stated, there is no viable quantitative adjustment to be extracted, and even a qualitative adjustment for 2017 sales is somewhat suspect. In my opinion, the fact that unit prices move up and down indicates there is no definitive pattern in the market and that a time adjustment is not supportable.

### Site Size

It is often the case that large sites command lower unit values than otherwise similar small sites, reflecting economy of scale. In the case of the comparable sales selected for this analysis, the site sizes vary from less than one acre to more than four acres, indicating a size adjustment may be necessary. Therefore, I have considered the potential for a size adjustment. To facilitate the analysis, the sales are first divided into groups related to freeway frontage.

SALE SUMMARY – BY SITE SIZE

#	ADDRESS	DATE	SIZE	SITE	SHAPE	ZONED	AREA	STREET	\$/ACRE
1	NM 314 (Esmnt)	12/07/2017	5.59	Rear	Rectangular	R-2	West/North	Easement	\$44,723
5	Otero	04/26/2-19	6.00	Interior	Semi-Rec.	A-1	East/Central	Tertiary	\$37,500
4	Romero Lane	04/22/2019	7.49	Interior	Triangular	RR2	East/South	Tertiary	\$16,696
3	Sichler	06/28/2018	9.69	Interior	Irregular	A-1/R-1	West/Central	Tertiary	\$29,013
2	Vaisa	12/21/2017	16.54	Interior	Irregular	R-1	East/Central	Tertiary	\$42,261

Based on this chart, there is no clear or consistent correlation between site size and unit price. Absent any such correlation, there is no justification for a size adjustment.

### Site Shape

A site's shape can influence its value, especially if the shape is so irregular that parts of the site have reduced utility for use or development.

SALE SUMMARY – BY SITE SHAPE

#	ADDRESS	DATE	SIZE	SITE	SHAPE	ZONED	AREA	STREET	\$/ACRE
4	Romero Lane	04/22/2019	7.49	Interior	Triangular	RR2	East/South	Tertiary	\$16,696
3	Sichler	06/28/2018	9.69	Interior	Irregular	A-1/R-1	West/Central	Tertiary	\$29,013
5	Otero	04/26/2-19	6.00	Interior	Semi-Rec.	A-1	East/Central	Tertiary	\$37,500
2	Vaisa	12/21/2017	16.54	Interior	Irregular	R-1	East/Central	Tertiary	\$42,261
1	NM 314 (Esmnt)	12/07/2017	5.59	Rear	Rectangular	R-2	West/North	Easement	\$44,723

This chart, combined with map data presented in the addendum, indicates that site shape is influential within this dataset. The site with what appears to be the least useful shape is Sale #4, which has a triangular shape

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that hinders the utility of the land in two corners. Sale #3 is also irregular in shape to a degree greater than the remaining three sales, but not so much as Sale #4. The remaining three sales have only modest irregularities in their shapes, but remain very usable. Based on this analysis, I consider it appropriate to make positive qualitative adjustments to Sales #3 and #4 for shape.

Based on this chart, there is no clear or consistent correlation between site size and unit price. Absent any such correlation, there is no justification for a size adjustment.

### Site Location

Location is almost always influential on real estate values. The following chart explore the possible impact of location on the sales considered herein.

SALE SUMMARY – BY LOCATION

#	ADDRESS	DATE	SIZE	SITE	SHAPE	ZONED	AREA	STREET	\$/ACRE
4	Romero Lane	04/22/2019	7.49	Interior	Triangular	RR2	East/South	Tertiary	\$16,696
3	Sichler	06/28/2018	9.69	Interior	Irregular	A-1/R-1	West/Central	Tertiary	\$29,013
5	Otero	04/26/2-19	6.00	Interior	Semi-Rec.	A-1	East/Central	Tertiary	\$37,500
2	Vaisa	12/21/2017	16.54	Interior	Irregular	R-1	East/Central	Tertiary	\$42,261
1	NM 314 (Esmnt)	12/07/2017	5.59	Rear	Rectangular	R-2	West/North	Easement	\$44,723

This chart suggests that Sales #4 and #3 have less desirable locations than the other sales. Sale #4 is located quite far south on the east side of Los Lunas. This makes the site the least accessible of the sales, based on proximity to I-25 or NM 47. Sale #3 also has a comparatively low unit price, and this is potentially influenced by its west-central location that is on one of the roads used to access the prison facility in west-central Los Lunas.

The reader will recall that Sales #3 and #4 were also the sales with irregular shapes. Thus, there is to some extent an overlap in possible influences. However, if Sale #4 is compared to Sale #3, the shape factor is minimized, and the location adjustment would appear to fall squarely on Sale #4. Therefore, I will use a qualitative location adjustment on Sale #4, but not on any other sales.

### Other Considerations

All sales have zoning that allows low-density residential development, among other uses. The subject property has special use zoning that allows residential development and an approved master plan that allows for higher-density residential development. While the subject’s zoning will technically allow higher density development, the apparent lack of demand for such development tends to undermine the benefit of the higher density allowance. Ultimately, I do not think that there is a justifiable adjustment for zoning among the sales or between the sales and the subject.

### Application Of Adjustments

My analysis of the comparables presented herein indicates multiple adjustments are applicable. The sales are too few in numbers to allow for derivation of quantitative adjustments, so the indicated adjustments are applied as qualitative adjustments. The following chart shows the sales and adjustments, with the sales sorted by price per acre.

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SALE SUMMARY – BY ADJUSTED PRICE PER ACRE

#	ADDRESS	\$/AC	C.O.S.	EXP.	DATE	SIZE	SITE	SHAPE	ZONED	AREA	\$/ACRE
4	Romero Lane	\$16,696						+		+	\$16,696 ++
3	Sichler	\$29,013						+			\$29,013 +
5	Otero	\$37,500									\$37,500
2	Vaisa	\$42,261									\$42,261
1	NM 314 (Esmnt)	\$44,723									\$44,723

Absent quantitative adjustments, the sales still indicate \$16,696 to \$44,723 per acre. Consideration of qualitative adjustments for site shape and location indicates the subject should command a unit price above \$29,013 per acre, with indications free of qualitative adjustments indicating \$37,500 to \$44,723. I note that these three sales yield a simple mean of \$41,495 per acre.

The final considerations relate to attributes that the sales cannot help assess. First, all of the sales are of rather level sites. The subject's topography is mildly to moderately sloped. This indicates that the subject land would be somewhat more costly to use/develop, suggesting that all sales would be subject to a downward adjustment. Second, the subject has all dry and wet utilities available, whereas the sales were in areas where well and septic systems would be required to provide wet utility services. This suggests the sales would all be subject to upward adjustment for utilities. In my opinion, these factors are reasonably offsetting and don't leave the sales demanding adjustment for one or the other.

Ultimately, I find the indications of \$37,500 to \$44,723 to be reliable indications for the subject. There is slightly greater support for the upper end of the range based on indications of \$42,261 and \$44,723. Placing slightly greater reliance on these indications, I conclude with an estimate of \$43,560 per acre, or \$1.00 per square foot.

**Final Consideration**

I am aware than none of the sale sites were bought for urban-style subdivision development which seems most likely for the subject site. Absent sales of this nature in Los Lunas, I have considered sales with urban lot end uses in the Albuquerque metro area.

COMPARABLE SALE SUMMARY – BY ADJUSTED UNIT PRICE

#	ADDRESS	\$/SF	C.O.S.	EXP	DATE	SIZE	ZONE	DENSITY	TOPO	SOIL	LOCATION	\$/SF
A	98 <sup>th</sup> /Colobel	\$1.03									+\$0.15	\$1.18
D	98 <sup>th</sup> /Colobel	\$1.03									+\$0.15	\$1.18
C	Universe	\$0.66								+\$0.40	+\$0.16	\$1.22
B	Tierra Pintada	\$1.58		<b>-\$0.50</b>							+\$0.16	\$1.24
E	27 <sup>th</sup> Street	\$1.24										\$1.24

After analyzing the sales for the Albuquerque market, adjusted unit prices range from \$1.18 to \$1.24 per square foot. In my opinion, the Albuquerque market is superior in size, strength and demand, meaning that all sales would be subject to a downward adjustment to be applicable to Los Lunas. If the Albuquerque market is as little as 10% superior to that of Los Lunas, the range drops to \$1.06 to \$1.12. I think it likely that the Albuquerque sales warrant a slightly larger adjustment, but even so, I think these sales of land bought for urban-style development support the conclusion of \$1.00 per square for reached for the subject based on Los Lunas sales.



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**Conclusion**

Based on my analysis of Los Lunas sales, and consideration of similar sales in Albuquerque, I conclude with an estimate of \$1.00 per square foot, or \$43,560 per acre for the subject land.

Estimated Unit Value	\$	43,560
<u>Subject Site Area</u>	<u>X</u>	<u>9.00</u>
Indicated Site Value	\$	392,040

Incidental rounding is to \$392,500.

Therefore, based on the best available sales, my inspection of the subject property, and analysis of pertinent data, I estimate the market value of property, as described herein, to be \$392,500, in “as is” physical condition, as of August 12, 2019, subject to the extraordinary assumptions cited herein.

Exposure Time

Exposure time is the theoretical time a property would have had to be exposed to the market, prior to the date of appraisal, to realize a sale at or near the appraised value. Estimating exposure time is made difficult by several factors. The motivations of buyers and sellers can be very strong or just passing. Listing prices can be set excessively high and discourage all inquiries. And conditions impacting the overall market or certain sub-markets can be very influential. The ability of any or all of these elements to change quickly is also a factor.

The marketing efforts of listing agents or sellers are also a large variable. For example, properties are often not listed by a real estate brokerage firm. Such sale-by-owner attempts usually do not access avenues of marketing and exposure readily available to the professional salesperson. Further, such properties are often not well identified by signs, and often do not have responses ready for inquiries. Various examples indicate that marketing effort(s) are a critical variable in real estate, and that with such marketing efforts in the marketplace, exposure time is, essentially, impossible to estimate. That is, examination of properties that are not being reasonably marketed is meaningless.

Examination of the sales used as comparables herein shows listing times from less than one month to about 16 months, with most being in a six to 12-month range. Overall, my analysis of the subject property and market suggest an exposure period of not less than six months, and probably not more than 12 months, with proper professional marketing. This estimate of exposure time assumes that if the property had been placed on the market for sale, that it would have been listed with a qualified commercial broker, that it would have been actively marketed through all reasonably available sources, that the asking price would not have been inflated, and that the seller would have responded promptly to all offers made on the property. Failure to properly expose the property would conflict with estimates of value and exposure time expressed within this report and may render them invalid.

Certification

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

- the statements of fact contained in this report are true and correct;
- the report analyses, opinions, and conclusions are limited only by the reported assumptions, extraordinary assumptions, limiting conditions and hypothetical conditions, and are my personal, unbiased professional analyses, opinions and conclusions;
- I have performed no services (appraisal or otherwise) regarding the subject property within the three-year period immediately preceding acceptance this assignment;
- I have no present or prospective interest in the property appraised that is the subject of this report and no personal interest with respect to the parties involved;
- I have no bias with respect to the property appraised that is the subject of this report or to the parties involved with this assignment;
- the engagement of this assignment was not based on or contingent upon developing or reporting a requested minimum valuation, a specific valuation, approval of a loan, the occurrence of any subsequent event, or any other predetermined result;
- the compensation for completing this assignment was not based on or contingent upon developing or 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, of the occurrence of a subsequent event directly related to the intended use of this appraisal;
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformance with the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute;
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformance with the Uniform Standards of Professional Appraisal Practice;
- 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, Bryan E. Godfrey, MAI has completed the requirements under the continuing education program of the Appraisal Institute;
- my contractual agreement with my client does not authorize the out of context quoting from or partial reprinting of this appraisal report, nor does it permit all or any part of this appraisal report to be disseminated to the general public by the use of media for public communication without my written consent;
- Bryan E. Godfrey, MAI has made a personal inspection of the appraised property;
- no one provided significant professional appraisal assistance to me in the preparation of this report.

This certification is prepared specifically for the appraisal of land located on the west side of Huning Ranch Loop Road, south on NM 6in the southwest quadrant of Los Lunas, Valencia County, New Mexico.

Respectfully submitted,



Bryan E. Godfrey, MAI, State Certified General Appraiser #G-192

***UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS***

Opinions of value and/or other conclusions contained in this appraisal report are based on the following basic assumptions and limiting conditions.

1. This report is based in part upon information carefully selected from a variety of sources, including public records and other sources deemed to be reliable. While a reasonable effort has been made to verify such information, the appraiser for its accuracy assumes no responsibility.
2. Legal descriptions of the property were furnished by my Client, or were obtained from public records, and are assumed to be accurate. Plans, sketches, aerial photography, and the like included in this report are intended only to assist the reader in visualizing the property and are not to be construed as engineering drawings or surveys unless so identified.
3. Property proposed for construction has been examined to the extent possible. Available plans and specifications have been examined and conclusions based on such examination reported herein. I assume no responsibility for the quantity or quality of such material provided to me and I restrict my analyses and conclusions to information so obtained.
4. The appraiser assumes no responsibility for matters legal in nature, nor does the appraiser render any opinion as to the property title, which is assumed to be marketable. Unless otherwise stated within the report, any and all liens and encumbrances have been disregarded and the property appraised as though free and clear under responsible ownership and competent management.
5. I assume that all applicable zoning and use regulations and restrictions have been complied with unless non-conformity has been stated, defined, and considered in this report.
6. I assume that all required licenses, consents, or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value opinion contained within this report is based.
7. I assume that the utilization of the land and improvements of the subject is within the boundaries or property lines described and that there is no encroachment or trespass unless otherwise noted within the report.
8. I assume that there is full compliance with applicable federal, state, and local environmental regulations and laws unless non-compliance is stated, defined, and considered in this report.
9. No soil borings or analyses have been made of the subject. I assume that soil conditions are adequate to support standard construction consistent with the highest and best use as stated in this report, and that there are no surface or sub-surface conditions or contaminants present that would materially impact value.
10. No responsibility is assumed for engineering matters, mechanical or structural. Good mechanical and structural condition is assumed to exist.
11. I did not observe, during inspection of the subject, any materials considered to be hazardous including, but not limited to, asbestos, urea formaldehyde foam insulation, and aluminum wiring. However, no guarantees against the presence of such hazardous materials are implied by this report.



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12. No environmental impact studies were either requested or conducted in conjunction with this appraisal and the appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions bases on any subsequent environmental impact studies, research, or investigation.

13. This appraisal report was prepared for the confidential use of the Client for the purpose specified and must not be used in any other manner. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used by anyone but the Client and Intended User(s), for any purpose, without the written consent of the Client and the Appraiser, and in any event, only with the proper qualification.

14. The appraiser is not required to provide further consultation nor to appear or give testimony before any Court or Tribunal with reference to this report and/or the property in question unless previous arrangements have been made therefore.

15. This appraisal report and/or valuations stated herein shall not be relied upon or utilized in any matters pertaining to any syndication, or any State or Federal Securities and Exchange Commission registrations.

16. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has 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 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 conformance with one or more of the requirements of the act. If so, this fact could have a negative impact on the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.

Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which the appraiser is connected or reference to the Appraisal Institute or the MAI designation) shall be disseminated to the public through advertising media, any public relations media, news media, sales media or any other public means of communication without the prior written consent of the appraiser(s).

### **COMMON DEFINITIONS AND RESTRICTIONS**

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

(Source: Financial Institutions Recovery, Reform, and Enforcement Act of 1989 (FIRREA), Title 12 CFR, Part 34.42(g))

**“As Is” Market Value** . . . “The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal’s effective date.”

(Source: Interagency Appraisal & Evaluation Guidelines, Department of Treasury, 2010)

**Prospective Opinion Of Value** . . . “A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.”

**Fee Simple Title** . . . “Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.”

**Leased Fee Estate** . . . “An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; usually consists of the right to receive rent and the right to repossession at the termination of the lease.”

**Leasehold Estate** . . . “The right to use and occupy real estate for a stated term and under certain conditions; conveyed by a lease.”

**Highest And Best Use** . . . “The reasonable and probable use that supports the highest present value of land or improved property, as defined, as of the date of appraisal.”

**Cash Equivalent** . . . “A price expressed in terms of cash, as distinguished from a price which is expressed all or partly in terms of the face amounts of notes or other securities which cannot be sold at face.”

(Source: The Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, 1984 & 2010)

***QUALIFICATIONS OF BRYAN E. GODFREY, MAI  
REAL ESTATE APPRAISER***

**BASIC EDUCATION**

Highland High School, Albuquerque, Graduated 1977  
University of New Mexico, Albuquerque, B.A. 1983

**RECENT SPECIALIZED EDUCATION**

Valuometrics (Stats & Graphs), July 2009  
Valuometrics I (Stats & Graphs), March 2010  
Lending World In Crisis, November 2010  
Conservation Easements, June 2011  
Appraisal Curriculum Overview, September 2011  
Evaluating Commercial Construction, September 2012  
Practical Linear Regression, October 2012  
Regression Analysis, April 2014  
Business Practices & Ethics, January 2016  
Uniform Standards OF Professional Appraisal Practice (Update), January 2016  
Eminent Domain & Condemnation, April 2016  
Supporting The Work File, April 2016  
Uniform Appraisal Standards For Federal Land Acquisition (Yellow Book), July 2017  
Uniform Standards OF Professional Appraisal Practice (Update), April 2018

**PROFESSIONAL EXPERIENCE**

Real Estate Appraiser, Godfrey Appraisal Services, Inc., since 1976  
Appraisal Witness Before Albuquerque City Zoning Commission  
Appraisal Expert Witness Before NM District Court

**SAMPLE CLIENTELE**

State of New Mexico  
City of Albuquerque  
County of Bernalillo  
Native American Pueblos  
Attorneys At Law  
Real Estate Investment Trusts  
Banks, Mortgage Companies, and Savings And Loans  
Private Lending-Investment Institutions  
Insurance Companies  
Private Individuals and Corporations

**PROFESSIONAL MEMBERSHIPS**

The Appraisal Institute [MAI #8030], 1988  
State Of New Mexico, Certified Real Estate Appraiser [#00192-G]





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Residentially-Zoned Vacant Land  
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**LAND SALE #2**

DB #: 2 ID #: 13412C City: LOS Doc: WD Rec #: 17- 13407  
Street Name: VAISA County: VAL Old File #:  
Subdivision: MRGCD #72 Block: TRACT Lot: 5A2+  
Seller: VALLE VISTA Buyer: HELPING MGT Date: 12/21/17  
Square Feet: 720,478 Acres: 16.59 End Use: FARM  
Zoning: R-1 Site: INT Imp: Util: E Topo: LEVEL  
Sale Price: \$ 699,000 Price Sf: \$ 0.97 Price Ac: \$ 42,134  
Downpayment: 100% Rate: Term: Special:  
Comments: STRAIGHT ACROSS TRADE W/TWO FREE-CLEAR PROPERTIES





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**LAND SALE #3**

DB #: 3 ID #: 13413C City: LOS Doc: WD Rec #: 18- 6739  
Street Name: SICHLER County: VAL Old File #:  
Subdivision: MRGCD #73 Block: TRACT Lot: 120AS+  
Seller: GUTH J Buyer: CHAVEZ M Date: 06/28/18  
Square Feet: 421,890 Acres: 9.63 End Use:  
Zoning: A1/R1 Site: INT Imp: P Util: E Topo: LEVEL  
Sale Price: \$ 281,000 Price Sf: \$ 0.67 Price Ac: \$ 29,180  
Downpayment: 100% Rate: Term: Special:  
Comments: BUYER INTENDS TO DEVELOP INTO SFR LOTS



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**LAND SALE #4**

DB #: 4 ID #: 13415C City: LOS Doc: WD Rec #: 19- 4316  
Street Name: OTERO County: VAL Old File #:  
Subdivision: MCCOULLOUGH Block: TRACT Lot: F2A  
Seller: VALLE VISTA Buyer: MONTANO D Date: 01/26/19  
Square Feet: 261,360 Acres: 6.00 End Use: SFR  
Zoning: A-1 Site: INT Imp: P Util: E Topo: LEVEL  
Sale Price: \$ 285,000 Price Sf: \$ 1.09 Price Ac: \$ 47,500  
Downpayment: 100% Rate: Term: Special:  
Comments: ROAD EASEMENTS REDUCE GROSS 6.5024 AC TO NET





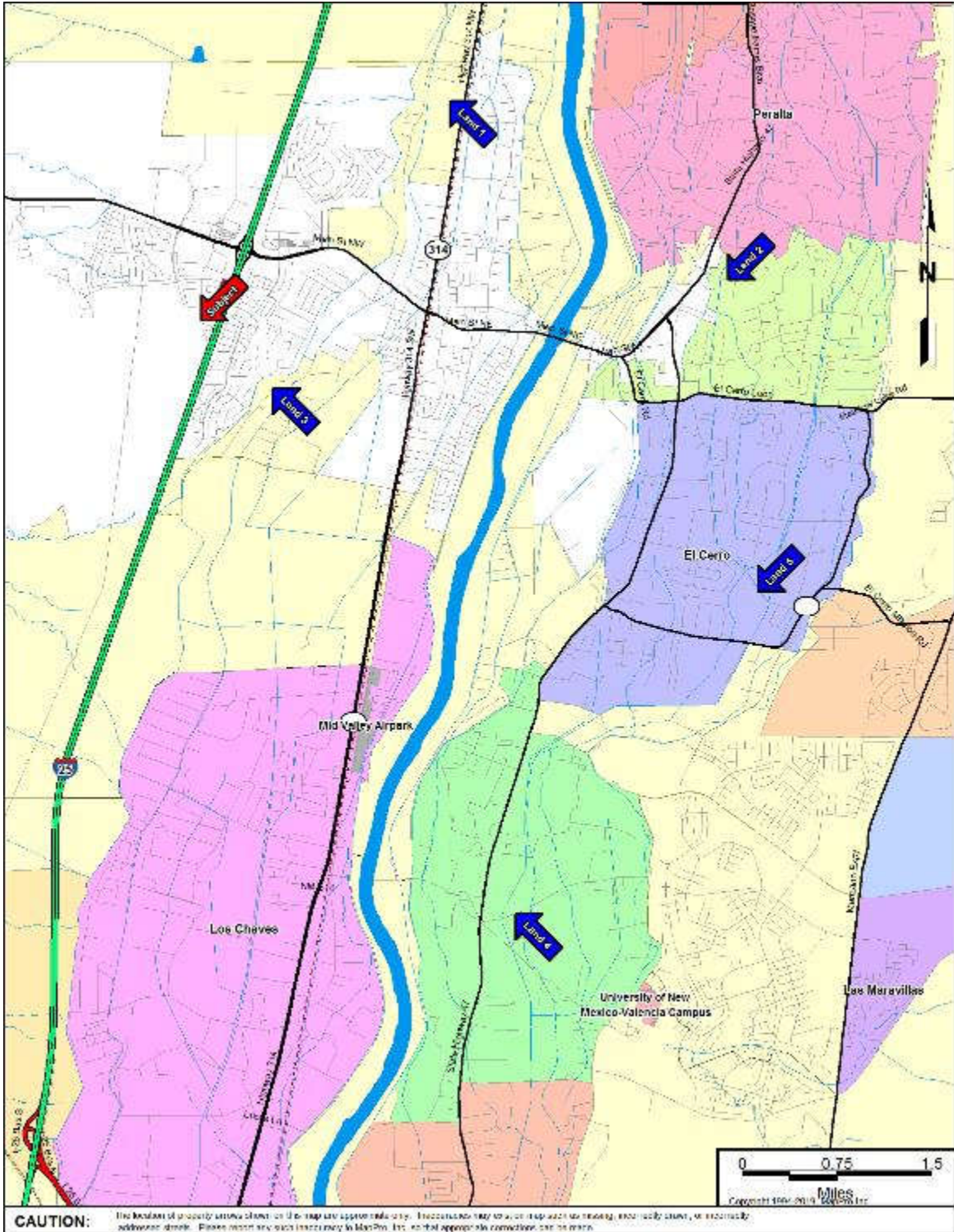
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**LAND SALE #5**

DB #: 5 ID #: 13414C City: LOS Doc: WD Rec #: 19- 4083  
Street Name: ROMERO County: VAL Old File #:  
Subdivision: MRGCD #85 Block: TRACT Lot: 103  
Seller: MOYA M Buyer: HALL S Date: 04/22/19  
Square Feet: 326,124 Acres: 7.48 End Use:  
Zoning: RR2 Site: INT Imp: Util: Topo: LEVEL  
Sale Price: \$ 125,000 Price Sf: \$ 0.38 Price Ac: \$ 16,711  
Downpayment: 100% Rate: Term: Special:  
Comments: BUYER INTENDS TO FARM



**LAND SALE LOCATION MAP**



***ITEMS TO FOLLOW THIS PAGE***

- Zoning Details



### III. Medium Density Residential Development

**District:** The intent of the M (Medium Density) residential development district is to allow only conventional on-site constructed single-family dwelling units and those uses which maintain the predominantly residential nature of the district. There are 552.60 acres of land within Huning Ranch zoned for M density. The average density is 2,690 dwelling units within this development district, however since part of it is already platted, the number of dwelling units will still not exceed 2,690 units.

#### 1. Permitted Uses.

- A. One (1) single-family dwelling unit per lot;
- B. Zero Lot Line subdivisions, provided the maximum density of the M development district is not exceeded;
- C. Cluster Subdivisions, provided the maximum density of the M development district is not exceeded;
- D. Accessory uses and structures, such as workshops, tool sheds, and greenhouses shall not exceed one hundred (100) square feet in size;
- E. Except as provided otherwise within CC&Rs, no mobile home, motor home, recreational vehicle, motorcycles, campers, trailers, boat, or similar facility, structure or recreational equipment shall be kept, placed, or maintained within the Subdivision at any time, unless enclosed within a standard size garage or within the side or rear yard so as not to be visible from any street, or the ground floor of neighboring homes;
- F. Residential type satellite dishes, television or receiving antenna; not exceeding an eighteen (18) inch dish mounted at the side of the house, no closer than ten (10) feet from front of garage;
- G. Signage is limited to provisions defined in Section 17.08.550 of the Los Lunas Zoning Ordinance;
- H. Home Occupations as per Section 17.44.170 of the Los Lunas Zoning Ordinance;
- I. Huning Ranch Project Office / Market-

ing Office / Sales promotion events, Homeowners Association Office; and

- J. Guest Quarters. (not for rental use, if detached, must be incorporated into lot layout and constructed of similar materials as the dwelling unit).

#### 2. Conditional Uses. These uses require approval of the Planning and Zoning Commission as outlined in Section 17.16.010-17.16.060 of the Los Lunas Zoning Ordinance.

- A. Public buildings and utility structures, provided they are fenced and appropriately landscaped;
- B. Religious facilities;
- C. Public and private schools;
- D. Public Parks;
- E. Temporary Real Estate Offices, when used in conjunction with a residential subdivision, provided such use is discontinued upon the completion of the development or within three (3) years from the date the first building permit is issued, whichever is sooner. Two (2) extensions of one (1) year may be considered by the Planning and Zoning Commission, and one Master Plan Marketing Center to serve the entire community, provided such use is discontinued upon completion of development or within ten (10) years from date of the issuance of the first residential building permit, whichever is sooner. Two extensions of five (5) years may be considered by the Planning and Zoning Commission; and
- F. Accessory structures over one hundred (100) square feet.

#### 3. District Standards. The following standards apply to all land uses within the M residential development district:

- A. Dimensional Requirements are as follows:
  1. a. Average Density: five (5) dwelling units per acre.



- b. Maximum Density: six (6) dwelling units per acre.
- 2. a. Minimum Conventional Lot Area: four thousand five hundred (4,500) square feet.
- b. Minimum Cluster Subdivision Lot Area: twenty four hundred (2,400) square feet.
- 3. a. Conventional Lot Width: forty five (45) feet.
- b. Cluster Lot Width - thirty (30) feet.
- 4. a. Conventional setbacks: front – fifteen (15) feet, side – five (5) feet from sidewall to sidewall, rear – fifteen (15) feet.
- b. Cluster Subdivision setbacks: front – fifteen (15) feet, side – five (5) feet from sidewall to sidewall, rear – fifteen (15) feet.
- c. Cluster Subdivisions may be developed using the zero lot line concept.
- d. All corner lots – primary side: fifteen (15) feet, secondary side: ten (10) feet except where a rear yard abuts a front yard, the side yard setback shall be the same as a front yard setback.
- e. No more than two adjacent front setbacks shall have the same setback distance. Every other lot shall vary in front setback by at least two (2) feet.
- f. All garages must be setback a minimum of twenty (20) feet, except where side-entry garages are used, the front setback may be reduced to ten (10) feet if side of garage is architecturally integrated with the house.
- 5. a. Maximum Building Height – twenty-six (26) feet.

b. Single family residential structures shall not exceed two (2) stories and are limited to a maximum height of twenty-six (26) feet. The height shall be measured from the established grade three (3) feet from the structure to the highest point of the parapet on a flat roof, the highest point on a pitched roof, or to the average height between the plane and the ridge of a gable, hip, or gambel roof.

- 6. a. Accessory structures shall be limited to one (1) per lot, in addition to a detached garage. Accessory structures are limited to the rear or side of the principal dwelling; except that detached garage may be allowed in the front, if part of initial construction of principal dwelling.
- b. Except for garages, detached accessory structures are not permitted on any lot of less than four thousand (4,000) square feet.
- c. Accessory structures shall be setback five (5) feet from the rear and side property lines.

#### B. Fences and Walls.

- 1. Fence and wall heights and materials are limited by provisions in the CC&Rs;
- 2. All retaining walls that are four (4) feet in height or greater shall be required to be properly designed and engineered by an Architect or Engineer registered in the State of New Mexico;
- 3. All outdoor swimming pools, jacuzzis, and hot tubs shall be completely enclosed by a wall or fence at least six (6) feet in height with self-closing devices on all access gates. Jacuzzis and hot tubs

may utilize locking covers in lieu of the fence.

4. Dog runs may be fenced in chain link to a maximum height of six (6) feet, and must be located within the rear or sideyard.
5. Wall and fence height will be measured from ground level; if there is a difference in grade due to a stem or retaining wall, then the height shall be measured from the high ground side;
6. No wall or fence will be permitted in a public right-of-way;
7. The use of barbed wire, concertina wire, razor ribbon, or other barbed tape obstacles is prohibited; and
8. Except as otherwise allowed by these standards, the use of chain link fencing is prohibited within the front yard setback area and is prohibited around the perimeter of the lot.

C. Off Street Parking Requirements.

1. Each single-family residence shall provide a minimum of two (2) off-street parking spaces. Interior garage and car port spaces may be included in this count;
2. Each parking space shall measure a minimum of nine (9) feet by twenty (20) feet; and
3. The parking of recreational vehicles, boats, trailers, and other oversized vehicles shall be prohibited on the streets of the subdivision except for loading and unloading periods not to exceed forty-eight (48) hours, or for temporary visitors not to exceed seven (7) days.

D. Lighting.

1. All exterior lighting shall be shielded source so as to direct all illumination down to the ground. Up-lighting is prohibited.
2. Only low-pressure sodium lamps are permitted for street lighting.

3. Light poles and standards used to support outdoor light fixtures shall be anodized or otherwise coated to minimize glare from the light source.
4. The use of high-pressure sodium, metal halide, or quartz lamps is prohibited for use outdoors.

**IV. Medium High Density Residential Development District:**

The intent of the MH (Medium High density) residential development district is to allow conventional on-site constructed single-family dwelling units, attached townhouses and condominiums; and those uses which maintain the predominantly residential nature of the district. Within Huning Ranch there are 104.80 acres of land zoned as MH and the average density is 842 dwelling units within this development district.

1. Permitted Uses.

- A. One (1) single-family dwelling unit per lot;
- B. Zero Lot Line Subdivisions, provided the maximum density of the MH development district is not exceeded;
- C. Townhouse and Condominium Subdivisions, provided the number of attached dwelling units does not exceed six (6) per group and the maximum density of the MH development district is not exceeded;
- D. Cluster Subdivisions, provided the maximum density of the MH development district is not exceeded;
- E. Accessory uses and structures, such as, workshops, tool sheds, and greenhouses shall not exceed eighty (80) square feet in size;
- F. Except as provided otherwise within CC&Rs, no mobile home, motor home, recreational vehicle, motorcycles, campers, trailers, boat, or similar facility, structure or recreational equipment shall be kept, placed, or maintained within the Subdivision at any time, unless enclosed within a standard size garage or within the side or rear yard so as not to be visible from any street,