

RESTRICTED APPRAISAL OF
VACANT LAND: 3661 & 3689 TRINITY
(REMAINDER)
LOS ALAMOS, NM 87544

DATE OF THE REPORT
OCTOBER 5, 2020

EFFECTIVE DATE OF VALUATION
SEPTEMBER 18, 2020

PREPARED FOR
COUNTY OF LOS ALAMOS

HIPPAUF DRY + CONNELLY

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October 5, 2020

County of Los Alamos
c/o Mr. Paul Andrus
1000 Central Avenue
Los Alamos, NM 87544

RE:	Appraisal of Vacant Land: 3661 & 3689 Trinity (remainder), Los Alamos, NM 87544 ----- Purchase Order #81572
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Dear Mr. Andrus;

Pursuant to your request, I have completed the appraisal of the above referenced property. The depth of discussion and supporting documentation contained in this report are specific, expressed requirements of the client. This restricted appraisal was prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) 2020-2021 and is subject to the assumptions and limiting conditions described in the report.

Subject of the Appraisal
Vacant Land: 3661 & 3689 Trinity (remainder): two vacant lots (zoned mixed use) subsequent to removal of portion of the sites for bus pull out (remainder)
Ownership: Incorporated County of Los Alamos
Statement: 2020 Novel Coronavirus Disease (Covid-19)
<p>The current Covid-19 health crisis is currently developing resulting in stay-at-home/shelter-in-place orders in New Mexico. It represents a systemic shock. However, it is preliminary and the impact to the market and marketability including degree and duration is fluid and is undeterminable at this point. And while a material impact is likely, a conclusion is premature and speculative in nature with no empirical evidence based on changes in transactions, supply or demand yet available. Anecdotal/qualitative information from the market is confused/panicked, variable and speculative. Historical events such as 9/11 and the 2008 economic downturn are based on different variables and use as a forecasting basis would likely be misleading at this point.</p> <p>Of primary concern is the duration of closures and the impact to the market subsequently (lost revenues, time to restart and reversion to historical mean). These items are somewhat driven by length of crisis, market fluidity/recovery and governmental involvement (stimulation, closures, etc.) It should be noted that Santa Fe and New Mexico have been aggressive to address the health concern and its locational attributes, including population, access and proximity, may reduce the severity experienced in other hot spots, typically centered on large metropolitan areas.</p>
<p>The value in the appraisal is as of the "effective date" as detailed/discussed in the appraisal and is reflective of the market conditions as of that time. However, lacking transactions subsequent to the beginning of the health crisis, the value reflects the market prior to the current state of affairs, which likely reflect the long term average and mitigate short term volatility.</p> <p><i>It should be noted that transactions that occurred prior to the crisis will/could not reflect the same market conditions as those occurring after the crisis and comparable data is not reflecting the same parameters and is limited or not available (empirical and imperative) because we are in the early stages of the crisis and will likely not be available for some time due to the typical low number of transactions in the market area</i></p>
<p>Per the market participants consulted, as of the effective date of the appraisal.</p> <p><u>Conclusion:</u> current deals being financed are continuing and there are lenders with money to lend and a reported willingness. An initial bout of terminations in listings has occurred, but appears to have</p>

stopped. The primary impact will likely be in areas that tend to be more discretionary. Some participants in the local markets appear to have a wait and see perspective. The availability of credit will be critical as well as the influx of people from larger metropolitan areas. The impact of the crisis on the subject valuation at this time is speculative

Based on the analysis, and the data and analyses contained in this report, it is my opinion the most probable fee simple market value (subject to easements and restrictions of record) in the subject property 'as is' as of September 18, 2020 is:

FINAL VALUE

Subject: Vacant Land: 3661 & 3689 Trinity (remainder)		
3661 Trinity Drive (9,652.84 square feet)		
Market Value – As Is	Fee Simple	Eighty Thousand Dollars \$80,000
3689 Trinity Drive (10,344.1 square feet)		
Market Value – As Is	Fee Simple	Eighty Five Thousand Dollars \$85,000
Hypothetical Condition		
The subject is appraised as if zoned Mixed-Use MU (site is currently not zoned)		
Restricted Report Notice		
The report presents limited discussions of the data, reasoning and analyses used in the appraisal process. The appraiser's opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser's work file.		

The attached appraisal report contains 16 pages plus addenda. If I can be of any further service with this appraisal or another matter, please do not hesitate to contact me.

Respectfully submitted,

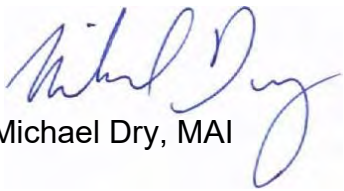


Michael Dry, MAI

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Summary of Salient Facts, Data and Conclusions

Summary		
Property Location	Vacant Land: 3661 & 3689 Trinity (remainder), Los Alamos, NM 87544	
Client	County of Los Alamos	
Owner Of Record	Incorporated County of Los Alamos	
Current Use	Vacant land (two lots)	
Highest And Best Use	Development with a commercial and/or residential use maximizing density with specific consideration of visibility/exposure and access	
Dates	Date of Inspection	September 18, 2020
	Date of Report	October 5, 2020
Purpose Of The Appraisal	Estimate Market Value	
Intended Use - Appraisal	Assist client in asset valuation for portfolio/resource analysis	
Intended User - Appraisal	County of Los Alamos	
Land Area	Property	Size (remainder)
	3661 Trinity (remainder)	9,652.84 square feet
	3689 Trinity (remainder)	10,344.1 square feet
	Note: two vacant lots (zoned Mixed-Use) subsequent to removal of portion of the sites for bus pull out. Resulting size is identified as the "Remainder"	
Zoning	Mixed-Use MU	
Vacant Land: 3661 & 3689 Trinity (remainder)		
		



The subject is approximated on the aerial photograph from Santa Fe County GIS Interactive Mapping System.

Valuation: As Is – As Of September 18, 2020

Final Value – Fee Simple: 3661 Trinity Drive (9,652.84 sf)	\$80,000
Final Value – Fee Simple: 3689 Trinity Drive (10,344.1 sf)	\$85,000

Hypothetical Condition

The subject is appraised as if zoned Mixed-Use MU (site is currently not zoned)

Restricted Report Notice

The report presents limited discussions of the data, reasoning and analyses used in the appraisal process. The appraiser's opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser's work file.

Statement: 2020 Novel Coronavirus Disease (Covid-19)

The current Covid-19 health crisis is currently developing resulting in stay-at-home/shelter-in-place orders in New Mexico. It represents a systemic shock. However, it is preliminary and the impact to the market and marketability including degree and duration is fluid and is undeterminable at this point. And while a material impact is likely, a conclusion is premature and speculative in nature with no empirical evidence based on changes in transactions, supply or demand yet available.

Anecdotal/qualitative information from the market is confused/panicked, variable and speculative. Historical events such as 9/11 and the 2008 economic downturn are based on different variables and use as a forecasting basis would likely be misleading at this point.

Of primary concern is the duration of closures and the impact to the market subsequently (lost revenues, time to restart and reversion to historical mean). These items are somewhat driven by length of crisis, market fluidity/recovery and governmental involvement (stimulation, closures, etc.) It should be noted that Santa Fe and New Mexico have been aggressive to address the health concern and its locational attributes, including population, access and proximity, may reduce the severity experienced in other hot spots, typically centered on large metropolitan areas.

The value in the appraisal is as of the "effective date" as detailed/discussed in the appraisal and is reflective of the market conditions as of that time. However, lacking transactions subsequent to the beginning of the health crisis, the value reflects the market prior to the current state of affairs, which likely reflect the long term average and mitigate short term volatility.

It should be noted that transactions that occurred prior to the crisis will/could not reflect the same market conditions as those occurring after the crisis and comparable data is not reflecting the same parameters and is limited or not available (empirical and imperative) because we are in the early stages of the crisis and will likely not be available for some time due to the typical low number of transactions in the market area

Per the market participants consulted, as of the effective date of the appraisal.

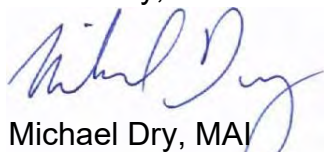
Conclusion: current deals being financed are continuing and there are lenders with money to lend and a reported willingness. An initial bout of terminations in listings has occurred, but appears to have stopped. The primary impact will likely be in arears that tend to be more discretionary. Some participants in the local markets appear to have a wait and see perspective. The availability of credit will be critical as well as the influx of people from larger metropolitan areas. The impact of the crisis on the subject valuation at this time is speculative

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 no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding 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 geographical competency necessary 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 #02739-G

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.

Restricted Report Notice
The report presents limited discussions of the data, reasoning and analyses used in the appraisal process. The appraiser's opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser's work file.

Introduction: Restricted Appraisal Report

This is a Restricted 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 2020-2021. As such, it presents no discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. The supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The report and the level of information in the report are based on the needs of the client for the intended use stated. The appraiser is not responsible for unauthorized use of this report.

Restricted Report Notice

The report presents limited discussions of the data, reasoning and analyses used in the appraisal process. The appraiser's opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser's work file.

Property Identification: The subject of the appraisal is comprised of two vacant lots (zoned mixed use) subsequent to removal of portion of the sites for bus pull out (remainder).

Subject

3661 and 3689 Trinity Drive, Los Alamos, NM 87544

Two vacant lots (zoned Mixed Use) subsequent to removal of portion of the sites for bus pull out (remainder)

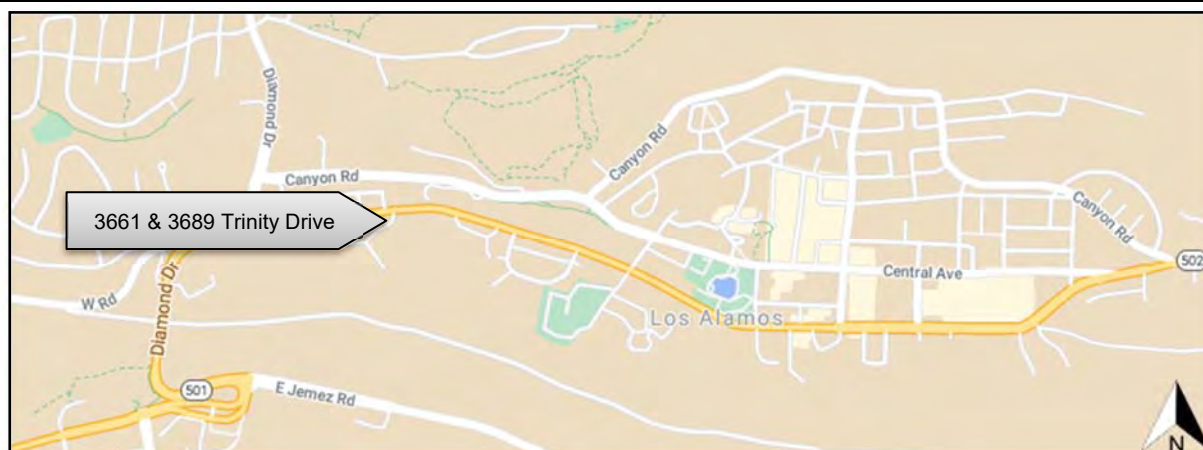
Property Ownership And History:**Property Owner**

Incorporated County of Los Alamos

The Los Alamos County Assessor's records indicate ownership is vested in Incorporated County of Los Alamos. A deed referencing the subject property could not be located nor was one provided for the appraisal. Research of applicable public records and Santa Fe MLS Service, revealed that the subject property is not currently under contract or option and is not listed for sale on the open market. According to these sources, the subject property has not been transferred within the past three years.

Property Location: 3661 and 3689 Trinity (remainder): southwest corner of Trinity and 35th, Los Alamos, NM 87544.

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:

Estimate 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:

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 the appraisal is to assist the client in asset valuation for portfolio/resource analysis.

Intended User of the Report: The report is intended for use by the client, 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.

¹ Department of Treasury, 12 CFR 34

Interest Valued: The subject is comprised of two vacant lots (zoned mixed use) subsequent to removal of portion of the sites for bus pull out (remainder) and is not encumbered by a lease. Therefore, the ownership interest that is valued is the fee simple.

Interest Valued
Fee simple
Definition
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: The effective date of value for the 'as is' fee simple value is September 18, 2020, which is the date the property was inspected.

Date of the Report: October 5, 2020.

Legal Description:

Legal Description
3661 Trinity Drive (9,652.84 sf) EA3 007
3689 Trinity Drive (10,344.1 sf) EAC 006
Source: Los Alamos County Assessor

Property Taxes: Los Alamos County property tax records were researched for the subject's current tax data. The tax data is included in the following table.

Property Taxes			
Property Tax Valuation (2019)	Property	3661 Trinity Drive	3689 Trinity Drive
	Tax ID #	R001483	R001482
	2019 Assessed Value		
	Land	\$87,590	\$87,590
	Improvements	\$0	\$0
	Total	\$87,590	\$87,590
Property Tax (2019)	\$0-exempt		
Property Tax (2018)	\$0-exempt		
Due to ownership, the subject properties are not subject to property taxes (exempt). Based on the market value in this appraisal report, the subject properties are reasonably assessed			

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

Scope of the Appraisal: This appraisal was prepared in accordance with the *Uniform Standards of Professional Appraisal Practice* 2020-2021 and instructions accompanying the definition of market value promulgated by the FDIC. Preparation of the appraisal involved the following:

Subject Property	
Vacant Land: 3661 & 3689 Trinity (remainder), Los Alamos, NM 87544.	
The subject is comprised of two vacant lots (zoned mixed use) subsequent to removal of portion of the sites for bus pull out (remainder).	
Scope of Work	
1. Inspected the site	
2. Gathered and confirmed information on comparable commercial land sales	
Note: Sales were viewed by the appraisers in this firm and confirmed with a party knowledgeable regarding the transactions.	
<ul style="list-style-type: none"> Valuation – based on the highest and best use. Confirmed and analyzed the data and applied the following approaches: <ul style="list-style-type: none"> Sales Comparison – Land/Site <p>Note: per the zoning map, the subject is not currently zoned. Per the client, the land is valued as if zoned Mixed-Use MU</p>	
The fee simple market value 'as is' for the subject property is determined as of the effective appraisal date: September 18, 2020.	
Extraordinary Assumptions and Hypothetical Conditions	
Extraordinary Assumptions	Not used in this report
Hypothetical Conditions	Used in this report
Restricted Report Notice	
The report presents limited discussions of the data, reasoning and analyses used in the appraisal process. The appraiser's opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser's work file.	
Hypothetical Condition	
The subject is appraised as if zoned Mixed-Use MU (site is currently not zoned)	

Marketing Time and Exposure Time:

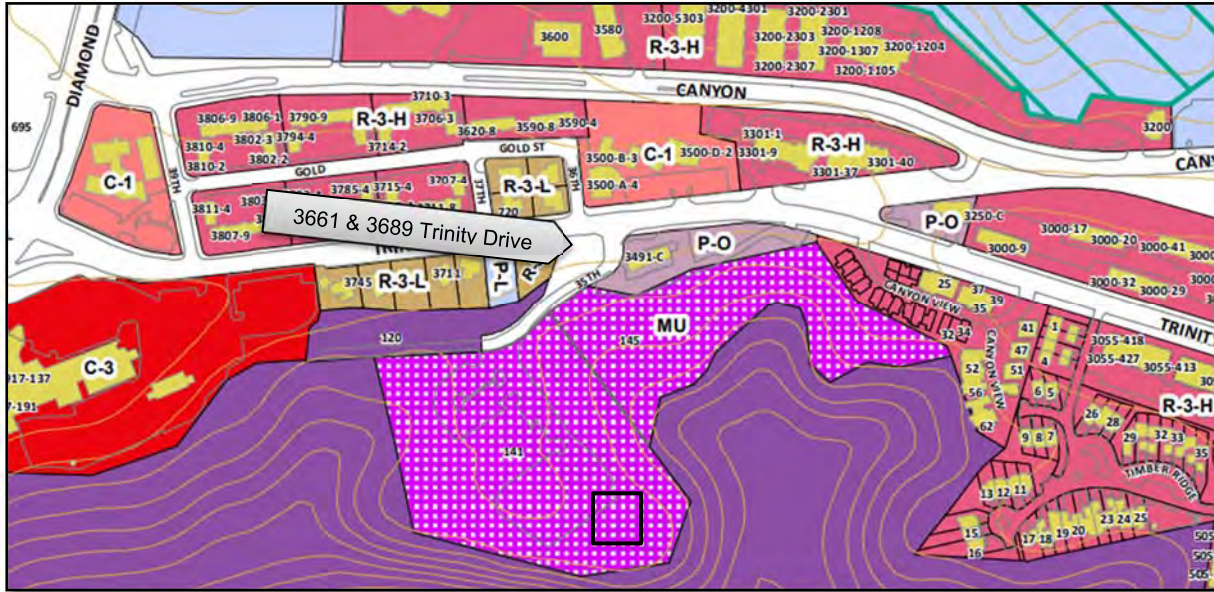
Statement: 2020 Novel Coronavirus Disease (Covid-19)	
<p>The current Covid-19 health crisis is currently developing resulting in stay-at-home/shelter-in-place orders in New Mexico. It represents a systemic shock. However, it is preliminary and the impact to the market and marketability including degree and duration is fluid and is undeterminable at this point. And while a material impact is likely, a conclusion is premature and speculative in nature with no empirical evidence based on changes in transactions, supply or demand yet available. Anecdotal/qualitative information from the market is confused/panicked, variable and speculative. Historical events such as 9/11 and the 2008 economic downturn are based on different variables and use as a forecasting basis would likely be misleading at this point.</p> <p>Of primary concern is the duration of closures and the impact to the market subsequently (lost revenues, time to restart and reversion to historical mean). These items are somewhat driven by length of crisis, market fluidity/recovery and governmental involvement (stimulation, closures, etc.) It should be noted that Santa Fe and New Mexico have been aggressive to address the health concern and its locational attributes, including population, access and proximity, may reduce the severity experienced in other hot spots, typically centered on large metropolitan areas.</p> <p>The value in the appraisal is as of the "effective date" as detailed/discussed in the appraisal and is reflective of the market conditions as of that time. However, lacking transactions subsequent to the beginning of the health crisis, the value reflects the market prior to the current state of affairs, which likely reflect the long term average and mitigate short term volatility.</p> <p><i>It should be noted that transactions that occurred prior to the crisis will/could not reflect the same market conditions as those occurring after the crisis and comparable data is not reflecting the same parameters and is limited or not available (empirical and imperative) because we are in the early stages of the crisis and will likely not be available for some time due to the typical low number of transactions in the market area</i></p>	
Market Participants	
<p>Due to the lack of empirical evidence, anecdotal evidence was researched. Market participants were consulted. The market participants included but was not limited to bankers, realtors, investors and developers.</p> <ul style="list-style-type: none"> • Status of active escrows? • Buyers' behavior/backing out? • Sellers listing properties? Reducing prices? Offering concessions? • Changes/trends with days-on-market? • Brokers hearing? • Tenants renewing leases? Concessions? • Businesses closings? Vacancies? • Status of development plans (proceeding or put on hold)? <p>Per the market participants consulted, as of the effective date of the appraisal.</p> <p><u>Conclusion:</u> current deals being financed are continuing and there are lenders with money to lend and a reported willingness. An initial bout of terminations in listings has occurred, but appears to have stopped. The primary impact will likely be in areas that tend to be more discretionary. Some participants in the local markets appear to have a wait and see perspective. The availability of credit will be critical as well as the influx of people from larger metropolitan areas. The impact of the crisis on the subject valuation at this time is speculative</p>	

The subject's marketing/exposure time is in the following table.

Marketing & Exposure Times	
Vacant Land: 3661 & 3689 Trinity (remainder)	<p>Estimated to be three months to two years if actively marketed at or near the current market value</p> <p>The most likely buyer is an owner/user</p>
Note	
Due to the current health crisis, the marketing time may increase, but the impact is not yet realized.	

Legal Use:

The subject is appraised as if zoned Mixed-Use MU.

Legal Use of the Property	
Zoning:	Mixed-Use MU
Zoning Map	
	
Mixed-Use (MU)	
<p>The mixed-use district is intended to provide flexibility in the development or redevelopment of parcels, while promoting good design and encouraging economic development. This district allows office, residential and commercial uses, individually or in any combination, on the same lot or within the same structure. The mixed-use district corresponds closely, in uses and design and development standards to DT-NCO.</p>	
Location Description – Neighborhood	
Subject Neighborhood Boundary	
<p>The subject's general neighborhood is comprised of Los Alamos and White Rock (a bedroom community to Los Alamos). The subject's immediate neighborhood is at the confluence of commercial uses on Trinity Drive concentrated in the downtown and the residential uses beyond. The subject is located between the commercial center and the hospital to the west and residential subdivisions beyond.</p>	
Note	
<p>The subject's neighborhood is comprised of commercial uses and residential uses (single and multi-family) as well as institutional uses</p>	

Description Of Real Estate Appraised Site**Site Details: Vacant Land: 3661 & 3689 Trinity (remainder)**

3661 and 3689 Trinity Drive, Los Alamos, NM 87544

Two vacant lots (zoned Mixed Use) subsequent to removal of portion of the sites for bus pull out (remainder)



**Site Details**

Site Size	Property	Size (remainder)
	3661 Trinity (remainder)	9,652.84 square feet
	3689 Trinity (remainder)	10,344.1 square feet
	Note: two vacant lots (zoned Mixed-Use) subsequent to removal of portion of the sites for bus pull out. Resulting size is identified as the "Remainder"	
Shape/Topography	Irregular/Essentially level on street grade (Trinity)	
Frontage	Trinity Drive (paved 2-lane street with center turn lane - with curbs, gutters and sidewalks)	
Access	Trinity Drive	
Easements/Encroachments	No easements or encroachments were noted	
Legal Use	Zoning: Mixed-Use MU	
Flood	Flood zone X: Site is located in an area of minimal flood hazard. Flood Insurance Rate Map 35028C0040C dated July 18, 2011	
Utilities	All public utilities available to the site	
Soil	A soil survey was not provided. However, based on nearby improvements and those on the site, it is assumed soils are stable enough to adequately support construction.	
Comments	The subject is located in an area almost exclusively light industrial/warehouse uses. No external obsolescence was noted.	

Highest And Best Use

Highest and Best Use
The highest and best use: Development with a commercial and/or residential use maximizing density with specific consideration of visibility/exposure and access
Most likely buyer: owner user, but may include local investor
Note: subject's is in a mixed-use zone combining residential, office, commercial, civic and other uses

Reconciliation And Value Conclusion

Based on the data presented in the report, it is my opinion the most probable fee simple market value (subject to easements and restrictions of record) in the subject property 'as is' and as of September 18, 2020 is:

FINAL VALUE

Subject: Vacant Land: 3661 & 3689 Trinity (remainder)		
3661 Trinity Drive (9,652.84 square feet)		
Market Value – As Is	Fee Simple	Eighty Thousand Dollars \$80,000
3689 Trinity Drive (10,344.1 square feet)		
Market Value – As Is	Fee Simple	Eighty Five Thousand Dollars \$85,000
Restricted Report Notice		
The report presents limited discussions of the data, reasoning and analyses used in the appraisal process. The appraiser's opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser's work file.		
Note: Value of the subject parcels sold individual or together		
The gross retail value of the subject lots sold together is \$165,000 (\$80,000 + \$85,000). However, this doesn't initially take into account consideration of the increase or decrease in value based on the increase or decrease in utility as well as synergies created or lost.		
Discussion: the value of the lots can be impacted based on combination due to the increased utility for commercial use and/or residential use.		
The pros and cons of commercial and residential development follow.		
<u>Commercial Development:</u> the subject lots are located on Trinity Drive (commercial corridor) at the confluence of commercial development in the commercial center and residential development. There is additional commercial development in proximity of the subject primarily related to the hospital, which is located west of the subject.		
<ul style="list-style-type: none"> Most likely commercial use is related to their location in proximity of the hospital, which is also benefited by the location in a high traffic/exposure location. However, the subject lots are located adjacent and in proximity to residential use: single and multi-family. Intensive commercial uses are unlikely based on this as well as likely access and neighborhood acceptance.. Commercial development of the lots individually is unlikely based on their sizes (small). The subject lots have more commercial applicability when combined, but the commercial use will have less validity based on residential development in the immediate area/adjacent 		
<u>Residential Development:</u> the subject lots allow for residential development: single family (small) or multi-family (townhouses, multi-family development: duplex, triplex or fourplex). Development of higher density uses, such as multi-family or townhouses, would likely be a function of the lots developed in conjunction.		
<ul style="list-style-type: none"> Residential use would be negatively impacted by location: high traffic/exposure. However, market demand for residential is extremely high. 		
Much of the development in the area is older; however, market acceptance appears to be adequate for either use.		
Conclusion: In the case of commercial or residential development, the lots can be purchased individually and subsequently combined/assembled. In this scenario, the value of the lots is impacted by the cost to combine/assemble. This cost is considered relatively minimal and should not significantly impact the value of the lots whether sold individual or in conjunction.		

Statement: 2020 Novel Coronavirus Disease (Covid-19)

The current Covid-19 health crisis is currently developing resulting in stay-at-home/shelter-in-place orders in New Mexico. It represents a systemic shock. However, it is preliminary and the impact to the market and marketability including degree and duration is fluid and is undeterminable at this point. And while a material impact is likely, a conclusion is premature and speculative in nature with no empirical evidence based on changes in transactions, supply or demand yet available. Anecdotal/qualitative information from the market is confused/panicked, variable and speculative. Historical events such as 9/11 and the 2008 economic downturn are based on different variables and use as a forecasting basis would likely be misleading at this point.

Of primary concern is the duration of closures and the impact to the market subsequently (lost revenues, time to restart and reversion to historical mean). These items are somewhat driven by length of crisis, market fluidity/recovery and governmental involvement (stimulation, closures, etc.) It should be noted that Santa Fe and New Mexico have been aggressive to address the health concern and its locational attributes, including population, access and proximity, may reduce the severity experienced in other hot spots, typically centered on large metropolitan areas.

The value in the appraisal is as of the "effective date" as detailed/discussed in the appraisal and is reflective of the market conditions as of that time. However, lacking transactions subsequent to the beginning of the health crisis, the value reflects the market prior to the current state of affairs, which likely reflect the long term average and mitigate short term volatility.

It should be noted that transactions that occurred prior to the crisis will/could not reflect the same market conditions as those occurring after the crisis and comparable data is not reflecting the same parameters and is limited or not available (empirical and imperative) because we are in the early stages of the crisis and will likely not be available for some time due to the typical low number of transactions in the market area

Per the market participants consulted, as of the effective date of the appraisal.

Conclusion: current deals being financed are continuing and there are lenders with money to lend and a reported willingness. An initial bout of terminations in listings has occurred, but appears to have stopped. The primary impact will likely be in arears that tend to be more discretionary. Some participants in the local markets appear to have a wait and see perspective. The availability of credit will be critical as well as the influx of people from larger metropolitan areas. The impact of the crisis on the subject valuation at this time is speculative.

ADDENDA

PURCHASE ORDER

Purchase Order

INCORPORATED COUNTY OF LOS ALAMOS

Fiscal Year 2021

Page: 1 of: 1

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

Purchase
Order

81572

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.

INVOICE TO

SUPPLIER

SHIP TO

HIPPAUF DRY & CONNELLY
BLDG B
404 BRUNN SCHOOL RD BLDG B
SANTA FE, NM 87505
Email: JARAGON@HIPPAUF.COM
Fax: 505-988-4378

COMMUNITY DEVELOPMENT
1000 CENTRAL AVE STE 150
LOS ALAMOS, NM 87544

VENDOR NO: 28554

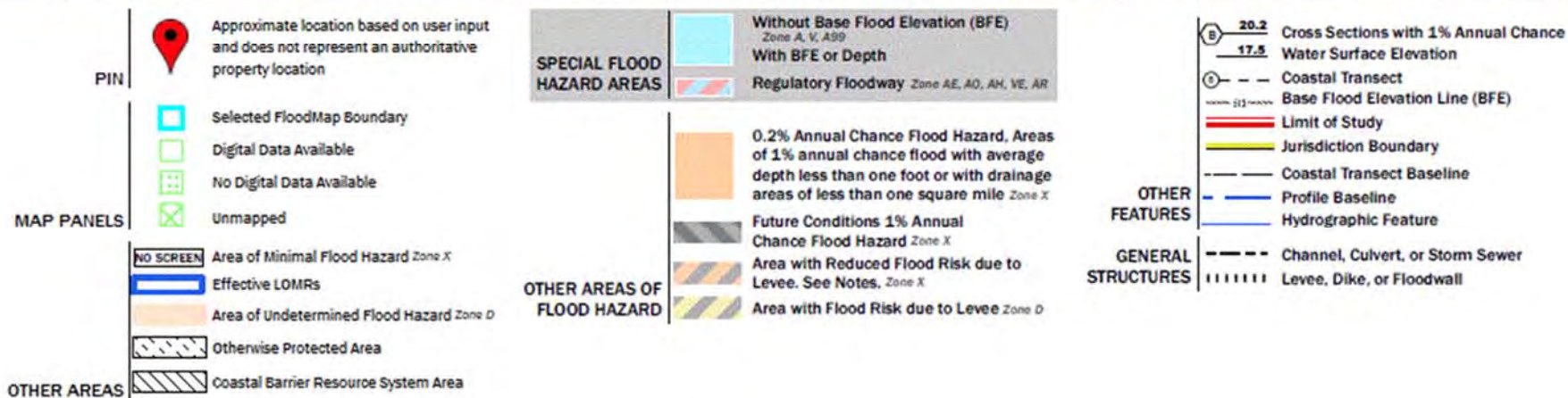
Procurement Contact Name		Requesting Division	Requestor Contact Name		Date Ordered	Date Required
Miranda, Annalisa		450			09/18/2020	09/18/2020
NO.	ITEM	Description	QTY	UOM	Unit Price	Extended Price
1		MISCELLANEOUS SERVICES, NO. 1 (NOT OTHERWISE CLASS APRAISAL OF 19,996.94 square feet @ the SWC of Trinity and 35th Remainder: portion of 3661 and 3689 Trinity	1.0	EACH	\$2,800.00	\$2,800.00

By: Annalisa Miranda
Authorized Signature

ATTACHMENT B
SUPPLIER

Total Ext. Price	\$2,800.00
PO Total	\$2,800.00

FLOOD MAP



APPRAISER'S QUALIFICATIONS

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, 2020)• 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.



ATTACHMENT B