



Valbridge
PROPERTY ADVISORS

Land Use Consultation

Silverhawke Block 5
E of SEc of Tangerine Rd & First Ave
Oro Valley, Pima County, Arizona 85737

Report Date: August 31, 2020



FOR:
Kai Enterprises
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C/O Mr. Paul Oland
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Sent by email: James.kai@kaienterprises.com and gpo@paradigmland.us

RE: Consultation Report
Silverhawke Block 5
E of SEc of Tangerine Rd & First Ave
Oro Valley, Pima County, Arizona 85737

Dear Mr. Kai and Mr. Oland:

In accordance with your request, we have prepared land use consultations of the above-referenced property. This consultation sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to our land use recommendations.

The subject property is known as Silverhawke Block 5, and is located east of the southeast corner of Tangerine Road and First Avenue in Oro Valley, Pima County, Arizona 85737. The subject is further identified as Assessor's Parcel Number (APN) 220-06-0640. The site measures approximately 13.44 acres or 585,446 square feet of vacant land.

The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). It is currently unknown what direct, or indirect, effect, if any, this event may have on the national economy, the local economy or the market in which the subject property is located. The reader is cautioned, and reminded that the conclusions presented in this consultation report apply only as of the effective date(s) indicated. The consultant makes no representation as to the effect on the subject property of this event, or any event, subsequent to the effective date of the consultation report.

Based on the analysis contained in the following report, our conclusions involving the subject property are summarized as follows:

Land Use Ranking	Risk Level	Community Benefit
1. Casita Apartments	Low	High
2. Garden Apartments	Low	High
3. Single Family Residential	Low	Moderate
4. Senior Housing	Moderate-high	Low
5. Commercial	High	Moderate
6. Office	High	Moderate
7. Tech/R&D	High	High

This letter of transmittal is not considered valid if separated from this report, and must be accompanied by all sections of this report as outlined in the Table of Contents, in order for the opinions set forth above to be valid.

Respectfully submitted,
Valbridge Property Advisors | Tucson



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Introduction

Client and Other Intended Users of the Consultation

The client in this assignment is Capri Company, Mr. Herb Kai, and Mr. James Kai, C/O Mr. Paul Oland. The intended users of this report are the client and the Town of Oro Valley planning staff.

Intended Use of the Consultation

The intended use of this report is to address market strengths and weaknesses (SWOT) relating to possible land uses on the above-referenced property.

Real Estate Identification

The subject property is located east of the southeast corner of Tangerine Road and First Avenue, Tucson, Pima County, Arizona 85737. The Pima County Assessor identifies the subject property as Assessor Parcel Number 220-06-0640.

Date of Report

The date of this report is August 31, 2020, which is the same as the date of the letter of transmittal.

Scope of Work

The scope of work includes all steps taken in the development of the consultation. These include 1) the extent to which the subject property is identified, 2) the extent to which the subject property is inspected, 3) the type and extent of data researched, and 4) the type and extent of analysis applied. These items are discussed as follows:

Extent to Which the Property was Identified

Legal Characteristics

The subject was legally identified via review of the legal description and the plat map.

Economic Characteristics

Economic characteristics of the subject property were identified via data provided by the client/owner, interviews with brokers, buyers, sellers and government agencies; and secondary sources such as STDBOnline, CoStar, Real Data/Apartment Insights, Arizona Department of Health Services (ADHS), and data published by governmental agencies such as assessor's offices and the US Census Department, as well as a comparison to properties with similar locational and physical characteristics.

Physical Characteristics

The subject property was physically identified via an exterior inspection.

Extent to Which the Property was Inspected

The subject was inspected on August 29, 2020.

Type and Extent of Data Researched

We researched and analyzed: 1) market area data, 2) property-specific market data, 3) zoning and land-use data. We also interviewed people familiar with the subject market/property type.

Type and Extent of Analysis Applied

The subject site is vacant land. We observed surrounding land use trends, demand for the subject property, and relative legal limitations in ranking possible uses.

Use of Real Estate as of the Effective Date of Value

The subject property is vacant land on the effective date of consultation.

Use of Real Estate as of the Date of this Report

Same as above.

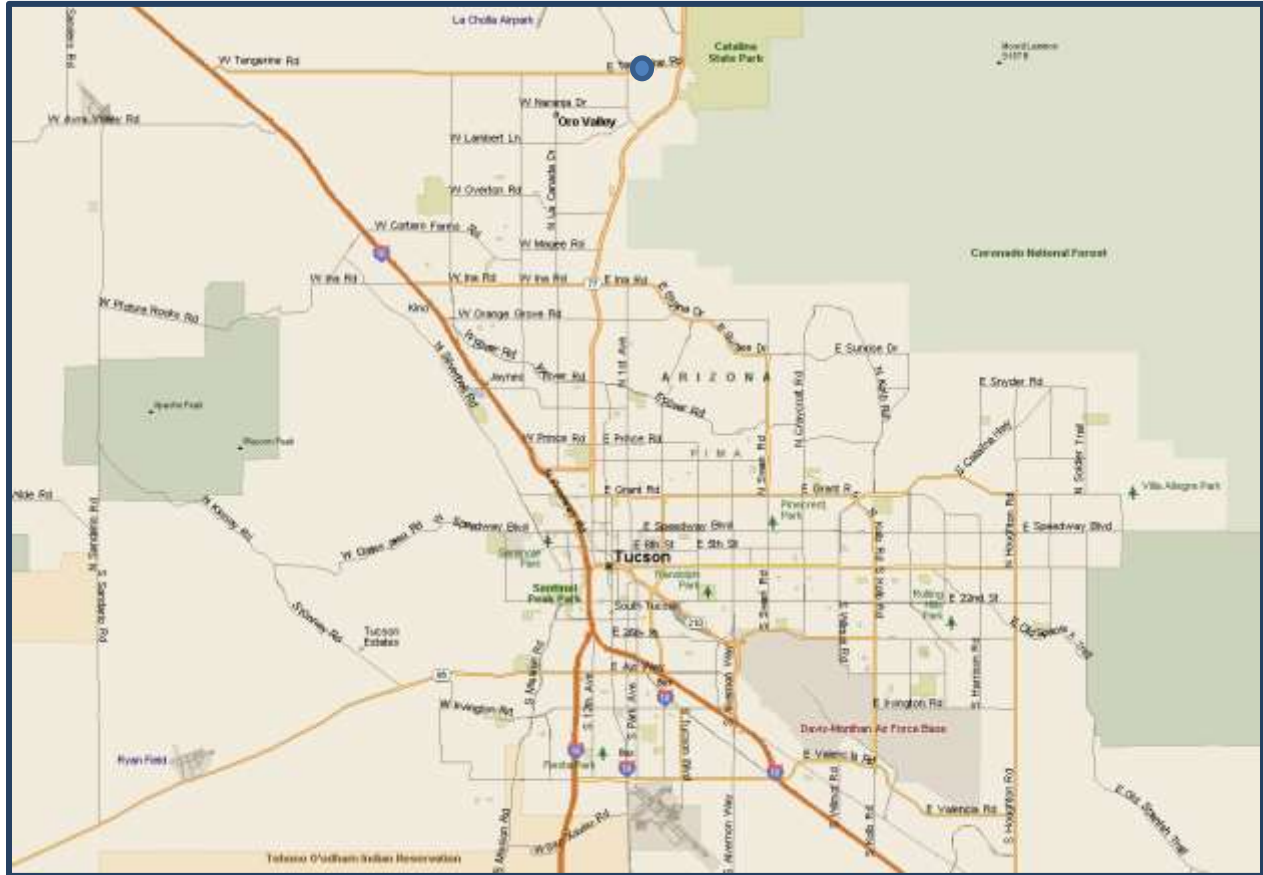
Ownership and Sales History

According to the Deed, title to the subject property is vested in Capri Company LLC, as recorded August 4, 1994, at sequence number 94152288 in the office of the Pima County Recorder. This was a related party transaction. The subject property has not been sold, or listed for sale nor have the owners entertained offers for purchase within the past three years. In addition, the subject is not currently listed for sale or under contract for sale.

We have considered and analyzed the known history of the subject in the development of our opinions and conclusions.

Regional and Market Area Analysis

Regional Map



Overview

Tucson is in south-central Arizona, about 100 miles southeast of Phoenix and 60 miles north of the Mexican border. Tucson is the second largest metropolitan area in Arizona. The metropolitan area includes the incorporated communities of South Tucson, Oro Valley, Marana, and Sahuarita, plus the surrounding unincorporated areas of Pima County.

Population

Mid-year 2020 population in metro Tucson was projected at 1,053,200, which reflects a 0.8% increase over the prior year. Much lower growth is projected for 2021, followed by 0.9% growth rates for the following two years. The reduced population growth projections over the next 12-18 months are a reflection of the COVID-19 pandemic which will likely reduce net migration. The population estimates are measured on July 1 of each year.

Metropolitan Tucson Population Forecasts

	2019	2020	2021	2022	2023
Population (000s, mid-year)	1,044.7	1,053.2	1,056.7	1,066.5	1,076.1
Change (000s)	10.5	8.5	3.5	9.8	9.6
% Change	1.0%	0.8%	0.3%	0.9%	0.9%

Source: Economic and Business Research Center, The University of Arizona, March 2020

Employment

The regional economy is primarily driven by tax-supported entities, including military bases, the University of Arizona, state and local governments, and the school districts. Most of these sectors have posted moderate levels of growth over the past decade. The military, which includes the U.S. Army Intelligence Center at Fort Huachuca in Sierra Vista (80 miles southeast of Tucson) and Davis Monthan Air Force Base in Tucson, employs nearly 15,000 in Southern Arizona. Raytheon Missile Systems, a defense contractor, is the largest private employer in the area and has maintained relatively stable employment over the past 20+ years. The government budget cuts for defense spending may affect employment in the military and defense related industries over the foreseeable future although the sector has been fairly stable over the past several years.

Davis Monthan Air Force Base's total economic impact in 2016 was estimated at \$2.6 billion. Employment was 16,679, including all contractors with 6,460 indirect jobs created according to statistics from Davis Monthan Air Force Base. There are 19,321 military retirees with annual retirement pay of \$513.6 million. Davis Monthan Air Force Base has annual expenditures totaling approximately \$428 million.

Recent new employment announcements are as follows:

Raytheon Missile Systems, Tucson's largest private employer, is undertaking a major expansion that will add 1,975 new high-paying jobs. An additional 1,000 positions are also being proposed.

Northwest Healthcare announced expansion in Tucson, creating nearly 600 jobs.

Imperfect Produce, an on-line produce delivery company focusing on fighting food waste by finding a home for "ugly produce", will open its first customer care center in Tucson. The company plans to create 350 jobs at all levels.

Symbioticware, Inc., an industry leader that provides an industrial hardware and software program to help customers obtain and analyze data in the mining industry is establishing a US/Mexico headquarters in Tucson. Symbioticware will add 20 new high-tech jobs and invest \$500,000 in their Tucson headquarters.

MicroMex, a private contract manufacturer, is opening a new manufacturing and distribution center at the Port of Tucson. The company plans to create 100 new jobs, which will primarily be assembly and warehouse workings.

Tucson's Top 25 Employers

Rank	Name	Full Time Jobs	Industry
1	University of Arizona	11,251	Education
2	Raytheon Missile Systems	9,600	Manufacturing
3	State of Arizona	8,580	Government
4	Davis-Monthan Air Force Base	8,406	Military
5	Tucson Unified School District	7,700	Education
6	Pima County	7,060	Government
7	Banner-University Medical Center	6,272	Health Care
8	U.S. Border Patrol	5,739	Government
9	Freeport-McMoRan Copper & Gold	5,530	Mining
10	Wal-Mart Stores, Inc.	5,500	Retail
11	Fort Huachuca	5,477	Military
12	City of Tucson	4,595	Government
13	Tohono O'odham Nation	4,350	Government
14	Carondelet Health Network	3,860	Health Care
15	TMC HealthCare	3,162	Health Care
16	Southern AZ VA Health Care System	2,464	Health Care
17	Corrections Corp. of America (CCA)	2,413	Corrections
18	Fry's Food Stores of Arizona, Inc.	2,346	Retail
19	Pima Community College	2,235	Education
20	Asarco, LLC	2,200	Mining
21	Sunnyside Unified School District	2,100	Education
22	Afni Inc.	1,900	Call Center
23	Pinal County	1,852	Government
24	Amphitheater Unified School District	1,739	Education
25	Vail Unified School District	1,705	Education

Source: Phoenix Relocation Guide 2019-2020 edition

Caterpillar has relocated its Surface Mining and Technology Division to Tucson and will provide 635 new high paying jobs over the next five years. Their new facility located just to the west of downtown Tucson was completed in 2019.

Hexagon Mining, an information technology provider of planning, operations and safety solutions for the mining industry, announced in March 2017 the relocation and expansion of its North American headquarters to a new mixed-use facility in downtown Tucson. Hexagon moved into the new facility in the summer of 2018 and will employ 260 people in Tucson.

Amazon selected Tucson for a new fulfillment center that will ultimately employ 1,500 people. The facility is located in the southeast area of Tucson near I-10 and Kolb Road and was completed in mid-2019.

GEICO has recently moved into a new office complex and will reportedly expand its employment by 861 jobs. The new regional office is 200,000 S.F.

ADP, a major human resources provider, announced in early 2017 that it was bringing another 250 jobs to Tucson as part of a program coordinated between the Human Capital Management firm, the City of Tucson and the State of Arizona.

HomeGoods completed construction of an 800,000 square foot distribution center near the Tucson International Airport and will reportedly employ up to 900.

Comcast recently located a call center into a newly renovated facility near the Tucson Mall that will employ up to 1,100 positions.

Banner-University Medical Center recently completed a \$400 million addition to their existing facility near the University of Arizona campus.

A new AC Hotel by Marriott was completed in downtown Tucson in 2017, representing the first hotel to be built in the area in over 40 years. Caliber Hospitality is currently constructing a 170-room DoubleTree Hotel convention hotel southwest of the Tucson Convention Center and a new 200-room Hilton facility has recently been approved for incentives. The Hilton project, at South Stone Avenue and East Ochoa Street, will include a 75-room Hampton Inn and a 123-room Extended-Stay.

Pima County completed a deal that brought World View Enterprises to the Tucson International Airport area where they operate Spaceport Tucson, a high altitude balloon launch site for near-space tourism and research.

Afni and Alorica call centers both announced in early 2017 that they would be hiring for 280 and 200 positions at their local call centers in the coming year. C3/Customer Contact Channel opened its third call center facility in Tucson in 2017 as well.

Employment by industry for the MSA is as follows.

Metropolitan Tucson Nonfarm Employment

Year Ending	2015		2016		2017		2018		2019	
Sector	Empl.*	%Total	Empl.*	%Total	Empl.*	%Total	Empl.*	%Total	Empl.*	%Total
Natural Resources & Mining	2.0	0.5%	1.6	0.4%	1.7	0.4%	1.7	0.4%	1.8	0.5%
Construction	14.9	3.9%	14.8	3.9%	16.4	4.3%	17.4	4.4%	18.2	4.6%
Manufacturing	22.9	6.1%	23.4	6.2%	24.6	6.4%	26.2	6.6%	26.4	6.6%
Trade, Transp. & Utilities	62.8	16.6%	61.4	16.2%	62.4	16.2%	63.1	16.0%	61.2	15.3%
Information	4.8	1.3%	5.0	1.3%	5.3	1.4%	5.6	1.4%	5.6	1.4%
Financial Activities	17.2	4.5%	17.4	4.6%	17.8	4.6%	17.7	4.5%	18.4	4.6%
Professional & Business Svcs	51.6	13.6%	50.0	13.2%	52.2	13.5%	54.5	13.8%	54.1	13.6%
Education & Health Services	64.2	17.0%	65.4	17.2%	65.6	17.0%	68.2	17.3%	71.6	17.9%
Leisure & Hospitality	43.1	11.4%	46.0	12.1%	45.5	11.8%	46.2	11.7%	46.5	11.6%
Other Services	14.5	3.8%	15.1	4.0%	13.0	3.4%	13.0	3.3%	13.5	3.4%
Government	80.1	21.2%	79.2	20.9%	80.9	21.0%	81.2	20.6%	81.9	20.5%
TOTAL NONFARM	378.1	100%	379.3	100%	385.4	100%	394.8	100%	399.2	100%

Source: Arizona Office of Economic Opportunity * (000s) Year-end figures, non-seasonally adjusted, 2019 figures are preliminary

Unemployment

The unemployment rate increased dramatically over 2009 and 2010 as a result of the Great Recession, but has declined every year since 2010. Unemployment rates in Tucson were historically below the national and state averages, as dependence on governmental and tax-supported employment had historically insulated the region from national recessionary trends; however, the metro area's unemployment rate has more recently been similar to the national rate. Note that due to the COVID-19 pandemic, unemployment rates have risen dramatically over the past month, nationally and locally, as businesses are shuttered to prevent the spread of the virus. The depth or duration of the increased unemployment rates are currently unknown. Small businesses, particularly those involved with food service, hospitality, and travel are expected to be the hardest hit. The Eller College Economic and Business Research Center projects unemployment to surge to 11% by the 4th quarter of 2020, and then drop rapidly.

Average Unemployment Rate

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
National	9.6%	8.9%	8.1%	7.4%	6.2%	5.3%	4.9%	4.4%	3.7%	3.4%
Arizona	10.4%	9.5%	8.3%	7.7%	6.8%	6.1%	5.4%	4.9%	5.1%	4.3%
Metro Tucson	9.3%	8.5%	7.4%	6.8%	6.0%	5.5%	5.0%	4.5%	4.8%	4.1%

Source: Arizona Office of Economic Opportunity & Bureau of Labor Statistics

Notes: Not seasonally adjusted.

Arizona - Labor Force and Employment, SA	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020
<i>Persons (000s, seasonally adjusted), Local Area Unemployment Statistics, BLS</i>					
Civilian Labor Force	3,604.8	3,613.0	3,578.6	3,543.7	3,546.5
% Chg from Year Ago	3.2%	3.2%	2.0%	0.8%	0.6%
Employment	3,442.7	3,451.8	3,359.5	3,070.0	3,230.1
Unemployment	162.1	161.2	219.2	473.8	316.4
Unemployment Rate	4.5	4.5	6.1	13.4	8.9

Economic Forecasts

The forecast suggests that number of jobs lost in the Great Recession was finally recaptured some time in 2018. The projections summarized below suggest that job growth will have peaked in 2019 at a modest rate of 1.9% and will show negative growth of -5.4% over 2020 and a modest 0.9% growth by 2021. Higher than normal growth rates are expected to occur over 2022-2023 as the market recovers from the COVID-19 pandemic shock.

In this rapidly evolving environment, it is impossible to keep up with current events. Nevertheless, the University of Arizona's Economic and Business Research Center has released an Economic Forecast Interim update to reflect potential outcomes from the COVID-19 pandemic on our economic indicators. The forecast tables were created before the statewide "stay-at-home" decree was issued. They were also completed before the \$2 trillion federal fiscal stabilization package (CARES act) was enacted. Most of that additional federal spending was not included in the forecast.

The following projections put the magnitude of the coming downturn at something similar to the Great Recession (2008-2009) but shorter in duration:

- Total nonfarm employment in Arizona is expected to decline by 300,000 from the first quarter to the third quarter of 2020. That translates into a decline of 10.0%. For comparison, Arizona lost 305,000 jobs from peak to trough (quarterly) during the Great Recession. That was an 11.4% drop.
- The state unemployment rate is projected to surge to 11.0% by the fourth quarter of 2020, but then drops rapidly.
- Taxable retail sales will likely decline this year, as job, income, and wealth declines take a toll on consumers. Sales at restaurants and bars gets hit harder, given the additional headwind from social distancing.
- Population growth is projected to slow, along with reduced net migration, and that generates lower levels of housing permit activity.

According to the projections of George W. Hammond, Ph. D, Director of Eller Business Research Center, once we get past the shock, the recovery should be strong. Arizona's economic indicators were strong before the outbreak and once the outbreak is under control, growth is projected to accelerate significantly.

Metropolitan Tucson Economic Forecasts

Category	2019	2020	2021	2022	2023
Personal Income (\$mill)	\$ 48,299	\$ 48,077	\$ 49,903	\$ 53,093	\$ 55,726
% Change	8.1%	-0.5%	3.8%	6.4%	5.0%
Retail Sales (\$mill)	\$ 15,249	\$ 14,449	\$ 15,210	\$ 16,139	\$ 16,954
% Change	5.2%	-5.2%	5.3%	6.1%	5.0%
Employment (non-farm,000s)	388.8	367.8	371.3	388.6	398.0
Change (000s)	7.3	(21.0)	3.5	17.3	9.4
% Change	1.9%	-5.4%	1.0%	4.7%	2.4%
Residential Permits	4,152	4,136	3,154	4,132	4,052
% Change	-5.7%	-0.4%	-23.7%	31.0%	-1.9%

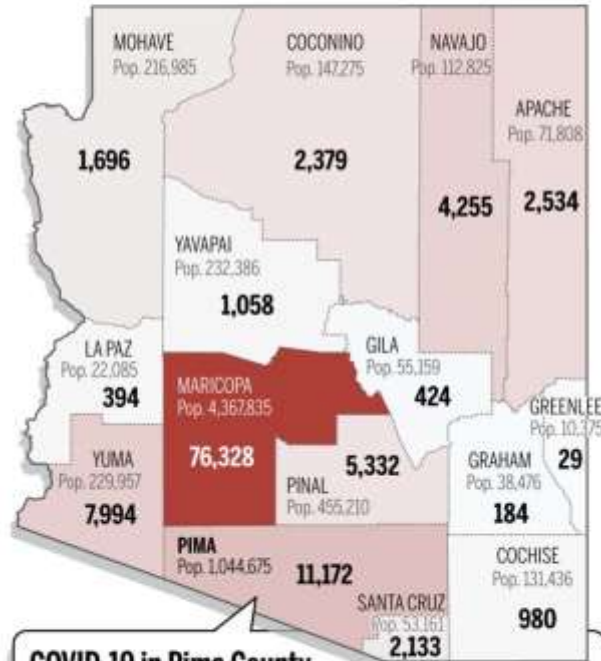
Source: Economic and Business Research Center, The University of Arizona, March 2020

Note that while Pima County is the second most populous county in Arizona, the growth of COVID-19 cases has remained relatively low compared to Maricopa County and Arizona overall. Recent statewide and Pima County data related to COVID-19 is presented in the following exhibit.

COVID-19 in Arizona

116,892 Number of cases statewide	2,082 Number of deaths statewide	860,295 Total number of tests statewide
4,221 Number of new cases statewide reported Friday*	44 Number of new deaths statewide reported Friday*	19,013 Number of new tests statewide reported Friday*

Number of cases by county:



COVID-19 in Pima County

11,172 Number of cases	337 Number of new cases reported Friday*	313 Number of deaths	0 Number of deaths reported Friday*
103,797 Number of tests performed	2,006 Number of tests reported Friday*	9.3% Total percent positive**	

Pima County cases by age and gender:



*Counts of new cases, deaths and numbers tested reflect increases in the total numbers compared with the previous day.

**Percent positive is the number of people with a positive test result.

Figures as of 11 a.m. Friday, July 10

SOURCE: Arizona Department of Health Services

County population numbers as of 2019; SOURCE: Arizona Office of Economic Opportunity

Commercial Real Estate

The retail, office and industrial sectors have all significantly recovered since the Great Recession; however, the office sector still remains somewhat challenged with respect to non-Class A properties, particularly those with secondary or marginal locations. The Class A office sub-sector is fairly strong but is limited in scale relative to the overall office sector, which is impacted by significant aging inventory. Retail development has been on-going at prime locations while most significant vacancies are associated with secondary locations or older, dysfunctional spaces. Essentially all new industrial development over the recent past has been user-driven, although one major speculative project of about 157,000 square feet was completed in 2019. The retail sector is expected to experience a downturn due to the COVID-19 pandemic with vacancy increases and rent decreases as businesses fail due to the imposed social isolating restrictions. Small, local operators are in the most danger.

Metro Tucson Commercial Sectors - 2020

Sector	No. Building	Total Sq. Ft.	T-12 Deliveries	Under Construction	Vacancy	T-12 Absorption	Average Quoted Rent
Industrial	2,590	44,588,087	443,434	0	7.4%	(595,587)	\$6.41
Office	2,574	27,751,929	313,163	0	9.3%	40,980	\$18.83
Retail	5,495	55,630,208	198,586	0	5.8%	149,223	\$15.06

Source: CoStar: 2nd Quarter 2020

Residential Real Estate

The Tucson MSA housing market has been in a sustained recovery stage since 2012. Sale velocity has generally been within a consistent range from 10,300 to 11,500 sales per year since 2011, though falling to 9,900 in 2018. Based on the average sales velocity over the past five years, there is currently a little over three months of supply on the market. The low supply is due to limited new construction, a decrease in REO sales, and an inability of some homeowners to sell due to a lack of equity. The average single-family sale price has continued to increase every year since 2011; however, the rate of increase has been declining moderately over the past several years, averaging about 6.2% over 2018 and 8.0% over 2019. The average single-family sale price in 2018 finally topped the former 2007 peak by 0.3%. Real estate agents are reporting shorter marketing times, which is caused by a limited supply and gradual increase in demand. Investors made up a larger percentage of the total sales from 2011 to 2013; however, investor purchases have since slowed for the most part. The housing market is currently considered to be in balance with respect to supply and demand. The recent trends are summarized below.

Tucson Single-Family Market

Year	# Sales	Avg. SF	Avg. Sale Price	% Change	Avg. Price/SF	% Change	DOM
2007	10,164	1,688	\$264,122	1.30%	\$156.47	-2.60%	101
2008	8,383	1,727	\$233,696	-11.52%	\$135.32	-13.52%	155
2009	9,286	1,724	\$192,314	-17.71%	\$111.55	-17.56%	148
2010	9,329	1,731	\$180,091	-6.36%	\$104.04	-6.73%	140
2011	10,702	1,723	\$156,611	-13.04%	\$90.89	-12.63%	103
2012	11,245	1,752	\$167,787	7.14%	\$95.77	5.36%	70
2013	11,502	1,750	\$184,523	9.97%	\$105.44	10.10%	63
2014	10,616	1,771	\$196,987	6.75%	\$111.23	5.49%	76
2015	11,479	1,775	\$202,485	2.79%	\$107.93	-2.97%	79
2016	10,328	1,881	\$230,616	13.89%	\$122.60	13.59%	65
2017	10,431	1,889	\$249,489	8.18%	\$128.19	4.56%	54
2018	9,944	1,903	\$264,966	6.20%	\$135.38	5.61%	40
2019	10,976	1,903	\$279,187	5.37%	\$146.21	8.00%	36

source: Tucson MLS

Tucson's multifamily sector has demonstrated strong performance over the past several years with larger 40-plus unit apartment projects averaging about 95% occupancy at the end of the second quarter of 2020. There was a limited amount of new multifamily construction from 2007 through 2010 but a new development cycle ramped up during 2011 and 2012 and nearly 6,750 units have been constructed since 2010, including 405 units during 2018, 943 units during 2019 and 160 units through mid-2020. Approximately 1,728 units were under construction at the end of the second quarter of 2020. The vast majority of new construction has been in the Class A luxury and student housing sectors. The Class A sector had been underserved for the past 20 or more years and new Class A projects have generally been experiencing strong market acceptance. Rental rates remain fairly modest, averaging about \$1.12 per square foot overall and about \$1.44 per square foot for new conventional projects currently in lease-up. Despite Tucson's modest economic growth over the recent past, rents increased by 5% to 7% annual over the past three years and concessions have been insignificant. Given the limited amount of construction currently scheduled, Tucson's apartment market should continue to improve over the near term.

Effects from the COVID-19 pandemic on the single family and multifamily markets are yet to be known. While market participants are concerned over increased foreclosures and evictions due to reduced employment and income expected for many families, government intervention and leniency from landlords and mortgage companies may offset the risk. Mortgage rates are at an all-time low which is likely to sustain demand. Also a potential risk to the housing and rental market is the shadow 'airbnb' market. According to AirDNA, there are currently 3,289 properties in Metropolitan Tucson utilized as short term rental properties. With the paralyzed hospitality market from stay-at-home mandates, many owners will be forced to convert to typical rentals and or sale. Should this occur, the increased inventory would likely put downward pressure on rents and home pricing.

Conclusions

Economic projections for metro Tucson suggested that the population and employment growth was slowing in Metropolitan Tucson, even before the COVID-10 pandemic. These forecasts suggested that economic growth peaked in 2019 and that Tucson's economy may again become sluggish by 2021 or 2022. Indeed, this is almost a certainty over the short-run as the effects of the COVID-19 pandemic are realized in the commercial and employment sectors. The residential real estate sector should remain fairly healthy over the next year but may experience moderately reduced demand or downward pressure on rents in the following years. The sustained health will also be largely dependent on actions and intervention over the short term by the government, landlords, and banks as the population and economy works through the effects of the social isolating restrictions imposed for the COVID-19 pandemic. Because there is essentially no speculative development occurring, the risk of overbuilding is considered to be minimal in the current market environment. With the exception of office, most real estate sectors are demonstrating fairly balanced supply and demand characteristics and the office market has also been continuing to show improvement over the past several years. The large workforce working from home due to COVID-19 mandates could delay the office recovery if the restrictions are enforced over a long period of time. Vacant supply may increase, particularly in the retail sector, due to social distancing restrictions placed on the market as a reaction to the COVID-19 pandemic. Warehousing and cold storage are well positioned for the future, as a result of increased e-commerce and grocery sales resulting from social distancing restrictions.

Neighborhood Analysis

NEIGHBORHOOD MAP



General Boundaries: Pinal County boundary (north), Catalina State Park / Oracle Road – State Route 77 (east), Rillito River / Picture Rocks Road alignment (south), Ironwood National Monument (west).

Neighborhood Trends

Interstate 10 runs diagonally through the middle of the Northwest Neighborhood, although development is sparse north of Twin Peaks Road. The I-10 corridor is within the Town of Marana, which has plans for several new freeway interchanges over the next 10-20 years. Running along the northeast side of I-10 is the Union Pacific Railroad, with at grade tracks that limit access on the east side of I-10 during train crossings. I-10 is an important connection, providing access from and through Tucson to Phoenix, San Diego and Los Angeles. The other major highway in this neighborhood is State Route 77, known as Oracle Road within the Tucson metro area. This is one of the busiest arterials in Tucson, linking the community of Oro Valley with the rest of Tucson. Commercial and multifamily uses are frequent along Oracle Road.

Residential development is active in Northwest Tucson. The unincorporated Casas Adobes district, closest to central Tucson, has homes primarily dating from the 1940s through 1980s and is largely built out. The Town of Oro Valley, incorporated in 1974 and located in the northeast portion of the neighborhood, is in the middle of its build out phase, with significant land still available in Rancho Vistoso and west of La Cholla Boulevard. But greatest potential for growth lies in the Town of Marana, which straddles I-10, and which is expected to have significant development over the coming decades, as former farmland is converted to residential use.

The neighborhood includes some of the newest and largest retail projects in the metro area. These include the Walmart/Kohl's-anchored Arizona Pavilions, at I-10 and Cortaro Road and the Walmart/Best Buy-anchored Oro Valley Marketplace at the southwest corner of Oracle Road and

Tangerine Road. Tucson Premium Outlets opened in October of 2015 and comprises about 365,000 square feet of retail space near Twin Peaks Road and I-10. Retailers include Aldo, Asics, Banana Republic Factory Store, Calvin Klein, Carter's, Converse, Express Outlet, Gap Outlet, Godiva, Helzberg Diamonds, Nike, Old Navy, Skechers, Starbucks, Tilly's, Tommy Hilfiger and Vans Outlet. The Foothills Mall, at Ina Road and La Cholla Boulevard, opened as an upscale mall, was re-purposed as an outlet mall in the mid-1990s and currently appears to be struggling to remain viable. There are also numerous convenience retail locations along Oracle Road and Ina Road.

Older generation office buildings are found along Oracle Road and Ina Road. Single-story for-sale office parks were developed in the 1990s and 2000s at locations on Oracle Road, Ina Road and La Cholla Boulevard. Although office development has slowed across Tucson, the Northwest Neighborhood has a major active project in Oro Valley on Tangerine Road known as Innovation Park. Medical office users tend to cluster near the neighborhood's hospitals at Orange Grove Road and La Cholla Boulevard, and Tangerine Road just west of Oracle Road. Concentrations of industrial uses in the neighborhood include high-tech facilities in Oro Valley (Ventana Medical Systems (Roche), Sanofi, Meggitt Securaplane, and Honeywell) and more traditional industrial users and distribution facilities along I-10. The Town of Marana built a new clinic in the middle of its master-planned Town Center, but this remains a pioneering location at the northwest quadrant of the neighborhood.

Overall, Northwest Tucson is likely under 25% built out overall, although it varies from around 100% in Casas Adobes to under 5% in the northern and western quadrants. Demographics tabulated on the following page reflect this in higher population and household growth rates, combined with high rates of home ownership and above average incomes and home values.

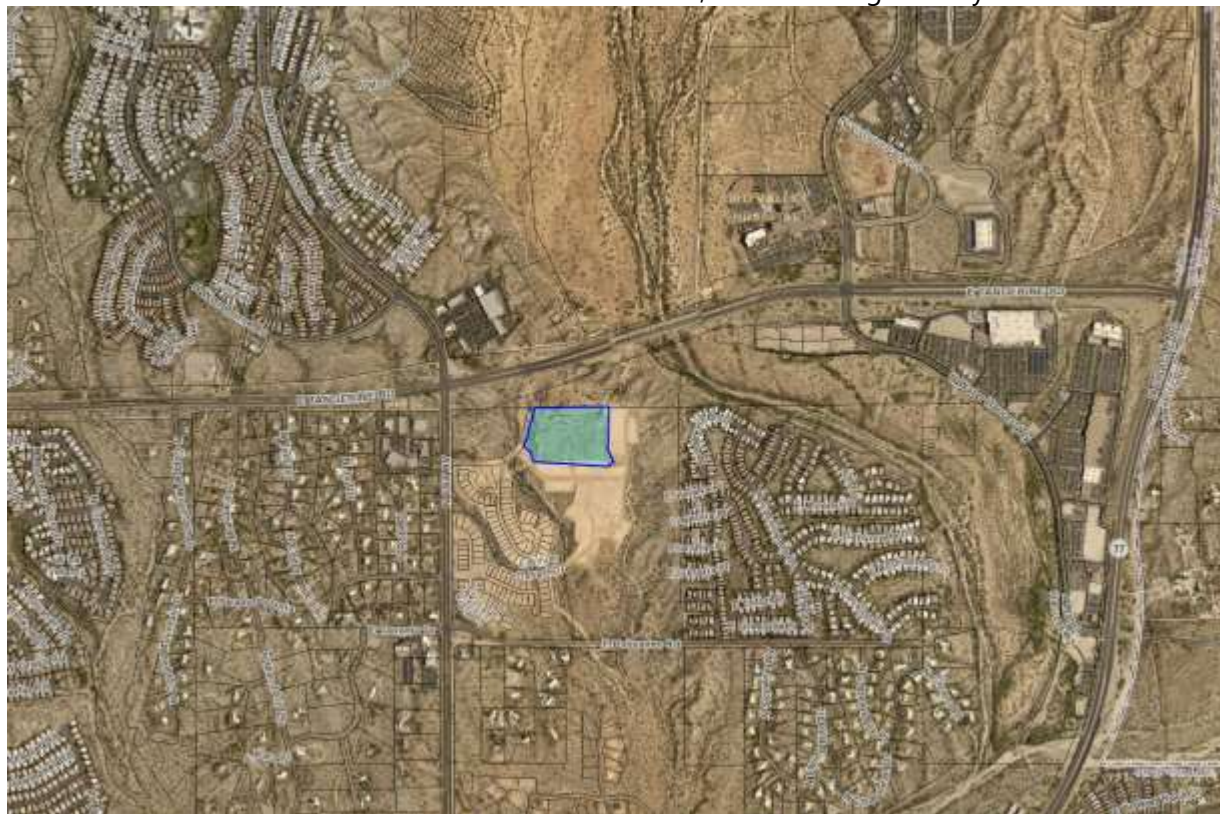
Neighborhood Demographic Profile

Population	Neighborhood	Tucson MSA
2010 Census	167,756	980,263
2020 Estimate	195,203	1,066,136
2025 Projection	207,650	1,112,948
Gross Population Change		
2010 - 2019	16.4%	8.8%
2019 - 2024	6.4%	4.4%
Average Annual Population Change		
2010 - 2020	1.6%	0.9%
2020 - 2025	1.3%	0.9%
Median Age (2020)	44.9	39.2
Households		
2020 Estimate	79,479	423,733
2025 Projection	84,548	442,997
Avg. New HH/Year 2020-2025	1,014	3,853
2020 - 2025 % Change	6.4%	4.5%
Avg. Annual Change 2020 - 2025	1.3%	0.9%
Average Household Size (2020)	2.43	2.46
Daytime Population (2020)		
Total	190,258	1,058,696
Workers	79,028	437,243
Residents	111,230	621,453
Income (2020)		
Average HH Income	\$96,746	\$77,318
Median HH Income	\$73,270	\$54,382
Per Capita Income	\$39,416	\$30,827
Household Income		
\$0 - \$15,000	4.7%	10.6%
\$15,000 - \$24,999	5.9%	10.3%
\$25,000 - \$34,999	7.1%	9.3%
\$35,000 - \$49,999	12.9%	15.0%
\$50,000 - \$74,999	20.4%	19.2%
\$75,000 - \$99,999	14.8%	11.9%
\$100,000 - \$149,999	18.7%	12.9%
\$150,000 - \$199,999	8.3%	5.6%
\$200,000 +	7.2%	5.0%
Housing (2020)		
% Owner Occupied	66.1%	55.0%
% Renter Occupied	25.4%	34.2%
% Vacant	8.5%	10.8%
Median Home Value	\$269,775	\$226,625

Source: U.S. Bureau of the Census, 2010 Census of Population and Housing. ESRI forecasts for 2020 and 2025.

South: Vacant residential land followed by single family residences under construction

West: Vacant commercial land followed by First Avenue, an ACE-anchored retail center, and then single family residences



Access

Street Name: First Avenue

Street Type: Arterial

At Signalized Intersection: No. First Avenue is a five-lane, asphalt paved, median-divided arterial with additional (intermittent) left-turn lanes and median breaks. First Avenue provides current access via Kai Way which will need to be completed along the west boundary of the site to Tangerine Road.

Overall Visibility: Average – fair: Due to adjacent open space and significant undulation of hillside (east) and swale (west), this mostly obstructs exposure from the arterials.

Site Improvements

Off-Site Improvements: None

On-Site Improvements: None; raw land with some natural desert vegetation.

Utilities: All available to site or nearby
Electric: Tucson Electric Power Company
Water: Oro Valley
Sewer: Pima County

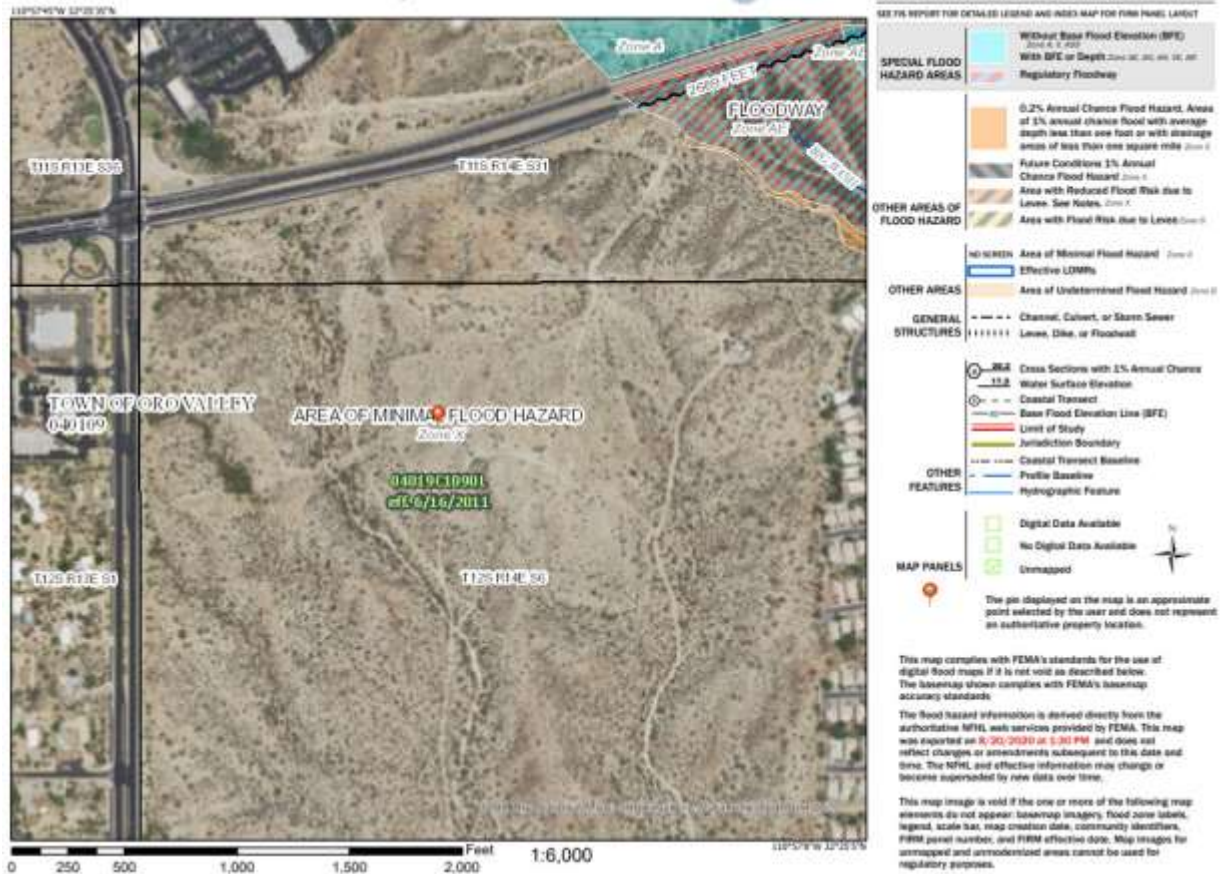
Gas: Southwest Gas Company
Telecomm: CenturyLink

Flood Zone Data

Flood Map Panel:
Flood Zone:

04019C1090L dated June 16, 2011
Zone X, outside the 100-year floodplain

National Flood Hazard Layer FIRMette



Other Site Conditions

Environmental Issues:

According to the AZDEQ Map, the site is not within a superfund or WQARF designated Area. A Phase I ESA was not provided. No environmental conditions were noted upon inspection, but we are not qualified to detect them.

Easements and
Encroachments:

A title report was not provided. This report assumes typical access, parking, and utility easements that do not affect the site adversely.

Site Ratings

Location:

Average

Access:

Average – interior

Zoning Designation

Zoning Code:

Zoning Jurisdiction:

Permitted Uses:

R1-144, Residential

Oro Valley

Includes single family dwellings, assisted living, educational or religious facilities, and home occupations. R-6 Zoning has the notable addition of apartment/multi-family or office uses.

General development standards in the R1-144 zone (see map) are as follows:

DEVELOPMENT STANDARDS	
R1-144	
Minimum lot area:	144,000 SF
Minimum Lot Width	150'
Minimum Setbacks	
Front:	50'
Side:	20'
Rear:	50'
Maximum Height:	18'

General development standards for C-1 (existing) and R-6 (proposed) zoning are as follows:

DEVELOPMENT STANDARDS	
C-1, Commercial District	
Minimum Setbacks	
Front:	20'
Side:	0-50'
Rear:	0-50'
Minimum Open Space:	20%
Maximum Floor Area Ratio:	0.30
Maximum Height:	25' or 2 stories

* 20' for sides adjacent to public or private street, 50' or 3:1 setback to building height if adjacent to single family

Source: Oro Valley Zoning Code

DEVELOPMENT STANDARDS	
R-6 (proposed)	
Minimum lot area:	3,500 SF
Minimum Lot Width	-
Minimum Setbacks	
Front:	30'
Side:	20'
Rear:	20'
Maximum Height:	25' (a)
(a) if within 100' of R1-144, R1-43, R1-36, or R1-20, then single story, with maximum height of 18'; for buildings within 50' of R1-10, R1-7, R-4, R-S, R-4R, or another R-6, building height may be limited to 18'	
<i>Source: Oro Valley Town Code</i>	

Zoning Comments/Analysis: A re-zoning case is in progress (see application in the addenda). Required parking depends on use.



Analysis/Comments on Site: Functional site for residential use. Due to physical constraints, commercial use endures significant risk. See following land use analysis for further details on land use rankings.

Subject Photographs



Photo 1: Street scene looking west on Tangerine Road



Photo 4: Street scene looking west on Kai Way



Photo 2: Street scene looking east on Tangerine Road



Photo 5: Street scene looking north on Kai Way



Photo 3: Street scene looking east on Kai Way



Photo 6: Looking northeast through the site



Photo 7: Looking southeast through the site



Photo 10: Looking southwest through the site



Photo 8: Looking southeast through the site



Photo 11: Looking northeast through the site



Photo 9: Looking southwest through the site



Photo 12: Looking south at the Silverhawk subdivision under construction

Land Use Analysis

Property Type

The subject is vacant land, zoned C-1, Oro Valley. To rank land uses, we researched Retail, Office, and Industrial data from Metro Tucson and the submarket to determine overall market conditions that influence the subject property. This data is from CoStar. We also researched the Apartment market using Apartment Insights from RealData, and the Senior Housing market using Arizona Department of Health Services (ADHS). There is obvious captured demand for single family residential based upon the ongoing subdivision development adjacent south.

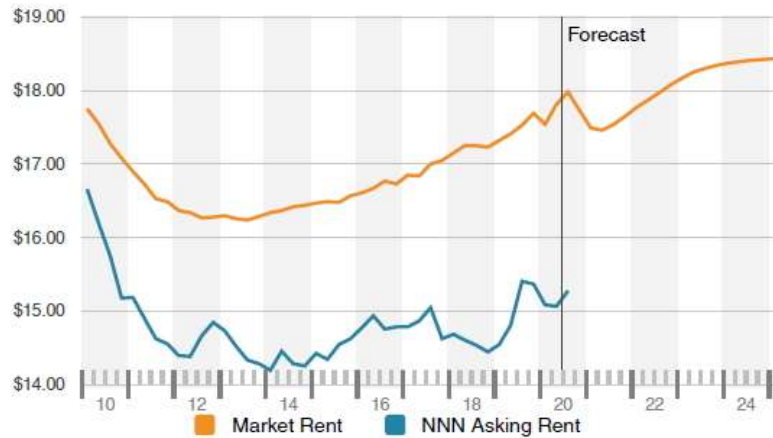
SUBMARKET MAP



Metro Tucson Retail Vacancy / Availability Rate



Metro Tucson Retail Asking Rent



Metro Tucson Retail Market

Period	Leaseable SF	Change in Inventory	Vacancy Rate	Vacant SF	Avail. Rate	Net Absorption	SF Delivered	Quoted Rates
Annual Trend								
2009	50,509,681	400,692	7.3%	3,663,745	7.6%	-271,080	400,692	\$17.11
2010	50,868,047	358,366	7.8%	3,962,485	8.8%	59,626	358,366	\$15.17
2011	51,400,043	531,996	7.4%	3,824,243	8.0%	670,238	531,996	\$14.55
2012	51,758,952	358,909	6.6%	3,431,386	7.3%	751,766	358,909	\$14.84
2013	52,388,711	629,759	6.1%	3,217,655	7.3%	843,490	615,702	\$14.28
2014	52,791,403	402,692	5.9%	3,105,635	7.0%	514,712	402,692	\$14.25
2015	53,490,253	698,850	5.8%	3,119,541	7.3%	684,944	698,850	\$14.62
2016	53,919,043	428,790	5.9%	3,159,634	7.0%	388,697	428,790	\$14.78
2017	54,340,556	421,513	5.8%	3,175,028	7.2%	406,119	421,513	\$14.62
2018	55,061,675	721,119	5.3%	2,915,825	6.8%	980,322	721,119	\$14.44
2019	55,326,487	264,812	5.7%	3,174,741	7.1%	5,896	211,943	\$15.36
Quarterly Trend								
2018 Q3	54,947,251	182,955	5.5%	2,994,836	6.6%	148,919	182,955	\$14.53
2018 Q4	55,061,675	114,424	5.3%	2,915,825	6.8%	193,435	114,424	\$14.44
2019 Q1	55,149,664	87,989	5.7%	3,169,595	7.1%	-165,781	87,989	\$14.54
2019 Q2	55,165,896	16,232	5.7%	3,119,957	7.0%	65,870	16,232	\$14.80
2019 Q3	55,243,756	77,860	5.9%	3,237,621	7.1%	-39,804	77,860	\$15.40
2019 Q4	55,326,487	82,731	5.7%	3,174,741	7.1%	145,611	29,862	\$15.36
2020 Q1	55,389,270	62,783	5.9%	3,255,615	7.0%	-18,091	62,783	\$15.08
2020 Q2	55,420,251	30,981	5.8%	3,220,887	7.4%	65,709	30,981	\$15.06
8 Quarter Average			5.7%	3,136,135	7.0%	49,484	75,386	\$14.90
4 Quarter Average			5.8%	3,222,216	7.2%	38,356	50,372	\$15.23

Source: CoStar Group - Note: includes leasable and owner-occupied space

North / Oro Valley Retail Submarket

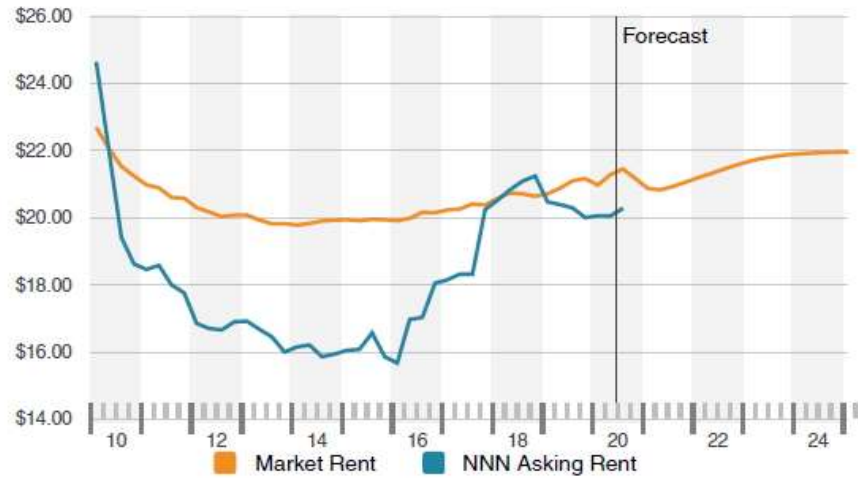
Period	Leaseable SF	Change in Inventory	Vacancy Rate	Vacant SF	Avail. Rate	Net Absorption	SF Delivered	Quoted Rates
Annual Trend								
2009	2,349,627	30,728	13.1%	308,464	13.4%	-31,831	30,728	\$25.06
2010	2,365,847	16,220	12.9%	304,169	13.1%	20,515	16,220	\$18.60
2011	2,376,721	10,874	13.0%	309,160	13.1%	5,883	10,874	\$17.74
2012	2,383,621	6,900	10.8%	258,161	11.4%	57,899	6,900	\$16.88
2013	2,428,621	45,000	9.8%	238,550	11.7%	64,611	45,000	\$15.98
2014	2,455,935	27,314	9.2%	225,217	11.3%	40,647	27,314	\$15.92
2015	2,486,737	30,802	9.1%	227,280	10.9%	28,739	30,802	\$15.84
2016	2,530,094	43,357	8.5%	214,440	12.2%	56,197	43,357	\$18.03
2017	2,547,957	17,863	6.2%	157,356	9.8%	74,947	17,863	\$20.22
2018	2,558,457	10,500	8.0%	205,146	12.7%	-37,290	10,500	\$21.22
2019	2,563,737	5,280	9.3%	237,685	10.7%	-27,259	5,280	\$19.98
Quarterly Trend								
2018 Q3	2,553,957	0	5.6%	142,630	9.7%	7,024	0	\$21.07
2018 Q4	2,558,457	4,500	8.0%	205,146	12.7%	-58,016	4,500	\$21.22
2019 Q1	2,558,457	0	8.0%	203,523	12.5%	1,623	0	\$20.45
2019 Q2	2,558,457	0	7.5%	190,989	11.8%	12,534	0	\$20.37
2019 Q3	2,563,737	5,280	9.3%	238,008	11.4%	-41,739	5,280	\$20.27
2019 Q4	2,563,737	0	9.3%	237,685	10.7%	323	0	\$19.98
2020 Q1	2,563,737	0	9.4%	240,106	10.8%	-2,421	0	\$20.04
2020 Q2	2,573,137	9,400	7.2%	185,346	9.3%	64,160	9,400	\$20.03
8 Quarter Average			8.0%	205,429	11.1%	-2,064	2,398	\$20.43
4 Quarter Average			8.8%	225,286	10.6%	5,081	3,670	\$20.08

Source: CoStar Group - Note: includes leasable and owner-occupied space

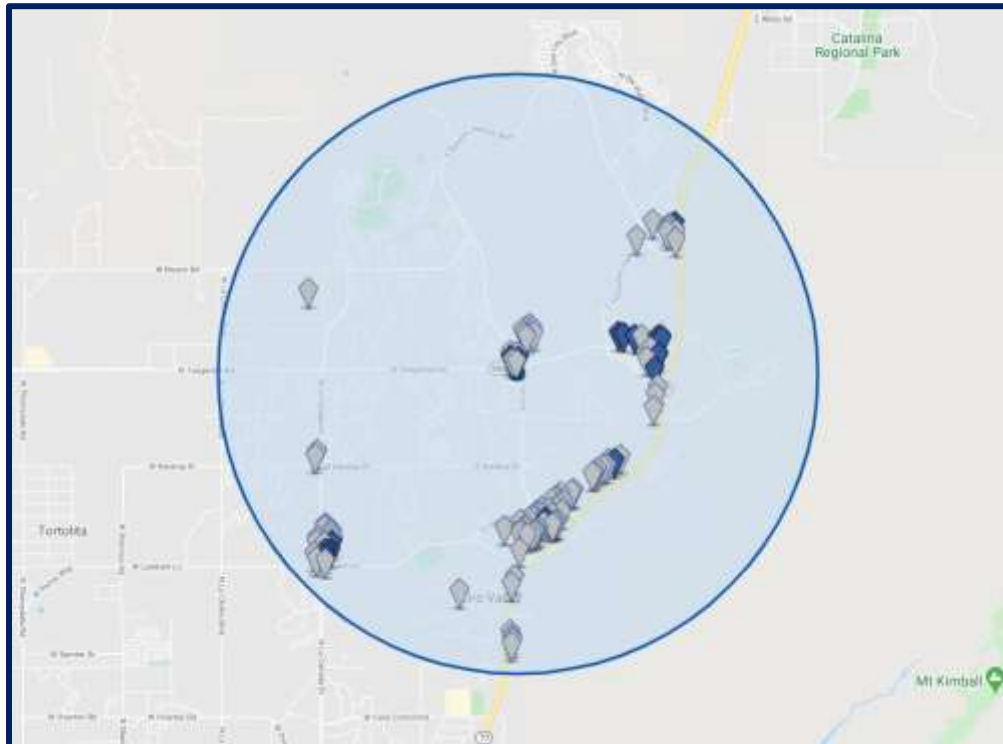
North / Oro Valley Retail Submarket Vacancy / Availability Rate



North / Oro Valley Retail Submarket Asking Rent



3 MILE RADIUS MAP



SHOPPING CENTER MAP



3 Mile Radius Retail Sector Vacancy / Availability Rate



3 Mile Radius Retail Sector Asking Rent



3 Mile Radius Retail Sector

Period	Leaseable SF	Change in Inventory	Vacancy Rate	Vacant SF	Avail. Rate	Net Absorption	SF Delivered	Quoted Rates
Annual Trend								
2009	1,757,333	7,028	11.4%	200,616	11.7%	7,943	7,028	\$26.28
2010	1,773,553	16,220	10.1%	179,596	10.1%	37,240	16,220	\$23.47
2011	1,782,569	9,016	10.4%	186,056	10.4%	2,556	9,016	\$23.07
2012	1,789,469	6,900	9.2%	165,353	9.8%	27,603	6,900	\$20.31
2013	1,789,469	0	8.3%	147,979	10.7%	17,374	0	\$19.20
2014	1,816,783	27,314	7.1%	128,339	9.9%	46,954	27,314	\$19.47
2015	1,816,783	0	7.6%	137,790	10.0%	-9,451	0	\$18.09
2016	1,844,540	27,757	7.1%	130,181	11.1%	35,366	27,757	\$21.56
2017	1,862,403	17,863	7.3%	136,725	11.3%	11,319	17,863	\$19.98
2018	1,866,903	4,500	6.8%	127,652	10.7%	13,573	4,500	\$21.74
2019	1,866,903	0	8.7%	163,202	9.2%	-35,550	0	\$20.33
Quarterly Trend								
2018 Q3	1,862,403	0	7.0%	129,720	10.6%	-4,901	0	\$19.84
2018 Q4	1,866,903	4,500	6.8%	127,652	10.7%	6,568	4,500	\$21.74
2019 Q1	1,866,903	0	6.8%	126,029	10.9%	1,623	0	\$20.24
2019 Q2	1,866,903	0	6.3%	118,084	10.2%	7,945	0	\$20.32
2019 Q3	1,866,903	0	8.8%	165,103	9.4%	-47,019	0	\$20.32
2019 Q4	1,866,903	0	8.7%	163,202	9.2%	1,901	0	\$20.33
2020 Q1	1,866,903	0	9.1%	170,253	8.6%	-7,051	0	\$22.03
2020 Q2	1,876,303	9,400	6.0%	113,493	6.3%	66,160	9,400	\$21.76
8 Quarter Average			7.4%	139,192	9.5%	3,153	1,738	\$20.82
4 Quarter Average			8.2%	153,013	8.4%	3,498	2,350	\$21.11

Source: CoStar Group - Note: includes leasable and owner-occupied space

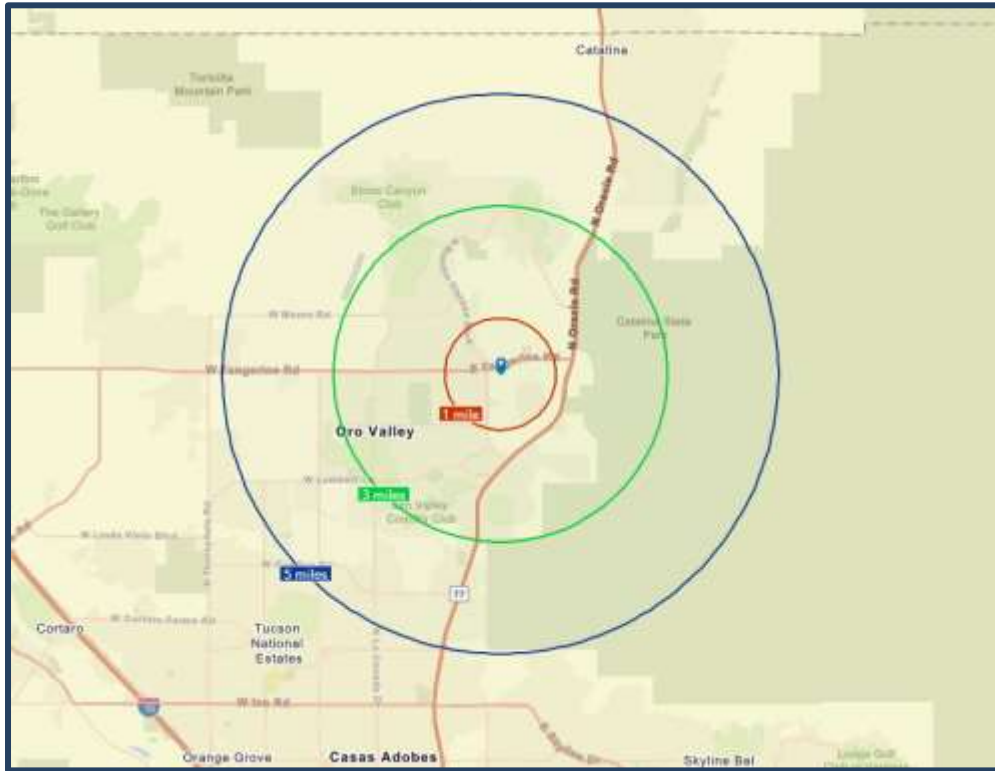
- The subject located in the south-central portion of the North / Oro Valley Retail submarket, which makes up approximately 4.6% of the overall Tucson market. The 3-mile radius comprises about 72.9% of the submarket and 3.4% of the overall market.

- Speculative construction is not yet active because rents have not reached feasibility. Moreover, significant vacancies are in the nearby Oro Valley Marketplace.
- Recent additions have been for owner occupancy or build-to-suit for credit tenants. The two submarket additions in 2020 (both of which are also within the 3-mile radius) include the 2,900 square foot Dutch Bros coffee at 9730 N Oracle Road, and the 6,500 square foot freestanding retail space owner occupied by Dunn Edwards Paints. The 2019 submarket addition (outside the 3-mile radius) was a 5,280 square foot, build-to suit, freestanding retail building leased to AutoZone.
- Vacancies have vacillated, though generally decreased. Each data set showed increases in the year end vacancy in 2019. However, both the submarket and 3-mile sector have current vacancy rates are below the year end 2019 figures. All three areas have a current vacancy rate below their respective 10-year averages. While, of the three, only the metro market is displaying a current vacancy above its three- and five-year average, suggesting the submarket area is somewhat better situated to retain and attract tenants than the market overall.
- Asking rents have historically been the lowest in the overall market, higher in the submarket, and highest in the 3-mile radius sector due to inventory age. The current rate in the metro market is \$15.06, while the submarket is \$20.03 (or 33.0% above the metro rate), and the 3-mile sector is \$21.76 (or 44.5% above the metro rate). All three peaked in 2009, at \$17.11 in the market, \$25.06 in the submarket, and \$26.28 in the 3-mile sector. The current rates are below their respective sector's peak by 12.0% in the metro area, 20.1% in the submarket, and 17.2% in the 3-mile radius.
- Absorption has generally been positive in the last 10 years in each sector. The limited inventory additions have generally caused the absorption of existing space, and the current risk of overbuilding is slim.
- Local brokers forecast the need for significant increases in rental rates to support new speculative construction.
- Brokers report cap rates mostly in the 7 to 8% range, with few investor sales because most of the demand is for owner-users.
- At a national level, in the last couple years the retail market has been experiencing the so-called 'retailpocalypse' as retailers rethink their strategies amid the rise of e-commerce and the change in spending trends. The current coronavirus pandemic is exacerbating these existing trends, and analysts suggest that the ones who will be affected the least (or recover the most quickly) are those retailers that can adapt. Current adaptive strategies or opportunities are: 1) housing Amazon fulfillment centers in big box chain stores becoming vacant due to bankruptcies (such as JC Penny's and Sears); 2) converting big box space (such as Macy's or Sears) into medical complex space; 3) shifting retail shopping center focus on diversified and experience-oriented offerings that include casual dining, entertainment and a mix of retailers and activity options; 4) redeveloping metro shopping centers with mixed-use, live/work/play environments; 5) downsizing individual store footprints, advancing each retailer's e-commerce options and omni-channel sales (such as buy online, pick up in store, and ship from store); and

- 6) maximizing exposure by choosing key locations in high traffic areas, which are often adaptive, mixed-use shopping centers.

Leakage Analysis

Leakage analysis compares potential sales based on area household demand against actual area sales. We have considered supply and demand of retail trade and food and drink establishments within three miles of the subject as depicted on the following map.



The data is tabulated below and reveals there is leakage of sales to businesses outside the area. The three-mile area around the subject is underserved by all except grocery stores, health & personal care stores, shoe stores, and department stores. There is unmet demand for retailers proximate to the subject site. Demand would normally increase, since the subject is in the path of growth and new home building is ongoing. However, age cohorts set forth in the apartment market sector reveal declining population segments responsible for the greatest consumption. Moreover, the population density is low, falling precipitously east of Oracle Road due to publicly owned open space, and a key reason for the struggles at the Oro Valley Marketplace.

Retail Leakage Analysis (In Millions of Dollars)

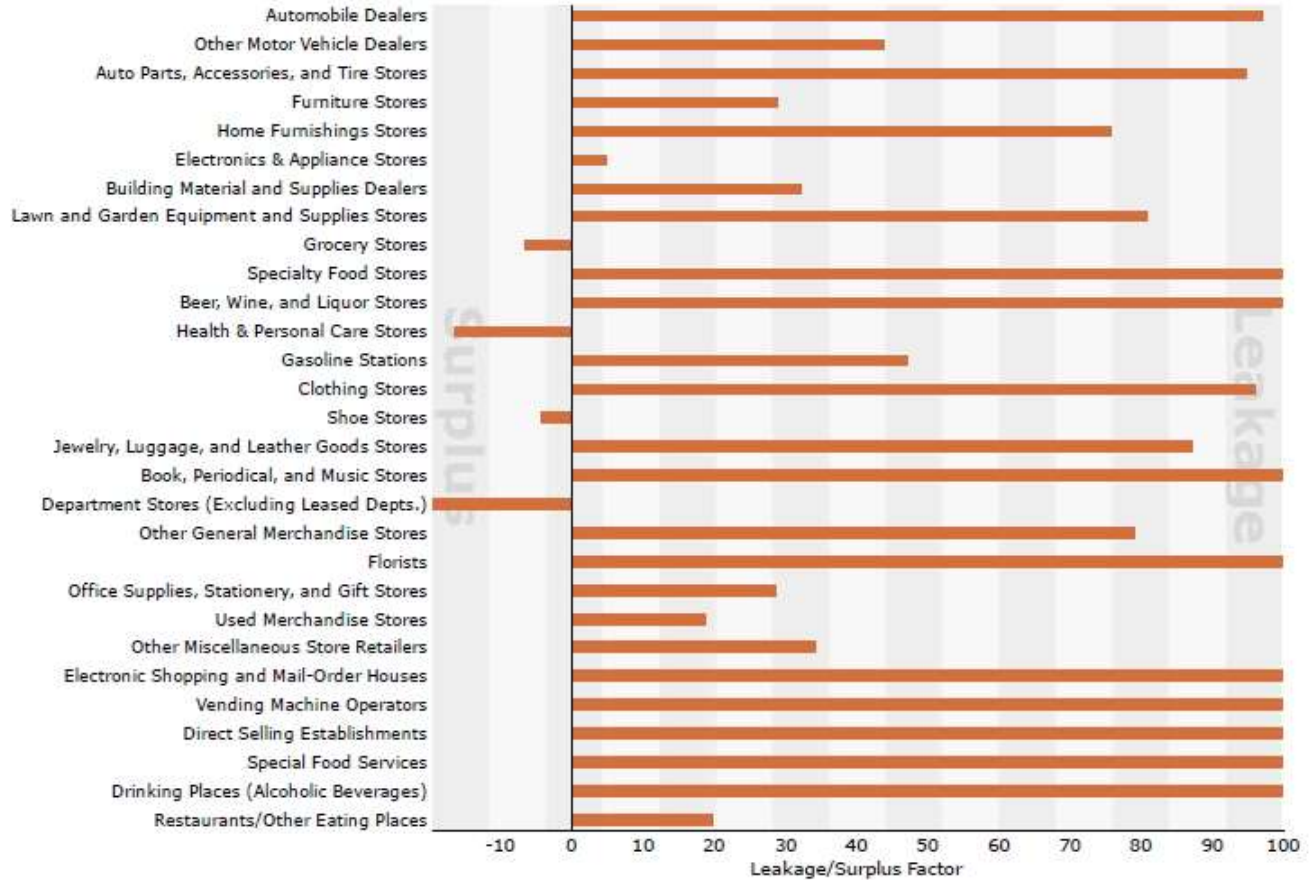
Radius	1 Mile			3 Mile			5 Mile		
Industry Summary	Supply (Sales)	Demand (Potential)	Gap (Diff.)	Supply (Sales)	Demand (Potential)	Gap (Diff.)	Supply (Sales)	Demand (Potential)	Gap (Diff.)
Total Retail Trade and Food & Drink	\$99.39	\$71.08	(\$28.31)	\$410.33	\$655.38	\$245.05	\$486.91	\$997.85	\$510.93
Total Retail Trade	\$87.56	\$64.21	(\$23.36)	\$369.06	\$590.97	\$221.91	\$432.14	\$900.22	\$468.08
Total Food & Drink	\$11.83	\$6.87	(\$4.95)	\$41.26	\$64.41	\$23.15	\$54.77	\$97.63	\$42.86

Positive figures (leakage) indicate sales to households in the area by business out of the area

Negative figures (surplus) indicate sales to households out of the area by businesses in the area

Source: STDBOnline - 2017 Retail MarketPlace Profile, with ESRI 2020 Updated Demographics

Three Mile Data Graphs



Source: Esri and Infogroup. Esri 2020 Updated Demographics. Esri 2017 Retail MarketPlace. ©2020 Esri. ©2017 Infogroup, Inc. All rights reserved.

Subject Market Position - Retail

Strengths

- Path of growth area
- High occupancies in the two closest centers
- Above average buying power

Weaknesses

- Obstructed off-corner site is fatal to this use.
- Better located parcels with better exposure are nearby.

Opportunities

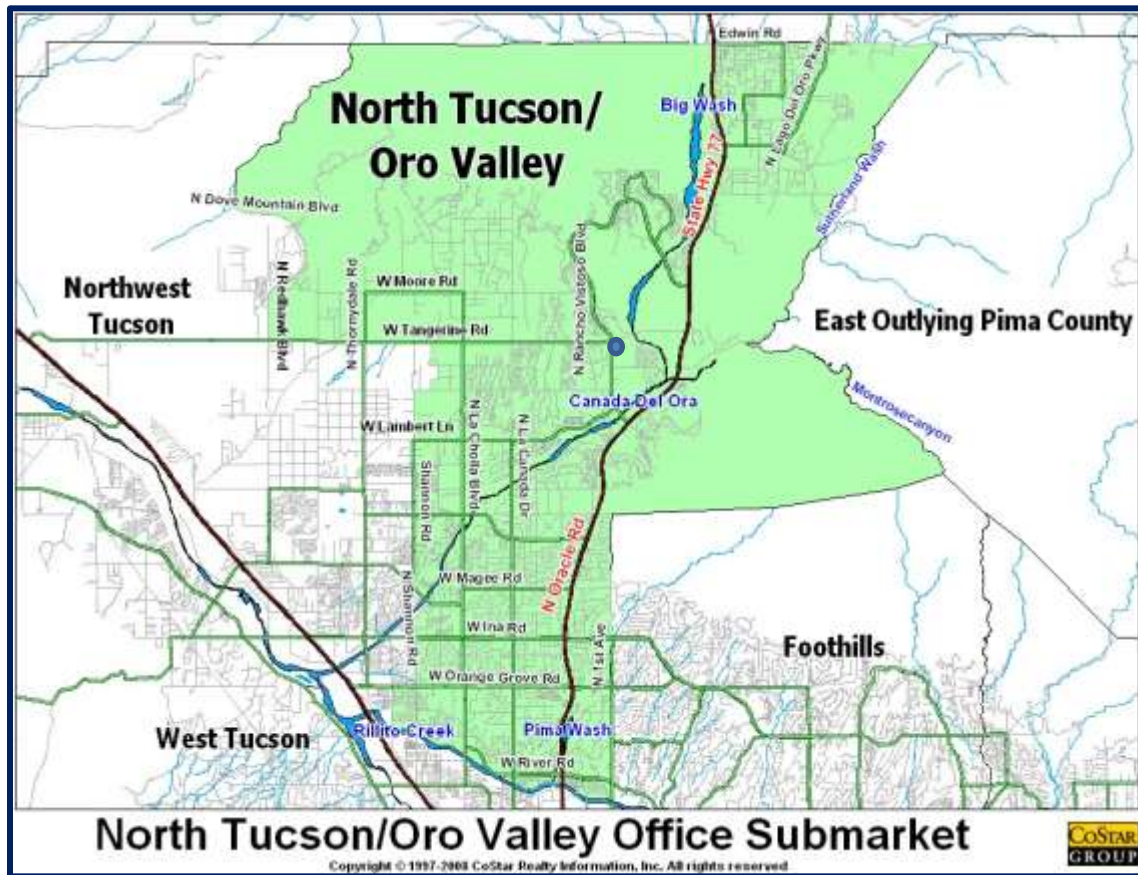
- Different complimentary use is less risky and balances land use.

Threats

- Unsuccessful commercial is unoccupied and cannibalizes or stigmatizes the area.
- Insufficient population to support the use on a tertiary site.

Office Market

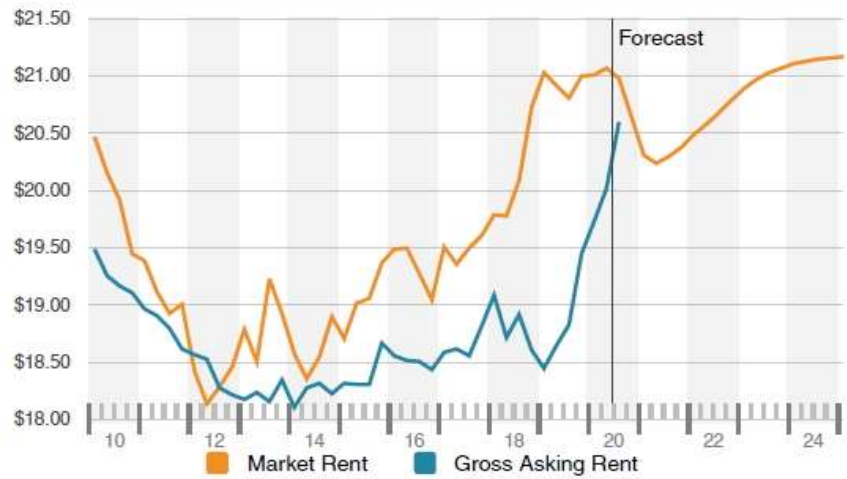
SUBMARKET MAP



Metro Tucson Office Market Vacancy / Availability Rate



Metro Tucson Office Market Asking Rent



Metro Tucson Office Market

Period	Leaseable SF	Change in Inventory	Vacancy Rate	Vacant SF	Avail. Rate	Net Absorption	SF Delivered	Quoted Rates
Annual Trend								
2009	25,186,170	384,450	10.2%	2,576,816	11.5%	268,995	384,450	\$19.13
2010	25,303,480	117,310	10.8%	2,729,342	11.9%	-35,216	117,310	\$18.82
2011	25,672,783	369,303	10.6%	2,723,778	11.8%	374,867	369,303	\$18.26
2012	25,866,250	193,467	11.2%	2,888,359	13.1%	28,886	193,467	\$18.02
2013	25,885,058	18,808	11.6%	2,991,787	13.4%	-84,620	18,808	\$18.17
2014	26,476,189	591,131	10.9%	2,886,062	13.2%	696,856	591,131	\$18.19
2015	26,543,411	67,222	10.9%	2,893,600	13.1%	59,684	67,222	\$18.61
2016	26,679,861	136,450	9.8%	2,603,674	12.3%	426,376	136,450	\$18.58
2017	26,714,342	34,481	8.1%	2,165,083	10.3%	473,072	34,481	\$18.93
2018	26,867,810	153,468	8.0%	2,145,064	10.8%	173,487	153,468	\$18.57
2019	27,843,188	975,378	8.7%	2,424,582	11.5%	695,860	975,378	\$18.73
Quarterly Trend								
2018 Q3	26,852,858	57,516	7.8%	2,102,881	10.2%	70,661	57,516	\$18.93
2018 Q4	26,867,810	14,952	8.0%	2,145,064	10.8%	-27,231	14,952	\$18.57
2019 Q1	27,072,810	205,000	7.9%	2,142,606	10.9%	207,458	205,000	\$18.61
2019 Q2	27,603,110	530,300	8.4%	2,307,454	11.5%	365,452	530,300	\$18.79
2019 Q3	27,809,847	206,737	8.2%	2,284,361	10.8%	229,830	206,737	\$18.93
2019 Q4	27,843,188	33,341	8.7%	2,424,582	11.5%	-106,880	33,341	\$18.73
2020 Q1	27,888,273	45,085	9.1%	2,537,391	11.7%	-67,724	45,085	\$18.82
2020 Q2	27,916,273	28,000	9.3%	2,593,537	11.6%	-28,146	28,000	\$18.83
8 Quarter Average			8.4%	2,317,235	11.1%	80,428	140,116	\$18.78
4 Quarter Average			8.8%	2,459,968	11.4%	6,770	78,291	\$18.83

Source: CoStar Group - Note: includes leasable and owner-occupied space

North Tucson / Oro Valley Office Submarket

Period	Leaseable SF	Change in Inventory	Vacancy Rate	Vacant SF	Avail. Rate	Net Absorption	SF Delivered	Quoted Rates
Annual Trend								
2009	3,429,601	184,551	15.1%	516,586	15.3%	115,283	184,551	\$19.62
2010	3,438,751	9,150	13.7%	472,531	14.6%	53,205	9,150	\$19.72
2011	3,508,794	70,043	12.6%	442,457	12.8%	100,117	70,043	\$19.57
2012	3,523,541	14,747	10.8%	380,512	12.4%	76,692	14,747	\$18.26
2013	3,526,528	2,987	10.4%	367,028	12.3%	16,471	2,987	\$19.03
2014	3,545,218	18,690	10.1%	357,256	12.7%	28,462	18,690	\$19.42
2015	3,551,429	6,211	11.0%	390,688	12.9%	-27,221	6,211	\$19.49
2016	3,635,529	84,100	10.9%	394,847	12.0%	79,941	84,100	\$19.55
2017	3,635,529	0	10.4%	377,577	11.7%	17,270	0	\$19.12
2018	3,665,496	29,967	8.0%	294,047	9.8%	113,497	29,967	\$20.25
2019	3,675,001	9,505	7.6%	280,722	9.0%	22,830	9,505	\$20.48
Quarterly Trend								
2018 Q3	3,650,544	15,015	7.9%	288,668	9.7%	42,869	15,015	\$19.61
2018 Q4	3,665,496	14,952	8.0%	294,047	9.8%	9,573	14,952	\$20.25
2019 Q1	3,665,496	0	7.4%	271,219	9.5%	22,828	0	\$20.05
2019 Q2	3,665,496	0	7.4%	272,661	9.9%	-1,442	0	\$20.23
2019 Q3	3,672,233	6,737	7.7%	283,139	9.5%	-3,741	6,737	\$20.41
2019 Q4	3,675,001	2,768	7.6%	280,722	9.0%	5,185	2,768	\$20.48
2020 Q1	3,675,001	0	7.5%	276,525	8.4%	4,197	0	\$20.58
2020 Q2	3,703,001	28,000	7.6%	281,614	8.8%	22,911	28,000	\$20.67
8 Quarter Average			7.6%	281,074	9.3%	12,798	8,434	\$20.29
4 Quarter Average			7.6%	280,500	8.9%	7,138	9,376	\$20.54

Source: CoStar Group - Note: includes leasable and owner-occupied space

North Tucson / Oro Valley Office Submarket Vacancy / Availability Rate



The chart displays two data series: Market Rent (orange line) and Gross Asking Rent (teal line) from 2010 to 2024. The Y-axis represents rent in dollars, ranging from \$18.00 to \$25.00 in increments of \$1.00. The X-axis represents years from 2010 to 2024. A vertical line at 2020 indicates the start of the forecast period. Market Rent shows a general upward trend with significant fluctuations, peaking around 2015 and 2020. Gross Asking Rent shows a more stable trend, generally staying below Market Rent.

Year	Market Rent (\$)	Gross Asking Rent (\$)
2010	21.2	19.6
2011	20.8	20.1
2012	19.4	19.4
2013	20.5	19.5
2014	21.2	19.6
2015	23.0	19.5
2016	20.8	19.4
2017	20.6	19.4
2018	21.8	19.9
2019	22.8	20.6
2020	23.0	20.8
2021	22.2	20.6
2022	22.8	20.8
2023	23.0	21.0
2024	23.2	21.2

A map of the northern part of the city of Toronto, Canada. A large blue circle highlights the study area, which is centered around the area between Midland Ave and Bayview Ave, and between Finch Ave and Cummer St. The map shows various streets, including Midland Ave, Bayview Ave, Finch Ave, Cummer St, and others. Several house icons are placed on the map, representing the locations of the study sites. Some icons are blue, and others are grey. The map also shows the location of the study area relative to the city of Toronto and the surrounding areas, including the location of the study area relative to the city of Toronto and the surrounding areas.

3 Mile Radius Office Sector

Period	Leaseable SF	Change in Inventory	Vacancy Rate	Vacant SF	Avail. Rate	Net Absorption	SF Delivered	Quoted Rates
Annual Trend								
2009	709,963	26,800	8.7%	61,813	9.3%	-4,963	26,800	\$18.18
2010	715,617	5,654	7.8%	56,077	8.2%	11,390	5,654	\$16.39
2011	719,617	4,000	6.9%	49,538	7.8%	10,539	4,000	\$16.10
2012	719,617	0	4.2%	30,545	4.8%	18,993	0	\$15.57
2013	722,604	2,987	4.1%	29,650	5.9%	3,882	2,987	\$17.00
2014	733,044	10,440	5.2%	38,068	7.7%	2,022	10,440	\$18.25
2015	733,044	0	4.5%	33,237	6.4%	4,831	0	\$17.25
2016	800,144	67,100	5.7%	45,357	5.9%	54,980	67,100	\$22.57
2017	800,144	0	6.6%	52,560	7.9%	-7,203	0	\$22.14
2018	800,144	0	4.4%	34,984	5.1%	17,576	0	\$22.32
2019	800,144	0	3.7%	29,250	3.4%	5,734	0	\$23.14
Quarterly Trend								
2018 Q3	800,144	0	5.6%	44,669	6.3%	5,079	0	\$22.09
2018 Q4	800,144	0	4.4%	34,984	5.1%	9,685	0	\$22.32
2019 Q1	800,144	0	3.4%	27,039	3.9%	7,945	0	\$21.97
2019 Q2	800,144	0	3.4%	27,047	3.8%	-8	0	\$22.02
2019 Q3	800,144	0	3.5%	27,994	3.7%	-947	0	\$22.30
2019 Q4	800,144	0	3.7%	29,250	3.4%	-1,256	0	\$23.14
2020 Q1	800,144	0	4.2%	33,549	2.7%	-4,299	0	\$23.02
2020 Q2	800,144	0	5.2%	41,332	3.8%	-7,783	0	\$22.87
8 Quarter Average			4.2%	33,233	4.1%	1,052	0	\$22.47
4 Quarter Average			4.2%	33,031	3.4%	-3,571	0	\$22.83

Source: CoStar Group - Note: includes leasable and owner-occupied space

3 Mile Radius Office Sector Vacancy / Availability Rate



3 Mile Radius Office Sector Asking Rent



- The subject located in the central portion of the North Tucson / Oro Valley Office submarket, which makes up approximately 13.3% of the overall Tucson market. The 3-mile radius comprises about 21.6% of the submarket and 2.9% of the overall market.
- Speculative construction is not yet active because rents have not reached feasibility.
- Recent additions have been for owner occupancy or build-to-suit for credit tenants. Of the 67,472 square feet added to the submarket since Q3 2018, only 5,108 square feet had been general office, while the remainder has been medical office. There have been no additions to the office inventory in the 3-mile radius since 2016.
- Up until recently (Q1, COVID-19), vacancies were generally decreasing, while rents were generally increasing. The metro vacancy rate is skewed by the addition to the inventory of the full Pima Medical Institute Campus at Grant and Craycroft Roads, while the bulk of the project has not yet been built. The 3-mile radius has historically held lower vacancies than the submarket and the overall market.
- Asking rents have historically been the lowest in the overall market, higher in the submarket, and highest in the 3-mile radius sector (the latter, since 2016) due to younger age of the inventory. The current rate in the metro market is \$18.83, while the submarket is \$20.67 (a new peak, and 8.9% above the metro rate), and the 3-mile sector is \$22.87 (or 17.7% above the metro rate). The metro rate peaked in 2009, at \$19.13; the current submarket rate is the new peak; and the three-mile radius peaked in 2019, at \$23.14. The current rates are below their respective sector's peak by 1.6% in the metro area, 0% in the submarket, and 1.2% in the 3-mile radius.
- Absorption has generally been positive in the last 10 years in each sector. The limited inventory additions have generally caused the absorption of existing space, and the current risk of overbuilding is slim.
- Local brokers forecast the need for significant increases in rental rates to support new speculative construction.

- Brokers report cap rates mostly in the 7.5% to 8.5% range, with few investor sales because most of the demand is for owner-users.
- At a national level, the shutdowns in response to the coronavirus pandemic have caused a number of companies to have their employees work remotely. CoStar analysts say that while many workers find their productivity while working remotely comparable to that of being in an office, others are seeking alternative spaces to remove themselves from the distractions of their home environment. As companies seek to capitalize on this shift, some have started to re-envision former proposed retail space and adapt it to a more mixed-use office or co-working space with adequate room for social distancing. Additionally, some hoteliers are offering rooms for personal office day use, or for small meetings. Offices best-situated to weather the pandemic are low-rise structures with a heavy emphasis on outdoor space, where people can easily avoid elevators and higher population density.
 - Per a CoStar article published on August 12, 2020, following this remote work trend, retailer REI just listed its brand new corporate office building for sale. The five-story, 320,000-square-foot facility had been in the works since 2016, and was finished before the pandemic (but never occupied). It was designed with the goal of consolidating the five office spaces they had in the Puget Sound area (with 1,400 employees) into one building meant to blend both indoor and outdoor space. Now, rethinking strategy amid the pandemic while much of their staff has been working from home, the company has decided to take a "less centralized approach to its headquarters presence in the Seattle area," adding that its corporate workforce will in the future be spread out through "multiple locations across the region" and that it would also "lean into remote working as an engrained, supported, and normalized model for headquarters employees." This, they claim, will decrease their overall carbon footprint, allow them to tap into talent from multiple areas across the country, without cost to productivity.
 - For speculative office development occurring in larger markets with greater office demand, focus has been placed on elements such as: 1) direct access from the exterior; 2) more access to outdoor spaces (such as rooftop conference space, outdoor courtyards, open-air pocket gardens, or rooftop sky gardens); 3) state of the art HVAC systems; 4) touchless access points and the opportunity for outside air flow; 5) other mixed-use options that cater to the live/work/play environment; and 6) higher ceilings designed to give a more airy, contemporary vibe.

Subject Market Position - Office

Strengths

- Declining vacancy and rising rents until COVID-19
- Above-average buying power

Weaknesses

- Tepid absorption over time, excepting 2014 and 2019
- Better located parcels nearby and on Oracle Road

Opportunities

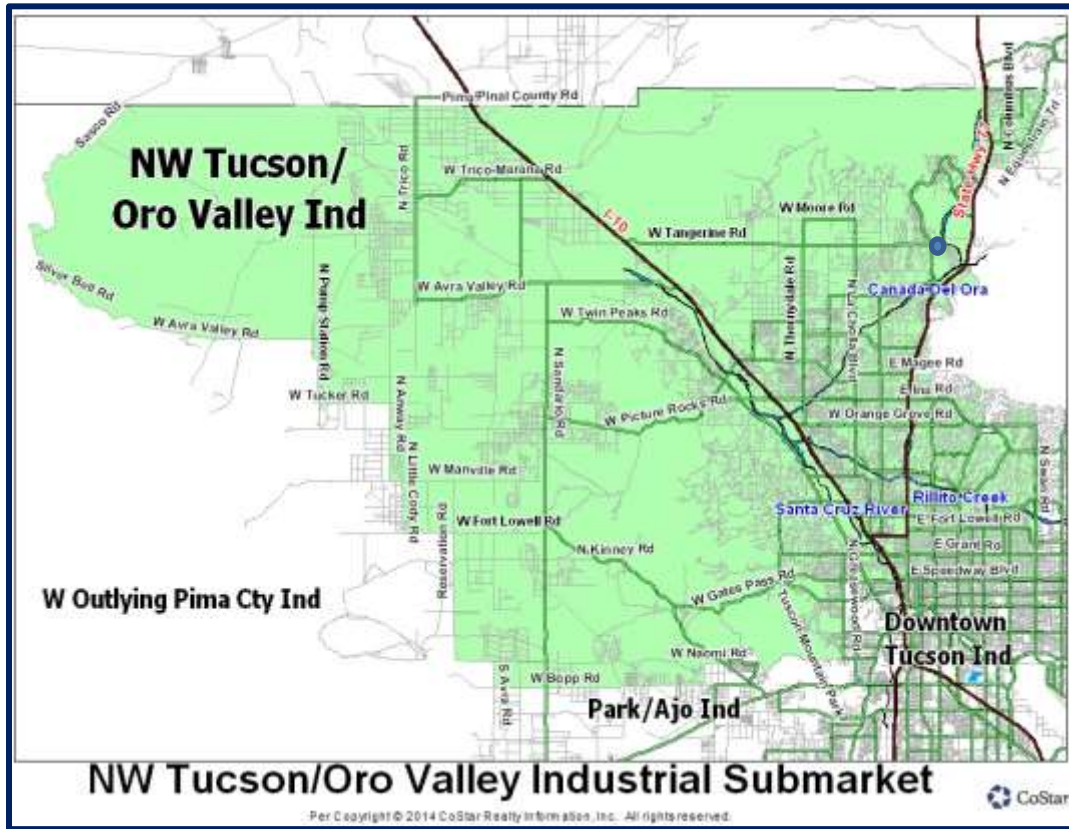
- Limited inventory adaptable to a post COVID-19 design

Threats

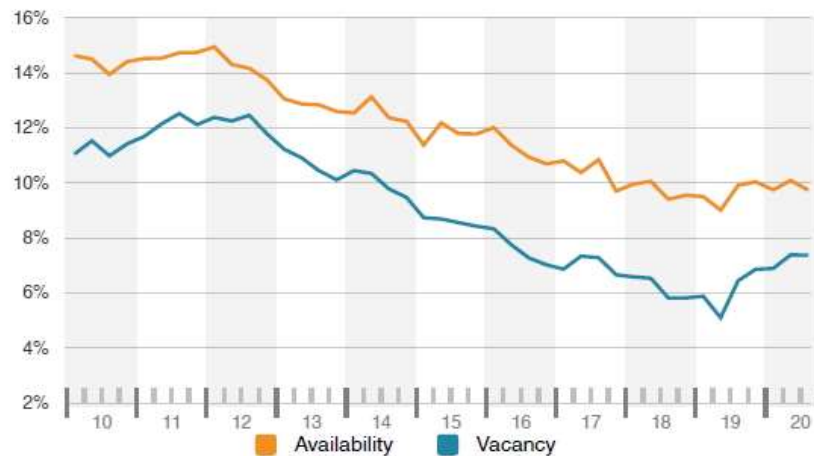
- Absorption risk is high and rents are too low for speculative development.
- Design changes demanded in the market are not recognized/implemented, which accelerates obsolescence.

Industrial Market

SUBMARKET MAP



Metro Tucson Industrial Market Vacancy / Availability Rate



Metro Tucson Industrial Market Asking Rent



Metro Tucson Industrial Market

Period	Leaseable SF	Change in Inventory	Vacancy Rate	Vacant SF	Avail. Rate	Net Absorption	SF Delivered	Quoted Rates
Annual Trend								
2009	40,925,804	556,318	11.1%	4,530,360	14.6%	123,583	556,318	\$6.85
2010	40,982,525	56,721	11.4%	4,670,932	14.4%	-83,851	56,721	\$6.37
2011	41,113,050	130,525	12.1%	4,973,239	14.7%	-171,782	130,525	\$6.13
2012	41,299,804	186,754	11.8%	4,859,758	13.7%	300,235	186,754	\$5.87
2013	41,340,319	40,515	10.1%	4,172,063	12.6%	728,210	40,515	\$6.08
2014	41,443,798	103,479	9.4%	3,915,855	12.2%	359,687	103,479	\$6.39
2015	41,730,896	287,098	8.4%	3,507,952	11.8%	695,001	287,098	\$6.91
2016	42,774,755	1,043,859	7.0%	2,995,093	10.7%	1,556,718	1,043,859	\$6.66
2017	42,886,201	111,446	6.6%	2,847,009	9.7%	259,530	111,446	\$6.26
2018	43,193,167	306,966	5.8%	2,504,551	9.5%	649,424	306,966	\$6.07
2019	44,543,501	1,350,334	6.8%	3,046,880	10.0%	808,005	1,350,334	\$6.54
Quarterly Trend								
2018 Q3	43,193,167	0	5.8%	2,502,848	9.4%	310,855	0	\$6.18
2018 Q4	43,193,167	0	5.8%	2,504,551	9.5%	-1,703	0	\$6.07
2019 Q1	43,193,167	0	5.9%	2,531,483	9.5%	-26,932	0	\$6.10
2019 Q2	44,100,067	906,900	5.1%	2,241,083	9.0%	1,197,300	906,900	\$6.26
2019 Q3	44,386,501	286,434	6.4%	2,852,693	9.9%	-325,176	286,434	\$6.39
2019 Q4	44,543,501	157,000	6.8%	3,046,880	10.0%	-37,187	157,000	\$6.54
2020 Q1	44,543,501	0	6.9%	3,059,967	9.7%	-13,087	0	\$6.35
2020 Q2	44,543,501	0	7.4%	3,279,504	10.1%	-219,537	0	\$6.41
8 Quarter Average			6.3%	2,752,376	9.6%	110,567	168,792	\$6.29
4 Quarter Average			6.9%	3,059,761	9.9%	-148,747	110,859	\$6.42

Source: CoStar Group - Note: includes leaseable and owner-occupied space

Northwest Tucson / Oro Valley Industrial Market

Period	Leaseable SF	Change in Inventory	Vacancy Rate	Vacant SF	Avail. Rate	Net Absorption	SF Delivered	Quoted Rates
Annual Trend								
2009	9,618,125	118,549	8.4%	810,673	11.1%	272,420	118,549	\$6.00
2010	9,636,172	18,047	8.1%	783,441	10.8%	45,279	18,047	\$6.91
2011	9,706,172	70,000	8.7%	843,645	11.1%	9,796	70,000	\$6.80
2012	9,712,673	6,501	8.8%	851,255	10.3%	-1,109	6,501	\$6.77
2013	9,719,174	6,501	6.5%	629,023	8.5%	228,733	6,501	\$6.89
2014	9,729,174	10,000	5.0%	485,951	7.4%	153,072	10,000	\$7.28
2015	9,789,174	60,000	5.0%	486,654	7.4%	59,297	60,000	\$7.01
2016	9,804,532	15,358	4.1%	404,557	6.5%	97,455	15,358	\$7.52
2017	9,892,068	87,536	2.9%	287,483	4.9%	204,610	87,536	\$7.60
2018	9,892,068	0	2.6%	254,366	5.3%	33,117	0	\$7.77
2019	9,900,868	8,800	2.8%	273,938	5.7%	-10,772	8,800	\$7.91
Quarterly Trend								
2018 Q3	9,892,068	0	2.8%	276,334	5.5%	8,586	0	\$8.25
2018 Q4	9,892,068	0	2.6%	254,366	5.3%	21,968	0	\$7.77
2019 Q1	9,892,068	0	3.5%	350,563	6.1%	-96,197	0	\$7.72
2019 Q2	9,892,068	0	3.2%	316,986	5.6%	33,577	0	\$7.68
2019 Q3	9,900,868	8,800	4.4%	432,792	6.3%	-107,006	8,800	\$7.54
2019 Q4	9,900,868	0	2.8%	273,938	5.7%	158,854	0	\$7.91
2020 Q1	9,900,868	0	3.1%	302,078	4.2%	-28,140	0	\$7.52
2020 Q2	9,900,868	0	3.3%	323,615	4.4%	-21,537	0	\$7.69
8 Quarter Average			3.2%	316,334	5.4%	-3,737	1,100	\$7.76
4 Quarter Average			3.4%	333,106	5.2%	543	2,200	\$7.67

Source: CoStar Group - Note: includes leasable and owner-occupied space

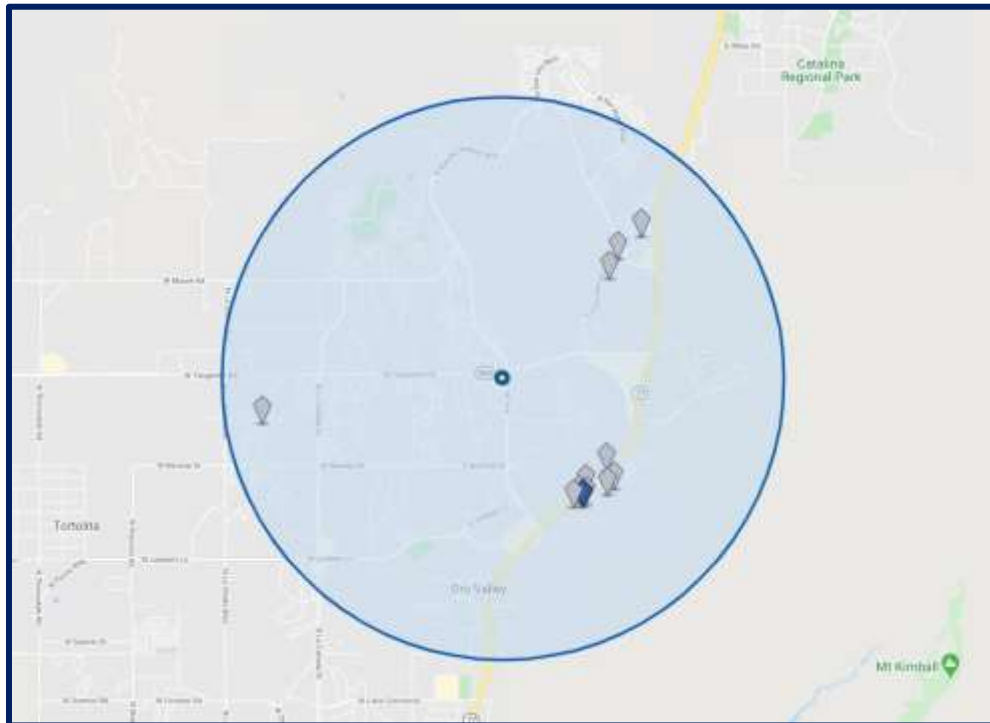
Northwest Tucson / Oro Valley Industrial Submarket Vacancy / Availability Rate



Northwest Tucson / Oro Valley Industrial Submarket Asking Rent



3 MILE RADIUS INDUSTRIAL MAP

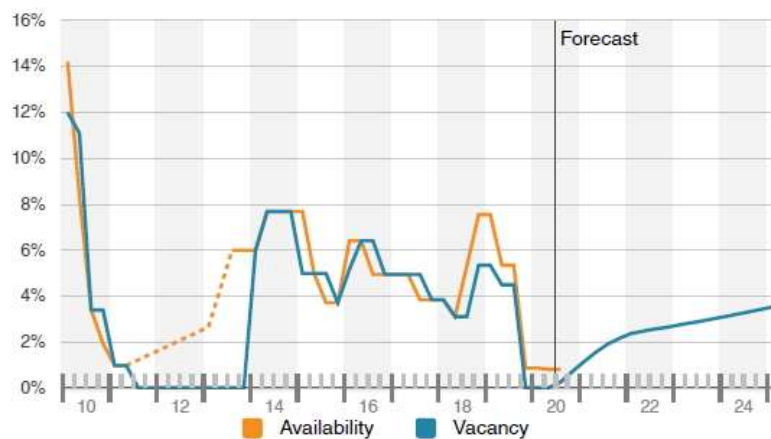


3 Mile Radius Industrial Sector

Period	Leaseable SF	Change in Inventory	Vacancy Rate	Vacant SF	Avail. Rate	Net Absorption	SF Delivered	Quoted Rates
Annual Trend								
2009	548,688	0	7.8%	42,919	7.8%	-	0	\$12.33
2010	548,688	0	3.4%	18,513	1.9%	24,406	0	\$10.04
2011	548,688	0	0.0%	-	-	-	0	\$13.20
2012	548,688	0	0.0%	-	-	-	0	-
2013	548,688	0	0.0%	-	6.0%	-	0	\$10.20
2014	548,688	0	7.7%	42,012	7.7%	-	0	\$10.83
2015	548,688	0	3.7%	20,267	3.7%	21,745	0	\$10.26
2016	548,688	0	4.9%	27,010	4.9%	-6,743	0	\$10.64
2017	548,688	0	3.8%	20,978	3.8%	6,032	0	\$10.66
2018	548,688	0	5.3%	29,204	7.5%	-8,226	0	\$9.30
2019	548,688	0	0.0%	-	0.9%	-	0	\$9.64
Quarterly Trend								
2018 Q3	548,688	0	3.1%	16,939	5.3%	3	0	\$10.27
2018 Q4	548,688	0	5.3%	29,204	7.5%	-12,265	0	\$9.30
2019 Q1	548,688	0	5.3%	29,204	7.5%	0	0	\$9.64
2019 Q2	548,688	0	4.5%	24,530	5.3%	4,674	0	\$9.64
2019 Q3	548,688	0	4.5%	24,530	5.3%	0	0	\$9.64
2019 Q4	548,688	0	0.0%	-	0.9%	-	0	\$9.64
2020 Q1	548,688	0	0.0%	-	0.9%	-	0	\$9.00
2020 Q2	548,688	0	0.0%	-	0.8%	-	0	\$9.00
8 Quarter Average			2.8%	24,881	4.2%	-1,518	0	\$9.52
4 Quarter Average			1.1%	24,530	2.0%	0	0	\$9.32

Source: CoStar Group - Note: includes leasable and owner-occupied space

3 Mile Radius Industrial Sector Vacancy / Availability Rate



3 Mile Radius Industrial Sector Asking Rent

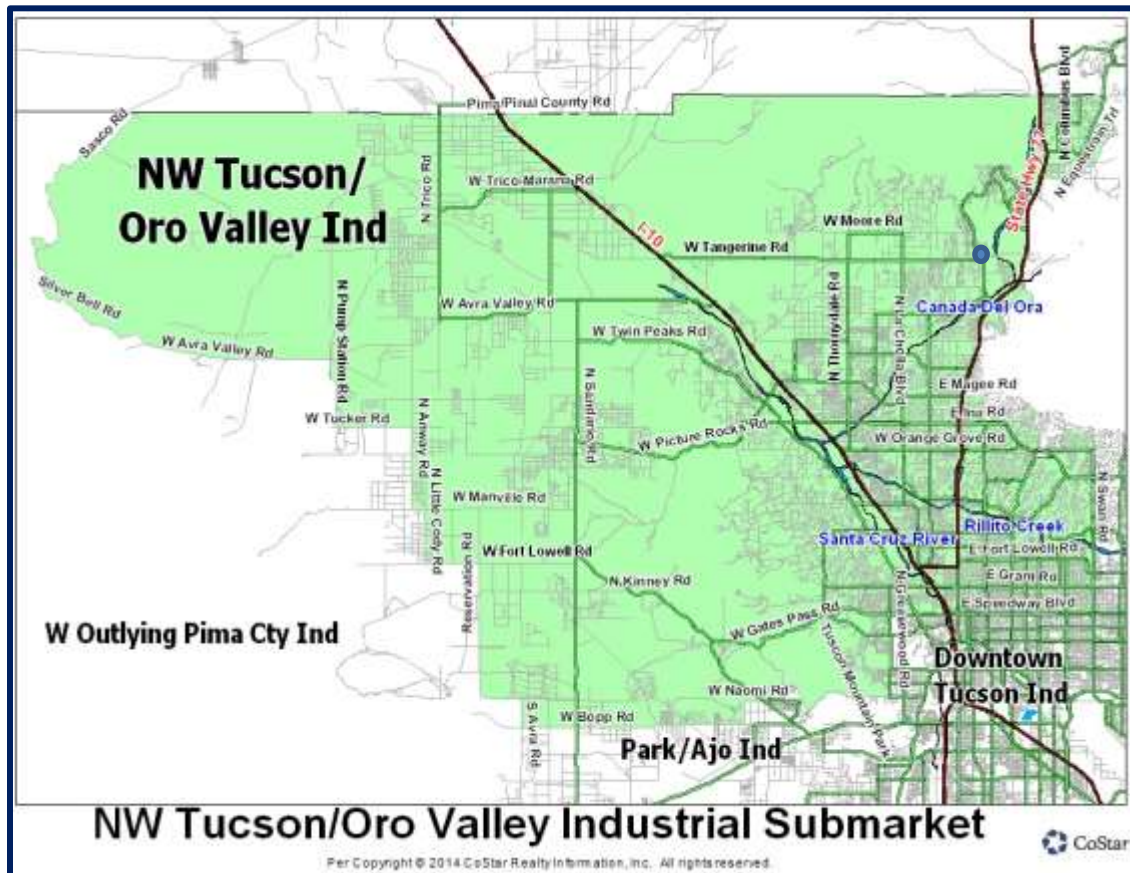


- The subject is on the northeastern quadrant of the Northwest Tucson / Oro Valley Industrial submarket, which makes up approximately 22.2% of the overall Tucson market, while the 3-mile radius comprises about 5.5% of the submarket, and 1.2% of the overall market.
- Speculative construction is not yet active because rents have not reached feasibility.
- The majority of the recent additions have been for owner occupancy or build-to-suit for credit tenants. There have been no additions to the submarket since 2019 when 8,800 square feet was added in a single industrial showroom property at 6149 N Travel Center Dr, owner-occupied by Al Coronado Plumbing company. 2017 additions to the submarket included a 10,000 square foot warehouse building at 3236 N Freeway Industrial Loop (leased to Hajoca Plumbing); a 19,811 square foot warehouse at 2475 N Jackrabbit Ave (leased to Switchgear Solutions); and a 57,725 square foot self-storage complex at 2720 N Silverbell Rd. There has been no new construction in the three-mile radius since before 2009. Much of the metro Tucson vacancy is in large (100,000 S.F.+) obsolete buildings.
- In the market and submarket, vacancies are generally decreasing and low, while rents are generally increasing. Vacancies and asking rents in the 3-mile sector have vacillated greatly, likely due to the smaller inventory size of 548,688 square feet in 12 buildings.
- Asking rents have historically been the lowest in the overall market, higher in the submarket, and highest in the 3-mile radius sector. The current asking rents are \$6.41 for the overall market, \$7.69 for the submarket, and \$9.00 for the three-mile sector, following that trend. Asking rates peaked in: the market at \$6.91 in 2015; the submarket at \$7.91 in 2019; and the 3-mile sector at \$13.20 in 2011. The current rates are below their respective sector's peak by 7.2% in the metro area, 2.8% in the submarket, and 31.8% in the 3-mile radius (though again, the latter is skewed by the small data set).
- Local brokers forecast the need for significant increases in rental rates to support new speculative construction.
- Local brokers report land availability, particularly in Innovation Park.

- Demand is scarce due to logistics impediments. Oro Valley is distant from the I-10 freeway, rail and airport freight transport.
- Brokers report cap rates mostly in the 7.5% to 8.5% range, with few investor sales because most of the demand is for owner-users.
- At a national level, the industrial sector has fared the best of the commercial sectors during this pandemic. Though total retail sales have declined since the pandemic began, according to CoStar analysts, "'non-store' retail sales, which include online shopping, have increased by more than 20% since February." With greater distribution of items such as auto parts, home improvement goods, and groceries, as well as a rebound in manufacturing, the industrial sector has seen growth in demand since July. Larger companies are signing new leases for factory, logistics and warehousing facilities; though the number of sales since the pandemic has remained depressed, "large investors and non-U.S. buyers are still attracted to the best industrial assets," says CoStar economist Abby Corbett in her state of the market video. Nuveen Real Estate demonstrates this in its recent fundraising of \$500 million for multifamily and industrial investments, "the two property sectors least impacted by the coronavirus pandemic," CoStar reports. In keeping with the theme, CoStar posted an article titled: "Invesco Partnership Shows That for Warehouses, a Tenant Isn't Needed to Get a Loan," which highlights the "latest logistics project without a tenant to get funding to begin construction" (a two-building industrial property in Fort Worth, Texas).
 - Per an article on CoStar published August 13, 2020, Phat Scooters just signed a long-term lease for a 44,162-square foot industrial flex building in Phoenix's north airport industrial area; the company's plan is to bring its manufacturing from China to the states, and to source materials, assemble, and employ locally. "Manufacturers such as Benchmark Electronics and hybrid truck maker Nikola Motor Co. continue to look to Phoenix, which has become a top destination for manufacturing operations," the article continues. "Even amid COVID, less density, business-friendly regulation and comparably affordable real estate and labor will remain key strengths that will continue to attract employers to the market," said Jessica Morin, CoStar market analyst for Phoenix. The spokesperson for the tenant admitted they had been on the lookout for a property for about a year, but that none had fit their needs; when this property hit the market, they visited the site two days after.

Industrial R&D Sector

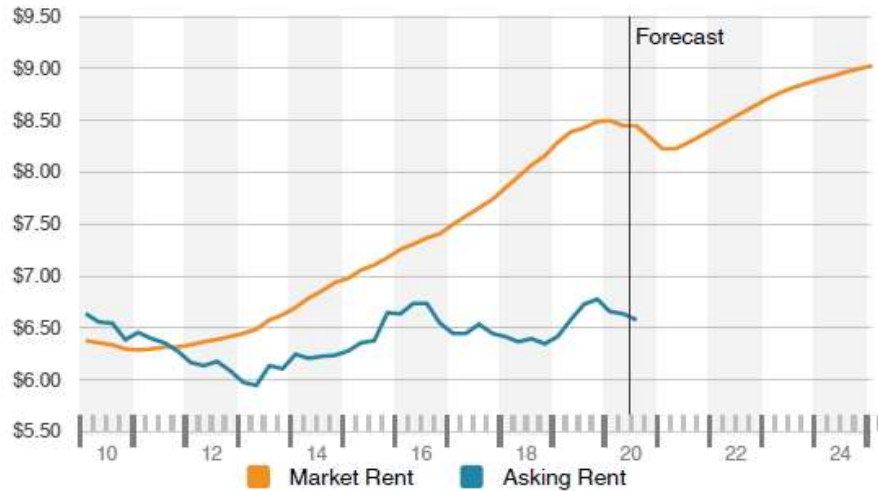
SUBMARKET MAP



Metro Tucson Industrial R&D Sector Vacancy / Availability Rate



Metro Tucson Industrial R&D Sector Asking Rent



Metro Tucson Industrial R&D Sector

Period	Leaseable SF	Change in Inventory	Vacancy Rate	Vacant SF	Avail. Rate	Net Absorption	SF Delivered	Quoted Rates
Annual Trend								
2009	35,683,699	513,867	11.3%	4,030,231	15.2%	256,884	513,867	\$6.76
2010	35,740,420	56,721	11.3%	4,035,523	14.7%	51,429	56,721	\$6.29
2011	35,838,620	98,200	12.2%	4,371,760	15.1%	-238,037	98,200	\$6.05
2012	36,025,374	186,754	11.7%	4,209,601	13.7%	348,913	186,754	\$5.81
2013	36,065,889	40,515	9.9%	3,567,084	12.4%	683,032	40,515	\$5.80
2014	36,169,368	103,479	9.4%	3,404,163	12.4%	266,400	103,479	\$6.06
2015	36,456,466	287,098	8.3%	3,040,565	11.8%	650,696	287,098	\$6.75
2016	37,500,325	1,043,859	7.0%	2,610,145	10.9%	1,474,279	1,043,859	\$6.59
2017	37,611,771	111,446	6.7%	2,523,146	10.0%	198,445	111,446	\$6.25
2018	37,918,737	306,966	5.6%	2,139,901	9.5%	690,211	306,966	\$6.04
2019	39,260,271	1,341,534	7.0%	2,753,615	10.4%	727,820	1,341,534	\$6.52
Quarterly Trend								
2018 Q3	37,918,737	0	5.9%	2,236,051	9.2%	278,607	0	\$6.14
2018 Q4	37,918,737	0	5.6%	2,139,901	9.5%	96,150	0	\$6.04
2019 Q1	37,918,737	0	5.7%	2,156,624	9.4%	-16,723	0	\$6.06
2019 Q2	38,825,637	906,900	5.0%	1,928,847	9.1%	1,134,677	906,900	\$6.23
2019 Q3	39,103,271	277,634	6.6%	2,564,843	10.2%	-358,362	277,634	\$6.36
2019 Q4	39,260,271	157,000	7.0%	2,753,615	10.4%	-31,772	157,000	\$6.52
2020 Q1	39,260,271	0	7.0%	2,764,080	10.0%	-10,465	0	\$6.34
2020 Q2	39,260,271	0	7.4%	2,920,865	10.6%	-156,785	0	\$6.38
8 Quarter Average			6.3%	2,433,103	9.8%	116,916	167,692	\$6.26
4 Quarter Average			7.0%	2,750,851	10.3%	-139,346	108,659	\$6.40

Source: CoStar Group - Note: includes leaseable and owner-occupied space

Northwest Tucson / Oro Valley Industrial R&D Sector

Period	Leaseable SF	Change in Inventory	Vacancy Rate	Vacant SF	Avail. Rate	Net Absorption	SF Delivered	Quoted Rates
Annual Trend								
2009	8,316,218	118,549	7.9%	657,944	11.0%	343,028	118,549	\$5.79
2010	8,334,265	18,047	7.3%	606,226	10.3%	69,765	18,047	\$6.66
2011	8,404,265	70,000	8.1%	681,154	10.8%	-4,928	70,000	\$6.60
2012	8,410,766	6,501	8.1%	678,028	9.7%	9,627	6,501	\$6.45
2013	8,417,267	6,501	5.7%	475,661	7.8%	208,868	6,501	\$6.64
2014	8,427,267	10,000	4.6%	391,408	7.3%	94,253	10,000	\$7.15
2015	8,487,267	60,000	4.6%	386,265	7.0%	65,143	60,000	\$6.83
2016	8,502,625	15,358	3.9%	330,123	6.6%	71,500	15,358	\$7.38
2017	8,590,161	87,536	2.6%	221,210	5.0%	196,449	87,536	\$7.47
2018	8,590,161	0	2.4%	204,914	5.2%	16,296	0	\$7.64
2019	8,590,161	0	2.7%	230,218	5.7%	-25,304	0	\$7.83
Quarterly Trend								
2018 Q3	8,590,161	0	2.6%	221,962	5.2%	13,338	0	\$8.16
2018 Q4	8,590,161	0	2.4%	204,914	5.2%	17,048	0	\$7.64
2019 Q1	8,590,161	0	3.4%	294,303	6.0%	-89,389	0	\$7.58
2019 Q2	8,590,161	0	3.1%	270,228	5.6%	24,075	0	\$7.56
2019 Q3	8,590,161	0	4.5%	385,995	6.3%	-115,767	0	\$7.40
2019 Q4	8,590,161	0	2.7%	230,218	5.7%	155,777	0	\$7.83
2020 Q1	8,590,161	0	3.1%	262,642	4.1%	-32,424	0	\$7.51
2020 Q2	8,590,161	0	3.3%	280,661	4.5%	-18,019	0	\$7.71
8 Quarter Average			3.1%	268,865	5.3%	-5,670	0	\$7.67
4 Quarter Average			3.4%	289,879	5.2%	-2,608	0	\$7.61

Source: CoStar Group - Note: includes leasable and owner-occupied space

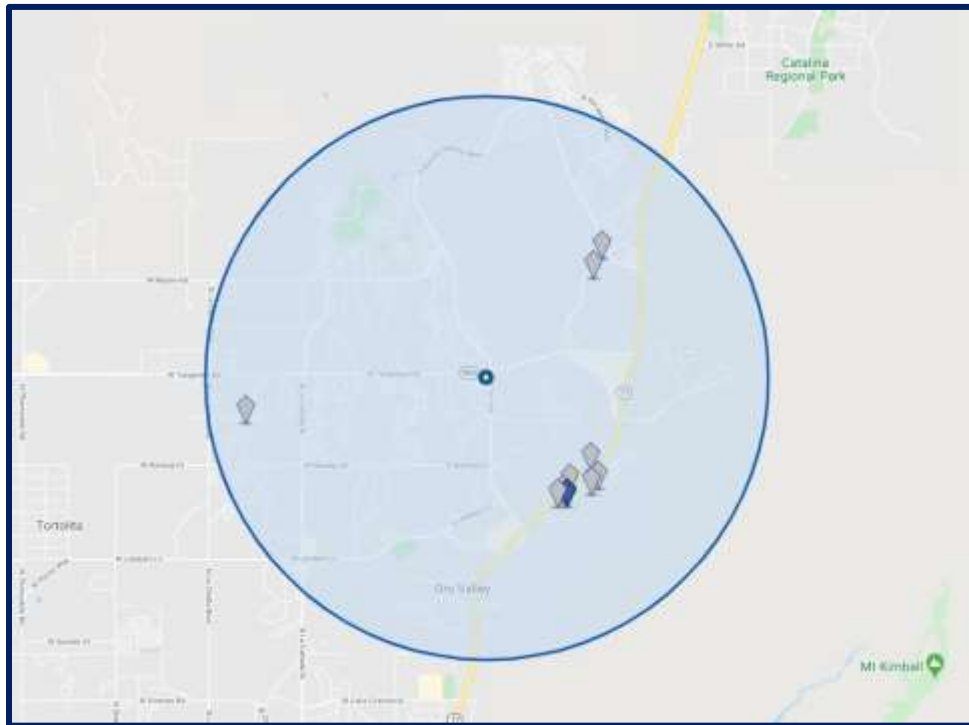
Northwest Tucson / Oro Valley Industrial R&D Sector Vacancy / Availability Rate



Northwest Tucson / Oro Valley Industrial R&D Sector Asking Rent



3 MILE RADIUS INDUSTRIAL R&D MAP

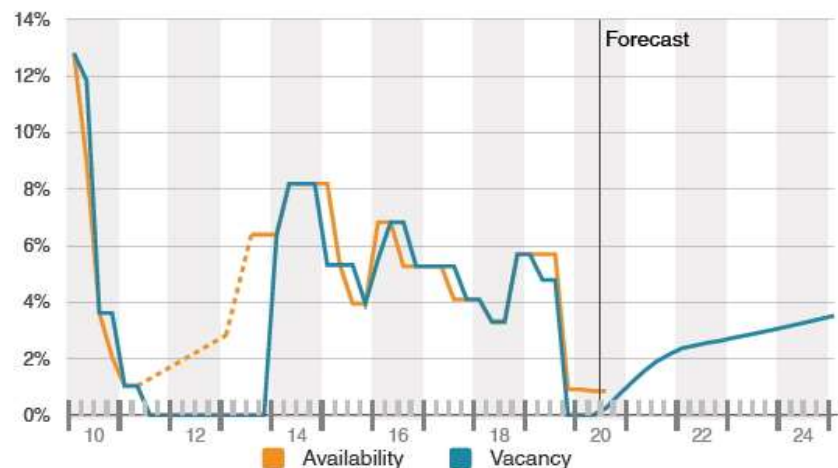


3 Mile Radius Industrial R&D Sector

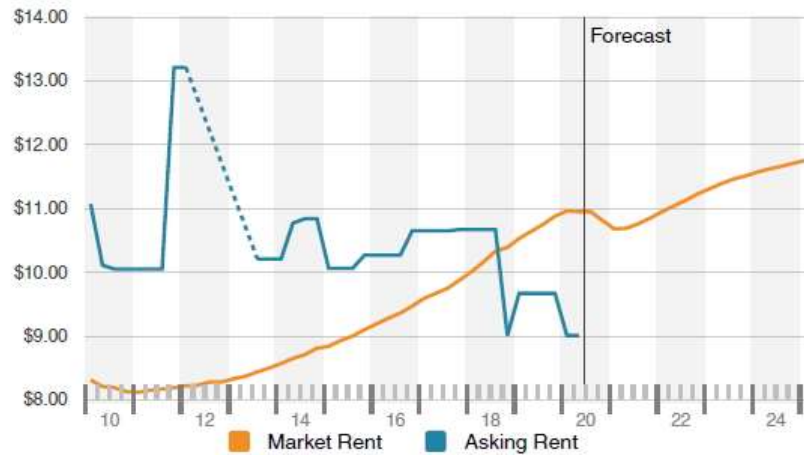
Period	Leaseable SF	Change in Inventory	Vacancy Rate	Vacant SF	Avail. Rate	Net Absorption	SF Delivered	Quoted Rates
Annual Trend								
2009	513,845	0	8.4%	42,919	8.4%	-	0	\$12.33
2010	513,845	0	3.6%	18,513	2.0%	24,406	0	\$10.04
2011	513,845	0	0.0%	-	-	-	0	\$13.20
2012	513,845	0	0.0%	-	-	-	0	-
2013	513,845	0	0.0%	-	6.4%	-	0	\$10.20
2014	513,845	0	8.2%	42,012	8.2%	-	0	\$10.83
2015	513,845	0	3.9%	20,267	3.9%	21,745	0	\$10.26
2016	513,845	0	5.3%	27,010	5.3%	-6,743	0	\$10.64
2017	513,845	0	4.1%	20,978	4.1%	6,032	0	\$10.66
2018	513,845	0	5.7%	29,204	5.7%	-8,226	0	\$9.00
2019	513,845	0	0.0%	-	0.9%	-	0	\$9.66
Quarterly Trend								
2018 Q3	513,845	0	3.3%	16,939	3.3%	3	0	\$10.66
2018 Q4	513,845	0	5.7%	29,204	5.7%	-12,265	0	\$9.00
2019 Q1	513,845	0	5.7%	29,204	5.7%	0	0	\$9.66
2019 Q2	513,845	0	4.8%	24,530	5.7%	4,674	0	\$9.66
2019 Q3	513,845	0	4.8%	24,530	5.7%	0	0	\$9.66
2019 Q4	513,845	0	0.0%	-	0.9%	-	0	\$9.66
2020 Q1	513,845	0	0.0%	-	0.9%	-	0	\$9.00
2020 Q2	513,845	0	0.0%	-	0.8%	-	0	\$9.00
8 Quarter Average			3.0%	24,881	3.6%	-1,518	0	\$9.54
4 Quarter Average			1.2%	24,530	2.1%	0	0	\$9.33

Source: CoStar Group - Note: includes leasable and owner-occupied space

3 Mile Radius Industrial R&D Sector Vacancy / Availability Rate



3 Mile Radius Industrial R&D Sector Asking Rent



- The subject is on the northeastern quadrant of the Northwest Tucson / Oro Valley Industrial submarket of which the R&D sector makes up approximately 21.8% of the overall Tucson R&D market, while the 3-mile radius comprises about 6.0% of the R&D submarket, and 1.3% of the overall R&D market. CoStar categorizes well over half the inventory for each segment (market, submarket, and 3-mile radius) in the R&D category, with R&D equaling: 88.1% of the metro market; 86.8% of the submarket; and 93.6% of the 3-mile radius sector.
- Speculative construction is not yet active because rents have not reached feasibility.
- The majority of the recent additions have been for owner occupancy or build-to-suit for credit tenants. There have been no additions to the submarket since 2017, which were the same three additions mentioned previously under general industrial (Hajoca Plumbing, Switchgear Solutions, and Silverbell Self-Storage). While these properties and numerous others have been miscategorized as R&D, CoStar's data is the best we have available. There has been no new construction in the three-mile radius since before 2009.
- In the market and submarket, vacancies are generally decreasing, while rents are generally increasing. Vacancies and asking rents in the 3-mile sector have vacillated greatly, likely due to the smaller inventory size of 513,845 square feet in 10 buildings.
- For the R&D sector, asking rents have historically been the lowest in the overall market, higher in the submarket, and highest in the 3-mile radius sector. The current asking rents are \$6.31 for the overall market, \$7.71 for the submarket, and \$9.00 for the three-mile sector, following that trend. Asking rates peaked in: the market at \$6.76 in 2009; the submarket at \$8.16 in Q3 2018; and the 3-mile sector at \$13.20 in 2011. The current rates are below their respective sector's peak by 5.6% in the metro area, 5.5% in the submarket, and 31.8% in the 3-mile radius (though again, the latter is skewed by the small data set).
- Local brokers forecast the need for significant increases in rental rates to support new speculative construction.

- Local brokers report land availability, particularly in Innovation Park.
- Demand is scarce due to logistics impediments. Oro Valley is distant from the I-10 freeway, rail and airport freight transport.
- Brokers report cap rates mostly in the 7.5% to 8.5% range, with few investor sales because most of the demand is for owner-users.
- National trends for the R&D sector are less clear. As part of the industrial sector, R&D properties are likely faring better through the pandemic than the other commercial sectors, though not as well as logistics and manufacturing facilities. R&D demand may increase with the push to remove research, development, and manufacturing from its current base in China, though it is unclear which companies can afford this transition, and how many are desiring it.

We have tabulated below sales of commercial land in the Innovation park area, to the northeast of the subject. Recent sales have been sparse, and the historic marketing times available have ranged from approximately two and a half years to just under six and a half years. Notable, the higher prices are for small office and medical office lots. Sales 10-12 were an adjacent assemblage by an existing user.

Land Sales Summary - Innovation Park Area

#	Location	Sale Date	Acres	Sq Ft	Zoning	Sale Price	Price /SF Land	DOM	Notes
1	NE Innovation Park & Vistoso Park Rd	1/10	0.11	4,792	PAD	\$194,000	\$40.49	Unkn.	Build to suit - medical/office
2	NE Tangerine & Innovation Rd	12/12	7.90	344,124	PAD	\$1,200,000	\$3.49	Unkn.	REO, Off and on market since 2009; only Oro Valley land zoned for 5-story hotel
3	E Innovation Park Dr - C4	5/13	6.70	291,852	PAD	\$1,371,051	\$4.70	1,029	Build to suit for Securaplane Technologies
4	1824 E Innovation Park Dr	7/13	0.10	4,356	PAD	\$132,000	\$30.30	Unkn.	Buyer was an owner-user contractor
5	1862-1866 Innovation Park Dr - Lots 9-11	11/13	0.21	9,148	PAD	\$441,320	\$48.24	1,829	None
6	E Innovation Park Dr - B2N	11/14	9.20	400,752	PAD	\$3,205,784	\$8.00	1,580	Proposed senior care facility
7	1875-1876 E Innovation Park Dr	3/15	0.17	7,405	PAD	\$776,864	\$104.91	Unkn.	Build to suit - medical office
8	1832 E Innovation Dr	6/15	0.11	4,792	PAD	\$144,932	\$30.25	Unkn.	None
9	12315 N Vistoso Park Rd	3/16	1.32	57,499	PAD	\$689,976	\$12.00	Unkn.	None
10	E Innovation Park Dr - D1	11/16	32.00	1,393,920	C-1	\$12,521,739	\$8.98	2,329	Adjacent property owner; portfolio sale
11	E Innovation Park - D2	11/16	7.70	335,412	PAD	\$3,013,043	\$8.98	2,329	Adjacent property owner; portfolio sale
12	E Innovation Park - D3	11/16	6.30	274,428	PAD	\$2,465,217	\$8.98	2,329	Adjacent property owner; portfolio sale
13	NW Rancho Vistoso & Innovation Dr	12/19	15.19	661,676	PAD	\$1,200,000	\$1.81	Unkn.	Investment
Average:							\$23.93		

Subject Market Position – Industrial and R&D

Strengths

- Low vacancy market wide
- This use is least affected by COVID-19.
- Existing workforce nearby
- Most flexible of any commercial use

Weaknesses

- Mostly small hospital office-related use demand, senior housing demand due to hospital proximity, and expansion by one user.
- Tepid, at best, demand – only one new larger user in the last 10 years and that was Securaplane's relocation to Innovation Park to remain in Oro Valley.
- Poor logistics – distant from Interstate 10 Freeway, rail, and air transportation.

Opportunities

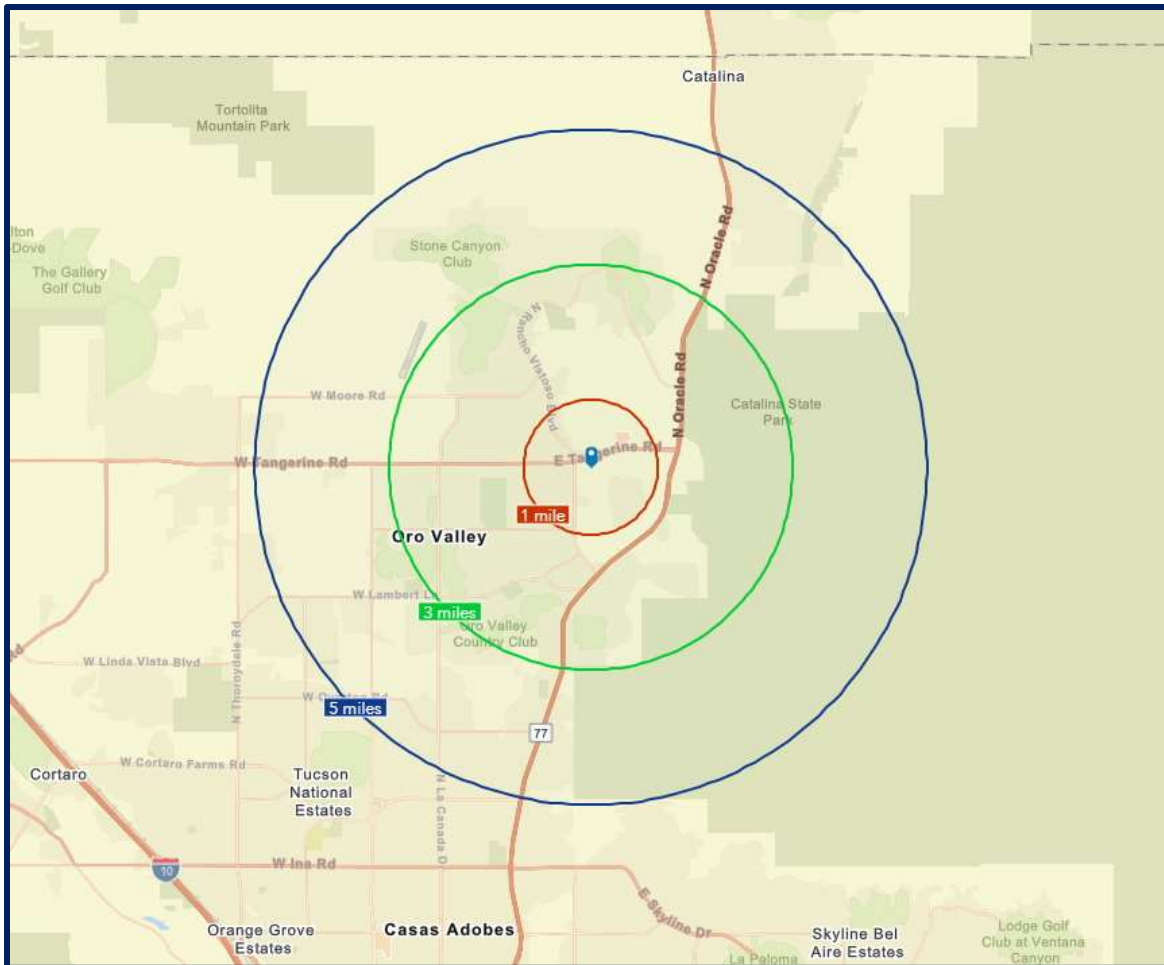
- None – demand is currently too limited

Threats

- Workforce is aging in Oro Valley
- Better sites nearby in Innovation Park, north of the Safeway Center, and northwest corner of Tangerine Road and First Avenue.
- Potential residential objections from nuisance factors

Apartment Market

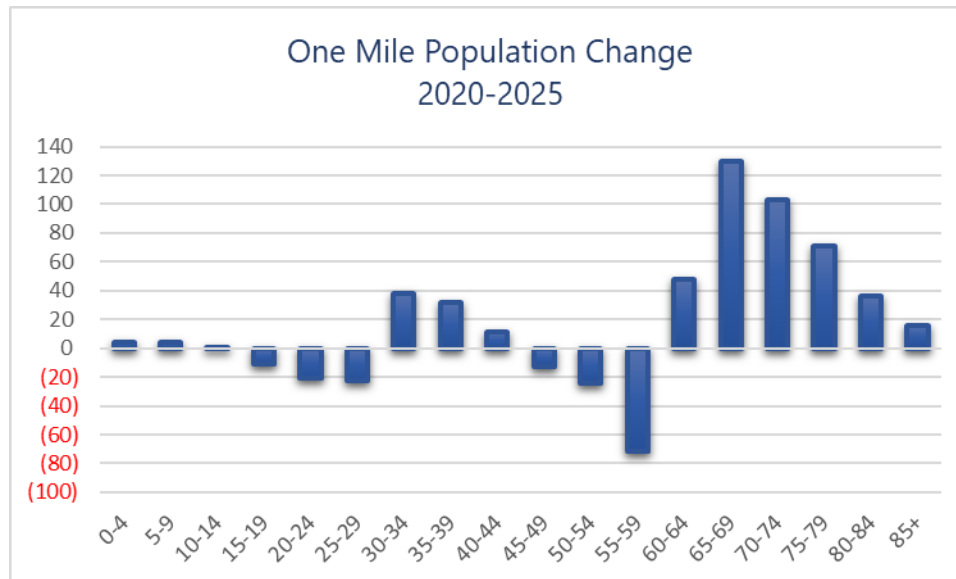
SUBJECT AREA MAP

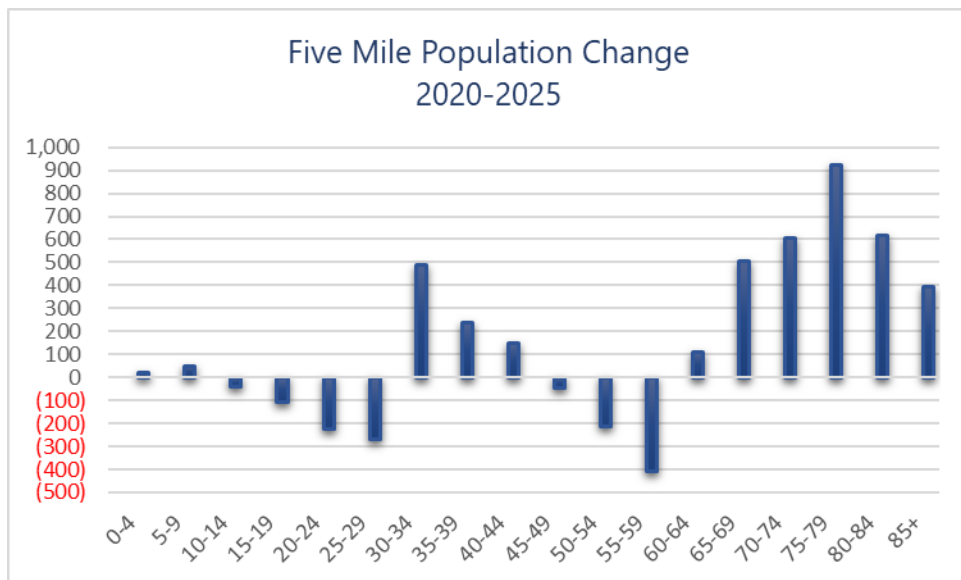
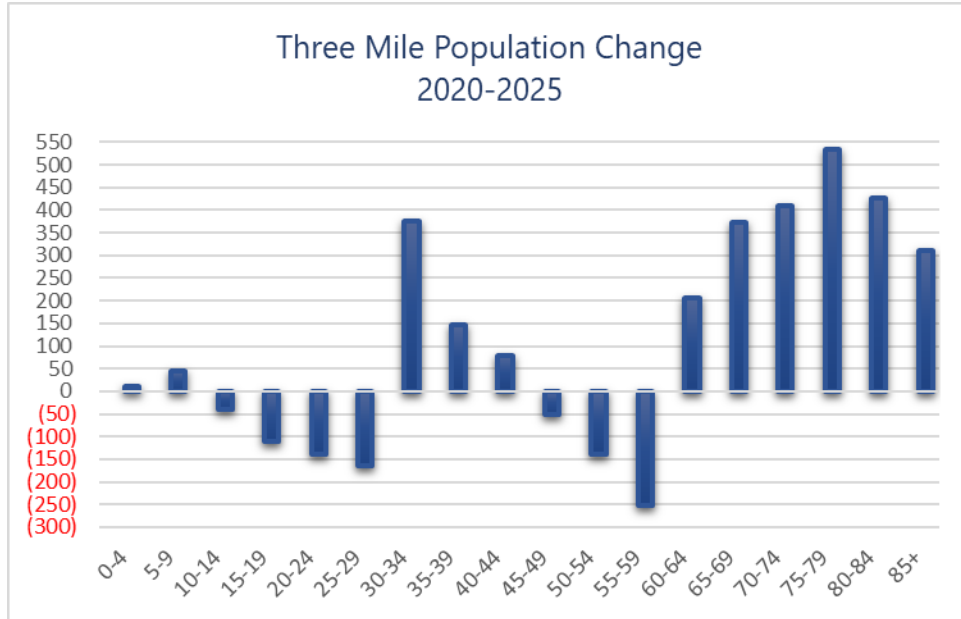


Area Demographics

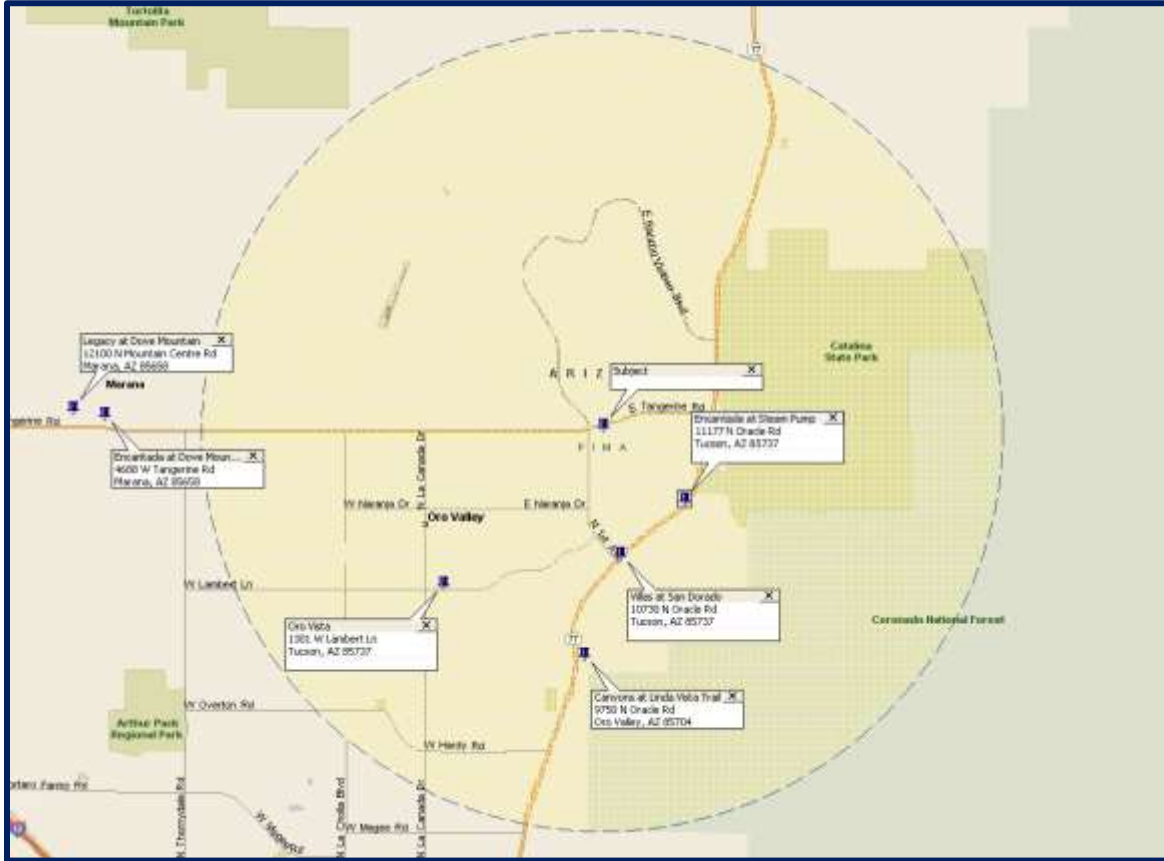
Age	1-Mile			3-Mile			5-Mile		
	2020	2025	Growth	2020	2025	Growth	2020	2025	Growth
Base	4,026	4,356	330	33,874	35,906	2,032	55,397	58,186	2,789
0-4	98	102	4	1,161	1,173	12	1,966	1,989	23
5-9	144	148	4	1,448	1,492	44	2,383	2,430	47
10-14	189	190	1	1,811	1,771	(40)	2,981	2,939	(42)
15-19	181	170	(11)	1,775	1,665	(110)	2,957	2,851	(106)
20-24	134	113	(21)	1,259	1,120	(139)	2,188	1,963	(225)
25-29	130	107	(23)	1,316	1,152	(164)	2,354	2,086	(268)
30-34	119	157	38	1,225	1,602	377	2,168	2,654	486
35-39	145	177	32	1,457	1,605	148	2,450	2,688	238
40-44	161	172	11	1,646	1,726	80	2,718	2,869	151
45-49	214	201	(13)	1,949	1,898	(51)	3,149	3,103	(46)
50-54	279	255	(24)	2,299	2,160	(139)	3,717	3,504	(213)
55-59	389	317	(72)	2,718	2,466	(252)	4,400	3,993	(407)
60-64	444	492	48	2,874	3,081	207	4,803	4,912	109
65-69	434	564	130	2,992	3,366	374	4,827	5,332	505
70-74	343	446	103	2,743	3,154	411	4,350	4,958	608
75-79	280	351	71	2,325	2,860	535	3,509	4,430	921
80-84	173	209	36	1,528	1,955	427	2,328	2,944	616
85+	169	185	16	1,348	1,660	312	2,149	2,541	392

Source: ESRI forecasts for 2020 and 2025





CLASS A APARTMENT MAP – 5 MILES HIGHLIGHTED



Oro Valley & Dove Mt. Class A Apartments

Project	Year Built	No. Units	Vacancy					
			Q2 2020	Q4 2019	Q4 2018	Q4 2017	Q4 2016	Q4 2015
Oro Vista	2006	138	2.2%	3.6%	2.9%	2.9%	2.9%	5.1%
Legacy At Dove Mountain	2011	168	3.0%	3.0%	2.4%	1.8%	6.0%	7.7%
Encantada at Dove Mountain	2013	272	7.7%	6.6%	7.7%	14.0%	37.1%	38.2%
Encantada at Steam Pump	2014	288	9.4%	8.3%	4.9%	11.8%	20.1%	45.8%
Villas at San Dorado	2014	274	3.3%	2.9%	4.7%	6.6%	9.5%	2.6%
Canyons at Linda Vista Trail	2016	228	5.7%	4.4%	5.7%	10.5%	83.8%	N/A
Totals/Average		1,368	5.7%	5.1%	5.0%	8.9%	28.5%	23.1%

Source: Apartment Insights

Tenure by Household Income*

Label	Oro Valley		% of Sector
	Town, Arizona / Estimate	% of Total (Oro Valley)	
Total:	19,295		
Owner occupied:	14,374	74%	100%
Less than \$5,000	261	1%	2%
\$5,000 to \$9,999	60	0%	0%
\$10,000 to \$14,999	154	1%	1%
\$15,000 to \$19,999	265	1%	2%
\$20,000 to \$24,999	415	2%	3%
\$25,000 to \$34,999	1,202	6%	8%
\$35,000 to \$49,999	1,387	7%	10%
\$50,000 to \$74,999	2,330	12%	16%
\$75,000 to \$99,999	2,035	11%	14%
\$100,000 to \$149,999	2,907	15%	20%
\$150,000 or more	3,358	17%	23%
Renter occupied:	4,921	26%	100%
Less than \$5,000	244	1%	5%
\$5,000 to \$9,999	163	1%	3%
\$10,000 to \$14,999	126	1%	3%
\$15,000 to \$19,999	142	1%	3%
\$20,000 to \$24,999	334	2%	7%
\$25,000 to \$34,999	496	3%	10%
\$35,000 to \$49,999	869	5%	18%
\$50,000 to \$74,999	1,060	5%	22%
\$75,000 to \$99,999	433	2%	9%
\$100,000 to \$149,999	538	3%	11%
\$150,000 or more	516	3%	10%
Renter occupied:			
\$50,000 or more	2,547	13%	52%

*Past 12 months (in 2018 inflation-adjusted dollars)

Source: American Community Survey, Table B25118

- Esri data for the subject area projects declines in population for two main age groups: 1) those between 10 and 29, and 2) between 45 and 59. In each segment, there is a greater number of retirees, followed by a smaller group in their thirties or early forties, and then a handful of school-aged children, teens and those in their college years.
- Apartment Insights data suggests that the multifamily market is undersupplied in the area.

Subject Market Position - Multifamily

Strengths

- The site could be terraced to augment mountain and city views.
- Limited supply of apartment land
- Undersupplied inventory
- Above average purchase power by apartment tenants in this area with 52% of tenants earning over \$50,000 per year.

Weaknesses

- Current zoning doesn't allow this use

Opportunities

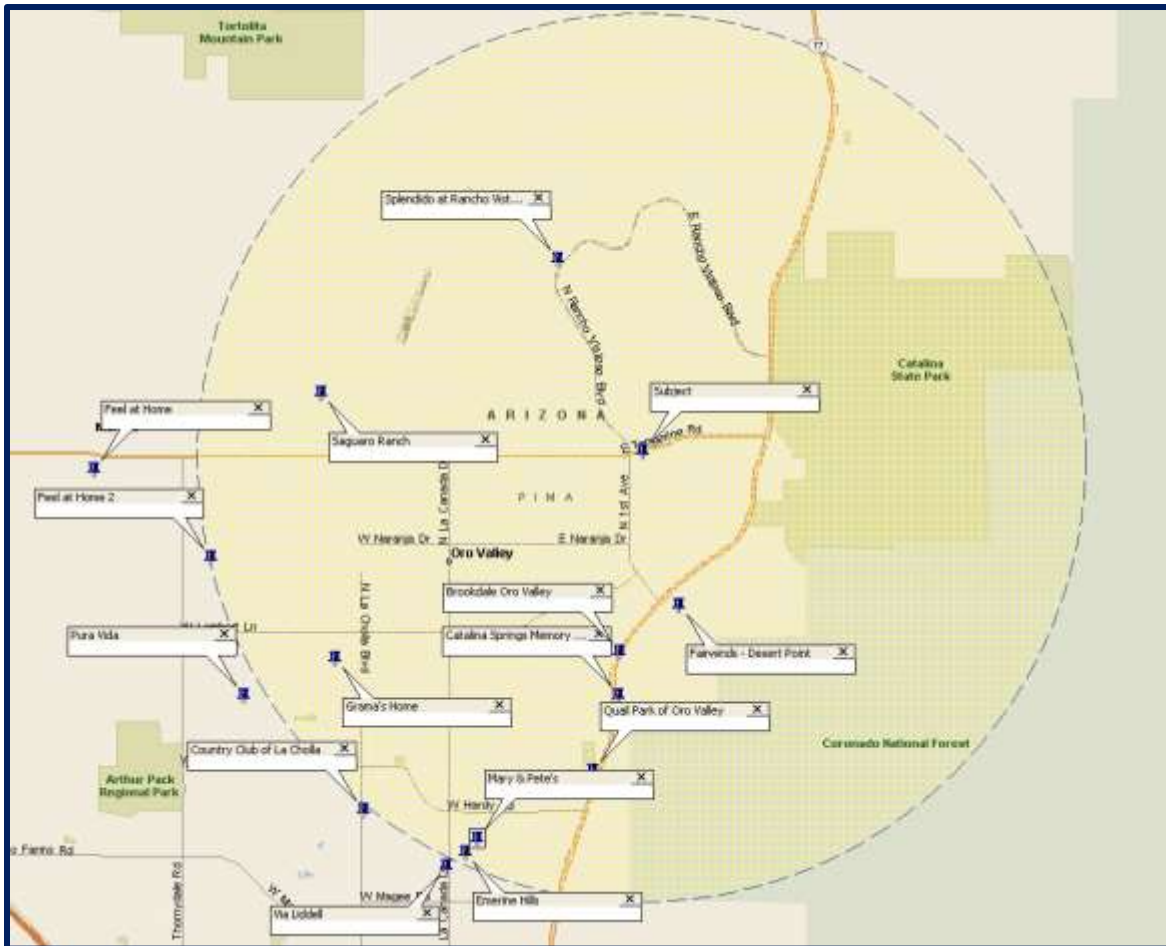
- This land use attracts currently underrepresented age cohorts that are strong consumers which benefit local commercial enterprises and generates sales tax.
- These same underrepresented age cohorts are attractive to R&D/Tech employers.

Threats

- Deep recession could harm employment and increase vacancy, probably for a limited duration.
- Volatile construction costs and labor shortages

Senior Housing Market

SENIOR HOUSING FACILITIES – 5 MILES HIGHLIGHTED



SENIOR CARE FACILITIES

LEGALNAME	ADDRESS	LICENSE	CAPACITY
CENTER - DIRECTED			
CATALINA SPRINGS MEMORY CARE	9685 NORTH ORACLE ROAD	AL9499C	56
QUAIL PARK OF ORO VALLEY	9005 NORTH ORACLE ROAD	AL11080C	103
BROOKDALE ORO VALLEY	10175 NORTH ORACLE ROAD	AL1795C	42
SPLENDIDO AT RANCHO VISTOSO	13500 NORTH RANCHO VISTOSO BOULEVARD	AL6963C	48
			<hr/> 249
CENTER - PERSONAL			
FAIRWINDS - DESERT POINT	10701 NORTH LA RESERVE DRIVE	AL4698C	75
THE COUNTRY CLUB OF LA CHOLLA	8700 NORTH LA CHOLLA BOULEVARD	AL11009C	97
			<hr/> 172
HOME - DIRECTED			
EMERINE HILLS ADULT CARE HOME	1270 WEST EMERINE DRIVE	AL10681H	10
MARY & PETE'S ASSISTED LIVING	1164 WEST OLETA DRIVE	AL10398H	10
VILLA LIDDELL	1436 WEST LIDDELL DRIVE	AL10699H	8
FEEL AT HOME 2 ASSISTED LIVING	3530 WEST SAHUARO DIVIDE	AL9029H	5
FEEL AT HOME ASSISTED LIVING	4671 WEST CAMINO DE MANANA	AL7446H	10
GRAMA'S HOME, LLC	9950 NORTH WILD CREEK DRIVE	AL8986H	5
PURA VIDA ASSISTED LIVING	3250 WEST SUMTER DRIVE	AL10421H	10
TUCSON GOLDEN LIFE ASSISTED LIVING, LLC	8586 NORTH HOLLY BROOK AVENUE	AL9051H	10
SAGUARO RANCH LUXURY ASSISTED LIVING, LLC	12301 NORTH CAMINO DEL PLATA	AL9180H	10
			<hr/> 78
Total:			<hr/> 499

Source: ADHS

Subject Market Position – Senior Housing

Strengths

- Large and increasing population in the targeted age cohorts
- Clear apparent demand
- Nearby a hospital and medical offices

Weaknesses

- Limited consumption and generated sales tax other than “in-facility” which limits community benefits.
- In-home-care alternatives, and strong, well-capitalized competition

Opportunities

- Same as strengths, though this use affords less land use balance compared to apartment use.

Threats

- Considerable supply of available sites including nearby Nakoma Sky and parcels in Innovation Park.
- Changes in demand and spacing due to COVID-19.
- Volatile construction and labor costs.

Conclusions

Based on my preceding land use analysis, the following land uses are ranked for risk and community benefit.

The residential uses have the lowest risk due to unmet demand. The higher density residential uses provide greater benefits to Oro Valley, generating prime consumption and stabilizing age cohort swings.

While commercial uses are allowed, the physical orientation of the site is a functional obstruction along with reduced demand for brick and mortar space because omnichannel marketing is re-defining store designs.

Remote work is redefining office space demand, but not entirely.

Land for tech park / R&D is oversupplied. Sites with better profiles are available.

Land Use Ranking	Risk Level	Community Benefit
1. Casita Apartments	Low	High
2. Garden Apartments	Low	High
3. Single Family Residential	Low	Moderate
4. Senior Housing	Moderate-high	Low
5. Commercial	High	Moderate
6. Office	High	Moderate
7. Tech/R&D	High	High

General Assumptions and Limiting Conditions

The conclusions of the Consultant appearing in the consultation report are subject to the following conditions, and to such other specific and limiting conditions as are set forth by the Consultant in the consultation report.

This report is being prepared for our client. This report or any portion thereof is for the exclusive use of the client and is not intended to be used, sold, transferred, given, or relied on by any other person than the client without the prior, expressed written permission of the authors, as set forth within the Limiting Conditions contained in this report. Possession of this consultation, or a copy thereof, does not carry with it the right of publication. The consultation may not be used for any purpose by any person other than the client without prior written consent of the consultant. Neither all nor any part of the contents of this consultation (especially any conclusions as to value, the identity of the consultant, or the firm with which the consultant is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the consultant.

The Consultant assumes no responsibility for matters of a legal nature affecting the subject property or the title thereto, nor does the Consultant render any opinion as to the title, which is assumed to be good and marketable. No Owner's Title Policy has been furnished to the Consultant. The consultation assumes responsible ownership, competent management, and adequate marketing typical for that type of property.

The Consultant has made no survey of the property. Any sketch or map in the consultation report may show approximate dimensions and is included for illustrative purposes only. It is the responsibility of a certified engineer, architect, or registered surveyor to show by a site plan the exact location of the subject property or any improvements or any proposed improvements thereon, or the exact measurements or calculations of estimated area of the site. In the absence of such a survey, the consultant may have utilized Tax Assessor's maps or other maps provided by the client which may not represent the exact measurements of the subject property or other comparable information utilized in the consultation regarding the subject property. Any variation in dimensions or calculations based thereon may alter the conclusions or recommendations of value contained within the consultation.

The plot plans and illustrative material in this consultation are included only to assist the reader in visualizing the property.

The property is assumed to be free and clear of any or all liens or encumbrances unless otherwise stated.

Responsible ownership and competent property management are assumed.

Unless expressly specified in this Agreement, the fee for this consultation does not include the attendance or giving of testimony by Consultant at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | MJN enterprises, Inc. is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment,

client shall compensate Consultant for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.

The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by MJN Enterprises, Inc. Valbridge Property Advisors, Inc. nor any of its affiliates, has not been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.

Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.

This consultation was prepared for the sole and exclusive use of the client. Any party who is not the client or intended user identified in the consulting report or engagement letter is not entitled to rely upon the contents of the consultation without express written consent of Valbridge Property Advisors | MJN Enterprises, Inc. and Client. We assume no liability for unauthorized use of the consulting report by a third party.

If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.

No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.

It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the consultation.

It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use upon which the conclusions or recommendations contained in this consultation are based.

It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the consultation.

In developing conclusions and recommendations regarding the subject property and in analyzing comparable information, the consultants have relied upon information from public and private planning agencies as to the potential use of land or improved properties. This information may include,

but is not limited to, Area Plans, Neighborhood Plans, Zoning Plans and Ordinances, Transportation Plans, and the like. In the conclusions and recommendations, the consultant may consider the extent to which a knowledgeable and informed purchaser or seller, as of the date of the consultation, would reflect the reasonable probability of changes in such land uses becoming actualized in the future. To the extent that these plans may change, the conclusions and recommendations of this consultation may also change.

In the absence of a professional Engineer's Feasibility Study, information regarding the existence of utilities is made only from a visual inspection of the site. The Consultant assumes no responsibility for the actual availability of utilities, their capacity, or any other problem which may result from a condition involving utilities. The respective companies, governmental agencies or entities should be contacted directly by concerned persons.

The Consultant is not required to give testimony or appear in court because of having made the consultation with reference to the property in question, unless prior arrangements have been made and confirmed in writing.

Any allocation of any valuation in the consultation report between land and improvements applies only under the stated program of utilization. Any separate valuations for land and improvements must not be used in conjunction with any other appraisal or consultation and are invalid if so used.

The Consultant assumes that there are no hidden or unapparent conditions of the property, subsoil, potential flooding hazards, hydrology, or structures, which would render it more or less valuable. The Consultant assumes no responsibility for such conditions, or for engineering which might be required to discover such factors. To the extent that published data from public agencies is available on the above, the Consultant has made an effort to consult this information.

Unless otherwise stated within our report, the existence of hazardous material, which may or may not be present within or on the property, will not be considered by us. The Consultant assumes, and the client warrants, that no such materials adversely affect the utility, usability, or developability of the property to the best of their knowledge. The consultants are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, radon gas, or other potentially hazardous materials may affect the value of the property. The conclusions and recommendations and any value estimate has been predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility will be assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. If at a later time hazardous materials or substances are discovered, we reserve the right, for an additional agreed-upon fee, to re-analyze and/or re-appraise said property, taking into account the discovery of such factor or factors and their effects on the conclusions and recommendations and value of the subject property.

Information, estimates, and opinions furnished to the Consultant and contained in the consultation report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the Consultant can be attributed to the Consultant.

In this consultation assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea formaldehyde foam

insulation, and/or existence of toxic waste or radon gas, which may or may not be present on this property, has not been considered. The consultant is not qualified to detect such substances. We suggest that the client retain an expert in this field, if desired.

The consultant has not detected or knows of any substance relating to environmental health that would affect the market value of the subject property.

Disclosures of the contents of the consultation report by the Consultant are governed by the Bylaws and Regulations of the professional appraisal organizations with which the Consultant is affiliated.

On all consultations which are undertaken subject to satisfactory completion of, alterations of, or repairs to improvements, the consultation report and any value conclusions contained in it are contingent upon completion of the improvements or of the repairs thereto or alterations thereof in a workmanlike manner.

As agreed upon with the client prior to the preparation of this consultation, this is not an Appraisal wherein market value is estimated. As such, information pertinent to the valuation (if any) may not have been considered and/or the full valuation process may not have been applied. Depending on the type and degree of limitations, the reliability of the value conclusion (if any) provided herein may be reduced.

This is a Consultation Report which is intended to comply with the reporting requirements set forth under Standard Rule 5 of the Uniform Standards of Professional Appraisal Practice. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the consultation process to develop the Consultant's conclusions, recommendations and any opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the Consultant's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The consultant is not responsible for unauthorized use of this report.

There were no other specific and/or limiting conditions associated with this consultation for the subject property except what has been previously mentioned above.

It is your responsibility to read the report and to inform the appraisers of any errors or omissions of which you are aware, prior to utilizing the report.

Disclosures of the contents of the consultation report by the Consultant are governed by the Bylaws and regulations of the professional appraisal organizations with which the Consultant is affiliated

This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes subject to client data confidentiality.

All disputes shall be settled by binding arbitration in accordance with the then-existing commercial arbitration rules of the American Arbitration Association.

The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). It is currently unknown what direct, or indirect, effect, if any, this event may have on the national economy, the local economy or the market in which the subject

property is located. The reader is cautioned, and reminded that the conclusions presented in this consultation report apply only as of the effective date(s) indicated. The consultant makes no representation as to the effect on the subject property of this event, or any event, subsequent to the effective date of the consultation report.

Acceptance of and/or use of this consultation report constitutes acceptance of the foregoing general assumptions and limiting conditions.

The use of this report or its analysis and conclusions by the client or any other party constitutes acceptance of all the above limiting conditions.

Addenda

Glossary

Rezoning Exhibits

Proposed Concepts

Qualifications

- Michael Naifeh, MAI, CRE®

Information on Valbridge Property Advisors

Office Locations

Glossary

Definitions are taken from the Dictionary of Real Estate Appraisal, 6th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP) and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

In office buildings, the areas of the building that provide services to building tenants but which are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security and upkeep. (ICSC – International Council of Shopping Centers, 4th Ed.)

Condominium

A multiunit structure, or a unit within such a structure, with a condominium form of ownership. (Dictionary)

Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service (DCR = NOI/Im), which measures the relative ability of a property to meet its debt service out of net operating

income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation

- 1) In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.
- 2) In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- An adequate marketing effort will be made during the exposure time;
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and
- 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. (Dictionary)

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

- 1) The date on which the appraisal or review opinion applies. (SVP)

- 2) In a lease document, the date upon which the lease goes into effect. (Dictionary)

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

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. (TIs). (Dictionary)

EPDM

Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings. (Dictionary)

Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause*, *expense recovery clause* or *stop clause*. (Dictionary)

Estoppel Certificate

A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. (Dictionary)

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount. (Dictionary)

Exposure Time

- 1) The time a property remains on the market.
- 2) The estimated 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 market value on the effective date of the appraisal; Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (Dictionary)

Extraordinary Assumption

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. Comment: 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. (USPAP, 2016-2017 ed.)

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. (Dictionary)

Floor Common Area

In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. (BOMA)

Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*. (Dictionary)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (Dictionary)

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 superstructure and substructure basement; typically does not include garage space. (Dictionary)

Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as "grossed up." (Dictionary)

Gross Retail Sellout

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called the *aggregate of the retail values*, *aggregate retail selling price* or *sum of the retail values*. (Dictionary)

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

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) (Dictionary)

Hypothetical Condition

- 1) A condition that is presumed to be true when it is known to be false. (SVP – Standards of Valuation Practice, effective January 1, 2015)
- 2) 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. Comment: Hypothetical conditions are contrary to known facts 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. (USPAP, 2016-2017 ed.) (Dictionary)

Industrial Gross Lease

A type of modified gross lease of an industrial property in which the landlord and tenant share expenses. The landlord receives stipulated rent and is obligated to pay certain operating expenses, often structural maintenance, insurance and real property taxes, as specified in the lease. There are significant regional and local differences in the use of this term. (Dictionary)

Insurable Value

A type of value for insurance purposes. (Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees). (Dictionary)

Investment Value

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. (Dictionary)

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position pecuniarily as he or she would have been if the property had not been taken. (Dictionary)

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. (Dictionary)

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. (Dictionary)

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a short time period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interests.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
- 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. (Dictionary)

Loan to Value Ratio (LTV)

The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations; term, concessions, renewal and purchase options and tenant improvements (TIs). (Dictionary)

Market Value

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- 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.

(Dictionary)

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 and Personal Property Market Value Opinions" address the

determination of reasonable exposure and marketing time.) (Dictionary)

Master Lease

A lease in which the fee owner leases a part or the entire property to a single entity (the master lease) in return for a stipulated rent. The master lessee then leases the property to multiple tenants. (Dictionary)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net net lease*, *partial net lease*, or *semi-gross lease*. (Dictionary)

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (TOE/EGI); the complement of the net income ratio, i.e., $OER = 1 - NIR$ (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common, easement, or life interest. (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

Prospective Future Value Upon Completion

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report. ... The

prospective market value –as completed- reflects the property's market value as of the time that development is expected to be complete. (Dictionary)

Prospective Future Value Upon Stabilization

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report ...The prospective market value – as stabilized – reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (Dictionary)

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building. (Dictionary)

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." (Dictionary)

Sandwich Leasehold Estate

The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make his or her claim junior, or subordinate, to the claims of another party. (Dictionary)

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

Triple Net (Net Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease*, *net net net lease*, or *fully net lease*. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)


Usable Area

The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

Value-in-Use

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. Value in use may or may not be equal to market value but is different conceptually. (Dictionary)



	TOWN OF ORO VALLEY COMMUNITY DEVELOPMENT & PUBLIC WORKS DEPARTMENT 11000 N. LA CAÑADA DRIVE, ORO VALLEY, AZ. 85737 PHONE: (520) 229-4800 FAX: (520) 742-1022 <u>www.orovalleyaz.gov</u>
<h2 style="margin: 0;">1.2 GENERAL APPLICATION FORM</h2>	
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Office Use Only OV Case #: _____ </div>	
Application Type <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input checked="" type="checkbox"/> Major General Plan Amendment <input type="checkbox"/> Rezoning/PAD Amendment <input type="checkbox"/> Planned Area Development <input type="checkbox"/> Conditional Use Permit <input type="checkbox"/> Zoning Code Amendment <input type="checkbox"/> Conceptual Site Plan <input type="checkbox"/> Conceptual Public Art <input type="checkbox"/> Conceptual Architecture <input type="checkbox"/> Final Site Plan <input type="checkbox"/> Conceptual Landscape Plan </div> <div style="width: 48%;"> <input type="checkbox"/> Final Plat <input type="checkbox"/> Pre-Application <input type="checkbox"/> Zoning Verification <input type="checkbox"/> Sign Criteria <input type="checkbox"/> Sign - PAD Exemption <input type="checkbox"/> Master Sign Program <input type="checkbox"/> Communication Facility - Tier 1 and 2 Minor <input type="checkbox"/> Communication Facility - Major <input type="checkbox"/> Revised Development Plan <input type="checkbox"/> Other _____ </div> </div>	
Subject Property Information: Address: <u>NOT ASSIGNED</u> Parcel/Tax Code: <u>220-06-0640</u> Subdivision / Commercial Center Name: <u>SILVERHAWKE NORTH</u> Book / Page or Sequence Number: <u>20172490001</u> Lot Number(s): <u>BLOCK 5</u> Legal Description: <u>SILVERHAWKE NORTH, BLOCK 5</u> Section/Township/Range: <u>12-S 14-E SEC. 6</u> Area of Property: <u>13.4 AC.</u> Existing Land Use: <u>NCO (RESIDENTIAL PROHIBITED)</u> Proposed Land Use: <u>NCO (RESIDENTIAL ALLOWED)</u>	
Applicant Information: * If more than one, attach list Applicant *: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> Name: <u>HERB KAI</u> Address: <u>6088 W. ARIZONA PALMERS DR. #2</u> Telephone: <u>520-791-2049</u> </div> <div style="width: 45%;"> Firm: <u>CAPRI COMPANY LLC</u> City: <u>MARANA</u> State: <u>AZ</u> Zip: <u>85743</u> Fax: <u>(520) 888-0642</u> Email: <u>JAMES.KAI@KAIENTERPRISES.COM</u> </div> </div>	
Property Owner(s) if different from Applicant *: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> Name: _____ Address: _____ Telephone: _____ </div> <div style="width: 45%;"> Firm: _____ City: _____ State: _____ Zip: _____ Fax: _____ Email: _____ </div> </div>	
Consultant: <u>PLANNING</u> (Discipline) <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> Name: <u>PAUL OLAND</u> Address: <u>7090 N. ORACLE RD., SUITE 178-193</u> Telephone: <u>520-664-4304</u> </div> <div style="width: 45%;"> Firm: <u>PARADIGM LAND DESIGN LLC</u> City: <u>TUCSON</u> State: <u>AZ</u> Zip: <u>85704</u> Email: <u>GPO@PARADIGMLAND.US</u> </div> </div>	

Project Description/Narrative:

PLEASE SEE ATTACHED NARRATIVE.

I hereby certify that I have read and examined this application and know the same to be true and correct. I am the owner of the property or the Owner's authorized representative, and if not the owner, I have obtained the owner's permission to perform stated work. All provisions of laws and ordinances governing this type of work will be complied with whether specified herein or not. The approval of this application does not presume to give authority to violate or cancel the provisions of any other federal, state or local law for which this project may be subject to.

Notice: It is the applicant/owner's responsibility to ensure all private rules and regulations (such as Covenants, Conditions & Restrictions (CC&R's)) of the subdivision and/or commercial center are adhered to. Contact your Home Owners Association or property management to determine applicable requirements.

It is also the applicant's responsibility to coordinate with all outside agencies to secure their acceptance or clearance. Failure to do so may delay issuance of permits. See attached list of agencies.


Applicant's Signature

HERBERT KAI
Print Name

4/28/20
Date

Important Note: All submittals received after 4:00 p.m. will be processed the next day

Submittals will be rejected if:

- Not folded using Pima County fold & collated;
- There are missing items on the checklist unless otherwise approved by Planning and Zoning Administrator or Town Engineer.
- Re-submittals cannot be accepted without a transmittal and a written response to staff comments.

April 21, 2020

Town of Oro Valley
11000 N. La Canada Drive
Oro Valley AZ 85737

Re: 1st & Tangerine (Silverhawke Blk. 5)
General Plan Amendment Request
Paradigm #19ada02

To Whom it May Concern:

This letter shall serve as authorization for Paradigm Land Design LLC to represent Capri Company LLC in the application for a General Plan amendment affecting the property referenced above.

Capri Company LLC

Signature:

 _____

Printed Name:

HERBERT KAI _____

Title:

MANAGER _____



**TANGERINE RD. & FIRST AVE.
(SILVERHAWKE BLOCK 5)
GENERAL PLAN AMENDMENT
SUBMITTAL NARRATIVE**

PREPARED BY:

Paradigm
LAND DESIGN LLC

Attn: Paul Oland
GPO@ParadigmLand.US
(520) 664-4304

April 29, 2020

Paradigm #19ada02

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I. PROJECT OVERVIEW

The subject property is part of a larger land holding that was acquired by the Kai family over half a century ago. Much of that original land holding has been developed over the years for various residential purposes. This property is platted as Silverhawke Block 5 and is currently zoned for commercial development along with Block 4 to the west. Block 4 is right on the corner of Tangerine and First, and we believe someday it'll be viable for commercial development. Unfortunately, several factors make this property, Block 5, unsuitable for commercial use: First, it has poor visibility from nearby streets. This alone is a critical flaw for retail. Second, it is physically located well off the corner of Tangerine and First. Third, there is an abundance of more suitable undeveloped commercial parcels nearby. Fourth, the market for retail floorspace is weak in this part of the Tucson metro area, partially due to that abundance of commercially zoned land and partially due to a lack of the residential density needed to support extensive retail. And lastly, a relatively low number of additional residential units are likely ever to be built within the parcel's retail service area, so the retail market isn't likely ever to improve much at this location. All these factors lead us to believe that the most viable, and most appropriate, use for this property would be for residential or senior care uses.

Over 15 years ago a list of General Plan Special Area Policies were applied to the overall "Kai-Capri" property, which encompassed roughly 290 acres east of 1st Avenue from Tangerine Road to Naranja Drive. The Policies provided direction for development of the entire property including the identification of approximately 24 acres at the corner of Tangerine at First as being appropriate for commercial development, so that portion of the Kai-Capri property was designated in the General Plan as Neighborhood Commercial / Office ("NCO"). Our proposed downzoning from C-1 Commercial to R-6 Residential will not require an amendment to the General Plan land use map because R-6 is a permitted zoning classification within the NCO designation. However, text amendments to the Special Area Policies are needed to allow this property to be developed for residential purposes.

Our proposed downzoning includes several Tentative Development Plans, depicting different development scenarios that we believe to be viable and appropriate uses for this property, including:

- A rental casita product similar to a number of others that have been very successful around Tucson and Phoenix. The residents of this sort of development are typically renters by choice, meaning that they could afford to purchase a home but prefer not to at this time. The project will be well landscaped, featuring a central recreational amenity such as a pool and spa area, and is most often entirely single-story.
- A gated, two-story apartment community in an amenitized and well-landscaped setting. As with the rental casita scenario the project would include a central recreation area with a clubhouse and rental office. And also, as with the casita scenario, residents in apartments such as this usually chose to live in an apartment even though they have the means to purchase a home.
- A senior care facility to meet the significant unmet need in the senior care industry. An increasing number of people are deciding that modern senior care facilities are an attractive living option that provides resort-like amenities and also the support that many aging people, or their spouses, require. The development will include a main two-story building where assisted living, memory care, and/or

Tangerine & First General Plan Amendment

Submittal Narrative

independent living quarters are offered. Around the perimeter one-story independent living cottages would provide a place where those requiring less care could live with a bit more room while still benefiting from the amenities and services available at the main building. Senior care facilities are very low traffic generators, and they're just as quiet if not quieter than other residential areas in Oro Valley.

- A single-family neighborhood featuring two-story townhome-style housing or one- and two-story detached homes similar to the nearby Villages at Silverhawke or Catalina Shadows subdivisions.

Regardless of which development scenario comes to fruition, several facts will remain the same:

- ✓ Building heights will not exceed the two-story limitation that is already in place under the existing C-1 zoning.
- ✓ Traffic generation will be equivalent or most likely lower than what could be expected if developed under the existing C-1 zoning.
- ✓ Any of the proposed development types will benefit the struggling retailers that have already established themselves in Oro Valley.
- ✓ The nearest residents in the Catalina Shadows subdivision are over 800 feet away and will be separated from this development not only by distance but also by homes to be built within the Villages at Silverhawke Phase 3. The nearest neighbors in the Villages at Silverhawke Phase 2 subdivision, which was part of the rezoning that created the subject property's C-1 zoning, are at least 350 feet away and separated from this development by a wash and the Villages Phase 3. The nearest neighbors in the Tangerine Hills subdivision are nearly 1,100 feet away and are separated from this development by a wash, the Villages Phases 2 & 3 subdivisions, and First Avenue. The nearest homes in Rancho Vistoso are over 2,000 feet away.



- ✓ This development will not negatively impact any nearby homeowners in the area.

II. PROPOSED AMENDMENT

Although a rezone to R-6 does not require an amendment to the General Plan's existing Neighborhood Commercial / Office ("NCO") land use designation, some of the language in the Special Area Policy for this property requires adjustment. Specifically, we propose the following changes to Section 8.6.2. of the General Plan:

- *Kai-Capri General Policy #1: "As currently mapped, the maximum number of residential units on the Kai-Capri Property is ~~255~~ 394, and up to 10 are allowed on the Steam Pump Ranch Estates property."*
- *Kai-Capri Neighborhood Commercial / Office Policy #1: "Must be developed for commercial, ~~and~~ office, ~~senior care, and/or residential~~ uses as part of an overall master plan that includes planning for the Master Plan Community (MPC) property to the south."*

III. GENERAL PLAN AMENDMENT CRITERIA

A. ON BALANCE, THE REQUEST IS CONSISTENT WITH THE VISION, GUIDING PRINCIPLES, GOALS, AND POLICIES OF THE GENERAL PLAN AS DEMONSTRATED BY THE FOLLOWING CRITERIA.

1. The request shall not significantly alter existing development character and land use patterns without adequate and appropriate buffers and graduated transitions in density and land use.
 - ✓ This proposal will not significantly alter existing development character and land use patterns. The subject property is already zoned C-1 Commercial. This proposed amendment will allow a downzoning to permit residential use, which is less intensive than what is currently allowed under existing zoning.
 - ✓ Transitional residential densities such as are proposed on this parcel are the most appropriate development character to exist between commercial uses and medium density residential uses. This amendment will result in a better "graduated transition in density and land use" than under existing zoning.
 - ✓ The General Plan does not envision commercially zoned parcels sitting unproductively vacant due to perpetual deficiencies residential density. Allowing this property to be developed residentially will help sustain the existing commercial developments in the area and increase the chances that the undeveloped commercial parcels will someday become successful centers that serve the daily needs of local residents.

Tangerine & First General Plan Amendment

Submittal Narrative

2. The request shall not impact existing uses with increased infrastructure without appropriate improvements to accommodate planned growth.
 - ✓ This property gains vehicular, pedestrian, and utility access via existing and planned infrastructure that was designed to accommodate this property being developed for non-residential use. In other words, existing and planned infrastructure has adequate capacity to serve this development. The last leg of Kai Drive, which will complete the loop from First Avenue to Tangerine Road, will be constructed with the development of this parcel. Any ancillary improvements to Tangerine Road, such as turn lanes, will also be constructed by the developer. The cost of necessary infrastructure will be borne by the developer.
3. The request shall not impact other public services including police, fire, parks, water and drainage unless careful analysis and explanation of anticipated impacts are provided to the Town for review.
 - ✓ The only impact to other public services will be the revenues those departments receive in the form of development impact fees that would not likely be paid in the foreseeable future under existing zoning.
4. The request shall not impact the natural beauty and environmental resources without suitable mitigation.
 - ✓ The proposed amendment and its associated downzoning request will not impact the natural beauty and environmental resources more than under existing zoning. In fact, most of the parcel was previously graded by ADOT, as evidenced by this 1992 aerial photo:



B. THE APPLICANT HAS IMPLEMENTED EFFECTIVE PUBLIC OUTREACH EFFORTS TO IDENTIFY NEIGHBORHOOD CONCERNS AND HAS RESPONDED BY INCORPORATING MEASURES TO AVOID OR MINIMIZE DEVELOPMENT IMPACTS TO THE EXTENT REASONABLY POSSIBLE, AS WELL AS TO MITIGATE UNAVOIDABLE ADVERSE IMPACTS.

The COVID19 pandemic has created a novel circumstance wherein large gatherings of people would not be lawful or prudent. In order to fulfill the goal of the Code's public outreach requirements a web-based approach has temporarily been adopted by the Town. This approach involves more public outreach than is typical for a General Plan amendment, including the preparation of informational videos, a web-based meeting, and two in-person meetings if the COVID-19 lockdown has ended by late summer. A lengthy list of interested parties was notified of the first informational video, and a second informational video was prepared and offered in response to questions and comments received. Please refer to the Public Outreach Plan for further details.

Through it all, it is important to remember that this proposed amendment and its associated downzoning will not create adverse development impacts that necessitate mitigation. Residential-scale development such as that which is proposed provides a graduated transition in density and land use and is generally accepted to be less impactful to nearby homeowners than the commercial developments that could be built on the property under existing zoning. Otherwise it would not be regarded as "transitional".

C. ALL NON-RESIDENTIAL AMENDMENT REQUESTS WILL CONTRIBUTE POSITIVELY TO THE LONG-TERM ECONOMIC STABILITY OF THE TOWN AS DEMONSTRATED BY CONSISTENCY WITH GOALS AND POLICIES RELATED TO ECONOMIC DEVELOPMENT AND FINANCIAL STABILITY.

The subject property's existing Neighborhood Commercial / Office General Plan land use designation permits this amendment request to allow residential development without amending the General Plan land use map, so this amendment criterion does not apply. Even so, by creating a new residential development opportunity this amendment will certainly contribute positively to the long-term economic stability of nearby commercial centers and by extension the Town as well.

IV. YOUR VOICE, OUR FUTURE CONFORMANCE

Oro Valley's Your Voice, Our Future General Plan includes many goals and policies that support the development of appropriate, transitional, and viable land uses such as those proposed by this amendment and associated downzoning. Below are a sample of goals and policies that this proposal supports:

- 3.4.A. & D. – A robust local economy and job market that provide opportunities for quality employment, build on Oro Valley's assets and encourage high-quality growth. A community with a wide range of services, amenities, shopping and dining opportunities and housing types that meet the needs of current and future residents.
 - ✓ A robust economy within Oro Valley will be fueled by successful businesses in Oro Valley. Businesses can provide a wide range of services, shopping, and dining opportunities only when they thrive. They thrive when they have enough customers living and working within their service area. Oro Valley's generally low residential densities do not provide enough customers for most Oro Valley businesses within their services areas, so additional residential units are needed to help fulfill this General Plan goal. Ideally the development of additional residential units is not unreasonably impactful to nearby residents nor it is on land that is environmentally sensitive. This property fits those two criteria perfectly.
 - ✓ Given that existing Oro Valley businesses are already struggling, re-designating undeveloped and less desirable commercial land to provide much needed additional residential units is appropriate from a long-range land use planning standpoint. The intersection of Tangerine Road and First Avenue is surrounded by 81 acres of commercially zoned parcels spread over all four corners, but only 29% of the acreage is developed, leaving nearly 60 acres of undeveloped, marginally viable commercial land that is not currently benefitting the property owners, nearby businesses, or the Town in general. This proposed amendment will help realign this commercial intersection to better support the General Plan's goal of achieving a robust local economy.
- 3.6.CC.7. – Support the development of diverse housing types within the community.
 - ✓ Oro Valley's residential market is dominated by single-family detached homes, which doesn't align with the broader spectrum of housing options demanded by existing and future residents. Additional denser transitional residential housing units such as apartments, rental casitas, townhomes, and senior care campuses are needed to make living in Oro Valley accessible to everyone.

*Tangerine & First General Plan Amendment**Submittal Narrative*

- 3.6.CC.8. – Foster development of complete neighborhoods with easy access to transportation and employment options, and commercial areas that offer amenities and services for residents' daily needs.
 - ✓ The General Plan describes a complete neighborhood as including parks and other outdoor spaces, recreational facilities, access to quality housing, and safe and varied transportation options. It goes on to describe a complete community as one that serves the needs of residents on a day-to-day basis and is "a good place to open a business". This proposed amendment will fulfil these goals by providing another quality housing option for existing and future residents, an recreation area, convenient pedestrian and bicycle access to the nearby sidewalk and pathway system, convenient access to nearby commercial areas, and additional residents to help local businesses thrive.
- 5.4.X. – Effective transitions between differing land uses and intensities in the community.
 - ✓ Residential-scale development such as that which is proposed provides a graduated transition in density and land use and is generally accepted to be less impactful to nearby homeowners than the commercial developments that could be built on the property under existing zoning. Landscaped bufferyards will be incorporated into the development to further soften the boundary between this and nearby developments.
- 5.5.LU.5. – Provide diverse land uses that meet the Town's overall needs and effectively transition in scale and density adjacent to neighborhoods.
 - ✓ Currently Oro Valley has more commercially zoned land than can be supported by its residential and employment density. Conversely, the Town's supply of higher density residential units is deficient relative to demand and relative to the General Plan's goal of providing a full spectrum of housing options. Allowing this property to develop as a higher density residential or senior care neighborhood would help address both of these statistics.
- 5.5.LU.7. – Coordinate planning for land use and transportation in order to promote growth areas and transit and commercial corridors.
 - ✓ A General Plan Tier II Growth Area is designated over the entire 81 acres of commercially zoned land centered around the intersection of First Avenue and Tangerine Road. The General Plan defines a Growth Area as a location that is "particularly suitable" for a planned concentration of a range of more intensive land uses. Development within Tier II Growth Areas must limit impacts to nearby homeowners, which this proposal achieves. This proposal also provides for a "sensible pattern of land development" coupled with infrastructure funding that is "coordinated with development activity" (i.e. developed-funded).

Tangerine & First General Plan AmendmentSubmittal Narrative

- 5.5.LU.9. – Promote the design of cohesive developments that enhance and promote the pedestrian experience.
 - ✓ Whether this property is developed as a senior care campus or a residential neighborhood that is not age-restricted, it will include an internal sidewalk/pathway system with connections to external sidewalk and trail alignments.
- 5.7.DG.1. – Require new development to pay its share toward the cost of additional public facility and service needs generated by new development while balancing public and private interests in cost allocation.
 - ✓ This project will fund the construction of the final leg of the Kai Drive connection between First Avenue and Tangerine Road. That roadway construction effort will also include extension of utilities necessary to serve the development. Beyond providing the actual infrastructure improvements needed to serve this development, impact fees will be paid to help cover the cost of maintaining the Town's broader public infrastructure networks.

**TANGERINE RD. & FIRST AVE.
(SILVERHAWKE BLOCK 5)
GENERAL PLAN AMENDMENT
& REZONING
PUBLIC OUTREACH REPORT**

PREPARED BY:

Paradigm
LAND DESIGN LLC

Attn: Paul Oland
GPO@ParadigmLand.US
(520) 664-4304

April 27, 2020

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I. NEIGHBORHOOD MEETINGS TO-DATE

The COVID-19 pandemic has created a novel circumstance wherein large gatherings of people would not be lawful or prudent. In order to fulfill the goal of the Code's requirements we have shifted our primary outreach efforts to the internet. An initial informational video was posted to the Town's project website on April 10th. The Town mailed notices to all Homeowners' Associations in Town and landowners within 1,000 feet of the property. During the review period for that first video 19 questions and comments were offered by the public. A second informational video responding to the issues raised will be posted on the Town project website on April 30th. Further information will be disseminated as the project proceeds through the review process. If the COVID-19 pandemic subsides later this year and reasonable concerns from nearby property owners still exist we hope to be able to conduct in-person meetings because in-person meetings are an important part of the process and should be held if conditions allow. If not, we will continue through interactive web-based outreach efforts. Please refer to the Public Outreach Plan for a detailed meeting schedule.

II. COMMENTS RECEIVED TO-DATE

The 19 comments received during the first informational video question and comment period are attached to this document.

III. SUMMARY OF ISSUES RAISED

The questions raised by the public can generally be summarized in the following hybrid questions:

1. What can currently be built on the site?
2. Why propose new uses and not build commercial uses? What is the occupancy and demand for Oro Valley apartments and senior care facilities? What are the economic benefits?
3. Is this compatible with surrounding neighbors? What about view, noise, and light pollution impacts?
4. How much open space will be provided? What are the cultural & environmental impacts (native plants and animals)?
5. Will future owners be taxed for schools and is there ample student capacity?
6. How will infrastructure be impacted and who pays for it? Will walking paths and trails be included?



Town of Oro Valley
Specific Issue Summary For SE Tangerine/1st Project
04/03/2020 Through 05/22/2020

Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Closed	senior facility down the street	04/10/2020	04/10/2020	RANCHO VISTOSO NEIGHBORHOOD 7		
<p>Initial Comment / Request</p> <p>I OBJECT! There is already a senior facility down the street at Splendido for starters. Increasing the population by this proposal creates dangers traffic issues, especially going to Oracle at the intersection of Woodburne and Rancho Vistoso Blvd. Morning traffic at that intersection is hectic at best particularly during morning rush hour. Furthermore this is a primary intersection for emergency services with the fire station less than 2 blocks away. Pedestrian traffic is already a problem with people going to Safeway on the east side of Rancho Vistoso to cross the street to get over to Woodburne, let alone the bicycle traffic and residents walking their dogs. While in the increase in tax revenue might help the city, the increased wear and tear on our streets would offset the tax revenue to some degree. The quality of our neighborhood should be shielded from ongoing residential expansion to preserve our community. Regards, A Los Colinas resident. Judy & Dieter Krausser</p>								

Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Closed	Signs along south side of Tangerine east of Oracle	04/10/2020	04/10/2020	NO CHOICE	Rosalie	Wright
<p>Initial Comment / Request</p> <p>Hi there, Driving east towards Oracle Road, noticed several yellow signs on south side of Tangerine indicating some proposed changes to the land are in the works. Can you please advise me of what is planned? Thank you.... Rosalie Wright</p>								
Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Open	Vistoso Golf Course and Tangerine & 1st Videos	04/11/2020		RANCHO VISTOSO NEIGHBORHOOD 7		
<p>Initial Comment / Request</p> <p>I just wanted to take a minute to pass on how well I thought both the Vistoso Golf Course and Tangerine & 1st videos were prepared and presented. They were professional and very informative. All involved should be congratulated. I even think that this process should be considered in the future, even after the current COVID-19 situation settles down. I appreciated the opportunity to become informed on my own schedule and in the comfort of my own home.</p> <p>Regards, Dave Gerlach Oro Valley and Rancho Vistoso resident.</p> <p>Sent from my iPad</p>								

Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Open	Kai property Tangerine and First	04/11/2020		CATALINA SHADOWS ESTATES	Devon	Sloan
<p>Initial Comment / Request</p> <p>Good morning!</p> <p>Please add me to information list about the above project.</p> <p>Thanks,</p> <p>Devon Sloan 1920 East Andromeda Place Tucson 85737</p>								

Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Open	Tangerine & 1st Ave	04/12/2020		TANGERINE HILLS		
<p>Initial Comment / Request</p> <p>Ms Oden & OV planning staff: Excellent work on the video with the land history, map presentations, and project information. We would like to strongly express our disagreement with changing the zoning for this project and believe we have a unique perspective to do so. We have lived in Tangerine Hills for 39 years since it was built by US Homes in 1981. We thoroughly enjoy the desert beauty and views from our property on N. Joi Drive. We have grown to tolerate the increased noise and traffic from Tangerine and 1st Avenue recognizing that growth is part of any town that has the beauty and supportive government ideals that Oro Valley offers. We noticed on the video that areas in close proximity to the project were pointed to with arrows during the presentation, but Tangerine Hills was not. Without taking out a yardstick to measure, but knowing the area very well I would think that Joi Drive and other Tangerine Hills residences are closer to the project land than some pointed to on the video. The main points of the developer were entirely financial and seem contrary to Oro Valley ideals. Over the years we have seen other OV projects rejected by the city that seemed primarily motivated by financial gain. We find it interesting that the Kai-Capri land owners have owned the majority and/or all the land for 50 years, but only in the past 2-3 years have started to develop it. We hope Kai-Capri is not being treated more favorably than other land owners in the city and specifically the Tangerine & 1st Avenue area. How many zoning changes have they been afforded for their land? We strongly believe Oro Valley growth in this area should be restricted to the current zoning for the obvious reasons of increased noise, traffic congestion, but also because it is more in line with what our beautiful city is about philosophically for it's residents. Sincerely, Tom & Cheryl Murdock 11780 N. Joi Drive Oro Valley, Arizona 85737</p>								

Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Open	Kai-Capri area	04/13/2020		CATALINA SHADOWS ESTATES		
<p>Initial Comment / Request</p> <p>As a homeowner, I oppose changing the Kai-Capri Area from C1 to R6 because:</p> <ol style="list-style-type: none"> 1. It will use too much water. 2. It will obstruct views while driving. 3. Wildlife will be displaced. 4. Native and rare plants will be destroyed. 5. Increased traffic will lengthen travel times. 6. Increased traffic will increase air pollution. 7. Noise levels will increase. 8. Nocturnal light levels will increase. 9. A new Oro Valley Market revamp plan is potentially underway. Do we need both? <p>Thank you.</p> <p>Sincerely,</p> <p>Stephan Donovan 11900 N. Labyrinth Drive Oro Valley, AZ 85737</p> <p>Sent from my iPhone</p>								

Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Open	Proposed zoning change of SE Corner 1st ave & Tangerine	04/13/2020		PALISADES POINT		
<p>Initial Comment / Request</p> <p>For the Developer:</p> <p>The example shown details 167 to 200 units on 13.4 acres while preserving 25% open space.</p> <ul style="list-style-type: none"> * That comes out to a minimum of 16 units per acre which seems extremely high, pls comment. * No provision for parking spaces is shown, nor for visitor parking. (This is for Seniors, not shut-ins) * What is the ratio of paved + under roof area to total area of the 13.4 acres, and how does that impact water absorption/runoff? * How will the high density development impact current city water and sewage facilities? <p>For Oro Valley Planning and Zoning:</p> <ul style="list-style-type: none"> * Will the costs of modifying traffic control on both 1st Ave and on Tangerine be borne by the developer, perhaps in the permits? * With all of the recent apartments completed along Oracle at Steam Pump Village, 1st & Oracle, and Oracle & Linda Vista, as well as an additional 800+ planned apartments and hotel at Oro Valley Marketplace, what is the impact on water, sewer, utilities, fire and safety in the city infrastructure and budget? * Will the costs of any additional infrastructure and fire and safety staffing required by this development be borne by the developer or the community at large? * Can OV Water (through billing accounts), provide information on the current occupancy rates for the above referenced apartment complexes? * Since the developer is proposing these plans as Senior complexes without parks or recreation spaces, are there any provisions to make the development restricted to 55+ community in the permitting process? * Will the owners of the units or complex be taxed for schools? (No set asides) <p>Thank you, Frank Engle 11321 N Charolieu Dr. Oro Valley, AZ 85737 franke2u@gmail.com 520-906-4351</p>								

Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Open	add to notification list	04/14/2020		VILLAGES AT SILVERHAWKE	Marlon	Weathers
<p>Initial Comment / Request</p> <p>Please add us to the notification list. We did not hear of the recent Tangerine and First Avenue plans adjacent to our homes at Villages at Silverhawke.</p> <p>Regards, Marlon and Janet Weathers</p>								
Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Open	Tangerine and First Avenue	04/14/2020		VILLAGES AT SILVERHAWKE	Marlon	Weathers
<p>Initial Comment / Request</p> <p>I realize that the area is going to develop and expected it to eventually. We live in the Villages at Silverhawke and are not excited to see anything going in that bumps up directly to the backyards of the homes. I would prefer to see the least amount of intrusion, traffic, noise, and visibility of any proposed development. I am especially concerned with any additional light pollution that may be added with the proposed developments. Do the proposed plans include that information?</p>								

Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Open	Rezoning at First and Tangerine, Silverhawk Block 5	04/15/2020		RANCHO VISTOSO NEIGHBORHOOD 5		
<p><u>Initial Comment / Request</u></p> <p>Is there a way to see the information in the 30 minute video in hard copy? Perhaps the PowerPoint slides.</p> <p>Recently an additional entrance to the Safeway shopping center was added on Tangerine. That is a very important item to add to the plan. It is very close to the proposed feeder road at KIA Road.</p> <p>The road goes up from Big Wash to the Tangerine/ First corner. Can drivers easily see what the options are? As a long time resident near this corner (25 years), I was initially confused about the new entrance to the Safeway center.</p> <p>Is the feeder road part of the rezoning approval process?</p> <p>Diane Kelly 684 East Bridal Veil Falls Road Oro Valley</p>								

Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Closed	trails	04/16/2020	04/17/2020	NO CHOICE		
<p><u>Initial Comment / Request</u></p> <p>The Kai-Capri developers have been mindful of the residents and Oro Valley aesthetics in their land usage thus far. The walking path along Palisades has been a much needed and used amenity. In the proposed buffer areas between the existing neighborhoods and planned development of R-6 zoning, will there be opportunity for further trails or walking paths?</p> <p>Are the developers willing to add more walking paths and trails as part of their land development? This much-used Palisades path shows a need for further trails that tie into existing paths along Tangerine.</p> <p>Thank you, DoraLea</p>								

Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Closed	Southeast of Tangerine Rd and N. 1st Ave	04/17/2020	04/20/2020	CATALINA SHADOWS ESTATES	Gary	Temple
<p><u>Initial Comment / Request</u></p> <p>My comment is centered around the proposed property being rezoned for senior living. I ask the basic question. How many senior living establishments does Oro Valley plan to approve. We have Splendido and the newest one under construction on Innovation Drive. We already have the abandoned project near the Canada Wash bridge which already received all the necessary approvals, but the developer chose to defer the project. And now, this developer wants to add additional senior living capacity at Tangerine and 1st Ave. I recall the General Plan emphasizing high tech jobs and concomitant younger families moving into Oro Valley. What happened. Are we going to become the most senior community in the state of Arizona outside of Sun City in the Phoenix area. Enough is enough. Deny this application in the strongest terms possible.</p>								

Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Closed	RE. Tangerine and First	04/18/2020	04/20/2020	CATALINA SHADOWS ESTATES		
<p>Initial Comment / Request</p> <p>I've lived at my current address in Catalina Shadows for 3 years and I'm dismayed at how much construction there has been in this immediate area during my short time here. We've dealt with construction and the resulting noise, dust, traffic and wildlife displacement (i.e., snake invasion) from the 2 Silverhawk developments and the defunct Nakoma Sky development. The Oro Valley Marketplace plans include 2 apartment complexes and 2 hotels. Additionally, there's the All Seasons assisted living development across from the hospital. In the past year, there have been several serious (and a few fatal) accidents along Tangerine. I ride my bike through the Tangerine/First intersection regularly and I can vouch for this being a very dangerous intersection. I did not move to Oro Valley to experience high-density living. It is clearly not desirable to have more high density living in this immediate area for the current residents. I wonder if the new homeowners in Silverhawk were told they would be backing up to apartments?</p> <p>Deane Alben Catalina Shadows resident</p>								
Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Closed	Development Plans	04/18/2020	04/20/2020	VILLAGES AT SILVERHAWKE	Taber	Rebecca
<p>Initial Comment / Request</p> <p>As a resident of Catalina Shadows off of Palisades Road, I viewed with interest the video presentation on project 2000862. Since the General Plan allows 255 residences on the entire piece of Kai property and 227 have been squeezed into the Villages already, I believe the most acceptable of the options presented is just to extend the Villages to Tangerine Road and stay within the currently approved number of housing units for the entire parcel, while changing the zoning from C1 to residential. I don't believe it is consistent with the current development in this area to allow higher density use of this property.</p>								

Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Closed	SOUTHEAST OF TANGERINE ROAD AND N. 1ST AVENUE INTERSECTION - PROPOSED GENERAL PLAN AMENDMENT AND REZONING	04/20/2020	04/21/2020			

Initial Comment / Request

AS STEWARDS WHO RESIDE IN THE ADJACENT COMMUNITY, WE UNDERSTAND AND WITNESS THAT THIS PARCEL HAS ENVIRONMENTAL AND ARCHAEOLOGICAL SIGNIFICANCE. SONORAN DESERT TORTOISES RESIDE ON THIS PARCEL AND SOME OF THEIR DENS WERE DESTROYED DURING CAPRI CO. LLC TRENCHING AND MERITAGE HOMES DEVELOPMENT DURING TORTOISE BRUMATION! THIS IS DISGRACEFUL. *NO HIRED BIOLOGIST MONITORED THIS BEFORE THE DESTRUCTION EXCEPT MYSELF AND I WAS NOT CONSULTED BY THE UNSUSTAINABLE DEVELOPERS WHO DESTROYED THE TORTOISE DENS AND BURROWS. SHAMEFUL!

THERE ARE SIGNIFICANT NATIVE PLANTS AND TREES ON THIS PARCEL AS WELL AS ANCESTRAL TOOLS, NATIVE AMERICAN TRAILS, CERAMIC SHARDS AND WORKED STONE. KAI AND CAPRI HAVE BEEN IRRESPONSIBLE AND NEGLIGENT LAND OWNERS AND DEVELOPERS. KAI ALLOWED THIS PARCEL TO BE AN ILLEGAL DUMPING GROUND FOR MANY YEARS. AS STEWARDS WE REPORTED ILLEGAL DUMPING ON SITE TO THE POLICE NUMEROUS TIMES.

UNSUSTAINABLE DEVELOPMENT OF THIS PARCEL CONTINUES TO PRODUCE SIGNIFICANT SOCIAL AND ENVIRONMENTAL IMPACTS TO THE NATIVE PLANT AND ANIMAL COMMUNITIES AS WELL AS THE HUMAN COMMUNITY. MERITAGE HOMES IS CURRENTLY TRASHING THE PARCEL AND WORKERS ARE LEAVING THEIR GARBAGE AND RECYCLABLES ALL AROUND THE PERIMETER OF THE MERITAGE HOMES DEVELOPMENT ZONE. IT IS DISGUSTING AND UNACCEPTABLE. I REPORTED THIS ILLEGAL DUMPING TO THE ARIZONA ATTORNEY GENERAL AND THE BETTER BUSINESS BUREAU.

A HEALTHY INTACT ENVIRONMENT SUSTAINS LIFE. THE CONTINUED DESTRUCTION OF THIS PARCEL WITH ITS SIGNIFICANT PLANTS, TREES AND ANIMAL COMMUNITIES WILL BE FURTHER IMPACTED BY THIS PROPOSED DEVELOPMENT AND IT WILL FURTHER IMPACT THE HUMAN COMMUNITY.

EXTENSIVE TRASH, DESTRUCTION OF ANIMALS BURROWS AND DENS, WORKERS TREATING THE DESERT PARCEL AS A WASTELAND, WORKERS DEFECATING AND LEAVING THEIR FECAL MATTER AND WIPING PAPER IS DISGUSTING. I REPORTED THIS TO ORO VALLEY GOVERNMENT TO NO AVAIL!

SHAME ON KAI AND CAPRI FOR THEIR UNSUSTAINABLE PRACTICES DIGGING DEEP VERTICAL TRENCHES THAT ENTRAPPED NATIVE ANIMALS WITHOUT PLACING BARRIERS, DESTROYING TORTOISES DENS AND ARCHAEOLOGICALLY SIGNIFICANT TRAILS, TOOLS, WORKED STONE AND CERAMIC SHARDS. THIS SEVERELY IMPACTS LIVES. OUR HUMAN HEALTH AND WELL BEING ARE INEXTRICABLY TIED TO A HEALTHY ENVIRONMENT. KAI, MERITAGE HOMES AND CAPRI HAVE NEGATIVELY IMPACTED THE ENVIRONMENT WITH THEIR UNSUSTAINABLE DEVELOPMENT PRACTICES, NEGLIGENCE AND ILLEGAL DUMPING. THIS IMPACTS THE HEALTH AND WELL-BEING OF THE HUMAN COMMUNITY. A HEALTHY ENVIRONMENT SUSTAINS HEALTHY INDIVIDUALS AND COMMUNITIES. THIS IS UNFORTUNATELY NOT HAPPENING ON THIS PARCEL.

ORO VALLEY GIVES A GREEN LIGHT TO MANY UNSUSTAINABLE DEVELOPERS WHO HAVE IRREPARABLY ALTERED THE NATURAL ENVIRONMENT TO A GREAT EXTENT. THERE ARE MOUNDS OF HUNDREDS OF POUNDS OF RUSTING CABLES AND MOUNDS OF RUSTING HARDWARE ON THIS PARCEL THAT HAVE BEEN DUMPED THERE FOR DECADES. IT APPEARS THAT KAI DOES NOT SEEM TO CARE THAT ILLEGAL DUMPING HAS BEEN OCCURRING ON THIS ONCE BEAUTIFUL PARCEL FOR DECADES AND THIS IS UNFORTUNATE. WE LIVE IN THIS REALM. AS STEWARDS, WE GREATLY CARE AND HAVE CLEANED UP HUNDREDS OF POUNDS OF ILLEGALLY DUMPED TRASH BY MERITAGE HOMES, AMERICAN TOWER WORKERS, CONTRACTORS, CAPRI CO LLC WORKERS AND OTHERS. THIS TYPE OF DEVELOPMENT IS UNACCEPTABLE, IRRESPONSIBLE AND NEGLIGENT.

WE SAY NO TO THIS PROPOSED PROJECT. ENOUGH DAMAGE HAS BEEN DONE TO THIS ONCE PRISTINE AND BEAUTIFUL PARCEL THAT IS RICH WITH NATIVE AMERICAN HISTORY IN THE TOHONO O'ODHAM HAKI DAG - THE SACRED HOMELAND OF THE TOHONO O'ODHAM PEOPLE.

Sincerely,

Dr. Amy Eisenberg

Amy Eisenberg, Ph.D.
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Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Closed	Opposed to Silverhawk alteration	04/20/2020	04/21/2020	SUNSET RIDGE II	Andrew	Beaute
Initial Comment / Request <p>Hi, I oppose the proposal to alter the general plan to enable a shift in land usage at Silverhawk from commercial property to multi-family residential. I encourage the town council to reject any such request for a change to the general plan. Thank you.</p>								

Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Closed	Tangerine and First development	04/21/2020	04/21/2020	CATALINA SHADOWS ESTATES	Devon	Sloan
Initial Comment / Request								

Good morning! First of all, thanks for your response to my question about phone in meetings for HOAs. I appreciate your quick response. And now, for my reason for writing today....

The Kai family is very fortunate to have been able to purchase land in our area over 50 years ago, and I am well aware that times change, but why do our voter approved General Plan and our zoning requirements need to change every time the Kai family wants to do something different with their purchase?

In 2015, the family's property near First and Tangerine was zoned as large lot residential, and they wanted and were granted a change to neighborhood commercial office. Now they want to change it back to residential, but not large lot. They want to make it 167 one story or 200 two story apartments or town homes or possibly a two story senior citizen facility.

The reasoning is as follows -
poor visibility for retail at that location
the parcel of land is not exactly on that corner
there is a weak market for retail at that location because there is a lack of residents in that area AND because of the abundance of other retail space nearby

Plus, they claim that retail won't improve in this location

Keep in mind that the Kai family is the owner of the land that is now Sanctuary at Silverhawk with 40 homes and the Villages at Silverhawk with 186 lots. The Villages at Silverhawk were originally approved as low density residential and in 2013, the Kai family was able to have it changed to medium density residential with the property square footage reduced to 5,520 from 7,200.

Also remember that Oro Valley lives on sales tax revenues, and changing zoning entitlements away from commercial, only limits the future of sales tax revenues. Once all construction/impact fees are paid, the land will produce no revenue for our Town. With the probability of apartments going in at the Oro Valley Marketplace, this area will be saturated with apartments. Unless the Town initiates a "renters tax", apartments don't produce income. The best use of the land for Oro Valley is to remain commercial. There are no lack of residents, especially with the development of both Silverhawk complexes.

Why do we have a voter approved General Plan and Town zoning requirements if a wealthy owner of the property can change what the property becomes just by saying "I don't want to do this anymore. I want to make more money."

Why does the owner think that the town needs more apartments or town homes in addition to what is being proposed for the Oro Valley Village Center? And why does the owner think that we need another senior care facility with Splendido a little further up the road on Rancho Vistoso and All Seasons development going up across the street from the hospital? Why does the owner think the property won't be visible from Tangerine and 1st, one of the most visible and traveled intersections in Oro Valley, a prime spot for commercial? And why does the owner think that retail won't work in this area? Where is the research that proves any of those concerns?

Perhaps in this climate where none of us are shopping, dining out, or looking for a place to live, why don't we all just take a breath and leave the land as it is? We don't have to do this now. Let's let it lie for the time. Who knows what kind of services we will need when we get to the other side of this pandemic? Please let the land and the animals on it just be for awhile until we can all focus on moving forward.

Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Closed	Kai Property General Plan Amendment Request	04/22/2020	04/22/2020	SHANNON ACRES	Sandy	Wilson
<p><u>Initial Comment / Request</u></p> <p>We are not in support of a General Plan amendment for the Kai property. There is not enough commercial property available in OV as it is. The location of this property is naturally appropriate for commercial use, the other two corner properties are currently commercial.</p> <p>Thank you, Ben and Sandy Wilson</p>								

Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Closed	Amendments to the General Plan	04/22/2020	04/22/2020			
<p><u>Initial Comment / Request</u></p> <p>I have lived in Oro Valley since 2004. I do not understand why Oro Valley spends so much time soliciting citizen input for their General Plan when every developer in town is allowed to ask for, and is usually granted, an amendment in order to change the zoning of the land. The Oro Valley General Plan is false advertising and not much more.</p> <p>People move to parts of Oro Valley expecting the General Plan to provide a guideline as to how their land, and adjoining land, can be used and may be developed in the future.</p> <p>So many homeowners in Oro Valley have had their views destroyed and/or their environment seriously altered from what they expected when they bought their property because developers continually convince the Town Council to approve complete zoning changes to large parcels. Smart developers would not purchase or invest in these parcels if they had expectations that the General Plan and zoning of their land could in MOST cases NOT be changed. But developers have learned they get free rein to zone parcels however they so choose after running through the usual gauntlet of citizen objections.</p> <p>My suggestion is to throw out the General Plan that pertains to zoning because it is so often disregarded as to be pointless. An alternative would be to make it much more difficult and grossly more expensive and time-consuming for a zoning change to be approved to any parcel larger than one acre. If citizens who support the General Plan were allowed to vote to approve or disapprove each zoning change rather than the Town Council, I doubt so many would pass muster.</p> <p>Thank you for your consideration.</p> <p>Best regards,</p> <p>Lois Berkowitz 12211 N Cloud Ridge Dr Oro Valley, AZ 85755</p>								

Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Closed	Kai Property - Tangerine and First Ave	04/23/2020	04/23/2020			
<p>Initial Comment / Request</p> <p>I am opposed to this project. Specifically, it deviates significantly from the strategic Long Term Plan, Your Voice, Our Future (revisited in 2016 and ratified by the voters - just 4 years ago). The request for a zoning change from Commercial to Multi-Residential greatly increases (almost doubling) the density in the area. In 2015, this very issue was addressed when the area was rezoned from Multi Residential (R1-144 to Commercial C-1). Public input was heavy at that time. Area density was a key issue. The 2016 'Grand Plan' codified this. The Special Area Policy for Kai Capri also addressed density in limiting Residential development to 255 units. The applicant's new request goes well beyond the new limit imposed and attempts to supersede the 2015 rezoning and the 2016 Long Term Plan. We do not need to increase the density.</p> <p>The strategic Long Term Plan by Oro Valley for this area specifically envisions a balanced ratio between lower density residential projects and retail/commercial development.</p> <p>The applicant cites an abundance of retail property, implying that the proposed project area is insufficient for Retail/Professional Offices – this is short sighted. Applicant claims that there is insufficient demand for C-1 property because of low density. It ignores higher residential density just outside the property both to the North and East. In addition, the substantial Meritage developments to the South is not even completed yet, so its impact on nearby commercial/retail at this location has not yet been realized. Additional, residential area proposed nearby at the OV Marketplace also puts this argument in question. To cut off new potential C-1 projects in the immediate area is grossly premature at this point.</p> <p>Please do not let this project continue. Please keep the density in check and follow the long term vision for this area.</p> <p>Ed Buettner</p> <p>854 E Naranja Dr Oro Valley, AZ</p>								

Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Closed	Kai-Capri - 1st & Tangerine	05/20/2020	05/21/2020	RANCHO VISTOSO	Shirl	Lamonna
<p>Initial Comment / Request</p> <p>Where are the actual resident questions and comments for this project posted? The summary of Frequently Asked Questions presented in the April 30th video is available but not the actual questions as were provided with Vistoso Golf GPA. Thank you.</p>								
Sub Department	Issue Type	Status	Subject	Date Submitted	Date Closed	Subdivision	First Name	Last name
Planning	SE Tangerine/1st Project	Closed	OPINION	05/21/2020	05/22/2020			
<p>Initial Comment / Request</p> <p>This project will increase traffic at these intersections, which would have a negative impact for safety and so many already using the walking trail crosses this intersection. We have a beautiful walking trail and there is no apparent need for adjoining trails.</p> <p>Why the builder want to change the amount of units that can be built? Except for more money generated for them.</p> <p>We do not see why the zoning should be changed for housing units. The builder talks about it bringing more businesses but we have had businesses closing at OV Market Place. If more businesses were to come to OV this would be a valuable plot of land for growing businesses.</p> <p>We say NO!</p>								









Qualifications

Qualifications of the Appraisers

Michael J. Naifeh, MAI, CRE®

Experience

- Includes valuation of most types of urban real property and interest in real property; i.e., single and multi-family residential, commercial, industrial, and vacant land. Experience also includes special-purpose properties, feasibility studies, property tax appeals, lease fee and leasehold interest, and counseling.
- Employed as a Fee Appraiser with Sanders K. Solot and Associates, Tucson, Arizona, from May 1980 through April 1983.
- Employed as a Fee Appraiser with Mahoney, Cole and Associates, Tucson, Arizona, from May 1983 through May 1988.
- President and Principal Appraiser, MJN Enterprises, Inc. since 1986.
- Served on the Board of Directors founding Valbridge Property Advisors since June, 2011.
- Currently Senior Managing Director, Valbridge Property Advisors | MJN Enterprises, Inc.

Professional Education

All required classes to obtain MAI Designation and state certification

Professional Memberships

- Member of the Counselors of Real Estate (CRE®), Certification Number 2387. The CRE® designation is awarded only to those individuals who are invited by their peers into the membership of the Counselors of Real Estate.
- Member, Appraisal Institute, (MAI), Certificate Number 7812. As of the date of this report, I, Michael J. Naifeh, have completed the requirements under the continuing education program of the Appraisal Institute.
- Certified General Real Estate Appraiser, State of Arizona Certificate No. 30276.
- Registered Property Tax Agent in the State of Arizona
- Licensed Real Estate Salesman, State of Arizona

Formal Education

Bachelor of Science Degree, University of Arizona, 1980.

Concentration: Accounting and Real Estate

Public Service

- Appointed to the Arizona State Board of Appraisal January, 2000.
- Served as Vice Chairperson in 2000 and Chairperson in 2001.
- Reappointed for a second term January, 2002.

Scope of Appraisal Practice

Appraisal practice is classified into five categories:

- Mortgage Loan Appraisal
- Taxation Valuation
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- Market Value for Private Negotiation Purposes
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Clientele includes governmental agencies, corporate organizations, development companies, and financial institutions.



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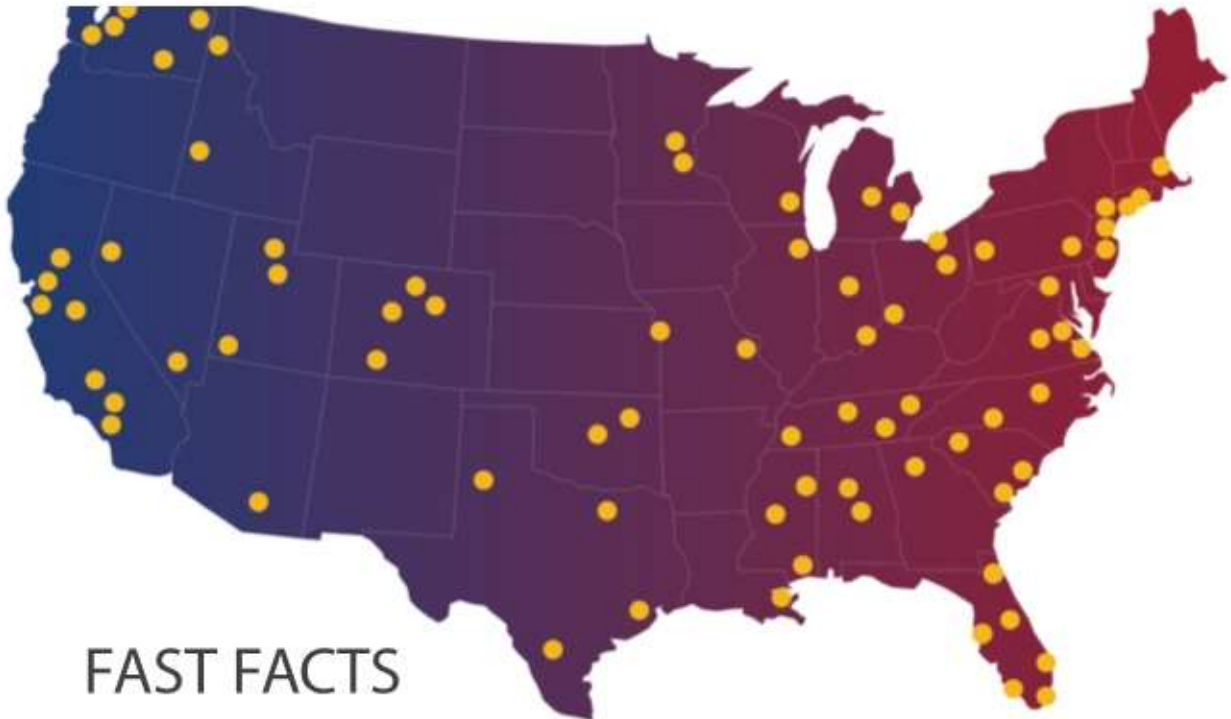
Valbridge services all property types, including:

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FAST FACTS

COMPANY INFORMATION

- Valbridge is the largest independent national commercial real estate valuation and advisory services firm in North America
 - Total number of MAI-designated appraisers: 200+ on staff
 - Total number of office locations: 70 + across U.S
 - Total number of staff: 675+ strong
- Valbridge covers the entire U.S. from coast to coast.
- Valbridge services all property types, including special-purpose properties.
- Valbridge provides independent valuation services. We are not owned by a brokerage firm or investment company.
- Every Valbridge office is led by a senior managing director who holds the MAI designation of the Appraisal Institute.
- Valbridge is owned by our local office leaders.
- Valbridge welcomes single-property assignments as well as portfolio, multi-market and other bulk-property engagements.

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99 S. Lake Avenue
Suite 21
Pasadena, CA 91101
626.744.0428

3090 Fite Circle
Suite 202
Sacramento, CA 95827
916.361.2509

55 South Market Street
Suite 1210
San Jose, CA 95113
408.279.1520

3160 Crow Canyon Place
Suite 245
San Ramon, CA 94583
925.327.1660

COLORADO

7445 E. Peakview Avenue
Centennial, CO 80111
303.443.9600

5345 Arapahoe Avenue
Suite 7
Boulder, CO 80303
303.443.9600

23272 Two Rivers Road
Unit 101
Basalt, CO 81621
970.340.1016

1099 Main Avenue
Suite 311
Durango, CO 81301
970.340.1016

CONNECTICUT

15 Concord Street
Glastonbury, CT 06033
860.246.4606

17 Covebrook Drive
Norwalk, CT 06853
203.286.6520

FLORIDA

2240 Venetian Court
Naples, FL 34109
239.514.4646

301 Almeria Avenue,
Suite 350
Coral Gables, FL 33134
305.639.8029

10950 San Jose Boulevard
Jacksonville, FL 32223
844.822.7825

734 Rugby Street
Orlando, FL 32804
844.822.7825

2601 W Horatio Street
Unit 6
Tampa, FL 33609
844.822.7825

2711 Poinsettia Avenue
West Palm Beach, FL 33407
561.833.5331

GEORGIA

2675 Paces Ferry Road
Suite 145
Atlanta, GA 30339
678.644.4853

IDAHO

1459 Tyrell Lane
Suite B
Boise, ID 83706
208.336.1097

1875 N. Lakewood Drive
Suite 100
Coeur d'Alene, ID 83814
208.292.2965

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566 W. Lake Street
Suite 240
Chicago, IL 60661
312.268.8687

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620 Fort Wayne Avenue
Indianapolis, IN 46204
317.687.2747

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10990 Quivira Road
Suite 100
Overland Park, KS 66210
913.451.1451

KENTUCKY

9000 Wessex Place
Suite 306
Louisville, KY 40222
502.585.3651

LOUISIANA

2030 Dikory Avenue
Suite 200
New Orleans, LA 70123
504.541.5100

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11100 Dovedale Court
Marriottsville, MD 21104
443.333.5522

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260 Bear Hill Road
Suite 106
Waltham MA 02451
781.790.5645

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1420 Washington Blvd.
Suite 301
Detroit, MI 48226
313.986.3313

2127 University Park Drive
Suite 360
Okemos, MI 48864
517.336.0001

MINNESOTA

255 East Kellogg Boulevard
Suite 102A
St. Paul, MN 55101
651.370.1475

MISSISSIPPI

1010 Ford Street
Gulfport, MS 39507
228.604.1900

737 Highway 51
Suite 1C
Madison, MS 39110
601.853.0736

501 Highway 12 West
Suite 150-M
Starkville, MS 39759
662.617.2350

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Suite 208
St. Louis, MO 63139
314.255.1323

10990 Quivira Road
Suite 100
Overland Park, KS 66210
913.451.1451

NEVADA

3034 S. Durango Drive
Suite 100
Las Vegas, NV 89117
702.242.9369

6490 S McCarran Blvd
#51
Reno, NV 89508
775.204.4100

NEW JERSEY

2740 Route 10 West, Suite 204
Morris Plains, NJ 07950
973.970.9333

3500 Route 9 South, Suite 202
Howell, NJ 07731
732.807.3113

NEW YORK

424 West 33rd Street
Suite 630
New York, NY 10001
212.268.1113

NORTH CAROLINA

412 E. Chatham Street
Cary, NC 27511
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Charlotte, NC 28210
704.376.5400

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1655 W. Market Street
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Akron, OH 44313
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8291 Beechmont Ave.,
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Cincinnati, OH 45255
513.785.0820

1422 Euclid Avenue
Suite 616
Cleveland, OH 44115
216.367.9690

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5909 NW Expressway
Suite 104
Oklahoma City, OK 73132
405.603.1553
6666 South Sheridan Road
Suite 104
Tulsa, OK 74133
918.712.9992

PENNSYLVANIA

150 S. Warner Road
Suite 440
King of Prussia, PA 19406
215.545.1900

4701 Baptist Road
Suite 304
Pittsburgh, PA 15227
412.881.6080

SOUTH CAROLINA

11 Cleveland Court
Greenville, SC 29607
864.233.6277

920 Bay Street
Suite 26
Beaufort, SC 29902
843.342.2302

1250 Fairmont Avenue
Mt. Pleasant, SC 29464
843.881.1266

TENNESSEE

5205 Maryland Way
Suite 300
Brentwood, TN 37027
615.369.0670

701 Broad Street
Suite 209
Chattanooga, TN 37402
423.285.8435

213 Fox Road
Knoxville, TN 37922
865.522.2424

756 Ridge Lake Blvd
Suite 225
Memphis, TN 38120
901.753.6977

TEXAS

High Point Center
12225 Greenville Avenue
Suite 490
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TEXAS (cont'd)

974 Campbell Road
Suite 204
Houston, TX 77024
713.467.5858

2731 81st Street
Lubbock, TX 79423
806.744.1188

9601 IH-10 West
Suite 1035
San Antonio, TX 78230
210.227.6229

UTAH

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Unit D
American Fork, UT 84003
801.492.9328

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Salt Lake City, UT 84121
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435.773.6300

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656 Independence Parkway
Suite 220
Chesapeake, VA 23320
757.410.1222

4914 Fitzhugh Avenue
Suite 102
Richmond, VA 23230
757.345.0010

5107 Center Street
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Williamsburg, VA 23188
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18728 Bothell Way, NE
Suite B
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425.450.0040

2927 Colby Avenue
Suite 100
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419 Berkeley Avenue
Suite A
Firorest, WA 98466
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8378 W. Grandridge Boulevard
Suite 110-D
Kennewick, WA 98336
509.221.1540

506 Second Avenue
Suite 1001
Seattle, WA 98104
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324 N. Mullan Road
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Brookfield, WI 53005
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