

APPRAISAL REPORT

OF A TRACT OF LAND LOCATED  
ON UNIVERSITY BOULEVARD BETWEEN  
LOMAS BOULEVARD AND INDIAN SCHOOL ROAD  
ALBUQUERQUE, NEW MEXICO

FOR THE UNIVERSITY OF NEW MEXICO

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June 28, 1972

Mr. John Perovich  
Vice President in charge of Business and Finance  
University of New Mexico  
Albuquerque, New Mexico 87106

Dear Mr. Perovich:

At your request, I have made an investigation and thorough analysis of a large tract of vacant land for the purpose of reporting an opinion of fair market value.

The property is located on the west side of University Boulevard between Lomas Boulevard, and Indian School Road. The site is irregular in shape, and contains 8.022 acres, more or less. The legal description is contained elsewhere in this report.

Site is zoned C-3, heavy commercial. All City utilities are available to the subject property.

I have considered all pertinent data affecting the value of the property, including the following:

1. Size and location
2. Existing improvements, available utilities, and street improvements
3. Surrounding area: present conditions, value influences and trends
4. Assessed valuation and ad valorem taxes
5. Highest and best use

In consideration of the location, character, and type of property, subject to the limiting conditions stated in this report, it is my opinion that the value of this property, as of June 26, 1972, was:

FOUR HUNDRED EIGHTY-NINE THOUSAND, TWO HUNDRED AND  
NO/100 DOLLARS (\$489,200.00),  
OR \$1.40 PER SQUARE FOOT.

Respectfully submitted,

C. R. Hunter

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AS OF

JUNE 26, 1972

FOR

THE UNIVERSITY OF NEW MEXICO  
ALBUQUERQUE, NEW MEXICO

BY

C. R. HUNTER

111B CARDENAS, NE

ALBUQUERQUE, NEW MEXICO

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## APPRAISAL REPORT

### PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to arrive at an estimate of fair market value of the following described property.

Market value is defined as the highest price, estimated in terms of money that a property will bring if exposed for sale on the open market, allowing a reasonable time to find a purchaser who buys with knowledge of all the uses to which it is adapted, and for which it is capable of being used.

(1954 Edition, "Appraisal Terminology" published by AIREA)

### PROPERTY RIGHTS APPRAISED

The property rights appraised are in fee simple title.

### DATE OF THE VALUE ESTIMATE

The date of this estimate of value is June 26, 1972

DESCRIPTION OF THE PROPERTY

A tract of land situate in Section 16, Township 10 North Range 3 East, N.M.P.M., in the City of Albuquerque, New Mexico, and being more particularly described as follows:

Beginning, for a tie, at the Northeast corner of Lot #1 in Block #23 of Country Club Addition, First Extension North, Albuquerque, New Mexico, as the same is shown and designated on the plat of said Addition filed in the office of the County Clerk of Bernalillo County, New Mexico, on the 16th day of May, 1938, said Northeast corner of said Lot #1 being a point on the East boundary of the town of Albuquerque Grant, and running thence N.00°23'E., 2999.50 feet along said East boundary of the Town of Albuquerque Grant to a point; thence leaving said Grant boundary and running N.81°23'W., 82.16 feet to the Southeast and beginning corner #1 of the tract herein set forth; and running thence

N.81°23'W., 673.82 feet to a point on curve on the Easterly right of way line of University Boulevard NE and the Southwest corner #2 of the tract herein set forth; thence running Northwesterly along a curve left having a radius of 1949.92 feet, along said Easterly right of way line of University Boulevard NE, a distance along arc of 483.76 feet (chord = N.10°46'33"W., 482.52 feet) to the end of said curve and corner #3 of the tract herein set forth: thence running N. 17°53'W., 67.33 feet continuing along said Easterly right of way line of University Boulevard NE to the Northwest corner #4 of the tract herein set forth, thence leaving said Boulevard and running S.81°23'E., 708.64 feet to the Northeast corner #5 of the tract herein set forth, a point on the Westerly right of way line of the A.M.A.F.C.A. North Diversion Channel; thence running S.08°10'E., 538.32 feet along said Westerly right of way line of said Channel to the Southeast corner #1 and the place of beginning;

Containing Eight and Twenty-two Thousandths (8.022) acres, more or less.

CONTINGENT AND LIMITING CONDITIONS

This appraisal has been formulated subject to the following limiting conditions:

That the appraiser has no present or proposed interest in the property herein appraised.

That no responsibility for matters legal in character is assumed, nor is any opinion rendered as to the title, which is considered to be good.

All existing liens and encumbrances have been disregarded, and the property is appraised as though free and clear of all encumbrances.

That the maps used in this report have been prepared to help the reader visualize the property. Dimensions used in this report were taken from the survey furnished by the person authorizing this report, and are assumed to be correct.

That the fee for the investigation, analysis, and preparation of this report is not, in any sense, contingent upon the amount of value reported, nor anything other than the delivery of this report. This appraisal does not imply the right to court testimony on the part of the appraiser without additional arrangements.

ASSESSED VALUATION AND TAX SCHEDULE

The Bernalillo County Assessor's Office uses the formula of one-third of estimated value in order to arrive at assessed value of a real property.

Estimated value of the subject, \$489,200.00, divided by three, shows an assessed valuation of \$163,067.00.

Based on an anticipated increase in taxes, Ad Valorum taxes for the subject property may be computed as follows:

\$82.00 per \$1,000 of assessed valuation, or  
 $\$82.00 \times 163.067 = \$13,371.49.$



## CITY DATA

The City of Albuquerque is located on the banks of the Rio Grande River in North Central New Mexico, near the geographic center of the southwestern section of the United States. It is crossed from east and west by the main line of the Santa Fe Railroad and U. S. Highway 66.

Albuquerque was founded over 250 years ago by Spanish settlers. In 1880, the predecessor to the Santa Fe Railroad laid tracks within two miles of the existing town. The railroad has played an important part in the development of the city ever since.

Since the end of World War II, the city has experienced dynamic growth. Population doubled between 1940 and 1950, and doubled again between 1950 and 1960. It had been the third fastest growing metropolitan area in the United States. Population growth of the city, Bernalillo County, and the State of New Mexico in recent years has been as follows:

<u>YEAR</u>	<u>ALBUQUERQUE</u>	<u>BERNALILLO</u>	<u>NEW MEXICO</u>
1940	35,449	69,391	531,818
1950	96,815	145,673	681,187
1955	147,419	195,057	786,700
1960	201,189	262,199	951,023
1965	244,546	316,600	1,032,900
1970	243,751	315,774	1,016,000

It should be noted that the above figures are estimates, which depend upon the accuracy of the methods used by the respective research organizations. Sources of information

are the Bureau of Business Research, University of New Mexico; the Albuquerque Chamber of Commerce; and the Albuquerque Industrial Development Service. The 1940, 1950, 1960, and 1970 figures were obtained from the U. S. census.

One of the major factors influencing growth of the community has been the availability of transportation. The city is on the main line of the Santa Fe Railroad. Albuquerque is served by five airlines, and has recently been designated an international airport. There are nine major truck lines, in addition to a number of local carriers. Albuquerque is served by both the Greyhound lines and Continental Trailways. Highways include U. S. 66, east to west; U. S. 85, north to south; and the more recently constructed Interstate-40, east to west; and Interstate-25, north to south.

According to the New Mexico Employment Security Commission, there were 115,600 wage and salary workers within the city limits in 1969. The largest category of employment was the service professions and miscellaneous categories with 25,500. Next was the wholesale and retail trades with 25,200, and also with 25,200, federal, state, and local government employment. The remainder in order of size, manufacturing with 8,600; construction with 6,700; insurance, finance, and real estate with 6,000; transportation and utilities, 6,300; all other non-agricultural with 11,400; and agricultural, 500.

In the period since World War II, the real estate and construction industry within the community has experienced several cycles. These cycles have ranged from moderate to severe. At the present time, residential construction is at a maximum, and commercial construction is also at its highest peak.

Principal economic factors in the Albuquerque community are:

There has been a continual increase in the volume of tourist traffic, and as a result, in commercial activity along Central Avenue, the main street. Albuquerque is approximately one day's driving time from Tucson, Phoenix, Salt Lake City, Denver, Oklahoma City, Amarillo, and El Paso.

19,451 students enrolled at the University of New Mexico this past fall, and its continued growth is a reasonable certainty because it is the primary state university. The 440 acre campus lies within the heart of the city.

Federal, state, and local governmental offices have been a major part of the economy. The city is headquarters for fifteen district and regional offices, although the capitol of the State in Santa Fe, is 60 miles to the North.

The Albuquerque Operations Office of the AEC administers a large part of the nation's nuclear research, development, production, and storage program at Sandia Base, operating under contract to Western Electric Company under the corporate name of Sandia Corporation. There are 6,500 persons presently employed at the Corporation. The Field Command Defense Atomic and Support Agency at Sandia has 3,250 military officers and enlisted men, and 1,325 civilians.

Kirtland Air Force Base is the home of the Air Force Special Weapons Center, the Navy Evaluation Center, and various Air Force Schools. The Base employs 2,200 civilians, and is staffed by 3,500 military officers and enlisted men.

General Electric, using the former ACF Industries Plant, employs 1,075 people.

Albuquerque has long been known as a health center for respiratory diseases. It is presently endowed with six hospitals with over 1990 beds, plus a number of smaller hospitals and clinics. The Lovelace Foundation for Medical Education and Research, leads in aerospace research.

Albuquerque is the center of a large trade area which encompasses virtually all of the State of New Mexico. It is the wholesale and retail hub for the fringe areas

Of West Texas, Southern Colorado, and Eastern Arizona. Employment in wholesale and retail trades continue to be the largest segment of the labor force.

Additional economic factors which will ensure the growth of this community are the following:

1. \$25,000,000.00 in federal urban renewal and model cities funds which is expected to generate \$225 million in new downtown construction.
2. Lenkurt ( a division of General Telephone ) is building a \$6 million plant to manufacture telecommunication components. Officials say Lenkurt will have 2,000 employees by 1975, and an annual payroll of \$20 million.
3. Levi Straus and Company, the nation's largest manufacturer of work pants and play pants for men and women has built a 200,000 square foot plant six miles north of the downtown area on Interstate-25. Officials say the completed plant will employ 2,700 persons, and create a \$15 million annual payroll.
4. Singer Friden has just opened a \$5 million plant, and is manufacturing office machine products. It has a present payroll of 350 people, and options and plans for expansion to a payroll of 1,000 persons who will earn a combined total of up to \$6 million per year.
5. Ampex has completed a \$1 million plant at Rio Rancho Estates. It will manufacture electronic recording devices.

6. Recent construction has started with new libraries, hotels, stores and apartments; along with a new multi-million dollar convention center, parking office terminal and education complex at the junior college level, and a performing arts center. The convention center is estimated at \$10 million, and is estimated to generate a need for an additional 2,000 downtown motel and hotel rooms.

The primary growth pattern of Albuquerque has been east and northeast towards the picturesque Sandia Mountains. Most residential development since the end of World War II has been in the "East Heights."

### NEIGHBORHOOD DATA

Generally, a neighborhood may be defined as a homogeneous grouping of individuals, buildings, or business enterprises, within or as part of, a larger community. Such groupings may be devoted to residential use, trade, or service activities.

For the purpose of this appraisal, subject neighborhood is that area bounded on the north by Interstate-40, on the east by the University of New Mexico, on the south by Lomas Boulevard, and on the west by Interstate-25.

This neighborhood is located in the northeast quadrant of Albuquerque, approximately two miles from the 100% downtown district. This area is approximately 30% built-up. Subject site is located on University Boulevard, which is approximately 60% built-up. The improved tracts along University Boulevard are owned by several institutions, several supply and service houses, a mortuary, a hospital, a Television station, a service station, two automobile dealerships, and some apartments, now under construction. Typically, the architecture is quite varied, but very attractive. These buildings have deep set-backs, which give the street a handsome appearance.

## SITE DESCRIPTION

The subject property is a tract of vacant land fronting on the East side of University Boulevard, between Lomas Boulevard to the South, and Indian School Road to the North. Its shape is irregular, and contains 8.022 acres, more or less. Tract is above curb grade, and slopes gently from the rear (East) to the front (West) on University Boulevard, and slopes gently from the South to the North. Frontage is improved with a four-lane divided, asphalt paved street. Frontage is also improved with concrete curb and gutter.

Soil and subsoil are adequate for the intended use. Subject is zone C-3, heavy commercial. No violations noted.

All city utilities are available to the subject property.

The value of real estate is not intrinsic. It does not reside exclusively within the physical characteristics of the property, but rather, flows into the property from the enviroing forces.



HIGHEST AND BEST USE

The zoning of all properties on University Boulevard between Lomas and Menaul is either C-2, heavy commercial, or M-1, light manufacturing. Although a heavier use is permissible, owners have built apartments, offices, and other lighter uses. The result is a very attractive street at this date. Among the existing structures, are two fraternal organizations, the Elks Club, and the Masonic Temple. These are handsome buildings, and afford grandeur to this street.

Because of the latter, it is the feeling of this appraiser that the highest and best use of the subject property is for institutional purposes. That use which can afford the proper setback and other unimproved grounds which give stature to a properly improved property.

## MARKET COMPARISON APPROACH

The market comparison approach requires the comparing and rating of the subject property with other similar properties for which data is available. The advantage of this approach is that it gives a direct indication of the actions of typical buyers and sellers. These buyers and sellers have probably used the comparison or market approach, at least to some extent, before entering into a real estate transaction. It is most accurate if there are a large number of comparable properties sold.

The application of this approach produces an estimate of value of a property by comparing it with similar properties of the same type and class, which have been sold or leased recently, or are currently being offered in the same or competing areas.

The following four sales are used to support the value estimate:

Sale #1: This property abutts the subject on the north. Raymond Milne sold five acres to Roger Cox and Associates. Price was \$1.00 per square foot. This does not appear to be an "arms length" transaction. Mr. Milne

had turned down an offer of \$1.25 several years ago. It is felt that the above consideration includes participation in ownership of the apartments being constructed on this land. New owners claim an additional cost of \$30,000 for site leveling before construction. Adjusted price would be \$1.50 per square foot.

Sale #2: Raymond Milne sold the property across from Sale #1 to Vickers Oil Company. The Size of this parcel is .4611 acre, or 20,085 square feet. Square foot price was at \$1.95.

Sale #3: The First Baptist Church is negotiating with the Urban Renewal Agency to purchase a 4 plus acre tract for \$1.40 per square foot. This property is located on Broadway between Central and Tijeras.

Sale #4: A property located on the southwest corner of Broadway and Marquette, is being purchased at \$1.50 per square foot.

Sale number one is most comparable to the subject. It is a corner property, and should be adjusted down to \$1.40 per square foot. The two Broadway tracts support

this value estimate. Both are good properties, but are not as desirable as the subject or sale number one. Sale number two is a smaller tract and a corner lot which should bring a larger price per square foot. It is used because it is a sale, and it does support the value estimate.

## ANALYSIS AND CONCLUSIONS

It is considered good practice among professional appraisers to use three basic approaches in valuing real estate; these are the cost approach, the income approach, and the market approach.

Since the subject property is vacant land (no buildings), the cost approach cannot be used.

The income approach is not applicable because there are no improvements (buildings). Appraisers are known to use hypothetical buildings for the income approach in the appraisal of vacant land, but the use of this technique is more effective in a built-up commercial or industrial area, where because of no recent land sales, land values are not known and building values are well established.

Where there are a number of recent sales of comparable properties, the market approach is generally considered to be the best indication of value. Market data, as used, is available in better quality and quantity than the other two approaches.

Therefore, it is my opinion that the market data approach is the best indication of value. Indicated value, by the market data approach is \$489,200.00.

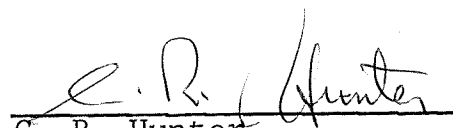
CERTIFICATE OF VALUE

I hereby certify that to the best of my knowledge and belief, the statements and opinions contained in this report are correct; that I have no interest, present or contemplated, therein; and that it is my opinion that the market value of the subject property, as of June 26, 1972, was:

FOUR HUNDRED EIGHTY-NINE THOUSAND, TWO HUNDRED AND  
NO/100 DOLLARS (\$489,200.00).

Albuquerque, New Mexico

June 28, 1972

  
C. R. Hunter

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111B Cardenas, NE  
Albuquerque, New Mexico 87108

#### QUALIFICATIONS OF THE APPRAISER

Born in New York City, New York on June 29, 1918.

Served in the United States Air Force from January 10, 1941 to November 30, 1949. Qualified as a Bombardier, Supply, and Engineering Officer. Attended schools for each rating. Attended the University of New Mexico from 1950 to 1952, majoring in accounting.

Licensed as a real estate broker in New Mexico and New York from 1950 to the present. Licensed as a general contractor in New Mexico for the years 1963, 1964, and 1965.

I have satisfactorily completed the following appraisal courses offered by the Society of Real Estate Appraisers, and the American Institute of Real Estate Appraisers:

1. "Principles and Techniques of Real Estate Appraising," SREA, New York City, New York, 1958.
2. "Basic Principles and Theories," AIREA Course # 1, Highway Department, Santa Fe, New Mexico, April, 1964.
3. "Urban Properties," AIREA Course # 2, Highway Department, Santa Fe, New Mexico, October, 1964.
4. "Condemnation Appraisal Practice," Oklahoma University, Norman, Oklahoma, June, 1965. AIREA Course # 4.
5. "Grazing Lands and Cattle Ranches," AIREA Course # 5, New Mexico State University, Las Cruces, New Mexico.

Appraisals made for Standard Oil Company, Gulf Oil Corporation, Phillips Petroleum Company, Shell Oil Company, the Federal Housing Administration, the Veterans Administration, The New Mexico State Highway Commission, Highlands University, business firms and private individuals.

Vice-President of the New Mexico Society of Farm and Ranch Managers and Rural Appraisers.

Member of the Board of Directors of the Albuquerque Chapter of the Society of Real Estate Appraisers.

Senior Residential Member of the Society of Real Estate Appraisers.

Past president Albuquerque Chapter 114 of the Society of Real Estate Appraisers.