



CITY OF PHOENIX
Housing Department, Affordable Housing Division
251 W. Washington, 4th floor
Phoenix, AZ 85003

REQUEST FOR PROPOSAL
RFP FY24-086-18 (MBT)

27th Avenue and Glendale Avenue Disposition and Development

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INTRODUCTION

I. INTRODUCTION

The City of Phoenix (“City”) through its Housing Department (“HD”) invites electronic proposals from qualified organization(s) for the disposition and development of the vacant City-owned property generally located at 27th Avenue and Glendale Avenue, Phoenix, Arizona 85051 for affordable homeownership opportunities.

The City is seeking to address a critical need for affordable housing in Phoenix. The [Housing Phoenix Plan \(“HPP”\)](#) was adopted by the Mayor and City Council in June 2020, and it identifies the housing gaps and needs in our community. The HPP set the goal of creating or preserving 50,000 homes by 2030 and recommended nine policy initiatives to explore. Initiative 3 focuses on the redevelopment of City-owned land with mixed-income housing, and accordingly, Mayor and City Council approved a list of City-owned parcels for future affordable housing, including this Site.

A. Housing Department Overview

The HD provides quality affordable housing and a pathway to self-sufficiency for low-to-moderate income families, seniors, and persons with disabilities. The HD programs provide public housing, Section 8 housing vouchers, affordable rental apartments, and single-family homes to more than 35,000 area residents. This includes partnering with non-profit and for-profit community organizations on the preservation and development of affordable housing units. The HD’s plans and policies are described in its Annual Agency Plan at <https://www.phoenix.gov/housing/brochures-reports>.

B. Site Info

The Site consists of two vacant parcels that are approximately 0.6 net acres located at 7015 North 26th Drive and 2622 West Glendale Avenue, Phoenix, AZ 85051 (“Site”). See **Exhibit A**. The City of Phoenix is the current owner. The Lots are zoned [R1-6 Single-Family Residence District](#) (APN 157-32-066) and [Commercial C-2 District—Intermediate Commercial](#) (APN 157-32-068) (Chapter 6 Zoning Districts, Section 613 and Section 623 of the Phoenix Zoning Ordinance, posted at <https://phoenix.municipal.codes/ZO>). Any proposer proposing to rezone the Site will be required to file the required zoning applications and diligently pursue completion.

C. Infrastructure/Utilities

The Site is served by City water and sewer, Southwest Gas (natural gas) and Salt River Project (electric power). Information regarding utility infrastructure for City services is provided below and development requirements can be found in **Section IV (B)** of the City’s Design Standards Manual for Water and Wastewater Systems.



INTRODUCTION

An existing condition review of the water and sewer infrastructure by the Water Services Department (“WSD”) has been completed. See **Exhibit B** for the full list of water and sewer stipulations as provided by the WSD.

D. Request for Proposals

Qualified organizations (“Proposer”) may submit their proposal under this Request for Proposals (“RFP”) as a sole Proposer or as a team of Proposers providing the services set forth in the **Scope of Work** for this Site. The City intends to select the Proposer that best meets the City’s needs and requirements to perform the services as described in this RFP.

An appraisal of the Site has been completed and is attached for review. See **Exhibit D**.

Proposers will be evaluated based on their ability to carry out the requested services in a timely manner and must demonstrate the ability and experience to 1) implement a comprehensive development plan; and 2) implement housing development strategies, working in concert with the City, residents, and other local stakeholders.

The recommended proposal and business terms will be brought to the full City Council, and possibly subcommittee(s) for review.

E. Schedule of Events

Request for Proposals Issue Date	Friday, June 28, 2024
Pre-Submittal Conference	Wednesday, July 17, 2024, at 9:00 A.M. (Phoenix local time) Helen Drake Senior Center (WebEx option: registration link)
Site Tour	Immediately following Pre-Proposal Conference
Proposer’s Written Inquiries Due	Friday, July 26, 2024, by 2:00 P.M. (Phoenix local time)
Intent to Apply (Attachment A) Deadline	Monday, August 19, 2024, by 2:00 P.M. (Phoenix local time)
Proposal Due Date	Monday, August 26, 2024, by 2:00 P.M. (Phoenix local time)
City Council Approval (Estimated)	November/December 2024



INTRODUCTION

Pre-Proposal Conference Location:

Helen Drake Senior Center

7600 N 27th Avenue
Phoenix, AZ 85051

Site Tour Location:

Site Location

7015 N 26th Drive and
2622 W Glendale Avenue,
Phoenix, AZ 85051

The City reserves the right to change dates and/or locations as necessary.



SCOPE OF WORK

II. SCOPE OF WORK

The City is seeking a Developer for the disposition and development for affordable homeownership opportunities. Disposition of the vacant lots (Site) to the selected Proposer will be exchanged for creating affordable homeownership for homebuyers at 80% of the Area Median Income (“AMI”) or below.

A. Minimum Qualifications

The following minimum qualifications are non-negotiable.

1. Experience successfully completing at least one residential and/or multi-family development project in the last five years.
2. The minimum purchase price for the Site can be found in **Exhibit C**. The minimum purchase price is based on the appraised value of the Site as of November 9, 2023. Any proposal submitted with a proposed purchase price less than the minimum must clearly state what public benefit(s) will be generated to compensate for the less-than-appraised bid(s) and the estimated quantifiable value of those benefits as described in **Section II (G)**.
3. All units will offer affordable homeownership opportunities targeting households at 80% AMI and below. A strategy must be created to find qualifying low-income homebuyers. See **Section II (C)**.
4. Create a strategy to maintain homeownership of housing units and address affordability restrictions.

Each Proposer must demonstrate these minimum qualifications in its proposal, or its proposal will be deemed non-responsive and be disqualified.

B. Desired Project

In addition to the Minimum Requirements stated above, the RFP includes the following preferred parameters:

1. Development of single-family attached homeownership units.
2. Create functional and appropriate transitions to buildings adjacent and compatible with the surrounding neighborhood. Character shall be appropriate given context of adjacent neighborhood. Design should complement the adjacent park and provide a visual line-of-sight.
3. Design consistent with the [27th Avenue To Do List](#) and the [Alhambra Village Character Plan](#).



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4. Require minimal, if any, City assistance and provide maximum return to the City. The City may, in its sole discretion, elect to provide funding or other assistance to projects that create a significant amount of public benefit, such as affordability, down payment assistance or other accommodations above and beyond what would be minimally necessary for the proposed project.

There is no confirmed, identified, or guaranteed City funding or other assistance for this project.

Whether the requested assistance is financial, technical, or in any other form, the intended purpose and estimated cost to the City must be clearly stated in the proposal.

C. Affordability Requirements

All units will be made available to residents with income levels at or below 80% AMI, as defined annually by HUD. See **Exhibit D**.

Visit the following link for more info: <https://www.huduser.gov/portal/datasets/il.html>.

Affordability requirements will be secured through a Declaration of Affirmative Land Use Restrictive Covenants. A strategy must be created to maintain homeownership of housing units and address long-term affordability restrictions.

D. Sale

The City will execute a land sale with the successful Proposer. The City has procured a current appraisal of the Site. See **Exhibit C**. The minimum purchase price is based on the appraised value of the Site as of November 9, 2023.

Any proposal submitted with a proposed purchase price less than the minimum must clearly state what public benefit(s) will be generated to compensate for the less-than-appraised bid(s) and the estimated quantifiable value of those benefits as described in **Section II (G)**.

Proposal must identify the proposed terms for the sale. The Sale shall include a right of first refusal option for the City to acquire the improvements.

E. Requested City Assistance

If the Proposer is seeking assistance from the City, the proposal must include specific details such as the type of assistance (monetary or non-monetary), City role(s) or responsibility, length of participation or agreement contract term, commencement, and completion dates, etc. Any requests for City assistance must:

- Be limited to assistance the City can reasonably accommodate,



SCOPE OF WORK

- Be clearly and quantitatively demonstrated to be less than the public benefit generated by the proposed development, and
- Fill a clearly described financial gap, technical, or other gap in Proposer's capacities.

Although the City reserves the right to participate in projects that create significant public benefit, such as public infrastructure beyond what would be necessary for the proposed development, there is currently no identified City funding for pre-development or development costs resulting from this RFP.

F. City Roles and Responsibilities

The successful Proposer, approved by City Council, and the City will negotiate, in good faith, terms for the parties to move forward and will clarify respective roles and responsibilities.

The City anticipates responsibility for certain activities and will coordinate with the successful Proposer. Activities may include, but are not limited to, the following:

- a. Monitoring and assisting the successful Proposer in meeting Scope of Work requirements.
- b. Community Facilitation – assisting the successful Proposer with community facilitation and ensuring stakeholders understand and advise on all aspects of the project.
- c. Land – the City will provide the Site through a sale agreement for the proposed development.

G. Return to the City

The “Return to the City” evaluation criterion encompasses both the financial return (cash payment) and other tangible public benefits.

These other tangible public benefits may include one or more of the following: new jobs, small business opportunities, civic space, community amenities, bicycle facilities, outdoor green space, pet friendly spaces, and/or public art.

Although the City reserves the right to participate in projects that create significant public benefit, such as public infrastructure beyond what would be necessary for the proposed development, there is currently no confirmed, identified, or guaranteed City funding for redevelopment of the Site.



INSTRUCTIONS TO PROPOSERS

III. INSTRUCTIONS TO PROPOSERS

A. Solicitation:

Interested Proposers may download the complete solicitation and addenda from <https://www.phoenix.gov/solicitations>. Internet access is available at all public libraries.

Any interested Proposers without internet access may obtain this solicitation by picking up a copy during regular business hours at 251 West Washington Street, 4th Floor, Phoenix, AZ 85003. Please contact the Procurement Officer to coordinate.

Proposers are responsible for obtaining any and all amendments and/or addenda relevant to this RFP at <https://www.phoenix.gov/solicitations>.

Failure to submit addenda with the RFP response may be grounds for deeming a proposal non-responsive.

B. Submission of Proposal:

Proposals shall be submitted electronically by the file transfer site provided by the Procurement Officer. For instructions to upload a digital offer, Proposer must first indicate its intent to apply (and submit a completed “intent to apply” form **Attachment A**) by email to hcu.procurement@phoenix.gov and the following information should be noted in the email:

- Proposers Name
- Proposers Address (as shown on the Certification Page)
- Solicitation Number
- Solicitation Title
- Proposal Opening Date
- It is the responsibility of the Proposer to ensure that the proposal is timely and to confirm that there are no technical reasons that any offer submitted electronically may be delayed. The date and time on the upload as received/stamped by the City’s file transfer site will provide proof of submission and verification whether the Offer was received on or prior to the exact time and date indicated in the Schedule of Events.
- Any original documents (such as bonds, guaranties, powers of attorney), if required by the solicitation, must be separately delivered to and received by the City on or prior to the exact time and date indicated in the Schedule of Events, with a clear indication of the proposal for which it is attributed.



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C. Withdrawal of Proposal:

At any time prior to the solicitation due date and time, a Proposer (or designated representative) may withdraw the proposal by submitting a request in writing and signed by a duly authorized representative. If Proposer withdraws the proposal electronically by email to the Procurement Officer, the request to withdraw must be in the form of a letter attached to the email that includes either an image of the duly authorized representative's signature or an electronic signature from a verifiable source, such as Adobe Sign, DocuSign or a similar verifiable software program.

D. City's Vendor Self-Registration and Notification:

Proposers shall be registered in the City's eProcurement Self-Registration System at <https://www.phoenix.gov/finance/business-opportunities/eprocurement>. The City may, in its sole discretion, reject any proposal from a Proposer who has not registered in the City's eProcurement system.

E. Pre-Proposal Conference:

Attendance is strongly encouraged. The purpose of this conference is to clarify contents of the RFP to prevent any misunderstanding. Any doubt as to the requirements of this RFP or any apparent omission or discrepancy should be presented to the City at that time. The City will then determine the appropriate action necessary, if any.

F. Proposer Inquiries:

All questions that arise relating to this RFP shall be directed in writing to the Procurement Officer, Melanie Bynoe Torzala, at hcu.procurement@phoenix.gov.

To be considered, written inquiries shall be received by the date indicated in the [Schedule of Events](#) in **Section I (E)**. Inquiries received will then be answered by an addendum and published via the City's website at: <https://www.phoenix.gov/solicitations>.

No communication initiated by Proposers related to this RFP will be allowed with members of City's staff from the date of distribution of this RFP until after the closing date and time for the submission of proposals. All questions concerning or issues related to this RFP shall be presented in writing to the Procurement Officer, as stated above.

G. Solicitation Transparency Policy:

Commencing on the date and time a solicitation is published, potential or actual Proposers or respondents (including their representatives) shall only discuss matters associated with the solicitation with the Mayor, members of City Council, the City Manager, any Deputy City Managers, HD, or any department director directly associated with the solicitation (including in each case their assigned staff, except for the designated Procurement Officer) at a public meeting, posted under Arizona Revised Statutes, until



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the resulting contract(s) are awarded or responses are rejected and the solicitation is cancelled without any announcement by the Procurement Officer of the City's intent to reissue the same or a similar solicitation. If the solicitation is not discussed, Proposers may continue to conduct business with the City and discuss business that is unrelated to the solicitation with the City staff who is not involved in the selection process.

Proposers may discuss their proposal or the solicitation with the Mayor or one or more members of the City Council, provided such meetings are scheduled through the Procurement Officer, and are posted as open meetings with the City Clerk at least 24 hours prior to the scheduled meetings. The City Clerk will be responsible for posting the meetings. The posted notice shall identify the participants and the subject matter, as well as invite the public to participate.

With respect to the selection of the successful Proposer, the City Manager and/or City Manager's Office will continue the past practice of exerting no undue influence on the process. In all solicitations of bids and proposals, any direction on the selection from the City Manager and/or City Manager's Office and Department Head (or representative) to the proposal review panel or selecting authority must be provided in writing to all prospective Proposers.

This policy is intended to create a level playing field for all Proposers, assure that contracts are awarded in public, and protect the integrity of the selection process. **PROPOSERS THAT VIOLATE THIS POLICY SHALL BE DISQUALIFIED.** After the City issues an official notice of disqualification to a Proposer, the Proposer may follow the Protest process, unless the RFP is cancelled without notice of intent to re-issue.

To "discuss" means any contact by the Proposer, regardless of whether the City responds to the contact. Proposers that violate this policy shall be disqualified until the resulting contract is awarded, or all proposals or responses are rejected, and the solicitation is cancelled without any announcement by the Procurement Officer of the City's intent to reissue the same or a similar solicitation. The City interprets the policy as continuing through a cancellation of a solicitation until Council awards a contract, if the City cancels with a statement that the City will rebid the solicitation.

H. Protest Process:

Proposers may protest the contents of a solicitation no later than seven days before the solicitation deadline when the protest is based on an alleged mistake, impropriety, or defect in the solicitation. Protests filed regarding the solicitation may be addressed by an amendment to the solicitation or denied by the City. If denied, the opening and award will proceed unless the City determines it is in the City's best interests to set new deadlines, amend the solicitation, cancel, or re-bid.

Therefore, unless otherwise notified by a formal amendment, the Protester must adhere to all solicitation dates and deadlines, including timely filing of a proposal, regardless of



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filing a protest.

Proposers may protest an adverse determination issued by the City regarding responsibility and responsiveness, within seven days of the date the Proposer was notified of the adverse determination.

Proposers may protest an award recommendation if the Proposer can establish that it had a substantial chance of being awarded the contract and will be harmed by the recommended award. The City will post recommendations to award the contract to a particular Proposer on the City's website. Proposers must submit award protests within seven days after the posting of the award recommendation, with exceptions only for good cause shown, within the City's full and final discretion.

All protests shall be in writing, filed with the Procurement Officer identified in the solicitation, and include the following:

- Identification of the solicitation number;
- Name, address, and telephone number of the Protester;
- A detailed statement describing the legal and factual grounds for the protest, including copies of relevant documents;
- Form of relief requested; and
- Signature of the Protester or its authorized representative.

The Procurement Officer will render a written decision within a reasonable period after the protest is filed. The City will not request City Council authorization to award the contract until the protest process is complete. All protests and appeals must be submitted in accordance with the City's Procurement Code, (Phoenix City Code, Ch. 43), and administrative regulations and any protests or appeals not submitted within the time requirements will not be considered.

I. Public Record and Confidential Information:

All proposals submitted in response to this RFP shall become the property of the City and shall become a matter of public record available for review pursuant to Arizona state law after the award notification.

The City of Phoenix is obligated to abide by all public information laws.

If a Proposer believes a specific section of its proposal is confidential, the Proposer shall isolate the pages marked confidential in a specific and clearly labeled section of its proposal. The Proposer shall include a written basis for considering the marked pages confidential including the specific harm or prejudice if disclosed and the HD will review



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the material and make a determination. To the extent necessary for the evaluation process, information marked as “confidential” will not be treated as confidential. Once the procurement file becomes available for public inspection, the Procurement Officer will not make any information identified by the Proposers as “confidential” available to the public unless necessary to support the evaluation process or if specifically requested in accordance with applicable public records law. When a public records request for such information is received, the Procurement Officer will notify a Proposer in writing of any request to view any portion of its proposal marked “confidential.” The Proposer will have the time set forth in the notice to obtain a court order enjoining such disclosure. If the Proposer does not provide the Procurement Officer with a court order enjoining the release of the information during the designated time, the Procurement Officer will make the information requested available for inspection.

J. Preparation of Proposal:

1. All proposals shall be on the forms and in the format set forth in this RFP. It is permissible to copy these forms as required.
2. The Offer Form, Proposer Certification and Affidavit Form, Conflict of Interest and Solicitation Transparency Disclosure Form, and any RFP amendments must be signed and returned with the proposal. See attachments.
3. The Proposer Certification and Affidavit Form shall be signed by a person authorized to submit a Proposal. An authorized signature on the Offer Form, Proposer Certification and Affidavit Form, Proposal Amendment(s), and Letter of Interest accompanying the proposal documents shall constitute an irrevocable offer to provide the service specified herein.
4. Erasures, interlineations, or other modifications of your proposal shall be initialed in original ink by the authorized person signing the proposal.
5. Periods of time, stated as a number of days, shall be in calendar days.
6. The City shall not reimburse the cost of developing, presenting, submitting, or providing any response to this solicitation. All materials and proposals submitted in response to this solicitation become the property of the City and will not be returned.

K. Non-Responsive Proposals:

Proposals deemed non-responsive will not be evaluated or considered for award.

1. The following proposals will be deemed non-responsive:
 - Proposals that do not conform to the minimum specifications stated in the Scope of Work (**Section II**).



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- Proposals submitted without complete fee information.
 - Proposals that contain altered or conditional information.
 - Proposals submitted by a Proposer who does not have valid certifications and/or licenses required by state, federal, or local law or regulations to perform the service(s) requested at the time of the submittal.
 - Proposals not received by the designated due date, place, or time.
2. Proposals may be deemed non-responsive at any time in the evaluation process in the sole opinion of the City if the:
- Proposer does not meet the minimum required skill, experience or other conditions or terms set forth in this RFP.
 - Proposal does not comply with the submission requirements including any specified page limits.
 - Proposal contains false, inaccurate, or misleading statements that in the opinion of the City, are intended to mislead the City in its evaluation of the proposal.

L. Responsive Proposals:

Proposals must meet all requirements of this RFP. All required elements of a proposal will be evaluated on a pass/fail basis. Scoring or ranking will not be used to evaluate non-responsive proposals. Only those proposals determined to be responsive will be evaluated and scored by the Evaluation Committee in accordance with the criteria set forth in the Scope of Work, Proposal and Evaluation Requirements in this RFP.

In addition, the Evaluation Committee may request a formal presentation from the highest ranked Proposers before a final recommendation is made. If presentations are requested and presented, the Evaluation Committee will re-convene, review, and re-score the evaluation categories based on the information presented.

If interviews are conducted, information provided during the interview process shall be taken into consideration when evaluating the stated criteria. The City shall not reimburse the Proposer for the costs associated with the interview process.

The Proposer's experiences with the City and entities the evaluation committee members represent may be taken into consideration when evaluating qualifications and experience.

M. Responsibility:

To obtain true economy, the City must conduct solicitations to minimize the possibility of



INSTRUCTIONS TO PROPOSERS

a subsequent default by the contractor, late deliveries, or other unsatisfactory performance that may result in additional administrative costs. It is important the Proposer be a responsible contractor. Responsibility includes the Proposer's integrity, skill, capacity, experience, and facilities for conducting the work to be performed.

The Procurement Officer, in consultation with legal counsel (if necessary), will review each proposal to determine if the Proposer is responsible. The City's determination as to whether a Proposer is responsible will be based on the information furnished by the Proposer, interviews (if any), any information at the City's request, information in any best and final offer, and information received from Proposer's references, including information about Proposer's past history, terminations for convenience or cause, contract breach lawsuits or notices of claim and any other sources the City deems appropriate. Award of the contract resulting from the RFP will not be made until any necessary investigation, which each Proposer agrees to permit by submitting its proposal, is made by the City as it deems necessary. A review of responsibility may occur up to contract award.

N. Compliance With Equal Employment Opportunity:

To do business with the City, Proposer must comply with Phoenix City Code, 1969, Chapter 18, Article V, as amended, Equal Employment Opportunity Requirements. Proposer will direct any questions regarding these requirements to the Equal Opportunity Department, (602) 262-6790.

O. Offer and Acceptance Period:

To allow for an adequate evaluation, the City requires a proposal in response to this RFP to be valid and irrevocable for 180 days after the proposal due date and time.

P. Discussions:

The City may notify each Proposer whose proposal is in the competitive range or made the 'short list' and provide in writing any questions or requests for clarification to the Proposer. Each Proposer so notified may be interviewed by the City and asked to discuss answers to written or oral questions or provide clarifications to any facet of its proposal. The Proposers in the competitive range may be required to provide a demonstration of their product.

If a Proposer in the competitive range contains conditions, exceptions, reservations, or understandings to or about any Contract or RFP Scope requirement, the City may discuss or negotiate the conditions, exceptions, reservations, or understandings during these meetings. The City in its sole discretion may reject any and all conditions, exceptions, reservations and understandings, and may instruct any Proposer to remove the conditions, exceptions, reservations or understandings. If the Proposer fails to do so, the City may determine the proposal is nonresponsive, and revoke its determination that the proposal is in the competitive range.



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To the fullest extent permitted by law, the City will not provide any information, financial or otherwise, to any Proposer about other proposals received in response to this RFP. During discussions with Proposers in the competitive range, the City will not give Proposers specific prices or financial requirements that Proposer must meet to qualify for further consideration.

Q. Best and Final Offers (BAFO):

A BAFO is an option available for negotiations. Each Proposer in the competitive range, which is determined in the City's sole discretion, may be afforded the opportunity to amend its proposal and make one BAFO.

If a Proposer's BAFO modifies its initial proposal, the modifications must be identified in the BAFO. The City will evaluate BAFOs based on the same requirements and criteria applicable to initial proposals. The City will adjust appropriately the initial scores for criteria that have been affected by the Proposer's modifications made in a BAFO. Based on the criteria defined in the RFP as weighted, the City will then perform final scoring and prepare final rankings.

The Evaluation Panel will recommend the proposal that is the best value and most advantageous to the City based on the evaluation criteria.

The City reserves the right to make an award to a Proposer whose proposal is the highest rated, best value, and most advantageous to the City based on the evaluation criteria, without conducting written or oral discussions with any Proposer, without negotiations, and without soliciting BAFOs.

R. Proposal Results:

Proposals and other information received in response to this RFP shall be shown only to authorized City personnel with a legitimate interest or persons assisting the City in the evaluation. Proposals are not available for public inspection until after award recommendation has been posted on the City's website.

S. City's Right to Disqualify for Conflict of Interest:

The City reserves the right to disqualify any Proposer based on any real or apparent conflict of interest disclosed by a proposal or any other data available to the City. This disqualification is at the sole discretion of the City. Any Proposer submitting a proposal herein waives any right to object now or at any future time, before anybody or agency, including but not limited to, the City Council or any court.

Proposers must disclose any personal or professional relationships with the City including the City of Phoenix Housing Department.



INSTRUCTIONS TO PROPOSERS

T. Award:

The City intends to select the Proposer that best meets the City's needs and requirements to perform the services as described in this RFP, based upon qualifications, proven ability, and experience of performing similar work.

A response to this RFP is an offer to contract with the City based upon the terms, conditions, and specifications contained in the City's RFP. Such a proposal does not become a contract until it is executed by the HD Director. All terms, conditions, and specifications of the contract are contained in the RFP, unless any of the terms, conditions, or specifications are modified by an addendum or contract amendment.

U. City's Reservation of Rights

The City reserves the right to take any course of action the City deems appropriate at the City's sole and absolute discretion, which may include:

1. Waiving any defects or informalities in any proposal or proposed procedure;
2. Accepting or rejecting any or all proposals or any part of any or all proposals;
3. Canceling the RFP in whole or part;
4. Reissuing the RFP with or without modification;
5. Extending the deadline for proposals; and/or
6. Requesting additional information from any or all Proposers.



PROPOSAL AND EVALUATION REQUIREMENTS

IV. PROPOSAL AND EVALUATION REQUIREMENTS

All timely proposals will be reviewed to determine whether the minimum requirements have been met. Proposals that do not meet all requirements will be considered non-responsive and rejected.

All responsive proposals and responsible Proposers will be evaluated and scored by members of an evaluation committee in accordance with the below criteria.

Evaluation criteria and associated scoring:

Concept to Redevelop the Site	400
Return to the City/ Proposed Benefit to the City	300
Proposer's Qualifications and Experience	300
Total Points Available:	1,000

This is a best-value-to-the-City procurement, which means the Evaluation Committee will look at all factors, not just financial return to the City, in selecting the recommended Proposer.

In addition, the Evaluation Committee may request a formal presentation from the highest ranked Proposers before issuing a final recommendation.

If only one proposal is received, the City may proceed without convening an Evaluation Committee.

Proposers are encouraged to limit their proposals to no more than one hundred single-sided/electronic pages, excluding the items listed for Tab 1 and other required forms.

A. Form of Proposals:

Proposals must conform to the following format. Proposals that are incomplete; conditional; obscure; contain additions not requested; changes; exceptions to material provisions or requirements of this RFP; or irregularities of any kind, are subject to disqualification.

Each proposal shall include the following:

1. Tab 1 – General Information (not to exceed 9 pages including attachments)

a. Executed Offer Form (Attachment B)

Any proposal received without a completed, signed, and notarized **Attachment B** will be disqualified.

b. Executed Affidavit (Attachment C)



PROPOSAL AND EVALUATION REQUIREMENTS

Any proposal received without a completed, signed, and notarized **Attachment C** will be disqualified.

- c. Signed Conflict of Interest and Solicitation Transparency Disclosure Form (**Attachment D**)

Any proposal received without a completed and signed **Attachment D** will be disqualified.

- d. Executive Summary

Provide a concise summary of the overall proposal. If the Proposer is a joint venture, the Executive Summary should identify the lead developer. If someone other than the person listed on **Attachment D** will serve as the Proposer's contact person for the proposal, the Executive Summary must identify that person's name, telephone number, and email address. An Executive Summary of no more than two (2) pages is encouraged.

2. **Tab 2 – Concept to Redevelop the Site** (not to exceed 30 pages)

This Tab includes evaluation criteria related to the proposed development, maximizing the Site potential, and overall project feasibility.

- a. Completed Development Details Form (**Attachment E**)
- b. A narrative description of the proposed development that includes an explanation of how the proposed development addresses each element in **Section II**. This description should indicate affordability components. A successful proposal looks to balance opportunities for homeownership (units) while maintaining the character of the residential neighborhood.
- c. Conceptual building elevations and a conceptual site plan.
- d. A construction mitigation plan that identifies potential impacts to the adjacent neighbors, both commercial and residential, and outlines a viable mitigation strategy.
- e. Documentation of the proposed development's feasibility, including:
 - Research/market demand data supporting the proposed development.
 - Method of property control or acquisition for the Site.
 - An operating pro forma for the proposed project, including all revenues, expenses, debt service, taxes, and other assessments.



PROPOSAL AND EVALUATION REQUIREMENTS

f. A comprehensive timeline with major milestones and stages of the proposed development including site control, environmental clearance, planning and design, entitlements, plan review, permits, and construction of the proposed development.

g. Describe strategies to find low-income homebuyers at or below 80% AMI.

Proposers should use reasonable assumptions to propose a realistic timeline.

3. **Tab 3 – Return to the City/ Proposed Benefit to the City** (not to exceed 20 pages)

This Tab includes evaluation criteria related to the financial benefit to the City and public benefits for the community.

a. Offered Purchase Price (**Attachment F**).

b. Proposed sale terms, as described in **Section II (D)**.

c. A program or strategy must be created for maintaining homeownership of housing units and addressing affordability restrictions among the designated population. Projects that propose longer term affordability will receive more points.

d. A description of the economic, fiscal, employment and other tangible public benefits generated by the proposed development as it relates to neighborhood, community, and/or City redevelopment goals, if applicable.

e. A description of any requested City assistance, including specific details such as the type of assistance (monetary or non-monetary), City role(s) or responsibility, length of participation or agreement contract term, commencement, and completion dates, etc. Any requests for City assistance must:

- Be limited to assistance the City can reasonably accommodate,
- Clearly and quantitatively demonstrate the requested City assistance is less than the public benefit generated by the proposed development, and
- Fill a clearly described financial gap.

Any proposal offering a cash payment less than the minimum purchase price listed in **Exhibit C** must include the quantifiable value for each additional tangible public benefit to demonstrate the total proposed purchase price meets or exceeds the minimum purchase price. A proposal that requests City assistance may receive fewer points from the Evaluation Committee.



PROPOSAL AND EVALUATION REQUIREMENTS

4. Tab 4 – Proposer’s Qualifications and Experience (not to exceed 50 pages)

This Tab includes evaluation criteria related to the Proposer’s qualifications, experience, and financial capacity to execute and complete the proposed development successfully, which includes but not limited to the following:

- a. Sufficient documentation to demonstrate the Proposer meets the minimum qualifications listed in **Section II (A)**.
- b. Clearly identified key individuals and companies comprising the proposed development team and each proposed development team member’s roles and responsibilities for the proposed development. The identification of all related parties must be included. If related parties are proposed, cost reasonableness evaluations are required, and the additional cost must be factored into the final agreed upon development budget with the selected Proposer.
- c. Description of the proposed development team’s experience successfully financing, developing, completing, and managing other residential projects, including the roles and responsibilities of each proposed development team member for those projects. Experience in meeting proposed deadlines and budgets must be addressed. Proposers should include contact information for at least one reference for each project listed.
- d. Clear and compelling information to demonstrate Proposer’s financial capacity to successfully manage and complete the proposed development, including:
 - A clear strategy to fund all proposed development costs, including specific details on all sources, as well as the types and amounts of equity, financing, grants, and other sources for the development.
 - Specify and clearly describe all sources, types, and amounts of equity, financing, grants, and other funding sources for the proposed development.
 - Provide documentation of approval or pre-approval letters from potential lenders of interest in the proposed development.
 - Detail other projects in which the proposer has successfully worked with the proposed equity/financing/granting entities.
 - Provide evidence of financing for prior development projects.
- e. A project budget clearly detailing and defining the proposed development’s costs, including construction costs, soft costs, contingencies, and assumptions.



STANDARD TERMS AND CONDITIONS

V. STANDARD TERMS AND CONDITIONS

The submission of a proposal in response to this RFP constitutes the Proposer's agreement that any contract resulting from this RFP will be prepared by the City. The submission of a proposal further constitutes the Proposer's agreement that it will not insist on the use of standard contracts, documents, or forms, and that it waives any demand for the use of its standard contracts. Pursuant to the City Charter, the language of the contract to be executed will be drafted under the supervision of the City Attorney and will be the controlling document.

1. **Indemnification:**

Proposers must indemnify, defend, save and hold harmless the City and its officers, officials, agents, and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury, personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or part, by the negligent or willful acts or omissions of Proposer or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnitee will, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Proposers from and against any and all Claims. It is agreed that the Proposer will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. Incorporated into any contract that is entered into with the City will be the requirement that the Proposer, at its sole cost and expense, will and does hereby indemnify, defend and hold the Indemnitee harmless from and against any challenge, whether administrative, judicial or otherwise, by any person or entity, to the Indemnitee's execution or performance under said contract, which indemnification shall survive the expiration or earlier termination of said contract.

2. **Insurance Requirements:**

The Proposer must procure and maintain, until all its obligations have been discharged, including any warranty periods under the future contracts are satisfied, insurance against claims that may arise from or in connection with the performance of the work herein by the Proposer, its agents, representatives, employees, or subcontractors. Insurance requirements will be outlined within the contract that results from the selection of a successful proposal.

3. **Legal Worker Requirements:**

The City is prohibited by Ariz. Rev. Stat. § 41-4401 from awarding a contract to any contractor that fails, or whose subcontractors fail, to comply with Ariz. Rev. Stat. § 23-



STANDARD TERMS AND CONDITIONS

214(A). Therefore, each Proposer agrees by submitting a proposal that:

1. The Proposer and each subcontractor it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with Ariz. Rev. Stat. § 23-214(A).
2. A breach of a warranty under paragraph 1 will be deemed a material breach of the contract and is subject to penalties up to and including termination of the contract.
3. The City retains the legal right to inspect the papers of the Proposer or subcontractor employee(s) that work(s) on the contract to ensure the Proposer or subcontractor is complying with the warranty under paragraph 1 herein.

4. Applicable Law

Any and all disputes arising under any contract to be negotiated hereunder or out of the proposals herein called for will be governed according to the laws of the State of Arizona, and the Proposer agrees the venue for any such action brought to enforce provisions of the contract will be in Maricopa County, Arizona.

5. Organization Employment Disclaimer

Any contract entered as the result of this RFP will not constitute, create, give rise to, or otherwise recognize an agreement or relationship, partnership, or formal business organization of any kind between the City and the Proposer as contractor, and the rights and obligations of the parties will only be those expressly set forth therein. The recommended Proposer will be required to agree as part of any contract entered as the result hereof, that no person supplied by it in the performance of the contract is an employee of the City, and further agree that no rights of the City's Civil Service, Retirement or Personnel Rules accrue to any such persons. Any contracting party will have the total responsibility for all salaries, wages, bonuses, retirement, withholdings, workmen's compensation and occupational disease compensation insurance unemployment compensation, other benefits and taxes and premiums appurtenant thereto concerning such persons provided by such party in the performance of the contract and will save and hold the City harmless with respect thereto.



ATTACHMENT A

INTENT TO APPLY

Submittal of this form is notification to the City of Phoenix of your intention to submit a proposal for homeownership development under Solicitation Number RFP FY24-086-18. The Procurement Officer will create a unique upload link for your proposal which will be used for submission of all materials. You will receive notification by email once this upload link has been created.

To participate in this solicitation, you are required to complete and submit this form to hou.procurement@phoenix.gov by no later than **August 19, 2024, 2:00 p.m.** The upload link will remain active until **2:00 p.m.** Phoenix local time on **August 26, 2024.**

Project Name	
Proposer	
Email Addresses (you may provide access to multiple email addresses to upload documents)	
Email 1	
Email 2	
Email 3	
Email 4	
Email 5	
Email 6	

PRINT NAME

TITLE

SIGNATURE

DATE



ATTACHMENT B

OFFER FORM

TO THE CITY OF PHOENIX - The Undersigned hereby offers and agrees to furnish the material and or service(s) in compliance with all terms, conditions, specifications, and addenda issued as a result of a solicitation.

Arizona Sales Tax No. _____

Use Tax No. for Out of State Suppliers _____

City of Phoenix Sales Tax No. _____

Arizona Corporation Commission File No. _____

Taxpayer's Federal Identification No.: If recommended for contract award, Proposer agrees to provide its federal taxpayer identification number or as applicable its social security number to the City of Phoenix for the purposes of reporting to appropriate taxing authorities, monies paid by the City of Phoenix under the awarded contract. If the Proposer provides its social security number, the City will only share this number with appropriate state and federal officials. This submission is mandatory under 26 U.S.C. § 6041(a).

Enter City's Registration System ID Number Located at City's eProcurement website (see SECTION I – INSTRUCTIONS - CITY'S REGISTRATION)	
---	--

Proposer has read, understands, and will fully and faithfully comply with this Solicitation, its attachments, and any referenced documents. Proposer certifies the prices offered were independently developed without consultation with any other Proposer or potential Proposers.

Authorized Signature

Date

Printed Name and Title
(LLC, Inc., Sole Proprietor)

(Member, Manager, President)

Address _____

City, State and Zip Code _____

Telephone Number _____

Company's Fax Number _____

Company's Toll Free # _____

Email Address _____



ATTACHMENT C

AFFIDAVIT

Assurances

The undersigned Proposer hereby submits to the City of Phoenix (“City”) the enclosed proposal based upon all terms and conditions set forth in the City’s Request for Proposals (“RFP”) and referenced materials. Proposer further specifically agrees hereby to provide services in the manner set forth in the proposal submitted by the Proposer.

The undersigned Proposer acknowledges and states, under penalty of perjury, as follows:

1. The City is relying on Proposer’s submitted information and the representation that Proposer has the capability to successfully undertake and complete the responsibilities and obligations submitted in its proposal and in the resulting contract.
2. The City has the right to make any further inquiry it deems appropriate to substantiate or supplement information supplied by Proposer.
3. Proposer has read and fully understands all the provisions and conditions set forth in the RFP documents, upon which its proposal is based.
4. The forms and information requested in the RFP are complete and made part of the proposal. The City is not responsible for any Proposer errors or omissions.
5. This proposal may be withdrawn by requesting such withdrawal in writing at any time prior to the proposal deadline but may not be withdrawn after such date and time.
6. The City reserves the right to reject proposals and to accept the proposal that, in its judgment, will provide the best quality development to the City.
7. This proposal is valid for a minimum of 180 days after the RFP proposal deadline.
8. All costs incurred by Proposer in connection with this proposal shall be borne solely by Proposer. Under no circumstances shall the City be responsible for any costs associated with Proposer’s proposal or the RFP process.
9. Proposer has not in any manner, directly or indirectly, conspired with any person or party to unfairly compete or compromise the competitive nature of the RFP process.
10. The contents of this proposal have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this proposal.
11. To the best of the Proposer’s knowledge, the information provided in its proposal is true and correct and neither the undersigned Proposer nor any partner, corporate officer or managing employee have ever been convicted of a felony or a crime involving moral turpitude.



ATTACHMENT C

Legal Status

1. Proposer intends to operate the business as (check one):

- | | | | |
|--------------------------------|--------------------------|----------------------|--------------------------|
| Corporation* | <input type="checkbox"/> | Non-Profit 501(c)(3) | <input type="checkbox"/> |
| Government Entity | <input type="checkbox"/> | Partnership* | <input type="checkbox"/> |
| Limited Liability Corporation* | <input type="checkbox"/> | Sole Proprietorship | <input type="checkbox"/> |
| Other (Please describe:) | _____ | | <input type="checkbox"/> |

Identify the members, if LLC, partners, if a partnership, or officers, if a corporation, of the Proposer (add lines as needed).

For this RFP, addenda and exhibits, any questions regarding the principals are referring to the officers, partners, and members.

2. In the past 10 years, have you personally, or any business with which you have been involved, been declared bankrupt, filed a petition in any bankruptcy court, filed for protection from creditors in bankruptcy court, or had involuntary proceedings filed in bankruptcy court? If "Yes," provide the date, court jurisdiction, case name, case number, amount of liabilities, amount of assets, and the status of each occurrence. **Yes () No ()**
3. Has the Proposer or any of its principals or its principal's affiliates been declared to be in default under any obligation to or contract with the City? If "Yes," please provide details concerning the nature of the default, including the City contract number. **Yes () No ()**
4. Are there any pending liens, claims or litigation above \$500,000 involving Proposer, or any corporation or other entity that has, directly or indirectly, a controlling interest in the Proposer, or any subsidiary of the Proposer or other entity in which the Proposer has a controlling interest or any of the Proposer's principals, officers, or directors? If "Yes," provide detailed information regarding complaints. **Yes () No ()**
5. Has the Proposer, or any corporation or other entity that has, directly or indirectly, a controlling interest in the Proposer, or any subsidiary of the Proposer or other entity in which the Proposer has a controlling interest or any of the Proposer's principals, officers, or directors, been involved in any lawsuits in the past 10 years? If "Yes," provide list. **Yes () No ()**
6. Has the Proposer's or any of its principals or its principals' affiliate's contracts been terminated prior to their expiration terms, voluntarily or involuntarily, within the last 10 years? If "Yes," provide name, location, and date of the contract(s). **Yes () No ()**
7. Has the Proposer, or any corporation or other entity that has, directly or indirectly, a controlling interest in the Proposer, or any subsidiary of the Proposer or other entity in which the Proposer has a controlling interest or any of the Proposer's principals, officers, or directors ever been barred from bidding on federal, state, or local government contracts? If "Yes," provide the status of such suspension or debarment proceedings. **Yes () No ()**



ATTACHMENT C

References

Proposer shall furnish the names and contact information of one client for whom the Proposer is furnishing or has furnished services similar to those described in this RFP. Do not list City of Phoenix employees or officials as references.

- 1. Company and Reference Name: _____
 Telephone and E-Mail: _____

Signature(s)

Proposer's Legal Name: _____

Printed Name of Authorized Representative*: _____

Title: _____

Business Mailing Address: _____

Telephone and Email Address: _____

Signature: _____

*Proposal must be signed by an individual authorized to contractually bind the Proposer.

Name of Joint Venture Partner (if applicable):

Printed Name of Authorized Representative*:

Title:

Business Mailing Address:

Telephone and Email Address:

Signature:

*Proposal must be signed by an individual authorized to contractually bind the joint venture partner.

NOTARIZED

Signed and sworn before me this _____, day of, _____, 2024.

Notary Signature: _____ Affix Seal:

My Commission Expires: _____



ATTACHMENT D

CONFLICT OF INTEREST AND SOLICITATION TRANSPARENCY DISCLOSURE FORM

This form must be signed and submitted to the City and all questions must be answered or your Proposal may be considered non-responsive.

1. Name of person submitting this disclosure form.

First	MI	Last	Suffix
-------	----	------	--------

2. Contract Information

Solicitation # or Name:

3. Name of individual(s) or entity(ies) seeking a contract with the City (i.e., parties to the Contract)

4. List any individuals(s) or entity(ies) that are partners, parent, joint venture, or subsidiaries of the individual or entity listed in Question 3. Please include all Board members, executive committee members and officers for each entry. If not applicable, indicate N/A.

5. List any individuals or entities that will be subcontractors on this contract or indicate N/A.

- Subcontractors may be retained, but not known as of the time of this submission.
- List of subcontracts, including the name of the owner(s) and business name:

6. List any attorney, lobbyist, or consultant retained by any individuals listed in Questions 3, 4, or 5 to assist in the proposal or seeking this the resulting contract. If none, indicate N/A.



ATTACHMENT D

7. Disclosure of conflict of interest:

Are you aware of any fact(s) regarding this solicitation or resulting contract that would raise a “conflict of interest” issue under City Code Section 43-34?

“An elected City official or a City employee shall not represent any person or business for compensation before the City regarding any part of a procurement, including any resulting contract, if during the time the elected official is or was in office or the employee is or was employed by the City such elected official or employee played a material or significant role in the development of the solicitation, any other part of the procurement, or the contract award.”

- I am not aware of any conflict(s) of interest under City Code Section 43-34.
- I am aware of the following potential or actual conflict(s) of interest:

Notice Regarding Prohibited Interest in Contracts

State law and the Phoenix City Charter and Code prohibit public officers or employees, their close relatives, and any businesses they, or their relatives, own from (1) representing before the City any person or business for compensation, (2) doing business with the City by any means other than through a formal procurement, and (3) doing business with the City without disclosing that the person has an interest in the contract. This prohibition extends to subcontracts on City contracts and also applies to parent, subsidiary, or partner businesses owned by a public officer or employee. See A.R.S. § 38-501 to 38-511, for more information (City Charter, Chapter 11, applies the state conflict-of-interest law to City employees).

Please note that any contract in place at the time a person becomes a public officer or employee may remain in effect. But the contract may not be amended, extended, modified, or changed in any manner during the officer’s or employee’s City service without following City administrative regulations.

Are you aware of any fact(s) regarding this contract that would raise a “conflict of interest” issue under A.R.S. § 38-501 to 38-511? (See Arizona Revised Statutes regarding conflict of interest at www.azleg.gov).

- I am not aware of any conflict(s) of interest under Arizona Revised Statutes Sections 38-501 to 38-511.
- I am aware of the following conflict(s) of interest:



ATTACHMENT D

Acknowledgements

Solicitation Transparency Policy – No Contact with City Officials or Staff During Evaluation

- I understand that a person or entity who seeks or applies for a City contract, or any other person acting on behalf of that person or entity, is prohibited from contacting City officials and employees regarding the contract after a solicitation has been posted.
- This “no-contact” provision only concludes when the contract is awarded at a City Council meeting. If contact is required with City official or employees, the contact will take place in accordance with procedures by the City. Violation of this prohibited contacts provision, set out in City Code **Sections 43-34 & 43-36**, by respondents, or their agents, will lead to **disqualification**.

Fraud Prevention and Reporting Policy

- I acknowledge that the City has a fraud prevention and reporting policy in Administrative Regulation 1.2, available on the City’s Phoenix.gov website. I will report fraud, suspicion of fraud, or any other inappropriate action to: telephone no. 602-261-8999 or 602-534- 5500 (TDD); or aud.integrity.line@phoenix.gov.

The purpose of the fraud policy is to maintain the City's high ethical standards. The policy includes a way for our business partners to report wrongdoing or bad behavior. Suspected fraud should be reported immediately to the Phoenix Integrity Line. The City has adopted a zero-tolerance policy regarding fraud and will investigate any suspected or actual fraud.

OATH

I affirm that the statements contained in this form, including any attachments, to the best of my knowledge and belief are true, correct, and complete.

Should any of the answers to the above questions change during the contract, particularly as it relates to any changes in ownership, applicant agrees to update this form with the new information within 30 days of such changes. Failure to do so may be deemed a breach of contract.

PRINT NAME

TITLE

SIGNATURE

DATE

COMPANY (CORPORATION, LLC, ETC.) NAME and DBA



ATTACHMENT E

DEVELOPMENT DETAILS

Name of Proposer: _____

Each Proposer must complete and submit this form with its proposal.

- Gross Square Footage (SF): _____
- Residential SF: _____
- Other SF (list): _____

- Number of Residential Units: _____
- Bedroom Count: _____

- Number of Buildings: _____
- Building Height(s) (feet and stories): _____

- Estimated Number of Construction Jobs: _____
- Estimated Number of Permanent Jobs: _____
- Estimated Value of Project: \$ _____

Authorized Signature

Date

(LLC, Inc., Sole Proprietor)

Printed Name and Title
(Member, Manager, President)



ATTACHMENT F

OFFERED PURCHASE PRICE

Each Proposer must complete and submit this form with its proposal for each Package proposer wishes to bid on.

Name of Proposer: _____

Offered Purchase Price \$ _____

The City will not be responsible for any Proposer errors or omissions.

***Any proposal offering a cash payment less than the minimum purchase price listed in Exhibit C must include the quantifiable value for each additional tangible public benefit under Tab 4 – Proposed City Commitment and Benefit to the City, to demonstrate the total proposed purchase price meets or exceeds the minimum purchase price. A proposal that requests City assistance may receive fewer points from the Evaluation Committee.**



EXHIBIT A

SITE MAP



Parcels:

157-32-066

157-32-068

Addresses:

7015 N 26th Drive

2622 W Glendale Avenue



EXHIBIT B

WATER AND SEWER STIPULATIONS

REVIEW PROVIDED BY THE WATER SERVICES DEPARTMENT

Domestic Water Stipulations:

- Existing System
pressure zone 2A

*12-inch ACP water main within Glendale Ave.
6-inch DIP water main within 26th Dr.*
- Main Extension and Upsizing Requirement
None
- Connection Points and Water Taps
*2-inch water tap off the 12-inch ACP water main within Glendale Ave. that may serve 2622 W Glendale Ave. parcel.
¾-inch water tap off the 6-inch DIP water main within 26th Dr. that may serve 7015 N 26th Dr.*

Field verification may be necessary to determine if services are still active.
- Easement Stipulation
None
- Other Stipulations
When multiple distribution mains in the same pressure zone are adjacent to a development, all service connections shall be taken from the largest diameter main or as approved by WSD through the Technical Appeal process.

Chapter Code 37-48 and 28-29(C) does not allow water or sewer services to cross through property lines.

Fire Flow Stipulations:

- Please provide fire flow requirements for the development according to the City of Phoenix Building/Fire code with the pre-app/preliminary site plan submittal.
- Fire flow Test Location
When requesting a fire flow test, please request that the 12-inch Zone 2A main within Glendale Ave. to be tested.
- Upsizing Requirement
If fire flow cannot be met, upsizing or looping shall be required.



EXHIBIT B

- Maximum Fire Hydrant Spacing

Fire hydrant spacing requirements apply to all new developments, including those that do not need to install new public water mains. The spacing and location of public fire hydrants shall meet the City's Fire Code requirements, or as approved by the Fire Department.

Sewer Stipulations:

- Existing System

8-inch VCP sewer main within Glendale Ave.

8-inch VCP sewer main within an easement located on the east property line of project site.

- Main Extension and Upsizing Requirement

None

No sewer capacity issues at this time. Please be advised that capacity is a dynamic condition that can change over time due to a variety of factors.

- Connection Points and Sewer Taps

Connection Point options:

- Connect to the 8-inch main within the PUE on the east side of the parcels, between manholes 23-23-109 and 23-23-113.
- Connect to the 8-inch main within Glendale Ave., between manholes 23-23-113 and 23-23-115.

4-inch sewer tap off the 8-inch VCP sewer main within an easement located on the east property line of project site. (Provided for information only – Can Not Use)

Commercial projects require a minimum 6-inch sewer tap.

- Easement Stipulation

A sewer main in an easement shall follow the Easement Requirements per WSD's Design Standards Manual (Pages 10-14). No permanent structures are allowed to be constructed within a water and/or sewer easement.

- Industrial Wastewater Pretreatment Requirement

None

- Other Stipulations

Chapter Code 37-48 and 28-29(C) does not allow water or sewer services to cross through property lines.



EXHIBIT B

Indicate sewer connection location on site plan at preliminary submittal.

Miscellaneous Stipulations:

- Repayment
None

General Stipulations:

Per City Code Chapter 37-33, all public streets bounding (along property frontage) and within a proposed development must have public water mains within them, if none exists, developer must install.

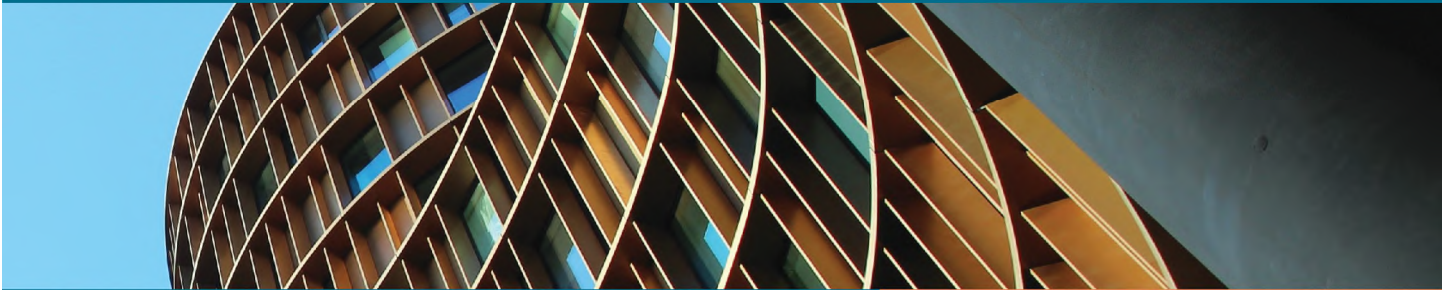
The information contained above is based on existing circumstances and conditions. Please be advised that available capacity is a dynamic condition that can change over time due to a variety of factors. For that reason, the City of Phoenix is only able to provide assurance of water and sewer capacity at the time of preliminary site plan approval and building permit approval. If you are in the City's service area, it is our intent to provide water and sewer service. However, the requirements for such water and sewer service are not determined until the time of application for site plan or building permit approval. These requirements will be based on the status of our water and sewer infrastructure at the time the application is submitted. For any given property, these requirements may vary over time to be less or more restrictive depending on the status of our infrastructure.



EXHIBIT C

APPRAISAL

- SEE FOLLOWING PAGES -



The insight you need. The independence you trust.

Vacant Land (APN: 157-32-066 and 157-32-068)

2622 West Glendale Avenue
Phoenix, Arizona 85051

BBG File #0123122945
Client File #PM 1835 (Group 2)

Prepared For

Mr. Burton Byars
City of Phoenix Finance Department
251 West Washington Street, 8th Floor
Phoenix, AZ 85003-1611

Report Date

November 9, 2023

Prepared By

BBG, Inc., Phoenix Office
2850 E. Camelback Road, Suite 330
Phoenix, AZ 85016
602-648-8600

Client Manager: Albert Nava, MAI, SGA
anava@bbgres.com

BBG Website

bbgres.com



November 9, 2023

Mr. Burton Byars
Review Appraiser
City of Phoenix Finance Department
251 West Washington Street, 8th Floor
Phoenix, AZ 85003-1611

Re: Appraisal of Real Property
Vacant Land (APN: 157-32-066 and 157-32-068)
2622 West Glendale Avenue
Phoenix, Arizona 85051
BBG File No. 0123122945
Client File #PM 1835 (Group 2)

Dear Mr. Byars:

In accordance with your authorization (per the engagement letter found in the *Addenda* of this report), an Appraisal Report of the above-referenced property has been prepared.

The subject property comprises a 0.59-acre land parcel located in west-Central Phoenix that is zoned C-2 & R1-6, Commercial and residential.

This Appraisal Report was prepared to conform with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), Qualifications RFQ 16-003, the terms and conditions specified in the City Contract 21-38 and the City of Phoenix Finance Department appraisal guidelines and the *Uniform Act* (49 CFR Part 24). This report has been written in accordance with the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute. In addition, this report is intended to be in compliance with additional requirements of City of Phoenix Finance Department (client).

- The *purpose* of the appraisal is to establish the market value of the parcel for potential sale as of the effective date of the report. The *intended use* of the appraisal report is to estimate market value for decision making.
- The *client* and *intended user* is the City of Phoenix Finance Department.

Market Value as defined by A.R.S. 12-1122:

Value shall be determined by ascertaining the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements that the property would bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable.”¹

¹Arizona State Legislature., AZLEG.gov

Note: Our opinion of market value is subject to the following Extraordinary Assumptions and/or Hypothetical Conditions:

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards, it is stated here that the use of any extraordinary assumptions and/or hypothetical conditions might have affected the assignment results.

Extraordinary Assumption(s)	<ul style="list-style-type: none">- There is no archaeological significance on the parcel.- There is no geological significance on the parcel.- There are no environmental risks or hazardous conditions found on the parcel.- No soils or subsoils report was provided. This appraisal assumes no adverse soil or subsoil conditions.
Hypothetical Condition(s)	This appraisal employs no hypothetical conditions.

Based on our inspection of the property and the investigation and the analysis undertaken, we have developed the following value opinion.

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - As Is - Land Value	Fee Simple	October 31, 2023	\$275,000

Your attention is directed to the accompanying report and to its Certification, Assumptions and Limiting Conditions sections. Acceptance of and/or use of this appraisal report constitutes acceptance of these conditions. This appraisal has been performed in accordance with the reporting requirements as set forth by the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP) as provided by the Appraisal Foundation. This appraisal report is intended to be an Appraisal Report prepared in conformance with USPAP Standard 2-2(a), the City of Phoenix's Appraisal Guidelines.

Our firm appreciates the opportunity to have performed this appraisal assignment on your behalf. If we may be of further service, please contact us.

Sincerely,
BBG, Inc.



Albert Nava, MAI, SGA
AZ Certified General Appraiser
License #: CGA 30806
602-648-8600
anava@bbgres.com



John Wyatt, MAI
AZ Certified General Appraiser
License #: 31632
602-648-8600
jwyatt@bbgres.com

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SUBJECT PROPERTY



Glendale Avenue looking west – subject on right



Subject looking northwest from southeast corner of site



26th Drive looking south – subject on left



Looking east along north edge of subject



Looking southeast across site



Looking northeast across site

AERIAL PHOTOGRAPH



SUMMARY OF SALIENT FACTS

PROPERTY DATA			
Property Name	Vacant Land (APN: 157-32-066 and 157-32-068)		
Address	2622 West Glendale Avenue Phoenix, Arizona 85051		
Location	NEC Glendale Avenue & 26th Dr		
Property Description	Vacant Land		
Parcel Number	157-32-066 & 157-32-068		
Census Tract No.	1060.01		
Legal Description	Lot 33 and por Lot 35, Glenwood Terrace (MCR 46/14) - see exhibits		
Site Area	25,658 square feet (0.59 acres)		
Zoning	C-2 & R1-6; Commercial and residential		
Flood Zone/Map Number/Date	Zone X (Shaded)	04013C1740L	October 16, 2013

VALUE INDICATIONS			
As Is - Land Value as of October 31, 2023			
Land Value	\$275,000	\$10.72	Per Square Foot of Land
Exposure Time (Months)	12		
Marketing Time (Months)	12		

PROPERTY HISTORY

The north subject parcel was previously improved with a single-family home constructed in approximately 1950 that was demolished in approximately 2011. The south parcel has been vacant since at least the 1960s. The subject property has been owned by the City of Phoenix since 2006.

To the best of our knowledge the subject is not currently under contract or listed for sale and we are unaware of any transactions involving the subject property within the last 3 years.

SCOPE OF WORK

APPRAISAL INFORMATION

Client	City of Phoenix Finance Department 251 West Washington Street, 8th Floor Phoenix, AZ 85003-1611
Intended User(s)	City of Phoenix Finance Department
Intended Use	This appraisal is to be used to estimate market value for decision making purposes
Premise Summary	As Is - Land Value Market Value - October 31, 2023
Date of Inspection	October 31, 2023
Marketing Time (Months)	12
Exposure Time (Months)	12
Owner of Record	City of Phoenix
Highest and Best Use	
As Vacant	Multifamily development

PROPERTY IDENTIFICATION

Property Name	Vacant Land (APN: 157-32-066 and 157-32-068)
Address	2622 West Glendale Avenue Phoenix, Arizona 85051
Location	NEC Glendale Avenue & 26th Dr
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Parcel Number	157-32-066 & 157-32-068
Census Tract No.	1060.01
Legal Description	Lot 33 and por Lot 35, Glenwood Terrace (MCR 46/14) - see exhibits

SCOPE OF THE INVESTIGATION

- General and Market Data Analyzed**
- Regional economic data and trends
 - Market analysis data specific to the subject property type
 - Published survey data
 - Neighborhood demographic data
 - Comparable cost, sale, rental, expense, and capitalization rate data
 - Floodplain status
 - Zoning information
 - Assessor’s information
 - Interviewed professionals knowledgeable about the subject’s property type and market

Inspection Details The subject site was inspected on October 31, 2023 by John L. Wyatt, MAI.

Property Specific Data Requested and Received

PROPERTY DATA RECEIVED

None

Data Requested, but not Provided

DATA REQUESTED, BUT NOT PROVIDED

None

Data Sources

DATA SOURCES

Site Size	Assessor
Tax Data	Assessor/Treasurer
Zoning Information	Planning Dept
Flood Status	FEMA
Demographics Reports	Spotlight
Comparable Land Sales	Brokers/MLS/CoStar

VALUATION METHODOLOGY

Most Probable Purchaser To apply the most relevant valuation methods and data, the appraiser must first determine the most probable purchaser of the subject property.

The most probable purchaser of the subject property "As Is" is a developer or speculator.

Valuation Methods Utilized This appraisal employs only the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered necessary and applicable for market participants. Since no improvements exist on site, the Cost Approach is not relevant. The property generates no income and is not typically marketed, purchased or sold on the basis of anticipated lease income; thus, the Income Capitalization Approach was excluded; this exclusion does not affect the credibility of the assignment results herein.

DEFINITIONS

Pertinent definitions, including the definition of market value is as follows:

- | | |
|--|---|
| Market Value as defined by A.R.S. 12-1122 | <ul style="list-style-type: none"> • Value shall be determined by ascertaining the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements that the property would bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable.”² |
| Fee Simple Interest | <ul style="list-style-type: none"> • “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”³ |
| As Is | <ul style="list-style-type: none"> • A value on the appraisal date means an estimate of the market value of a property in the condition observed upon inspection and as it typically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date the appraisal is prepared.
.⁴ |

² Arizona State Legislature., AZLEG.gov

³ The Appraisal of Real Estate, Appraisal Institute, 12th Edition.

⁴ Appraisal Policies and Practices of Insured Institutions and Service Corporations, Federal Home Loan Bank Board, “Final Rule,” 12 CFR Parts 563 and 571, December 21, 1987

Appraisal	<ul style="list-style-type: none"> “(noun) The act or process of developing an opinion of value; an opinion of value. (adjective) Of or pertaining to appraising and related functions such as appraisal practice or appraisal services.”
Appraiser	<ul style="list-style-type: none"> “One who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective.”
Extraordinary Assumption	<ul style="list-style-type: none"> “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. Extraordinary assumptions presume 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.”
Hypothetical Condition	<ul style="list-style-type: none"> “A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis”, as defined by the Appraisal Foundation.
Price	<ul style="list-style-type: none"> “The amount paid in exchange for a good or commodity. Price is distinguished from value because price becomes a fact when the transaction is consummated as opposed to value, which is an estimate.” 2. The amount asked, offered, or paid for a property. Comment: Once stated, price is a fact, whether it is publicly disclosed or retained in private. Because of the financial capabilities, motivations, or special interests of a given buyer or seller, the price paid for a property may or may not have any relation to the value that might be ascribed to that property by others. (USPAP, 2022-2023 ed.)”

LEVEL OF REPORTING DETAIL

Standards Rule 2-2 (Real Property Appraisal, Reporting) contained in USPAP requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report.

This report is prepared as an **Appraisal Report**. An Appraisal Report must at a minimum summarize the appraiser’s analysis and the rationale for the conclusions.

PROPERTY RIGHTS APPRAISED

The real estate interest appraised is that of ownership in *Fee Simple Interest*. Fee Simple is defined as follows:

Fee Simple Interest - “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”⁵



⁵ *The Appraisal of Real Estate*, Appraisal Institute, 12th Edition.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Overview

Environmental, Social and Governance (ESG) has become a standard criterion in the global real estate sector, excepting the United States. The European Union has adopted specific, conduct-based directives on ESG. In the US, while there has been a scattering of ESG regulations within specific markets there has been no industry wide or politically enacted regulations. Nevertheless, market participants are increasingly concerned with environmental risks, sustainable construction, carbon neutrality, social responsibilities, and governance of their companies, partners, and vendors.

Principles for Responsible Investment provides the following summary of approaches to responsible investment for direct and indirect real estate investors.

 ENVIRONMENTAL	 SOCIAL	 GOVERNANCE
<ul style="list-style-type: none"> ▪ Biodiversity and habitat ▪ Climate change ▪ Land contamination ▪ Energy consumption ▪ Greenhouse gas emissions ▪ Indoor environmental quality ▪ Location and associated infrastructure ▪ Materials ▪ Pollution prevention ▪ Resilience to catastrophe/disaster ▪ Renewable energy ▪ Sustainable procurement ▪ Waste management ▪ Water consumption 	<ul style="list-style-type: none"> ▪ Community development ▪ Controversial tenants ▪ Health and well-being of occupants, contractors and the local community ▪ Human rights ▪ Accessibility ▪ Inclusion and diversity ▪ Labour standards and working conditions ▪ Social enterprise partnering ▪ Stakeholder relations ▪ Occupier amenities – showers, changing rooms 	<ul style="list-style-type: none"> ▪ Anti-bribery and money laundering ▪ Cybersecurity ▪ Board diversity ▪ Independence of board members ▪ Remuneration policy (including ESG-linked incentives) ▪ Data protection and privacy ▪ Legal and regulatory fines ▪ ESG clauses in contracts ▪ Asset data collection framework and/or management systems ▪ Procurement standards and requirements ▪ Tenant engagement frameworks

Furthermore, PRI provides examples of how these issues may affect property valuations.

ADDITIONAL CAPITAL EXPENDITURES	Equipment upgrades to improve energy performance
INCREASED COSTS	Higher insurance premiums due to physical risk factors
FUTURE INCOME UNCERTAINTY	Tenant and leasing disruption due to extreme weatherevents
OBSOLESCENCE RISK	Buildings that do not meet minimum energy performancestandards set by legislation

Environmental

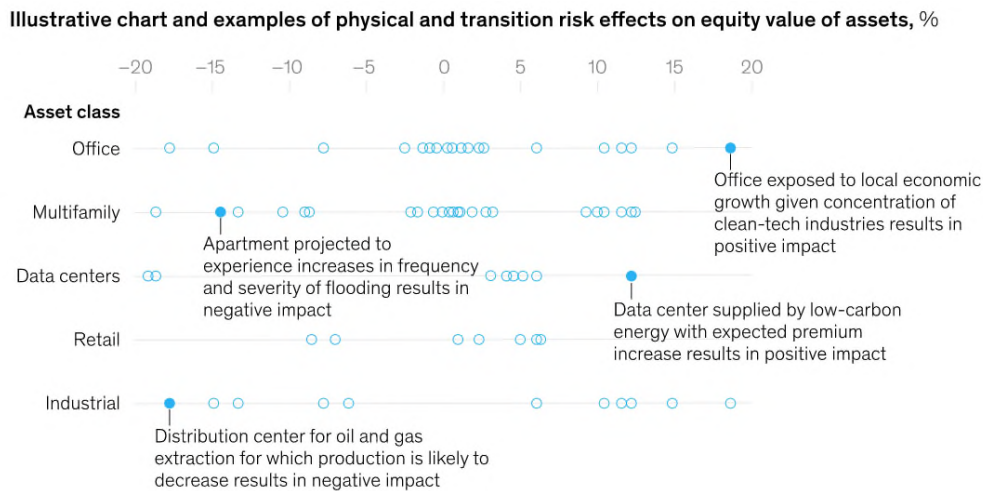
Both physical and transition risks must be analyzed for each property and market. Physical risks are hazards caused by changing climate such as floods, fires, rising temperatures, and rising sea levels. Transition risks involve the responses to climate change by humans and society. An example of transition risk is New York’s Local Law 97 which requires most buildings over 25,000 square feet to meet energy and greenhouse gas emissions by 2024 with additional requirements in 2030. Transition risks are regulatory, economic and social changes that could affect asset values.

According to *Climate Risk and the Opportunity for Real Estate* by McKinsey & Company,

The combination of this economic transition and the physical risks of climate change has created a significant risk of mispricing real estate across markets and asset classes. For example, a major North American bank conducted analysis that found dozens of assets in its real-estate portfolio that would likely be exposed to significant devaluations within the next ten years due to factors including increased rates of flooding and job losses due to the climate transition. Additionally, a study of a diversified equity portfolio found that, absent mitigating actions, climate risks could reduce annual returns toward the end of the decade by as much as 40 percent. Leading real-estate players will figure out which of their assets are mispriced and in what direction and use this insight to inform their investment, asset management, and disposition choices. They will also decarbonize their assets, attracting the trillions of dollars of capital that has been committed to net zero and the thousands of tenants that have made similar commitments. They will then create new revenue sources related to the climate transition.

Building climate intelligence is central to value creation and strategic differentiation in the real-estate industry. But the reverse is also true: real estate is central to global climate change mitigation efforts. Real estate drives approximately 39 percent of total global emissions. Approximately 11 percent of these emissions are generated by manufacturing materials used in buildings (including steel and cement), while the rest is emitted from buildings themselves and by generating the energy that powers buildings. Real-estate owners and investors will need to improve their climate intelligence to understand the potential impact of revenue, operating costs, capital costs, and capitalization rate on assets. This includes developing the analytical capabilities to consistently assess both physical and transition risks. Analyses should encompass both direct effects on assets and indirect effects on the markets, systems, and societies with which assets interact.

The following chart from McKinsey & Co. shows examples of physical and transition risks, and their potential effects on value.



Social

According to *ESG Real Estate Insights* by Deloitte,

Recently, the “S” in ESG has received growing attention as the COVID-19 pandemic put greater emphasis on the social factor. Since real estate companies have a significant social impact, they should consider the “S” as a value driver. Social aspects in real estate include, for example, participation in the rehabilitation of public spaces, affordable housing, social housing or care centers as well as ensuring security in buildings and assuring human rights. From an internal perspective, social elements may also comprise ensuring workplace safety, fostering high standards in labor practices, responsible marketing, and promoting diversity across the company. Incorporating social considerations can increase companies’ ability to attract talent – especially among millennials. The risk of neglecting social elements can lead to a lack of reputation, lost work, higher employee turnover, increased operating costs, and may threaten the ability to operate.

Governance

The “G” in ESG and how it pertains to commercial real estate is convoluted. Governance in commercial real estate has little to do with individual assets or portfolios, and more to do with how a commercial real estate company is structured, led, and how decisions are made. Governance concerns itself with how an ESG focused entity approaches risk management and longer-term planning. It may also concern itself with how individuals who manage properties make decisions to build tenant and community trust.

From a bigger picture, the “G” truly focuses on the boardroom and according to *ESG Real Estate Insights* by Deloitte,

Regarding the “G” in ESG, governance scrutiny is central to companies’ ability to continue business operations. While promoting corporate governance can present an opportunity for real estate companies in order to drive long-term value, not addressing governance considerations carries high risks – reaching from penalties and fines to a loss of reputation and market penetration.

Governance elements include, among others, compliance with governance rules and guidelines, ensuring adequate and transparent remuneration, promoting transparent disclosure of governance issues, taking action against corruption, fostering diversity in management and governing bodies, as well as establishing and communicating organizational values. A corporate culture of ethics, compliance, and integrity is the foundation to create a positive long-term impact.

Relevance to Subject Property

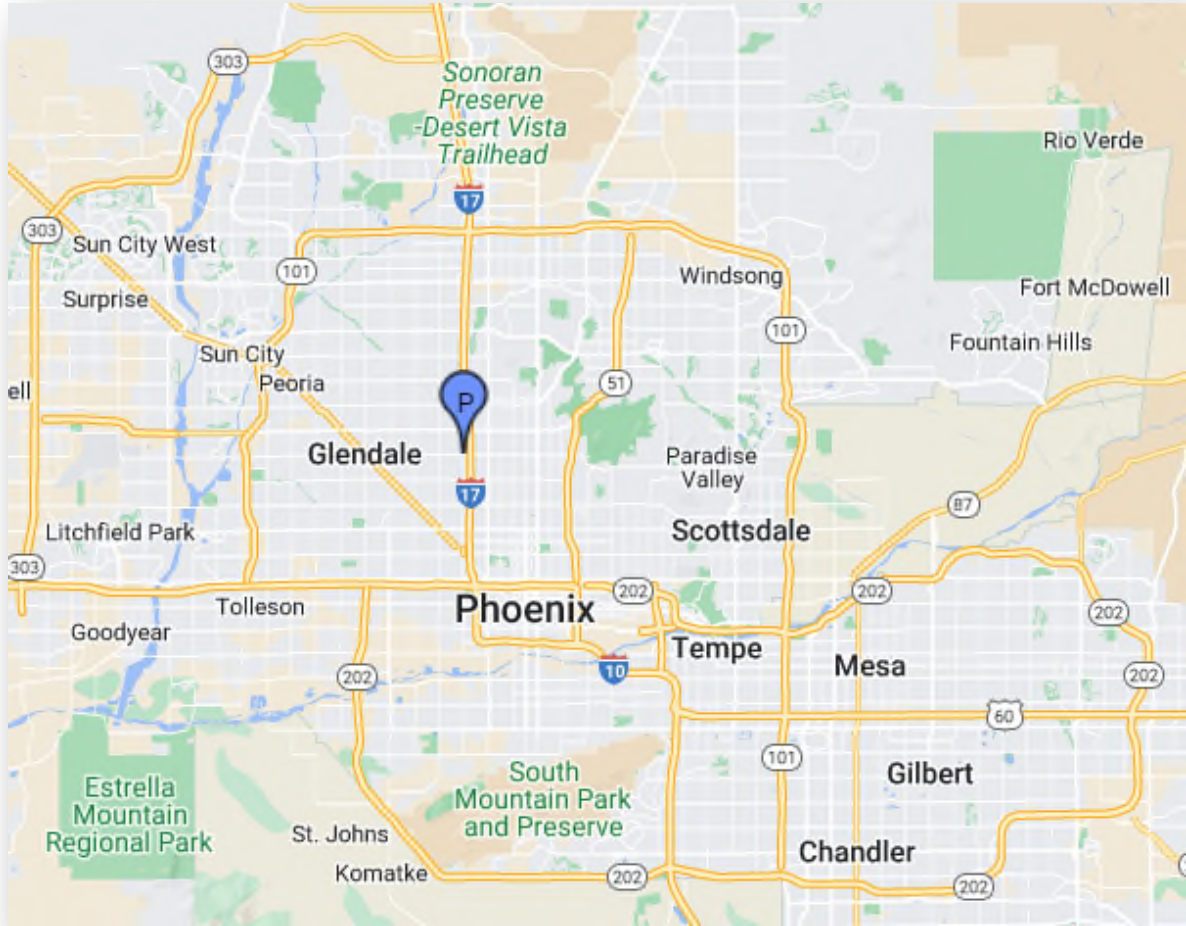
The subject is not significantly affected by ESG factors.

REGIONAL ANALYSIS

AREA OVERVIEW

The subject is located within the city limits of Phoenix, Arizona in the west-central portion of the Phoenix-Mesa-Scottsdale metropolitan statistical area (MSA).

REGIONAL MAP

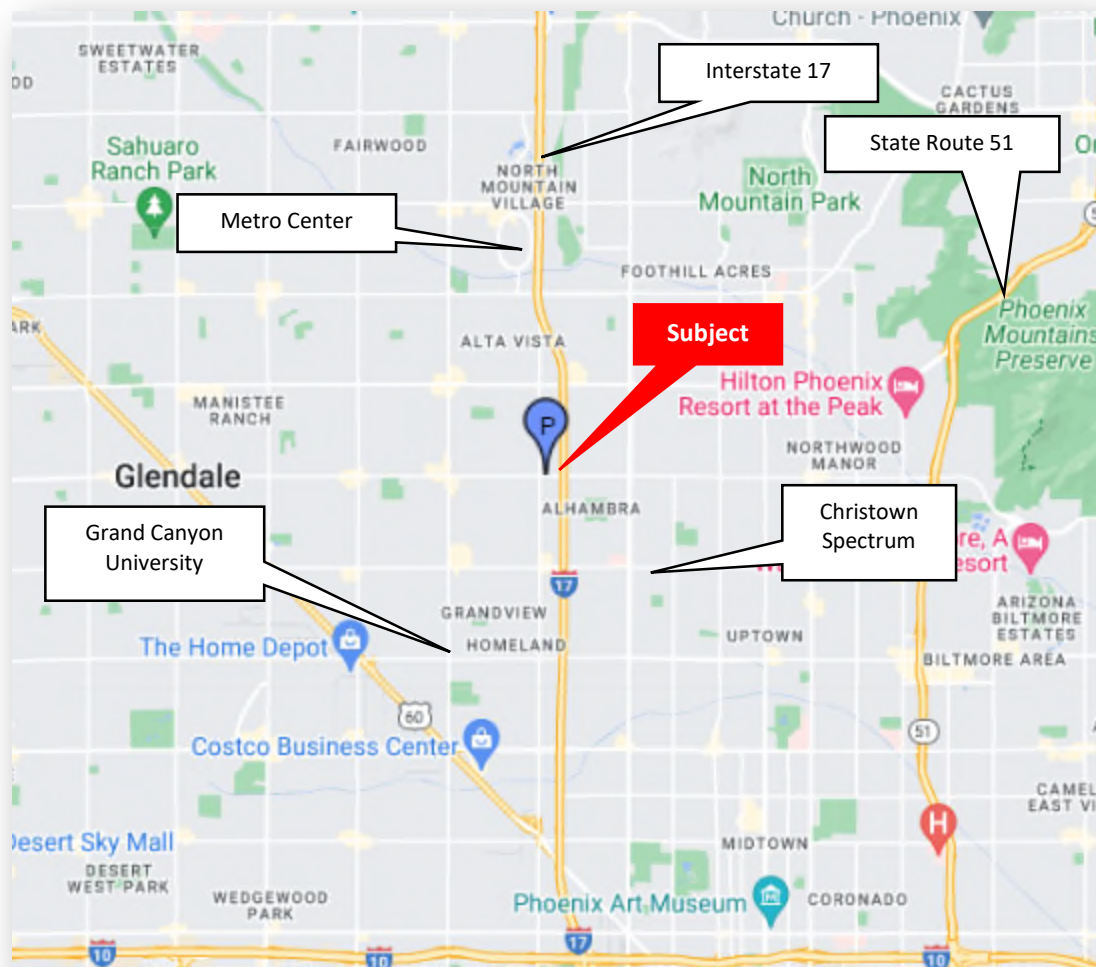


ECONOMIC & DEMOGRAPHIC PROFILE

The following profile of the Phoenix-Mesa-Scottsdale MSA was provided by Economy.com, a leading provider of economic, financial, and industry information. A full detailed report can be found as an addendum to this report.

“Phoenix-Mesa-Scottsdale will outperform the fast-growing Mountain West. The key finance industry as well as population-dependent industries such as healthcare, leisure/hospitality and personal services will drive job additions. **Longer term, a favorable business atmosphere and strong demographics will make Phoenix-Mesa-Scottsdale a perpetual outperformer, though rising temperatures add downside risk.**”

PRIMARY MARKET AREA ANALYSIS



GENERAL DESCRIPTION

The subject is located in the west-central portion of Central Phoenix, Arizona, a suburban area within the Phoenix Metro Area. The city of Phoenix is situated in Maricopa County, with the subject market area approximately 6 miles north of the Phoenix Central Business District. The subject is situated with good linkages to Interstate 17, and other major arterials.

LAND USE AND SUPPORTIVE DEVELOPMENT

The immediate area is primarily commercial uses; the subject area includes office, retail, and medical uses along Glendale Avenue. The areas one block north and south of Glendale Avenue are dominated by residential uses. Other retail uses throughout the neighborhood are focused on major arterial intersections. Vacant land makes up less than 5% of the total land use.

NEIGHBORHOOD LAND USE

Christown Spectrum is the oldest operating mall in Phoenix, Arizona and was the third shopping mall built in the city. Today it exists as an enclosed shopping mall, although the enclosed portion of the mall was greatly reduced when redevelopment changed the configuration closer to a power center. Christown Spectrum's anchor stores are Super Target and Walmart Supercenter. There are two empty anchors formerly occupied by Costco and JCPenney. Christown Spectrum also has Big 5 Sporting Goods, Dollar Tree, PetSmart, Ross Dress for Less, Walgreens and Harkins Theatres.

Metro Center Mall, once the largest mall in the Southwest, closed on June 30, 2020. According to the Phoenix Business Journal in an article dated December 10, 2021, Florida-based Concord Wilshire Capital and Florida-based TLG Investment Partners announced Thursday they are under contract to buy the property and plan to work with Hines on a \$750 million redevelopment of the massive mall.

Grand Canyon University Grand Canyon University has been accredited by the Higher Learning Commission (HLC) since 1968. GCU is also authorized in Arizona by the Arizona State Board for Private Postsecondary Education. GCU is a private for-profit Christian university in Phoenix, Arizona. Based on student enrollment, Grand Canyon University is one of the largest Christian universities in the world, with 20,000 attending students on campus and 70,000 online.

MULTIFAMILY SUPPORTING USES

The subject property is in proximity to several retail and office employment centers with three-mile daytime employment reported at 54,413 and average median income within a 3-mile radius is \$47,022. Most of the jobs are education and health services. The subject is also located near an arterial intersection with multiple bus stops, connecting to routes throughout Phoenix and the market area.

LIFE STAGES AND TRENDS

A search of Costar of the 3-mile radius surrounding the subject indicated that over the last 5 years over 550 multifamily units have been delivered, all on the east side of the I-17. The next most significant property type added to the market is student housing with four large projects completed near Grand Canyon University. Additionally, five self-storage facilities and several fast-food restaurants were completed.

PUBLIC TRANSPORTATION & ACCESS

Vehicle - The automobile remains the most dominant mode of transportation in the neighborhood. Access to the area is provided by Interstate 10 from the south, Grand Avenue from the west and Interstate 17 from the east. These freeways/highways in turn provide access to the entire MSA and surrounding communities.

Public Transportation - The subject is one mile west of the 26-mile Metro Light Rail which runs from north Phoenix, through downtown Phoenix and Tempe, to Mesa in the east. The nearest station is the 19th Avenue/Glendale Avenue station, and the trains run every 12-15 minutes. Additionally, Phoenix's bus service, Valley Metro, has an extensive footprint throughout the MSA and the subject is located across within 0.5 miles of proximate to the nearest bus stops along Glendale and 27th Avenues.

Airport

The MSA is serviced by Sky Harbor International Airport, which sits approximately 9 miles southeast from the property. It is the busiest airport in Arizona, and in 2022, Sky Harbor served over 44 million passengers, making it the 11th busiest airport in the U.S. and the 22nd busiest airport in the world.

DEMOGRAPHICS

Selected neighborhood demographics in 1-, 3-, and 5-mile radii from the subject are shown in the following table:

COMPARATIVE DEMOGRAPHIC ANALYSIS FOR PRIMARY TRADE AREA			
Description	2622 W Glendale Ave - 1 mi.	2622 W Glendale Ave - 3 mi.	2622 W Glendale Ave - 5 mi.
	Totals	Totals	Totals
Population			
2028 Projection	25,932	223,913	518,327
2023 Estimate	25,217	218,711	504,628
2020 Census	24,633	214,191	492,894
2010 Census	21,187	189,074	444,879
2023 Est. Median Age	35.61	34.38	35.72
2023 Est. Average Age	36.80	36.50	37.30
2023 Est. Average Household Size	2.80	2.80	2.60
2023 Est. Households by Household Income (%)			
Household Income < \$15,000	10.4	10.9	10.9
Household Income \$15,000 - \$24,999	12.9	9.8	9.4
Household Income \$25,000 - \$34,999	13.4	11.1	9.9
Household Income \$35,000 - \$49,999	17.6	15.3	14.5
Household Income \$50,000 - \$74,999	18.9	18.1	19.1
Household Income \$75,000 - \$99,999	11.0	11.7	12.2
Household Income \$100,000 - \$124,999	7.0	7.6	8.1
Household Income \$125,000 - \$149,999	4.5	4.9	5.4
Household Income \$150,000 - \$199,999	2.4	4.5	4.7
Household Income \$200,000 - \$249,999	1.2	2.3	2.4
Household Income \$250,000 - \$499,999	0.5	2.2	2.1
Household Income \$500,000+	0.3	1.5	1.3
2023 Est. Average Household Income	\$60,164	\$78,328	\$79,188
2023 Est. Median Household Income	\$45,996	\$53,276	\$56,135
2023 Est. Tenure of Occupied Housing Units (%)			
Owner Occupied	39.4	45.9	46.0
Renter Occupied	60.6	54.1	54.0
2023 Est. Median All Owner-Occupied Housing Value	\$245,408	\$277,188	\$293,809

Source: 2023 Claritas, Inc.

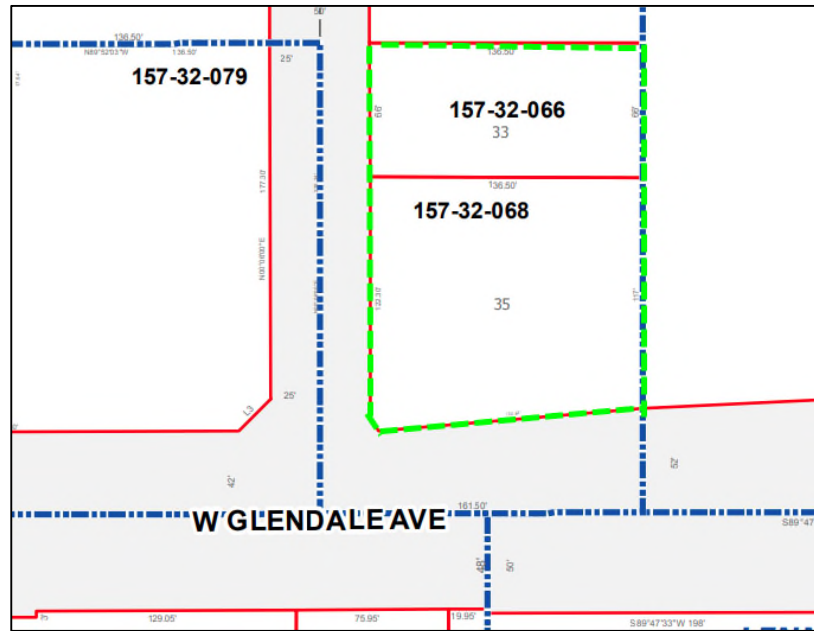
Population in a three mile-radius of the subject increased 13.3% from 2010 to 2020, 2.1% from 2020 to 2023, and is projected to increase by 2.4% over the coming 5-year period.

CONCLUSION

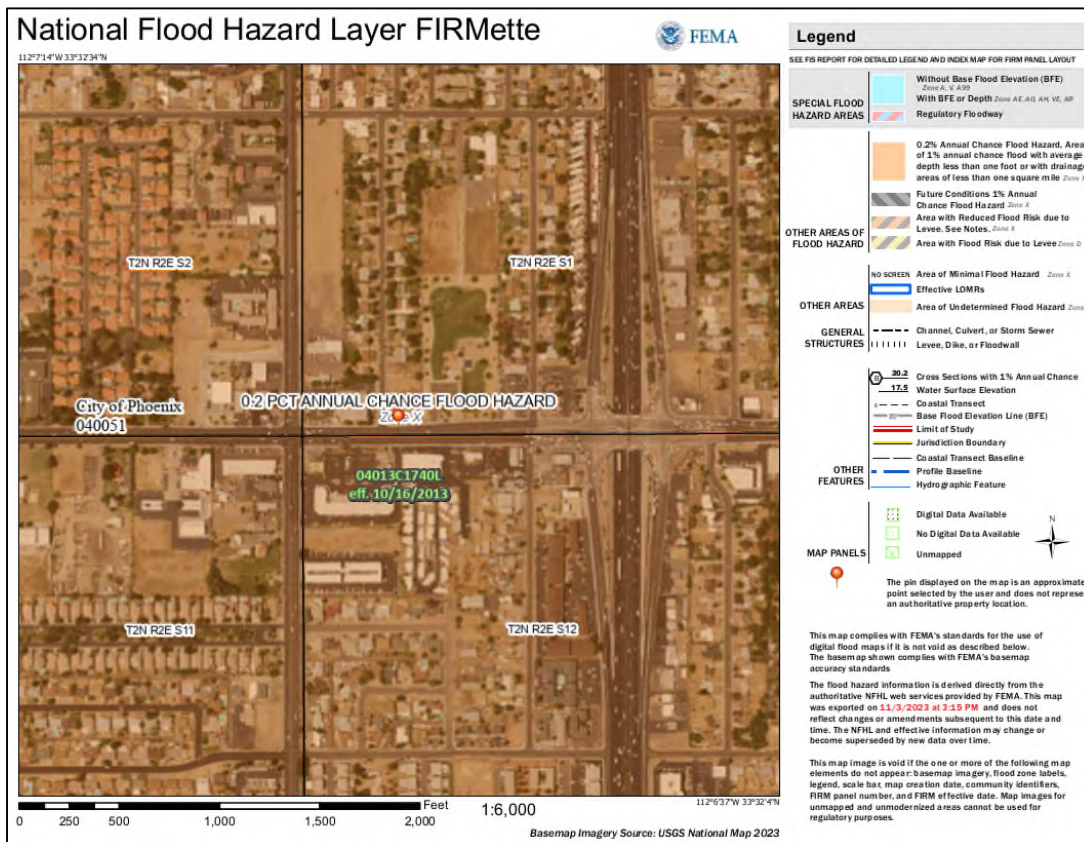
The local area associated with the subject property includes good linkages to the freeway system and retail centers. The area has experienced reasonable growth with over 550 multifamily units added within the last 5 years. The economic outlook for the subject's local area is good.

SITE DESCRIPTION

ASSESSOR'S MAP



FLOOD MAP



GENERAL SITE DESCRIPTION OVERVIEW

Location	NEC Glendale Avenue & 26th Dr		
Parcel Number	157-32-066 & 157-32-068		
Legal Description	Lot 33 and por Lot 35, Glenwood Terrace (MCR 46/14) - see exhibits		
Census Tract No.	1060.01		
Latitude, Longitude	33.538871, -112.115364		
Site Area	25,658 square feet	(0.59 acres)	
Configuration	Rectangular		
Topography	Level		
Drainage	Appears adequate		
Utilities/Municipal Services	Typical utilities and municipal services available to site.		
Flood Zone(s)	Zone	Map	Date
	Zone X (Shaded)	04013C1740L	October 16, 2013
	Zone X (Shaded) is a Non-Special Flood Hazard Area (NSFHA) of moderate flood hazard, usually the area between the limits of the 100-year and 500-year floods. Are also used to designate base floodplains of lesser hazards, such as areas protected by levees from 100-year flood, or shallow flooding areas with average depths of less than one foot or drainage areas less than 1 square mile. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.		
Soil/Subsoil Conditions	We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support any proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property.		
Environmental Concerns	The inspecting appraiser did not observe any environmental issues and for the purpose of this appraisal, it is specifically assumed that none exist. No independent environmental studies were provided. This appraisal assignment was engaged to determine the market value of the property, independent of any potential environmental issues. In the event the property is determined to be impacted by environmental concerns, it could affect our appraisal conclusions.		
Off-Site Improvements	Completed		
Easements/Restrictions	There are no known detrimental easements, encroachments or other restrictions that would adversely affect the site's use or marketability.		
Hazards/Nuisances	None noted		
Frontage	137' on Glendale Ave & 195' on 26th Dr		
Access	Frontage to an arterial street and collector street		
Visibility	Good		
Surrounding Land Uses	East - Park; North/South/East - retail		
Traffic Counts	40,277 VPD on Glendale Avenue (2022)		
Transportation Facilities	Valley Metro bus service available at arterial intersection just west of the subject		

ZONING

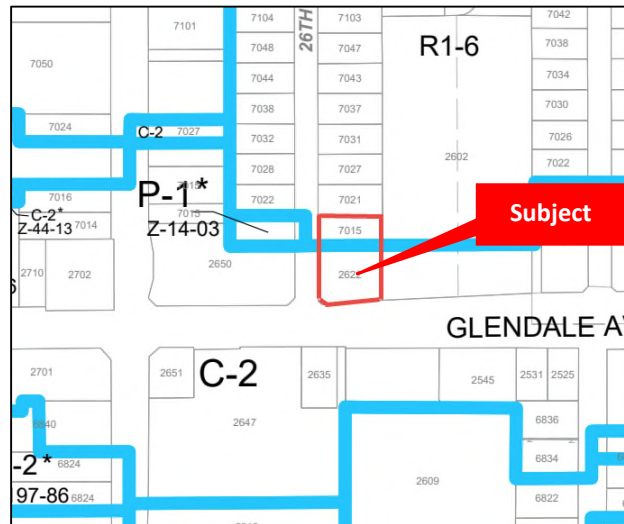
General

Property Jurisdiction	City of Phoenix
Zoning Classification	C-2 & R1-6
Description	Commercial and residential
Zoning Intent/Purpose	<p>A basic purpose of these regulations is to foster the creation of living areas which can assist the establishment of stable, functional neighborhoods. An established pattern of living in this metropolitan area reflects a tradition of single-family occupied dwellings which also emphasize outdoor living. Many of these dwellings are thereby located on relatively large urban or suburban lots. The R1-6 regulations provide standards for dwellings built at low and moderate densities. While the predominant housing type is expected to be single-family dwelling, provisions are made for alternative housing types within the same density limits.</p> <p>The C-2, Commercial Intermediate District, is a district of commercial uses of medium intensity designed to be compatible with each other and to provide for a wide range of types of commercial activity within the district. All uses permitted in R1-6 if zoned commercial prior to January 5, 1994, non-single-family residential, and single-family attached uses permitted in R-3, R-4, R-5, R-4A, and C-1 districts.</p>

ZONING REQUIREMENTS

Category	Required
Permitted Uses:	Commercial, Single & Multi-Family Residential
Maximum Density (Units per Acre):	Up to 52.20 with bonus
Maximum Bldg. Height:	48 feet (4 stories)
Minimum Open Space:	50%
Minimum Parking:	1.3 spaces per efficiency 1.5 spaces per 1BR/2BR 2 spaces per 3BR+

ZONING MAP



CONCLUSION

The site is amenable for land development and is provided ample access and utilities. Multifamily use of the property is consistent with the surrounding development. No adverse conditions are known to exist with regard to floodplain or environmental issues.

REAL PROPERTY TAXES AND ASSESSMENT

PROPERTY ASSESSMENT AND TAX DATA

The subject property is owned by the City of Phoenix; thus, is exempt from taxation.

REAL ESTATE ASSESSMENT AND TAXES		
	2023	2024 Prelim
Limited Property Value	\$161,117	\$169,172
Assessed Value @15%	\$24,168	\$25,376
Effective Tax Rate (per \$100)	-	-
Property Taxes	\$0	\$0

** The subject is owned by the City of Phoenix and is exempt from taxation.*

MARKET ANALYSIS -NORTH PHOENIX MULTI-FAMILY MARKET

OVERVIEW

Fundamentals in the North Phoenix Submarket have **downshifted**. The robust pace of demand and rent growth seen in the quarters following the onset of the pandemic has given way to a significant moderation. Rental demand began pulling back starting in mid-2021 and **eight consecutive quarters of negative net absorption** drove the vacancy rate up to 8.2%.

The North Phoenix Submarket is more insulated than supply-heavy areas of Phoenix, such as Tempe, Downtown Phoenix, and the West Valley submarkets. The constrained development pipeline has helped mitigate the risk of further supply and demand imbalances. Moving forward, the submarket will be tested in the coming years as the submarket receives its first major supply addition since the pandemic. **CoStar's Base Case forecast calls for higher vacancy and further declines in annual rent growth in the near term as new developments hit the market.**

Several high-profile investment projects support the submarket's long-term outlook, including the \$40 billion semiconductor manufacturing facility by TSMC, Nationwide Realty's \$1 billion Cavasson mixed-use development, the extension of Valley Metro Light Rail, and the redevelopment of PV and Metrocenter malls. **These projects will have a broad range of positive economic effects that will benefit the submarket and metro for years to come.**

From an investment standpoint, North Phoenix has been one of the most liquid submarkets in the metro as value-add investors **aggressively pursued the submarket's deep inventory of older vintage, lower-quality complexes**. **Recently, however, higher interest rates have stymied deal flow** and about \$366 million of apartments traded hands in the past 12 months, down considerably from 2021 and 2022 when over \$1.5 billion traded. **Additionally, pricing has peaked and has been declining for several quarters** with estimates indicating additional moderation in 2023. Moving forward, **the higher cost of capital is expected to place additional upward pressure on cap rates** and keep transaction volume slow over the near term.

KEY INDICATORS AT A GLANCE

	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Vacancy (%)	6.98%	7.62%	increased 64 Basis Points
Absorption (Units)	-189	-277	decreased 88 Units
Quoted Rental Rates (\$/Unit/Month)	\$1,411	\$1,392	decreased \$19 Per Unit
Inventory (Units)	43,241	43,241	no change Units
Net Deliveries (Units)	0	0	no change Units
Under Construction (Units)	1,740	1,740	no change Units
Overall Comparison	<i>Vacancy rates increased following negative net absorption. Rental rates decreased slightly. With the continued increase in interest rates, many market participants anticipate limited future construction. On a positive note, should inflation get under control, construction costs could decrease to a level making development financially feasible, despite the higher interest rates.</i>		

NORTH PHOENIX MULTI-FAMILY MARKET STATISTICS

PERIOD	EXISTING INVENTORY (UNITS)	VACANCY %	NET ABSORPTION (UNITS)	NET COMPLETIONS (UNITS)	UNDER CONST. (UNITS)	QUOTED RATES (\$/UNIT/MONTH)
2023 Q2	43,241	7.62%	-277	0	1,740	\$1,392
2023 Q1	43,241	6.98%	-189	0	1,740	\$1,411
2022 Q4	43,241	6.54%	-139	70	1,536	\$1,396
2022 Q3	43,171	6.07%	-136	15	938	\$1,417
2022	43,241	6.54%	-621	157	1,536	\$1,396
2021	43,084	4.76%	551	17	424	\$1,387
2020	43,067	6.00%	1,068	362	89	\$1,135
2019	42,705	7.70%	410	680	362	\$1,079
2018	42,025	7.18%	485	931	672	\$1,011
2017	41,094	6.26%	305	0	943	\$948
2016	41,094	7.01%	773	278	24	\$900
2015	40,816	8.27%	884	969	278	\$857
2014	39,847	8.26%	680	570	881	\$803

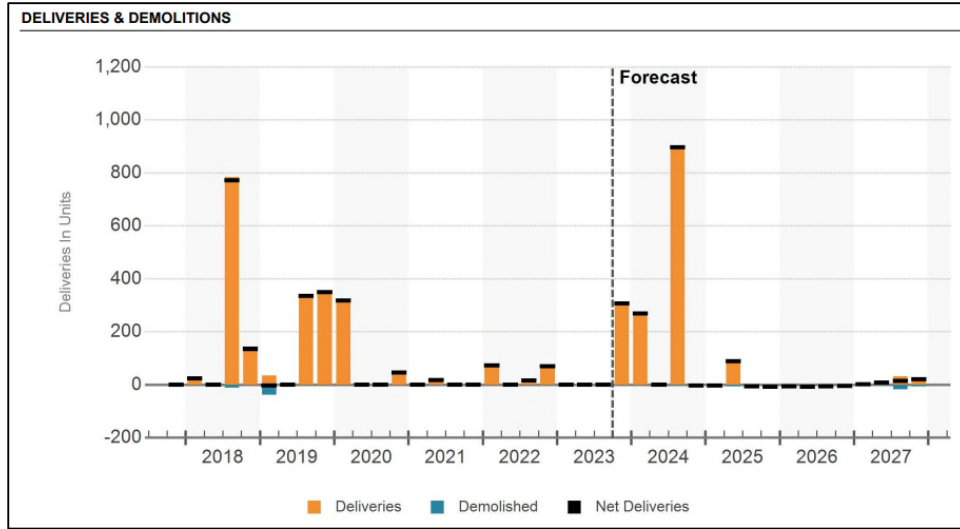
Summary - The North Phoenix Multi-Family market ended the second quarter with a vacancy rate of 7.62%. The vacancy rate increased over the previous quarter, with net absorption totaling -277 units in the second quarter. Rental rates decreased compared to the previous quarter, ending second quarter at \$1,392. No new units were delivered to the market, with 1,740 units still under construction at the end of the quarter.

INVENTORY & CONSTRUCTION

No new units were delivered in the last and previous quarters, a total of 70 units were completed in the fourth quarter 2022, and 15 units were completed in the third quarter 2022.

There were 1,740 units of Multi-Family space under construction at the end of the second quarter 2023.

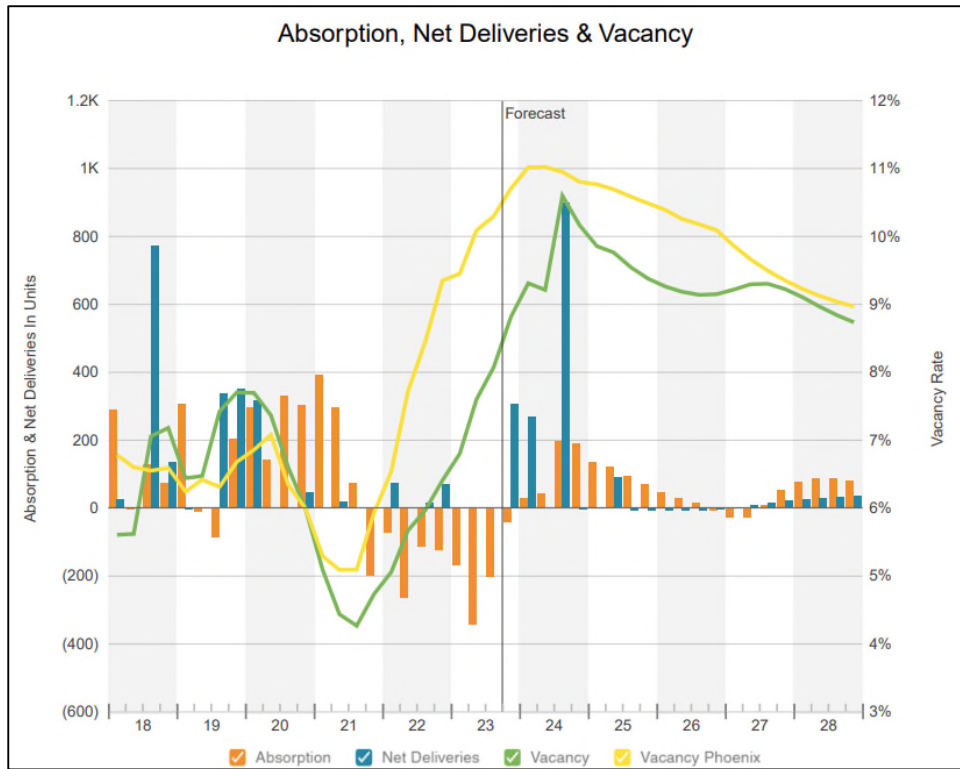
SUBTYPE	EXISTING INVENTORY (UNITS)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (UNITS)
Class A (4 & 5 Star)	13,238	0	744
Class B (3 Star)	18,937	20	996
Class C (1 & 2 Star)	11,066	65	0
Total	43,241	85	1,740



All-Time Annual Avg. Units	Delivered Units Past 8 Qtrs	Delivered Units Next 8 Qtrs	Proposed Units Next 8 Qtrs
332	191	1,536	898

Deliveries slowed considerably in the years following the onset of the pandemic as developers adopted a wait-and-see approach in the submarket. Even during the pre-COVID period, North Phoenix was not a particularly active construction market, with builders more focused on urban submarkets that command higher rents or high-growth areas in the West and East Valley that have more available land. Just 81 units delivered over the past 12 months and about 240 units were completed over the past three years. Recently, however, several large multifamily projects have broken ground as developers begin to re-engage with the submarket. Roughly 1,500 units are currently under construction, which will grow the submarket's inventory by 3.5% once completed. Despite the recent uptick, the pipeline remains thin compared to the metro overall which currently has 8.6% of inventory underway. The most high-profile project under construction is the redevelopment of PV Mall. Now rebranded as simply PV, the site is undergoing a massive transformation into a 100-plus-acre mixed-use development. The first phase will include a Whole Foods, a movie theater, new restaurants, and residential space. The housing component is a 400-unit luxury apartment development by StreetLights Residential, which is expected to be completed in summer 2024. Near Metrocenter Mall, which itself is receiving an \$850-million redevelopment, several projects have been proposed including Metro Lofts (204 units). After nearly a decade of minimal activity, progress has resumed on another major mixed-use development in the submarket, City North. Located near Desert Ridge Marketplace, City North broke ground on 272 units of low-rise apartments at a development known as Sunela. Residents of the new complex will have access to the development's first phase, High Street, a massive urban neighborhood center with a variety of bars, restaurants, beauty and fitness space, and other retail. Upon full build-out, the master plan calls for 2 million SF of office space, thousands of additional multifamily units, and an upscale hotel.

VACANCY

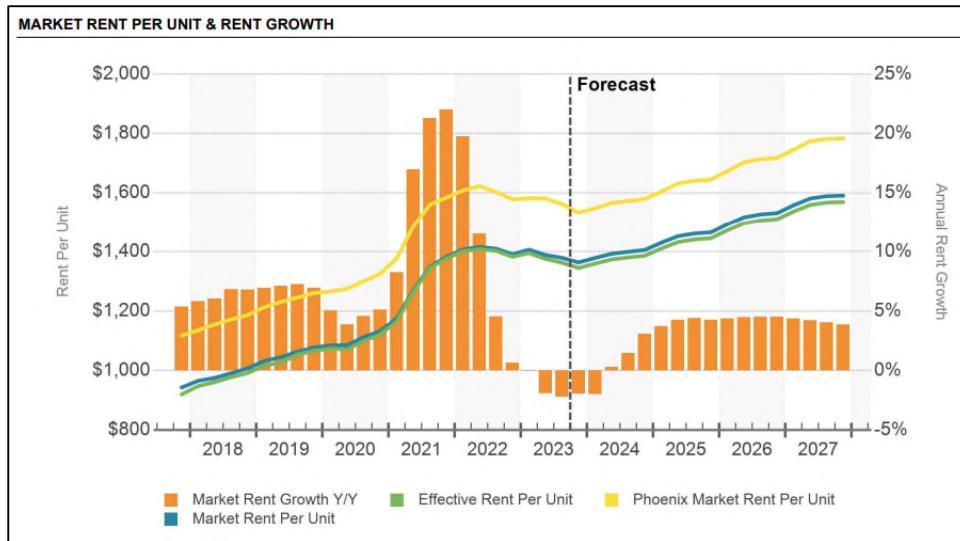


Rental demand has evaporated over the past 24 months with 23Q3 marking the eighth consecutive quarter with more apartment move-outs than move-ins. North Phoenix saw -830 units of net absorption in the past year, the worst performance in the Valley. As a result, the vacancy rate has climbed from 4.3% in summer 2021 to 8.2% today and is poised to rise further with forward-looking estimates anticipating tepid demand for the next few quarters. The near-total lack of new construction during that time prevented a more rapid rate of increase as seen in other more development-heavy submarkets, which has kept vacancy comparatively low. Incomes vary widely in this geographically large submarket. The area has become synonymous with call centers, and companies related to healthcare and education have large customer service operations here. Incomes are lower in the southern and western portion of the submarket but rise traveling north near the Loop 101 freeway. Higher-wage positions are poised to expand over the next few years here. Just outside the submarket, near Loop 303 and Interstate 17, construction is underway on Taiwan Semiconductor Manufacturing Company's \$40 billion chip manufacturing plant. The factory will create 10,000 high-tech jobs and estimates from city economic development officials suggest that the deal could attract more than 45 new companies to the market that supply and support the facility. Additionally, in 2021, work finished on a pair of new offices at Cavasson along Loop 101 and Hayden Road. Nationwide Mutual Insurance anchors one office, and Choice Hotels anchors the other with a third building that will house Meritage Homes also underway. These companies will bring hundreds of quality jobs to the area. Upon full build-out, Cavasson is expected to consist of 1.8 million SF of office space and could accommodate between 8,000 and 9,000 employees.

Currently, two-bedroom units have the lowest vacancy rate.

Vacancy rates are expected to peak near 10.5% in 2024 then drop closer to 9% in 2028.

RENT



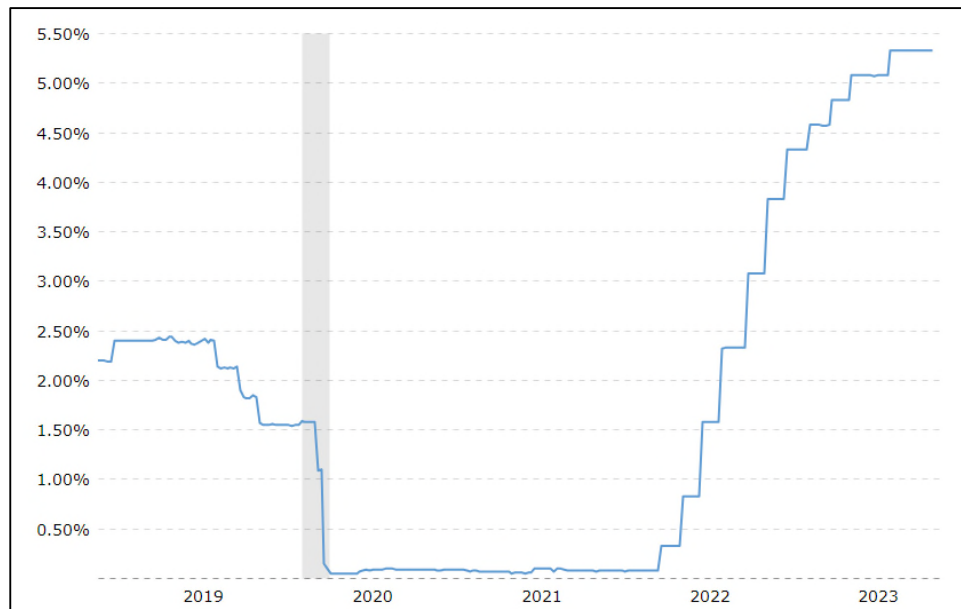
During the two years following the onset of the pandemic, the lack of new supply together with an upswing in rental demand gave landlords the leverage to achieve substantial rent growth, with annual gains peaking at 22.0% in late 2021. The recent pullback in housing demand, however, has caused asking rents to decline over the past few quarters, and average asking rent growth is now negative at -2.0% on a year-over-year basis. The North Phoenix Submarket offers some of the most affordable rents in the Valley, partially due to the composition of the submarket's inventory. The area received the bulk of its supply during the construction boom of the 1980s, and a lack of substantial development in the last decade has left much of the existing stock older compared to other areas. Approximately 80% of the submarket's multifamily units were built before 2000, compared to 60% for the market overall. Rents can vary widely in this geographically sprawling submarket. Near Desert Ridge, the average market rent is above \$2,000/month with newer luxury properties commanding a healthy premium. For example, Montreux Apartments, a 335-unit 4 Star mid-rise built in 2019, has two-bedroom units advertised at about \$2,500/month. Whereas within a two-mile radius of Metrocenter Mall, two-bedroom floorplans average closer to \$1,300/month. As a result, North Phoenix is attractive to renters who have been priced out of neighboring areas. Residents can find apartments that rent for an average of about \$1,380/month here, compared to the Phoenix average of \$1,530/month. The discrepancy is even more pronounced in nearby North Scottsdale, where average rents are above \$2,100/month.

Rent growth is expected to increase closer to historical norms on 4-5% in 2025.

INTEREST RATE HIKES

The Federal Reserve expressed concerns regarding increases in inflation. The Federal Reserve began raising interest rates in March 2022. Interest rates had been at all-time lows for an extended period of time; therefore, an increase in all types of interest rates has begun and they are expected to continue until inflation decreases. This has a direct impact on mortgage interest rates, which has increased the cost of borrowing. The rise in mortgage interest rates combined, with the increased cost of construction could begin to slow the demand for all types of housing. The rate at which the Federal Reserve raises interest rates will have a substantial impact on the ability of the economy to absorb these increases.

The graph below is published by Macrotrends.net and shows the Federal Funds Rate since 2017. The grey bar represents the recession caused by the CoVid-19 pandemic and the subsequent sharp rate drop that occurred at that time. The Federal Reserve has increased rates by over 500 basis points and interest rates are now considerably higher than what they were at the peak in 2018 through 2019.



We have had several conversations with market participants who indicate capitalization rates on contracts negotiated since the interest rate hikes are over 100 basis points higher than those negotiated prior to the interest rate increase. Brokers active in the multi-family market indicate the rates have increased from the 3.0% to 4.0% range to the 5.0% to 6.0% range. Some multi-family investors remain optimistic and have continued their multi-family investment as the interest rate increases are pricing home buyers out of the housing market, forcing them to remain renters longer than they had anticipated.

SUMMARY

Vacancy rates are expected to peak near 10.5% in 2024 then drop closer to 9% in 2028. Rent growth (currently negative) is expected to increase closer to historical norms of 4-5% in 2025.

The current high costs of financing are expected to decrease new construction over the next few years allowing absorption of the existing units in the supply pipeline. Although current market conditions are currently depressed, the outlook is positive over the next five years.

HIGHEST AND BEST USE

HIGHEST AND BEST USE AS VACANT

PHYSICALLY POSSIBLE

Size, shape, topography, soil condition, availability of utilities, transportation access, surrounding uses, and locational characteristics were previously analyzed to determine which legal land uses are physically possible and which are best to conform to the physical and locational aspects of the site and its setting with respect to the neighborhood and community. Overall, the physical site attributes result in adequate utility, and the property could be developed with a variety of legally-conforming uses. Given the surrounding uses and location, the site is best suited for commercial or multifamily development.

LEGALLY PERMISSIBLE

Legal restrictions include deed restrictions, CC&R's, lease encumbrances, zoning requirements, building codes, historic district controls and environmental regulations, and were previously analyzed to determine legally permitted uses. Legally, the subject is zoned C-2 & R1-6, Commercial and residential. Allowable uses include commercial, single and multifamily residential uses. The C-2 zoning allows for multifamily use up to R-5 density. The subject has been identified by the City as a potential multifamily site (affordable). No other legal restrictions have been identified that would limit development of the property beyond the development standards stipulated by municipal code.

FINANCIALLY FEASIBLE

Financial feasibility is determined by the relationship of supply and demand for the legally probable land uses versus the cost to create them. The market analysis section reveals that multifamily in the subject's market are generally stabilized. Recent and planned developments in the market area serve as direct evidence that new development is financially feasible; however, the recent increases in interest rates and high construction costs have stymied much of the new development. Comparisons of rental rates, operating expenses and construction costs indicate that the feasibility of a new development could be questionable in the current market. Given the legal and physical attributes of the site, coupled with the underlying land values and planned inventory, immediate development of the site would not be considered financially feasible.

MAXIMALLY PRODUCTIVE

The final test of highest and best use of the site as vacant is that the use be maximally productive, yielding the highest return to the land. In order to determine the maximally productive use, a comparison of rental rates, occupancy, operating expenses, and rates of return for the financially feasible uses have been made. Again, based on this analysis, multifamily renders the highest residual land value, representing the maximally productive use of the site.

CONCLUSION – AS VACANT

Based upon the above analysis, it is our opinion *the Highest and Best Use of the subject, as vacant, is to hold for future multifamily development with a density similar to that which is allowed under the R-5 ordinance.*

LAND VALUATION

METHODOLOGY

The Sales Comparison Approach is employed to develop an opinion of land value. In the Sales Comparison Approach, we developed an opinion of value by comparing similar, recently sold sites in the surrounding or competing area to the subject property. In order to determine the value of the subject property, these comparable sales and/or listings are then evaluated and adjusted based on their differences when compared to the subject property. Inherent in this approach is the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

The Sales Comparison Approach to value requires the following sequential steps:

Unit of Comparison	A unit of comparison (i.e. price per square foot, price per acre, price per dwelling unit) must be selected for comparable analysis of the sales and the subject. The selected unit of comparison must be consistent with market behavior.
Search for Sales	Research must be done to locate comparable sales, listings and contracts of sites that are similar to the subject. Similarities may include size, utility, zoning, physical characteristics, location and the date of the sale.
Confirmation	All sales must be confirmed to verify that the data used is accurate, and that all of the sales, listings or contracts represent arm's-length transactions.
Comparison	Each of the sales that is chosen for this valuation is considered generally similar to the subject. Therefore, each difference between the comparables and the subject must be identified, and then adjusted for the various differences. All adjustments are made to the comparables as they relate to the subject property.
Reconciliation	Once the comparables have been adjusted, a value must be concluded based on the indications produced from the analysis of the comparables.

UNITS OF COMPARISON

The sales are compared to the subject property on the basis of price per **square foot of net site area**. The unit of comparison is adjusted to the subject property for various differences and then applied to the subject's land area to arrive at an estimate of value.

COMPARABLE LAND SALES

Four comparables with a similar highest and best use (multifamily development) are employed to conclude an opinion of value for the subject site. We were unable to find recent sales of parcels smaller than the subject. The sales utilized reflect locations which are most comparable to the subject.

The comparables range in size from 0.96 to 3.51 acres. Recorded dates are between July 2021 and May 2023. Following is a summary map followed by a summary table providing pertinent details of the respective sales. Full sale write-ups can be found in the addendum of the report.

COMPARABLE LAND SALES MAP



SUMMARY OF LAND SALES								
No.	Property / Location	Date of Sale / Status	Site Size (Net Acres)	Zoning	Density (Units/Ac)	Price per Acre (Net)	Price per SF (Net)	Price per Unit
1	10610-10612 N 15th Ln 10610 North 15th Lane Phoenix, AZ	May-23 Closed	1.10	R-3A; Multifamily Residential	11.8	\$363,819	\$8.35	\$30,769
2	5939 W. Missouri Ave. 5939 West Missouri Avenue Glendale, AZ	Jul-22 Closed	2.33	R-4; Multifamily Residential	14.2	\$236,039	\$5.42	\$16,667
3	1309 E Peoria Ave 1309 East Peoria Avenue Phoenix, AZ	Jan-22 Closed	0.96	R-5; Multifamily Residential	16.7	\$416,663	\$9.57	\$25,000
4	Multifamily Land 5812 North 59th Avenue Glendale, AZ	Jul-21 Closed	3.51	R-4; Multifamily Residential	15.7	\$228,076	\$5.24	\$14,545
Subj.	2622 West Glendale Avenue Phoenix, Arizona	---	0.59	C-2 & R1-6, Commercial and residential	---	---	---	---

COMPARABLE LAND SALES ADJUSTMENT GRID

LAND SALE ADJUSTMENT GRID – per Square Foot					
	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Property / Location	2622 West Glendale Avenue Phoenix, Arizona	10610-10612 N 15th Ln 10610 North 15th Lane Phoenix, AZ	5939 W. Missouri Ave. 5939 West Missouri Avenue Glendale, AZ	1309 E Peoria Ave 1309 East Peoria Avenue Phoenix, AZ	Multifamily Land 5812 North 59th Avenue Glendale, AZ
Date of Sale / Status	---	May-23 Closed	Jul-22 Closed	Jan-22 Closed	Jul-21 Closed
Unadjusted Price per SF		\$8.35	\$5.42	\$9.57	\$5.24
Transactional Adjustments					
Property Rights Conveyed	<i>Fee Simple</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
Financing Terms	<i>Cash/Market</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
Conditions of Sale	<i>Arm's Length</i>	<i>Motivated Seller</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
Adjustment		5%	0%	0%	0%
Expenditures Immed After Sale	<i>None</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
Market Conditions	<i>Oct-23</i>	<i>May-23</i>	<i>Jul-22</i>	<i>Jan-22</i>	<i>Jul-21</i>
Adjustment		0%	0%	3%	8%
Total Transactional Adjustments		5%	0%	3%	8%
Adjusted Price per SF		\$8.77	\$5.42	\$9.85	\$5.65
Property Adjustments					
Location	<i>Average</i>	<i>Similar</i>	<i>Inferior</i>	<i>Similar</i>	<i>Inferior</i>
Adjustment		0%	5%	0%	5%
Net Site Size (Ac)	<i>0.59</i>	<i>1.10</i>	<i>2.33</i>	<i>0.96</i>	<i>3.51</i>
Adjustment		10%	15%	10%	20%
Zoning / Density	<i>C-2 & R1-6</i>	<i>R-3A</i>	<i>R-4</i>	<i>R-5</i>	<i>R-4</i>
Adjustment		5%	5%	0%	5%
Shape / Configuration	<i>Generally rectangular</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
Adjustment		0%	0%	0%	0%
Utilities/Infrastructure	<i>All available to site</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
Adjustment		0%	0%	0%	0%
Flood Zone	<i>Zone X (Shaded)</i>	<i>Zone X (Unshaded)</i>	<i>Zone X (Unshaded)</i>	<i>Zone X (Shaded)</i>	<i>Zone X (Shaded)</i>
Adjustment		0%	0%	0%	0%
Total Property Adjustments		15%	25%	10%	30%
Indication for Subject per SF		\$10.09	\$6.77	\$10.84	\$7.35



DISCUSSION OF ADJUSTMENTS

PROPERTY RIGHTS CONVEYED

This adjustment accounts for any impact that the property rights transferred to the buyer may have on sale price. For leased fee properties, the length of leases in place and the relationship of market to contract rent could impact value. Some properties may have stronger appeal to an owner-user or an investor, resulting in a premium or discount associated with fee simple property rights. The subject property is being valued as if owned in Fee Simple Interest.

All of the comparables were sales of the Fee Simple Interest as well, and no adjustments were required.

FINANCIAL TERMS

This category accounts for differences in financing terms associated with the transaction. Financing arrangements that may require an adjustment include mortgage assumptions (at favorable interest rates), seller financing, installment sales, wrap-around loans, or any other atypical financing arrangements that do not represent cash-equivalent terms.

The comparables were reported to be cash to the seller, therefore, no adjustments were necessary for cash equivalency.

CONDITIONS OF SALE

Adjustments for conditions of sale typically reflect various motivations of the buyer and/or seller. This may include such factors as seller distress (short sale, REO, auction) or buyer motivation (assemblage, etc.). In some situations, the conditions of sale may significantly affect transaction prices. Properties that are listed for sale may require adjustments herein to account for any disparity between asking prices and the achievable sale price anticipated.

Sales 2, 3 & 4 represented arm's-length transactions, consistent with the definition of market value. Therefore, no adjustments will be applied for this factor.

Sale 1 included a motivated seller and is adjusted upward.

EXPENDITURES IMMEDIATELY AFTER SALE

In order to arrive at the effective sale price, the actual sale price of each comparable is adjusted to account for any unusual expenditures planned by the buyer immediately after sale, such as unusual site work.

No unusual expenditures were reported for the comparables; therefore, no adjustments have been made for this factor.

MARKET CONDITIONS

The sales included in this analysis date between July 2021 and May 2023.

Land brokers indicate that values increased substantially over the past five years, with the development of several apartment projects. With nearly the doubling of interest rates in the past 12 months, there have been only a few new land deals in 2023. The market peaked in March 2022, just prior to the beginning of interest rate increases. Therefore, for the purpose of this analysis, an upward 1.0% per month (roughly 12% annually) adjustment has been employed through March 2022, with no adjustment after that date.

LOCATION

The subject is located along the I-17 corridor and is near the intersection of two arterial streets.

Sales 1 & 3 are located in slightly superior areas (regarding demographics) and are located on collector streets, inferior to the subject. Overall, Sales 1 & 3 include similar locations to the subject.

Sales 2 & 4 are located in a similar area with regards to demographics and median incomes and rental rates. The sales are both located on collector streets, inferior to the subject. Sales 2 & 4 are both adjusted upward for inferior location.

SIZE

Size and pricing typically have an inverse relationship, whereby larger sites tend to achieve lower pricing on a per-square-foot basis. This is attributable to economies of scale, as well as the narrower pool of prospective buyers for a larger property. However, in the case of redevelopment or infill areas, larger property can often garner a high price per square due to the assemblage value and the ability to create a greater economies of scale.

The subject is below the range of the sales in terms of size. The sales are all adjusted upward for size.

ZONING/DENSITY

The value of vacant land is largely contingent upon its potential use. This factor considers the uses permitted by the applicable development standards, per the subject's zoning designation. The maximum density to which a property can be developed typically impacts total value positively.

The highest and best use of the subject is for multifamily development with a density similar to R-5 zoning.

Sales 1, 2 & 4 include inferior density, and these sales are adjusted upward.

Sale 3 has the same highest and best use with regards to zoning density compared to the subject and is not adjusted.

SHAPE

The configuration, shape, dimensions and depth of a site determine its developability and overall utility. These factors can impact development costs, usable area of the site, and thereby, achievable pricing.

The subject is rectangular, similar to the sales, and no adjustments are required.

Sale 3 includes a wash that extends across the site, which did not significantly affect the use/marketability of the site.

UTILITIES/INFRASTRUCTURE

Infrastructure adjustments may reflect differences in utility availability/capacity, developmental plans or other outside influences.

All the sales have the necessary utilities and infrastructure available for development; thus required no adjustment.

FLOOD ZONE

The prices of properties located within flood prone areas tend to be proportionately less than otherwise similar parcels not adversely affected by flood plain locations. This is due to the increased development costs associated

with alleviating the problem as well as the fact that portions of the site may not be able to be developed or higher expenses related to insurance for buildings located in flood prone areas.

The subject and all four comparable are located within Zone X (shaded/unshaded); thus, requiring no adjustment.

CONCLUSION OF LAND VALUE

SALES SUMMARY	UNADJUSTED	ADJUSTED
Minimum	\$5.24	\$6.77
Maximum	\$9.57	\$10.84
Average	\$7.14	\$8.76

Sales 1 & 3 included the least gross adjustment and adjusted sale prices toward the upper end of the range and are given most weight.

LAND VALUE CONCLUSION	
Concluded Value	\$10.50
Land Area (SF)	25,658
Indicated Value	\$269,409
Rounded to nearest \$25,000	\$275,000

MARKETING TIME AND EXPOSURE TIME

We believe the concluded market value for the subject property is consistent with an anticipated marketing time and exposure time of 12 months. Our opinion of value is consistent with recent sales and the return parameters are considered adequate to generate investor interest in the property. Our estimate is reasonably consistent with historic exposure times and is considered a reasonable estimate of the exposure time for the subject. Additionally, a time of 12 months is typically quoted as an adequate marketing time by area brokers, given proper pricing and an adequate commitment to marketing. Furthermore, market conditions are not expected to change dramatically in the short term, so a marketing time equal to the historic exposure time is considered a reasonable expectation. Based on these factors, our conclusion of 12 months for an adequate marketing time and exposure time is considered reasonable.

CERTIFICATION

We certify that, to the best of our knowledge and belief:

- 1 The statements of fact contained in this report are true and correct.
- 2 The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- 3 We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved with this assignment.
- 4 We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 5 Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 6 Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 7 This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- 8 Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the state of Arizona.
- 9 The reported analyses, opinions, and Value Indications were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics, the Standards of Professional Practice of the Appraisal Institute.
- 10 The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 11 As of the date of this report, Albert Nava, MAI, SGA has and John Wyatt, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
- 12 Albert Nava, MAI, SGA has not and John Wyatt, MAI has made a personal inspection of the property that is the subject of this report.
- 13 No one provided significant real property appraisal assistance to the person(s) signing this certification.
- 14 Albert Nava, MAI, SGA has not and John Wyatt, MAI has not provided services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.



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STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

- 1) Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
 - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
 - b) Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
 - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
 - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
 - e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the appraisal report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the appraisal report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.

- f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the 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 and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon 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.
 - g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
 - h) It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
 - i) Unless otherwise stated within the appraisal report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's inspection.
 - j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report. Further, unless so stated in the appraisal report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
 - k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
 - l) BBG, Inc., excepting employees of BBG Assessment, Inc., and the appraiser(s) are not experts in determining the presence or absence of hazardous substances toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. and the appraiser(s) assume no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. The Client is free to retain an expert on such matters in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
 - m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the appraisal report.
- 2) If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the

inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.

- 3) If provided, the estimated insurable value is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The Appraiser is not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.
- 4) The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
- 5) The value opinions reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
- 6) Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
- 7) The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
- 8) Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
- 9) If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 10) Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.

- 11) The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.
- 12) The submission of the appraisal report constitutes completion of the services authorized and agreed upon. Such appraisal report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. The Client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files, and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the opinion of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.
- 13) Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties) except to (a) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the Appraisal Report to such third party, (b) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (c) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, the receipt of an Appraisal Report by such party shall not confer any right upon such party to use or rely upon such report, and Appraiser shall have no liability for such unauthorized use or reliance upon such report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Appraisal Report.

Company Overview

BBG OVERVIEW

BBG is one of the nation's largest real estate services firms with more than 45 offices across the country serving more than 4,500 clients. We deliver best-in-class valuation, advisory and assessment services with a singular focus of meeting our clients' needs.

Our professional team offers broad industry expertise and deep market knowledge to help clients meet their objectives throughout the real estate life cycle.

BBG clients include commercial real estate professionals, investors, lenders, attorneys, accountants and corporations.

THE BBG DIFFERENCE

National Footprint. BBG is one of only two national firms offering in-house valuation and environmental and property condition assessment services for all commercial property types.

Customer-focused Growth. BBG is one of the largest national due diligence firms because we deliver best-in-class work product and provide excellent customer care.

Qualified Team. Over 50 percent of BBG appraisers are MAI designated and offer deep industry expertise gained through real-world experience.

Unbiased Independence. By focusing exclusively on due diligence services, BBG guarantees an independent perspective free from potential conflicts of interest.

Innovative Technology. BBG has made significant analytics and IT investments to continually improve our data and report quality.

For more information, please visit www.bbgres.com

SERVICES

Valuation

- + Single Asset Valuation
- + Portfolio Valuation
- + Institutional Asset Valuation
- + Appraisal Review
- + Appraisal Management
- + Lease and Cost Analysis
- + Insurance Valuation
- + Arbitration & Consulting
- + Feasibility Studies
- + Highest and Best Use Studies
- + Evaluation
- + Investment analysis
- + Tax appeals
- + Litigation Support
- + Manufactured Housing and Campgrounds

Advisory

- + ASC 805 Business combinations
- + ASC 840 Leases
- + Purchase Price Allocations
- + Portfolio Valuations for reporting net asset values (NAV)
- + Public and non-traded REIT valuations
- + Valuations for litigation and litigation support
- + Sale-leaseback valuation analysis
- + Valuations for bankruptcy/fresh start accounting
- + Cost segregation analysis

Assessment

- + Environmental due diligence
- + Building Services
- + Construction Risk Management
- + HUD
- + Energy Efficiency Services
- + Land Surveying
- + Zoning

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Comparable Land Sales F

APPRAISER QUALIFICATIONS

Profile

Albert Nava, MAI, SGA is a valuation director at BBG working out of the Phoenix office. Mr. Nava has been involved in the appraisal of commercial real estate throughout the United States since 1976 and has been a member of the Appraisal Institute since 1986. He is also a member of the Society of Golf Appraisers. With more than 45 years of experience, his scope of competency and experience includes the appraisal of and consultation on a broad range of real estate.

Mr. Nava began his appraisal career in El Paso, Texas before moving to Houston, Texas in 1981 and furthering his career with both a local firm and a national firm. He moved to the Phoenix area in 1995 as a partner in the firm of Ralph J. Brekan & Co. which later became the Brekan Nava Group.

In addition to the appraisal of land, subdivisions, retail, industrial and office properties, Mr. Nava specializes in the valuation of golf courses and country clubs, multifamily properties with a specialization in affordable housing, and marinas. Prior to joining BBG, his company was involved in the valuation and consultation of some 1,000 golf courses in more than 20 states around the country, both proposed and existing. His experience with affordable housing includes the appraisal of more than 100 LIHTC properties throughout Arizona and the southwestern United States, court testimony, and the preparation and presentation of seminars for local taxing authorities concerning LIHTC valuation. Mr. Nava also has substantial experience in the preparation of appraisals and consultation for litigation support with extensive court testimony experience.

Mr. Nava is a registered certified general real estate appraiser in the states of Arizona, Nevada and California. Given his long-time experience, Mr. Nava has served a variety of clients, both on a national and local level

Professional Affiliations

Appraisal Institute
Member MAI

Society of Golf Appraisers
Member SGA

General Certified Appraiser:
State of Arizona – Certified General Appraiser No. 30806
State of Nevada - Certified General Appraiser No. A.0206866-CG
State of California - Certified General Appraiser No. 3004725

Education

BBA (accounting) - University of Texas at El Paso

Department of Insurance and Financial Institutions

State of Arizona

CGA - 30806

ALBERT NAVA

This document is evidence that:

has complied with the provisions of

Arizona Revised Statutes, relating to the establishment and operation of a:

Certified General Real Estate Appraiser

and that the Deputy Director of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

Certified General Real Estate Appraiser

ALBERT NAVA

This license is subject to the laws of Arizona and will remain in full force and effect until expired, surrendered, revoked or suspended as provided by law.

Expiration Date : **May 31, 2025**



John L. Wyatt, MAI
Senior Appraiser
Phoenix, Arizona
Cell: 602.670-1365
jwyatt@bbgres.com

Profile

John Wyatt is currently a Senior Appraiser at BBG in the Phoenix office and specializes in apartment appraisals and market studies. Prior to joining BBG, Mr. Wyatt was an appraiser with Kalinowski & Associates from 2006 to 2017, where he worked on a wide range of commercial properties in Arizona.

Professional Affiliations

Appraisal Institute
MAI Designation

Phoenix Chapter Appraisal Institute
President (2021-2022)
Co-Chairman Education Committee (2016-2020)
Candidate Guidance Committee (2016-2019)
Regional Representative (2016-Present)

General Certified Appraiser:
State of Arizona (License No. 31632)
State of New Mexico (License No. 03574G)
State of California (License No. AG3004998)
State of Nevada (License No. A.0208178-CG)
State of Colorado (License No. CG.200003141)

Education

Bachelor of Science in Mathematics, University of Manchester, United Kingdom, 1988

Advanced Coursework

Advanced Income Capitalization
Advanced Market Analysis & Highest and Best Use
Advanced Sales Comparison and Cost Approaches
Advanced Concepts and Case Studies
General Appraiser Report Writing and Case Studies

Department of Insurance and Financial Institutions

State of Arizona

CGA - 31632

JOHN L WYATT

This document is evidence that:

has complied with the provisions of

Arizona Revised Statutes, relating to the establishment and operation of a:

Certified General Real Estate Appraiser

and that the Deputy Director of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

Certified General Real Estate Appraiser

JOHN L WYATT

This license is subject to the laws of Arizona and will remain in full force and effect until expired, surrendered, revoked or suspended as provided by law.

Expiration Date : **May 31, 2024**

GLOSSARY

Appraisal: (noun) the act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.⁷

Appraisal Practice: valuation services performed by an individual acting as an appraiser, including but not limited to appraisal and appraisal review.⁷

Appraisal Review: (noun) the act or process of developing an opinion about the quality of another appraiser's work (i.e., a report, part of a report, a workfile, or some combination of these), that was performed as part of an appraisal or appraisal review assignment, (adjective) of or pertaining to an opinion about the quality of another appraiser's work that was performed as part of an appraisal or appraisal review assignment.⁷

Appraiser: one who is expected to perform valuation services competently and in a manner that is independent, impartial and objective.⁷

Appraiser's Peers: other appraisers who have expertise and competency in a similar type of assignment.⁷

Assessed Value: The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. ¹

Asset:

1. Any item, the rights to which may have economic value, including financial assets (cash or bonds), business interests, intangible assets (copyrights and trademarks), and physical assets (real estate and personal property).
2. In general business usage, something owned by a business and reflected in the owner's business sheet.

Asset: A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity. ²

Assignment: a valuation service that is provided by an appraiser as a consequence of an agreement with a client.⁷

Assignment Conditions: Assumptions, extraordinary assumptions, hypothetical conditions, laws and regulation, jurisdictional exceptions, and other conditions that affect the scope of work.⁷

Assignment Elements: Specific information needed to identify the appraisal or appraisal review problem: client and any other intended users, intended use of the appraiser's opinions and conclusions, type and definition of value; effective date of the appraiser's opinions and conclusions; subject of the assignment and its relevant characteristics; and assignment conditions.⁷

Assignment Results: An appraiser's opinions or conclusions, not limited to value, that were developed when performing an appraisal assignment, an appraisal review assignment, or a valuation service other than an appraisal or appraisal review.⁷

Bias: a preference or inclination that precludes an appraiser's impartiality, independence, or objectivity in an assignment.⁷

Business Enterprise: an entity pursuing an economic activity.⁷

Business Equity: the interests, benefits, and rights inherent in the ownership of a business enterprise or a part thereof in any form (including, but not necessarily limited to, capital stock, partnership interests, cooperatives, sole proprietorships, options, and warrants).⁷

Capital Expenditure: Investments of cash (or the creation of liability) to acquire or improve an asset, e.g., land, buildings, building additions, site improvements, machinery, equipment; as distinguished from cash outflows for expense items that are normally considered part of the current period's operations. Also referred to as Cap Ex.¹

Cash Equivalency Analysis: An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.¹

Client: the party or parties (i.e., individual, group or entity) who engage an appraiser by employment or contract in a specific assignment, whether directly or through an agent.⁷

Condominium Ownership: A form of fee ownership of separate units or portions of multiunit buildings that provides for formal filing and recording of a divided interest in real estate.¹

Confidential Information:

1: information that is either:

- Identified by the client as confidential when providing it to a valuer and that is not available from any other source, or
- Classified as confidential or private by applicable law or regulation.

2: Information that is either

- Identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or
- Classified as confidential or private by applicable law or regulation *
- NOTICE: For example, pursuant to the passage of the Gramm-Leach-Bliley Act in November 1999, some public agencies have adopted privacy regulations that affect appraisers. The Federal Trade Commission (FTC) issued two rules. The first rule (16 CFR 313) focuses on the protection of "non-public personal information" provided by consumers to those involved in financial activities "found to be closely related to banking or usual in connection with the transaction of banking." These activities include "appraising real or personal property." The second rule (16 CFR 314) requires appraisers to safeguard customer non-public personal information. Significant liability exists for appraisers should they fail to comply with these FTC rules. ⁷

Cost: the actual or estimated amount required to create, reproduce, replace or obtain a property.⁷

Cost Approach: A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised. ¹

Credible: worthy of belief.⁷

Deferred Maintenance: Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of the property, such as a broken window, a dead tree, a leak in the roof, or a faulty roof that must be completely replaced. These items are almost always curable.¹

Disposition Value: The most probable price that a specified interest in real property should bring under the following conditions: 1) Consummation of a sale within a specific time, which is short than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration of the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms. ¹

Economic Life: The period over which improvements to real estate contribute to property value. ¹

Effective Date: the date to which the appraiser's analysis, opinions and conclusions apply, also referred to as date of value.⁷

Effective Gross Income Multiplier (EGIM): The ratio between the sale price (or value) of a property and its effective gross income.¹

Effective Rent: Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions, the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. ¹

Exposure Time: an opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effect date of the appraisal.⁷

Extraordinary Assumption: an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.⁷

Fair Market Value:

1. In nontechnical usage, a term that is equivalent to the contemporary usage of market value.
2. As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency. For example, one definition of *fair market value* provided by the Internal Revenue Service for certain purposes is as follows: The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts. The fair market value of a particular item of property includible in the decedent's gross estate is not to be determined by a forced sale price. Nor is the fair market value of an item of property to be determined by the sale price of the item in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate. (IRS Regulation §20.2031-1)¹

Fair Share:

1. A share of a fund or deposit that is divided or distributed proportionately.
2. A share of a burden or obligation that is divided proportionately; e.g., a tenant in a multitenant building or development may be required to pay a pro rata share of the building's operating expenses based on the number of square feet the tenant occupies. In a shopping center, the tenant's share of operating costs is often stated as a fraction, with the gross leasable area of the tenant's premises as the numerator and the gross leasable area or gross leased area of the entire shopping center as the denominator.
3. The share of a trade area that a retail facility is likely to capture; assumes that capture is a function of property size as a proportion of the overall inventory of competitive space in the trade area, i.e., that the facility captures a "fair share" of the trade area.¹

Fair Value:

1. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (FASB)
2. The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties. (This does not apply to valuations for financial reporting.) (IVS).¹
3. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.²

Feasibility Analysis: a study of the cost benefit relationship of an economic endeavor.¹

Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.¹

Floor Area Ratio (FAR): The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.¹

Going Concern:

1. An established and operating business having an indefinite future life.
2. An organization with an indefinite life that is sufficiently long that, over time, all currently incomplete transformations [transforming resources from one form to a different, more valuable form] will be completed.¹

Gross Building Area (GBA):

1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the super structure and substructure basement; typically does not include garage space.¹

Highest and Best Use:

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS).
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)¹

Hypothetical Condition: a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.⁷

Income Capitalization Approach: Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.¹

Inspection: Personal observation of the exterior or interior of the real estate that is the subject of an assignment performed to identify the property characteristics that are relevant to the assignment, such as amenities, general physical condition, and functional utility. Note that this is not the inspection process performed by a licensed or certified building inspector.¹

Insurable Value: A type of value for insurance purposes.¹

Intangible Property (intangible Assets): Nonphysical assets, including but not limited to franchises, trademarks, patents, copyrights, goodwill, equities, securities, and contracts as distinguished from physical assets such as facilities and equipment.⁷

Intended Use: the user(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.⁷

Intended User: the client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment.⁷

Internal Rate of Return ("IRR"): The annualized yield rate or rate of return on capital that is generated or capable of being generalized within an investment of portfolio over a period of ownership. Alternatively, the indicated return of capital associated with a projected or pro forma income stream. The discount rate that equates the present value of the net cash flows of a project with the present value of the capital investment. It is the rate at which the Net Present Value (NPV) equals zero. The IRR reflects both the return on invested capital and the return of the original investment, which are basic considerations of potential investors. Therefore, deriving the IRR from analysis of market transactions of similar properties having comparable income patterns is a proper method for developing market discount rates for use in valuations to arrive at Market Value. Used in discounted cash flow analysis to find the implied or expected rate of return of the project, the IRR is the rate of return which gives a zero net present value (NPV). See also equity yield rate (YE); financial management rate of return (FMRR); modified internal rate of return (MIRR); yield rate (Y).¹

Investment Value: 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (IVS)¹

Jurisdictional Exception: an assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP.⁷

Leasehold Interest: The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.¹

Leased Fee Interest: The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.¹

Liquidation Value: The most probable price that a specified interest in real

property should bring under the following conditions: 1) Consummation of a sale within a short time period; 2) The property is subjected to market conditions prevailing as of the date of valuation; 3) Both the buyer and seller are acting prudently and knowledgeably; 4) The seller is under extreme compulsion to sell; 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.¹

Load Factor: A measure of the relationship of common area to useable area and therefore the quality and efficiency of building area layout, with higher load factors indicating a higher percentage of common area to overall rentable space than lower load factors; calculated by subtracting the amount of useable area from the rentable area and then dividing the difference by the useable area:¹

Load Factor =

$$\frac{(\text{Rentable Area} - \text{Useable Area})}{\text{Useable Area}}$$

Market Value: a type of value stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal.⁷

Market Value "As If Complete" On The Appraisal Date: Market value as if complete on the effective date of the appraisal is an estimate of the market value of a property with all construction, conversion, or rehabilitation hypothetically completed, or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value should reflect the market value of the property as if complete and prepared for occupancy by tenants.

Market Value "As Is" On The Appraisal Date: Value As Is -The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning. See also effective date; prospective value opinion.

Market Value of the Total Assets of the Business: The market value of the total assets of the business is the market value of all of the tangible and intangible assets of a business as if sold in aggregate as a going concern. This assumes that the business is expected to continue operations well into the future.⁴

Marketing Time: An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property Market Value Opinions" address the determination of reasonable exposure and marketing time.).³

Mass Appraisal: the process of valuing a universe of properties as of a given date using standard methodology, employing common data and allowing for statistical testing.⁷

Mass Appraisal Model: a mathematical expression of how supply and demand factors interact in a market.⁷

Misleading: intentionally or unintentionally misrepresenting, misstating or concealing relevant facts or conclusions.⁷

Net Lease: A lease in which the landlord passes on all expenses to the tenant. See also lease.¹

Net Rentable Area (NRA): 1) The area on which rent is computed. 2) The

Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor.⁵

Penetration Ratio (Rate): The rate at which stores obtain sales from within a trade area or sector relative to the number of potential sales generated; usually applied to existing facilities. Also called: penetration factor.¹

Personal Inspection: a physical observation performed to assist in identifying relevant property characteristics in a valuation service.⁷

Personal Property: any tangible or intangible article that is subject to ownership and not classified as real property, including identifiable tangible objects that are considered by the general public as being "personal", such as furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment, and intangible property that is created and stored electronically such as plans for installation art, choreography, emails or designs for digital tokens.⁷

Physical Characteristics: attributes of a property that are observable or measurable as a matter of fact, as distinguished from opinions and conclusions, which are the result of some level of analysis or judgement.⁷

Price: the amount asked, offered or paid for a property.⁷

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.¹

Real Estate: an identified parcel or tract of land, including improvements, if any.⁷

Real Property: the interests, benefits and rights inherent in the ownership of real estate.⁷

Reconciliation: A phase of a valuation assignment in which two or more value indications are processed into a value opinion, which may be a range of value, a single point estimate, or a reference to a benchmark value.¹

Relevant Characteristics: features that may affect a property's value or marketability such as legal, economic or physical characteristics.⁷

Reliable Measurement: [The IAS/IFRS framework requires that] neither an asset nor a liability is recognized in the financial statements unless it has a cost or value that can be measured reliably.²

Remaining Economic Life: The estimated period over which existing improvements are expected to contribute economically to a property; an estimate of the number of years remaining in the economic life of a structure or structural components as of the effective date of the appraisal; used in the economic age-life method of estimating depreciation.¹

Replacement Cost: The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.¹

Report: any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client or a party authorized by the client upon completion of an assignment.⁷

Retrospective Value Opinion: A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."¹

Sales Comparison Approach: The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.¹

Scope of Work: the type and extent of research and analyses in an appraisal or appraisal review assignment.⁷

Signature: personalized evidence indicating authentication of the work performed by the appraiser and the acceptance of the responsibility for content, analyses and the conclusions in the report.⁷

Stabilized value: A value opinion that excludes from consideration any abnormal relationship between supply and demand such as is experienced in boom periods when cost and sale price may exceed the long-term value, or during periods of depression, when cost and sale price may fall short of long-term value. It is also a value opinion that excludes from consideration any transitory condition that may cause excessive construction costs, e.g., a premium paid due to a temporary shortage of supply.

Substitution: The principle of substitution states that when several similar or commensurate commodities, goods, services are available, the one with the lowest price will attract the greatest demand and widest distribution. This is the primary principle upon which the cost and sales comparison approaches are based.³

Total Assets of a Business: Total assets of a business is defined by the Appraisal Institute as “the tangible property (real property and personal property, including inventory and furniture, fixtures and equipment) and intangible property (cash, workforce, contracts, name, patents, copyrights, and other residual intangible assets, to include capitalized economic profit).”

Use Value:

The value of a property assuming a specific use, which may or may not be the property’s highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually.¹

Valuation Service: a service pertaining to an aspect of property value, regardless of the type of service and whether it is performed by appraisers or by others.⁷

Value: the monetary relationship between properties and those who buy and sell, or use those properties, expressed as an opinion of the worth of a property at a given time.⁷

Workfile: data, information and documentation necessary to support the appraiser’s opinions and conclusions and to show compliance with USPAP.⁷

¹Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute 2010). ²Appraisal Institute, *International Financial Reporting Standards for Real Property Appraiser*, IFRS Website, www.ifrs-ebooks.com/index.html. ³Appraisal Institute, *The Appraisal of Real Estate*, 13th ed. (Chicago: Appraisal Institute 2008). ⁴ This definition is taken from “Allocation of Business Assets Into Tangible and Intangible Components: A New Lexicon,” *Journal of Real Estate Appraisal*, January 2002, Volume LXX, Number 1. This terminology is to replace former phrases such as: value of the going concern. ⁵Financial Publishing Company, *The Real Estate Dictionary*, 7 ed. ⁶ U.S. Treasury Regulations. ⁷USPAP 2020-2021

LETTER OF ENGAGEMENT



City of Phoenix

FINANCE DEPARTMENT
REAL ESTATE DIVISION

October 24, 2023

Albert Nava, MAI - Director Valuation
BBG, Inc.
8300 Douglas Avenue, Suite 600
Dallas, TX 75225

SUBJECT: One Appraisal – of two vacant land parcels located as described below:

7015 N 26TH DR	157-32-066
2622 W GLENDALE AVE	157-32-068

CC: 8600001003; PM 1835; Project: Housing: Housing Phoenix – Potential Dispositions

Dear Mr. Nava:

This letter is your authorization to appraise the above referenced properties. You are to develop an opinion of the market value of the properties as per the documentation provided to you. Your appraisal report must comply with the current edition of the Uniform Standards of Professional Appraisal Practice. The Intended Use of the appraisal is to assist the City of Phoenix – Housing Department with internal planning decisions and possible disposition. Please ensure the appraisal incorporates the Arizona definition of market value cited in ARS 28-7091. The appraisal must be developed with the understanding that these parcels are subject to the Housing Phoenix - Affordable Housing Program.

Your stated fee for this work is \$2,500. Please submit one electronic copy of your appraisal no later than November 8, 2023. The City of Phoenix may request up to three (3) hard copies at a later date. If the reports are not delivered to the City’s Appraisal Section on or before the contractual due date and no written extension has been agreed upon by both parties at least three days prior to the deadline, \$300 per day may be deducted as a late delivery penalty.

By reference, this agreement incorporates all the terms and conditions specified in the City Contract 21-038 and the City of Phoenix Appraisal Requirements (Rev. 01/2020) which have been provided to you previously.

If you agree with the above, please sign below and return a copy of this letter.

Sincerely,

Burton Byars

Burton Byars
Review Appraiser
City of Phoenix

BBG, Inc.
October 24, 2023
Page 2 of 2

APPROVED:

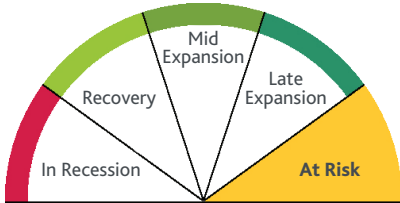
A handwritten signature in blue ink, appearing to read 'Albert Nava', with a long horizontal flourish extending to the right.

Albert Nava, MAI
Certified General Real Estate Appraiser No. 30806
Vendor # 3550328 / Clerk # 154072 / SRM # 4701007996

METROPOLITAN AREA DESCRIPTION

ECONOMIC DRIVERS FINANCIAL CENTER RETIREE HAVEN	EMPLOYMENT GROWTH RANK 2022-2024: 98 (2nd quintile) 2022-2027: 40 (1st quintile) <i>Best=1, Worst=410</i>		RELATIVE COSTS LIVING: 112% BUSINESS: 102% <i>U.S.=100%</i>		VITALITY RELATIVE: 0.83 Rank: 18 <i>Best=1, Worst=403</i>	QUALITY OF LIFE: 67 <i>Best=1, Worst=378</i>
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BUSINESS CYCLE STATUS **ANALYSIS**



Recent Performance. Phoenix-Mesa-Scottsdale is at cruising altitude. Employment continues to expand, with monthly growth tracking with that of the Mountain West and U.S. Leisure/hospitality and government have been the top performers, while financial services have recently weakened and construction has gone sideways. The jobless rate has drifted downward this year as hiring outstrips labor force growth. House prices have begun to rise again on a monthly basis, but gains lag those of the state. The impact on housing construction has been mixed as single-family permits are rebounding, while multifamily permits have recently fallen.

housing-related employment, the housing market's performance is particularly important to the broader economy. The forecast is for house prices to fall over the next few years, though there are two key factors that will determine performance; the mortgage lock-in effect and affordability. The lock-in effect results from the rapid surge in interest rates, providing homeowners a strong incentive to stay in their current homes and mortgages. This will buoy prices by constraining supply. From an affordability perspective, prices should soften until they are more consistent with the incomes of potential homebuyers. The baseline forecast assumes that the latter will prevail.

- STRENGTHS & WEAKNESSES**
- STRENGTHS**
- » Robust population growth and in-migration.
 - » Hub for expansion and relocation of banks, insurance companies, and business services firms.
 - » Lower business costs than in California.
- WEAKNESSES**
- » Average wages that are well below those of the West.
 - » High cyclical due to dependence on investment and population inflows.

Financial center. Finance will outperform in the year ahead, though risks remain elevated. PHO's concentration of finance employment is among the highest in the country, leaving the metro area uniquely vulnerable to shifts in monetary policy. The Federal Reserve is near the end of its tightening cycle, and so far, the hurdles for PHO's financial services firms have been manageable. However, the yield curve is set to remain inverted into the latter portion of next year. This has yet to dampen performance at JP Morgan and Wells Fargo as aggressive rate hikes have juiced net interest margins and thus profits. The baseline assumes that higher interest margins will enable banks and credit card issuers to add staff in the near term. Nevertheless, a prolonged inversion of the yield curve may prove too much stress on the financial system, leading to further tightening of credit conditions, and potentially job losses. Longer term, moderate business and living costs and a strong labor pool will keep PHO's finance industry a step ahead of the U.S.

Climate risk. Robust in-migration will propel PHO's economy, but persistent droughts and record temperatures add downside risk to long-run demographic prospects. Water rights have been thrust to the fore amid the announcement to restrict homebuilding in cities without sufficient water access. The baseline assumes that in-migration will remain strong despite this policy, boosting industries reliant on local spending. However, there is downside risk that restrictions on new housing supply could erode affordability, discouraging migrants. Second, soaring temperatures may erode the quality of life, persuading some retirees to look elsewhere.

FORECAST RISKS

SHORT TERM ↓ | LONG TERM ↑

RISK EXPOSURE 2023-2028 **57** 1st quintile *Most=1 Least=403*

- UPSIDE**
- » House prices outperform expectations.
 - » Retiree in-migration is more robust than anticipated.
- DOWNSIDE**
- » Instability in banking sector weighs on finance more than expected.
 - » Water shortages and elevated temperatures weigh on migration.

Phoenix-Mesa-Scottsdale will outperform the fast-growing Mountain West. The key finance industry as well as population-dependent industries such as healthcare, leisure/hospitality and personal services will drive job additions. Longer term, a favorable business atmosphere and strong demographics will make PHO a perpetual outperformer, though rising temperatures add downside risk.

MOODY'S RATING
Aa1 CITY AS OF NOV 21, 2022

Shandor Whitcher 1-866-275-3266
August 2023 helpeconomy@moodys.com

2017	2018	2019	2020	2021	2022	INDICATORS	2023	2024	2025	2026	2027	2028
223.2	232.7	242.2	243.7	260.1	267.6	Gross metro product (C12\$ bil)	277.0	287.1	300.4	315.5	330.6	345.7
4.6	4.3	4.1	0.6	6.8	2.9	% change	3.5	3.7	4.6	5.0	4.8	4.5
2,040.0	2,109.2	2,180.2	2,122.4	2,220.3	2,320.9	Total employment (ths)	2,376.8	2,407.2	2,434.1	2,466.6	2,502.9	2,541.0
3.0	3.4	3.4	-2.6	4.6	4.5	% change	2.4	1.3	1.1	1.3	1.5	1.5
4.3	4.2	4.2	7.3	4.7	3.4	Unemployment rate (%)	3.3	4.0	4.1	3.9	3.6	3.4
6.0	6.6	8.0	10.2	7.9	4.3	Personal income growth (%)	6.9	5.9	5.2	5.4	5.4	5.3
61.3	64.6	67.9	71.6	75.7	78.2	Median household income (\$ ths)	80.9	83.7	86.2	89.0	91.8	94.7
4,708.8	4,765.9	4,820.6	4,869.3	4,938.4	5,011.0	Population (ths)	5,089.2	5,167.7	5,245.7	5,324.7	5,407.2	5,494.9
1.4	1.2	1.1	1.0	1.4	1.5	% change	1.6	1.5	1.5	1.5	1.5	1.6
40.3	36.1	34.7	36.3	64.6	64.6	Net migration (ths)	64.1	62.2	62.2	63.8	68.1	74.3
20,471	23,526	25,026	31,658	34,347	26,857	Single-family permits (#)	20,389	22,125	27,465	30,877	31,341	30,888
8,841	7,817	10,847	16,561	16,234	20,410	Multifamily permits (#)	13,112	8,735	10,111	11,056	11,150	10,679
7.8	8.2	6.9	8.7	22.8	22.7	FHFA house price index (% change)	-2.5	-5.9	-4.7	-2.0	-0.4	0.2

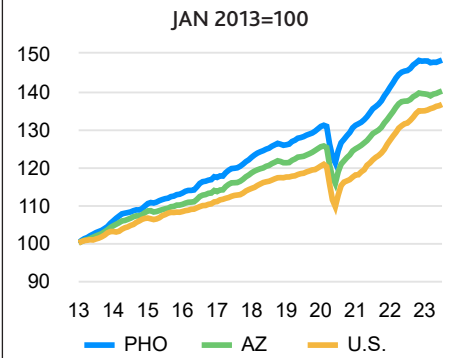
ECONOMIC HEALTH CHECK

3-MO MA	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23
Employment, change, ths	7.0	6.6	2.7	3.9	5.0	2.5
Unemployment rate, %	3.4	3.2	3.2	3.1	3.0	3.1
Labor force participation rate, %	65.0	65.1	65.2	65.3	65.4	65.4
Average weekly hours, #	35.8	35.9	35.5	35.3	35.1	35.2
Industrial production, 2012=100	99.5	99.4	99.7	99.9	99.9	100.1
Residential permits, single-family, #	16,466	19,323	21,063	22,836	22,437	24,200
Residential permits, multifamily, #	24,205	24,853	29,367	24,085	14,304	16,196
Dec/Dec	Dec 17	Dec 18	Dec 19	Dec 20	Dec 21	Dec 22
Employment, change, ths	65.0	69.2	78.9	-62.4	117.5	70.5

Better than prior 3-mo MA
Unchanged from prior 3-mo MA
Worse than prior 3-mo MA

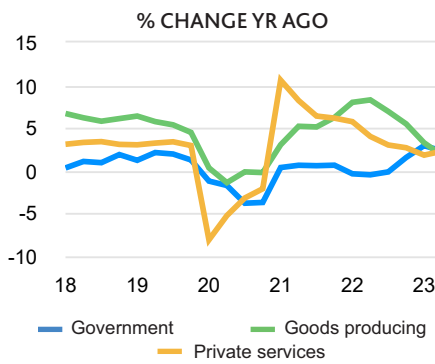
Sources: BLS, Census Bureau, Moody's Analytics

BUSINESS CYCLE INDEX



Source: Moody's Analytics

CURRENT EMPLOYMENT TRENDS

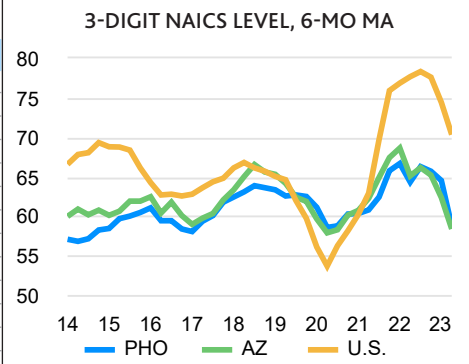


Sources: BLS, Moody's Analytics

	% CHANGE YR AGO, 3-MO MA		
	Jul 22	Jan 23	Jul 23
Total	5.0	3.3	2.0
Mining	14.0	8.3	8.5
Construction	9.5	6.8	3.5
Manufacturing	7.0	5.9	1.1
Trade	3.0	-0.7	-0.1
Trans/Utilities	7.2	1.8	0.5
Information	9.4	2.9	-4.1
Financial Activities	0.9	0.8	0.8
Prof & Business Svcs.	5.7	3.9	1.3
Edu & Health Svcs.	4.8	6.3	5.4
Leisure & Hospitality	10.5	6.0	3.6
Other Services	6.0	2.6	-3.5
Government	-0.4	0.3	3.4

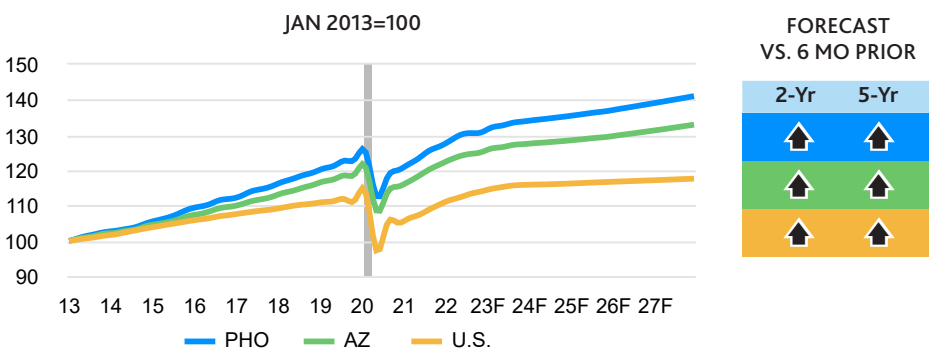
Sources: BLS, Moody's Analytics

DIFFUSION INDEX



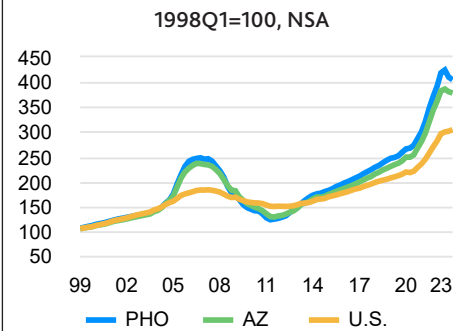
Sources: BLS, Moody's Analytics

RELATIVE EMPLOYMENT PERFORMANCE



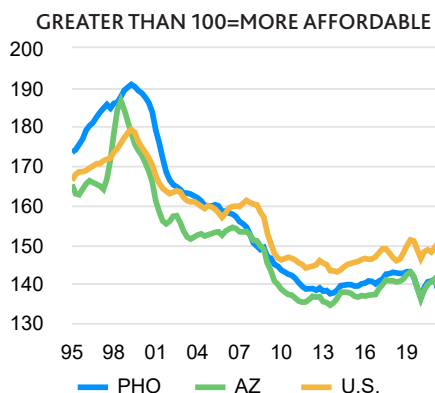
Sources: BLS, Moody's Analytics

HOUSE PRICE



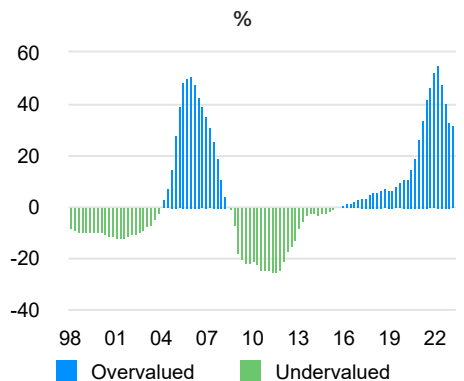
Sources: FHFA, Moody's Analytics

RENTAL AFFORDABILITY



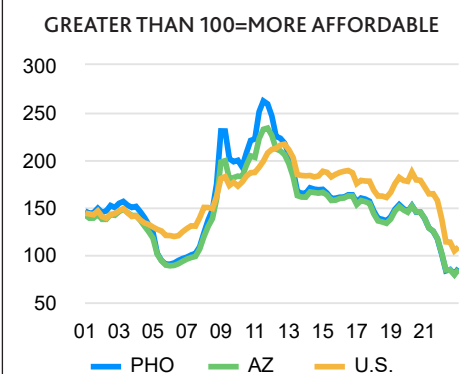
Sources: Census Bureau, BLS, Moody's Analytics

HOUSE PRICE TRENDS



Source: Moody's Analytics

HOUSING AFFORDABILITY



Sources: NAR, Moody's Analytics

EMPLOYMENT AND INDUSTRY

TOP EMPLOYERS

Banner Health System	45,894
Walmart Inc.	33,619
Fry's Food Stores	20,165
Wells Fargo	16,700
Arizona State University	14,889
HonorHealth	12,163
Dignity Health	10,598
Intel Corp.	10,400
Bank of America	10,000
JP Morgan Chase & Co.	10,000
Freeport-McMoRan Copper & Gold Inc.	9,300
Grand Canyon Education	8,500
Bashas' Family of Stores	8,299
American Express	7,795
Honeywell Aerospace	7,792
Mayo Clinic Hospital	7,500
UnitedHealthcare of Arizona Inc.	7,302
State Farm	7,200
Arizona Public Service Co.	5,866
Salt River Project	5,239

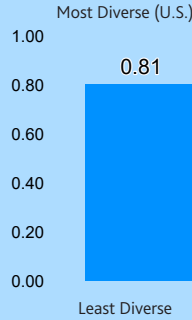
Sources: Arizona Central (Mesa), 2019, Arizona Central (Scottsdale), 2019, Phoenix Business Journal, 2019, Phoenix Relocation Guide, 2019

PUBLIC

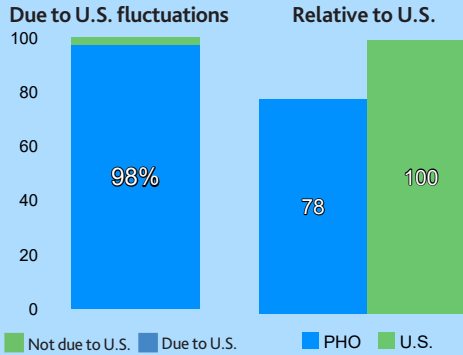
Federal	23,975
State	51,417
Local	163,692

2022

INDUSTRIAL DIVERSITY

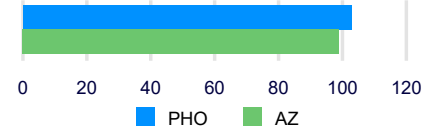


EMPLOYMENT VOLATILITY



ENTREPRENEURSHIP

BROAD-BASED START-UP RATE
U.S.=100
2021



Sources: Census Bureau, Moody's Analytics

EXPORTS

Product - 2019	\$ mil
Food and kindred products	ND
Chemicals	ND
Primary metal manufacturing	ND
Fabricated metal products	ND
Machinery, except electrical	1,217.5
Computer and electronic products	4,369.5
Transportation equipment	3,328.9
Miscellaneous manufacturing	ND
Other products	ND
Total	15,136.6

Destination - 2021	\$ mil
Africa	84.2
Asia	5,508.3
European Union	3,034.8
Canada & Mexico	ND
South America	459.7
Rest of world	ND
Total	14,165.1

% of GDP	4.5
Rank among all metro areas	187

Sources: BEA, International Trade Administration, Moody's Analytics

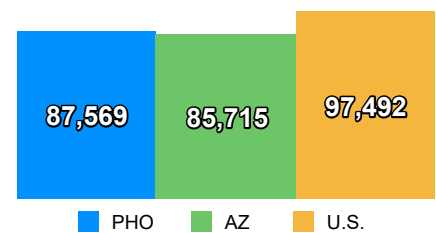
COMPARATIVE EMPLOYMENT AND INCOME

Sector	% OF TOTAL EMPLOYMENT			AVERAGE ANNUAL EARNINGS		
	PHO	AZ	U.S.	PHO	AZ	U.S.
Mining	0.1	0.4	0.4	\$98,327	\$90,982	\$140,972
Construction	6.5	6.2	5.1	\$77,775	\$72,002	\$74,543
Manufacturing	6.4	6.2	8.4	\$103,667	\$102,182	\$95,006
Durable	72.4	74.7	62.2	nd	\$114,192	\$98,900
Nondurable	27.6	25.3	37.8	nd	\$66,946	\$88,725
Transportation/Utilities	5.0	4.8	4.7	\$54,125	\$52,775	\$62,962
Wholesale Trade	4.0	3.5	3.9	\$108,755	\$103,002	\$104,126
Retail Trade	10.6	11.2	10.1	\$45,330	\$44,562	\$43,812
Information	1.9	1.7	2.0	\$129,529	\$123,046	\$167,037
Financial Activities	9.4	8.1	5.9	\$61,159	\$57,997	\$65,977
Prof. and Bus. Services	16.9	15.1	14.8	\$71,290	\$67,174	\$86,343
Educ. and Health Services	15.6	15.6	16.0	\$68,450	\$66,682	\$66,256
Leisure and Hosp. Services	10.2	10.8	10.4	\$36,858	\$35,096	\$36,373
Other Services	3.1	3.1	3.7	\$42,600	\$41,295	\$42,808
Government	10.3	13.2	14.5	\$85,360	\$83,183	\$90,556

Sources: Percent of total employment — BLS, Moody's Analytics, 2022, Average annual earnings — BEA, Moody's Analytics, 2021

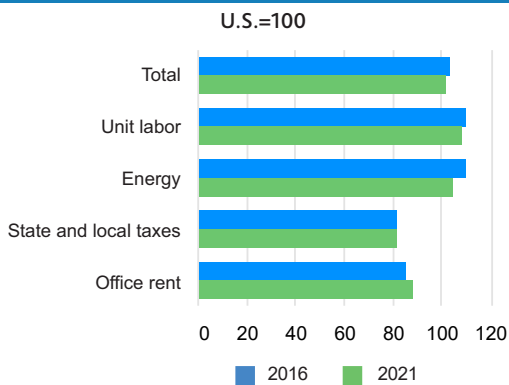
PRODUCTIVITY

REAL OUTPUT PER WORKER, \$



Sources: BEA, Moody's Analytics, 2021

BUSINESS COSTS



Source: Moody's Analytics

HIGH-TECH EMPLOYMENT

	Ths	% of total
PHO	135.2	5.8
U.S.	8,388.4	5.5

HOUSING-RELATED EMPLOYMENT

	Ths	% of total
PHO	319.7	13.8
U.S.	15,202.5	10.0

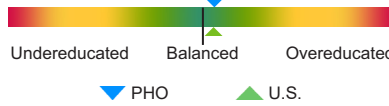
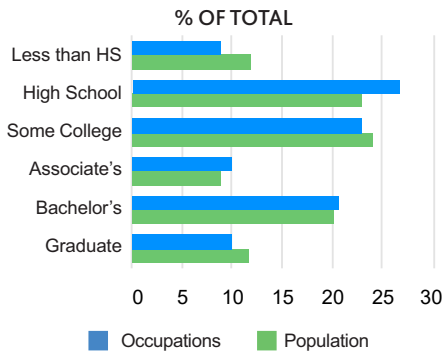
Source: Moody's Analytics, 2022

LEADING INDUSTRIES BY WAGE TIER

	NAICS Industry	Location Quotient	Employees (ths)
HIGH	6211 Offices of physicians	1.3	52.1
	5242 Agencies, brokerages & other insur. rel. acts.	2.2	41.3
	5511 Management of companies & enterprises	1.0	35.5
	5415 Computer systems design & related srvc.	0.9	32.8
MID	GVL Local Government	0.8	160.7
	6221 General medical and surgical hospitals	0.9	60.8
	GVS State Government	0.7	52.4
	2382 Building equipment contractors	1.3	45.7
LOW	7225 Restaurants and other eating places	1.0	159.9
	5613 Employment services	1.7	96.1
	4451 Grocery stores	0.9	38.2
	5617 Services to buildings and dwellings	1.1	35.9

Source: Moody's Analytics, 2022

SKILLS MISMATCH



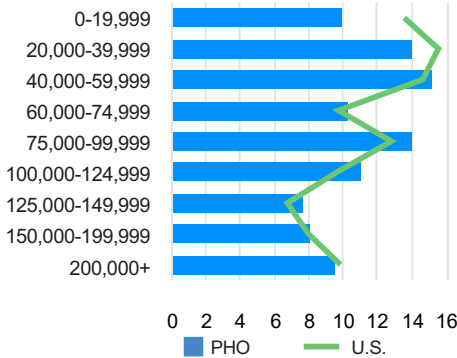
Sources: Census Bureau, ACS, Moody's Analytics, 2018

ECONOMIC DISENFRANCHISEMENT

Index	2019	Rank*
Gini coefficient	0.45	224
Palma ratio	2.8	302
Poverty rate	12.1%	235

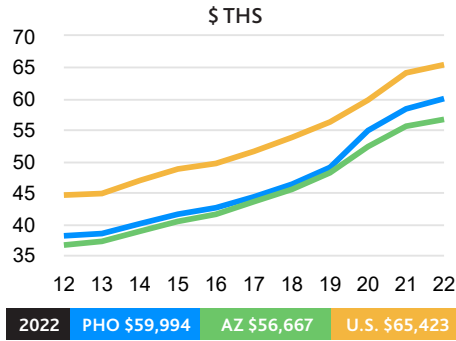
*Most unequal=1; Most equal=403

HOUSEHOLDS BY INCOME, %



Sources: Census Bureau, ACS, Moody's Analytics, 2021

PER CAPITA INCOME



Sources: BEA, Moody's Analytics

MIGRATION FLOWS

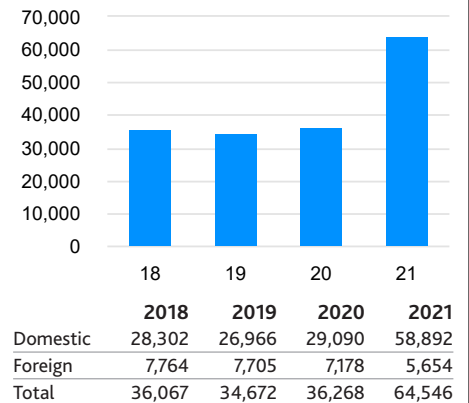
INTO PHOENIX AZ

City	Number of Migrants
Los Angeles CA	8,727
Riverside CA	7,016
Tucson AZ	6,754
Chicago IL	6,195
San Diego CA	5,357
Seattle WA	5,312
Anaheim CA	4,323
Portland OR	3,945
Denver CO	3,767
Las Vegas NV	3,209
Total in-migration	181,574

FROM PHOENIX AZ

Tucson AZ	6,299
Prescott AZ	4,625
Los Angeles CA	3,120
Dallas TX	2,770
San Diego CA	2,766
Denver CO	2,659
Las Vegas NV	2,582
Riverside CA	2,363
Seattle WA	2,319
Flagstaff AZ	2,272
Total out-migration	144,099
Net migration	37,475

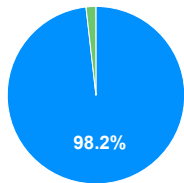
NET MIGRATION,



Sources: IRS (top), 2021, Census Bureau, Moody's Analytics

COMMUTER FLOWS

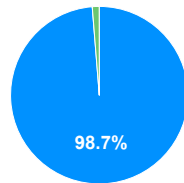
RESIDENTS WHO WORK IN PHO



Top Outside Sources of Jobs

City	Share
Phoenix AZ	98.2%
Tucson AZ	0.4
Prescott AZ	0.1
Los Angeles CA	0.1

WORKERS WHO LIVE IN PHO



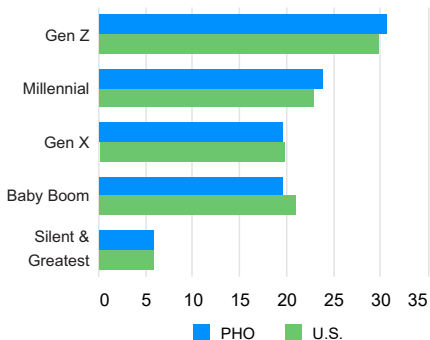
Top Outside Sources of Workers

City	Share
Phoenix AZ	98.7%
Tucson AZ	0.2
Prescott AZ	0.2

Sources: Census Bureau, Moody's Analytics, avg 2011-2015

GENERATIONAL BREAKDOWN

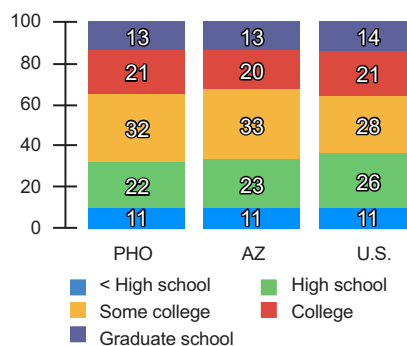
POPULATION BY GENERATION, %



Sources: Census Bureau, Moody's Analytics, 2021

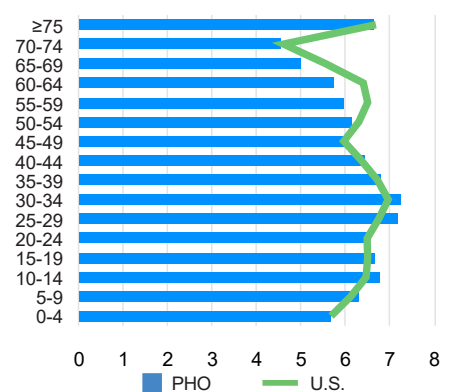
EDUCATIONAL ATTAINMENT

% OF ADULTS 25 AND OLDER



Sources: Census Bureau, ACS, Moody's Analytics, 2021

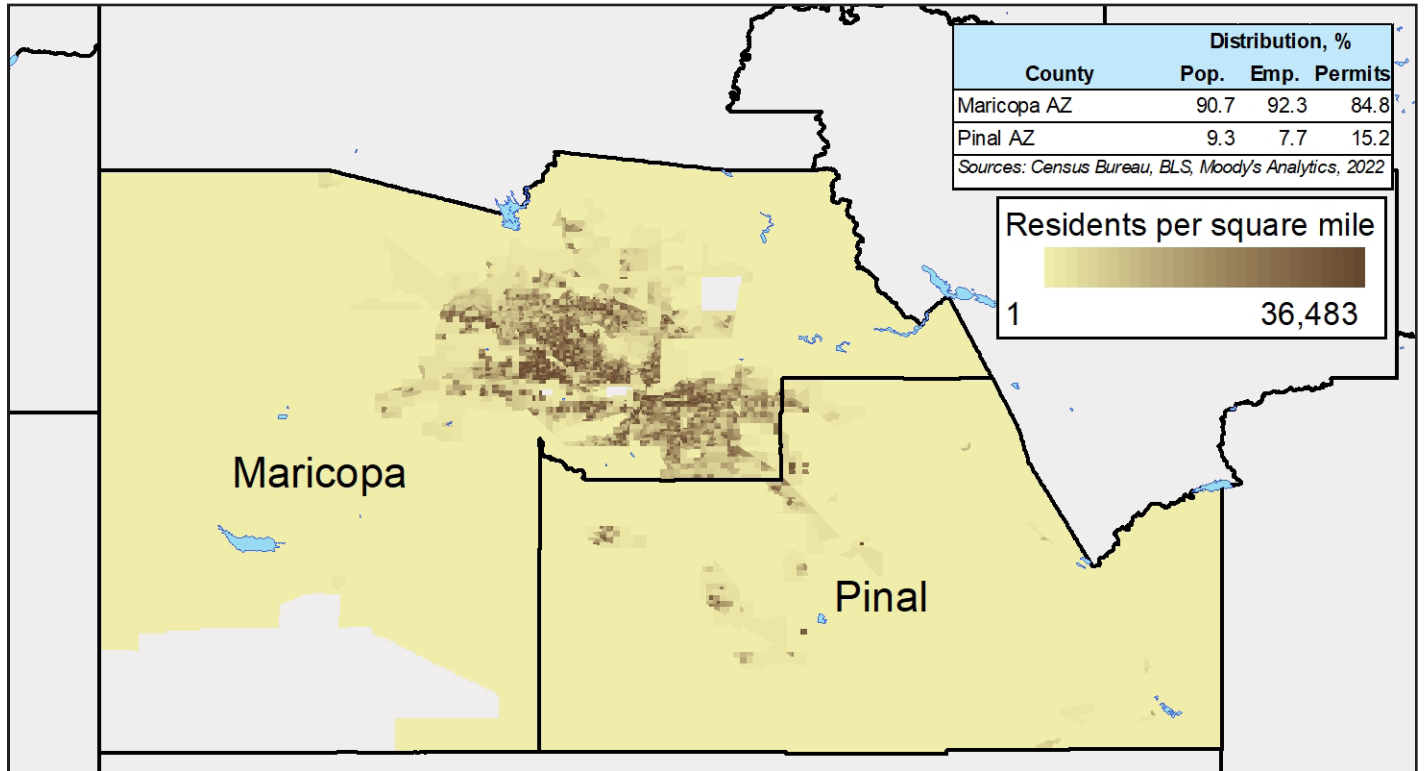
POPULATION BY AGE, %



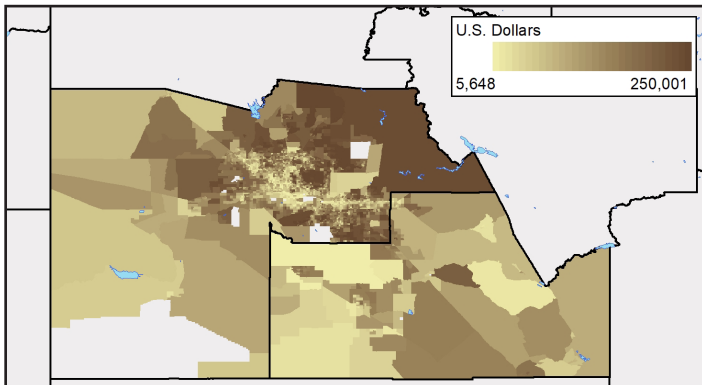
Sources: Census Bureau, Moody's Analytics, 2021

GEOGRAPHIC PROFILE

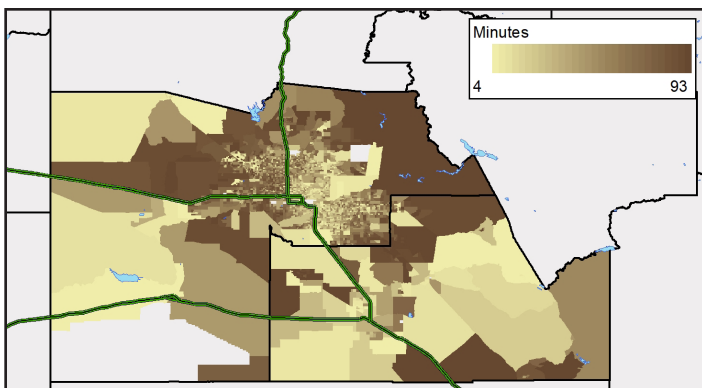
POPULATION DENSITY



MEDIAN HOUSEHOLD INCOME



MEDIAN COMMUTE TIME



POPULATION & HOUSING CHARACTERISTICS

	Units	Value	Rank*
Total area	sq mi	14,598.7	4
Total water area	sq mi	33.5	226
Total land area	sq mi	14,565.8	4
Land area - developable	sq mi	3,806.8	17
Land area - undevelopable	sq mi	10,758.4	5
Population density	pop. to developable land	344.3	110
Total population	ths	5,015.7	8
U.S. citizen at birth	% of population	85.2	324
Naturalized U.S. citizen	% of population	6.2	81
Not a U.S. citizen	% of population	7.2	69
Median age		37.6	262
Total housing units	ths	2,028.3	7
Owner occupied	% of total	61.7	159
Renter occupied	% of total	30.2	180
Vacant	% of total	8.1	221
1-unit; detached	% of total	65.9	225
1-unit; attached	% of total	5.7	138
Multifamily	% of total	24.0	145
Median year built		1993	

* Areas & pop. density, out of 410 metro areas/divisions, including metros in Puerto Rico; all others, out of 403 metros.

Sources: Census Bureau, Moody's Analytics, 2021 except land area 2010

Sources: ACS, Moody's Analytics

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LEGAL DESCRIPTION

EXHIBIT "A"

LEGAL DESCRIPTION OF
 PROPERTY TO BE ACQUIRED BY THE CITY OF PHOENIX
 LOCATED AT GLENDALE AVENUE EAST 26TH DRIVE
 APN 157-32-066 AND 157-32-068

PART NO. 1:APN 157-32-066

Lot 33, GLENWOOD TERRACE, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, in Book 46 of Maps at page 14.

PART NO. 2:APN 157-32-068

Lot 35, GLENWOOD TERRACE, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, in Book 46 of Maps at page 14;

EXCEPT the South 2 feet of said Lot 35; and

EXCEPT that part of said Lot 35 described as follows:

BEGINNING at the intersection of the North line of said South 2 feet with the West line of said Lot 35;

thence North along said West line a distance of 5 feet;

thence Southeasterly to a point in said North line which is 5 feet East of the POINT OF BEGINNING;

thence to the POINT OF BEGINNING; and

EXCEPT that part of said Lot 35 described as follows:

COMMENCING at the Southwest corner of Section 1, Township 2 North, Range 2 East, G&SRB&M;

thence North 89° 47' 24" East along the South line of said Section 1, being also the monument line of Glendale Avenue, a distance of 406.58 feet;

thence North 0° 12' 36" West a distance of 43.00 feet to the existing East right of way line of 26th Drive, and the POINT OF BEGINNING;

thence North 85° 54' 17" East a distance of 132.82 feet to the East line of said Lot 35;

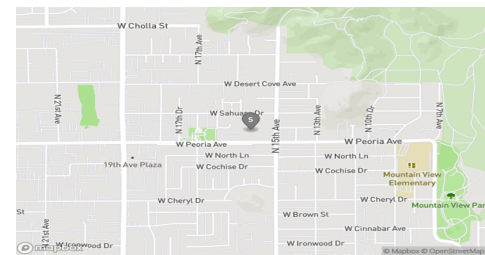
thence South 0° 06' 06" East along the East line of said Lot 35 a distance of 10.00 feet to the existing South right of way line of said Glendale Avenue;

thence South 89° 47' 24" West along said existing South right of way line a distance of 131.50 feet to the Northeast right of way line of said 26th Drive;

thence North 45° 09' 21" West along said Northeast right of way line a distance of 1.41 feet to the POINT OF BEGINNING.

COMPARABLE LAND SALES

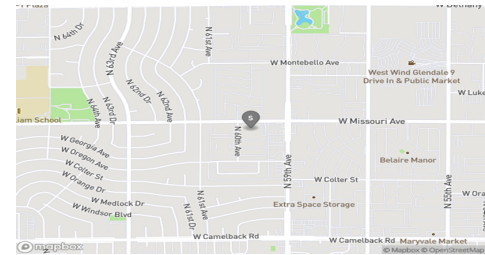
Sale Comparable #1
10610-10612 N 15th Ln
 10610 North 15th Lane
 Phoenix, AZ 85029
 Maricopa County
 BBG Property #801860



Property Data			
Property Type/Use	Land Multifamily	Lat/Long	33.582812 / -112.0927
Parcel ID #	159-14-042A	Census Tract	1036.15
Opportunity Zone	No	Frontage	123' on Peoria Avenue
Gross Land Area	47,892 SF 1.10 Acres	Net Land Area	47,892 SF 1.10 Acres
Flood Designation	Zone X (Unshaded)	Flood Panel	04013C1730L Dated October 16, 2013
Utilities	Typical utilities and municipal services available to site.	Terrain / Topography	Generally level
Easements / Encroachments	There are no known detrimental easements, encroachments or other restrictions that would adversely affect the site's use or marketability.	Zoning	R-3A Multifamily Residential

Sale Transaction Data for BBG Event #938389 on 5/9/2023				Net Area	Gross Area
Transaction Date	5/9/2023	Consideration	\$400,000	Price PSF	\$8.35
Sale Status	Closed	Adjustments	\$0	Price Per Acre	\$363,819
		Cash Equivalent Price	\$400,000		\$363,819
Property Rights	Fee Simple				
Transaction Component	Real Estate				
Tenancy	Vacant				
Grantor	Anny Draginova				
Grantee	Benjamin & Corina Covaciu				
Comments	<p>R-3A zoned land allows for development density of 12 du/acre with bonus, or up to 13 units, which equates to a price of \$30,769 per unit.</p> <p>According to the broker, "the seller was motivated to sell and lost a little money on the deal, but she just wanted her cash back."</p>				
Verification	<p>10/25/2023</p> <p>Patrick Burch/broker</p>				

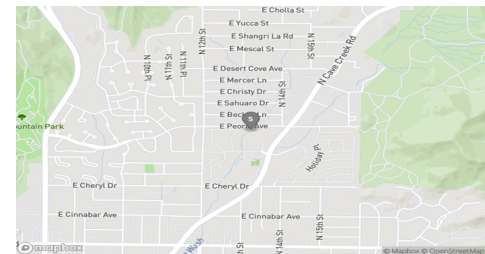
Sale Comparable #2
5939 W. Missouri Ave.
 5939 West Missouri Avenue
 Glendale, AZ 85301
 Maricopa County
 BBG Property #682467



Property Data			
Property Type/Use	Land Residential	Lat/Long	33.516286 / -112.1884
Parcel ID #	144-28-155	Census Tract	0931.06
Opportunity Zone	No	Frontage	Minor arterial, corner
Gross Land Area	101,500 SF 2.33 Acres	Net Land Area	101,500 SF 2.33 Acres
Flood Designation	Zone X (Unshaded)	Flood Panel	04013C1715L Dated October 16, 2013
Utilities	All available to site.	Terrain / Topography	Level
Easements / Encroachments	None detrimental known	Zoning	R-4 Multifamily Residential
Comments	This is a single legal parcel of land with an overall rectangular shape. It is level, at-grade and has all utilities and off-sites in-place. The site is fully buildable and planned for a 33 unit townhouse project.		

Sale Transaction Data for BBG Event #817373 on 7/5/2022					Net Area	Gross Area
Transaction Date	7/5/2022	Consideration	\$550,000	Price PSF	\$5.42	\$5.42
Sale Status	Closed	Adjustments	\$0	Price Per Acre	\$236,039	\$236,039
		Cash Equivalent Price	\$550,000			
Days on Market	90					
Property Rights	Fee Simple					
Grantor	Campbell Professional Building LLC					
Grantee	Pinnacle Real Estate Six LLC					
Record Info	2022-0550607					
Comments	This is the sale of a single legal parcel of land for a near-term development of a 33-unit townhouse project. The buyer completed all entitlements after the sale. There was no other sale in the previous 12 months.					
Verification	2/1/2023 CoStar; Public Records; Carrick Sears, buyer's agent, SVN Desert Commercial					

Sale Comparable #3
1309 E Peoria Ave
 1309 East Peoria Avenue
 Phoenix, AZ 85020
 Maricopa County
 BBG Property #801857

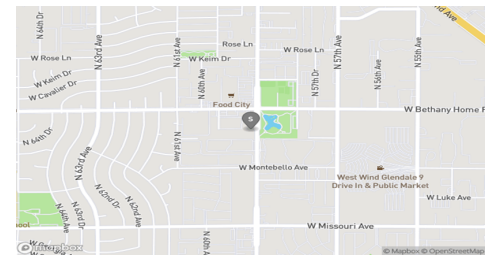
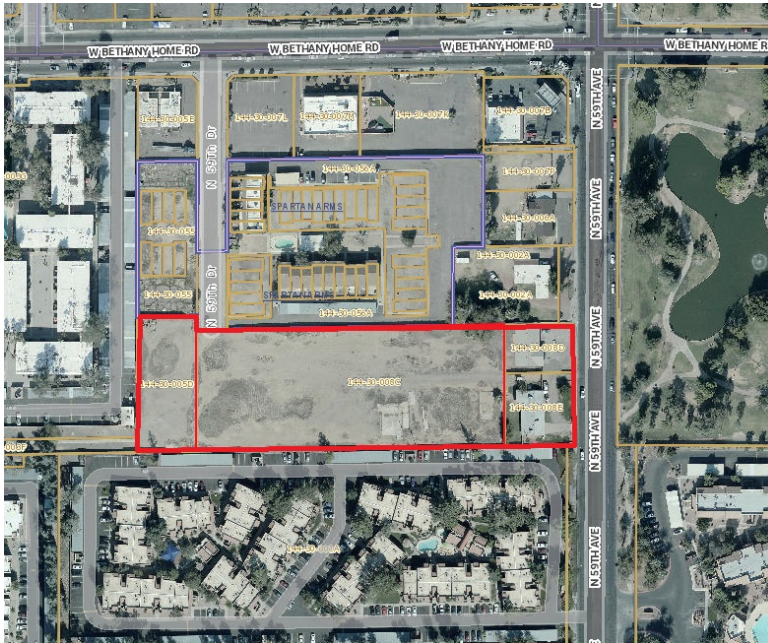


Property Data

Property Type/Use	Land Multifamily	Lat/Long	33.582039 / -112.0539
Parcel ID #	159-28-005A	Census Tract	1047.01
Opportunity Zone	No	Frontage	Collector
Gross Land Area	41,818 SF 0.96 Acres	Net Land Area	41,818 SF 0.96 Acres
Flood Designation	Zone X (Shaded)	Flood Panel	04013C1735L Dated October 16, 2013
Utilities	Typical utilities and municipal services available to site.	Terrain / Topography	Generally level
Easements / Encroachments	There are no known detrimental easements, encroachments or other restrictions that would adversely affect the site's use or marketability.	Zoning	R-5 Multifamily Residential

Sale Transaction Data for BBG Event #938385 on 1/12/2022				Net Area	Gross Area
Transaction Date	1/12/2022	Consideration	\$400,000	Price PSF	\$9.57
Sale Status	Closed	Adjustments	\$0	Price Per Acre	\$416,663
		Cash Equivalent Price	\$400,000		\$416,663
Property Rights	Fee Simple				
Transaction Component	Real Estate				
Tenancy	Vacant				
Grantor	DBCS, Inc.				
Grantee	Valle Pointe, LLC				
Comments	<p>According to MLS, preliminary plans were in the works to build 4 buildings with 4 townhome units in each building, all with two car garages.</p> <p>Sales price represents \$25K per unit based on the prelim plans.</p>				
Verification	<p>10/25/2023</p> <p>MLS</p>				

Sale Comparable #4
Multifamily Land
5812 North 59th Avenue
Glendale, AZ 85301-5810
Maricopa County
BBG Property #515212



Property Data

Property Type/Use	Land Multifamily	Lat/Long	33.522717 / -112.1867
Parcel ID #	144-30-001D, 003F, 005D, 008C, 008F	Census Tract	0931.05
Opportunity Zone	No	Frontage	Arterial
Gross Land Area	152,791 SF 3.51 Acres	Net Land Area	152,791 SF 3.51 Acres
Flood Designation	Zone X (Shaded)	Flood Panel	04013C1715L & 04013C1720L Dated October 16, 2013
Utilities	Typical utilities and municipal services available to site.	Terrain / Topography	Level
Easements / Encroachments	None detrimental known	Zoning	R-4 Multifamily Residential

Sale Transaction Data for BBG Event #665944 on 7/2/2021				Net Area	Gross Area
Transaction Date	7/2/2021	Consideration	\$800,000	Price PSF	\$5.24
Sale Status	Closed	Adjustments	\$0	Price Per Acre	\$228,076
		Cash Equivalent Price	\$800,000		\$228,076
Property Rights	Fee Simple				
Transaction Component	Real Estate				
Tenancy	Vacant				
Grantor	Bradley & Cynthia Wilson				
Grantee	Legacy Apartments on 59th, LLC				
Comments	This is the sale of a site planned for a 55-unit multifamily community. The site is fully entitled. Sale price represents \$14,545 pe runit.				
Verification	11/22/2021 Carrick Sears/SVN Desert Commercial				



EXHIBIT D

CURRENT HUD INCOME LIMITS

2024 Income Limits – Effective April 1, 2024

	50% AMI	80% AMI
1-Person	\$36,000	\$57,600
2-Persons	\$41,150	\$65,800
3-Persons	\$46,300	\$74,050
4-Persons	\$51,400	\$82,250
5-Persons	\$55,550	\$88,850
6-Persons	\$59,650	\$95,450
7-Persons	\$63,750	\$102,000
8-Persons	\$67,850	\$108,600

Source/Methodology:

The Department of Housing and Urban Development (“HUD”) sets income limits that determine eligibility for assisted housing programs including the Section 8 project-based and Section 8 Housing Choice Voucher programs. HUD develops income limits for 30%, 50%, and 80% AMI based on Median Family Income estimates and Fair Market Rent area definitions for each metropolitan area. 100% and 120% AMI income limits are extrapolated from these limits.