

APPRAISAL OF
1010 CENTRAL AVENUE
LOS ALAMOS, NM 87544

DATE OF THE REPORT
MAY 29, 2019

EFFECTIVE DATE OF VALUATION
MAY 24, 2019

PREPARED FOR
INCORPORATED COUNTY OF LOS ALAMOS
1000 CENTRAL AVENUE, SUITE 300
LOS ALAMOS, NM 87544

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May 29, 2019

Incorporated County of Los Alamos
Ms. Annalisa Miranda
1000 Central Avenue, Suite 300
Los Alamos, NM 87544

RE:	Appraisal of 1010 Central Avenue, Los Alamos, NM 87544 P.O. # 78845
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Dear Ms. Miranda;

Pursuant to your request, I have appraised the above referenced property. The depth of discussion and supporting documentation contained in this report are specific to the needs of the client. The appraisal report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice 2018-2019 and is subject to the assumptions and limiting conditions found in the report.

Based on my investigation and analysis, and the data and analyses contained in this report, it is my opinion the most probable market value of the fee simple ownership interest (subject to the extraordinary assumption, easements and restrictions of record) in the subject property 'as is' as of May 24, 2019 is:

FINAL VALUE

Subject: 1010 Central Avenue		
Market value – As Is	Fee simple	Three Hundred Ninety Thousand Dollars \$390,000
Extraordinary Assumption		
Site is fully developable and has full utility within the regulations set for by zoning/land use. The site is not encumbered by any adverse easements/encroachments.		

I respectfully refer you to the following appraisal report containing 36 pages plus addenda. If I can be of further service to you in regard to this appraisal or in any other matter, please do not hesitate to call.

Respectfully submitted,

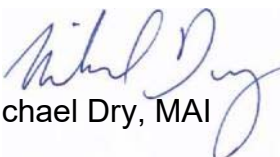

Michael Dry, MAI

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SUMMARY OF SALIENT FACTS, DATA AND CONCLUSIONS

Summary	
Property Location	1010 Central Avenue, Los Alamos, NM 87544
Client	Incorporated County of Los Alamos
Owner of Record	Incorporated County of Los Alamos
Current Use	Vacant Land
Highest and Best Use	Development with a commercial use, likely office and/or service use within the constraints of zoning/regulations
Date of Valuation	May 24, 2019
Date of Report	May 29, 2019
Purpose of the Appraisal	Market Value
Intended Use - Appraisal	Asset valuation for purchase analysis
Intended User - Appraisal	Incorporated County of Los Alamos
Land Area	28,546 square feet or 0.6553 ± acres Source: Size per Los Alamos County Assessor's records
Zoning	DT-TCO Downtown District-Town Center Overlay
Land Area	28,546 square feet or 0.6553 ± acres



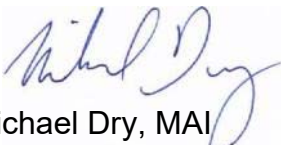
Market Value – As Is - As of May 24, 2019	
Sales Comparison	\$390,000
Final Value (Fee simple)	\$390,000
Extraordinary Assumption	
Site is fully developable and has full utility within the regulations set for by zoning/land use. The site is not encumbered by any adverse easements/encroachments.	

CERTIFICATION

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

- The statements of fact contained in this report are true and correct
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved
- I have performed services, as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment
- My engagement in this assignment was not contingent upon developing or reporting predetermined results
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*
- I have made a personal inspection of the property that is the subject of this report
- I have personal knowledge of all comparable properties referenced within this report
- The use of this appraisal report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives
- No one provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives
- As of the date of this report, Michael Dry has completed the continuing education program for Designated Members of the Appraisal Institute
- As of the date of this report, Michael Dry has completed the requirements for the continuing education program of the State of New Mexico Real Estate Appraisers Board for General Certification.
- Michael Dry has the education, knowledge, experience, resources and geographic competency to appraise a property of this type in this location
- My certification and any professional designations are currently valid, in good standing and not subject to any restrictions or pending actions/sanctions
- The appraisal has been completed in accordance with the Clients Engagement Requirements

Certified by,



Michael Dry, MAI
N.M. General Certificate #02739G

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been prepared with the following specific assumptions:

1. It is assumed that the supporting documentation provided for the appraisal is correct.
2. I have relied on information prepared by licensed professionals in making certain decisions in the process of this appraisal. I have accepted this information as accurate, based on the fact that they represent matters beyond my expertise as an appraiser along with the fact that they were prepared by recognized professionals.

This report has been made with the following general assumptions:

3. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
4. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
5. Responsible ownership and competent property management are assumed.
6. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
7. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
8. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging engineering studies that may be required to discover them.
9. 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 report.
10. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconforming use has been stated, defined, and considered in the report. Please refer to the discussion of zoning found within the report.
11. It is assumed that all required licenses, permits, 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 on which the value estimate contained in this report is based.
12. 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 report.
13. Unless otherwise stated in this report, the existence of hazardous substances, including, without limitation, asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to my attention nor did I become aware of such during the inspection. I have no knowledge of the existence of such materials on or in the property unless otherwise stated. However, I am not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, ureaformaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such condition, or for any expertise or engineering knowledge required to discover them.
14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

The report has been prepared with the following limiting conditions:

15. The conclusions expressed in this appraisal report apply only as of the stated date of the

appraisal and I assume no responsibility for economic or physical factors occurring at some later date which may affect the opinions stated herein.

16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization.
17. By reason of the assignment I am not required to give consultation, testimony, or be in attendance in court or any other hearing with reference to the property unless written contractual arrangements have been previously made relative to such additional services.
18. Disclosure of the contents of the report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
19. Neither all, nor any part of this report, or copy thereof shall be used for any purposes by anyone other than the client to which the report is addressed without the prior written consent of the appraiser, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, or any other means of communication (including without limitation prospectus, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the appraiser.

Extraordinary Assumption

Site is fully developable and has full utility within the regulations set for by zoning/land use. The site is not encumbered by any adverse easements/encroachments.
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INTRODUCTION

Appraisal Report: This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice 2018-2019. The report and the level of information in the report are based on the needs of the client.

Property Identification: The subject of the appraisal is comprised of vacant land located at 1010 Central Avenue.

Property Ownership And History:

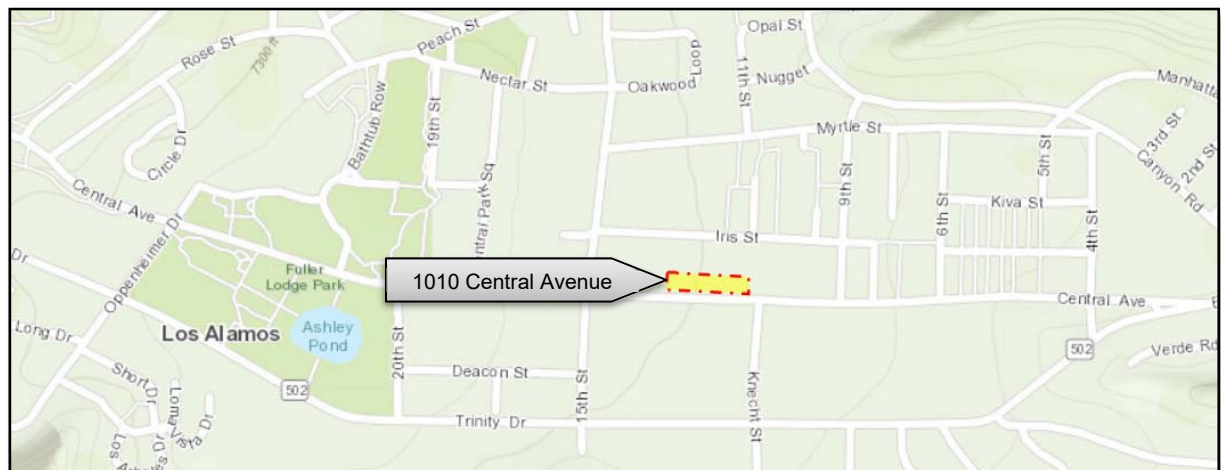
Property	Ownership
1010 Central Avenue	Incorporated County of Los Alamos

The subject property is vested under the ownership of the Incorporated County of Los Alamos.

Research of applicable public records available, revealed that the subject property is not currently listed for sale or option on the open market. According to these sources, the subject property has not been transferred within the past three years.

Location Of The Property: 1010 Central Avenue, Los Alamos, NM 87544 – The subject property is located on the north side of Central Avenue.

Location Map



Type And Definition Of Value: The purpose of the appraisal is to provide the appraiser's best estimate of the market value of the subject property as of the effective date. The market value definition is defined by FIRREA:

Market Value Definition
The most probable price which a property should bring in a competitive and open market under conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
<ol style="list-style-type: none"> 1. Buyer and seller are typically motivated; 2. Both parties are well informed or well advised, and each acting in what they consider their own best interests; 3. A reasonable time is allowed for exposure in the open market; 4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

Intended Use of the Appraisal: The intended use of this appraisal is asset valuation for purchase analysis.

Intended User of the Report: The report is intended for use by the client, Incorporated County of Los Alamos. Any other party who chooses to rely on this report is advised the appraiser is not obligated to any party other than the original intended user, nor does reliance on the report by a party other than the original intended user result in such party becoming an intended user of the report.

Interest Valued: The subject property is comprised of vacant land and is not encumbered by a lease. Therefore, the ownership interest valued is fee simple.

Definition: Fee Simple
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. ²

Effective Date of Value 'As Is': The effective date of the 'as is' market value of the property is May 24, 2019, which is the date the property was inspected.

Date of the Report: May 29, 2019.

Legal Description: The legal description was not provided for the appraisal. The property is identified by the Los Alamos Assessor's records as EA2 2 (Tax account: R010580).

¹ Department of Treasury, 12 CFR 34

² The Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed., (Chicago: The Appraisal Institute, 2015), p. 90

Property Taxes: The subject property is owned by Incorporated County of Los Alamos and is not subject to property taxation. The property's tax identification number and assessed value for 2018 are in the following table.

Property Taxes	
Tax ID Number	R010580
Property Tax Valuation	2018 Assessed Value
	Land \$259,830
	Improvement \$0
	Total \$259,8300
Comments: The property is not currently subject to property taxes. If the subject property were to become privately owned, it will be subject to property taxes. Note: the subject property 'as is' is under assessed, based on the market value in this appraisal report	

Scope Of The Appraisal: This appraisal was prepared in accordance with the *Uniform Standards of Professional Appraisal Practice* (USPAP) 2018-2019 and instructions accompanying the definition of market value promulgated by the FDIC. The written reporting format for this assignment is defined by USPAP as an appraisal report. Preparation of the appraisal involved the following:

Subject Property	
Vacant land located at 1010 Central Avenue, Los Alamos, NM 87544	
Scope of Work	
1. Inspected the site	
2. Gathered and confirmed information on land sales	
<ul style="list-style-type: none"> o Valuation – based on the highest and best use. Confirmed and analyzed the data using the following approach: <ul style="list-style-type: none"> o Sales Comparison o Reconciled the approach to a final estimate of market value 	
For this appraisal report the market value 'as is' is determined as of the effective appraisal date, May 24, 2019	
Extraordinary Assumptions and Hypothetical Conditions	
Extraordinary assumptions:	Used in this report
Hypothetical conditions:	Not used in this report

The property is valued 'as is'. Based on the size/shape of the lot, the buildability/utility of the site is unclear. In addition, a plat and further details related to the site were not provided/available. Because of the need to make an assumption regarding the potential to build on the property, its utility and the existence of any easements/encroachments, if found to be false it could impact the appraiser's opinions and/or conclusions. It is, therefore, necessary to impose an extraordinary assumption.

Definition: 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.)³

Extraordinary Assumption

Site is fully developable and has full utility within the regulations set for by zoning/land use. The site is not encumbered by any adverse easements/encroachments.

No items of personal property are included in this appraisal. Aside from a casual inspection of the property, the appraisal included no assessment of potential environmental hazards. Therefore, for the purpose of the appraisal, it is assumed there are no potential environmental hazards. If the user of this report has a concern for this matter, it is recommended an environmental assessment prepared by a qualified professional in the field be obtained. The value(s) derived in this report are predicated upon this assumption.

To the Best of my Knowledge, this Report Complies with:

- The Office of the Comptroller of the Currency Regulation 12 CFR Part 34 minimum standards.
- The Appraisal Guidelines of the client
- The New Mexico Real Estate Appraiser Laws
- Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation 2018-2019
- Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute

The final determination as to the level and degree of compliance of this report with regard to the foregoing policies and guidelines is the responsibility of any person relying on this report. The appraisal is performed according to Title XI of the Federal Financial Institution Reform Recovery and Enforcement Act (FIRREA). The appraisal is subject to the appraiser's Certification and Statement of Assumptions and Limiting Conditions which accompany this report.

³ The Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed., (Chicago: The Appraisal Institute, 2015), p. 83

Marketing Time And Exposure Time:

Marketing Time Definition
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. ⁴
Exposure Time Definition
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. <i>Comment:</i> Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. ⁵

Note: Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

In a stable market the marketing time and the exposure time should be the same. The Los Alamos market had been in a state of varying levels of decline for several years with some of the market exhibiting tepid performance and some of the market exhibiting significant shifts. These shifts could cause a difference in the marketing time and exposure time. However, based on economic data and residential sales over the past few years the overall market appears to have stabilized with less evidence of any shifts in the market that could cause a difference in the marketing or exposure time. Therefore, they have been assumed to be the same in this analysis.

Marketing time will be affected by the supply and demand factors within the market place. Typically, support for a marketing time is sought from the known marketing time of similar properties.

Subject Property
Vacant Land

Due to the small amount of commercial land transacting in Los Alamos, the entire Los Alamos/White Rock area was searched for commercial property sales/listing data to calculate marketing/exposure time. The MLS commercial sales since 2014 and the current MLS commercial listings for all of Los Alamos/White Rock are in the following table.

⁴ Ibid., p. 140

⁵ Ibid., p. 83

COMMERCIAL SALES/LISTING TABLE

Year	Sales	Median SP	Median DOM	Med % SP/LP	Avg. SP	Avg. DOM	Avg. % SP/LP
2019 (25%)	2	\$554,500	202	85%	\$554,500	202	85%
2018	3	\$2,800,000	1	100%	\$2,008,333	19	96%
2017	2	\$2,036,000	687	93%	\$2,036,000	687	93%
2016	2	\$912,500	234	70%	\$912,500	234	68%
2015	2	\$677,500	277	82%	\$677,500	277	82%
2014	0	0	0	0	0	0	0
Year	Listings	Median LP	Median DOM	Med % SP/LP	Avg. LP	Avg. DOM	Avg. % SP/LP
Listings	6	\$1,250,000	916	n/a	\$2,057,500	882	n/a
*Pending: 1 current listing							
Source: Multiple Listing Service							

The active commercial listing prices range from \$80,000 to \$6,015,000. The active listings market exposure periods range from 5 to 1,756 days. There have been a limited number of price reductions during their current listing period (some were listed previously). Among the eleven sales over the last four years located in MLS there were seven which included a price adjustment during their market exposure period. The two 2015 sales were on the market 85 and 470 days, respectively, and the 2016 sales were listed 168 and 301 days, respectively. The two sales in 2017 were on the market 86 days and 1,288 days and the three sales in 2018 were on the market for 0, 1 and 56 days. Therefore, the sales demonstrate market exposure periods of 0 to 1,288 days at their final selling price. The subject's current listings appear to represent a two year supply based on most recent annual absorption. The previous lows are likely a function of the lack of willingness by sellers to reduce asking prices over the last few years which reflects the previous economic market which was likely depressed due to uncertainties in the economy and the management/budgeting of Los Alamos National Labs resulting in a wait and see attitude. Over the past 12-24 months the labs have received additional funding which is driving demand for residential properties which in turn is beginning to impact the commercial market: increased interest in Los Alamos per market participants.

Conclusion: The limited data suggests that demand for commercial retail or office space in Los Alamos/White Rock has begun to increase over the past 12-24 months with the current market exhibiting the signs of recovery. The subject is located within the core commercial area within the downtown in front of the Los Alamos Municipal Building/parking lot with shopping and dining opportunities in the immediate area, making it a desirable property. Therefore, if the subject was marketed at or near its current market value, the marketing/exposure time is estimated to be 3 to 18 months.

Marketing & Exposure Times	
1010 Central Avenue	Estimated to be three months to eighteen if actively marketed at or near the current appraised value The most likely buyer is a local investor

DESCRIPTION OF REAL ESTATE APPRAISED**Location Description-City**

Los Alamos is a town history built. Born in 1943, it was constructed by the Federal Government as the site of development and construction of the first atomic bomb, which was labeled "The Manhattan Project". It was a closed and secret city until 1955 when access to Los Alamos was opened. Property ownership remained in the hands of the federal government until 1966 when residential and retail service areas were sold into private ownership. However, the federal government still retains ownership of most of the land in the county.

Los Alamos and White Rock, which is essentially its bedroom community, are not incorporated towns or villages. Rather Los Alamos County has a city/county form of government. There are seven elected members of the county council and an appointed county manager. The county was carved from a corner of Sandoval County in 1949 and contains only 109.35 square miles making it the smallest county in New Mexico by far. However, in the 60 years since its inception, it has gained the status as being the smallest, wealthiest and best educated county in New Mexico.

The largest employment category in Los Alamos is governmental contracting and the largest single employer is LANL, Los Alamos National Laboratory. Therefore, primary concern in Los Alamos/White Rock is the current political climate and its impact on the labs. Also of concern is the management contract for LANL, which was awarded in 2006 to Los Alamos National Security, LLC. This is a consortium composed of the University of California, Bechtel National, BWX Technologies and Washington Group International.

The annual unemployment rates (not seasonally adjusted) since 2001 are in the following table. The unemployment rate is based on the civilian labor force.

UNEMPLOYMENT RATE TABLE

Year	Unemployment
2001	2.6%
2002	2.4%
2003	2.7%
2004	2.7%
2005	2.7%
2006	2.4%
2007	2.2%
2008	3.0%
2009	3.3%
2010	3.7%
2011	3.5%
2012	3.9%
2013	4.2%
2014	4.1%
2015	4.0%
2016	4.2%
2017	3.8%
2018	3.4%
2019 (April)	2.9%

Source: NM Workforce Connection

The most current unemployment rate in Los Alamos is 2.9%, for April, 2019. This is the same as March, 2019, and the same as April, 2018. It is still lower than the nearest city (Santa Fe) which had unemployment, unadjusted, of 3.6% in April, 2019, the State of New Mexico, which had a rate of 4.3% for April, 2019 and the national rate of 3.6% for April, 2019. Los Alamos historically has had low unemployment, and the current rate is approaching historic norms.

The political and economic climate surrounding LANL has created uncertainty in the Los Alamos/White Rock real estate market which has translated to a somewhat nervous residential and commercial market, but both residential and commercial data show that situation is currently turning around. Since few commercial properties are listed or sold through MLS in Los Alamos/White Rock, a meaningful study is not possible for commercial. Residential sales since 2014 are in the following table.

RESIDENTIAL SALES: LOS ALAMOS (AREAS: 51,52,53,54,55,56,57,58,59,60,61,62)

Year	Sales	Change	Average DOM	Sale Price	
				Average	Median
2014	253		164	\$259,753	\$228,700
2015	309	22.1%	127	\$254,949	\$230,000
2016	381	23.3%	93	\$280,628	\$260,000
2017	345	-9.4%	45	\$298,892	\$286,000
2018	393	13.9%	22	\$331,331	\$320,000
2019 (25%)	91		16	\$342,347	\$330,000

Residential sales increased annually from 2014 to 2016. The slight downturn in 2017 sales is due to the lack of supply more than a downturn in demand, and 2019 is on pace to exceed 2018 sales. The average days on market has continued to fall since 2014. There are currently 53 active and pending listings: 18 active and 35 pending. This data indicates an undersupply of available housing,

Economic declines in response to the local political/employment situation are currently being offset by the data from the residential real estate market, which is mirroring the national residential market. Since few commercial properties are listed or sold through MLS in Los Alamos/White Rock, a meaningful study is not possible for commercial. The commercial development in both Los Alamos and White Rock is limited based on the population and the availability of developable land: 88% of developable land is owned by the federal government; 6% of developable land is owned by the local school board and the city/county government, which leaves only 6% in private ownership. The topography of the land renders much land unusable, further reducing the availability of developable land. This has historically created a market that is out of balance with greater demand than there is supply. Los Alamos has seen recent construction of a strip commercial center with a grocery super-store and other retail space, and the commercial market in Los Alamos is generally healthier than White Rock. In addition to the factors above, nuclear operations at LANL are under scrutiny. Much of the current activity at LANL is centered on waste clean-up, but the recent appointment of new management is viewed in the community as a positive influence, and an increase in both employment and funds appropriated for the Lab is anticipated.

The Federal government has subsidized the local economy since its inception in 1943. In recent years, efforts to diversify the economy have met with mixed success,

and it is unlikely Los Alamos will ever achieve a level of diversification where LANL does not dominate the economy. Its funding, or lack thereof, immediately affects the Los Alamos real estate market. Funding for LANL remains steady to slightly increasing for the current fiscal year. Therefore, the market is currently seeing some improvement and anticipation of more improvement is visible.

Location Description-Neighborhood

The subject lies in the core downtown commercial area of Los Alamos.

Neighborhood Boundary

The subject's neighborhood is the downtown core commercial corridor in Los Alamos, which extends from Oppenheimer Drive east to the intersection of Central Avenue and Trinity Drive into East Road, and includes all commercial properties directly accessible from either Trinity Drive or Central Avenue.

The subject fronts Central Avenue, a 2-lane asphalt-paved traffic arterial, which includes curbs, gutters, concrete sidewalks and street lights. The property is situated one lot east of the intersection of Central Avenue and 15th Street and one lot west of the intersection of Central Avenue and 9th Street, in front of the Los Alamos Municipal Building/parking lot. Central Avenue runs east/west, from its intersection with Trinity Drive at East Road to its end at an intersection with Canyon Road at the west end. Along with Trinity Drive, Central Avenue forms the central core of Los Alamos' downtown commercial district. The lands within the neighborhood boundaries are primarily zoned DT-TCO, DT-NCO, DT-CPO and DT-NGO which combine various density mixed uses including office, retail, civic and other commercial uses with some higher density residential uses allowed. Actual improvements range from the County Offices, Fuller Lodge, Bradbury Museum and the Los Alamos History Museum, all of which lie within two blocks of the subject, to banks, grocery stores, hotels/motels, city retail centers, mom and pop retail shops and both local and chain restaurants. The community hospital lies just west of the downtown off Trinity Drive, and the community airport lies east of the downtown, off East Road. The area is surrounded to the north by older residential subdivisions and to the south by federal-owned land, including some of LANL's facilities.

Central Avenue, along with Trinity and Diamond Drives are Los Alamos's most traveled arterials. The core area of Los Alamos is virtually built out, and even older buildings which demonstrate both deterioration and obsolescence are often retained due to the steady incomes they continue to generate. There are no foreseeable adverse factors expected to create any decline in this area of the city.

Conclusion: The defined neighborhood encompasses an active retail commercial area in Los Alamos. This is a viable area economically, and the outlook for the future is good.

Legal Use Of The Property

Subject Zoning

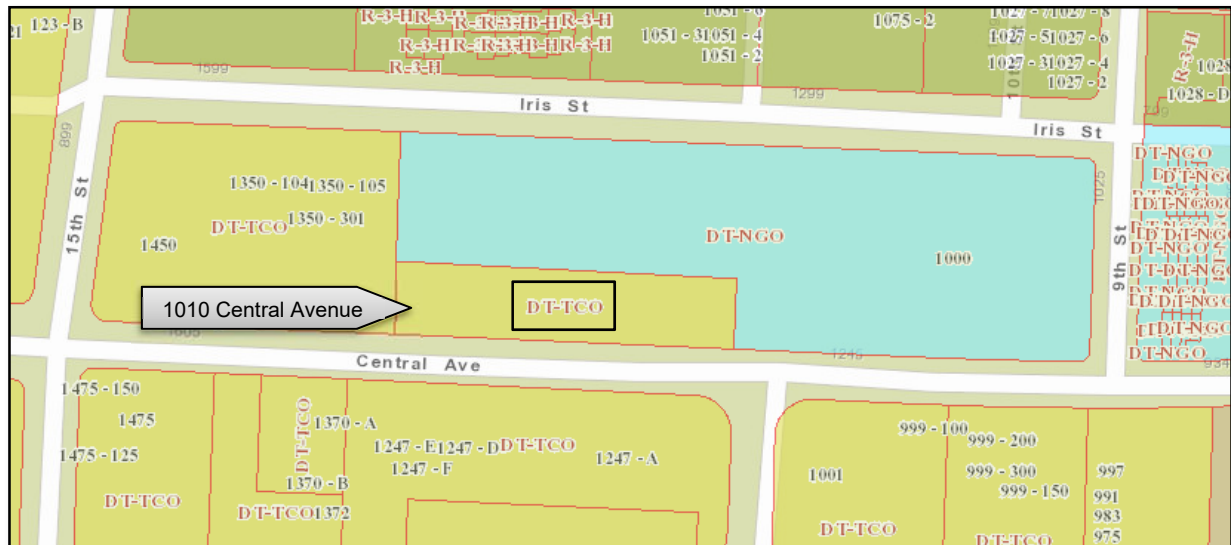
The subject is zoned DT-TCO Downtown District-Town Center Overlay, which was adopted in 2005. This zoning allows residential use and nearly any commercial use except light industrial uses.

DT-TCO Downtown District-Town Center Overlay

The vision of downtown Los Alamos is a lively, economically vital, pedestrian-friendly, and convenient mixed-use traditional town center with attractive buildings, plazas, open space, and historic structures.

The town center overlay zone (DT-TCO) in the downtown district is a mixed-use zone combining office, commercial, civic, certain types of residential and other uses at the highest density allowed in the downtown district.

Source: Los Alamos Municipal Code



Zoning Detail

District	DT-TCO Downtown District-Town Center Overlay
Minimum District and Lot Size	Not limited
Maximum Height of Structures	60'
Minimum Setback Requirements	None
Maximum Lot Coverage (%)	Not limited
Off-Street Parking Requirements	Professional/Office Use General: 1 per 250 sf of net usable floor area Commercial Use Comm. Center: 1 space per 250 sf/net usable area

Source: Los Alamos Municipal Code

Property Description Site

Site: 1010 Central Avenue



**Site Details**

Site Size	28,546 square feet, or 0.6553 ± acres Size per Los Alamos County Assessor's records.
Site Dimensions	Plat was not provided – Estimate: 70' to 80' feet wide
Shape/Topography	Rectangular/Essentially level at street grade
Frontage	Central Avenue
Access	Property does not currently have vehicular access. Pedestrian access is from Central Avenue (along southern border of the site) of the Los Alamos County Complex parking lot (along northern border of the site)
Easements/ Encroachments	A plat of the subject property was not provided. It is not known if any easements or encroachments exist. Based on this, no adverse easements/encroachments are considered.
Zoning	DT-TCO Downtown District-Town Center Overlay
Flood	Flood zone X: Site is not located in a 1% flood hazard zone. Flood Insurance Rate Map 35028C0045C dated July 18, 2011
Utilities	All public utilities available to the site
Soil	A soil survey was not provided - based on nearby improvements, and those on the subject site, it is assumed soils are stable enough to adequately support construction. Although there appear to be no adverse soil conditions, no warranties are made or implied by the appraiser.
Comments	No external obsolescence was noted. However, the shape of the site is long and narrow, which will likely impact utility/use. The site is considered to be fully developable and have full utility within the regulations set for by zoning/land use (extraordinary assumption).

HIGHEST AND BEST USE

Highest and Best Use is Defined as:
The reasonably probable and legal use of property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum productivity. ⁶
Highest and Best Use Criteria
A) Is the use physically possible? B) Is the use legally permissible? C) Is the use financially feasible? D) Is the use maximally productive?

In addition to the four tests, appropriate use is included. It is not a specific test for highest and best use, but a test that is a function of the four tests. The highest and best use of a property is typically determined both as if vacant and as improved. The subject is vacant land; therefore, this discussion is limited to the highest and best use as vacant.

Highest and Best Use As Vacant

Highest and Best Use of Land as Though Vacant is:
Highest and best use of land as though vacant is based on the assumption the parcel of land is vacant or can be made vacant by demolishing any improvements.

Legally Permissible: The subject is zoned DT-TCO Downtown District-Town Center Overlay. Per Los Alamos County: The town center overlay zone (DT-TCO) in the downtown district is a mixed-use zone combining office, commercial, civic, certain types of residential and other uses at the highest density allowed in the downtown district.

Physically Possible: The overall subject site is comprised of a single rectangular tract. Note: the site is long and narrow and the shape of the track will likely limit its utility due to difficulty in locating improvements, requisite parking/traffic flow and ingress/egress and insuring viability of the improvements. Public utilities are available in proximity to the subject. The tract is large enough for a moderate commercial development in order to insure usability/viability.

Appropriate: Appropriate use is not a specific test for highest and best use, but a test that is a function of the four tests. The subject's general neighborhood consists of residential to the north and commercial to the west east and south. The subject's location is within the downtown/center near the confluence of commercial use in the

⁶ Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed., (Chicago: Appraisal Institute, 2015), p. 109

downtown/commercial center and the residential beyond. Central Avenue and Trinity Drive are the two primary commercial corridors through Los Alamos. Visibility/exposure of the site are good. The subject is located adjacent to the parking lot for the new Los Alamos County Complex and east of the Bradbury Museum/commercial development. Development in the area is primarily comprised of retail and professional offices. Based on the shape of the site and likely limited utility, development with a retail use is unlikely due to parking requirements. Development with a residential use is unlikely due to the exposure/traffic. Most likely development is offices and/or services with a low to moderate parking need.

Note: demand for residential properties is high increasing the likelihood of a multi-story development with mixed-use (commercial development on the first floor and residential development above) is possible, but due to the uncertainty/variables is not considered.

Financially Feasible And Maximally Productive: This aspect of highest and best use considers which use will provide the greatest economic return to the land. Paramount in this consideration is the concept of supply and demand. Greatest economic return will result from a land use for which there is a strong demand and a limited supply.

Previous considerations of the aspects of highest and best use have resulted in the conclusion that moderate sized commercial use, likely office and/or services, would be legal, physically possible and appropriate. The economic feasibility of this use is tested by comparison of the cost with the value produced by capitalizing the expected income. Greatest return will result from maximum use of the site. Economic feasibility is proven if the value produced by sales or capitalization of the predicted income is greater than the value produced by the cost of construction and acquisition of the land. This means the return to the investor from potential income is greater than the investment for construction, profit and land purchase or rent. The most likely potential use was found to be commercial use, likely office and/or services.

In order to determine the financial feasibility of constructing a commercial building for office and/or services some assumptions were made. These assumptions were based on the most current market information available and some judgments based on observation of similar properties. Based on the analysis, commercial office and/or service use appears to be financially feasible based on general parameters.

Conclusion: Based on the foregoing discussion, the highest and best use for the subject site 'as is-vacant' is identified as development with a commercial use, likely office and/or service use with the constraints of zoning/regulations.

Highest and Best Use – As Is: Vacant
Development with a commercial use, likely office and/or service use within the constraints of zoning/regulations

VALUATION

The valuation process is the procedure by which an estimate of value is determined for the subject property. The process is addressed in the scope of work section on page 7 of the appraisal report.

Approach/Methodology	Page
Market Value	
Sales Comparison	24
Reconciliation and Value Conclusion	36

Sales Comparison Approach-Land Value

The subject site is comprised of a single tract of land containing 28,546 square feet or 0.6553 ± acres. The most appropriate and direct method of valuation of vacant land is direct sales comparison.

Definition: Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.⁷

While there are seldom exact duplicate properties available to a buyer, the prices paid for similar properties are indicative of value. In this approach to value a common denominator is used in comparing sales to the subject's land. In this particular case the price per square foot was used. The initial search for sales was limited to land with similar zoning and physical attributes/utility within the subject's immediate neighborhood. Based on the limited number of sales in the subject's neighborhood, the search was extended to 2007. The comparables are summarized in the following chart and described individually on the pages following the chart.

COMMERCIAL VACANT LAND COMPARABLES

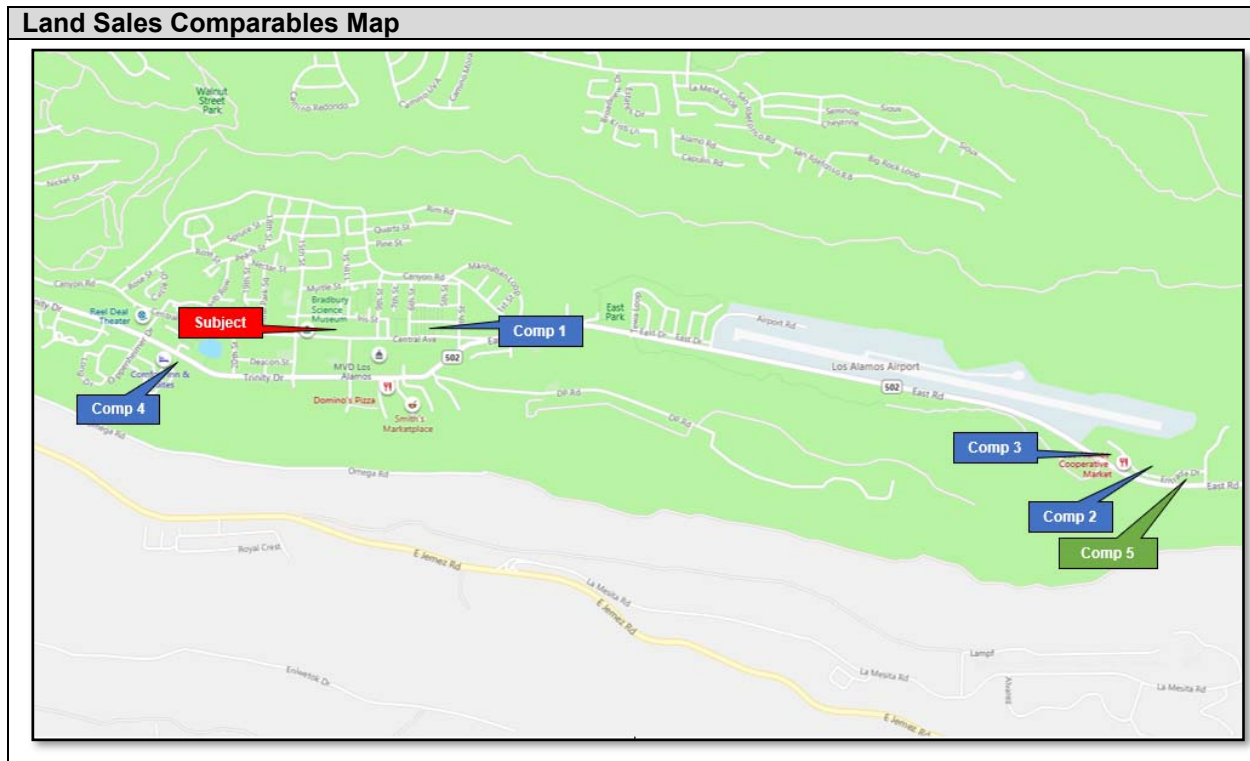
No.	Location	Date of Sale	Sales Price	Size (SF)	Price per SF
1	536 Central Avenue	04/2007	\$180,000	17,901	\$10.06
2	60 Entrada Drive	10/2008	\$982,048	93,500	\$10.50
3	95 Entrada Drive	06/2010	\$268,921	64,069	\$4.20
4	2373 Trinity Drive	03/2017	\$550,000	26,223	\$20.97
5	15 Entrada Drive	Listing	\$767,000	103,499	\$7.41

The previous sale of the property comprising the subject tract and the site underlying the Los Alamos County Municipal Building is detailed below. It is the sale of an improved property that was in foreclosure. The seller was the Housing and Urban Development and the buyer was Los Alamos County. This property was not exposed to the market and the sale between these entities is not considered arm's length.


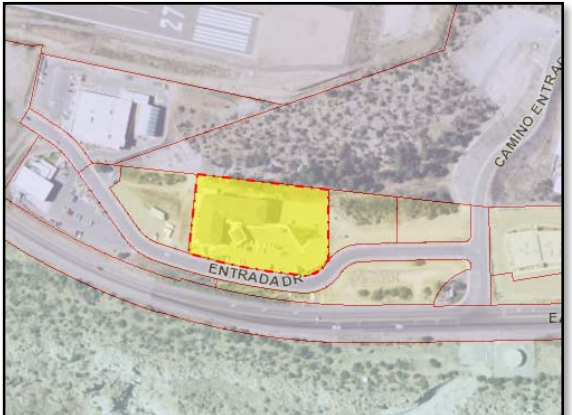
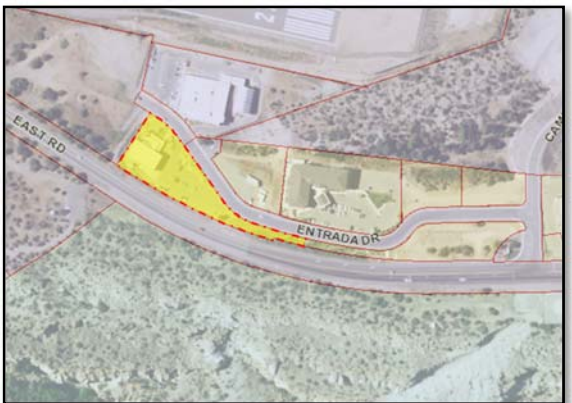
ADDITIONAL LAND SALE CHART

Grantor/Grantee	Location	Date of Sale	Sales Price	Size (SF)	Price per SF
HUD/ Los Alamos County	3.74 acres - Central Ave. (Los Alamos Apartments)	11/08	\$1,168,200	163,263	\$7.16

⁷ Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed., (Chicago: Appraisal Institute, 2015), p. 207



Land Sales Comparables - Details

1		<ul style="list-style-type: none"> ▪ Location: 536 Central Avenue ▪ Grantor: Norman ▪ Grantee: Taylor Properties Inc. ▪ Date of Sale: 04/2007 ▪ Sales Price: \$180,000 <ul style="list-style-type: none"> ○ Price per SF: \$10.06 ▪ Terms: cash/cash equivalent ▪ Land area: 17,901 square feet ▪ Zoning: DT-NGO ▪ Comments: Land value extracted from sale. Property had older apartment building at time of sale.
2		<ul style="list-style-type: none"> ▪ Location: 60 Entrada Drive, Lot 4 ▪ Grantor: Main Gate LLC ▪ Grantee: Los Alamos Lodging LLC ▪ Date of Sale: 10/2008 ▪ Sales Price: \$982,048 <ul style="list-style-type: none"> ○ Price per SF: \$10.50 ▪ Terms: cash/cash equivalent ▪ Land area: 93,500 square feet ▪ Zoning: C-3 ▪ Comments: Purchased for hotel construction. A developed lot within Phase 1 Entrada Business Park.
3		<ul style="list-style-type: none"> ▪ Location: 95 Entrada Drive ▪ Grantor: Los Alamos County ▪ Grantee: Main Gate LLC ▪ Date of Sale: 06/2010 ▪ Sales Price: \$268,921 <ul style="list-style-type: none"> ○ Price per SF (raw land): \$4.20 ○ Adj. Price per SF (developed): \$8.32 ▪ Terms: cash/cash equivalent ▪ Land area: 64,069 square feet ▪ Zoning: C-3 ▪ Comments: Purchased for development of a commercial retail building: grocery. Raw land adjacent to Phase 1 of Entrada Business Park. Per the developer: site development cost = \$4.12 per sf.

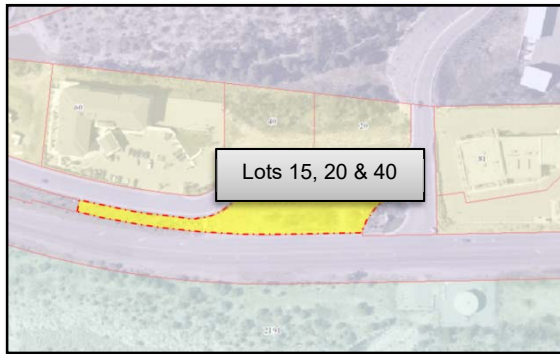
Land Sales Comparables - Details

4



- **Location: 2373 Trinity Drive**
- Grantor: Horn Distributing Company Inc.
- Grantee: Hutton Team LLC
- Date of Sale: 03/2017
- Sale Price: \$550,000
 - Price per SF: \$20.97
- Terms: cash/cash equivalent
- Land area: 26,223 square feet
- Zoning: DT-NCO
- Comments: former site of a gas station. Improvements demolished subsequent to purchase for development of a retail building. Estimated demolition expense: \$18,720 (expenditure after sale)

5



- **Location: 15 Entrada Drive**
- Grantor/Grantee: Active listing
- Listing Price: \$767,000
 - Price per SF: \$7.41
- Land area: 103,499 square feet
- Zoning: MU (zoning change recently approved)
- Comments: current listing. MLS#201703914. Property comprised of three distinct lots (Lot 15 on the south side of Entrada and Lots 20 and 40 on the north side of Entrada).

Analysis and Conclusion

The comparables represent the most recent sales of vacant land parcels that share the same general attributes of the subject. Several elements of comparison can affect the value of vacant land. The elements of comparison and their resulting adjustments fall into two categories: transactional adjustments and property adjustments.

CHART OF ADJUSTMENTS

Category	Adjustment
Transactional	Real property rights conveyed Financing terms Conditions of sale Expenditures made immediately after purchase Market conditions
Property	Physical characteristics Location Economic characteristics Use/zoning Non-realty components value

These elements are analyzed to determine if an adjustment is required. They are discussed below and the findings summarized and reconciled on a comparison grid at the end of the land valuation section. Only those items requiring adjustment are discussed. The transactional adjustments are applied in sequence. The property adjustments do not need to be applied in a specific sequence.

Transactional Adjustments

Real property rights conveyed: All of the sales and listings are fee simple.

Financing terms: No adjustment was made to these comparables for financing/terms of sale.

Conditions of sale: Conditions of sale relates to any undue pressure on either the buyer or the seller. The comparables are not adjusted for conditions of sale.

Expenditures after sale: Comparable 3 was raw land and did not represent a finished lot. The development cost to convert the site from raw land to a developed site was \$4.12 per square foot.

Comparable	Estimated Demolition Expense
3	\$263,964

Comparables 4 was improved. However, the improvements are estimated to be at the end of their economic life. Comparable 4 is a sale and the improvements were demolished after purchase. The demolition expense is estimated for this comparable.

DEMOLITION EXPENSE ESTIMATE TABLE

Comparable	Estimated Demolition Expense
4	\$18,720

None of the other comparables required any expenditure-after-sale.

Market conditions: The sales span a time period of 144 months from the first sale to the date of valuation May 24, 2019. It is reasonable to expect that values have changed over that time period. The most accurate measure of change in value is the comparison of a sale and resale of the same property. The sales comparables did not produce the basis for a market conditions adjustment. Therefore, the search was expanded.

A comparison of two sales that occurred before the sales comparables are analyzed. The sales are 2455 Trinity Drive and a sale on an unaddressed location on Central Avenue. The sale of 2455 Trinity Drive was adjusted for expenditure after sale and the Central Avenue sale was adjusted for terms of sale. Both these sales have a similar location in the commercial center of Los Alamos, similar to the subject.

Time of Sale Comparison			
Property	2455 Trinity Drive	Lot Central Avenue	
Price	\$9.97	\$15.11	+51.6%
Sales Date	07/1996	05/2003	82 months
Market Conditions adjustment			+0.63% per month

Note: this analysis preceded the comparables and is informational only: addresses historical appreciation over a limited period.

The sale of a parcel of land at East Road at East Gate and Comparable 2 are considered to have similar locations east of the commercial center of Los Alamos. A comparison was made of these comparables after adjustment for terms of sale and expenditure after sale.

Time of Sale Comparison			
Property	East Road at East Gate	Comparable 2: 60 Entrada Drive	
Price	\$7.08	\$10.50	+48.3%
Sales Date	09/1996	10/2008	145 months
Market Conditions adjustment			+0.33% per month

Based on economic data for the region and the comparable data, the market turned downward after 2007/2008. Comparison of Comparable 2 (sale: 10/2008) and Comparable 5 (current listing), which have similar locational attributes, shows an overall decrease in the market. Due to the likelihood of a period of appreciation over the past few years, the overall market conditions adjustment as described below is likely understated for the period before 2014.

Time of Sale Comparison			
Property	Comparable 2: 60 Entrada Drive	Comparable 5: 15 Entrada Drive	
Price	\$10.50	\$7.41	-29.4%
Sales Date	04/2007	Current Listing	144 months
Market Conditions adjustment			-0.2% per month

Analysis of the Santa Fe market shows a similar downturn, with signs of a recovery beginning in the past 36 months. Based on the unique nature of the Los Alamos market, data/analysis from other commercial markets in the area are included for informational reasons and have limited materiality.

An appreciation rate of 0.3% per month (+0.3% per month) is extrapolated for the comparables prior to 2008. A depreciation rate of 0.2% per month (-0.2% per month) is selected for the comparables beginning in 2008 through 2014. Subsequent to 2014, neither a depreciation rate nor an appreciation rate is applied.

Note: application of the market conditions adjustments are applied to the comparables based on the time between recordation of the sale and the effective date of the appraisal – the month of the date of recordation and the month of the effective date of value are not included.

Sale/List: In addition, Comparables 5 is a listing. Therefore, a market conditions adjustment is not warranted; however, properties rarely sell for their listing price. Due to the limited number of commercial land sales in Los Alamos, a comparison of the listing versus sale prices of commercial land in Santa Fe in MLS between 01/2015 to 12/2018 are analyzed.

Listing to Sale			
Date Range	01/2015-12/2018		
Sales	31		
Per MLS	Sales Price	List Price	Difference
Average	\$336,985	\$368,056	8.44%
Median	\$200,000	\$235,000	14.89%

Based on this analysis (weighting the average), a rounded downward adjustment for listing price to sale price of 9% is applied to the comparable listing.

Property Adjustments

Physical characteristics: The subject is comprised of 28,546 square feet of vacant land.

Note: The site is considered to be fully developable and have full utility within the regulations set for by zoning/land use.

Physically, the comparable lots are all commercial lots within the city and surrounding area and share similar attributes. The sizes of the comparables range from 17,901 square feet to 103,499 square feet. Normally, as the size of a site increases the price per square foot will decrease. The comparables did not form the basis of a comparison. Therefore, the search is extended back in time to additional sales in the Los Alamos market.

Comparison was made of the sale of the lot at East Road at East Gate and an earlier sale of a property in White Rock. These sales are considered to have some similar locational attributes.

SIZE COMPARISON

Property	Market condition adjusted \$ per sf*	Size	Adjustment
East Road at East Gate	\$7.08	11,642	
SR 4, White Rock	\$6.61	50,965	
Difference	\$0.47	39,323	\$0.012 per 1,000 sf

*Market condition adjusted

SIZE COMPARISON

Property	Market condition adjusted \$ per sf*	Size	Adjustment
SR 4, White Rock	\$6.38	50,965	
30 Bonnie View, White Rock	\$6.80	12,502	
Difference	\$0.42	38,463	\$0.011 per 1,000 sf

These comparisons produced adjustments of \$0.012 and \$0.011 per 1,000

square feet. The search is extended to commercial markets in Santa Fe. Two sales of commercial properties within Santa Fe are compared. The comparison is based on the price per square foot after adjustment for market conditions.

SIZE COMPARISON

Property	Market condition adjusted \$ per sf*	Size	Adjustment
2947 Rodeo Park East	\$9.12	24,829	
Tract C-12-A - Rodeo Park Dr. East	\$7.83	72,750	
Difference	-\$1.29	-47,921	\$0.027 per 1,000 sf

*Market condition adjusted

SIZE COMPARISON

Property	\$ per sf	Size	Adjustment
3561 Cerrillos Rd	\$14.16*	45,477	
2600 Cerrillos Rd	\$12.92	129,373	
Difference	-\$1.24	83,896	\$0.015 per 1,000 sf

This comparison produced an adjustment of \$0.015 per 1,000 square feet. However, size trends within the comparable data are conflicting. With consideration of this analysis and the subject's size, a size adjustment of \$0.01 per 1,000 square feet is selected.

Zoning: The subject is zoned DT-TCO Downtown District-Town Center Overlay. The comparables are zoned commercially. Based on the location and attributes, including future use, of the comparables, an adjustment is not developed and any differences in zoning are considered in the reconciliation.

Location: Location is one of the most important value determining factors for commercial property due to high traffic exposure. The comparables and subject are all located within commercial areas within Los Alamos. The Subject and Comparables 1 and 4 are located within the commercial center. Comparable 1's location is closest to the subject and shares some attributes; however, it is located at the confluence of residential and commercial development, which isn't centered on the area comprised of commercial development. Comparables 2, 3 and 5 are located east of the commercial center at the entrance to Los Alamos. Comparable 5 was adjusted for listing to sale and is included in the analysis. However, it does not represent a consummated sale and receives less weight in the reconciliation. Based on the subject's location, visibility and access Comparables 1 and 4 are considered most similar. Comparison of the

adjusted price per square foot before consideration of location of the comparables is analyzed.

Note: Comparable 1 is the oldest sale on the chart. The reconciliation of the location adjustment takes into consideration the age of the comparable.

LOCATION TABLE ANALYSIS

Location	Comparables	Adjusted \$ per sf	Location Adjustment
Downtown	1 & 4	\$15.07	
East of downtown/Entry to Los Alamos	2, 3, 5	\$8.29	+81.7%

This comparison produced upward adjustments of 81.7% for the comparables located east of downtown. Based on this analysis and the comparables and subject's attributes, including the subject's location within the core commercial area downtown, an upward adjustment of 100% for a location is applied to Comparables 2, 3 and 5.

Note: the adjustment for Comparable 5 is based on the adjusted listing price.

Utility/Use: The utility of the subject and the comparables is considered. The utility of the site determines what can be developed on the site and any limitations can impact value. The subject is a long narrow lot which impacts the utility/use of the site.

Comparables 1, 2 and 4 are rectangular or are approaching rectangular. These sites are considered to have full utility. Comparables 3 and 5 are irregular, primarily long and narrow. Due to similar locations, Comparable 2 is compared to Comparables 3. The comparison is based on the adjusted price per square foot prior to the utility adjustment.

UTILITY/SHAPE ANALYSIS

Location	Comparables	Adjusted \$ per sf	Utility/Use Adjustment
Irregular	2	\$19.20	
Rectangular/Approach Rectangular	3	\$15.56	-19%

Based on this analysis, a rounded downward adjustment of 20% is applied to Comparables 1, 2 and 4.

Conclusion: The adjustments are summarized in the Land Sales Adjustment Chart. Only those items requiring adjustment are included in the chart.

LAND SALES ADJUSTMENT CHART

Comparable	Subject	1	2	3	4	5
Sale Price (\$)		\$180,000	\$982,048	\$268,921	\$550,000	\$767,000
Expenditures		\$0	\$0	\$263,964	\$18,720	\$0
Market conditions/ Adjustment	05/2019	04/2007 -\$26,646	10/2008 -\$145,343	06/2010 -\$57,552	03/2017 \$0	Listing -\$69,030
Preliminary adjusted \$		\$153,354	\$836,705	\$475,333	\$568,720	\$697,970
Comparison unit size (sf)	28,546	17,901	93,500	64,069	26,223	103,499
- adjusted \$		\$8.57	\$8.95	\$7.42	\$21.69	\$6.74
Size Adjustment		-\$0.11	\$0.65	\$0.36	-\$0.02	\$0.75
Location	Downtown	Similar	East of DT	East of DT	Similar	East of DT
Adjustment		\$0.00	\$9.60	\$7.78	\$0.00	\$7.49
Utility/Use	Irregular	~Rectangular	~Rectangular	Irregular	~Rectangular	Irregular
Adjustment		-\$1.69	-\$3.84	\$0.00	-\$4.33	\$0.00
Final adjusted Sale \$ per sf		\$6.77	\$15.36	\$15.56	\$17.34	\$14.98
Total net adj.		-\$58,810	\$454,112	\$727,993	-\$95,293	\$783,415
- as % of sale \$		-32.7%	46.2%	270.7%	-17.3%	102.1%
Total gross adj.		\$32,222	\$1,317,415	\$785,486	\$132,790	\$852,832
- as % of sale \$		17.9%	134.1%	292.1%	24.1%	111.2%

Reconciliation

Comparables	Range: Adjusted \$/SF	Average: Adjusted \$/SF
All: 1-5	\$6.77 to \$17.34	\$14.00
Sales: 1-4	\$6.77 to \$17.34	\$13.76

After considering all factors, the comparables (sales and listings) exhibit an average of \$14.12 per square foot. However, Comparable 5 is a listing and not a consummated sale. Comparables 1-4 (sales) produced an average adjusted price per square foot of \$13.76. Comparables 1 and 4 produced the lowest net adjustment as a percent of sale price and the lowest gross adjustment as a percent of sale price. The subject's site is assumed to be fully developable and have full utility for this analysis. However, based on the shape of the site, long and narrow, the development is likely to be more expensive than similar sized lots that are more traditional in shape. Based on the subject's attributes, including location and physical attributes, the middle of the range produced by Comparables 1-4 is weighted. The price per square foot is estimated based on this discussion.

Land: Estimated Price per Square Foot
\$13.80 per square foot

Final Value

The estimated price per square foot is applied to the respective square footage to get the final land value.

VALUE PER THE SALES COMPARISON APPROACH: LAND

Size x Estimated \$ per SF =	Value
28,546 square feet x \$13.80 per square foot =	\$393,935
Rounded	\$390,000

Reconciliation and Value Conclusion

Subject Property: 1010 Central Avenue
Vacant Land located at 1010 Central Avenue, Los Alamos, NM 87544
Highest and Best Use – As Improved
Development with a commercial use, likely office and/or service use within the constraints of zoning/regulations

The indications of value are as follows:

VALUE INDICATIONS

Valuation Approach	Value
Sales Comparison Approach	\$390,000

Fee Simple Value

For the appraisal of the subject the sales comparison approach is developed for the land value.

Sales Comparison_Land: The sales comparison approach is a method of estimating value which involves direct comparison of the subject to other sales. The reliability of the sales comparison approach is dependent upon the degree of similarity of the comparables. The search for land sales comparables was extended to 2007. The comparables available for the sales comparison approach are considered ample. The adjustments were market derived and quantitative in nature. The values derived from this approach should be considered reliable.

Conclusion: Based on the data presented in the report, it is my opinion that the most probable market value of the fee simple ownership interest (subject to the extraordinary assumption, easements and restrictions of record) in the subject as of May 24, 2019 is:

FINAL VALUE

Subject: 1010 Central Avenue		
Market Value – As Is	Fee simple	Three Hundred Ninety Thousand Dollars \$390,000
Extraordinary Assumption		
Site is fully developable and has full utility within the regulations set for by zoning/land use. The site is not encumbered by any adverse easements/encroachments.		

ADDENDA

ENGAGEMENT LETTER

Purchase Order

INCORPORATED COUNTY OF LOS ALAMOS

Fiscal Year 2019

Page: 1 of: 1

INVOICE TO

FINANCE
1000 CENTRAL AVE STE 300
LOS ALAMOS, NM 87544
Email: lap@lacnm.us
Phone: 505-662-8078

THIS NUMBER MUST APPEAR ON ALL
INVOICES, PACKAGES AND PACKING LIST.

Purchase
Order

78845

This Purchase Order subject to the Standard Terms and Conditions located at https://www.losalamosnm.us/government/departments/administrative_services/procurement unless agreed to in writing by County.

SUPPLIER

HIPPAUF DRY & CONNELLY
BLDG B
404 BRUNN SCHOOL RD BLDG B
SANTA FE, NM 87505
Email: JARAGON@HIPPAUF.COM

SHIP TO

COUNTY MANAGER
1000 CENTRAL AVE STE 350
LOS ALAMOS, NM 87544
Email: JACQUELINE.SALAZAR@LACNM.US

VENDOR NO: 28554

Procurement Contact Name		Requesting Division	Requestor Contact Name		Date Ordered	Date Required
Miranda, Annalisa		300	JACQUELINE.SALAZAR@L...		05/14/2019	
NO.	ITEM	Description	QTY	UOM	Unit Price	Extended Price
1		REPLACES PO 78830 TO CORRECT VENDOR APPRAISAL REPO				
		REPLACES PO 78830 TO CORRECT VENDOR. APPRAISAL REPORT FOR 1010 CENTRAL AVE	1.0		\$2,500.00	\$2,500.00
		REPLACES PO 78830 TO CORRECT VENDOR APPRAISAL REPORT FOR 1010 CENTRAL AVENUE				

By: Annalisa Miranda
Authorized Signature

ATTACHMENT B
SUPPLIER

Total Ext. Price	\$2,500.00
PO Total	\$2,500.00

LAND SIZE PER LOS ALAMOS COUNTY ASSESSOR'S RECORDS

▼ Assessment Information

Tax Year	Actual	Taxable	Sq Ft
Land	\$259,830	\$86,610	28,546
Building			
Head Of Household			
Veterans			
Total	\$259,830	\$86,610	

▼ Property Profile

Owner Name:	INCORPORATED COUNTY OF LOS ALAMOS
Care/of Name:	
Property Address:	1010 CENTRAL AVE
Mailing Address:	1010 CENTRAL AVE LOS ALAMOS NM 87544
PIN:	1034112154342
Account:	R010580
Legal:	EA2 2
Account Type:	EXEMPT COUNTY
Owner:	ATTACHMENT B
Zone:	DT-TCO

FLOOD MAP

National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation (BFE) Zone A, V, A99
		With BFE or Depth Zone AE, AO, AH, VE, AR
		Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
		Future Conditions 1% Annual Chance Flood Hazard Zone X
		Area with Reduced Flood Risk due to Levee. See Notes. Zone X
		Area with Flood Risk due to Levee Zone D
OTHER AREAS		NO SCREEN Area of Minimal Flood Hazard Zone X
		Effective LOMRs
GENERAL STRUCTURES		Area of Undetermined Flood Hazard Zone D
		Channel, Culvert, or Storm Sewer
		Levee, Dike, or Floodwall
OTHER FEATURES		Cross Sections with 1% Annual Chance Water Surface Elevation
		Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
		Jurisdiction Boundary
		Coastal Transect Baseline
MAP PANELS		Profile Baseline
		Hydrographic Feature
		Digital Data Available
		No Digital Data Available
		Unmapped



The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 5/28/2019 at 6:22:48 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.



QUALIFICATIONS OF THE APPRAISER

APPRAISER'S QUALIFICATIONS – MICHAEL DRY, MAI

Professional Memberships

- Member of the appraisal institute – designated as an MAI
- The New Mexico Real Estate Appraisers Board (General Certification #02739-G)

Professional Affiliations

- 2012 President of the Rio Grande Chapter of the Appraisal Institute)
- 2013 Chair of the Rio Grande Chapter of the Appraisal Institute Board of Directors
- 2013 Chair of the Rio Grande Chapter of the Appraisal Institute Nominating Committee
- 2013/2014 Chair of the Rio Grande Chapter of the Appraisal Institute Candidate Advisor Committee
- 2014-2016 Rio Grande Chapter of the Appraisal Institute Candidate Advisory
- 2016 Member of the Rio Grande Chapter of the Appraisal Institute Nominating Committee

Professional Education

- BBA, Anderson School of Management, The University of New Mexico (1993)
- Russian Language Certificate, Mendeleev Institute, Moscow, Russia (1994)
- Masters of Finance, Anderson School of Management, The University of New Mexico (2000)

Appraisal Courses and Seminars

<ul style="list-style-type: none">• Basic Appraisal Principles/Procedures/USPAP (2003)• National USPAP update (2007, 2009, 2010, 2012, 2014, 2016, 2018)• Regional Economic Forecast (2005, 2006, 2007, 2008, 2009, 2010, 2011, 2014, 2015, 2016, 2017, 2018, 2019)• Appraising agricultural land in transition (2005)• Professional's guide to the uniform Residential Appl. Report (2005)• Subdivision Valuation (2006)• Basic Income Capitalization (2006)• General Applications (2006)• Real Estate Finance Statistics and Valuation Modeling (2006)• Apartment Appraisal (2006)• Evaluating Commercial Construction (2006)• Advanced Income Capitalization (2007)• Highest and Best Use and Market Analysis (2007)• New Technology for RE Appraisers (2007)• Office Building Valuation: A Contemporary Perspective (2007)• Advanced Sales Comparison and Cost Approach (2008)• Report Writing and Valuation Analysis (2008)• Valuation of Green Buildings (2008)• Attacking and Defending an Appraisal in Litigation (2008)• Advanced Applications (2008)• Business Practices and Ethics (2009, 2014)	<ul style="list-style-type: none">• Appraisal Tools Tune-Up (2009)• Appraising in 2009 (2009)• Appraising the Appraisal Business (2009)• Stats and Graphs (2010)• Land Conservation Incentive Tax Credit Process With Special Emphasis on Appraisal Requirements (2010)• Lending World In Crisis – What Clients Need Their Appraisers to Know (2010)• NM REAB Board Renewal Update Course (2010, 2013, 2015)• Understanding and Using Investor Surveys Effectively (2011)• Appraisal Review Seminar (2011)• Appraising Distressed Commercial Real Estate (2011)• IRS Seminar: Conservation Easements & Your Taxes (2011)• Real Estate Finance, Value, and Investment Performance (2011)• Marketability Studies: 6 step process/basic applications (2012)• Appraising the Appraisal: General (2012)• Marketability Studies: Advanced Considerations & Applications (2013)• Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets (2013)• Condemnation Appraising: Principles & Applications 2016)• Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications (2017)
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Expert Witness

- Certified as an expert witness in United States Bankruptcy Court (2011, 2013)
- Certified as an expert witness in the First Judicial District Court (2012)

Professional Experience

01/18 – Present: Hippauf Dry & Connelly

01/04 – 12/17: Hippauf and Associates, Inc.,
Associate Appraiser

06/00 - 06/05: Senior Financial Analyst, Intel

Clients

Clients include local and national lenders, attorneys, institutions, including state and local governmental entities, and individuals.

Classes of Properties Appraised

Commercial, existing and proposed, such as offices, retail and subdivisions, vacant land, special use properties and industrial properties.

